

O-Bank 2021 Sustainability Report



Table of Contents

Editor's Note	02	5. Happy Workplace	83
Letter from the Chairperson	04	5.1 Employee Composition and Promotion of a Friendly Work Environment	84
2021 Sustainability Performance Highlights	06	5.1.1 Diverse Hiring	84
1. Sustainability Management and Stakeholders	08	5.1.2 Workplace Equality	86
1.1 CSR Policy and Its Implementation	09	5.1.3 Working Environment and Healthcare	91
1.1.1 Corporate Social Responsibility Committee	11	5.2 Employee Compensation and Benefits	97
1.1.2 Sustainable Development Best Practice Principles	12	5.2.1 Fair Compensation	97
1.2 Identification of Stakeholders	12	5.2.2 Benefits and Human Caring	99
1.3 Identifying and Analyzing Material Issues	13	5.3 Employee Cultivation and Development	103
1.3.1 Identification and Analysis of Material Issues	13	5.3.1 Performance Management	103
1.3.2 Stakeholder Engagement	17	5.3.2 Training and Learning	104
		5.3.3 Talent Development and Training	106
2. Overall State of the Company	21	5.4 Communication and Engagement with Employees	107
2.1 About O-Bank	22	5.4.1 Communication Platform and Exchange Activities	107
2.1.1 Company Profile	22	5.4.2 Employee Satisfaction	109
2.1.2 The O-Bank Group Business Network	24	6. Environmental Sustainability	110
2.1.3 B Corp Certification	25	6.1 Environmental Management Policies and Targets	111
2.2 Operating Performance and Reputation	26	6.1.1 Using Digital Finance to Achieve a Customer-Friendly Environment	111
2.2.1 Operating Performance	26	6.1.2 Setting and Achievement of Environmental Management Targets	111
2.2.2 Awards and Recognition	28	6.2 Management of Energy and Resources	113
2.3 Market Environment and Development Strategies	30	6.2.1 Energy Management	113
2.3.1 Banking Sector Business Environment and Future Prospects	30	6.2.2 Water Resources Management	116
2.3.2 O-Bank's Development Strategy	31	6.2.3 Waste Management	117
		6.3 CO ₂ Emissions Inventories	118
3. Corporate Governance	33	6.4 Green Purchasing and Supplier Management	120
3.1 Governance Framework	34	6.5 Environmental Sustainability Activities	122
3.1.1 Operations of the Board of Directors	34	7. Social Engagement	124
3.1.2 Functional Committees	42	7.1 O-Bank's Thinking	125
3.1.3 Shareholder Structure and Communication	43	7.1.1 O-Bank's Approach	125
3.2 Ethical Best Practice	44	7.1.2 O-Bank Community Volunteer Club	126
3.2.1 Ethics and Integrity	44	7.2 Care for Students in Remote Areas	126
3.2.2 Internal Control and Audit Systems	48	7.3 Support for Social Enterprises & B Corporations	128
3.3 Legal Compliance	49	7.4 Giving back to Society by Taking Advantage of O-Bank Strengths	130
3.3.1 Legal Compliance	49	7.5 Developing Talent for the Future	134
3.3.2 Anti-money Laundering and Counter Financing of Terrorism (AML/CFT)	50	7.5.1 Internship Program for Students from Underprivileged Backgrounds	134
3.3.3 Personal Information Protection	50	7.5.2 Cooperation with Schools	135
3.4 Risk Management	52	7.6 Community Service and Donations	135
3.4.1 Risk Management Policies and Operations	52	7.6.1 Donations in 2021	135
3.4.2 Climate-related Financial Risks	57	7.6.2 Solicitation of Material Donations	136
3.5 Information Security	61	7.7 Promotion of Arts and Cultural Education	137
3.5.1 Information Security Management Policy	61	7.7.1 Cultivation of Up-and-coming Talent	137
3.5.2 Protective Measures for Information Security	62	7.7.2 Platform to Support Artistic Activities	138
3.5.3 Information Security Drills	63	7.7.3 Development of Arts Education	139
3.6 Tax Governance	63	7.7.4 Training of Arts & Culture Volunteers	140
3.6.1 Tax Policy	63		
3.6.2 Tax Governance and Communication	64		
4. Customer Service	65	Appendix 141	
4.1 Financial Services and Innovation	66	Appendix 1: GRI Sustainability Reporting Standards Content Index	141
4.1.1 Enhanced Financial Services	66	Appendix 2: SASB (Sustainability Accounting Standards Board) Index	149
4.1.2 Financial Innovation	68	Appendix 3: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	151
4.2 Service Quality and Customer Experience	69	Appendix 4: Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	152
4.2.1 Principles for Fair Treatment of Customers	69	Appendix 5: ISO 26000 Index	153
4.2.2 Disclosure of Product Risks	70	Appendix 6: UN Global Compact Index	154
4.2.3 Handling and Tracking of Customer Complaints	71	Appendix 7: Sustainable Development Goals Index	155
4.2.4 Customer Satisfaction	73	Appendix 8: Independent Assurance Opinion Statement	156
4.3 Responsible Finance	73	Appendix 9: Limited Assurance Report	158
4.3.1 Responsible Lending	73		
4.3.2 Responsible Investment	77		
4.3.3 Identification and Management of Carbon-intensive Industries	77		
4.3.4 Responsible Products	78		
4.3.5 Financial Inclusion	81		
4.4 Customer Privacy and Transaction Security	81		

Editor's Note

Fulfilling our corporate social responsibilities is the first of many steps that O-Bank takes to "fulfilling oneself by benefiting others". To achieve sustainable operation and development, O-Bank deeply believes that the most important mission for a company is to pursue profit while at the same time caring for the environment and society.

O-Bank formed a Corporate Social Responsibility ("CSR") Committee in 2015. We maintain a corporate culture of "always sincere, always here" in the spheres of corporate governance, customer relationships, employee care, environmental protection, and social engagement. In 2021, we addressed a sixth sphere of green finance, thus taking a systematic approach to the implementation of our many different CSR plans. The results of our CSR efforts are regularly disclosed in sustainability reports. By means of these reports, O-Bank hopes to stay in close communication with all concerned stakeholders so that they can better understand our thinking and how we act upon it. Since publishing our first sustainability report in 2016, O-Bank has regularly published one each year in late June (Since 2021, English version sustainability report has been regularly published one each year in August). This year's will be the seventh sustainability report, and more will follow each year.

This CSR report covers O-Bank's CSR achievements in the six dimensions of corporate governance, customer relationships, employee care, environmental protection, social engagement, and green finance from January 1 to December 31 of 2021. Also, to ensure the completeness of reporting on certain programs and activities, parts of the report present information dating back to before 2021. Disclosures in this report mainly cover O-Bank's domestic and overseas business locations. In Taiwan this includes the head office and main Business Department in Taipei as well as the Zhongxiao-Dunhua Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, and Tainan Region Business Department. Overseas it includes the Hong Kong Branch and the Tianjin Representative Office. However, it does not include the affiliated enterprises that are covered in O-Bank's consolidated financial statements. Disclosures on the results of environmental protection measures (i.e. data on power consumption, water usage, and greenhouse gas emissions) include all business locations throughout Taiwan, while figures for waste volume include the head office and main Business Department in Taipei as well as affiliated enterprises IBT Leasing Co. and China Bills Finance Corporation. Information on the results of social engagement efforts includes the community service activities of the O-Bank Education Foundation. All financial figures in this report are denominated in NT Dollars and have been certified by a CPA.

In its content and structure, the O-Bank 2021 Sustainability Report is modeled on the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) and the AA1000 AccountAbility Principles, and the SASB standards for commercial banks and consumer finance, and was also drafted with reference to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the ISO 26000 Guidance on Social Responsibility, the UN Global Compact disclosure guidelines, and the UN Sustainable Development Goals. At the same time, O-Bank retained the British Standards Institution to independently certify our Sustainability Report on the basis of the "GRI Standards (2016): Core option" and the AA1000 AccountAbility Principles (The high level assurance of Type 2 of AA1000AS v3), as shown in Appendix 8. At the same time, O-Bank retained Deloitte Taiwan to prepare independent limited assurance reports on 11 specific sustainability performance indicators in accordance with the Accounting Research and Development Foundation's "Statements of Assurance Engagements Standards No. 01: Assurance Engagements Other than Audits or Reviews of Historical Financial Information," which were drafted with reference to the International Standard on Assurance Engagements 3000 (ISAE 3000). Deloitte Taiwan's limited assurance reports are presented in Attachment 9.

To protect the environment, this report has been printed under strict quantity control, using soy ink on paper certified by the Forest Stewardship Council. An electronic version is available for downloading from the CSR section of the O-Bank website. If you have any suggestions regarding this report, you are welcome to contact us:

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O-Bank Corporate Communications Department
CSR Team

Letter from Chairperson

In addition to pursuing growth and creating economic value, an enterprise must create social value, act as a force for good in society, and maintain a corporate sustainability that facilitates the emergence of a synergistic co-existence between the economy, the natural environment, and society. O-Bank has long been dedicated to achieving our goal of corporate sustainability. Ever since our founding in 1999 as the Industrial Bank of Taiwan, and then our reorganization and listing in 2017 as O-Bank, O-Bank has acted in the spirit of "fulfilling oneself by benefiting others," working with all stakeholders to create a shared prosperity and achieve sustainable development for the company, the environment, and society.

I chair the Corporate Social Responsibility Committee that we formed in 2015. O-Bank's President serves as the committee's vice chairman, and the rest of the committee's membership is composed of the chiefs of O-Bank's related units. Since the founding of this committee, we have begun to fulfill our corporate social responsibilities in a more systematic manner, steadily advancing commitments in the five dimensions of corporate governance, employee care, customer relationships, environmental protection, and social engagement. In 2021, we addressed a sixth dimension by establishing a Green Finance Subcommittee under the Corporate Social Responsibility Committee. In addition to becoming the 124th financial institution in the world to formally sign on to the Equator Principles, we also carried out our first green bond issue in 2021, thus moving steadily toward the achievement of sustainable finance, and using the power of finance to spur sustainable development. In addition, in response to the issue of climate change and the issue of net zero CO₂ emissions, O-Bank has pledged that renewable energy will account for 50% of power consumption at all business locations in Taiwan by the year 2030, and 100% by the year 2050. We firmly believe that a company's mission is not merely to earn profits; besides pursuing profit, a company must also care for the environment and society, and work toward a vision in which all stakeholders share in win-win outcomes for all.

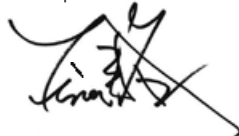
After years of determined effort, O-Bank has become a Certified B Corporation, a distinction that signifies that the recipient meets the highest international standards for performance in the fulfillment of corporate social responsibility. We are the first Taiwanese financial services firm to become a B Corporation, as well as the first Taiwanese listed company to do so. This achievement demonstrates the depth of our commitment to employees, the environment, and society. What we seek is not simply to be "the best IN the world," but to be "the best FOR the world". Besides, O-Bank once again received an "Excellence in Corporate Social Responsibility Award" from CommonWealth Magazine for the fourth year in a row, including in 2021 a second place in the medium-sized enterprise category for the second consecutive year. We've also won numerous "Taiwan Corporate Sustainability Awards" from the Taiwan Institute for Sustainable Energy over the years. In 2021, we won a Corporate Sustainability Report Award, a Corporate Comprehensive Performance Award in the "domestic corporates" category, and a "Gender Equality Leadership Award" and "Creativity in Communication Leadership Award" in the Best Practice category. O-Bank's Social Impact program, which is the first of its kind in the world, won the 2021 Global Corporate Sustainability "Great Practice Award" in the World Class category. In addition, we ranked high in the ESG Risk Ratings published by Sustainalytics, an ESG and corporate governance research, ratings and analytics firm. In these and many other ways, O-Bank has been striving with determination to operate sustainably and enjoy a shared well-being with all stakeholders.

As for business performance over the past year, O-Bank continued working to build our corporate finance business by providing corporate customers with comprehensive financial services, and by developing increasingly into a boutique bank. In the field of retail financial services, by relying primarily on online channels and secondarily on physical channels, we sought to provide retail services that feature a low access threshold, borderless service, and zero lag time. As of year-end 2021, O-Bank had more than 470,000 digital accounts. Looking to the future, while continuing to do a solid job with corporate financial services, O-Bank will take an innovative approach to the task of expanding retail financial services so as to create business synergies.

Moving forward, in an effort to realize our vision of prospering with employees, profiting with clients and shareholders, co-existing with the environment, and benefiting with society, O-Bank will continue implementing the following CSR strategies:

1. Insist on integrity, and realize our corporate culture of "Always Sincere, Always Here" in relationships with employees, clients, shareholders, public society, and all stakeholders.
2. Commit to sustainable business management and strive to maximize shared value for employees, clients, shareholders, and all stakeholders.
3. Uphold the law, value corporate governance, and effectively manage risks.
4. Work to balance employees' work and life, provide them with high-quality care, multifaceted talent development plans, and a comfortable and safe work environment.
5. Promote our corporate culture, value teamwork, build a warm, cooperative, and friendly workplace, and give employees a sense of belonging, happiness, and mission.
6. Provide sophisticated services, enhance professional value, and grow up with our clients, to make contributions to the economy and industry, and further create a win-win situation.
7. Actively promote and lead innovation in the Bank, industry, and society, in accordance with governmental policies.
8. Value and continue to implement environmentally friendly policies.
9. Carry out public welfare and arts and education activities, care for the community and students, give back to the local community and society, and promote and lead employees to engage in charitable service.

Chairperson Tina Y. Lo



2021 Sustainability Performance Highlights



Corporate Governance

Among top 5% in the TWSE "Corporate Governance Evaluation"

O-Bank scored among the top 5% in the Taiwan Stock Exchange's "2021 Corporate Governance Evaluation".

Certification for "excellent performance" in corporate governance system assessment

Awarded an "excellent performance" certification by the Taiwan Corporate Governance Association under the CG6012 (2019) Corporate Governance System Assessment.

Board members take part in 128 hours of ongoing professional development

O-Bank directors completed a combined total of 128 hours of continuing education, which was higher than the statutory minimum and 100% of O-Bank's own target for continuing education hours.

Completed an outside evaluation of board of directors performance

Completed first outside evaluation of board of directors performance, adopted an improvement plan, and submitted it to the board of directors for approval.



Employee Care

TWSE RAFI Taiwan High Compensation 100 Index

O-Bank was selected as a component of the TWSE RAFI Taiwan High Compensation 100 Index.

Women account for roughly 46% of management

Men and women each account for roughly half of all employees. Women account for roughly 46% of management and 57% of all promotions.

Same-sex spouses receive equal benefits

Same-sex spouses of employees receive the same benefits and allowances as spouses of other married employees.

O-Bank leave benefits exceed statutory requirements

Maternity leave, paternity leave, and paternity leave for prenatal checkups at O-Bank all exceed statutory requirements. O-Bank also offers family ties leave, community service leave, honor leave, and long service leave.

Active lifestyles, healthy workplace

O-Bank has received a Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare and a "Taiwan i Sports" certification from the Ministry of Education.

O-Star Elite Employees

O-Bank has launched the "O-Star Elite Employee Development Program" to identify outstanding in-house employees and develop their talents.



Customer Relationships

13 charity affinity cards

O-Bank launched 4 new charity affinity cards in 2021, bringing the total number of such cards to 13. Users of the charity affinity cards account for 10% of all O-Bank customers.

Fighting COVID-19 with preferential loans and fee reductions or waivers

O-Bank addressed the economic impact of COVID-19 by launching a Preferential Loan Program for B Corporations and Social Enterprises, and provide individual customers with loan repayment deferrals as well as interest rate reductions.

Measures to provide convenience to financial consumers during pandemic

Many services normally handled at service counters are now handled via video customer service to reduce risks associated with trips to the bank.

Measures to improve responsible lending

Incorporate ESG risk factors into credit management procedures, and use the power of finance to spur sustainable development of industry.

Formally signed on to the Equator Principles

As the world's 124th financial institution to sign on to the Equator Principles, O-Bank examines the environmental and social risks associated with project financing.

Completed identification and inventorying of carbon-intensive industries

O-Bank has drawn up a list of the 10 biggest carbon-intensive industries, and used the PCAF methodology to inventory portfolio GHG emissions.



Social Engagement

Introduces Taiwan's first "Consumer Spending Carbon Calculator"

First bank in Taiwan to develop a "Consumer Spending Carbon Calculator" that can be used to check the carbon footprint of each card purchase. Also launched a "Low-Carbon Lifestyle" Debit Card and adopted a carbon reduction reward system, thus using the power of finance to spur broad-based participation in the effort to reduce CO₂ emissions.

O-Bank sets industry first in pushing for green consumption

O-Bank was the first in Taiwan's banking industry to call for conscious consumption. O-Bank is working with 27 social enterprises and B Corporations to promote the "Green Consumption Power" project.

O-Bank Social Impact program, first of its kind in Taiwan

Funds deposited in special Social Impact Deposit accounts are used solely for the specific purpose of backing microloans to help economically disadvantaged persons. As a result, O-Bank won the 2021 Global Corporate Sustainability "Great Practice Award" in the World Class category.

Support for social enterprises' product

O-Bank received 3rd Class "Buying Power" Award for 5th consecutive year from the Ministry of Economic Affairs for purchasing of products from social enterprises.

Support for 27 students from underprivileged backgrounds

For six straight years, O-Bank has carried out Summer Seed Internship Program for students from underprivileged backgrounds. Over this time, 27 students have benefitted from the program.

1,206 young artists benefit from "Stars of Tiding" art advocacy project

The "Stars of Tiding" art advocacy project, which has now been held for the past 12 years, has provided strong support to 1,206 up-and-coming young artists.



Environmental Protection

Net zero CO₂ emissions at all business locations by 2050

Pledged to achieve net zero CO₂ emissions at all business locations by 2050, and adopted science-based targets (SBTs).

Adopted an ISO 50001 energy management system

Completed the installation of an ISO 50001:2018 energy management system and had it certified to ensure more efficient energy usage.

Achieved environmental management targets

Power usage per employee at business locations throughout Taiwan were down by 6.2% year-on-year, and water usage per employee was down by 10.9% year-on-year.

Greenhouse gas inventory coverage ratio of 100%

O-Bank greenhouse gas inventories now cover 100% of O-Bank's business locations in Taiwan.



1. Sustainability Management and Stakeholders



1.1 CSR Policy and Its Implementation

Sustainable business is O-Bank's goal, and we maintain our corporate culture of "always sincere, always here" in relations with employees, customers, shareholders, the public, and all stakeholders. To fulfill our CSR obligations, O-Bank in January 2015 established the "Corporate Social Responsibility Committee". Responsible for setting CSR-related systems and policies, and for implementing plans, the committee holds regular meetings to track the execution of each project, and from 2022 it is responsible for reporting to the Board of Directors on each unit's annual CSR plans and targets. O-Bank's Corporate Social Responsibility Committee publishes a sustainability report each year to update readers on our recent achievements. Once the report has been approved by the Corporate Social Responsibility Committee and published, it is reported to the Board of Directors in order to facilitate communication with all stakeholders so that the latter can better understand O-Bank's CSR activities.

To conduct sustainability management in a long-term and systematic manner, O-Bank has established a Sustainable Development Section under the Corporate Communications Department to promote CSR measures throughout the Bank and ensure their effective implementation. Co-workers from the Sustainable Development Section and other related units are very involved in CSR work. At this point, four employees work full-time on CSR matters, while another 10 employees spend a portion of their working hours on CSR operations and promotion, ensuring that CSR policies are properly carried out throughout the entire Bank.

To continue enhancing our CSR measures, O-Bank has adopted short-term, mid and long-term strategic goals for environmental, social, and governance (ESG) issues (see Table 1-1), and on that basis has launched a bank-wide CSR action plan.

Table 1-1: O-Bank's Short-term, Mid- and Long-term ESG Strategies

ESG Strategies	Short-term	Mid- and Long-term	Associated Targets of Sustainable Development Goals (SDGs)
Environmental (E)	<ol style="list-style-type: none"> 1. Continue conserving energy, reducing carbon emissions, implementing green purchasing, and using renewable energy resources to reduce the environmental burden of O-Bank's operations. 2. Acting in line with the Equator Principles, O-Bank will establish an environmental and social risk assessment framework for project financing. 3. Formulate a fully developed ESG evaluation mechanism for responsible lending and responsible investment, adopt management targets, and use our role as a financial intermediary to spur sustainable development of various industries. 	<ol style="list-style-type: none"> 1. Pursue low power-consumption in our operations, and collaborate with upstream and downstream firms in industry value chains to promote environmental protection policies. 2. Acting in line with the Science Based Targets initiative (SBTi), we have adopted greenhouse gas emission reduction targets, and will continue increasing our reliance on renewable energy, and have pledged to achieved net zero CO₂ emissions by 2050. 3. We will continue to increase the amount of funds directed toward environmental and social financing and investments, and carry out responsible lending and responsible investing. 4. We will inventory portfolio GHG emissions and include portfolio GHG emissions among the evaluation factors in the investment and financing decision-making process. 	<ol style="list-style-type: none"> 6.3 Improve water quality, eliminate pollution, and eliminate dumping of waste. 7.2 Increase global renewable energy sharing. 8.4 Reduce the linkage between economic growth and environmental degradation. 12.5 Generate less waste by "avoiding, reducing, recycling, and reusing". 12.6 Encourage companies to adopt sustainable industrial and commercial methods.

ESG Strategies	Short-term	Mid- and Long-term	Associated Targets of Sustainable Development Goals (SDGs)
Social (S)	<ol style="list-style-type: none"> 1. Build an environment where employees can work with peace of mind, establish a comprehensive professional development system, provide competitive salary and benefits, and provide for balanced development by addressing the three aspects of "recruiting talent," "developing talent," and "retaining talent". 2. Continue launching financial products with CSR features and use financial resources to give back to society. 3. Remain involved in community service to care for the needs of students who are from remote areas or underprivileged backgrounds, and underprivileged groups; support social enterprises and B Corporations and network with them to use business as a force for good. 	<ol style="list-style-type: none"> 1. Attract and develop professional talent, create organizational competitiveness, and build a positive corporate culture from top to bottom. 2. Work to achieve financial inclusion, give consideration to financial inclusion during the process of financial product design, and create digital banking services that offer both convenience and a human touch. 3. Put our financial industry expertise to work for community service, and exert a positive influence for the needy. 	<ol style="list-style-type: none"> 1.4 Ensure that all have fair access to new technologies and financial services. 4.3 Ensure that all have fair and affordable access to education. 4.5 Eliminate education inequality, and ensure that the underprivileged have access to education. 5.1 Eliminate all forms of discrimination against women. 5.5 Ensure that women have fair opportunities to take part in policymaking and leadership. 8.3 Encourage the growth of micro, small, and medium-sized enterprises, including by obtaining access to financial services. 8.5 Enable all persons to have a good job, and achieve equal pay for equal work. 8.6 Reduce the numbers of youth who experience unemployment, interruption of schooling, or failure to receive training. 8.8 Protect the rights and interests of labor, and promote workplace safety. 9.3 Ensure that small industrial and commercial firms have more channels to access financial services, including affordable loans.
Governance (G)	<ol style="list-style-type: none"> 1. Establish an open and transparent governance system, continue implementing corporate governance, and implement legal compliance, risk management, auditing, and other internal controls. 2. Respond to market changes and business development, regularly adjust and adopt appropriate risk management approaches, and adopt sound risk management policies. 3. Act in line with competent authority guidance, establish climate change risk assessment procedures and management mechanisms, incorporate climate change risks and opportunities into business decision-making processes, and periodically make climate risk financial disclosures. 	<ol style="list-style-type: none"> 1. Monitor domestic and international supervisory trends, strengthen control of legal compliance and internal audits, and continue improving corporate governance. 2. To deal with unprecedented or unforeseeable risks, establish procedures for identification and management of emerging risks. 3. Strengthen the powers and structure of the board of directors, and deepen the link between the board and sustainability performance. 	<ol style="list-style-type: none"> 8.10 Strengthen the institution's ability to provide financial services to all people. 10.5 Improve regulations and supervision of financial markets and institutions worldwide, and strengthen implementation of financial regulations. 13.1 Strengthen ability to recover from natural disasters and adapt to climate-related risks. 16.5 Reduce all forms of corruption and bribery. 16.6 Develop effective, responsible, and transparent systems. 16.b Promote and implement non-discriminatory laws and policies to achieve sustainable development.

1.1.1 Corporate Social Responsibility Committee

O-Bank's CSR Committee is chaired by O-Bank's Chairperson and has 12 members. O-Bank's President serves as the committee's Vice Chairman. The committee's membership composed of the highest-ranking manager of each CSR-related function. To establish the CSR committee's place and role in O-Bank's organizational structure, the "CSR Committee Organizational Rules" was implemented after approval by the Board of Directors in December 2015.

O-Bank's CSR Committee is divided into Corporate Governance subcommittee, Customer Relationships subcommittee, Employee Care subcommittee, Environmental Protection subcommittee and Social Engagement subcommittee. In 2021, the O-Bank CSR Committee has set up a Green Finance subcommittee to respond to the international trend toward the development of green finance, and to coordinate with the Financial Supervisory Commission's (FSC's) launch of the "Green Finance Action Plan 2.0". The heads of the subcommittees are appointed by the Committee Chairperson, and the subcommittees are served by one to two executive secretaries responsible for communication and coordination. The CSR Committee's organizational structure is shown in Fig. 1-1.

In 2021, the CSR Committee held three work meetings and completed 88 projects focusing on the six dimensions of corporate governance, employee care, customer relationships, environmental protection, social engagement, and green finance.

Fig 1-1: Organizational Chart of the Corporate Social Responsibility Committee



1.1.2 Sustainable Development Best Practice Principles

In order to fulfill our corporate social responsibility, O-Bank adopted a set of CSR Principles in December 2015 to provide a yardstick for setting project goals and evaluating the success of CSR undertakings. In 2016, O-Bank adopted a set of "Corporate Social Responsibility Best Practice Principles" on the basis of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies". In line with the spirit of the aforementioned Principles, O-Bank has adopted guidelines, policies, and procedures to address the five dimensions of CSR, and has implemented them upon their approval by the Board of Directors. On that basis, O-Bank has continued to update our CSR Best Practice Principles, in 2021 adding a chapter on "development of green finance" and changing the name to the "Sustainable Development Best Practice Principles". The Best Practice Principles have been amended five times so far in an effort to ensure more thorough fulfillment of corporate social responsibilities.

Main spirit of the O-Bank Sustainable Development Best Practice Principles:

1. Insist on integrity, and realize our corporate culture of "Always Sincere, Always Here" in relationships with employees, clients, shareholders, public society, and all stakeholders.
2. Commit to sustainable business management and strive to maximize shared value for employees, clients, shareholders, and all stakeholders.
3. Uphold the law, value corporate governance, and effectively manage risks.
4. Work to balance employee's work and life, provide them with high-quality care, multifaceted talent development plans, and a comfortable and safe work environment.
5. Promote our corporate culture, value teamwork, build a warm, cooperative, and friendly workplace, and give employees a sense of belonging, happiness, and mission.
6. Provide delicate service, enhance professional value, and grow up with our clients, to make contributions to the economy and industry, and further create a win-win situation.
7. Actively promote and lead innovation in O-Bank, industry, and society, in accordance with governmental policies.
8. Value and continue to implement environmentally friendly policies.
9. Carry out public welfare and arts and education activities, care for the community and students, give back to the local community and society, and promote and lead employees to engage in charitable service.

1.2 Identification of Stakeholders

When O-Bank established the Corporate Social Responsibility Committee in 2015, after studying the makeup of the stakeholders of peer companies in the financial industry both at home and overseas, O-Bank categorized employees, customers, shareholders, suppliers, government agencies, the local community, the public, NPOs/NGOs, CSR experts and scholars, artists, media, and labor unions as potential stakeholders. Following cross-departmental internal meetings and discussions by CSR representatives, O-Bank eliminated CSR experts and scholars, labor unions, media, and NPOs/NGOs as potential stakeholders based on the principle of "relevance to the business of O-Bank's departments and frequency



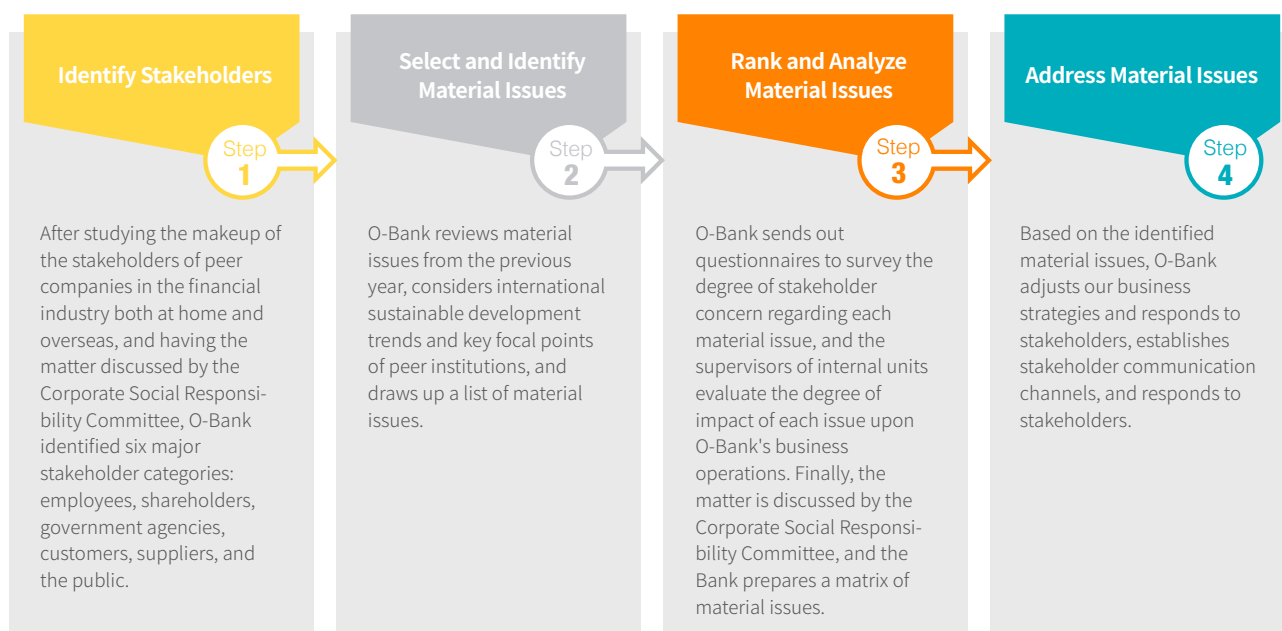
Fig. 1-2: O-Bank's Six Major Stakeholder Categories

of contact". Artists and the local community were combined into a single broadly-defined stakeholder category we call "the public," resulting in the following six major stakeholder categories: employees, customers, shareholders, suppliers, government agencies, and the public. O-Bank maintained these same six stakeholder categories in 2021, so the makeup of O-Bank's stakeholders did not change.

1.3 Identifying and Analyzing Material Issues

O-Bank each year identifies material issues for that particular year and sends out questionnaires to survey the degree of stakeholder concern regarding each material issue, and the members of the Corporate Social Responsibility Committee evaluate the degree of impact of each issue upon O-Bank's business operations. Finally, based on the identified material issues, O-Bank adjusts our business strategies and responds to stakeholders.

Fig. 1-3: Process for Identifying Stakeholders and Analyzing Material Issues

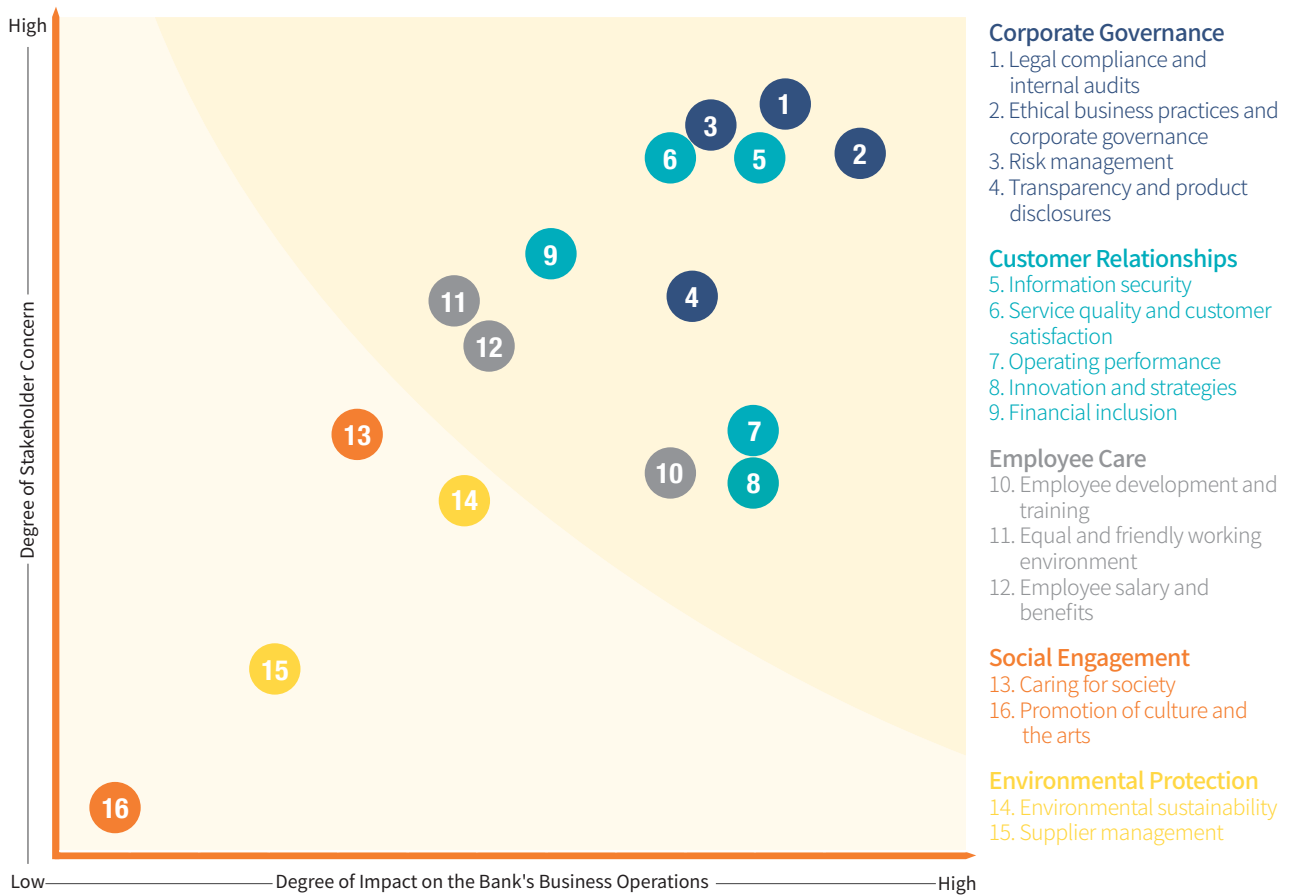


1.3.1 Identification and Analysis of Material Issues

To understand and categorize the issues that are of concern to our stakeholders, O-Bank has communicated via a diverse range of channels, and at the same time has adjusted and re-analyzed the material issues in this year's report with an eye to international sustainability trends and the issues of principal concern to peer institutions in Taiwan and around the world. The 16 material issues set out in the O-Bank 2021 Sustainability Report are the same as those in the 2020 CSR report. To understand the degree of stakeholder concern regarding various material issues, O-Bank disseminated a "Questionnaire on Issues of Stakeholder Concern" and invited stakeholders including employees, shareholders, customers, the public and suppliers to fill it in. A total of 1,135 response were received. At the same time, referring to the list of issues of most concern to the financial authorities in 2021, we assigned scores to indicate the degree of stakeholder concern regarding specific issues (see the Y axis in Fig. 1-4). Next, O-Bank CSR Committee assigned scores to indicate the degree of impact of various issues upon the Bank's business operations (see the X axis in Fig. 1-4).

The following is a matrix for analysis of various material issues of concern to stakeholders:

Fig. 1-4: Matrix for Analysis of Selected Material Issues of Concern to O-Bank Stakeholders



O-Bank analyzed material issues and held discussions on them within the CSR Committee. We identified a total of 12 material issues that were of high concern in 2021. Material issues that were of high concern to stakeholders and also had a high degree of impact on O-Bank's business operations were the principal focus of this year's report. There were 12 such material issues, as follows: ethical business practices and corporate governance, transparency and product disclosures, risk management, legal compliance and internal audits, information security, service quality and customer satisfaction, operating performance, innovation and strategies, financial inclusion, employee development and training, equal and friendly working environment, and employee salary and benefits. These 12 material issues differed in no way from the preceding year, but the sequence of the first five issues had changed. For more information on key risks and opportunities associated with each issue, the chapter that addresses each management approach, the principal internal policies, and the scope of impact, see Table 1-2.

Table 1-2: Management Approaches, Principal Internal Policies, and Scope of Impact of Selected Material Issues

"○"Directly Related; "#"Commercially Related; "※"Indirectly Related

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Legal Compliance and Internal Audits	The Bank must rigorously comply with applicable laws and regulations and the internal audit system to ensure that all employees maintain compliance, thereby avoiding the risk of legal infractions and sanctions that could cause losses, affect normal operations, and harm the company's reputation.	GRI 205: Anti-corruption GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance	3.2 Ethical Best Practice 3.3 Legal Compliance 3.5 Information Security	<ul style="list-style-type: none"> Principles for Three Lines of Defense for Internal Control Rules Governing O-Bank's Legal Compliance System Rules Governing the Examination of Bank Operations Self-Inspection and Self-Evaluation Rules Rules for the Handling of Whistleblower Cases Policy on Anti-Money Laundering and Countering the Financing of Terrorism Rules Governing Security Measures for Personal Information Files Policy Statement on Personal Information Management 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)
Ethical Business Practices and Corporate Governance	Financial services providers are charged with the safekeeping of people's properties. They must uphold ethical management as one of their core values, and act via a professional and independent board of directors that exercises key decision-making and oversight functions, in order to secure stakeholders' trust and support. Unethical conduct can cause a company to incur losses or be sanctioned by the government, which would seriously affect the company's image.	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	3.1 Governance Framework 3.2 Ethical Best Practice 3.3 Legal Compliance	<ul style="list-style-type: none"> Ethical Corporate Management Best Practice Principles Code of Ethical Conduct Corporate Governance Best Practice Principles Insider Trading Prevention Principles Procedural Rules Governing Board Meetings Rules Governing the Scope of Duties of Independent Directors Rules Governing the Performance Evaluation of the Board of Directors 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)
Risk Management	Enforcing risk management faithfully can prevent or mitigate various risks that may have a negative impact on the Bank, and when risks can be kept to a minimum in the event of a major contingency, thus ensuring that business continues as usual. And when market or environmental risks do occur, effective risk management ability can make the company more competitive.	GRI 201: Economic Performance	3.4 Risk Management	<ul style="list-style-type: none"> Risk Management Policy Credit Extension Policy Rules for Managing Operational Risk Guidelines for Managing Credit Risk Rules for Managing Market Risk Rules for Major Unexpected Events Major Accident Emergency Response and Recovery Plan Implementation Guidelines Procedures for Emergency Response in the Event of Natural Disasters 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Transparency and Product Disclosures	Establish channels for transparent and open disclosure of information (including financial information, governance matters, and product disclosures) so that stakeholders can learn more about and place greater trust in the Bank.	GRI 417: Marketing and Labeling	3.1 Governance Framework 4.2 Service Quality and Customer Experience	<ul style="list-style-type: none"> • Policy for Disclosing Information on Capital Adequacy and Risk Management • Procedures for Filing External Reports and Disclosures • Rules Governing Suitability of Financial Derivatives • Guidelines for Advertisement Solicitation and Sales Campaigns • Guidelines for Wealth Management Product Applicability 	Customers (#) Shareholders (※) Government agencies (※)
Information Security	A financial services firm bears a responsibility to build a safe financial transactions environment and rigorously protect customer information. Ensuring information security is all the more important with digital financial services in order to win consumers' trust and avoid information security incidents	GRI 418: Customer Privacy	3.5 Information Security 4.4 Customer Privacy and Transaction Security	<ul style="list-style-type: none"> • Information Security Policy • Guidelines for Implementation of the Information Security Regime • Guidelines for the Information Security Management Mechanism • Guidelines for Managing Online Corporate Banking Operations • Guidelines for Managing Online/Mobile Retail Banking Operations 	Company and employees (○) Customers (#) Government agencies (※)
Service Quality and Customer Satisfaction	Deliver a premium financial services experience and well-planned complaint channels, continue enhancing customer satisfaction, build strong customer relations, and prevent damage to the company's brand or reputation.	GRI 417: Marketing and Labeling	4.1 Financial Services and Innovation 4.2 Service Quality and Customer Experience	<ul style="list-style-type: none"> • Principles for Fair Treatment of Customers • Rules for Handling Customer Complaints and Financial Consumer Disputes • Guidelines for Reporting and Handling Customer Complaints and Disputes 	Customers (#) Government agencies (※)
Operating Performance	Securing profit and growth is the fundamental goal of business, and keeping up a solid business performance over the long term is crucial for sustainable development. Poor business performance will affect the confidence of employees and shareholders, while improved business performance will boost business promotion efforts on all fronts.	GRI 201: Economic Performance	2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies 3.1 Governance Framework	<ul style="list-style-type: none"> • Articles of Incorporation • Rules for Implementing Management by Objectives • Procedural Rules Governing Shareholders' Meetings • Shareholding Management Rules 	Company and employees (○) Shareholders (※)
Innovation and Strategies	The company must map out clearly defined short-, medium-, and long-term development strategies, and must continue to innovate, set itself apart, and become more competitive in order to seize quickly upon market opportunities.	GRI 201: Economic Performance	2.1 About O-Bank 2.3 Market Environment and Development Strategies	<ul style="list-style-type: none"> • Articles of Incorporation • Rules for Implementing Management by Objectives 	Company and employees (○) Customers (#) Shareholders (※)

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Financial Inclusion	By implementing financial inclusion, a company can use its business model to create conditions that are conducive to social and environmental sustainability, and enable more consumers to effectively obtain financial services. These conditions will in turn guide industries to develop sustainably, thus bringing about sustainable finance.	GRI 203: Indirect Economic Impacts	4.1 Financial Services and Innovation 4.3 Responsible Finance	<ul style="list-style-type: none"> Articles of Incorporation Rules for Implementing Management by Objectives 	Customers (#) The public (※) Government agencies (※)
Employee Development and Training	A company relies on professional talent to grow and develop. To become more competitive, a company must continue to enhance employee development and training, and effectively develop and retain talent.	GRI 404: Training and Education	5.3 Employee Cultivation and Development	<ul style="list-style-type: none"> Guidelines for Implementing Employee Training Performance Management Rules Rules Governing Employee Promotions 	Company and employees (○)
Equal and Friendly Working Environment	By providing a diverse, equal, and healthy working environment and open channels for internal communications, and by building a happy workplace that meets employee needs, thus attracting and retaining talent more successfully, a company can avoid workplace accidents and discrimination.	GRI 402: Labor/ Management Relations GRI 403: Occupational Health and Safety GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 411: Rights of Indigenous Peoples GRI 412: Human Rights Assessment	5.1 Employee Composition, and Promotion of a Friendly Work Environment 5.4 Communication and Engagement with Employees	<ul style="list-style-type: none"> Human Rights Policy Recruitment and Selection Guidelines Guidelines for Sexual Harassment Prevention, Complaints, and Discipline Occupational Safety and Health Rules Employee Health Examination Guidelines Employee Retirement Rules 	Company and employees (○) Government agencies (※)
Employee Salary and Benefits	To attract outstanding talent who can spur progress and development, and to avoid labor disputes, a company must establish a well-conceived and fair compensation system, and provide competitive salary and benefits.	GRI 201: Economic Performance GRI 202: Market Presence GRI 401: Employment	5.2 Employee Compensation and Benefits	<ul style="list-style-type: none"> Rules Governing Employee Compensation Employee Stock Ownership Trust Management Rules Rules for Managing Employee Loans Employee Attendance Management Guidelines 	Company and employees (○)

1.3.2 Stakeholder Engagement

To continue working to understand the views and opinions of all stakeholders, O-Bank has a special "CSR section" on website which includes a feedback function that stakeholders can use to answer questionnaires to offer suggestions and opinions. In addition, O-Bank has also set up a special "Stakeholders section" on website that includes information on a special stakeholder contact window. O-Bank provides stakeholders with a variety of convenient channels for communication in order to facilitate timely and effective interaction. The main communication channels and methods are as shown here below in Table 1-3:

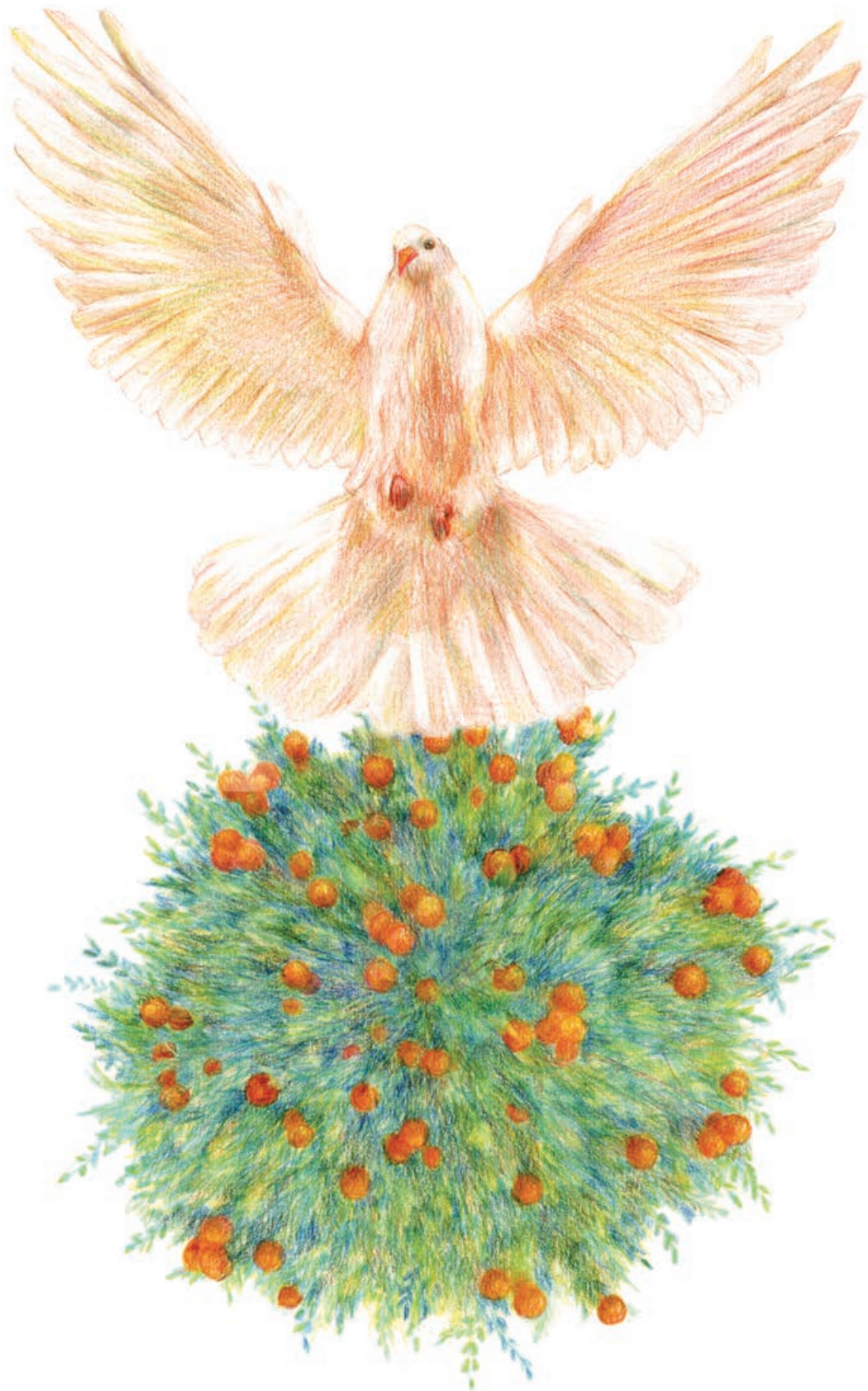
Table 1-3: Stakeholder Communication Channels, and Frequency of Communications

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Employees	Employee salary and benefits	5.2 Employee Compensation and Benefits	<ul style="list-style-type: none"> • Quarterly labor-management meetings are held to air views on labor issues and discuss ways to improve working conditions. • Irregularly scheduled departmental meetings are held to understand employees' working conditions and spur two-way communication between management and staff. • The "Touch News" journal is issued once per year to convey company policies and news, and to provide employees a platform for expressing their views. • O-Bank surveys employee satisfaction and needs once per year to understand their true needs and what they expect of the company. • O-Bank has established an online platform for attendance management as well as education and training. This platform provides real-time access to information, and a means for assessing satisfaction with courses, thus affording employees a way to express their views. • We have established an "employee complaint mailbox," a "sexual harassment reporting mailbox," a "WeCare" suggestion mailbox, and other means of direct communication. • We have set up an employee chat group on social media to provide information on employee care policies and activities, and to spur two-way communication
	Ethical business practices and corporate governance	3.2 Ethical Best Practice	
	Operating performance	2.2 Operating Performance and Reputation	
	Equal and friendly working environment	5.1 Employee Composition and Promotion of a Friendly Work Environment	
	Information security	3.5 Information Security 4.4 Customer Privacy and Transaction Security	
Customers	Information security	3.5 Information Security 4.4 Customer Privacy and Transaction Security	<ul style="list-style-type: none"> • Provides online video call customer service, round-the-clock and 365 days a year, to offer customers quick response times. • Customers can contact O-Bank's complaint window by phone, video call, or email at any time to express their views. • Uses the company website to provide product prospectuses and post information about products, including special features, risks, and charges. • Uses online fan pages on various social media (Facebook, Instagram, YouTube) to provide information on products and services, and to provide real-time feedback to consumers. • Provides corporate customers with relationship management (RM) services to ensure prompt handling of customer issues and suggestions.
	Service quality and customer satisfaction	4.2 Service Quality and Customer Experience	
	Ethical business practices and corporate governance	3.2 Ethical Best Practice	
	Transparency and product disclosures	2. Overall State of the Company 4.2 Service Quality and Customer Experience	
	Legal compliance and internal audits	3.2 Ethical Best Practice 3.3 Legal Compliance	

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Shareholders	<p>Ethical business practices and corporate governance</p> <p>Information security</p> <p>Transparency and product disclosures</p> <p>Legal compliance and internal audits</p> <p>Service quality and customer satisfaction</p>	<p>3.2 Ethical Best Practice</p> <p>3.5 Information Security 4.4 Customer Privacy and Transaction Security</p> <p>2. Overall State of the Company 4.2 Service Quality and Customer Experience</p> <p>3.2 Ethical Best Practice 3.3 Legal Compliance</p> <p>4.2 Service Quality and Customer Experience</p>	<ul style="list-style-type: none"> • Holds one annual shareholders meeting and promptly discloses material information on the Market Observation Post System (MOPS) website as well as our own corporate website. • Holds two investor conferences per year to disclose financial information and business strategies. • Uses the special "Investors Section" on our website to make quarterly financial disclosures and publish unaudited consolidated income figures on a monthly basis. • Posts information on our website regarding the state of communications with independent directors, the chief internal auditor, and certified public accountants, and indicates the dates and results thereof. • Provides a channel for communication with our shareholder services agent to help shareholders handle related matters.
Government Agencies	<p>Legal compliance and internal audits</p> <p>Risk management</p> <p>Financial inclusion</p>	<p>3.2 Ethical Best practice 3.3 Legal Compliance</p> <p>3.4 Risk Management</p> <p>4.1 Financial Services and Innovation 4.3 Responsible Finance</p>	<ul style="list-style-type: none"> • Takes part in government agency roundtable discussions, conferences, and annual meetings to coordinate with government policies. • Maintains strict legal compliance to coordinate with the competent authority's supervision and audits; takes part in evaluations. • Engages in reciprocal visits with competent authorities to establish channels for direct interactions. • Engages in two-way communications via official documents and email.
The Public	<p>Information security</p> <p>Service quality and customer satisfaction</p> <p>Transparency and product disclosures</p> <p>Ethical business practices and corporate governance</p> <p>Legal compliance and internal audits</p>	<p>3.5 Information Security 4.4 Customer Privacy and Transaction Security</p> <p>4.2 Service Quality and Customer Experience</p> <p>2. Overall State of the Company 4.2 Service Quality and Customer Experience</p> <p>3.2 Ethical Best Practice</p> <p>3.2 Ethical Best Practice 3.3 Legal Compliance</p>	<ul style="list-style-type: none"> • Established a Corporate Communications Department, a spokesperson, and a deputy spokesperson to promptly provide accurate information on O-Bank. • Issues news releases and holds press conferences as the need arises, and has a special "news and events" section on our website to provide the general public with access to information on O-Bank and the status of our development. • Uses a social media fan page to communicate our image as a committed contributor to community services, and to increase the appeal of and participation in community service activities. • Takes part in forums and conferences organized by non-profits, academic bodies, and civic organizations in order to hear what society demands. • Holds irregularly scheduled cultural and artistic performances, lectures, and community service activities to give back to society and interact directly with members of the public.

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Suppliers	<p>Ethical business practices and corporate governance</p> <p>Legal compliance and internal audits</p> <p>Information security</p> <p>Financial inclusion</p> <p>Service quality and customer satisfaction</p>	<p>3.2 Ethical Best Practice</p> <p>3.2 Ethical Best Practice 3.3 Legal Compliance</p> <p>3.5 Information Security 4.4 Customer Privacy and Transaction Security</p> <p>4.1 Financial Services and Innovation 4.3 Responsible Finance</p> <p>4.2 Service Quality and Customer Experience</p>	<ul style="list-style-type: none"> • Any supplier whose turnover with O-Bank meets or exceeds a certain amount is required to fill out a "Supplier Self-Assessment Form Regarding Fulfillment of Corporate Social Responsibilities" so that we can understand how well the supplier is meeting our CSR obligations and promoting sustainable development. • O-Bank conducts occasional on-site inspection visits to our suppliers, fill out an "O-Bank On-Site Supplier Inspection Questionnaire," and interacts with them directly. • Occasionally contacts suppliers by telephone or email to engage in two-way communications. • Holds meetings with suppliers to discuss contract matters and establish channels for direct communication.

2. Overall State of the Company



2.1 About O-Bank

O-Bank uses a five-letter acronym (TOUCH) to highlight O-Bank's five core values (Trust, Outstanding, Unity, Creativity, and Honor), and actively advances a corporate culture of "always sincere, always here". Remaining true to our founding ideal of human caring, O-Bank acts in line with a company spirit of "fulfilling oneself by benefiting others," "win-win cooperation," "standing by our word," and "working in solidarity for a shared prosperity," thus building long-term customer relationships based on mutual trust. A forward-looking approach, active innovation, and professional expertise are the keys that enable O-Bank to seize upon business opportunities while pursuing sustainability and growth of the highest quality.

O-Bank's Chinese name "Wangdao," alludes to a spirit of inclusiveness, taking the righteous path, and fulfilling oneself by benefiting others. The English letter "O" represents fulfillment and the unending cycle of life. O-Bank firmly believes that, by acting on this spirit to the benefit of all stakeholders – including employees, customers, shareholders, and the public – it can achieve our vision of prospering with employees, profiting with clients and shareholders, co-existing with the environment, and benefiting with society.



O-Bank's head office in Taipei's Neihu District

2.1.1 Company Profile

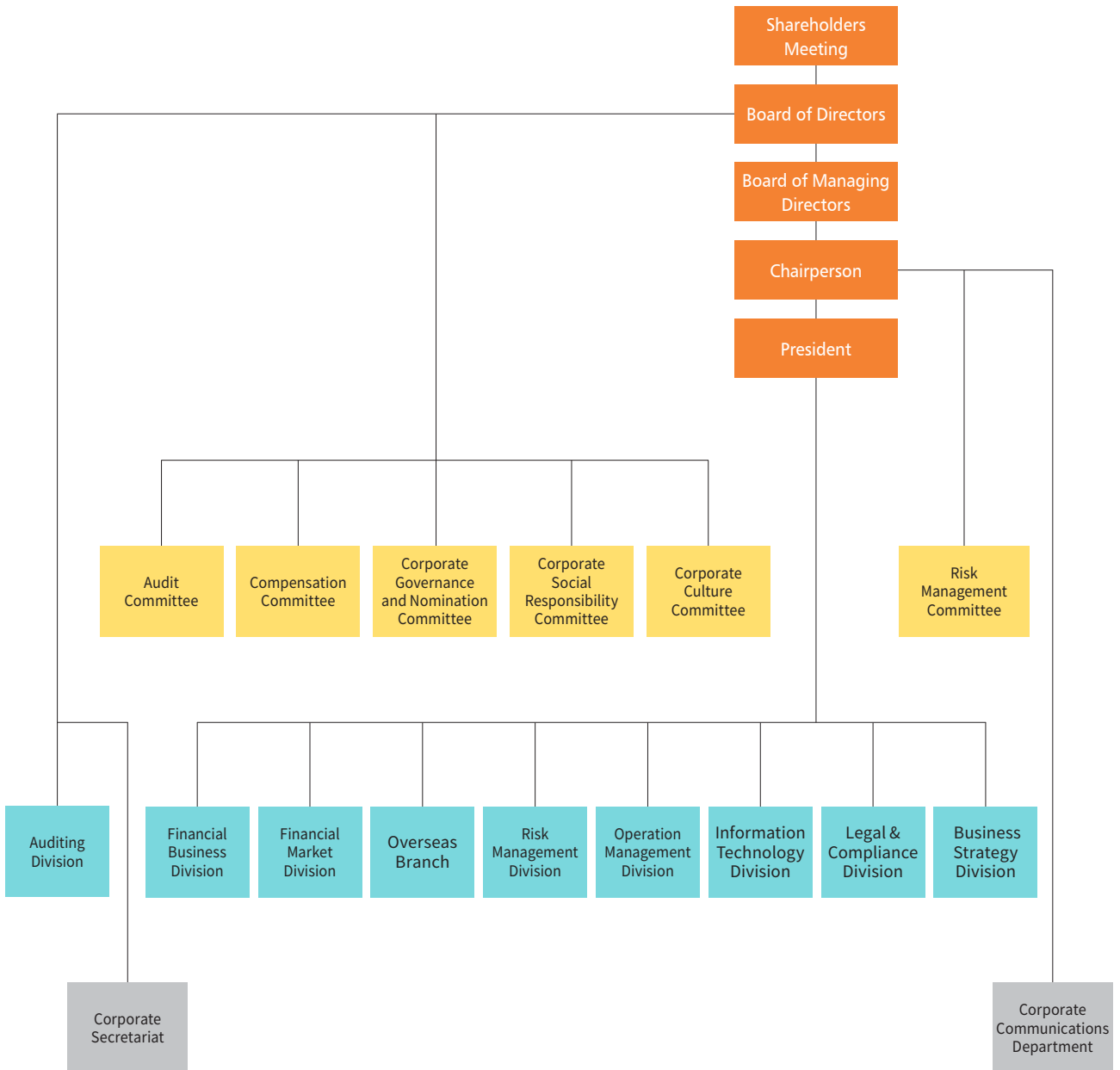
O-Bank's predecessor, the Industrial Bank of Taiwan (IBT), was established in July 1999 by veteran financier Kenneth Lo and former Central Bank Governor Samuel C. Shieh as Taiwan's first financial institution to open as an industrial bank with the support of a private-sector enterprise. IBT's main task was to coordinate with national economic development strategies and help the government support the development of Taiwanese industry.

In the face of changes in Taiwan's industrial structure, once IBT had achieved assigned mission, we reorganized as a commercial bank in 2017 and was renamed O-Bank Co., Ltd. The purpose of this reorganization was to respond to the increasing diversity of needs in today's financial markets. In addition to further developing various lines of corporate banking business (e.g. short-, medium-, and long-term loans, trade finance, factoring and financing of accounts receivable, financial product transactions, financing of asset securitization, trust business, foreign exchange, and international finance), O-Bank has also branched out into retail banking by providing online financial services such as deposits, payments, loans, financial planning, and insurance, using digital technology to achieve our vision of financial inclusion and become the first native digital bank in Taiwan. In May 2017, O-Bank listed our shares on the Taiwan Stock Exchange, thus becoming Taiwan's first bank to list in over a decade for the first time.

O-Bank has located head office and main business department in the Taipei Neihu Technology Park, and maintains numerous business locations throughout Taiwan, including the Zhongxiao Dunhua Branch in Taipei, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Department. Overseas, meanwhile, O-Bank has a Hong Kong Branch and a representative office on the mainland in Tianjin.

Fig. 2-1: O-Bank Organizational Chart

Current as of: Jan. 1, 2022



As Taiwan's first native digital bank and operating primarily through digital channels, O-Bank approaches business with a digital banking mindset as we work to provide consumers with more convenient and secure financial services, and to achieve our vision of financial inclusion. O-Bank's retail banking services make use of the most advanced information systems built to the most rigorous specifications. These include the Temenos core banking platform from Switzerland and the cloud-based Salesforce.com customer service system. O-Bank also employs big data analysis to take full advantage of the competitive edge offered by financial technology. This allows O-Bank to respond to market needs with speed and precision.

O-Bank provides a wide range of innovative retail banking services (see Fig. 2-2), including fully online account openings, fully online applications for unsecured loans, online purchasing of shares in investment funds, and 24-hour video customer service. And beyond that, O-Bank has set an industry first by launching a robo-advisor service that provides consumers with affordable professional investment advice, which means that ordinary consumers can now benefit from investment advice based on big-data

analysis. In addition, O-Bank launches parent-child accounts, accepts online applications to open foreign exchange accounts, allows to send digital red envelopes, and makes a wide variety of account transfers. A consumer need only download O-Bank's mobile app or log into our online bank to open an account fully online using a mobile device. The availability of all sorts of convenient and secure financial services means that "your mobile handset is your bank".

Fig. 2-2: Retail Banking Services

Deposits

Customers can use the O-Bank App at any time of day to carry out account transfers, pay bills and fees, execute foreign exchange transactions, or carry out direct collections and debits. Customers can also check monthly account statements whenever they want, which makes it easy to manage accounts. In addition, customers can enroll in a variety of high-interest rate programs for demand deposits and time deposits without the need to go a physical branch.

Consumer Transactions

The available balance for O-Bank debit card transactions is linked to a customer's deposit account, which enables consumers to effectively control spending and avoid overdrafts. In addition, the O-Bank debit card offers unlimited cashback rewards on payments made both domestically and abroad. A notification is made individually for each card transaction, which safeguards the interests of the consumer.

Loans

O-Bank offers a wide range of different loan products to meet the needs of different types of borrowers, who benefit from quick, simple, and convenient application procedures that meet their needs quickly.



Investments

O-Bank was the first in the industry to launch a robo-advisor service that makes use of big data analytics and algorithms to provide investment portfolio suggestions tailored to meet the varying needs and risk tolerances of individual customers. The service also automatically provides suggestions for position adjustments in response to changing market conditions. In addition, the minimum investment amount for O-Bank robo-advisor service customers is NT\$1,000. This greatly lowers the barrier to consumer participation, and achieves the goal of financial inclusion.

Insurance

Customers can purchase insurance products including savings type, protection type, and investment-linked insurance. Having these options available means that customers can plan out their finances to ensure that their insurance needs and assets are properly managed at each stage of their lives.

2.1.2 The O-Bank Group Business Network

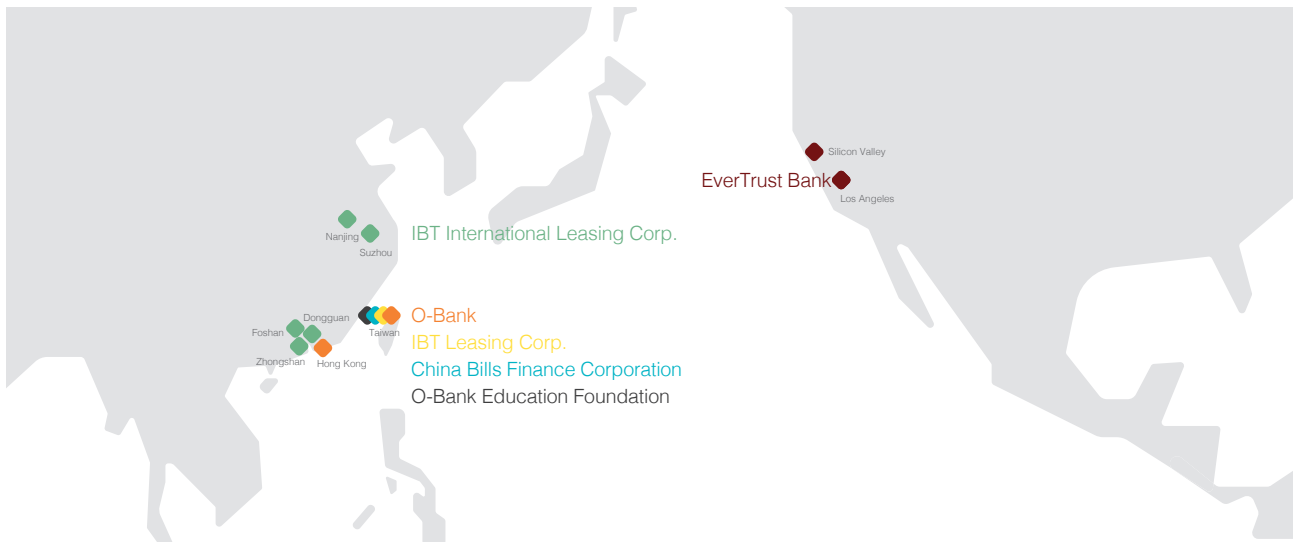
Since the year 2000, O-Bank has used M&A deals and equity purchases to build up a network of O-Bank Group affiliates that provide a diverse range of products and financial services. O-Bank in 2007 acquired California-based EverTrust Bank, which provides deposit, commercial lending, and commercial real estate lending services in Los Angeles and Silicon Valley. This was an important first step in O-Bank's plan to build a global business network. In that same year O-Bank took an equity stake of approximately 28% in China Bills Finance Corporation, thus branching out into the short-term bills business. Cooperation among O-Bank's units handling business operations, technology, and channels has generated synergies.

In April 2011, O-Bank further expanded into the field of leasing by establishing the IBT Leasing Co., which then in June established the IBT International Leasing Corp. (IBTIL) in Suzhou, China. IBT and IBTIL use equipment leasing and a variety of other financing methods to provide growing companies with the funds needed to sustain continued growth and development. In addition, with its business expanding, IBTIL has set up branches in Dongguan, Nanjing, Zhongshan, and Foshan. These actions have further boosted the group's capacity for scaling up our business.

The O-Bank Group has now grown to include business locations in Taiwan, Hong Kong, mainland China, and the United States (Fig. 2-3), and is actively integrating group resources to help customers at different stages of development to continue strengthening their competitiveness. At the same time, O-Bank has

expanded retail banking business and developed in the field of digital finance to the point where these lines of business have become mutually complementary with O-Bank's original corporate financial business. As a result, O-Bank is able to provide customers with a complete across-the-board range of financial services.

Fig. 2-3: The O-Bank Group Business Network



2.1.3 B Corp Certification

The B Corp Certification program is run by B Lab, a US non-profit organization. It encourages companies to break free of the conventional capitalist emphasis on maximizing profits, and begin seeking instead to maximize shared value. The program assesses company' overall impact across five dimensions of governance, workers, environment, community, and customers. The objective is to encourage corporations to use business as a force for good, and to focus on being not just the "best IN the world," but also "the best FOR the world".

O-Bank in recent years has made a concerted effort to plan and execute a variety of CSR actions. O-Bank obtained B Corp certification quickly and smoothly after applying for it in 2017, thus becoming Taiwan's 21st B Corporation and the first among them that is a listed company and a financial services provider. Not only that, O-Bank was the first listed bank in the world to obtain B Corp certification. Re-certification is required once



O-Bank obtains B Corp Certification, seeks to use business as a force for good



O-Bank Chairperson Tina Y. Lo led the effort to obtain B Corp Certification, and is promoting a B Corp campaign

every three years, so O-Bank went through the review process again in March 2021 and received an even higher score than the first time, a clear indication that O-Bank has again received positive international attention for continued pursuit of sustainable operations.

The O-Bank philosophy of "fulfilling oneself by benefiting others" concurs quite well with the B Corp emphasis on companies competing not just to be "the best IN the world," but also to be "the best FOR the world". O-bank will continue working together with all stakeholders to create win-win outcomes for all, and to achieve our vision of "prospering with employees, profiting with clients and shareholders, co-existing with the environment, and benefiting with society".

2.2 Operating Performance and Reputation

2.2.1 Operating Performance

2021 consolidated net income for the O-Bank Group came to NT\$9.315 billion (up 16% from 2020), while standalone net income was NT\$5.511 billion (up 18% from 2020). 2021 standalone net income is further broken down by source, i.e. domestic versus overseas (Fig. 2-4) and line of business (Fig. 2-5).

Fig. 2-4: Sources of O-Bank 2021 Net Income (domestic vs. overseas)

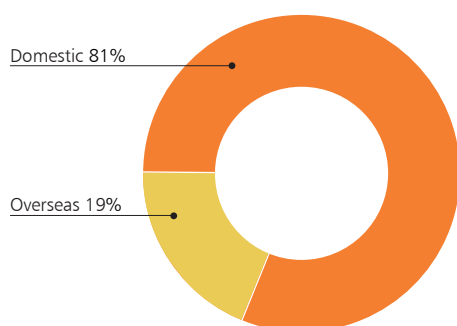
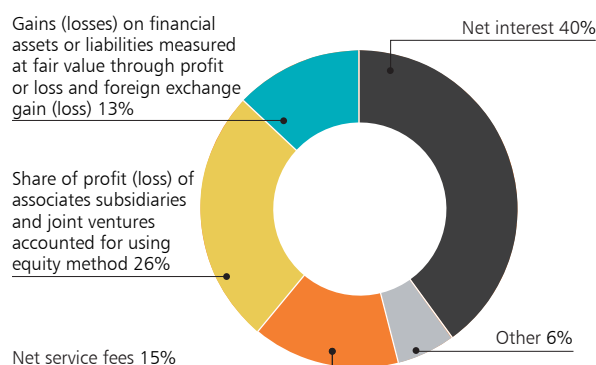


Fig. 2-5: Sources of O-Bank 2021 Net Income (by line of business)



2021 consolidated net profit before tax came to NT\$4.234 billion, while standalone net profit before tax came to NT\$2.015 billion; consolidated net profit after tax came to NT\$3.2 billion (up 39% from 2020), and standalone net profit after tax came to NT\$1.841 billion (up 60% from 2020, and the highest figure since O-Bank restructured as a commercial bank in 2017). Figures for O-Bank standalone net income, standalone net profit before tax, and standalone net profit after tax for the past five years are set out in Fig. 2-6 and Fig. 2-7.

Fig. 2-6: O-Bank Net Income, 2017-2021

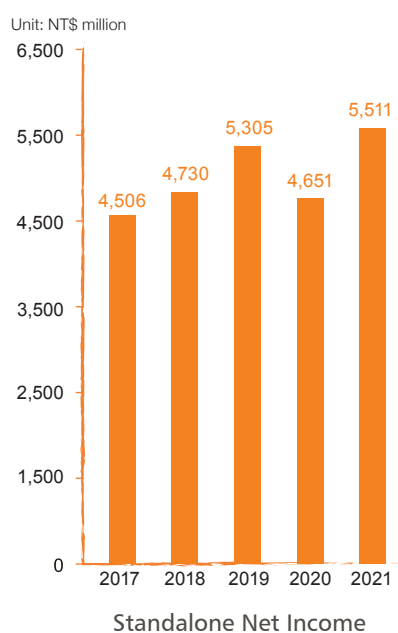


Fig. 2-7: O-Bank Net Profit before Tax and after Tax, 2017-2021

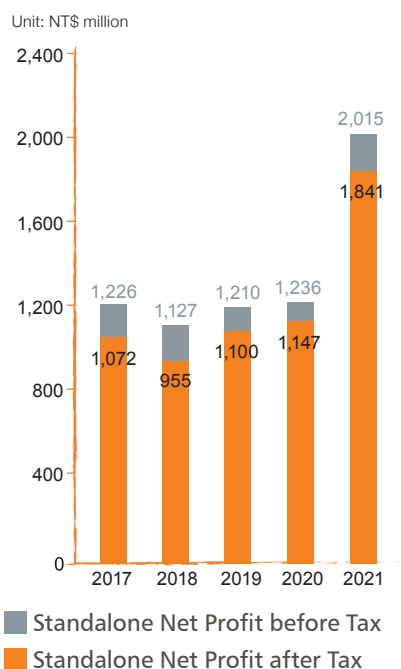
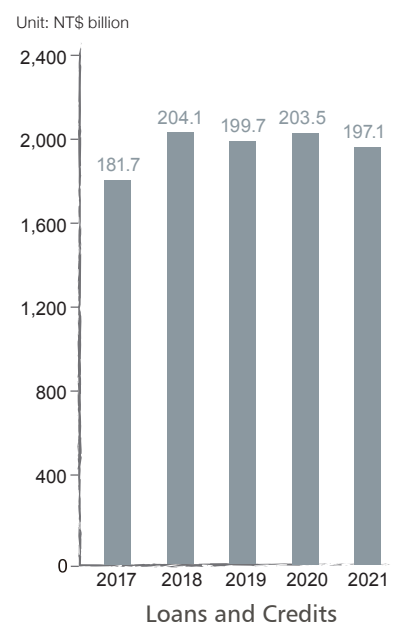


Fig. 2-8: Loans and Credits, 2017-2021



Note: Numbers in Fig. 2-6 to Fig. 2-8 are for the standalone.

As of end-2021, O-Bank had total assets of NT\$315.06 billion, loans and credits stood at NT\$197.1 billion (Fig. 2-8). As of capital adequacy ratios, the BIS ratio was 14.71%, Tier 1 ratio stood at 13.63%, and the common equity ratio was 13.51%. Meanwhile, earnings per share (EPS) came to NT\$0.63 (up sharply from the figure of NT\$0.41 for 2020), return on equity (ROE) was 5.12%, and return on assets (ROA) was 0.57%. The Taiwan Ratings Corporation assigned O-Bank long- and short-term credit ratings of twA and twA-1. Moving forward, O-Bank will tap into digital technology and adopt an innovative mindset to effectively expand our retail banking business and continue enhancing our corporate financial services to create business synergies and seek stable growth momentum.

Table 2-1: O-Bank Operating Performance, 2020-2021

Item	2021	2020
Net income (NT\$ thousand)	5,511,300	4,651,476
Total assets (NT\$ thousand)	315,063,551	328,853,648
Shareholders' equity (NT\$ thousand)	36,380,906	35,555,895
Total liabilities (NT\$ thousand)	278,682,645	293,297,753
Operation Expense (NT\$ thousand)	3,021,932	2,985,225
Net profit after tax (NT\$ thousand)	1,840,842	1,147,403
Net income per employee (NT\$ thousand)	5,723	5,084
Net profit after-tax per employee (NT\$ thousand)	1,912	1,254
Earnings per share (NT\$)	0.63	0.41
Return on assets (%)	0.57	0.35
Return on equity (%)	5.12	3.33

Note 1: Net income per employee = net income / No. of O-Bank employees; net profit after-tax per employee = net profit after tax / No. of O-Bank employees

Note 2: Numbers in Table 2-1 are for the standalone.

2.2.2 Awards and Recognition

Following our founding, O-Bank pursued excellence while growing and prospering right alongside our many corporate clients. Since reorganizing as a commercial bank in 2017 and branching out into the retail banking services market, O-Bank has launched many innovative new digital financial services which have won numerous awards. Moreover, O-Bank has fulfilled our corporate social responsibilities by acting in the spirit of "fulfilling oneself by benefiting others". By incorporating a "sustainability-oriented mindset" into the running of our business, O-Bank has earned widespread praise, including the awards listed below in Table 2-2.

Table 2-2: Awards Won by O-Bank since 2002

Year	Award
2002	<ul style="list-style-type: none"> Received the "Best Risk Management Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards".
2003	<ul style="list-style-type: none"> Noted financial publications Asia Money, The Asset, and Financial Asia name the first IBT Collateralized Loan Obligation (CLO-1) "Deal of the Year" among 2003 domestic asset securitization issues in Asia.
2004	<ul style="list-style-type: none"> Received the "Best Product Design Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards".
2011	<ul style="list-style-type: none"> IBT Educational Foundation received "National Civic Service Award".
2012	<ul style="list-style-type: none"> Received the "Golden Quality Award" from the Joint Credit Information Center.
2014	<ul style="list-style-type: none"> Received the "Golden Quality Award" from the Joint Credit Information Center.
2016	<ul style="list-style-type: none"> Received a "Corporate Sustainability Report Award – Silver Medal" from the Taiwan Institute for Sustainable Energy.
2017	<ul style="list-style-type: none"> Received a "Corporate Sustainability Report Award – Gold Medal" from the Taiwan Institute for Sustainable Energy. Won two awards from Gartner ("2017 Gartner Eye on Innovation Award for Asia Pacific" and "Most Innovative Digital Business Model") at the third Gartner Eye on Innovation Awards for the Asia Pacific region. Obtained "B Corp Certification" from US-based B Lab. Received a 2nd Class "Buying Power Award" at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement".
2018	<ul style="list-style-type: none"> Received the "Rookie Award" in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Sustainability Report Award – Silver Medal" and "Gender Equality Award" from the Taiwan Institute for Sustainable Energy. Received 2nd Class and Special Class "Buying Power" Awards at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Received an "Award for Outstanding Corporate Image" from the Foundation for Public Relations. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as "The Best Digital Bank in Taiwan" at the 2018 Asian Banker Taiwan Awards. O-Bank was named an "Information Visionary" at the 2018 IDC Digital Transformation Awards. Received the "Best Digital Banking Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards". Received a 2018 "Award for Excellence" from Global Views Monthly for the "Bank With the Best Digital Services". At the 2018 National Brand Yushan Awards of Republic of China National Enterprise Competitiveness Development Association, O-Bank won First Prize in "Enterprise Excellence" category and receives the "Best Product Award" for robo-advisor service. The O-Bank President received an "Outstanding Business Leader" Award. O-Bank was recognized by the Financial Supervisory Commission as one of the top performing banks in providing SME loans.

Year	Award
2019	<ul style="list-style-type: none"> Received a 6th place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "People Development Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Gold Medal" from the Taiwan Institute for Sustainable Energy. Received a 2nd Class "Buying Power" Award at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as having the "Best Cloud-Based Initiative, Application or Programme in Taiwan" at the 2019 Asian Banker Taiwan Awards. Received a 2019 "Award for Excellence" from Global Views Monthly for the "Bank With the Best Digital Services".
2020	<ul style="list-style-type: none"> Received a second place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Silver Medal" from the Taiwan Institute for Sustainable Energy. Received 3rd Class and Special Class "Buying Power" Awards at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Received "Award for Outstanding Corporate Image," "Award for Excellence in Brand Communication," and "Award for Excellence in Corporate Social Responsibility" from the Foundation for Public Relations. Scored among the top 5% in the Taiwan Stock Exchange's "2020 Corporate Governance Evaluation". Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Received the "Best Online Bank Award" from Excellence magazine.
2021	<ul style="list-style-type: none"> Received a second place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received TCSA "Corporate Comprehensive Performance Award," "Gender Equality Leadership Award," "Creativity in Communication Leadership Award," "Corporate Sustainability Report Award – Gold Medal," and GCSA "Great Practice Award" in the World Class category (Social Impact program) from the Taiwan Institute for Sustainable Energy. Received 3rd Class and Special Class "Buying Power" Awards at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Received "Excellent Performance" certification of CG6012 (2019) Corporate Governance System Assessment from the Taiwan Corporate Governance Association. Scored among the top 5% in the Taiwan Stock Exchange's "2021 Corporate Governance Evaluation". Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Received the "Best Online Bank Award" from Excellence magazine. Received the "Best Digital Information Service Award" in the Bank category of "2021 Digital Financial Service Award" from Commercial Times.



O-Bank received the second place Award in the medium-sized enterprise category of the CommonWealth Magazine 2021 "Excellence in Corporate Social Responsibility Award". O-Bank Chairman Tina Y. Lo poses for a photo with the head juror, Mr. Lin Hsin-yi



O-Bank received four major Taiwan Corporate Sustainability Awards and GCSA "Great Practice Award" in 2021



*Buying Power
"Third Class"*



*Buying Power
"Special Class"*



*Excellence Magazine
"Best Online Bank Award"*



*Commercial Times
"Best Digital Information
Service Award"*

2.3 Market Environment and Development Strategies

2.3.1 Banking Sector Business Environment and Future Prospects

In 2021, global economic growth began to gradually pick up thanks to rising global COVID-19 vaccination rates as well as the continued adoption by various national governments of expansionary fiscal and monetary policies, but the prospects for economic recovery remained uncertain. Local transmissions of COVID-19 spiked sharply upward in Taiwan in May 2021, but the overall economy continued to grow at a significant pace because: (a) global economic recovery fueled export growth; (b) high-tech firms increased their capital expenditures; and (c) offshore Taiwanese businesses were returning to Taiwan. The Executive Yuan's Directorate-General of Budget, Accounting and Statistics (DGBAS) announced that Taiwan posted an economic growth rate of 6.45% in 2021. Net profit before tax for the financial industry as a whole came to NT\$936.6 billion, up by 38.7% year-on-year. Most of the growth impetus was generated by a rebound in global equity and debt markets. In the banking sector, aggregate profits rose 4% year-on-year because lending increased and interest margins grew.

Looking ahead to 2022, the launch of new COVID-19 vaccines could spur a global economic recovery, but the pace of global economic recovery may be affected by a number of variables, including the spread of COVID variants, supply chain stability, inflationary pressures, and the monetary policies of the world's major economies. For these reasons, the rate of global economic growth is expected to slow. In Taiwan, the economy will be relatively stable thanks to strong domestic demand and investment momentum, but the strength of exports will depend on whether supply chain pressures can be resolved, so the DGBAS has forecast an economic growth rate of 4.42%.

As for the future business environment in the domestic banking industry, the COVID-19 pandemic triggered a sharp increase in demand for contact-free digital financial services, while the FinTech Development Roadmap announced by the Financial Supervisory Commission promotes open banking, seeks additional application scenarios, and works to establish and run the fintech ecosystem. Financial service providers need to actively develop a diverse range of highly distinctive financial products in order to serve customer groups with a wide variety of different needs. Also, sustainable development has become a key focus of banks' business development strategies. In addition to the "United Nations Principles for Responsible Banking," the Financial Supervisory Commission has launched a "Green Finance Action Plan 2.0," a "Corporate Governance 3.0 – Sustainable Development Roadmap," the "Guidelines for Domestic Banks' Climate Risk Financial Disclosures," and the "Sustainable Development Guidemap for TWSE and TPEX Listed Companies". These actions will spur financial service providers

to accelerate their efforts to implement responsible financing and responsible investment, to continue monitoring climate change issues and implementing greenhouse gas inventory reports, and to comprehensively pursue sustainable development.

2.3.2 O-Bank's Development Strategy

Banks have come to look upon the application of financial technologies as an important way to boost their competitiveness. At the same time, non-financial institutions are now able to rely on their technological expertise to embark upon the financial services industry. Moreover, this trend has prompted banks to make a serious effort to build up their digital capabilities. O-Bank, after five years of working to build up our retail banking services, has accumulated considerable digital banking experience and a solid customer base. Moving forward, in addition to further optimizing the digital services experience and improving customer stickiness, O-Bank will also focus on seizing upon business opportunities in the lending business and in tailor-made wealth management services, and on deepening and broadening our customer base. Furthermore, O-Bank will continue to carry out integrated marketing of foreign bonds, domestic and offshore structured instruments, and other wealth management products, and will work to create a diverse product line and build up a comprehensive wealth management platform to meet the needs of different customers. As our retail wealth management product lineup grows more comprehensive, O-Bank's retail and corporate banking businesses become increasingly complementary, and O-Bank is simultaneously developing both payroll accounts and wealth management services. In addition, O-Bank has established a digital innovation team to work out various digital innovation business models and set up multiple financial application scenarios in order to meet the borrowing needs of more customers.

In the area of corporate banking, O-Bank will continue to pursue a "boutique bank" strategy to cultivate more customers, and will work to expand our existing customer base to include customers positioned everywhere from upstream to downstream in industry value chains. At the same time, O-Bank is developing medium market enterprise (MME) and offshore financial services customers in an effort to increase fee income and improve the interest spread structure. We will also continue improving overall corporate banking profits by promoting our Treasury Marketing Unit (TMU) business and structured instrument products. These measures will ensure sustainable growth momentum.

As for investee enterprises, O-Bank will act via a pair of subsidiaries (IBT Leasing Co. and IBT International Leasing Corp.) to continue building up our leasing business on both sides of the Taiwan Strait and set up a cross-strait leasing platform and a diverse product lineup, and will continue to expand the business scope of IBT International Leasing Corp. In addition, O-Bank has also joined with China Everbright Bank and China CYTS Tours Holding Co. to set up Beijing Sunshine Consumer Finance Co. as a joint venture. Beijing Sunshine uses innovative digital financial services to meet market needs in mainland China and simultaneously develop the markets for both SME and retail financing in the mainland. In the US, EverTrust Bank will continue adjusting its asset portfolio and making its products more diverse, and will improve returns on capital. Meanwhile, China Bills Finance Corporation will respond prudently to market changes and risks, continue to seek new customers, and adjust its customer structure.

Given the trend toward pursuit of sustainable development, O-Bank will continue to ramp up our CSR undertakings and seek to improve our performance in the areas of corporate governance, customer relationships, employee care, environmental protection, and social engagement. But beyond that, O-Bank will also make concerted efforts to engage in green finance, practice responsible lending and investment, incorporate ESG factors into corporate credit underwriting procedures and investment screening procedures, continue to launch financial products that embody CSR ideals, join with customers

to engage in environmentally and socially friendly activities, and achieve a greater degree of financial inclusion. Acting in line with the core philosophy that O-Bank sums up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor) – O-Bank will continue working to create sustainable value for all stakeholders.

Table 2-3: O-Bank Short-term and Mid- to Long-term Business Development Plans

Stage of Plan	Development Strategies and Plans	Description
Short-term development plan	1. Optimize digital financial services and develop more wealth management products.	Further optimize the digital services experience, develop more application scenarios for retail customers, launch fully developed and flexible wealth management products, and create a wealth management services platform.
	2. Continue to pursue a "boutique bank" strategy to cultivate more corporate financial customers.	Providing high quality will continue to be the primary strategy as O-Bank works to strengthen asset quality and maximize returns on capital. At the same time, O-Bank will develop our SME financing business and improve overall business performance.
	3. Strengthen universal banking and expand lending to small and medium businesses in order to generate synergies.	O-Bank's corporate and retail business units will generate synergies and work together to develop both payroll accounts and tailor-made wealth management services; and will also expand lending to small and medium businesses as well as digital small loans to create business opportunities.
	4. Continue fulfilling CSR obligations, enhance ESG measures.	O-Bank has continued to conduct CSR undertakings, enhanced our ESG measures, and actively sought to obtain better ratings from outside rating agencies, so as to create sustainable value for all stakeholders.
Mid- to long-term development plan	1. Develop application scenarios through strategic partnerships and use digital finance innovations to strengthen digital applications and elevate O-Bank's value as a financial intermediary.	Seek cooperation with business entities from other sectors and launch a diverse range of financial service scenario applications in order to enhance O-Bank's business performance.
	2. Strengthen O-Bank's relationships with both corporate and retail customers, become their main banker.	Maintain a real-time grasp of market conditions and customer needs, provide comprehensive financial solutions, and become the main banker and financial planning consultant for customers.
	3. Use strategic investments or strategic partnerships to improve business performance.	Integrate group resources to increase the scale of operations, and continue evaluating strategic investment opportunities that could make O-Bank's businesses more complementary and enhance business performance.
	4. Practice sustainable finance, achieve a greater degree of financial inclusion.	Continue to monitor sustainable development trends at home and abroad, improve policies related to sustainable finance, practice responsible lending and investment, and steadily achieve a greater degree of financial inclusion.

3. Corporate Governance



Sound corporate governance is the cornerstone of corporate sustainability. O-Bank acts in line with a set of core values that it sums up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor). O-Bank's highest governing body, the Board of Directors, has created an open and transparent governance system that provides a foundation for corporate sustainability. To effectively optimize internal controls, O-Bank has adopted the "three lines of defense" model for effective risk management and control, each with clearly defined responsibilities, in order to help each unit to understand its overall risk level as well as the roles and functions of the control framework, to improve risk management, and to strengthen communication and coordination of information among the various internal control tasks. By doing these things, we can achieve comprehensive internal controls. Accordingly, O-Bank has adopted risk management evaluation policies to ensure proper implementation and oversight of procedures for identifying, measuring, monitoring, controlling, and reporting risks. Also, O-Bank thoroughly carries out our responsibility for oversight, as assigned by the Board of Directors, at each level of the company, in order to improve the implementation of operations and controls throughout the organization. At the same time, O-Bank has established a comprehensive internal audit and legal compliance system, promotes regulatory compliance, conducts related training and testing, and uses internal control mechanisms to assist the Board of Directors and management in their efforts to evaluate the operational effectiveness of internal controls. And, with an eye to the rapid development of digital finance, O-Bank has adopted rigorous information security defense measures and holds annual information security drills in order to continuously upgrade our security controls. And in response to the international trend toward greater emphasis on tax governance, O-Bank has adopted a tax governance policy to ensure effective tax management.

In 2021, O-Bank commissioned the Taiwan Corporate Governance Association to conduct a certification of its corporate governance system, which involves a comprehensive assessment of various systems (i.e. their comprehensiveness, quality of their implementation, and effectiveness of their feedback mechanisms), and received a "superior performance" certification (valid from October 25, 2021 to October 24, 2023) under the Association's CG6012 (2019) Corporate Governance System Assessment in recognition of ongoing efforts to improve its corporate governance.

3.1 Governance Framework

3.1.1 Operations of the Board of Directors

O-Bank's Board of Directors has 15 seats (14 currently occupied), including three independent directors. All directors serve three-year terms, and may serve successive terms if re-elected. The directors, who have diverse professional backgrounds, skill sets, and industry experience, take part each year in professional development courses targeted specifically to their needs as directors. Course content touches upon such fields as economics, law, environment and society, and is designed to help directors continually hone their professional knowledge and legal expertise so they can ensure that the company is soundly run. The Board of Directors is responsible for reviewing the company's business plan, capital increases and decreases, organizational rules, budgets and year-end accounts, appointment and dismissal of managerial officers, important loans, and approval of matters of material importance. In addition, the Board of Directors has set up a five-member Board of Managing Directors that meets when the Board is not in session to exercise the powers of the Board of Directors within the scope of authorization granted by the latter.

O-Bank elected our 8th Board of Directors on June 19, 2020. The terms of the directors will run until June 18, 2023. Men account for 79% of currently serving directors and women account for 21%. The youngest director is Lo, Nina Y.C. who is 49 years old, and the oldest Director is Lo, Kenneth C.M. who is 80 years old. The gender and age distribution of the directors is set out below in Table 3-1. The O-Bank Board of Directors meets at least once every two months. In 2021, it met seven times, and the average attendance

rate was 97.09%. The Board of Managing Directors met 20 times and had an average attendance rate of 97%. The O-Bank Board of Directors in 2021 approved a total of 124 proposals, including important motions on matters pertaining to governance, economic, and social concerns, and amendments to internal rules in order to coordinate with legislative action or to meet business or risk management needs. Proposals pertaining to key material events were reported to the Board of Directors in accordance with the "O-Bank Standards for Delegation of Duties and Division of Authority and Responsibility" and the "O-Bank Procedural Rules Governing Board Meetings," were then thoroughly discussed by the board members, and approved by resolution before material information disclosures were made in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and the "List of O-Bank Units Authorized to Make Disclosures of Material Information". The authorized units handled and followed up appropriately on these disclosures, 20 of which dealt with governance matters and five of which dealt with social matters. None were related to environmental concerns.

Table 3-1: Gender and Age Distribution of O-Bank Directors

As of April 19, 2022

	Gender Distribution		Age Distribution		
	Male	Female	Younger than 30	30-50	Older than 50
No. of persons	11	3	0	2	12
Share	79%	21%	0%	14%	86%

Table 3-2: Directors and Supervisors

As of April 19, 2022

Title	Name	Gender	Experience (Education)	Other Position
Chairperson (Managing Director)	Ming Shan Investment Co., Ltd. (Rep.: Lo, Tina Y.)	Female	Vice Chairman, O-Bank Vice Chairman, EverTrust Bank Member, MIT Sloan Asian Executive Board Director, Chinese National Association of Industry and Commerce (CNAIC) and convener, CNAIC's Young Entrepreneur Committee Director, Bankers Association of the Republic of China Chief Executive, O-Bank Hong Kong Branch President, IBT Management Corporation MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA	Note 1
Managing Director	Lo, Kenneth C.M.	Male	Chairman, O-Bank Chairman, EverTrust Bank Director, Cross-Strait Common Market Foundation Managing Director, Cross-Strait CEO Summit Chairman/Honorary Chairman, Chinese National Association of Industry and Commerce President, Chinatrust Commercial Bank M.A.in Finance, The University of Alabama	Note 2

Title	Name	Gender	Experience (Education)	Other Position
Managing Director	Yi Chang Investment Co., Ltd. (Rep.: Yeh, Roy J.Y.)	Male	Chairman, IBT Management Corporation Chairman, IBT VII Venture Capital Co., Ltd. Director, IBT International Leasing Corp. Director/President, IBT Leasing Co., Ltd. Chief Corporate Banking Officer/Senior Executive Vice President of Risk Management Department, O-Bank Department of Insurance, Tamkang University	Note 3
Independent Managing Director	Hu, Fu-Hsiung	Male	Independent Director, Walsin Lihwa Corporation Chairman, Taiwan Cooperative Securities Co., Ltd. Chairman, Joint Credit Information Center Director, Taiwan Ratings Director, Mega International Commercial Bank Director, Taiwan Cooperative Bank Committee Member, Executive Yuan Financial Restructuring Fund Committee MBA, National Taiwan University	Note 4
Independent Director	Lin, Hank H.K.	Male	Chairman, EY Cultural and Educational Foundation Supervisor, Union MechTronic Inc. Director, St. Ann Medical Co., Ltd. Director, Globe Union Industrial Corp. Managing Partner/CPA, EY Taiwan MBA, City University of New York (Brooklyn College)	Note 5
Independent Director	Liu, Richard R.C.	Male	Independent Director, Taiwan Aulisa Medical Devices Technologies, Inc. Director, Taishin Bank Independent Director, First Commercial Bank Managing Director, Hua Nan Bank Secretary General of Ministry of Finance Master of Economics, University of San Francisco Master of Public Administration, National Chengchi University	Note 6
Director (Note 15)	Taiwan Cement Corporation (Rep.: Huang, Edward Chien Chiang)	Male	Chairman, Ho-Ping Industrial Port Corporation Chairman, Feng Sheng Industrial Co., Ltd. Chairman, TCC Fuzhou Cement Co., Ltd. Director, Ho-Ping Power Company Department of Transportation and Communication Management Science, National Cheng Kung University	Note 7
Director	Tai Ya Investment Co., Ltd. (Rep.: Chen, Shih-Tze)	Female	Chairman, Ming Shan Investment Co., Ltd. Chairman, Yi Chang Investment Co., Ltd. Chairman, Tai Hsuan Investment Co., Ltd. Chairman, Tai Ya Investment Co., Ltd. Director, Kogyoku Foods Co., Ltd. Director, O-Bank Education Foundation Supervisor, IBT II Venture Capital Co., Ltd. Director, International Bank of Taipei Managing Director, O-Bank Department of Foreign Languages & Literatures, National Taiwan University	Note 8

Title	Name	Gender	Experience (Education)	Other Position
Director	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	Male	Chairman, Abag Enterprise Co., Ltd. Chairman, Abag Investment Holdings Co., Ltd. Chairman, San Ho Development Co., Ltd. Director/President, San Ho Plastics Fabrication Co., Ltd. MBA, St. John's University	Note 9
Director	Lee, Mark J.C.	Male	Chairman, Sung Yuan Development Co., Ltd. Director, Bai Tong Investment Co., Ltd. Director, Heng Gi Lie Investment Ltd. President, Heng Tong Machinery Co., Ltd. President, Heng Kuo Co., Ltd. Department of Accounting, Feng Chia University	Note 10
Director	Tai Ya Investment Co., Ltd. (Rep.: Lee, Elton F.Y.)	Male	President, O-Bank Deputy President, O-Bank Hong Kong Branch Director, EverTrust Bank Senior Vice President/Commercial Banking Chief, HSBC Taiwan First President of Suzhou Branch/Vice President of Taiwanese Business Platform in Shenzhen Branch, HSBC (China) MBA, Manchester Business School	Note 11
Director	Yi Chang Investment Co., Ltd. (Rep.: Lin, Gordon W.C.)	Male	Chairman, IBT Leasing Co., Ltd. Chairman, IBT International Leasing Corp. Director, IBTS Holdings Ltd. Chairman, IBT Securities Co., Ltd. Director, O-Bank Education Foundation Deputy President, O-Bank MBA, National Taiwan University	Note 12
Director	Ming Shan Investment Co., Ltd. (Rep.: Lo, Nina Y.C.)	Female	Chairman, Prudential Fortune Investment Co., Ltd. Director, Taiwan Art & Business interdisciplinary Foundation CEO, O-Bank Education Foundation Director, International Bank of Taipei Project Manager, Risk Management Department of O-Bank M.A. in Education Psychology, University of Southern California	Note 13
Director	Lin, Bill K.C.	Male	Director, EasyCard Investment Holding Co., Ltd. Director, EasyCard Corporation Director, UUPON INC. Director, Curdoctor Information Service Corp. Independent Director, GOMAJI Corp. Ltd. Director, Taiwan Internet and E-Commerce Association (TiEA) Chairman, 17Life Chairman, PayEasy.com Travel Agency Founder and CEO, Payeasy Digital Integration Co., Ltd. Executive Consultant of Internet Banking, Taishin International Bank Sales supervisor of Credit Card Business, Taishin International Bank MBA, Chinese Culture University EMBA, National Taiwan University	Note 14

Note 1: Positions concurrently assumed by representative Tina Y. Lo: Vice Chairman, EverTrust Bank; Director, The Eisenhower Fellows Association in the Republic of China; Director, Ming Shan Investment Co., Ltd.; Director, Yi Chang Investment Co., Ltd.; Director, Tai Hsuan Investment Co., Ltd.; Director, Tai Ya Investment Co., Ltd.; Director, IBT Holdings Corp.;

Director, KC Investments Corp.; Director, Lucky Bamboo Investments Limited; Managing Supervisor, Friends of the Police Association; Director, Chinese National Association of Industry and Commerce; Director, Bankers Association of the Republic of China; Director, Taiwan Women on Boards Association; Director, Criminal Investigate Association of Republic of China; Managing Director, Taiwan Listed Company Association; Director, Taiwan Academy Of Banking And Finance; Director, The Bankers Association Of Taipei.

Note 2: Positions concurrently assumed by Kenneth C.M. Lo: Chairman, O-Bank Education Foundation; Chairman, Hong Ju Investment Co., Ltd; Director, National Taiwan University Economic Research Foundation; Director, C.F. Koo Foundation; Director, Taiwan Cement Corporation; Director, Cross-Strait Common market Foundation; Director, Institute for National Policy Research; Director, Andrew T. Huang Medical Education Promotion Fund; Executive Director, Cross-Strait CEO Summit; Director, Taipei Municipal Jianguo High School Alumni Association; Supervisor, NTU Alumni Association; Supervisor, NTU Alumni Association of Taipei; Honorary Chairman, Chinese National Association of Industry and Commerce.

Note 3: Positions Concurrently assumed by representative Roy J.Y. Yeh: Chairman, IBT Management Corporation; Chairman, IBT VII Venture Capital Co., Ltd.; Director, IBT Leasing Co., Ltd.; Director, IBT International Leasing Corp.

Note 4: Positions concurrently assumed by independent managing director Hu, Fu-Hsiung: Independent Director, Walsin Lihwa Corporation.

Note 5: Positions concurrently assumed by independent director Hank H.K. Lin: Chairman, EY Cultural and Educational Foundation; Supervisor, Union MechTronic Inc.; Director, St. Ann Medical Co., Ltd.; Director, Globe Union Industrial Corp.

Note 6: Positions concurrently assumed by independent director Liu, Richard R.C.: Independent Director, Taiwan Aulisa Medical Devices Technologies, Inc.

Note 7: Positions concurrently assumed by representative Edward Chien-Chiang, Huang: Chairman, Tai-Jie Transport & Stowage Corporation; Chairman, Feng Sheng Industrial Co., Ltd.; Chairman, E.G.C. Cement Corporation; Chairman, Ho-Ping Industrial Port Corporation; Chairman, TCC Fuzhou Cement Co., Ltd.; Chairman, TCC Fuzhou Yangyu Port Co., Ltd.; Chairman, TCC (DongGuan) Cement Company Limited; Director, Taiwan Cement Engineering Corporation; Director, TCC Information Systems Corporation; Director, Taiwan Transport & Stowage Co., Ltd.; Director, Ho-Ping Power Company; Director, Ta-Ho Maritime Corporation; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, TCC Shaoguan Cement Co., Ltd.; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Hong Kong Concrete Co Ltd; Director, Quon Hing Concrete Co Ltd; Director, Pan Asia Corp.

Note 8: Positions concurrently assumed by representative Shih-Tze Chen: Chairman, Ming Shan Investment Co., Ltd.; Chairman, Yi Chang Investment Co., Ltd.; Chairman, Tai Hsuan Investment Co., Ltd.; Chairman, Tai Ya Investment Co., Ltd.; Director, Kogyoku Foods Co., Ltd.; Director, O-Bank Education Foundation; Director, Paradise Palms Ltd.; Director, KC Park Co.; Director, SKY Capital International Group Inc.; Director, Triple Ace Management Co., Ltd. (BVI); Director, Crystal Lake Global Limited; Director, Eagle Base Holdings Limited; Director, Eagle Dynasty Investments Limited; Director, Global Sail Holdings Limited; Director, KC Investments Corp.; Director, Star International Pacific Ltd.; Director, Lucky Bamboo Investments Limited; Supervisor, IBT II Venture Capital Co., Ltd.; Supervisor, Prudential Fortune Investment Co., Ltd.; Supervisor, Hong Ju Investment Co., Ltd.; Director, Kenneth Meniffee, Inc.; Director, KC Holdings (Delaware), Inc.; Director, Kenneth Parc, Inc.

Note 9: Positions concurrently assumed by representative George C.J. Cheng: Chairman, San Ho Development Co., Ltd.; Chairman, Abag Enterprise Co., Ltd.; Chairman, Abag Investment Holdings Co., Ltd.; Director, San Ho Plastics Fabrication Co., Ltd.

Note 10: Positions concurrently assumed by Mark J.C. Lee: Chairman, Sung Yuan Development Co., Ltd.; Director, Chia Wheel Enterprises Co., Ltd.; Director, Heng Jih Song Accurate Industries Co., Ltd.; Director, Heng Tin Feng Invest Development Co., Ltd.; Director, Tong Chuan Invest Development Co., Ltd.; Director, Bai Tong Investment Co., Ltd.; Director, Heng Ying Mahinery Co., Ltd.; Director, Heng Tong Assets Management Co., Ltd.; Director, Heng Tong Machinery Co., Ltd.; Director, Heng Gi Lie Investment Ltd. Company; Director, Chang Yan Investment Co., Ltd.; Director, Hong Fu Investment Co., Ltd.; Director, Siang Tai Investment Co., Ltd.; Director, Hong Da Investment Co., Ltd.; Director, Heng Kuo Co., Ltd.

Note 11: Positions concurrently assumed by representative Elton F.Y. Lee: President, O-Bank; Director, EverTrust Bank.

Note 12: Positions concurrently assumed by representative Gordon W.C. Lin: Chairman, IBT Leasing Co., Ltd.; Chairman, IBT International Leasing Corp.; Director, IBTS Holdings Limited; Supervisor, Gamma Paradigm Capital/Research; Liquidator, Chun Teng New Century Co., Ltd.

Note 13: Positions concurrently assumed by representative Nina Y.C. Lo: Chairman, Prudential Fortune Investment Co., Ltd.; Director, Yi Chang Investment Co., Ltd.; Director, Taiwan Art & Business interdisciplinary Foundation; Director, Tai Ya Investment Co., Ltd.; Supervisor, Ming Shan Investment Co., Ltd.; Director, Silver Maple Enterprises Limited.

Note 14: Positions concurrently assumed by Bill K.C. Lin: Director, EasyCard Investment Holding Co., Ltd.; Director, EasyCard Corporation; Director, UUPON INC.; Director, Curdoctor Information Service Corp.; Independent Director, GOMAJI Corp. Ltd.

Note 15: Director Huang, Edward Chien Chiang, representative of Taiwan Cement Corporation, was elected as the new Managing Director of O-Bank on May 4, 2022.

Table 3-3: Range of Remuneration

As of Dec. 31, 2021

Range of Remuneration	Name of Directors			
	Remuneration of Directors		Remuneration of Directors(Include Relevant Remuneration Received by Directors Who are Also Employees)	
	O-Bank	Companies in the Consolidated Financial Statements	O-Bank	Companies in the Consolidated Financial Statements
Less than NT\$1,000,000	Yeh, Roy J.Y.; Chen, Shih-Tze; Cheng, George C.J.; Lee, Elton F.Y.; Lin, Gordon W.C.; Lo, Nina Y.C.	Chen, Shih-Tze; Cheng, George C.J.; Lee, Elton F.Y.; Lo, Nina Y.C.	Yeh, Roy J.Y.; Chen, Shih-Tze; Cheng, George C.J.; Lin, Gordon W.C.; Lo, Nina Y.C.	Chen, Shih-Tze; Cheng, George C.J.; Lo, Nina Y.C.
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Chang, Nelson An-Ping; Lin, Hank H.K.; Liu, Richard R.C.	Chang, Nelson An-Ping; Lin, Hank H.K.; Liu, Richard R.C.	Chang, Nelson An-Ping; Lin, Hank H.K.; Liu, Richard R.C.	Chang, Nelson An-Ping; Lin, Hank H.K.; Liu, Richard R.C.
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Abag Investment Holdings Co., Ltd.; Lee, Yunny Y.; Hu, Fu-Hsiung	Abag Investment Holdings Co., Ltd.; Lee, Yunny Y.; Hu, Fu-Hsiung	Abag Investment Holdings Co., Ltd.; Lee, Yunny Y.; Hu, Fu-Hsiung	Abag Investment Holdings Co., Ltd.; Lee, Yunny Y.; Hu, Fu-Hsiung
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Lee, Mark J.C.; Lin, Bill K.C.	Yeh, Roy J.Y.; Lee, Mark J.C.; Lin, Bill K.C.	Lee, Mark J.C.; Lin, Bill K.C.	Yeh, Roy J.Y.; Lee, Mark J.C.; Lin, Bill K.C.
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Lo, Kenneth C.M.; Taiwan Cement Corporation; Tai Ya Investment Co., Ltd.	Lo, Kenneth C.M.; Taiwan Cement Corporation; Tai Ya Investment Co., Ltd.	Lo, Kenneth C.M.; Taiwan Cement Corporation; Tai Ya Investment Co., Ltd.	Lo, Kenneth C.M.; Taiwan Cement Corporation; Tai Ya Investment Co., Ltd.
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Yi Chang Investment Co., Ltd.	Lin, Gordon W.C.; Yi Chang Investment Co., Ltd.	Yi Chang Investment Co., Ltd.	Lin, Gordon W.C.; Yi Chang Investment Co., Ltd.
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Lo, Tina Y.; Ming Shan Investment Co., Ltd.	Lo, Tina Y.; Ming Shan Investment Co., Ltd.	Lo, Tina Y.; Ming Shan Investment Co., Ltd.	Lo, Tina Y.; Ming Shan Investment Co., Ltd.
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	Lee, Elton F.Y.	Lee, Elton F.Y.
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	20	20	20	20

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

Table 3-4: Directors' Avoidance of Motions in Conflict of Interest

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2021.2.24 The 8 th Board of Directors in its 6 th meeting	Proposal for making a donation to the O-Bank Education Foundation	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	O-Bank's directors stand by the principle of recusal and refrain from participating in the discussion of and voting on motions that may cause conflicts of interest.
	Proposal for making a donation to the Chinese National Association of Industry and Commerce	Tina Y. Lo, Kenneth C.M. Lo, Nelson An-Ping Chang, Shih-Tze Chen, Nina Y.C. Lo		
2021.3.22 The 8 th Board of Directors in its 7 th meeting	Release of non-competition restrictions on directors	Tina Y. Lo, Kenneth C.M. Lo, Nelson An-Ping Chang, Shih-Tze Chen, Nina Y.C. Lo		
	Proposal for director remunerations and employee remunerations for 2020	Directors recusing themselves from motion on director remunerations: the entire number of non-independent directors – Tina Y. Lo, Kenneth C.M. Lo, Nelson An-Ping Chang, Roy J.Y. Yeh, Shih-Tze Chen, George C.J. Cheng, Mark J.C. Lee, Elton F.Y. Lee, Gordon W.C. Lin, Nina Y.C. Lo, Yunny Y. Lee, Bill K.C. Lin Directors recusing themselves from motion on employee remunerations: Elton F.Y. Lee		
2021.5.5 The 8 th Board of Directors in its 8 th meeting	Amendment to 2021 Audit plan	Elton F.Y. Lee		
	Proposal for the Bank's subsidiary IBT International Leasing Corp. to purchase the shares of IBT International Leasing Corp.	Roy J.Y. Yeh, Gordon W.C. Lin		
	Appointment of candidates for chairmen and presidents of the Bank's invested companies and proposal for release of non-competition restrictions on managerial officers	Roy J.Y. Yeh		
2021.8.20 The 8 th Board of Directors in its 10 th meeting	Proposal for making a donation to the Eisenhower Fellows Association in the R.O.C.	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo		
	Proposal for making a donation to the Chinese National Association of Industry and Commerce	Tina Y. Lo, Kenneth C.M. Lo, Nelson An-Ping Chang, Shih-Tze Chen, Nina Y.C. Lo		

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2021.11.3 The 8 th Board of Directors in its 11 th meeting	Proposal for making a donation to the National Taiwan University Economic Research Foundation	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen (abstention), Nina Y.C. Lo	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	O-Bank's directors stand by the principle of recusal and refrain from participating in the discussion of and voting on motions that may cause conflicts of interest.
2021.12.29 The 8 th Board of Directors in its 12 th meeting	2022 Audit plan	Elton F.Y. Lee		
	2022 Internal Auditing Plan for the Concurrent Conducting of Insurance Agent Business	Elton F.Y. Lee		

Note: "Abstention" in this table refers to a director opting to appoint another director as proxy to attend a board meeting on his/her behalf and specifying in the power of attorney abstention from any motion that may make the former an interested party.

● Professional Development

To strengthen the professional expertise of our directors and reap greater benefits from corporate governance, O-Bank arranges regular professional development courses to help directors keep up to date on domestic and foreign legislative developments. In 2021, O-Bank directors completed a combined total of 128 hours of training in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," thus achieving a target completion rate of 100%.

● Communication with Directors

O-Bank has already disclosed on our website the state of our independent directors' communications with the company's chief auditor and our certified public accountant (CPA). These disclosures include the dates and results of all such communications, which enhances transparency regarding the full discharge by independent directors of their duties. For example, the chief auditor submits reports to the Audit Committee on audit activities, the annual audit plan, and the Internal Control Statement, and O-Bank holds regular meetings to review our internal control system. At meetings of the Audit Committee, and in separate sessions with the Bank's independent directors, the CPA reports and communicates on financial report audits and reviews, audit plans, and related matters.

● Director Performance Evaluations

O-Bank has established performance goals to elevate the role of the Board of Directors, and our Board of Directors has adopted the "O-Bank Co., Ltd. Rules Governing the Performance Evaluation of the Board of Directors" in order to enhance the effectiveness of the Board's operations. These Rules require the Board of Directors and our functional committees to conduct an internal board performance evaluation at least once a year and to commission an independent outside professional institution or an independent outside team of experts and scholars to conduct a board performance evaluation once every three years. The focal points of internal board performance evaluations include: degree of participation in the running of the company; the quality of decision making by the Board of Directors and its functional committees; the composition and structure of the Board of Directors and its functional committees; the election of the directors; understanding of director's duties; professionalism and continuing professional education; internal controls; implementation of corporate social responsibility initiatives; measures taken by the Board of Directors to spur the company to undertake ESG initiatives; and other important topics. In the first quarter of 2021, O-Bank completed our 2021 Board of Directors performance evaluation and found that, overall: (a) the Board of Directors and its functional committees operated well and were able to discharge their duty to guide and oversee corporate policies, important lines of business, and

risk management; (b) the various functional committees operated well and effectively strengthened the functions of the board; and (c) the Board members properly understood their duties, actively participated in the running of the company, made appropriate decisions, and effectively promoted governance quality.

In addition, O-Bank in 2021 commissioned the Taiwan Corporate Governance Association (TCGA) to conduct an outside evaluation of the performance of its Board of Directors during the period from June 1, 2020 to May 31, 2021. In addition to examining open-ended questionnaires filled out by O-Bank personnel, as well as various reference material and open-source information, the TCGA also conducted on-site interviews with the O-Bank chairperson, independent directors, the certified public accountant, the president, and members of management team to evaluate the performance of the Board of Directors in the following eight areas: the composition of the board; direction provided by the board; powers authorized by the board; the board's oversight functions; the board's communication functions; internal controls and risk management; the board's self-regulation; and other matters, such as board meetings and support systems. The TCGA submitted its O-Bank Board of Directors Performance Report on October 12, 2021. O-Bank then forwarded the performance report and a proposed corrective action plan on December 29, 2021 to the 5th meeting of the 1st Corporate Governance and Nomination Committee as well as the 12th meeting of the 8th Board of Directors for review and approval.

3.1.2 Functional Committees

To strengthen the Board of Directors' management and oversight functions, O-Bank has established various functional committees under the Board, and the Board of Directors has approved the organizational rules of each functional committee (Audit Committee; Compensation Committee; Corporate Governance and Nomination Committee; Corporate Social Responsibility Committee; Corporate Culture Committee). These professional and independent functional committees improve O-Bank's corporate governance.

1. Audit Committee

The O-Bank Board passed a resolution in February 2011 to replace the supervisors with an Audit Committee, and approved the "Audit Committee Organizational Rules". In June of 2011, the General Shareholders Meeting approved the establishment of the Audit Committee, and an Audit Committee system was implemented beginning from the time of the 5th Board of Directors. The Audit Committee is comprised of independent directors and its primary duties are to supervise the following: fair presentation of financial statements; any appointment or dismissal of the certified public accountant, and review of its independence and performance; effective implementation of the internal control system; the company's compliance with laws and regulations; and management of existing or potential risks. The Audit Committee met 7 times during the year, and the committee members compiled a combined attendance rate of 100%.

2. Compensation Committee

To build a comprehensive compensation policy and system, O-Bank's Board established a Compensation Committee in 2009. The three members of the committee are all independent directors and their primary duties are to assist the Board in reviewing and supervising overall compensation policies as well as to evaluate and approve the compensation of Board members and senior executives. In carrying out its duties, the Compensation Committee evaluates market research performed by consulting firms and compensation levels at peer companies, takes performance evaluations into account, and uses its findings as its criteria for evaluating compensation. Also, one of the Compensation Committee's top

principles is to ensure that directors, managerial officers, and sales staff do not pursue compensation by taking risk that exceeds established risk tolerance levels. The Compensation Committee met 7 times in 2021 and the attendance rate was 100%.

3. Corporate Governance and Nomination Committee

In order to improve the system for election of directors and build a Board of Directors with a diverse and professional membership, O-Bank established our Corporate Governance and Nomination Committee in November 2020, and has been acting via our functional committees to continue improving our corporate governance system. This committee's membership includes three directors, and more than half of the members are independent directors. Their primary duties include: formulating the standards that directors are required to meet; reviewing director candidates and making nominations; formulating and reviewing directors' completion of professional development courses and their succession planning; adopting O-Bank's "Corporate Governance Best-Practice Principles" and "Rules Governing the Performance Evaluation of the Board of Directors"; and overseeing and supervising corporate governance evaluations and performance evaluations of the Board. The Corporate Governance and Nomination Committee met three times in 2021, and the attendance rate was 100%.

4. Corporate Social Responsibility Committee

To fulfill our corporate social responsibilities, O-Bank formed a Corporate Social Responsibility (CSR) Committee in January 2015 and officially established an organizational charter for the committee in December of the same year. The CSR Committee has six subcommittees and is responsible for setting CSR-related procedures, policy directions, and implementation plans. The CSR Committee holds regular meetings to track progress in all projects and met three times in 2021. O-Bank submits a sustainability report each year to the Board of Directors to report on our implementation of CSR plans and the results of consultations between O-Bank and our stakeholders in order to continuously improve O-Bank's CSR performance.

5. Corporate Culture Committee

To bring all employees on board with our corporate culture of "always sincere, always here" as well as the company's core values that O-Bank sums up in the five-letter acronym TOUCH (trust, outstanding, unity, creativity, and honor), O-Bank set an industry first by establishing our Corporate Culture Committee. This committee is responsible for drafting and implementing plans for specific CSR activities. From time to time it communicates with employees and familiarizes them with internal policies in order to thoroughly instill the corporate culture. In addition, the Corporate Culture Committee conducts an employee satisfaction survey and an employee needs survey once per year, and responds with policies that are based on the survey results. In this way, O-Bank works to build up a strong corporate culture and a positive atmosphere.

3.1.3 Shareholder Structure and Communication

O-Bank holds General Shareholders Meeting once per year. Matters addressed by shareholders meeting resolutions include the following: amendment of the Articles of Incorporation; election and dismissal of directors; examination and approval of the statements and books prepared and submitted by the Board of Directors; capital increases and decreases; distributions of earnings, and dividends; and other matters that the law requires to be settled by shareholders meeting resolutions. O-Bank has established "O-Bank Procedural Rules Governing Shareholders' Meetings," which includes provisions governing how shareholders' meetings must be held, deadlines for delivery of meeting notices, and meeting

procedures in order to uphold the rights and interests of shareholders. In addition, e-voting has been used for shareholders' meetings since 2012, so shareholders now have more ways to exercise their voting rights. Also, O-Bank attaches importance to communicating and interacting with shareholders, and has a number of different channels to accomplish it. A special "Investors Section" on the company website provides detailed disclosures of company information, regularly publishes financial performance figures, puts out information on investor conferences and shareholders' meetings, and provides contact information for the O-Bank spokesperson and deputy spokesperson so that shareholders can express their views at any time. O-Bank adopted a resolution at our 2021 General Shareholders Meeting to pay cash dividends of NT\$0.20 per share for 2020. The total amount of the cash dividends was NT\$545,453,860. The company also paid dividends of NT\$0.425 per share of preferred stock, and preferred stock dividends came to a total of NT\$127,500,000. As of the date of record, the structure of O-Bank shareholders was as set out in Table 3-5.

Table 3-5: Structure of O-Bank Shareholders

Date of record: April 19, 2022

Common Shares

Unit: Shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	1	5	119	129	39,446	1	39,701
Shares Held	100	9,012,752	1,939,338,706	148,238,574	634,880,169	2,522,000	2,733,992,301
Ownership Stake	0.00%	0.33%	70.94%	5.42%	23.22%	0.09%	100.00%

Preferred Shares

Unit: Shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	0	1	42	0	4,276	0	4,319
Shares Held	0	4,855,000	225,745,265	0	68,413,735	0	299,014,000
Ownership Stake	0.00%	1.62%	75.50%	0.00%	22.88%	0.00%	100.00%

3.2 Ethical Best Practice

3.2.1 Ethics and Integrity

1. Policy Initiatives

To build up a strong culture of ethical best practices, in addition to adopting a set of "Code of Ethical Conduct" to serve as guidelines for its directors, managerial officers, rank-and-file employees, and consultants, O-Bank has also made reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" in formulating our "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management". These documents require the company to abide by the "Company Act," "Securities and Exchange Act," "Business Entity Accounting Act," "Political Donations Act," "Anti-Corruption Act," "Government Procurement Act," "Act on Recusal of Public Servants Due to Conflicts of Interest," and other applicable laws and regulations which set out concrete provisions

governing matters to be observed by employees in carrying out their duties. To build greater awareness of the need for ethical best practices, O-Bank every year conducts annual ethical conduct risk self-assessments for all employees. O-Bank has also adopted a "Declaration of Intent to Comply With the O-Bank Ethical Management Policy" and a "Statement of Consent to Comply With the O-Bank Ethical Management Policy," which are to be signed by senior management, current employees, and newly hired employees. In addition, O-Bank also plans to incorporate the provisions of our "Procedures for Ethical Management and Guidelines for Conduct" into the contracts that we execute with other companies, or will ask other companies to separately sign a "Statement of Ethical Management, Human Rights, and Environmental Sustainability Commitments," which will require the counterparty to join with O-Bank in complying with the principles of ethical management and commitments regarding human rights and environmental sustainability.

2. State of Implementation

To continue implementing ethical best practice policies, the Corporate Governance Subcommittee (part of the Corporate Social Responsibility Committee, which is under the O-Bank Board of Directors) is responsible for the following: formulating ethics policies and measures for preventing malfeasance; promoting and monitoring matters related to ethical management; ensuring that directors, managerial officers, rank-and-file employees, and mandataries do not violate ethical principles; tracking the benefits generated by the implementation of various ethical management initiatives; engage in ongoing consideration of possible corrective actions; and reporting to the Board of Directors at least once per year. The main duties of the Corporate Governance Subcommittee are set out in the "Ethical Corporate Management Best Practice Principles," which states as follows:

- (1) The Corporate Governance Subcommittee shall incorporate ethics and moral values into the company's business strategy and adopt related internal rules to provide prevention measures against corruption and malfeasance, thereby ensuring ethical management which complies with the requirements of laws and regulations.
- (2) The Corporate Governance Subcommittee shall adopt programs to prevent unethical conduct, and set out in each program standard operating procedures and conduct guidelines with respect to the company's operations and business. To ensure ethical corporate management, O-Bank – acting in compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" – has: established effective internal control systems and accounting systems; conducted regular audits on our domestic business, financial, asset custody, and information units as well as other management units; and retained a certified public accountant to conduct regular audits of the company's internal control systems to ensure efficient internal controls and to implement ethical best practices.
- (3) The Corporate Governance Subcommittee shall plan the internal organization, structure, and allocation of responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. To avoid corruption-related risks, O-Bank has adopted a number of different standard operating procedures, malfeasance prevention measures that are in line with legislative requirements in Taiwan as well as all other jurisdictions where the O-Bank maintains establishments, and risk identification procedures for risk control self assessments (RCSAs). O-Bank has also assessed business corruption risks at all of our business locations and branches, and each of our functional units uses the assessment results to control risks and avoid the risk of corruption within the company. O-Bank has already assessed related risks at 100% of its business locations throughout all of Taiwan.

- (4) The Corporate Governance Subcommittee shall promote and coordinate outreach and training activities that focus on ethics policy.
- (5) The Corporate Governance Subcommittee shall establish and implement a whistleblower system.
- (6) The Corporate Governance Subcommittee shall assist the Board of Directors and management in auditing and assessing whether the corruption prevention measures taken by O-Bank for the purpose of implementing ethical management are effectively operating, and shall regularly prepare reports on the assessment of compliance with ethical management in operating procedures.

O-Bank has adopted many different internal anti-corruption measures. In addition to implementing a regular job rotation system among employees with certain functions, O-Bank has also instituted a "negotiated leave" system to reduce the risk of corruption occurring in the course of operations. As for the implementation of ethical business management by subsidiaries, O-Bank has adopted a set of "Regulations Governing the Management of Invested Companies," established firewalls between O-Bank and our subsidiaries as well as among subsidiaries, and taken steps to ensure that all subsidiaries have established fully developed internal control procedures and management procedures. Also, acting in accordance with laws and regulations that the company's subsidiaries are required to comply with, O-Bank handles the following matters: management of information security service systems; management of customer information and maintenance its confidentiality; prevention of the acceptance of improper benefits; limiting of business cooperation and sharing of resources; limiting of extension of credit to or other transactions with stakeholders and substantive stakeholders; prevention of insider trading; and administration of the company's internal operating guidelines.

3. Whistleblower System

To encourage employees to blow the whistle on unethical or improper conduct, O-Bank has adopted a "Whistleblowing Policy" and posted a Whistleblower System to our corporate website. Any person who discovers that a director, supervisor, manager, employee, or mandatary of O-Bank or a member of the O-Bank Group, or a person having substantial control of O-Bank or the Group, has possibly committed crimes, cheating, or regulatory violations, may submit a whistleblowing report to the O-Bank Auditing Division and the convener of the Audit Committee via telephone, email, or the postal service. If an investigation substantiates that the alleged perpetrator in a whistleblowing report has violated applicable legislation, the whistleblowing report shall be forwarded to O-Bank's human resources unit, and O-Bank shall take disciplinary action in accordance with its "Rules for Employee Recognition and Discipline," and if the legal violation is serious, O-Bank may refer the whistleblowing report directly to law enforcement authorities for appropriate action. In addition, to ensure that a whistleblower understands how the case is being handled, the whistleblower shall receive timely progress reports via telephone, email, or some other means. Also, a whistleblower's identity and the content of what is reported are kept secret. This system helps O-Bank to implement corporate governance and maintain ethical business practices. A total of 13 emails were submitted to the O-Bank whistleblower box in 2021. It was found upon review that the emails made no accusations against any specific persons and provided no descriptions of concrete malfeasance involving illegal or improper behavior. Actually, the number of valid whistleblower cases was zero.

4. Education and Training

To ensure that all employees comply with the "Ethical Corporate Management Best Practice Principles" in the conduct of their job duties, and that they observe strict legal compliance, O-Bank's legal compliance, auditing, and human resources units in 2021 jointly held 24 on-site and online courses. These courses attracted a total attendance of 10,937 persons who completed a combined 13,335.5 course hours (see Table 3-6). With respect to domestic matters, O-Bank carries out outreach activities to familiarize

employees with important legislative amendments, major enforcement actions, matters pertaining to ethical best practice and corporate social responsibility, internal audit systems, principles for fair treatment of consumers, anti-money laundering, confidentiality rules, protection of personal information, and other important topics. As for overseas legal compliance matters, O-Bank holds education and training courses focusing on selected topics. In addition, O-Bank in 2021 hired Deloitte & Touche to hold a series of four "Personal Information Protection Courses" for risk management supervisors and officers, attracting a total attendance of 1,704. As for "ethical best practice" training activities, O-Bank retained the Taiwan Corporate Governance Association to hold an "Ethical Business Practices and Fair Treatment of Customers" lecture and an "AML/CFT Case Studies for Banks" seminar to strengthen O-Bank Board members' concept of ethical business practices and AML/CFT matters. The lecture and seminar attracted a total attendance of 30. To better familiarize rank-and-file employees with ethics and compliance, O-Bank's various units acted separately in once again holding outreach activities focusing on ethics rules. These activities, which were designed to ensure better compliance and prevent unethical behavior, attracted a total attendance of 861.



"Ethical Business Practices and Fair Treatment of Customers" lecture

Table 3-6: O-Bank Education and Training Activities in 2021

Name of Course	No. of Sessions	Target Audience	Hours	Attendance	Person Hours
Training & panel discussion for chief compliance officers	1	Chief compliance officers from the various units	2	75	150
Online training & testing for compliance	2	All employees	0.5	1,723	861.5
Education and training series for protection of personal information	2	All employees in Taiwan	1	1,577	1,577
	2	Operational risk managers	1	127	127
In-depth analysis of the "Financial Consumer Protection Act"	1	All employees in Taiwan	3	859	2,577
Annual Online Legal Compliance Training and Testing for the Hong Kong Branch	1	All employees from the Hong Kong Branch	1	75	75
AML/CFT education & training	1	All employees	3	781	2,343
Annual Online AML Training and Testing for the Hong Kong Branch	1	All employees from the Hong Kong Branch	1	75	75
OJT workshop for compliance personnel	1	Chief compliance officers from the various units	3	75	225
Information security training courses	3	All employees	1	3,347	3,347
Panel discussion on audit work	1	Unit supervisors / related personnel	1.5	167	250.5
	1	Unit supervisors / related personnel	1	111	111

Name of Course	No. of Sessions	Target Audience	Hours	Attendance	Person Hours
Self-audit training	1	Personnel engaged in self-audit work	1	824	824
Comprehensive training on occupational safety and health	2	Personnel required to meet training hours requirement for current year	1	143	143
	1	Personnel required to meet training hours requirement for current year	2	87	174
"Ethical Business Practices and Fair Treatment of Customers" lecture	1	Directors	2	15	30
AML/CFT case studies for banks	1	Directors	1	15	15
Ethical management outreach, education, and training	1	All employees	0.5	861	430.5
Total	24			10,937	13,335.5

3.2.2 Internal Control and Audit Systems

Acting in compliance with the Financial Supervisory Commission's "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies," O-Bank has established our internal control system (see Fig. 3-1), for which three lines of defense are set up to ensure our proper and effective operation and O-Bank's sound management.

Fig. 3-1: Three Lines of Defense in the O-Bank Internal Control System



The O-Bank's Auditing Division reports directly to the Board. Our internal auditors carry out auditing duties in an impartial, objective, independent, and detached manner, and do not hold any position that conflicts with or restricts their auditing duties, so as to reasonably ensure the effective operation of internal controls. The frequency of on-site examinations of domestic and overseas units and subsidiaries is based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies," and is incorporated into the annual audit plan. The chief auditor reports once per quarter on these matters to the Board of Directors and the Audit Committee to help the Board of

Directors and management stay up to date on O-Bank's implementation of audit matters. The O-Bank Board of Directors holds a forum with auditors every half-year to review internal control deficiencies, and meeting minutes are produced. Also, the Auditing Division monitors a routine self-inspection on all first-line-of-defense units at least semiannually and a special self-inspection at least every month. However, if the unit has conducted a routine self-inspection, the Auditing Division has conducted a routine business audit, a financial examination agency has conducted a routine business audit or self-evaluation on affairs concerning compliance with applicable acts and regulations in that month, a special self-inspection can be exempted in that month. Additionally, the Auditing Division must provide appropriate audit training each year for personnel engage in self-inspection work.

The O-Bank Auditing Division completed business audits at O-Bank's various departments and subsidiaries in 2021 in accordance with the audit plan as well as instructions from the competent authority. The resulting audit findings for each department and subsidiary were tracked in the Bank's system for ongoing monitoring until resolution, and O-Bank proceeded directly to implement corrective actions in order to improve the effectiveness of internal controls and continue strengthening the supervision of auditing operations at overseas branches.

3.3 Legal Compliance

3.3.1 Legal Compliance

To thoroughly implement our compliance policy, O-Bank establishes an annual legal compliance plan, and in addition to reviewing compliance systems, structures, and regulations, we also prepare an integrated overview of the handling of legal compliance matters by O-Bank as a whole. This overview covers matters such as each department's compliance self-assessment and the causes of serious compliance failures, suggestions for improvement, compliance assessment results, education and training, and the handling of insurance agent services. The head office Chief Compliance Officer reports semi-annually to the Board of Directors and the Audit Committee to help the Board of Directors and senior management effectively understand the state of O-Bank's legal compliance.

To ensure that each line of business is conducted in accordance with legal requirements, the head of Legal and Compliance Division, acting in compliance with laws and regulations as well as rules governing the review of new products: (a) first signs or issues a letter of consent before O-Bank applies for approval of (or launches) a new product or new line of business; and (b) assists with pre-launch review of products and services to examine personal information risk, ML/TF risk, and consumer protection matters. In addition, O-Bank's compliance unit promptly informs other units of changes to external laws, regulations, and rules, and it also assists other units to review, establish/and amend internal rules. At the same time, the compliance unit helps with the planning and implementation of the entire Bank's compliance-related courses and training, both in-person and online.

O-Bank supervises compliance at overseas branches in accordance with the competent authority's "Self-Regulatory Rule Governing Management Regime for Compliance, Anti-Money Laundering, and Countering the Financing of Terrorist of Foreign Branch (Subsidiary) for Domestic Member of the Bankers Association of the Republic of China" and holds periodic meetings with the chief compliance officers of the Hong Kong Branch and EverTrust Bank (O-Bank's US subsidiary) to ensure proper implementation of legal compliance measures. Also, O-Bank periodically reviews the monthly and semi-annual compliance reports of the Hong Kong Branch Compliance Division as well as the compliance-related items on the meeting agenda of the EverTrust Bank Board of Directors. These matters are reported to the O-Bank Board of Directors on a periodic basis.

In 2021, O-Bank was not involved in fraud, insider trading, anti-competitive behavior, anti-trust or monopolistic behavior, corruption, market manipulation, or any other behavior that violated applicable

legislation, nor did it receive an administrative fine from any competent authority. In addition, it did not incur losses due to any litigation in connection with the sale or provision of financial products or services, and properly complied with all applicable internal and external requirements.

3.3.2 Anti-money Laundering and Counter Financing of Terrorism (AML/CFT)

To coordinate with the requirements of the competent authorities regarding AML/CFT matters, O-Bank has adopted a Risk-Based Approach in assessing the ML/TF risks that we face, has established related internal rules and management mechanisms, and carries out related education and training for employees. To respond to different ML/TF risk typologies, O-Bank hired Deloitte Consulting to carry out a project to optimize the Bank's monitoring and control of suspected ML/TF transactions. The project includes the following two aspects: (1) A risk-based approach was used to optimize the threshold for tripping alerts on possible ML/TF transactions. (2) The effectiveness of red flags was analyzed. The project was completed in February 2020. Moreover, O-Bank also hired Deloitte Consulting (Hong Kong) to assess the O-Bank Hong Kong Branch's ML/TF risks and to conduct a comprehensive review of the branch's implementation of its AML/CFT system. This project was completed in September 2020. And in order to incorporate EverTrust Bank (O-Bank's US subsidiary) into our institutional ML/TF risk assessments, O-Bank retained EY Management Services to prepare an Institutional ML/TF Risk Assessment covering the O-Bank head office, the Hong Kong Branch, and EverTrust Bank. The report was completed in November 2021.

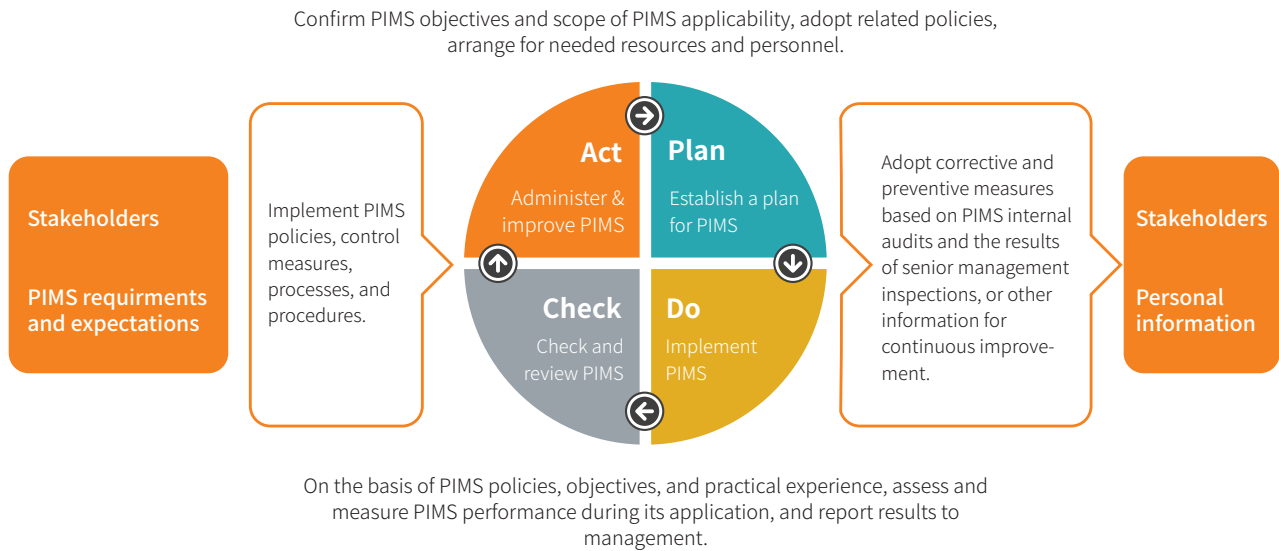
In addition, O-Bank carries out a comprehensive AML/CFT evaluation every year that focuses on four aspects: customers; products and services; transactions & delivery channels; and regions. On the basis of the evaluation results, O-Bank develops annual risk prevention programs. To ensure that each line of business is conducted in compliance with AML/CFT laws and regulations, the head office chief AML/CFT officer, acting in compliance with laws and regulations, must first review new products and services to assess ML/TF risk before O-Bank applies for approval of (or launches) a new product or new line of business. Also, to ensure effective control of ML/TF risks by overseas branches, the comprehensive anti-money laundering system developed by the Hong Kong Branch in 2017 and went online in December 2018. In addition, the head office has established the "O-Bank Group Policy for Sharing AML/CFT Information," the "O-Bank Rules Governing the Management Regime for AML/CFT of Foreign Branches (Subsidiaries)," and the "O-Bank Group Operation Procedures for Sharing of AML/CFT Information" in order to strengthen the Group's AML/CFT governance and information sharing mechanisms. Once each half-year, O-Bank reports to the Audit Committee and the Board of Directors on the state of AML/CFT operations at its head office and throughout the group.

3.3.3 Personal Information Protection

O-Bank continues improving our protection and management of personal information. Making reference to the latest version of the BS 10012 Personal Information Management System (PIMS), taking an institutionalized, documented, and systematized approach, and following the Plan-Do-Check-Act (PDCA) management model, O-Bank has established a PIMS (see Fig. 3-2). Our personal information management policy is faithfully implemented by analyzing operating procedures, information systems, and third-party management and exercising stringent control over the acquisition, handling, use, transmission, storage, sealing, and destruction of personal information. O-Bank also considers the matter from the perspectives of "organization," "procedures," and "information technologies" and takes a top-down approach, using a strategic eye to define organizational management and operations. By analyzing operating procedures and information systems, O-Bank reviews the personal lifecycle, all the way from acquisition, handling, use, transmission, storage, and sealing, to destruction of personal information. Throughout the process, the location, access to, and control of personal information is tracked. At the same time, O-Bank

reviews and minimizes personal information not needed for business purposes in order to reduce the organization's management and control costs. O-Bank continues to carry out a "BS 10012 Maintenance, Consulting, and Advisory Service" project to improve our protection and management of personal information.

Fig. 3-2: O-Bank Personal Information Management System (PIMS)



To ensure sustained and effective operation of our personal information security management system, O-Bank has established a Personal Information Management Committee (Fig. 3-3), for which the president of O-Bank serves as convener. The Committee holds an annual personal information protection meeting, oversees personal information protection and management across O-Bank, examines (or accepts file-and-use registrations of) rules governing personal information management, oversees and directs crisis management and response, and regularly conducts critical reviews of the current PIMS in order to improve operating efficiency and effectiveness. The Committee has also established a Personal Information Management Team, which is composed of the Legal & Compliance Division, Risk Management Division and Information Technology Division. This Team is charged with responsibility for: promoting personal information control measures and plans; assisting all departments with their management of personal information; planning and conducting personal information management outreach, education, and training activities; and formulating measures for responding to various supervisory requirements that relate to the protection of personal information approved by convener and reported in a timely manner to the competent authority. The Team also prepares regular reports on personal information security management and presents the reports to the Personal Information Management Committee. On November 19, 2021, the Committee convened its annual meeting to review and decide on matters related to personal information as well as present a personal information self-evaluation report to the Board of Directors.

Fig. 3-3: O-Bank Personal Information Management Framework



To enhance employee awareness of the importance of personal information protection, and to improve their ability to respond to incidents, O-Bank each year offers regular company-wide training courses on personal information protection. These activities are complemented by training in legal compliance, plus activities designed to better familiarize employees with related legislation. In this manner, O-Bank seeks to incorporate awareness of personal information protection into our corporate culture, so as to honor our commitment to personal information protection. In 2021, O-Bank held four "Personal Information Protection Courses," which focused on different topics for the benefit of different types of participants. O-Bank also launched a digital learning platform, which is used to carry out legal compliance training and testing. There were separate sessions in the first and second halves of the year, and personal information matters were among the topics covered.

3.4 Risk Management

3.4.1 Risk Management Policies and Operations

A financial services firm must formulate rigorous risk management policies to ensure that, when applied to different trading methods, product types, and routine operations, the firm is able to prudently assess various potential risks and control them effectively, thus maintaining compliance with the requirements of both domestic and overseas supervisory authorities. Acting in line with the overall business environment, our own risk management capabilities, and external legislation, O-Bank has adopted a "Risk Management Policy" that has since been approved by the Board of Directors. We have also adopted numerous internal rules governing credit, operational, market, liquidity, money laundering, and terrorism financing risks, and has reported them for approval at the appropriate level of management in accordance with the principles of hierarchical delegation of responsibilities. The related operating procedures include risk identification, measurement, monitoring, reporting, and countermeasures.

1. Risk Management Framework

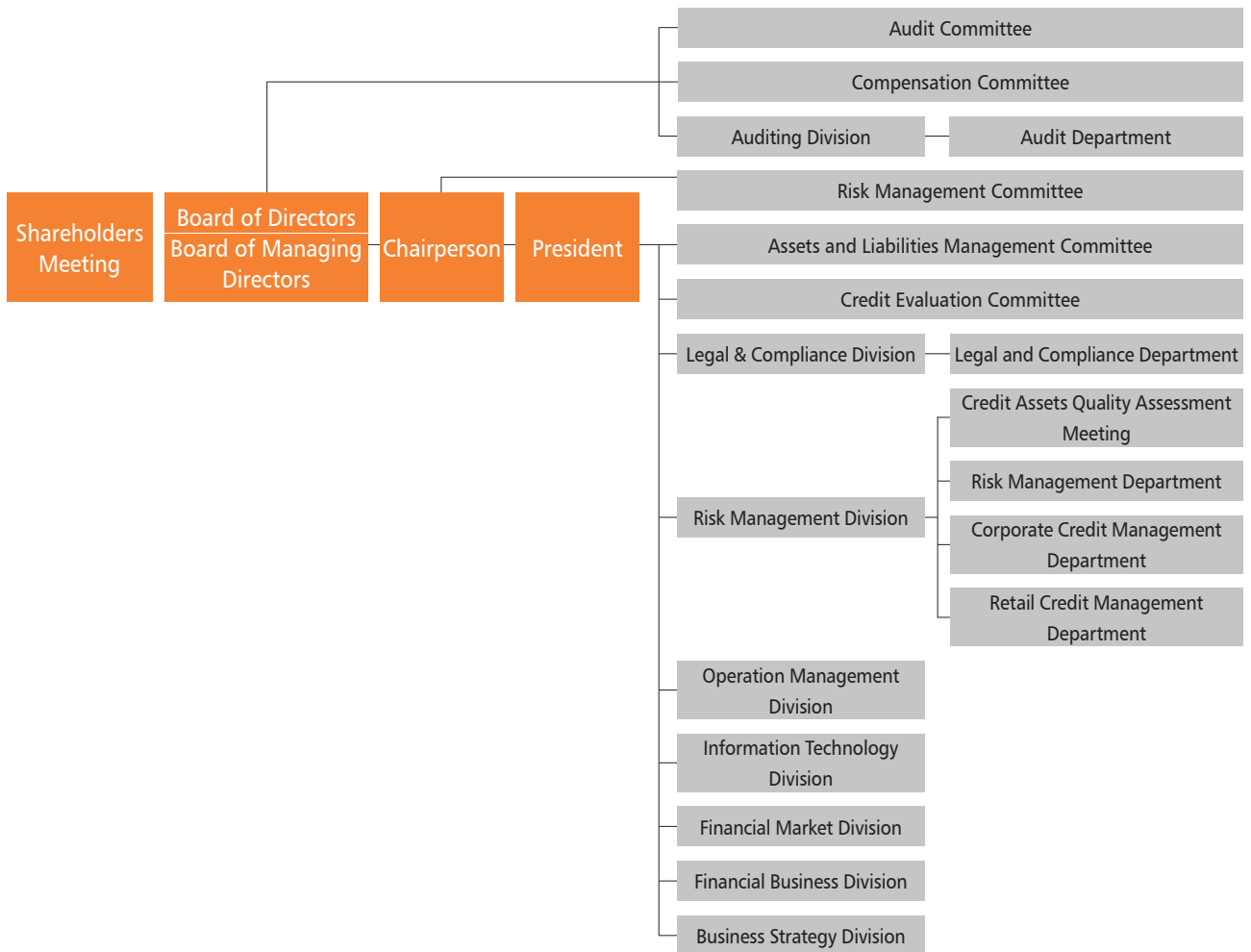
The highest authority in O-Bank's risk management organization is the Board of Directors, which approves risk management mechanisms and risk tolerance based on the overall business strategy and business environment. And to ensure effective implementation of bank-wide all risk management procedures: (a) under the Chairperson of Board there is a "Risk Management Committee," which examines risk management mechanisms and risk management proposals that approved level are the Board of Directors meeting, and monitors how effectively various risks are being managed and reviewed; and (b) under the President there are an "Assets and Liabilities Management Committee," a "Credit Evaluation Committee," and a Credit Assets Quality Assessment Meeting which hold by responsible department to discuss and review risk management proposals regularly.

O-Bank has three risk management units, namely, the Risk Management Department, the Corporate Credit Management Department, and the Retail Credit Management Department. (a) The Risk Management Department is responsible for building comprehensive risk management mechanisms; identifying, measuring, monitoring, controlling, reporting, and responding to our credit risks, market risks, operational risks, liquidity risks, and interest rate sensitivity risks; controlling our impaired assets; assessing asset quality; and supervising and monitoring effectiveness of risk management throughout O-Bank. (b) The Corporate Credit Management Department is responsible for drafting and revising internal rules of corporate credit risks; rating and controlling corporate credit risks; inspecting corporate credit extensions and post-credit reviews; reviewing corporate lending contracts and collateral; and controlling lending facilities. (c) The Retail Credit Management Department is charged with adopting and amending internal rules of retail credit risks; scoring and controlling retail credit risks; inspecting retail credit extensions; and conducting post-credit reviews.

During the risk monitoring of O-Bank, all exceptions such as violations of policies, limits, and authorizations are reported, processed and improved immediately. At the same time, to ensure full disclosure of risk control situations, O-Bank disclosed the "Risk Management Policy" approved by the Board of Directors on the official website, as well as the risk management organization and its implementation. Meanwhile, our risk management units regularly report on the state of Bank-wide risk management at meetings of the Board of Directors and the Risk Management Committee, and we also disclose the implementation in the annual financial report.

Fig. 3-4: O-Bank's Risk Management Organization Chart

Current as of Jan. 1, 2022



2. Risk Management

O-Bank's risk management policy covers risk definitions, risk management objectives, risk management organization and scope of risk management functions, the responsibilities and authorities of authorized personnel, ownership of risk management functions, risk tolerance, risk measurement methods, risk countermeasures, communication of risk management information, and reporting mechanisms. In addition, in order to fully disclose the rights and obligations of the guarantor and the scope of the guaranteed liability, O-bank send a guaranteed liability notification regularly to the borrower(s) for the joint & several guarantors' maximum guaranteed amount and the guaranteed debt amount each year. O-Bank controls different types of risk as described below:

Fig. 3-5: O-Bank's Risk Management Policies



(1) Credit Risks

The "Credit Policy" and "Credit Risk Management Principles" are approved by the O-Bank Board of Directors as the implementation indicators and risk control for credit management. O-Bank pursues sound credit assets quality and optimal earnings targets. According to the fundamental principles of public welfare, security, liquidity, profitability, and growth prospects, to prudently evaluate the borrower's credit including the source of repayment, the purpose of loan, the collateral, and the prospective risks and benefits of the loan. To establish the control mechanism of the credit asset portfolio and concentration limits. In addition, in order to enhance the control on related-party borrowers and strengthen the connectivity between related-party borrower's data. O-Bank completed optimization of the related-party borrower information management system in October 2020, which is a part of the company's customer information system (CIS).

In order to understand how changing economic and financial conditions affect O-Bank's risk-bearing capacity and capital adequacy, O-Bank carried out stress tests in accordance with the FSC's "Guidelines for the Conduct of Stress Tests by Domestic Banks" and "Operational Guidelines for the Conduct of Credit Risk Stress Tests by Banks". The results of these stress tests will serve as important bases for risk management, and will be used for ongoing adjustments to the direction of business operations, credit policies, and risk assessment procedures. The purpose is to ensure that, when there are changes in the external environment, the Bank can still maintain adequate capital and pursue a proper balance between risk and returns in order to achieve its operational and management objectives. As of year-end 2021, the 10 industrial sectors in which O-Bank had the most significant risk concentrations (and their total loan amounts) were as shown in Table 3-7 below.

Table 3-7: 10 Industrial Sectors in which O-Bank has the most Significant Risk Concentrations (and their total loan balance) Current as of: Dec. 31, 2021 Unit: NT\$ million

Sector	Total Loan Balance
1. Finance & insurance	41,327
2. Manufacturing	35,727
3. Individual consumers	34,319
4. Real estate	22,349
5. Wholesaling & retail	8,881
6. Publishing, audio/video, information & communication	4,148
7. Transportation and warehousing	2,689
8. Medical, health care, & social services	2,395
9. Accommodation and food services	1,572
10. Water & sewage services	1,360

Note 1: The sector categorizations are based on the loan recipient and depositor categories adopted in statistics published by the Directorate-General of Budget, Accounting and Statistics and the Central Bank.

Note 2: The term "individual consumer" means a natural person who borrows money under their own name.

(2) Market and Liquidity Risks

On the basis of three main product categories (equity, interest rate, and exchange rate products) and their respective features, O-Bank has adopted internal rules that set out express provisions governing risk management indicators, exposure limits, reporting of instances in which exposure limits are exceeded, and the managerial personnel who are authorized for deciding upon response measures under such circumstances. To address market and liquidity risks, O-Bank (taking care to ensure legal compliance and rigorous management that ensure a properly balanced dual focus on both profitability and security) responds each year to changing financial market conditions, the supervisory authority's liquidity risk measures, and plans for the company's business footprint, by adopting management approaches and risk limits. Once these management approaches and risk limits have been reviewed and approved by the Assets and Liabilities Management Committee and the Risk Management Committee, they are then submitted to the Board of Directors for final approval. Also, to comply with the Basle Committee on Banking Supervision's "Principles for the Management of Interest Rate Risk," which requires banks to have an appropriate framework for management of interest rate risk in the banking book (IRRBB), including extreme values, stress testing, and information disclosures, O-Bank has adopted IRRBB models in accordance with regulations issued by the Financial Supervisory Commission. These models were implemented from 2021.

(3) Operational Risk

O-Bank's operational risk management policy includes clear-cut risk identification, control assessment, and reporting that govern such matters as organization framework, scope of risk management functions, locus of authority and responsibility, requirements, and implementation tools, including loss data collection (LDC), risk and control self-assessment (RCSA), key risk indicators (KRIs), and Clean Desk (CD). To ensure that operational risk management mechanisms can operated smoothly, O-Bank has included operational risk management work among the items receiving attention in each company unit's annual performance reviews, with units assigned a rating of 1 to 5 depending on how well they have carried out operational risk management work. The performance reviews are conducted at year's end. In addition, in order to improve the operating efficiency and oversight of our internal control system, O-Bank has been working since 2018 to establish a Governance, Risk Management, and Compliance (GRC) management platform. The platform's operational risk management module was launched in 2019.

To heighten employees' awareness of the need to maintain the confidentiality of operating secrets and the security of personal information, we continue to pursue our Clean Desk initiative, and in view of the initiative's progress have adopted a set of "Clean Desk Operational Risk Management Rules," which all company units will be expected to observe in their daily operations. O-Bank's risk management units conduct random monthly surveys to check how well each company unit is implementing the Clean Desk rules. As part of the surveys, each company unit conducts random internal checks after working hours to see whether documents and folders have been left lying on the surfaces of desks, office equipment, and cabinets, whether printouts have been left in printer trays, and whether employees have failed to either lock their notebook computers or store them in a locked cabinet. In 2021, a total of 156 random surveys were conducted, which was equal to 90% compliance with the rules. We will continue overseeing our various units to ensure that they properly implement this work and effectively reduce the risk of operating secrets and personal information being improperly divulged or stolen.

To ensure that supervisory information is reported more accurately and in a more timely manner, O-Bank has adopted a system for filing of financial statements via the Financial Supervisory Commission's One-Stop Window for Reporting of Financial Supervisory Information, and in November 2019 established a new section under the Risk Management Department to administer the handling of statutorily required

reporting forms. Since that time, the new section has gradually taken over related tasks from other units throughout O-Bank in order to achieve compliance with the "Guidelines for Handling Defects in Filing of Supervisory Information by Domestic Banks".

(4) Brand Risk

Since reorganizing as a commercial bank, O-Bank has pursued brand exposure through many different channels, including social media. O-Bank has adopted a set of "Procedures for the Use of Social Media" to ensure that company information and the O-Bank brand image are properly presented in new media, and to manage associated risks. Also, in order to ensure that O-Bank information is presented in an accurate, consistent, and appropriate manner, we have also adopted a "Management Mechanism for the Public Statements of O-Bank Employees," which specifies who is authorized to speak publicly on behalf of the company, including the Chairperson, President, Head of Financial Business Division, Head of Legal & Compliance Division, Head of Business Strategy Division (and Deputy Spokesperson), Head of Operation Management Division, and Head of Corporate Communications Department (and Spokesperson). This type of restricted authorization ensures that public communications are accurate and reflect well on the company image. At the same time, O-Bank has set up a Public Relations Section under the Corporate Communications Department to assist the company in managing brand image and communications. The Public Relations Section monitors news reports on the company on a daily basis and checks for any mentions of the company on social media to stay current on news and consumer sentiment. When necessary, O-Bank responds quickly to maintain the company's reputation and brand image, and to avoid the risk of misunderstandings or improper information causing harm to O-Bank's brand image. In addition, O-Bank has established a comprehensive mechanism for inter-departmental liaison and communications so the company can quickly respond to the wishes of stakeholders.

3. Crisis Management

When any unit experiences a major event, to ensure that business continues as usual and customer rights and interests are safeguarded, and to minimize harm to persons and property, O-Bank has adopted the "Major Accident Emergency Response and Recovery Plan Implementation Guidelines" and the "Organizational Guidelines for the Emergency Response Committee". The Emergency Response Committee is chaired by the President of O-Bank. It is responsible for ensuring that the company is able to promptly notify the proper persons when a major event occurs, and it gathers information from different units to facilitate prompt action in response to emergencies.

To maintain our ability to respond promptly to emergency situations, O-Bank continues to conduct emergency response drills to sharpen our readiness to control operational risks. In November 2021, O-Bank conducted an unannounced drill on the deposit of funds into the Central Bank's Interbank Funds Transfer Guarantee Special Account (hereinafter, "Special Account") to ensure that O-Bank will not encounter a situation in which our funds in the Special Account are insufficient to cover our interbank cash withdrawals or funds transfers on a non-banking day, which would affect the rights and interests of customers as well as O-Bank's reputation. In October 2021, O-Bank carried out our annual operational continuity drills for both information and business operations, using simulation drills to confirm that O-bank's remote backup and recovery facilities can still be started up normally, and key operations and trading processes can still operate normally – even when information systems at the O-Bank head office, the Asia Plaza Building, and the First International Computer Inc. Building (Yangguang St, Neihu Dist., TPE) are hit by a major disaster that prevents normal operations. During the drills, personnel from the Auditing Division meet with personnel from O-Bank's various units to observe the conduct of the drill. The following Bank units take part in the annual drills, and are responsible for the following tasks:

- Information Task Group: This task group is composed of personnel from the Infrastructure and System Services Department, Engagement Platform and Project Management Department, Application System Development Department, Core Banking System Development Department, and Technical Development Department. Acting in accordance with the "Standard Drilling and Testing Procedures for Information Systems Continuity," this task group focuses on procedures for network reconnection and systems restoration.



O-Bank conducted operational continuity drills for both information and business operations in 2021

- Business Operations Task Group: This task group is composed of personnel from the Corporate Operation Department, Retail Operation Department, Corporate Finance Department, Treasury Department, Corporate Cash Management and e-Banking Department, Risk Management Department, General Affairs Department, Hong Kong Branch, and Trust Department. On the basis of the plan for annual drills, this task group validates and tests the transaction procedures and systems for each line of business.
- Communications Task Group: The Strategic Planning Department is responsible for liaison and communications with all company units.

Also, in order to respond promptly to material events and control related risks, O-Bank (acting in accordance with the "Directions Governing the Scope of Reportable Major Contingencies, Reporting Procedures, and Other Compliance Matters" issued by the Financial Supervisory Commission) has adopted a "Mechanism for Handling Major Contingencies". O-Bank experienced three major contingencies in 2021, and the contingencies were promptly reported to the authorities as required. We are now taking aggressive action to safeguard customer interests, and are carefully reviewing the cases to determine the causes and monitor the progress of corrective actions.

3.4.2 Climate-related Financial Risks

In the face of the constantly increasing risks related to climate change, O-Bank has actively sought to assess the climate-related risks and opportunities we could generate, and additionally focuses on emerging risks in our risk management strategy. Emerging risk factors now expressly include climate change, and when O-Bank conducts various lines of business or engages in strategic planning, we must take emerging risks into account. Furthermore, acting in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) regarding climate change disclosures in the four thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets, O-Bank has defined climate change issues, identified high-risk as well as high-opportunity issues related to climate change, assessed the possible financial impacts of those issues, and formulated response measures in order to strengthen O-Bank's resilience to climate change risks while also boosting O-Bank's ability to seize upon related business opportunities. O-Bank applied in May 2021 to become a TCFD Supporter.

Core elements of TCFD

Governance	Strategy	Risk Management	Metrics and Targets
<p>(a) The Green Finance Subcommittee (part of the Corporate Social Responsibility Committee, which is under the O-Bank Board of Directors) is responsible for overall risk management system of climate change. It includes identification and management measures for climate-related risks in each year's Sustainability report, and reports them to the Board of Directors.</p> <p>(b) The Risk Management Committee deliberates upon climate-related risks, and works to improve climate risk management mechanisms. This Committee is chaired by O-Bank's Chairman, and its members include two directors, O-Bank's President, and the heads of O-Bank's various divisions.</p>	<p>(a) Make it a matter of corporate strategy for all related units throughout O-Bank to identify possible climate-related risks and opportunities, and determine probabilities of occurrence over short (1-3 years), medium (3-5 years), and long (5-10 years) time frames.</p> <p>(b) With respect to the three highest-risk and three highest-reward climate-related issues that could have a significant impact, assess the types, scope, and the amount of financial impact, and study possible response strategies.</p> <p>(c) O-Bank will assess physical risks on the basis of RCP 8.5, which assumes a high greenhouse emissions scenario, and will also assess transition risks upon the basis of RCP 2.6, a pathway which assumes that the global temperature rises by 2100 will be kept below 2 degrees C.</p>	<p>(a) While distinguishing between different degrees of impact on business and operations, as well as short-, medium-, and long-term probabilities of occurrence, use a consistent assessment method to identify high-risk and high-reward climate-related issues.</p> <p>(b) According to the particular features of different lines of business, formulate appropriate management measures and assess management costs in order to avoid being affected by risks.</p> <p>(c) Address climate-related risks and other emerging risks in the company's overall Risk Management Policy; adopt a "Sustainable Credit and Investment Policy" and "Guidelines for Corporate Sustainability-linked Lending" and incorporate ESG risk factors into credit management procedures.</p>	<p>(a) The greenhouse gas emissions of all O-Bank business locations in Taiwan and the carbon footprint of their investment portfolios are treated as the metrics.</p> <p>(b) Act each year to quantify greenhouse gas emissions at all O-Bank business locations in Taiwan (see "6.3 CO₂ Emissions Inventories"); adopt PCAF methodology to inventory the portfolio emissions of the 10 biggest carbon-intensive industries (see "4.3 Responsible Finance").</p> <p>(c) Adopt short, medium, and long term O-Bank environmental management targets (see "6.1 Environmental Management Policies and Targets"); monitor the portfolio emissions of the 10 biggest carbon-intensive industries, and adopt related reward and disciplinary measures (see "4.3 Responsible Finance").</p>

Note: The IPCC Fifth Assessment Report puts forward a set of Representative Concentration Pathways (RCPs) to redefine four possible future climate change scenarios. RCP 2.6 assumes that global warming will decelerate within the current century (with radiative forcing on the decline by the year 2100), while RCP 8.5 assumes a high greenhouse gas emissions scenario (with radiative forcing still on the increase in the year 2100).

Making reference to TCFD reports on climate-related risks and opportunities and the analysis of climate-related trends in the global financial industry, O-Bank drew up a list of 23 climate-related risks and 15 climate-related opportunities. The proper company divisions and their supervisors identified any correlations between their own line of business and each risk or opportunity, then conducted climate scenario analysis to assess both the likelihood of risks and opportunities materializing as well as the impact thereof. The result was a climate risk matrix (Fig. 3-6) and a climate opportunity matrix (Fig. 3-7). These matrices set out three major types of climate-related risks (Operational impact of increase in the severity and frequency of extreme weather events; Business impact of increase in the severity and frequency of extreme weather events; Stigmatization of sector) and three major types of opportunities (Higher rankings in sustainability and ESG indices; increased financial asset diversification; New revenue streams from new environments, markets, and products).

Fig. 3-6: O-Bank Climate Risk Matrix

Degree of Impact	High			<ul style="list-style-type: none"> Operational impact of increase in the severity and frequency of extreme weather events Business impact of increase in the severity and frequency of extreme weather events Stigmatization of sector
		<ul style="list-style-type: none"> Increased stakeholder concern or negative feedback Litigation risk Sea level rise 	<ul style="list-style-type: none"> Lending that could create or contribute to systemic risk for the economy 	<ul style="list-style-type: none"> Inability to attract co-financiers and/or investors due to uncertain risks related to the climate Changes in consumer behavior Regulation and supervision of climate-related risk in the financial sector Low-carbon alternative products and services Mandates on and regulation of existing products and services
	Low	<ul style="list-style-type: none"> Loss of clients due to a fund's poor environmental performance outcomes Shifts in consumer preferences Higher pass-through carbon prices (carbon tax) from suppliers 	<ul style="list-style-type: none"> Higher operating costs for customers due to increased climate-related risks Higher costs for raw materials Higher average temperatures More rigorous carbon emissions disclosure requirements Higher operating costs due to increased pass-through carbon prices (carbon tax) 	<ul style="list-style-type: none"> Higher pass-through carbon prices (carbon tax) from counterparties Regulation and supervision of climate-related risk in the financial sector Cost of switch to low-carbon technologies
		Likelihood of Occurrence		High

Fig. 3-7: O-Bank Climate Opportunity Matrix

Degree of Impact	High	<ul style="list-style-type: none"> Ability to diversify business activities 	<ul style="list-style-type: none"> Increased demand for funds to invest in companies that have a positive environmental impact Consumers accept digital banking services Good reputation spurs increased demand for products/services Development of low-carbon financial products 	<ul style="list-style-type: none"> Higher rankings in sustainability and ESG indices Increased financial asset diversification New revenue streams from new environments, markets and products Take part in renewable energy projects and utilize energy efficiency assessment methods
		<ul style="list-style-type: none"> Good reputation secures access to more funds 	<ul style="list-style-type: none"> Use R&D and innovation to develop new products and services 	<ul style="list-style-type: none"> Development of low-carbon online services
	Low	<ul style="list-style-type: none"> Move to a more efficient building 	<ul style="list-style-type: none"> Consumers prefer ESG products 	<ul style="list-style-type: none"> Reduce usage and exhaustion of water resources
		Likelihood of Occurrence		High

With respect to the three major types of climate-related risks set out above, O-Bank has drafted response measures to reduce the related effects. With respect to the three major types of climate-related opportunities set out above, each of O-Bank's related departments has developed products and services related to our particular line of business:

Climate-related Risks	Type of Financial Impact	Risk Management Measures
Operational impact of increase in the severity and frequency of extreme weather events (physical risks)	<ol style="list-style-type: none"> 1. Extreme weather event causes power outage or flooding at a place of business, thus leading to increased costs for equipment repair and business interruption. 2. Reduced demand for products and services, reduced employee productivity, etc. 	<ol style="list-style-type: none"> 1. Established an Emergency Response Committee and adopted a "Remote Backup and Recovery Plan" and an "Equipment Purchasing Plan" to ensure that emergency response measures can be promptly activated in the event of a disaster. 2. Conducts an annual business impact analysis and a business continuity plan exercise to ensure that disasters will not cause a business interruption. 3. Regularly maintains the data center equipment and power generator, has purchased commercial fire insurance, and has determined a list of personnel who will remain at their jobs in the event of a typhoon.
Business impact of increase in the severity and frequency of extreme weather events (physical risks)	<ol style="list-style-type: none"> 1. Real estate pledged as collateral is damaged in a natural disaster and loses value. 2. Lending and investment positions in the transportation, agriculture, and real estate sectors are exposed to risk due to extreme weather. 3. Green power generator units are damaged by a natural disaster, leading to insufficient power sales, which in turn affects the yield of securitization products. 4. Domestic high-net-worth customers move overseas, reducing O-Bank's wealth management client base. 	<ol style="list-style-type: none"> 1. When making a loan secured by real estate, avoid risks by assessing the property's location (e.g. if it is located on or near slope land, a waterway, a geological fault line). 2. With respect to high-risk sectors that are easily affected by the climate, strengthen related assessment procedures during the loan review and post-loan management processes, and require additional security as necessary to diversify risks. 3. Include the investment decision-making process among items to receive attention during ESG evaluations, annually identify high-risk sectors that are easily affected by the climate, and conduct ongoing monitoring. 4. Avoid geographical or sectoral over-concentration of trust assets.
Stigmatization of sector (transition risks)	Sector stigmatization in such industries as thermal power, steel, petroleum refining, or cement will expose O-Bank's lending and investment positions in such industries to increased risk.	<ol style="list-style-type: none"> 1. Carefully assess borrowers from stigmatized sectors, adopt review procedures from the Equator Principles, incorporate customers' environmental risks and social risks into credit investigation rules, and include customers' relevant management measures in credit agreements. 2. Include the investment decision-making process among items to receive attention during ESG evaluations, annually identify stigmatized sectors, and conduct ongoing monitoring. 3. In investment assessment reports, address the annual greenhouse gas emissions, water usage, and power consumption generated by O-Bank's long-term investment targets, and avoid investing in targets that might be stigmatized or controversial.

Climate-related Opportunities	Type of Financial Impact	Opportunity Management Measures
Higher rankings in sustainability and ESG indices	Receiving higher rankings in sustainability and ESG indices helps O-Bank to attract investors from both home and abroad, and generates more opportunities to obtain funds.	<ol style="list-style-type: none"> 1. Utilize existing manpower to study and draw up measures to improve O-Bank's ESG performance and win higher ratings from outside ESG raters. 2. Enhance the quality of information disclosure and strengthen communication with stakeholders so that stakeholders can better understand O-Bank's financial and operating conditions as well as our CSR undertakings.
Increased financial asset diversification	<ol style="list-style-type: none"> 1. Issue green bonds or continue issuing sustainability bonds. 2. Develop green industry-related factoring or financial securitization products. 3. Direct a higher percentage of investments toward green bonds or sustainability bonds, and increase the share of lending to green industry. 	<ol style="list-style-type: none"> 1. Provide education and training to internal corporate banking personnel, and build up knowledge about emerging industries. 2. Revise policies related to the development of new financial products or new lines of business. 3. Adopt sustainable credit investment policies and incorporate ESG indicators into corporate finance credit investigation procedures and investment decision-making procedures.
New revenue streams from new environments, markets, and products	<ol style="list-style-type: none"> 1. Develop client base for new-type businesses in such industries as solar power and electric vehicles. 2. Develop Lower Carbon fund, insurance risk transfer products, and other such solutions to meet new customer needs. 3. Assess the possibility of selling green industry financial asset securitization to increase financial consulting, trust management, and service fee income. 4. Broaden O-Bank's ESG-related investment targets to cover green industry and electric vehicles. 	<ol style="list-style-type: none"> 1. Provide education and training to internal corporate banking personnel, and build up knowledge about emerging industries. 2. Adopt rules governing the extension of credit to emerging industries, and adopt responsible lending targets. 3. Engage in a broader range of ESG-related investments, and adopt responsible investment targets.

3.5 Information Security

3.5.1 Information Security Management Policy

The O-Bank Board of Directors has adopted an Information Security Policy, and its IT Department has established an "information security promotion team" and an "information security implementation and examination team" to ensure proper implementation of the information security management system. Convened by the Head of Information Technology Division, the information security promotion team is responsible for supervising and deciding on matters related to the information security management system. The team also convenes regular meetings to examine the implementation status of the information security management system and provide needed resources, and it must, on an annual basis, have its Chairperson, President, Head of Auditing Division, Head of Legal & Compliance Division, and Chief Information Security Officer jointly issue the internal control system statement and submit it to the Board of Directors and senior management, which are responsible for oversight.

O-Bank the information operations comply with applicable laws and regulations on information security, O-Bank sets the information security policies and goals, adopts implementation and maintenance measures, reviews and amends policies, regulations and risk assessment. Following the PDCA (Plan-Do-Check-Act) cycle in an ongoing effort to improve and strengthen all relevant aspects. O-Bank received the ISO 27001 certification for the information security management in January 2017, and completed recertification the three-year cycle in December 2019. O-Bank retains an impartial third-party to conduct

a re-inspection every year to maintain the continued validity of the ISO 27001 certification, ensure effective operation of the information security management system, thoroughly implement it in the course of routine business operations, raise the level of information security, and safeguard the security of customer information.

O-Bank's information security goals are as follows:

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

3.5.2 Protective Measures for Information Security

O-Bank has acquired information security tools and established information security controls to maintain and strengthen the protection of the information security. To ensure the security of the information environment, O-Bank has installed the following: an antivirus software system, double-layer firewalls, intrusion prevention system, file and server access control, network traffic anomaly detection system, automatic updating of patches, website links control, instant messaging control, email filtering, control of USB devices, Data leakage prevention, database monitoring, control of mobile devices, privileged accounts management, two-factor authentication, notebook hard disk encryption, advanced persistent threat (APT) prevention, and protection against distributed denial-of-service (DDoS) attacks. As for application system security, O-Bank has scanning tools and online testing methods for inspecting source code, black box code, and open source code.

In addition, each year O-Bank retains the professional information security organization to evaluate the information security of computer systems and mobile apps, so as to strengthen the security of network communications, computer systems, IoT equipment, and various applications. Matters receiving attention in information system security assessments include the following: inspection of information architecture; inspection of network activity; testing of network equipment, servers, terminal equipment, and IoT devices; customer-end application programs; inspection of security settings; compliance inspections; and social engineering drills. Mobile app security analyses (which are conducted in accordance with the "Basic Security Testing Baseline for Mobile Applications" issued by the Industrial Development Bureau, Ministry of Economic Affairs) involve analysis of the information security technologies on both mobile apps and at the server end. As for professional development for company personnel, O-Bank performs periodic education, training, and e-mail awareness activities to help employees better understand the importance of information security, related threats, and legislative trends. O-Bank also performs annual social engineering drills for all employees. After the 2021 drills, 0.71% of phishing emails were opened, 0.08% of email links were clicked into, and 1.19% of email attachments were opened. Employees who failed to handle emails in accordance with the social engineering drills were provided additional training and re-tested to make them more alert to phishing attacks.

O-Bank periodically conducts internal cyber risk assessment to identify cyber risks and understand the degree of risk to which each type of cyber asset is exposed. Factors considered include cyber asset value, vulnerabilities, threats, internal issues, external issues (including legislation, major cyber security incidents, high-tech changes, and changes in industry), and the needs of stakeholders. O-Bank also takes appropriate security defense measures to mitigate cyber risks. O-Bank also conducts internal cyber security tests and vulnerability scans in order to quickly discover system vulnerabilities and resolve them, and at the same time we make use of outside information and case studies to review and assess our own internal vulnerabilities and risks and set up defenses.

3.5.3 Information Security Drills

When the company's information system suffers under the malicious attack, employees must be able to immediately report the problem, handle it, and minimize the impact of disasters. To improve our emergency response capabilities, O-Bank performs information security drills focusing on denial-of-service (DoS) attacks, malware attacks, and leaks of personal information, as follows:

- Denial-of-service attack drills: O-Bank and ISP (Internet Service Provider) each year to conduct denial-of-service attack drills to ensure that employees are familiar with contact persons in each other's organizations, who is authorized to do what, and proper procedures. O-Bank also amends our Denial-of-Service Attack Response Plan in due course.
- Malware attack drills: O-Bank conducts annual malware attack drills to raise employees how to recognize the malware attack upon a personal computer or server, report it, isolate and handle the problem, and restore the equipment to proper working order.
- Drills for handling leaks of personal information: Each year, O-Bank simulates different personal information leak scenarios. Depending on the scope and degree of the impact, more departments may be invited to take part in a drill. Post-drill discussions are held to ensure that employees are fully familiar with response procedures so that they can respond rapidly during the next drill or in the event of an actual incident.

O-Bank has adopted cyber security incident reporting and handling procedures, and has set up a rating system to distinguish between cyber security incidents of differing degrees of severity. After the cyber security response unit receives a cyber security incident report, it resolves the cyber security incident within the mandated time period, and after handling the incident it conducts a cause analysis and takes corrective action to prevent recurrence of the cyber security incident. In 2021, O-Bank experienced a total of four information system irregularities, which upon investigation were found to have been caused by software and/or hardware malfunctions rather than hacker intrusions or virus infections. The incidents did not cause any loss of Bank information or customer data, nor did the Bank receive any sanctions or incur any monetary loss due to any litigation connected with customer data protection matters.

3.6 Tax Governance

3.6.1 Tax Policy

Acting in a spirit of tax compliance and fulfillment of corporate social responsibilities, O-Bank implements tax strategies, manages tax costs, and effectively manages tax risks. We have established a sound tax management system and tax governance culture, fulfilling our obligations as a socially responsible corporate citizen. O-Bank's tax governance policy is as follows:

- Comply with host-country tax legislation, correctly calculate the tax burden, then report and pay taxes by the deadline.
- Transactions with related parties are arm's length transactions, are compliant with host-country legislation, and are supported by proper transfer pricing documentation to demonstrate compliance with transfer pricing rules.
- Conduct comprehensive and detailed evaluations of the impact of changes in host-country and international tax legislation, and quickly respond with appropriate actions, so as to keep tax risks within controllable limits and achieve the goal of sustainable corporate development.
- While ensuring compliance with the respective tax legislation on the jurisdictions where O-Bank operates its business, carry out appropriate tax planning to avoid double taxation and reduce tax costs, thereby yielding greater value to shareholders.

- Comply with the International Financial Reporting Standards and related laws and regulations, make regular disclosures in financial reports, and disclose tax information to stakeholders to ensure transparent and open tax information.
- Maintain open and honest communications with the tax authorities, proactively participate in tax seminars, provide practical perspectives and insights of the industry, thus helping to enhance the tax environment and taxation system.
- Provide sufficient training activities to cultivate talent and enhance our professional tax expertise.

The Board of Directors is the ultimate decision-making authority for O-Bank's tax risk management mechanisms. The Board of Directors approves overall tax governance policies to ensure the effective implementation of tax management mechanisms. The Finance and Accounting Department is O-Bank's tax management unit. It is responsible for ensuring that taxes are properly handled, reported, and paid by due dates, and that related documents are properly retained. It also prepares reports on major tax matters and submits them to the Board of Directors.

3.6.2 Tax Governance and Communication

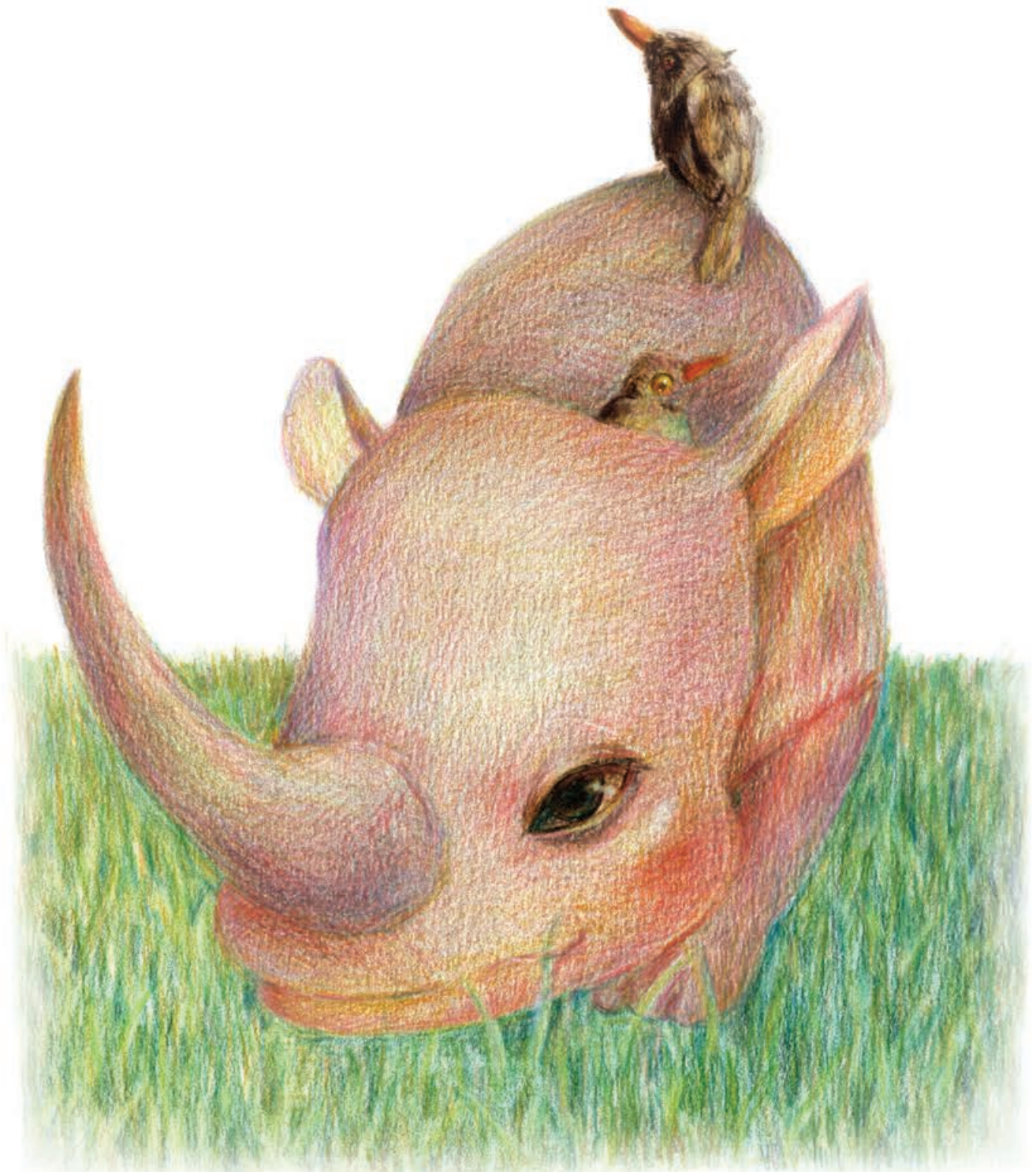
In order to manage tax risks, O-Bank's Finance and Accounting Department conducts semi-annual compliance self-assessments and quarterly self-audits to ensure that taxes are filed and paid in accordance with the law. O-Bank personnel engaged in tax matters continue to receive financial support for participation in outside training activities and conferences so they can improve their tax knowledge and properly implement the tax agent system, thus taking advantage of their experience while keeping their abilities up to date and reducing tax risks. The terms and conditions for transactions between O-Bank and related parties are the same as those for transactions with non-related parties. O-Bank's transactions are thus conducted at arm's length, are compliant with host-country legislation, and are supported by proper transfer pricing documentation to demonstrate compliance with transfer pricing rules. For more detailed information on O-Bank tax matters in different tax jurisdictions in 2021, see Table 3-8.

O-Bank prepares our financial reports in compliance with International Financial Reporting Standards (IFRSs) as approved and issued by the Financial Supervisory Commission, and discloses tax information to stakeholders to ensure transparent and open tax information. As for communication on tax matters, O-Bank provides diverse and convenient communication channels, and has special-purpose contact windows and email addresses for different types of stakeholders to make it easier for them to provide their views regarding tax matters. To maintain open lines of communication with tax authorities, in addition to consulting with the tax authorities regarding questions about routine tax matters, O-Bank personnel engaged in tax matters also take active part in conferences held by tax authorities in order to learn more about tax matters and to have opportunities to communicate face-to-face with tax authority personnel. O-Bank has also joined the Bankers Association Of The Republic Of China and the Taiwan Securities Association in order to participate in discussions on tax issues and express our views and recommendations.

Table 3-8: Detailed Information on O-Bank Tax Matters in Different Tax Jurisdictions in 2021 Unit: NT\$ million

Tax Jurisdiction	Main Activity	No. of Employees	Income from Sales with Third Parties	Income from Internal Sales	Income before Income Tax	Tangible Assets other than Cash and Cash Equivalents	Income Taxes Paid in Cash	Income Taxes Payable
Taiwan	Banking	873	4,418	38	1,437	2,482	35	29
Hong Kong	Banking	86	1,045	10	579	11	69	104

4. Customer Service



Acting in line with the core philosophy summed up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor) – O-Bank has long offered our corporate customers comprehensive solutions, providing corporate business services such as corporate banking, global transactions banking, business finance, securitization, and trust services. The solutions are achieved by creating boutique financial services via real-time, professional, and secured ways. Since reorganizing as a commercial bank in 2017, O-Bank has branched out into retail banking with fintech to build up the first native digital bank in Taiwan. From the consumer's point of view, O-Bank provides retail financial products that meet the needs of customers. Besides, on the basis of customer opinions and feedback, O-Bank makes innovation continually, turning O-Bank's vision of inclusive finance – "easily access," "borderless" and "zero time lag" into reality.

4.1 Financial Services and Innovation

4.1.1 Enhanced Financial Services

1. Digital Corporate Finance Services

O-Bank promotes electronic and automated transaction processes, and offers the corporate clients an e-banking platform, which includes an unique integrated security tool that includes the five major features: "strengthened security management," "to-do lists," "integrated balance & transaction report," "my favorites," and "alerts/notifications". Adequately taking into account both convenient and secure transactions, O-Bank creates the solutions which could let our customers carry the bank wherever they go. In addition, the e-banking platform has also launched at Hong Kong Branch and the service is available to both corporate and retail customers.

O-Bank corporate customers can use the e-banking platform to carry out integrated payment/collection services, and access to the real-time account & transaction reports. The customers can also use this single platform to integrate cash flows, and easily complete cross-border and supra-regional transactions. These features have efficiently reduced customers' costs and increased the returns of their capital. In addition, O-Bank offers Automated Clearing House services, which enable our clients to carry out regular, multiple and small amount payment/collection services. Customers can easily make inquiries online, e.g. check on the progress of third-party collection and payments, track the progress of seal/signature verifications, and view transaction reports.



O-Bank corporate e-banking services

O-Bank's corporate e-banking platform enhances each year to reach corporate customers' business requirement. For example: (a) a brand new online payroll service enables customers to schedule individual or batch salary payments on either weekdays or weekends; (b) a faster and more efficient payment/collection services through which multiple large-amount transactions can be completed in a short period of time; (c) a newly launched corporate virtual account and convenience stores funds collection service provide customers with multiple payment receipt channels, which help customers identify the sources of funds and make the reconciliation more efficiently; and (d) a security control component have been upgraded to support multiple browsers. In these and other ways, O-Bank continues to provide corporate customers with secure and convenient corporate e-banking services.

To enable corporate customers to obtain real-time access to account and related information, O-Bank communicates with corporate customers via the "e-Advice" automated messaging service. With the

integration of push notifications, payments results, and service channels, this system provides corporate customers with over 90 types of business information, including account reconciliation statements, transaction vouchers, and ordinary notifications. Corporate customers have the option of activating automated e-mail notifications, which keep them constantly up to date on account information while cutting down on the consumption of paper based documentation.

2. Enhancement of Corporate Finance Services

O-Bank provides a wide range of flexible corporate deposit programs, including NTD tiered-rate scheme. At the same time, O-Bank actively offers different types of scheme to different customer segmentation. The program caters to large, medium, and small size enterprises with preferential-deposit-rate that could be customized to meet the requirement of customers holding a lot of funds. Through this way, O-Bank could also develop stable and sustainable sources of fund. In addition, to follow the government policies and market, O-Bank also launches NTD and USD special rate schemes irregularly. We continue to work on identifying different customer types and market trends, which could not only lead us to develop special deposits targeted to specific segmentation but also enhance relationship with customers.

In addition, O-Bank assumes buyer credit risk and engages in accounts receivable management to meet the need for accounts receivable services that arises for corporate customers in connection with their provision of products and services. Where customers have questions about accounts receivable services, O-Bank provides explanations and suggestions, and makes inquiries regarding buyer credit limits and transaction histories; for factoring service customers, O-Bank provides online accounts receivable transfer and inquiry services so that customers can have real-time access to account information.

O-Bank Number One Real Estate Investment Trust was listed on the Taiwan Stock Exchange in 2018, which was the first REIT to be launched in Taiwan in roughly a decade. In addition to providing another capital market vehicle for raising funds, this REIT has increased the liquidity of corporate customers' real estate, given investors a way to invest in real estate at lower dollar amounts, and afforded investors a greater range of investment options. Also, O-Bank faithfully fulfills our responsibilities as trustee by helping investors to earn returns, and hopes to re-energize Taiwan's REITs market.

3. Retail Digital Financial Services

O-Bank has relied on digital financial technology to build up the first native digital bank in Taiwan. Through mobile devices, customers can use multiple types of financial services online, including fully online account openings, fully online applications for loans, and online purchasing of shares in investment funds. In addition, O-Bank offers customers a wide range of convenient account transfer options. Besides using QR codes and the "shake to connect" function to complete account transfers, once a customer's mobile phone number has been linked to their O-Bank deposit account number, inputting the phone number is all it takes to make a deposit or transfer funds to their O-Bank account. This has greatly increased the convenience of account transfers.

O-Bank continues to develop innovative app functions to satisfy customers' different needs: (a) With the O-Bank Red Envelope app, for example, customers can use their mobile phones to send cash-filled "red envelopes" as gifts to friends and relatives. And now, for the first time, these red envelopes can even be sent to people without an O-Bank account. (b) Applications can now be submitted online to open foreign exchange accounts. At any hour of the day or night, customers can use their O-Bank mobile app to apply to open a foreign exchange account. From 9 a.m. to 9 p.m. on business days customers can buy and sell 12 different foreign currencies online. The app also has a price alert function that keeps customers instantly updated on foreign exchange rate movements. (c) With parent-child accounts, the O-Bank accounts of parents and children are linked to each other so that the parents can use the O-Bank app to

check the details of their child's spending activity in real time, and set limits on the amounts that their child can withdraw or transfer, and limit the amount of their child's debit purchases.

O-Bank has also launched many new tools for payment of bills and fees. Customers can use the O-Bank app to pay electricity bills, water bills, gas bills, phone and Internet bills, fuel taxes, parking fees, and credit card bills. And to help with customers' bookkeeping tasks, the O-Bank app has a payment management function that can be used to present information on the nature and amount of all expenditures by customers, and this information is automatically categorized to distinguish between account transactions, debit card purchases, and iPass Card swipe purchases.

To meet the needs of customers for a wide variety of payment options, O-Bank has joined the EMV standard (EMV stands for Europay, Mastercard, and Visa, which are the three companies that originally created the standard), and now customers can easily make payments by using the O-Bank app to scan the QR codes of participating merchants. In addition, to make it easier for customers to obtain proof of financial capacity, in 2020 the O-Bank app took on a new function that allows users to download their passbook cover page and detailed information on the most recent three months of account activity. Without showing up in person at a service counter, customers can now obtain the account information they need to serve as proof of financial capacity.

4.1.2 Financial Innovation

1. Online Unsecured Loans 2.0

To make it faster and more convenient to apply online for unsecured loans, O-Bank continues to optimize our process for the submission of online applications for unsecured loans. Someone who is not an existing O-Bank customer can directly apply online for an unsecured loan without the need to apply a deposit account first. Besides simplifying the application procedure and reducing interruptions, this approach also shortens a customer's wait for needed funds. In addition, O-Bank has joined the National Development Council's personalized digital services platform (MyData), which means that a customer can grant one-time authorization online to O-Bank to access all government-owned personal data on that person. This relieves the customer of any need to obtain proof of financial capacity, accelerates the application review, and allows for a more efficient online loan application process.

Besides working to establish a more efficient online loan application process, O-Bank also continues using innovative technologies to improve our internal operations and risk controls. O-Bank has adopted an online loan application process that employs optical character recognition (OCR) business card recognition technology that can automatically fill in customers' information from their business cards (which ensures more accurate input of information) and an online video chat function (which can lower the risk of impersonation) to provide customers with more convenient and secure loan applications. These technologies provide customers with the best loan service, because it is more convenient and risks are effectively controlled.

2. Robo-advisor Service for Foreign Currency Investments

To achieve financial inclusion, O-Bank set an industry first in 2017 with the launch of a robo-advisor service that employs big-data algorithms to generate recommendations on what to trade and when, with each customer's risk tolerance and investment preferences factored into the algorithm to ensure an appropriate portfolio. Customers can freely choose lump sum investments or dollar-cost averaged investments, and for NT\$1,000 can make use of our robo-advisor service. The availability of such low-threshold investment services helps to achieve financial inclusion. Ever since the launch of the robo-advisor service, besides working continually to improve the AI algorithm and using intelligent learning

to strengthen the ability of the robo-advisor to forecast market movements with precision, O-Bank has also introduced a "Dividend Robot" and made use of a robo-advisor service backed by funds industry leader Allianz Global Investors to meet the varied financial planning needs of investors. O-Bank has also begun accepting payment in foreign currencies for robo-advisor services so that investors using these services can avoid foreign exchange losses. In addition to US Dollars, O-Bank was the first in the industry to accept payment for robo-advisor services in South African Rand.



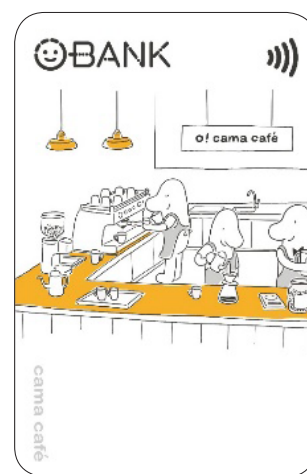
O-Bank robo-advisor service provides a wide range of financial planning approaches based on investor preferences

3. Wide Range of Distinctive Card Designs

O-Bank debit cards come in over 100 unique card designs that customers can choose from based on their personal preferences, and to further personalize the card designs, O-Bank works with popular manga authors, illustrators, and artists to design unique debit cards.



O-Bank's calligraphy card



cama café debit card

4.2 Service Quality and Customer Experience

4.2.1 Principles for Fair Treatment of Customers

To ensure that customers are treated fairly and reasonably during the provision of financial products and services, and to continue improving the implementation of the Principles for Fair Treatment of Customers, O-Bank in November 2020 adopted the "Organizational Charter for the Committee on Fair Treatment of Customers" and established the Committee on Fair Treatment of Customers. The Committee is chaired by O-Bank President and is responsible for overall planning regarding the Principles for Fair Treatment of Customers and their implementation. The Committee also reports to the Board of Directors on the implementation of the Principles and the results of implementation assessments. The Board of Directors oversees the work of the Committee and provides suggestions when appropriate. In addition, O-Bank has also adopted a set of "Principles and Rules for Fair Treatment of Customers" to provide guidelines to O-Bank's various units in protecting financial consumers, and to internalize customer fair treatment as an element of O-Bank's core corporate culture.

To demonstrate our commitment to the Principles for Fair Treatment of Customers, O-Bank's Committee on Fair Treatment of Customers meets regularly to report on the state of implementation of the principles. The Committee convenes for a routine meeting once every two months to review customer complaints, cases involving operational risk, and related education and training activities. The Committee also convenes for at least one annual meeting per year to assess the implementation on the Principles for Fair Treatment of Customers, review the assessment results, and evaluate how well O-Bank's principal units have performed in developing customer fair treatment practices. The Committee on Fair Treatment of Customers held an annual meeting on March 2, 2022 to review the results of the assessment of O-Bank's implementation of the Principles for Fair Treatment of Customers, and has submitted a report to the Board of Directors. Also, O-Bank in 2021 held three hours of online courses focusing on compliance with

self-evaluations and the "Financial Consumer Protection Act," thus instilling in employees a heightened awareness and understanding of the "Financial Consumer Protection Act" and the "O-Bank Principles and Rules for Fair Treatment of Customers".

In addition, O-Bank provides persons with physical and mental disabilities with a wide variety of user-friendly financial services, and has incorporated the "barrier-free service counter" concept into our business environment planning. For example: (a) O-Bank account opening procedures can be conducted completely online, which means that persons with physical or mental disabilities can open accounts without appearing in person at a service counter. Meanwhile persons with special needs also have the option of going to an O-Bank lobby and opening an account with assistance from a specially assigned staffer. (b) Persons with disabilities enjoy reduced service charges when they use an ATM to make an interbank cash withdrawal. (c) Service bells are installed at the entrances to O-Bank lobbies. When a service bell has been rung, a staffer will provide assistance. (d) The height of banknote counters at cash service desks can be adjusted so that persons with disabilities can easily observe the counting process. (e) The O-Bank app enables customer service personnel to lend assistance via text chat, voice chat, or video chat.

4.2.2 Disclosure of Product Risks

1. Strengthened the Product Suitability System

O-Bank values customer needs and service quality, has long worked to cultivate the abilities of our professional traders, and provides tailor-made financial products designed with an eye to market conditions and customer characteristics. To develop a thorough understanding of each customer's financial status, investment experience, investment goals, ability to assume risks, the degree of their product understanding, and other such characteristics, as well as the suitability of a transaction involving the financial products to be traded, O-Bank has adopted a Know-Your-Customer (KYC) system to confirm the risk bearing capability of customers and product suitability, safeguard customer interests, and ensure smooth trading operations.

In order to ensure proper implementation of the product suitability system, O-Bank has adopted the following: "Rules Governing Suitability of Financial Derivatives," "Guidelines for Control of Financial Derivative Transaction Credit Risks," "Guidelines for Pricing of Financial Derivatives," "Guidelines for the Sale of Structured Products," "O-Bank Rules for the Establishment of a Commodities Review Panel and for Its Conducting Review," "O-Bank Guidelines for Financial Product Review," "Guidelines for Wealth Management Product Applicability," "O-Bank Know-Your-Customer (Natural Person) Guidelines," "O-Bank Know-Your-Customer (Legal Person) Guidelines," and "O-Bank Guidelines for Promotion of Wealth Management Business and Management of Customer Account Risks". All O-Bank financial products are compliant with applicable legal and regulatory requirements, and O-Bank has adopted comprehensive internal processes and legal compliance systems. All of our products and services have already undergone compliance assessments.

2. Full Disclosure of Product Information

O-Bank provides a wide range of financial products and services. To protect customers' right, all product information and T&Cs are fully disclosed on O-Bank website. For corporate customers, O-Bank posts information on our website (on such matters as corporate lending, syndicated lending, trade financing, receivables factoring, securitizations, and trust services), provides prospectuses for financial instruments, and in our Securities business provides prospectuses or offering memorandums. Meanwhile, O-Bank makes disclosures on our website regarding deposits, lending fees, and fee standards for our trade financing and foreign exchange businesses so that customers can obtain complete information on product characteristics, risks, and fees before entering into a transaction.

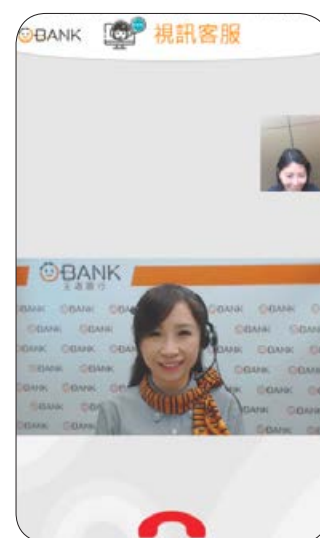
For retail customers, O-Bank introduces the robo-advisor and Fund services and provides Funds information in term of prospectuses, investor brochures, NAV, and risk/return record on our website. Moreover, O-Bank discloses our fees and fee policies of our trust services to ensure customers can well-understand the whole picture of the product characteristics, risks, and fees before making an investment. As for overseas bond products, when a customer subscribes to an overseas bond issue, O-Bank always provides the customer with the bond prospectus and our risk disclosure statement in order to clearly disclose and explain the terms of the bond issue and the related risks.

As for personal loans, O-Bank rigorously implements Know-Your-Customer (KYC) and Anti-Money Laundering (AML) policies, and establishes related operating standards to provide loan products that meet customer needs. While doing so, O-Bank uses risk assessment mechanisms to ensure that product pricing and credit policy are compliant with internal and external requirements. In the area of insurance products, O-Bank uses an "Assessment Form and Insurance Producer Report on Policyholder and Insured Party Needs and Suitability" to clearly explain the exchange rate risks and investment risks associated with insurance products, and to ensure that customers are provided with insurance products that meet their needs. Relying on our systems designed to ensure product suitability and full disclosure of product information, O-Bank in 2021 was able to avoid any violations of legislation governing the labeling of products and services, nor were there any violations of legislation on truth in marketing and advertising.

4.2.3 Handling and Tracking of Customer Complaints

1. 24-hour Video Call Customer Service

O-Bank set an industry first by launching a 24-hour, year-round video call customer service, thus overcoming the limitations of time and space that apply to brick-and-mortar banking operations, and making it possible to promptly handle customer requests. Customers can make use of the O-Bank app's text chat, telephone customer service, or video customer service at any time or place, and can also use O-Bank's 24-hour service hotline to get in touch with customer service specialists. The O-Bank customer service unit achieved a satisfaction rate of 96% in 2021.



O-Bank offers 24-hour video chat customer service

2. Customer Complaint Procedures and Results

Based on the "Principles and Rules for Fair Treatment of Consumers," O-Bank has adopted a set of "Rules for Handling Customer Complaints and Financial Consumer Disputes," which addresses such matters as the scope of consumer disputes, organizational framework, the method of acceptance, handling procedures, resolution deadlines, progress inquiries, follow-up checks, education and training, and a periodic review mechanism. These Rules establish a clear and effective mechanism for handling customer complaints. Complaint handling deadlines are as follows:

1. When the complaint accepting unit receives a complaint, if it is necessary to refer the matter to another responsible unit, the referral must be completed within five hours.
2. Within one working day of our receipt of the referral, the responsible unit must contact the customer, inform them how long it will take to look into the complaint, and give assurances that the customer will receive a response as quickly as possible.
3. Within three working days of our receipt of the referral, the responsible unit must inform customer that an appropriate method of handling the matter has been decided upon, and must provide an explanation.

4. Within five working days of our receipt of the referral, the responsible unit must appropriately handle the complaint and inform the customer of how the matter was handled.
5. If the subject matter of the complaint makes it necessary to meet with a government agency or an entity other than O-Bank, or if it is necessary to make a determination regarding the rights and interests of the customer and O-Bank, and it will take a relatively long time to contact the parties in question and come to a conclusion on questions at issue (e.g. if the matter involves monetary compensation, termination of contract, complex operational matters, or a repeat complainer), within 30 working days of our receipt of the complaint O-Bank must appropriately handle the complaint and inform the customer of how the matter was handled.

The Retail Operation Department tracks the progress of corrective actions taken in response to customer complaints. It also checks progress and reviews case handling results at its monthly and annual meetings to help senior management and internal control units to inspect corrective actions and avoid further occurrence of customer complaints. In addition, O-Bank has also designated the "Rules for Handling Customer Complaints and Financial Consumer Disputes" as a matter requiring attention in company-wide legal compliance education and training activities in order to ensure that employees are aware of customer complaint handling procedures and requirements, and are able to handle complaints quickly and fairly.

In 2021, O-Bank received 50 customer complaints. The number of complaints as a share of all customers remain unchanged from 2020 to 2021. All customer complaints were appropriately resolved within five working days of their submission, the customers were notified of the results, and there were no instances of mis-selling. O-Bank continues to attach importance to efficient handling of customer complaints, and 100% of all customer complaints in 2021 were resolved. In addition, O-Bank in 2021 incurred losses of NT\$9,498 due to card-not-present (CNP) fraud, while losses connected with card fraud and bank advances came to NT\$15,111.

Table 4-1: O-Bank Customer Complaint Statistics, 2019-2021

Year	2021	2020	2019
No. of complaints	50	48	46
No. of customers	368,000	352,000	326,000
Complaint rate	0.0136%	0.0136%	0.0141%
Complaint cases involving financial consultations	4	1	3
Percent of complaint cases involving financial consultations	8%	2%	7%

Note: In 2021, there were a total of 49 customer complaints referred from competent authorities (including the Financial Supervisory Commission and the Financial Ombudsman Institution). Of these cases, 0% remain open, 0% were further investigated by the competent authority, and 6.12% involved financial consultations.

Table 4-2: Time Required for Resolution of O-Bank Customer Complaints in 2021

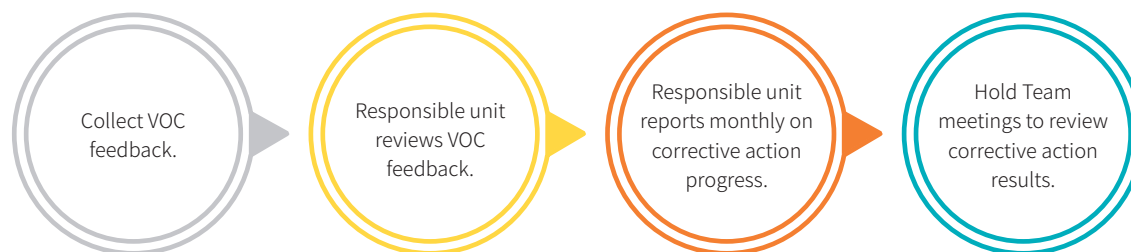
Days Till Case Closed	5 Days or Less	6-30 Days	>30 Days
No. of cases closed	50	0	0
Cases closed/total cases (%)	100%	0%	0%

4.2.4 Customer Satisfaction

O-Bank continues to build a sound service quality management framework, regularly collects customer opinions and feedback, and uses quantitative analysis as well as interdepartmental communication and cooperation to improve the customer service experience. In 2021, O-Bank carried out a satisfaction survey for customers that frequently use our online banking services. The survey targeted customers who had logged on to O-Bank's online banking platform from September through November of 2021, and the survey results showed that 79.7% of the users indicated they were either "satisfied" or "very satisfied" with O-Bank's products and services. O-Bank customer satisfaction surveys make use of the Net Promoter Score (NPS), and O-Bank's overall NPS score of 21 (Note 4-1) indicates that users are generally happy with and promote O-Bank's digital services.

To improve service quality and increase customer satisfaction, O-Bank has established an interdepartmental Service Quality Team, which employs a systematic approach to collect Voice of the Customer (VOC) feedback, and convenes for regular meetings to review service quality and identify areas where improvement is needed. The Team tracks the implementation of corrective actions on a monthly basis. In 2021, 10 items of VOC feedback were converted into concrete action plans to continue improving the customer experience, including the following: O-Bank will start providing users with real-time email notifications after they make card purchases; the device binding security mechanism will be upgraded; during periods when Taiwan has adopted a nationwide Level 3 COVID-19 alert, many services normally handled at service counters (e.g. upgrading of digital accounts, the setting of selected accounts for designated account transfer involving either NT dollars or foreign currencies, and identity confirmation) are handled via video customer service to reduce risks associated with trips to the bank; and the renewal of official documents can now be handled not only at a service counter but also via video customer service.

Fig. 4-1: VOC Feedback Process of the O-Bank Service Quality Team



4.3 Responsible Finance

4.3.1 Responsible Lending

In our lending business, besides acting in accordance with the five fundamental credit criteria (contribution to the public interest, security, liquidity, profitability, and growth prospects) in order to control loan assets quality, O-Bank has also taken steps in recent years to align more closely with the international trend toward responsible finance. O-Bank in 2021 signed on to the Equator Principles, and examined how they related to the environmental and social risks factors of project financing. Besides, O-Bank in 2022 incorporated the environmental, social, and governance risks into our corporate credit underwriting procedures, and prudently assessed ESG risk factors in order to mitigate the negative

Note 4-1: Individual NPS scores range from 0 to 10. The percentage of respondents who rate their customer experience from 0 to 6 points are subtracted from the percentage of those who give scores of 9-10, and the resulting number represents the overall NPS score. The higher the score, the more willing a customer is to recommend the brand to others.

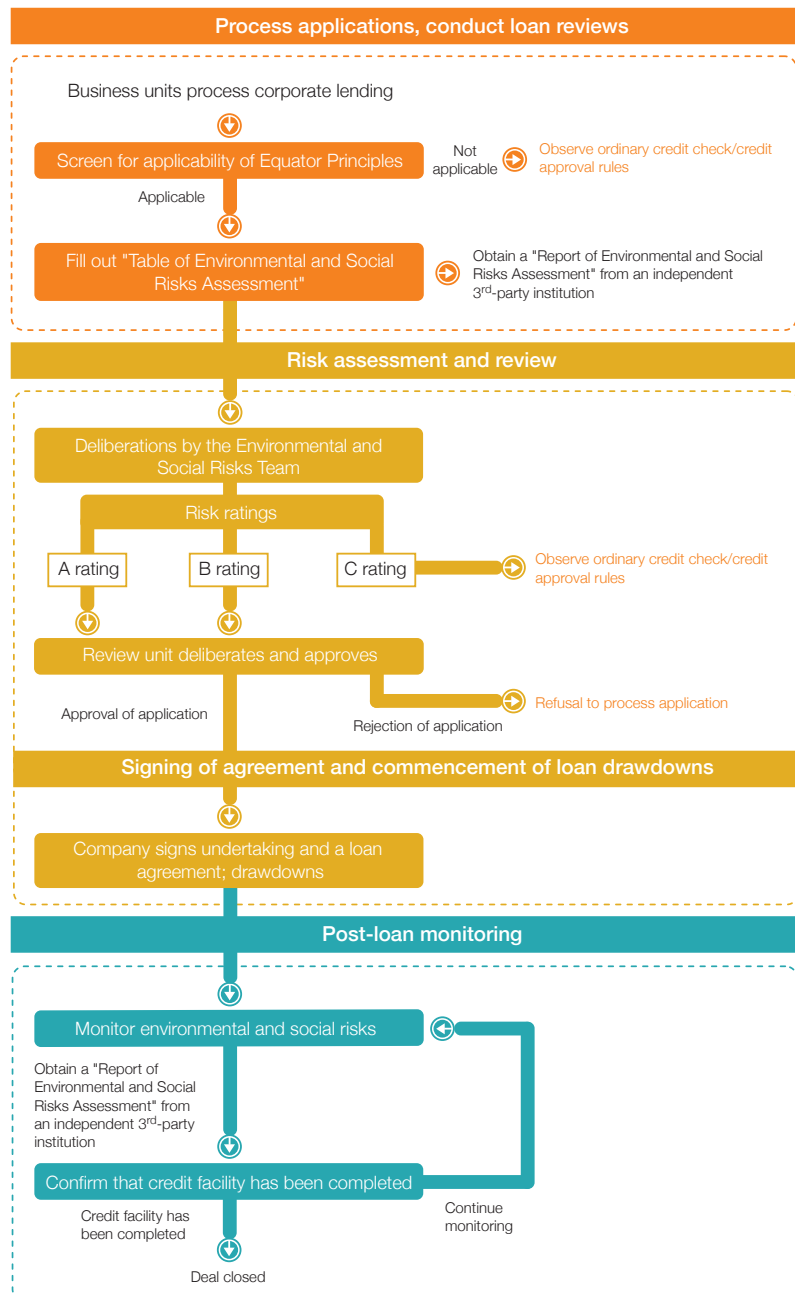
environmental and social impact of corporate loan projects, and to fulfill O-Bank's social responsibilities as a financial services firm.

1. Signed on to the Equator Principles, Assessed the Environmental and Social Risks of Project Financing

In 2015, the Board of Directors adopted a "Credit Extension Policy" which requires O-Bank to abide by the Equator Principles when reviewing project finance or investments. Then in 2017 O-Bank amended our "Credit Extension Policy" in line with the spirit of the Equator Principles to broaden the applicability of the Policy from the previous project finance to further include corporate loans, and the range of matters to receive attention in risk assessments was broadened to include a focus on whether the borrower fulfills its duties in the areas of environmental protection, corporate ethics, risk management, and social responsibility. This approach is intended to mitigate O-Bank's credit risks.

In August 2021, O-Bank became the 124th financial institution in the world to formally sign on to the Equator Principles, adopted a set of "Guidelines for Corporate Lending Under the Equator Principles," and established an Environmental and Social Risks Team that is chaired by the Head of the Risk Management Division. This Team reviews the environmental and social risks associated with projects financed in accordance with the Equator Principles and assigns risk ratings of A (high), B (medium), or C (low). For projects with a risk rating of A or B, assessments and reviews of environmental and social risks are required in order to mitigate the projects' possible environmental and social risks.

Fig. 4-2: Procedure for O-Bank's Handling of Corporate Lending under the Equator Principles



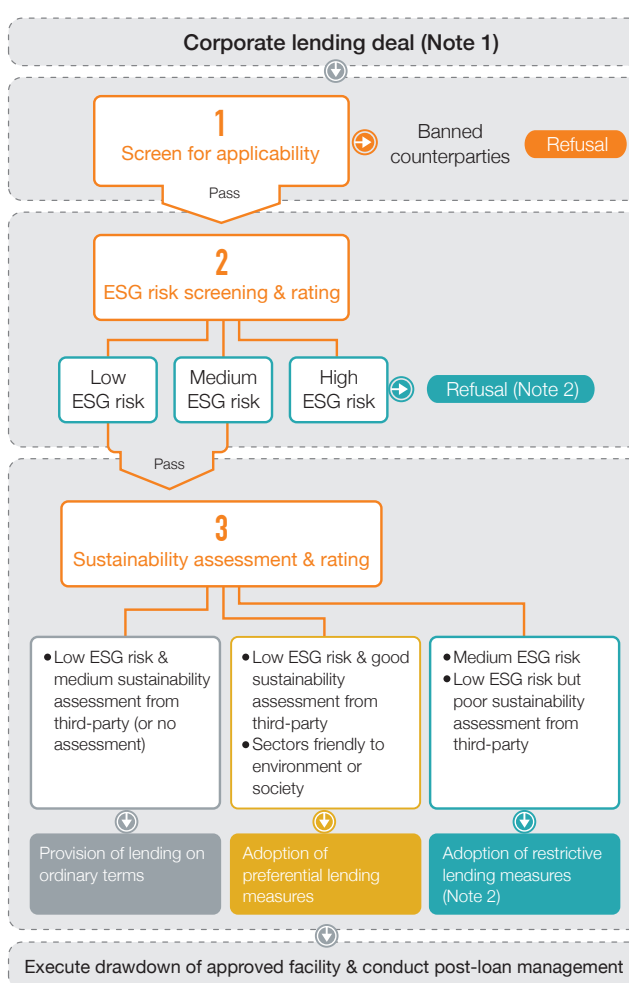
Note: Social and environmental risk ratings for corporate lending are assigned by O-Bank's Environmental and Social Risks Team, which is chaired by the Head of the Risk Management Division.

2. Incorporated ESG Evaluations into Corporate Lending Procedures

For many years, O-Bank has successively adopted regulations addressing ESG-related credit checks for corporate customers, including: the disclosure and confirmation of Securities and Exchange Act or other banking-related regulations; the adoption of Equator Principles requirements within the credit scoring criteria; and the authority credit line approval needs to be raised to the next level if the customer's KYC risk is a high-risk level, etc. In addition, O-Bank uses various Web search, Joint Credit Information Center (JCIC) and other tools to check whether a credit applicant has been involved with severe negative incidents such as environmental protection, product safety, industrial safety, or labor rights. If such incidents have occurred, the credit unit must assess and fully disclose the influence, apply methods like downgrading the credit rating, collecting collateral, or requiring corrective action within a limited period, and conduct a follow-up assessment of any ongoing influence. For example, when a borrower is either from China or relies on China for more than 50% of its production capacity, in order to confirm whether it is in compliance with environmental protection regulations there, O-Bank needs to ask them to offer documents that certify successful completion of environmental impact assessment and final acceptance as well as permits for waste discharge for the reference of loan evaluation.

In order to further promote responsible lending, O-Bank in early 2022 incorporated ESG evaluations into corporate lending procedures. As a result, all customers' corporate lending projects must undergo an ESG evaluation, and after it has been confirmed that a prospective borrower is not a banned counterparty, an "ESG Comprehensive Assessment Form" must be filled. It is then assigned a low, medium or high ESG risk score by checking environmental, social and governance-oriented risk indicators performance, and making reference to a third-party sustainability assessment of the corporate customer. On the basis of this risk rating a decision is made on whether to offer financing on preferential terms, or whether restrictive conditions are required. In so doing, we seek to take full advantage of our power as a financial intermediary to guide industries toward sustainable development. In line with the procedure described above, O-Bank has adopted a set of "Guidelines for Promoting Sustainability of Corporate Lending," which apply to all corporate lending projects. The ESG risk assessment procedure for O-Bank corporate lending is as shown in Fig. 4-3.

Fig. 4-3: ESG Risk Assessment Procedure for O-Bank Corporate Lending



Note 1: During the loan review and post-loan management processes, an ESG Comprehensive Assessment Form must be filled out, to serve as supporting documentation for the credit analysis report.

Note 2: For a customer that presents high ESG risks but would use loan proceeds for green expenditures, an exception may be made to allow the project to go forward, but if authority to approve the amount of the loan rests with a person below the level of President, approval authority should be elevated to the level of President.

In addition to ESG risk evaluations for individual customers, in order respond to the development of ESG-related industries at home and abroad, O-Bank has broadened our lists of categories under "sectors that are friendly to the environment or society" and "sectors that pose risks to the environment or society," and encourages financing in sectors that are friendly to the environment or society, including green energy, bicycles, medicine & care, education, etc. As of year-end 2021, the loan balance to such sectors stood at NT\$4.996 billion, or 2.94% of O-Bank's total lending, as shown in Table 4-3. For sectors that pose the risk of possibly causing damage to the environment or society, O-Bank uses a more rigorous credit review process to control risks. As of year-end 2021, the loan balance to such sectors stood at NT\$6.234 billion, or 3.67% of O-Bank's total lending, as shown in Table 4-4.

Table 4-3: O-Bank Lending in 2021 to Sectors that are Friendly to the Environment or Society

Opportunities	Sector	2021 Loan Balance (Unit: NT\$ million)	Borrowers in 2021
Environmental	Green energy	383.2	9
	Bicycles	254.5	2
	LED	111.0	2
	Circular economy	1,359.8	5
Social	Medicine & care	2,668.7	8
	Education	218.6	2
Total for sectors that are friendly to environment or society		4,995.8	28
Balance as a share of total lending			2.94%

Table 4-4: O-Bank Lending in 2021 to Sectors that Pose Risks to the Environment or Society

Risks	Sector	2021 Loan Balance (Unit: NT\$ million)	Borrowers in 2021
Environmental	Petroleum and coal products	0	0
	Fertilizers and nitrogen compounds	0	0
	Cement and cement products	1,900.0	2
	Basic iron and steel	3,039.8	11
	Aluminum	468.3	4
	Tanning and dressing of leather; dressing and dyeing of fur	137.8	1
	Paper & paper products	635.0	3
	Mining & quarrying	0	0
Social	Gambling and betting activities	0	0
	Munitions	0	0
	Wholesale of tobacco products and alcoholic beverages	53.3	1
Total for sectors that pose risks to environment or society		6,234.2	22
Balance as a share of total lending			3.67%

4.3.2 Responsible Investment

Making reference to the UN-supported Principles for Responsible Investment (PRI), O-Bank has adopted sustainable investment concepts, and intends to include ESG considerations in our investment analysis and decision-making process, in addition to creating economic value, O-Bank also pays attention to the need to create social and environmental value, and practices responsible investment in order to facilitate the emergence of a synergistic co-existence between the economy, the natural environment, and society. When selecting what to invest in, besides considering how a particular investment will contribute to the environment and society (thereby reducing an investment's environmental and social impact), O-Bank also refuses to invest in sanctioned countries or high-risk sectors (such as pornography or controversial weapons).

As of year-end 2021, O-Bank foreign-currency investment positions in bonds that qualify for a MSCI ESG rating of BBB or above stood at NT\$14.17 billion, while investment positions in green and social bonds came to NT\$2.21 billion. Combined the types of sustainable investment positions described above accounted for about 75% of O-Bank's total foreign-currency bond investment positions. Equity investment positions in stocks that fall within the top 20% in the Taiwan Stock Exchange's "Corporate Governance Evaluation" amounted to a combined total of NT\$4.05 billion, or 95% of O-Bank's total equity investments. In the future, O-Bank will continue investing responsibly, giving balanced consideration to both returns and risk diversification, and actively seeking to invest in companies with a strong ESG track record.

4.3.3 Identification and Management of Carbon-intensive Industries

In response to climate change risks, O-Bank has drawn up a list of the 10 biggest carbon-intensive industries. This list was drawn up with reference to the sectors covered during the initial phase of the European Union's Carbon Border Adjustment Mechanism (CBAM) and the list of greenhouse gases subject to controls by Taiwan's Environmental Protection Administration. As of year-end 2021, the loan balance to the 10 biggest carbon-intensive industries stood at roughly NT\$9.23 billion, or 5.4% of O-Bank's total corporate lending, and O-Bank's investment balance of NT\$10.15 billion in these same industries accounted for 22.8% of total investment. In order to measure and inspect the carbon footprint of investment and corporate lending positions, O-Bank in March 2022 signed on to the Partnership for Carbon Accounting Financials (PCAF) to measure (using the methods set out in the Global GHG Accounting and Reporting Standard for the Financial Industry, which was developed by the PCAF) the GHG emissions of the 10 biggest carbon-intensive industries within our corporate lending and investment portfolios as of December 31, 2021.

A carbon accounting showed that O-Bank corporate lending and investment portfolios' GHG emissions in the 10 biggest carbon-intensive industries currently stand at 276,009.3 tCO₂e. Therein, the average carbon emissions per unit of loan balance stand at 8.2 tCO₂e/NT\$ million, and average carbon emissions per unit of investment balance stand at 19.7 tCO₂e/NT\$ million. Average data quality is 2.0 points (on a scale of 1 to 5, with 1 being the best and 5 being the worst). O-Bank corporate lending and investment portfolios' GHG emissions in the 10 biggest carbon-intensive industries in 2021 are as shown below in Table 4-5. In the future, O-Bank will gradually expand the measurement scope of corporate lending and investment portfolios, so as to enhance management of the latent risks of carbon-intensive customers under climate change conditions.

Table 4-5: O-Bank Corporate Lending and Investment Portfolios' GHG Emissions in the 10 Biggest Carbon-intensive Industries in 2021 (Note 1)

10 Biggest Carbon-intensive Industries	Share of Bank's Total Loan Balance (%)	Emissions by Corporate Borrowers (tCO ₂ e)	Avg. Carbon Emissions per Unit of Loan Balance (tCO ₂ e/NT\$ million)	Share of Bank's Investment Balance (%) (Note 2)	Emissions by Investment Targets (tCO ₂ e)	Avg. Carbon Emissions per Unit of Investment Balance (tCO ₂ e/NT\$ million)
Electricity supply (Note 3)	-	-	-	10.6%	182,169.6	38.6
Air transport	1.0%	21,706.4	13.4	-	-	-
Basic iron and steel	1.9%	38,183.7	11.7	-	-	-
Ocean transportation	0.1%	1,637.3	10.9	-	-	-
Cement and cement products	1.1%	9,457.1	5.0	1.3%	10,006.4	18.0
Petroleum and coal products	-	-	-	1.7%	4,543.2	5.9
Aluminum	0.3%	1,728.6	3.7	-	-	-
Semi-conductors	1.1%	3,389.3	1.9	9.2%	3,187.7	0.8
Mining & quarrying	-	-	-	-	-	-
Fertilizers and nitrogen compounds	-	-	-	-	-	-
Total	5.4%	76,102.4	8.2	22.8%	199,906.9	19.7

Note 1: Statistics for GHG emissions of corporate lending and investment portfolios as of year-end 2021 are calculated using the PCAF "Listed equity and corporate bonds" and "Business loans and unlisted equity" asset categories. Therein, the principal sources of GHG emissions data are annual reports, sustainability reports, and other public information issued by companies, and include the aggregate totals of both Scope 1 and Scope 2 GHG emissions. With respect to corporate lending or investment targets for which GHG emissions have not yet been quantified, or for which no carbon emissions data are available, the PCAF database has been used to estimate carbon emission figures.

Note 2: The investment balance set out in this table include the stocks of TWSE/TPEX-listed companies, bank debentures, corporate bonds, foreign and domestic government bonds, and other mid- and long-term investment positions. They do not include short-term trading positions or investments made for the purpose of fund flow management.

Note 3: "Electricity supply" is limited to electricity generated at combined-cycle gas turbine plants.

4.3.4 Responsible Products

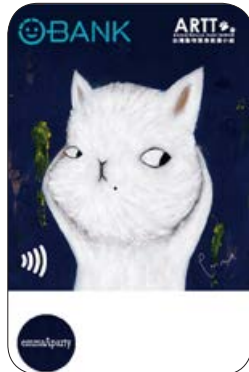
1. Charity Affinity Card Platform

To put the spirit of "fulfilling oneself by benefiting others" into action, O-Bank has launched a charity affinity card platform and joined hands with non-profit organizations to issue charity affinity cards, including Rainbow Cards, Stray Animal Cards, Children-Are-Us Cards, Junyi Education Cards, Yunus Social Enterprise Cards, Garden of Hope Cards, Eden Social Welfare Cards, Angel Heart Family Cards, Taiwan Public Welfare League Affinity Cards, and Faith for Animals Affinity Cards. When O-Bank customers use these affinity cards to pay for domestic or overseas purchases, O-Bank routes 0.2% cashback benefits to the cooperating community service organizations respectively, including Taiwan Tongzhi Hotline Association, the Animal Rescue Team TAIWAN, the Children ARE US Foundation (CAREUS), the Junyi Academy Foundation, the Foundation for Yunus Social Enterprise Taiwan, the Garden of Hope Foundation, the Eden Social Welfare Foundation, the Angel Heart Family Social Welfare Foundation, the Taiwan Public Welfare League, and Faith for Animals. By tapping into the power of consumers, O-Bank gives non-profit

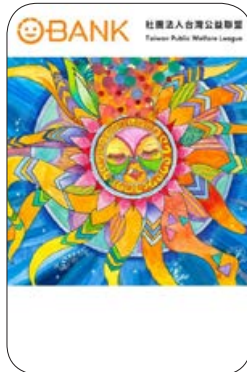
organizations long-term, stable financial support. In addition, the face of each affinity card bears a special design that identifies the affinity organization, which means that each swipe of an affinity card calls attention to the cause that the cardholder supports. As of year-end 2021, O-Bank had issued over 34,000 affinity cards which had generated more than NT\$910,000 in cashback benefits for cooperating community service organizations.



Rainbow Cards



Stray Animal Cards



Taiwan Public Welfare League Cards



Faith for Animals Cards



Junyi Education Cards



Children-Are-Us Cards



Eden Social Welfare Cards



Garden of Hope Cards



Angel Heart Family Cards

Since 2020, O-Bank has further extended the concept of socially beneficial consumption into the schools, having now issued affinity cards in cooperation with National Sun Yat-sen University, Tamkang University, and Taipei Municipal Jianguo High School. When customers make domestic or overseas purchases with above mentioned affinity cards, O-Bank routes 0.2% of spending amount as cashback benefits to the schools' endowment funds, thus supporting the development of schools and the education of young talents.



National Sun Yat-sen University Affinity Card



Tamkang University Affinity Card



Jianguo High School Affinity Card

2. Financial Support Programs for B Corporations and Social Enterprises

O-Bank firmly believes that firms with business operations that are good for the environment and society deserve to obtain better financial resources. As a B Corporation, O-Bank continues to support the development of other B Corporations in Taiwan. O-Bank has set an industry first by launching a Financial Support Program for B Corporations. Special services offered under this Program include preferential corporate deposit accounts, preferential corporate payroll accounts, and preferential loans. Beyond using financial resources to support B Corporations, O-Bank also directs our resources toward B Corp employees. While working to make the world a better place, O-Bank hopes to be the most reliable backstop for Taiwan's B Corporations.

As a strong supporter of social enterprises that work to resolve social and environmental problems, O-Bank has introduced preferential corporate deposit accounts and preferential corporate payroll accounts, and has adopted multiple standards for determining what constitutes a social enterprise, i.e. an enterprise meeting any of the following descriptions qualifies as a social enterprise: is registered on the "Social Innovation Enterprise Registration Database" of the MOEA's Small and Medium Enterprise Administration; is a participant in the Social Innovation Lab; has registered as a social enterprise on the Taiwan NPO Self-Regulation Alliance's social enterprises registration platform; or meets the narrow definition of the term "social enterprise" in the Project for Social Enterprises Action Plan. The idea is to expand the coverage of the financial support program for social enterprises to include all social enterprises, and to gather together the forces of more social enterprises so that they can all collaborate to achieve the vision of co-existing with the environment and benefiting with society.

Table 4-6: Financial Support Programs for B Corporations and Social Enterprises

Tiered-Rate NTD Demand Deposit Accounts for B Corporations and Social Enterprises	Preferential Payroll Accounts for B Corporations and Social Enterprises	Special Loan Program for B Corporations
<ol style="list-style-type: none"> 1. Maximum preferential interest of 0.53% for tiered-rate NTD demand deposits. 2. No cap on balance of preferential-rate deposits. 	<ol style="list-style-type: none"> 1. 0.35% interest rate on payroll deposit accounts with a demand feature. 2. No ATM fee for the first 20 interbank cash withdrawals each month. 3. No ATM fee for the first 20 interbank transfers each month. 4. No ATM fee for the first 5 interbank deposits each month. 5. Special debit card design for B Corporations and social enterprises. 	<ol style="list-style-type: none"> 1. Waiver of account management fees. 2. Waiver of loan term modification fees. 3. No restrictions on early loan repayment. 4. Reduced service charges for NT Dollar interbank transfers.

Note: The Central Bank announced an interest rate hike of 0.25 percentage points on March 17, 2022. In response, O-Bank on March 25, 2022 raised the annual interest rate on payroll deposit accounts with a demand feature from 0.25% to 0.35%.

3. COVID-19 Measures

Due to the COVID-19 pandemic, some customers have been having difficulties repaying mortgage loans or unsecured loans. To address this problem, O-Bank allowed such customers to apply for principal repayment deferrals of up to six months. During the deferral period, liquidated damages and deferred interest are waived. In addition, O-Bank also provided a loan interest reduction program, and in cooperation with a policy announced by the Financial Supervisory Commission, O-Bank extended the deadline for repayment deferral applications until June 2023. For corporate customers, O-Bank coordinated with Central Bank policy by continuing in 2021 to administer the "Preferential Loan Program

for B Corporations and Social Enterprises," under which such firms can receive preferential loans of up to NT\$16 million at 0.85% interest, and by offering various service fee reductions or waivers. These measures are designed to help B Corporations and social enterprises deal with the impact of the pandemic.

4.3.5 Financial Inclusion

O-Bank has used financial technology to create convenient, simple, and quick digital financial services in order to realize O-Bank's vision of financial inclusion characterized by "low access threshold, borderless service, and zero lag time". As of year-end 2021, O-Bank had a total of 367,000 personal deposit accounts holding a total of NT\$21.7 billion in deposits. Of these personal deposit accounts, 7,617 belonged to persons living in remote locations (Note 4-2), 2,632 belonged to foreign nationals, and 84 belonged to persons with physical or mental disabilities (Note 4-3). A total of about 15,000 persons had submitted roughly 16,000 applications for personal unsecured loans amounting to a combined total of NT\$8.3 billion, and 289,277 discrete customers held a total of 289,394 valid O-Bank debit cards.

Also, in order to assist with the development of Taiwanese small and medium enterprises (SMEs), O-Bank has taken active steps to develop our business with SMEs (Note 4-4). As of end-2021, O-Bank had a total of 220 SME deposit accounts, and the total funds deposited in these accounts stood at roughly NT\$2.58 billion. A total of 412 loans had been made to 181 SMEs, amounting to a combined total of NT\$27.978 billion, none of which were classified as non-performing or non-accrual loans; there were 353 unsecured loans or revolving loans to 171 ordinary enterprises, and the outstanding loan amount stood at NT\$22.97 billion.

4.4 Customer Privacy and Transaction Security

To maintain the confidentiality of customers' personal information, O-Bank only collects the personal information of customers that we need in order to provide the services requested, takes care to ensure that personal information in our possession is well managed and protected, and only provides it to be used for the purposes and within the scope originally stated by the organizer of an activity. O-Bank is not allowed to provide customer's personal information to any third party or use it for any other purpose unless we have provided prior explanation and obtained the customer's consent. In addition, O-Bank requires any third party with which it shares a customer's personal information to act in compliance with the "Personal Data Protection Act" and O-Bank's own rules on personal information. These measures ensure that such information is fully protected during the process of transmission. In 2021, O-Bank (acting with customer consent) used the personal data of 315,047 customers for investment advertising and other secondary purposes.

O-Bank uses a Security Socket Layer (SSL) to encrypt and transmit data, has a firewall to prevent network attacks, uses passwords ranging from 4 to 16 digits in length, and stores passwords in encrypted form to prevent them from being stolen. Acting on the basis of the highest information protection standards, O-Bank uses a combination of physical, electronic, and process management protective measures to

Note 4-2: The figure for the number of people in remote areas was calculated with reference to statistics on remote areas updated and issued by the Ministry of Health and Welfare in April 2021. The areas in question included 55 indigenous districts, 18 offshore island districts, and 20 other remote districts, or 93 such districts in all.

Note 4-3: The figure for persons with disabilities indicates the total number of persons in 2021 who logged on to barrier-free banking sites or made use of barrier-free mobile apps, but within such persons does not include anyone who visited an ordinary website or made use of an ordinary mobile app.

Note 4-4: The term "small and medium-sized enterprise (SME)" as used here by O-Bank is an SME as defined by the competent authority, i.e. an enterprise whose paid-in capital is no more than NT\$100 million, or which hires fewer than 200 regular employees.

protect non-public personal information collected by O-Bank. By rigorously controlling the security of customers' transactions and information, O-Bank in 2021 avoided any leaks of customer information or violations of customer privacy.

To ensure the security of customers' transactions and information, O-Bank has adopted the following security control mechanisms for our e-banking operations:

- Security certification: O-Bank employs multi-factor authentication (including user numbers, passwords, and CAPTCHA tests) to reduce the likelihood of customers' password-protected accounts from being broken into.
- Secure transmission: O-Bank uses the highest SSL certificate available to ensure data secrecy and integrity.
- Electronic signatures: A customer provides an electronic signature when authorizing a transaction. This approach safeguards the interests of both parties and provides assurance of non-repudiation.
- Device binding: Device binding provides an additional authentication factor to ensure that a transaction is being conducted by the actual customer.
- Biometrics: Using the fingerprint or facial identification functions of their mobile devices, O-Bank customers can log in and carry out transactions with enhanced security and convenience.
- Phishing detection: An anti-phishing system searches for fake O-Bank websites or apps and takes them offline to protect the security of consumers.

5. Happy Workplace



O-Bank acts on our corporate culture of "always sincere, always here" to create a happy workplace that is safe, fair, and friendly. O-Bank firmly believes that only happy employees can provide services that will be satisfactory to customers, and then go on from there to achieve strong business results and drive sustainable growth. Through a set of outstanding human resources policies, O-Bank has created a work environment where employees enjoy peace of mind, has built a comprehensive professional development system and open channels of communication, offers competitive compensation and benefits, and cares in a concrete way for the balanced development of employees by addressing the three aspects of "recruiting talent," "developing talent," and "retaining talent".

5.1 Employee Composition and Promotion of a Friendly Work Environment

5.1.1 Diverse Hiring

As of year-end 2021, O-Bank had 873 employees in the Taiwan region and 90 employees overseas, making for a total of 963 employees, including 149 persons in management and 814 rank-and-file personnel. The composition of O-Bank employees by gender, age, occupation, and level of education is shown in Tables 5-1 and 5-2. In addition, at all business locations both in Taiwan and overseas, O-Bank puts top priority on local hiring. In Taiwan, 99.54% of all employees are local hires, including 100% of all lower-level, mid-level, and senior management personnel (Note 5-1). Overseas, 88.89% of all employees are local hires, including 100% of all lower-level management positions. The 2 mid- and senior-level management positions are not local hires.

In response to needs generated by the development of digital financial services, O-Bank continued to recruit financial professionals in 2021. As a result, newly hired employees accounted for 39.25% of all O-Bank employees as of year-end 2021 (for further information, see Table 5-3). Because of the rapid development of financial technology and shifting needs in the job market in recent years, O-Bank's turnover rate was 32.50% (for further information, see Table 5-4). However, thanks to O-Bank's excellent human resources policies and highly cohesive organizational culture, among all employees 12.05% have been on staff for 10 years or more, and 9.03% have been on staff for 15 years or more.

In response to digital finance developmental trends, O-Bank makes active use of multiple channels to recruit financial professionals from all different specialties who can make O-Bank a stronger competitor. For example, O-Bank uses social media to build up our digital image and attract the younger generations to seek employment at O-Bank. O-Bank also cooperates closely with institutions of higher education to promote the cultivation of financial talent, provide internship opportunities, and find people with strong potential in financial innovation.

Note 5-1: The term "lower-level management position" refers to a department deputy head, a managerial officer of a domestic bank branch, or a head of a section or team; the term "mid-level management position" refers to a head of a center, or a head of a company unit; the term "senior management position" refers to the President, the head of a division-level unit, the Secretary General of the Board of Directors, or the Chief Auditor.

Table 5-1: Composition of O-Bank Employees by Gender, Age, Occupation, and Work Location in 2021

Location/Occupation		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	46	63	3	14	126	13.08%
	Age 31-49	31	208	1	16	256	26.58%
	Age 30 or younger	0	90	0	9	99	10.28%
	Subtotal	77	361	4	39	481	49.95%
Female	Age 50 or older	30	34	1	5	70	7.27%
	Age 31-49	35	249	2	26	312	32.40%
	Age 30 or younger	0	87	0	13	100	10.38%
	Subtotal	65	370	3	44	482	50.05%
Total		142	731	7	83	963	100%
Share of All Employees (%)		14.75%	75.91%	0.72%	8.62%		

Note 1: The above figures are current as of Dec. 31, 2021. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Note 2: This table only includes regular full-time employees, of whom there are 963. O-Bank also has 5 part-time employees, including hourly employees and contract employees, of whom 2 are male and 3 are female, all in Taiwan.

Table 5-2: Composition of O-Bank Employees by Level of Education in 2021

Location/Occupation		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Education	Management	Rank and File	Management	Rank and File		
Male	Ph.D.	0	0	0	0	0	0.00%
	Master's degree	44	111	4	7	166	17.24%
	Bachelor's (or junior college) degree	33	224	0	27	284	29.49%
	High school or lower	0	26	0	5	31	3.22%
Female	Ph.D.	0	0	0	0	0	0.00%
	Master's degree	32	81	1	2	116	12.05%
	Bachelor's (or junior college) degree	33	265	2	33	333	34.58%
	High school or lower	0	24	0	9	33	3.43%
Total		142	731	7	83	963	100%

Note: The above figures are current as of Dec. 31, 2021. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-3: New Hires at O-Bank in 2021

Location/Occupation		Taiwan		Overseas		Total	Share of All Employees(%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	5	19	0	4	28	2.91%
	Age 31-49	8	81	1	4	94	9.76%
	Age 30 or younger	0	67	0	8	75	7.79%
	Subtotal	13	167	1	16	197	20.46%
Female	Age 50 or older	2	8	0	0	10	1.04%
	Age 31-49	4	89	0	11	104	10.08%
	Age 30 or younger	0	55	0	12	67	6.96%
	Subtotal	6	152	0	23	181	18.80%
Total		19	319	1	39	378	39.25%
		338		40			
Share of All New Hires (%)		89.42%		10.58%			

Note: The above figures are current as of Dec. 31, 2021. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-4: Turnover at O-Bank in 2021

Location/Occupation		Taiwan		Overseas		Total	Share of All Employees(%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	7	12	0	3	22	2.28%
	Age 31-49	9	95	1	6	111	11.53%
	Age 30 or younger	0	28	0	5	33	3.43%
	Subtotal	16	135	1	14	166	17.24%
Female	Age 50 or older	2	10	0	2	14	1.45%
	Age 31-49	5	82	1	6	94	9.76%
	Age 30 or younger	0	32	0	7	39	4.05%
	Subtotal	7	124	1	15	147	15.26%
Total		23	259	2	29	313	32.50%
		282		31			
Share of All Turnover Employees (%)		90.10%		9.90%			

Note: The above figures are current as of Dec. 31, 2021. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

5.1.2 Workplace Equality

All O-Bank business locations both at Taiwan and overseas abide by local laws and regulations, comply with labor legislation, and treat our employees in a manner consistent with the principles of fairness, tolerance, and respect. We strive to create a zero discrimination, zero harassment work environment

where no one receives unequal treatment due to gender, age, marital status, sexual orientation, ethnicity, religion, political position, or place of family origin. We also recruit employees using an open selection process, and provide equal employment opportunity. In addition, acting in accordance with international human rights regulations, O-Bank has adopted the "O-Bank Co., Ltd. Human Rights Policy," which establishes appropriate management methods and procedures to ensure equal rights. In order to safeguard employee rights and interests, O-Bank does not employ child labor under 16 or involuntary labor, prohibits discrimination and inhumane treatment, and ensures that violations do not take place.

The O-Bank Corporate Social Responsibility Committee's Employee Care Subcommittee each year assesses human rights risks that employees could possibly face, uses human resources data to determine the likelihood of occurrence of various risks, and on the basis of such determinations establishes mitigation measures and management targets to reduce the harm and impact that related human rights risks cause to employees. For further details, see Fig. 5-1 and Table 5-5. And to instill in all employees a deeper awareness of basic human rights issues, every employee is required to attend at least one hour of human rights education and training activities each year (including sexual harassment, equal rights, and personal data). In 2021, the completion rate of all employees' human rights education and training requirements reached 100%, and total training hours for the year amounted to 1,486 hours.

Fig. 5-1: Procedure for Identifying Human Rights Risks



Table 5-5: Assessment & Mitigation of Human Rights Risks

Risks	Affected Parties	Indicator	Risk in 2021	Risk Assessment Result	Mitigation Measures and Results
Employment discrimination	Job seekers and employees	No. of cases involved in cases deemed "employment discrimination" by the competent authority as % of total employees	0%	Assessed as "low risk"	<ul style="list-style-type: none"> The "Human Rights Policy" requires workplace diversity, and prohibits unequal treatment or any form of discrimination based on gender, sexual orientation, ethnicity, skin color, social class, age, marital status, linguistic background, ideology, religion, party affiliation, place of family origin, facial features, or disability status. No incidents of employment discrimination occurred in 2021.

Risks	Affected Parties	Indicator	Risk in 2021	Risk Assessment Result	Mitigation Measures and Results
Diversity, tolerance, and equality	Job seekers and persons with disabilities	Shortfall in employment of the legally required number of persons with disabilities as % of No. of employees enrolled in labor insurance	0%	Assessed as "low risk"	<ul style="list-style-type: none"> • Built a barrier-free workplace. • Set up special website sections for recruiting persons with disabilities. • In 2021 hired 7 persons with disabilities, thus meeting the required percentage.
Sexual harassment	All employees	No. of cases filed and persons involved as % of total employees	0%	Assessed as "low risk"	<ul style="list-style-type: none"> • Adopted a set of "Measures for Prevention of Sexual Harassment and Investigation/Handling of Complaints" and "Guidelines for Sexual Harassment Prevention, Complaints, and Discipline." • Based on work characteristics and employee needs, provided safe work environments to prevent workplace harassment. • Incorporated sexual harassment prevention coursework into mandatory courses for newly hired employees. • Set up a Mailbox for Sexual Harassment Complaints and a mechanism for independent investigations. There were no sexual harassment complaints filed in 2021.
Excessive working hours	All employees	No. of persons reporting > 40 hrs overtime/month as % of total employees	4.01%	Assessed as "medium risk"	<ul style="list-style-type: none"> • Adopted the "O-Bank Rules for Management of Employee Overtime," which provides that an immediate supervisor bears responsibility for overseeing the overtime work under his/her supervision, and must reasonably allocate employee workloads to prevent excessive concentration of workloads. • O-Bank urges employees to go home when their work for the day comes to a reasonable stopping point so they can strike a balance between work and their personal lives. • Employees who work beyond normal hours may apply for overtime pay or compensatory time off.
Workplace health	All employees	No. of job adjustments as % of workplace accidents and hospitalizations	0%	Assessed as "low risk"	<ul style="list-style-type: none"> • O-Bank arranges employee health examinations each year. The list checks performed is more extensive than what is required by law, and necessary follow-ups are conducted. • O-Bank has a special health section on our website, which continues to provide information on the pandemic and health issues in general. • After conducting a questionnaire survey of persons with musculoskeletal disorders, O-Bank arranged for massage therapists to work onsite at O-Bank to provide employees with shoulder, neck, and back massages on appointment.
		No. of high-risk persons surveyed as % of persons with musculoskeletal disorders	4.24%	Assessed as "low risk"	

Risks	Affected Parties	Indicator	Risk in 2021	Risk Assessment Result	Mitigation Measures and Results
Workplace safety	All employees	No. of workplace accidents & deaths as % of total employees	0.8%	Assessed as "low risk"	<ul style="list-style-type: none"> • Adopted a set of "Working Rules for Occupational Safety and Health," which set out health standards and matters requiring attention in the workplace. • Regularly conducts occupational safety and health training, which covers such matters as traffic safety during the commute to and from work. • O-Bank's internal work rules prescribe procedures for the handling of workplace accidents, and our 2021 workplace risk level was down by 0.16 percentage points from the preceding year, and we did not experience any serious workplace accidents or deaths.
Child labor	Job seekers	No. of child laborers as % of total employees	0%	Assessed as "low risk"	<ul style="list-style-type: none"> • The "O-Bank Human Rights Policy" prohibits the employment of child labor under 16. • O-Bank prohibits the use of child labor, and in 2021 no child labor was hired.
Labor-management relations	All employees	No. of persons involved in labor disputes as % of total employees	0.11%	Assessed as "medium-low risk"	<ul style="list-style-type: none"> • Periodically holds labor-management meetings in accordance with labor legislation. • To safeguard employee interests and ensure unobstructed communications, O-Bank has set up a Mailbox for Employee Complaints and conducts an annual Survey on Employee Satisfaction. • O-Bank organizes one "WeCare 2.0" activity per month to create opportunities for interaction between employees and senior management. • O-Bank's 2021 labor dispute rate was lower than the national average as reported in statistics released by the Ministry of Labor.
Privacy	All employees	Instances of misuse of personal data as % of No. of employees	0%	Assessed as "low risk"	<ul style="list-style-type: none"> • O-Bank holds regular training courses on personal data protection each year. In 2021, the completion rate of all employees' human rights education and training requirements reached 100%, and there were no instances of misuse of personal data.

Note 1: Human rights risk level % = No. of employees identified as being at risk as % of total employees

Note 2: The figures in this table only cover employees in Taiwan.

Note 3: Risk ratings are set by comparing yearly average data on the basis of legislation or employee self-evaluation questionnaires.

O-Bank attaches great importance to gender equality. The ratio of women to men among employees in 2021 was 50.05% to 49.95%. Women accounted for 51% of lower-level management personnel, 34% of mid-level management personnel, 40% of senior management personnel, and 46% of all management personnel, while women accounted for 57% of all promotions in 2021. These figures show that all

employees enjoy gender-neutral competition and equal opportunities for career development and advancement. In addition, O-Bank in 2021 established a "Women's Empowerment Group" that held a wide range of activities where women from senior management spoke to attendees about how to overcome career challenges, held online women's career development seminars and film appreciation activities to help female employees discover their strengths, identify where they fit in, and create a diverse range of opportunities to develop and express themselves.



Women's Empowerment Group holds wide range of activities

To create a work environment characterized by gender equality and respect, O-Bank has adopted the "Measures for Prevention of Sexual Harassment and Investigation/Handling of Complaints" and the "Guidelines for Sexual Harassment Prevention, Complaints, and Discipline." These measures and guidelines explicitly prohibit any acts of gender harassment, discrimination, or intimidation, and establish a mechanism for investigation and handling of sexual harassment. There were no sexual harassment complaints filed in 2021. O-Bank also includes gender equality, prevention of sexual harassment, and concern for disadvantaged groups among the issues that must be addressed in the training courses attended by newly hired employees. Such training was attended in 2021 by 319 persons (100% of all new hires). To further promote gender equality, O-Bank since 2018 has implemented employee-friendly workplace policies that are neutral with respect to sexual orientation. All employees receive the same benefits and entitlements, and O-Bank has taken a lead in the industry by granting employees with same-sex spouses the same types of marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and various other benefits funded by the Employee Benefits Committee. O-Bank is doing everything we can to build a friendly workplace and achieve diversity and equality.

O-Bank also attaches importance to the employment rights of indigenous employees. In addition to providing indigenous employees with the same pay and benefits that others receive, O-Bank also offers "ritual and festival leave for indigenous people," whereby such employees are allowed to take one day off work to take part in the traditional rituals and festivals of their ethnic community. As of year-end 2021, O-Bank had 1 indigenous employee. In addition, O-Bank has also installed a wide range of barrier-free facilities for persons with physical or mental disabilities, including outdoor barrier-free access ramps and handrails as well as indoor barrier-free corridors, elevators, and lavatories to ensure a comfortable working environment for employees with disabilities. As of year-end 2021, O-Bank had 7 employees with physical or mental disabilities. These numbers meet minimum statutory requirements (see Table 5-6).

Table 5-6: O-Bank Hiring of Persons with Disabilities

	Gender	2021	2020	2019
No. of Employees with Disabilities	Male	0	2	1
	Female	7	5	5
	Total	7	7	6

Note: The "People with Disabilities Rights Protection Act" provides as follows: "Any private entity whose total number of employees is no less than 67 shall employ people with disabilities with capability to work and the number of employees with disabilities shall be no less than 1 percent of the total number of the employees, and no less than 1 person". The O-Bank head office in 2021 employed 717 persons who were enrolled in the Labor Insurance program, including 7 persons with physical disabilities. This number meets the statutory requirement.

Also, in the event of a material operational change, or if any of the situations set out in Articles 11, 13, and 16 of the "Labor Standards Act" arises, O-Bank will first communicate with employees in order to safeguard their rights and interests, and if such a situation involves the termination of a labor contract, will observe the minimum period of advance notice (as set out in the "O-Bank Work Rules") in providing employees with advance notification. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given 10 days in advance; where a worker has worked continuously for more than one year but less than three years, the notice shall be given 20 days in advance; where a worker has worked continuously for more than three years, the notice shall be given 30 days in advance. O-Bank will also issue the employee(s) severance pay in accordance with Article 17 of the "Labor Standards Act" in order to safeguard the rights and interests of the employee(s).

5.1.3 Working Environment and Healthcare

1. Workplace Safety

To prevent workplace accidents, O-Bank has worked together with five labor representatives to adopt a set of "Working Rules for Occupational Safety and Health" in accordance with the "Occupational Safety and Health Act" of the Ministry of Labor. The O-Bank President exercises coordinated management of labor safety and health throughout the Bank, while unit supervisors are responsible for implementing it. The Working Rules apply to all business locations and employees. In addition to regulating the frequency of servicing of government vehicles as well as firefighting, cool/heating, and drinking water equipment, the Working Rules set out health standards and matters requiring attention in the workplace. With respect to situations in which an accident has occurred, the Rules provide detailed principles regarding first-aid measures, the use of emergency equipment, and accident reporting procedures. The Rules further safeguard the right of employees to leave their work position without being punished when a reportable workplace incident or hazard occurs or arises, or when they feel they are in danger of suffering a workplace accident or being subject to a workplace hazard. At the same time, O-Bank's internal work rules also prescribe procedures for the handling of workplace accidents. In the event of a workplace accident, these internal work rules require that a supervisor at the appropriate level of management report the accident to the Chief Occupational Safety and Health Officer and take all necessary first-aid or rescue actions in order to reduce the injuries and damage resulting from the workplace accident.

In addition, O-Bank regularly conducts occupational safety and health training, which covers such matters as workplace hazard identification, traffic safety during the commute to and from work, and disaster response. Occupational safety and health personnel familiarize employees with safety and health management matters, while each unit within O-Bank is responsible for conducting its own safety and health management work in order to minimize the risk of occupational accidents. In 2021, O-Bank held three safety and health training courses and two fire and earthquake preparedness team drills that attracted a total attendance of 334.



Regularly occupational safety and health training

O-Bank, acting in accordance with the law, provides occupational injury leave and helps employees apply for labor insurance and group insurance benefits so that employees can receive needed assistance as quickly as possible after an accident. In 2021, there were no instances of occupational disease among any full-time or part-time O-Bank employees due to working conditions or work activities, while there were 7 recordable incidents. All these were the result of traffic accidents involving regular full-time employees commuting to or from work. Among firms to which O-Bank outsources operations, no employees experienced any occupational accidents involving injury, death, or occupational disease. Statistical information on occupational injuries among O-Bank employees in 2021 are shown below in Table 5-7.

Table 5-7: Recordable Incidents and Absence Rate among O-Bank Employees in 2021

Location	Item	Recordable Occupational Injuries	Total Recordable Incident Rate (%)	Missed Work Days	Lost Time Incident Rate (%)
	Gender				
Taiwan	Male	4	2.08	250	0.10%
	Female	3	1.56	655	0.27%
	Total	7	3.64	905	0.38%
Overseas	Male	0	-	77	0.03%
	Female	0	-	261	0.11%
	Total	0	-	338	0.14%

Note 1: These statistics are current as of Dec. 31, 2021, and include only regular full-time employees, not contract employees.

Note 2: Total working hours = 1,910,592 hours (No. of persons x working days in the year x No. of working hours per day); Total working days = 238,824 (No. of persons x working days in the year)

Note 3: Total Recordable Incident Rate = No. of Recordable occupational injuries / Total working hours x 1 million hours

Note 4: Lost Time Incident Rate = (days lost to occupational injuries + days lost to sick leave + days lost to menstrual leave) / Total working hours x 100%

Note 5: The total recordable incident rate and absence rate of part-time employees were both 0.

To prevent poor workplace air quality from affecting employees' health and work efficiency, O-Bank prohibits smoking in all office areas and within 10 meters of the entrance to any building, and has installed pre-cooling air handling units and fresh air inlets on our office buildings to maintain good air quality in office environments. Also, office areas are cleaned every day, and on a regular basis these areas are disinfected and tested for CO₂ emission levels in order to reduce employee contact with work environment risk factors. At offices located in areas with serious air pollution, O-Bank installs air purifiers and provides persons who work there with a special allowance to offset the cost of lung CT scans. The CT scan results can help employees be more aware of the health impact of air pollution. In August 2018, the Taipei City Government issued O-Bank an "Indoor Air Quality Voluntary Management Certificate" (valid through July 2023), which demonstrates the success of O-Bank's efforts to ensure good workplace air quality.



O-Bank receives "Indoor Air Quality Voluntary Management Certificate"

In response to the COVID-19 pandemic, O-Bank established an emergency response team and formulated disease control measures. To ensure business continuity, O-Bank's employees arrive at work and leave along separate pathways and have completed work-from-home drills. To maintain a safe work environment, O-Bank takes our employees' temperatures every day and provides alcohol hand cleanser. During working hours, all employees are required to wear masks, office areas are kept extra clean, and

disinfections are carried out with increased frequency. To care for employees' health, O-Bank regularly checks employees' travel and contact histories, and any employee who has possible COVID symptoms is urged to immediately see a doctor, after which O-Bank continues to monitor the employee's condition. If a co-worker is notified by the authorities to go into home quarantine, O-Bank provides quarantine leave with full pay. Also, to avoid mass gatherings, O-Bank has temporarily postponed all unnecessary indoor and outdoor activities, business trips, and in-person meetings. Whenever possible, meetings are held online or via teleconference instead.



O-Bank takes employees' temperatures and provides alcohol hand wipes daily

2. Employee Health Maintenance

To promote employee health, O-Bank arranges employee health examinations each year, and the list of checks performed is more extensive than what is required by law. Employees aged 40 or older can receive one free health examination per year, while employees under the age of 40 can receive one free health examination every other year. The hospital that conducts the health examinations then sets up individual appointments as necessary to discuss the results and provide health management recommendations. O-Bank has assessed employee health risks on the basis of: the results of employees' health examinations; and surveys carried out under the O-Bank Ergonomic Hazard Prevention Program, the Program for Prevention of Ailments Induced by Exceptional Workload, the Program for Prevention of Wrongful Harm During the Execution of Job Duties, and Self Health Assessments During Pregnancy and the First Year Post-Partum. On the basis of the results, O-Bank has developed health management plans and provided risk mitigation measures, and provided individual employees with suggestions on how to deal with specific risks. The idea is to elevate employees' awareness of the need to care for their own health. The results of O-Bank 2021 employee health risk assessments are as shown in Table 5-8.

Table 5-8: O-Bank 2021 Employee Health Risk Assessments

No.	Assessed Item		Abnormality Rate	Mitigation Measures
1	Exceptional workload	Cholesterol	11.07%	<ul style="list-style-type: none"> • Set up a special "Health Information Section" on our digital learning platform to provide information regarding nutrition, posture management, disease management and prevention, mental health management. The idea is to make it easier for employees to obtain accurate health information. • Set up a health kiosk where employees can make use of treadmills, stationary bicycles, stepper machines, dartboard machines, practice putting greens, and other such equipment that employees can use while they're on break. • Launch a wide range of posture management courses, including calisthenics, athletic competitions, and physical fitness courses. • Hold lectures on exercise and health to share information on correct exercise posture and how to improve one's diet.
2		Blood pressure	10.18%	
3		Cardiovascular risks	6.79%	
4		Workload surveys	3.17%	
5		Blood sugar	2.80%	
6		Psychology surveys	11.14%	
7	Ergonomic hazards	Musculoskeletal Survey	4.25%	<ul style="list-style-type: none"> • Massage sessions were extended from 15 to 20 minutes, and O-Bank posted information on correct sitting postures to the special "Health Information Section" on our website.
8	Communicable diseases		0.23%	<ul style="list-style-type: none"> • O-Bank has set up a special COVID-19 section on our digital learning platform where employees can go to download O-Bank's pandemic control handbook. O-Bank has also adopted a business continuity plan that incorporates the latest pandemic control measures issued by the Central Epidemic Command Center, and is working to protect employees' health by improving health education and imparting a better understanding of pandemic control concepts. • For employees who contract COVID-19, O-Bank provides quarantine leave with full pay or hospitalization leave with half pay, as well as hospitalization and medical treatment benefits under employee group insurance.
9	Prevention of wrongful harm during the execution of job duties		0%	<ul style="list-style-type: none"> • Adopted measures to prevent and punish workplace violence, conducted awareness campaign to emphasize that workplace violence is prohibited, and periodically conducted activities under the Program for Prevention of Wrongful Harm During the Execution of Job Duties. There were no instances of wrongful harm in 2021.
10	Protection of maternal health		0%	<ul style="list-style-type: none"> • O-Bank provides maternity leave, paternity leave, and paternity leave for prenatal checkups that exceed statutory requirements. • Provides breastfeeding and lactation rooms. • Provides pregnant employees with one glass of fresh milk each day.

Note: The figures in this table only cover employees in Taiwan.

To prevent exceptional workloads from causing illness, O-Bank uses workload surveys and psychology surveys to assess whether employees have potential risks of stress, and is cooperating with the Teacher-Chang Foundation to arrange counseling services focusing on such matters as family relationships, interpersonal relationships, opposite-sex relationships, and adaptation to the workplace. In addition, O-Bank observes musculoskeletal disorders to understand the musculoskeletal injuries that co-workers may suffer as a result of having spent long hours sitting in offices or possibly not maintaining good posture. O-Bank has set up a health kiosk in our headquarters building, and is planning to launch posture management courses and hold athletic competitions. Also, with the assistance of the Eden Social Welfare Foundation, O-Bank hires visually impaired massage therapists who work onsite at O-Bank to provide employees with shoulder, neck, and back massages on appointment. For matters of pregnancy, O-Bank prepares special care measures for female employees when they are pregnant, are in their first year post-partum, or are lactating, and on the basis of the "Form for Self Health Assessments by Laborers During Pregnancy and the First Year Post-Partum" O-Bank adopts hazard assessment and control measures, and implements maternal health protection measures.



Well-equipped employee lounge promotes a healthy workplace.



Physical fitness courses encourage active lifestyles.

To further build up exercise as a popular lifestyle option among employees, O-Bank has established many different clubs for people interested in such activities as basketball, golf, yoga, badminton, aerobics, jogging and swimming. Company funding for these clubs in 2021 totaled NT\$1,627,678 and serves to encourage employees to join clubs that take part in physically active pursuits. In recognition of O-Bank's outstanding efforts in this area, the Ministry of Education's Sports Administration in 2018 granted O-Bank "Taiwan i Sports" certification, which will remain current through October 2023. At the same time, O-Bank has received a Badge of Accredited Healthy Workplace (remains current through December 2024) from the Ministry of Health and Welfare's Health Promotion Administration. These honors highlight the success that O-Bank has achieved through our efforts to promote a healthy work environment.



O-Bank's yoga club



O-Bank's golf club

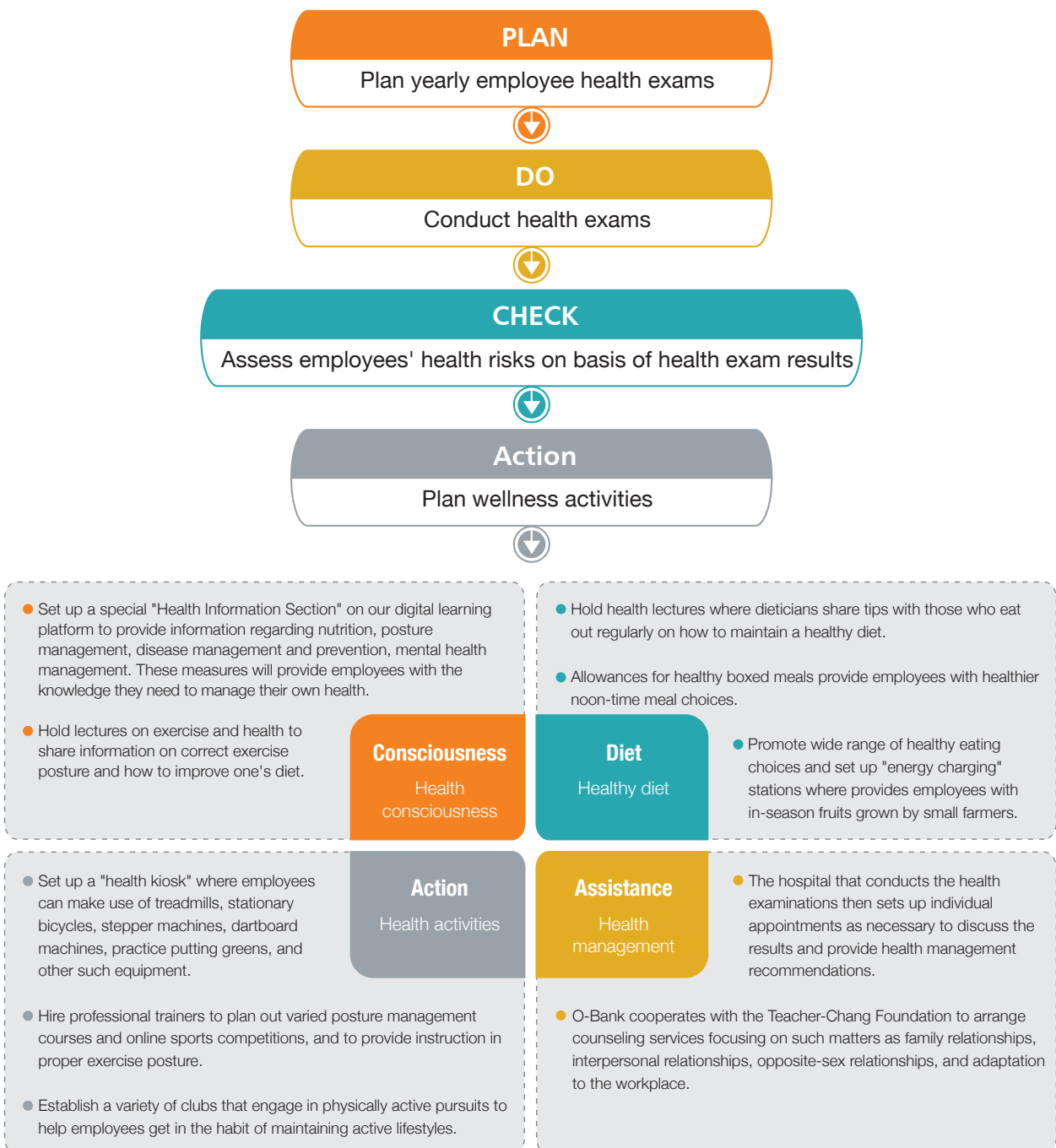


O-Bank received a Badge of Accredited Healthy Workplace



O-Bank received "Taiwan i Sports" certification

Fig. 5-2: Health Assessment Procedures and Healthcare Measures for O-Bank Employees



5.2 Employee Compensation and Benefits

5.2.1 Fair Compensation

To attract superior talent and encourage employees to perform at their best, O-Bank has a compensation system that accords balanced attention to the needs for both internal fairness and external competitiveness. Compensation is set on the basis of each employee's educational attainments, work experience, abilities, performance, occupation, and the professional expertise required for the person's job, without any discrimination on the basis of gender, age, ethnicity, or other such factors. The O-Bank Board of Directors has a Compensation Committee that reports to it. The Compensation Committee, which is comprised of the entire number of independent directors, examines and evaluates the compensation of directors and executive officers, and determines the performance review standards and compensation peer groups for sales staff. It also reviews employee compensation levels each year, and in doing so makes reference to Taiwan's economic growth rate and consumer price index as well as compensation benchmarks among peer institutions.

For O-Bank employees, all basic starting salaries are above the minimum basic wage required by the "Labor Standards Act," the monthly fixed salaries of new university graduates hired in 2021 were 1.3 times higher than the legally required minimum basic monthly wage (Note 5-2) for both men and women, and the hourly wages of part-time employees, both male and female, were 1.2 times higher than the legally required minimum hourly wage. In addition, to encourage employees to pursue excellence and sustainable growth, O-Bank uses a system of reasonable compensation to incentivize employees. Besides 12 months of fixed salary, O-Bank also issues performance bonuses and sales bonuses on the basis of company earnings and individual performance in any given year, provides 2 months of holiday allowances, and has built a fair and incentivizing compensation system. To facilitate a proper understanding of the importance of the company's long-term business objectives and future risks, and to avoid the pursuit of short-term performance, the payment of some compensation to members of senior management (Note 5-3) is deferred and linked to the company's profits, stock price, and long-term business performance, and a bonus clawback mechanism has been established, in order to establish a foundation for sustainable operations and create win-win situations.

O-Bank has adopted "Rules Governing Employee Compensation" and "Performance Management Rules," and is making a concerted effort to build a compensation and benefits system that is competitive in the marketplace. O-Bank provides employees a basic monthly salary, meal allowances, and a wide variety of bonuses, enrolls employees in the Labor Insurance, National Health Insurance, and Labor Pension programs, and provides other employee benefits. Salary and benefits per employee come to an average of NT\$1.738 million per year. Also, O-Bank each year adjusts salaries on the basis of each employee's individual performance, job duties, and potential for future development. Over 85% of employees who

Note 5-2: Items factored into a "monthly fixed salary" include monthly fixed pay and meal allowances. The Ministry of Labor adjusted the minimum wage to NT\$24,800 per month on January 1, 2021, and further adjusted it to NT\$25,250 on January 1, 2022. The phrase "1.3 times higher than the legally required minimum basic monthly wage" as used above means 1.3 times the basic monthly wage in 2021.

Note 5-3: Senior management compensation includes fixed salary and variable bonuses: Fixed salary is based on each person's job duties, abilities, performance, and the professional expertise required for each person's job, and is set with reference to peer institution pay levels. Variable bonuses are reasonably distributed with an eye to the company's overall business performance, future risks, and each individual's performance. Evaluations of individual performance focus on such matters as financial indicators (e.g. net income before tax, achievement of short- and long-term business goals) and non-financial indicators (e.g. the company's core values, innovation, leadership, management, legal compliance, internal control, and risk control). Compensation policies regarding severance pay, clawback mechanisms, and retirement benefits for members of the Board of Directors and senior management are no different from policies for other employees.

took part in performance evaluations in 2021 obtained salary adjustments, which averaged 2.1%. The largest single salary adjustment was more than 18% (including a pay raise for promotion).

In 2021, the average salary for all O-Bank employees in the Taiwan region was NT\$1.385 million, and the mean was NT\$1.008 million. Among all non-managerial employees, the average salary was NT\$1.251 million and the mean was NT\$1.023 million. Information on the salaries paid by O-Bank in 2021 to full-time non-managerial employees is set out in Table 5-9. For senior management positions, the ratio of total annual compensation paid to females versus that paid to males was roughly 1:1.17, while in mid-level and lower-level management positions the ratio of total annual compensation paid to females versus that paid to males was roughly 1:1.09. Among rank-and-file employees, the ratio of total annual compensation paid to females versus that paid to males was roughly 1:1.24 (Note 5-4). Also, O-Bank has been included as a component of the TWSE RAFI Taiwan High Compensation 100 Index for four consecutive years beginning in 2018, an indication just how much O-Bank has done to provide employees with competitive compensation.

Table 5-9: Salaries of O-Bank Full-time Non-managerial Employees

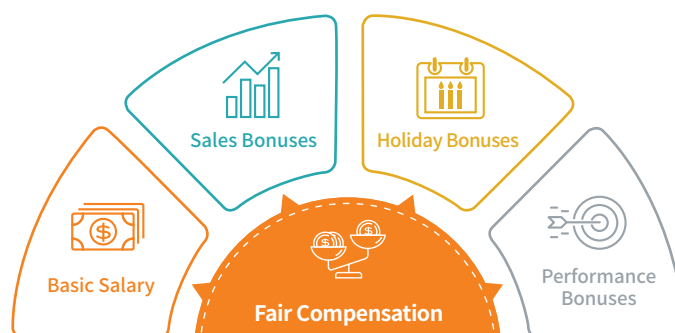
Unit: NT\$

Year	2021	2020	2019
Full-time employees (Note 1)	698	746	745
Average salary (Note 2)	1,251,000	1,169,000	1,189,000
Mean salary	1,023,000	986,000	1,004,000

Note 1: The term "full-time non-managerial employees" means all persons employed in salaried positions in 2021 for 6 months or longer, but it excludes executive officers, employees of overseas branches and some part-time employees. The numbers are calculated on a weighted average basis.

Note 2: The term "average salary" is calculated by taking the accrued annual salaries of the full-time non-managerial employees referred to in Note 1, including regular earnings (basic salary and any fixed monthly allowances and bonuses), overtime pay, and irregular earnings (allowances, bonuses, and employee compensation not issued on a monthly basis), and then dividing by the number of full-time non-managerial employees.

Fig. 5-3: O-Bank's Fair and Incentivizing Compensation System



Note 5-4: Figures for "total annual compensation" are based on annualized figures for persons currently employed as of December 31, 2021. Items factored into total annual compensation include annual fixed salary, the three major holiday bonuses, performance bonuses, sales bonuses, and employee compensation.

5.2.2 Benefits and Human Caring

Remaining true to our ideal of human caring, O-Bank has planned out multiple employee benefit and protection systems, and has acted each year to build up the content of benefits so that employees can work with peace of mind, enjoy their jobs, and maintain a healthy work-life balance.

1. Employee Benefits and Protections

In addition to providing employees with such benefits as the three major holiday bonuses, holiday gifts, birthday gift certificates, marriage, childbirth, and bereavement allowances, company-paid employee dinner gatherings, preferential treatment at cooperating commercial establishments, and preferential treatment at specially contracted childcare organizations, O-Bank has also adopted a set of "Rules for Administration of Employee Loans". Such loans (either secured or unsecured) are provided on preferential terms to fund purchases of homes or consumer goods. In 2021, O-Bank launched an Employee Relief Loan program to help co-workers who have major difficulties to deal with. Types of loans offered include natural disaster relief loans and medical emergency relief loans, for which the company subsidizes part of the monthly interest payments. Also, to share with employees the fruits of our business success, O-Bank has established an Employee Share Ownership Plan, under which a specified amount is deducted from the monthly salary of participating employees and used to purchase, via a trust arrangement, shares in O-Bank. O-Bank kicks in an employer contribution to increase the amount of the purchases.

To safeguard the well-being of employees, O-Bank enrolls them in the Labor Insurance and National Health Insurance programs, and also arranges comprehensive group insurance for employees and their family members. The group policy provides life, accident, hospitalization, medical, and cancer insurance. In addition, to ensure that employees can retire without worries, O-Bank makes monthly contributions (equal to 2% of total payroll disbursements) to a retirement reserve that is managed by the Ministry of Labor's Bureau of Labor Funds in a special bank account. These monthly contributions are made in compliance with the provisions of the "Labor Standards Act," the "Labor Pension Act," and the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds". Retirement reserve allocations in 2021 amounted to NT\$4.036 million. For employees eligible to participate in the new pension system set out in the "Labor Pension Act," a monthly retirement reserve allocation equal to no less than 6% of each employee's basic monthly salary is contributed to an individual labor pension account at the Bureau of Labor Insurance. Contributions of this type in 2021 totaled NT\$49.929 million.

O-Bank offers grants for employees to take outside courses, pursue academic degrees and advanced studies, and take various certification tests. In 2021, 267 such subsidies were provided, and came to a total of NT\$955,557. An overview of O-Bank employee benefits and protections is provided below in Table 5-10.

Table 5-10: O-Bank Employee Benefits and Protections

Benefits	Description
1. Enrollment in insurance	O-Bank enrolls employees in the Labor Insurance and National Health Insurance programs, and also arranges comprehensive group insurance that provides employees with enhanced life, accident, hospitalization, medical, and cancer coverage.
2. Employee health examinations	O-Bank periodically provides free health examinations that exceed regulatory requirements. Employees aged 40 or older can receive one free health examination per year, while employees under the age of 40 can receive one free health examination every other year.
3. Gift cash and gift certificates	O-Bank provides gift cash and gift boxes on the three major holidays (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival), and gives employees birthday gift certificates.

Benefits	Description
4. Preferential treatment at childcare facilities	O-Bank employees enjoy preferential treatment at specially contracted childcare organizations.
5. Retirement pension system	Acting in accordance with the "Labor Standards Act," the "Labor Pension Act," and the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds," O-Bank has adopted a set of "Employee Retirement Rules" and a retirement pension system to ensure that employees receive a proper pension.
6. Flextime system	To help employees care for their families, O-Bank has instituted a flextime work system that enables employees to arrive at work and leave when they need to.
7. Employee Share Ownership Trust	Any employee may join O-Bank's Employee Share Ownership Trust to purchase company stock. The company also issues bonuses that vary in amount depending on each employee's performance in the preceding year.
8. Preferential employee loans	O-Bank provides employee loans on preferential terms to fund purchases of homes or consumer goods, and loans to deal with natural disasters or medical emergencies.
9. Ongoing professional development	O-Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests.
10. Other benefits	O-Bank provides marriage, childbirth, and bereavement allowances, company-paid employee dinner gatherings, preferential treatment at cooperating commercial establishments, funding for various activities clubs, an employee carwash at the headquarters building, a laundry service, and a lunchbox ordering service.

2. Employee Benefits Committee

O-Bank has an Employee Benefits Committee, which has made allocations to the employee benefits fund in accordance with the provisions of the "Employee Welfare Fund Act," as follows: 1% of O-Bank's authorized capital at the time of our establishment; 0.05% of O-Bank's total monthly operating revenues; and 0.5% of the monthly wage and allowances of each employee (deducted from each employee's pay). In 2021, the total disbursements of the Employee Benefits Committee came to NT\$7,883,566. These disbursements funded such benefits as marriage allowances, bereavement allowances, relief for injury or illness, club recreational activities, holiday allowances, birthday allowances, and other such benefits and allowances. On average, each employee received NT\$9,030 in benefits. For details on benefits paid out in 2021, see Table 5-11.

Table 5-11: Benefits Paid out in 2021 by the O-Bank Employee Benefits Committee

Item	Applications	Total Payouts (NT\$)
Marriage allowances	16	160,000
Childbirth allowances	14	84,000
Healthcare allowances for spouses, parents, and children of employees	57	469,990
Bereavement allowances	10	100,000
Birthday gift certificates	838	1,652,400
Company-paid employee dinner gatherings	862	1,288,471

Note: These figures only reflect the average employee benefits paid out to persons employed in the Taiwan region. The figures for number of applications reflect the number of application filed by persons who were still employed by O-Bank on the date of application.

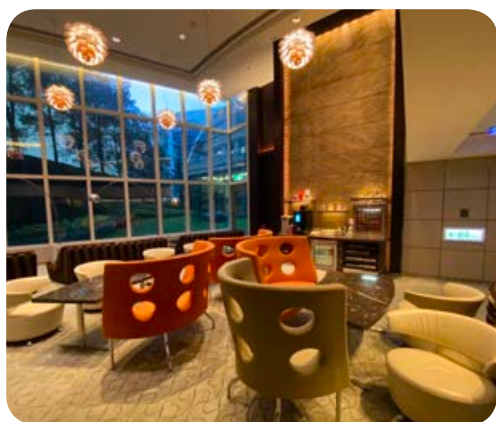
3. Care for Families and Maintenance of a Healthy Workplace

In addition to helping employees achieve work-life balance by offering menstrual leave, parental leave, paternity leave, and family leave, O-Bank goes beyond the statutory minimum with additional paid leave options such as: family ties leave (for employees who need to care for family members); paternity leave for prenatal checkups (so that employees can accompany their spouses to prenatal checkups); honor leave (for employees whose performance meets prescribed standards); and community service leave (to encourage employees to take part in community service activities). In addition, there is no limit on the number of days that employees can take off to participate in activities organized by the O-Bank Community Volunteer Club. An employee who applies for unpaid leave due to injury, illness, or childcare responsibilities can still choose whether to keep their social insurance coverage current. Those who take unpaid leave due to injury or illness can continue to stay enrolled in the company's group insurance. In addition to various types of paid leave, O-Bank also has a reading room, an employee lounge, a music room, and an art gallery where employees can go to relax. O-Bank's various measures to care for families and maintain a healthy workplace are outlined below in Table 5-12.

Table 5-12: O-Bank's Measures to Care for Families and Maintain a Healthy Workplace

Activity	Description
1. Leave benefits that exceed statutory requirements (paid leave)	<ul style="list-style-type: none"> • Special leave: Special leave system that exceeds statutory requirements. • Childbirth leave: Female employees receive 57 days of paid leave after childbirth. • Paternity leave: Employees receive 8 days of paid leave after their spouse gives birth. • Paternity leave for prenatal checkups: Employees receive 7 days of paid paternity leave during their spouse's pregnancy. • Family ties leave: Employees receive 2 days of paid leave to accompany a parent, spouse, or child on doctor's visits. When an employee's child is attending the first day of elementary school, the employee may take a half-day off to accompany the child. • Community service leave: Employees receive paid leave to take part in community service activities. • Long service leave: Employees who have completed 5 years of service receive 3 days of long service leave. Employees then receive an additional 5 days of long service leave upon completion of 10 years, 15 years, and 20 years of service, respectively, at O-Bank. • Honor leave: An employee who receives a score of "A" or higher in his/her performance review may take half-day off for honor leave. • Adoption leave: An employee who applies with a court to adopt a child and completes transfer of the child to his/her household registry may take 2 days for adoption leave. • Organ donation leave: An employee who needs time off after donating bone marrow or an organ may take 5 days of organ donation leave.
2. Unpaid leave system	O-Bank has adopted a set of "Rules Governing Unpaid Leave." Under these Rules, an employee is allowed to apply for unpaid leave to attend professional development courses, recover from injury or illness, or care for a child.
3. Employee lounge and coffee bar	These are excellent spaces to enjoy coffee or tea and take time for a bit of relaxation.
4. Reading room	The O-Bank reading room stocks a wide variety of books, periodicals, and magazines for employees' enjoyment.
5. Art gallery	The O-Bank Group headquarters building has an art gallery that serves as the venue for occasional arts activities, including concerts, arts and culture lectures, and art exhibits.
6. Supportive measures for same-sex spouses	Employees with same-sex spouses receive the same benefits as other married employees, including marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and the various allowances provided by the Employee Benefits Committee.
7. Gender-neutral restrooms	O-Bank has installed gender-friendly restrooms to ensure that all employees can enjoy peace of mind.

Activity	Description
8. Gender-neutral dress code	Gender-specific restrictions have been removed from the company dress code.
9. Safe transportation for employees working past 10 pm	For employees who get off work after 10 pm, O-Bank arranges free taxi calling service and records the vehicle's license plate number to ensure employee safety.



Employee lounge and coffee bar



Art gallery



Gender-neutral restrooms

4. Care for Pregnant Employees, Parental Leave

To ensure that female employees can enjoy a safe and comfortable work environment during and after pregnancy, O-Bank has safe and comfortable breastfeeding and lactation rooms as required by law, and provides pregnant employees with one glass of fresh milk each day to supplement their nutrition. In 2021, a total of 61 employees were eligible for parental leave (27 men and 34 women). Nine employees took unpaid parental leave. Also, nine persons were due for reinstatement in 2021, of whom eight were actually reinstated. The reinstatement rate was 89%. Of the three employees who took unpaid leave in 2020, two were subsequently reinstated in that same year and continued to be employed in 2021. The retention rate was 67% (see Table 5-13).

Table 5-13: Unpaid Parental Leave at O-Bank in 2021

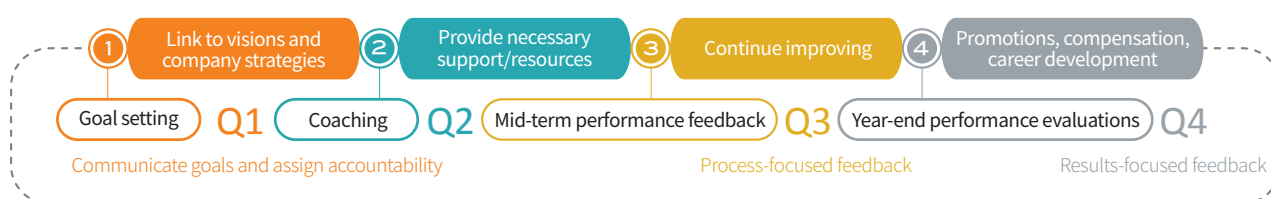
Item	Gender		Total
	Male	Female	
No. of persons on unpaid parental leave in 2021	1	8	9
No. of persons due for reinstatement in 2021 after unpaid parental leave (A)	1	8	9
No. of persons due for reinstatement in 2021 after unpaid parental leave who were actually reinstated (B)	1	7	8
Reinstatement rate (B/A)	100%	88%	89%
No. of persons reinstated in 2020 after unpaid parental leave (C)	-	3	3
No. of persons reinstated in 2020 after unpaid parental leave who continued to be employed after 1 full year in 2021 (D)	-	2	2
Retention rate (D/C)	-	67%	67%

5.3 Employee Cultivation and Development

5.3.1 Performance Management

O-Bank has a comprehensive performance evaluation system and conducts a three-phase (planning, implementation, review) annual performance management process. O-Bank also carries out goal setting, coaching, mid-year performance feedback, and year-end performance evaluations. The performance management cycle is as shown in Fig. 5-4, and is designed to encourage employees to pursue excellence. During each phase, O-Bank complements the process with an electronic performance management platform, online and offline informational meetings, FAQs, and performance management training courses. These measures help both management and rank-and-file employees to better understand the key points, come to a meeting of the minds regarding work goals, and implement the performance management system.

Fig. 5-4: O-Bank Performance Management Cycle



O-Bank strives to ensure that our performance evaluation process is fair, impartial, and open. Management and rank-and-file employees engage in two-way feedback and conduct an initial evaluation. After that, members of senior management carry out an inter-departmental calibration of performance evaluation standards for employees at the same grade, and conduct secondary evaluations to ensure the consistency of standards throughout O-Bank. To encourage employees to take the initiative in developing their job skills, each employee carries out an annual Individual Development Plan (IDP) in which they express their thoughts regarding future job rotations or their career development, and they also discuss and formulate an IDP with a supervisor. O-Bank also encourages employees to take advantage of job rotation either within O-Bank or between O-Bank affiliates to develop multiple specialties and develop a broader career. In 2021, a total of 857 employees were required to undergo performance evaluations (the requirement applies to any person who commenced employment at O-Bank prior to 30 September of the current year, and to employees who have satisfactorily completed their probationary period). All 857 of those employees underwent a performance evaluation. Information on these employees' gender composition and where they work is set out below in Table 5-14.

Table 5-14: O-Bank Employee Performance Evaluations in 2021

Type	No. of Persons in Taiwan	% of All Performance Evaluations	No. of Persons Overseas	% of All Performance Evaluations
Male	378	44.11%	39	4.55%
Female	395	46.09%	45	5.25%
Total	773	90.20%	84	9.80%
Management	134	15.64%	7	0.82%
Rank-and-file	639	74.56%	77	8.98%
Total	773	90.20%	84	9.80%

Note: Persons hired on Oct. 1 or later were not required to undergo a performance evaluation in 2021.

5.3.2 Training and Learning

On the basis of our business strategy, the company's core values, and skills requirements, O-Bank has devised a comprehensive training development plan and career development blueprint that provide courses focusing on strategy, leadership, communication, and innovation, which different types of management personnel attend as necessary. Also, depending on the nature of their jobs and the differing legal compliance requirements, rank-and-file employees attend a wide range of training courses that focus on financial matters, legal compliance, specific job skills, and general knowledge. For employees planning to leave their jobs, the O-Bank Human Resources Department provides career development consulting services, including resume editing suggestions and job interview consulting, to help employees to plan well for the next phase of their careers.

To make effective use of learning resources, O-Bank arranges for employees to attend both in-house and out-of-house courses, and has also launched a digital learning platform – O-Bank Digital Academy – that offers an abundance of online courses. O-Bank in 2021 further made our O-Bank Digital Academy content available via a mobile app so that employees can attend digital courses at any time or place. In response to the development of digital financial services, O-Bank in recent years has launched a series of courses to impart basic digital knowledge. These courses focus on a number of issues related to fintech innovation, and take an easily understandable approach to introduce digital knowledge while illustrating the concepts with case histories and well known happenings in the financial industry.

O-Bank held 486 in-house in-person education and training activities in 2021, while there were 632 workshops run by outside entities. In total, these activities attracted 38,701 participants. O-Bank employees logged a total of 41,137.55 education and training hours, average training hours per employee came to 43.5, and average training expenditures came to NT\$2,521.4 per employee. Training hours logged by O-Bank employees in 2021 are set out in Table 5-15.

Table 5-15: O-Bank's Employee Education and Training Hours in 2021

Unit: Hours

Job Type	Training Hours			Hours Per Employee
	Male	Female	Total	
Management	3,690.79	3,061.96	6,752.75	45.3
Share of total management training hours	54.66%	45.34%	100.00%	-
Non-management	17,258.97	17,125.83	34,384.80	43.1
Share of total non-management training hours	50.19%	49.81%	100.00%	-
Total	20,949.76	20,187.79	41,137.55	43.5
Share of total training hours	50.93%	49.07%	100.00%	-
Average training hours per person	44.9	42.2	43.5	

Note: All figures in this table for employees receiving training include regular full-time employees in Taiwan and overseas, but do not include the Chairperson, student part-timers, chauffeurs, or security guards. The total number of employees receiving training was 946, including 467 men v.s. 479 women, and 149 management personnel v.s. 797 non-management personnel (the term "management personnel" refers to supervisory personnel serving at the level of section head or higher).

O-Bank offers online "Understanding Corporate Social Responsibility" education and training courses that address such matters as: the organizational structure and duties of the O-Bank Corporate Social Responsibility Committee; the O-Bank Corporate Social Responsibility Guidelines; and O-Bank's CSR undertakings and the key focal points of future development efforts. The goal is to instill among

employees a heightened awareness of the need for sustainability. In addition, O-Bank attaches great importance to ethical best practices, and continues to advocate for principles of good faith that oppose the offering of bribes, acceptance of bribes, and corruption. O-Bank communicates with and reaches out to employees by training new hires, offering courses on legal compliance and anti-money laundering, holding lectures on special topics, and administering questionnaires. Throughout the entire year there were no instances of corruption or unethical behavior. In 2021, all O-Bank employees completed courses focusing on anti-corruption, legal compliance, and information security. Attendance at legal compliance courses totaled 13,335.5 hours.

To encourage employees to elevate their professional skills and obtain financial certifications, O-Bank provides grants to offset the cost of testing for certifications required by internal rules. When an employee registers to test for a certification, regardless whether the employee does so voluntarily or because such certification is required for a particular job or by law, O-Bank pays the cost the first time the employee registers for any given test. Besides helping to strengthen employees' financial professionalism, such grants also help to improve O-Bank's overall service quality. Information on the professional licenses held by O-Bank employees in 2021 is set out in Table 5-16.

Table 5-16: Professional Licenses Held by O-Bank Employees, 2019-2021

Year		2021	2020	2019
Type of License	Banks' Internal Control and Audit Exam	391	393	420
	Exam on Financial Market Knowledge and Professional Ethics	413	395	443
	Trust Services Competency Exam	350	322	348
	Structured Commodities Salesperson Qualification Exam	127	121	132
	Financial Derivatives Salesperson Qualification Exam	76	57	40
	Securities Brokerage Salesperson Qualification Exam	63	63	65
	Securities Brokerage Senior Salesperson Qualification Exam	118	115	108
	Personal Insurance Salesperson Qualification Exam	211	213	266
	Property Insurance Salesperson Qualification Exam	154	153	178
	Exam for Personal Insurance Salespeople Selling Foreign Currency, Non-Investment Products	61	61	66
	Entry-Level Lending Personnel Qualification Exam	165	159	164
	Entry-Level Forex Personnel Qualification Exam	143	137	130
	Bond Trading Competency Exam	27	28	28
	Forex Trading Competency Exam	7	7	6
	Bills Salesperson Qualification Exam	36	36	39
	Securities Investment and Trust Salesperson Qualification Exam	73	76	69
	Securities Analyst Qualification Exam	6	5	5
	ACAMS Certification	9	8	6

Note: This table does not include overseas employees. The figures indicate the number of certifications valid as of year-end.

To review the results of employee training programs, O-Bank has used the Kirkpatrick Model to examine and measure the learning results of different training programs in order to verify the benefits of human and capital inputs, and to further optimize the content of education and training, thereby ensuring that

employees have sufficient professional skills and expertise to respond to rapidly changing financial markets. The results of the Kirkpatrick Model of learning evaluations are as shown in Table 5-17.

Table 5-17: Kirkpatrick Model for Evaluation of Learning in Employee Training at O-Bank

Level	Description	Assessment Method	Key Training Programs	2021 Assessment Results
Reaction level (Level 1)	Ask about course satisfaction	<ul style="list-style-type: none"> Satisfaction surveys 	<ul style="list-style-type: none"> Courses on finance, general knowledge, job skills, and management 	<ul style="list-style-type: none"> Avg. course satisfaction rate: 90.0%
Learning level (Level 2)	Review the degree of acquisition of skills	<ul style="list-style-type: none"> Post-course testing Course drills 	<ul style="list-style-type: none"> Legally required training Training in financial products Training in information systems 	<ul style="list-style-type: none"> Pass rate in legally required training courses: 100% Pass rate in courses on financial products: 100% Completion rate in courses for information system administrators: 100%
Behavior level (Level 3)	Observe how participants' on-the-job behavior has changed	<ul style="list-style-type: none"> Action plan Project evaluation Obtaining of qualifications 	<ul style="list-style-type: none"> Training cyber security Promoting a culture of accountability Elite Talent Development Program 	<ul style="list-style-type: none"> Social engineering drills effectively reduced opening of phishing emails to 0.71%. Trained employees to familiarize them with accountability, and made use of performance evaluation system to encourage employees to pursue excellence. Elite Talent Development Program; participated in actual information projects, achieved specific results. Rate for obtaining of qualifications for corporate business units: 83.2%
Results level (Level 4)	Calculate the impact of training upon the enterprise	<ul style="list-style-type: none"> Contribution per capita Reduce operating costs 	<ul style="list-style-type: none"> Cultivation of in-house lecturers Contribution per capita 	<ul style="list-style-type: none"> In-house instructors taught courses and prepared their own teaching materials, saving NT\$653,600 in training costs. Contribution of NT\$1.91 million per capita

Note: Contribution per capita = 2021 standalone net profit after tax / 2021 total number of employees

5.3.3 Talent Development and Training

To meet our personnel needs in a rapidly changing financial environment, besides recruiting new talent from outside, O-Bank places great importance on discovering and training in-house talent. In 2019, O-Bank launched O-star Elite Employee Development Program in which in-house employees who have demonstrated development potential, have performed especially well, believe in O-Bank's corporate culture, and show ambition are selected to participate. These selected employees are provided with comprehensive training courses and development channels so that they can exercise their abilities and show what they are capable of. O-Bank has already conducted the O-star Elite Employee Development Program for two years, and a total of 18 employees were recommended to participate in the selection. Of these, 7 have been selected as "O-stars".

In addition, to ensure that knowledge and experience are passed on to newer employees, since 2014 O-Bank has been training an in-house team of instructors who systematically share their professional

knowledge and job skills with their fellow employees. These instructors have also developed several hundred professional courses for the benefit of other employees. O-Bank annually evaluates the performance of these instructors and grants them public recognition by periodically conferring our O-Bank Springtime Awards. The purpose is to encourage the instructors to continue improving their teaching skills and professional knowledge, and continue contributing to further development of O-Bank's business operations.

In addition to the training of in-house talent, O-Bank also works to bolster the financial knowledge of students at colleges and universities, thereby imparting a better understanding of the financial industry and encouraging students to pursue a career in financial services. In recent years, O-Bank has collaborated with the National Taiwan University Department of Economics in holding a "Lectures Series on Finance and Industry". In this lecture series, members of O-Bank senior management deliver lectures in which they share their insights on business ethics, banking business, financial technology, and other financial industry topics, thus helping students to better understand the current state and future prospects of the financial industry. O-Bank also receives visits by school groups. In 2021, O-Bank hosted an online visit by a group from National Taipei University's Department of Finance and Cooperative Management. The online visit was an excellent opportunity for O-Bank to familiarize students from National Taipei University with the bank and its business operations.

To discover outstanding new talent, O-Bank recruits undergraduate and graduate students to take part in the "Summer Internship Program for University Students." Participants attend introductory courses on the banking industry, take part in team competitions, and prepare research reports. This program provides currently enrolled students with opportunities to build up real-life workplace experience. Besides arranging attendance in professional courses and participation in actual banking work, O-Bank also assigns employees to act as mentors who accompany the interns around the company and familiarize them with the environment.

This helps the students develop an advance understanding of bank's workplace culture, and facilitates their preparations for entry into the work world. A total of 175 students have taken part in the "O-Bank Summer Internship Program for University Students" since it was launched in 2021.



O-Bank's Summer Internship Program provides university students with a close look at the financial services industry

5.4 Communication and Engagement with Employees

5.4.1 Communication Platform and Exchange Activities

To maintain harmonious labor-management relations, O-Bank convenes labor-management meetings at legally mandated intervals to discuss labor safeguards set out in labor legislation. Examples include legal provisions governing overtime work and the assignment of evening work to women. After a resolution is approved at a labor-management meeting, it is incorporated into the O-Bank Work Rules and announced to all employees. O-Bank also continues to conduct outreach measures to familiarize all employees with important rules governing work attendance and overtime in order to safeguard the rights and interests of labor. In 2021, O-Bank's labor dispute rate was 0.11% (Note 5-6), which was lower than the national

Note 5-6: The figure for O-Bank's labor dispute rate is based on the formula used by the Ministry of Labor, which defines the dispute rate as "the number of persons involved in labor disputes divided by the number of total employees". In the Taiwan region in 2021, O-Bank experienced 1 labor dispute involving 1 person.

average as reported in statistics released by the Ministry of Labor. In addition, O-Bank's employment discrimination rate was 0%.

To generate more opportunities for direct interaction between employees and senior management, every month O-Bank organizes one "WeCare 2.0" activity, which affords employees an opportunity during a specifically reserved time period to go to the offices of senior management and engage in conversation with them. O-Bank also holds regular employees' assemblies, where O-Bank reports business results to all employees and communicates with them on company policies. In addition, O-Bank has a Mailbox for Employee Complaints and a Mailbox for Sexual Harassment Complaints. All documents and communications submitted via these mailboxes are treated as confidential to protect the complainants. O-Bank has also established a WeCare Mailbox to encourage employees to make suggestions and keep the company informed of employee needs. In response to the great popularity of online social media, O-Bank has set up a Facebook Group for O-Bank employees where we announce various activities and keep employees up to date on company information.

Besides establishing a wide variety of communication channels, O-Bank each year also holds Family Day activities to spur interaction among employees and each other's families. In 2021, O-Bank held a "Family Cinema Festival" activity and invited employees and their family members to watch "Listen Before You Sing," a movie based on a real-life story that is rich in family values and can spur in-depth conversations and interactions among employees.



2021 O-Bank "Family Cinema Festival" activity spurred more interaction among employees

O-Bank encourages employees to take part in company activities, and grants recognition to teams and individuals that have made especially impressive contributions. For example, O-Bank's "Program for Recognition of Contributions to Business" provides encouragement to employees who have created significant value over an extended period; the "O-Bank Springtime Awards" provide recognition to employees who have gone above and beyond to pass on experience and knowledge to others; and the "Trophy for 10 Years of Service" are awarded to employees who have stayed with O-Bank for a long time.

O-Bank firmly believes that corporate culture is the core driver in a company's march toward sustainable development. To act on our corporate culture of "always sincere, always here," O-Bank set an industry first in Taiwan by establishing a Corporate Culture Committee in 2013, which implements a number of different employee care measures designed to boost organizational cohesiveness. These measures include birthday and job anniversary cards (employees receive cards to mark birthdays and anniversaries of their commencement of employment at O-Bank), Family Day activities (to show care for both O-Bank's employees and their families) and a summer internship program for employees' children (participation in O-Bank internships helps children develop job skills). In addition, the Corporate Culture Committee publishes the "Touch News" journal to convey company policies and O-Bank's corporate philosophy, and to instill among employees a deeper feeling of identification with O-Bank.

To respond to organizational restructuring and personnel changes in this time of transition, the Corporate Culture Committee in 2020 launched an "Accountability Action Plan" designed to develop proactive, detail-oriented, achievement-oriented and effective-communication employee competency and create a corporate culture of accountability that will ultimately make the organization more competitive. By combining oversight with encouragement, O-Bank is establishing an atmosphere of accountability. Measures to achieve this outcome include the following: accountability scoring has been incorporated

into performance reviews; accountability issues are factored into hiring decisions and receive attention in the evaluation of employee performance during their probationary period; O-Bank holds accountability training camps; O-Bank names selected employees as "Accountability Stars"; and O-Bank uses internal communication channels to share accountability concepts with employees. The idea is to take a top-down approach in building a culture of accountability, leading all employees in a campaign where everyone challenges themselves to pursue excellence and innovation.

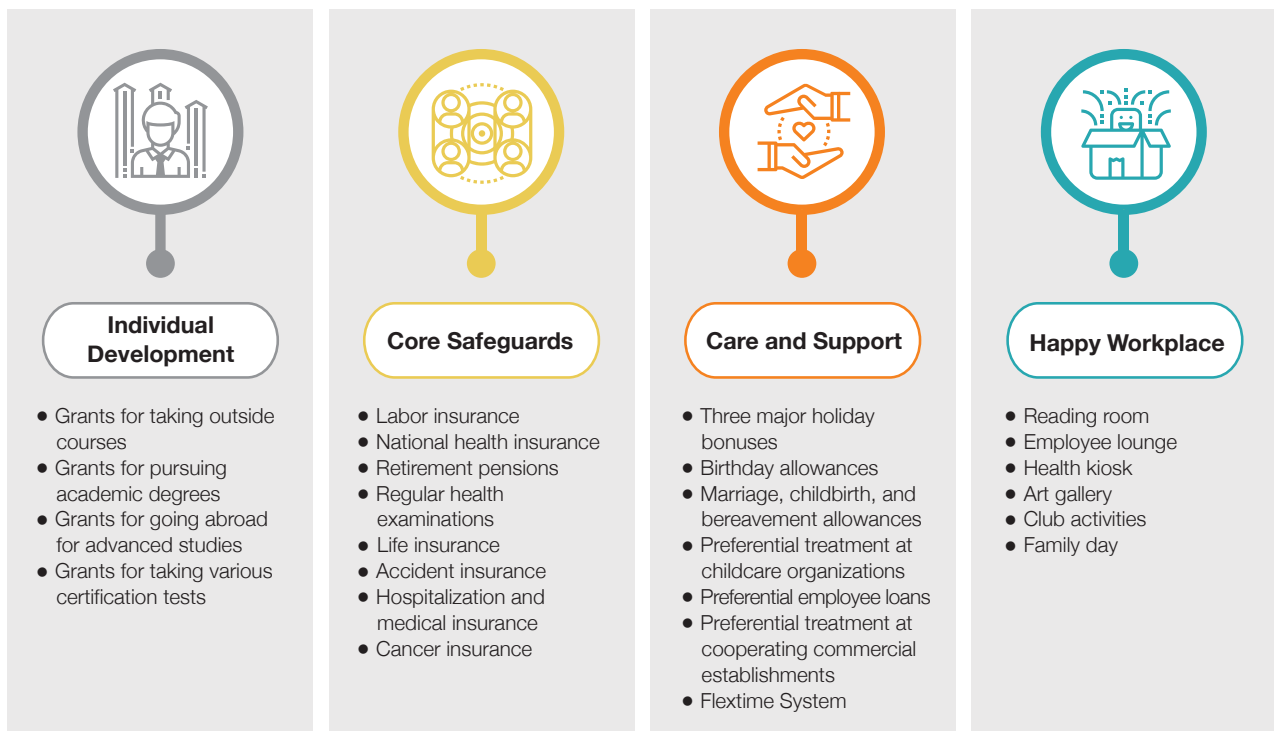


O-Bank holds 2021 accountability training camps

5.4.2 Employee Satisfaction

A total of 798 employees responded to the 2021 O-Bank Employee Satisfaction Survey (response rate: 95.34%), and the satisfaction rate was 86.27%, which shows how effective the company's various employee care policies have been. O-Bank will continue acting in line with our corporate culture of "always sincere, always here" to build a happy company where employees enjoy peace of mind, fairness, and a friendly atmosphere.

Fig. 5-5: O-Bank Offers Multiple Benefits to Create a Happy Workplace



6. Environmental Sustainability



O-Bank seeks to operate sustainably. While working to grow our business, O-Bank also pays due attention to protecting the environment. Measures to achieve this include replacing energy-consuming equipment, resource recycling, purchasing renewable certificate, using green electricity and increasing the green purchase ratio to reduce the negative environmental impact of our business activities. To respond to global climate change and reduce carbon emissions, O-Bank in 2018 instituted an ISO 14001:2015 environmental management system and obtains annual ISO certification. The system ensures effective and comprehensive environmental management, including tight control over the use of power and water as well as generation of waste. And in order to effectively inventory and monitor carbon emissions generated in the course of operations, O-Bank has also instituted an ISO 14064-1:2018 greenhouse gas inventory system and obtains annual ISO certification. The scope of greenhouse gas inventories covers all branches and other types of physical business locations throughout Taiwan. At year-end 2021, O-Bank installed an ISO 50001:2018 energy management system to measure and monitor energy usage, thus ensuring more efficient energy usage. In addition, O-Bank encourages efforts by suppliers to jointly work on fulfilling CSR obligations. Working together, we can achieve good moral standards, respect the human rights of laborers, and promote environmentally sustainable development. O-Bank has adopted the walkways outside our headquarters building, placing large planters along the walkways and keeping the plants properly pruned and free of disease. O-Bank uses a wide variety of means to do what we can for the environment and pursue a low-carbon, sustainable type of growth.

6.1 Environmental Management Policies and Targets

6.1.1 Using Digital Finance to Achieve a Customer-Friendly Environment

After reorganizing as a commercial bank in 2017, O-Bank became the first native digital bank in Taiwan, and our borderless services have created an environmentally friendly business model. In addition to offering consumers more convenient access to financial services, the borderless service model of a digital bank greatly reduces the energy consumption that would otherwise accompany the establishment of physical branches. Consumers no longer need to expend fuel to travel to physical branches to conduct their banking business, and online transactions generally do not involve the printout of paper vouchers. This result is a low-energy-consumption business model that contributes to achievement of O-Bank's vision of operating in harmony with the natural environment.

6.1.2 Setting and Achievement of Environmental Management Targets

In order to systematically reduce the negative environmental impact of our business activities, and to effectively prevent the occurrence of incidents that violate O-Bank's environmental protection rules, O-Bank has instituted an ISO 14001:2015 environmental management system since 2018, and subsequently received ISO certification. O-Bank further undergoes a recertification process each year in an ongoing effort to establish comprehensive and sound environmental management mechanisms while ensuring the company's ability to effectively implement various environmental management activities, thus seeking



ISO 14001:2015 certificate



ISO 14064-1:2018 BSI statement on O-Bank GHG data quality



ISO 50001:2018 energy management system

further improvements. In 2021, O-Bank expanded its ISO 14001:2015 environmental management system to cover all business locations throughout Taiwan. And in order to mitigate climate change by reducing operating CO₂ emissions, O-Bank has pledged to achieve net zero CO₂ emissions by 2050 – making use of the Science-based Target Setting Tool of the Science Based Target initiative (SBTi) – to set Scope 1 and Scope 2 GHG reduction targets for O-Bank business locations throughout Taiwan.

O-Bank has adopted an environmental management policy, and it has expanded the ISO 14001:2015 environmental management system in 2021 to cover all business locations throughout Taiwan, O-Bank has reset short-term, medium-term, and long-term environmental management targets (see Table 6-1) on the basis of year-end 2020 data covering all business locations throughout Taiwan. O-Bank has disseminated environmental management policy throughout the organization via e-mail, and has also printed out small cards and distributed them to all employees. The cards state the following pledges:

- We will achieve efficient use and reuse of energy and resources.
- We will reduce waste and promote recycling.
- We will use green products, install energy-efficient equipment, and promote green energy.
- We will take part in environmental protection activities, pollution prevention activities, and continue working for further improvements.
- We will rigorously comply with applicable laws, contractual requirements, and agreements; adopt an environmental protection policy and continue promoting it.
- We will develop digital banking in an effort to create co-existence between the environment and technology.
- We will bring about sustainable operations, thus ensuring O-Bank's development and profitability while achieving environmental protection.

Table 6-1: Setting of Environmental Management Targets for Business Locations throughout Taiwan

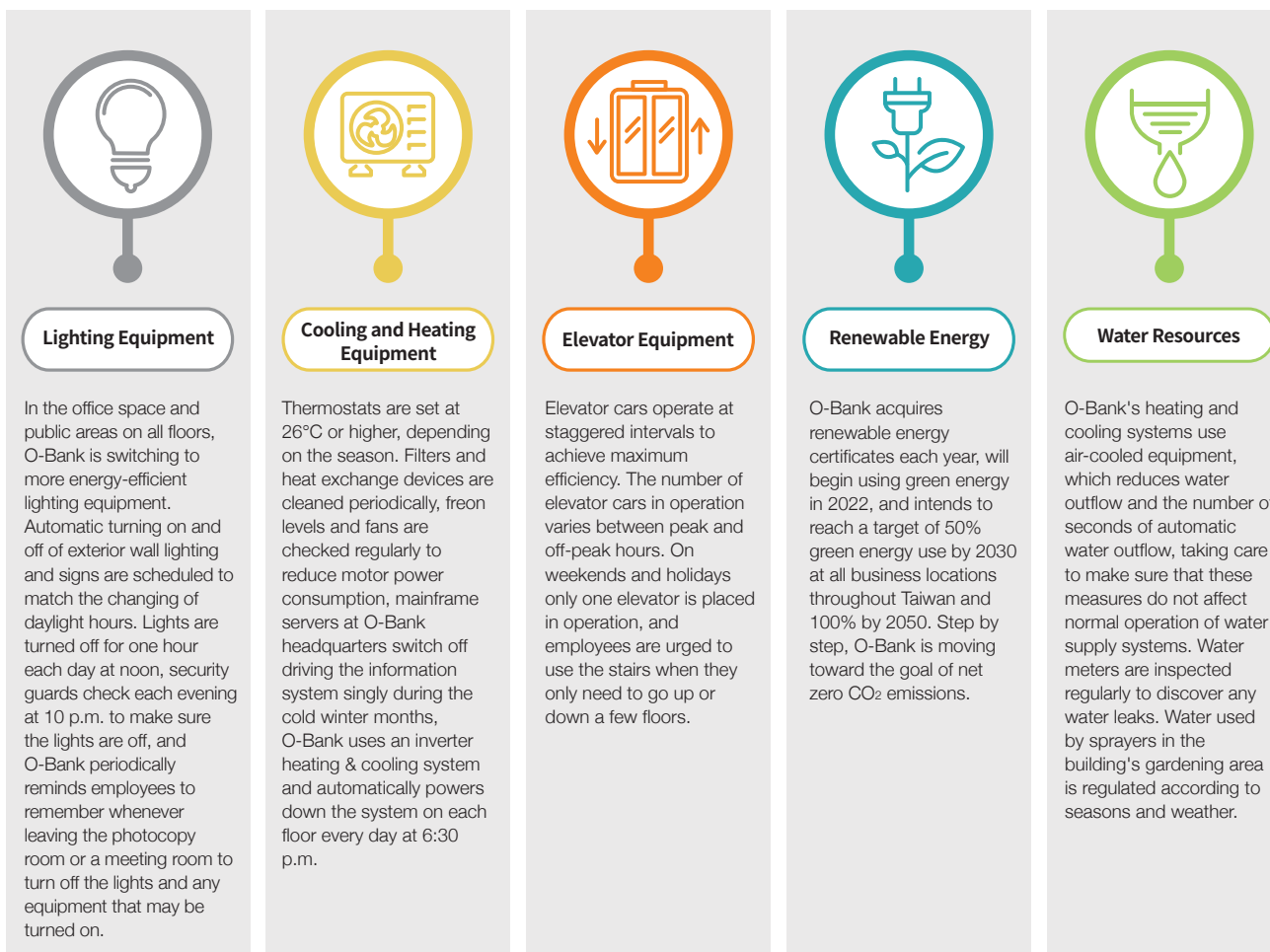
	Short-term (2023)	Mid-term (2025)	Long-term (2030)
Target for reduction of power usage per capita	3%	4.5%	6.0%
Target for reduction of water usage per capita	3.0%	5.0%	8.0%
Target for reduction of waste per capita	0.5%	0.7%	1.0%
Target for reduction of total GHG emissions	-	21%	42%

Note 1: The comparison baselines for the reduction targets in this table are the figures for all O-Bank business locations throughout Taiwan in 2020 (power usage: 6,696.17 kWh per capita; water usage: 0.0202 megaliters per capita; waste: 0.157 tonnes per capita; GHG emissions: 3359.466 tonnes CO₂e).

Note 2: The term "all business locations throughout Taiwan" includes the O-Bank headquarters building, the customer service center, the data center, the Zhongxiao Dunhua Branch, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Department, however, it does not include subsidiaries at the O-Bank headquarters building, one of which is the China Bills Finance Corporation (which occupies 100% of the floor space on the building's 3rd floor) and another of which is IBT Leasing Co., Ltd. (which occupies 61.14% of the floor space on the building's 6th floor).

Note 3: Making use of the Science-based Target Setting Tool of the Science Based Target initiative (SBTi), O-Bank has set scenarios that must be met to hold global warming to 1.5 degrees C or less.

Fig. 6-1: Specific O-Bank Environmental Management Actions



6.2 Management of Energy and Resources

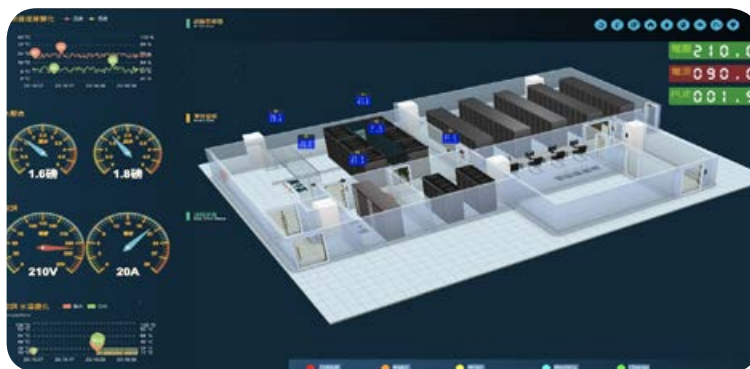
6.2.1 Energy Management

1. Smart Energy-saving in the Data Center

The data center is one of the main sources of power consumption in a digital banking business. To conserve energy in the data center, the O-Bank financial computing center puts top priority on low power consumption and high performance when selecting computing devices, server racks, cooling/heat dissipation systems, power supply and distribution systems, and maintenance management systems. In addition, the financial computing center also uses computational fluid dynamics (CFD) to plan out a data center closed-loop cooling system featuring cold and hot channels. Analyzing the diffusion of heat from data center equipment helps to understand airflow characteristics, thus facilitating optimization of cooling and heat dissipation systems.

At the same time, the O-Bank data center has established a Data Center Intelligent Management (DCIM) platform, which uses 3D virtual reality screens to provide round-the-clock real-time information on the operating conditions of all data center equipment (including power supply and distribution systems, cooling systems, temperature and humidity sensors, fire prevention systems, and video surveillance/door access systems). This approach enables accurate measurement and optimization of the data center

environment, thereby avoiding wastage of resources and unnecessary energy consumption. O-Bank maintained an annualized power usage effectiveness (PUE) rating of about 1.6 and an average monthly power efficiency rating of as good as 1.15 from October 2021 to April 2022. These ratings meet the Green Grid silver and platinum benchmarks for data center efficiency, respectively.



3D virtual reality screen

2. Improvements to Lighting Equipment

In addition to building a data center with smart energy-saving features, O-Bank is also replacing energy-inefficient lighting in our head office. As part of the Energy Testing and Improvements Plan, O-Bank is switching to more efficient lighting. In 2021, a total of 264 incandescent and T8 fluorescent light fixtures were replaced with more environmentally friendly LED lamps, which led to the conservation of some 21,825 kWh of power. This meant a reduction of 10,956 kilos in carbon-equivalent emissions, and an energy savings of 42.97%. For further details, see Table 6-2.

Table 6-2: Lighting Improvements at O-Bank Headquarters Building

1. Fire escape lighting	30W T8 lamps → LED 14W lamps (68 lamps)	Annual savings: 9,531 kWh	Annual CO ₂ e reduction: 4,785 kg
2. Exit route lamps	108W PL lamps → LED 14W lamps (16 lamps)	Annual savings: 3,384 kWh	Annual CO ₂ e reduction: 1,699 kg
3. Room lighting	40W T8 → LED 20W T8 lamps (100 lamps)	Annual savings: 500 kWh	Annual CO ₂ ee reduction: 251 kg
4. Parking lot lighting	40W T8 lamps → LED 28W T8 lamps (80 lamps)	Annual savings: 8,410 kWh	Annual CO ₂ e reduction: 4,222 kg
Total	Annual savings: 21,825 kWh (approx. 78,570 Megajoules)		Annual CO ₂ e reduction: 10,956 kg

Note 1: kWh saved per year = wattage difference between new and old fixtures x days used x Avg. Hrs. used per day x No. of fixtures replaced / 1,000

Note 2: CO₂ emissions (kgs of CO₂e emissions) = kWh saved per year x CO₂ emission factor

Note 3: The CO₂ emission factor for electricity here is the 2020 CO₂ emission factor for electricity usage as announced by the Bureau of Energy, Ministry of Economic Affairs. The carbon emission factor is 0.502 kg CO₂e/kwh.

Note 4: The figures for kWh savings and CO₂e reduction as set out in this table reflect comparisons with equipment from 2020 before it was replaced.

3. Management of Power Usage and Power Consumption

O-Bank continues to improve our hardware power control systems to reduce power consumption. For example: an inverter air conditioning is used, and settings match the seasons to ensure pleasant temperatures; a variety of sun shades are used to improve indoor cooling efficiency; elevator traffic is directed by a smart control system, with the cars operating at staggered intervals to achieve maximum efficiency, and the number of elevator cars in operation varies between peak and off-peak hours, with only one elevator in operation on weekends and holidays. In addition, O-Bank also continues to

encourage employees take energy saving measures around the office. For example, lights in office areas are turned off at noon for one hour; co-workers are encouraged to walk the stairs instead of taking elevators, to dispense with suits and ties in the summer months, and to turn off air conditioners, video conference equipment, and other such devices when they are not in use; and in every conference room, next to light switches a note reminds users to "turn off the lights on the way out". Small actions like these by every employee add up to meaningful energy savings.

In 2021, total power usage at all of O-Bank's business locations throughout Taiwan came to 5,522,059 kWh, down by 1.12% compared to the previous year. Power usage per employee came to 6,325.38 kWh, down by 5.54% compared to the previous year. For further details, see Table 6-3.

Table 6-3: Total Power Usage at O-Bank Business Locations throughout Taiwan, 2020-2021

Item	2021	2020
Total power usage (kWh)	5,522,059	5,584,602
Total power usage (megajoules)	19,879,412.4	20,104,567.2
Renewable energy certificates (kWh)	30,000	88,000
CO ₂ emission factor for electricity (kg of CO ₂ e/kWh)	0.502	0.509
CO ₂ emissions (tonnes of CO ₂ e)	2,772.07	2,842.56
Persons at business locations throughout Taiwan	873	834
Power usage per employee (kWh/person)	6,325.38	6,696.17
Carbon emissions per employee (tonnes of CO ₂ e/person)	3.18	3.41
Standalone net income (NT\$ million)	5,511	4,651
Energy usage per unit of net income (kWh/NT\$ million)	1,002	1,200.7
Carbon emissions per unit of net income (tCO ₂ e/NT\$ million)	0.503	0.611

Note 1: The CO₂ emission factor for electricity here is the 2020 CO₂ emission factor for electricity usage as announced by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: CO₂ emissions (tonnes of CO₂e) = power usage (kWh) x CO₂ emission factor / 1,000

Note 3: 1 unit of electricity = 1 kilowatt hour = 1 kWh = 3.6 megajoules

Note 4: The term "all business locations throughout Taiwan" includes the O-Bank headquarters building, the customer service center, the data center, the Zhongxiao Dunhua Branch, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Department, which constitute 100% of all business locations throughout Taiwan; it does not include the power usage of subsidiaries at the O-Bank headquarters building, one of which is the China Bills Finance Corporation (which occupies 100% of the floor space on the building's 3rd floor) and another of which is IBT Leasing Co., Ltd. (which occupies 61.14% of the floor space on the building's 6th floor).

O-Bank does not have own-generated electricity or supply heat, cooling, steam, or other such power sources. Other fuel consumption information is set out in Table 6-4, in which all figures indicate fossil fuels used by company vehicles.

Table 6-4: Energy Usage and Consumption by O-Bank Business Locations throughout Taiwan, 2020-2021

	2021	2020
92/95/98 octane gasoline (liters)	36,056.85	47,640.77
Diesel (liters)	2,602.14 (incl. consumption by generators throughout Taiwan)	467.14 (not incl. consumption by generators)
LPG (liters)	0	0
Natural gas (cubic meters)	0	0
Energy usage, incl. power usage (MWh)	5,756.63	5,874.54
Energy usage, incl. power (megajoules)	20,723,881.17	21,148,355.84
Energy usage per capita (MWh/person)	6.59	7.04
Energy usage per capita (megajoules/person)	23,738.7	25,357.7
Energy usage per unit of net income (MWh/NT\$ million)	1.04	1.26

Note 1: The Environmental Protection Administration's Carbon Footprint Calculation Platform (<https://cfp-calculate.tw/>) indicates that 1 liter of gasoline results in emissions of roughly 3.02 kg CO₂e. Using the 2020 CO₂ emission factor for electricity usage (0.502 kg CO₂e/kWh) as announced by the Bureau of Energy, Ministry of Economic Affairs, we estimated that 1 liter of gasoline is roughly equivalent to 6.02 kWh of electricity usage.

Note 2: The Environmental Protection Administration's Carbon Footprint Calculation Platform indicates that 1 liter of diesel fuel results in emissions of roughly 3.38 kg CO₂e. Using the 2020 CO₂ emission factor for electricity usage (0.502 kg CO₂e/kWh) as announced by the Bureau of Energy, Ministry of Economic Affairs, we estimated that 1 liter of diesel is roughly equivalent to 6.73 kWh of electricity usage.

6.2.2 Water Resources Management

100% of the water used by O-Bank throughout Taiwan is obtained from the Taiwan Water Corporation. O-Bank does not make direct use of underground or surface water. O-Bank's waste water is discharged into the Taipei City sewage system and treated at a sewage treatment plant at a quality level that meets Taiwan's national Effluent Standards. This approach ensures that rivers, lakes, the ocean, and other bodies of water are not polluted. O-Bank continues to improve the water efficiency of our physical plant through various measures, including the following: headquarters building air conditioning equipment uses an air-cooled system, which greatly reduces water consumption; infrared sensors at restroom taps automatically adjust water flow to conserve water, and water-supply equipment is regularly cleaned, with filters changed and inspected for energy conservation and to ensure clean water for all employees; water used by sprayers in planters is regulated according to seasons and weather; and the waterfall fish pond has a circular filtration system that maximizes water efficiency by recirculating it.

In 2021, total water usage by O-Bank throughout Taiwan was 15.663 megaliters, down by 6.9% from the previous year. Average water usage per person was 0.0179 megaliters, down by 11.39% from the previous year. For further details, see Table 6-5.

Table 6-5: Total Water Usage at O-Bank Business Locations throughout Taiwan, 2020-2021

Item	2021	2020
Total water usage (megaliters)	15.663	16.827
CO ₂ emission factor for water (kg of CO ₂ /kWh)	0.0554	0.0633
CO ₂ emissions (kg of CO ₂ e)	867.73	1,065.15
Persons in places of business throughout Taiwan	873	834
Water usage per employee (megaliters/person)	0.0179	0.0202
Carbon emissions per employee (kg of CO ₂ /person)	0.99	1.28
Standalone net income (NT\$ million)	5,511	4,651
Water usage per unit of net income (kiloliters/NT\$ million)	2.84	3.62
Carbon emissions per unit of net income (kg/NT\$ million)	0.157	0.229

Note 1: The CO₂ emission factor for water here is based on the 2021 CO₂ emission factor for water usage as announced by the Taipei Water Department.

Note 2: CO₂e emissions (kgs of CO₂e emissions) = total water usage (kiloliters) x CO₂ emission factor

Note 3: 1 unit of water = 1,000 liters = 0.0001 megaliters

Note 4: The term "all business locations throughout Taiwan" includes the O-Bank headquarters building, the customer service center, the data center, the Zhongxiao Dunhua Branch, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Department, which constitute 100% of all business locations throughout Taiwan; it does not include the water consumption of subsidiaries at the O-Bank headquarters building, one of which is the China Bills Finance Corporation (which occupies 100% of the floor space on the building's 3rd floor) and another of which is IBT Leasing Co., Ltd. (which occupies 61.14% of the floor space on the building's 6th floor).

Note 5: The total dissolved solids of the Taipei Water Department and the nationwide water services are beneath 1,000 mg/L (source: Taipei Water Department's "Summary Comparison of Taipei Water Quality with U.S., Japan, E.U., W.H.O. Guidelines and Water Quality Standards in Taiwan), i.e. the water used by O-Bank business locations throughout Taiwan is all freshwater. According to the Aqueduct Water Risk Atlas (www.wri.org/applications/aqueduct/water-risk-atlas), developed by the World Resources Institute, Taiwan is not experiencing water stress.

6.2.3 Waste Management

Most of the waste generated by O-Bank's operations qualifies as ordinary domestic waste, as it contains no hazardous or toxic matter. Waste sorting is practiced in the break rooms on each floor in the headquarters building. Waste bins are labeled to indicate where to throw away different types of waste, and for all waste collection and disposal operations O-Bank retains the services of a professional waste disposal firm that has obtained a waste disposal permit from the Taipei City Department of Environmental Protection. All waste is transported in sealed containers to avoid any spread of pollutants. Unrecyclable waste is transported to one of Taipei City's refuse incineration plants, while recyclable waste is transported to a licensed recycling facility.

O-Bank advocates for the reuse of waste paper, provided that adequate measures are taken to ensure information security, and continues to promote waste reduction measures, including the following: (a) bottled water is not provided at meetings, and co-workers are instead expected to use their own personal mugs; (b) vending machines no longer sell bottled water; and (c) the employee lounge no longer provides bottled water or drinking straws. In addition, O-Bank is the first native digital bank in Taiwan. Customers can access a wide range of financial services online, including fully online account openings, fully online loan applications, and online purchasing of shares in investment funds. O-Bank uses email, mobile apps, and text messages to disseminate account data and other information to customers, which greatly decreases the usage of paper for application forms, notices, account statements, and the like.

This approach reduces the generation of waste and avoids the consumption of resources incurred in the process of physical delivery. Digitization of financial services creates an environmentally friendly business model that features low energy consumption.

In 2021, total waste at the O-Bank headquarters building came to 96.55 tonnes and the recycling and reuse rate was 11.48%. For further details, see Table 6-6. Therein, the volume of ordinary was up from the previous year because COVID-19 prompted employees to order in or eat take-out meals rather than dine out. This eating pattern generated more single-use lunchboxes and utensils as well as kitchen waste.

Table 6-6: O-Bank Ordinary and Recyclable Waste Volume, 2019-2021

Year	Total Waste (tonnes)	Waste per Person (tonnes)	Volume of Ordinary Waste (tonnes)		Recycling Volume (tonnes)				Recycling Rate
			Incineration Volume	Landfill Volume	Paper	Plastic	Metal (Fe/Al)	Other	
2019	79.531	0.130	66.78	1.43	9.993	0.490	0.190	0.650	14.24%
2020	80.293	0.133	67.02	1.89	9.215	0.68	0.45	1.04	14.13%
2021	96.550	0.157	79.55	5.92	9.419	0.45	0.13	1.09	11.49%

Note 1: Incineration volume = (Total waste - Recycling volume) x 93.08%. This figure is calculated by taking the "volume of nationwide general waste disposal" as disclosed by the Environmental Protection Administration. The 2021 waste incineration ratio (excluding recycled waste) was roughly 93.08%.

Note 2: Landfill volume = Total waste - recycling volume - incineration volume

Note 3: Recycling rate = recycling volume / total waste x 100%

Note 4: Figures in this table are for the O-Bank headquarters building, and include the affiliated enterprises China Bills Finance Corporation, O-Bank Education Foundation, and IBT Leasing Co., Ltd.

Note 5: Landfill, recycling, or incineration of waste is all carried out and processed offsite.

Note 6: Waste is collected daily on each floor by waste collection personnel, who transport it to a waste facility, weigh it, and record the data.

6.3 CO₂ Emissions Inventories

O-Bank initiated an ISO 14064-1:2018 greenhouse gas inventory system in 2018. After completing quantification and reporting of GHG emissions, O-Bank established a greenhouse gas inventory that covers the full range of emission sources, types, amounts, and ratios. For categories 3 to 6 O-Bank, acting in accordance with the standards on significant indirect emissions, identified those with relatively low degrees of correlation, eliminated them, and added category 3 (employee commutes and business trips) to the GHG inventory report. Beginning in 2019, in order to expand management of operating CO₂ emissions, O-Bank has expanded its ISO 14064-1 greenhouse gas inventory system to cover all business locations throughout Taiwan. Using the operational control approach, O-Bank's annual GHG inventory report now covers the O-Bank headquarters building, the customer service center, the data center, the Zhongxiao Dunhua Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, the Taoyuan Branch, and the Tainan Region Business Department, which constitutes 100% of all of O-Bank's business locations throughout Taiwan. 2020 is the base year.

In 2021, an inventory of total GHG emissions within O-Bank's operational boundaries throughout all of Taiwan quantified these emissions at 3463.313 tonnes of CO₂e. Total emissions were up by about 3.09% from the previous year because emissions generated by employees commutes throughout Taiwan were included with the 2021 inventory report; per capita carbon emissions came to 3.967 tonnes CO₂e, down by 1.5% from the previous year. For further details on GHG emissions at O-Bank business locations throughout Taiwan in 2020 and 2021, see Tables 6-7 to 6-10.

Table 6-7: GHG Emissions from within O-Bank's Business Locations throughout Taiwan, 2020

	Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total CO ₂ e Emissions (Note)
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Transport-related Indirect Emissions (business trips)	Indirect Emissions from the Use of Products	Product-related Indirect Emissions	Other Indirect Emissions	
Tonnes CO ₂ e	240.9585				3,112.3478	6.1596	0.0000	0.0000	0.0000	3,359.466
	5.4732	0.0000	113.0721	122.4132						
Share (%)	7.17%				92.64%	0.18%	0.00%	0.00%	0.00%	100.00%
	0.16%	0.00%	3.37%	3.64%						

Table 6-8: CO₂-equivalent Emissions of 7 Key GHGs from within O-Bank's Business Locations throughout Taiwan, 2020

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs
Tonnes CO ₂ e	3,232.3552	0.9725	3.7250	122.4132	0.0000	0.0000	0.0000	3,359.466
Share of Total (%)	96.22%	0.03%	0.11%	3.64%	0.00%	0.00%	0.00%	100.00%

Note: Global warming potential (GWP) values are adapted from the IPCC Fifth Assessment Report, 2013.

Table 6-9: GHG Emissions from within O-Bank's Business Locations throughout Taiwan, 2021

	Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total CO ₂ e Emissions (Note)
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Transport-related Indirect Emissions (business trips + employee commutes)	Indirect Emissions from the Use of Products	Product-related Indirect Emissions	Other Indirect Emissions	
Tonnes CO ₂ e	225.2523				2,772.074	465.987	0.000	0.000	0.000	3,463.313
	3.9482	0.0000	90.1373	130.6378						
Share (%)	6.50%				80.04%	13.46%	0.00%	0.00%	0.00%	100.00%
	0.11%	0.00%	2.60%	3.79%						

Table 6-10: CO₂-equivalent Emissions of 7 Key GHGs from within O-Bank's Business Locations throughout Taiwan, 2021

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs (Note)
Tonnes CO ₂ e	3,328.4237	0.7725	2.9502	131.1668	0.000	0.000	0.000	3,463.313
Share of Total (%)	96.11%	0.02%	0.08%	3.79%	0.00%	0.00%	0.00%	100.00%

Note: Global warming potential (GWP) values are adapted from the IPCC Sixth Assessment Report, 2021.

The international community is working to achieve net zero carbon emissions (carbon neutrality), and to implement the provisions of Taiwan's "Greenhouse Gas Reduction and Management Act" (which requires that the country's GHG emissions be cut by 2050 to no more than 50% of the 2005 level). O-Bank, in order properly play our role as a corporate citizen, in recent years has purchased renewable energy certificates, drawn up plans to use green energy, has assured that reliance on renewable energy will increase to 50% by 2030 and to 100% by 2050 at business locations throughout Taiwan, signifying the achievement of net zero CO₂ emissions. In this way, O-Bank is supporting renewable energy development in Taiwan, reducing the company's CO₂ emissions due to power usage, doing our part to contribute to the global carbon reduction effort, and seeking a harmonious co-existence between business operations and the natural environment.

6.4 Green Purchasing and Supplier Management

O-Bank's suppliers are primarily construction contractors and providers of IT equipment, office equipment, and office supplies. To act upon the company philosophy of maintaining environmentally friendly operations, O-Bank makes a conscious effort in our purchasing operations to select green products and services, and gives priority consideration to environmentally friendly vendors to gradually increase the proportion of our business that we do with green suppliers. For consumables that we provide in public areas, O-Bank whenever possible purchases products that bear the Green Mark. In 2021, some 99% of O-Bank's purchases by value were local procurements from environmentally friendly suppliers. In addition, to coordinate with efforts to support the development of green energy, O-Bank in 2021 subscribed for 30 solar power renewable energy certificates.



Renewable Energy Certificate

To govern our management of suppliers, O-Bank has adopted a set of "O-Bank Rules for Promotion of Fulfillment of Corporate Social Responsibilities by Suppliers". When choosing among suppliers, O-Bank includes CSR issues among the criteria that factor into our decision. The idea is to collaborate with suppliers in jointly achieving good moral standards, respecting the human rights of laborers, and promoting environmentally sustainable development. This approach has been taken in order to fulfill O-Bank's responsibilities and commitments to our suppliers. To help suppliers fulfill their corporate social responsibilities, O-Bank communicates our corporate social responsibility policies to suppliers during negotiations, and uses the "O-Bank Supplier Self-Assessment Form Regarding Fulfillment of Corporate Social Responsibilities" to assess whether suppliers' operations have any negative impact on the environment and society. O-Bank avoids transactions with suppliers that do not fulfill their corporate social responsibilities.

Fig. 6-2: O-Bank's Supplier Management Process



The "O-Bank Rules for Promotion of Fulfillment of Corporate Social Responsibilities by Suppliers" require all suppliers (either new or long-standing) from which O-Bank purchases goods or services exceeding NT\$1 million to carry out a self-assessment. O-Bank had a total of 142 suppliers in 2021, of which 42 were required to carry out a self-assessment, and all 42 of those firms did so. Percent of required self-assessments actually conducted was 100%. O-Bank was further required to conduct on-site visits to five suppliers, and O-Bank went above and beyond by conducting on-site visits to nine suppliers. Percent of required on-site visits actually conducted was 180%. Among the suppliers that had completed self-assessments or submitted to on-site visits, none had business practices that either had a material negative impact, or could potentially have such an impact, in such areas as environmental protection, safety & health, or the interests of employees and laborers. For further details, see Table 6-11.

Table 6-11: O-Bank Supplier CSR Self-Assessments and On-Site Visits, 2020-2021

Item	2021	2020
Total No. of suppliers	142	160
Suppliers required to conduct self-assessments	42	48
Suppliers that conducted self-assessments	42	48
Percent of required self-assessments actually conducted	100%	100%
Suppliers found deficient after self-assessment	0	0
Suppliers required to receive on-site visits	5	5
Suppliers that received on-site visits	9	9
Percent of required on-site visits actually conducted	180%	180%
Suppliers found deficient after on-site visits	0	0

Note 1: The number of firms required to submit to on-site visits was equal to 10% of the number of firms required to conduct CSR self-assessments.

Note 2: There were 43 new suppliers in 2021, of which 9 (or 20.9% of the total) supplied enough to be required to conduct a self-assessment.

Note 3: O-Bank made 9 on-site visits to suppliers in 2021 (i.e. one visit each to 9 different suppliers).

To support and encourage O-Bank's suppliers to endeavor to jointly fulfill O-Bank's corporate social responsibility (CSR). Any firm whose CSR self-assessment results show the firm to be qualified will receive priority consideration during the comparison of procurement tenders. Such consideration incentivizes better CSR performance. If a supplier violates our business ethics and CSR commitments or causes significant environmental or social impact, thus suffering serious damage to our image, reputation, or financial condition, O-Bank may subject the supplier to special monitoring and suspend it from submitting tenders for O-Bank's purchasing, maintenance, and special project contracts.

6.5 Environmental Sustainability Activities

O-Bank encourages employees to work for environmental protection in the course of their daily lives. Besides continuing to communicate our policy on energy conservation at working environments, O-Bank regularly organizes our employees to engage in group buying of environmentally friendly products from social enterprises. Also, O-Bank calls on employees to make donations to support book and food drives, and to spur the reuse of resources. In addition, O-Bank uses a wide variety of environmental sustainability activities to raise the environmental consciousness of employees, take concrete action to protect the environment, and promote sustainable development.

1. Green Transport Program

To reduce carbon emissions resulting from the work commutes of our employees, O-Bank has launched a Green Transport Program to encourage employees to take public transportation or ride bicycles. For those who choose to bike to work, bicycle parking spaces are provided free of charge in the underground parking lot at the O-Bank headquarters building. For those who need to drive to work, O-Bank encourages those who live near each other to register for carpooling.



Promotional poster for O-Bank green transport activities

2. O-Bank Holds "Resources Go Round and Round" Exhibit and Lecture for Suppliers

To enable employees and suppliers to better understand the concept of corporate implementation of environmental protection and low-carbon sustainability, at end-2021 O-Bank used the 1st floor lobby of its headquarters building to hold a "Resources Go Round and Round" exhibit on sustainable products and resource recycling and reuse, and to hold a lecture on green procurements to familiarize suppliers with the provisions of the "O-Bank Rules for Management of Green Purchasing from Suppliers". A total of 20 suppliers attended the events. O-Bank hopes to work hand-in-hand with suppliers to protect the environment and fulfill our corporate social responsibilities.



3. Holds Environmental Protection Training

O-Bank in late 2021 held an in-house lecture on "the new future of net neutrality". In addition to helping employees better understand the current state of O-Bank's operating CO₂ emissions, we also invited an outside expert to provide an overview of the Sixth Assessment Report of the UN's Intergovernmental Panel on Climate Change (IPCC). This speaker familiarized employees with how the environment is affected by the greenhouse gas emissions generated by human activities, and showed that the world must sharply reduce carbon emissions within the next decade and achieve net carbon neutrality by 2050 if we are to control global warming and have any chance of avoiding an entire range of climate disasters. By increasing employees' understanding of climate change issues, O-Bank hopes to get them to work together to achieve O-Bank's pledge of net zero CO₂ emissions by 2050.



7. Social Engagement



7.1 O-Bank's Thinking

O-Bank has long acted in the spirit of "fulfilling oneself by benefiting others". We firmly believe that enterprises have well-developed systems and resource integration ability, as well as outstanding industry expertise, and can give back to society by taking advantage of these strengths. This would enable enterprises' social engagement efforts to become a force for social progress.

7.1.1 O-Bank's Approach

Since O-Bank was first founded in 1999, we have embraced the ideals of giving back to society and engaging in sustainable business, and has carried out our corporate culture of "always sincere, always here" across social outreach and philanthropic activities. In recent years, O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank works hard to promote financial literacy and care for children's emotional needs, and has designed a variety of highly educational activities in hopes of reducing the inequality of opportunity that results from the urban-rural divide. In addition, O-Bank has also cooperated actively with social enterprises and B Corporations, tapping into the strength of enterprises to mitigate environmental and social problems. In addition to holding a series of procurement events, O-Bank has also launched special services designed specifically to support the development of social enterprises and B Corporations.

In addition, since reorganizing as a commercial bank, O-Bank has begun to provide retail digital financial services, and has launched a series of financial products with CSR features. The idea is to use our power as a financial institution to give back to society and create a prosperity in which O-Bank, consumers, and society can all share. In 2018, O-Bank launched a charity affinity card platform that makes it easy for customers to engage in charitable giving by taking the cashback rewards from purchases and redirecting them to selected non-profit organizations. In 2019, O-Bank launched the "Green Consumption Power@O-Bank" project to encourage consumers to buy products that have a positive impact on the environment and society. This act established O-Bank as the first bank in Taiwan to advocate for conscious consumption. In 2020, O-Bank further deepened the link between financial services and corporate social responsibility when launched the "Social Impact program". The funds deposited in these special accounts will be used solely for the specific purpose of backing microloans to help economically disadvantaged persons deal with financial emergencies. In 2022, O-Bank launched a "Consumer Spending Carbon Calculator" function that can be used to check the carbon footprint of card purchases throughout Taiwan. In this manner, O-Bank has joined with customers to achieve low-carbon lifestyles. We all intend to do our part to mitigate climate change.

In line with our belief that a company should give back to society on an ongoing basis, O-Bank established the O-Bank Education Foundation in the year after our founding. In the O-Bank Education Foundation's early years, it focused especially on encouraging youth to start up new businesses and pursue their dreams. The O-Bank Education Foundation held the "WeWin Entrepreneurship Competition" for 10 years in a row, and tapped into the resources of industry, government, and academia to support youth entrepreneurship. In recent years, however, as society has grown increasingly diverse, culture and creativity have come to attract more and more attention, and the Foundation has shifted its focus to arts and education activities. The O-Bank Education Foundation uses the concert hall and art gallery at the O-Bank headquarters in Neihu Technology Park to hold concerts, seminars, and exhibits, which local residents are invited to attend. Since 2010, the O-Bank Education Foundation has held the "Stars of Tiding" art advocacy project as a venue for new and aspiring artists. In these and other ways, the Foundation has done much to enrich Taiwanese culture.

7.1.2 O-Bank Community Volunteer Club

O-Bank established the O-Bank Community Volunteer Club in 2015 to take part in community service work. O-Bank Chairperson Tina Y. Lo, who chairs the Bank's CSR Committee, serves as the Club's honorary president. Employees who spend their working hours striving to achieve strong business results also have opportunities as Club members to do their part for the community and give back to society. O-Bank offers paid community service leave to encourage employees to take active part in community service activities, and there is no limit on the number of days that employees can take off to participate in activities organized by the O-Bank Community Volunteer Club. As of year-end 2021, 153 employees were members of the Club, or 18% of the company's total payroll. However, O-Bank has suspended in-person activities since May 2021 due to a dramatic uptick in the COVID-19 pandemic in Taiwan. O-Bank employees put in a total of 149 hours of volunteer service (fewer than 2020), for an average of 0.17 hours of volunteer work per employee.

Table 7-1: Volunteer Work by O-Bank Community Volunteer Club in 2020 and 2021

	2021	2020
No. of volunteers	153 persons	156 persons
Total hours volunteered	149 hours	467 hours
Volunteer hours per employee	0.17 hours per employee	0.56 hours per employee

7.2 Care for Students in Remote Areas

Since 2015, O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank has helped to start up a diverse range of extracurricular learning activities, gotten financial literacy content introduced into school curricula, and held community service programs on holidays to provide students with many different kinds of learning and life experiences.

Table 7-2: Activities to Care for Students in Remote Areas in 2020 and 2021

	2021	2020
No. of sessions	6	14
Participation by volunteers	33 times	103 times
Entities served	3	8

1. Financial Literacy Activities

To help students in remote areas develop a proper understanding of savings and personal financial planning, O-Bank created a financial literacy animated video entitled "The Emperor's Tailor," a fun and innovative way to familiarize students with the significance of money and the concept of financial planning. In the process, children are spurred to think about the meaning of wealth. These community service teaching materials have been provided free of charge to 22 county and municipal Bureaus of Education throughout Taiwan for incorporation into elementary school curricula, and in December 2021

O-Bank invited 27 students from Skidschool in the town of Nan'ao in Yilan County, to visit the O-Bank headquarters building, where volunteers helped students to understand the content presented in animated videos and led discussions about life planning to encourage students in remote areas to think about their futures and expand their horizons.



Students from Skidschool in the town of Nan'ao in Yilan County visited O-Bank

2. "Cinema for the Mind" Program

To enable children from remote areas to enjoy the beauty of films, pick up the humanitarian spirit inherent in the story lines, and develop a different sort of world view, O-Bank introduces movies with educational value at remote schools. In April 2021, O-Bank held two "Cinema for the Mind" events at Jiqing Elementary School and Pinglin Elementary School in rural New Taipei City. Members of the O-Bank Community Volunteer Club conducted discussions where students talked about their thoughts and feelings after watching the movies. Cinema-inspired education activities thus served to enrich the mental universe of young students. In addition, O-Bank purchased animated DVDs (complete with copyright clearance for community service broadcast purposes) and donated them to the schools, which are thus licensed in perpetuity to broadcast the DVDs on school property. This affords more students opportunities to view and learn from the movies.



O-Bank held a "Cinema for the Mind" event at Jiqing Elementary School



O-Bank held a "Cinema for the Mind" event at Pinglin Elementary School

3. "Holiday Spirit" Community Service Program

To accompany children from remote areas during holiday periods, members of the O-Bank Community Volunteer Club in late April 2021 held a "Holiday Spirit" community service program at Jiqing Elementary School in rural New Taipei City's Ruifang District. In this program, the O-Bank volunteers led the children as they engaged in crafts projects to make Mother's Day gift items.



Members of the O-Bank Community Volunteer Club hold a Mother's Day community service activity at Jiqing Elementary School in rural New Taipei City

4. "Kids Helping Others" Program

To familiarize young students in remote areas with the concept of "fulfilling oneself by benefiting others" and afford them the experience of earning money themselves and using it to help others, the O-Bank Community Volunteer Club in early May 2021 led a group of students from Pinglin Elementary School to Victory Social Welfare Foundation's Victory Kitchen to make cookies, and then held a bake sale at the O-Bank main lobby. In this way, the students got a feel for what it's like to find a way to earn the money they need to pursue their dreams. Afterward, the students donated the bake sale proceeds to a fellow student who was suffering from an eye ailment, to help their family defray the associated medical expenses. Children living in remote areas have long tended to be the recipients of welfare assistance, but O-Bank's "Kids Helping Others" program affords them the experience of using their own resources to help others, and to understand the idea that "fulfilling oneself by benefiting others".



Students from Pinglin Elementary School make cookies and hold a bake sale at the O-Bank main lobby

7.3 Support for Social Enterprises & B Corporations

O-Bank continues to engage in a wide variety of exchanges with social enterprises and B Corporations, and takes concrete action in many different ways to support their efforts on behalf of the environment and society. O-Bank wants to take action in more ways to ensure a harmonious co-existence between nature and society. Among the various cooperative projects that O-Bank, social enterprises, and B

Corporations undertook in 2021, some of the more notable included: procurement of products from social enterprises; food drives; group purchasing activities with a special focus on social enterprises; and the launch of the "Green Consumption Power@O-Bank" project.

Table 7-3: Activities to Support Social Enterprises & B Corporations in 2021 and 2020

	2021	2020
No. of sessions	12	16
Cooperating partners	29	31

1. Social Innovation Product Purchasing Arrangements

O-Bank purchases products every year from social enterprises to give as holiday gifts. Purchases in 2021 included: gift boxes from Green-in-Hand FoodBank; gift boxes from Okogreen Co., a fair trade coffee label; and cookie gift boxes from TriBake. In addition, O-Bank regularly purchases fruit from Tsaichiya Fruits and Suan-Lian Pear Corporation for the use of our employees. The total amount of these purchases came to NT\$950,000. Giving products from social enterprises as gifts to employees, customers, and members of the press makes more people aware of the "shared well-being" concept of social enterprises, and hopefully encourages them to buy such products themselves. As a result of this support for the products of social enterprises, O-Bank earned a "Buying Power" Award from the Small and Medium Enterprise Administration for a fifth consecutive year in the latter's Awards Program for Social Innovation Products and Services Procurement in 2021.



O-Bank purchases products from Green-in-Hand FoodBank and Okogreen Coffee to give as gifts

2. Food Drives

To promote the saving and utilization of surplus food, O-Bank and a social enterprise named Do You a Flavor jointly organize food drives. In recent years O-Bank has encouraged employees to take extra canned goods, rice, noodles, and other food items they may have at home and donated them to Do You a Flavor, which then makes the food into meals that it distributes to the homeless. O-Bank held one donation drive in 2021.



O-Bank and Do You a Flavor jointly organize food drives

3. Group Buying from Social Enterprises and B Corporations

To promote the products of social enterprises and make it easier for colleagues to buy products for their own daily needs or for use as gift items, O-Bank organized three "Social Enterprise Group Buying" programs in 2021, whereby O-Bank disseminated information on currently available products from social enterprises and B Corporations, and invited colleagues to join together to make group purchases of products that are friendly to both the environment and society. This program familiarizes colleagues with social enterprises and B Corporations, and serves as a concrete way to support them. Items purchased through group buys in 2021 included skin cleansers from Orientea Enterprise, egg rolls from Pure Milk, and red quinoa foods from Djulis International Food Co.

4. Donation of Organic Vanilla Skincare Products

After the COVID-19 pandemic broke out in early 2020, O-Bank and Blueseeds Co. jointly launched the "Adopt a Vanilla Field" program, in which O-Bank adopts a specified acreage of vanilla fields that Blueseeds works using natural farming methods. Extracts from the vanilla grown in the adopted fields are made into hand cleanser products that were donated four times in 2021 to Jiqing Elementary School and Pinglin Elementary School, which use the hand cleanser to prevent the spread of the pandemic. In addition to protecting the health of children in these remote schools, the program also supports the use of chemical-free natural farming methods and provides stable job opportunities for contract farmers.



O-Bank and Blueseeds Co. jointly launched the "Adopt a Vanilla Field" program, in which vanilla grown in adopted fields are made into hand cleanser products that are donated to elementary schools

5. 21 Days of Green

In response to Earth Day, which falls on April 22 each year, a B Corporation named Greenvines has joined hands with the Taiwan Environmental Information Association to jointly hold "21 Days of Green" activities, in which the people of Taiwan are invited to opt to live simple green lifestyles for 21 consecutive days and thus act as a positive force for change. In April 2021, O-Bank took part in activities advocated under the "21 Days of Green" campaign, and acted as a cooperating brand while joining in on the "Green Consumption Power@O-Bank" project in an active effort to promote green consumption.

7.4 Giving back to Society by Taking Advantage of O-Bank Strengths

1. "Green Consumption Power" Project

To encourage customers to engage in green consumption by purchasing products that have a positive impact on the environment and society, the "Green Consumption Power@O-Bank" project was launched in late 2019. Consumers using O-Bank's debit cards to purchase brands participating in green consumption get a cashback reward of 4.22% (the "4.22" percentage alludes to the fact that Earth Day falls on April 22 each year). Under the Green Consumption Power project, there is a monthly cap on the amount of cashback rewards that each cardholder can receive per month. The idea is to encourage the



O-Bank has set an industry first by promoting the concept of conscious consumption

type of consumption that will contribute to environmental protect and fair trade without encouraging overconsumption. O-Bank is the first bank in Taiwan to advocate for conscious consumption. As of the end of April 2022, more than 24,000 persons had participated in the "Green Consumption Power@O-Bank" project, and O-Bank had brought together 27 social enterprises and B Corporations to promote conscious consumption, as shown below in Fig. 7-1:

Fig. 7-1: Green Brands in the "Green Consumption Power@O-Bank" Project



2. O-Bank Social Impact Program

Many disadvantaged persons in our society with an urgent need for cash find it difficult to obtain bank loans or to receive such loans on relatively favorable terms, and this ends up causing them even bigger problems in living. To help such persons through difficult times, O-Bank launched the Social Impact program in late 2020. O-Bank invites customers to open time deposit accounts under the Social Impact program, and the funds deposited in these special accounts are used solely for the specific purpose of backing microloans



O-Bank Social Impact program

**一樣的存款，
不一樣的影響！**

影響力存款一年期定儲
年利率**1.09%**，
幫助弱勢群體重建生活。

that will be provided with no processing fee and at low interest rates to help economically disadvantaged persons deal with financial emergencies. O-Bank intends to take advantage of our banking expertise and

tap into the power of our customers to arrange for funds from the exact same sources as before to have an impact unlike that of before.

O-Bank cooperates with NPOs and social enterprises that provide job mentoring to the economically disadvantaged, and relies on the evaluations and referrals of the cooperating entities to help persons employed or mentored by those entities to obtain needed funds. In addition, some of the cooperating entities arrange for loan payments to be withdrawn from each paycheck. Borrowers can thus build up a good credit record that will make it easier for them to obtain loans from banks in the future. Entities cooperating with O-Bank on the Social Impact program include the First Social Welfare Foundation (including DIYI Social Enterprise), Taiwan Women's Development Association (including the Taipei City Pine Age Social Welfare Foundation), Sunny Bubao Sewing Cooperative, Good Food Enterprise Co., Ltd. and Jieh Huey Foundation.

 <p>第一社會福利基金會 The First Social Welfare Foundation</p>	<p>The First Social Welfare Foundation over the years has gradually evolved into a sheltered cleaning team (DIYI Social Enterprise) that hires persons with disabilities, middle-aged and elderly seeking to return to the workforce, women who are either single mothers or have suffered domestic abuse, and other disadvantaged persons. These jobs help the employees to improve their finances and lives.</p>
	<p>The Taiwan Women's Development Association provides job training to women from dysfunctional families to help them achieve economic independence. And for underprivileged women seeking to rejoin the workforce, the Association provides opportunities to work as long-term caregivers.</p>
	<p>Sunny Bubao Sewing Cooperative was founded after a major typhoon in 2009 to create jobs for women who had lost their homes to the typhoon in Shanlin District of Kaohsiung City in southern Taiwan.</p>
	<p>Good Food Enterprise Co., Ltd runs a restaurant chain that provides job opportunities to disadvantaged women and youth. In this manner, the company actively supports its economically disadvantaged employees, attaches great importance to ESG concerns, and seeks to make a difference.</p>
	<p>Jieh Huey Foundation, acting in line with the principle of "locals helping locals," provides professional care to the elderly and infirm, and creates job opportunities for local women and youth, thus continuing to empower remote communities and promote the provision of professional care services.</p>

In addition to allowing economically disadvantaged employees and successfully mentored employees of the Social Impact program's cooperating entities to apply for Social Impact Loan, O-Bank in April 2021 further expanded the range of persons eligible for loans under the Social Impact program to include anyone in Taiwan who holds government-issued proof of low income or medium-low income status. There is no processing fee, and the borrower will enjoy a 2-point interest rate discount compared to the general annual rate, so that more people with a need will be able to obtain bank loans and get through difficult times. As of end-2021, a total of 36 low- or medium-low-income households had received "Social Impact" loans.

3. Consumer Spending Carbon Calculator and the "Low-Carbon Lifestyle" Debit Card

In response to climate change and efforts to reduce carbon emissions, O-Bank, in addition our commitment to achieving net zero CO₂ emissions by 2050, also hopes to use our power as a financial institution and work together with customers to achieve energy conservation and carbon reduction. In March 2022, O-Bank launched Taiwan's first "Consumer Spending Carbon Calculator" function and became the first bank in Asia to adopt Mastercard's Carbon Calculator. All holders of an O-Bank Mastercard who apply to activate the "Consumer Spending Carbon Calculator" function can use the

function to see an itemized list of carbon emissions for every purchase paid for via the O-Bank online banking site or using the O-Bank mobile banking app, which means that customers can begin to understand how much effect their goods and services purchases have upon the environment. This may prompt a gradual shift toward more conscious consumption and lower-carbon lifestyles. In addition, O-Bank offers preferential demand deposit rates to any consumer who activates the "Consumer Spending Carbon Calculator" function. Customers who achieve the annual carbon reduction target in year 2022 will have an extra 0.1 percentage points added on to their NT Dollar demand deposit account annual interest rates for the entire following year. In this manner, we are using our resources to spur more consumers to take part in the campaign to reduce CO₂ emissions.



Consumer Spending Carbon Calculator

In addition to making a "Consumer Spending Carbon Calculator" function available completely free of charge, O-Bank has also launched the Low-Carbon Lifestyle Debit Card, the first debit card in Taiwan that makes it possible to set cashback reward percentages on the basis of carbon emissions. When a consumer's average carbon emissions per NT Dollar spent in a given month are below a specific level, that consumer receives an extra 0.5% cashback reward on all purchases made that month. In this way, O-Bank encourages customers to adopt low-carbon lifestyles. In addition, O-Bank has invited long-term social enterprise partners and B Corp partners to become Low-Carbon Lifestyle Debit Card participating green merchants. An O-Bank customer that uses a Low-Carbon Lifestyle Debit Card to pay for the purchase of products from any of 24 green merchants can receive an extra cashback reward of 4.22% plus brand discounts. In this manner, O-Bank continues encouraging customers to buy socially and environmentally friendly products.



Low-Carbon Lifestyle Debit Card

24 social enterprises and B Corporations have become Low-Carbon Lifestyle Debit Card participating green merchants

7.5 Developing Talent for the Future

7.5.1 Internship Program for Students from Underprivileged Backgrounds

1. O-Bank Summer Seed Internship Program

O-Bank launched a Summer Internship Program in 2012 to provide summer internship opportunities for customers' children who are enrolled in universities. The scope of participation was expanded in 2014 to include the children of O-Bank employees, so that children of O-Bank employees who are interested in the financial industry can have a rich range of experiences both in the classroom and at internship jobs. The internship program participants spoke highly of the program, so O-Bank in 2015 launched a new O-Bank Summer Seed Internship Program to make internships additionally available to students from underprivileged backgrounds. In addition to learning about the financial industry and undergoing training at actual institutions, seed program participants are also paid for their work. This makes their summer jobs all the more meaningful, and prepares them to be more competitive in their future job searches.

The O-Bank Summer Seed Internship Program includes both classroom lectures and internships. In the classroom lectures, senior O-Bank colleagues teach the students about their various specialties and describe the operations of O-Bank's different divisions. These lectures enabled the interns to quickly develop a comprehensive understanding of business practices in the banking industry. In the internships, the participants all serve in different units, including key units engaged in such areas as sales and back office operation. Each intern has opportunities to become deeply familiar with actual banking operations. O-Bank employees take them on tours of O-Bank's corporate customers, and accompany them in writing reports. At every step of the process, the purpose is to allow the interns to gain experience with the conduct of real-life banking business. The program is thus completely different from ordinary internship programs, in which the interns usually just act as short-term clerical workers. From 2015 to 2020, a total of 27 students from disadvantaged families participated the O-Bank Summer Seed Internship Program, and three of them joined O-Bank as full-time or part-time employees after graduating. The Program was suspended in 2021, however, because a worsening of the COVID-19 pandemic resulted in the national epidemic alert level being raised to Level 3.

2. Long-Term Scholarship and Employment Program for Outstanding Interns

O-Bank feels it is very worthwhile for the business community to provide underprivileged students who are short on resources but long on determination with extra resources to assist them in developing their careers. O-Bank deeply appreciates talent, and for that reason in 2018 launched the "Long-Term Scholarship and Employment Program for Outstanding Interns," in which interns who excel in the Summer Seed Internship Program and are officially declared to be from a low- or medium-low-income background are granted scholarships amounting to NT\$50,000 per semester. Scholarship funds are disbursed from the time a student is selected until graduation, and upon graduation they can be recruited by O-Bank. By means of this long-term support, O-Bank hopes to afford underprivileged students a smoother and more worry-free academic experience, and to facilitate their direct entry into the workforce upon graduation. As of 2020, five outstanding students have been selected to take part in this program. The Program was suspended in 2021, however, because a worsening of the COVID-19 pandemic resulted in the national epidemic alert level being raised to Level 3.

7.5.2 Cooperation with Schools

1. Lectures at Universities

To help more students understand the importance of financial business and how important it is for companies to fulfill their corporate social responsibilities, O-Bank personnel delivered lectures in November 2021 at the International Trends and Prospects Forum of FinTech, RegTech and Green Finance at National Cheng Kung University. At these lectures, O-Bank supervisors spoke about digital finance development trends, achievement of ESG objectives, and compliance and supervisory issues. In addition to familiarizing students with banking practices, one purpose of the lectures was to instill in students an awareness that, in addition to earning profits, a company needs to address environmental and social issues. A second purpose was to encourage students when they eventually enter the work world to do their part to contribute to CSR undertakings.



O-Bank personnel deliver lectures at universities

2. University Students Visit Enterprises

O-Bank hosts visits each year by school groups to help students understand business operations and the financial industry. In June 2021, O-Bank hosted an online visit by a group of 60 students from National Taipei University's Department of Finance and Cooperative Management to familiarize them with banking operations and developmental trends, and to let them know what sorts of skills and traits are needed by financial industry personnel so that students can start readying themselves for the job market and making themselves more competitive.

7.6 Community Service and Donations

7.6.1 Donations in 2021

Total charitable donations by O-Bank in 2021 amounted to NT\$6,281,500. Included among the recipients were the O-Bank Education Foundation, the NTU Economic Research Foundation, the NCKU Foundation, and the Taiwan Eisenhower Fellows Foundation. O-Bank continues to show concern for matters involving arts, culture, creativity, and education. In addition, O-Bank has long donated to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) to help fund their participation in public discourse concerning financial, economic, and industrial policies. O-Bank also made material donations to support a number of community service partners. For example, O-Bank took DVDs (complete with copyright clearance for community service broadcast purposes) purchased for the "Cinema for the Mind" program, as well as Blueseeds hand cleanser from the "Adopt a Vanilla Field" program, and donated them to Jiqing Elementary School and Pinglin Elementary School. In order to support environmental preservation, O-Bank supported the Taiwan Environmental Information Association's launch of an "Animal and Plant Coloring Book Calendar," the proceeds of which will be used to defray upkeep expenses at the Nature

Valley Environmental Trust in Hsinchu, Taiwan's very first environmental trust area, and donated the coloring book calendars to elementary schools in remote areas to spur students' curiosity toward plants and animals. Donations made by O-Bank in 2021 are listed below in Table 7-4.

Table 7-4: Donations Made by O-Bank in 2021

Unit: NT\$

Recipient	Amount
O-Bank Education Foundation	5,650,000
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	300,000
NTU Economic Research Foundation	128,000
Taiwan Eisenhower Fellows Foundation	30,000
Taiwan Environmental Information Association	75,000
NCKU Foundation	50,000
Taiwan Prevent Blindness Foundation	10,000
Jiqing Elementary School, Ruifang District & Pinglin Elementary School, Pinglin District, New Taipei City (material donations)	38,500
Total	6,281,500



O-Bank made a charitable donation to the NCKU Foundation



O-Bank made a charitable donation to the Taiwan Environmental Information Association

7.6.2 Solicitation of Material Donations

To narrow the urban-rural resource gap and make effective use of the educational power of books, O-Bank held two book drives in 2021 to encourage employees of the O-Bank Group to donate used books to the Reading Resources Platform of the eslite Foundation for Culture and the Arts and Skidschool in the town of Nan'ao in Yilan County. In this manner, O-Bank took concrete action to support community service and arranged for delivery of resources to remote areas. In addition, O-Bank set up a receipt donation box in O-Bank headquarters building. Receipts thus collected are donated periodically to Eden Social Welfare Foundation, the Taiwan Foundation for Rare Disorders, and the Sunshine Social Welfare Foundation.

7.7 Promotion of Arts and Cultural Education

7.7.1 Cultivation of Up-and-coming Talent

To encourage aspiring artists' creative work, the O-Bank Education Foundation (O-BankEF) has carried out the "Stars of Tiding" art advocacy project annually since 2010, provide a platform and generous public resources that give young artists an opportunity to display their special talents. 22 budding artists were selected to take part in the "Stars of Tiding" project in 2021, adding to a grand total of 1,206 young musicians and artists who have benefited from the project over the past decade.



Call for submissions to the 13th "Stars of Tiding" art advocacy in music division. Street flags publicize the event outside O-Bank headquarters



Posters for the "Stars of Tiding 2.0" project grants in visual arts hang outside a Taipei metro exit

1. Scouting and Encouraging New Talent

To continue discovering local youth with exceptional creativity and talent, the O-BankEF held the 13th "Stars of Tiding" art advocacy project in 2021, providing a venue as well as administrative and publicity support for selected artists aged 35 or younger. The visual arts were elevated in last year's edition to be called the "Stars of Tiding 2.0" project grants in visual arts. Participants from arts departments of universities and colleges were encouraged to seek financial sponsorship and enter the Program, which was held at the art gallery and the concert hall at the O-Bank Group headquarters. Chosen entrants will perform in the "Stars of Tiding" 2022 edition. The project strives to help young artists mature in their chosen fields.

A total 40 artists submitted a rich variety of entries for the 13th "Stars of Tiding" art advocacy project, and a panel of professional judges selected 6 performances for the final series of the musical events. These performances are expected to nurture the emergence of some 20 new stars. Meanwhile, the "Stars of Tiding 2.0" project grants in visual arts solicited entries from July 2021 to April 2023, and three applicants are expected to receive sponsorship. Chosen entrants will put their work on display from July 2022 to April 2023.

2. "Stars of Tiding" Gain Name Recognition with Creative Gift Items

Since 2011, the O-BankEF has selected some of the winning entries from the "Stars of Tiding" exhibition and featured them in desk calendars for the following year. These are given as gift items to recipients in the business community, government agencies, and other stakeholders to help the featured artists gain recognition. The lunar new year in 2022 brought in the Year of the Tiger, so the works of 10 winning "Stars of Tiding" artists were designed into 2022 tiger-themed desk calendars. A total of 7,700 O-Bank Group 2022 desk calendars were given out to acquaint the public with the work of these outstanding young artists, and the calendars proved very popular.



O-Bank Group 2022 desk calendar incorporated the work of winning "Stars of Tiding" artists and used the Tiger illustration to show each Month's feature

7.7.2 Platform to Support Artistic Activities

Cultural diversity is one of Taiwan's most precious intangible assets. To continue developing our country's cultural soft power, and the O-BankEF participates in concerts, exhibitions, lectures, and the "Taipei Art District Festival". Altogether, these undertakings form a platform for a shared appreciation of the arts. As of the end of 2021, the O-BankEF had held a total of 370 arts and cultural activities.

1. Concert Series

In addition to arranging performances and exhibitions by young artists in the "Stars of Tiding" art advocacy project, the O-BankEF invited a variety of international musicians to engage in a series of performances and deliver lectures on music. The performances included solos, ensembles, and chamber music. In the first half of 2021, due to the COVID-19 pandemic, to prevent the virus from spreading, everyone arriving at the performances were required to disinfect their hands, have their temperature taken, and register by name to attend. Then in the second half of 2021, as the pandemic continued to worsen in Taiwan, some events were switched to online format while others were postponed to 2022. Every event elicited an exuberant response from the public. In all, 3 concerts were held with physical attendance in 2021, and another 2 were held online, attracting a combined audience of 2,000 people.



"Stars of Tiding" project takes creativity to the max

2. Exhibition Series

To further support artists, the O-BankEF held numerous art exhibits in 2021 at the O-Bank Group headquarters building art gallery. By providing exhibit space and publicity resources to artists for free, the O-BankEF granted young artists opportunities to interact with the public, gain recognition, and further hone their skills. In 2020, O-Bank began collaborating with the National Hsinchu Living Arts Center, each year inviting a winner of a "Luminous Art Marketing" award to put on solo exhibitions in space provided free of charge, thus giving up-and-coming artists opportunities to show their work. In the first half of the year the O-BankEF held two opening ceremonies featuring in-person attendance, but in response to the pandemic switched to online attendance for two opening ceremonies in the latter half of the year. The Foundation sponsored five arts exhibitions and opening ceremony events in 2021, attracting a total attendance of over 1,500.



Artists chat with public at opening ceremony about their work



Young artists put on wide variety of outstanding performances and exhibits



COVID forces opening ceremonies to go online to introduce art works

3. Art lectures Series

The O-BankEF annually invites experts from the arts community to deliver lectures on specialized topics. These events give the public a deeper understanding of artistic and cultural matters, and they also give promising young artists opportunities to interact with other artists. As of the end of 2021, a total of 29 events had been held as part of the art lectures series.

In the first half of 2021, O-Bank collaborated with the ARCTO Group to hold an art lecture. O-Bank invited German photographer Thomas Ruff, Wei-Wei Wang (Asia Representative at Mai 36 Galerie), Robin Peckham (codirector of Taipei Dangdai), Taiwanese artist Jui-Chung Yao, and photographer Mat-Ling Chang to discuss the Düsseldorf School of Photography and the works of Thomas Ruff. Some 120 persons attended the event. No further lectures were held during the last half of the year due to the impact of the COVID-19 pandemic.



ARCTO Group president Katy Hsiu Chih-Chien moderates online discussion with German artist



Honorary O-Bank Chairman Kenneth C.M. Lo was invited to the lecture to share his art collecting experience

7.7.3 Development of Arts Education

The O-BankEF seeks to facilitate the growth of young artistic talent and bolster the self-confidence of children from remote rural areas or disadvantaged backgrounds so that they can have more courage to pursue their dreams. In line with its belief that arts education is most effective when it starts at an early age, the O-BankEF has collaborated with rising young artists from the "Stars of Tiding" art advocacy project since 2013 to hold a series of annual educational programs for youth, especially for underprivileged children in the Neihu District of Taipei. The events include guided tours of art exhibits, DIY workshops, and displays of works created by event participants. These arts education activities instill self-confidence in children and encourage them to show their handiwork to classmates, family members,

and teachers. In the process, they will gain more interest in the arts. In 2021, to coordinate with the anti-COVID measures adopted by schools, the young artists held four arts education events at schools. A total of 60 children participated, and about 2,000 people attended shows where the children's artistic creations were put on display. In addition, one other activity was postponed to the first half of 2022.



The children educational programs switched their venue to schools in 2021



Artists teach students to work in many different types of media

7.7.4 Training of Arts & Culture Volunteers

In 2011, the O-BankEF established its O-BankEF Volunteer Corps to give back to society and participate in arts and culture activities. In the following year, the O-BankEF began recruiting volunteers to staff the sign-in desk and act as ushers at the O-BankEF's activities. The O-BankEF also regularly provided volunteers with photography and arts-related lectures and courses on topics such as classical music history, fine arts history, and dynamic photography. By taking part in these activities, the volunteers can acquire comprehensive skills as art administrators. The Volunteer Corps in 2021 had 23 members. Because multiple in-person events were switched to online format, the Volunteer Corps ended up helping out at just 3 events featuring in-person attendance, putting in a total of 83 service hours.

Due to the severity of the COVID-19 pandemic in the first half of 2021, the O-BankEF temporarily suspended arranged for its volunteers to take part in visit activities, then in the latter half of the year, senior professional guides from the National Palace Museum led volunteers to see an exhibit entitled "A Trio of National Treasures – Fan Kuan, Guo Xi and Li Tang at the National Palace Museum". For the first time in a decade, these three treasures were brought together before the public eye. These experiences provided the volunteers opportunities to increase their exposure to art and culture.



Members of the Volunteer Corps pose for a photo with performers after a concert



Performers thank members of the Volunteer Corps for their services

Appendix

Appendix 1: GRI Sustainability Reporting Standards Content Index

Note: Indicators in accordance with the GRI Standards: Core option are marked with "*"; indicators of topic specific GRI Standard that cover material topics are marked with "#".

GRI Standards Index	GRI Indicator		Chapter/Description
General Disclosure			
GRI 102: General Disclosures 2016	102-1*	Name of the organization	2.1 About O-Bank
	102-2*	Activities, brands, products, and services	2.1 About O-Bank 4.2 Service Quality and Customer Experience No products or services that are banned in certain markets.
	102-3*	Location of headquarters	2.1 About O-Bank
	102-4*	Location of operations	2.1 About O-Bank
	102-5*	Ownership and legal form	2.1 About O-Bank 3.1 Governance Framework
	102-6*	Markets served	2.1 About O-Bank 2.3 Market Environment and Development Strategies 4.1 Financial Services and Innovation
	102-7*	Scale of the organization	2.1 About O-Bank 2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies 5.1 Employee Composition and Promotion of a Friendly Work Environment
	102-8*	information on employees and other workers	5.1 Employee Composition and Promotion of a Friendly Work Environment
	102-9*	Supply chain	6.4 Green Purchasing and Supplier Management
	102-10*	Significant changes to the organization and its supply chain	2.1 About O-Bank 2.3 Market Environment and Development Strategies 3.1 Governance Framework No significant changes to O-Bank and our supply chain.
	102-11*	Precautionary Principle or approach	3.2 Ethical Best Practice 3.3 Legal Compliance 3.4 Risk Management
	102-12*	External initiatives	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies B Corp Certification verified by B Lab

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 102: General Disclosures 2016	102-13*	Membership of associations	Member, The Bankers Association of the Republic of China Member, Trust Association of the Republic of China Member, The Third Wednesday Club Member, Chinese National Association of Industry and Commerce, Taiwan Member representative (Tina Y. Lo, Chairperson), Taiwan Financial Services Roundtable Member, The Bankers Association of Taipei Member, The Bankers Association of Taoyuan Member, B Lab Taiwan
	102-14*	Statement from senior decision-maker	Letter from Chairperson
	102-15	Key impacts, risks, and opportunities	2.3 Market Environment and Development Strategies
	102-16*	Value, principles, standards, and norms of behavior	2.1 About O-Bank 3.2 Ethical Best Practice
	102-17	Mechanisms for advice and concerns about ethics	3.2 Ethical Best Practice
	102-18*	Governance structure	1.1 CSR Policy and Its Implementation 3.1 Governance Framework 3.2 Ethical Best Practice 3.3 Legal Compliance
	102-19	Delegating authority	1.1 CSR Policy and Its Implementation 3.1 Governance Framework
	102-20	Executive-level responsibility for economic, environmental, and social topics	1.1 CSR Policy and Its Implementation
	102-21	Consulting stakeholders on economic, environmental, and social topics	1.1 CSR Policy and Its Implementation 1.2 Identification of Stakeholders
	102-22	Composition of the highest governance body and its committees	3.1 Governance Framework
	102-23	Chair of the highest governance body	O-Bank's Chairperson isn't serving concurrently as Chief Executive Officer. O-Bank has adopted the "Principles of Hierarchical Delegation of Responsibilities" which set division of responsibility of Board Director and General Manager to fulfill hierarchical responsibility and implemented delegation of authority in hierarchical level.
	102-24	Nominating and selecting the highest governance body	3.1 Governance Framework
	102-25	Conflicts of interest	3.1 Governance Framework
	102-26	Role of highest governance body in setting purpose, values, and strategy	Letter from Chairperson 3.1 Governance Framework
	102-27	Collective knowledge of highest governance body	3.1 Governance Framework
102-28	Evaluating the highest governance body's performance	3.1 Governance Framework	

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 102: General Disclosures 2016	102-29	Identifying and managing economics, environmental, and social impacts	3.1 Governance Framework 3.2 Ethical Best Practice 3.3 Legal Compliance
	102-30	Effectiveness of risk management processes	3.4 Risk Management
	102-31	Review of economic, environmental, and social topics	1.1 CSR Policy and Its Implementation 3.1 Governance Framework 3.4 Risk Management
	102-32	Highest governance body's role in sustainability reporting	1.1 CSR Policy and Its Implementation 3.1 Governance Framework
	102-33	Communicating critical concerns	3.1 Governance Framework
	102-34	Nature and total number of critical concerns	3.1 Governance Framework
	102-35	Remuneration policies	3.1 Governance Framework 5.2 Employee Compensation and Benefits
	102-36	Process for determining remuneration	3.1 Governance Framework 5.2 Employee Compensation and Benefits
	102-37	Stakeholders' involvement in remuneration	Remuneration policies disclosed in the annual report as a form of stakeholder engagement.
	102-38	Annual total compensation ratio	In 2021, the ratio of the annual compensation of O-Bank's highest-paid individual to the median annual compensation of all other employees in Taiwan was 29:1.
	102-39	Percentage increase in annual total compensation ratio	In 2021, the ratio of the percentage increase in annual total compensation for O-Bank's highest-paid individual to the median percentage increase in annual total compensation for all other employees in Taiwan was 3.6:1.
	102-40*	List of stakeholder groups	1.2 Identification of Stakeholders
	102-41*	Collective bargaining agreements	O-Bank doesn't have labor union so there is no collective bargaining agreements.
	102-42*	Identifying and selecting stakeholders	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-43*	Approach to stakeholder engagement	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-44*	Key topics and concerns raised	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-45*	Entities included in the consolidated financial statement	Editor's Note
	102-46*	Defining report content and topic Boundaries	Editor's Note
	102-47*	List of material topics	1.3 Identifying and Analyzing Material Issues
	102-48*	Restatements of information	No restatements of information in 2021 CSR Report.
102-49*	Changes in reporting	1.3 Identifying and Analyzing Material Issues	
102-50*	Reporting period	Editor's Note	

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 102: General Disclosures 2016	102-51*	Date of most recent report	O-Bank 2020 CSR Report was published on 2021/6/30.
	102-52*	Reporting cycle	Editor's Note
	102-53*	Contact point for questions regarding the report	Editor's Note
	102-54*	Claims of reporting in accordance with the GRI Standards	Editor's Note
	102-55*	GRI content index	Editor's Note Appendix 1 : GRI Sustainability Reporting Standards Content Index
	102-56*	External assurance	Editor's Note Appendix 8: Independent Assurance Opinion Statement Appendix 9: Limited Assurance Report
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3 Identifying and Analyzing Material Issues
	103-2	The management approach and its components	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	103-3	Evaluation of the management approach	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
Material Topics-Economic			
GRI 201: Economic Performance 2016	201-1#	Direct economic value generated and distributed	2.2 Operating Performance and Reputation 3.1 Governance Framework 3.6 Tax Governance 5.2 Employee Compensation and Benefits 7.6 Community Service and Donations
	201-2	Financial implications and other risks and opportunities due to climate change	3.4 Risk Management
	201-3#	Defined benefit plan obligations and other retirement plans	5.2 Employee Compensation and Benefits
	201-4	Financial assistance received from government	In 2021, O-Bank didn't receive any financial assistance from the government.
GRI 202: Market Presence 2016	202-1#	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Employee Compensation and Benefits
	202-2#	Proportion of senior management hired from the local community	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 203: Indirect Economic Impacts 2016	203-1#	Infrastructure investments and services supported	2.1 About O-Bank 4.1 Financial Services and Innovation 4.3 Responsible Finance 7.2 Care for Students in Remote Areas
	203-2#	Significant indirect economic impacts	2.1 About O-Bank 4.1 Financial Services and Innovation 4.3 Responsible Finance 7.2 Care for Students in Remote Areas 7.6 Community Service and Donations

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.4 Green Purchasing and Supplier Management
GRI 205: Anti-corruption 2016	205-1#	Operations assessed for risks related to corruption	3.2 Ethical Best Practice
	205-2#	Communication and training about anti-corruption policies and procedures	3.2 Ethical Best Practice 3.3 Legal Compliance 5.3 Employee Cultivation and Development
	205-3#	Confirmed incidents of corruption and actions taken	No related incident occurred in 2021.
GRI 206: Anti-competitive Behavior 2016	206-1#	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No related issue occurred in 2021.
GRI 207: TAX 2019	207-1	Approach to tax	3.6 Tax Governance
	207-2	Tax governance, control, and risk management	3.2 Ethical Best Practice 3.6 Tax Governance
	207-3	Stakeholder engagement and management of concerns related to tax	3.6 Tax Governance
	207-4	Country-by-country reporting	3.6 Tax Governance
Material Topics-Environmental			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6.2 Management of Energy and Resources
	302-3	Energy intensity	6.2 Management of Energy and Resources
	302-4	Reduction of energy consumption	6.2 Management of Energy and Resources
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Not available.
	303-2	Management of water discharge-related impacts	6.2 Management of Energy and Resources
	303-3	Water withdrawal	6.2 Management of Energy and Resources
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.3 CO ₂ Emissions Inventories
	305-2	Energy indirect (Scope 2) GHG emissions	6.3 CO ₂ Emissions Inventories
	305-3	Other indirect (Scope 3) GHG emissions	6.3 CO ₂ Emissions Inventories
	305-4	GHG emissions intensity	6.3 CO ₂ Emissions Inventories
	305-5	Reduction of GHG emissions	6.1 Environmental Management Policies and Targets 6.2 Management of Energy and Resources 6.3 CO ₂ Emissions Inventories
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	6.2 Management of Energy and Resources
	306-2	Management of significant waste-related impacts	6.2 Management of Energy and Resources
	306-3	Waste generated	6.2 Management of Energy and Resources
	306-4	Waste diverted from disposal	6.2 Management of Energy and Resources
	306-5	Waste directed to disposal	There is no direct disposal waste in O-Bank.

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	No related issues occurred in 2021.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	6.4 Green Purchasing and Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management
Material Topics-Social			
GRI 401: Employment 2016	401-1#	New employee hires and employee turnover	5.1 Employee Composition and Promotion of a Friendly Work Environment
	401-2#	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Compensation and Benefits
	401-3#	Parental leave	5.2 Employee Compensation and Benefits
GRI 402: Labor/ Management Relations 2016	402-1#	Minimum notice periods regarding operational changes	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 403: Occupational Health and Safety 2018	403-1#	Occupational health and safety management system	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-2#	Hazard identification, risk assessment, and incident investigation	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-3#	Occupational health services	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-4#	Worker participation, consultation, and communication on occupational health and safety	"O-Bank Occupational Health and Safety Code" was formulated with the participation of five labor representatives. There is no health and safety committee.
	403-5#	Worker training on occupational health and safety	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-6#	Promotion of worker health	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-7#	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-9#	Work-related injuries	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-10#	Work-related ill health	5.1 Employee Composition and Promotion of a Friendly Work Environment
	GRI 404: Training and Education 2016	404-1#	Average hours of training per year per employee
404-2#		Programs for upgrading employee skills and transition assistance programs	5.3 Employee Cultivation and Development
404-3#		Percentage of employees receiving regular performance and career development reviews	5.3 Employee Cultivation and Development

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 405: Diversity and Equal Opportunity 2016	405-1#	Diversity of governance bodies and employees	3.1 Governance Framework 5.1 Employee Composition and Promotion of a Friendly Work Environment
	405-2#	Ratio of basic salary and remuneration of women to men	5.2 Employee Compensation and Benefits
GRI 406: Non-discrimination 2016	406-1#	Incidents of discrimination and corrective actions taken	No related incident occurred in 2021.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1#	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No related issue occurred in 2021.
GRI 408: Child Labor 2016	408-1#	Operations and suppliers at significant risk for incidents of child labor	No related issue occurred in 2021.
GRI 409: Forced or Compulsory Labor 2016	409-1#	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No related issue occurred in 2021.
GRI 411: Rights of Indigenous Peoples 2016	411-1#	Incidents of violations involving rights of indigenous peoples	No related incident occurred in 2021.
GRI 412: Human Rights Assessment 2016	412-1#	Operations that have been subject to human rights reviews or impact assessments	5.1 Employee Composition and Promotion of a Friendly Work Environment
	412-2#	Employee training on human rights policies or procedures	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7.2 Care for Students in Remote Areas 7.3 Support for Social Enterprises & B Corporations 7.7 Promotion of arts and cultural education
	413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual and potential negative impacts on local communities from O-Bank's operations.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	6.4 Green Purchasing and Supplier Management
	414-2	Negative social impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management
GRI 415: Public Policy 2016	415-1	Political contributions	No political contributions in 2021.
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	No health and safety impacts of product and service categories in financial industry.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No related incident occurred in 2021.

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 417: Marketing and Labeling 2016	417-1#	Requirements for product and service information and labeling	4.2 Service Quality and Customer Experience
	417-2#	Incidents of non-compliance concerning product and service information and labeling	No related incident occurred in 2021. 4.2 Service Quality and Customer Experience
	417-3#	Incidents of non-compliance concerning marketing communications	No related incident occurred in 2021. 4.2 Service Quality and Customer Experience
GRI 418: Customer Privacy 2016	418-1#	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related substantiated complaints received in 2021. 4.4 Customer Privacy and Transaction Security
GRI 419: Socioeconomic Compliance 2016	419-1#	Non-compliance with laws and regulations in the social and economic area	In 2021, there was a case that O-Bank was fined NT\$50,000 by Minister of Labor due to the violation of Labor Standards Act. However, this is not a significant case and such improvement is completed.

Appendix 2: SASB (Sustainability Accounting Standards Board) Index

Reporting industry standards include Commercial Banks (FN-CB) and Consumer Finance (FN-CF)

Commercial Banks (FN-CB)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of account holders affected	Quantitative	3.5.3 Information Security Drills
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Discussion and Analysis	3.5.2 Protective Measures for Information Security 3.5.3 Information Security Drills
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	4.3.5 Financial Inclusion
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	4.3.5 Financial Inclusion
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	4.3.5 Financial Inclusion
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	7.2 Care for Students in Remote Areas
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Quantitative	3.4.1 Risk Management Policies and Operations
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	4.3.1 Responsible Lending
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	3.3.1 Legal Compliance
	FN-CB-510a.2	Description of whistleblower policies and procedures	Discussion and Analysis	3.2.1 Ethics and Integrity
Systemic Risk Management	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	3.4.1 Risk Management Policies and Operations 3.4.2 Climate-related Financial Risks

Commercial Banks (FN-CB)				
Activity Metrics	Code	Activity Metric	Category	Chapter
-	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	4.3.5 Financial Inclusion
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	4.3.5 Financial Inclusion
Consumer Finance (FN-CF)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Quantitative	4.4 Customer Privacy and Transaction Security
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	3.5.3 Information Security Drills
Data Security	FN-CF-230a.1	(1) Number of data breaches (2) percentage involving personally identifiable information(PII) (3) number of account holders affected	Quantitative	3.5.3 Information Security Drills
	FN-CF-230a.2	Card-related fraud losses from (1) card-notpresent fraud and (2) card-present and other fraud	Quantitative	4.2.3 Handling and Tracking Of Customer Complaints
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Discussion and Analysis	3.5.2 Protective Measures for Information Security
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	Variable compensation to sales staff as a share of total compensation: 39.3%
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB) (2) percentage with monetary or nonmonetary relief (3) percentage disputed by consumer (4) percentage that resulted in investigation by the CFPB	Quantitative	4.2.3 Handling and Tracking of Customer Complaints
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	3.3.1 Legal Compliance
Activity Metrics	Code	Activity Metric	Category	Chapter
-	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Quantitative	4.3.5 Financial Inclusion (O-Bank issues debit card products only.)
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	4.3.5 Financial Inclusion (O-Bank issues debit card products only.)

Note: The term "small business" as referred to in this Appendix means O-Bank's small and medium enterprise (SME) customers.

Appendix 3: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Article	Article Content	chapter
Article 3	In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party.	Appendix 1: GRI Sustainability Reporting Standards Content Index Appendix 8: Independent Assurance Opinion Statement
Article 4, Subparagraph 3, Item 1	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	3.5.3 Information Security Drills
Article 4, Subparagraph 3, Item 2	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	4.3.5 Financial Inclusion
Article 4, Subparagraph 3, Item 3	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	7.2 Care for Students in Remote Areas
Article 4, Subparagraph 3, Item 4	Products and services designed by individual operating units to create benefits for the environment or society.	4.3.4 Responsible Products 7.4 Giving back to Society by Taking Advantage of O-Bank Strengths
Article 4, Subparagraph 4, Item 1	the number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year.	5.2.1 Fair Compensation
Article 4, Subparagraph 4, Item 2	the company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues.	3.4.2 Climate-related Financial Risks
Article 5	The sustainability report shall obtain a CPA's letter of opinion issued according to the rules published by the Accounting Research and Development Foundation, ROC; the scope thereof shall include the reporting requirements disclosed pursuant to Items 1 to 4, Subparagraph 3, Article 4 of the Rules.	Appendix 9: Limited Assurance Report

Note: The term "small business" as referred to in this Appendix means O-Bank's small and medium enterprise (SME) customers.

Appendix 4: Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Chapter	Content		Reference
Chapter 1	General Principles	Discloses the goal, entity applied to, and principles of best practices.	2. Overall State of the Company
Chapter 2	Exercising Corporate Governance	Regulate and exercising corporate governance.	3. Corporate Governance
Chapter 3	Fostering a Sustainable Environment	Fostering a sustainable environment.	6. Environmental Sustainability
Chapter 4	Preserving Public Welfare	Preserving public welfare.	7. Social Engagement
Chapter 5	Enhancing Disclosure of Corporate Social Responsibility Information	Enhancing disclosure of corporate social responsibility information.	Editor's Note
Chapter 6	Supplementary Provisions	Regulate and improve the exiting CSR system.	2. Overall State of the Company

Appendix 5: ISO 26000 Index

Category	Issue	Reference
Organizational governance	System by which an organization makes and implements decisions in pursuit of its objectives	2. Overall State of the Company
Human rights	Due diligence	3. Corporate Governance
	Human rights risk situation	5. Happy Workplace
	Avoidance of complicity	3. Corporate Governance
	Resolving grievances	5. Happy Workplace
	Discrimination and vulnerable groups	5. Happy Workplace
	Civil and political rights	5. Happy Workplace
	Economic, social and cultural rights	7. Social Engagement
	Fundamental principles and rights at work	5. Happy Workplace
Labor practices	Employment and employment relationships	5. Happy Workplace
	Conditions of work and social protection	5. Happy Workplace
	Social dialogue	5. Happy Workplace
	Health and safety at work	5. Happy Workplace
	Human development and training in the workplace	5. Happy Workplace
The environment	Prevention of pollution	6. Environmental Sustainability
	Sustainable resource use	6. Environmental Sustainability
	Climate change mitigation and adaptation	6. Environmental Sustainability
	Protection of the environment ,biodiversity and restoration of natural habits	-
Fair operating practices	Anti-corruption	3. Corporate Governance
	Responsible political involvement	3. Corporate Governance
	Fair competition	4. Customer Service
	Promoting social responsibility in the value chain	4. Customer Service 7. Social Engagement
	Respect for property right	3. Corporate Governance
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	4. Customer Service
	Protecting consumers' health and safety	4. Customer Service
	Sustainable consumption	4. Customer Service
	Consumer service, support, and complaint and dispute resolution	4. Customer Service
	Consumer data protection and privacy	4. Customer Service
	Access to essential services	4. Customer Service
	Education and awareness	4. Customer Service

Category	Issue	Reference
Community involvement and development	Community involvement	7. Social Engagement
	Education and culture	7. Social Engagement
	Employment creation and skills development	7. Social Engagement
	Technology development and access	7. Social Engagement
	Wealth and income creation	7. Social Engagement
	Health	7. Social Engagement
	Social investment	7. Social Engagement

Appendix 6: UN Global Compact Index

Category	Issue	Reference
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	5. Happy Workplace
	Make sure that they are not complicit in human rights abuses.	5. Happy Workplace
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5. Happy Workplace
	The elimination of all forms of forced and compulsory labour.	5. Happy Workplace
	The effective abolition of child labour.	5. Happy Workplace
	The elimination of discrimination in respect of employment and occupation.	5. Happy Workplace
Environment	Businesses should support a precautionary approach to environment challenges.	6. Environmental Sustainability
	Undertake initiatives to promote greater environmental responsibility.	6. Environmental Sustainability
	Encourage the development and diffusion of environmentally friendly technologies.	6. Environmental Sustainability
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	3. Corporate Governance

Appendix 7: Sustainable Development Goals Index

Sustainable Development Goals	Reference
1. End Poverty in all its forms everywhere.	2. Overall State of the Company
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	7. Social Engagement
3. Ensure healthy lives and promote well-being for all at all ages.	5. Happy Workplace
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	5. Happy Workplace
5. Achieve gender equality and empower all women and girls.	5. Happy Workplace
6. Ensure availability and sustainable management of water and sanitation for all.	6. Environmental Sustainability
7. Ensure access to affordable, reliable, sustainable and modern energy for all.	6. Environmental Sustainability
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	2. Overall State of the Company 5. Happy Workplace
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	2. Overall State of the Company 4. Customer Service
10. Reduce inequality within and among countries.	5. Happy Workplace 7. Social Engagement
11. Make cities and human settlements inclusive, safe, resilient and sustainable.	6. Environmental Sustainability
12. Ensure sustainable consumption and production patterns.	6. Environmental Sustainability 7. Social Engagement
13. Take urgent action to combat climate change and its impacts.	6. Environmental Sustainability
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	3. Corporate Governance 5. Happy Workplace
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	7. Social Engagement

Appendix 8: Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

O-Bank 2021 Sustainability Report

The British Standards Institution is independent to O-Bank Co., Ltd. (hereafter referred to as O-Bank in this statement) and has no financial interest in the operation of O-Bank 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 O-Bank 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 O-Bank. 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 O-Bank only.

Scope

The scope of engagement agreed upon with O-Bank includes the followings:

1. The assurance scope is consistent with the description of O-Bank 2021 Sustainability Report.
2. The evaluation of the nature and extent of the O-Bank'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 AA1000AS v3 sustainability assurance engagement.

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

Opinion Statement

We conclude that the O-Bank 2021 Sustainability Report provides a fair view of the O-Bank sustainability programmes and performances during 2021. 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 O-Bank 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 O-Bank'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 O-Bank's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option 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 O-Bank's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on O-Bank's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview
- interview with 17 staffs involved in sustainability management, report preparation and provision of report information were carried out
- 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 O-Bank 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 O-Bank's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

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

Responsiveness

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

Impact

O-Bank has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. O-Bank 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 O-Bank's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, O-Bank and BSI have agreed upon to include in the scope. In our view, the data and information contained within O-Bank 2021 Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

O-Bank provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). 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 O-Bank's sustainability topics.

Assurance level

The high 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 O-Bank'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 Lead 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.



Statement No: SRA-TW-2021024
2022-05-21

...making excellence a habit.™

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
O-Bank Co., Ltd.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in the Sustainability Report (“the Report”) of O-Bank Co., Ltd. (“the Company”) for the year ended December 31, 2021.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and GRI Standards and Sector Guidance published by the Global Reporting Initiatives (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the International Standard on Assurance Engagements 3000 (revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

Inherent Limitations

The subject information included non-financial information, which was under inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Controls

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 contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Auditing Standard No. 46 “Quality Control for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report are, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of the Report.

The engagement partner on the limited assurance engagement resulting in this independent auditors’ limited assurance report is Yin-Chou Chen.



Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2022

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Assurance Subject Matter (Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies/GRI Standards/SASB ¹ Standards)	Descriptions of Indicators	Corresponding Section	Applicable Criteria
1.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Subparagraph 3, Item 1/SASB FN-CB-230a.1	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected	3.5.3 Information security drills	Number of incidents related to information security incidents, data breaches, personal data breaches, and number of customers affected by data breaches.
2.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Subparagraph 3, Item 2/SASB FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	4.3.5 Financial inclusion	Number of loans for small and medium enterprises and community development and the loans outstanding at the end of the year.
3.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Subparagraph 3, Item 3	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services	7.2 Care for students in remote areas	Number of participants from schools in remote areas (Skidschool in the town of Nan'ao in Yilan County) visiting O-Bank and learning financial knowledge.
4.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Subparagraph 3, Item 4	Products and services designed by individual operating units to create benefits for the environment or society	4.3.4 Responsible products 7.4 Giving back to society by taking advantage of O-Bank strengths	Benefits of environmental and social projects (Green Consumption Power, Social Impact program, Charity affinity card)
5.	SASB FN-CB-240a.2	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	4.3.5 Financial inclusion	Number and outstanding amount of past due and non-accrual loans for small and medium enterprises in Taiwan.

¹ Refers to the SASB standards formulated by the Sustainability Accounting Standards Board.

#	Assurance Subject Matter (Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies/GRI Standards/SASB ¹ Standards)	Descriptions of Indicators	Corresponding Section	Applicable Criteria
6.	SASB FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	4.3.5 Financial inclusion	Number of financial accounts with free access to basic functions for persons living in remote locations, foreign nationals, and persons with physical or mental disabilities.
7.	SASB FN-CB-410a.1	Commercial and industrial credit exposure, by industry	3.4.1 Risk management policies and operations	Loan outstanding amount of top ten industries by monetary amount of credit exposure.
8.	SASB FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	4.3.1 Responsible lending	ESG risks and Equator Principles assessment process for corporate lending.
9.	SASB FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	3.3.1 Legal compliance	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
10.	SASB FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	4.3.5 Financial inclusion	Number and value of checking and savings accounts by segment: Personal and small and medium enterprises in Taiwan.
11.	SASB FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	4.3.5 Financial inclusion	Number and value of loans (exclude unsecured loans or revolving loans) by segment: personal, small and medium enterprises, and corporate in Taiwan.



 BANK 王道銀行