

Status and deviations from the Corporate Governance Best-Practice Principles for Banks and the reasons.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for Banks and the reasons
	Yes	No	Summary description	
1. Shareholding Structure and Shareholders' Rights.				
(1) Does the bank have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The Bank is a 100% subsidiary of Taishin Financial Holding. Any suggestions, queries, disputes or litigations, they will be handled immediately.	No deviation
(2) Does the bank know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) The bank has only one shareholder, Taishin Financial Holding, which owns 100% stake in the bank.	
(3) Has the bank built and implemented a risk management system and a firewall between the Bank and its affiliates?	✓		(3) The Bank has implemented a risk management policy and mechanism in accordance with the Banking Act to ensure an effective risk management and firewall mechanism.	
2. Composition and responsibilities of the board of directors.				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		(1) Pursuant to Article 24 of the Bank's Corporate Governance Best Practice Principles, composition of the Bank's board of directors shall take into account diversity, professional knowledge, and skills, and shall take into account factors such as gender, age, nationality, professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience; The board of directors of Taishin Bank shall determine the appropriate number of directors based on the scale of business development, the practical operational needs, the law, and the Articles of incorporation. The 13th board of directors consists of 11 members, including 3 independent directors (2 being female and one of whom is a certified accountant). The members were selected with an emphasis on diversity. The membership consists of elite talents from banking, industries, and academia, including 3 Ph.D. degree holders and 5 Master's degree holders. The members have an extensive range of expertise from business administration, finance, accounting, law, physics, chemical to public administration. They possess the general knowledge, skills and competencies required to perform duties. Furthermore, Taishin Bank also emphasizes gender equality in Board composition. Our goal is to have at least one female director in the board, and in 2018, we achieved this target following the election of the 11th Board of Directors.	No deviation

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(2) Has the bank voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		(2) The bank is a 100% subsidiary of Taishin Financial Holding. Taishin Financial Holding has also established a Risk Management Committee, a Nomination Committee, and a Corporate Sustainability Committee.	No deviation																							
(3) Has the TWSE/TPEX listed bank established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(3) N/A																								
(4) Does the bank regularly evaluate its external auditors' independence?	✓		<p>(4) Annual assessment of independence of Taishin's financial statement auditors was completed pursuant to the Guidelines for Assessing Independence and Suitability of Financial Statement Auditors. Assessment results were submitted to 127th meeting of the 12th board of directors on January 18, 2024.</p> <p>Having completed an assessment and obtained declarations of impartiality and independence from the auditors, Taishin Bank deems that CPA Ching-Cheng Yang and CPA Han-Ni Fang of Deloitte Taiwan meet Taishin Bank's independence requirements (Note) and are sufficiently qualified to be Taishin Bank's financial statement auditors.</p> <p>Note:</p> <table><tr><th>Assessment area</th><th>Result</th><th>Independence</th></tr><tr><td>Not a stakeholder under Article 44 or 45 of the Financial Holding Company Act.</td><td>Yes</td><td>Yes</td></tr><tr><td>No significant financial interest between Taishin Bank and the person and family that may affect independence.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not having served as a director or supervisor of Taishin Bank or held any other key positions at Taishin Bank in the last two years that may affect the audit services.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not performing concurrently routine work for Taishin Bank.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not receiving any business related commissions.</td><td>Yes</td><td>Yes</td></tr><tr><td>Not having served a term of more than seven years as Taishin Bank's financial statement auditors and not having returned to same position in two years after rotation or resignation.</td><td>Yes</td><td>Yes</td></tr><tr><td>There was no concern of independence regarding the potential non-assurance services offered by the accounting firm.</td><td>Yes</td><td>Yes</td></tr></table>		Assessment area	Result	Independence	Not a stakeholder under Article 44 or 45 of the Financial Holding Company Act.	Yes	Yes	No significant financial interest between Taishin Bank and the person and family that may affect independence.	Yes	Yes	Not having served as a director or supervisor of Taishin Bank or held any other key positions at Taishin Bank in the last two years that may affect the audit services.	Yes	Yes	Not performing concurrently routine work for Taishin Bank.	Yes	Yes	Not receiving any business related commissions.	Yes	Yes	Not having served a term of more than seven years as Taishin Bank's financial statement auditors and not having returned to same position in two years after rotation or resignation.	Yes	Yes	There was no concern of independence regarding the potential non-assurance services offered by the accounting firm.	Yes
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3. Does the bank have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		<p>Taishin Bank appoints competent corporate governance personnel in an adequate number. On June 27, 2019, the Board of Directors approved the appointment of Executive Vice President Frank Lin, head of the Secretariat Division, as the Chief Corporate Governance Officer. Mr. Lin has work experience related to management of public companies' meeting procedures for over eight years.</p> <p>Main responsibilities of the bank's Chief Corporate Governance Officer include:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings according to laws. 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. 6. Other matters set out in the articles of incorporation or contracts. 	No deviation
4. Has the bank established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		<p>(1) The bank's parent company complies with laws in the disclosure of financial, business and material information in the Market Observation Post System. This information is made publicly available simultaneously on the company's website. The company also has a designated spokes-person and investor relations mailbox available to serve as communication channels with stakeholders.</p> <p>(2) Taishin Bank's parent company has completed the Stakeholders Section on its website in 2015 as a means to communicate and consolidate queries from stakeholders (e. g. employees, suppliers, consumers, and customers), so that it can gain a better understanding of stakeholders' expectations and needs. Furthermore, the parent company has several teams responsible for communicating with stakeholders of different kinds and tending to issues that are of concern to them. And it has been reporting results of stakeholder engagement to the board of directors every year since 2018.</p>	No deviation
5. Information disclosure				
(1) Has the bank established a website to disclose information regarding its financials, business, and corporate governance status?	✓		<p>(1)</p> <ol style="list-style-type: none"> a. The bank has disclosed finance, business information and corporate governance on its website and disclose major information on Market Observation Post System. b. The bank has established an English website and assigned various departments to gather and disclose information on a regular basis. In addition, a public information reporting system has also been created with personnel assigned to gather and disclose information via the system. 	No deviation

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<p>(2) Does the bank use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(3) Does the bank publish and report its annual financial report within the time limit after the end of the fiscal year according to the The Banking Act of The Republic of China and the Securities Exchange Act, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>	<p>✓</p> <p>✓</p>		<p>(2)</p> <p>a. Taishin Financial Holding has a spokesperson mechanism in place to facilitate external communications. All material information relevant to investors' interests is announced using the Market Observation Post System and press releases. The spokesperson provides further elaboration where deemed necessary.</p> <p>b. The bank's parent company prepares sustainability report in both Chinese and English. This report has been made accessible at the company's website and on Market Observation Post System (MOPS).</p> <p>c. The bank's parent company holds quarterly investor conferences; conference proceedings are recorded and uploaded onto the company's website and MOPS on the same day.</p> <p>(3)</p> <p>a. The bank moved the release date for the 2024 financial statements ahead to within two months after the end of the fiscal year.</p> <p>b. b. The bank disclosed and fi led all of the financial statements for the first, second, and third quarters of 2024 and monthly business results by the specified deadlines.</p>	No deviation
<p>6. Has the bank disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, purchasing liability insurance for directors and supervisors and donation to political parties, stakeholders, and charity organizations)?</p>	✓		<p>(1)The bank offers competitive remuneration packages and benefits to retain talented employees. The bank also organizes team building activities establishes Taishin Stress Relief Workshop, and works with the Teacher Chang Foundation to provide employees with a joyful and healthy workplace. Taishin Bank respects employees' opinions and uses morning meetings and Employee Engagement Survey as a means of communication.</p> <p>(2)In addition to organizing quarterly corporate investors' conference and participating in domestic and overseas investor forums and road shows from time to time, the Bank's parent company also, through its Investor Relations Department, communicate with the investors via various channels including e-mail, telephone or face-to-face meetings. Information disclosure is made through the company's website in the meantime.</p> <p>(3)The bank's directors have all achieved the required number of training hours and announced the progress of their training on the Market Observation Post System.</p>	No deviation

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			<p>(4)The bank has independent risk management units in place; it has also committed substantial resources to developing risk management systems, and managing credit, market and operational risks using both qualitative and quantitative means.</p> <p>(5)The bank has adopted stringent measures to protect customers' information and has implemented personal information management policies, information security policies, firewalls, and customer information confidentiality measures in accordance with the Financial Holding Company Act, Guidelines for Cross Marketing among Subsidiaries of Financial Holding Company, the Personal Information Protection Act and other relevant regulations stipulated by the competent authority.</p> <p>(6)The bank has taken out liability insurance for board directors.</p> <p>(7)Donations made by the Bank to stakeholders and charity organizations.</p> <table><tr><th>No.</th><th>Items</th><th>NT\$</th><th>Relationship</th></tr><tr><td>1</td><td>Donation to the Taishin Bank Foundation for Arts and Culture</td><td>30,000,000</td><td>Stakeholder</td></tr><tr><td>2</td><td>Donation to the Taishin Charity Foundation</td><td>18,000,000</td><td>Stakeholder</td></tr><tr><td>3</td><td>Account of Taishin Sports Entertainment</td><td>110,000,000</td><td>Stakeholder</td></tr><tr><td>4</td><td>Donation to the Nantou County Youth Karate Promotion Association</td><td>4,373,000</td><td>Non-Profit Organization</td></tr></table>	No.	Items	NT\$	Relationship	1	Donation to the Taishin Bank Foundation for Arts and Culture	30,000,000	Stakeholder	2	Donation to the Taishin Charity Foundation	18,000,000	Stakeholder	3	Account of Taishin Sports Entertainment	110,000,000	Stakeholder	4	Donation to the Nantou County Youth Karate Promotion Association	4,373,000	Non-Profit Organization	
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7. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the bank was not included among the companies evaluated for the given recent year, this item does not need to be completed.)	✓		Taishin's parent company has always performed well on the TWSE Corporate Governance Evaluation. In 2024, Taishin's parent company received another excellent score on the 11th Corporate Governance Evaluation. Taishin Financial Holding has been constantly chosen as a component of the "TWSE CG100 Index.	No deviation																				

Note 1: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.