



2024



高雄銀行
ESG Report

Sustainability Report

A BANK YOU CAN TRUST



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About the Report

Welcome to the 2024 sustainability report released by Bank of Kaohsiung Co., Ltd. (Stock code: 2836, hereinafter referred to as "the Bank"). This is the 11th consecutive year that the Bank has prepared and published a sustainability report. This report presents the Bank's performance and achievements in environmental, social, and governance aspects, with the aim of enhancing communication with stakeholders through information disclosure.

To respond to environmental protection and promote paperless policy, the entire report is posted on the sustainable development section of Bank of Kaohsiung website for the public to download and read.



● Report period

The Report discloses the performance and implementation in corporate governance, society and environment of the Bank in 2024 (January 1 to December 31). To make sure that project and event performance is complete and comparable, some of the contents include the information in 2023 and outlook for 2025.

- The time the previous report was released: August 2024
- The time this report will be released: August 2025
- The time the next report will be released: August 2026

● Scope of the report

The Report primarily covers the disclosure of non-financial information, such as the operating activity and service of Bank of Kaohsiung. The related scope of financial performance covers the financial statement and auditor's report (P.3-7) of 2024. All financial figures are in NTD. Information involving affiliates will be stated explicitly in the Report.

● Rules for reporting

Standards	Issuing organizations
<ul style="list-style-type: none"> • GRI Standards (2021) 	Global Reporting Initiative (GRI)
<ul style="list-style-type: none"> • Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies • Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies 	Taiwan Stock Exchange Corporation
<ul style="list-style-type: none"> • Sustainability Accounting Standards – Commercial Bank Standards 	Sustainability Accounting Standards Board (SASB)
<ul style="list-style-type: none"> • Climate-related Financial Disclosure Proposals 	Task Force on Climate-related Financial Disclosures (TCFD)
<ul style="list-style-type: none"> • Sustainable Development Goals (SDGs) • The United Nations Global Compact 	United Nations (UN)

● Management process of the Report

1

Structure establishment

All of the department heads of the Bank pass out stakeholder and material topic survey, confirm the result after analysis, and interview with members of the department according to the GRI Standards (2021). They draw up the framework of the annual report based on analysis and discussion result.

Data collection

All teams of the Sustainable Development Committee collect data and information, and forward them to the secretarial unit (Business Management Dept.) for compilation.

2

3

Preparation of the Report

The Report is prepared based on the information and data sent back from all department units. Proofreading, typesetting and graphics design are then performed for the Report.

Internal review

The Report will be reviewed and approved by the Sustainable Development Committee and the Board of Directors before publication.

4

5

External validation

The Bank entrusted Ernst & Young Global Limited to execute limited assurance according to ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" announced by Accounting Research and Development Foundation. Refer to the appendix for the auditor limited assurance report.

● Contact

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Bank of
Kaohsiung
Official Website



Bank of Kaohsiung
Sustainable
Development Section



Bank of Kaohsiung
Stakeholder
Section





Sustainability Highlights in 2024

Corporate Governance



Joint Credit Information Center

2024 18th “Golden Safety Award, Golden Quality Award and Golden Excellence Award”

Credit Information Division “Gold Award”

Credit Guarantee Fund

2025 Outstanding Financial Institution and Credit Manager for SME Credit Guarantee Financing Business & 0403 Hualien Earthquake Reconstruction Support Award

“Outstanding Case Collection Excellence Award” Individual Award

Business Performance

Net profit after tax of NT\$961 million in 2024

An annual growth of over 11%

Taiwan Corporate Sustainability Awards (TCSA)

2024 Sustainability Report Award

Silver Award in Category 2 of the Financial and Insurance Industry

Inclusion in Index Constituent Stock

We have excellent operational performance and also value employees. Meanwhile, we have been included in the index constituent stock for three consecutive years

Consecutively selected as a constituent stock of the “Taiwan High Compensation 100 Index”

Environmental Sustainability



Goal for Saving Power

Replaced old air conditioning equipment and upgraded lighting to LED lamps

In 2024, electricity consumption was reduced by 2.1% compared to the previous year

Fuel Reduction

Replaced official vehicles with hybrid vehicles

In 2024, fuel consumption was reduced by 5.64% compared to the previous year

Carbon Reduction Results

Reduced emissions from fuel and energy-related activities within Scope 1, 2, and 3

In 2024, greenhouse gas emissions were reduced by 2.41% compared to the previous year

Renewable Energy

Installed solar photovoltaic panels at Caoya Branch and Qiaotou Science Park Branch, with Caoya Branch starting power generation in 2024

In 2024, Caoya Branch's solar photovoltaic panels generated 38,100 kWh, accounting for 42.13% of Caoya Branch's total electricity consumption, with a reduction of 18.06 tCO₂e

Green Supply Chain

Established the "Bank of Kaohsiung Sustainable Procurement Declaration" to implement the sustainable supply chain

Introduced ISO 20400 Sustainable Procurement Guidelines

Integration and Innovation

We pioneered the integration of trust and credit services, enabling the purchase and sale of green electricity through the Green Electricity Trading Platform to ensure transaction security

Received "Best Trust Product Integration Innovation Award" Quality Award at Diverse Trust Innovation Award of the 4th Trust Award in 2024 of Commercial Times



Social Care



Employee Care

Strengthened employee wellbeing and a family-friendly workplace to fulfill ESG commitments to employee care

Annual employee health checkups held once a year
A 4% salary adjustment in 2024

Finance Protection

Promoted public welfare trust and advanced the implementation of inclusive finance

Received the Second Place in Group B for Trust Promotion and Innovation Integration "Elderly Care Trust" from the Financial Supervisory Commission (FSC) in 2024

Received the Second Place for "Best Inclusive Finance Award" of the 18th Wealth Management Bank and Securities Evaluation of Business Today in 2024

Education Support

Continued to advance industrial-academic collaboration to nurture exceptional financial talents

Awarded scholarships and subsidies to inspire students to courageously pursue their aspirations

FSC "2024 Financial Education Contribution Award" Best Contribution Award

This year, a management associate program was conducted in collaboration with National Sun Yat-sen University, featuring 19 students who interned across various departments at the headquarters

In 2024, a total of 56 students were awarded scholarships and subsidies amounting to NT\$576,000

Social Care

Provided fully support for local social welfare groups and charity groups; contributed donations to various institutions and disadvantaged groups

Sponsorships to public welfare activities increased by 121% compared to the previous year

Arts, Culture and Sports

Provided fully support for professionals in sports and arts & culture to promote the development of sports and cultural atmosphere

Investments and sponsorships to arts and sports activities increased by 123% compared to the previous year

Campus Engagement

Collaborating with educational institutions to promote financial literacy and trust education, and raise awareness on fraud prevention

Contributed a sponsorship amount of NT\$300,000 to the Campus Photography Contest of Commercial Times

Received the "Best Trust Industry Quality Award" in the 2024 Commercial Times "Protecting Assets, Securing the Future" Campus Photography Contest

Launch green deposits and collaborate with customers for sustainability.

Bank of Kaohsiung is proactively responding to the “Green Finance Action Plan 3.0” of the FSC and the “Net Zero City Development Self-Governance Ordinance” of Kaohsiung City by launching the Green Deposit Project, and channeling funds into renewable energy, energy development, and sustainable investment and financing, thereby assisting enterprises in achieving low-carbon transformation. In 2024, the “Embrace Green City, Co-create Green Finance” launch conference was convened in collaboration with the Kaohsiung City Government and corporate representatives to build consensus on sustainability and showcase the financial sector’s resolve in promoting green development.

Green deposits are designated for specific purposes, with Ernst & Young Global Limited appointed to provide third-party verification and annual assurance reports. This engagement ensures the transparent allocation of funds towards environmental sustainability projects and enhance customer trust. The initial wave of participating enterprises encompasses a wide range of industries, such as cement, construction, and semiconductors, including Southeast Cement, Jui Feng Construction, and Hua Yu Lien Development, demonstrating the extensive impact of green deposits. Through this project, customers not only support environmental improvement and carbon reduction actions but also foster long-term benefits for society. Bank of Kaohsiung will continue to collaborate with a greater number of enterprises to deepen its green finance deployment, facilitate the transition of the greater Kaohsiung area towards a net-zero future, and establish itself as a leader in the sustainable economy.





Commercial Times held the Best Trust Product Integration Innovation Award. Bank of Kaohsiung was honored with the Quality Award.

Bank of Kaohsiung took part in the Diverse Trust Innovation Award of the 4th Trust Award held by Commercial Times in 2024. It was honored with the Quality Award of the Best Trust Product Integration Innovation Award in the Diverse Integration Trust category.

In 2023, the Bank established the “Green Power Trading Platform” and pioneered the integration of trust and credit businesses. By introducing the “Green Power Trading Price Trust” service, it has assisted electricity buyers in avoiding the scramble for green power, enabling them to purchase green power at prices closer to market value. This initiative has also enhanced the competitiveness of the Bank’s solar photovoltaic financing business.

To this end, we have independently developed the “Green Power Trading Price Trust Information System,” which is connected to the information system of the “Green Power Trading Platform.” This connection facilitates green power trading under a trust mechanism, ensuring transaction security, automated account management, and instant message feedback. As a result, it enhances collaboration with green power platform operators and guarantees that buyers, sellers, and platform operators can engage in transactions confidently within an environment characterized by clear accounts and transparent cash flows.

About Bank of Kaohsiung

Since its establishment, the Bank has adhered to the management vision of "Creating business performance, establishing an excellent Bank of Kaohsiung, stabilizing sustainable operation." It actively improves its financial performance while equally prioritizing non-financial sustainable value, embedding ESG concepts deeply into corporate culture, implementing sustainable development in tangible ways. It continuously strives for improvement, and work together to create a future of shared prosperity, becoming a trustworthy financial partner for every customer and creating value together.

● Company profile

Company history

Formerly Known as City Bank of Kaohsiung Co.,Ltd. and called City Bank of Kaohsiung for short, the Bank changed its name to Bank of Kaohsiung Co., Ltd. on January 1, 1994 and hereunder is abbreviated to Bank of Kaohsiung.

Bank of Kaohsiung had paid-in capital of NT\$450 million at the initial stage of operation where Kaohsiung City Government held 99.994% of its shares. The Bank successfully listed its stock at Taiwan Stock Exchange (TWSE) on May 18, 1998 to actively improve its operation nature, enhance financial transparency, and improve competitive power. The Bank was privatized on September 27, 1999, and was upgraded to a national bank on May 31, 2001 at the approval of the Ministry of Finance. As of the end of May 2025, the total capital amounted to NT\$18.263 billion.

Company Name Bank of Kaohsiung Co., Ltd. (Stock code: 2836)	Founding Date January 13, 1982	Head Office Address No. 168, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City
Chairperson Meei-Ling Jeng	President Hsu Chui-Mei	Total number of employees 1,179 persons
Industrial classification Listed financial and insurance activities	Capital NT\$18.263 billion (May 2025)	Asset size NT\$350.65 billion
Primary business Financial businesses such as agency of city treasury, deposit, credit, foreign exchange, investment		Data year: December 31, 2024

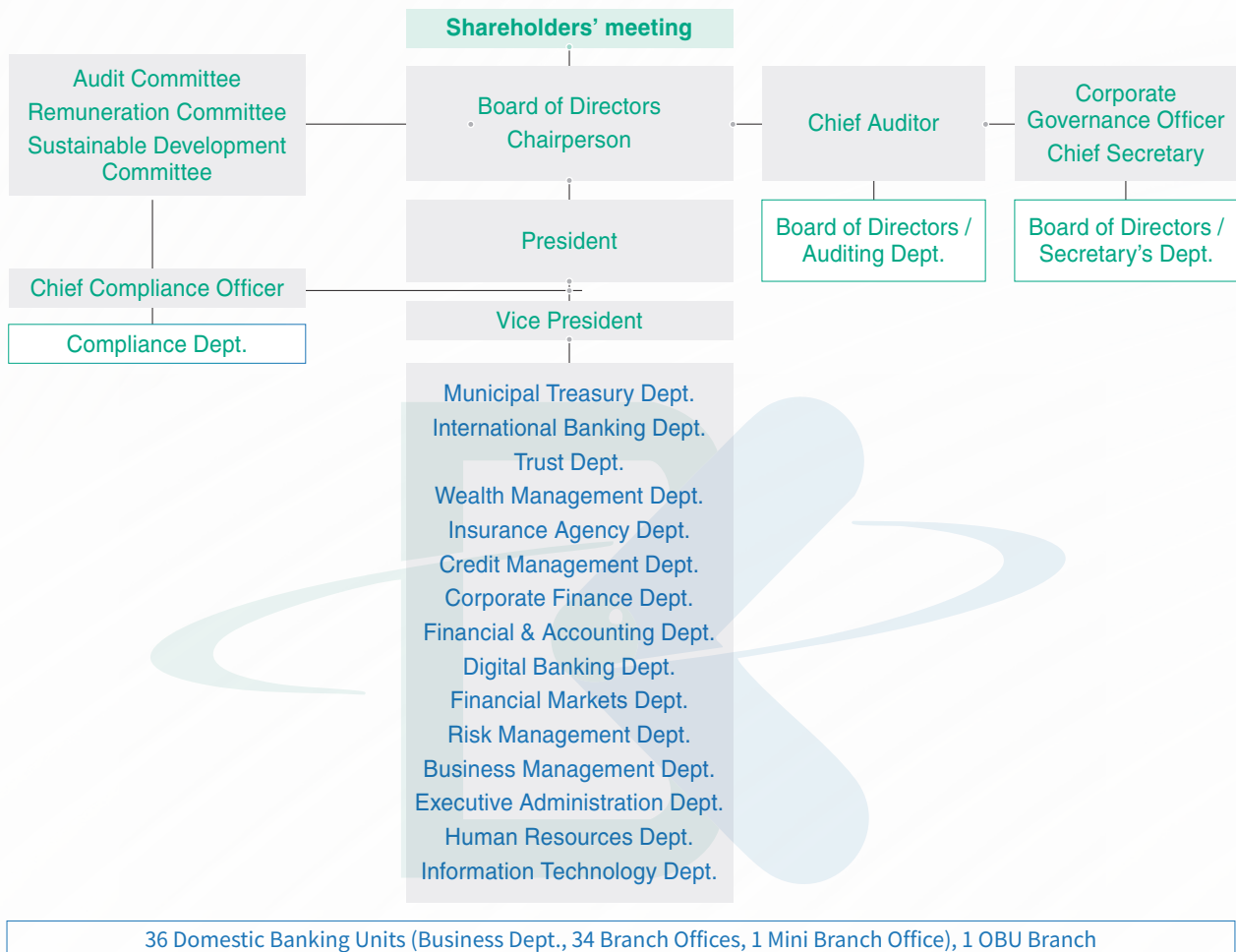




Operating business

Deposit business	Transaction, remittance, check collection and agency business of demand, periodic and check deposit
Wealth management business	Through wealth management business personnel, we execute financial planning or asset allocation based on customer needs, offer all kinds of financial instruments and services in the scope of our business authorized by competent authorities.
Credit business	<p>Consumer financial instrument: Home loan, comprehensive simple credit loan, working capital loan, personal consumer loan, student loan</p> <p>Corporate financial instrument: Working capital loan, capital expenditure loan, program loan, development of domestic and overseas L/C, Stand-By L/C opening and negotiation, and guarantee and acceptance</p>
E-financial business	Chip ATM card, online bank, online ATM, telephone, Corporate Finance Network (Finance XML), UnionPay Taiwan ATM acquiring business, city treasury online payment, mobile bank, and credit card and appointed store acquiring business
Foreign exchange business	Export, import, inward and outward remittance, foreign exchange deposits (including OBU foreign exchange check deposit), guarantee for foreign currency loan and foreign currency guarantee payment, and derivatives trading
Trust business	Real estate trust, securities trust, money trust, debt of money claim trust and the trust for collateral of debt of money claim, serving as executor and administrator of the estate, fully authorizing investment by trust, serving as the agent of release, transfer and registration of securities, and distribution of dividend, interest and bonus, providing counseling service of distribution and collection of securities, securities, signature, custody and safe deposit box rental
Investment business	Stock trading, basic beneficiary certificate, short term bill, fixed-income preferred stock, NCD of Central Bank, government bond, corporate bond, beneficiary securities, and asset-backed securities
Gold passbook business	Lump sum investment, resale and withdrawal of gold passbook, lump sum investment, resale and transfer between accounts of dollar cost averaging
Insurance agency business	<p>Life insurance agency business: Life insurance, health insurance, injury insurance, annuity insurance, investment-oriented insurance, foreign currency non-investment insurance product</p> <p>Property insurance agency business: Residential fire insurance, commercial fire insurance, compulsory and voluntary liability insurance of automobile and motorcycle, injury insurance and health insurance, liability insurance product</p>

Organization structure



● Sustainable operation concept

Bank of Kaohsiung has been established for over 43 years, working hand in hand with the public to witness the growth and prosperity of Kaohsiung, and deeply understands that sustainable development is the key driver for continuous corporate growth. The Bank is not only committed to pursuing outstanding financial performance, but also actively integrates environmental sustainability, social responsibility, and corporate governance (ESG) into its business strategies and corporate culture. Through steady management, it enhances profitability and creates long-term value for its shareholders. Meanwhile, the Bank continuously improves service quality, innovates financial products, and expands service channels, striving to establish itself as a trusted financial partner for both individuals and enterprises.

On the path to sustainable development, the Bank actively implements various ESG policies. In terms of environmental sustainability, we promote green finance, support industrial low-carbon transition, and provide innovative, digital, and sustainable financial products. Throughout our operations, we practice energy conservation and carbon reduction, water resource and waste management, and adopt renewable energy, fulfilling our commitment to environmental sustainability. In terms of social responsibility, we uphold the customer-oriented service philosophy, care for employee well-being, create a friendly workplace, actively engage in social welfare, care for the disadvantaged, and promote inclusive finance. With regard to corporate governance, we adhere to the principles of integrity management, improve governance systems, and strengthen information security to create shared value for all stakeholders.



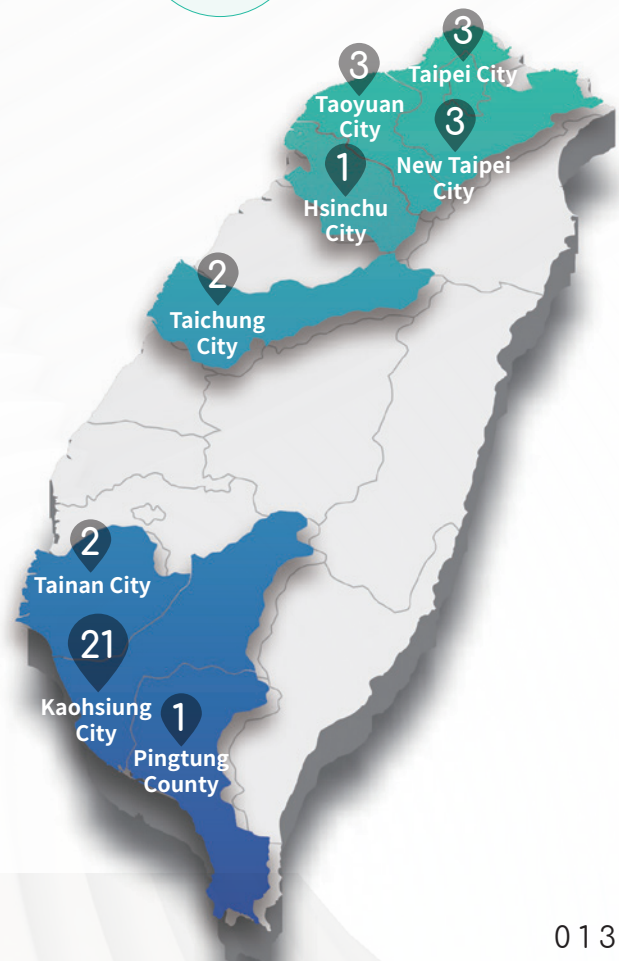
Looking ahead to 2025, the Bank remains committed to its vision: "Creating business performance, establishing an excellent Bank of Kaohsiung, stabilizing sustainable operation." The Bank is committed to achieving six operational policies, including: 1. Improve business performance; 2. Assist in industrial development and low-carbon transition; 3. Accelerate information optimization and digital transformation; 4. Improve emerging risk and asset quality control; 5. Enhance the employees' training and talent cultivation; 6. Implement sustainable management precisely, hoping to transcend the current status quo and realize a sustainable and innovative Bank of Kaohsiung, with the vision of becoming one of the high-quality bank among domestic banks.

● **Management philosophy of Bank of Kaohsiung**



● **Business location and employee overview**

Currently, the Bank of Kaohsiung operates 36 branches (including OBU) across Taiwan. The future deployment strategy is to set a foothold in Kaohsiung, expand business over Taiwan and become an outstanding bank in Taiwan. Our goal is to find the market with potential profits, improve the service network of Bank of Kaohsiung all over Taiwan, gradually extend services around Taiwan, and develop diverse financial services to extend business opportunities sustainably.



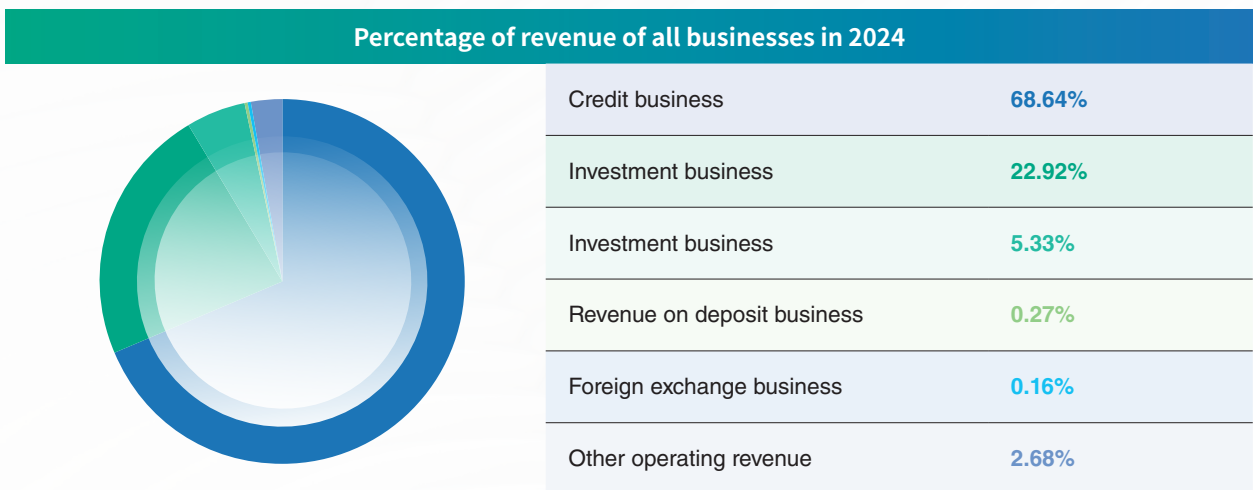
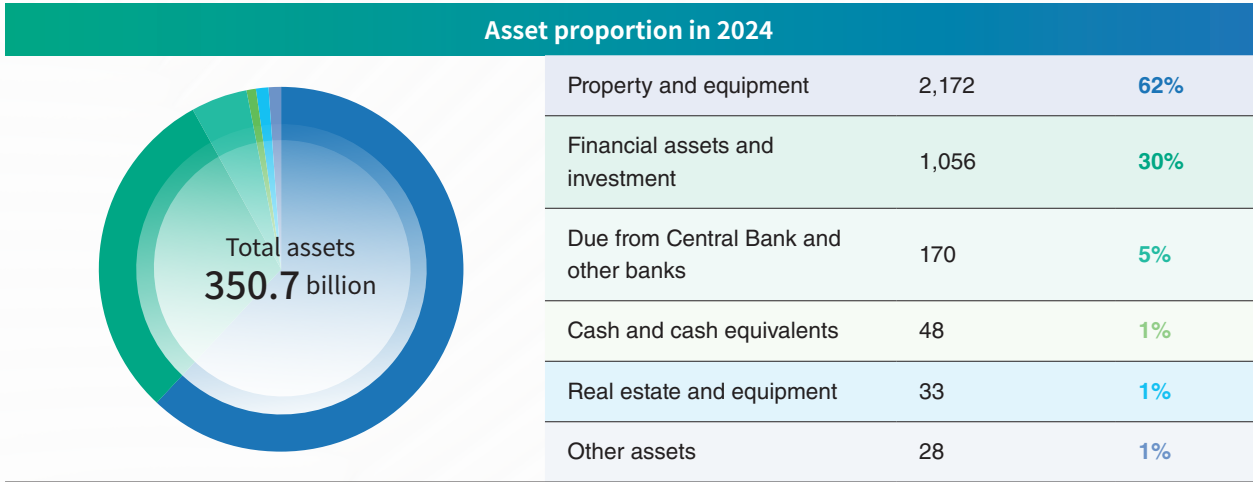
Business Performance Management

● Financial performance

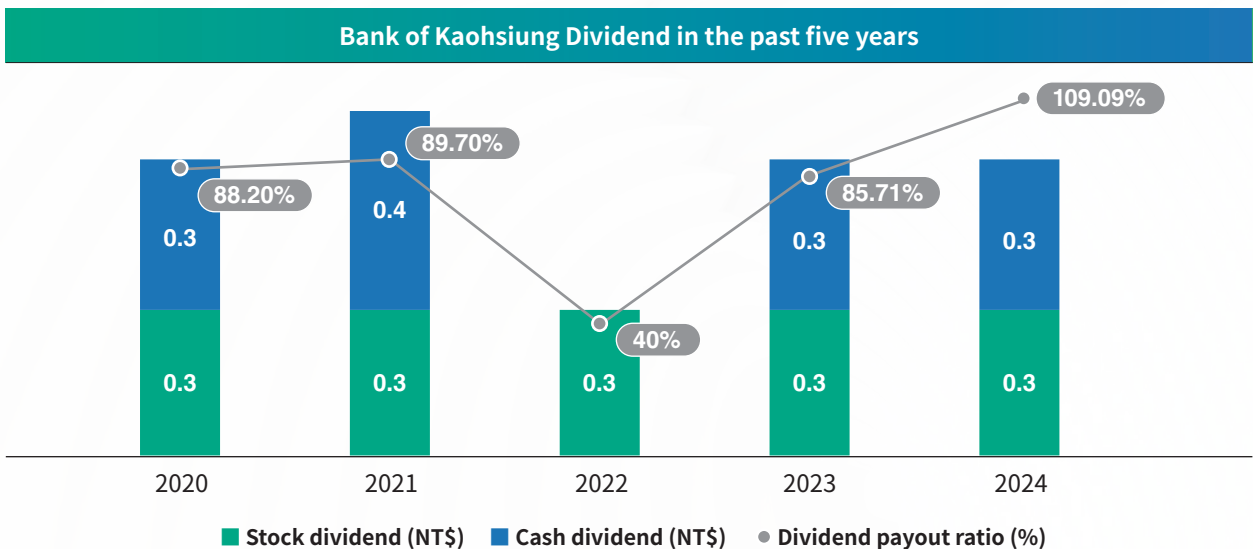
Our business and financial indicators

Our economic value generated and distributed in the past three years				
Item	Key elements	2022	2023	2024
Direct economic value generated — A	Revenue	3,899,078	3,820,774	4,384,596
Economic value distributed — B	Operating cost	608,270	616,415	646,740
	Employee salary and welfare	1,760,100	1,745,421	1,860,760
	Payment to investors	0	1,071,579	1,102,796
	Payment to the government	229,310	285,811	347,838
	Donation to society	51,576	59,928	149,038
	Total	2,649,256	3,779,154	4,107,172
Economic value retained (generation — A - distribution — B)		1,249,822	41,620	277,424

Our financial performance in the past three years			
Item	2022	2023	2024
Bank of International Settlement ratio (BIS ratio) (%)	12.36	12.28	13.28
Return on Assets (ROA) (%)	0.33	0.30	0.29
Return on Equity (ROE) (%)	5.54	5.00	4.41
Loan-to-Deposit Ratio (LDR) (%)	76.71	73.76	76.17
Non-Performing Loans Ratio (NPL ratio) (%)	0.24	0.25	0.23
Basic Earnings Per Share (EPS) (NT\$)	0.71	0.68	0.55



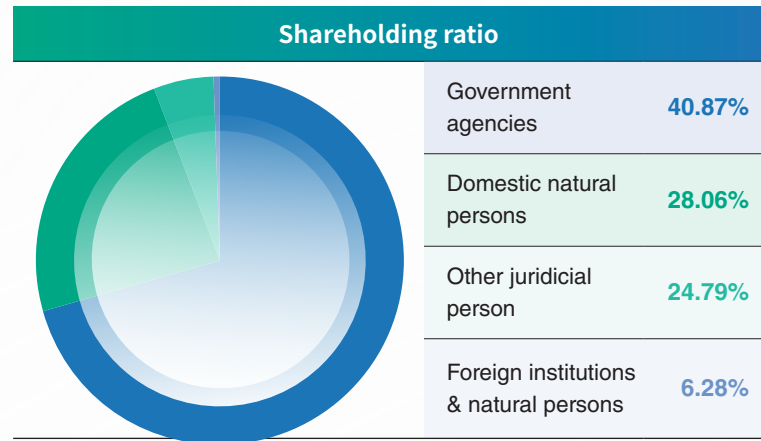
Dividend in the past five years



● Shareholder structure

Bank of Kaohsiung is an institution registered as an organization based on the Banking Act of the Republic of China and the Company Act, and operates banking business. All kinds of corporate governance and business management affairs are executed according to regulations and the articles of incorporation the Company formulated. Our largest shareholder is Kaohsiung City Government (40.33% of shares). Other main shareholders include Jinn Her Enterprise Co., Ltd., and domestic and overseas corporations and legal entities. Our shareholder structure is stable. Bank of Kaohsiung holds a shareholders' meeting every middle of the year, and reports on operation overview of the Company, and discusses the financial statement, surplus use and distribution, and regulation amendment.

Shareholding base date: March 25, 2024



● Tax management

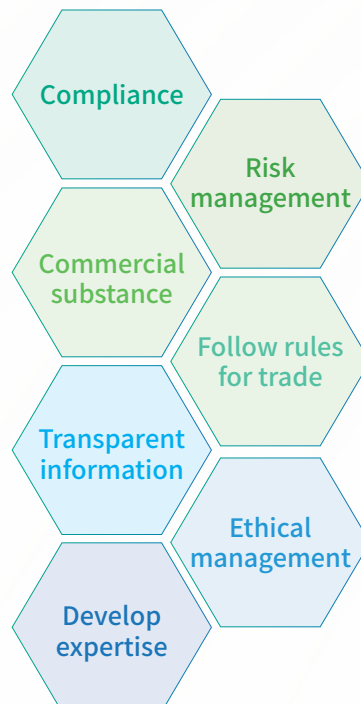
To respond to international trends of tax governance, Bank of Kaohsiung pays tax honestly, fulfills corporate social responsibility and builds a corporate tax culture. The Bank has no overseas location for now, but it is confident of future growth. No tax policy has been formulated, but we abide by the seven principles below to manage tax problems properly.

Bank of Kaohsiung complies with tax regulations in the country where its business offices are located, international tax guidelines, and tax regulations in the locations where its business offices are located. We file and pay tax honestly, and fulfill our social responsibility as a taxpayer.

When planning organizational structures or conducting transactions, tax structures that comply with commercial substance shall be used to avoid deliberately shifting profits to low-tax countries or tax havens, and to avoid using tax structures intended for tax avoidance.

Comply with financial reporting standards and rules formulated by competent authorities, regularly disclose information through an open channel and strengthen tax information transparency.

Enhance professional competence in tax matters, and continue to train talents in tax matters.



By evaluating transformation of tax regulations in the country its business offices are located in, and international tax guidelines, Bank of Kaohsiung identifies potential tax risks and draws up response measures.

Both parties participating in trading shall comply with commercial substance principles and tax compliance principles. The price shall reflect economic substance and adhere to specifications in tax regulations.

Communicate with tax collection agencies located where the business office is located honestly, and maintain a good and harmonious relationship.



Operator's Sustainability Commitment

In 2024, the world continues its recovery from the pandemic, geopolitical conflicts, and international wars. Amid multiple challenges such as global interest rate hikes, inflationary pressures, and political and economic instability, we remain steadfast in our commitment to prudent management. Rooted locally, we continue to deepen our core business while advancing sustainability, thereby charting a course toward growth.

After completing a capital increase of NT\$5 billion in March 2024, we expanded business development and fortified our risk resilience, with the benefits of the capital increase gradually emerging. For the entire year of 2024, net revenue reached NT\$4.385 billion, reflecting a year-on-year growth rate of 14.76%. Pre-tax net profit amounted to NT\$1.315 billion, representing an increase of 9.13%, while after-tax net profit was recorded at NT\$961 million, up by 11.10%. All three indicators achieved new record highs. In terms of asset quality, the overdue loan ratio decreased to 0.23% by the end of 2024, and the allowance coverage ratio increased to 514.80%.

Environmental Sustainability

In line with sustainable development policies set by authorities, we are actively driving initiatives in green and transition finance. These efforts cover a broad range of areas, including the development of green financial products and strategies, the promotion of sustainable environmental practices, the cultivation of sustainability talent, and the enhancement of information disclosure. On the environmental sustainability front, since 2021, we have progressively implemented relevant standards, such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 14064-1 Greenhouse Gas Inventory. We have also obtained third-party certifications to validate the effectiveness of our carbon reduction initiatives, enhance energy efficiency, and improve environmental performance. In 2024, we introduced ISO 20400 Sustainable Procurement Guidelines, collaborating with suppliers to enhance sustainability, integrating sustainable practices into our procurement policies and procedures, and obtaining third-party verification.

Riding the global wave of sustainable transformation, we launched green loans and sustainable finance products. By the end of 2024, the total amount of green/sustainable time deposits reached NT\$6.277 billion, all of which have been allocated to green and sustainable financing projects. Approved green credit amounted to NT\$32.877 billion, all used for environmental protection or improvement. We also introduced "sustainability-linked loans" to encourage the participation of SMEs, actively supporting low-carbon transition. As project and syndicated financing increasingly integrate environmental and social risk assessments, we will adopt the Equator Principles in 2025, making steady progress towards achieving net zero carbon emissions.

Social Responsibility

To continuously enhance and improve human rights issues while fulfilling our corporate social responsibility, we have formulated the "Bank of Kaohsiung Human Rights Policy" with reference to the "Universal Declaration of Human Rights," "United Nations Global Compact," "International Labour Organization Conventions," and "UN Guiding Principles on Business and Human Rights." Our aim is to safeguard the fundamental rights of employees, customers, and stakeholders. We remain committed to advancing inclusive finance, actively investing in financial education, and offering comprehensive trust services. In 2024, we held multiple "Financial Education Promotion Seminars" aimed at enhancing financial literacy and fostering sound financial management concepts. We also value environmental and public welfare participation by actively engaging in activities such as mountain and beach cleanups, blood donation drives, and other charity programs to implement caring actions and promote social development. In light of the escalating trend of financial fraud in recent years and the increasingly sophisticated techniques employed by scammers, in addition to complying with relevant anti-fraud policies of the authorities, we have also taken proactive measures to strengthen our internal controls and enhance our anti-fraud communications. We established an "Anti-Fraud Task Force" to conduct awareness campaigns in remote areas of Kaohsiung, as well as in schools, communities, and businesses throughout Taiwan. Over the course of the year, we held 71 events that engaged a total of 3,648 participants. We have also established a "Fraud Prevention Promotion Section" on our official website to enhance public knowledge and awareness regarding fraud prevention, thereby fulfilling our corporate social responsibility as a financial institution.

Chairperson

鄭美玲

Stepped down on
June 30, 2025





Corporate Governance

In the area of corporate governance, we hold ourselves to high standards. In 2024, our corporate governance evaluation positioned us within the top 6% to 20%, reflecting strong governance outcomes. We remain committed to optimizing our Board structure, enhancing information transparency and risk management capabilities, and ensuring agile responses to external changes. Additionally, to strengthen digital resilience and information security, we launched an information security enhancement plan. We obtained ISO 27001 international information security certification, and undertook a comprehensive upgrade of our protection systems to ensure the safety of customer data. Since our establishment, we have embraced the philosophy of "prudent management, serving the local community," fostering growth in tandem with the city of Kaohsiung. Looking ahead to 2025, our business vision is "Creating business performance, establishing an excellent Bank of Kaohsiung, stabilizing sustainable operation." We will further embed ESG concepts into our operational strategies, promote green finance, strengthen corporate governance, foster social inclusion, and persist in generating positive impact while creating corporate value. We firmly believe: "Banks are not only drivers of economic development but also practitioners of sustainable development."



Deputy Chairperson

陳勇勝

Chapter

1

Sustainable Development Blueprint

Building Future Visions

- 1. ① Sustainable Governance
- 1. ② Stakeholder and Bank of Kaohsiung
- 1. ③ Material Topics and Management Approach

2014

- Since the Bank prepared the CSR Report for the first time in 2014, it has continued to prepare and publish the Report every year.

2015

- The Bank promotes paperless work, encourages the adoption of e-statements, and reduces paper consumption.

2016

- The Bank was presented with the Excellence Award for Innovation in e-Cash Flow Business by FISC.
- Honored by the 10th Golden Award Organized by Joint Credit Information Center.

- Honored by the Bronze Award in the Finance and Insurance Category of the TCSA.
- In July 2018, the Environmental Protection Bureau of the Kaohsiung City Government presented the 2017 Kaohsiung City Outstanding Performance Award - Procurement Group for green procurement amounting to NT\$5 million or more the Sustainable Environmental Protection Award for vigorous promotion of environmental protection business.

2018

2019

- Won the Silver Award in the Finance and Insurance Category of TCSA.

2020

- Launch of Hsiung-Hoyaa Digital Deposit Account for Convenience of Digital Life and Realization of Inclusive Financing.
- Honored by the Bronze Award in the Finance and Insurance Category of the TCSA.
- Encourage suppliers and partners to fulfill corporate social responsibilities.

2017

- Top 10 Outstanding Banks in the Evaluation and Incentive Measures for the Trust Industry to Handle Wealth Trusts for the Elderly and People with Physical and Mental Disabilities.
- Best Service Innovation Award for e-Flow Business and 11th Golden Award.
- Given the priority to procure products with related certifications, including Green Label or Energy Saving Label.

- Formulated Bank of Kaohsiung's Environmental and Energy Management Directions.
- Receive the third-party certification for ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System.
- The name of the Corporate Social Responsibility Committee of Bank of Kaohsiung was renamed as Sustainable Development Committee.
- The name of Bank of Kaohsiung's Corporate Social Responsibility Best Practice Principles was renamed as Sustainable Development Best Practice Principles.

2021

2022

- Work with Kaohsiung Municipal Min-Sheng Hospital to create the first ESG trust in Taiwan.
- The Sustainability Report has passed the ISAE 3000, so that the quality and credibility of the Report were improved.

2023

- Upgrade the Sustainable Development Committee to a functional committee of the Board of Directors.
- Add Bank of Kaohsiung's Sustainable Development Committee Charter.
- Publish the first Bank of Kaohsiung TCFD Report, which has been published on a yearly basis since then.
- Demonstrate the value of Bank of Kaohsiung's sustainable development after receiving the TCSA - Silver
- Establish the Green Power Trading Platform for cross-industry cooperation to build a secure green power trading ecosystem.

- Launch the Green Deposit to offer diverse sustainable financial instruments.
- Implement the ISO 14064-1 greenhouse gas inventory, and pass the third-party verification.
- Launch the signing and implementation of the Equator Principles in line with international due diligence systems.
- Implement the PCAF to improve the inventory of financial carbon emissions.
- Launch the ISO 20400 sustainable procurement implementation project.

2024

2025

- Launch the SBTi target-setting project.
- Plan to introduce the internal carbon pricing mechanism.
- Increase the number of Sustainable Development Committee meetings to 4 times per year.
- Selected as a constituent stock of the "Taiwan High Compensation 100 Index" for three consecutive years.

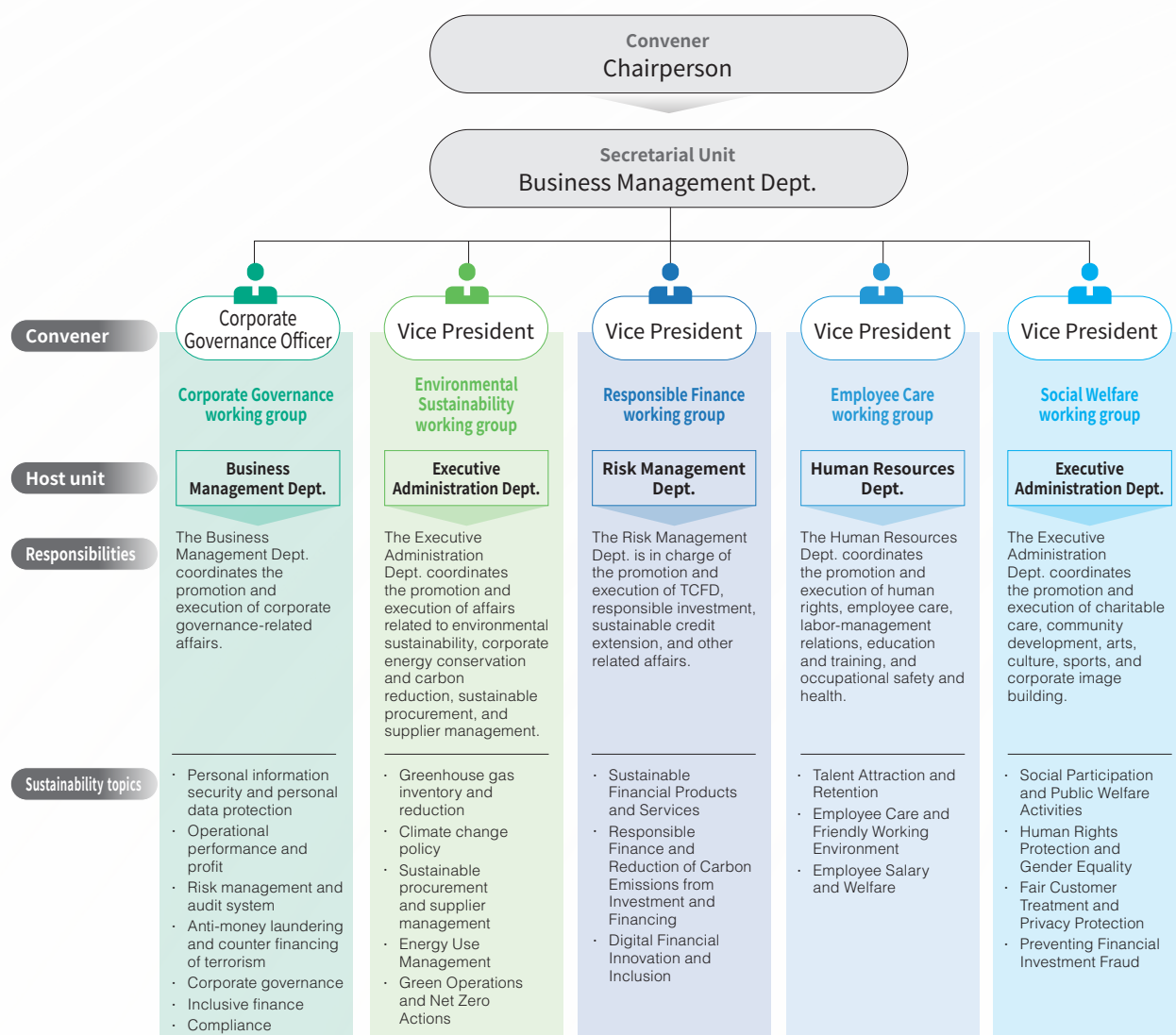
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1. ① Sustainable Governance

1.1.1 Sustainable Development Committee

In order to promote sustainable development, Bank of Kaohsiung had the Sustainable Development Committee Charter passed by the Board of Directors, established the Sustainable Development Committee and upgraded the Sustainable Development Committee as one of the functional committees of the Board of Directors in August 2023. The Chairperson serves as the convener and the Business Management Dept. as the Secretarial Unit. Meanwhile, there are five dedicated divisions in charge of the promotion and execution of affairs related to Corporate Governance, Environmental Sustainability, Responsible Finance, Employee Care, and Social Welfare. In the meantime, the “Sustainable Development Best Practice Principles” has also been established to further enhance the concept of sustainable management.

● Structure and responsibilities of the Sustainable Development Committee





Later on, a sustainability report is composed based on the outcome at the end of every year and the outcome is compiled into the Sustainability Report to be submitted to the Sustainable Development Committee and Board of Directors each year. Among 13 Board of Directors meetings held throughout the year, sustainable development matters were included in the agenda a total of 2 times. The agenda items included: (1) Revisions to the 2023 Sustainability Report; (2) 2025 ESG Sustainable Development Plan; (3) Continuous improvement of SDGs items; (4) Report on the execution results of sustainable plans.

● **Operation of the Sustainable Development Committee**

Frequency and number of meetings	Implementation in 2024	2025 Work Plan
<ul style="list-style-type: none"> · The number of meetings was initially set at a minimum of 2 times per year. In 2025, it was adjusted to at least 4 times per year, and meetings may be convened as necessary at any time. · In 2024, 2 meetings were held on 6/17 and 12/30 respectively. 	<ol style="list-style-type: none"> 1. Formulate the Implementation Plan for 2024 ESG Sustainable Development Goals. 2. Review the 2023 Sustainability Report. 3. Review ongoing improvements to SDG items. 	<ol style="list-style-type: none"> 1. Formulate the annual sustainable development plan and goals in 2025. 2. Deliberate the 2024 Sustainability Report. 3. Revise the "Sustainable Development Committee Charter" of the Bank.

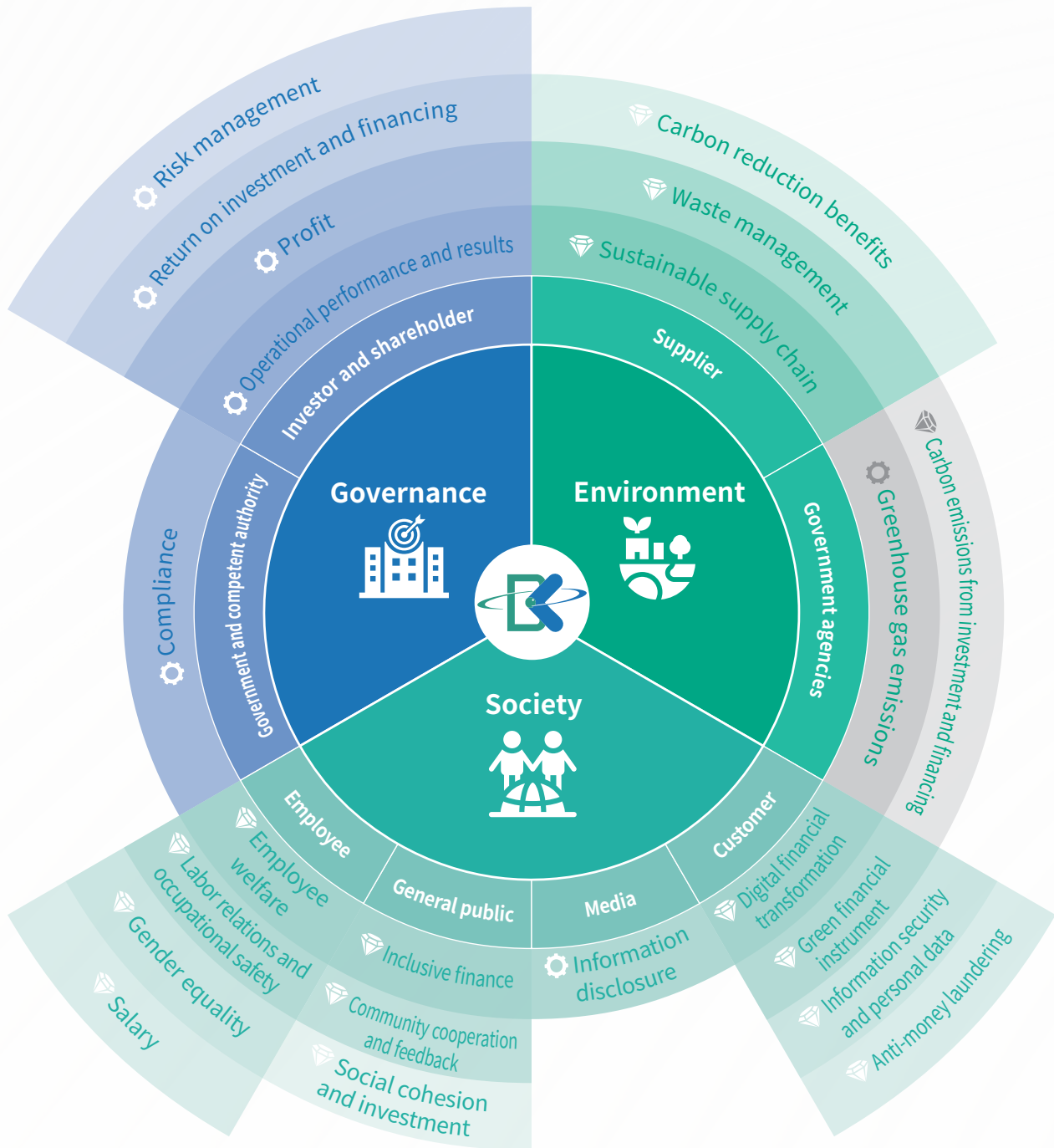
1. 1. 2 Creation of Sustainable Influence Value

● **Three aspects to create sustainable wealth**

Bank of Kaohsiung values the use of ESG sustainable investment indicators, and closely integrates the three aspects, environment, society and governance, into our operation and governance, summarizes the sustainable indicators of various aspects, and responds to the needs and expectations of relevant stakeholders. We assist enterprises in low-carbon transformation and development of digital finance proactively.

By focusing on the ESG strategy, through 22 precise sustainability indicators, we conduct in-depth analysis on the status of each item in our operations and value chain, and comprehensively assess the positive and negative impact posed by them. Relevant sustainability issues are identified, and each taskforce under the Sustainable Development Committee is responsible for planning specific promotion plans, establishing key performance indicators, and formulating clear short-, medium-, and long-term sustainability to fulfill our commitment to sustainable development.

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- Positive impact related to own operations
- Positive impact related to value chain
- Negative impact related to own operations
- Negative impact related to value chain

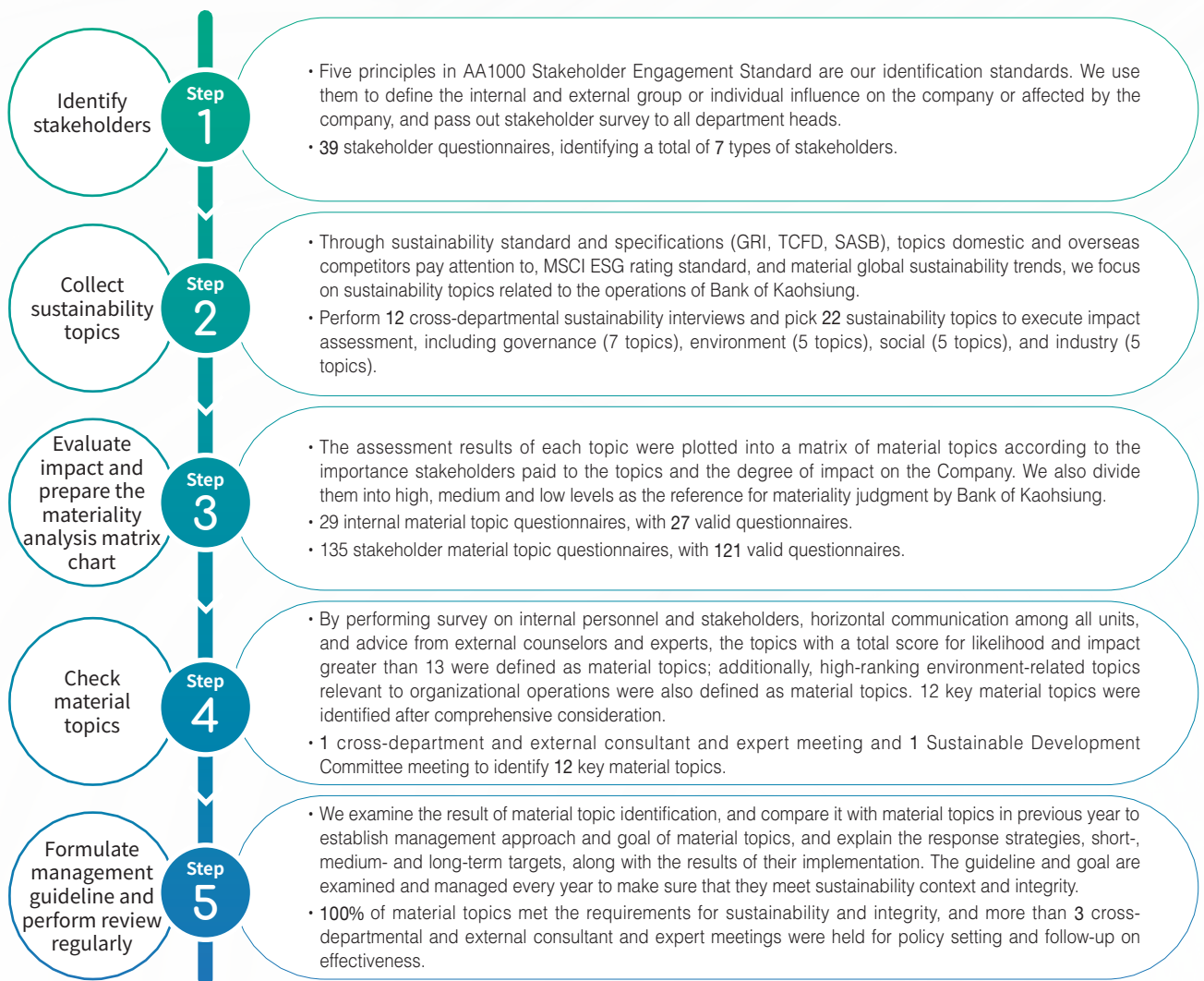


1. ② Stakeholder and Bank of Kaohsiung

1.2.1 Stakeholder and Materiality Assessment Process

Bank of Kaohsiung adheres to the core value of sustainable development and proactively builds a diversified communication platform to exchange opinions with various parties, so as to gain a deeper understanding and voluntarily respond to the expectations of stakeholders. Based on the engagement results, we keep improving our operational management measures to promote the thriving development of sustainable management. We will continue to maintain close communication with stakeholders, analyze and identify stakeholder engagement and material topics on a regular basis every year, and disclose the analysis results and communication status in the sustainability report to ensure continuous consensus and action.

In compliance with materiality defined under the new GRI Standards (2021), we conducted in-depth analyses on domestic and international sustainability trends and changes in laws and regulations and took into consideration the standards related to sustainability issues in the financial industry. A total of 22 material sustainability topics were identified in response to the expectations of stakeholders.



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1.2.2 Connecting Operational Value to Stakeholder

With the global trends of climate change and sustainable development, Bank of Kaohsiung actively responds to the international green financial product trend, deeply integrating ESG concepts into its core business strategies. We connect operational value to different stakeholders, assess the impact and influence posed by the operational value chain on the environment and society, identify significant topics such as responsible finance, carbon reduction in investment and financing, and inclusive finance, and develop differentiated financial solutions correspondingly. We endeavor to stabilize operating foundation, increase market competitiveness, and make sure that we have created specific operational value of Bank of Kaohsiung in the financial sector in Taiwan.

Value Chain Upstream Supply Chain				
Stakeholder	Operational value	Materiality	Main issues of concern	
Supplier	Suppliers are an important partner for the sustainable development of Bank of Kaohsiung. Stable operation requires integrity of the supply chain maintained by suppliers, supplementing needs from upstream, midstream and downstream sectors.	Suppliers are partners of Bank of Kaohsiung in achieving sustainable supply, working together toward sustainable management.	<ul style="list-style-type: none"> Personal Information Security and Personal Data Protection Money Laundering Prevention and Combating Terrorism Corporate Governance Preventing Financial Investment Fraud 	<ul style="list-style-type: none"> Digital Financial Innovation and Inclusion Inclusive Finance Sustainable Financial Products and Services
Value Chain Our Operation				
Employee	Employees are the most important backbone for Bank of Kaohsiung and the critical core for maintaining our stable operation. A robust employee system helps increase our market competitiveness.	Employees are the core of the organization's competitiveness. The Bank values employee development to move forward together toward sustainable management.	<ul style="list-style-type: none"> Employee Salary and Welfare Talent Attraction and Retention Human Rights Protection and Gender Equality 	<ul style="list-style-type: none"> Employee Care and Friendly Working Environment Personal Information Security and Personal Data Protection Compliance
Government and competent authority	Government and competent authority guide the operational direction of Bank of Kaohsiung. We adjust operational strategy based on their instruction and strictly abide by their instruction according to regulations.	The Kaohsiung City Government is the largest shareholder and regulatory authority of Bank of Kaohsiung. The Bank adheres strictly to regulations and collaborates with relevant policies.	<ul style="list-style-type: none"> Personal Information Security and Personal Data Protection Money Laundering Prevention and Combating Terrorism Responsible Finance and Reduction of Carbon Emissions from Investment and Financing Compliance 	<ul style="list-style-type: none"> Corporate Governance Fair Customer Treatment and Privacy Protection Risk Management and Audit System
Investor and shareholder	Investors and shareholders play a key role in operational supervision, examining operational guideline and defect, and making sure that operational performance of Bank of Kaohsiung grows stably.	Shareholders and investors serve as a crucial supervisory force in ensuring the effectiveness of our integrity management.	<ul style="list-style-type: none"> Corporate Governance Compliance Operational Performance and Profit Fair Customer Treatment and Privacy Protection 	
Media	Media is a critical power for expressing the operation achievement. Bank of Kaohsiung shows a positive corporate image to the public through media, which acts as an important bridge for our communication with the public.	Bank of Kaohsiung achieves effective communication with the public through the media.	<ul style="list-style-type: none"> Corporate Governance Operational Performance and Profit Inclusive Finance 	
Communities and non-profit-seeking organizations	As a local bank in Kaohsiung, we work hand-in-hand with society and assist in community development to implement sustainable operation everywhere in society. Meanwhile, we increase the operational value of Bank of Kaohsiung.	Proactively integrate local resources through sustainable actions to create a concept of social inclusion and sustainability.	<ul style="list-style-type: none"> Personal Information Security and Personal Data Protection Corporate Governance Social Participation and Public Welfare Activities Green Operations and Net Zero Actions 	<ul style="list-style-type: none"> Inclusive Finance
Value Chain Downstream Investment, Financing and Banking				
Customer	Customers are at the end of the operational value chain. We care about customer advice and feedback to operation. Customer are one of the important factors determining operational value of Bank of Kaohsiung.	Bank of Kaohsiung is customer-oriented and continuously improves service quality to meet higher customer expectations.	<ul style="list-style-type: none"> Personal Information Security and Personal Data Protection Money Laundering Prevention and Combating Terrorism Corporate Governance Preventing Financial Investment Fraud 	<ul style="list-style-type: none"> Digital Financial Innovation and Inclusion Inclusive Finance Sustainable Financial Products and Services




1.2.3 Stakeholder Engagement and Management

In the stakeholder engagement process, Bank of Kaohsiung first focused on and paid close attention to the opinions of various departments within the Bank and sorted out a list of potential stakeholders based on the investigation result. Our Sustainability Committee members adhere to the five principles under the AA1000 Stakeholder Engagement Standard, namely communication frequency, responsibility, influence, diverse perspectives, and tensions for in-depth induction and discussion to determine the stakeholders that are most important to us. Finally, seven major stakeholders were identified, including employees, customers, government and competent authorities, investors and shareholders, media, suppliers, communities, and non-profit-seeking organizations. We can precisely focus on the contents of the report and communicate more effectively based on the in-depth analysis on stakeholders.






We have created a stakeholder section on our sustainable development website to provide stakeholders with appropriate communication methods, understand their reasonable expectations and needs, and appropriately respond to their corporate social responsibility issues of concern.

● Achievement of stakeholder communication

Employee Customer Government and competent authority Investor and shareholder Media Supplier Communities and non-profit-seeking organizations	
Employee	Material communication topics and performance
 <ul style="list-style-type: none"> · Education and training (including online education and training e-learning system) [regular] · Organize events and symposiums [as needed] · Weekly report of each unit (internal meeting) [regular] · Employee satisfaction survey [once a year] · Labor-management meetings [once every quarter] · Employee Communication Mailbox of Bank of Kaohsiung section [irregular] · Health check-up and health consultation [once a year] · Club activities [as needed] · Labor union [as needed] 	<ol style="list-style-type: none"> 1. Monthly promotion of relevant regulations or audit deficiencies 2. Over 474 sessions of education and training 3. Held four labor-management meetings 4. Held two employee welfare committee meetings 5. Collected 1,027 survey questionnaires, with a recovery rate of 92.27%

Employee Customer Government and competent authority Investor and shareholder Media Supplier Communities and non-profit-seeking organizations	
Customer	Material communication topics and performance
 <ul style="list-style-type: none"> · Visit in person [irregular] · Telephone assistance [as needed] · Correspondences via email [irregular] · Our official website [as needed] · 24-hour voice mail service [as needed] · Customer satisfaction survey [once a year] · Forums and lectures [as needed] · Sustainability Report, TCFD Report, Annual Report [once a year] 	<ol style="list-style-type: none"> 1. Satisfaction survey: 97% of customers are satisfied with the Bank 2. 3,831 cases via 24-hour toll-free service calls 3. We set up an official website dedicated to our sustainability section to enhance information disclosure 4. Diversify financial instruments and launch the Green Deposit Project

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Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	Communities and non-profit-seeking organizations
	Communication channel and frequency		Material communication topics and performance			
	<ul style="list-style-type: none"> · Online filing [once a year] · Evaluation by the competent authority [once a year] · Telephone [as needed] · Official written document [as needed] · Our official website [as needed] · Seminar and symposium [as needed] · External communication mailbox [as needed] · Financial inspection [as needed] 	<ol style="list-style-type: none"> 1. Participate in one seminar of the Anti-Money Laundering Office, Executive Yuan 2. No major violations in 2024 3. Every year we entrusted the CPAs to perform project audit on internal control system for anti- money laundering and counter-terrorism 				
Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	Communities and non-profit-seeking organizations
	Communication channel and frequency		Material communication topics and performance			
	<ul style="list-style-type: none"> Market Observation Post System [as needed] Our official website [as needed] Evaluation by the competent authority [once a year] Investor conference [once every quarter] Shareholders' meeting [once every quarter] Fiduciary governance report [once a year] Financial statement [once every quarter] Sustainability Report, TCFD Report, Annual Report [once a year] 	<ol style="list-style-type: none"> 1. Ranked 6%~20% in the corporate governance evaluation 2. Our third climate-related financial disclosure (TCFD) report was released in 2024 3. Promote Sustainable Development Actions and Corporate Governance 3.0-Sustainable Development Roadmap 				
Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	Communities and non-profit-seeking organizations
	Communication channel and frequency		Material communication topics and performance			
	<ul style="list-style-type: none"> · Our official website [as needed] · Market Observation Post System [as needed] · Press release [as needed] · Investor conference [once every quarter] · Shareholders' meeting [once every quarter] 	<ol style="list-style-type: none"> 1. Quarterly investor conferences (4 sessions in total) 2. Our Sustainability Report won the TCSA Sustainability Report of the Year Award - Silver 3. We publish about 20 press releases every year 4. We host dinner parties with the media occasionally 				
Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	Communities and non-profit-seeking organizations
	Communication channel and frequency		Material communication topics and performance			
	<ul style="list-style-type: none"> · Public tendering [as needed] · Telephone contact [as needed] · External communication mailbox [as needed] · Monthly supplier meeting [once a month] 	<ol style="list-style-type: none"> 1. Public bidding for procurement projects 2. Hold system development, establishment and maintenance meeting every month 3. Complete the sustainability risk self-assessment questionnaire of important suppliers 				
Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	Communities and non-profit-seeking organizations
	Communication channel and frequency		Material communication topics and performance			
	<ul style="list-style-type: none"> · Our official website [as needed] · Sports and arts & cultural activities [as needed] · Relevant forums and presentations are held [as needed] · Public welfare activities [as needed] · Engagement in guilds, associations, and other organizations [as needed] 	<p>Participate in non-profit-seeking organizations' activities from time to time. Please refer to CH6 Social Feedback and Dedication - Achieving Social Co-Prosperity of this report.</p>				



1. ③ Material Topics and Management Approach

1.3.1 Result of Material Topic Assessment

Bank of Kaohsiung analyze domestic and international sustainability trends and regulation changes, and summarize sustainability topics all stakeholders pay attention to, based on definition of materiality in the GRI Standards (2021). We pass out material topic survey to all stakeholders through the Sustainable Development Committee. The survey is based on double materiality principles, positive and negative impact, influence and frequency on the operations of Bank of Kaohsiung and positive and negative impact and influence on economy, environment and people (human rights). 121 valid questionnaires have been collected.

● List of 22 sustainability topics

Ranking	Aspects	Material topics	Other sustainability topics
①	Governance	Personal information security and personal data protection	
②	Industry	Preventing financial investment fraud	
③	Industry	Digital financial innovation and inclusion	
④	Governance	Money laundering prevention and combating terrorism	
⑤	Social	Employee salary and welfare	
⑥	Industry	Responsible finance and reduction of carbon emissions from investment and financing	
⑦	Social	Talent attraction and retention	
⑧	Governance	Corporate governance	
⑨	Industry	Inclusive finance	
⑩	Governance	Compliance	
⑪	Governance		Operational performance and profit

Ranking	Aspects	Material topics	Other sustainability topics
⑫	Governance		Risk management and audit system
⑬	Environment	Greenhouse gas inventory and reduction	
⑭	Environment	Sustainable procurement and supplier management	
⑮	Governance		Fair customer treatment and privacy protection
⑯	Industry		Sustainable financial products and services
⑰	Social		Human rights protection and gender equality
⑱	Social		Employee care and friendly working environment
⑲	Environment		Energy use management
⑳	Environment		Climate change strategy
㉑	Environment		Green operations and net zero actions
㉒	Social		Social participation and public welfare activities

● Material topic matrix chart

The Sustainable Development Committee assessed financial and non-financial impact of all topics on the company in short run, mid run and long run, selected the topics stakeholders pay attention to, and created an annual list on materiality of topics stakeholders pay attention to and topics impacting operation. There are 12 sustainability topics on the list. Therefore, Bank of Kaohsiung can learn more about material impact we caused and expectation from stakeholders. We also give a chance for stakeholders to express their needs on sustainability information and help the Bank fully understand what stakeholders think. The following are the definition and management strategy of topic materiality:

◎ Material topic positive impact matrix chart

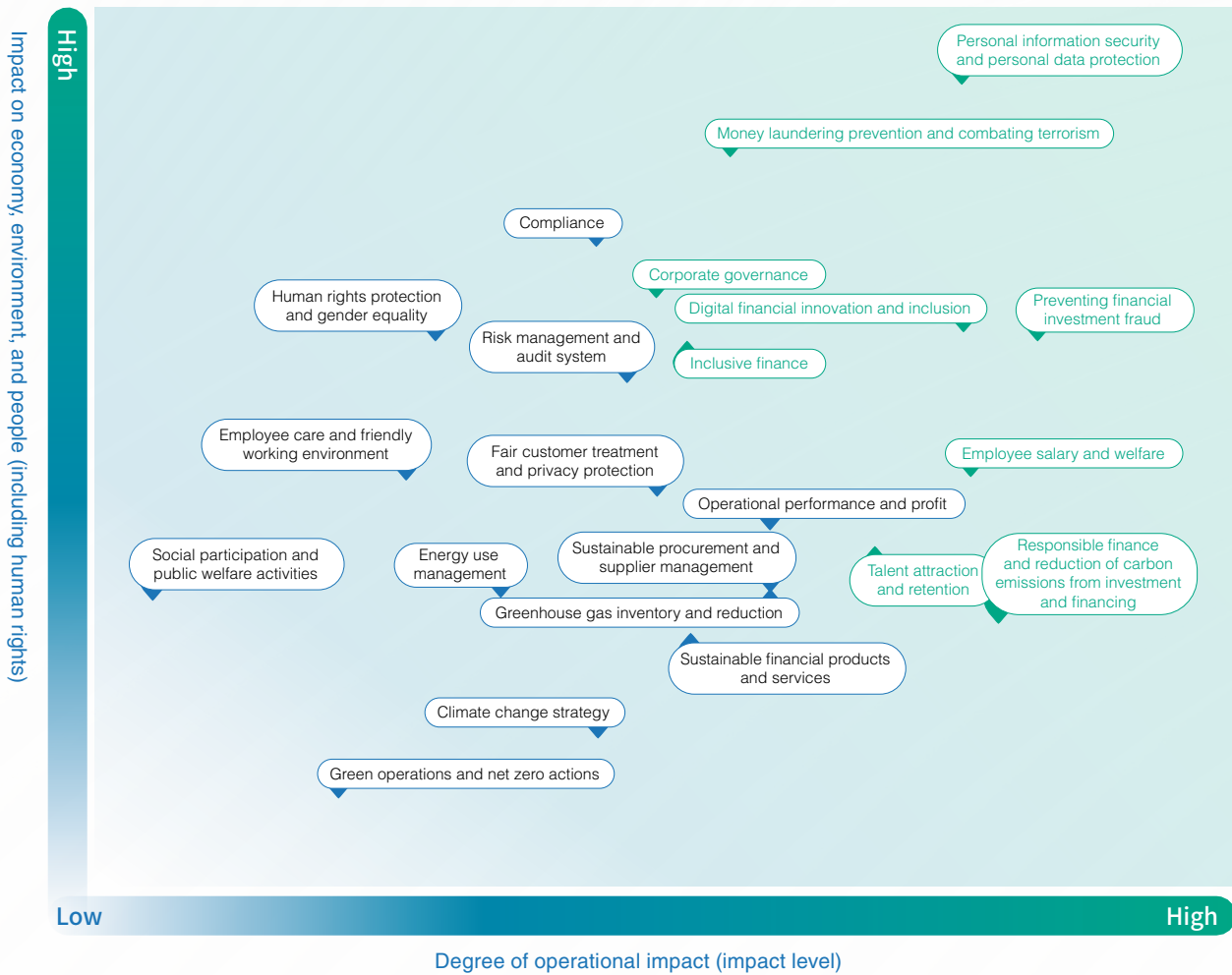


◎ Material topic negative impact matrix chart



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© Comprehensive material topic impact matrix chart



Compared with the material topics in 2023, “Preventing Financial Investment Fraud,” “Responsible Finance and Reduction of Carbon Emissions from Investment and Financing,” and “Sustainable Procurement and Supplier Management” have emerged as material topics for the first time in 2024; “Sustainable Financial Products and Services” and “Climate Change Strategy” have been downgraded from material topics to general topics. The remaining nine material topics are consistent with those of the previous year, with only adjustments made to their rankings.



1.3.2 Material Topic Impact Boundary

After assessment of internal and external impacts and integration of stakeholder opinions, and confirmation by the Sustainable Development Committee, Bank of Kaohsiung has identified 12 material topics. Each topic corresponds to GRI standards and chapter disclosures, facilitating stakeholders' access to pertinent information.


Aspects	Material topics	Corresponding GRI standards	Scope of impact on stakeholders						Corresponding chapters
			Employee	Customer	Government and competent authority	Investor and shareholder	Media	Supplier	
Environment	Greenhouse gas inventory and reduction	GRI 305 Emissions	V	V	V			V	4.1 Green Operations
	Sustainable procurement and supplier management	<ul style="list-style-type: none"> GRI 2-6 Activities, Value Chain and Other Business Relationships GRI 308 Supplier Environmental Assessment 						V	4.2 Sustainable Procurement and Supply Chain Management
Society	Employee salary and welfare	<ul style="list-style-type: none"> GRI 2-19 Remuneration Policies GRI 401 Employment 	V						5.3 Safety Workplace and Friendly Working Environment
	Talent Attraction and Retention	<ul style="list-style-type: none"> GRI 401 Employment GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity 	V						5.1 Talent Recruitment and Retention
Governance	Personal Information Security and Personal Data Protection	GRI 418 Customer Privacy	V	V	V				3.6 Information Security and Personal Information Protection
	Anti-money laundering and counter financing of terrorism	Industrial topics. There's no applicable GRI standard.		V	V				3.5 Anti-money Laundering and Countering Financing of Terrorism
	Corporate governance	GRI 2 General Disclosures 2021	V			V	V	V	3.1 Corporate Governance
	Compliance	GRI 2 General Disclosures 2021			V	V			3.4 Compliance
Financial Industry	Preventing financial investment fraud	Industrial topics. There's no applicable GRI standard.		V	V				2.3 Customer Care and Rights Protection
	Digital financial innovation and inclusion	GRI 203 Indirect Economic Impacts	V	V	V	V		V	2.1.5 Digital Innovation, Friendliness and Inclusion
	Responsible finance and reduction of carbon emissions from investment and financing	GRI 203 Indirect Economic Impacts		V	V				2.4 TCFD Climate Change Risk Management
	Inclusive finance	<ul style="list-style-type: none"> GRI 203 Indirect Economic Impacts GRI 413 Local Community Engagement and Impact 		V			V	V	2.2 Deepening Support for Kaohsiung and Inclusive Finance

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1.3.3 Material Topic Management Approach

For the 12 material topics identified, Bank of Kaohsiung organizes the short-term, medium-term and long-term management approach and response measures, and sets up specific action plans for different topics, tracks the outcome regularly and executes roll planning to adjust our goal. For important topics that are not material topics, we formulate regulations based on existing management process and disclose relevant indicators to help stakeholders fully understand our operations. We also conduct an inventory of the corresponding responsible

● Sustainability goals and achievement status of Bank of Kaohsiung

Material topics	Impact description	Policies and commitments	Resources invested in 2024
<p>Personal information security and personal data protection</p>  	<p>Positive impact opportunity Strengthening the structure of information security gives customers confidence in data protection and makes them more willing to share data or establish more business relationships with us.</p> <p>Negative impact risk Failure to properly manage information might result in disclosure of our confidential information and customer personal data, which may lead to the impairment of our goodwill or customers' distrust and further loss.</p>	<p>We manage customers' personal information strictly, protect data with the highest level of information security protection, regularly maintain and update the information security system, and ensure perfect personal information protection.</p>	<ul style="list-style-type: none"> Conduct computer system information security assessment operations Establish information communication security analysis and reporting software Establish the open source software security testing system Enhance and procure information security management-related software and hardware systems, including upgrading core network firewalls and establishing an API management platform Engage information security consultants
<p>Preventing financial investment fraud</p>   	<p>Positive impact opportunity Enhancing customers' awareness of financial fraud prevention not only helps to establish a professional image for financial institutions but also strengthens customer trust and fosters long-term relationships.</p> <p>Negative impact risk If fraud incidents occur with high frequency, they may damage customer assets and trust, affecting the reputation and operational stability of financial institutions.</p>	<p>We place great importance on the security of our customers' assets. To prevent financial investment fraud, we are committed to building a multi-layered protection system. We will continue to optimize anti-fraud technologies and processes to safeguard customers' property and uphold the core value of "Responsible Finance".</p>	<ul style="list-style-type: none"> 64 sessions of financial investment fraud were prevented. Established an internal early warning account control mechanism to promptly block illegal fund flows. Linked the performance evaluation, compensation structure, and promotion management to the interception of financial fraud cases. In 2024, our colleagues successfully intercepted 15 fraud cases, safeguarding a total of NT\$22 million in customer funds.
<p>Digital financial innovation and inclusion</p>    	<p>Positive impact opportunity In addition to reducing operating costs through automated processes, we can optimize customer experience, provide more comprehensive financial services to different groups, and achieve financial inclusion.</p> <p>Negative impact risk When enhancing the innovation and inclusion of digital finance, it is extremely easy to face huge security risks, such as data breach and unfair use.</p>	<p>We proactively execute digital transformation and digital financial innovation, offer convenient, safe digital financial experience to customers, continue to promote inclusive financial policy, and expand market share with diverse financial instruments.</p>	<ul style="list-style-type: none"> 29,971 digital accounts were opened as of the end of 2024. Mobile Banking APP Additions of Diversified Payment Channels Replaced ATMs and installed voice interfaces on new machines, with 50 units set up in 2024. Promoted the "Form-Free Section", with an average of over 4,700 transactions reserved per month. Completed the construction of the mobile insurance application information system, and launched the mobile insurance application business with First Life Insurance and Fubon Life. Completed the development of the new version of the Mobile Banking APP.



departments for each topic, sort them according to internal and external impact indices, and clarify division of labor to promote cross-departmental collaboration and enhance the effectiveness of sustainable governance. Guided by the United Nations Sustainable Development Goals (SDGs), we integrate sustainability concepts into our business strategies, aiming to create a more profound positive impact on society and the environment while achieving economic benefits.

Short-term goal (2025)	Medium- and long-term goals (2026–2030)	Corresponding departments
<ul style="list-style-type: none"> • Conduct computer system information security assessment operations • Expand the scope of verification for ISO 27001 information security management standards • Continue to maintain the effectiveness of the ISO 27001 information security management version and certificate • Introduction and validation of the international business continuity management standard (BCMS) • Purchase of information security insurance • Engage information security consultants • Number of major personal information breach incidents: 0 • Number of major information security incidents: 0 • Social engineering drill pass rate >99% • Education and training completion rate 100% 	<ul style="list-style-type: none"> • Number of major personal information breach incidents: 0 • Number of major information security incidents: 0 • Social engineering drill pass rate >99% • Education and training completion rate 100% • Continue to maintain the effectiveness of the ISO 27001 information security management version and certificate 	<ul style="list-style-type: none"> • Information Technology Dept. • Compliance Dept.
<ul style="list-style-type: none"> • In 2025, we plan to hold 100 anti-fraud advocacy activities. • Strengthen education and training, and implement caring and inquiries to continuously reduce the amount and number of fraud cases. 	<ul style="list-style-type: none"> • Continue to raise public awareness of fraud prevention, reduce the occurrence of fraud cases, and minimize customers' financial losses. 	<ul style="list-style-type: none"> • Business units • Business Management Dept.
<ul style="list-style-type: none"> • Optimize customer communication channels, such as establishing real-person text customer service and optimizing website interface. • Increase the percentage of transactions not performed over the counter. Save the labor and operation cost for OTC. • Plan to add MyData identity verification channel to "Digital Deposit Account Opening". • Plan to offer APP in English for foreign customers. • Increase the ratio of accessible ATMs to 61%. 	<ul style="list-style-type: none"> • Continue to adjust customer function, and optimize all kinds of bilingual menus. • Launch various credit card OTC services online. • Establish an online consumer finance loan platform. 	<ul style="list-style-type: none"> • Digital Banking Dept. • Credit Management Dept. • Financial Markets Dept. • Business Management Dept. • Corporate Finance Dept.

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Material topics	Impact description	Policies and commitments	Resources invested in 2024
<p>Anti-money laundering and counter financing of terrorism</p>   	<p>Positive impact opportunity Strengthen the internal control and supervision system and improve the Bank's reputation and trust to make customers more willing to cooperate with us, help us expand the customer base and operation scale and increase customers' loyalty.</p> <p>Negative impact risk To strengthen anti-money laundering, there may be an increase in operating costs or a potential impact on customer experience. However, failure to comply with anti-money laundering and countering financing of terrorism procedures will result in compliance risks, affecting the Company's image and business development.</p>	<ul style="list-style-type: none"> Guidelines Governing Anti-Money Laundering and Countering Financing of Terrorism Assess money laundering and terrorism financing risks and formulate prevention plans, policies and procedures Regulations Governing the Duties, Powers and Responsibilities of Money Laundering and Countering Financing of Terrorism 	<ul style="list-style-type: none"> Report our anti-money laundering and countering of the financing of terrorism to the Audit Committee and the Board of Directors regularly. Organize education and training of anti-money laundering and counter financing of terrorism for personnel at all levels. Appoint CPAs to audit the anti-money laundering and countering financing of terrorism project for 2024. Organized the 2024 Comprehensive ML/TF Risk Assessment Report and Risk Prevention Plan (IRA), and tracked improvements to the plan.
<p>Personal information security and personal data protection</p>   	<p>Positive impact opportunity Attractive salaries and benefits can increase the incentives to attract and retain talents, and may also maintain employees' job satisfaction and loyalty.</p> <p>Negative impact risk If the salary is lower than the average in the same industry, it may be difficult for talents to choose our bank, or the turnover rate may be high, which is unfavorable for the long-term development of talents.</p>	<p>Employees are the most important backbone and asset for us. We enhance the employee welfare system, enhance employee salary and bonus, maintain cohesion, and effectively enhance our operational efficiency and performance.</p>	<ul style="list-style-type: none"> Continued to have pregnant female employees fill out the "Female Employee Maternal Health Assessment and Measures Form" for subsequent preventive actions. Optimized the family care leave application process. A total of 171 employees applied for family care leave in 2024. A 4% salary adjustment in 2024. Allocated funds to support employee-organized clubs.
<p>Responsible Finance and Reduction of Carbon Emissions from Investment and Financing</p>   	<p>Positive impact opportunity Strengthen the Bank's brand image, enhance social recognition, help attract new customers and corporate partners, and increase the competitiveness of the Bank's credit business.</p> <p>Negative impact risk If credit to high-carbon industries is reduced, the scale of corporate lending may shrink in the short term, affecting the Bank's interest income and business growth.</p>	<p>Reduce investment and financing carbon emissions based on the carbon emissions from investment and financing of the Science Based Targets Initiative (SBTi).</p>	<ul style="list-style-type: none"> Increased the coverage of investment and financing emission inventory and optimized PCAF calculation results. In 2024, the balance of financing for solar power and green energy technology reached NT\$17.6 billion.



Short-term goal (2025)	Medium- and long-term goals (2026–2030)	Corresponding departments
<ul style="list-style-type: none"> Continue to optimize anti-money laundering operations in response to laws and regulations and the practical operational needs. Continuously organize the education and training courses on anti-money laundering to strengthen the professional knowledge and skills of personnel at all levels in implementing anti-money laundering operations. Continue to engage CPAs to audit the internal control system for anti-money laundering and countering financing of terrorism in accordance with regulations. Coordinate and supervise the implementation of comprehensive money laundering and terrorism financing risk identification and assessment, and complete comprehensive money laundering and terrorism financing risk assessment reports and risk prevention plans. 	<ul style="list-style-type: none"> Continue to strengthen and implement a range of anti-money laundering management mechanisms to effectively oversee the Company's overall compliance. Continue to optimize the anti-money laundering system and consider the implementation of anti-money laundering AI technology to assist manual review. Supervise all units of the Bank in implementing anti-money laundering and counter financing of terrorism mechanisms. Supervise the planning and execution of policies and procedures for the identification, assessment, and monitoring of money laundering and terrorism financing risks, monitor risks related to money laundering and terrorism financing, and develop anti-money laundering and countering financing of terrorism programs. 	<ul style="list-style-type: none"> Information Technology Dept. Compliance Dept.
<ul style="list-style-type: none"> Provide counseling service to employees and maintain the mental and physical health of employees. The employee satisfaction survey is conducted annually. 	<ul style="list-style-type: none"> Build diverse employee communication channels to maintain harmony in labor - management relations. Continue to draw up diverse training plans for all kinds of businesses in the bank, and inform employees of external training courses immediately. 	<ul style="list-style-type: none"> Human Resources Dept.
<ul style="list-style-type: none"> Introduce the Science Based Targets Initiative (SBTi), set carbon emission reduction targets for investment and financing positions, and implement carbon emissions from investment and financing. For green power business and land readjustment projects, set a target of NT\$5 billion for average balance growth in the first half of the year. 	<ul style="list-style-type: none"> Disclose investment portfolio composition and ESG analysis in the stewardship report annually to promote investors' understanding and trust in the Bank's responsible investment practices. Continue to adjust sustainable fund investment strategies and screen investment targets that comply with ESG policies. 	<ul style="list-style-type: none"> Risk Management Dept. Financial Markets Dept. Credit Management Dept. International Banking Dept. Trust Dept. Business Management Dept. Corporate Finance Dept.




Sustainable Development Blueprint Building Future Visions

Material topics	Impact description	Policies and commitments	Resources invested in 2024
<p>Talent Attraction and Retention</p>    	<p>Positive impact opportunity</p> <p>In a situation where talent recruitment is difficult, if we can increase the attractiveness of employment and retain willingness to stay, we can stabilize our talent composition and benefit our long-term operations.</p> <p>Negative impact risk</p> <p>Failure to recruit or retain existing employees may result in a shortage of workers, thereby unfavorable to our business scale expansion and stable development.</p>	<p>We focus on diverse development of employee, offer complete employee education and training, enhance retention rate of employee, strive for attracting talents in banking and financial sectors, increase market competitiveness and ensure operation stability.</p>	<ul style="list-style-type: none"> Employee satisfaction survey: In 2024, the total satisfaction score was 5, with an average score of 3.89. As of December 31, 2024, the Bank had 1,179 employees, with 194 holding English proficiency certificates, representing a certification rate of 16.45%. In 2024, 7 new universities were added, bringing the total number of partner universities to 13. A total of 1,581 participants attended sustainability-related education courses, with a total of 6,503 class hours. As of 2024, a total of 29 employees across the Bank have obtained the basic sustainable finance competency certificate. A total of 9 training sessions focused on digital finance were conducted, with 99 participants. A total of 6 bilingual talent training sessions were held, with 78 participants.
<p>Corporate Governance</p>  	<p>Positive impact opportunity</p> <p>A sound governance system can improve decision-making efficiency and transparency, enhance investor confidence, attract long-term capital and international investors, and promote sustainable corporate development.</p> <p>Negative impact risk</p> <p>If the corporate governance mechanism is not sound, it may lead to management strategy errors and lack of information transparency, thereby harming shareholders' rights and affecting corporate stability.</p>	<p>To implement corporate governance and protect shareholders' rights, in addition to adhering to the "Ethical Corporate Management Best Practice Principles (including operational procedures and code of conduct)", "Sustainable Development Best Practice Principles", "Corporate Governance Best Practice Principles", and "Code of Ethical Conduct", the "Corporate Governance" working group has been established under the Sustainable Development Committee to continuously improve the corporate governance system, enhance the functions of the Board of Directors and information transparency, and ensure the rights and interests of shareholders and stakeholders.</p>	<ul style="list-style-type: none"> Top 6% to 20% in corporate governance evaluation for TWSE-listed companies. The number of independent directors shall not be less than one-third of the number of directors, and all independent directors shall serve no more than three consecutive terms. We will strive to increase the number of female directors to one-third of the whole directors.
<p>Inclusive Finance</p>     	<p>Positive impact opportunity</p> <p>Expand the coverage of financial services, promote social inclusion and new market development, and enhance customer satisfaction and positive brand image.</p> <p>Negative impact risk</p> <p>If effective risk control mechanisms are lacking, it may result in heightened credit risk and increased operational costs.</p>	<p>We continue to promote various financial products and services to assist students, homebuyers, youth entrepreneurs, middle and small-sized enterprises, start-ups, cultural and creative industries, and disadvantaged groups to have diverse accesses to capital and financial services. This responds to the 1# No Poverty of the United Nations Sustainable Development Goals (SDGs), and helps build a good social environment to promote economic stability and growth.</p>	<ul style="list-style-type: none"> Student loans: A total of 34,847 loans were granted. Loans for housing pension: Loans granted to 10 customers in 2024 First-time homebuyer loans: As of 2024, loans were granted to a total of 540 customers, amounting to NT\$3.335 billion. Youth entrepreneurship loans: As of 2024, there are a total of 4,907 current outstanding cases, with an accumulated current outstanding amount of NT\$2.344 billion. SME loans: NT\$45.33 billion. Start-ups: 4,789 cases underwritten, with an accumulated outstanding amount of NT\$53.289 billion.



Short-term goal (2025)	Medium- and long-term goals (2026–2030)	Corresponding departments
<ul style="list-style-type: none"> English language proficiency certificate pass rate reaches 20%. Continue to cultivate campus partnerships, adding 2 new partner schools, with 3 campus presentations and 2 campus fairs planned. Enhance the mechanism for converting interns to regular employees and increase retention opportunities, with a retention rate of over 70% and an expected number of 37 employees. Continue to organize sustainability-related education and training courses annually. Continue to provide consumer protection and fair treatment training annually. 	<ul style="list-style-type: none"> Increase the percentage of employees obtaining English-language proficiency certificates by more than 30%. Continue to add new industrial-academic cooperation schools, with a target of 20 partner schools. Strengthen internship and retention mechanisms to cultivate basic talent and future reserve managers. Increase the conversion and retention rate of interns, with a target conversion rate of over 80%. Continue to establish a comprehensive sustainability education and training mechanism to enhance all employees' professional capabilities on ESG-related topics. 	<ul style="list-style-type: none"> Human Resources Dept.
<ul style="list-style-type: none"> By-elect one independent director to achieve the number of independent directors not less than one-third of the total number of directors. 	<ul style="list-style-type: none"> Continue to strive to increase the number of female directors to achieve the goal of gender diversity among board members. 	<ul style="list-style-type: none"> Board of Directors / Secretary's Dept. Compliance Dept. Auditing Dept.
<ul style="list-style-type: none"> SME loans: 102,313 million of New Taiwan dollar, 519 million of foreign currency. 	<ul style="list-style-type: none"> Continue to promote various financial products and services to assist youth entrepreneurs, middle and small-sized enterprises, start-ups, cultural and creative industries, and disadvantaged groups to have diverse accesses to capital and financial services. 	<ul style="list-style-type: none"> Financial Markets Dept. Credit Management Dept. International Banking Dept. Trust Dept. Business Management Dept. Corporate Finance Dept.

Sustainable Development Blueprint Building Future Visions

Material topics	Impact description	Policies and commitments	Resources invested in 2024
<p>Compliance</p> 	<p>Positive impact opportunity</p> <p>Implementing compliance can reduce operational risks and avoid penalties, thereby ensuring operational stability and corporate sustainable management.</p> <p>Negative impact risk</p> <p>Failure to comply with laws and regulations may result in violations, leading to penalties from the competent authorities or the risk of business interruption.</p>	<p>The Bank has established the “Compliance System Guidelines” and the compliance system in accordance with the Implementation Rules of Internal Control and Audit System, proactively monitoring regulatory trends and striving to comply with laws and supervisory requirements.</p>	<ul style="list-style-type: none"> • The Chief Compliance Officer reports the results of the compliance self-assessment every six months and the results of on-site inspections and the outcome of the compliance system in the first half of each year to the Audit Committee and the Board of Directors, ensuring effective horizontal communication and the effective operation of the second line of defense.
<p>Greenhouse Gas Inventory and Reduction</p>  	<p>Positive impact opportunity</p> <p>Help identify emission hotspots, and then set the optimal reduction plan to reduce current operating costs and carbon fees that may be faced in the future.</p> <p>Negative impact risk</p> <p>Excessive cost and time might need to be invested if the optimal inventory and reduction plan is not established, and legal compliance risks may be faced if inventory and verification are not achieved.</p>	<ul style="list-style-type: none"> • Achieve the goal of greenhouse gas emissions. • Conduct annual greenhouse gas inventory and third-party verification. • Set the 2050 net-zero carbon emission goal in accordance with the national policy and vision. 	<ul style="list-style-type: none"> • Completed the construction of solar photovoltaic panels for Caoya Branch, which is expected to reduce 18 metric tons of CO2e per year. • Replaced one fuel vehicle with a hybrid vehicle. • Replaced 400 traditional light tubes with LED tubes.
<p>Greenhouse Gas Inventory and Reduction</p>  	<p>Positive impact opportunity</p> <p>Implementing sustainable procurement can strengthen supply chain risk management, enhance corporate resilience and image, and establish long-term partnerships with sustainability-conscious suppliers.</p> <p>Negative impact risk</p> <p>If the suppliers lack sustainability awareness or consistent sustainability standards, it will increase corporate reputation risk and affect business stability.</p>	<ul style="list-style-type: none"> • Introduced ISO 20400 Sustainable Procurement Guidelines • Suppliers comply with the “Supplier Corporate Social Management Policy”. 	<ul style="list-style-type: none"> • Established the “Bank of Kaohsiung Sustainable Procurement Declaration” based on the ISO 20400 Sustainable Procurement Guidelines. • Implemented supplier evaluation and promoted suppliers to sign the “Supplier Sustainable Development Declaration”. • Held a supplier ESG conference.



Short-term goal (2025)	Medium- and long-term goals (2026–2030)	Corresponding departments
<ul style="list-style-type: none"> • Continue to optimize compliance operations in accordance with laws and regulations. • Regularly organize compliance education and training courses to strengthen the professional knowledge of personnel at all levels in implementing compliance operations. 	<ul style="list-style-type: none"> • Implement compliance systems and reduce corporate legal risks. • Improve the communication mechanism with the first and third line of defense, control the legal compliance risks precisely, enhance the legal compliance awareness of all employees, and ensure the effective operation of the legal compliance system. 	<ul style="list-style-type: none"> • Compliance Dept.
<ul style="list-style-type: none"> • Give priority to replacing air conditioning equipment over 15 years old and those aged 10-14 years with poor performance. • Replace all official vehicles at the Head Office with hybrid vehicles. • Plan to set a greenhouse gas reduction target of 4.2% per year. • Solar photovoltaic panels at the Qiaotou Science Park Branch officially begin generating electricity. • The Head Office building, Caoya Branch, and Qiaotou Science Park Branch officially use renewable energy. 	<ul style="list-style-type: none"> • Continue to achieve greenhouse gas reduction and energy management system planning. • Increase the use rate of green power at each location. • Implement relevant items such as demonstration location of low (zero) carbon emissions • Replace official vehicles with hybrid vehicles in all locations by 2028. • Complete the signing of the Science Based Targets Initiative (SBTi). 	<ul style="list-style-type: none"> • Executive Administration Dept.
<ul style="list-style-type: none"> • Complete the third-party verification of the ISO 20400 Sustainable Procurement Guidelines. • Purchase the products certified with energy-saving or environmental labels when replacing computer equipment. 	<ul style="list-style-type: none"> • Hold a supplier ESG conference every year, making suppliers partners in promoting a sustainable supply chain. 	<ul style="list-style-type: none"> • Executive Administration Dept.

Chapter

2

Financial Products and Services

Build Responsible Financing

- 2. ① Sustainable Financial Products and Services
- 2. ② Deepening Support for Kaohsiung and Inclusive Finance
- 2. ③ Customer Care and Rights Protection
- 2. ④ TCFD Climate Change Risk Management

▶ Core vision and commitment

Bank of Kaohsiung is rooted in Kaohsiung and cares for the local community. We consistently uphold the philosophy of “Walking Alongside Our Customers” and are committed to delivering warm and professional financial services. In the process of moving towards net-zero transformation, the Bank actively integrates sustainability concepts into financial products and services. It supports enterprises in implementing carbon reduction actions and industrial upgrading through green financing, low-carbon transition solutions, and net-zero planning assistance. Meanwhile, we remain committed to promoting fair treatment of customers and friendly finance, expanding financial accessibility, strengthening customer trust and partnerships, and injecting sustainable momentum into the local economy of Kaohsiung, and promote financial stability alongside inclusive social development.

Since 2022, the Bank has adopted the TCFD framework to quantitatively assess climate impacts, strengthen climate resilience, and respond to stakeholder concerns. In 2024, we have promoted the signing of the Equator Principles (EPs) and the PCAF Carbon Inventory, and plan to join the SBTi Initiative in 2025, aiming at gradually building a sustainable financial management system, turning transformation challenges into low-carbon business opportunities, and promoting sustainable development in Kaohsiung.

▶ Achievement and performance in 2024



Sustainability loan

- Launched the Equator Principles execution and implementation project, and established the “Bank of Kaohsiung Guidelines for Applying the Equator Principles to Credit Cases”.



Sustainable investment

- Newly established a “Sustainable Investment” section in the “Business Manual” and distributed the “Corporate ESG Information and Sustainable Economic Activities Self-Assessment Questionnaire” to investees.
- Assisted the Kaohsiung City Government for the first time in issuing the nation’s first government agency green bond, with an amount of NT\$2 billion.



Sustainability trust

- The financial products in the Bank’s ESG section for sustainable development have been reviewed and listed in accordance with the “Bank of Kaohsiung’s Directions for Entrusted Investment Financial Product Review Panel for Trust Business” after ESG evaluation.



Digital finance

- Completed the construction of the mobile insurance application information system, and launched the mobile insurance application business with First Life Insurance and Fubon Life.
- Number of digital account openings reached 14,973.



Inclusive finance

- Launched the SmartRobot system, with 5,449 uses.



Poverty eradication

- 64 sessions of financial investment fraud were prevented.
- In 2024, our colleagues successfully intercepted 15 fraud cases, safeguarding a total of NT\$22 million in customer funds.

Financial Products and Services Build Responsible Financing



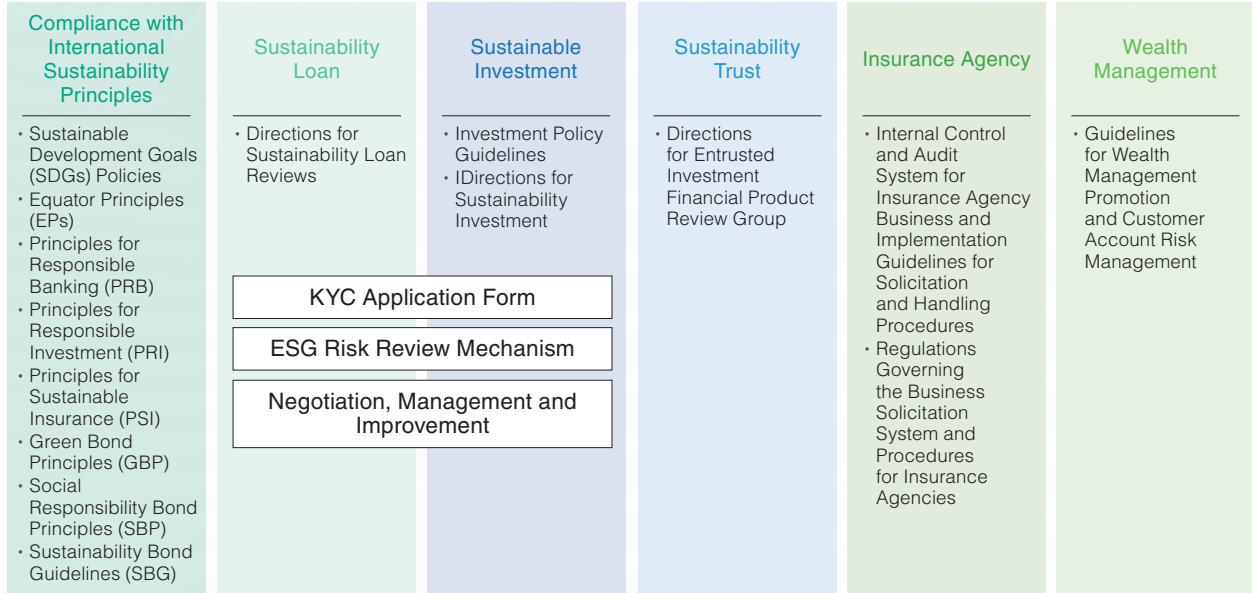
2. ① Sustainable Financial Products and Services

Bank of Kaohsiung also actively supports enterprises in achieving their sustainability goals through financial support and sustainable due diligence mechanisms. By leveraging its role as a financial institution, the Bank guides capital expenditures towards environmental protection, energy saving, and high efficiency, accelerating the realization of a sustainable economy and low-carbon transformation. The Bank incorporates the sustainability principles into its credit, investment, and trust businesses. We assess the environmental, social, and corporate governance implementation status of our credit customers and investees, and prudently evaluate whether the financial products offered are at risk of greenwashing prior to their introduction to the market. This approach aims to mitigate excessive sustainability risks faced by the Bank while safeguarding the rights and interests of our customers and investors.

At present, we have launched the Equator Principles execution and implementation project, and it is expected that the project planning of Science Based Targets (SBT) will be launched in 2025. We have also established a green energy development center to work with renewable energy suppliers to establish the green power trading trust cooperation, increase the credit balance of the renewable energy financing project, and promote the development of enterprises in the renewable energy industry, pose an indirect impact on the development of Taiwan's renewable energy industry and popularize the use of renewable energy. Meanwhile, in recent years, we have been committed to digital financial transformation and development of the MyData platform to reduce paper consumption, transform into a green bank, and hope to become an ESG model among the banks in Kaohsiung and even throughout Taiwan.



● Responsible finance framework



Sustainable financial products and services

Encourage all units to innovate and develop sustainable financial products, and promote green finance and sustainable development through products such as green deposits and ESG trust products.

Leverage the value to meet customers' needs

By providing professional financial products and services, we help corporate customers achieve low-carbon transformation and meet the financial service needs of individual customers, thereby realizing value and winning customer trust.

Operations and risk management

In addition to participating in international ESG-related initiatives and principles proactively, we have established a sustainable management mechanism, incorporated ESG risks including climate changes, and formulated ESG business opportunity strategies and quantitative goals.

Leading local sustainable transformation

In addition to financial instruments, we also organize forums and various education and trainings, and support local activities, in order to help local enterprises in Kaohsiung better understand ESG concepts, hoping to assist and lead local enterprises in sustainable transformation.

Building Bank of Kaohsiung's ESG corporate culture

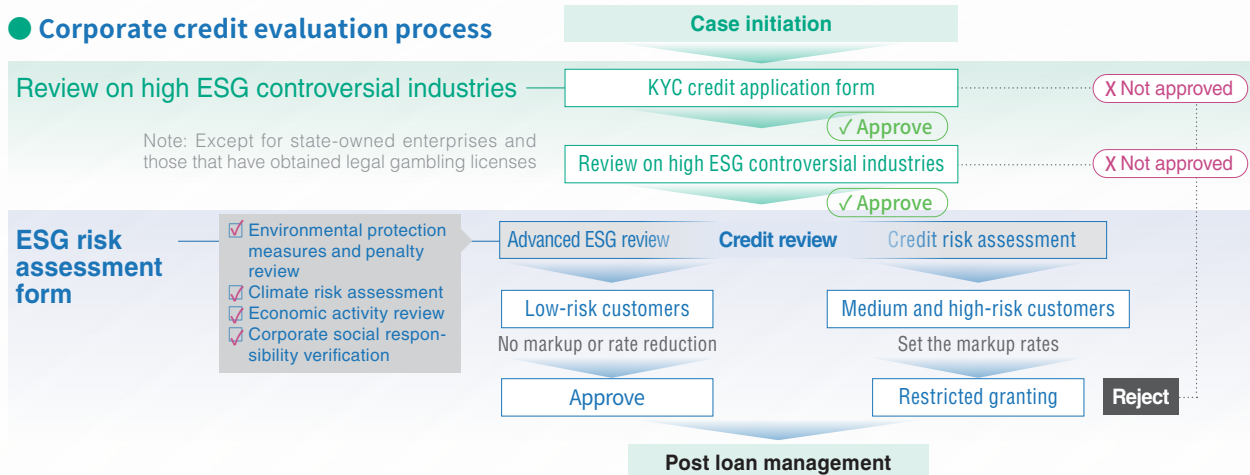
Take ESG factors into consideration in corporate decision making, build a sustainable corporate culture, strive to assume social responsibilities in the financial industry, and promote positive impacts on the environment and society.

Financial Products and Services Build Responsible Financing

2.1.1 Sustainability Loan

In response to the global sustainable development and leverage the financial influence, Bank of Kaohsiung has formulated the “Directions for Sustainability Loan Reviews” since 2023. Through the institutionalized credit review mechanism, the Bank encourages its borrowers to promote sustainable restructuring and to strengthen the management of environmental, social, and corporate governance (ESG) risks. The relevant survey results will be recorded in the Bank’s ESG sustainability database as a reference for the development of sustainable financial products and services. In addition, the Bank also implements annual post-loan management in accordance with the “Sustainability Checklist” to ensure that credit customers continue to implement sustainable operations.

In 2024, we have launched the Equator Principles execution and implementation project, and formulated the “Guidelines for Applying the Equator Principles to Credit Cases” and the “Environmental and Social Risk Assessment Form” of Bank of Kaohsiung, which will be published for business units to follow after approval by the association. We hope to join international initiatives and optimize internal loan business management processes and digital management, in order to achieve the goal of sustainable management, and work together for the sustainable development of the environment and society.



Review on ESG controversial industries

Industry type	Content description
Industries forbidden to receive loans	I. Tobacco industry (except for SOEs) II. Gambling industry (except for companies with a legal gambling permit) III. Sex industry IV. Drug industry V. Products or activities violating or restricted by domestic or international regulations or treaties VI. Industries not included in the industries above but performing economic activity in the industries above, or industries performing economic activities that meet the description of the fifth point
Industries permitted to receive loans	Highly sensitive industries
	Climate risk
	General economic activity
	Prospective economic activity
	Sustainable economic activity
Greenhouse gas emissions	Use the sustainability checklist to assess the greenhouse gas emissions in Scope 1 and 2 for credit customers.

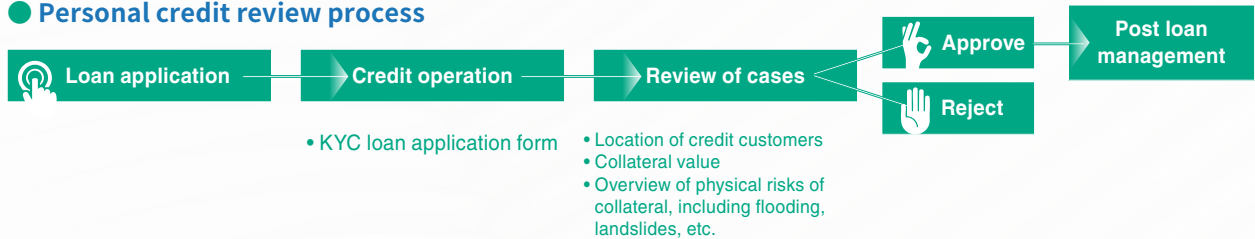


● ESG risk classification

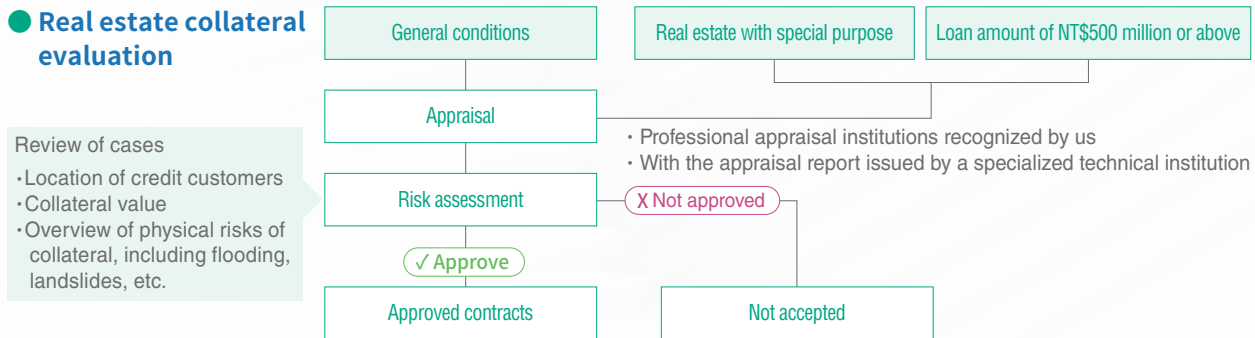
The Bank evaluates the ESG risks ^{note} of credit customers based on said aspect, divides customers into high/medium/low risk, sets the markup rates for customers with medium and high risks, and does not set markup rates for low risk customers. Bank of Kaohsiung sets the criteria beneficial to ESG management and marks down the rate if the customer meets the relevant standards. In 2024, all corporate credit case reviews have incorporated ESG-related issues 100% into the credit decision-making process. Among them, the number of cases categorized as “Industries permitted to receive loans” due to ESG risk factors is a total of 528 cases.

Risk aspects and purpose of assessment	Assessment criteria description	Standard for approval
People Purpose Payment Protection Perspective	Use of funds Collateral coverage rates Business conditions of the company Check if the financial statement is robust Analysis on cash flows from operations Future business growth	Comply with loan regulations. Meet the purpose of loans.

● Personal credit review process



● Real estate collateral evaluation



● Controversial collateral/real estate review

Risks	Contents	Handling method
Subrogation risk	The collateral is a temple or it is used for special business	Do not grant loan.
Loan assurance risk	Private school property, real estate provided by a company as a guarantee for others, real estate involved in a lawsuit or provisional seizure, real estate involved in a provisional injunction, real estate subject to compulsory sealing, and portion-owned farmland	Must not be accepted as collateral, that is, this type of collateral will not be accepted.

Financial Products and Services Build Responsible Financing

● Post loan management

The business unit regularly evaluates whether the repayment ability of the credit customer is affected by their current business and financial condition. If the credit customer is involved in negative events such as violations of relevant regulations, business disputes, or infringement incidents during business operations, the Bank's "Post-loan Early Warning Mechanism" will notify the Credit Management Dept. and report abnormal situations to the President to promptly identify potential risks. The Bank will also evaluate the feasibility for changing repayment methods (such as extensions, agreed to be repaid in installments, and corporate debt negotiation) on the premise of fully assessing the financial affordability of the credit customers and the collectability of the Bank's debts. We aim to help credit customers overcome difficulties and collect debt smoothly, and create a win-win situation for both of the Bank and credit customers.

To implement post-credit sustainability management, the Bank has completed the "Sustainability Checklist" system in August 2024, and formally requested business units to assist borrowers in filling it out and reporting as required. As of the end of 2024, a total of 54 questionnaires have been registered in the Bank's ESG sustainability database, which are reviewed by the post-loan management unit to assess the latest ESG implementation status. In addition, if the borrower violates loan terms or commitments related to ESG risk management or sustainable development, the borrower must be requested to provide an explanation and improvement plan or relevant improvement information; if no agreement can be reached, further drawdowns should be suspended or gradually recalled, or the interest rate should be marked up until improvements are made.

● Six aspects of post loan assessment



● Status of green finance for credit business

Base date: December 31, 2024

Unit: NT\$/hundred million

Corporate finance (total credit balance: 2,197.20)			Personal finance (total credit balance: 487.32)		
Credit category	Year-end balance	Percentage	Credit category	Year-end balance	Percentage
Green credit	203.39	9.26%	Solar power	0.57	0.117%
Sustainability performance link credit	112.20	5.11%	Housing pension	0.04	0.00882%

Note: 1. Green credit: According to the "Operating Guidelines for Credit Data Reporting by Financial Institutions", the use of funds is the recognition standard. All loans used for "green expenditures" are included, such as : renewable energy, energy efficiency, pollution prevention, sustainable management of living natural resources and land use, terrestrial/aquatic biodiversity, clean transportation, sustainable water and wastewater management, climate change adaptation, products/production technologies or processes with eco-efficiency and circular economy adaptation, green buildings, and others.

2. If the credit contract stipulates that the enterprise must pass a sustainability assessment and set indicators or conditions to be achieved according to industry characteristics to meet the agreed sustainability performance targets, the financial institution will provide preferential measures (e.g., interest rates, collateral ratios, handling fee waiver) after the agreed conditions are met.



● ESG syndicated loan

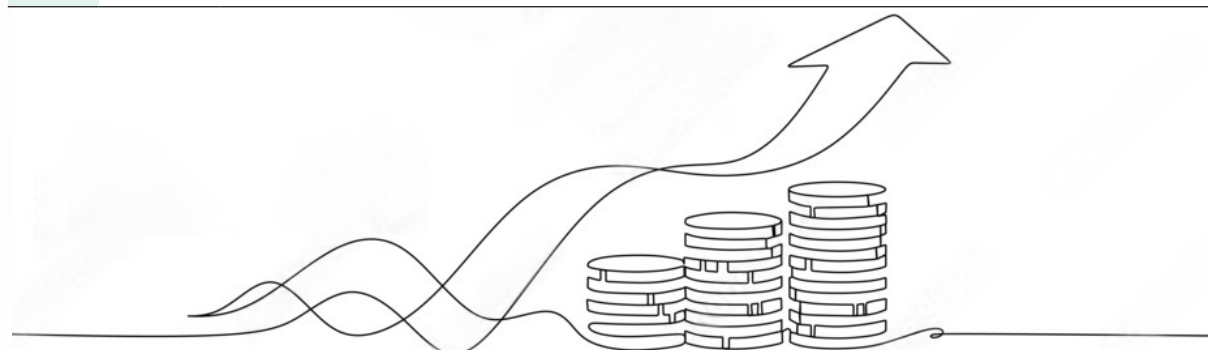
In addition to being committed to domestic business, the Bank has established the International Banking Dept. for foreign operations, which serves as both a management unit and a business unit responsible for international exchange business promotion and management, product development, correspondence business, SWIFT management, management of deposits in international bank competitors, settlement of international exchange transactions, and international exchange report management. It also covers international exchange business of the business unit under our jurisdiction, e.g. import, export, and remittance. We also act as the agency for OBU international exchange.

If we participate in syndicated loans with international corporations, we primarily consider the credit risk of borrowers, whether the borrower belongs to an industry supported by the local government, and whether the loan adheres to the national and industrial limits specified by the Risk Management Dept. Please refer to the annual report, news and review of credit rating report of the borrower for post-loan management.

In 2024, the Bank participated in five ESG syndicated loan cases, and continues to seek the role of the arranger for the syndicated loan projects, hoping to expand our business, attract more customers, and develop new business opportunities.

● Status of ESG syndicated loans in the past two years

Year	Total limit	Contents
2023	US\$30 million	<ul style="list-style-type: none"> Industrial Bank of Korea Syndicated Loan: Participated in a syndicated loan arranged by Mizuho Bank, with the loan used for medical, education, infrastructure and other social eligible assets, and in compliance with the borrower's sustainability framework. PT Perusahaan Listrik Negara Syndicated Loan: Participated in a syndicated loan arranged by Mizuho Bank and SMBC, with funds used for renewable energy, green and energy storage buildings and other green projects, in compliance with the borrower's green development framework.
2024	US\$10 million	<ul style="list-style-type: none"> Credila Financial Services Limited: Participated in a syndicated loan arranged by MUFG Bank, with funds used for education and other social project financing, in compliance with the borrower's social financing framework.
2024	NT\$2.1 billion	<ul style="list-style-type: none"> Master Transportation Bus Manufacturing Ltd.: Participated in a syndicated loan arranged by Hua Nan Bank, with funds used for investment in the construction of the largest electric bus industrial park in Taiwan, introducing green energy, automation, and recycled materials and other ESG asset projects, in compliance with the sustainable development framework. Lung Chuan Water Resources Co., Ltd.: Participated in a syndicated loan arranged by Taiwan Business Bank, with funds used for the construction of sewage treatment facilities and pipeline systems, which are classified as green development projects. Han-Yang Technology Renewable Energy Co., Ltd.: Participated in a syndicated loan arranged by Land Bank of Taiwan, with funds used for waste heat treatment and renewable energy facility development, which are classified as green projects and in compliance with the borrower's green development framework. Foxwell Energy Corporation Ltd.: Participated in a syndicated loan arranged by CTBC Bank, with funds used for procurement and construction of offshore wind power equipment, which are classified as renewable energy projects supporting Taiwan's energy transition.

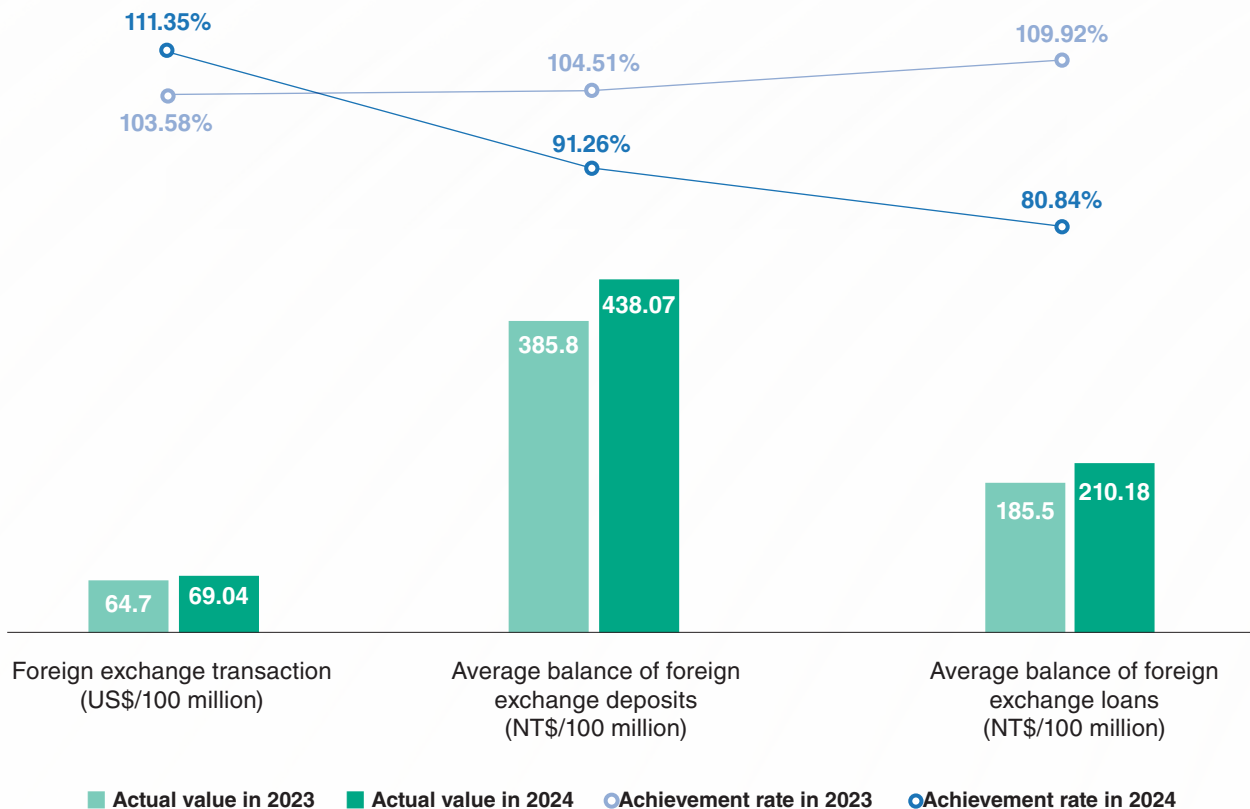


Financial Products and Services Build Responsible Financing

● Foreign exchange business management

The Bank is committed to integrating the concept of sustainability into its core business, planning 3 to 4 foreign exchange preferential time deposit projects and professional consulting services each year to help customers improve their asset allocation and financial management capabilities. In 2024, the Bank's foreign exchange business volume grew by 6.70% compared to 2023, with a performance achievement rate of 111.35%. This not only strengthens the Bank's operational performance, but also demonstrates our responsibility and contribution to stabilizing the financial market and enhancing social and economic resilience.

	Actual value in 2023	Actual value in 2024	Goal for 2024	Achievement rate in 2024	Goal for 2025
Foreign exchange transaction (US\$)	6.47 billion	6.904 billion	6.2 billion	Achievement rate 111.35%	6.73 billion
Average balance of foreign exchange deposits (NT\$)	38.58 billion	43.807 billion	48 billion	Achievement rate 91.26%	45 billion
Average balance of foreign exchange loans (NT\$)	18.55 billion	21.018 billion	26 billion	Achievement rate 80.84%	22.7 billion





● Renewable energy financing program

To promote the financing of solar power and green energy technology industries, we stipulated the Review Guidelines for Solar Power Plant Financing and promoted renewable energy financing cases through the following method:

Methods	Purpose	Contents
The Green Power Team was renamed as the Green Energy Development Center.	Expand the scope of business and be dedicated to promoting green power financing to cover various new renewable energy sources.	Incorporate various renewable energy into the promotion business of the Development Center.
Execute education and training for branch executives and handling personnel.	Enhance professional knowledge for employees at all levels of business units.	Participate in green power business related training, with a total of 800 persons completed the training.
Adjust our operation directions based on market conditions quickly.	Increase market competitiveness of photovoltaic businesses.	Adjust operation directions that meet regulations, and risk control and profit requirements based on solar power regulations and practices by competitors.
Keep in touch with the Taiwan Photovoltaic Industry Association.	Understand market conditions and all kinds of technology of photovoltaic devices.	The chairman of the association also serves as one of the education and training instructors, and will refer customers to the Bank.
Existing customer referrals.	Help refer photovoltaic customers.	The existing customers are more familiar with a competitor or friend. Customers in close contact with us refer photovoltaic customers to us.
The business unit applies for a syndicated loan with all competitors also in the financial industry.	Strive for the chance to join syndicated loans.	Green energy financing is mostly conducted through syndicated loans, and the Bank participates in renewable energy syndicated loan projects.
Develop renewable energy-related businesses in response to market adjustments.	Facilitate the increase of revenue of our existing solar photovoltaic financing companies, which can also enhance the competitiveness of our solar photovoltaic financing business.	The solar photovoltaic power generation system has shifted from a wholesale sales mechanism of Taipower to a green power trading platform for the renewable energy power sales industry and Taipower's dual-track system. In response to said situation, we create the green power trading price trust for the renewable energy power receiving industry to provide photovoltaic industry players with more sales channels.



Financial Products and Services Build Responsible Financing

Recent achievements and goals of solar power and green technology industry

Bank of Kaohsiung continues to expand its financing business in the fields of solar photovoltaic and green energy technology. As of the end of 2024, the cumulative number of loans granted reached 492, with an outstanding financing balance of NT\$17.605 billion. The supported solar power projects have a total annual power generation of 94,937,020 kWh, with an estimated annual carbon reduction benefit of approximately 45,000,147 metric tons, making a substantial contribution to renewable energy development and greenhouse gas reduction.

Looking ahead to 2025, the Bank plans to further increase capital investment in the green technology sector, setting a target of a net increase of NT\$5 billion in outstanding financing balance for solar photovoltaic and green energy technology. This aims to deepen financial support for the low-carbon transformation and fulfill the role of a green finance promoter.

Item	2022	2023	2024	Goal for 2025
Number of solar photovoltaic and green energy technology financing transactions	230	395	492	Net increase in outstanding financing balance for solar power and green energy technology by NT\$5 billion
Solar photovoltaic and green energy technology financing balance (NT\$ hundred million)	42.81	105.3	176.02	

Cases of solar and wind power loans

Yizhu Township, Chiayi
(syndicated loan)

119 (MW)

Fishery and electricity symbiosis rooftop power plant

Currently, fishery and electricity symbiosis is the most fine-quality form combining the current primary sector and renewable energy power generation, and the fishery and electricity symbiosis rooftop type can create a fine-quality indoor breeding environment, increase the overall output, and allow one place to be used for two purposes to take care of agriculture and fishery and develop renewable energy at the same time. It is necessary to cultivate the fish in order not to violate the original purpose of promoting the symbiosis of agriculture, fishery, and electricity.



Qigu Dist., Tainan
(syndicated loan)

85 (MW)

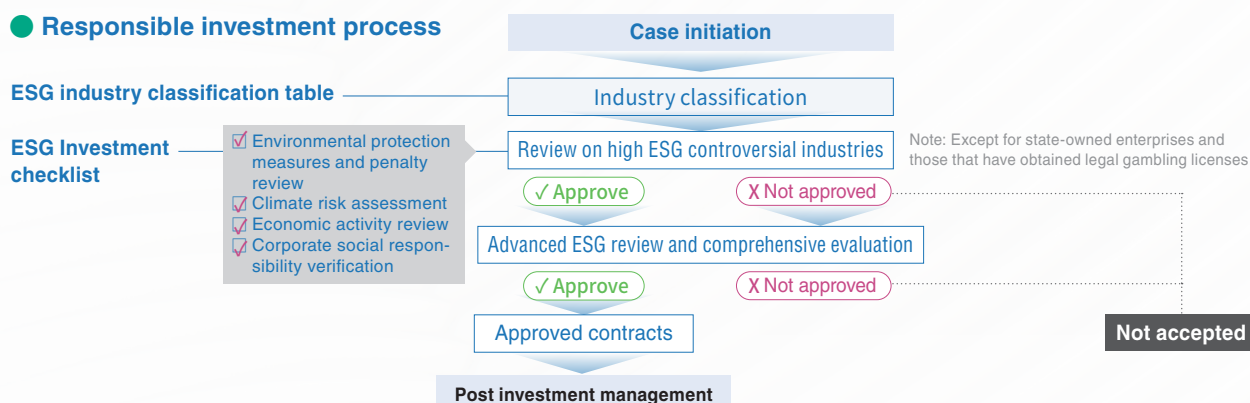
Fishery and electricity symbiosis ground-type power plant

Currently, fishery and electricity symbiosis is the most fine-quality form combining the current primary sector and renewable energy power generation. Although the ground-mounted type of fishery and electricity symbiosis does not offer the high-quality indoor breeding environment of the rooftop type, it can maintain the original fish pond aquaculture pattern and allows for more diverse species selection compared to the indoor type. Therefore, both rooftop and ground-mounted types are promoted by industry players, each with its own advantages and disadvantages. This project covers an area of about 114 hectares and is Taiwan's first landmark fishery and electricity symbiosis project. It improves the original aquaculture environment, equipment, and technology for farmers, achieving the green energy goals of fishery and electricity symbiosis.



2.1.2 Sustainable Investment

Bank of Kaohsiung is committed to participating in, signing, or complying with international initiatives and evaluations related to sustainable development and, therefore, it amends its Investment Policy Guidelines. We adhere to one of the six principles under the Principle Responsible Investment (PRI) to take the risk and performance of ESG into consideration and integrate them into the investment process and decision-making as one of the comprehensive judgment items for risk assessment. Meanwhile, in 2023, we passed the Directions for Sustainability investment to specify the investment evaluation process and matters to be noted in order to comply with our Investment Policy Guidelines and Stewardship Principles for Institutional Investors. Responsible investment process In 2024, a new “Sustainable Investment” section was added to the Business Manual, consolidating “Stewardship Principles for Institutional Investors”, “Sustainable Investment Procedures”, and the Bank’s “Industry Classification Table” to facilitate internal compliance.



Sector ESG investment evaluation

Before investment, in accordance with the Bank’s “Investment Policy Guidelines” and “Directions for Sustainability investment”, we complete the “ESG Investment Checklist” to assess the investment targets to be applied for, and collect information including without limitation to MSCI ESG Ratings, Sustainalytics ESG Risk Ratings, TWSE Corporate Governance Evaluation, S&P ESG Scores, or other ESG ratings or recognition, to strengthen evaluation of sustainable development performance of investment targets. We forbid granting loans to industries with high ESG disputes, diligently evaluate sensitive industries imposing environmental and social risks, and actively support sustainable development industries. SDGs-related (Sustainable Development Goals) industries are prioritized for loans.

In 2024, Bank of Kaohsiung invested in companies with sustainable economic activities amounting to NT\$11.98 hundred million. Prior to investing in these companies, Bank of Kaohsiung proactively distributed “Corporate ESG Information and Sustainable Economic Activities Self-Assessment Questionnaire” to assess the current status of the investee’s sustainable operations and the type of economic activities. Since the base date of June 30, 2024, questionnaires were sent to 35 domestic investee companies to better understand their sustainable economic activities.

Type	Industry/economic activity	Management policy
High ESG Controversial Industries	<ol style="list-style-type: none"> Tobacco industry (except for SOEs) Gambling industry (except for companies with a legal gambling permit) Sex industry Drug industry 	No investment
Sensitive industries posing risks to the environment and society	Enterprises in high energy consumption and carbon emission (e.g., petrochemicals, metals, electricity, etc.), energy/resource-intensive manufacturing industries (e.g., textiles, chemicals, rubber and plastic products), natural resources development and processing (e.g., mining, water resources), and transportation industries (e.g., aviation, water transportation) are included.	<ol style="list-style-type: none"> The ESG Investment Checklist should be completed before investing to enhance the assessment on the sustainable development performance of the investment target. After the investment, the financial and business status and ESG-related information of the investee are compiled and reported to the Investment Review Committee on a quarterly basis. If the underlying assets held originally are reclassified into high ESG Controversial Industries, the disposal plan must be submitted to the Investment Review Committee for discussion and approval before implementation.

Financial Products and Services Build Responsible Financing

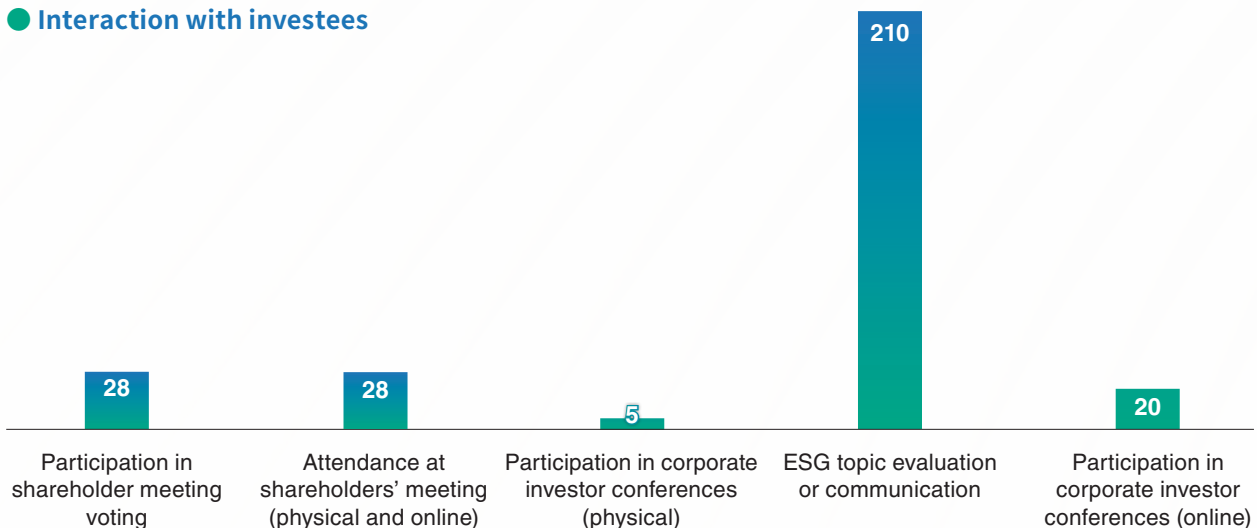
Type	Industry/economic activity	Management policy
Sustainable Industry	<ol style="list-style-type: none"> 1. Organic fertilizers, organic agriculture, agricultural biotechnology innovation, etc., and related industries that can promote food security. 2. Vaccine and pharmaceutical research and development, medical and health services, etc., and related industries that can improve health and well-being. 3. Provide affordable vocational or higher education, promote fair learning opportunities for disadvantaged groups, etc., conducive to the promotion of quality education related industries. 4. Supporting economic activities that make a substantial contribution to climate change mitigation according to the "Guidelines for the Determination of Sustainable Economic Activities 2.0" promulgated by the competent authority. 5. Other industries related to the United Nations Sustainable Development Goals (SDGs). 	Preferred investment

● Post investment management

Based on our Stewardship Principles for Institutional Investors, the items of invested industries we pay attention to include but are not limited to industry overviews, current financial and operating conditions of the company, future prospects, and corporate governance. If, after investment, the target is classified as a part of "sensitive industries posing environmental and social risks" or experiences negative ESG events during the investment period, its financial and business status, along with relevant ESG-related information, will be compiled and reported to the Investment Review Committee on a quarterly basis. If the management of the investee company operates poorly and might damage the rights of the company or shareholders, or severe situations occur such as the investee company violating ESG, we will judge whether to vote against the loan or abstain from voting.

We will also continue to pay attention to the implementation of ESG in investees, and engage in dialogue and interaction with investee companies through collaboration as appropriate. Meanwhile, we proactively implement shareholder activism by attending shareholders' meetings of investees and voting on various resolutions of shareholders' meetings to promote joint sustainable development of investees' sustainable development. In 2024, the Bank participated in 100% of shareholder meeting voting for its investees, and also engaged in communication and engagement on ESG topics. The relevant interaction statistics are as follows:

● Interaction with investees



● Case sharing of ESG topic engagement

Recommendation for honest disclosure of ESG data

Issues

Company A: Discovered through media reports that there was an issue of falsified air pollution data.

Company B: Disclosed in the 2023 sustainability report that failure to improve the water recycling rate poses a risk of order transfers due to non-compliance with customer requirements, which would affect revenue.

Engagement results

Company A: Upon learning of the issue, the Bank immediately contacted the Investor Relations Manager (IR), who stated that the disclosure method for air pollution data had been adjusted and now complies with regulatory requirements.

Company B: The Bank recommended that the company regularly disclose water recycling rate data each year to enhance transparency. Company B responded that it would gradually increase wastewater recycling units to improve the overall water recycling rate. During water shortages, the company increases the wastewater recycling rate through parallel water storage and wastewater recycling. In 2023, the recycling rate was 31.57%, with a total recycled water volume of 608,872 tons. The short-term target (2024~2025) is to raise the Group's water recycling rate to 32~33%, and increase to 35% in medium to long term. The company also committed to regularly disclosing water usage data in its sustainability reports.

B corporation certification

Issues

Company C: Disclosed in the 2023 sustainability report that its SDGs target for water management and recycled water reuse requires an annual utilization rate of over 50%; however, the company's recycled water rate in 2023 was only 47%.

Engagement results

Company C: The company stated that during the relocation period of a certain Zhongli plant under construction, the recycled water well was temporarily shut down due to construction, resulting in limited recycled water supply. The company committed to making improvements after the plant resumes operation and will disclose the information in the next sustainability report.

● Effectiveness of responsible investment

Bank of Kaohsiung has gradually increased its investment in sustainable bonds and ESG indices year by year to support the low-carbon transition and enhance the sustainability of its investment portfolio. In 2024, as all previously invested green bonds were sold, the Bank immediately shifted to the sustainability-linked bond market to ensure that capital allocation remains focused on sustainable development targets. In the same year, the Bank also assisted the Kaohsiung City Government in issuing the nation's first government agency green bond, amounting to NT\$2 billion, demonstrating the Bank's innovation in sustainable finance and market influence.

Green bonds

bond issuer

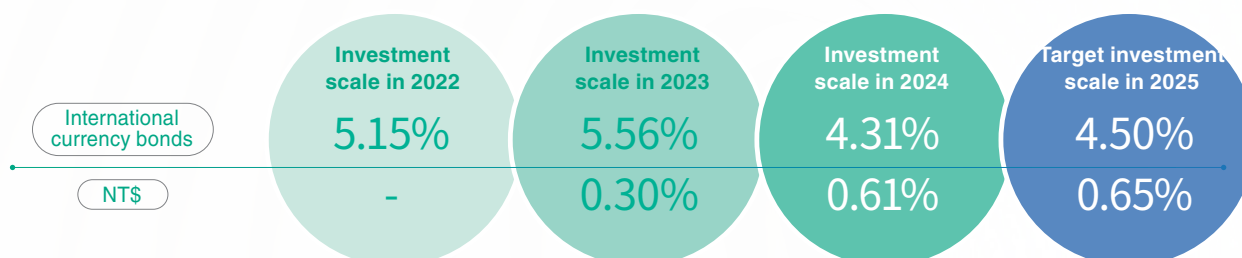
HONG KONG SPECIAL ADMINISTRATION

The funds raised are used in financing and re-financing for one or more green items in nine qualified types, renewable energy, energy efficiency and saving, pollution control, management and recycling, water and wastewater management, nature protection/biodiversity, clean transportation, green building, and climate change adaptation.

bond issuer

KOREA ELECTRIC POWER CO

The funds raised are used in three domains, power grids of renewable energy, clean transportation, and renewable energy. Investment items include solar power, wind power, electric vehicles, and charging infrastructure for electric vehicles.



Financial Products and Services Build Responsible Financing

Social responsibility bonds

bond issuer

SHINHAN BANK

Cooperate with the South Korean government, which serves as the guarantor. In the loan plan Sunshine loans, the funds raised are offered to people with low income or credit ratings. Over 79,000 people benefited from the plan.

bond issuer

INDUSTRIAL BANK OF KOREA

The funds are primarily used for loan plans, offering loans to 1,750 SMEs affected during the pandemic. Some of the funds are provided to start-ups, creating 5,010 job opportunities.

International currency bonds

Investment scale in 2022

1.31%

Investment scale in 2023

1.29%

Investment scale in 2024

1.38%

Target investment scale in 2025

1.40%

Sustainability bonds

bond issuer

KOOKMIN BANK

The funds raised are used for wind power, solar power and the battery manufacturing industry, expecting to reduce about 90,000 tons of carbon dioxide emissions per year. We collaborate with local governments to use some of the funds for loans granted to over 14,000 SMEs.

bond issuer

UNITED OVERSEAS BANK

The funds are primarily used for green building, renewable energy and SME loans, expecting to reduce 85,000 tons of carbon dioxide emissions per year, and create 829 job opportunities.

bond issuer

SHINHAN BANK

The funds raised are used for projects and loan plans associated with green energy. The green energy programs include renewable energy and clean transportation. As for loan plans, we are working with the South Korean government to launch New Hope Spore Loans and Sunshine loans, mostly for helping people with low income and credit ratings.

International currency bonds

Investment scale in 2022

6.75%

Investment scale in 2023

5.93%

Investment scale in 2024

6.61%

Target investment scale in 2025

6.65%

Sustainability-linked bonds

bond issuer

Enbridge CO

- The Company has set three performance measurement indicators (baseline year: 2018):
 - The greenhouse gas emissions must be reduced by 35% by 2030.
 - By the end of 2025, 28% of all employees must be Indigenous peoples or minorities.
 - By the end of 2025, women must comprise 40% of the Board of Directors.
- Through the framework of sustainable development-linked bonds, the Company can further reinforce its commitment to achieving the ESG goals announced on November 6, 2020.

International currency bonds

Investment scale in 2022

-

Investment scale in 2023

-

Investment scale in 2024

0.67%

Target investment scale in 2025

0.70%



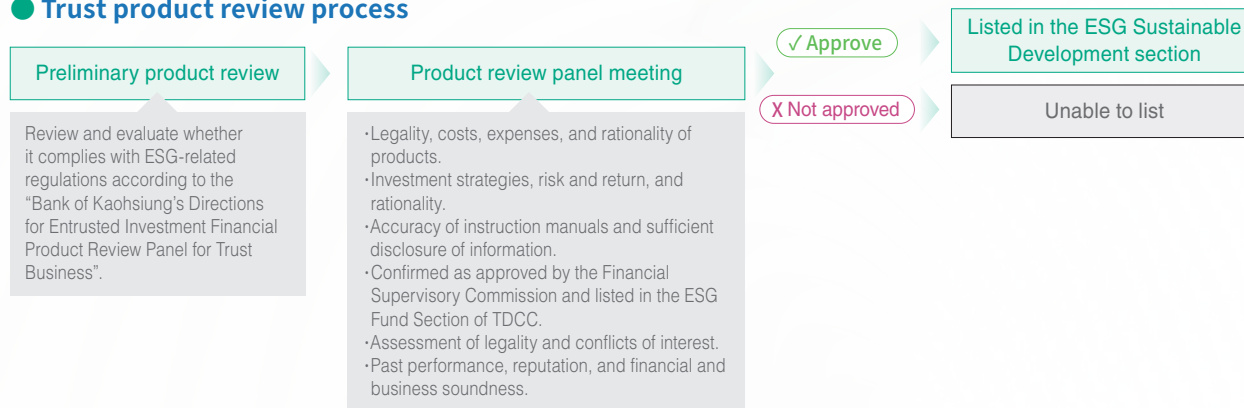
Unit: NT\$/hundred million

ESG investment	Type	Investment scale in 2022	Investment scale in 2023	Investment scale in 2024	Target investment scale in 2025
DJSI World Index	NT\$ bonds and bills	13.03%	6.55%	5.58%	5.60%
	International currency bonds	4.86%	6.91%	6.88%	6.90%
	Taiwan shares	61.23%	11.21%	22.10%	22.15%
	Foreign shares	11.71%	40.74%	-	-
DJSI Emerging Markets Index	NT\$ bonds and bills	10.03%	5.13%	9.69%	9.75%
	International currency bonds	0.84%	0.81%	0.93%	0.95%
	Taiwan shares	61.23%	3.55%	14.73%	14.75%
	Foreign shares	-	-	-	-

2.1.3 Sustainability Trust

To implement Bank of Kaohsiung's sustainable development policy, the trust business has referred to the Bank's "Directions for Sustainable Investment" and revised the Bank's "Directions for Entrusted Investment Financial Product Review Panel for Trust Business", incorporating environmental (E), social (S), and corporate governance (G) sustainability factors of the entrusted investment financial products or their issuers. These are included as review criteria for listing wealth management products in the Bank's ESG section for sustainable development. ESG product listing reviews are scheduled to be formally promoted in 2025. Bank of Kaohsiung actively uses financial resources to support corporate sustainable economic activities and continues to devote ourselves to ESG development goals. Particularly, we spare no effort in the promotion of environmental protection, fulfilling social responsibility, and the implementation of corporate governance. We respond to the government policy on green energy development and also proactively promote loans for the photovoltaic industry, utilize the trust mechanism to work with social affairs units and social welfare groups to help disadvantaged groups and solve social problems.

● Trust product review process



Financial Products and Services Build Responsible Financing

● Sustainability trust goals

Most of our trust businesses are associated with social aspects, such as nursing care trusts, ESG trusts, and leisure life with housing pension trust projects. Refer to 6.1.2 Charity Trusts and Promotions. The four major trust goals are:

Goals	Achievement in 2024 and current development	Short-term goals	Mid and long-term goals
Include ESG factors in the trust product review process	Joint review conditions and ESG factor considerations when formulating contracts for different types of trust.	<ol style="list-style-type: none"> 1. Non-discretionary Money Trust (funds): Handled in accordance with the Regulations Governing the Scope of Business, Restrictions on Transfer of Beneficiary Rights, Risk Disclosure, Marketing, and Conclusion of Contract by Bank of Kaohsiung, subject to review and approval by the FSC, and based on the funds included in the ESG fund section of TDCC. 2. Property trusts (money, insurance proceeds, securities, real estate): Tailor-made trusts to ensure the stability of life for the elderly, the physically and mentally disabled, guardians, persons under the order of the commencement of assistance, and any other disadvantaged groups. 	
Continue to promote and develop diverse inclusive financial instruments.	In 2024, the Wealth Protection and Elderly Care Trust was launched, with a total of 382 new cases signed throughout the year.	<ol style="list-style-type: none"> 1. Promote Trust 2.0: Nursing care trust, ESG trust, and leisure life with housing pension trust projects 2. Enhance friendly senior (dementia) customer financial services, strengthen services for disadvantaged groups and local governments, and achieve inclusive trusts. 3. Launch the "Peace of Mind Wealth Trust" project, establish standardized trust contracts, and provide trust fee discounts for the elderly and the people with disabilities to implement inclusive finance. 	Promote all-round trust businesses. Customize solutions for customers' problems with property management or asset safety. Promote Trust 2.0 Plan, offer economical, customized trust services, and achieve a beautiful future of inclusive finance.
Real estate trust cases involving urban renewal and reconstruction of unsafe and old urban buildings	In 2024, two new urban renewals trust cases were added.	Help applicants obtain funds and help them apply for real estate trusts regarding reconstruction of unsafe and old urban buildings.	Adapt to the policy for expediting the reconstruction of unsafe and old urban buildings enacted by all local governments. Actively strive for matching trust businesses with real estate trust cases involving urban renewal and reconstruction of unsafe and old urban buildings.
Cross-industry alliances	As of 2024, a total of 16 MOUs have been signed with law firms, accounting firms, medical and nursing care, assisted living, and other organizations and social welfare groups.	Expand the scope of cross-industry- alliances, and work with nursing organizations, nursing facilities, nursing homes, medical institutions, accountants, lawyers, and social welfare groups.	Follow the business policy. Integrate external resources, fulfill social responsibility. Deepen cross-industry-alliances for trust services.

● Outcome of trusts in the last three years

Types of cases	Number of valid cases			Actual balance of property (Unit: NT\$)		
	2022	2023	2024	2022	2023	2024
Individually managed money trusts	76	85	464	NT\$380 million	NT\$420 million	NT\$360 million
ESG trusts	1	1	1	NT\$2 million	NT\$2 million	NT\$2.04 million

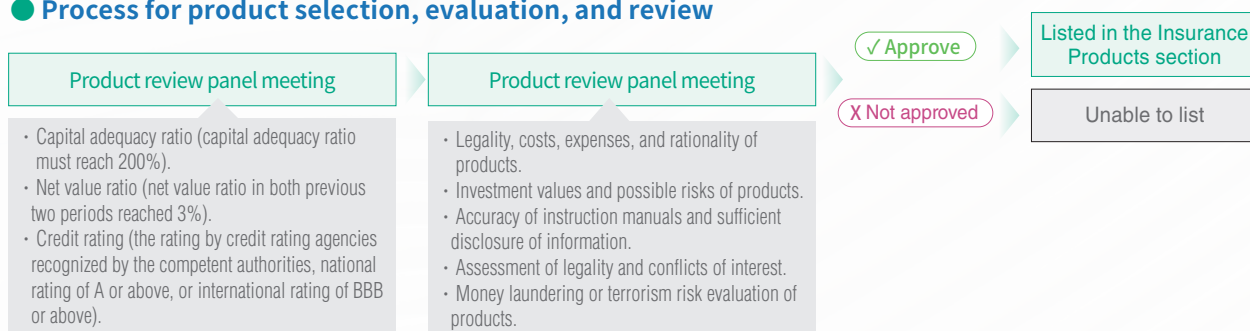
2.1.4 Insurance Agencies and Wealth Management

● Insurance agency

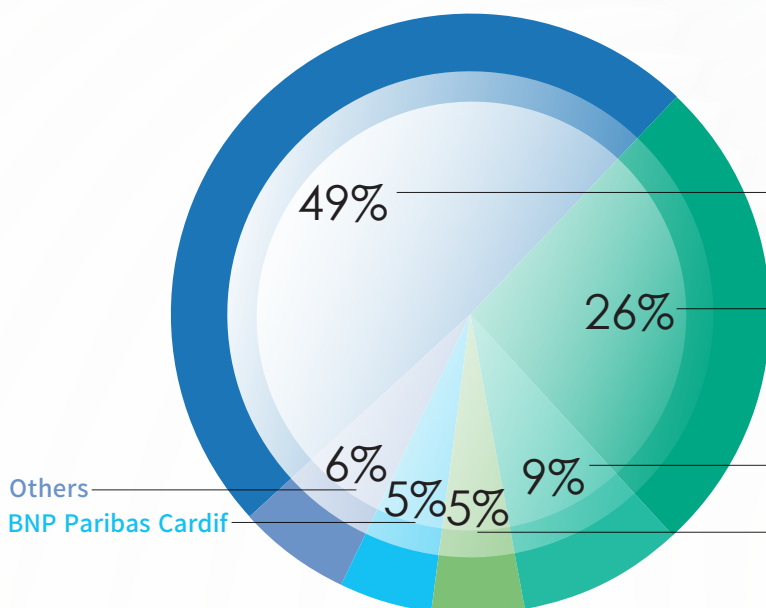
In line with legal adjustments to the signing system, signature is replaced by verification as a control mechanism for solicitation documents. In 2024, the Bank revised certain articles of the “Internal Control and Audit System for Insurance Agency Business and Implementation Guidelines for Solicitation and Handling Procedures” and the “Regulations Governing the Business Solicitation System and Procedures for Insurance Agencies”, and abolished the “Guidelines for Insurance Agent Signing Operations” to ensure legal compliance and meet the requirements of the competent authorities.

To protect customers' insurance rights and strengthen internal control, in 2023, the “Business Manual” was amended to add regulations on the mailing and return processing of insurance transaction statements. Starting from December 2024, electronic statements for personal insurance transactions will be sent to improve service quality and operational efficiency. To help our sales personnel become more familiar with our business, we organized 11 sessions of education and training on wealth management and various insurance and wealth management products, hoping to enable them to understand the latest financial products and services, as well as market trends and best practices.

● Process for product selection, evaluation, and review

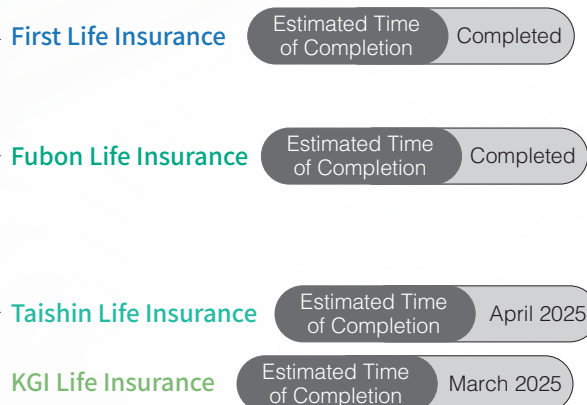


● Sales percentage of key products



● Mobile insurance application

Replace the proposal in carbon copy with the electronic proposal and use the online real-time verification mechanism to shorten the insurance application process, save the time spent by customers in the application, improve service quality and operational efficiency, and implement ESG management.



Financial Products and Services Build Responsible Financing

● Wealth management

We regularly learn about the regulations for the attributes and needs of customers according to the Guidelines for Bank of Kaohsiung Wealth Management Promotion and Customer Account Risk Management. With regards to marketing planning and customer services, we occasionally promote campaigns and various customer seminars to satisfy the comprehensive money management needs of customers.

In 2024, we proactively promoted wealth management marketing projects and pension insurance products. Our sales revenue for life insurance products was 37.99% of the revenue of all money management products in 2024. The goal for our wealth management in 2024 was NT\$555 million and the achievement rate was 94.58%. In addition, to provide high-net-worth customers with a more complete range of financial products and services, the Bank is currently planning to apply for a Wealth Management 2.0 license and preparing to enter the Asia Asset Management Center Kaohsiung Financial Zone. Meanwhile, we have established a senior citizen control mechanism for the sales personnel marketing incentive program to ensure that senior citizens receive fair and reasonable treatment in financial transactions.

● Wealth management marketing project

Contents of the program	Marketing plan	Program performance
Fund handling fee discounts	[Dragon Bond Glory] Wealth Management Project	Achievement rate: 74.44% Transaction fee income NT\$315.41 million
	[Dragon Bond Opportunity] Wealth Management Project	
Traditional Insurance Promotion Incentive Program	[Dragon Glory] Insurance Wealth Management Project	
	[Dragon Prosperity] Insurance Wealth Management Project	
	[Dragon Fortune] Insurance Wealth Management Project	
Fund Handling Fee Discount and Traditional Insurance Promotion Incentive Program	[Dragon Turnaround] Wealth Management Project	
Trust management fee discount	[Professional Courtesy] Wealth Management Project	A total of 63 professional investors were developed by the end of the project.
Mortgage Life Insurance Project	[Dragon Leap Home] Mortgage Life Insurance Project	Actual premium income NT\$49.35 million
	[Dragon Vitality] Mortgage Life Insurance Project	

◎ Wealth management goals

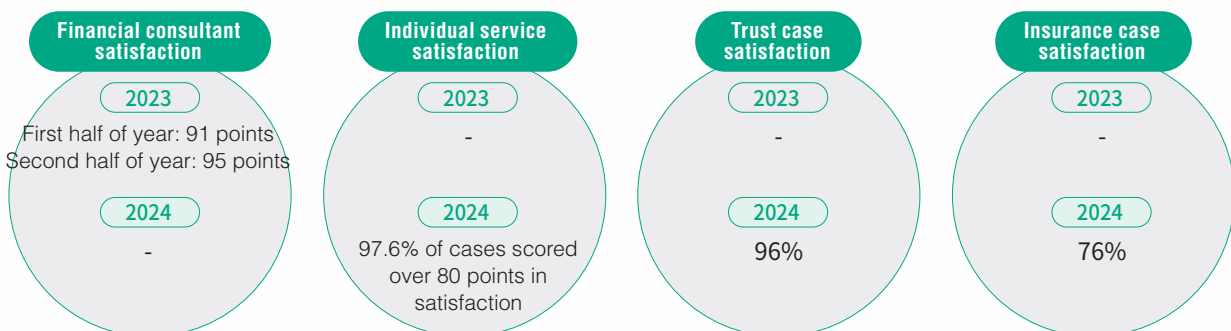
Achievement progress/achievement rate in 2024

The wealth management business goal is NT\$555 million.
The achievement rate is **94.58%**

Short-term goal (2025)

The wealth management business goal is NT\$600 million.

◎ Satisfaction survey of wealth management services



Note: Starting from 2024, the wealth management satisfaction survey has adjusted its scoring method that focuses on individual service satisfaction, trust case satisfaction, and insurance case satisfaction.



2.1.5 Digital Innovation, Friendliness and Inclusion

● Digital innovation

To promote the development of digital finance, the Bank has established a “Cooperation and Development Model for Digitalization of New Types of Businesses”, where business units propose needs, the Digital Banking Dept. coordinates supplier selection, evaluation, and project management, and jointly promotes post-launch operations and marketing with business units. In 2024, two digital education and training sessions were held for corporate finance, with a total of 76 participants. In the future, we will continue to promote product and marketing digitalization, optimize the online channel interface and transaction process, enhance customer experience and willingness to apply, accelerate the overall business online transformation, and achieve the goal of digital transformation.

● Digital promotion items

We develop digital finance through four major strategic aspects: internal system optimization, user experience design, financial technology, and digital solution.

Internal system optimization

Promotion items	2024 progress and future planning
<p>Eloan system Online credit investigation/extension and real estate appraisal for corporate and consumer banking</p> <p>Joint credit investigation and bill credit inquiry system Inquire about the credit status of the borrower/guarantor.</p>	<ol style="list-style-type: none"> 1. The consumer banking credit investigation and extension system has been planned by the Digital Banking Dept. to optimize the current forms and checklists, move towards electronic processes, reduce operational errors and paper printing, and integrate with online applications, with expected launch in April 2025. 2. Optimize the review workflow by establishing a Review Operations section, initiating cases centrally from the head office, and implementing centralized control to reduce operational errors. 3. Optimize the content of the review form in the system, make the selection fields more intuitive, and implement automatic calculations for financial ratios and facilitate the importation of credit amounts from each bank into the joint credit data, thereby reducing employee workload.
<p>Wealth management system In response to the paperless operations, system-related applications and control reports have been completed online.</p>	<p>To cope with the paperless operations, a total of 128 control reports were completed online in 2024. We will continue to enhance our system and cooperate with other business management units to handle financial instruments, such as the Trust Dept., Insurance Agency Dept., Credit Management Dept., and Financial Markets Dept.</p>
<p>Voluntary use of personalized data (MyData) Through identity verification and online consent, users can apply for credit cards and mortgage loans online, realize the voluntary use of personal data, and experience uninterrupted digital financial services.</p>	<ul style="list-style-type: none"> • Integrate and apply MyData in HR recruitment and online application processes for student loans. • Depending on the evaluation plan of the consumer finance loan platform construction, continue to expand the scope of MyData service applications to provide customers with more user-friendly service experience.

Financial Products and Services Build Responsible Financing

User experience upgrading

Promotion items

Subsidy program for youth entrepreneurs of Youth Bureau, Kaohsiung City Government

Online verification

Streamline the application process and processing hours to improve customer experience.

Integrated a new account opening system

Optimized the account opening process. Saved waiting time for customers. Enhanced convenience for customers.

Form-free section

This section allows customers to make appointments for account opening and business associated with New Taiwan Dollars and foreign currency online. After filling out information online only, customers can complete transaction easily without filling out documents over the counter.

Mobile insurance application information system

2024 progress and future planning

Online application, review on relevant contracts, and uploading of basic information

1. Student loans: A total of 52,678 loan applications were checked online, accounting for 64.24% of all student loan applications.
2. Youth entrepreneurship loans: 1,030 loan applications have been submitted online, accounting for 19% of all applications for youth entrepreneurship loans.

Provide customers with convenient financial services, plan to add MyData identity verification channel to "Digital Deposit Account Opening", and further improve the account opening system.

In 2024, the Bank continued to promote paperless transactions, with an average of over 4,700 transactions reserved per month, and plans to establish an online consumer finance loan platform, working with customers to transition to paperless operations.

In 2024, the Bank completed business launches with two insurance companies: First Life Insurance and Fubon Life.

FinTech

Promotion items

Centralized payment system

We integrated a billing system and payment channel managed by all departments themselves, and built a digital, diverse payment platform to increase the payment channels for the public.

Digital channel

We collect the digital footprints of all channels/products to optimize our digital transaction channels, analyze customers' experiences for different businesses and scenarios, and optimize the process and function of digital channels.

2024 progress and future planning

In 2024, a total of 405,216 transactions making payment via the centralized payment system, thereby reducing the number of checks drawn by the 506 schools and institutions affiliated to the Kaohsiung City Government by 405,216.

- The percentage of non-OTC transactions (online transactions) for the entire bank is 80%.
- Starting from December 2024, electronic statements for personal insurance transactions will be sent.

Digital solutions

Promotion items

HoYaa digital account

We launched HoYaa in 2021, a digital deposit account that can be opened online. Customers submit applications online and it takes about five business days to examine the application. Customers do not need to visit the bank and can apply for the account online any time. It's a convenient account opening service and we offer favorable deposit rates.

Mobile banking APP: Bank of Kaohsiung e-Point

It is our mobile bank app. It primarily offers services such as deposits and transfers in New Taiwan Dollars and international currency, Taiwan Pay, credit cards, and fund management.

Smart customer service

A customer service model combining artificial intelligence and human agents, providing customer service anytime and anywhere, and offering personalized services based on user preferences and history.

2024 progress and future planning

- As of the end of December 2024, a total of 14,973 accounts have been opened.
- Optimize the text and process of the digital deposit financial card activation page for digital account customers on the Internet banking, adjust the digital deposit account opening process, and enhance the terms of agreement page and the address field on the application screen for digital deposit accounts.

Optimize Taiwan PAY consumer payment for both QR code scanning and being scanned, as well as related interface enhancements.

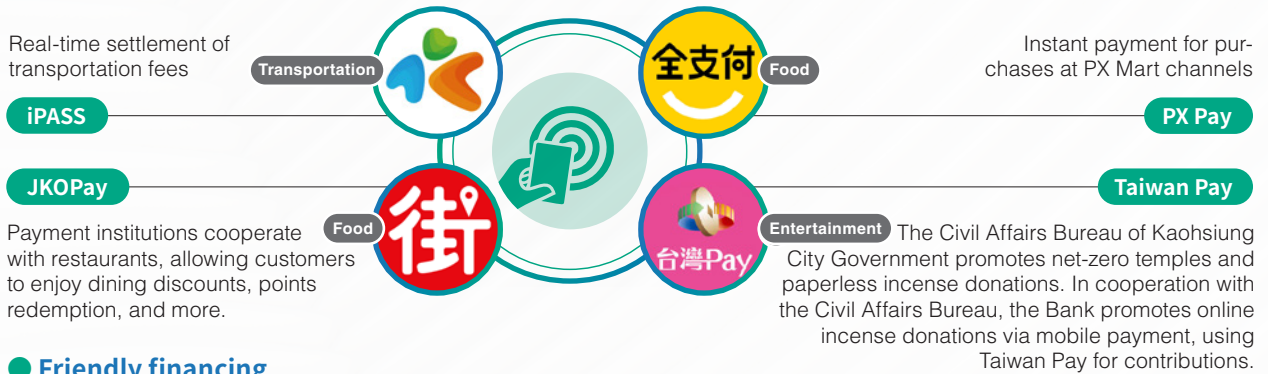
In May 2024, the SmartRobot system was launched with 5,449 uses. In the future, the Company will continue to optimize the communication channels with customers and discuss the development of an AI customer service system.

Note: After participating in the POC test and evaluation of the Financial Blockchain Consortium, the Bank decided to temporarily suspend participation.



● Digital lifestyle ecosystem

Digital technology services have become an indispensable tool in modern life. The Bank actively promotes financial technology innovation and collaborates with multiple electronic payment platforms to create a digital lifestyle ecosystem. By simply linking a Bank of Kaohsiung digital account, the public can enjoy convenient and secure digital financial experiences in all aspects of daily life.



● Friendly financing

To service diverse customers and implement fair treatment of customers, Bank of Kaohsiung has completed bilingual forms as required by the FSC in 2023. In 2024, a bilingual flagship branch was established in the northern, central, and southern regions. We will continue to gradually complete the establishment of bilingual branch service locations by 2027. In addition to bilingual services, we also focus on friendly financing services, drew up the Guidelines for Financial Friendly Services, and established accessible facilities, expecting to serve our diverse society in a better way.

The Executive Administration Dept. annually inspects and compiles the implementation status of friendly service measures. The Compliance Dept. regularly surveys and consolidates friendly financial matters from business management units, supervises these units in documenting the concrete deeds and effectiveness of implementing finance-friendly services in their duties, includes them in the “Assessment Mechanism for Fair Treatment of Customers Principle of the Financial Service Industry”, and submits the consolidated report to the Board of Directors for review. To further enhance customer feedback and service improvement, we review the usage and customer feedback of the “Digital Customer Service” platform monthly, and irregularly review ratings and comments of the mobile banking APP as a basis for optimizing service quality.

To ensure our services always meet finance-friendly standards and to fulfill our responsibility to customers and the public, the Compliance Dept. established the new “Regulations Governing Rewards for Implementation of Finance-Friendly Services” in May 2023. Encouragement is given to outstanding branches and employees through bonus points in the Compliance Implementation Effectiveness Evaluation and a commendation mechanism for employees. In 2024, a total of 8 educational courses related to CRPD and other vulnerable groups were held, with 298 participants.

● Accessible facilities of all branches of Bank of Kaohsiung

Item	Installation rate in 2024	Future goals
Accessible services desk	100%	Continue to optimize the service quality and hardware equipment.
Accessible ATMs	88% (32 branches)	Continue to optimize the service quality and hardware equipment.
Visual impairment-friendly ATMs	52% (50 machines)	Plan to add 10 more visual impairment-friendly ATMs.
Accessible ramps	100%	Continue to optimize the service quality and hardware equipment.
Service bells	100%	Continue to optimize the service quality and hardware equipment.
Service specialists	100%	Continue to optimize the service quality and hardware equipment.

Financial Products and Services Build Responsible Financing

Friendly financial services

Persons with physical and mental disabilities, mobility-impaired individuals, and the elderly

Finance-friendly counter

1. The considerate service is intended for the physically and mentally handicapped and disabled, and the service personnel will guide the service to the counter as the first priority.
2. Provide optimized services for persons with visual, physical, hearing, and mental disabilities, or persons under the order of the commencement of guardianship. Provide the convenience of finance-friendly transactions. (e.g. assisting customers to scan the QR CODE for common contracts and brief descriptions of common services and reading them aloud with on-screen reading software; providing sign language interpreting appointment services and real-time video calls or on-site service appointments per customers' needs; producing business communication cards to allow customers to quickly understand the documents and procedures required to handle relevant business by means of simple words and pictures).

Finance-friendly service portal

1. We provide services such as interest rate inquiry, gold passbook quotation, finance-friendly service facilities available at branches, implementation of finance-friendly service measures, simple personal online banking, and simple internet ATM.
2. A QR code with simple descriptions of common contracts and services is prepared. After scanning, the reading function is activated.
3. Provide the physically and mentally disabled with the access to the contents of service in advance or on the site when they are applying for related services with us, or to verify the contents of the contract via mobile phone.

SmartRobot system

When customers select their age on the message form and are identified by the customer service personnel as senior customers, they are given priority responses, enabling real-time communication to address immediate financial needs and assist in bridging the digital divide.

Elderly-friendly care

Assign non-sales department personnel to care for and inquire with elderly customers; assist family members of elderly customers in understanding insurance product mechanisms, etc. The customer service mailbox adds an age field for customers, allowing relevant business units to prioritize handling opinions or inquiries from elderly customers.

Residents in remote areas

Digital account

Residents in remote areas can open digital accounts without visiting a branch in person. Achievements in 2024: 1. Cumulative number of digital accounts opened reached 14,973. 2. The Mobile Banking APP has accumulated 35,983 downloads. 3. Total usage: 2,168,982 times per year, 5,942 times per day.

Foreign nationals or new residents

Bilingual branch

Establish bilingual branches equipped with bilingual (Chinese-English) service personnel and signage. Currently, one bilingual flagship branch has been established in the northern, central, and southern regions (Business Dept., Taichung Branch, and Taipei Branch).

Short-term goals: 1. In 2025, 4 more bilingual branches are planned to be added; the number of branches will increase year by year.
2. Each business unit will enhance the number of bilingual talents with English certification or relevant academic background.
3. The related signage within the business hall is progressively being adjusted to a bilingual format.

Medium- and long-term goals: Complete the establishment of bilingual branches step by step.

Bilingual ATM

Provide bilingual (Chinese-English) ATM transaction interfaces.

Short-term goals: Plan to add multilingual voice functions to our ATMs:

(1) Languages: English, Japanese, Indonesian, Thai, Vietnamese.

(2) Transaction functions: withdrawal, deposit, balance inquiry, transfer, change password.

Medium- and long-term goals: Continue to adjust the customer usage function. Optimize all menus in two languages to satisfy the needs of international users and offer financial friendly services.

2. ② Deepening Support for Kaohsiung and Inclusive Finance

Entrusted by the Central Bank and Kaohsiung City Government, Bank of Kaohsiung acts as the agent for both national and municipal treasury services. Through the national treasury agent bank and centralized payment management system, we properly handle government fund receipts, payments, and allocation, providing citizens with stable and convenient financial services. We also actively promote policy loans and diversified financial products and services, expanding funding support for various groups and disadvantaged communities, thereby enhancing financial inclusion, and fulfilling inclusive finance goals. The policy tools, such as the “Siung Easy project for the house loan discount for the first-time homebuyers”, help improve living conditions for individuals, promote stable local economic development, and strengthen our role as a reliable financial partner for Kaohsiung City.

2.2.1 Powerful Financial Advocate for Kaohsiung

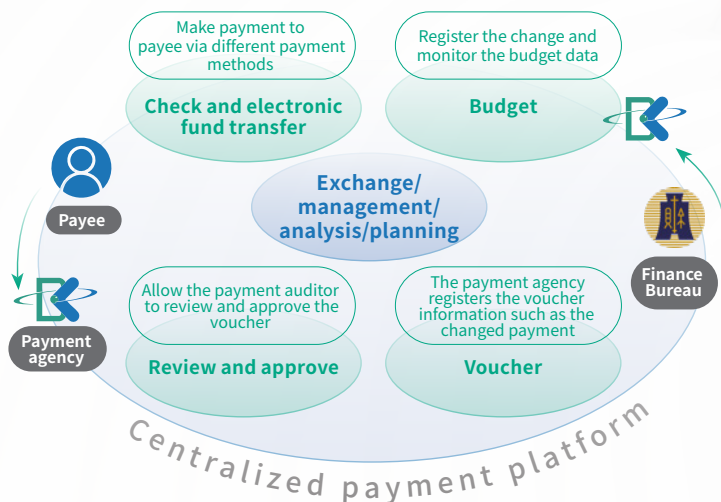
Our Municipal Treasury Dept. handles custody business for all schools in Kaohsiung, including cash, bills, cashing, custody and transfer of securities, and property deeds. We are the agency for the city treasury, our head office serves as the chief treasury, and our branches or affiliated agencies are branch treasuries. We entrust financial institutions to act as branch treasuries in regions without our affiliated agencies. The entrusted financial institutions may entrust other payment collection agencies to collect tax. We are responsible for the supervision and management of the agencies above. We accept all kinds of national taxes based on the Contract for Kaohsiung subtreaury tax collecting institutions of the national treasury authorized to us by Bank of Taiwan, Kaohsiung Branch.

We set short, medium-term, and long-term goals to assist in the development of Kaohsiung via sustainable operation:



● Centralized payment management

The payment agency keeps all the funds in Bank of Kaohsiung and offers relevant information such as certificates. The payee may visit us to apply for the payment with certificates without collecting the payment at competent authorities. We are entrusted to make and manage payments. This saves time for payments, simplifies the payment process, increases administration efficiency, and dispatches funds flexibly for synergy. The Bank will persist in its collaboration with the City Government to promote digitalization aimed at minimizing labor and paper consumption, facilitate convenient and efficient services, and achieve environmental sustainability.



1. In 2024, a total of 405,216 transactions making payment via the centralized payment system, thereby reducing the number of checks drawn by the 506 schools and institutions affiliated to the Kaohsiung City Government by 405,216. The centralized payment system is expected to undergo outsourced optimization in order to address the requirements for enhancements in information security.
2. The Building Management Information System has been completed on September 2, 2024 with the assistance of the Public Works Bureau, and a QR Code has been added to 68 types of produced items and connected to the e-Bills for online payment.
3. Since 2022, the Kaohsiung City Government Finance Bureau and Mortuary Services Office and Kaohsiung Municipal Min-Sheng Hospital have established a system to assign QR Code for fees. The system can connect with payment methods such as barcodes for convenient stores, Kaohsiung Pay, and mobile payment.
4. In November 2021, we assigned a QR Code for fees on the Public Treasury website, which serves as a platform for agencies to save labor and paper. We offer more payment methods, e.g. OTC, convenience store, automation equipment, mobile payment, and Kaohsiung PAY. The agencies that are using the platform for now are the Environmental Protection Bureau, Urban Development Bureau, Labor Affairs Bureau, Commission of Indigenous Affairs, Education Bureau, and Economic Development Bureau of Kaohsiung City Government.

2.2.2 Poverty Eradication through Inclusive Finance

We continue to promote various financial products and services to assist students, homebuyers, youth entrepreneurs, central enterprises, start-ups, cultural and creative industries, and disadvantaged groups to have diverse accesses to capital and financial services. This helps build a good social environment to promote economic stability and growth. In order to achieve inclusive finance, we organized 3 internal education and training courses on SME loans. A total of 165 participants completed the training and attended external education and training for policy loans and reconstruction of unsafe and old urban buildings.

● Bank of Kaohsiung's financial inclusion roadmap

Students		
Product item/project name	Product and service contents	Achievements in 2024
Student loans	Students of public and private colleges and universities, high schools, and continual schools may apply for student loans or student loans for living expenses if they meet the regulations announced by the Ministry of Education year by year. The loan covers tuition and incidental fees, internship fees, book fees, housing fees, student group insurance fees, overseas study fees, and living expenses.	We have granted 34,847 loans in total as of 2024.
Home buyers		
Product item/project name	Product and service contents	Achievements in 2024
Reconstruction of unsafe and old urban buildings	The Bank proactively supports the management of urban renewal and reconstruction loans, as well as trusts for unsafe and old buildings, aiming at improving building safety and reducing disaster risks. Through urban renewal and reconstruction of unsafe and old buildings, the Bank also promotes the rational use of land resources and optimization of urban space.	In 2024, two new urban renewals trust cases were added.
Siung Easy project for the house loan discount for the first-time homebuyers (from June 2023)	We worked with the Kaohsiung City Government in its First-Time Home Buyer Home Loan Interest Subsidy Program and launch of the Siung Easy project for the house loan discount for the first-time homebuyers. The interest subsidy provided by Kaohsiung City Government and our interest relinquishment measures effectively help alleviate the pressure on mortgage interest rates of first-time homebuyers, allowing homebuyers to balance quality of life and create a happy life at the same time.	For the Siung Easy project for the house loan discount for the first-time homebuyers, a total of 540 loans have been granted since the project's launch until the end of December 2024, amounting to NT\$3.335 billion.
The elderly		
Product item/project name	Product and service contents	Achievements in 2024
Loans for housing pension	As an additional support measure for seniors to secure their life, we provide a financial security means for seniors to use their own housing to obtain the funds needed for senior living or nursing care.	10 loans granted Loan balance of NT\$4 million
Young entrepreneurs		
Product item/project name	Product and service contents	Achievements in 2024
Kaohsiung City Government - Youth Entrepreneurial Loans	In cooperation with the Youth Bureau of the Kaohsiung City, we support youth entrepreneurship and foster the development of innovative and high-quality enterprises. Kaohsiung City Government and the Small & Medium Enterprise Credit Guarantee Fund of Taiwan appropriate funds and offer credit guarantees for financing. We help youths in Kaohsiung apply for financing from a bank without providing collateral to acquire the start-up fund.	A total of 357 cases have been underwritten, amounting to NT\$224 million.
Ministry of Economic Affairs - Youth Entrepreneurship and Start-up Loans	We offer youth entrepreneurship and start-up loans to advocate the policy enacted by the Small and Medium Enterprise and Start-up Administration, MOEA. All of our business units may process the applications. The funds can be used in various ways, including setting-up expenses at the initial stage, revolving expenditures during the business period and CAPEX.	A total of 4,550 cases have been underwritten, amounting to NT\$2.12 billion.
Youth entrepreneurship and start-up loans in cultural and creative industries	Cultural and creative industries, such as visual arts, music, and performing arts, may apply for loans for setting-up expenses, revolving expenses, and CAPEX.	A total of 5 cases have been underwritten, amounting to NT\$3.45 million.



SMEs		
Product item/project name	Product and service contents	Achievements in 2024
Loans to small- scale and start-up enterprises	To build a financing environment favorable to SMEs, we provide loans to small and start-up enterprises.	A total of 7,681 cases have been underwritten, amounting to NT\$28.728 billion.
Factory loan	To help factories of SMEs in Kaohsiung with transitions, we provide factory loan programs to general or specific factories for CAPEX or revolving expenditures.	A total of 175 cases have been underwritten, amounting to NT\$15.522 billion.
Loan for SMEs innovative development project	To assist SMEs to promote international development with innovative and high-tech service models and encourage youth innovation, we provide them with innovative business revitalization and development funds.	A total of 2 cases have been underwritten, amounting to NT\$1 million.
Business and strategic loans	To help Kaohsiung City Government thrive business activity in Kaohsiung, stimulate the economy, and facilitate the development of SMEs and strategic industries, we offer these loans with our own funds.	A total of 35 cases have been underwritten, amounting to NT\$21 million.
Accelerated the investment loaning to SMEs	Mitigate the capital burden of SMEs, and promote industrial transformation and economic growth.	A total of 93 cases have been underwritten, amounting to NT\$551 million.
The Ministry of Economic Affairs grants SMEs the Post-Pandemic Revitalization Project loan.	Provide the working capital needed by SMEs to recover the economy after the pandemic, in order to assist SMEs to improve their competitiveness and restore business prosperity.	A total of 186 cases have been underwritten, amounting to NT\$398 million.
Loans granted by the Ministry of Economic Affairs for assisting SMEs in low-carbon and smart transformation, development of managed factories, and infrastructure optimization of specific factories	Assist SMEs in the low-carbon and smart transformation, or provide funds for working capital needed by specific factories and controlled factories subject to improvement plans authorized by municipal or county (city) governments.	A total of 56 cases have been underwritten, amounting to NT\$109 million.

Start-up and cultural and creative industries		
Product item/project name	Product and service contents	Achievements in 2024
Five Plus Two Industry Innovation Plan	To advocate the Five Plus Two Industry Innovation Plan of the Taiwanese government, we help seven key start-up industries obtain working capital, including intelligent machinery, Silicon Valley Asia, green energy, biomedicine, national defense, new agriculture, and the circular economy.	A total of 4,789 cases have been underwritten, amounting to NT\$53.289 billion.
Concessional loans for cultural and creative industries	To support the development of domestic cultural and creative industries, the Bank assists enterprises engaged in innovation or research and development in obtaining working capital. Cultural and creative industries meet the requirements of the "Concessional Loans for Cultural and Creative Industries" of the Ministry of Culture and the "Loan for SMEs Innovative Development Project" of the Ministry of Economic Affairs.	1 case underwritten Loan balance of NT\$1 million No new cases were underwritten in 2024.

Note: 1. Small-sized enterprises: Small and start-up companies that have been founded for less than five years, hire less than 20 employees, with capital below NT\$5 million, or annual revenue below NT\$10 million.

2. SMEs: Enterprises which have completed company registration or business registration in accordance with the relevant laws, and whose paid-in capital is no more than NT\$100 million, or which hires fewer than 200 regular employees. The following loan applicants [excluding public agencies or legal entities] which acquired business licenses issued by the competent authority by law are deemed to have implemented company or business registration as required by law:
- (1) Health care services or architectural firms
 - (2) Infant care centers, preschool or after-school care centers
 - (3) Private long term care facilities for seniors, private senior nursing institutions, private nursing homes or private physical and mental disability welfare agencies

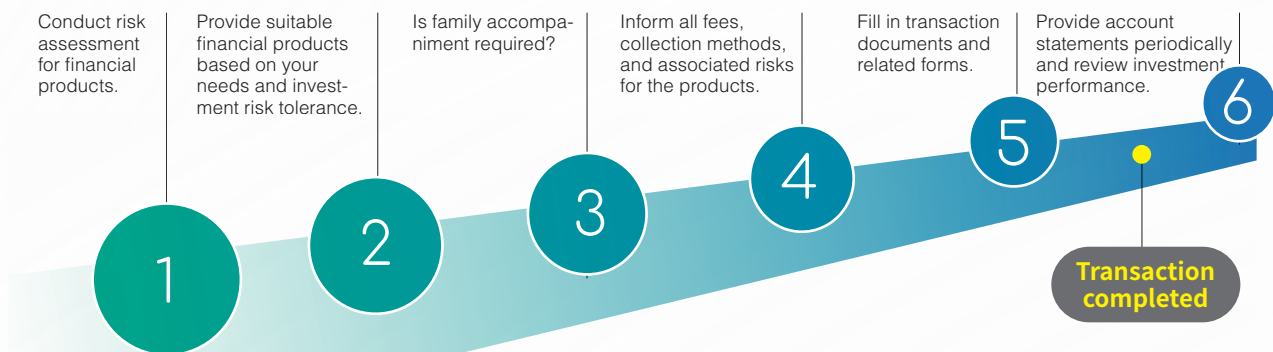
Financial Products and Services Build Responsible Financing

● Micro whole life insurance and micro accident insurance

Bank of Kaohsiung offers concessions on financial products for the underprivileged or grassroots financial services, such as micro whole life insurance (Cherished Micro Whole Life Insurance) and micro accident insurance. These products lower premiums and entry thresholds, making basic insurance protection accessible to elderly individuals or disadvantaged groups with limited budgets.

To enhance our financial-friendly services, we have produced business communication cards such as the “Insurance Application Process” and the “Investment and Wealth Management Service Process” to strengthen communication with customers and assist them in understanding our services.

◎ “Investment and Wealth Management” Service Process



● Policy loan interest subsidies or fees

In response to the loan pressure caused by global political and economic instability, government agencies have successively promoted various loan interest subsidy policies to help individuals and enterprises reduce their financial burden. As a local financial institution in the greater Kaohsiung area, we actively respond to government policies, assist in promoting relevant loan subsidy programs, and ensure that borrowers continue to receive stable and affordable financial support in a rising interest rate environment.

We have also long been committed to fostering youth entrepreneurship and revitalizing small and medium-sized enterprises (SMEs), leveraging government resources to provide financing assistance, helping young individuals realize their entrepreneurial dreams, and supporting high-quality local start-ups. This injects innovation into the regional economy, nurtures local innovation, and continuously promotes inclusive finance and regional integration.

Type	Item	The unit offering the subsidy	Interest subsidy
House loan	Buy an owner-occupied home	Ministry of the Interior	1.433% of subjects are in Type One. 0.858% of subjects are in Type Two.
	Siung Easy project for the house loan discount for the first-time homebuyers	Kaohsiung City Government	The subsidized interest rate is 0.25% for 3 years from the loan date.
Youth Entrepreneurship	Youth entrepreneurship and start-up loans	Ministry of Economic Affairs	Offer interest subsidies for loans below NT\$1 million for five years. Additional subsidies granted by Kaohsiung City Government: Offer interest subsidies for loans up to NT\$2 million for five years.
	Kaohsiung City Youth Entrepreneurship Loan	Kaohsiung City Government	The borrower may apply for up to three years of full interest rate subsidies. They may apply for up to five years if they have won an award in a national or international entrepreneurship and design contest.
	Youth entrepreneurship loan	Ministry of Culture	Full interest rate subsidy for five years is granted for loans below NT\$18 million.
SMEs	Disaster recovery loan	Ministry of Economic Affairs	The maximum total interest subsidy is NT\$500,000. The highest subsidized interest rate is the floating rate of Chunghwa Post's two-year time deposit + 0.5%. The maximum duration for the subsidy is six months.
	Post-pandemic revitalization project loan	Ministry of Economic Affairs	The maximum subsidy amount is NT\$35 million. The highest subsidized interest rate is the floating rate of Chunghwa Post's two-year time deposit. The maximum duration for the subsidy is one year, while for Type Two post-pandemic revitalization loans, it extends up to two years.



● Support youth entrepreneurship

Loan to Help you Realize Dream Soar High Youth Entrepreneurship Loan

[Bank of Kaohsiung] Youth Entrepreneurship Loan - Loan to Help you Realize Dream and Soar High

Youth Entrepreneurship Loan Section

Sharing of Youth Entrepreneurship Cases

● Reconstruction of unsafe and old urban buildings

Case background

Case 1 This case is located in the Arena business district of Gushan District, Kaohsiung City. The above-ground building is an old shopfront over 30 years old, with a total of 7 owners. Jun X Construction handled the acquisition and integration for the reconstruction of old and unsafe buildings. After demolition and reconstruction, a residential building with 19 floors above ground and 5 floors underground, offering 2 to 4-living units, is planned. The number of residential units can reach 149.

Case 2 This case is located in a prime area of Fengshan District, Kaohsiung City. The above-ground buildings consist of two old buildings over 30 years old. Following the completion of integration and acquisition by the new landowner, a collaborative effort was initiated with Ru X Development Company to demolish and reconstruct the old and unsafe buildings. A residential complex with 15 floors above ground and 3 floors underground is planned, with up to 70 residential units.

Overall benefits

- (1) The old and unsafe building reconstruction trust not only improves building safety and reduces disaster risk, but also provides residents with a more comfortable living environment. Through urban renewal and reconstruction of old and unsafe buildings, it also promotes the rational use of land resources and optimization of urban space.
- (2) Provide the "Financing Loans for Old and Unsafe Building Reconstruction Project" to address the problem of financing for the construction of buildings.
- (3) The "Self-construction Trust for Reconstruction of Old and Unsafe Buildings" is created to help monitor the construction progress. The construction funds are earmarked for exclusive use. We allocate the progress payment according to the actual construction progress and secure the progress payment.

● Siung Easy project for the house loan discount for the first-time homebuyers

In response to the Kaohsiung City Government's policy to subsidize citizens in purchasing their own homes, Bank of Kaohsiung launched the "Siung Easy Project for the House Loan Discount for the First-time Homebuyers" in 2023. This implements the concept of inclusive finance and helps first-time homebuyers with relatively limited resources achieve stable homeownership. Borrowers who meet the eligibility criteria of the First-Time Home Buyer Home Loan Interest Subsidy Program of Kaohsiung City Government may enjoy loans of up to NT\$8 million, with a maximum term of 30 years and a one-stage preferential interest rate of 2.17%.

As of the end of 2024, the project had underwritten 64 new mortgages amounting to approximately NT\$376 million in total. This not only helps individuals lower the threshold for home purchases, but also strengthens the fairness and accessibility of financial services, demonstrating our continued commitment to promoting local inclusive finance, social inclusion, and housing justice.

◎ Review evaluation items

Evaluation items	Evaluation descriptions	Standard for approval
Owner-occupied home	The building registration transcript for the first-time homebuyers granted the preferential house loan is primarily used to assess whether the house is occupied by the borrower as the house owner.	Any building registered with the word residence.
Domiciled in Kaohsiung City	Whether the borrower applying for loan under the Siung Easy project for the house loan discount for the first-time homebuyers is an adult domiciled in Kaohsiung City, and whether the residential property purchased by the borrower is located within the jurisdiction of Kaohsiung City.	The borrower is an adult domiciled Kaohsiung City, and the residential property purchased by him is located within the jurisdiction of Kaohsiung City.
First-time homebuyer's qualifications	First-time homebuyers for owner-occupied home (purchase of the first owner-occupied property by the borrower who has no owner-occupied property registered in the name of him), or relending for the first-time buyer of owner-occupied home.	Satisfy the qualifications for the first-time homebuyers for owner-occupied home (purchase of the first owner-occupied property by the borrower who has no owner-occupied property registered in the name of him), or relending for the first-time buyer of owner-occupied home.
Solvency	The debt ratio is used to assess the borrower's financial position and solvency.	Loans are approved only if the debt ratio is no more than 12 times (inclusive).

2. ③ Customer Care and Rights Protection

Service is one of our core competencies. We adhere to the fair customer treatment policy and organize various financial seminars to improve customers' resistance to financial risks. We are also committed to building long-term trust and dependence with customers and enhancing customers' loyalty. Our goal is to become the top one business partner of our customers, and to provide timely solutions and feedback whenever customers need them.

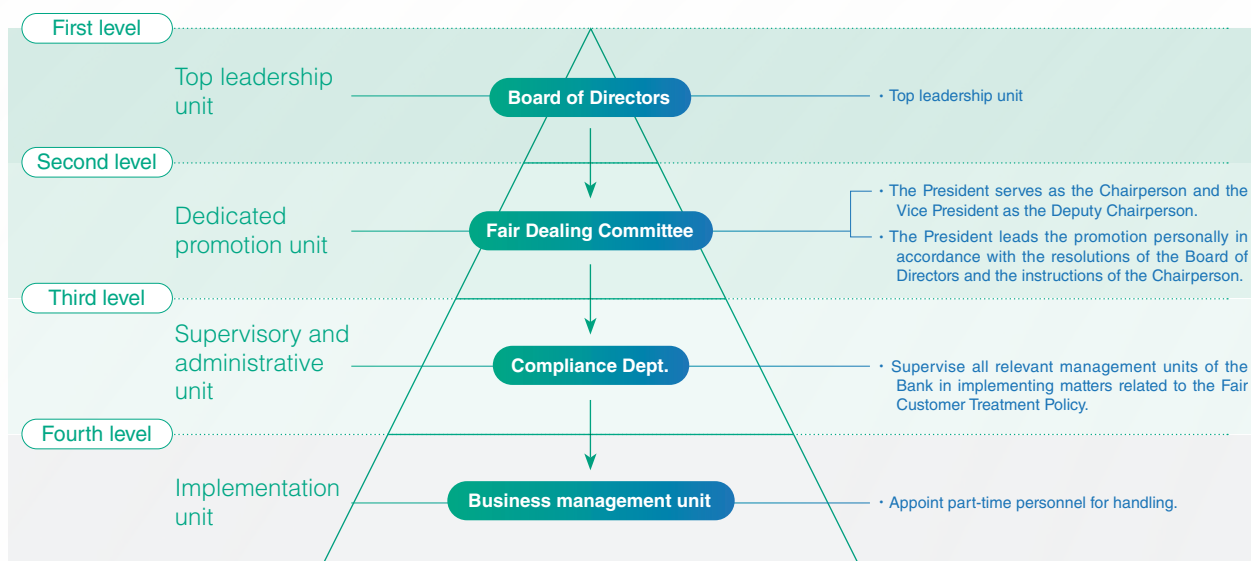
2.3.1 Implementation of Fair Customer Treatment Policy

To implement the "Financial Consumer Protection Act" and the "Fair Customer Treatment Principles in the Financial Service Industry", the Bank has established the "Fair Customer Treatment Policy and Strategy" and the "Consumer Protection Guidelines". We are committed to ensuring that all products and services, from design, advertising, sales, contract performance, service consultation to complaint handling, uphold the principles of fairness, integrity, and treating customers as family, reducing the risk of complaints and disputes, and improving overall service quality. In addition, before entering into contracts for financial products or services, we fully disclose risks to customers to protect their rights and maintain information equality and transparency.

In 2024, there was only one case where a financial consumer dispute arose due to failure to fulfill the product suitability assessment obligation in the sale of financial products. Immediate improvements and enhanced control mechanisms were implemented (see 2.3.2 Customer Care and Satisfaction for details). Throughout the year, there were no violations of product and service information or labeling regulations that led to penalties or legal actions by competent authorities, resulting in a total loss amounting to NT\$0.

● Organization structure and responsibilities

The Bank has established the Fair Dealing Committee chaired by the President, which holds regular meetings every six months to demonstrate our high regard for and commitment to implementing the fair customer treatment policy. In 2024, the committee completed the review on 2 discussion cases, 7 report cases, and 2 other report cases. The implementation status and results are reported to the Board of Directors to strengthen the consumer rights protection mechanism under corporate governance.





We have organized five major initiatives to exemplify our commitment and efforts in upholding the principle of fair customer treatment. These initiatives include enhancing service quality, safeguarding customer rights and interests, data compilation and reporting, optimizing friendly service measures, and continuing education and control.



Financial Products and Services Build Responsible Financing

In 1H and 2H of each year, we conduct the Self-Assessment on Fair Customer Treatment and Consumer Protection Results to analyze and review the effectiveness of the consumer protection mechanism and operation based on the outcome concluded by the self-assessment unit and report to the Board of Directors the outcome of the self-assessment on fair customer treatment and consumer protection result to ensure that the implementation of various businesses complies with laws and regulations, fair customer treatment policy and protection of consumers' interest and right. The outcome of the self-assessment unit was conformance in 1H of 2024, showing the commitment to the fair customer treatment and consumer protection and the effectiveness.

In addition, a total of 1,138 employees participated in internally organized and outsourced fair customer treatment related courses in 2024, with a completion rate of 99.91%.

◎ Results of the "Self-Assessment on Fair Customer Treatment and Consumer Protection Results" in 2024

Inspection aspects	Review results of the self-evaluation unit	Conclusion on the review results
<p>Adequacy of consumer protection system</p> <p>Integrity and accuracy of consumption information disclosure</p> <p>Effectiveness of consumption dispute handling mechanisms</p>	<p>The inspection was successfully completed in the first half of 2024, and the outcome of the self-assessment unit's evaluation indicated conformance. The review for the second half of 2024 is currently in progress.</p>	<p>1H of 2024: After integrated assessment, except for the opinions or recommendations made by the Board of Directors / Auditing Dept., various self-assessment units were confirmed to be able to implement our fair customer treatment and consumer protection operations based on the inspection results and strictly in accordance with the relevant laws and regulations. All self-assessment units carry out improvement based on review opinions or advice proactively.</p> <p>2H of 2024: Review is in progress.</p>

◎ Specific measures for optimizing finance-friendly services of the Bank

- We have established the Regulations Governing Rewards for Implementation of Finance-Friendly Services, whereby units with excellent finance-friendly service performance are entitled to bonus points in the Compliance Implementation Effectiveness Evaluation, and employees with excellent finance-friendly service performance will be given one commendation.
- In 2024, three branches and one employee met the award criteria, with bonus points granted in the unit's compliance effectiveness evaluation and one commendation awarded to the employee. By offering rewards to the clerks and units, we deeply root the concept of friendly service among employees and shape our corporate culture of fair customer treatment.
- Conduct "Finance-Friendly Simulated Response Education and Training" to familiarize the employees with finance-friendly service process for the physically and mentally disabled.
- Starting in 2024, the business management unit has designed scenarios and simulated responses for the financial-friendly services that may be needed by customers with various types of physical and mental disabilities in the businesses under its management, and provided role-playing exercises for branch employees to practice the simulated responses in accordance with the designed scenarios.



2.3.2 Customer Care and Satisfaction

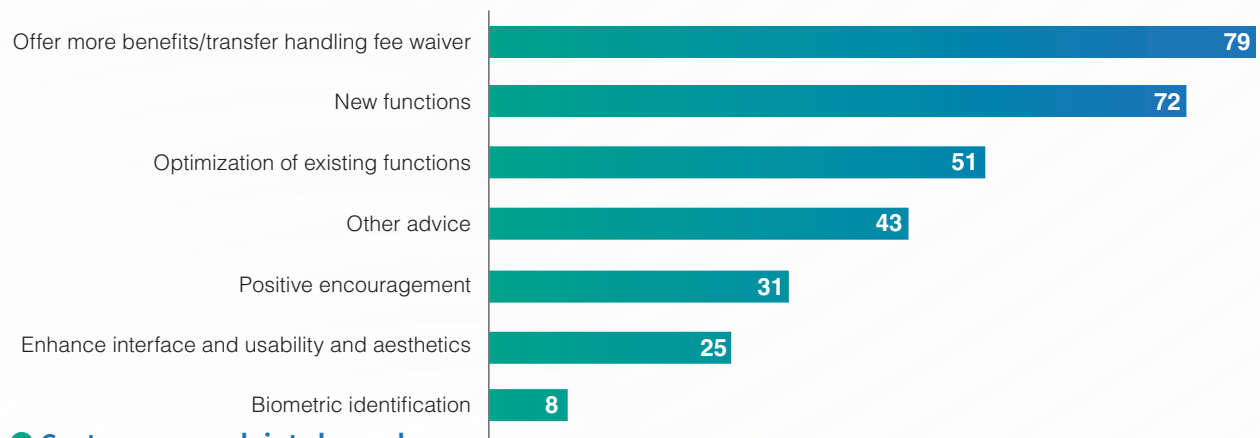
● Customer satisfaction

The Bank conducts customer satisfaction survey once a year and plans to conduct an satisfaction survey in 2025 with an outside organization in order to improve internal and external communication and enhance the Bank's service quality.

● Digital financial service satisfaction

We endeavor to improve our financial digital experience, collect feedback on mobile banking, and examine the data to find the content that can be optimized as the reference for subsequent projects. We performed online surveys regarding our mobile banking satisfaction survey on digital financing at the end of 2021, invited customers who logged in to the mobile bank to fill out the survey, and collected 2,502 surveys. This is what we found:

Our bank classifies customer direct suggestions into seven distinct categories. When our mobile bank brings up an improvement plan, we will refer to this data, analyze the cause, and execute optimization and adjustment.



● Customer complaint channels

Bank of Kaohsiung
Customer Service Center

24-hour Service Hotline
0800-751068 (landline only)
07-5561804

Customer Service Mailbox
service@mail.bok.com.tw

● Customer feedback mechanism

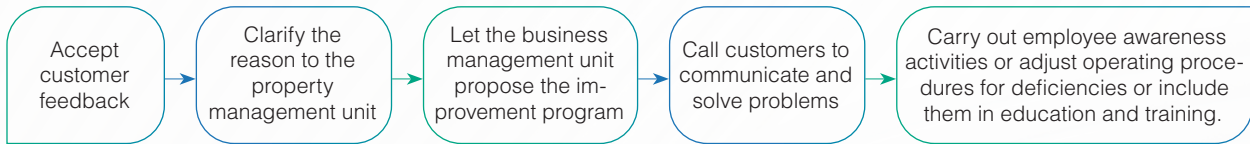
To treat customer opinion properly and show that we care about customer feedback, we set up the Directions for Bank of Kaohsiung Customer Opinion Handling Management, which specifies that the reason for customer complaints, improvement measures, and progress must be reported for the Fair Dealing Committee every quarter.

● Our procedures for accepting and handling complaints



Financial Products and Services Build Responsible Financing

● Procedure for handling of customer feedback



We received 14 customer complaint events in 2024. We always find out what happened and explain the reason to the customer, with a 100% closure rate. Next, we inform our employees of the customer feedback or include the customer feedback into the education and training. We listen to and handle customer's opinions proactively, take the opinion on the chin, and enhance customer service.

Type of counseling	Number of complaints	Description of complaints in 2024	Improvement actions
Wealth management	1	Complaint regarding the Bank's failure to fulfill product suitability assessment obligations in selling financial products.	
Digital mobile services	1	Feedback regarding branch's handling of debit card unlocking services, where lack of familiarity with procedures caused customer inconvenience.	Prevent recurrence of similar incidents, and strengthen business awareness, education and training.
Deposit business	3	In-person remittance transaction failed and the applicant was not notified; lack of familiarity with procedures caused customer inconvenience.	
Service attitude	8	Failure to address related business matters promptly, prolonged customer wait times, or inadequate communication and service processes that result in a negative customer experience.	Strengthen awareness and include as a target group for service etiquette training.
Others	1	In response to customer needs, a customer requested the remitter's account number at a branch but was denied. This situation has raised concerns regarding the Bank's legal expertise.	Strengthen business awareness and business education and training.

● Promote financial knowledge-related activities

In order to deepen financial knowledge and improve the ability of all ethnic groups to use financial tools and services, we are committed to organizing various types of lectures and exhibitions to provide the public with information on various financial instruments and investment analysis suggestions, in order to enhance the financial inclusion of society as a whole, and assist customers in realizing financial management, sustainable development, improvement of quality of life, and upgrading of elderly care.

Wealth management and investment seminar

Conduct in-person financial knowledge promotion activities for students, customers with disabilities, Indigenous peoples, and new residents.

Session

Total 5 sessions

Number of participants

562

- Promote the investment and wealth management concept, introduce financial products and investment trends in the global market to develop the good habit to engage in systematic investment and wealth management.
- Explore the potential of AI technology to create well-being and profits.
- Provide relevant knowledge and assist disadvantaged groups and residents in rural areas with trust or financial needs to address their issues.

Introduction to electronic payments

Session

Total 4 sessions

Number of participants

454

- Provide low-carbon worship seminars for religious groups

Digital finance

Session

Total 1 session

Number of participants

10

- Digital Financial Services: Stop, Look, Listen

Green energy business and financial knowledge promotion

Session

Total 1 session

Number of participants

30

Participated in the 2024 Financial Services Charity Carnival, promoting financial literacy and green energy business to advance financial inclusion.



Trust seminar

Session
Total 25 sessions

Number of participants
948

For customers in need of trusts, whether they are lawyers, district courts, rare disease foundations, or community development associations, we work with them to organize the trust promotion activities proactively. We also work with various city/county governments' departments of social welfare, courts, local governments and welfare groups to organize numerous trust awareness seminars to convey how the trust mechanism protects the concerned parties, through the face-to-face interaction.

Anti-fraud seminar

Session
Total 1 session

Number of participants
100

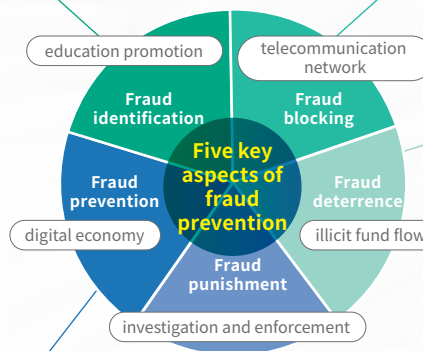
Anti-fraud knowledge chatroom

2.3.3 Preventing Financial Fraud

With the emergence of new types of fraud, the Bank proactively established the "Bank of Kaohsiung Anti-Fraud Team" in 2024 and set up an "Anti-Fraud Awareness Section" on the official website to provide the latest fraud cases and prevention knowledge. Referring to the Executive Yuan's "New Generation Anti-Fraud Strategy Action Plan 2.0," a comprehensive anti-fraud mechanism has been established involving five aspects: "fraud identification, fraud blocking, fraud deterrence, fraud punishment, fraud prevention". Integral to these efforts is the incorporation of anti-fraud education. The Bank regularly hold anti-fraud seminars and conduct outreach in communities and schools, with the aim of achieving three major goals: "enhance public fraud awareness, reduce the number of fraud cases, and lower financial losses". In addition, through the internal reward system, the Bank recognizes employees who successfully block fraud, encouraging frontline employees to take a proactive approach in caring for customers, identify abnormal transactions, and jointly safeguard the financial security of the public.

● Five key aspects of fraud prevention

- ① Conduct anti-fraud awareness for wealth management customers, promoting concepts such as financial management, identifying high-profit traps, risk diversification, tax planning, and anti-fraud financial concepts. A total of 5 sessions were held in 2024, with 148 participants.
- ② Promote financial anti-fraud awareness and establish correct financial management concepts in local schools. A total of 1 session was held in 2024, with 10 participants.
- ③ Promote financial anti-fraud awareness in schools, communities, organizations, and remote areas. A total of 64 sessions were held in 2024, with 3,300 participants.
- ④ Anti-fraud Knowledge Chatroom Seminar: a total of 1 session was held in 2024, with 100 participants.



- ① Monitor suspicious transactions through abnormal transaction monitoring reports and proactively care for customers.
- ② Implement warning account and gray list management to promptly identify potential risks and prevent fraud.
- Regularly share successful and unsuccessful counter cases at the counter to enhance bank employees' skills in caring inquiry.
- ① Establish a cooperation mechanism with the Kaohsiung City Police Department to strengthen reporting and joint defense effectiveness.
- ② Assist police investigations and exchange intelligence.

Participate in the Eagle Eye Anti-Fraud Alliance, utilizing the Eagle Eye AI model to enhance the efficiency and accuracy of identifying suspicious accounts through big data analysis, machine learning, and natural language processing.

● Fraud prevention results

Year	Amount of fraud prevented (NT\$10,000)	Amount of fraud prevented (US\$)	Number of successfully prevented cases	Reward method
2023	900	5,500	16	29 employees received commendations
2024	2,200	0	15	22 employees received commendations



2. ④ TCFD Climate Change Risk Management

2.4.1 Instruction on TCFD Execution and Future Plans

Bank of Kaohsiung actively responds to the risks and opportunities brought by climate change. Following the TCFD framework and the latest guidelines from the competent authorities, the Bank has built a resilient climate governance system involving four aspects: “governance”, “strategy”, “risk management”, and “indicators and goals”. Through policy guidance and supervision from the Board of Directors and senior management, the Bank has systematically identified material climate topics, introduced scenario analysis and financial impact assessment, and linked these with business strategies and asset allocation to gradually promote sustainable transformation. In the future, the Bank will also align with IFRS S1/S2 standards, further deepen climate information disclosure, and improve indicator monitoring mechanisms to fulfill its commitment to a low-carbon economy and sustainable finance through concrete actions.

Governance		
Description	Promotion and planning summary	Highlights and performance
Ensure that the Board of Directors and top management fully understand climate risk topics, and include them into corporate strategy and risk management processes. Exert the function of risk identification and management, response strategy, and supervision management.	<ol style="list-style-type: none"> 1. Specialized divisions under the Sustainable Development Committee implement effective management of climate opportunity topics, and apply climate topic management to corporate governance processes. 2. Each business unit regularly reports the status of climate risk control to the Risk Management Committee, Audit Committee, and Board of Directors. 3. We put climate risk factors into consideration for risk appetite and integrate climate change risk factors with loan and investment and product review processes. 	<ul style="list-style-type: none"> • Bank of Kaohsiung has stipulated the “Sustainable Development Best Practice Principles” and “Climate Risk Management Guidelines” to implement sustainable and climate risk management mechanisms. • In 2024, a total of 35 sustainability and climate-related education courses were held, with 450 participants. • Continue to advance the development of green financial products while placing an emphasis on the management of climate change risks.

Strategies		
Description	Promotion and planning summary	Highlights and performance
Analyze and disclose existing short, mid, and long-term risks and opportunities under climate change, and assess impacts on the financial planning of corporations. Next, bring up the management approach, solutions, and development direction.	<ol style="list-style-type: none"> 1. With regards to climate risk, identify and evaluate the risks and opportunities related to operation, strategy, products, and financial planning in different periods (short-, medium-, and long-term). 2. Set up a management approach based on identified climate risks and connect it to the existing risks. Next, we propose short-, medium-, and long-term work projects and targets. 3. We collect domestic and international study reports on climate based on the TCFD Guidelines. 15 risk topics and 10 opportunity topics have been collected for us. The Bank worked with an external counselor team to formulate the management approaches for the top 5 risks identified, the top 3 opportunities identified, as well as a climate action plan for future follow-up. 	<ul style="list-style-type: none"> • Plan to introduce the Science Based Targets Initiative (SBTi), set and implement carbon reduction targets, and aim to sign the Science Based Targets Initiative by 2026. • For identified material climate opportunities, relevant departments formulate corresponding management approaches. • Plan to introduce an internal carbon pricing mechanism to guide investment and operational net-zero transformation.



Risk management		
Description	Promotion and planning summary	Highlights and performance
With regards to the risks and opportunities evaluated, we find the impacts or benefits to company operation brought by the risks and opportunities via the quantification method of financial impact. Later on, we formulate the management process and method for the result.	<ol style="list-style-type: none"> 1. We will include environmental, social, and company governance (ESG) topics into our loan and investment businesses. We pay attention to, analyze, and evaluate the risks and opportunities related to credit customers and investees. 2. Strengthen management of climate risks, enhance transparency. Enhance identification of climate risks based on the Task Force on Climate-Related Financial Disclosures (TCFD), execute financial impact and stress tests, and quantitatively evaluate whether we have operational resilience regarding the risk. 3. We carry out scenario analysis based on the methodology stipulated by the FSC, and the methodology of external consultants. Evaluate the exposure of our loan and investment departments, and loans for high risk industries. Assess the impairment of business locations and collateral due to physical risks. Draw up response strategies based on the evaluation results to respond to climate change risks in advance. 	<ul style="list-style-type: none"> • We added the control over the total credit and investment balance for industries with high TCFD sensitivity, and including the monitoring status in the risk management report, which is submitted to the Risk Management Committee on a monthly basis and to the Audit Committee and Board of Directors on a quarterly basis. • The proportion of highly sensitive industries in the Bank's total industrial exposure decreased from 13.49% to 12.73%. • Based on the requirements set forth by the FSC and relevant authorities, the Bank continuously refines and improves its climate risk scenario analysis model.

Indicators and goals		
Description	Promotion and planning summary	Highlights and performance
Set explicit climate objectives, establish corresponding monitoring mechanisms to track performance, and report overviews of the execution of climate tasks.	<ol style="list-style-type: none"> 1. Carry out greenhouse gas inventory operations for all branches, and complete the 2024 greenhouse gas emission inventory and third-party verification in March 2025. 2. Set our goals for energy conservation and carbon reduction. Plan to reduce greenhouse gas emissions within Scope 1 and Scope 2 by 4.2% per year. 	<ul style="list-style-type: none"> • In 2024, Scope 1 and Scope 2 emissions were reduced by 2.29%. • In 2024, the balance of financing for solar energy and green technology reached NT\$17.6 billion, representing an increase of over NT\$7 billion compared to 2023, and a growth rate of approximately 67%. • A financial carbon emission inventory was conducted for financial assets in 2024, with a coverage rate of 98.08%, up 47.13% from 50.95% in 2023.

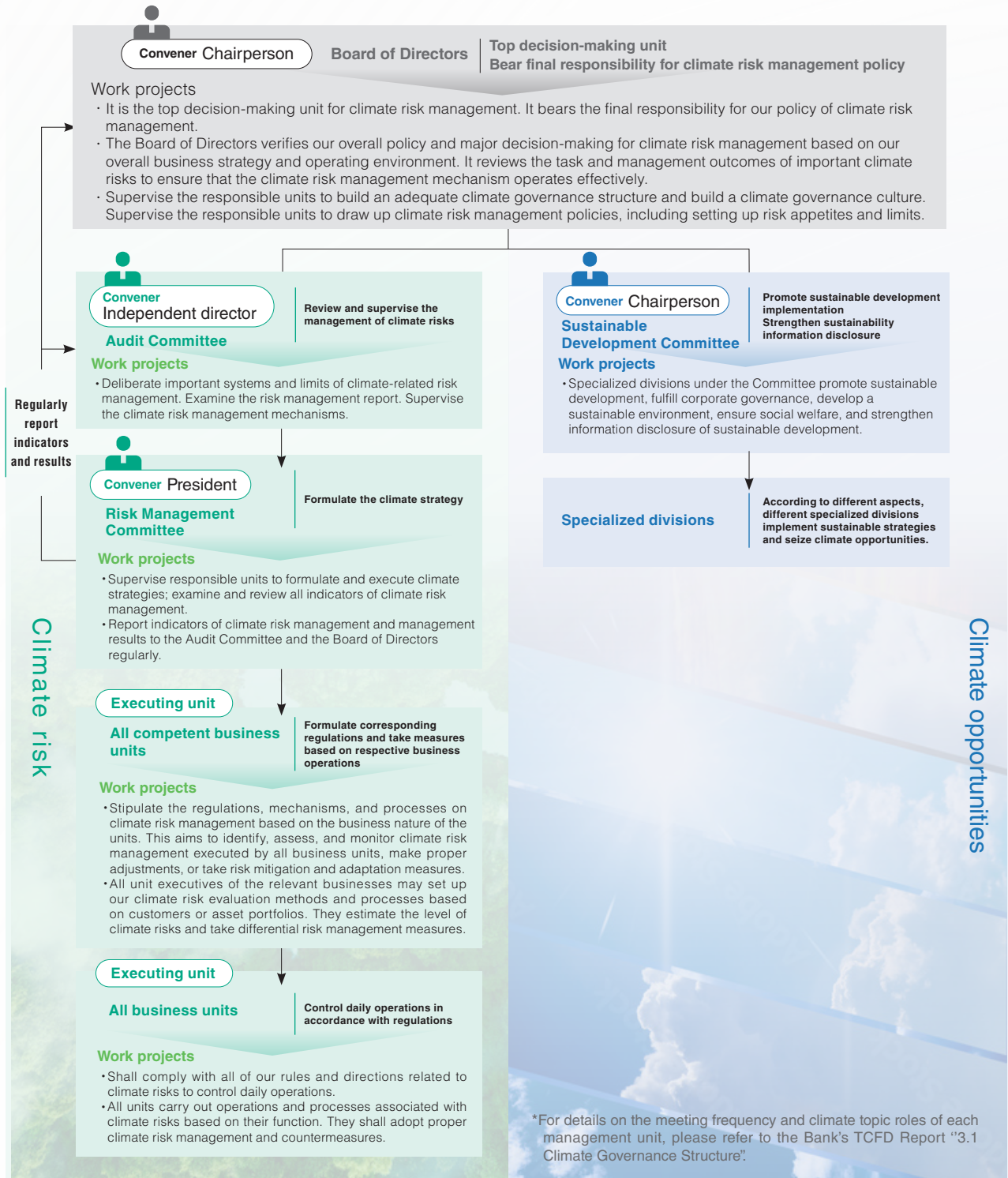
2.4.2 Climate Governance

Bank of Kaohsiung is fully aware of the impacts incurred from climate change. Therefore, the Board of Directors and top management care about the management and supervision of climate-related risks very much. This sets the foundation for a corporation to respond to climate change successfully. Through active climate governance measures, we reduce loss and risks incurred from climate change. In addition, we create more green business opportunities and help corporations increase competitiveness. As our major driving forces for response to climate change topics, the Board of Directors and top management continue to search for ways to create low carbon environmental protection during daily operations, and take action to fulfill corporate sustainable development. We believe that with the efforts of all of our employees, we can do our bit to protect the Earth's environment and create a better tomorrow for the world in the future.

Financial Products and Services Build Responsible Financing

Climate governance framework

In order to establish an effective climate governance framework, Bank of Kaohsiung has clearly defined the organizational structure and the functions of climate risk management for the Board of Directors, relevant committees and divisions, and three lines of defense for internal control. The Board of Directors is the highest governance body of the Bank on climate change related topics. It is responsible for directing, supervising, and managing our exposure to climate risks, and takes the final responsibility for our policy of climate risk management.





● Responsibilities of the Board of Directors

Supervision of climate-related topics by the Board of Directors

The Board of Directors of Bank of Kaohsiung is the highest governance unit for climate change-related topics, bearing the ultimate responsibility for supervision and management of these topics. To fully understand the impact of climate risks on the Bank, directors also attend sustainability and climate-related courses and participate in ESG forums. According to the Regulations Governing Credit Extension and Investment Sector Limits, we control over the total credit and investment balance for industries with high TCFD sensitivity, and include the monitoring status in the risk management report, which is submitted to the Risk Management Committee on a monthly basis and to the Audit Committee and Board of Directors on a quarterly basis. In 2024, after discussion by the Board of Directors, short-term goals were set to improve the “Sustainable Finance Evaluation” and “Climate-related Financial Disclosure (TCFD) Report Evaluation” scores.

External consultant guidance

Since 2023, Bank of Kaohsiung has engaged external consultants to provide TCFD advisory services, financial impact assessments of physical/transition risks, financial greenhouse gas emissions, improvement of the sustainable procurement system, application for international carbon reduction initiatives, and other services. A working group was also established to promote the introduction of carbon reduction strategies. The Bank has launched the SBT project since 2025 and plans to submit SBT carbon reduction targets by 2026.

Education and training for the Board of Directors

In response to the development trends and latest regulations related to corporate governance, we offer diverse advanced training courses of external agencies to board members to strengthen their necessary abilities to perform their duties. All of the continuing education attended by directors in 2024 meet the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. A total of 10 sustainability-related courses were provided, with an average of 7.09 hours of training per director. The courses mainly focused on the impacts and responses faced by the financial industry under sustainability trends.

● Duties of senior management

Supervision of climate-related topics by senior management

Senior executives participate in various committees, including the Sustainable Development Committee, Audit Committee, Risk Management Committee, etc., to discuss climate and nature-related topics, supervise implementation results, and report the management results of each committee to the Board of Directors. Business unit executives must comply with all relevant regulations of the Bank, integrate them into daily operations, and execute control measures. In 2024, two meetings of the Sustainable Development Committee were held, including:

Revisions to Bank of Kaohsiung 2023 TCFD Report

2025 ESG Sustainable Development Plan

Continuous Improvement of SDGs Projects

Report on the Implementation Results of the Sustainability Plan

Senior management education and training

For senior management, three sustainability-themed courses were planned in 2024, covering key topics such as sustainable transformation strategies and industry trends. The average training hours per senior executive reached 4.65 hours, helping to enhance sustainable governance thinking and promotion effectiveness.

Linking sustainability performance

Remuneration of managers is determined based on duties of the position, performance, capability and external remuneration level in the market, and implemented based on decisions of the Remuneration Committee and the Board of Directors. To determine the rationality of the remuneration of the manager, we analyze salary competitiveness, evaluate manager salary, regularly examine relevant regulations, and propose the remuneration to the Remuneration Committee and the Board of Directors for approval. If the President, Vice President, Chief Auditor, and the Chief Compliance Officer is involved in an illegal act and hurts our profit, the Board of Directors shall determine to dismiss the director and terminate remuneration distribution, and impose the necessary penalty as required by regulations.

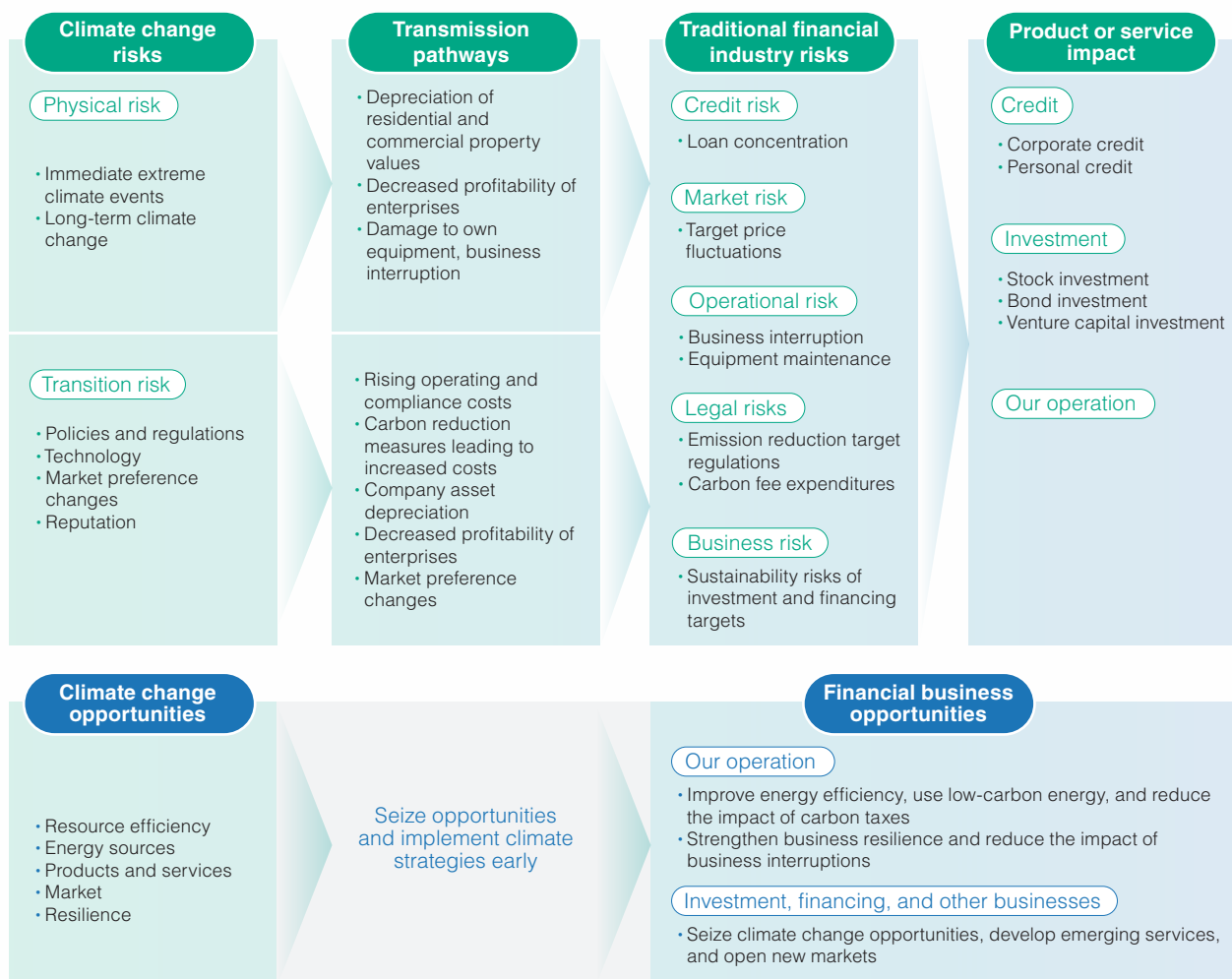
To strengthen the governance mechanism for sustainable development, the Bank incorporates performance indicators of material sustainable development topics into the annual business goals (KPI) of business management units and links them to the performance bonuses of unit executives. The Vice President and the Chief Compliance Officer comprehensively evaluate and grant performance bonuses based on the assessment results of the supervised management and business units, serving as indicators linking senior management remuneration to ESG-related performance evaluations. In the future, the Bank plans to gradually increase the proportion of sustainability-related performance in the remuneration system to continuously implement a sustainability-oriented compensation mechanism.

2.4.3 Climate Strategy

Linking climate risk with sustainable low-carbon financial decision-making to strengthen Bank of Kaohsiung's long-term competitiveness

Bank of Kaohsiung follows the TCFD framework, focusing on strategic evaluation of the impact of climate change on business operations and finance. By identifying transition risks and physical risks, the Bank analyzes their potential impact on investment, financing, and operations, and uses climate scenario analysis as a basis for adjusting resource allocation and planning response strategies. Looking ahead, the Bank will continue to strengthen climate resilience and transition readiness, incorporating climate risks into long-term business strategies.

Climate-related risk and opportunity transmission pathway diagram



Climate-related risk and opportunity identification process

To effectively respond to the risks and opportunities of climate change, Bank of Kaohsiung is accelerating its low-carbon transition, integrating climate considerations into daily operations and long-term planning. The Bank has established a comprehensive climate risk identification process, covering risk types, impact timelines, value chain impacts, loss magnitude, probability of occurrence, as well as the interaction between climate and financial risks and business characteristics. This process helps accurately assess the potential impact of climate risks on the Bank, enabling the adoption of proactive measures that emphasize both "mitigation" and "adaptation", strengthening climate resilience and seizing sustainable development opportunities.



STEP 1 Collection of climate- related topics

We and an external expert team follow the guidelines of the TCFD framework, collect international climate-related study reports, and domestic and international government regulations on the climate regularly to build a database of climate-related problems. We also refer to the evaluation reports on climate-related risks and opportunities from other domestic and international financial companies when building this database.

We collect domestic and international study reports on climate based on the TCFD Guidelines. 15 risk topics and 10 opportunity topics have been collected for us.

STEP 2 Organize and evaluate interactions between climate risks and opportunities and business impacts

By interviewing all business units, we discuss how climate-related topics affect us depending on the business nature of these units. We include external perspectives as internal topics to check if they meet the nature of the financial industry. Adjust discussions on all topics again to make sure that they become more relevant to our future strategies for business development.

In 2024, we held 35 sessions of education and training and 7 cross-departmental interviews focusing on the climate topic.

STEP 3 Assess the influence of climate-related risks and opportunities

Collect opinions from all units on the influence, likelihood, and affected timeframe of risks and opportunities via interviews, summarize opinions, and set the quantization level.

Likelihood of climate risks and opportunities		Climate risks and opportunity impact levels	
Extremely Likely	Once every 1-3 months	Extreme	The Bank faces severe financial impact, with financial impact or benefit exceeding NT\$50 million.
Highly likely	Once every 3-12 months	Serious	The Bank faces major financial impact, with financial impact or benefit between NT\$25 million and NT\$50 million.
Moderately likely	Once every 1-3 years	High	The Bank faces high financial impact, with financial impact or benefit between NT\$5 million and NT\$25 million.
Unlikely	Once every 3-5 years	Medium	The Bank faces moderate financial impact, with financial impact or benefit between NT\$50,000 and NT\$5 million.
Extremely unlikely	Once in more than 5 years	Minor	The Bank faces minor financial impact, with financial impact or benefit less than NT\$50,000.

Timeframe		Description of existing risks	
Time period	Year	Type of risks	Risk description
Short-term	Within 1 year 2025	Credit risk	Credit business: Physical climate disasters or environmental change trends lead to an increase in customer default rates, raising the risk of loan losses. Real estate: Climate disasters cause damage or environmental change trends lead to fluctuations in real estate valuations, resulting in higher bad debt rates.
		Market risk	Equity investment: Environmental change trends cause a decline in the value of equity investments in certain industries. Obligatory rights investment: Policies or physical disasters affecting the value chain cause bond price volatility or changes in market value.
Long-term	More than 5 years After 2030		Operational risk

STEP 4 Assess material risks and opportunities

We calculate the score of climate risks or opportunities quantitatively based on the impact degree and likelihood, and consider our resources, cost efficiency, and data accessibility. We sort the materiality of climate risks and opportunities based on the results.

We distributed 28 questionnaires on “Climate Change Risks and Opportunities Identification for Overall Operations” to our middle-level and senior-level managers, and 27 valid questionnaires were collected.

STEP 5 Formulate our management approach and measures

In response to the identified material climate risks and opportunities, the Bank conducted evaluations based on the impact pathways, timeframe, territorial ranges, value chain location, and financial impacts. The Bank has also consolidated its existing response measures, internal resources and execution performance, and worked with various departments to develop feasible management approaches for the future and formulate corresponding climate action plans.

The Bank worked with an external counselor team to formulate the management approaches for the top 5 risks identified, the top 3 opportunities identified, as well as a climate action plan for future follow-up.

STEP 6 Report climate-related risks/opportunities

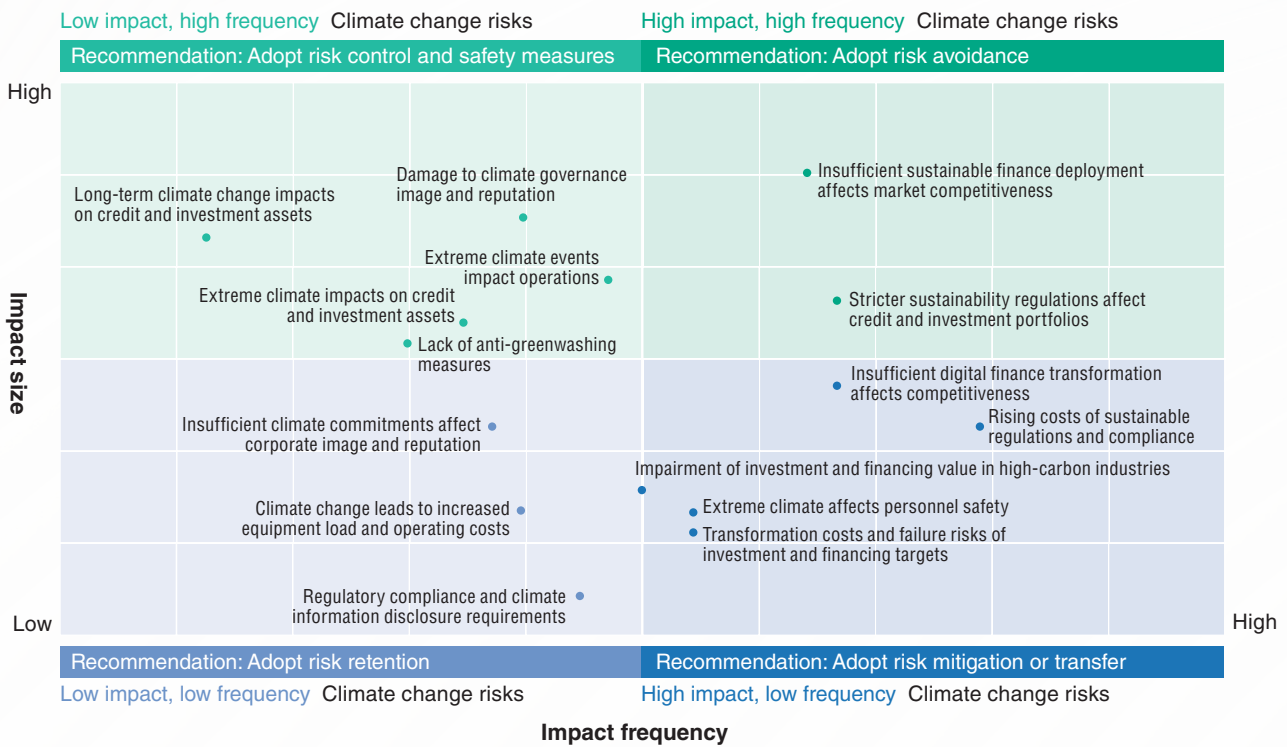
For the identified climate-related risks and opportunities, as well as corresponding mitigation, adaptation measures, and response strategies, the Bank discloses them together with the annual Sustainability Report or Climate-related Financial Disclosure Report after approval, to enhance information transparency and respond to stakeholder expectations.

The Bank continues to disclose the TCFD section in our Sustainability Report and prepare and disclose the Climate-related Financial Disclosure Report annually. In the future, we will incorporate IFRS S2 content to align with international standards and further enhance the quality of climate information disclosure and the effectiveness of stakeholder communication.

● Description of the results of climate risk identification

Bank of Kaohsiung follows the TCFD framework to comprehensively assess climate-related risks and opportunities, covering physical risks as well as transition risks such as policies and regulations, technology, market, and reputation, and their potential short- and long-term impacts on the Bank's operations. In 2024, we identified 15 climate risk topics, which were evaluated by unit executives for their likelihood and potential impact, and ranked for materiality as a basis for subsequent risk management and strategy planning. The relevant identification results are also incorporated into the governance structure of the Board of Directors and the Sustainable Development Committee, promoting cross-departmental collaboration, formulating specific response strategies and management approaches, strengthening climate resilience, and ensuring sustainable operations. We will conduct in-depth analysis of the top five identified climate opportunities to formulate corresponding strategies, and detail their management approaches in the "4.3 Management Approach of Material Climate Risks" section of the Bank's TCFD report for stakeholders' reference.

◎ Bank of Kaohsiung's climate-related risk matrix



◎ Table of climate risk identification topics

Risk factor	Risk event	Credit risk		Market risk		Operational risk		Risk events and aspects being influenced
		Credit business	Real estate	Equity investment	Obligatory rights investment	Company operations	Own assets	
Transition risk Market	Short- and medium-term – Insufficient sustainable finance deployment affects market competitiveness	■		■	■	■		If we do not actively develop green finance, sustainable credit extension, and sustainable investment and financing products and services, we risk missing out on market opportunities related to climate change, and diminished willingness among customers to engage with us, ultimately resulting in lost business and a decline in revenue.
Transition risk Policies and regulations	Short-term – Stricter sustainable regulations affect credit and investment portfolios	■	■	■	■	■		To mitigate climate change, stricter policies or regulations on carbon fees, emission reduction/target and reporting obligations may reduce the operating profits of our credit and investment targets and affect corporate bonds. (Example: The FSC has formulated the second edition of the "Guidelines for the Determination of Sustainable Economic Activities" and the "Suggested Items for Transition Plans", requiring companies to meet certain conditions to qualify for sustainable financing and investment. If our existing financing and investment targets do not meet these standards and must be removed, it will impact our financing and investment returns.)



Risk factor	Risk event	Credit risk		Market risk		Operational risk		Risk events and aspects being influenced
		Credit business	Real estate	Equity investment	Obligatory rights investment	Company operations	Own assets	
Transition risk Policies and regulations	Short-term — Rising costs of sustainable regulations and compliance	■	■	■	■	■	■	As climate change issues intensify, the government has introduced greenhouse gas reduction requirements, carbon fees, and related regulations to achieve the 2050 net zero carbon emissions target, which may increase our bank's energy costs. In addition, it may be necessary to purchase carbon credits and renewable energy certificates to offset carbon reduction results, leading to higher operating costs for our bank.
Transition risk Technology	Short- to medium-term — insufficient digital financial transformation affects competitiveness	■		■	■	■		If the Bank fails to keep pace with environmental changes by developing financial technology and leading green financial flows through digital finance and electronic services for paperless and energy-saving carbon reduction, it may reduce customers' willingness to interact with the Bank and affect the revenue.
Physical risk Immediate risk	Short-term — Extreme climate events impact operations					■	■	Abnormal events caused by extreme weather such as typhoons and heavy rainfall (e.g. flooding due to extreme rainfall) may damage buildings, business operations, and information equipment within the operational scope of Bank of Kaohsiung, and could even result in the Bank being unable to operate, causing direct impact to each business location.
Transition risk Reputation	Long-term — Damage to climate governance image and reputation	■	■			■		If the Bank's credit customers are implicated in incidents of environmental pollution, and these events receive negative coverage from the media, it is likely that general consumers, investors, and other credit customers may perceive the Bank as environmentally unfriendly (e.g., investing in highly polluting industries), which could indirectly affect the Bank's reputation and earnings. In addition, if the Bank does not actively engage in climate change topics of concern to stakeholders, it will impact the Bank's image and reputation, resulting in customer attrition and declining revenue.
Physical risk Immediate risk	Short-term — Extreme climate impacts on credit and investment assets	■	■	■	■			Abnormal events caused by extreme weather such as typhoons, floods, and heavy rainfall may cause losses to the equipment, personnel, and property of companies targeted by Bank of Kaohsiung's investments and financing, resulting in asset impairment or repayment difficulties, which indirectly threaten the Bank's financial security.
Physical risk Immediate risk	Short-term — Extreme climate affects personnel safety					■	■	Disasters caused by extreme weather such as typhoons, floods, and heavy rainfall may result in the employees of Bank of Kaohsiung being injured during commuting, at the workplace, or while assessing disaster damage.
Transition risk Technology	Long-term — Transformation costs and failure risks of investment and financing targets	■	■	■	■			The Bank's investment and financing targets may face future regulatory restrictions, compelling companies to transform or develop more energy-efficient and environmentally friendly products and technologies. In this process, they may encounter additional technology development costs or risks of unsuccessful transformation, which could indirectly affect the Bank's earnings.
Transition risk Market	Long-term — Impairment of investment and financing value in high-carbon industries			■	■	■		With the global trend toward sustainable finance, the market's willingness to invest in high-carbon and highly polluting industries is decreasing. This may lead to a revaluation and devaluation of Bank of Kaohsiung's high-carbon and high-pollution industry assets by the market, or result in missed potential returns from investing and financing in high-carbon industries, causing impairment of investment and financing value.
Transition risk Reputation	Long-term — Lack of anti-greenwashing measures	■	■	■	■	■		If the Bank fails to implement effective measures to prevent greenwashing in investment and financing, stakeholders may question the effectiveness of the green products launched, affecting the Bank's reputation, earnings, while also heightening compliance-related risks.
Transition risk Reputation	Long-term — Insufficient climate commitments affect corporate image and reputation	■	■			■		If the Bank does not actively engage in climate change topics of concern to stakeholders, such as achieving carbon reduction targets and green finance, it will impact the Bank's image and reputation, resulting in customer attrition and declining revenue.
Physical risk Long-term risk	Long-term — Long-term climate change impacts on credit and investment assets	■	■	■	■			For long-term climate change, such as extreme drought causing fires and water shortages, or rising sea levels causing flooding in low-lying areas, the operating costs of Bank of Kaohsiung's investment and financing targets may increase, and may even lead to business interruptions, thereby impacting the Bank's investment returns.

Financial Products and Services Build Responsible Financing

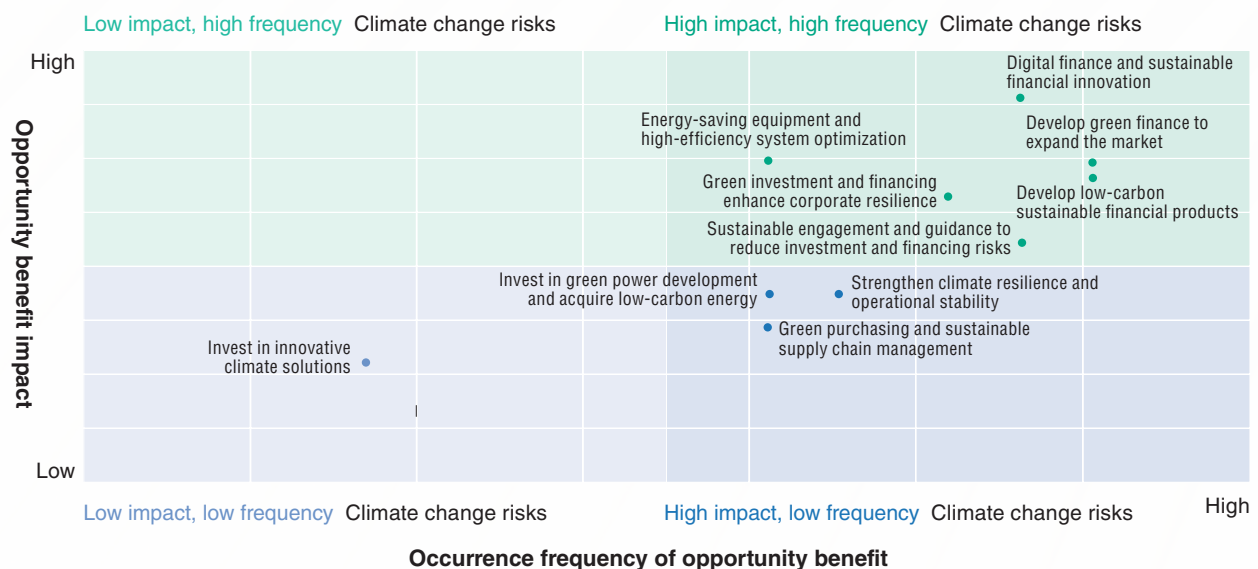
Financial related Risk factor	Risk event	Credit risk		Market risk		Operational risk		Risk events and aspects being influenced
		Credit business	Real estate	Equity investment	Obligatory rights investment	Company operations	Own assets	
Physical risk Long-term risk	Long-term – Climate change leads to increased equipment load and operating costs					■	■	Climate change is leading to rising temperatures, which in turn increases the demand for air conditioning at the Bank of Kaohsiung, raising the failure rate of electromechanical equipment, and resulting in higher operating costs for the Bank.
Transition risk Policies and regulations	Medium-term – Regulatory compliance and climate information disclosure requirements					■	■	Due to stricter policies and regulations related to greenhouse gas reduction and energy conservation, the Bank must incur additional costs to comply, or may be penalized or subject to litigation if it fails to comply with relevant regulations or if its climate-related risk disclosures are insufficient.

● Description of the results of climate opportunity identification

Bank of Kaohsiung continues to monitor global climate change trends and sustainable industry developments, integrating the characteristics of Kaohsiung’s industries and the policy blueprint of the City Government to actively develop sustainable financial products and services with strong local connections. The Bank is committed to helping stakeholders reduce climate change and carbon emission risks, seize green transformation opportunities, and, through local financial strength, promote the sustainable transformation of enterprises in the greater Kaohsiung area, jointly creating a low-carbon future.

Through climate opportunity identification and assessment mechanisms, the Bank focuses on key areas with growth potential and social benefits, formulating phased promotion strategies. In the short term, the Bank focuses on solar photovoltaic financing projects to help enterprises obtain construction funds and support renewable energy development; in the medium and long term, the Bank integrates cross-departmental resources to promote environmentally friendly regulations and green product design, guide industries, investors, and consumers to strengthen ESG practices, reduce high-carbon risk exposure, and promote sustainable development of the local economy. To enhance internal awareness and consistency of action, the Bank also continues to conduct climate topic education and training, strengthening the professional understanding of mid- and senior-level managers on climate risks and opportunities to ensure that strategy implementation and sustainability goals move forward in tandem. Through identification of climate opportunities, the Bank will conduct in-depth analysis of the top three identified climate opportunities to formulate corresponding strategies, and detail their management approaches in the “4.5 Management Approach of Material Climate Opportunities” section of the Bank’s TCFD report for stakeholders’ reference.

◎ Bank of Kaohsiung's climate-related opportunity matrix





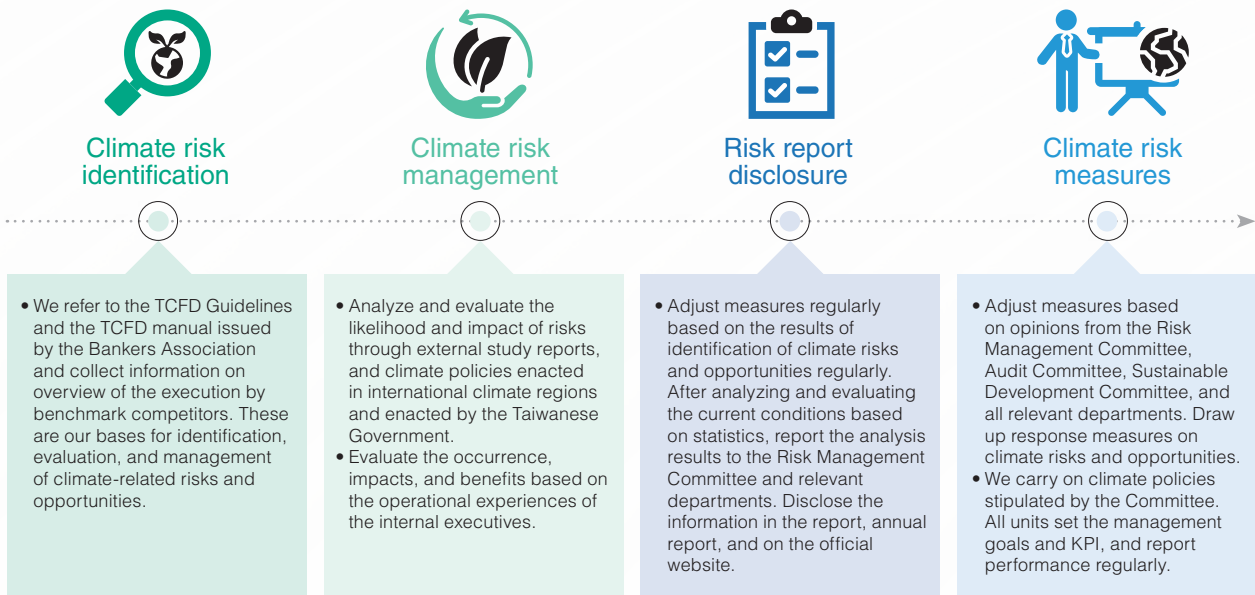
Financial related Opportunity events	Opportunity aspects				Opportunity events and aspects being influenced
	Energy and resource efficiency	New products and technology	New market developments	Corporate resilience	
Short- to medium-term – Digital finance and sustainable financial innovation		✓			The Bank optimizes digital financial services and develop fintech to enhance convenience. We integrate digital transformation with the development of sustainable finance, which facilitates the expansion of our customer base and broadens business opportunities. The Company promotes electronic accounting openings, electronic transactions, and account processing services to reduce labor costs and attract consumers.
Short-term – Develop green finance to expand the market			✓		Through the issuance of ESG and sustainable fund products and green bonds, the Bank can not only expand into new markets but also provide investors with diverse sustainable investment options, seizing market growth opportunities.
Short-term – Develop low-carbon sustainable financial products		✓			In response to sustainable development trends, the Bank has launched low-carbon sustainable financial products to meet market demand, enrich its product line, and enhance corporate image, thereby generating positive impacts on revenue.
Medium-term – Green investment and financing to enhance corporate resilience				✓	By increasing climate change-related products in its investment portfolio, the Bank can grasp market trends and enhance operational flexibility, while increasing the proportion of green investments helps align with global sustainable development trends and reduce asset allocation risks.
Short-term – Sustainable engagement and guidance to reduce investment and financing risks		✓			For investment and financing targets and customers with high climate risk, engagement and guidance can reduce the financial risks faced by the Bank in investment and financing; promoting sustainability topics to them can also enhance corporate image and expand the customer base.
Short- to medium-term – Energy-saving equipment and high-efficiency system optimization	✓				The Bank has purchased the latest energy saving equipment and built systems that are more efficient for the information engine room, to enhance energy efficiency, reduce information security risk and save operating costs.
Short- to medium-term – Strengthen climate resilience and operational stability				✓	The Bank has established natural disaster crisis handling and early warning mechanisms, such as uninterruptible power supplies, backup servers, and off-site backup measures, and regularly conducts emergency drills to ensure operational stability, reduce business losses, and enhance customer trust.
Medium-term – Invest in green power development and acquire low-carbon energy	✓				In response to the national net zero emissions policy and various international renewable energy initiatives, companies are increasingly procuring green power in alignment with the advancement of low-carbon energy installations. Bank of Kaohsiung is seizing this business opportunity by investing in funds or companies related to green power construction. This not only aligns with industry trends for profit, but also enables the Bank to acquire cheaper renewable energy and achieve sustainability goals more quickly through preferred shares and other means.
Medium-term – Green purchasing and sustainable supply chain management	✓				Through green procurement and supplier management, we support more corporations offering low carbon, sustainable products, and reduce operational risks. For instance, we formulated the Sustainable procurement statement or require suppliers to abide by the Terms and conditions of sustainable supplier procurement.
Long-term – Invest in innovative climate solutions				✓	The Bank invests in companies or projects that innovate in response to climate impacts, such as hydrogen vehicle technology and the hydrogen refueling station value chain. This not only enhances the ability of investment targets to cope with climate risks but also strengthens the Bank's climate resilience and market competitiveness.

2.4.4 Climate Risk Management

● Climate risk management procedure of Bank of Kaohsiung

Bank of Kaohsiung continues to improve its climate risk and opportunity management framework. In 2024, following the four core areas of TCFD and in compliance with the “National Bank Climate-related Risk Management Practice Manual” and the “Task Force on Climate-related Financial Disclosure (TCFD)”, the Bank has not only formulated the “Bank of Kaohsiung Climate Risk Management Guidelines” but also required each business unit to supplement key content on “governance”, “strategy”, “risk management”, and “indicators and goals” in sustainability-related operating procedures and regulations, thereby strengthening the Bank’s overall climate governance system.

The Bank has incorporated climate topics into credit, investment, and daily operations management, and has separately established the “Directions for Sustainability Loan Reviews” and the “Directions for Sustainability investment” as the basis for execution. To respond to the impact of extreme weather, the Bank has also established the “Natural Disaster Response Procedures” and promoted the “Supplier Environment and Corporate Social Responsibility Management Policy” to strengthen credit, operational, and market risk management, and to enhance operational stability and resilience.



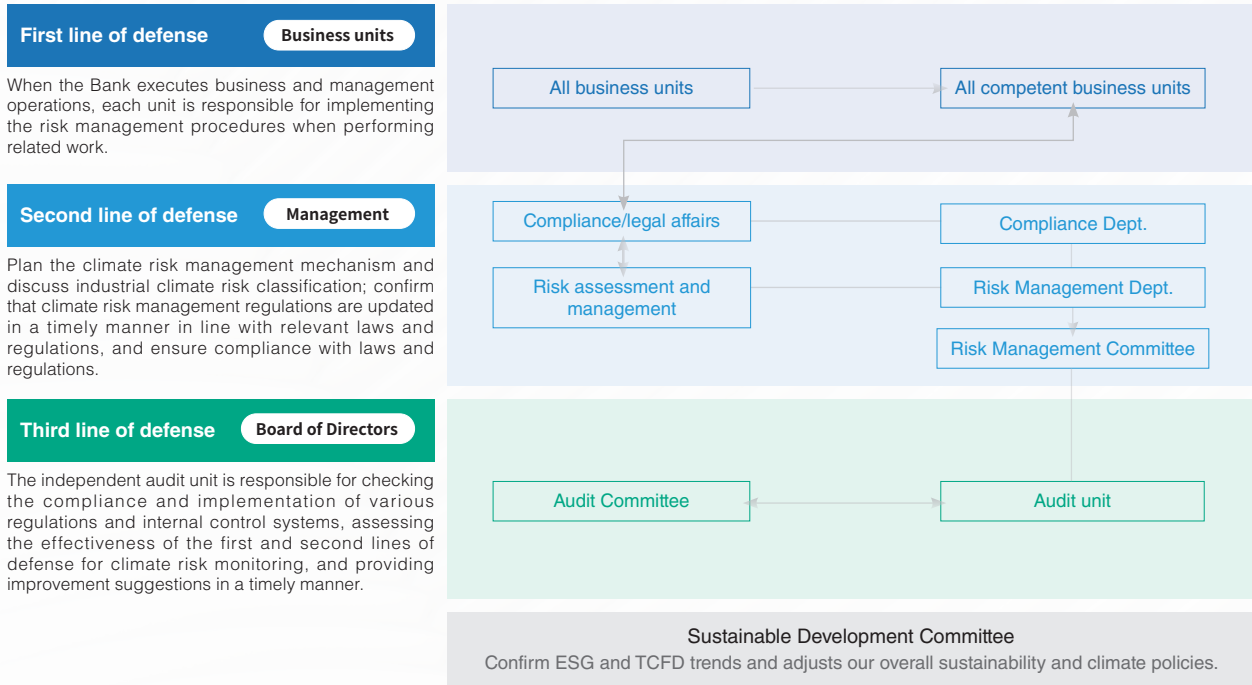
● Three lines of defense of climate risk management

The Bank follows the policy recommendations and regulations of the competent authorities, incorporates climate risk into the existing risk management framework, and inventories climate change risks related to operations and business. Through the three lines of defense mechanism under the internal control system, climate risk and ESG sustainable development topics are integrated into the daily risk control process to enhance risk identification and response efficiency, and strengthen overall risk management practices. For details, please refer to the Bank’s TCFD Report “Three lines of defense of climate risk management.”





● Bank of Kaohsiung climate risk management responsibility chart



● Climate risk profile of credit and investment industries

Before analyzing scenarios of climate change risks and quantitatively evaluating stress tests, we execute all-round evaluation on the overviews of industries we loaned to and invested in. We summarize the opinions from our internal unit executives and business personnel, external experts, and analysis report results on domestic and international industries. In the mean time, we find out the climate risk levels of all industries (including transition and physical risks) and our scope of exposure, choose industries we shall focus on, and set them to our highly sensitive industries.

● Identification process for credit and investment in high-risk industries

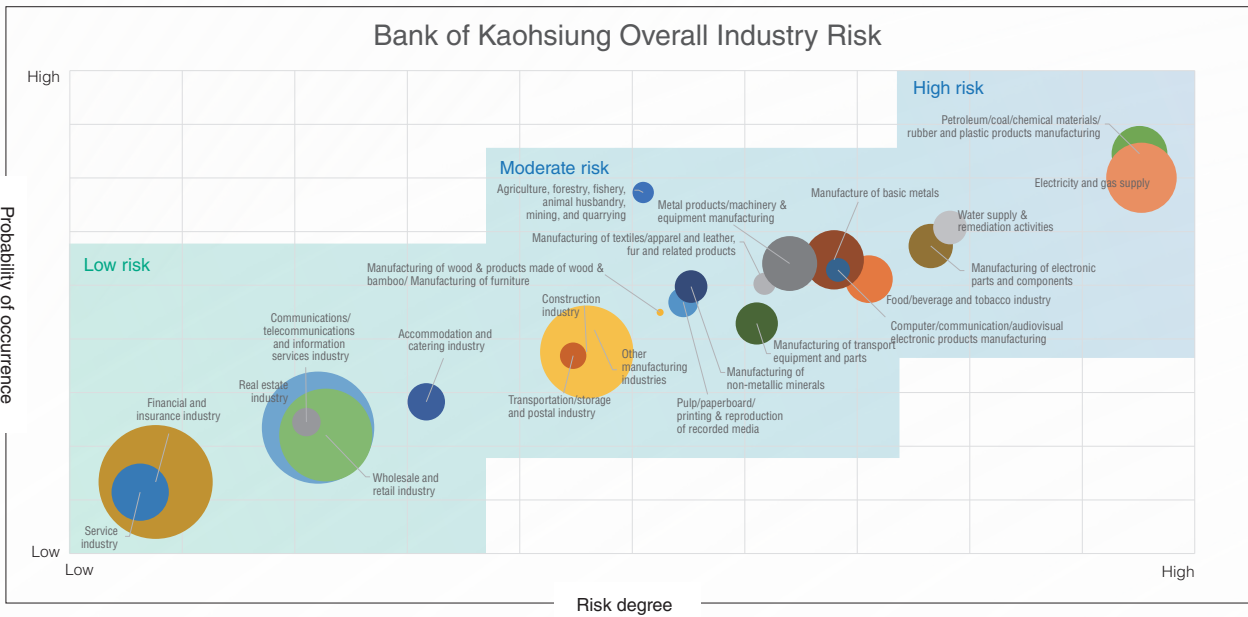
- Step 1** Refer to Moody's Investor Service Industry Analysis Report / SASB TECHNICAL BULLETIN CLIMATE RISK Report.
- Step 2** We collect information on risk items in the surveys according to the TCFD guidelines and external research reports. We consider transition and physical risks for these risk items and create our climate change risk questionnaire for the industry.
- Step 3** We distribute the questionnaire to unit executives, salespersons, and investment traders to fill out the questionnaire.
- Step 4** We conduct matrix analysis and pick high risk industries after collecting and summarizing data from surveys. Later on, we formulate the list of "highly sensitive industries" imposing risks on the environment and society based on external professionals' opinions and discussions at our internal meetings.

Bank of Kaohsiung conducts a comprehensive analysis of transition and physical risks of climate change, covering all industries relevant to our credit and investment targets. By integrating external expert opinions, internal discussions, and Taiwan's environmental laws and regulations, we have compiled a list of "highly sensitive industries" that present significant risks to both the environment and society. According to the industry classification of the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, this includes 17 industries such as petroleum and natural gas mining, electricity and gas supply, water supply & remediation activities, manufacturing of electronic parts and components, manufacturing of basic metals, etc. For these industries, the Bank strengthens credit and investment review to ensure effective management of environmental and social risks. For detailed risk ranking, please refer to the Bank's TCFD Report "5.3 Climate Risk Profile of Credit Extension and Investment Industries."

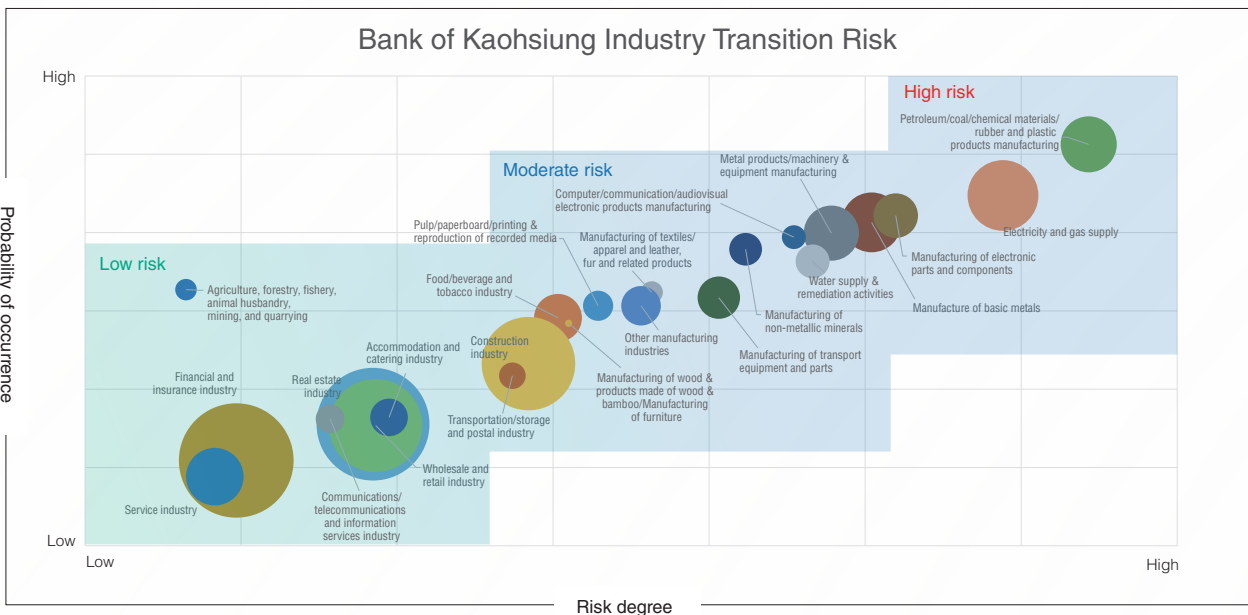
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● Analysis of high climate risk industries (including transition and physical risks)

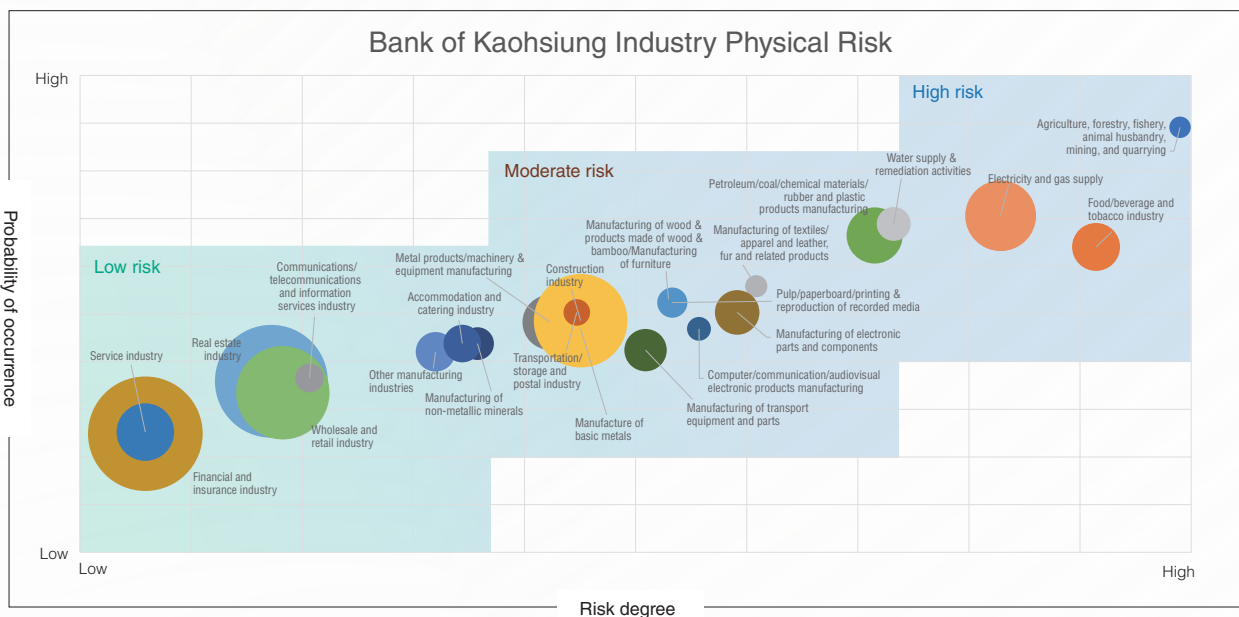
Base date: December 31, 2024



Base date: December 31, 2024

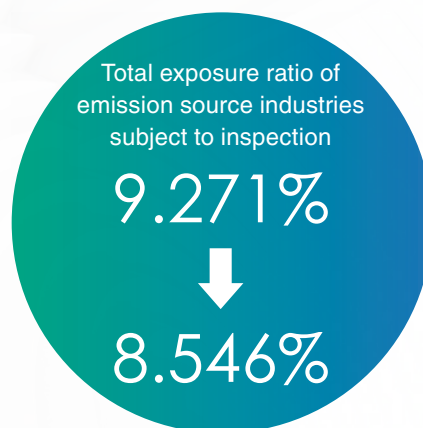
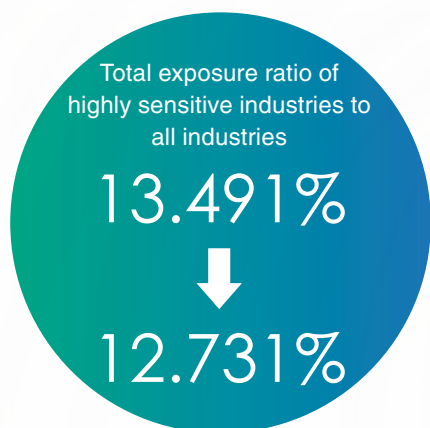


基準日：2024年12月31日



● Overview of exposure of highly sensitive industries

We carried out overall and individual industry exposure analysis for the highly sensitive industries we judged based on the comprehensive analysis results according to the overall risks of climate change (transition and physical risks). We consider and divide the industries for the emissions source of greenhouse gas emissions in the emission sources of greenhouse gas emissions to be checked, registered and inspected by industries as published by the Ministry of Environment, and perform overall calculations for the industry. These industries are facing high transition risks. Whether for highly sensitive industries or industries that are emission sources subject to inspection, credit exposure has decreased while investment exposure has slightly increased compared with 2023; overall, the total exposure ratio of highly sensitive industries to all industries in the Bank decreased from 13.491% to 12.731%, and the total exposure ratio of emission source industries subject to inspection decreased from 9.271% to 8.546%. Detailed disclosure of credit and investment exposure is shown in the table below.



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Industry category	Overview of exposure for high-risk industries in 2024 (Base date: December 31, 2024)			Overview of exposure for high-risk industries in 2023 (Base date: December 31, 2023)		
	Percentage of the exposure of the industry to the total exposure of industries for our entire bank	Percentage of the exposure of the industry to the total loan exposure of industries for our entire bank	Percentage of the exposure of the industry to the total investment exposure of the industries for our entire bank	Percentage of the exposure of the industry to the total exposure of industries for our entire bank	Percentage of the exposure of the industry to the total loan exposure of industries for our entire bank	Percentage of the exposure of the industry to the total investment exposure of the industries for our entire bank
Extraction of crude petroleum and natural gas	0.153%	0.005%	0.504%	0.169%	0.008%	0.493%
Quarrying of stone, sand, clay, and other mining	0.105%	0.149%	0.000%	0.148%	0.222%	0.000%
Manufacturing of textiles	0.264%	0.375%	0.000%	0.382%	0.573%	0.000%
Manufacturing of pulp, paper, and paperboard	0.501%	0.713%	0.000%	0.475%	0.711%	0.000%
Manufacturing of petroleum and coal products	0.980%	0.301%	2.586%	1.105%	0.389%	2.544%
Manufacturing of chemical materials and fertilizers	1.634%	1.486%	1.983%	2.219%	2.348%	1.960%
Manufacturing of other chemical products	0.081%	0.115%	0.000%	0.123%	0.184%	0.000%
Manufacturing of rubber products	0.173%	0.246%	0.000%	0.032%	0.047%	0.000%
Manufacturing of plastics products	0.344%	0.489%	0.000%	0.266%	0.399%	0.000%
Manufacturing of other non-metallic mineral products	0.850%	0.946%	0.622%	0.783%	0.905%	0.540%
Manufacture of basic metals	3.007%	3.151%	2.665%	2.498%	3.086%	1.317%
Manufacturing of electronic parts and components	2.171%	1.750%	3.166%	2.095%	1.538%	3.214%
Manufacturing of motor vehicles and parts	1.027%	1.147%	0.743%	1.193%	1.217%	1.143%
Electricity and gas supply (Wind power, solar power, and geothermal power are not included in the high risk industries)	1.233%	0.283%	3.480%	1.726%	0.521%	4.145%
Water supply	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Water transportation	0.041%	0.058%	0.000%	0.122%	0.183%	0.000%
Air transport	0.167%	0.237%	0.000%	0.154%	0.231%	0.000%
Total of high risk industries	12.731%	11.454%	15.750%	13.491%	12.562%	15.355%
Total of non-high risk industries	87.269%	88.546%	84.250%	86.509%	87.438%	84.645%
Businesses falling within the industries of the emission sources of greenhouse gas emissions to be checked, registered and inspected by industries (Ministry of Environment)	8.546%	7.151%	11.840%	9.271%	8.413%	10.999%
Businesses falling outside the industries of the emission sources of greenhouse gas emissions to be checked, registered and inspected by industries (Ministry of Environment)	91.454%	92.849%	88.160%	90.729%	91.587%	89.001%



● Climate risk overview of industries with high credit concentration

We conduct transition and physical risk evaluations for the credit positions of the industries with higher concentrations in order to reduce transition and physical risks. In 2024, the Bank conducted climate risk assessments for industries with a loan balance ratio of over 8% (real estate industry 11.22%, financial and insurance industry 10.38%), the rapidly growing construction industry (ratio increased from 6.21% to 7.71%), and the wholesale and retail industry with a ratio close to 8% (7.69%). Although the above industries are not classified as highly sensitive or high-carbon industries, they all face challenges of unstable energy supply under physical risks, especially in the context of intensifying climate change disasters. To this end, the Bank has incorporated climate risk assessment into the “Directions for Sustainability Loan Reviews”, strengthened the review of customer climate resilience, improved the risk management mechanism, and ensured sound operations while supporting sustainable development.

● Overview of the top three climate risks faced by industries with high credit

(For detailed climate risk analysis of each industry, please refer to the Bank’s TCFD Report “5.5 Climate Risk Overview of Industries with High Credit Concentration.”)

Real estate industry

Physical risk - insufficient energy supply: Unstable power supply affects building operations, reducing the attractiveness for leasing and purchasing.

Physical risk - supply chain disruption and rising raw material costs: Increased development and maintenance costs, and contractors’ inability to fulfill contracts lead to legal and financial disputes.

Physical risk - extreme weather events: Typhoons and flooding damage building structures, increase insurance premiums, and raise holding costs.

Financial and insurance industry

Physical risk - insufficient energy supply: Unstable power supply affects the operation of data centers and service locations, reducing customer service efficiency.

Transition risk - market trend changes: Market preferences shift toward low-carbon assets and green financial products, reducing the competitiveness of high-carbon industry investment products and traditional financial products.

Physical risk - supply chain disruption and rising raw material costs: Disasters affect suppliers’ ability to repair related equipment, causing business delays.

Construction industry

Physical risk - insufficient energy supply: Unstable power supply leads to the malfunctioning of heavy machinery and construction equipment, prolonging construction timelines.

Physical risk - extreme weather events: Typhoons and floods damage structures under construction, requiring high repair costs.

Physical risk - supply chain disruption and rising raw material costs: Disruption in the supply of materials such as cement and steel causes construction delays and increased costs.

Wholesale and retail industry

Physical risk - insufficient energy supply: Facing future threats of power outages and electricity rationing, affecting cold chain storage and POS systems, resulting in product spoilage and transaction delays.

Physical risk - supply chain disruption and rising raw material costs: Disasters disrupt product supply and drive up transportation costs, reducing profits.

Transition risk - market trend changes: Consumers prefer sustainable products, shifting the market toward low-carbon supply chains, resulting in lower profits for suppliers that have not transitioned to low-carbon operations.

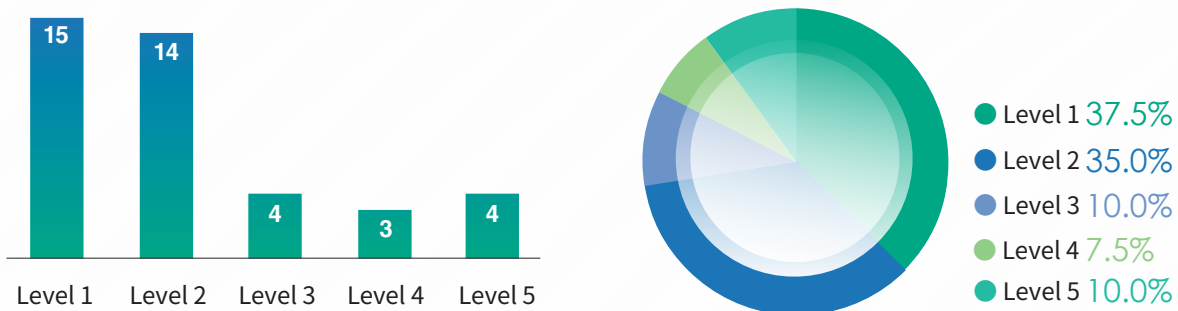
2.4.5 Climate Risk Scenario Analysis and Stress Tests

Climate change is one of the most severe challenges in the world, leading to broad, deep impacts on the environment, society, and economy. Climate change risks threaten the operations of financial institutions. We realized that the risks of climate change potentially threaten our business operations and customers' preservation and added value of wealth. Therefore, we have formulated our Climate Risk Management Guidelines, which conduct climate change scenario analysis and annual stress test in accordance with the FSC's regulations. We assess the changes and losses that transition risks, and physical risks may have on our assets under climate change, in order to formulate appropriate risk management strategies and promote sustainable development. Meanwhile, we follow advice from the competent authorities and keep documents about critical assumptions or variables included in the scenario analysis and stress tests for at least five years.

● Physical risk scenario analysis – disaster potentials and hazards of business locations

Scenario setting	<ul style="list-style-type: none"> According to the 6th evaluation report of the Intergovernmental Panel on Climate Change (IPCC), we define the future climate change scenarios based on the Shared Socioeconomic Pathway (SSP), and identify SSP5-8.5 as the reference greenhouse gas emission scenario. SSP5-8.5 refers to a high emission scenario. Assuming a future characterized by elevated fossil fuel consumption, the radiative forcing per square meter is projected to rise to 8.5W by the end of the century and the carbon reduction policy remains the same. It is not necessary for various countries' governments to spend additional efforts in this regard. The growth rate of greenhouse gas is consistent with the current one. As a result, the concentration of greenhouse gas in the atmosphere keeps increasing and, therefore, the temperature rising by the end of this century is nearly 4°C.
Data sources	<ul style="list-style-type: none"> Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) offered by the Ministry of Science and Technology National Science and Technology Center for Disaster Reduction – Disaster Risk Adaptation (Dr.A)

● Number of entities by disaster potential level, proportion by disaster potential level



Index	Definition	Disaster type	Indicator selection
Hazard (H)	Impact of climatic characteristics change incurred from climate change	Flood disasters	Estimated occurrence of over 600 mm of rainfall in 24 hours in the base period and future.
		Slope disasters	Estimated occurrence of over 350 mm of rainfall in 24 hours in the base period and future.
Vulnerability (V)	Impact of climate change hazards on the system	Flood disasters	Analyze the flood index according to the current flood simulation map with 600 mm quantitative precipitation in 24 hours (compared to easily flooded areas).
		Slope disasters	Analyze the vulnerability, historical landslide index, slope index, and geological disaster potential according to the disaster potential data related to the current conditions.
Exposure (E)	Subjects who might be affected by the disaster	Flood disasters Slope disasters	With regards to townships and district populations, when a disaster occurs, higher populated areas are impacted directly.



● Transition risk scenario analysis - carbon fee analysis of credit customers

The Bank has collaborated with external counselor teams to analyze transition risks, and choose the customers in the petrochemical industry and with the highest loan balance for trial calculation of transition risk analysis, and collected and summarized carbon emission information and financial data based on the sustainability report and annual report of the credit customer.

We analyze scenarios based on the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS) and Net Zero Emissions by 2050 Scenario (NZE) proposed by International Energy Agency (IEA). To find the change of carbon emissions price collection per unit, we use scenarios on four carbon price levels to analyze the potential levels of carbon fees in Taiwan by 2050. For detailed analysis charts, please refer to the Bank's TCFD Report "6.2 Transition Risk Scenario Analysis - Carbon Fee Analysis of Credit Customers."

Carbon emissions scenarios

The emissions scenarios evolution proposed by the International Energy Agency (IEA) are adopted and further used for greenhouse gas emissions changes of the credit customers. The scenarios are adopted as follows:

- (1) Stated Policies Scenario (STEPS)
- (2) Announced Pledges Scenario (APS)
- (3) Net Zero Emissions by 2050 Scenario (NZE)

Carbon price scenarios

Four scenarios in different degrees are used for carbon price level evolution. We execute evaluation analysis for the price levels of carbon fee collection. The scenarios adopted are indicated as follows:

- (1) No carbon fee imposed
- (2) Carbon price level - EPA
- (3) Carbon price level - NGFS_2050 Net Zero
- (4) Carbon price level - NGFS_Nationally Determined Contribution

Year of evaluation

Base year of data: 2023
Year for analyzing carbon fee evolution: 2023 to 2050
Year for analyzing the operating margin: 2025 and 2030

Description for scenario calculation

Refer to the information of domestic and international carbon emissions and carbon price level changes. Here are three carbon emission scenarios. Each carbon emission scenario is divided into four carbon fee levels. We calculate additional operating costs the customer might encounter (unit carbon price corporate carbon emission volume), and display the impact of operations as the change of operating profit ratio.

Parameter hypothesis

Besides carbon emissions and price changes, the following values are used to assume the revenue growth and changes of fees and expenditures of the credit customers:

- (1) Operating revenue growth rate: The credit customer is in the petrochemical industry. The research report focusing on the prospects of the petrochemical industry announced by MarketsandMarkets™ in 2023 is divided into optimistic and pessimistic scenarios, calculated by 6% and 3% of CAGR.
- (2) Change in costs and expenses: They are calculated by 1.4550%^{note 1} according to TW5YY, used as risk-free rates.

Note 1: Data sourced from the yield curve announced by Taipei Exchange on April 24, 2025.

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Operating margin		Carbon emissions scenarios: Stated Policies Scenario (STEPS)			
Year	Numerical scenario	Carbon fee excluded	Carbon fee level - EPA	Carbon price level - NGFS_2050 Net Zero	Carbon price level - NGFS_Nationally Determined Contribution
2023	Base year	-11.45%	-11.45%	-11.45%	-11.45%
2025	Pessimistic	-8.13%	-9.03%	-9.38%	-8.69%
	Optimistic	-2.10%	-2.97%	-3.28%	-2.63%
2030	Pessimistic	-0.26%	-4.15%	-8.84%	-6.71%
	Optimistic	17.99%	14.82%	10.97%	12.72%

Operating margin		Carbon emissions scenarios: Announced Pledges Scenario (APS)			
Year	Numerical scenario	Carbon fee excluded	Carbon fee level - EPA	Carbon price level - NGFS_2050 Net Zero	Carbon price level - NGFS_Nationally Determined Contribution
2023	Base year	-11.45%	-11.45%	-11.45%	-11.45%
2025	Pessimistic	-8.13%	-9.03%	-9.34%	-8.68%
	Optimistic	-2.10%	-2.94%	-3.24%	-2.61%
2030	Pessimistic	-0.26%	-3.70%	-7.87%	-5.98%
	Optimistic	17.99%	15.18%	11.77%	13.32%

Operating margin		Carbon emissions scenarios: Net Zero Emissions by 2050 Scenario (NZE)			
Year	Numerical scenario	Carbon fee excluded	Carbon fee level - EPA	Carbon price level - NGFS_2050 Net Zero	Carbon price level - NGFS_Nationally Determined Contribution
2023	Base year	-11.45%	-11.45%	-11.45%	-11.45%
2025	Pessimistic	-8.13%	-8.97%	-9.26%	-8.64%
	Optimistic	-2.10%	-2.89%	-3.17%	-2.58%
2030	Pessimistic	-0.26%	-3.00%	-6.32%	-4.61%
	Optimistic	17.99%	15.75%	13.04%	14.27%



● Climate risk scenario analysis - transition risks and physical risks conveyed to expected loss of credit risks

Based on the "Plan for Climate Change Scenario Analysis of Domestic Banks" stipulated by the Bankers Association of the Republic of China, we conduct climate change scenario analysis for domestic and international credit and investment positions in the bank books, calculating the additional losses caused by climate risks under different stress scenarios. The scenarios are divided into long-term and short-term, described as follows:

Period for setting the scenarios	Long-term scenarios			Short-term scenarios		
	2030 and 2050			Within one year		
Type of climate scenarios	Orderly net zero	Disordered transition	Passive transition	Transition risk	Physical risk - intensity adjustment	Comprehensive loss
Scenario description	Global progressive transition to achieve net zero emissions by 2050.	Transition is delayed, but the goal of keeping global warming below 2°C by the end of the century is still achieved.	Transition is delayed and the carbon reduction target cannot be achieved, resulting in more severe warming.	Based on industry emission intensity and estimated carbon fee prices, assuming a uniform rate is applied to domestic enterprises, evaluate the impact on corporate banking positions and the Bank.	Assume a 2°C temperature rise, simulate an enhanced typhoon Morakot, adjust historical rainfall according to literature, and assess the Bank's potential risk.	Conduct a comprehensive assessment using both "transition risk" and "physical risk - intensity adjustment" scenarios.
Corresponding scenarios	NGFS Net Zero 2050	Delay Transition	Fragmented World			
	IPCC	SSP1-1.9	SSP1-2.6	SSP2-4.5		
Scope of evaluation	The influence of climate change risks on the part of domestic and international credit risk departments is primarily considered for the part to be evaluated, including the internal and external loan departments in the form in the bank books, the coupons and bonds, and interest investment departments (excluding the risks of the counterparty's credit for derivatives). However, the claims of government agencies, financial service industry, and MDB within the nation are excluded. The risk of Repurchase Agreements/Reverse Repurchase Agreements (RP/RS) is low and is not required to be included in the scope of calculation.			Considering the evaluated topics and impact items, in comparison to the long-term scenario, only domestic loan and investment positions are assessed without the application of macroeconomic stress. In addition, individual mortgage loans are not stressed for transition risk, and other secured/unsecured positions are not stressed in any short-term scenario.		
Base date of evaluation	December 31, 2024					

Note 1. NGFS: It refers to the Network of Central Banks and Supervisors for Greening the Financial System.

Note 2. IPCC: It refers to the Intergovernmental Panel on Climate Change.

Note 3. SSPs: It refers to Shared Socioeconomic Pathway, which add socioeconomic assumptions such as economic growth, land use change, and technological development to the existing RCP pathways.

A. SSP1-1.9: The scenario aims to limit warming to 1.5°C above pre-industrial levels by 2100, in response to the 1.5°C target of the Paris Agreement.

B. SSP1-2.6: Simulation results show a multi-model mean below 2°C by 2100. SSP1 is chosen for its significant land use change (increased global forest coverage), representing the scenario's combined characteristics of low vulnerability, low mitigation pressure, and low radiative forcing.

C. SSP2-4.5: This is an intermediate pathway. SSP2 is selected because its land use and aerosol pathways are less extreme than other SSPs, representing a combination of moderate societal vulnerability and moderate radiative forcing.

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Table 1 indicates the percentage of expected loss in 2030 and 2050 to our net worth and pre-tax profit and loss ratio in the base year (2024) in three long-term assumption scenarios. Among them, the scenario expected losses for 2030 and 2050 are highest under “Disordered Transition” and “Passive Transition”, respectively, with total expected losses accounting for 5.47% and 7.24% of net worth in the base year, and 104.79% and 137.76% of pre-tax profit and loss.

◎ Ratio of expected credit risk loss under long-term scenario to net worth and pre-tax profit and loss in the base year (2024) (unit: %)

Risk exposure position		Baseline scenario		Orderly net zero				Disordered transition				Passive transition			
		Ratio of expected loss to net worth	Ratio of expected loss to pre-tax profit and loss	Ratio of expected loss to net worth		Ratio of expected loss to pre-tax profit and loss		Ratio of expected loss to net worth		Ratio of expected loss to pre-tax profit and loss		Ratio of expected loss to net worth		Ratio of expected loss to pre-tax profit and loss	
				2030	2050	2030	2050	2030	2050	2030	2050	2030	2050	2030	2050
Domestic	Corporate credit	2.17	41.28	2.18	2.55	41.46	48.49	2.97	2.80	56.57	53.27	2.65	3.47	50.35	66.13
	Personal credit	0.24	4.50	0.84	1.14	16.06	21.71	1.16	1.14	22.05	21.76	0.85	1.19	16.26	22.71
	Investment	0.73	13.85	0.69	0.80	13.06	15.27	0.92	0.87	17.56	16.60	0.83	1.05	15.71	19.95
International	Credit	0.18	3.36	0.51	0.67	9.71	12.80	0.39	0.91	7.39	17.24	0.56	1.46	10.57	27.70
	Investment	0.02	0.42	0.04	0.05	0.69	0.89	0.03	0.06	0.62	1.05	0.04	0.07	0.79	1.27
Total		3.34	63.41	4.26	5.21	80.98	99.16	5.47	5.78	104.19	109.92	4.93	7.24	93.68	137.76

Note: The scenario analysis methodology involves certain assumptions, and relevant parameter settings are estimated values under different risk scenarios. Given that the assessment period for long-term scenarios is relatively distant, the expected loss estimates for each scenario are subject to uncertainty and do not represent actual future impacts. Care should be taken regarding the limitations in both the application and interpretation of the analysis results.

Table 2 shows the ratio of expected loss under the short-term scenario to the Bank’s net worth and pre-tax profit and loss in the base year. The expected loss of “Comprehensive Loss” scenarios is the highest. The expected loss in total is 13.97% of the net worth and 265.85% of pre-tax profit and loss in the base year. The main reason for the higher proportion is that the Bank’s personal credits secured by real estate are mainly located in the Kaohsiung area (disaster area of typhoon Morakot), most of which are classified as physical risk level 5, resulting in a collateral value loss rate as high as 84.6%.

◎ Ratio of expected credit risk loss under short-term scenario to net worth and pre-tax profit and loss in the base year (2024) (unit: %)

Risk exposure position		Transition risk		Physical risk - intensity adjustment		Comprehensive loss	
		Ratio of expected loss to net worth	Ratio of expected loss to pre-tax profit and loss	Ratio of expected loss to net worth	Ratio of expected loss to pre-tax profit and loss	Ratio of expected loss to net worth	Ratio of expected loss to pre-tax profit and loss
Domestic	Corporate credit	2.44	46.43	3.09	58.72	3.09	58.76
	Personal credit	0.24	4.50	10.07	191.64	10.07	191.64
	Investment	0.81	15.34	0.81	15.41	0.81	15.45
Total		3.49	66.27	13.97	265.77	13.97	265.85

Note 1: The scenario analysis methodology involves certain assumptions, and relevant parameter settings are estimated values under different risk scenarios. Therefore, the expected loss estimates for each scenario are subject to uncertainty and do not represent actual future impacts. Care should be taken regarding the limitations in both the application and interpretation of the analysis results.

Note 2: Due to differences in the methodologies for short-term and long-term scenarios, the analysis results are not directly comparable.



● Climate risk scenario analysis – analysis of physical/transition risks for credit position collateral

Based on the methodology in the “Plan for Climate Change Scenario Analysis of Domestic Banks” stipulated by the Bankers Association of the Republic of China, we conduct assessment and analysis of the physical risks of collateral for credit positions and the transition risks to operating revenue. The analysis scenarios are set according to the previous section, using “Orderly Net Zero”, “Disordered Transition”, and “Passive Transition” for analysis at the two time points of 2030 and 2050. The following presents the scenario analysis results in text only. For detailed charts, please refer to our TCFD Report “6.4 Climate Risk Scenario Analysis – Analysis of Physical/Transition Risks of Collateral for Credit Positions.”

Physical risk analysis of collateral value

To understand the physical risks to collateral for “corporate credit” and “personal credit” under different climate scenarios, a risk analysis has been conducted based on the scenarios described in the previous section. “Corporate credit” is classified by general enterprises, including the construction industry, non-electronic manufacturing industry, electronic manufacturing industry, and other non-manufacturing industry (trade and service industries); “personal credit” is evaluated using housing mortgages.

The overall physical risk analysis of collateral shows that under the “Orderly Net Zero” scenario in 2030, approximately 42.22% of collateral value loss EAD is located in risk level 5; under the “Passive Transition” scenario, about 19.43% is located in risk level 5. By 2050, under the “Orderly Net Zero” scenario, about 45.15% of collateral value loss EAD is located in risk level 5; under the “Disordered Transition” scenario, about 10.05% is located in risk level 5. According to the analysis results below, under the “Orderly Net Zero” scenario at each time point, the Bank’s overall credit collateral is mainly located in risk level 5, followed by risk level 1; under the “Disordered Transition” and “Passive Transition” scenarios, most of the Bank’s overall credit collateral is mainly located in risk level 4, followed by risk level 1.

Analysis of revenue loss due to transition risk

To assess the potential impact of transition risks on the revenue of corporate credit customers, the Bank conducted risk level assessments for 2030 and 2050 under the “Baseline Scenario”, “Orderly Net Zero”, “Disordered Transition”, and “Passive Transition”. According to the industry type of “Corporate Credit”, It is classified by general enterprises, including the construction industry, non-electronic manufacturing industry, electronic manufacturing industry, and other non-manufacturing industry (trade and service industries).

The overall analysis of revenue loss due to transition risk shows that, regardless of climate scenario, more than half of the credit revenue loss risk EAD is concentrated in risk level 1. Further comparing the differences between 2050 and 2030, under the “Orderly Net Zero” scenario, the proportion of credit positions in risk level 5 in 2050 decreases by about 1% compared to 2030; under the “Disordered Transition” and “Passive Transition” scenarios, the proportion of risk level 5 positions in 2050 increases by about 0.3% compared to 2030.

● Climate risk scenario analysis – climate change scenario analysis for investment position credit risks in the domestic and international bank books

The Bank follows the methodology in the “Plan for Climate Change Scenario Analysis of Domestic Banks” stipulated by the Bankers Association of the Republic of China to analyze the investment position credit risks in the domestic bank books. The scenario analysis covers three main categories: domestic bonds, domestic equity investments, and foreign bonds; scenarios are set as “Orderly Net Zero”, “Disordered Transition”, and “Passive Transition”, analyzed at the two time points of 2030 and 2050. This section provides only a textual description of the scenario analysis results. For detailed charts, please refer to our TCFD Report “6.5 Climate Risk Scenario Analysis – Climate Change Scenario Analysis for Investment Position Credit Risks in the Domestic and International Bank Books.”

Financial Products and Services Build Responsible Financing

Calculation results of climate change scenario analysis for domestic bond/investment position credit risk

The analysis scenarios are set according to the previous section, using “Orderly Net Zero”, “Disordered Transition”, and “Passive Transition” for analysis at the two time points of 2030 and 2050. For physical risks, domestic equity investments are classified as risk level 2 solely under the “2050 Orderly Net Zero” scenario, while they are classified as risk level 1 under all other scenarios. For domestic bonds, although the majority of positions fall within risk level 1, varying proportions are classified as risk level 2 under different scenarios, with nearly 37% of positions in the risk level 2 and nearly 4% in the risk level 3 under the “2050 Orderly Net Zero” scenario.

For transition risk resulting in revenue loss EAD proportion risk, domestic equity investments fall within risk level 4 under the “Orderly Net Zero” and “Disordered Transition” scenarios in 2050, within level 3 under the “Orderly Net Zero” scenario in 2030, and within level 2 under the “Passive Transition” scenario in 2050. All other scenarios are designated as a risk level of 1. The risk distribution for domestic bonds exhibits a greater degree of dispersion. In 2030, the main differences in the distribution of risk levels are in levels 2, 3, and 4. Under the “Orderly Net Zero” scenario, positions are more evenly distributed across risk levels 1 to 5; under the “Disordered Transition” scenario, there is a greater concentration of positions in risk level 4, while under the “Passive Transition” scenario, more positions are concentrated in risk levels 2 and 3. By 2050, under the “Orderly Net Zero” scenario, more positions are distributed in risk level 1, while under the “Passive Transition” scenario, an increased proportion of positions falls within risk level 5.

Calculation results of climate change scenario analysis for foreign bond position credit risk

Foreign bond positions can be further divided into “foreign corporate bonds” and “foreign sovereign bonds”. Risk assessments are conducted for 2030 and 2050 under the “Orderly Net Zero”, “Disordered Transition”, and “Passive Transition” scenarios. For physical risks, regardless of scenario or asset category, most are distributed in risk level D, with a higher proportion in risk level D in 2050 than in 2030. Under the “Passive Transition” scenario in 2050, the proportion of assets in risk level E is higher than in all other scenarios. For transition risks, regardless of asset category, the distribution differences are small, with most assets in risk levels A and B.

2.4.6 Climate Indicators and Goals

● Key climate indicators and climate goals

Greenhouse gas emissions				
Key climate indicators	Key climate goals	Performance in 2024	Short- and medium-term planning (2025~2029)	Long-term planning (2030~)
Greenhouse gas emissions at the business location and external verification or assurance	Complete external verifications or assurances of greenhouse gas inventories for all business locations in 2023 (Scope 1 and 2).	External verification for 2023 emissions was completed in 2024. The verification for the 2024 emissions has been completed, and certification is currently underway.	Promote inventory of greenhouse gases of Scope 3 and Categories 3~6 in the future.	Continue to improve the quality of greenhouse gas inventory data.
Greenhouse gas reduction	Apply for the Science Based Targets Initiative (SBTi) and set carbon reduction targets.	In 2024, greenhouse gas emissions in Scope 1 and 2 were reduced by 2.29% compared to the previous year.	From 2025, we will cooperate with external consultants to plan carbon reduction targets. The goal is to complete the application process by 2026.	The goal is to achieve a 63% reduction in carbon emissions by 2035 compared to 2024.
Long-term carbon reduction work planning	Percentage of transferring power consumption to renewable energy for all bank buildings, certification and purchasing of renewable energy, example locations for low (zero) carbon emissions.	Solar photovoltaic panels at the Caoya Branch have begun generating electricity; installation at the Qiaotou Science Park Branch has been completed and is under review.	Additionally, renewable energy is purchased for use at all bank buildings.	By integrating renewable energy, self-generated electricity, and other methods, we will achieve the carbon reduction target for 2035.



Energy (resource) use				
Key climate indicators	Key climate goals	Performance in 2024	Short- and medium-term planning (2025~2029)	Long-term planning (2030~)
Power and energy use improvement of business locations	Upgrade air conditioning equipment, giving priority to replacing units over 15 years old and those aged 10–14 years with poor efficiency; use energy-saving lighting, set lighting schedules, and strengthen energy-saving education.	In 2024, 200 LED tubes were replaced, reducing electricity consumption by 2.10% compared to the previous year.	Continue to promote equipment replacement every year.	Continue to achieve energy management plans and enhance energy use efficiency.
Replace official vehicles with hybrid vehicles.	Replace official vehicles with hybrid vehicles.	In 2024, one gasoline-powered official vehicle was replaced with a hybrid vehicle, reducing total fuel consumption by 5.64% compared to the previous year.	All official vehicles will be fully replaced with hybrid vehicles by 2028.	Continue to use hybrid vehicles.

Sustainability loan				
Key climate indicators	Key climate goals	Performance in 2024	Short- and medium-term planning (2025~2029)	Long-term planning (2030~)
Formulate the policy of sustainability loans	Promote sustainability loans and formulate relevant policies.	Launch the Equator Principles execution and implementation project.	Conduct credit operations in accordance with the "Bank of Kaohsiung Guidelines for Applying the Equator Principles to Credit Cases."	Continue to adjust sustainable credit policies in accordance with domestic and international regulations.
Renewable energy financing	The balance of renewable energy financing continues to rise.	In 2024, the balance of financing for solar power and green energy technology reached NT\$17.6 billion.	For green power business and land readjustment project financing in 2025, set a target of NT\$5 billion for average balance growth in the first half of the year. (Note)	Continue to promote financing for solar power and green energy technology.

Sustainable Investment				
Key climate indicators	Key climate goals	Performance in 2024	Short- and medium-term planning (2025~2029)	Long-term planning (2030~)
Include ESG topics into investment analysis and decision-making.	Plan for and execute ESG product investment, and set up relevant policies.	Newly established a "Sustainable Investment" section in the "Business Manual" and distributed the "Corporate ESG Information and Sustainable Economic Activities Self-Assessment Questionnaire" to investees for evaluation.	Continue to invest in ESG-related financial instruments and increase the amount and proportion of investment.	

Inventory on financial-carbon emissions of credit and investment portfolios.				
Key climate indicators	Key climate goals	Performance in 2024	Short- and medium-term planning (2025~2029)	Long-term planning (2030~)
Financial-carbon emissions, intensity, and asset percentages of credit and investment portfolios	Complete checking financial-carbon emissions inventories of credit and investment portfolios, and increase the coverage of the inventory.	A financial carbon emission inventory was conducted for financial assets in 2024, with higher coverage than in 2023.	In accordance with the requirements of the competent authorities, complete the financial carbon emission inventory of our credit and investment portfolios in phases, and work with SBTi to set carbon reduction targets for investment and financing based on the results of the inventory.	Implement carbon emissions from investment and financing in accordance with SBTi targets.

Note 1: Calculation method for average balance growth target: Average balance at the end of the current year – average balance at the end of the previous year
 Note 2: Calculation method for average balance: end-of-month balance/number of working days

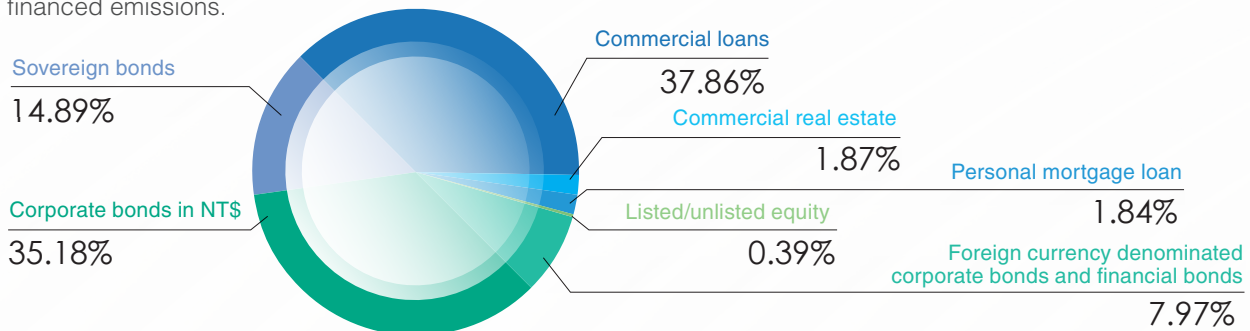
Financial Products and Services Build Responsible Financing

● Financial carbon emissions data

The calculation method for financial carbon emissions of Bank of Kaohsiung in 2024 refers to the “Practical Manual for Financial Carbon Emissions (Scope 3) of National Bank Investment and Financing Portfolio” stipulated by the Bankers Association of the Republic of China and the “Global Greenhouse Gas Accounting and Reporting Standard for the Financial Industry” published by the Partnership for Carbon Accounting Financials (PCAF).

In line with the principle of materiality and data availability, priority is given to the calculation of financial carbon emissions for commercial real estate financing (for commercial income-generating purposes), commercial loans, and personal mortgages (for home purchase only) with higher proportion in the Bank’s credit positions, as well as NT dollar corporate bonds (excluding sustainability bonds), equity investments (excluding ETFs), sovereign bonds, and foreign currency corporate and financial bonds in investment positions.

Compared to 2023, the total financial carbon emissions increased due to higher coverage ratio, resulting in a rise in total emissions from investment and financing and a slight increase in economic emission intensity, while weighted data quality improved. Among the various asset classes, commercial loans experienced the most significant increase; however, the economic emission intensity remained stable. This may be due to a rise in coverage ratio, resulting in higher financed emissions for this asset. The largest decrease was observed in corporate bonds in NT\$, where a reduction in economic emission intensity correspondingly led to a decline in financed emissions.



◎ Coverage of applicable PCAF methodologies (%)

Reporting year	2023	2024
Investment business	89.00%	98.66%
Financing business	45.89%	97.90%
Total (company-wide)	50.95%	98.08%

Note 1: The calculation methods of coverage of applicable PCAF methodologies follow the Association's Practice Handbook and the PCAF methodology, which is obtained by dividing amount completed for investment/financing inventory by the investment/financing based on the methodology applicable throughout Taiwan.

Type of assets	2023				2024				
	Carbon emissions from investment and financing (tons of CO ₂ e)	Weighted data quality	Inventory coverage rate (%)	Economic emission intensity (tons of CO ₂ e/NT\$ million)	Carbon emissions from investment and financing (tons of CO ₂ e)	Weighted data quality	Inventory coverage rate (%)	Economic emission intensity (tons of CO ₂ e/NT\$ million)	
Loan position	Personal mortgage loan	8,510.04	4.00	98.07%	0.34	9,878.44	4.00	96.44%	0.35
	Commercial real estate	9,719.83	4.40	40.52%	0.12	10,030.64	4.00	86.03%	0.68
	Commercial loans/project loans	124,342.08	3.59	44.04%	2.21	202,882.20	3.82	99.93%	1.67
	Total of credit positions	142,571.95	4.06	45.89%	0.86	222,791.28	3.87	97.90%	1.36
Investment position	Sovereign bonds	70,808.65	1.00	100.00%	9.21	79,772.66	2.00	100.00%	7.44
	Foreign currency denominated corporate bonds and financial bonds	35,604.55	1.88	78.83%	1.83	42,698.26	1.98	97.06%	1.98
	Corporate bonds in NT\$	258,983.25	1.20	99.59%	21.57	188,513.05	1.31	100.00%	16.13
	Equity investment	2,485.43	1.96	100.00%	0.70	2,064.14	1.58	100.00%	0.48
Total of investment positions	367,881.88	1.54	89.00%	8.61	313,048.11	1.73	98.66%	6.48	
Overall total	510,453.83	3.55	50.95%	2.45	535,839.40	3.38	98.08%	2.52	

Note 1: Among the asset categories disclosed in the Practice Handbook of the Bankers Association of the Republic of China and the PCAF Methodology, the loan position of the Bank of Kaohsiung does not cover motor vehicle financing products.

Note 2: Sovereign bonds: LULUCF is not included in the calculation of sovereign bonds for 2024. That is, Land Use, Land Use Change, and Forestry (LULUCF), refers to activities related to land use, land use change, and forestry, such as converting forests to agricultural or pastoral land.

Note 3: The calculation of corporate and financial bonds does not include sustainability bonds, and equity investments do not include ETFs.

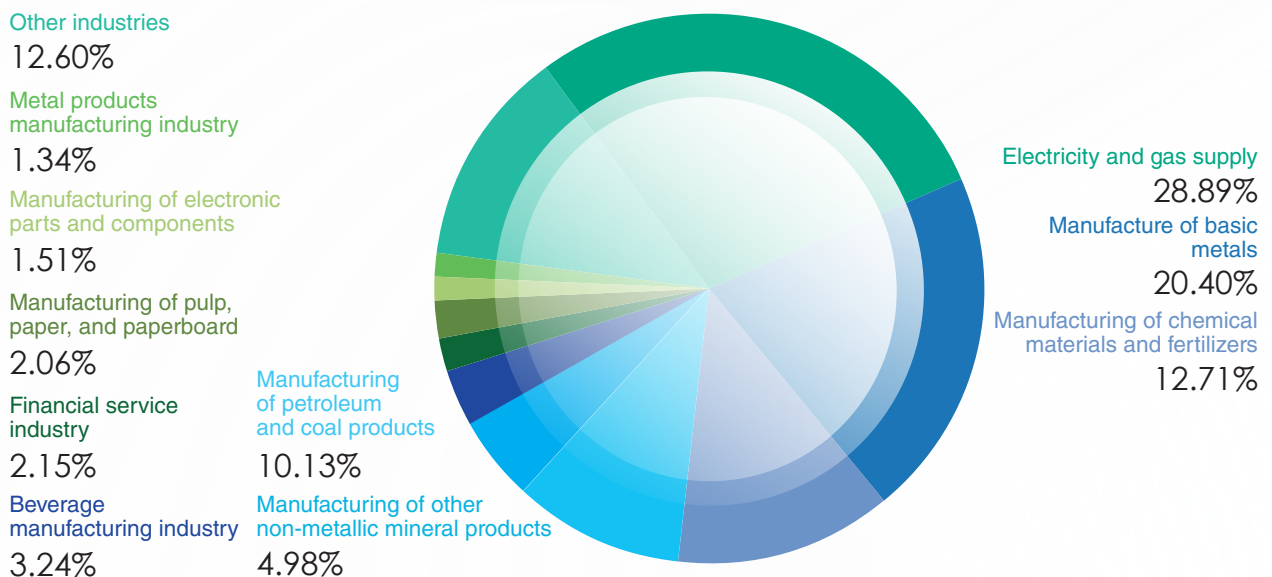
Note 4: Inventory coverage ratio of the asset position = investment or financing amount of the single asset category/total investment or financing amount of the asset position.



● Description of the top 10 carbon emission industries

By consolidating the financial carbon emissions from loans and investments and ranking them by industry type, it is found that the majority of greenhouse gas emissions come from the electricity and gas supply industry, manufacturing of basic metals, manufacturing of chemical materials and fertilizers, and manufacturing of petroleum and coal products. These four industries account for over 70% of total emissions.

Ranking	Industry code	Industry classification	Total carbon emissions (tons of CO ₂ e)	Percentage of loans and equity/ bond investments
1	35	Electricity and gas supply	126,019.77	28.89%
2	24	Manufacture of basic metals	88,971.06	20.40%
3	18	Manufacturing of chemical materials and fertilizers	55,449.59	12.71%
4	17	Manufacturing of petroleum and coal products	44,166.89	10.13%
5	23	Manufacturing of other non-metallic mineral products	21,734.03	4.98%
6	09	Beverage manufacturing industry	14,121.16	3.24%
7	64	Financial service industry	9,362.93	2.15%
8	15	Manufacturing of pulp, paper, and paperboard	8,964.08	2.06%
9	26	Manufacturing of electronic parts and components	6,575.97	1.51%
10	25	Metal products manufacturing industry	5,852.42	1.34%
Total for the top ten industries			381,217.90	87.40%



Chapter

3

Corporate Governance and Management

Implementing the Concept of Sustainability

- 3.① Corporate Governance
- 3.② Ethical Management
- 3.③ Risk Management
- 3.④ Compliance
- 3.⑤ Anti-Money Laundering and
Counter Financing Of Terrorism
- 3.⑥ Information Security and
Personal Information Protection

► Core vision and commitment

Bank of Kaohsiung regards a sound corporate governance system as the foundation of sustainable business operations. Adhering to the principles of legal compliance and strengthening internal management, we continuously enhance the functions of the Board of Directors and information transparency to protect shareholders' rights and take into account the interests of other stakeholders. In 2024, our outstanding performance in corporate governance evaluation placed us in the top 6% to 20% among all listed companies assessed. We have also been selected for many years as a constituent stock of the "Taiwan High Compensation 100 Index", demonstrating our commitment to employee rights and overall operational performance. In the future, we will continue to implement a robust governance mechanism and lead all employees to participate together in order to realize a sustainable corporate culture.

► Achievement and performance in 2024



Top 6% to 20% in corporate governance evaluation for TWSE-listed companies
Passed ISO 27001 and BS 10012



100% achievement rate of personal information protection operations



Anti-money laundering education and training; total training hours reached 15,616 hours



► Material topics

Corporate governance

Compliance

Information security and personal data protection

Anti-money laundering and counter financing of terrorism

► Enhancement goal

Short-term

- Continue to increase the number of female directors to achieve the goal of gender diversity on the Board. One independent director has been elected at the 2025 annual shareholders' meeting, so that the number of independent directors will not be less than one-third of the total number of directors.
- In compliance with legal regulations, continue to optimize compliance operations and regularly organize compliance education and training courses to strengthen the professional knowledge of personnel at all levels in executing compliance-related operations.
- Continuously organize the education and training courses on anti-money laundering to strengthen the professional knowledge and skills of personnel at all levels in implementing anti-money laundering operations.
- Continue to engage CPAs to audit the internal control system for anti-money laundering and countering financing of terrorism in accordance with regulations.
- Coordinate and supervise the implementation of comprehensive money laundering and terrorism financing risk identification and assessment, and complete comprehensive money laundering and terrorism financing risk assessment reports and risk prevention plans.

Medium-term

- Implement compliance systems and reduce corporate legal risks.
- Supervise all units of the Bank in implementing anti-money laundering and countering financing of terrorism mechanisms.
- Supervise the planning and execution of policies and procedures for the identification, assessment, and monitoring of money laundering and terrorism financing risks, monitor risks related to money laundering and terrorism financing, and develop anti-money laundering and countering financing of terrorism programs.

Long-term

- Improve the communication mechanism with the first and third line of defense, control the legal compliance risks precisely, enhance the legal compliance awareness of all employees, and ensure the effective operation of the legal compliance system.
- Optimize the anti-money laundering system and consider the implementation of anti-money laundering AI technology to assist manual review.

3. ① Corporate Governance

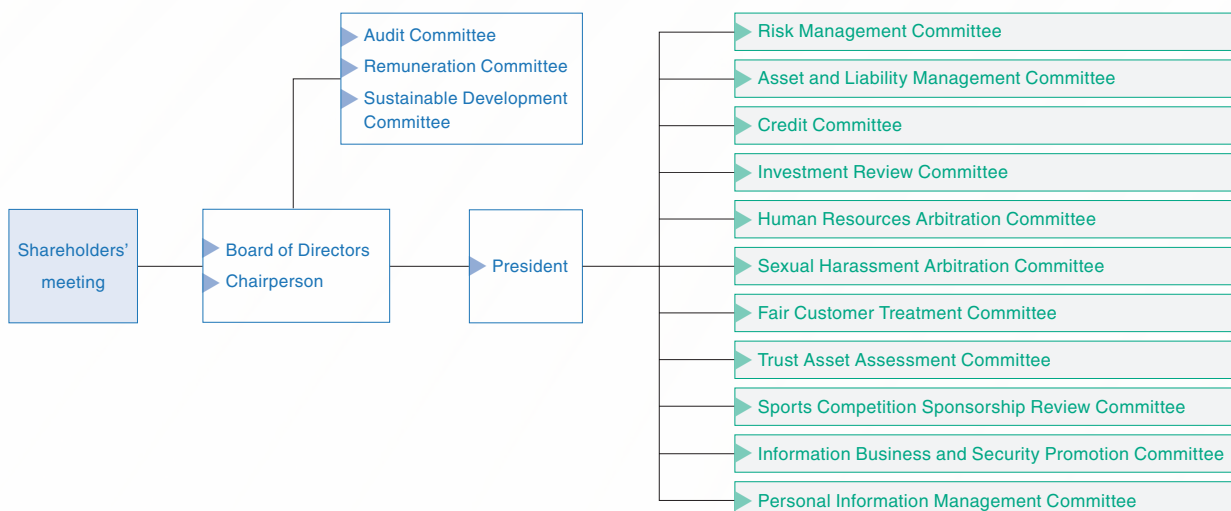
3.1.1 Corporate Governance Structure

In 2024, we continued to improve our corporate governance structure. In addition to strengthening the functions of the Board of Directors and all functional committees, we also enhanced our internal control and risk management mechanisms to improve overall governance effectiveness and ensure sustainable operations and the protection of shareholders' rights.

Strengthen the functions of the Board of Directors	Audit Committee	Remuneration Committee	Sustainable Development Committee	Respect the shareholders' rights	Transparent information disclosure
The Board of Directors identifies the Company's interest as the first priority. The Board of Directors fulfills its duties in relation to our business strategies and major decision making. It complies with the Rules of Procedure for Board of Directors Meetings, arranges multiple continuing courses for directors and maintains the independence and diversity of the Board of Directors.	The Audit Committee exercises the supervisory right fairly and transparently, and establishes the Audit Committee Charter for employees to abide by, in order to improve the corporate governance.	The Remuneration Committee Charter is established to improve the remuneration system of our directors and managers through the Committee.	We emphasize sustainable development and the implementation of work projects, and formulate the Sustainable Development Committee Charter to enhance the sustainability philosophy and realize the goals of corporate social responsibility and sustainable development through the Committee's implementation of work projects.	Shareholders engage in the shareholders' meetings by electronic voting. Shareholders can vote anytime, anywhere, fully implementing shareholder activism. This specifically shows that shareholders are valued and corporate governance is strengthened.	Establish the Guidelines for the Management of Information Disclosure to avoid inadequate information disclosure

● Corporate governance structure

The Board of Directors is the highest governance unit of the Bank and is responsible for reviewing and directing the overall business plans. The Audit Committee, Remuneration Committee and Sustainable Development Committee under the Board assist the Board of Directors in reviewing the quality of decision-making and strengthening its supervisory function. To strengthen the corporate governance system, the Bank has formulated the "Corporate Governance Best Practice Principles" and the "Sustainable Development Committee Charter" with reference to the "Corporate Governance Best-Practice Principles for Banking Industry" issued by the Bankers Association of the Republic of China to promote the sound development of the business and to strengthen the implementation of sustainable governance.





● Investor relations management

Shareholders' meeting

We actively engage in investor relations based on our service and attitude small but beautiful, small but sophisticated, small but strong. Shareholders engage in the shareholders' meetings by electronic voting. Shareholders can vote anytime, anywhere, fully implementing shareholder activism. This specifically shows that shareholders are valued and corporate governance is strengthened.

Spokesman system

We established the Guidelines for the Management of Information Disclosure to build a good internal material information handling and disclosure mechanism, avoid inadequate information disclosure, and ensure consistency and accuracy of our information released to the public. The Guidelines explicitly specify that disclosure of our internal material information shall be handled by our spokesperson or deputy spokesperson, unless otherwise specified by laws and regulations.

● Information disclosure channel

To ensure that investors and stakeholders remain informed about the latest developments within the Bank, we are committed to upholding principles of timeliness, completeness, and transparency, and proactively disclose financial and business-related information to facilitate stakeholders' understanding of our operational conditions while safeguarding the rights and interests of shareholders. Our official website (www.bok.com.tw) provides both Chinese and English versions for domestic and international stakeholders, with dedicated sections for downloading annual reports and public information, as well as a spokesman system and dedicated units serving as contact windows for the Market Observation Post System. Each competent business unit is responsible for collecting and disclosing information in accordance with regulations to ensure the timeliness and accuracy of information transmission.



Investor conference



Shareholders section



Financial information



English official website



● Smooth diverse stakeholder communication channel

We established the Guidelines for the Management of Information Disclosure to build a good communication channel with stakeholders and implemented the spokesman system. We disclosed the contact of stock affairs agency and investors on our external website. Investors can find out more about our business through various channels.



- I. When the stakeholder holds a post, we ask the stakeholder to fill out the stakeholder information form immediately, and we offer the information on loan limit specified by the Banking Act of The Republic of China and competent authorities to stakeholders for stakeholders to abide by the loan limit.
- II. Hand the stakeholder archive data to stakeholders regularly to check and update information. Our communication with stakeholders is quite smooth.
- III. We have a spokesman, toll-free number and email to offer advice to customers and shareholders and clarify concerns for them. Money management seminars are held in the community and information on corporate governance seminar is offered to internal employees occasionally. Information is fully disclosed on the MOPS.

Refer to our website for stakeholder communication channel



3.1.2 Operation of the Board of Directors and the Committees

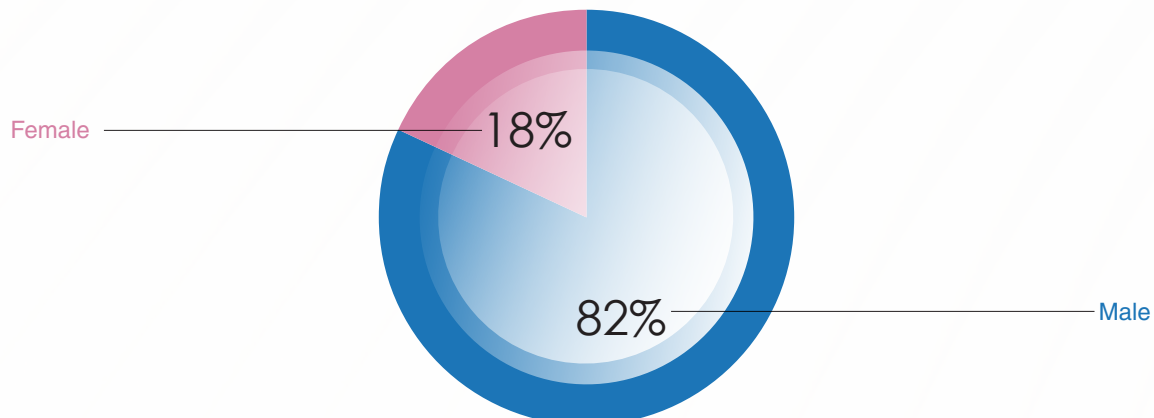
● Diverse composition of the Board of Directors

The Bank has established a perfect system for the selection of its Board of Directors and, based on the characteristics of the industry and future development strategies, has set diversity management goals for the Board of Directors, covering gender, age, professional background, and industry experience. We also continue to organize a variety of continuing education courses to enhance the overall operational effectiveness of the Board.

◎ Diversity management goals of the Board of Directors

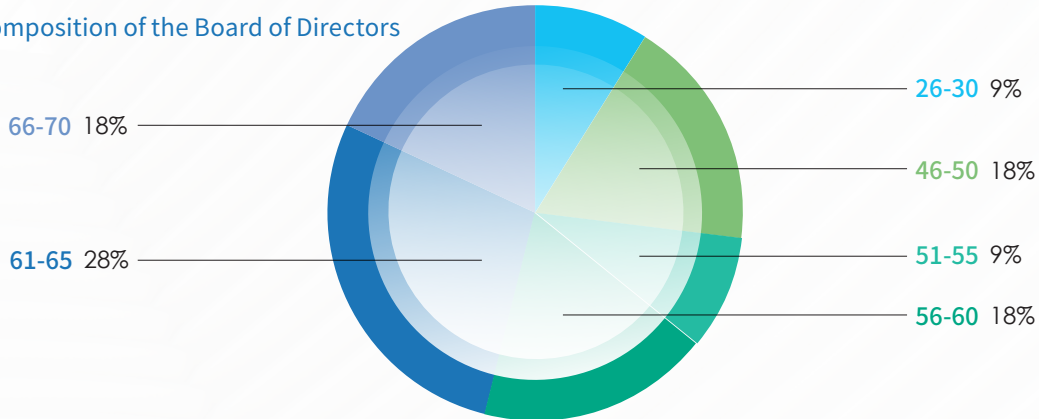
Strengthen the functions of the Board of Directors	
Management goals	Achievements in 2024
Board Members' Basic Qualifications and Gender Diversity	<ul style="list-style-type: none"> ✓ Among the Board seats this time, there are 3 independent directors, representing 27% of the total. ✓ The age of members ranges from 29 to 67, covering both new-generation thinking and a wealth of experience, which facilitates the integration of innovative and prudent perspectives. ✓ Taking gender equality into consideration, there are currently two female directors, representing 18% of the total number of directors. Efforts will be made to increase the number of female directors to one-third of the whole directors.
Diversity of professional knowledge and skills of directors	
Management goals	Achievements in 2024
Diversity of professional knowledge and skills of directors	<ul style="list-style-type: none"> ✓ The members of the Board of Directors possess a diverse array of professional qualifications spanning a wide range of industries and academic backgrounds, including law, accounting, industry, finance, and investment. Their expertise enables them to exercise judgment on critical decisions across multiple professional fields. This aligns with the Bank's expectation to maintaining a diversified Board of Directors.
Strengthen the functions of the Board of Directors	
Management goals	Achievements in 2024
Strengthen the functions of the Board of Directors	<ul style="list-style-type: none"> ✓ The Board of Directors establishes operational systems in accordance with corporate governance regulations and is composed of directors with professional backgrounds, ensuring clear division of responsibilities. ✓ In 2024, the proportion of independent directors on the Board meets legal requirements. We will also continue to conduct by-elections as necessary to maintain a complete composition. ✓ We organize diverse continuing education courses every year to help directors keep abreast of corporate governance and sustainable development trends, and to strengthen professional decision-making.

◎ Gender composition of the Board of Directors

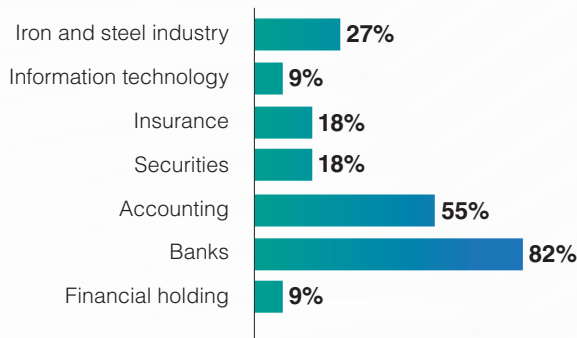




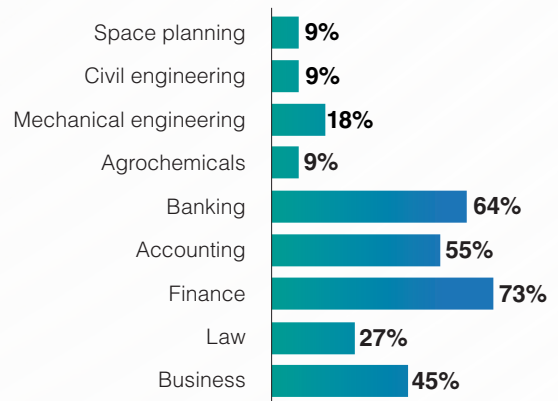
◎ Age composition of the Board of Directors



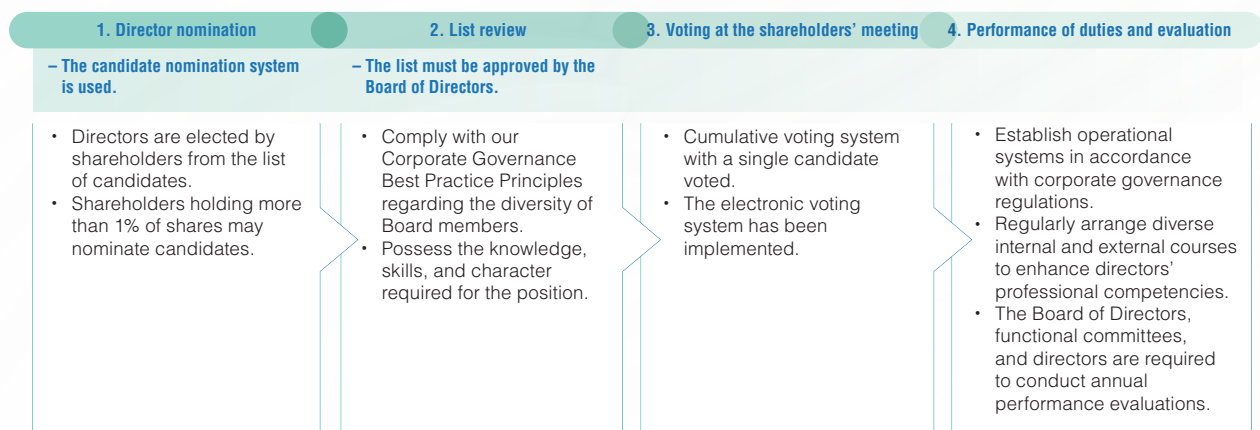
◎ Professional experience of directors



◎ Background of directors



● Enhance the selection system for the Board of Directors



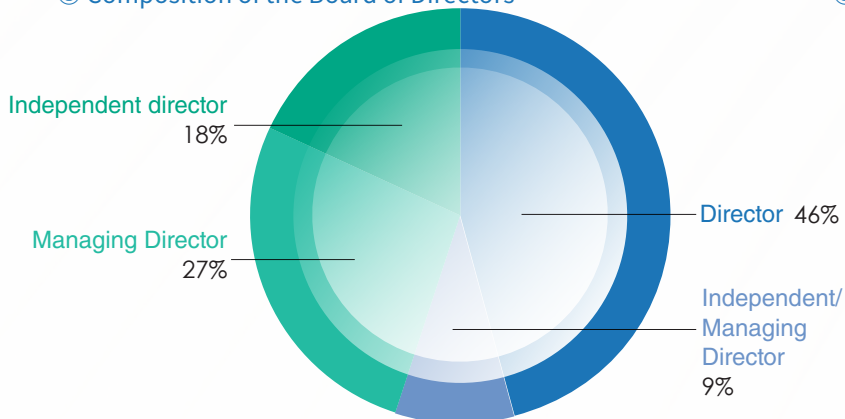
The 15th Board of Directors of the Bank is composed of 11 directors, as follows:

- All directors are nationals of the Republic of China, including 2 female directors (accounting for 18%), and 3 independent directors (accounting for 27%).
- The age of directors ranges from 29 to 67.
- The term of office for the 15th Board of Directors is 3 years (May 25, 2023 - May 24, 2026). In addition, at the 2024 annual shareholders' meeting, Mr. Chen Chin-Hsiung was elected as an independent director to fill a vacancy, with a tenure of 2 years and 1 day (May 24, 2024 - May 24, 2026). The average tenure is 2.9 years.

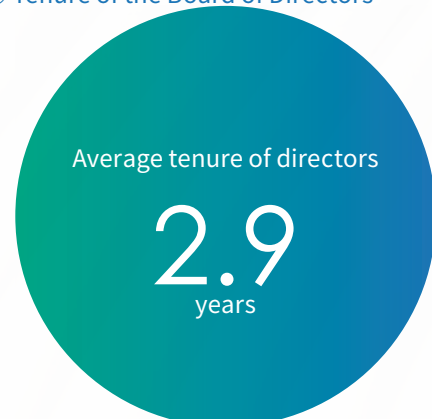
Corporate Governance and Management Implementing the Concept of Sustainability

Name	Job title	Gender	Tenure	Professional experience and background	Work experience in Global Industry Classification Standard (GICS)
Meei-Ling Jeng	Chairperson	Female	3 years	Financial holding, banking, accounting, insurance, finance	Finance
Tu-Tsun Wang	Independent/ Managing Director	Male	3 years	Banking, business, law	Finance
Yung-Sheng Chen	Managing Director	Male	3 years	Banking, accounting, insurance, finance	Finance
Yung-Yu Tsai	Managing Director	Male	3 years	Banking, accounting, iron and steel industry, finance, mechanical engineering	Raw materials
Chun-Tsung Li	Independent Director	Male	3 years	Accounting, finance	Finance
Chin-Hsiung Chen	Independent Director	Male	2 years and 1 day	Banking, accounting, securities, business, finance	Finance
Hung-Sheng Liu	Director	Male	3 years	Banking, iron and steel industry, business, finance	Raw materials
Chun-Chieh Huang	Director	Male	3 years	Banking	Finance
Chien-Fu Chen	Director	Male	3 years	Banks, accounting, securities, information technology, business, law, finance, banking, agrochemicals, mechanical engineering, civil engineering, space planning	Information technology
Li-Chih Lin	Director	Female	3 years	Iron and steel industry, business, finance	Raw materials
Sheng-Chen Li	Director	Male	3 years	Banking, law, finance	Finance

© Composition of the Board of Directors



© Tenure of the Board of Directors





● **Functional committee**


Committee name	Composition of the committee	Operation status
Audit Committee	<ul style="list-style-type: none"> • Convener: Independent Director Chun-Tsung Li • Members: All independent directors 	12 meetings were held. The average attendance rate was 100%.
Remuneration Committee	<ul style="list-style-type: none"> • Convener: Independent Managing Director Tu-Tsun Wang • Members: All independent directors 	Four meetings were held. The average attendance rate was 100%.
Sustainable Development Committee	<ul style="list-style-type: none"> • Convener: Chairperson Meei-Ling Jeng • Members: Independent Managing Director Tu-Tsun Wang, Independent Director Chun-Tsung Li, Independent Director Chin-Hsiung Chen 	2 meetings were held. The average attendance rate was 91.75%.

● **Operation of the Board of Directors**

The Board of Directors of Bank of Kaohsiung has convened a total of 13 meetings in 2024. The average attendance rate was 94.29%.

Strengthen the functions of the Board of Directors


Achievements in 2024



1. The Board of Directors of the Bank establishes operational systems in accordance with corporate governance regulations and is composed of directors with professional backgrounds, ensuring clear division of responsibilities. The selection of the Board of Directors is conducted based on the Bank's director selection system and the diversity management goals of the Board of Directors. Among the current Board of Directors seats, there are 3 independent directors, accounting for 27%; the gender equality is considered, with two female directors constituting 18% of the board, all in compliance with legal requirements.
2. In accordance with the "Board of Directors Performance Evaluation Guidelines", the Bank conducts annual internal performance evaluations of the Board of Directors, functional committees, and individual directors. The internal evaluation result for 2024 was "Good", which has been reported to the Board of Directors and disclosed on the company website, serving as a reference for improving operation of the Board of Directors, director selection, and remuneration decisions.
3. We organize diverse continuing education courses every year to help directors keep abreast of corporate governance and sustainable development trends, and to strengthen professional decision-making.

Leverage the capabilities of each functional committee

Achievements in 2024



1. Under the Board of Directors, the Bank has established the Audit Committee, Remuneration Committee, and Sustainable Development Committee in accordance with their respective authorities and functions. These committees are tasked with deliberating on major proposals and material topics related to economic, environmental, social, and risk matters. Functional committees are composed of or involve independent directors, ensuring that the decisions and recommendations of the committees are forward-looking, objective, and comprehensive, effectively executing independent supervision and checks and balances to ensure the implementation of all resolutions and actions of the Board of Directors.
2. Currently, none of the independent directors of the Bank have served more than three consecutive terms. Each quarter's financial statements are initially approved by the Audit Committee before being submitted to the Board of Directors for review.
3. The Bank has enhanced the risk management mechanism under the supervision of the Audit Committee. Additionally, to align with the implementation of the Responsibility Map System, its operation has been included in the supervisory responsibilities of the Audit Committee, with authority extending to the accountability of senior management.

Respect the shareholders' rights

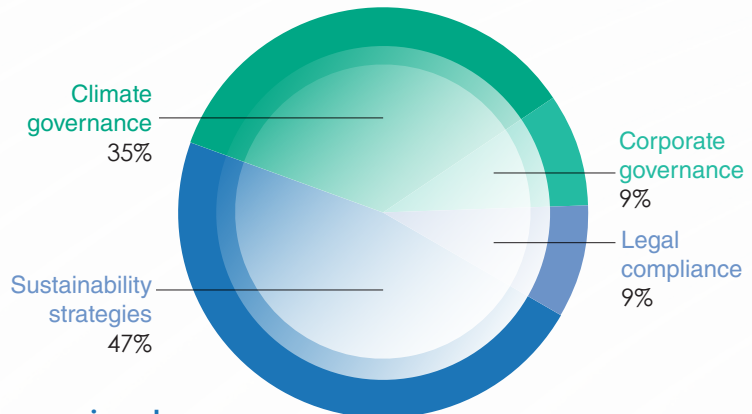
Achievements in 2024



1. To safeguard the interests of shareholders and ensure equal treatment, it is expressly prohibited for insiders to engage in securities trading using undisclosed material internal information, including (but not limited to) prohibiting directors from trading the Bank's shares during the 30 days preceding the announcement of the annual financial report and the 15 days preceding the announcement of each quarterly financial report.
2. To encourage shareholder participation in corporate governance, the Bank has appointed a professional stock agency to handle shareholder meeting matters, uploads the annual report of Chinese and English versions, annual financial statements, shareholder meeting notices, meeting handbooks, and supplementary materials to the Market Observation Post System, and adopts electronic voting to increase shareholder meeting attendance. In 2024, the electronic voting rate at the annual general meeting exceeded 50% of the total issued shares.

Advanced studies of the Board of Directors

In response to the development trend and the latest regulations on corporate governance-related issues, Bank of Kaohsiung offers diverse advanced training courses of external agencies to board members to strengthen all kinds of abilities required for directors to perform duties. All of the continuing education attended by directors in 2024 meet the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies". There were 10 sustainability-related courses, with a total of 28 participants and 32 class hours. The distribution of training course topics is as follows:



Board of Directors and management succession plan

The Bank has established a comprehensive succession planning mechanism for the Board of Directors and senior management, conducting multi-faceted assessments and planning for directors, independent directors, and key management personnel to enhance the effectiveness of board operations and management stability. To enhance directors' professional competencies, the Bank regularly provides education and training courses to help directors improve their professional knowledge. For management, training courses such as the "Business Management Executive Class" are conducted to help colleagues develop key skills.

Members of the Board of Directors

The performance evaluation on the Board of Directors and individual directors is conducted on an annual basis as the reference for selection of directors, and in order to aim at those with the integrity, responsibility, innovation and decision-making power in line with the Bank's core values, or the industry experience required by the Bank's business and the professional knowledge and skills that may help the Company's management.

Independent directors

There are sufficient professionals with the work experience required by law in commerce, law, finance, accounting, or corporate operations domestically. Therefore, the succession planning of independent directors aims at the professionals from the academic and industrial sectors.

Key management personnel

According to various development strategies, employee performance evaluation, and the status of manpower retirement, we carry out talent development training programs, such as professional capabilities, management capabilities, personal development plans, and job rotations, in a timely manner, in order to effectively pass on key skills and professional experience and also establish an appropriate succession echelon.

Succession planning for members of the Board of Directors and key management personnel



Summary of management succession development activities





● Performance evaluation for the Board of Directors

To enhance the effectiveness of board operations, the Bank has established the “Board of Directors Performance Evaluation Guidelines”. We conduct internal performance evaluations annually in accordance with these guidelines, and commissions external professional independent agencies or teams of external experts and scholars to conduct external performance evaluations at least once every three years. The average attendance of all directors is included in performance evaluation items of directors. The internal performance evaluation of the Board of Directors for 2024 has been completed, and both internal and external evaluations will be conducted again in 2025. The Bank implements the internal performance evaluation methods as follows (<https://www.bok.com.tw/bokgov>):

1 Evaluation method

Self-evaluation. Individual directors/committee members assess qualitative indicators, while quantitative indicators are completed by the meeting unit based on objective data.

2 Evaluation contents

- (1) Performance evaluation for the Board of Directors: Including five major aspects and a total of 44 measurement questions
- (2) Performance evaluation for the Board members: Including six major aspects and a total of 23 measurement questions
- (3) Performance evaluation for the Audit Committee: Including five major aspects and a total of 22 measurement questions
- (4) Performance evaluation for the Remuneration Committee: Including four major aspects and a total of 19 measurement questions
- (5) Performance evaluation for the Sustainable Development Committee: Including four major aspects and a total of 17 measurement questions

3 Evaluation results

According to the results of the evaluation, the achievement rates of overall performance assessment for the Board of Directors and its members, the Audit Committee, Remuneration Committee, and Sustainable Development Committee were 96.19%, 97.38%, 100%, 99.61%, and 100%, respectively. All were rated as “Good”, meeting the evaluation standards and indicating that overall operations are sound.



Regulations governing Performance Evaluation on the Board of Directors



Summary of management succession development activities



● Avoidance of interests

In order to mitigate the risk over unethical conduct arising from conflicts of interest, directors and independent directors are required to explicitly state the important contents of business decision-making if they have a stake in the contents of the motion. They shall perform the obligation of recusal and refrain from exercising the voting right on behalf of others. Meanwhile, they will perform the obligation of recusal together with any natural person or juristic person who has specific relationship with directors or independent directors and has also a stake in the contents of the motion.

In terms of business execution, we have also established Standard Operating Procedures for Transactions with Stakeholders, Regulations Governing Insider Trading of Wealth Management and Prevention of Conflicts of Interest, and Policies and Procedures for Prevention of Interested Transactions by Trust Enterprises, in order to prevent various conflicts of interest.

Bank of Kaohsiung discloses advanced studies and attendance of director through the MOPS, our website and annual report. We disclose material decisions made by the Board of Directors in the annual report. We also disclose how directors evade motions we are at stake in to enhance information transparency on operation of the Board of Directors.

Please refer to our website for the details on the Board of Directors and committees



3. 1. 3 Remuneration Policy

● Remuneration policies

Directors (including independent directors)

We established the director salary policy based on the Guidelines for remuneration distribution of employees. The Remuneration Committee examines how directors are engaged in company operation, how much they contribute, and the pay level of competitors for remuneration of all directors. Profits are distributed based on the corporate charter. However, profits are not distributed to independent directors. To enhance operational risk control, we supervise our internal audit, internal control, risk management, and compliance indexes for performance appraisal of directors. If a director is involved in an illegal act and hurts our profit, the Audit Committee shall exercise supervisory authority and censure directors for violation and neglect of duty, and impose the necessary penalty as required by regulations. Besides this, to check rationality of director remuneration, the Remuneration Committee reviews performance evaluation of director and manager, and policy, system, standard and structure of remuneration at least once every one and a half years.

Senior management

- Remuneration of managers is determined based on duties of the position, performance, capability and external remuneration level in the market, and implemented based on decisions of the Remuneration Committee and the Board of Directors. To determine the rationality of the remuneration of the manager, we analyze salary competitiveness, evaluate manager salary, regularly examine relevant regulations, and propose the remuneration to the Remuneration Committee and the Board of Directors for approval. If the President, Vice President, Chief Auditor, and the Chief Compliance Officer is involved in an illegal act and hurts our profit, the Board of Directors shall determine to dismiss the director and terminate remuneration distribution, and impose the necessary penalty as required by regulations.
- To strengthen the governance mechanism for sustainable development, the Bank incorporates performance indicators of material sustainable development topics into the annual business goals (KPI) of business management units and links them to the performance bonuses of unit executives. The Vice President and the Chief Compliance Officer comprehensively evaluate and grant performance bonuses based on the assessment results of the supervised management and business units, serving as indicators linking senior management remuneration to ESG-related performance evaluations. In the future, the Bank plans to gradually increase the proportion of sustainability-related performance in the remuneration system to continuously implement a sustainability-oriented compensation mechanism.

● Performance assessment linkage to material topics

Performance indicators	Assessment target	Proportion of business goals (KPI)
The average balance of green/sustainable time deposits meets the project target.	Director of Business Management Dept. (and Deputy General Manager of Business Supervision)	3~15%
Anti-fraud and fraud prevention advocacy (including related meetings held in cooperation with government agencies).		
The approved loan amount for green power financing business meets the project target.	Director of Credit Management Dept. (and Deputy General Manager of Business Supervision)	
The Green Power Trading Price Trust Business system is constructed.	Director of Information Technology Dept. (and Deputy General Manager of Business Supervision)	
In cooperation with industry-academia collaboration, provide internship opportunities for two additional university students in both the first and second half of the year.	Director of Human Resources Dept. (and Deputy General Manager of Business Supervision)	
Compile the sustainability report and the 2023 greenhouse gas inventory report and verification. (first half of the year)	Director of Executive Administration Dept. (and Deputy General Manager of Business Supervision)	
Obtain the third-party verification for environmental and energy systems, and establish the ISO 20400 sustainable procurement. (second half of the year)		
For topics related to ESG, TCFD, corporate sustainability management, and sustainable finance evaluation, assist in reviewing internal regulations, provide tracking of additions and amendments to relevant regulations and inform related units, and incorporate relevant topics into business operations as appropriate.	Director of Compliance Dept. (and Deputy General Manager of Business Supervision)	



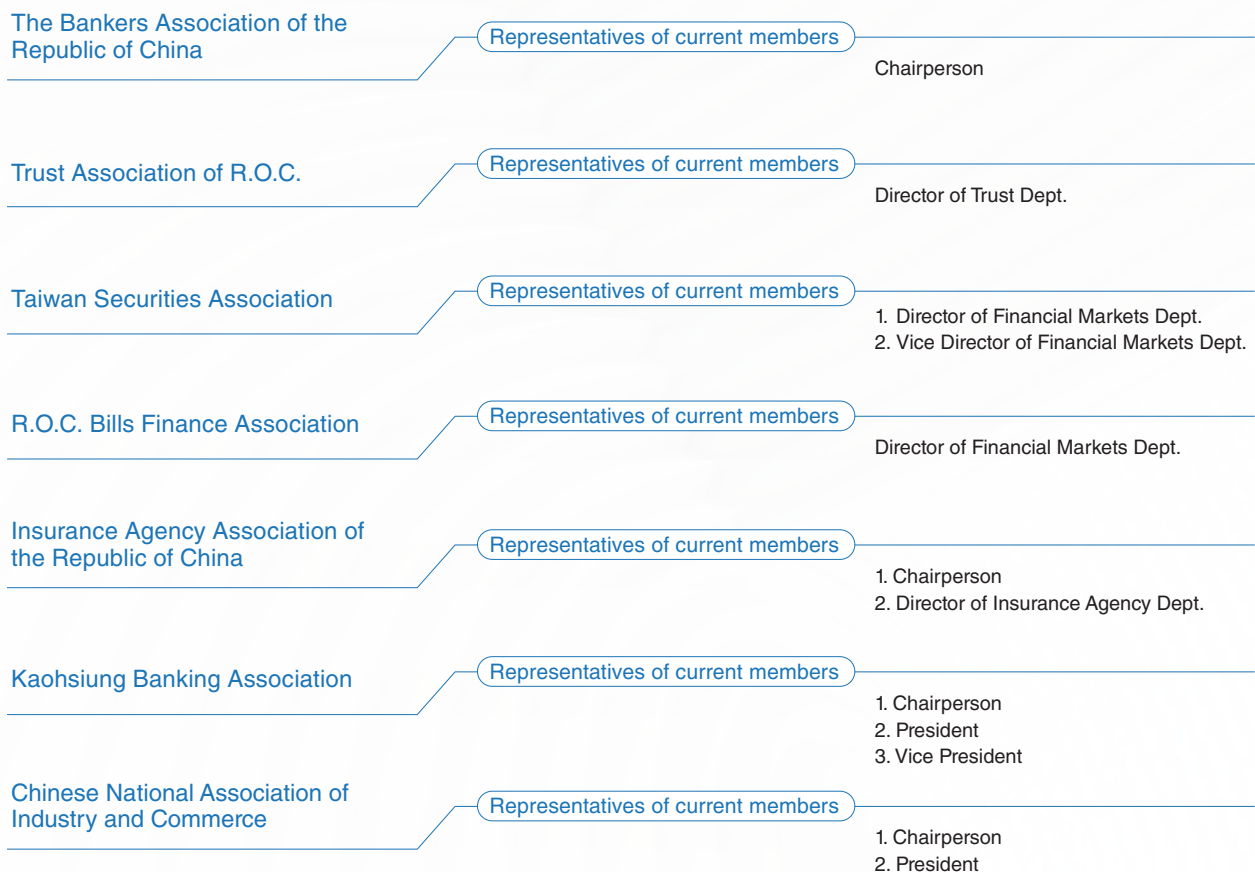
● Shareholder communication and rights

We focus on shareholder communication. The Investor relations section and Corporate governance section on our website offers financial, business and corporate governance information of our company in Chinese and English in real time. Furthermore, Bank of Kaohsiung hold the investor conference regularly, and handle investor problems immediately, to ensure that investors have full right to ask and find out our financial and business information. The communication channel is available, including spokesman system, investor service and Contact us mailbox, for shareholders to express opinions anytime.

In the meantime, to realize shareholder activism and for shareholders to vote in the shareholders' meeting conveniently, we actively respond to the electronic vote and director, supervisor nomination system promoted by the FSC. Electronic votes at the shareholders' meeting of Bank of Kaohsiung have typically accounted for more than half of the shareholding attendance throughout the years.

3.1.4 Engagement in Guild and Association

Bank of Kaohsiung proactively engages in relevant unions and associations, pays attention to the latest domestic and international trend, and change of government regulations, and knows well the dynamics of financial sector development. We facilitate stable development of the financial sector by exchange and collaboration with competitors, and help the government promote various financial policies. For example, we actively engage in organizations such as Trust Association of R.O.C., as shown below:



3. ② Ethical Management

3.2.1 Policies and Systems

Bank of Kaohsiung has established the Bank of Kaohsiung Co., Ltd. Ethical Corporate Management Best Practice Principles, Operating Procedure for Ethical Corporate Management and Code of Conduct, Code of Ethical Conduct and Service Rules for Employees, etc., in order to improve our corporate governance system, implement the management philosophy of integrity and transparency, strengthen the corporate culture of ethical management, and create a good corporate image and sustainable development environment. We also manage anti-corruption, fair trade, donation, recusal, intellectual property rights, and protection of business secrets, and regularly report the compliance with ethical corporate management to the Board of Directors. Any employee who violates the ethical management rules will be punished according to the reward and punishment regulations depending on the severity of the case. Relevant education and training courses are designed and planned to strengthen the awareness of compliance of our directors, managers, and all employees, so that they would perform duties honestly to prevent any incidents causing damages to our corporate image and property. Meanwhile, in response to the internal control and audit mechanism, and in order to promote the consequences of the Bank's unethical conduct, we incorporate the concept of ethical corporate management into the Company's culture.

● Trade secrets and intellectual property management

To promote sustainable development and sound corporate governance, the Bank shall comply with government regulations and foster a corporate culture that respects others' intellectual property. By establishing management systems such as the "Intellectual Property Management Guidelines of Bank of Kaohsiung" and the "Intellectual Property Rights and Trade Secrets Management Measures of Bank of Kaohsiung", the Bank ensures the proper protection of its intellectual property, creating a positive corporate image and a sustainable business environment. Intellectual property management matters and implementation status are provided by each business management unit to the Compliance Dept., which compiles and reports to the Board of Directors at least once a year, and discloses the information on the Bank's website, annual report, or as required by the competent authority.

● Responsibility Map System

To shape our corporate culture of ethical management and fulfill the requirements for ethical conduct among senior management, the Bank newly established and obtained Board approval for the "Guidelines for the Implementation of the Responsibility Map System" in 2024. These guidelines clearly specify the accountability system and procedures for senior management including the Chairperson, unit heads of all departments, and branch managers or above. The Board-level Audit Committee is designated as the functional accountability committee, and in cases of unethical conduct by senior management, the Board of Directors serves as the final decision-making authority for accountability, thereby strengthening the effective implementation of our commitments.

3.2.2 Outcome of Promotion of Ethical Management


We drew up the Bank of Kaohsiung Co., Ltd. Ethical Management Best-Practice Principles by referring to the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and relevant regulations. We endeavor to build our corporate culture of ethical management and sustainable development, actively prevent dishonest conduct, and adapt to development of domestic and international ethical management guideline. The Principles are the yardstick for directors, managers and our employees when performing tasks. Meanwhile, we require a total of 18 directors and management ranking the Vice President or above to sign the Letter of Undertaking for Compliance with Ethical Management Policy to ensure that all of our operating decisions and business activities carried out based on ethical management. To enhance management of ethical operation, we appoint the Board of Directors / Secretary's Dept. as a responsible unit, in charge of amendment of these Principles. We report compliance to the Board of Directors every year.



The Principles cover anti-corruption, anti-bribery, antitrust, prohibition of illegal political contribution, prohibition of improper charity donation or funding, and prohibition of insider trading. We plan to organize relevant educational training courses to make sure that our directors, managers and all of our employees comply with regulations, in order to prevent any unethical conduct. If any of our employees is involved in dishonest conduct or violates ethical conduct severely, the employee is punished based on relevant regulations or our human resource guidelines.

In accordance with the unethical conduct patterns specified in Article 2 of the Principles, we demand that each unit should conduct self-assessment on the frequency and degree of impact of unethical conduct incidents within the scope of their job duties. With respect to the business lines involving medium and high unethical conduct risk, we will request the relevant business management unit to formulate corresponding preventive measures and plans in addition to the existing operating regulations, in order to strengthen the prevention of unethical conduct. Through the analysis and evaluation by the risk self-assessment matrix of each unit this year, the VaR of each business line does not reach medium to high risk.

Absence of violation of ethical management in 2024.





Refer to our website for more information on ethical management.

Ethical Management Policy

Ethical Corporate Management Best Practice Principles

2024 Ethical Corporate Management







3.2.3 Whistleblowing System

Besides the spokesman system, we also formulated the Bank of Kaohsiung Guidelines for Governing Whistleblowing Cases. We appoint our Compliance Dept. as the special unit for accepting and investigating reporting cases. Meanwhile, numerous channels such as email and phone number are available on our website for our internal and external personnel to report violation. The Compliance Dept. should open the case which is found meeting the acceptance criteria for investigation upon receipt of approval and notify the whistleblower of the report for authorization by the Chairperson or review by the Audit Committee. If the case is found material or violating laws, it will be notified or reported to the relevant authorities according to regulations, and depending on the severity of the case, the relevant personnel involved may be transferred by the Human Resources Dept. to our Personnel Evaluation Committee for disciplinary action.


If, based on the contents of the whistleblowing case, any director, management ranking Vice President or above, or any investigator of us is found meeting the requirements for recusal, the relevant personnel shall recuse themselves from acceptance, investigation, review, and reconsideration of the whistleblowing, in order to avoid affecting the investigation process or result, and jeopardizing the independence and confidentiality of the investigation. When handling the acceptance and investigation procedures of the whistleblowing case, the identity of the whistleblower, the contents of the report, and relevant documents and files shall be kept confidential and maintained by dedicated personnel as confidential documents.

We are not allowed to disclose, reveal or publish any information that is sufficient to identify the whistleblower and related to the contents of the whistleblowing case to any irrelevant third party, in order to provide the whistleblower with effective and adequate protection measures.

In 2024, our Bank accepted a total of 1 whistleblowing case from an external party, with the whistleblower being a credit customer of the Bank. In accordance with the Guidelines for Governing Whistleblowing Cases, a formal investigation was initiated. The investigation results showed that no Bank employees were found to be involved in any illegal conduct as alleged in the whistleblowing case.



Bank of Kaohsiung Guidelines for Governing Whistleblowing Cases



Whistleblower Rights Notification and Whistleblowing Channels



3. ③ Risk Management

3.3.1 Policies and Systems

We build all kinds of risk management systems for different risk types and considering the nature, scale and complexity of operating activity. We strive to enhance the operational physique of Bank of Kaohsiung, effectively control risks for all operating activities, enhance business performance, and shareholders rights. Loss might be incurred from uncertain events during the business activity. These events include credit risk, operational risk, market risk, interest rate risk and liquidity risk. Based on our Risk Management Policy and Procedure, and independent, effective risk management mechanism drawn up in all risk management specifications, we assess and monitor the overall risk tolerance and the current risk exposure, to formulate adequate a risk response strategy.

Our Bank has established a sound risk management organizational structure, clearly distinguishing the responsibilities of risk management, execution, and supervisory units, with the Risk Management Dept. as the specialized risk control unit. A Risk Management Committee is also established responsible for reviewing the Bank's risk management reports, various risk limits, and supervising the implementation of the risk management mechanism. Regular meetings are held monthly, with a total of 12 meetings convened in 2024. In addition to review on various risk management topics, the management of sustainability and climate-related risks is also incorporated, thereby strengthening the Bank's sustainable governance mechanism.

● Risk management organization and structure

Risk management organization and structure

1. The Board of Directors is the highest supervisory body of risk management, which approves major risk policy and regularly reviews important risk limit.
2. The Audit Committee supervises the operation and communication of risk management-related units, reviews important risk management systems and limits, reviews risk management reports on a quarterly basis, and supervises the implementation of risk management.
3. The President and Vice President supervise the implementation of risk management mechanism.
4. The Risk Management Committee deliberates matters of risk management, and supervises implementation of the risk management mechanism.
5. Committees in charge of all relevant affairs are responsible for controlling the risks over the business lines which they take charge of.
6. The Risk Management Dept. is an independent specialized risk control unit coordinating with all competent business units, supervising all kinds of risk indicators, and preparing a risk management report to submit the report to the Risk Management Committee, Audit Committee and Board of Directors.
7. All business supervisory units execute risk management policies approved by the Board of Directors, and are in charge of the risk control over the business which they are charge of.
8. All business units comply with risk management rules and implement risk control for routine affairs.
9. The Compliance Dept. supervises the handling of compliance affairs throughout the Bank.
10. Board of Directors / Auditing Dept. audits whether the risk management mechanism of each business unit is operating effectively.



● Risk management mechanism



Short-term goals (2025)

- On March 21, 2025, the Board of Directors resolved to apply for the issuance of NT\$3 billion in long-term subordinated financial bonds. The purpose and utilization plan are to strengthen the capital structure and improve the capital adequacy ratio. Issuance will take place in one or multiple tranches within one year after approval by the competent authorities.
- Update the formula of capital adequacy ratio according to the schedule and specification in the “minimum capital requirements for market risk.”
- “High-asset customer wealth management business” — management of total customer asset size and control of investment portfolio concentration for all wealth management customers.
- Optimize the quality of sustainability information disclosed.

Medium- and long-term goals (3–5 years)

Continuously monitor various risks and regularly submit the results to the Risk Management Committee, Audit Committee and the Board of Directors.

● Risk management procedure

To implement overall risk management policy, the Bank, in accordance with the regulations of the competent authorities and the framework of the Basel II, and in combination with the Bank's business characteristics, has established risk management procedures in four major areas: risk identification, risk measurement, risk communication, and risk monitoring. Through quantitative and qualitative indicators, we set concentration limits and early warning mechanisms for businesses such as trading, credit, and investment, to effectively manage and control potential risks and ensure stable operations. The Bank formulates risk strategies from the top down, implementing them in various business approval and execution processes, and regularly consolidates risk monitoring results and external risk information (regulations, industry, finance, etc.) for submission to senior management as a basis for strategic adjustments. The Bank also strengthens risk management effectiveness and communication efficiency through audit and compliance mechanisms, thereby enhancing overall risk control capabilities.



Risk identification

- Subject to different risk types, products or services, we identify the risks included in the banking book and transaction book, and on balance sheet and off balance sheet items.
- Adequate risk management measures shall be set up before launch of any new product and business line.



Risk measurement

- Subject to the nature, scope and complexity of business activities depending on the type of risk, choose a proper risk measurement method or model, and establish feasible quantitative or qualitative indicators.
- Evaluate risks based on objective data, e.g. credit rating, potential loss on assets, loss from events/ recalled amount, and Value-at-risk (VaR).



Risk communication

- Implement internal risk reporting and external risk disclosure.
- Establish normal and abnormal risk reporting mechanisms.
- Disclose capital adequacy, risk exposure and important risk management matters as required by regulations specified by competent authorities.



Risk monitoring

- Review various risk management indicators, and submit the risk management report to the Risk Management Committee, Audit Committee and the Board of Directors regularly. If severe risk exposure is found and harms financial or business condition or compliance, adequate measures shall be taken immediately and a report shall be submitted to the Board of Directors.

All business units comply with risk management rules and implement risk control for routine affairs.

All business units execute risk policies approved by the Board of Directors, and are in charge of the risk control and management over the business which they are in charge of.

The Risk Management Dept. is an independent specialized risk control unit assisting all competent business units, supervising all kinds of risk indicators, and preparing the risk management reports to the Audit Committee and the Board of Directors.

Committees in charge of all relevant affairs are responsible for controlling and managing the risks over the business lines which they take charge of.

The Board of Directors supervises the risk management mechanism, approves major risk policies, and regularly reviews important risk limit.

The Audit Committee supervises the implementation of risk management mechanism.

The Risk Management Committee deliberates matters of risk management, and supervises implementation of the risk management mechanism.



● Scope of the risk measurement system

Capital requirement system	Classified according to the Standards Act by exposure risks such as central government, local government, bank, corporate, retail debt, residential debt (LTV), equity securities investment, and others, covering both on-balance sheet and off-balance sheet items, and taking into consideration collaterals, guarantees, etc., Risk Weights (RW) and Credit Conversion Factor (CCF) to calculate the risk-based assets.
Electronic credit investigation system	The historical data of credit risk factors of borrowers are recorded in the database for electronic management of credit risks in loan business.
Internal rating system	Based on historical experience, factors such as the borrower's characteristics, solvency, and outlook are comprehensively assessed, in order to effectively distinguish customer credit risk levels.
Database loss reporting system	Classified according to 8 major business categories and 7 major loss event types, and systematically record the amount of loss, related expenses, amount recovered, and net loss to collect loss events.
Key risk indicators	Based on the set frequency, changes in the indicators of four major aspects of internal operations, personnel, systems, and external events are observed to prevent operational risks.
Self-assessment on risk control	After each unit evaluates the frequency of occurrence and level of impact of each risk control point in its own business, the information system automatically evaluates the risk score according to the risk matrix to distinguish high, medium, and low risk levels for monitoring and prevention of operational risk loss.
Market risk measurement system	We adopt the Taiwan Economic Journal (TEJ) VaR (VaR) assessment system and the statistical models of the Bloomberg system to establish an independent, reasonable and accurate quantitative risk management mechanism, and measure the market risk over various financial products and investment portfolio in the transaction book based on VaR, VaR ratio, VaR to net worth, and DV01.

● Risk control report

The Risk Management Dept. submits risk control reports to the senior management regularly whenever necessary, and to the Risk Management Committee on a monthly basis and the Audit Committee and the Board of Directors on a quarterly basis. The risks and contents covered by the report are as follows:

Capital adequacy	Capital adequacy ratio, Tier 1 capital ratio, common stock equity ratio and leverage ratio.
Credit risk	Loan asset quality (NPL ratio, allowance for bad debt coverage ratio), concentration (type of borrower, industry, group), investment credit rating.
Country risk	Including foreign exchange trading, interbank lending, bond investment and funds, financial derivatives, credit risk exposure, CDS, country risk concentration, cooperation between China and new southbound countries, etc.
Market risk	Value at Risk (VaR), VaR to Net Worth, Duration of Interest Rate Commodities, DV01, etc.
Operational risk	Operational risk loss event database, operational risk control self-assessment results, and changes in key risk indicators.
Bankbook interest rate risk	Interest rate risk management indicators: Control the banking book interest rate risk from the perspective of surplus (ΔNII) and economic value (ΔEVE).
Liquidity risk	Deposit reserve, loan-to-deposit ratio, current reserve ratio, maturity date structure of NTD and USD, liquidity coverage ratio, and net stable funding ratio, etc.
Legal and compliance risk	Legal ratios, limit management, and compliance.
Climate risk	Regularly review the limits for properties classified as highly sensitive.
Information security risk	Information security warning, notification handling, information security monitoring, analysis and prevention, DDoS protection, computer virus prevention, information security equipment backup drills, information security prevention operations during consecutive holidays, and information security risk incidents, etc.
Business risk	We report to the FSC on the reasons for changes in major terms such as credit extension, financial derivatives, finance and others on a monthly basis, and monitor the business risk indicators on a quarterly basis.

● Stress test

We conduct a stress test on credit risk, market risk, banking book interest rate risk, liquidity risk, and climate change scenario analysis or stress test, at least once a year, in order to understand the possible losses or impacts of major events. The stress test results shall be submitted to the Risk Management Committee, and reported to the Audit Committee and Board of Directors according to the regulations. The stress test methods are explained as following:

Scope of stress test

Including the overall credit and investment positions of the Bank, taking into account credit risk and market risk, respectively. Among them, the on- and off-balance sheet credit parts, bills, bonds and equity investments, credit derivatives, and all securitized products and structured products of the banking book are included in the scope of credit risk consideration. The trading book position is included in the scope of market risk.

Selection of scenarios

The main concern is to consider the following negative scenarios for continuing operations in the future. They are divided into mild and severer stress scenarios according to their severity. In addition to referring to domestic economic indicators, such as economic growth rate, unemployment rate, and housing price level, the operational risk testing scenario of fraudulent activities involving the misappropriation of customer deposits and the deduction of cash dividends planned for the following year from the first type of common stock equity are also taken into account.

Methodology

Overall indicators

- GDP
- Housing price level
- Unemployment rate

Linkage factors

- Corporate revenue
- Collateral price
- Real income

Estimate risk components through linked indicators

- PD: JCIC historical default rate table
- LGD: Estimated by the Bank internally based on actual recovery and loss experience from defaults, with necessary adjustments made.
- EAD: Default exposure amount

Stress scenarios

e.g., economic recession, housing price decline, or deterioration of the employment market

Risk-linked indicators

e.g., business finance ratio, fully secured ratio, CLTV, DBR

Risk components and loss estimation

$PD \cdot LGD \cdot EAD$

1. Domestic credit position: Based on the concept of asset portfolio, considering the magnitude of the impact posed by overall economic indicators under stress scenarios, we assess the impact posed by it on risk-linked indicators, and then compare it with the default rate table, to generate the probability of default under stress scenarios. Then, we strive to figure out the loss level under the stress scenario by combining the LGD and AGD under some stressful scenario.
2. Foreign loans, debentures, and equity investments: The international credit rating results are mainly taken into consideration to determine the default rate under stressful scenarios. Based on the currently valid credit rating results, the mild and severer scenarios are assumed to be downgraded by 2 and 3 notches, respectively. The default risk comparison table provided by S&P indicates an increase in the default risk. Debtors or exposure targets that have not been rated by an international credit rating agency shall be assumed to be rated BB, and pressure shall be applied based on said principles. If the product exceeds the minimum level (CCC/C) after pressurization, it shall be calculated as the minimum level. The domestic loan method shall apply to the default loss rate. The default exposure is calculated based on the cash loan amount plus the exposure to off-balance sheet items in accordance with the standardized approach, without considering the facilities that have not yet drawn down.

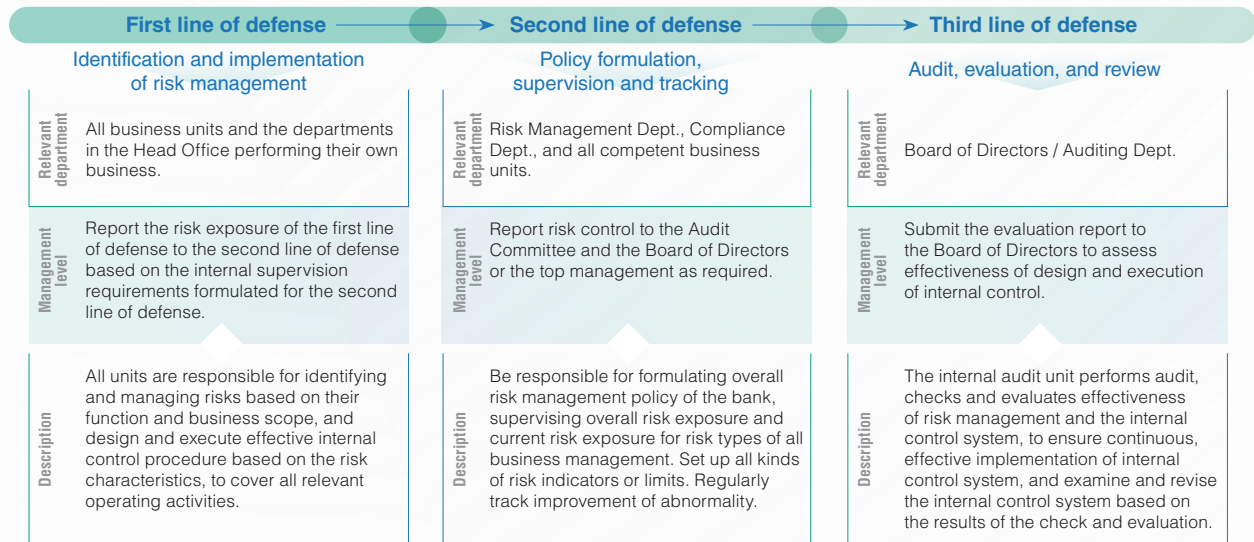
For detailed risk management policies and procedures, please refer to the official website





3.3.2 Three Lines of Defense for Risk Management

Bank of Kaohsiung has established three lines of defense for risk management, integrating the self-check system, compliance system, risk management mechanism, and internal audit system to ensure the effective operation of the internal control system.



3.3.3 Internal and External Operational Risk

In accordance with the Basel II, the Banking Act, the Regulations Governing the Capital Adequacy and Capital Category of Banks, and the Statement and Form of Calculation Method of the Bank's Self-Owned Capital and Risky Assets issued by the FSC, the Bank regularly calculates and monitors capital adequacy, and conducts internal capital adequacy assessment and stress testing to evaluate risk tolerance and the adequacy of operating capital, ensuring sufficient capital to cope with potential losses under stress scenarios.

The Risk Management Dept. is responsible for integrating the risk management status of all business units and reporting regularly to senior management and corporate governance units as required. Monthly reports are submitted to the Risk Management Committee, quarterly reports are presented to the Audit Committee and the Board of Directors, and project risk reports are compiled and presented to senior management as necessary. The report covers the evaluation results and management goals of major risk types (e.g., credit risk, market risk, operational risk, etc.), ensuring the effective operation of risk control mechanisms and enhancing the overall effectiveness of risk management.

Capital adequacy		
Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
The capital risk management indicators of the Bank are as follows: <ul style="list-style-type: none"> • Capital adequacy ratio, Tier 1 capital ratio, and the ratio of common stock equity not less than the ratio of "capital adequacy level" under the domestic bank's capital classification standard. • Operating reserves and allowance for bad debts may be included in Tier 2 capital, but when calculating capital adequacy ratio under the standardized approach for credit risk, the amount shall not exceed 1.25% of the total risk-weighted assets for credit risk. • Cash dividends shall not exceed the standards stipulated by the Banking Act and the Bank's Articles of Incorporation. • All types of loans and investments shall not exceed the ratios stipulated by the Banking Act and the Bank's own standards. 	Continue to monitor and control various capital risk indicator to maintain the capital adequacy ratio in compliance with the laws and regulations.	We monitor the capital adequacy ratio on a monthly basis and include the monitoring status in the risk management report, which is submitted to the Risk Management Committee on a monthly basis and to the Audit Committee and the Board of Directors on a quarterly basis, and to the competent authorities regularly, in order to comply with laws and regulations and to implement capital adequacy management.

Corporate Governance and Management Implementing the Concept of Sustainability

Country risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Our management and determination of country risk limits are based on the political stability, economic development, credit status, and debt repayment ability of each country, and also refer to the long-term foreign currency credit ratings of each country by domestic and foreign rating agencies. We conduct regular annual reviews and adjustments, and make ad hoc individual adjustments based on each country's economic and business development opportunities or risk considerations.	We continue to monitor country risk limits and set 90% as the early warning indicator. We review the Bloomberg system monthly for five-year CDS prices by country and keep records for future reference.	We monitor the country risk limit management monthly, including foreign exchange trading, interbank lending, bond investment and funds, financial derivatives, credit risk exposure, country risk concentration, cooperation between China and new southbound countries, and CDS, etc. The results of the monitoring are included in the Risk Management Report, which is submitted to the Risk Management Committee on a monthly basis, and reported to the Audit Committee and the Board of Directors on a quarterly basis.

Credit risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Our credit risk management mechanism includes requirements such as permission, credit rating, concentration and limit management, expiration management, exception notification, and review and tracking. We set up the Credit Risk Management Mechanism Summary Table and report the credit concentration to the managing Board of Directors regularly to control the credit risk.	We continue to monitor credit concentration by group and sector to maintain our operational safety and stability.	We monitor credit risk management information, including concentration ratio and limit management, on a monthly basis, and include monitoring results in the risk management report, which is submitted to the Risk Management Committee on a monthly basis, and reported to the Audit Committee and the Board of Directors on a quarterly basis.

Market risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Based on basic assumption specified in the Basel II and specified by the FSC, we choose historical simulation method, and regularly evaluate the VaR of the part of trading book, ratio of VaR to net value, and duration of interest rate product. DVO1 (Dollar Value of One Basis Point) is used to evaluate change of revaluation gains for the portfolio of all interest rate products while the interest rate is changed by 1bp (0.01%).	We continue to monitor market risk by control methods such as VaR, DVO1 and target income, and regularly report it to all management levels as required.	We monitor the VaR, DVO1, marketable securities investment limit, foreign exchange transaction and foreign currency lending limit on a daily basis, and monitor the risk of the financial investment position on a monthly basis, including the domestic and overseas investment market risks. The monitoring results are included into the risk management report submitted to the Risk Management Committee on a monthly basis, and to the Audit Committee and Board of Directors on a quarterly basis.

Bankbook interest rate risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Currently we perform evaluation by calculating impact on our NII and EVE in a year based on the IRRBB scenario and public version of the program released by the competent authority, including repricing risk, yield curve risk and option risk. We regularly execute risk assessment from surplus and economic value perspectives. <ul style="list-style-type: none"> • Surplus perspective: It is a short-term perspective. It focuses on income statement, and evaluates how interest rate change affects surplus for the next year. • Economic value perspective: It is a long-term perspective. It focuses on balance sheet, and simulates how interest rate fluctuation affects economic value. 	In the interest rate shock stressful scenario from Δ NII and Δ EVE perspective, we make sure that the percentage of negative effect posed by the scenario suffering the largest impact of the total of NT\$ and US\$ positions is less than 15%, which meets the requirement.	We adopt Δ NII and Δ EVE analysis as the main banking book interest rate risk management method to monitor short-term and long-term interest rate risks. The monitoring results are reported to the Risk Management Committee on a monthly basis and to the Audit Committee and Board of Directors on a quarterly basis.



Operational risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
By building an operational risk management system, we gradually quantify and systemize operational risk management, and implement operational risk management into corporate governance.	Monitor Operational risk by the operational risk loss database reporting system, KRI system, and risk control self-evaluation system.	We monitor operational risks generated from all kinds of businesses through adequate risk management policy, procedures and tools, to minimize potential loss and enhance the nature of business. We review operational risk loss incidents, key risk indicators, and risk control self-assessment system regularly, and include the monitoring results into the risk management report submitted to the Risk Management Committee on a monthly basis, and to the Audit Committee and Board of Directors on a quarterly basis.

Liquidity risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Our indicator for evaluating liquidity risk: <ul style="list-style-type: none"> • Liquidity coverage ratio (LCR) • Net stable funding ratio (NSFR) • Cash flow gap within thirty days (inclusive) • Cash flow gap for other tenors • Required reserve • Ratio of liquid reserve • Loan to deposit ratio 	We continue to monitor various liquidity risk evaluation indicators, and make sure that LCR and NSFR meet the relevant laws and regulations.	We review our various liquidity risk indicators and submit them to the Risk Management Committee on a monthly basis, and report to the Audit Committee and the Board of Directors on a quarterly basis.

Climate risk

Instruction for risk management measures / mechanism	Risk management goals of 2025	Outcome of risk management in 2024
Climate risk management mechanism: Our risk management mechanism All unit executives of the relevant businesses may set up our climate risk evaluation methods and processes based on customers or asset portfolios. They estimate the level of climate risks and take differential risk management measures. All units carry out operations and processes associated with climate risks based on their function. They shall adopt proper climate risk management and countermeasures.	We adopt difference management measures based on identified climate risk, and regularly report climate control to all management levels.	According to the Regulations Governing Credit Extension and Investment Sector Limits, we control over the total credit and investment balance for industries with high TCFD sensitivity, and include the monitoring status in the risk management report, which is submitted to the Risk Management Committee on a monthly basis and to the Audit Committee and Board of Directors on a quarterly basis.

● Risk management culture, education and training

To raise the risk awareness of all employees, the Board of Directors and the management of Bank of Kaohsiung shall attend courses on corporate governance or risk management, and demand that all employees attend the general education courses on risk management. In addition, taking into account different positions, industry environments, and trends, we have planned diversified risk management education and training. In 2024, we held courses on climate change risk assessment, sustainable risk management, information management internal control and audit, and effective audit reporting to enhance our employees' ability to identify and respond to emerging risks.

3. ④ Compliance

3.4.1 Policies and Systems

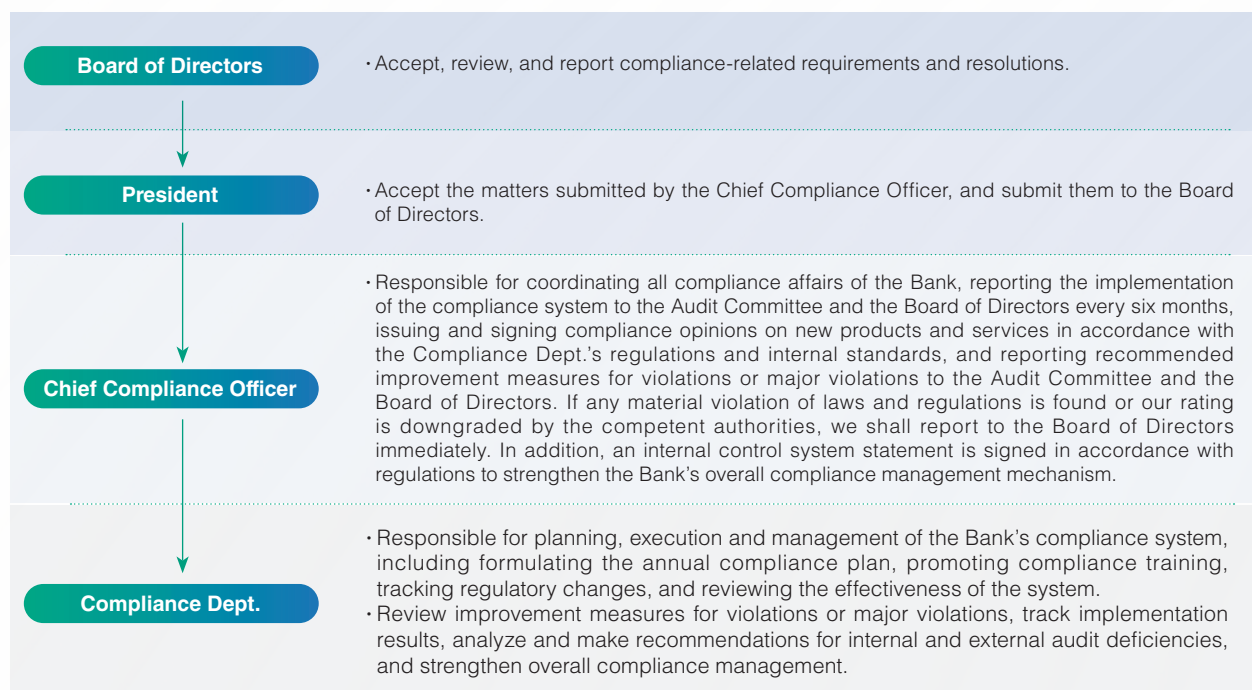
● Compliance policy

Bank of Kaohsiung follows the “Implementation Rules of Internal Control and Internal Audit System of Financial Holding Companies and Banking Industries” issued by the FSC, promotes our “Compliance System Guidelines”, and formulates an annual compliance implementation plan to systematically strengthen compliance management and organizational risk control. To ensure regulatory compliance is implemented in all business operations, we conduct a “compliance self-assessment” every six months and provide all employees with monthly online compliance training and testing (including practical penalty cases) to strengthen employees’ understanding and application of relevant regulations.

● Compliance system

We have developed the Compliance System Guidelines and established the Compliance Dept., tasked with planning, management, execution and appraisal of the operation of the compliance system. Meanwhile, in response to additions and amendments to laws and regulations, we coordinate the revision of internal operating regulations and communicate to the employees of all units the notice and E-mail of latest additions and amendments to the regulations. We hope that all employees are familiar with the relevant laws and regulations as well as code of ethical conduct associated with their job duty to ensure that their work and operation comply with laws and regulations. The Chief Compliance Officer reports the outcome of the compliance system to the Audit Committee and the Board of Directors on a semi-annual basis to ensure that the Board of Directors, senior management and all employees are jointly responsible for compliance.

● Compliance framework





3.4.2 Legal Compliance Implementation Status

● Legal compliance implementation results

The Bank regularly implements compliance items, including compliance self-assessment, on-site inspection, and compliance evaluation, to strengthen internal control and ensure that all operating activities comply with regulatory requirements. Distinguish between major and non-major penalty cases in accordance with Article 2 of the “Directions for Public Announcement of Major Penalties for Violations of Financial Regulations by the Financial Supervisory Commission,” there were no major penalties or sanctions imposed by the competent authorities in 2024.

Implementation items	Achievements in 2024
Compliance self-assessment	We have conducted two self-assessment and verifications of compliance with laws. In 1H and 2H of the year, except some units that were deducted points due to deficiencies in internal and external audits, anti-money laundering operations and verification of official leave designated for financial consultants, there was no major deficiencies in legal compliance or material violations of laws. Overall, the effectiveness of law enforcement remained satisfactory.
On-site inspection	On-site inspections were conducted in 13 business units and 2 business management units to review the implementation and compliance of internal operating regulations by the inspected unit. The Compliance Dept. notified the business management units of the inspection results in writing to facilitate subsequent supervision and improvement of deficiencies, and reported to the Board of Directors / Auditing Dept. to implement the horizontal communication and ensure the effective operation of the second line of defense.
Regularly report to the Board of Directors and the Audit Committee on the implementation of compliance	The Chief Compliance Officer reports twice each to the Board of Directors and the Audit Committee on the effectiveness and review of the compliance system, enabling the Board of Directors and senior management to fully grasp the implementation of compliance and the legal compliance risks of the entire bank.
Notification (report) of regulatory additions and amendments	I. The Bank has established the Regulatory Addition and Amendment Notification (Report) System to notify and track regulatory updates. Each business management unit, upon learning of regulatory developments, may also use the Regulatory Addition and Amendment Notification (Report) System to report to the Compliance Dept. II. In 2024, a total of 94 regulatory notifications were issued through the Regulatory Addition and Amendment Notification (Report) System, of which 9 were additions and amendments related to sustainability. The Compliance Dept. supervised each business management unit to complete internal operating regulations and system revisions on schedule, with no outstanding items to be tracked.
Compliance assessment for new products (services)	For the application of four new services, compliance review was conducted through the “New Business Launch and New Product/Service Listing Compliance Review Process” to confirm compliance with laws and internal regulations.

● Education and training

To ensure that all employees and managers possess correct awareness and judgment regarding relevant laws and ethical conduct, internal education and training of “Promotion of Laws and Legal Compliance Training” is held annually. In 2024, a total of 82,440 participants attended internal compliance education and training.

Compliance promotion courses

Number of trainees

79,046

Total number of classes

77

Total training hours

88,109.5

Cover topics such as “Financial Consumer Protection”, “Personal Data Protection”, “Anti-Money Laundering”, “Occupational Safety and Health”, “Types of Financial Examination Defects”, and “Intellectual Property”.

Sustainability education and training

Number of trainees

3,394

Total number of classes

3

Total training hours

5,092.5

Cover topics such as “Green Finance”, “Sustainable Development Actions of Listed Companies”, “Reference Guidelines for Preventing Greenwashing in Financial Institutions”, and “Climate Change Response Act”.

Note: For details on training of the Board of Directors and senior executives, please refer to 3.1.2 Operation and Performance of the Board of Directors and Committee.

3.4.3 Internal Audit and Control

We set up the internal control and internal control system based on the “Implementation Rules of Internal Control and Internal Audit 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” formulated and enacted by the FSC. We aim to facilitate robust operation. The Board of Directors, management and all employees comply with internal control and internal control system to accomplish the goal below.

We have set up an effective accounting system and internal control system based on the IFRSs recognized by the FSC, and implement, review and revise the accounting system and internal control system as required by competent authority for all units to abide by, and prevent malpractice. There were no significant deficiencies identified in the Bank’s internal audit in 2024.

● Internal audit

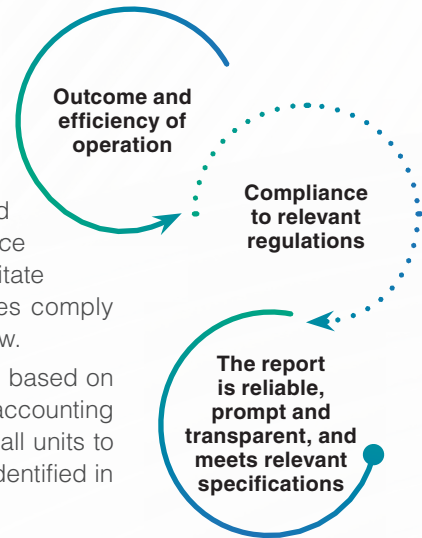
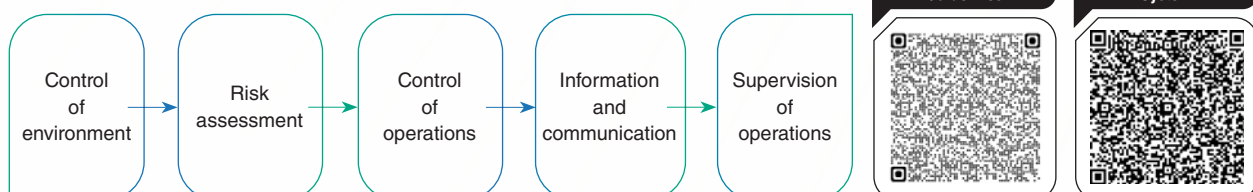
We set up the Board of Directors / Auditing Dept. under the Board of Directors (hereinafter referred to as the Auditing Dept.) based on the Implementation Rules of Internal Control and Internal Audit System of Financial Holding Companies and Banking Industries. We conduct internal audit independently, and build the general audit system to oversee the audit affairs. The internal audit system is planned and executed by the Auditing Dept., regularly or occasionally checking and evaluating internal control, compliance, financial condition, information management, and control and internal management of all kinds of operations.

In 2024, the Bank introduced the Responsibility Map System and formulated the “Guidelines for the Implementation of the Responsibility Map System”, which stipulates the reasons for initiating the accountability process, as well as the procedures for initiating and reviewing the process, with the Board of Directors as the highest supervisory unit of the Responsibility Map System, and the Audit Committee designated to be responsible for promoting the operation of the Responsibility Map System. In order to implement the responsibility map system, the responsibility map and responsibility statement shall be maintained and updated regularly. In this regard, the Bank has incorporated the responsibility map system into its internal audit program to build a more resilient corporate governance system through the integration of integrity management and internal control and internal audit systems.

● Internal control

Our design and operation of internal control system endeavors to reinforce corporate governance and adapt to diversified investment and operating policy. Besides considering our overall operating activity, we review and revise the system in time to adapt to change of internal and external environment and ensure that design and execution of our system stay effective. Our employees of all levels continue to perform tasks based on each of their control operation guidelines, and conduct self-check and internal audit as required. They take proper corrective actions for policy, approach and operating procedure of operation to deal with problems immediately. They submit the report on improvement after tracking appraisal to the Audit Committee and the Board of Directors in written to enhance operation management.

◎ Internal control process



Main purpose of audit work

1. Examine and evaluate effectiveness of internal control system, and offer improvement advice in time, to prevent malpractice and maintain asset safety.
2. Make sure that operation of affairs performed by the inspected unit meets regulations, operational specifications, and its handling procedure.
3. Ensure reliability and integrity of accounting information, and evaluate and find out financial condition and business performance of the inspected unit.
4. Examine various internal operational guidelines and control processes, and offer advice based on the examination to operational and management decision-making units in a timely manner, in order to enhance operational performance effectively.



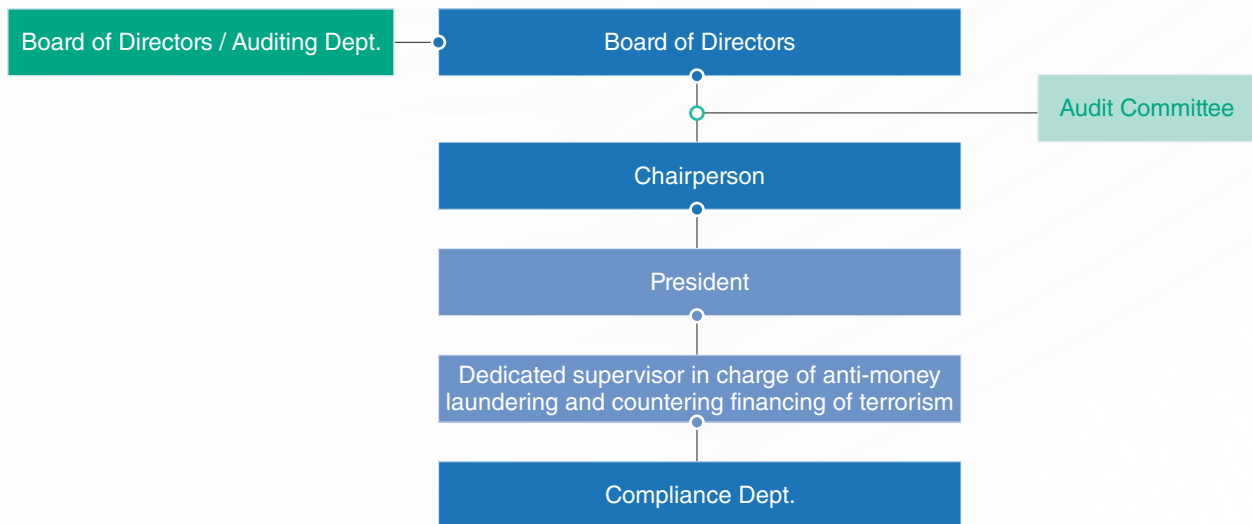
3. ⑤ Anti-Money Laundering and Counter Financing of Terrorism

3.5.1 Policies and Systems

According to the Money Laundering Control Act in Taiwan, banking sector is an obligation subject for anti-money laundering. We formulated the Guidelines Governing Anti-Money Laundering and Countering the Financing of Terrorism, Policy and Procedure for Money Laundering and Financing of Terrorism Risk and Prevention Plan, and Regulations Governing Authority and Responsibility of Anti-Money Laundering and Countering the Financing of Terrorism according to the Regulations Governing Anti-Money Laundering of Financial Institutions and the Template for Guidelines Governing Anti-Money Laundering and Countering the Financing of Terrorism released by the guild we have joined. In the meantime, we reinforced relevant systems and purchased a database to help us with anti-money laundering and countering the financing of terrorism.

We have established a comprehensive organizational structure for anti-money laundering and countering financing of terrorism. The Anti-money Laundering Section of the Compliance Dept. is the dedicated unit responsible for planning and promoting the establishment and implementation of anti-money laundering and countering financing of terrorism systems across the bank, ensuring that relevant systems are effectively integrated into daily operations.

● Organizational structure for anti-money laundering and countering financing of terrorism



3.5.2 Operating Process and Management Measures

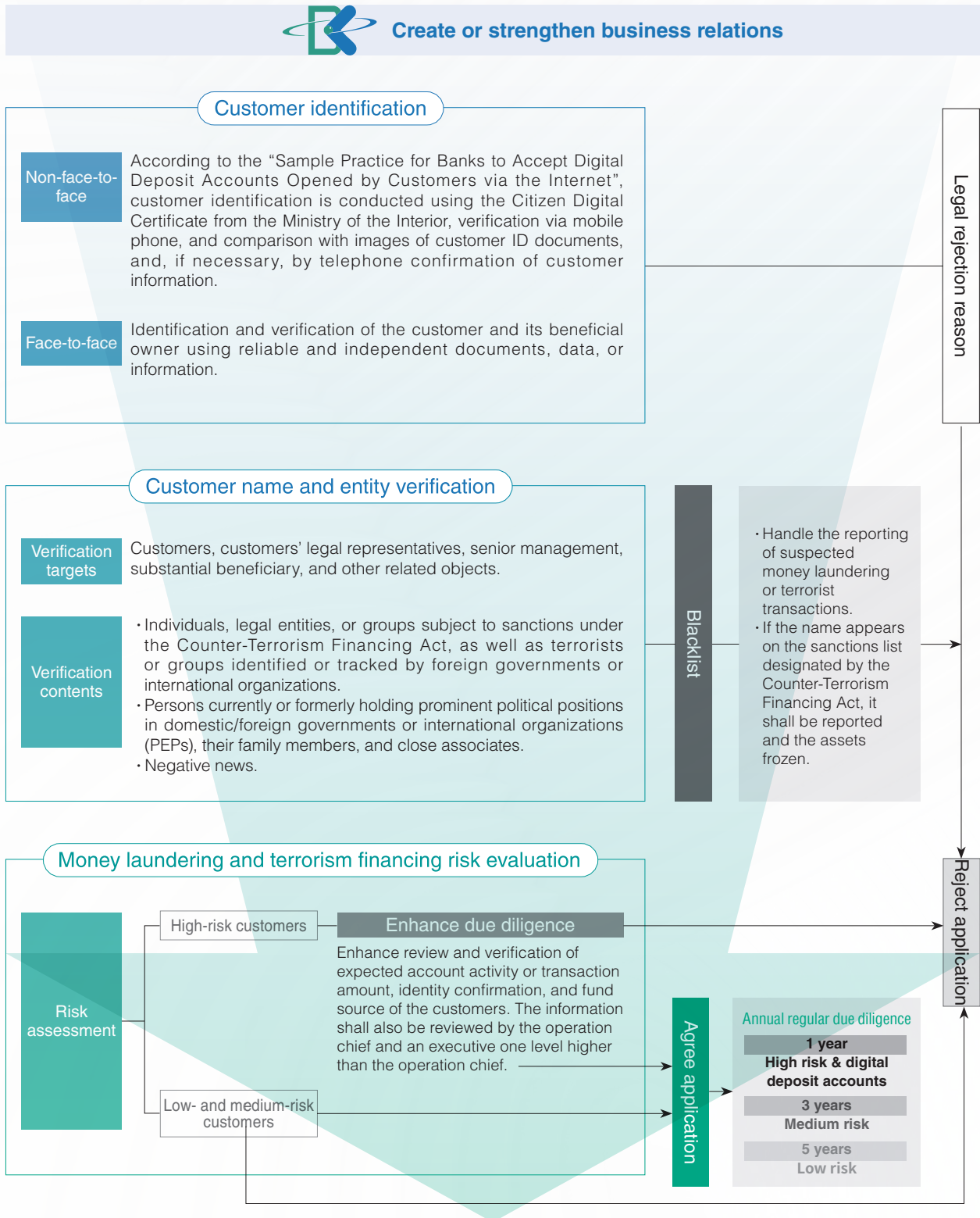
The Bank continues to enhance our governance and risk control mechanisms for anti-money laundering and countering financing of terrorism. In 2024, we report on implementation to the Board of Directors and the Audit Committee every six months and review risk assessment methods to improve management effectiveness. A comprehensive risk assessment report is completed annually to formulate the annual prevention plan, ensuring the effective implementation of various control measures. The Bank also appoints the CPA to audit the AML/CFT internal control system, conduct system validation, and transaction monitoring audits to enhance the rigor and credibility of overall prevention operations.

Corporate Governance and Management Implementing the Concept of Sustainability

Process and mechanism name	Content description
“Directions Governing Anti-Money Laundering and Countering Financing of Terrorism” and “Guidelines Governing Money Laundering and Terrorism Financing Risk Assessment and Relevant Prevention Policy and Procedure Development” that apply to our business and any other businesses managed by us concurrently	Amend our operational specifications for anti-money laundering and countering financing of terrorism according to official documents from the Bankers Association of the Republic of China, Trust Association of R.O.C., R.O.C. Bills Finance Association, Taiwan Securities Association, and Insurance Agency Association of the Republic of China.
Comprehensive money laundering and terrorism financing risk assessment report and risk prevention program	We perform comprehensive money laundering and terrorism financing risk assessment and prepare a risk assessment report every two years. Our overall outcome, control plan and risk improvement plan of our inherent risk are reported to the Board of Directors for the top management to ascertain our overall money laundering and terrorism financing risk promptly and effectively, determine the mechanism to be established, and develop appropriate mitigation measures.
Statement of Internal Control System for Anti-Money Laundering and Countering Financing of Terrorism	After submitting the Statement of Internal Control System for Anti-Money Laundering and Countering Financing of Terrorism to the Audit Committee and Board of Directors for review and approval each year, we disclose it on our website within three months at the end of the fiscal year, and make an announcement and report on the website designated by the FSC.
Establish the Anti-Money Laundering (AML) system	We established the Anti-Money Laundering (AML) system to identify and control threat and vulnerability of money laundering, including list check and transaction monitoring to prevent money laundering and financing of terrorism transaction.
Anti-Money Laundering and Countering of Financing of Terrorism (AML/CFT) system model validation project report	We authorize a third party to validate appropriateness of the anti-money laundering and countering the financing of terrorism system model every year.
Anti-Money Laundering and Countering the Financing of Terrorism Management Procedure	Draw up management procedures including Natural Person Identify Check, Customer Due Diligence, Suspicious Money Laundering or Terrorism Financing Transaction Monitoring Scenario, and Reporting on the Properties or Property Interests and Locations of Designated Sanctioned Individuals or Entities by Financial Institutions and the Currency Transactions Equal to or Above the Applicable Designated Threshold for employees to abide by.
Anti-Money Laundering and Countering of the Financing of Terrorism Execution Procedure	Draw up executive procedures including Customer Identity Confirmation, Customer Evaluation on Risk of Money Laundering and Financing of Terrorism, Reporting on the Currency Transactions Equal to or Above the Applicable Designated Threshold and Precautions for Customer Profile Management for employees to abide by.
Report our anti-money laundering and countering the financing of terrorism to the Audit Committee and the Board of Directors on a semi-annual basis	Report our anti-money laundering and countering the financing of terrorism, e.g. amend our anti-money laundering and countering the financing of terrorism operational specifications, customer risk level change analysis, orientation training and OJT of anti-money laundering, and defect check and improvement.
CPA project audit	Every year, we entrust CPAs to conduct the “Annual Anti-Money Laundering and Counter Financing of Terrorism Project Review” in accordance with regulations, assisting the bank in reviewing compliance operations of anti-money laundering and counter financing of terrorism, and issue the previous year’s assurance report to the FSC for record by the end of March each year.



● Money laundering and financing of terrorism handling process



● Suspicious transaction report (STR)

In 2024, the Bank completed a total of 592 reports of suspicious money laundering or terrorism financing transactions. After relevant cases are reported, the money laundering and terrorism financing risk level of the customers concerned is immediately raised to high-risk customers. For high-risk customers, the Bank has implemented the following enhanced monitoring measures in accordance with our internal anti-money laundering policies and operating procedures:

- (1) When updating and documenting the customer profile of high-risk customers, it is necessary to reinforce review and verification of expected account activity or transaction amount, identity confirmation, and fund source, of the customer. This information shall also be reviewed by the operation chief and an executive one level higher than the operation chief.
- (2) The frequency of regular due diligence on high-risk customers is once per year.
- (3) A higher level of control is adopted for the transaction control over high-risk customers.

3.5.3 Reinforce the Ability of Anti-Money Laundering and Countering of the Financing of Terrorism

To strengthen the ability of frontline employees to identify anti-money laundering and counter financing of terrorism risks and enhance overall compliance, our dedicated supervisor in charge of anti-money laundering and counter financing of terrorism, dedicated personnel, and supervisor of our domestic business units are required to complete at least 12 hours of anti-money laundering-related training each year. Regular e-learning training is also conducted, covering trends in money laundering and terrorism financing, practical discussions of anti-money laundering, and case sharing on terrorism financing, to ensure the effective operation and continuous improvement of our prevention mechanisms. In 2024, a total of 13,745 participants attended the courses related to anti-money laundering and counter financing of terrorism, with a total training duration of 15,616 hours.

**Total
13,745
participants
attended;
total training
duration
15,616 hours**

Course name	Training hours	Number of trainees
Internal		
Workshop on Anti-Money Laundering and Countering Financing of Terrorism Business and Review of Operational Deficiencies	564	188
2024 In-service Workshop for Anti-Money Laundering and Countering Financing of Terrorism Personnel	528	44
Senior Management - Fair Customer Treatment Principles in the Financial Service Industry (Including Financially Friendly Services) and Anti-Money Laundering & Counter-Terrorism Financing	156	78
Orientation education and training course for new employees	352	176
Online e-learning education and training	13,804	13,244
External		
2024 Seminar on Prevention of Money Laundering and Countering the Expansion of Terrorist Financing in the Financial Sector	18	3
Legal Compliance Forum on 2024 Case Studies on Anti-Money Laundering Practices	4	1
2024 Anti-Money Laundering Financial Knowledge Promotion Instructor Refresher Seminar	6	1
2024 Banking Industry Core Talent Training Program—Anti-Money Laundering	6	1
Orientation Workshop for Anti-Money Laundering and Countering of Terrorist Financing Personnel	168	7
Money Laundering Prevention Trends and Case Study Analysis	3	1
International Anti-Money Laundering Seminar—15th Annual Association of Certified Anti-Money Laundering Specialists (ACAMS) Conference	7	1
Total	15,616	13,745

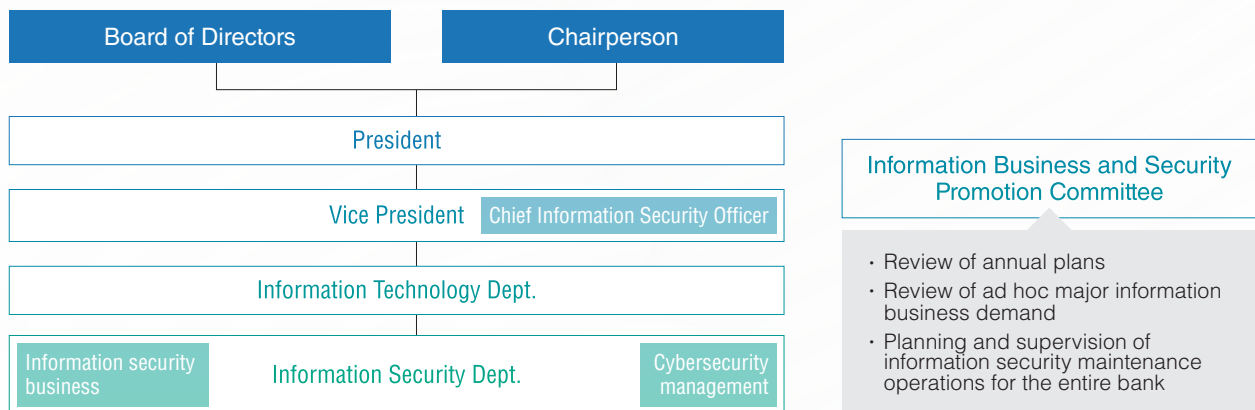


3. ⑥ Information Security and Personal Information Protection

3.6.1 Policies and Systems

To actively promote the development of our information business and maintain the secure operation of the Bank's information systems, we have established the "Information Business and Security Promotion Committee" responsible for planning and supervising all information security maintenance operations. The Board of Directors is the highest supervisory unit for information security. Director Chien-Fu Chen, who has an information industry background, participates in related affairs to assist the Board in reviewing information security policies and strategies from a professional perspective. The committee is convened by the Vice President supervising the Information Technology Dept., with members including heads of the Compliance Dept., Business Management Dept., Risk Management Dept., Digital Banking Dept., and Information Technology Dept. At least one meeting is held each year. The committee is responsible for reviewing the annual information plan, reviewing urgent major information business needs, scheduling the above two information business items, planning and supervising the bank-wide information security maintenance operations, and convening ad hoc meetings as needed. In 2024, a total of six meetings were held. To comply with the FSC's Financial Action 2.0, we plan to introduce the ISO 22301 Business Continuity Management (BCM) standard in 2025. In addition, we will complete the purchase of information security insurance in 2025 to strengthen the risk transfer mechanism, minimize risk losses, and enhance our ability to respond to future emergencies or disasters.

● Information security governance structure



● Information security goals

- Short-term goals**
- International business continuity management standard (BCMS) implementation and verification project
 - Purchase of information security insurance
 - Number of major personal information breach incidents: 0
 - Number of major information security incidents: 0
 - Social engineering drill pass rate >99%
 - Education and training completion rate 100%
 - Continue to maintain 100% effectiveness of the ISO 27001 information security management version and certificate

- Mid and long-term goals**
- Number of major personal information breach incidents: 0
 - Number of major information security incidents: 0
 - Social engineering drill pass rate >99%
 - Education and training completion rate 100%
 - Continue to maintain 100% effectiveness of the ISO 27001 information security management version and certificate

3.6.2 Information Security Management

We actively enhance our information security management to address information security risks by continuously upgrading and strengthening various information security management mechanisms, as well as regularly conducting employee information security education and training and simulation drills, thereby building a solid information security management system. We will continue to adjust our information security strategies and practices based on the latest information security trends and regulatory requirements, continuously improving information security governance and strengthening overall operational resilience.

● Information security management measures

Information system protection

- To maintain information system availability and uninterrupted operations, the Bank conducts two business continuity plan (BCP) drills annually for primary information system hosts, along with review and optimization.
- Other types of servers also undergo regular backup drills and utilize onsite real-time disk backup technology to enhance disaster response capability and system recovery speed, ensuring stable digital financial services.

Cybersecurity protection

- To prevent viruses and malicious attacks, we have deployed multiple network security protection devices and systems, including next-generation firewalls, APT analysis and detection, DDoS defense, and web application firewalls.
- Meantime, we implement the three core principles of information security management (confidentiality, integrity, availability) and the three elements of audit (authentication, authorization, accounting) to strengthen overall network security.
- We regularly conduct vulnerability scans, web testing, and penetration testing to proactively identify and address potential information security risks.

Confidential data protection

- In accordance with the Personal Data Protection Act and internal policies, we have established comprehensive access control mechanisms for the storage, transmission, and use of data containing personal information.
- We adopt multiple technical measures, including account authentication, database access monitoring, restrictions on USB drives and external storage devices, and filtering of email and web content to prevent leakage of sensitive information.
- The system design follows the "Principle of Least Privilege" to ensure secure and compliant data usage.

Information security evaluation

- Since 2015, we have annually commissioned external professional agencies to conduct at least one information security evaluation of the computer system, with execution classified by system importance and risk level.
- The evaluation covers information architecture, equipment and server inspection, IoT security, penetration testing, black-box testing, code scanning, social engineering drills, and acquisition of security certifications.
- Based on the evaluation results, we formulate corrective and preventive plans, continuously strengthening technical and management information security measures to ensure the safety of customer data.



● Information security investment and achievements

To strengthen our information security management mechanism and meet sustainable finance evaluation requirements, Bank of Kaohsiung continues to invest in information security. In 2024, the information security budget was NT\$21,245,000, accounting for 13.6% of the total information budget. The information security budget in 2025 is approximately NT\$39,691,000, accounting for about 15.7% of total information expenditure. The Bank will continue to enhance information security management through planning software and hardware upgrades and personnel training.

Item	Achievements in 2024
Information security monitoring and protection mechanisms	<ul style="list-style-type: none"> Deployment includes DDoS attack defense system, next-generation firewall system, web application firewall system, network intrusion detection and prevention system, spam filtering, advanced threat protection, Internet behavior management, antivirus system, and endpoint protection systems. Replaced transaction network segment firewall system and core network firewall system.
Information security protection and monitoring	Through the Security Information and Event Management (SIEM) platform, we detect internal abnormal usage and external attacks, integrating with the Financial Information Sharing and Analysis Center (F-ISAC) and external threat intelligence to analyze abnormal events, achieving rapid detection and response. We have also established a cybersecurity incident notification system to automatically report incidents to the Financial Security Operation Center (F-SOC), jointly building a financial cybersecurity monitoring and defense system.
Business continuity drills	Conducting remote disaster recovery drills and various server backup drills to assess the effectiveness of the business continuity plan and continuously improve and refine.
Information security education and training, and social engineering drill	<ul style="list-style-type: none"> Ongoing implementation of 15-hour professional information security training courses for dedicated information security personnel, 3-hour information security awareness courses and assessment tests for all employees. 100% participation of all employees in social engineering drills.
Introduction of international management standards and certification	On December 23-24, 2024, the British Standards Institution (BSI) conducted an on-site ISMS transition audit, and we passed ISO/IEC 27001:2022 certification.
Information security certification	A total of 12 certifications obtained, including CISA, CISM, CND, CHE, ECIH, CompTIA Security+, and IPAS Information Security Engineer.

● Information security education and training

Bank of Kaohsiung cares about information security, holds regular education training, offer diverse promotion channels, raises awareness of employee on information security, and fulfills control of information security. The total training hours for the entire bank in 2024 were 3,408 hours, with a completion rate of 100%.



Information Security General Education Program

Training participants
All employees

Number of trainees
3,393

Total training hours
3,393

The information security, IoT and security threats, and prevention of social engineering and phishing email hazards are included

Information Security Professional Education Program

Training participants
Personnel of dedicated information security units

Number of trainees
8

Total training hours
15

The information security protection, information security risk trends and management, cyber threat intelligence analysis, new defense trends and ransomware, hacker attack forensics, digital evidence retention, and intelligence search and analysis are covered

● Social engineering drill

To make sure that all employees become more aware of information security, we organize the social engineering drill every year and conduct drill test for all employees in a safe scope of monitoring. Employees who didn't pass the drill must take course and information security education and training and receive appraisal.

Social engineering attack drill

Drill	2024 effectiveness tracking
To raise awareness of all employees on information security, a phishing email attack drill is held twice a year. A test email is sent to all email addresses. Education promotion is provided to the employees who fail. The score for information security appraisal of the employee of the unit who failed is deducted.	In 2024, social engineering drills were conducted as required, covering 4,048 email accounts, with a 100% test rate over three rounds. The click-through rate for phishing websites was 0.39%, and additional education and training were provided to those who did not pass.

DDoS defense procedure drill

Drill	2024 effectiveness tracking
DDoS attack and defense procedure drills are conducted from time to time every year, and at least one on-site offense and defense drill shall be performed to confirm that we can effectively defend against network DDoS attacks and maintain the availability of our network services. [Service abnormality alert → personnel on duty in the Information Technology Dept. → notify the information security personnel → personnel on duty in the Information Technology Dept. equipment room notifies ISP for traffic cleaning → response to any contingency subject to the incident level → subsequent incident analysis and report conducted and submitted by the information security personnel]	A total of 11 DDoS defense procedure drills and 1 actual DDoS attack defense drill were conducted. Both the procedure drills and actual defense drills met the protection objectives and effectively verified our defense capabilities.

Drill for data circuit interruption, and insurance system disaster recovery

Drill	2024 effectiveness tracking
<ol style="list-style-type: none"> Annual local data line interruption and system backup drills for the insurance system are performed. Annual disaster recovery drills (BRS) for information systems are conducted to restore systems and data through offsite asynchronous data backup, and perform transaction tests and data verification via branch connections to the Bank of Kaohsiung Disaster Recovery Center (Linkou Kyndryl e-Center). 	A total of 1 local data line interruption and system backup drill and 2 information system disaster recovery drills (BRS) were conducted. All branch transaction exercises were completed, and the data was verified, thereby achieving the backup objectives.

● Information security improvement

- Computer System Information Security Assessment and Secondary Operational Drill and Review:

No non-conformance was found during the computer system information security assessment.

All secondary operational drills were successfully completed.

- Information Security Governance Maturity Assessment:

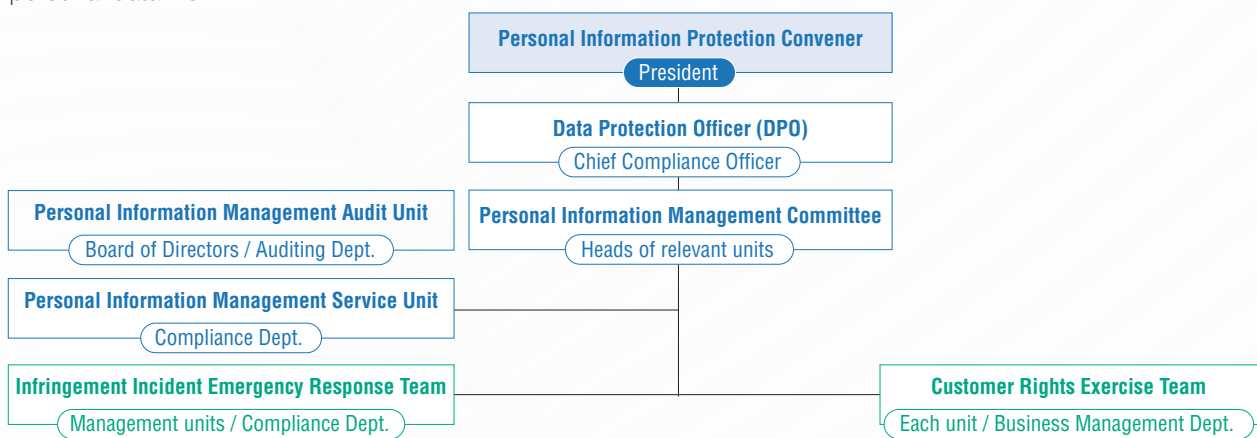
Our information security governance maturity meets the assessment criteria.



3.6.3 Personal Information Protection and Management

● System regulation

To implement personal data protection and management measures, we drew up the Customer Data Confidentiality Guidelines, Personal Data Management Policy, Personal Data Management Organization and Allocation of Power Regulations, Personal Data Management and Supervision Guidelines, and Personal Data File Infringement Case Emergency Response Guidelines. These strengthen security mechanism of personal data, and structural aspects such as personal data protection, security of information software and hardware and environment, management of communication and operations, management of system development and maintenance, and access control management. Therefore, we can reduce impact incurred from any damage to personal data file.



When performing all kinds of business, it is explicitly specified that customer data may only be collected, handled and used when meeting legal requirements. Employees are required not to engage in malpractice, accept any gift or gain illegal benefits from others. Business secrets and customer information shall be kept confidential and shall not be leaked to guarantee safety of customer data. Meanwhile, we continue to strengthen education and training, and promotion of personal data protection for employees, to urge employees to strictly follow the confidentiality rules, guarantee the rights of data subject, fulfill personal data protection, and protect customer rights.

● Personal information protection guidelines

Measures	Description
Control of system development process	Log in with AD account for development or establishment of all systems. Access control is set based on the department and function of employees.
Control of portable storage device	All PCs use the program of information assets management system for monitoring. Abnormal access behavior is checked by the Control Section and Information Security Section of the Information Technology Dept. together (checked daily).
Monitoring and recording of database reinforcement and access	Use database audit software and SIEM together to control abnormal access and check alert (checked daily).
Filtering of email and web content	After receiving the email review notice, the SMTP check executive shall examine the email and attachment and then approve, reject or delete it. The email management system keeps the email in the record for reference. After approval, if the sender did not encrypt the email, the system encrypts and sends the email automatically, and sends the email password to the sender. Besides control of web page type, when the user browses a webpage, he will be blocked if a condition related to personal information is triggered.

● Third-party verification and implementation results

After third-party verification of the Bank’s insurance agency business, the Bank obtained the “BS10012: Personal Information Management System” certification, and completed the annual ongoing review and verification on December 25, 2024, demonstrating that the Bank’s personal information management system complies with international standards. In addition, the completion rate of personal information protection operations in 2024 reached 100%, and no personal data leakage incidents occurred during the year.

Chapter

4

Environmental Protection and Carbon Reduction






Forging ahead to Net Zero Carbon Emissions

- 4.① Green Operations
- 4.② Sustainable Supply Chain Management
- 4.③ Carbon Reduction Strategy and Goal

▶ Core vision and commitment

Bank of Kaohsiung is committed to sustainable development and has pledged to take concrete action toward achieving net-zero carbon emissions by 2050. In support of national low-carbon policies, the Bank has set annual targets of reducing both Scope 1 and Scope 2 greenhouse gas emissions and electricity consumption by 1%. In 2024, we achieved a 2.29% reduction in total greenhouse gas emissions, a 2.10% reduction in electricity consumption, a 5.64% reduction in fuel usage, and a 10.24% decrease in per capita energy intensity. Looking ahead, the Bank plans to adopt the Science Based Targets initiative (SBTi) to establish a scientifically aligned emissions reduction roadmap. Upon implementation, the annual carbon reduction target for Scope 1 and 2 emissions is expected to increase to 4.2%. Additionally, we will introduce an internal carbon pricing mechanism to strengthen the effectiveness of carbon management. In supply chain management, we actively promote local sourcing. In 2024, we adopted the ISO 20400 Sustainable Procurement Standard and aim to obtain third-party certification by 2025. By partnering with our suppliers, we are working together to build a green and resilient supply chain. Through comprehensive and strategic actions, Bank of Kaohsiung is dedicated to becoming a leader in the financial industry's sustainable transformation and co-creating a low-carbon future.

▶ Achievement and performance in 2024

-  Completed the installation of solar photovoltaic panels at the Caoya Branch, expected to reduce CO₂e emissions by 18.06 metric tons annually
-  Achieved a 2.29% reduction in Scope 1 and 2 greenhouse gas emissions in 2024
-  Reduced electricity consumption by 2.10%, fuel consumption by 5.64%, and per capita energy intensity by 10.08%
-  Established a new supplier evaluation mechanism
-  Held the first ESG Supplier Conference

▶ Material topics

Greenhouse gas inventory
and reduction

Sustainable procurement
and supplier management

Enhancement goal

Short-term

- Prioritize the replacement of air conditioning units older than 15 years or those between 10–14 years with poor performance.
- Replace all official vehicles at headquarters with hybrid vehicles.
- Plan to set a greenhouse gas reduction target of 4.2% per year.
- Continue implementing the environmental management system and aim for 1% waste reduction.
- Solar photovoltaic panels at the Qiaotou Science Park Branch officially begin generating electricity.
- The Head Office building, Caoya Branch, and Qiaotou Science Park Branch officially use renewable energy.
- Complete the third-party verification of the ISO 20400 Sustainable Procurement Guidelines.
- Host a supplier forum and promote the signing of the Bank's Supplier Sustainability Declaration by attending vendors.

Medium-term

- Proactively use green building materials in the construction of bank buildings.
- Continue planning for solar photovoltaic system installations at various branches.
- Continue to achieve greenhouse gas reduction and energy management system planning.
- Complete the signing of the Science Based Targets Initiative (SBTi).
- Host a supplier conference and promote 100% signature rate of the Supplier Sustainability Declaration among all 66 partner vendors.

Long-term

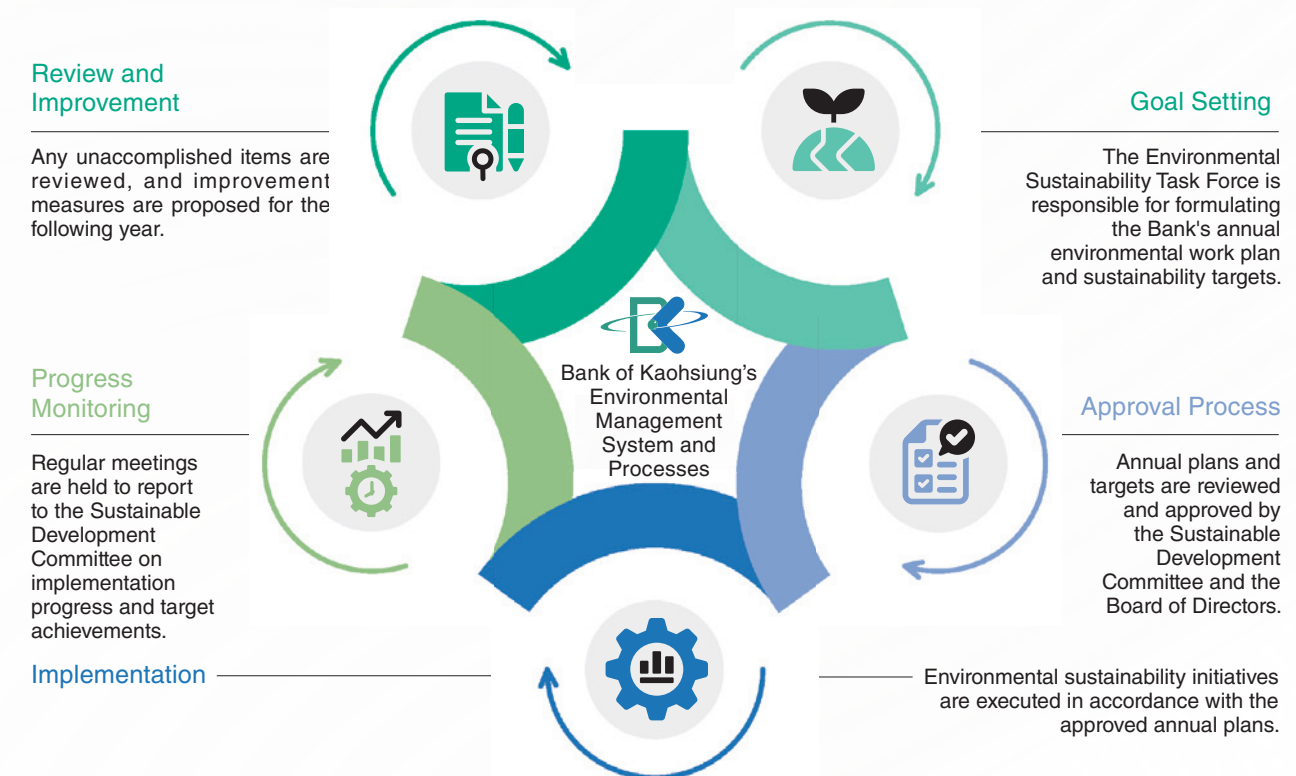
- Continue to achieve greenhouse gas reduction and energy management system planning.
- Expand solar photovoltaic system installation plans to more branch locations.
- Increase the use rate of green power at each location.
- Implement relevant items such as demonstration location of low (zero) carbon emissions.
- Replace official vehicles with hybrid vehicles in all locations by 2028.
- Continue organizing supplier conferences and maintain 100% signature rate of the Supplier Sustainability Declaration.



4.1 Green Operations

Climate change has emerged as a critical global challenge, impacting not only natural ecosystems but also fundamentally altering human lifestyles. For businesses, this trend presents a long-term test of sustainable operations. Failure to confront the current crisis and continued overconsumption of resources will further accelerate global warming and may result in irreversible consequences.

Bank of Kaohsiung regards environmental sustainability as a core mission and remains committed to continuously enhancing its environmental management performance. To this end, the Bank established a Sustainable Development Committee in 2023 and formed a dedicated Environmental Sustainability Task Force, led by the Executive Administration Dept.. This task force is responsible for coordinating initiatives related to energy conservation and carbon reduction, sustainable procurement, and supplier management. The task force develops annual plans with clear objectives and systematically monitors the Bank's environmental impact. Through data analysis and performance evaluation, we ensure that all business activities adhere to sustainability principles.



To proactively address climate change, Bank of Kaohsiung launched a comprehensive greenhouse gas (GHG) emissions inventory in 2023. In 2024, the Bank completed third-party verification in accordance with the timeline outlined in the Financial Supervisory Commission's "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies." In alignment with Taiwan's 2050 net-zero emissions target, the Bank will leverage its influence as a financial institution to contribute to limiting global temperature rise to below 1.5°C, advancing toward a shared vision of sustainable development.

In our operational practices, we have integrated the United Nations Sustainable Development Goals (SDGs)—specifically SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals)—into our strategic framework. Our efforts are focused on five key green topics: energy management, water resource utilization, waste treatment, sustainable supply chains, and net-zero emissions. By setting concrete targets, adopting international management standards, and establishing sound policies, the Bank continues to enhance its performance in energy efficiency, water management, and other environmental dimensions, contributing to a more sustainable future.

Bank of Kaohsiung's green operations focus areas



Implemented ISO 14001:2015 Environmental Management System and passed third-party verification

To advance corporate sustainability, Bank of Kaohsiung has actively developed an environmental management framework. Since 2021, the Bank's Head Office building has adopted the ISO 14001 Environmental Management System and has successfully obtained third-party certification. By analyzing key factors affecting environmental performance at the headquarters, the Bank has established environmental performance indicators, action plans, and procedural documentation to systematically enhance environmental outcomes. In 2024, the Bank did not incur any significant fines or non-monetary penalties for violations of environmental laws or related regulations, demonstrating a strong commitment to environmental compliance.

The ISO 14001:2015 Environmental Management System certification is valid through December 2027.



4.1.1 Energy Use and Management

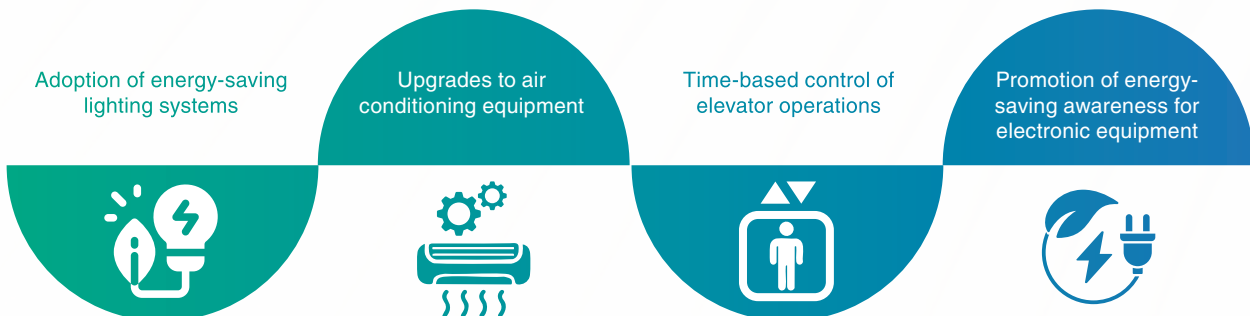
Since 2021, Bank of Kaohsiung's Head Office building has implemented the ISO 50001:2018 Energy Management System and successfully obtained third-party certification, which remains valid through January 2028. Guided by the framework and standards of this system, the Bank is able to comprehensively manage its energy baseline, energy performance indicators, energy targets, and action plans. These tools provide a reliable foundation and systematic documentation for enhancing energy efficiency and optimizing equipment performance in the future.

The ISO 50001:2018 Energy Management System certification is valid through January 2028.



In recent years, the Bank's energy improvement measures have covered air conditioning systems, lighting equipment, elevator systems, computers, and other related facilities. Through continued efforts in daily operations, the Bank has effectively improved its overall energy performance, laying a solid foundation for achieving long-term sustainability goals.

Energy efficiency initiatives





● Air conditioning

Through improvements to air conditioning systems, Bank of Kaohsiung has reduced overall energy consumption. Key initiatives include the procurement of energy-efficient air conditioning units such as inverter split systems with high Energy Efficiency Ratios (EER), as well as adjustments to usage behaviors to maximize environmental benefits in terms of energy conservation and carbon reduction. The following are the measures for management of air conditioning:

Type	Management measures
Terms of use for air conditioning	<ul style="list-style-type: none"> · Air conditioning is turned on daily at 08:10 and turned off at the end of the workday, no later than 17:30 · Office areas with air conditioning units maintain indoor temperatures between 26°C and 28°C · Chilled water outlet temperature for the chillers of Head Office is set between 12°C and 13°C to reduce restart frequency of chillers. · Turn off the air conditioning of warehouse and the meeting room when not in use.
Maintenance of air conditioning	<ul style="list-style-type: none"> · Branch locations are progressively replacing aging units, with priority given to systems older than 15 years or those between 10–14 years with poor performance, upgrading to inverter energy-saving models. · Installed segmented control systems for chillers on the 6th and 7th floors of headquarters. · We reallocate the location of vent for areas with high activity level, and install ceiling circulator to enhance average refrigeration effect of space, and reduce burden of air conditioning system. · Install automatic doors or windbreak rooms to reduce air conditioning losses and improve system efficiency. · Maintain air conditioning system regularly to maintain the optimal performance.

● Lighting

In response to the energy-saving policy promoted by the Energy Administration, Ministry of Economic Affairs, Bank of Kaohsiung began replacing high-consumption traditional and halogen bulbs with LED lighting in 2024. A total of 200 LED tubes were installed this year, and further upgrades will continue in the coming years. Other lighting management measures are as follows:

Type	Management measures
Usage guidelines for lighting systems	<ul style="list-style-type: none"> · Essential lighting in service halls and office areas must be turned off when unoccupied. · Non-essential lighting in non-service office areas during weekdays must be turned off when not in use. · Advertising signage lighting hours are set from 18:00 to 21:00 in summer, and from 17:30 to 21:00 in winter.
Lighting systems upgrades and maintenance	<ul style="list-style-type: none"> · Old lighting fixtures are replaced on a scheduled annual basis, with all replacements using high-efficiency fixtures and energy-saving LED tubes. Traditional bulbs and high-consumption halogen lamps have been fully phased out. In 2024, 200 LED tubes were installed. · Lighting in the headquarters basement parking area has been upgraded to motion sensor-activated systems. · Signboard lights and high-efficiency electronic ballasts have been replaced to improve energy efficiency by providing more stable voltage at the same illumination level, thereby reducing invisible energy loss.

● Elevator

We enhance energy saving for elevator through terms of use for elevator. Our employees can become healthier by walking more. We perform regular overhaul and device renewal of elevator, to make sure that we can fulfill the energy saving goal smoothly.

Type	Management measures
Terms of use for elevator	<ul style="list-style-type: none"> · The number of elevators in operation in the Head Office are controlled based on the working hour and holiday. · We encourage employees to climb stairs more often, to fulfill energy saving and carbon reduction.
Renewal and maintenance of elevator	<ul style="list-style-type: none"> · The elevator control system of the Head Office is replaced with variable frequency control system, infrared gate fence, and integrated backbone cable. · Elevators undergo regular maintenance and servicing.

● Computer and other devices

We require employees to turn off computer, monitor and printer when they get off work. We require employees to always turn off power when they get off work to help them become aware of ESG and environmental protection, and ensure that they help achieve positive environmental benefits of energy and power saving. In addition, the Bank prioritizes the procurement of personal computers with energy efficiency labels to enhance overall energy performance.

● Fuel reduction measures

In 2024, the Bank initiated the replacement of official vehicles to reduce fuel consumption. One gasoline-powered vehicle was decommissioned, and another was replaced with a hybrid model. As a result, fuel consumption was reduced by 2,297 liters, representing a 5.64% decrease compared to 2023. Looking ahead, the Bank plans to replace all official vehicles at headquarters with hybrid models by 2025, aiming to increase the proportion of hybrid vehicles in the Bank's fleet to over 15%. Full replacement of all official vehicles with hybrid models is targeted for completion by 2028.

● Renewable energy implementation plan

Installation of solar photovoltaic panels

Since 2023, Bank of Kaohsiung has been actively evaluating the feasibility of installing solar photovoltaic (PV) systems across its branches to support internal carbon reduction goals and align with the government's net-zero emission policy. Priority was given to installations at the Caoya Branch and the Qiaotou Science Park Branch. In 2024, the Bank completed the installation of a solar PV system at the Qiaotou Science Park Branch with an installed capacity of 72.45 kW. The system is expected to complete grid-connection and begin electricity generation in 2025. Meanwhile, the Caoya Branch's 27 kW solar PV system began operating in 2024, generating a total of 38,100 kWh during the year.

In 2024, the solar PV system at the Caoya Branch reduced CO₂ emissions by 18.06 metric tons. Upon completion and full operation of the Qiaotou Science Park Branch's solar PV system, an additional 48.46 metric tons of CO₂ emissions are expected to be reduced annually. Combined, the two systems are projected to reduce a total of 66.52 metric tons of CO₂ per year, resulting in an estimated NT\$856,000 in annual savings on renewable electricity procurement.

Qiaotou Science Park Branch

Installed Capacity 72.45 kw

Estimated 102,235 kWh annually

Caoya Branch

Installed Capacity 27 kw

38,100 kWh in 2024



Renewable energy procurement plan

To fulfill its carbon reduction commitments, Bank of Kaohsiung plans to begin purchasing renewable energy starting in 2025 to meet the carbon reduction requirements of the Science Based Targets initiative (SBTi). The Bank has developed a three-year green power procurement roadmap, targeting the purchase of 400,000 kWh in 2025, 800,000 kWh in 2026, and 1,000,000 kWh in 2027. This plan is expected to reduce carbon emissions by approximately 474 metric tons of CO₂ annually. By combining the introduction of renewable energy systems with the purchase of green electricity, the Bank aims to significantly reduce the carbon footprint of its operations and uphold its commitment to environmental sustainability.

Projected Green Electricity Purchase (kWh)	400,000	800,000	1,000,000
Estimated Carbon Reduction (tCO ₂ e)	189.6	379.2	474
	2025	2026	2027



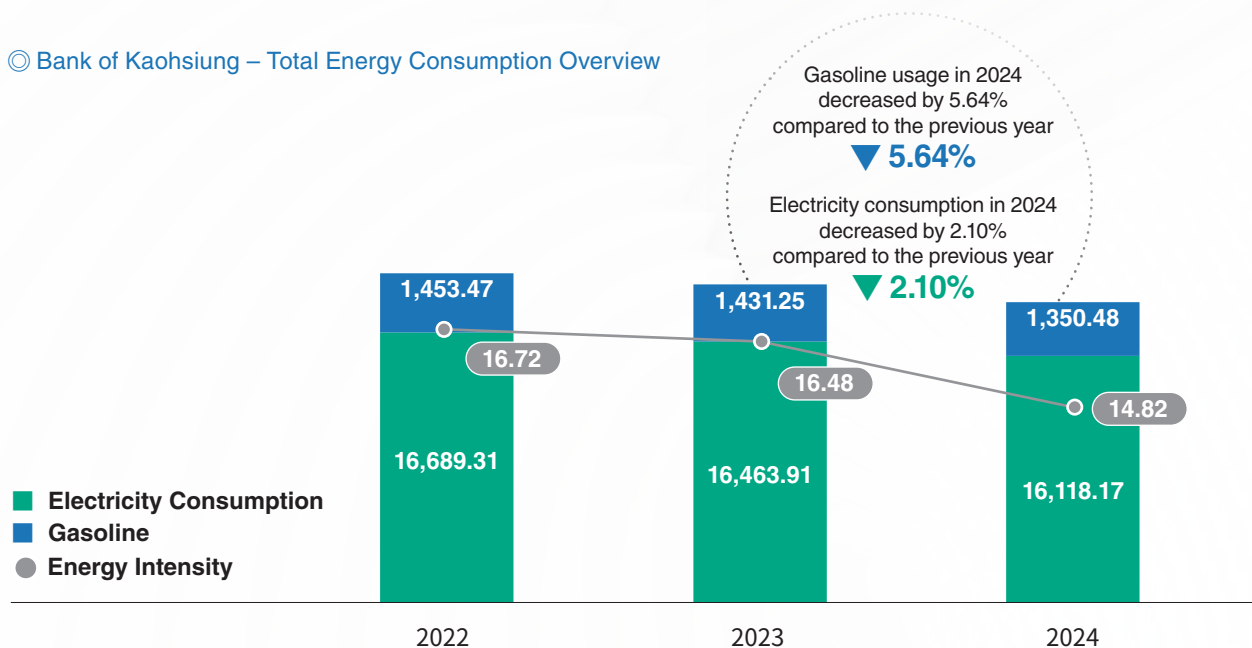
● **Outcome of energy saving — energy use**

Bank of Kaohsiung continuously collects and manages energy and fuel consumption data across its branches as a key reference for implementing reduction strategies. Over the past three years, data show that in 2024, total electricity consumption decreased by 2.10% compared to 2023, and gasoline consumption dropped by 5.64%, reflecting the effectiveness of initiatives such as phasing out older fuel-powered vehicles and introducing hybrid vehicles. The Bank’s total energy consumption decreased by 2.38% in 2024, and energy intensity per employee decreased by 10.08%, demonstrating our ongoing commitment to enhanced energy management and low-carbon operations.

Item	Unit	2022	2023	2024
Non-renewable energy	Purchased electricity (kWh)	4,635,919	4,573,308	4,477,270
	Purchased electricity (GJ)	16,689.31	16,463.91	16,118.17
	Gasoline (L)	41,336	40,704	38,407
	Gasoline (GJ)	1,453.47	1,431.25	1,350.48
Total energy consumption (GJ)		18,142.78	17,930.32	17,468.65
Transmission loss ratio		92.0%	92.0%	92.3%
Number of employees		1,085	1,086	1,179
Energy Intensity = Total energy consumption (GJ) / Energy intensity (GJ per employee)		16.72	16.48	14.82

- Note: 1. Energy consumption is primarily based on non-renewable sources. Solar PV systems are for on-site use, and due to measurement limitations, actual generation and consumption data are currently not included.
 2. The energy conversion factors used in this table are based on the Energy Unit Calorific Value Table published by the Energy Administration, Ministry of Economic Affairs, updated on May 15, 2020.
 3. Electricity: 1 kWh = 860 kcal; Gasoline: 1 liter = 7,800 kcal; Diesel: 1 liter = 8,400 kcal; Natural gas: 1M³ = 9,000 kcal; Liquefied petroleum gas (LPG): 1 liter = 6,635 kcal
 4. The energy conversion formula applied is as follows: Energy (GJ) = Energy consumption × Calorific value coefficient (kcal) × 4.186/1,000,000

◎ **Bank of Kaohsiung – Total Energy Consumption Overview**



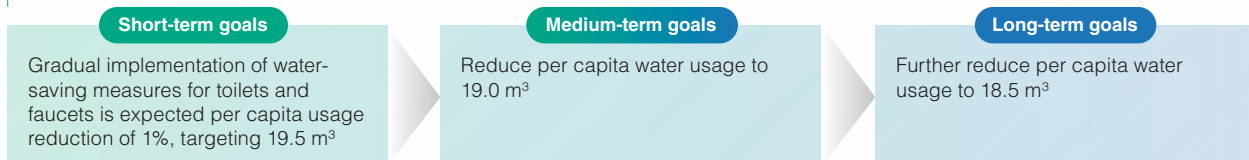
4. 1. 2 Water Resources Management

All water used at Bank of Kaohsiung's branches is supplied by the Taiwan Water Corporation. The Bank does not extract water from surface sources (such as wetlands, rivers, lakes, or oceans), groundwater, or alternative sources (such as rainwater harvesting or third-party wastewater), nor does it have any significant impact on protected water bodies. As a financial services institution, the Bank's branches generate only domestic wastewater. This wastewater is processed through on-site interception systems, which are regularly maintained, and is discharged into the public sewer system. The wastewater is solely from routine domestic use. The Bank does not produce any industrial effluent associated with manufacturing activities, and no discharge occurs into subsurface flows, surface water, rivers, oceans, lakes, wetlands, treatment plants, or groundwater. There are also no instances of surface runoff.

Type	Management measures
Promotion of water saving concept	<ul style="list-style-type: none"> • Promote the concept and knowledge of water saving and build a good water use habit. • Post a water saving slogan near the water-use equipment.
Renewal and maintenance of water-use equipment	<ul style="list-style-type: none"> • Check the pipeline regularly. Repair or replace the pipeline if any abnormality is found. • Control water flow of faucet or install water-saving faucet. • Record water consumption regularly to monitor our water consumption.

Water Conservation Goals

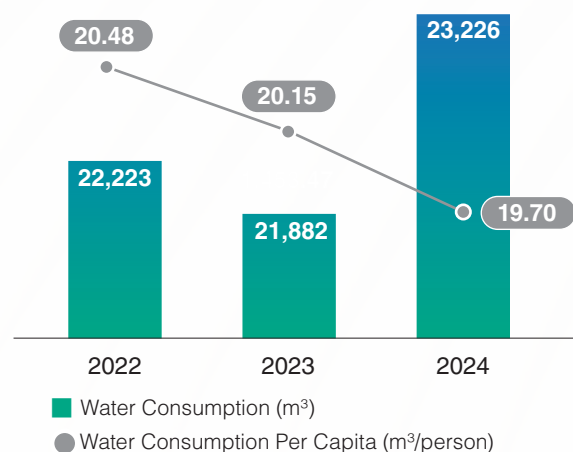
Per capita water usage in 2024 was 19.70 m³, representing a 0.46% reduction from 2023 ↓



Use of water resource

Category / Water Usage	2022	2023	2024
Groundwater (m ³)	-	-	-
Tap water (m ³)	22,223	21,882	23,226
Total	22,223	21,882	23,226
Number of employees	1,085	1,086	1,179
Water consumption per capita (m ³ /person)	20.48	20.15	19.70

© Kaohsiung Bank's Total Water Consumption





4. 1. 3 Waste Management

● Waste sorting and disposal

To enhance environmental awareness among employees, Bank of Kaohsiung implemented a “No Personal Trash Bin” policy in 2024. Centralized waste disposal areas have been established in office spaces and on each floor, with clearly labeled bins for general waste, recyclables, and food waste. This setup encourages proper waste separation and disposal. The Bank also actively promotes the use of reusable cups, utensils, and shopping bags, and encourages both employees and customers to bring their own water bottles when attending internal meetings—helping to reduce the generation of single-use waste. As a financial institution, the Bank only generates general waste in its operations and does not produce any hazardous waste. Following the 3R principle—Reduce, Recycle, and Reuse—the Bank continues to increase its recycling rate. Reusable furniture and equipment are donated to charitable organizations to minimize resource waste and embody the principles of sustainability.

The table below outlines the types of waste generated during Bank of Kaohsiung’s operations and the corresponding disposal methods:

<p>General trash</p> <ul style="list-style-type: none"> General trash is shipped to the incineration plant. 	<p>Recycling</p> <ul style="list-style-type: none"> Common recyclable materials—such as bottles, containers, plastics, metals, and acrylic—are collected and handed over to licensed recycling vendors for reuse. 	<p>Kitchen waste</p> <ul style="list-style-type: none"> Collected and placed in food waste bins provided by local sanitation teams.
<p>Office furniture</p> <ul style="list-style-type: none"> Usable decommissioned furniture is prioritized for donation to charitable organizations for refurbishment and reuse. Irreparable furniture or construction materials are handled by certified waste disposal contractors. 	<p>Obsolete printed matter</p> <ul style="list-style-type: none"> Expired printed materials, forms, documents, and publications are sent to paper mills for pulping and recycling. In 2024, a total of 72,240 kg of paper vouchers were shredded and recycled—an increase of 8,500 kg from 2023. 	<p>Decommissioned IT equipment</p> <ul style="list-style-type: none"> Devices containing hard drives or other storage media are dismantled by maintenance vendors, with the storage components collected and delivered to the Information Technology Dept. for secure data destruction. After data erasure, the equipment is either handed over to certified recyclers for proper processing or—if the hard drives are deemed functional—refurbished by the vendor and donated to charitable organizations for reuse.

In 2024, Bank of Kaohsiung generated a total of 58,484 kilograms of waste across all branches, including 38,191 kilograms of general waste and 20,293 kilograms of recyclable waste. At the Head Office building alone, total waste amounted to 11,508 kilograms, comprising 7,515 kilograms of general waste and 3,993 kilograms of recyclables.

The Bank continues to enhance the effectiveness of its waste management practices through improved waste sorting and recycling, implementation of reduction measures, and employee education. Moving forward, we will continue to assess management performance, refine operational procedures, and strive to minimize the environmental impact of waste generation—working toward more efficient and sustainable resource utilization.

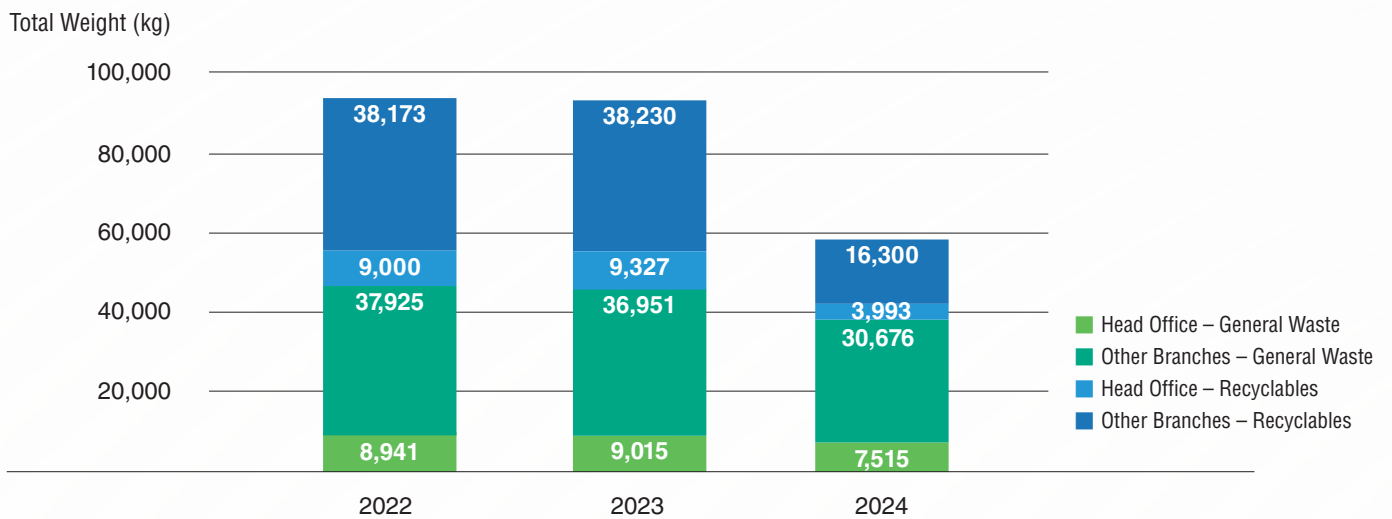
● Waste management goals



● Waste generation overview

Year	2022		2023		2024	
Item	Head Office	All Branches	Head Office	All Branches	Head Office	All Branches
General waste (kg)	8,941	46,866	9,015	45,966	7,515	38,191
Recyclables (kg)	9,000	47,173	9,327	47,557	3,993	20,293

● Total waste generated by Bank of Kaohsiung





4. ② Sustainable Supply Chain Management

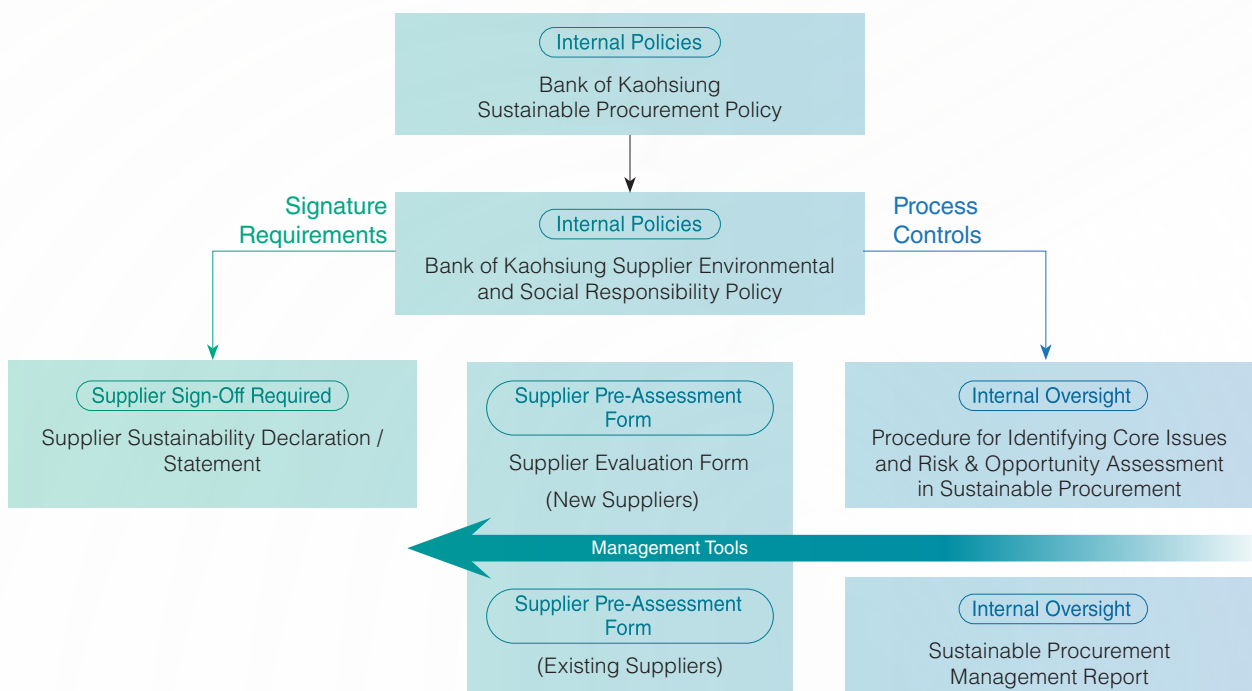
4.2.1 Supplier Management Strategy

Bank of Kaohsiung integrates sustainability principles into its supplier management strategy. To enhance sustainability standards in procurement practices and improve overall procurement performance, the Bank developed the Bank of Kaohsiung Sustainable Procurement Declaration in 2024, based on the ISO 20400 Sustainable Procurement Guidelines. This declaration aims to promote a supply chain that is fair, respectful of human rights, environmentally responsible, and sustainable—established in partnership with our suppliers. The Bank plans to obtain third-party ISO 20400 certification in 2025.

To ensure supplier compliance with sustainability commitments, all vendors must sign a written agreement to uphold the Supplier Environmental and Social Responsibility Policy and the Supplier Sustainability Declaration when entering contracts with the Bank. These policies mandate that suppliers safeguard labor rights and human rights, ensure workplace health and safety, protect the environment, and strictly prohibit forced labor and other unethical practices that violate sustainability principles. If a supplier is found to be in breach of these sustainability policies, the Bank reserves the right to terminate the contract via written notice. The breaching party shall not be entitled to compensation and will be held liable for any damages incurred by the Bank or third parties. All contracts require suppliers to comply with occupational safety and environmental regulations, and to prioritize products certified with Green Mark or Energy Label in their procurement.



● Bank of Kaohsiung supplier management policy framework



● Supplier environmental and social responsibility policy

Regulatory Compliance Commitment

- Suppliers must ensure that any products containing environmentally regulated substances fully comply with all applicable laws and regulations.
- When necessary, the Bank may require suppliers to provide third-party testing reports to verify compliance.

Occupational Health and Safety

- Workplace Safety: Provide appropriate safety guidelines and protective equipment to minimize workplace health and safety risks.
- Occupational Hygiene: Identify, assess, and control risks associated with exposure to chemical, biological, or physical agents.
- Occupational Injuries and Illnesses: Manage and correct incidents of occupational injury or illness occurring in the workplace.
- Legal Compliance: Fully comply with all relevant occupational safety and health regulations without exception.



Protection of Labor Rights and Human Rights

- To ensure that workers are treated with dignity and to actively prevent human rights violations, suppliers shall implement the following human rights protections: Anti-discrimination and equal treatment; Freedom of association; Prohibition of child labor; Elimination of forced or compulsory labor; Respect for the rights of Indigenous peoples.

Environmental Protection

- Hazardous Substance Management and Restrictions: Ensure compliance with regulations concerning restricted substances, labeling requirements, and proper recycling or disposal.
- Discharge of Wastewater, Solid Waste, and Emissions: Implement comprehensive monitoring and lawful handling of all discharges.
- Environmental Permits: maintain up-to-date environmental permits and related documentation as required by the local authority at the worksite.
- Energy Conservation and Recycling: Strive to reduce or eliminate waste of energy and resources to promote sustainability.

To ensure suppliers' compliance with corporate social responsibility (CSR) requirements during collaboration, the Bank incorporated sustainability assessment criteria into the existing supplier evaluation mechanism in 2024. Through a supplier questionnaire, the Bank evaluates suppliers' sustainability practices, including mandatory compliance areas such as adherence to labor laws, prohibition of child labor, workplace discrimination, and violence. Suppliers are also rated on price, product quality, service quality, reputation, cooperation experience, and sustainability performance. The evaluation has a maximum score of 100 points. Suppliers scoring above 90 are rated as Grade A and will be publicly recognized at the Bank's annual ESG Supplier Conference. Grade B suppliers, scoring between 60 and 89, will continue business relations. For Grade C suppliers scoring below 59, the Bank will initiate discussions to encourage corrective actions. If no improvements are made, the Bank reserves the right to reassess the procurement relationship. Currently, all of the Bank's suppliers comply with the "Supplier Environmental and Social Responsibility Policy" and follow internal procurement regulations, including the "Procurement Operations Guidelines" and "Bidding and Price Negotiation Procedures." In December 2024, the Bank held the ESG Supplier Conference, where 10 partner suppliers were briefed on global and domestic carbon trends and Taiwan's carbon fee policy, promoting carbon reduction measures across the supply chain, with a goal of engaging 15% of total suppliers in emission reduction efforts.



Supplier ESG Conference in Progress



4.2.2 Sustainable Procurement

As a financial services provider, Bank of Kaohsiung operates as an end-consumer industry and does not have a supply chain structure similar to that of the manufacturing sector. Procurement of daily administrative supplies, consumables, and property equipment is conducted through open bidding processes, with eligible vendors selected accordingly; there are no fixed or exclusive suppliers. Long-term, stable service providers mainly cover IT hardware and software maintenance, building and equipment maintenance, and security services. The Bank actively promotes local sourcing. Currently, all 66 of its suppliers are based in Taiwan, and are managed based on specific procurement categories. Since July 1, 2019, all newly signed or renewed procurement, cooperation, and real estate lease contracts have included 100% incorporation of corporate social responsibility (CSR) clauses. In addition to full compliance by the existing 66 suppliers, all newly initiated equipment and engineering procurement projects are also subject to these requirements.

Procurement Categories	Number of Suppliers
IT Software and Hardware Maintenance	36
Building, Electrical, Air Conditioning, and Fire Safety	21
Vehicle Leasing	2
Office Equipment Leasing	1
Security Services	4
Cleaning Services	2
Total	66

All PCs have been granted the Green Label and Energy-saving Label. Suppliers cannot join bidding or quotation if they cannot provide PCs with the Green Label and Energy-saving Label. In 2024, the Bank procured PC equipment and continued replacing traditional lighting with LED fixtures. The total procurement amount exceeded NT\$2.3 million, with all purchases fully compliant with Green Mark and local sourcing requirements. In 2025, the Bank aims to carry out a large-scale replacement of 223 computer units at the headquarters, with all new equipment to be certified with either an energy-saving or eco-friendly label.

2024 Green Procurement Performance

Green Procurement Item	Purchase Amount (NT\$)
Personal Computers	2,330,851
Replacement of 200 T8 Fluorescent Tubes with LED Tubes (Head Office)	18,000
Total Green Procurement Amount	2,348,851

2024 Local Procurement Performance

Local Procurement Item	Purchase Amount (NT\$)
Personal Computers	2,330,851
Replacement of 200 T8 Fluorescent Tubes with LED Tubes (Head Office)	18,000
Total Local Procurement Amount	2,348,851

4. ③ Carbon Reduction Strategy and Goal

4.3.1 Greenhouse Gas Reduction

In line with the Financial Supervisory Commission's "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies," Bank of Kaohsiung completed third-party verification of its 2024 greenhouse gas (GHG) emissions in March 2025. The Bank plans to continue conducting external verification annually to ensure data accuracy. In 2024, the Scope 1 and 2 GHG emissions across the Bank's 50 locations amounted to 2,446.0423 metric tons of CO₂e, representing a 2.29% decrease from 2,503.2727 metric tons of CO₂e in 2023. Meanwhile, the carbon emissions intensity dropped from 0.6552 in 2023 to 0.5579 in 2024, a 14.85% reduction, highlighting the Bank's significant progress in both operational efficiency and emission reduction efforts.

Greenhouse Gas Emissions by Type (tCO ₂ e)		2022	2023	2024	
Scope 1	Direct GHG Emissions (Category 1)	238.8657	239.4851	234.2711	
Scope 2	Indirect GHG Emissions from Energy Use (Category 2)	2294.7800	2,263.7876	2,211.7712	
	Indirect GHG Emissions from Transportation (Category 3)	-	763.3577	779.9458	
	Indirect GHG Emissions from Product Use (Category 4)	502.4901	1,306.4788	1,121.5577	
Scope 3	Financial GHG Emissions (Category 5)	Emissions	-	510,453.8260	535,839.3927
		Coverage	-	50.95%	98.08%
Total Operational GHG Emissions (Category 1 + 2 + 3 + 4)		3,036.1358	2,998.7404	2,926.3944	
Total Emissions (Scope 1 + 2 + 3)		3,036.1358	515,026.9352	540,186.9385	
Total Category 1 + 2 Emissions		2,533.6457	2,503.2727	2,446.0423	
Annual Revenue (NT\$ million)		3,899.078	3,820.774	4,384.596	
Carbon Emission Intensity (tCO ₂ e / NT\$ million)		0.6498	0.6552	0.5579	

Note: 1. According to data published by the Energy Administration, Ministry of Economic Affairs, the electricity emission factors were 0.493 kg CO₂e/kWh in 2022, 0.494 kg CO₂e/kWh in 2023, and 0.474 kg CO₂e/kWh in 2024. The calculation of GHG emissions is based on the Global Warming Potential (GWP) values provided in the IPCC Sixth Assessment Report.

2. From 2022 to 2024, Category 1, Category 2, Category 3, and Category 4 inventories and verifications covered 100% of the Bank's operational locations.

3. Category 3 inventory items: 3.3 emissions from employee commuting and 3.5 emissions from business travel.

4. Category 4 inventory items: 4.1 purchased products and services, 4.3 fuel and energy-related activities, 4.4 treatment of operational waste.

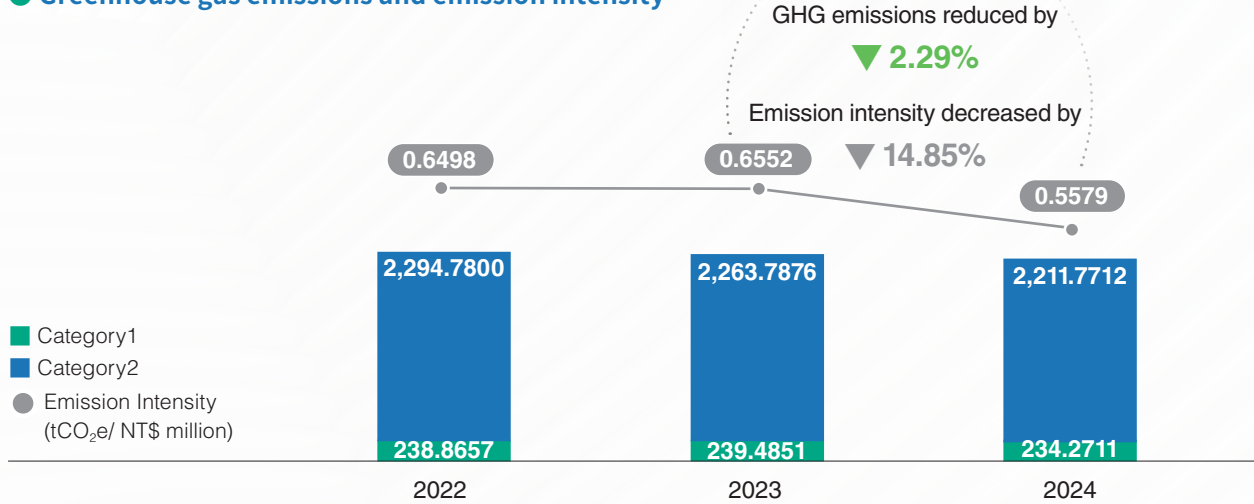
5. Currently verified items: Category 1, Category 2, Category 4: 4.1 purchased products and services, 4.3 fuel and energy-related activities, and 4.4 treatment of operational waste.

6. In 2022, emissions from Category 3, Category 4 (excluding water, fuel/energy, and operational waste), and Category 5 were not inventoried.

7. Calculation formula: Carbon Emission Intensity (tCO₂e / NT\$ million) = GHG emissions (Category 1 + Category 2) / Operating Revenue.



● Greenhouse gas emissions and emission intensity



4.3.2 2050 Net-Zero Target

Bank of Kaohsiung actively supports the global transition toward a low-carbon economy and is committed to greenhouse gas (GHG) reduction and achieving net-zero emissions. As of 2022, the Bank had completed a full GHG inventory across all premises. In 2023, the scope of the inventory was expanded to include Scope 3, Category 4 emissions (covering upstream energy, water resources, and waste). The 2024 GHG emissions were third-party verified in March 2025, ensuring data accuracy and completeness.

To realize its long-term decarbonization vision, the Bank plans to adopt the Science Based Targets initiative (SBTi). It expects to complete the application between 2025 and 2026, setting a target to reduce GHG emissions by 63% by 2035 compared to the 2024 baseline, and to achieve net-zero emissions by 2050. Concrete actions include installing solar photovoltaic panels, gradually increasing the proportion of renewable energy used in the Bank’s premises, purchasing renewable energy certificates, and establishing low-carbon demonstration branches. The Bank began implementing solar panel installations at its premises in 2023 and will commence renewable energy procurement in 2025, with annual incremental increases over the following three years to support its decarbonization roadmap.

Additionally, the Bank is working with external consultants to explore the implementation of an internal carbon pricing mechanism, integrating carbon costs into operational decision-making to further optimize emission reduction strategies. Through strategic planning and concrete actions, Bank of Kaohsiung will continue advancing green finance and steadily progress toward a net-zero future.

Short-term goals	Medium-term goals	Long-term goals
<ul style="list-style-type: none"> • Set an annual GHG emission reduction target of 4.2% for Scope 1 and Scope 2 emissions. • Complete the implementation of ISO 20400 Sustainable Procurement Guidelines. • Prioritize the replacement of air-conditioning units that are either over 15 years old or between 10–14 years old with poor energy efficiency. • Complete the installation of solar photovoltaic panels at the Qiaotou Science Park Branch. • Plan to transition to renewable energy supply for the Head Office, Caoya Branch, and Qiaotou Science Park Branch. 	<ul style="list-style-type: none"> • Continue to complete GHG inventory for all of our bank buildings. • Increase the proportion of electricity consumption sourced from renewable energy for all premises. • Replace all official vehicles with hybrid models across all branches by 2028. 	<ul style="list-style-type: none"> • Purchase of renewable energy certificate. • Establish low-carbon or zero-carbon demonstration branches.

Chapter

5

Employee Care and Development

Building a Safe Workplace

- 5. ① Talent Recruitment and Retention
- 5. ② Talent Cultivation and Development
- 5. ③ Safety Workplace and Friendly Working Environment
- 5. ④ Employee Communication and Human Rights

▶ Core vision and commitment

Bank of Kaohsiung is committed to responding to the trend of sustainable human resources, and training ESG talents as the first priority, in order to realize corporate sustainable management through the ESG talent management. We strive to create a happy and supportive workplace through comprehensive policies covering compensation and benefits, talent retention, a friendly work environment, lifelong learning, and retirement planning. Additionally, we are dedicated to fostering a workplace that embraces Diversity, Equity, and Inclusion (DEI). These principles are embedded in our human rights policies, which support employee-initiated clubs with financial subsidies and promote workplace safety through relevant measures and ongoing mental health and counseling services. In terms of employee development, we place strong emphasis on professional growth and continuous learning. In 2024, our employees received more than 43,000 hours of internal and external training, with an average training investment of approximately NT\$5,066 per employee.

Bank of Kaohsiung continues to advance its sustainable talent strategy by setting phased short-, medium-, and long-term goals for human capital development. We regard every employee as an integral part of the Bank, recognizing that talent is one of our most valuable assets. By recruiting, training, and motivating top talent, we are committed to providing a secure and fulfilling work environment, strengthening employees' sense of belonging, and achieving our long-term goal of sustainable talent development.

▶ Achievement and performance in 2024



Diverse, inclusive workplace

- Regular employee satisfaction surveys
- Human Rights Policy established and publicly disclosed
- Provide employees with physical and mental counseling services



Focus on employee cultivation and development

- A total of 43,352 hours of training completed in 2024
- Average training investment per employee: NT\$5,066
- A total of 6,503 hours dedicated to sustainability-related training
- 29 employees obtained the Certification for Fundamental Competency in Sustainable Finance in 2024



Salary and welfare

- Travel and birthday subsidies provided to 1,179 employees in 2024
- 32 employees received tuition subsidies totaling NT\$768,369
- A 4% salary adjustment in 2024

Material topics

Talent Attraction and Retention

Employee Salary and Welfare

Enhancement goal

Short-term

2025

- Increase participation in sustainable finance and ESG-related training by 10% compared to the previous year, and improve average training hours.
- Complete the employee satisfaction survey, and optimize the cycles receiving lower satisfaction according to the survey results to improve employee satisfaction.
- Increase the frequency and duration of English training courses, aiming for over 20% of employees to obtain relevant certifications.
- Have 60 employees hold the Fundamental Certificate in Sustainable Finance.
- Conduct six courses on fair treatment of customers, totaling 770 hours.

Medium-term

2026-2027

- Conduct employee satisfaction surveys annually.
- English language proficiency certificate pass rate reaches 20%.
- Partner with two additional universities, host three campus presentations and two career fairs.
- Achieve an internship retention rate of over 70%, with 37 interns expected to be converted to full-time employees.
- Increase the number of participants in competency development programs by 10% annually compared to the base year.
- Continue increasing training hours and participants in consumer protection and fair treatment programs.
- Have 10 employees obtain the Advanced Certificate in Sustainable Finance.

Long-term

2028~

- English language proficiency certificate pass rate reaches 30%.
- Continue providing psychological counseling services for employees.
- Continue to add new industrial-academic cooperation schools, with a target of 20 partner schools.
- Increase the conversion and retention rate of interns, with a target conversion rate of over 80%.
- Continue to establish a comprehensive sustainability education and training mechanism to enhance all employees' professional capabilities on ESG-related topics.
- Continue introducing international professional certification programs to improve employees' expertise and interdisciplinary competitiveness.



5. ① Talent Recruitment and Retention

5.1.1 Human Resource Data

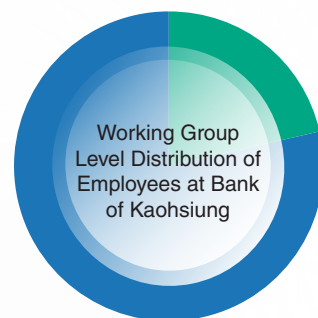
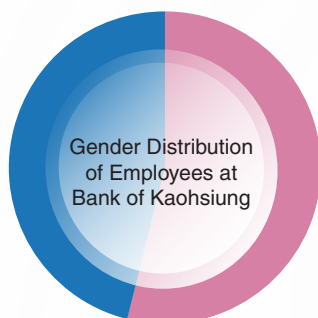
● Talent structure and workplace equality





Bank of Kaohsiung recruits talent in compliance with domestic labor regulations and in alignment with international human rights conventions and fundamental labor principles. In 2024, the Bank completed the formulation and public release of the Human Rights Policy of Bank of Kaohsiung Co., Ltd. There's no differential treatment due to gender, age, race, religion, ideology, class or nationality at our bank. Everyone has an equal work opportunity. As of the end of 2024, the Bank had a total of 1,179 employees, with nearly 40% belonging to the prime working age group of 30 to 50 years old. Over the past three years, all employees have been full-time contract-based staff. The Bank does not employ part-time or non-contract personnel, maintaining a 100% ratio of contract-based employment. The gender distribution at Bank of Kaohsiung remains relatively balanced, with a gender gap of less than 8%. In terms of job categories, the ratio of management to non-management positions is approximately 1:4, and 49% of management positions are held by women, reflecting a balanced representation of genders at the leadership level. During the reporting period (2024) and the previous two years (2022 and 2023), the number of employees remained stable without significant fluctuations.

Region	Type	Gender	2022		2023		2024	
Taiwan	Total Employees		554	100%	585	100%	636	100%
			521	100%	515	100%	543	100%
	Contract-Based (Full-Time Employees)		554	100%	585	100%	636	100%
			521	100%	515	100%	543	100%

Type	Working Group	Number of People	Percentage
Gender		636	53.9%
		543	46.1%

Type	Working Group	Number of People	Percentage
Position	Management Level	252	21.4%
	Non-Managerial Level	927	78.6%



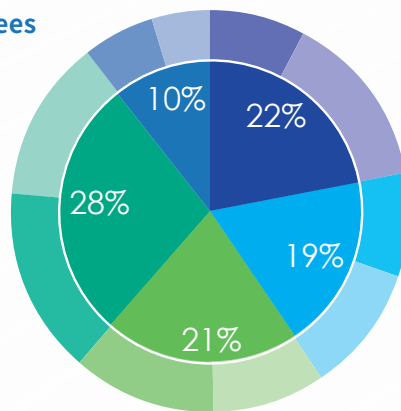
Type	Working group	Age (Years)	Average
Average Years of Service		13.91	14.43
		15.04	
Average Age		41.64	43.41
		45.48	

Age Distribution of All Employees at Bank of Kaohsiung

60 and Above



50-59



Under 29







30-39



40-49



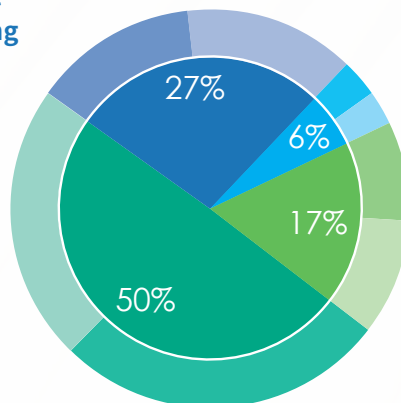
Age / Gender	Management Level		Non-Managerial Level	
				
60 and Above	33	35	35	20
50-59	68	57	109	98
40-49	20	24	88	111
30-39	8	7	90	115
Under 29	0	0	92	169
Total	129	123	414	513

Age Distribution of Managerial Personnel at Bank of Kaohsiung

60 and Above



50-59





30-39



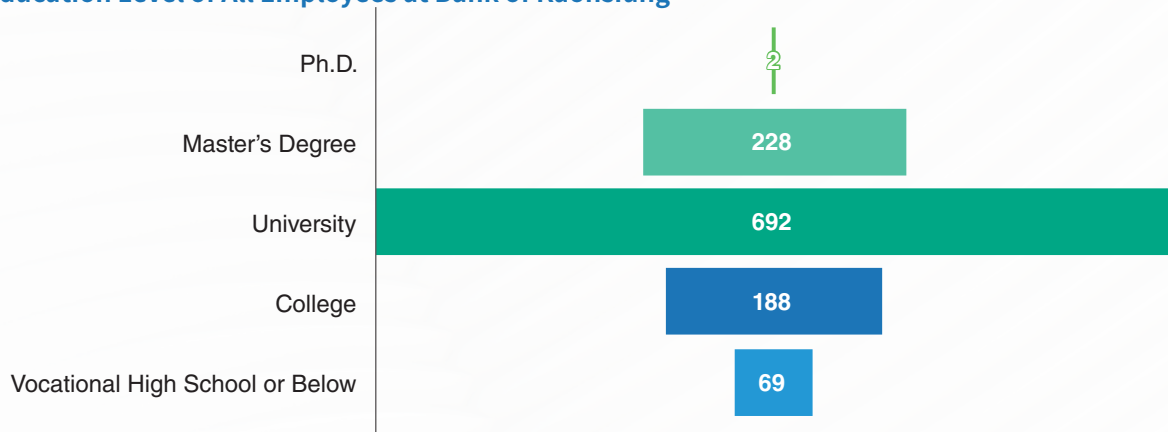
40-49





Education Level / Gender		
Ph.D.	1	1
Master's Degree	113	115
University	317	375
College	90	98
Vocational High School or Below	22	47
Total	543	636

● Education Level of All Employees at Bank of Kaohsiung















● Workplace diversity

Bank of Kaohsiung is dedicated to creating a diverse, equitable, and inclusive (DEI) workplace that safeguards the employment rights of individuals from all backgrounds and encourages every employee to leverage their unique strengths, demonstrating personal value and embracing diversity. As of the end of 2024, the Bank employed 12 indigenous employees, accounting for 1.02% of the total workforce, and 18 employees with disabilities, representing 1.53% of the workforce, and maintained the statutory employment rate of 1%. Looking ahead, we will continue to offer appropriate job opportunities and support measures to further embed the values of diversity and promote a more inclusive corporate culture.

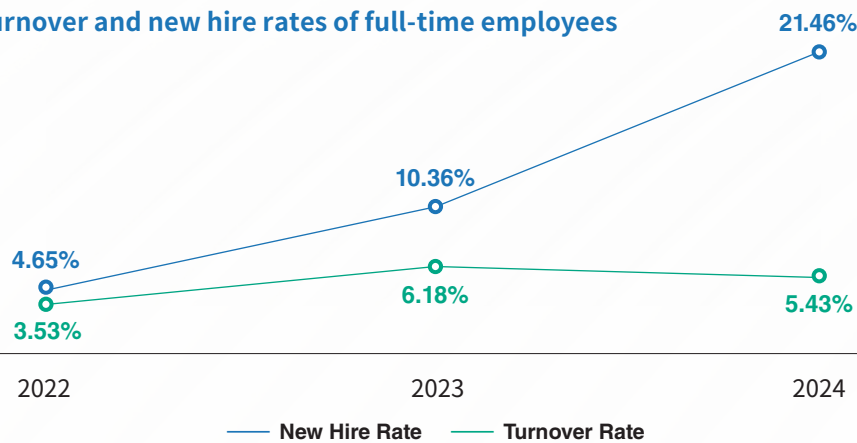
Year		2022	2023	2024
Total Number of Employees		1,075	1,100	1,179
Indigenous Peoples	Headcount	11	11	12
	Percentage	1.02%	1.00%	1.02%
Physical and/or Mental Disability	Headcount	27	25	18
	Percentage	2.51%	2.27%	1.53%

● New hires and employee turnover

In 2024, Bank of Kaohsiung hired 253 new employees, representing a hiring rate of 21.46%, an increase of 10.98% compared to the previous year. This growth was primarily driven by the need to proactively fill upcoming vacancies due to retirement and to accommodate increasing business demand. A total of 64 employees left the Bank in 2024, resulting in a turnover rate of 5.43%. Over the past three years, the Bank's hiring rate has consistently exceeded its turnover rate, reflecting a high employee retention rate and stable workforce dynamics.

Age / Gender	2022				2023				2024			
	New Hires		Turnover		New Hires		Turnover		New Hires		Turnover	
												
Individual Total	31	19	22	16	51	63	33	35	102	151	23	41
Overall Total	50		38		114		68		253		64	
Percentage	4.65%		3.53%		10.36%		6.18%		21.46%		5.43%	

● Historical turnover and new hire rates of full-time employees



Note 1: The number of new employees refers to the number of new employees joining Bank of Kaohsiung for the first time (reinstated employees excluded).

Note 2: Employee turnover excludes those who retired or passed away.

Note 3: New Hire Rate (%) = (Number of new hires / Total number of employees at year-end) × 100%

Note 4: The number of resigned employees includes those who left the organization voluntarily or due to termination of employment or death at work, excluding those who retired or took leave without pay.




Note 5: Turnover Rate (%) = (Number of employees who left / Total number of employees at year-end) × 1



5.1.2 Talent Recruitment Strategy

While cultivating the local market in south Taiwan, Bank of Kaohsiung is proactively expanding into the entire Taiwan market. Bank of Kaohsiung adheres to a business strategy of value creation and upholds the rights and interests of clients, shareholders, and employees. The Bank is committed to the vision of “creating business performance, establishing an excellent Bank of Kaohsiung,” which serves as the core guideline for talent recruitment and management.

The Bank offers competitive compensation and benefits, comprehensive training resources, and career development mechanisms to attract and retain outstanding talent. In response to financial transformation and the challenges of a declining birthrate, the Bank created 10 new positions in 2024 focused on digital finance and sustainability. It also actively recruits professionals with diverse backgrounds in information technology, compliance, ESG, and marketing through job banks, the official website, and employee referrals, while building a talent reserve database. Furthermore, the Bank is actively promoting industry-academia cooperation, the Youth Leadership Program, and campus recruitment efforts to attract younger generations with digital mindsets and global perspectives, thereby enhancing the Bank’s momentum for innovation and sustainable development.

Industry-academia collaboration		
	Description	Performance
	<p>The Bank provides internship opportunities in collaboration with domestic universities and colleges. Outstanding interns may be exempted from written tests and directly invited to join the Bank’s recruitment process. This approach helps the Bank proactively identify and attract promising young talent.</p>	<ul style="list-style-type: none"> · In 2024, 7 new partner universities were added, bringing the total to 13. · Conversion and retention: 6 in 2021, 12 in 2022, 35 in 2023. · Interns: 55 in 2023, 61 in 2024.
Youth Employment Navigation Program		
	Description	Performance
	<p>In line with the government’s Youth Employment Navigation Program, we provide practical training for recent senior high school graduates to train them to become our basic manpower.</p>	<ul style="list-style-type: none"> · 51 individuals recruited from 2018–2023. · 5 individuals recruited in 2024.
Campus job fair		
	Description	Performance
	<p>In 2024, the Bank participated in a recruitment event at the First Campus of National Kaohsiung University of Science and Technology to engage with young talents.</p>	<ul style="list-style-type: none"> · 1 campus recruitment event held in May 2024. A total of 108 resumes submitted.

5.1.3 Equal Pay and Compensation Structure

● Salary structure

Bank of Kaohsiung's salary structure is implemented in accordance with the Bank's compensation policies to ensure fairness and equity. It is administered prudently based on publicly available internal regulations, including the Rules for the Classification and Compensation of Employees by Rank, Guidelines for the Issuance of Management Bonuses, Rules for Annual Employee Performance Appraisals, and Guidelines for Employee Compensation Allocation.

The salary framework includes both fixed compensation (such as base salary) and variable compensation (such as management bonuses). Quarterly performance bonuses are awarded based on individual performance and contributions, while annual performance bonuses are granted based on the Bank's overall annual profits. To enhance employee welfare, the Bank has established the Bank of Kaohsiung Employee Welfare Committee in accordance with the Employee Welfare Fund Act, offering various subsidies and benefits to improve employees' well-being and quality of life.

● Annual salary adjustment

Each year, the Bank of Kaohsiung determines its annual salary adjustment level by taking into consideration factors such as the Consumer Price Index (CPI), salary trends within the financial industry, the Bank's annual operating performance and profitability. Decisions are made through consensus reached in labor-management meetings, followed by a comprehensive evaluation.







In 2024, a general salary increase of 4% was implemented.

The Bank endeavors to strike a balance between the principle of equal pay for equal work and the implementation of role-based differentiated remuneration.

● Salary data

All employee salaries at Bank of Kaohsiung exceed the statutory minimum wage. The Bank adheres to the principles of fair compensation and equal pay for equal work, ensuring that no differential treatment occurs based on gender, age, or disability etc. In 2024, the average salary of female employees in managerial positions was slightly higher than that of their male counterparts, with a pay ratio of 0.95. For non-managerial employees, male employees had slightly higher overall salaries, with a pay ratio of 1.11. The Bank will continue to review its compensation structure to ensure fairness and equity, and to foster a workplace that promotes gender equality and embraces diversity and inclusion.

◎ Gender-Based Salary Comparison by Job Category (NT\$/month)

Item / Year	2022		2023		2024	
						
Average salary of managerial employees	105,536	110,634	103,739	110,260	104,533	110,425
Remuneration ratio of managerial male and female employees	1	1.05	1	1.06	1	1.06
Average salary of non-managerial employees	57,938	52,173	56,664	51,583	57,017	51,307
Remuneration ratio of non-managerial male and female employees	1	0.90	1	0.91	1	0.90



© The Median Wage of Employees (NT\$/month)

Year	2022	2023	2024	Growth (Decline) Rate (%)
The median wage of employee	59,011	58,189	54,707	-5.98%

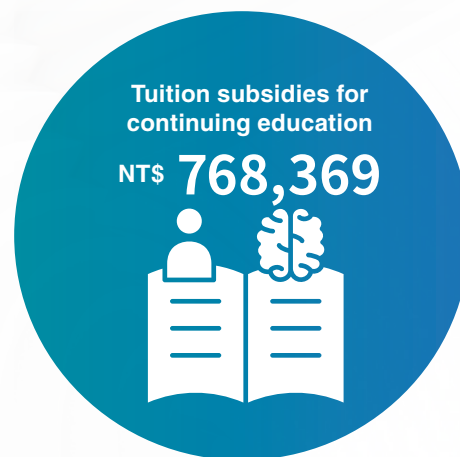
© Annual Salary of Full-Time Employees in Non-Managerial Positions (NT\$ thousand/year)









Item / Year	2022	2023	2024	Growth (Decline) Rate (%)
Average salary	1,223	1,209	1,206	-0.25%
Median salary	1,104	1,079	1,061	-1.67%

5.1.4 Employee Welfare Measures











● Welfare measures

Bank of Kaohsiung is dedicated to fostering a caring and inclusive workplace culture, providing comprehensive employee benefits that span from the start of one’s career through daily life, family responsibilities, and retirement. Our benefits system integrates both career development and personal well-being. Centered on the employee life cycle, we have established five core pillars of benefits—Compensation & Savings, Recreational Activities, Family Care, Safe and Supportive Workplace, and Learning & Development—which are further extended into 18 specific initiatives that holistically support employees at every life stage. In 2024, the most frequently utilized benefits were travel subsidies and birthday gifts, which covered a total of 1,179 employees. Additionally, 32 employees received a total of NT\$768,369 in tuition subsidies for continuing education.



During Employment	Wage Saving	▶ Employee remuneration 	5% of annual profits are allocated for employee profit-sharing.	
		▶ Employee share 	All current employees (excluding those on probation) with at least six months of service may participate in the employee stock ownership trust. Each participating member contributes NT\$1,000 per month from their salary, with the Bank of Kaohsiung matching the contribution with an additional NT\$1,000. This matching contribution is included in the employee's annual taxable income. As of December 31, 2024, there were 969 participants, representing a participation rate of 89.64%.	
		▶ Deposit interest rate 	Employee savings accounts earn an annual interest rate of 13% (up to NT\$480,000 per person).	
		▶ Employee loan 	The current ceiling for employee consumption loans is NT\$800,000. For home purchase or renovation, employees may apply under the bank's internal loan policies.	
	Healthy Workplace	▶ Group insurance 	The Bank provides each employee with NT\$2 million in term life/accidental insurance and NT\$30,000 in actual expense accident medical insurance annually.	
		▶ Health check-up 	Annual health checkups are provided for all employees.	
		▶ Leave benefits (above legal requirements) 	Leave entitlements include: 7 days of prorated paid annual leave in the first year of service, 30 days of fully paid sick leave, and up to 14 days of fully paid personal leave—more generous than labor law requirements.	
Retirement Phase	▶ Protection after retirement 	<ul style="list-style-type: none"> Retirement and severance benefit rules have been formulated, and a Labor Retirement Reserve Supervisory Committee has been established. Old system: Retirement benefits are calculated based on the employee's years of service and the average monthly salary over the six months preceding the approved retirement date. The Bank contributes 8% of the employee's monthly salary to a designated retirement fund account. New system: The Bank contributes 6% of the employee's monthly salary to the employee's individual retirement account managed by the Bureau of Labor Insurance. For employees who voluntarily make additional contributions, the Bank deducts the voluntary contribution amount from their monthly salary and transfers it to their personal retirement account. In 2024, 22.56% of employees participated in the voluntary contribution scheme. Contributed Pension Balance 		
			Unit:NT\$	
Type		2022	2023	2024
Bank of Taiwan - Retirement Fund Account (Old System)		38,430	35,439	32,885
Bureau of Labor Insurance - Personal Pension Account (New System)		33,121	35,317	42,471



Work-Life Balance	Entertainment Activity	▶ Birthday subsidy 	Everyone receives NT\$1,000 as a birthday subsidy in their birthday month.
		▶ Expense for recreational activity 	NT\$3,500 annual allowance for recreation (for employees who have completed probation and served at least six months).
		▶ Chinese New Year bonus 	Bonus is distributed during Chinese New Year annually (distributed appropriated depending on the tenure).
		▶ Club subsidies 	The Bank supports employee clubs (e.g., badminton, slow-pitch softball, bowling), providing up to NT\$20,000 in quarterly activity subsidies. Won second place in the 34th Financial Cup Slow-Pitch Softball Championship held by the Bankers Association. Won the women's group B championship and men's group B distinction award in the 55th Financial Cup Badminton Championship held by the Bankers Association.
Family Care	Pregnancy and Childbirth	▶ Parental leave 	In addition to legally mandated prenatal leave, the Bank offers parental leave without pay. Upon return, employees are prioritized for reassignment to their original positions. Health checkups and other welfare benefits continue during the leave period.
		▶ Health risk assessment 	We execute maternal employee health protective measures. All units perform maternal health risk assessment at least once for female employees during pregnancy and in a year after childbirth and fill out the Female Employee Maternal Health Assessment and Measures Form. In 2024, 9 employees received this assessment.
	Childcare Support	▶ Children scholarship 	Employees are eligible to receive scholarships for their children who are enrolled in senior high school, college, or university. For children achieving a minimum average score of 70, a scholarship of NT\$3,500 to NT\$5,000 is granted per semester. (Eligibility starts after the probation period and with at least six months of service.)
		▶ Cooperation in day care 	Discounted registration fees for contracted daycare centers and kindergartens.
Career Development	Advanced Studies	▶ Tuition subsidy 	For employees enrolled in part-time post-secondary programs (excluding Ph.D.) relevant to their job functions and achieving an average score of 80 or above, the Bank reimburses 50% of tuition. In 2024, 32 employees received a total subsidy of NT\$768,369.
		▶ Certification subsidy 	To encourage employees to acquire foundational and advanced certifications in sustainable finance, the Bank provides examination fee subsidies: (1) Fundamental Certification: Employees who obtain the certification before December 31, 2027 and are employed at the Bank at the time of issuance are eligible for a subsidy of NT\$800 per person for the exam fee. (2) Advanced Certification: 15 department managers or relevant senior staff from headquarters are selected to receive full-function training subsidies of NT\$64,800 per person. (3) In addition, to promote participation in the TOEIC (Test of English for International Communication), employees taking the test between April 1 and December 31, 2025 will be eligible for exam fee subsidies based on a tiered structure according to their scores.

5. ② Talent Cultivation and Development

5.2.1 Talent Cultivation Program

Bank of Kaohsiung values talent training and employee development very much, and regards them as a key part in the processing of meeting the needs of the financial industry and the Company's business. In 2024, approximately NT\$5.7 million was invested in education and training, along with an annual contribution of around NT\$815,000 to the Financial Research and Training Development Fund of Bankers Association of the Republic of China. In 2025, we will establish a dedicated employee transition program aligned with sustainable transformation goals, with funding allocated from profits or budgeted accordingly. We remain committed to offering diverse training resources throughout the talent development process to enhance employees' professional capabilities and global outlook. Bank of Kaohsiung firmly believes that by cultivating professionals with expertise, management skills, and international perspectives, we can significantly improve service quality while strengthening the competitive advantage of our workforce.

● Talent cultivation program

1 Employee Training Courses	2 Competence Improvement Program	3 Job Rotation System	4 Employee Professional Training Programs	5 Competency Advancement and Assessment Mechanism	6 Succession Planning and Leadership Development Program
Design required professional certifications for various job levels and organize preparatory classes to support employees in obtaining these certifications.	Conduct internal business certification exams to assess the required competencies for each job level.	Provide the managerial officer training courses for the management associates to build their leadership.	Develop corresponding certification plans based on different job levels and functional needs, ensuring that employees acquire core professional competencies. Regular preparatory sessions are organized, including exam guidance, mock tests, and practical training to improve pass rates.	Establish internal professional certification exams to implement a standardized competency assessment mechanism, ensuring that employees meet required business proficiency standards. Increase cross-departmental training and project-based assignments to enhance practical skills and promote the diversified development of professional capabilities.	Provide comprehensive management and leadership training courses for management trainees, covering decision-making skills, team management, and strategic thinking. Promote mentorship programs and senior executive sharing sessions to facilitate experience transfer and talent development. Establish a succession planning program to offer advanced management training for high-potential talents, ensuring sustainable corporate development and the steady growth of the talent pipeline.

5.2.2 Key Training Plan

In response to ESG trends, Bank of Kaohsiung continued to implement ESG-related training programs in 2024. External courses covered key topics such as sustainable finance, environmental sustainability management, and international human rights trends, while internal courses focused on renewable energy enhancement, credit improvement, and green trend analysis. These efforts aim to align with the evolving demands of the financial market and international developments. In 2024, a total of 29 employees obtained the Fundamental Certificate in Sustainable Finance.



● Sustainable finance talent development program

Year	ESG Related Courses (Sessions)	Number of Participants	Total Training Hours
2022	46	271	936
2023	76	1,197	3,104
2024	36	1,581	6,503

● 2024 training programs

Bank of Kaohsiung structured its training programs into 14 categories, covering areas such as business operations, regulatory compliance, management, fair customer treatment, and sustainable development. The training programs were designed for employees at all levels, from front-line staff to management. The Bank also implemented diversified initiatives such as the Core Talent Training Program and the Bilingual Service Seed Training Program. The total training hours exceeded 43,000, ensuring that employees possess the necessary competencies and resources to support the Bank's strategic goals.

Sustainable Development

Courses on ESG-related topics, including climate change forums, COP29, sustainable finance workshops, and corporate governance.

Training Outcomes

A total of 36 courses were conducted in 2024, with 1,581 participants and 6,503 total training hours.

Core Talent Development Program

Courses beyond basic business training, covering AI, risk management, sustainable finance, digital marketing, HR practices, UI/UX design, IFRSs accounting standards, and English conversation, aimed at enhancing financial expertise and digital capabilities.

Training Outcomes

32 courses conducted, with 41 participants in total.

Managerial Competency Enhancement

Forums and workshops on domestic and global financial trends, macroeconomics, and industry analysis, including key topics such as geopolitics, AI innovation, regulatory systems, and data applications.

Training Outcomes

22 sessions held, with 137 participants.

Basic Business Enhancement

General financial services training, including corporate banking, retail lending, trusts, wealth management, insurance, and futures.

Training Outcomes

240 courses conducted, with 6,593 participants in total.

Courses on AI, FinTech, and data analytics trends, including knowledge sharing and hands-on practice.

17 sessions held, with 37 participants.

Banking English conversation and financial English interactive learning.

6 courses conducted, with 78 participants in total.

Anti-Money Laundering and Countering of Terrorism Financing

Training on anti-money laundering (AML) and combating the financing of terrorism (CFT).

Training Outcomes

501 participants; total training hours: 1,812.

Compliance

Seminars on important laws and regulations for business, fraud prevention training, auditing courses, and consumer protection laws.

Training Outcomes

306 participants; total training hours: 2,099.

Fair Treatment of Customers and Inclusive Finance

Training related to financial inclusion, the Convention on the Rights of Persons with Disabilities (CRPD), fair treatment, and inclusive finance practices.

Training Outcomes

- Fair treatment: 323 participants, 770 training hours.
- Inclusive finance: 130 participants, 184 training hours.
- CRPD: 298 participants (26.2% of full-time staff), 567 training hours.

Information Security

Courses and forums on cybersecurity and international fintech security, covering AI risks, cross-sector defense, and other topics to strengthen industry security strategies and response capabilities.

Training Outcomes

15 sessions held, with 19 participants.

Digital Finance

Participation in fintech trend forums, international events, and corporate digital banking system training.

Training Outcomes

9 sessions held, with 99 participants.

New Hires







Pre-employment training programs for new hires and interns.

Training Outcomes

9 training cohorts, with 256 participants.

● Average hours of training per year per employee



In 2024, Bank of Kaohsiung continued its efforts to enhance employees' professional expertise, management competencies, and general knowledge. The average training investment per employee reached NT\$5,066. The average number of training hours per employee increased from 35 hours in 2023 to 38 hours in 2024, reflecting the Bank's strong commitment to talent development. Looking ahead, the Bank will continue to increase its investment in employee training to strengthen team professionalism and operational efficiency, thereby promoting sustainable talent development.







Year	2022		2023		2024	
Gender						
Total Training Hours (hr) (A)	14,404	11,143	18,433	20,423	19,025	24,327
Total Number of Employees (persons) (B)	521	554	515	585	529	610
Average Training Hours per Employee (hr) (A/B)	28	20	36	35	36	40
Total Training Expenditure (NT\$1,000)	4,362		5,832		5,770	
Average Training Expenditure per Employee (NT\$)	4,058		5,302		5,066	

Note: Total number of employees in 2024 excludes interns.



● Training hours by managerial and non-managerial staff

Type	Managerial Staff	Non-Managerial Staff	Total (Hours)
	7,794	11,230	19,025
	7,923	16,404	24,327
Total (Hours)	15,717	27,634	43,352

Job Level	2022				2023				2024			
			Total Training Hours	Average Training Hours per Person			Total Training Hours	Average Training Hours per Person			Total Training Hours	Average Training Hours per Person
Vice President and Above	3	3	344	57	3	4	516	74	3	5	566	71
Manager and Assistant Manager	48	50	4,235	43	51	46	7,574	78	53	43	6,140	64
Section Chief	65	70	5,487	41	68	69	9,504	69	73	75	9,011	61
General Employees	405	431	14,771	18	393	466	21,262	25	400	487	27,634	31
Total	521	554	24,837	23	515	585	38,856	35	529	610	43,352	38

● Digital training hours

In 2024, compared to the previous year, there has been a significant increase in the employee course information provided by Bank of Kaohsiung's online learning resources. A total of 125 online courses were offered, with a cumulative course duration of 106 hours, representing a 6% increase over 2023. Employee engagement with these courses was strong, with 296,977 total views and 151,466 accumulated viewing hours recorded throughout the year.

Item	2022	2023	2024	Growth (%)
Total Number of Courses Offered	100	102	125	22.55%
Total Course Hours	50	100	106	6%
Total Course Views	188,093	227,544	296,977	30.51%
Total Online Learning Hours	81,839	103,583	151,466	46.23%

5.2.3 Performance Evaluation and Development

● Performance evaluation: directors, senior management and supervisors

With respect to the performance assessment and remuneration of directors and managerial personnel of the company, we shall refer to the typical pay levels adopted by peer companies and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure. We shall take into consideration the characteristics of the banking industry and the nature of the Bank's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of variable parts of remuneration. The remuneration indicated here includes cash compensation, stock option, stock bonus, retirement benefit or resignation pay, various allowances, and other physical bonus measures. The scope of remuneration shall be consistent with the remuneration of directors and managers in the Regulations Governing Information to Be Published in Annual Reports of Public Companies. To support the Bank's sustainable development goals and to promote decision-making that incorporates environmental and social considerations, the Bank has initiated plans to link senior management remuneration with ESG-related performance evaluations, with implementation expected by 2025.

● Performance evaluation: staff

As for promotion performance evaluation, Bank of Kaohsiung set up the Rules for Practitioner Promotion and Appraisal for appraisal. Open, transparent regulations are provided for promotion requirements and criteria of employees on different levels and are available to employees. They endeavor to achieve fair, just promotion evaluation.

1 To motivate practitioners, build a rational promotion system and promote outstanding staff, we formulated the Rules for Practitioner Promotion and Appraisal.

2 Under this framework, monthly promotion evaluations are conducted for staff in 7th job level and below who meet the eligibility criteria, ensuring timely recognition and advancement of outstanding performers. In 2024, a total of 77 employees were promoted to a higher grade level.

3 An employee must meet various criteria such as tenure, appraisal and certificate for promotion.

4 We may promote employees above grade 14 and unit heads occasionally, depending on business needs. Promotion of employees above grade 14 and unit heads is not subject to the Rules for Practitioner Promotion and Appraisal. It is reported to the Board of Directors for approval according to the specified procedure.

5 In 2024, the Bank introduced additional points for certification achievements. For example, obtaining an entry-level Sustainable Finance Certification earns 1 point, while the advanced level earns 2 points. This initiative is intended to encourage employees to pursue continuous professional development in the area of sustainability.

● Job rotation system

Bank of Kaohsiung established the Employee Rotation System Implementation Guidelines to cultivate the experience of employees and improve internal control functions to meet business needs. The policy aims to implement internal job rotation, enhance various business learning resources, and cultivate talents proactively. Based on factors, such as the employee's work qualifications and business needs, the rotation is arranged by various unit supervisors. Meanwhile, in order to strengthen internal control, personnel at all levels will also implement the unit rotation system according to the regulations to promote healthy operation within the organization. The maximum period an employee may serve consecutively in the same unit is limited to seven years.



5. ③ Safety Workplace and Friendly Working Environment

To foster a safe and friendly workplace, Bank of Kaohsiung continues to promote diverse occupational safety and health training programs. The training covers topics such as labor regulations, physical and mental well-being, environmental quality maintenance, and workplace sexual harassment prevention. These courses not only enhance employees' awareness of relevant laws and preventive measures, but also contribute to creating a supportive and secure work environment. In 2024, a total of 282 employees participated in the courses, with cumulative training hours reaching 1,249 hours.

Course Name	Number of Participants
Introduction and Prevention of Workplace Misconduct	1
Labor Relations Specialist Certification Program	4
Labor Dispute Prevention and Corporate Governance	1
Health Seminar: The Relationship Between Stress and Health	55
In-Service Training for Indoor Air Quality Maintenance Personnel – Toward Net-Zero Emissions	1
Category C Occupational Safety and Health Supervisor Training	6
Creating a Friendly Environment Together – Host Organization Training on Sexual Harassment Prevention	1
2024 Workplace Sexual Harassment and Bullying Seminar	213



5.3.1 Occupational Safety and Health

● Policies and commitments

The Bank has established the “Occupational Safety and Health Guidelines” and the “Prevention Plan for Unlawful Infringement During Duty Performance” as guiding principles for occupational safety and health management, to prevent occupational injury and ensure the safety and health of employees. Additionally, to protect all employees from physical or mental harm that may lead to occupational illnesses while performing their duties, the Bank has issued a formal written statement signed by the Chairperson titled “Written Declaration on the Prevention of Workplace Misconduct”, reaffirming our zero-tolerance policy toward any form of unlawful conduct in the workplace.

● Workplace medical interviews

In 2024, contracted medical personnel delivered on-site services to our bank for NT\$67,200. (Including one physician visit per quarter; one nurse visit per month)

● Diversity, equity, and inclusion policy

1. To create a diverse, equal, and inclusive work environment, the Bank continues to recruit and promote employees without discrimination based on gender, age, disability, family status, sexual orientation, etc. This commitment ensures equal employment opportunities for all individuals.
2. To promote the physical and mental well-being of employees, the Bank entered into an occupational health agreement with Min-Sheng Hospital and conducted interviews with 51 employees in 2024.

● Occupational safety and health organization

To implement comprehensive occupational safety and health management, the Bank established the Occupational Safety and Health Committee in April 2024. The committee consists of a Chairperson (appointed in accordance with the Bank's "Occupational Safety and Health Guidelines" and held by Vice President) and eight members, with one-third of the seats occupied by labor representatives. The committee holds regular meetings to ensure a safe and healthy work environment. In 2024, one meeting was convened.

● Employee health risk assessment and management

To effectively identify workplace hazard risks and enhance employees' health awareness, the Bank designs and distributes various self-assessment questionnaires tailored to employees' work nature and gender. The results are then reviewed through consultations with partner hospitals to assess employee health conditions. These assessments serve as a basis for subsequent health promotion measures and workplace environment improvements.

All Employees

- A fatigue scale questionnaire, together with the 2024 annual health check-up data, was submitted to the Bank's contracted hospital for evaluation. Employees identified as high-risk will be included in the list for physician consultations in 2025.
- Employees completed the "Musculoskeletal Symptoms Assessment and Suspected Ergonomic Hazard Improvement Form." Those suspected of having musculoskeletal ergonomic risks were selected for interviews by the Bank's contracted hospital.

Shift and Night Workers

- These employees completed the "Assessment and Mitigation Measures Form for Diseases Triggered by Abnormal Workload" and the "Key Occupational Safety and Health Checklist for Night Work." Follow-up support was provided by the Bank's contracted hospital.



Female Employees

- Each department conducted the "Maternal Health Risk Assessment and Measures Form for Female Employees." Those assessed were screened and interviewed by the Bank's contracted hospital.



● Occupational injuries and diseases in 2024

In 2024, no occupational fatalities or occupational diseases were reported at Bank of Kaohsiung. A total of 9 occupational injury cases were recorded, resulting in an Absentee Rate (AR) of 0.041% and a Lost Day Rate (LDR) of 10.28%.

	Total Workdays	Total Work Hours	Number of Occupational Injuries	Lost Workdays	Injury Rate (IR)	Lost Day Rate (LDR)	Absence Rate (AR)	Number of Occupational Fatalities	Occupational Disease Rate (ODR)
	153,268	1,226,144	5	61	0.82%	9.95%	0.040%	0	0
	131,376	1,051,008	4	56	0.76%	10.66%	0.043%	0	0
Total	284,644	2,277,152	9	117	0.79%	10.28%	0.041%	0	0

Note: Formulas for occupational injury indicators are as follows:

- Occupational sickness rate (IR) = (Total number of occupational sickness leaves / Total number of work hours) x 200,000. One employee suffers from occupational sickness in each occupational injury. (The number of employees suffering from occupational sickness is calculated based on 50 working weeks, 40 work hours, 100 employees per occupational injury.)
- Lost day rate (LDR) = (Total number of days lost due to disabling injury / Total number of work hours per year) x 200,000 (The number of employees suffering from occupational sickness is calculated based on 50 working weeks, 40 work hours, 100 employees per occupational injury.)
- Absence Rate (AR) = (Number of days absent due to occupational injuries / Total number of working days) x 100%

● Occupational safety training

According to Article 6 of the Occupational Safety and Health Act of Taiwan: The employers shall adequately plan and adopt the necessary safety and health measures for evacuation, first-aid treatment, rest, or other actions to protect the physical and mental health of laborers. As for occupational safety training at Bank of Kaohsiung, both new and current employees and both non- managerial and managerial employees must receive a certain number of hours of occupational safety training. Besides training courses, both physical occupational safety drills and disaster drills are occupational safety actions we care about. They aim to help us make sure that employees have professional knowledge when facing relevant occupational accidents and minimize occupational safety risk.

Furthermore, security service providers contracted by the Bank are required to conduct annual training sessions for their personnel. In 2024, all security staff completed training in safety defense capabilities, emergency response procedures, and human rights awareness.

Disaster Drills

Bank of Kaohsiung conducts simulation drills on a regular basis to confirm the effectiveness of our contingency plans and procedures through drills and education and training, and to make adjustments and improvements when necessary. Through regular practicing and learning in these manners every year, we ensure that employees can take correct and decisive actions in the case of disasters, and the safety of employees and the Company's assets is protected.

Education and Training

In order to strengthen employees' self-defense and emergency response capabilities, in addition to general professional skills training, Bank of Kaohsiung also participates in occupational safety and fire safety-related education and training proactively to improve the employees' overall safety awareness and response capabilities.

Occupational Safety Drills

- New Employees:** Upon hiring, new employees receive more than three hours of general occupational safety and health training during the year. This helps them understand the concepts of workplace safety and relevant regulations, and implement self-inspection procedures before, during, and after operations to ensure workplace safety.
- Safety Supervisors:** Occupational safety and health supervisors follow a retraining system to ensure they can properly manage emergencies when they occur.
- General Staff:** Each branch conducts safety and self-defense drills at least once per quarter. These hands-on exercises allow staff to experience simulated emergency scenarios, helping to improve their crisis response skills and confidence.

Type	Occupational Safety Training Program	Frequency	Participants
Disaster Drills	Robbery response drill for branch offices	Once per year	All branch office staff
	Typhoon and heavy rain emergency drill	Once per year	All employees
	Earthquake emergency drill	Once per year	All employees
	In-house fire response team drill	Once per year (Twice per year for Head Office and Information Technology Dept.)	All employees
Education and Training	Occupational Safety and Health Act	Once per year	All employees
	Occupational Health and Safety Work Guidelines	Once per year	All employees
	Occupational Safety and Health Management Plan	Once per year	All employees
	Occupational Safety and Health Act	Once per year	All employees
	Fire Services Act	Once per year	All employees
	Enforcement Rules of the Fire Services Act	Once per year	All employees
Occupational Safety Drills	In-service training for first-aid personnel on health and safety	Once every two years	Fire prevention officers of each unit
	Key points for establishing emergency response teams for disaster prevention	Once per year	All employees
	Prevention plan for assaults during duty execution	Once per year	All employees
	Professional training for workplace sexual harassment investigators	Once per year	Supervisors
	Workplace mental health: preventing bullying and enhancing communication	Once per year	Supervisors

● Occupational safety and health management measures

Occupational safety management measures at Bank of Kaohsiung consist of 3 approaches with 9 action plans. The measures are from unlawful infringement evaluation of occupational safety risk prevention to employee workload evaluation, and security check of workplace, including venue inspection such as fire facilities and indoor quality. The last part of measures would be management of emergency response. We set up a security division and emergency response division, and establish the accident reporting system to keep track of all employees and accidents. From prevention to management, and integration of online and physical resource, we minimize all the occupational security risks. In addition, in line with the Ministry of Health and Welfare's updated guidelines on preventing unlawful infringements, the Bank revised its internal regulations in 2024.



Occupational Safety Risk Prevention Plan

Occupational Safety Measures	Description
Assessment of Unlawful Infringement Risks in the Workplace	To prevent unlawful infringement during the execution of duties, each department of the Bank completes the "Hazard Identification and Risk Assessment Form for the Prevention of Unlawful Workplace Infringement" annually and keeps execution records. In cases of unlawful infringement directly related to job duties, the Bank provides protection, resettlement, and assistance based on the level of harm suffered by the employee, along with necessary physical and mental health support for the victim.
Evaluation of Abnormal Workload	To prevent illnesses triggered by abnormal workloads, the Bank conducts annual assessments and completes the "Assessment and Action Plan for Diseases Triggered by Abnormal Workload."

Workplace Safety

Occupational Safety Measures	Description
Inspection of Fire Safety Equipment	All office and business premises comply with fire safety regulations. For the Head Office building, certified fire safety contractors are engaged monthly to inspect fire equipment to ensure the safety of the environment and the proper functioning of all fire protection systems.
Indoor Environmental Quality Management	The Bank's Business Dept. is among the second group of premises announced by the Ministry of Environment (MOE) that must comply with the Indoor Air Quality Management Act. Regular inspections by MOE-designated agencies are conducted, and results show full compliance.
Security of Business Premises	To enhance the security of business premises, all operational units are equipped with automatic alarm systems, security surveillance systems, fire safety equipment, and other necessary protective gear. Designated personnel are responsible for the operation, monitoring, management, and periodic maintenance. Security services are outsourced to licensed providers in accordance with the Security Services Act.
Cash Transport Security	To minimize the risks associated with cash transportation, the Bank outsources offsite cash delivery and replenishment operations to qualified armored transport service providers.

Emergency Response Mechanism

Occupational Safety Measures	Description
Safety Committee	To strengthen safety and security mechanisms, the Bank has established the "Security Maintenance Operating Guidelines" and formed a "Security Maintenance Supervision Committee," which meets at least once a year to convey key work instructions and review implementation outcomes.
Emergency Response Team	To enhance disaster prevention and maintain operational continuity, the Bank has established the "Disaster Prevention and Emergency Response Operating Guidelines" and formed a "Disaster Response and Emergency Handling Team" to enable swift and effective response, develop action plans, and formulate solutions in the event of emergencies.
Disaster Notification System	To further improve disaster awareness and emergency responsiveness, in addition to telephone notifications, the Bank has created a LINE group for managerial personnel and set up an internal web-based Natural Disaster Safety Notification System.

5.3.2 Health Promotion and Family-Friendly Workplace

The Bank is committed to creating a family-friendly and inclusive work environment by offering a range of benefits that exceed legal requirements to help employees balance work and family life. These include comprehensive benefits and full pay for menstrual leave, family care leave, and personal and sick leave. In addition, vacation benefits such as annual leave, marriage leave, bereavement leave, miscarriage leave, and preferential annual leave for new hires are all more generous than statutory entitlements. To support employees with childcare or eldercare needs, the Bank offers lactation rooms and contracted services with infant care centers and kindergartens, and allows employees to apply for unpaid leave through a streamlined internal process to accommodate family care arrangements. Furthermore, the Bank plans to introduce a childbirth subsidy policy within the next one to three years, continuing to foster a culture of family-friendly workplaces and to provide tangible support for parenthood and employee quality of life.



● Unpaid parental leave

The Bank offers prenatal leave benefits that exceed statutory requirements and processes parental leave applications in accordance with the law, with 100% coverage among eligible employees. In 2024, the return-to-work rate upon completion of parental leave reached 100%. Returning employees were prioritized for reassignment to their original positions, and continued to receive benefits such as health check-ups during the leave period.

Item	Male	Female
Number of employees who were eligible for parental leave in 2024 (A)	1	11
Number of employees who applied for parental leave in 2024 (B)	1	11
Application rate in 2024 (B/A)	100%	100%
Number of employees scheduled to return from parental leave in 2024 (C)	2	8
Number of employees who returned to work in 2024 (D)	2	8
Return-to-work rate in 2024 (D/C)	100%	100%
Number of employees who returned from parental leave in 2023 and remained employed for at least one year as of 2024 (E)	2	6

● Family care leave

To alleviate the burden of family caregiving responsibilities, Bank of Kaohsiung actively encourages employees to make use of the family care leave policy. From 2021 to 2024, the number of applications submitted by male employees consistently exceeded those by female employees. The Bank is committed to promoting gender equality and shared family responsibilities, striving to create a high-quality work-life balance for all employees.

Family care leave	2021 Applications	2022 Applications	2023 Applications	2024 Applications	Total
	133	213	194	106	646
	27	127	73	65	292



● Employee health checkups







The Bank organizes annual health checkups for all employees and provides a subsidy of NT\$3,500 per employee each year. If the benefit is not used within the current year, it can be carried over to the following year, up to a maximum accumulated subsidy of NT\$7,000. If the health checkup result shows a high-risk abnormality, we will continue to follow up the relevant employee's recheck result.

Age	Male Employees	Female Employees
60 and Above	34	40
50-59	92	94
40-49	56	58
30-39	44	53
Under 29	21	42
Total	247	287

Note: Annual health checkups are not mandatory. Most employees accumulate their subsidies and use them in a single checkup session.

● Health promotion

Bank of Kaohsiung places strong emphasis on preventive measures and risk management in its employee health promotion initiatives. The Bank provides employer-funded group insurance and implements musculoskeletal disorder (MSD) prevention programs. Additionally, a maternity health assessment mechanism is in place, and online resources are used to enhance employees' physical and mental health awareness, fostering a supportive and friendly workplace environment.

 Health Risk Assessment	 Employee Insurance	 Health Consultation	 Mental Health Counseling	 Health Education Resources	 Pregnancy-Friendly Measures
In the plan for prevention of musculoskeletal disorder triggered by repetitive work, we assess the symptoms of musculoskeletal disorder for employees every year and fill out the form for improvement of suspicious ergonomic hazard.	We offer national group insurance to reduce risks and make sure that practitioners enjoy a stable life.	Our contract health workers offer employee health interview regularly, and offer measures such as labor health education, safety health guidance, mental and physical health protection, and external medical resource assistance, to ensure that employees are healthy and build a safe and healthy workplace.	Free psychological counseling services are available to employees. In 2024, one employee participated in counseling sessions, and the Bank continues to monitor the individual's mental health progress.	We offer all kinds of materials and information on physical and mental health on the intranet, and help employees learn medical and healthcare knowledge and reduce illness risk.	The Bank implements maternity protection measures. For female employees who are pregnant or within one year postpartum, each unit is required to conduct at least one maternity health risk assessment during pregnancy and again within the first postpartum year. A "Maternity Health Risk Assessment and Mitigation Form" must be completed. In 2024, 9 employees received such assessments.

● Friendly workplace

1. Set up a comprehensive salary and benefits system.
2. Create a family-friendly workplace, providing nursing rooms, parental leave, and other measures.
3. Establish a diverse and inclusive culture that ensures every employee feels valued and embraced.
4. Establish a comprehensive grievance mechanism that enables employees to express their opinions with peace of mind.

● Employee satisfaction survey

To understand employees' needs and perspectives, the Bank conducts an annual Employee Satisfaction and Engagement Survey. The survey assesses employees' satisfaction with their work, alignment with the company's values, and suggestions regarding training and development. In 2024, the survey was completed, covering dimensions such as supervisors, job content, compensation, career development, colleague relationships, corporate culture, and employee engagement. The Bank has established a regular plan to conduct the satisfaction survey each year based on the previous year's data. The survey encompasses areas such as compensation and benefits, training and development, and workplace environment. In 2025, the Bank will thoroughly analyze the survey results and propose improvement measures for areas identified as needing optimization. Through ongoing refinement of our systems and policies, we aim to foster a workplace where employees feel secure, fulfilled, and happy.

Target Group	All Employees
Method of Response	Online questionnaire
Survey Frequency	Conducted annually
Number of Respondents	1,113 persons
Coverage Rate	A total of 1,027 questionnaires were collected; response rate: 92.27%
Responsible Unit	Human Resources Dept.
Survey Scope	Covered areas including compensation and benefits, training and development, and workplace environment
Survey Period	2024/5/29 ~ 2024/6/8
Satisfaction Score	On a scale of 5, the average satisfaction score was 3.89
Improvement Measures	Based on the survey results, the Bank will continue to enhance the job content, career development, and compensation dimensions in 2025

5.3.3 Sexual Harassment Prevention Measures

To ensure a safe, respectful, and harassment-free working environment, Bank of Kaohsiung established the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Guidelines" in 2024. The Bank also implemented a formal complaint and handling mechanism to address incidents of workplace sexual harassment, providing a clear and structured complaint procedure.

● Sexual harassment complaint process

Workplace Sexual Harassment Prevention Complaint	
Grievance Process	Description
Establishment of a Sexual Harassment Complaint Review Committee	The committee may convene only with the attendance of more than half of its members. Any resolution requires the consent of more than half of those present.
Formation of an Investigation Task Force	Members must include external professionals with gender sensitivity awareness.

● Historical statistics on sexual harassment grievance

Grievance Item / Year	2021	2022	2023	2024
Sexual Harassment Grievance	1	0	0	0
Investigation Results	Confirmed case	-	-	-



5. ④ Employee Communication and Human Rights

5.4.1 Workplace Safety Measures

● Guidelines for employee grievance

Bank of Kaohsiung values each employee's complaint and feedback and establishes diverse and smooth whistleblowing channels. Employees can provide real-time feedback via phone, fax and email, etc., and a dedicated unit will be delegated to handle and respond to the cases.

Guidelines for Employee Grievance	
Reporting Channel	Responsible Unit
<ul style="list-style-type: none"> • Telephone: 07-5562156 (Deputy Division Director) / 07-5591522 (Section Chief) • Fax: 07-5590524 • Email: m0221@mail.bok.com.tw 	Human Resources Dept.

● Grievance handling procedure for unlawful infringements

Upon receiving a grievance, the Bank conducts an investigation based on the principles of objectivity, fairness, and professionalism. The privacy and other personal rights of the parties involved are protected throughout the investigation process. Strict measures are enforced to ensure that the handling is impartial and fair. The rights and privacy of the victim and the whistleblower are kept strictly confidential, and safeguards are in place to protect them from retaliation. Detailed records of the investigation are maintained, and external and professional support may be sought when necessary.

Grievance Item	Grievance Process	Description
Reporting or Grievance of Workplace Unlawful Infringements	Upon receiving a report or grievance, the Human Resources Dept. shall immediately assign appropriate personnel to investigate or handle the case and provide a timely response. Investigators shall encourage the victim to describe the incident in detail, and record all relevant information thoroughly. The report shall be signed and properly archived.	<ol style="list-style-type: none"> 1. For internal incidents, a labor union representative must participate in the investigation. Depending on the nature and severity of the case, it may be necessary to involve security personnel or notify the police. 2. The alleged perpetrator must be informed of the grievance and shall be granted an opportunity for an independent and fair investigation. Confidentiality must be maintained throughout the investigation, which should be completed within a specific timeframe (no later than one month). For complex cases, an extension may be granted upon approval by the President (each extension may not exceed one month and may be granted only once). Measures must be taken to prevent retaliation or unfair treatment against the victim or stakeholders. 3. For external incidents, a communication network shall be established with local law enforcement and judicial authorities to ensure timely reporting and support. When necessary, assistance such as spatial arrangements of the premises may be provided to facilitate investigation or emergency medical response. 4. In cases where external incidents are at the early warning stage (i.e., no actual unlawful conduct has yet occurred), security personnel may be alerted as a priority to handle the situation and take precautionary measures to prevent escalation. When necessary, the potential aggressor may be isolated, or relevant staff may be temporarily relocated to a secure area to ensure the safety of employees or service recipients.

● Grievance handling outcomes in 2024

A total of three grievance cases were reported in 2024. One case was closed after the respondent voluntarily resigned and issued a written apology. The remaining 2 cases were investigated by the Bank's Occupational Safety and Health Committee, which concluded that workplace bullying was not established. However, based on the recommendations of a minority of committee members and to effectively prevent further contact between the parties, the respondent in both cases was reassigned to a different department.

1 case

Closed after the respondent voluntarily resigned and issued a written apology.

2 case

Investigated by the Bank's Occupational Safety and Health Committee, which concluded that workplace bullying was not established.

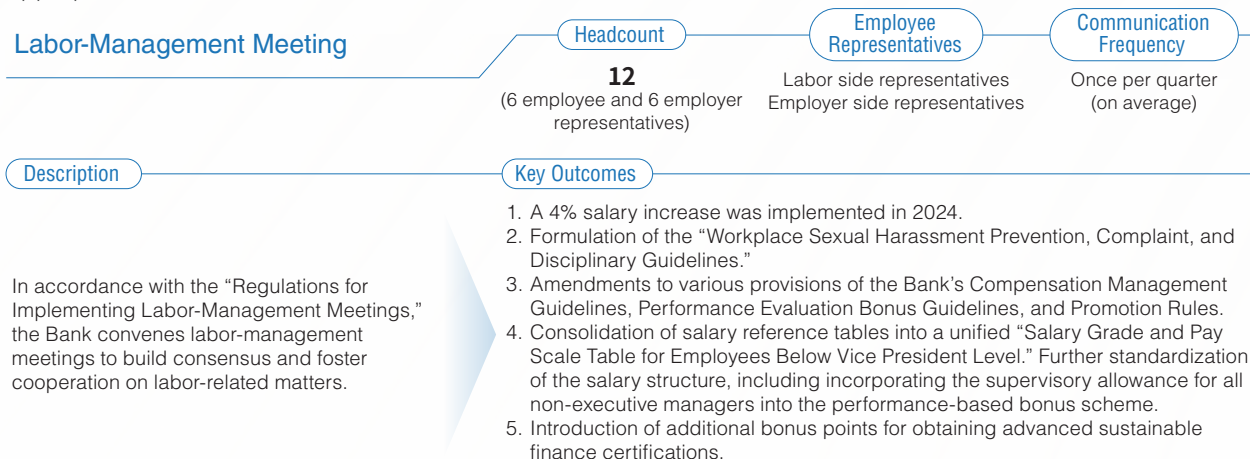
● Whistleblower protection and anti-retaliation mechanism

The Bank has established the "Bank of Kaohsiung Standard Operating Procedures for Handling Whistleblower Cases", designating the Compliance Dept. as the responsible unit for accepting and investigating whistleblower cases. The procedures explicitly require that all personnel involved in handling such cases must strictly maintain the confidentiality of the whistleblower's identity, report content, and all related documents and files. These materials must be handled with caution and securely stored as confidential by designated personnel, and no information that could identify the whistleblower or the content of the report may be disclosed to any unauthorized third party. Furthermore, the Bank shall not, on the basis of the reported case, subject the whistleblower to dismissal, removal, demotion, salary reduction, infringement of any rights or benefits to which they are entitled under laws, contracts, or customary practices, or any other adverse treatment. These measures are implemented to ensure effective and appropriate protection for whistleblowers. The Bank has also incorporated whistleblower-related regulations into its annual legal awareness and training programs, with a total of 1,139 participants receiving such training in 2024. In addition, the relevant SOP has been published on the Bank's official website, along with multiple accessible whistleblowing channels for the public to report misconduct.

5. 4. 2 Diverse Communication Channel

● Labor relations and management

To harmonize labor relations, facilitate labor - management cooperation, and increase work efficiency, we invite unions or practitioners to participate in these issues to ensure a diverse employee communication channel. This includes participation across five key organizational mechanisms, where various meeting platforms are utilized to discuss relevant topics, build labor-management consensus, and revise internal regulations of the Bank as appropriate.





Human Resources Arbitration Committee

Headcount

9

Employee Representatives

Elected committee members

Communication Frequency

On average twice per month

Description

To ensure fairness and transparency in personnel recruitment, promotion, performance evaluation, and rewards or disciplinary actions, the Bank has established a Personnel Review Committee.

Key Outcomes

The committee is responsible for reviewing and approving proposals related to staff appointments, promotions, evaluations, bonuses, and disciplinary measures.

Bank of Kaohsiung Labor Union

Headcount

837

Employee Representatives

Labor side representatives

Communication Frequency

Once every 3 years (for collective bargaining)

Description

Since 2002, the Bank has signed a collective agreement with the labor union to maintain stable labor relations and promote mutual business development. The collective agreement covers areas such as employee rights, occupational safety and health, and compensation for work-related injuries.

Key Outcomes

In 2024, approximately 73.5% of the Bank's employees were union members and covered under the collective agreement. Employees not covered by collective bargaining agreements will still adhere to consistent labor conditions and contract specifications as per company policy, without being affected by whether they are covered by such agreements.

Employee Welfare Committee

Headcount

10

Employee Representatives

Labor side representatives

Communication Frequency

At least once every three months

Description

The Employee Welfare Committee is primarily responsible for reviewing, promoting, and overseeing welfare-related plans, supervising the operation and financial reporting of the employee welfare fund, and approving the committee's budget and final accounts.

Key Outcomes

Related outcomes of employee welfare measures are detailed in Section 5.1.4 "Employee Welfare Measures."

Supervisory Committee for Labor Retirement Reserve

Headcount

6

Employee Representatives

Labor side representatives

Communication Frequency

Once every three months (on average)

Description

Established in accordance with Article 56 of the Labor Standards Act.

Key Outcomes

The committee reviews matters such as the suspension of pension reserve contributions, verifies the contribution amounts, oversees fund deposits and utilization, confirms the amounts of pension payments, and supervises all other matters related to the labor pension reserve fund.

5.4.3 Human Rights Management

● Human Rights Policy

Bank of Kaohsiung remains committed to human rights issues and, in 2024, officially formulated and published the Kaohsiung Bank Human Rights Policy. The policy refers to the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the International Labor Organization Conventions, and the United Nations Guiding Principles on Business and Human Rights. Looking ahead, we will continue to align with the ILO's core labor standards in developing protective policies and management measures. Implementation status will be disclosed through our official website, annual report, or sustainability report, demonstrating our commitment to continuously improving working conditions and employee benefits. Our goal is to foster a workplace that respects human rights, promotes equality and fairness, and safeguards the rights and well-being of every employee. In the meantime, we have formulated the Sustainable Procurement Declaration or Supplier Sustainable Procurement Clauses to require suppliers to comply with the same standards to respond to international human rights trends and exert corporate influence.

● Objectives and scope of the Human Rights Policy

Workplace Human Rights Protection

1. Prohibit any human rights violations such as forced labor, child labor, and sexual harassment.
2. Recruitment practices ensure no discrimination based on nationality, race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical features, disabilities, zodiac sign, blood type, or previous union membership.
3. Child labor and forced labor are strictly prohibited. Employment terms for both employees and migrant workers—including working hours, wages, and benefits—are clearly defined.
4. Provide a workplace environment that upholds dignity, safety, equality, and freedom from harassment.
5. Offer diverse and secure grievance mechanisms to safeguard employees' legal rights.

Healthy and Safe Workplace

1. Comply with occupational safety and health regulations to ensure a safe workplace.
2. Conduct occupational health and safety training, regular health checkups, and wellness promotion activities to minimize occupational hazard risks and maintain a safe, healthy, and hygienic working environment.

Freedom of Association

1. Respect employees' rights to form or join any associations, organizations, and to engage in collective bargaining.
2. Promote legitimate and diverse activities to help employees balance work and life.

Privacy Protection

Comply with relevant personal data protection laws to ensure that the collection, processing, and use of personal data of employees, customers, and stakeholders follow legal requirements and uphold data privacy rights.

Anti-Corruption and Anti-Bribery

Implement policies such as the "Code of Ethical Conduct" and the "Fair Treatment of Customers Policy and Strategy" to enforce internal and external integrity governance.

Promotion of Human Rights Policy

Beyond supporting and practicing human rights protection, we expect and require all business partners—including suppliers and customers—to uphold the same standards and jointly address human rights issues and manage related risks.



● **Administrative measures of human rights**

Workplace human rights measures of Bank of Kaohsiung focus on three aspects, employee rights, forced labor and operational change notice. All employee policies are expressly stipulated in our internal regulations and easily accessible for employees. As for employee management, we always check if employees suffer from forced overtime and forced labor, from attendance record to management measures. Finally, all changes to our operating activity have changed strictly abide by regulations and we make an advanced notice.

Employee Rights

Laws and Regulations	Description
Internal Regulations on Promotion, Evaluation, Job Rotation, Rewards, and Bonuses	Maintain the rights of practitioners based on all internal work regulations.

Forced or Compulsory Labor

Laws and Regulations	Description
Labor Standards Act	To protect employees' rights and promote their physical and mental well-being, employees are encouraged to adhere to regular working hours unless urgent business requires otherwise. Supervisors are expected to monitor workloads and strictly comply with relevant working hour regulations.

Advance Notice of Operational Changes

Laws and Regulations	Description
Business Mergers and Acquisitions Act, Labor Standards Act	Announce the notice period in advance strictly according to laws and regulations

● **The operating activity that is subject to human rights inspection or human rights impact evaluation**

Human Rights Committees



With regard to dynamics of practitioners, and business plan and overview, the scope of the collective bargaining agreement applies to Bank of Kaohsiung Co., Ltd. Matters such as labor relations negotiation, facilitating labor-management cooperation, labor condition, practitioner welfare planning and working efficiency enhancement must be discussed at the labor-management conference. The dynamics of practitioners and business plan and overview must be reported and discussed at the labor-management conference.

Human Rights Due Diligence



All of our operating activities involved with the rights of practitioners who are union members must fully comply with the collective bargain agreement and resolution by labor-management conference comprehensively. Therefore, there is no potential for practitioners who are union members would be suffering from human rights torture or would be accomplices of human rights torture.

Chapter

6

Social Feedback and Dedication

Achieving Social Co-Prosperity

- 6.① Inclusive Finance Protection
- 6.② Sustainable Education Empowerment
- 6.③ Social Care and Participation
- 6.④ Support for Sports and Arts & Cultural
Activities

▶ Core vision and commitment

Bank of Kaohsiung has long been deeply rooted in the Greater Kaohsiung area. With a strong emotional connection to the region, the Bank has become a key driving force in promoting municipal governance and sustainable development. Standing alongside the people of Kaohsiung, we embrace our corporate social responsibility by continuously innovating financial services to better meet the practical needs of local businesses and residents. In the area of social welfare, we continue to promote four key policies: Financial Protection, Educational Support, Social Care, and Cultural and Sports. Looking ahead, we plan to adopt the London Benchmarking Group (LBG) community investment framework to better understand the correlation between our community investments and their social impact. We hope that our long-term dedication will, like seeds, take root and flourish—ultimately becoming a strong support for the people of Kaohsiung.

▶ Achievement and performance in 2024



Received the Second Place in Group B for Trust Promotion and Innovation Integration “Elderly Care Trust” from the Financial Supervisory Commission (FSC) in 2024



NT\$5.77 million in total scholarships granted to date; a total of 614 individual scholarship recipients supported



Sponsored public welfare events, with NT\$3.08 million in total donations



Invested and sponsored arts and sports activities totaling NT\$7.16 million



Received the Second Place for “Best Inclusive Finance Award” of the 18th Wealth Management Bank and Securities Evaluation of Business Today in 2024



Contributed a sponsorship amount of NT\$300,000 to the Campus Photography Contest of Commercial Times



Received the “Best Trust Industry Quality Award” in the 2024 Commercial Times “Protecting Assets, Securing the Future” Campus Photography Contest


▶ Social sustainability strategy

Bank of Kaohsiung is committed to fulfilling its role as a responsible corporate citizen by leveraging the core value of financial institutions. Starting from identifying local needs, the Bank aims to promote inclusive and collaborative social welfare initiatives by integrating resources and maintaining long-term engagement, thereby amplifying its positive impact on society. The Bank’s social responsibility strategy is structured around four key pillars: Inclusive Financial Protection, Sustainable Education Empowerment, Community Engagement and Care, and Support for Cultural and Sports. In the areas of public welfare trusts and senior financial services, the Bank actively promotes the “Trust 2.0 Initiative” and the concept of “ageing in place with supportive housing”. Through cross-sector collaboration, we assist elderly and disadvantaged groups in planning for asset preservation and long-term living security. In the field of financial education and talent cultivation, the Bank has expanded its industry-academia collaborations to 13 universities across Taiwan. It continues to promote on-campus financial literacy programs and internship initiatives to nurture the next generation of financial professionals. In terms of social welfare and community care, the Bank has long focused on underprivileged students, the elderly, and families with disabilities. Through initiatives such as blood donation drives and beach clean-up activities, the Bank strengthens its local community engagement. In the area of cultural and sports support, the Bank has established a cultural public welfare trust and continues to provide funding for outstanding athletes and coaches. It actively supports community sports events and cultural activities, aiming to enhance public health and cultural participation among citizens. The Bank will continue to uphold its corporate citizenship responsibilities through diversified efforts, aiming to amplify its positive impact on society.

Social Responsibility Strategy






	Actions in 2024	Implementation Results	Impact of Actions
 <p>Inclusive Finance Protection</p>	Public Welfare-Oriented Trusts: 1. Trust for the social donation trust 2. Trust for persons with disabilities 3. Trust for elderly care 4. Trust for underage beneficiaries 5. Trust for insurance benefits	<ul style="list-style-type: none"> Number of Trust Beneficiaries: 464 individuals Total Value of Trust Assets: NT\$333,933,536 	<ul style="list-style-type: none"> Enabled the general public to apply trust mechanisms in their daily lives, combining cross-disciplinary expertise to provide customized services. Through cross-sector collaboration, we created a win-win-win scenario for clients, trust services, and partners, enhancing the functionality and accessibility of trust services. Partnered with the Social Affairs Bureau to undertake public welfare-oriented trusts with discounted setup fees, upholding the principles of equality in trust services and promoting inclusive finance.
	Public Welfare Trusts	<ul style="list-style-type: none"> Total Applications Received: 3 cases Total Value of Trust Assets: NT\$42,406,646 	Actively executed public welfare trusts entrusted by individuals, helping them allocate funds to socially disadvantaged groups—putting the “Trust 2.0” vision into practice.
	Cross-sector Collaboration and Campus Trust Promotion Seminars	<ul style="list-style-type: none"> Trust Promotion Seminars Held: 25 sessions Total Participants: 948 people, Total Seminar Hours: 32 hours 	Collaborated with professionals across sectors—lawyers, accountants, insurers, social welfare groups, and universities—to organize trust promotion seminars, raising public awareness about the benefits of trust services.

Short-term goals (1 Year)

Launch standardized elderly care trust contracts. By combining elderly care trusts with investment and financial management as well as real estate asset management trusts, offer preferential fee packages tailored for the elderly and persons with disabilities. This aims to further extend services to residents in central and northern regions, thereby providing the public with more diversified trust solutions.

Medium- and long-term goals (3–5 years)

Establish a collaborative trust industry ecosystem to leverage cross-sector resource sharing. Propose tailored solutions based on customer needs and provide customized approaches to address potential asset management challenges. Strive to ensure that products and services align closely with people’s everyday needs, thereby promoting inclusive trust services and fulfilling corporate social responsibility.


	Actions in 2024	Implementation Results	Impact of Actions
 <p>Sustainable Education Empowerment</p>	Industry-Academia Internship Program	<ul style="list-style-type: none"> From 2021 to 2024, a total of 145 students from 13 universities participated in the internship program From 2021 to 2023, 53 of them were officially hired as full-time employees 	Implemented an internship program to both recruit future talent and provide practical training opportunities for students, allowing them to contribute their skills to social welfare causes.
	Scholarship Donation	<ul style="list-style-type: none"> A total of 56 students received scholarships, amounting to NT\$576,000 	Provided scholarships for underprivileged students, encouraging them to pursue education without being hindered by financial constraints. We also hope these recipients will give back to society in the future, fostering a virtuous cycle of kindness.

Short-term goals (1 Year)

Collaborate with universities to select outstanding students for internship programs and cultivate financial talent. Continue to support students with financial difficulties through the foundation and provide scholarships to encourage academic pursuit.

Medium- and long-term goals (3–5 years)

Align with the “Campus Trust Roots Program” to promote industry-academia cooperation, foster talent in the trust field, and expand the reach of trust mechanisms across different groups and social strata through diverse and innovative promotional methods.


	Actions in 2024	Implementation Results	Impact of Actions
 Community Engagement and Care	Bank of Kaohsiung Social Welfare & Charity Foundation	<ul style="list-style-type: none"> A total donation of NT\$972,000 was made 	By providing funding to a diverse range of social welfare organizations—including those supporting underprivileged children, individuals with disabilities, the homeless, and patients in a vegetative state—we help extend compassion to more people in need through timely financial assistance, enabling communities to spread goodwill further.
	Community Care	<ul style="list-style-type: none"> Total donation and sponsorship amount: NT\$2,110,000 	Through long-term participation in community activities and deepening local engagement, we foster trust and collaboration between the Bank and the community. This effectively broadens and deepens the impact of public welfare initiatives, allowing more citizens to tangibly experience Bank of Kaohsiung's care and support in their daily lives, thereby strengthening overall community cohesion and well-being.
	Public Welfare Activities	<ul style="list-style-type: none"> 2 blood donation events 1 beach cleanup event co-organized with ASE Group 	Encourage employees and the public to actively participate in environmental conservation and blood donation through concrete actions, promoting public welfare initiatives.

Short-term goals (1 Year)

Organize public welfare activities, actively participate in volunteer services of social welfare organizations and institutions, and sponsor their operational funding to care for local residents and provide necessary community resources.

Medium- and long-term goals (3–5 years)

Introduce the LBG community investment management model to accurately assess the positive social impact of resource input.

	Actions in 2024	Implementation Results	Impact of Actions
 Support for Cultural and Sports	Sponsorship for Athlete Development	<ul style="list-style-type: none"> A total of 140 athletes approved A total of NT\$1,730,000 was sponsored 	In response to the Kaohsiung City Government's initiative to support and sponsor outstanding athletes, grants are provided to high-performing athletes as a strong backing for their continued development.
	Community Sports and Cultural Activities	<ul style="list-style-type: none"> NT\$5,430,000 sponsored 	To encourage the public to develop exercise habits for physical and mental well-being, funds are provided to support cultural and sports activities, promoting a healthy lifestyle.

Short-term goals (1 Year)

Respond to municipal policies and manage public welfare trusts for cultural and sports, provide funding to outstanding athletes, training coaches, and professionals or events in the cultural field to promote the development of cultural and sports activities.

Medium- and long-term goals (3–5 years)

Sponsor sports and cultural events in combination with public welfare initiatives, comprehensively give back to society, and promote the sustainable development of positive cultural values.



6. ① Inclusive Finance Protection

Upholding its professional role as a financial institution, Bank of Kaohsiung remains committed to promoting public welfare and giving back to society, putting the spirit of financial inclusion into practice through its services. For the elderly, individuals with disabilities, and disadvantaged groups, the Bank not only offers a more friendly and considerate financial experience but also provides elder care trust services to assist with stable and appropriate financial management and care planning. Emergency support is also available when needed, reducing the burden on families and individuals.

To enhance public understanding and accessibility of public welfare trusts, the Bank has launched a dedicated “Public Welfare-Oriented Trusts Section” on its website, offering transparent information on trust services, application procedures, and real-life examples, making it easier for individuals or organizations in need to understand and access relevant resources.

6.1.1 Trust Services Integrated with Innovative Solutions

In line with the Financial Supervisory Commission’s “Trust 2.0” sustainable finance policy, Bank of Kaohsiung actively supports national initiatives by continuously enhancing the social function and sustainable value of trust services. The trust mechanism is highly flexible and multifunctional, allowing for tailored solutions based on the unique needs of individuals or organizations. It covers a broad range of areas, including asset management, personal care, healthcare, social welfare, urban renewal, idle land utilization, and Long-Term Care 2.0. By effectively integrating financial resources with social welfare, the trust mechanism brings financial services closer to public needs and plays a positive role in promoting social well-being. In 2024, the Bank received the 2nd Place in Group B of the “Elderly Care Trust Award” under the FSC’s evaluation of the Trust Industry Promotion of Trust 2.0 Program, recognizing excellence in trust promotion and innovation.



The award was presented by Premier Cho Jung-Tai to Bank of Kaohsiung Chairperson Meei-Ling Jeng.

Social Feedback and Dedication Achieving Social Co-prosperity

Public welfare trust

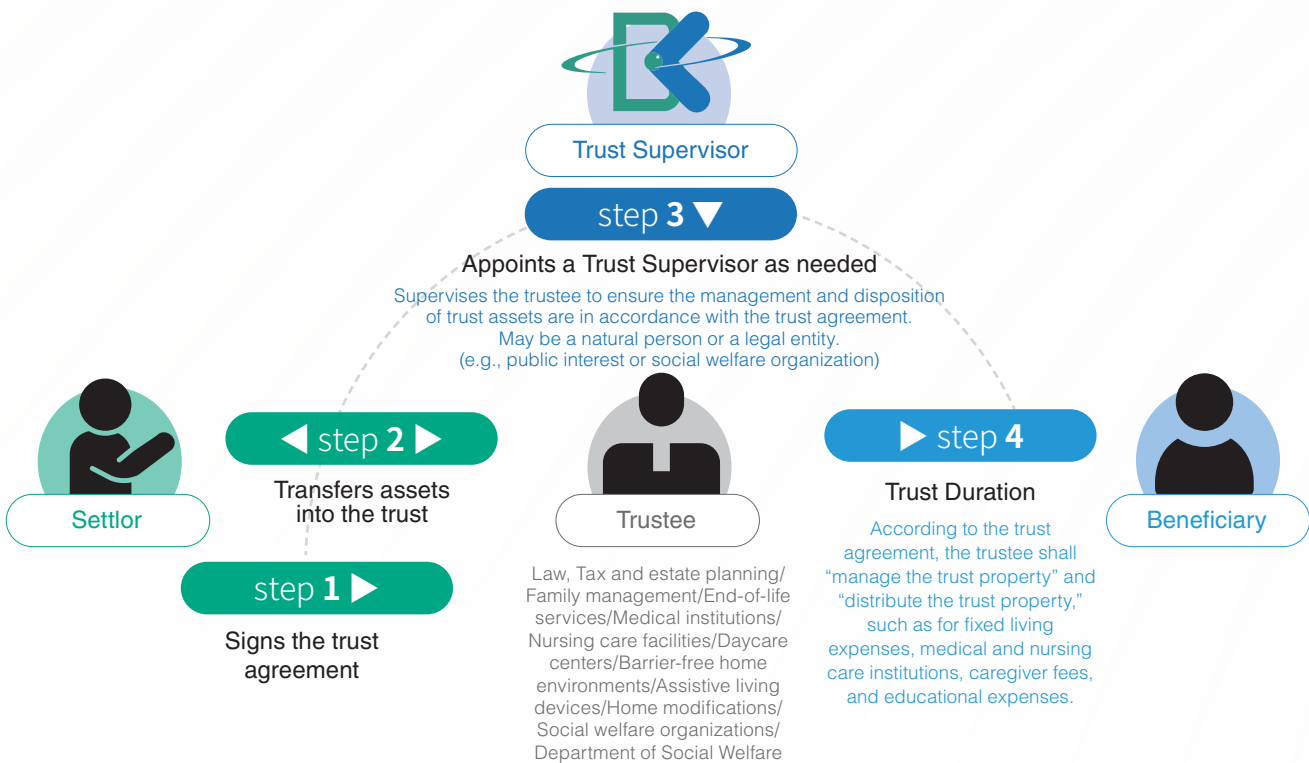
Bank of Kaohsiung provides socially-oriented trust services in five key areas: minors, persons with disabilities, the elderly, insurance fund management, and donations to social welfare organizations. Through the stable operation of trust mechanisms, the Bank ensures both the care and asset protection needs of specific groups, while also promoting the effective allocation of resources and the vision of long-term support. As of the end of 2024, the Bank had undertaken 464 such trusts. By promoting public welfare trusts, Bank of Kaohsiung serves as a vital bridge connecting financial services with social care needs, thereby reinforcing the spirit of inclusive finance and fostering a virtuous cycle between the trust system and social welfare.



Shared trust resources

Bank of Kaohsiung actively promotes a “comprehensive trust service” centered on the diverse needs of the public, integrating trust mechanisms with cross-disciplinary professional consultation. By collaborating with legal advisors, tax experts, healthcare and long-term care institutions, and funeral service providers, the Bank has established a robust professional network that helps clients clarify potential financial and care needs throughout different life stages. This enables the creation of diverse and practical trust structures.

The Bank’s trust planning services go beyond asset management to include family care and personal well-being, assisting clients in making sound arrangements for their future lives and financial plans. Through customized solutions and expert consultation, Bank of Kaohsiung supports clients in achieving both financial security and personal care, demonstrating the practical application and true value of trust services in everyday life.





6.1.2 Promotion of Public Welfare-Oriented Trusts

Bank of Kaohsiung actively fulfills its corporate social responsibility by deepening its engagement in the ESG field. The Bank assists disadvantaged groups and charitable organizations in establishing public welfare-oriented trusts, integrating benevolent social donations into trust mechanisms to help beneficiaries maintain a stable and secure basic livelihood.

In response to Taiwan's rapidly aging population, Bank of Kaohsiung has promoted the "Trust 2.0 Initiative," advocating the concept of "age-friendly housing and community-based aging." The Bank focuses on the elderly, people with disabilities, and those with loss of functional capacity, providing comprehensive medical care and financial planning through trust mechanisms. To further promote the concept of long-term care trusts, the Bank collaborates with various stakeholders—including medical institutions, bar associations, local courts, insurance providers, and social welfare groups—to host trust promotion seminars, helping the public better understand the practical applications of trusts in safeguarding personal quality of life and asset security. In addition, the Bank actively enters campuses to offer courses and co-host seminars with interdisciplinary professional partners, promoting awareness of trust mechanisms, advancing inclusive finance, and cultivating the next generation of financial professionals.

Bank of Kaohsiung also signed a tripartite agreement with the Trust Association of R.O.C. and the National Credit Card Center of R.O.C. to establish a data exchange platform for trust account disbursements. In the future, trustors will be able to pay various trust-related fees through the platform, enhancing the diversity and convenience of trust services.



● 2024 outcomes of public welfare-oriented trusts implementation

Unit: Cases, NT\$

Public Welfare-Oriented Trusts	Cumulative Number of Beneficiaries / Cases	Cumulative Asset Value
Kaohsiung Municipal Min-Sheng Hospital ESG Trust	-	NT\$2,049,900
Shou-Fu Long-Term Care Trust (Standardized Product)	382 cases	NT\$3,692,400
Individually Managed Money Trusts	82 cases	NT\$330,241,136

● Shou-Fu Long-Term Care Trust

In response to Taiwan's aging society and the increasing demand for elderly care, Bank of Kaohsiung actively supported the Trust 2.0 initiative promoted by the competent authority. With the goals of innovation, inclusiveness, and sustainability, the bank continued to expand its long-term care trust services, putting financial inclusion into practice. In 2024, a standardized long-term care trust contract was launched for residents in central and northern Taiwan. The initiative lowered application thresholds and streamlined procedures, offering more accessible and diverse trust options. It helped the public plan for future financial and caregiving needs, fulfilling the goals of "elderly care for the aged" and "financial support for the vulnerable." As of December 31, 2024, a total of 382 long-term care trust cases were under contract and in effect.

Building on existing experience, the Bank planned to further integrate investment, wealth management, and real estate trust functions. Special rate packages were designed for the elderly and persons with disabilities to help them accumulate long-term care funds and safeguard their assets, aiming to enhance quality of life in later years. In addition to the standardized project, the Bank also provided customized long-term care trust services for individuals aged 55 and above as well as those with disabilities, offering flexible retirement planning to meet diverse financial and care-related needs.

● Diverse Trust Innovation Award

To support the Financial Supervisory Commission's "Trust 2.0: Comprehensive Trust Plan," and to promote industry innovation, cross-sector collaboration, and diversified market development, the Trust Award was jointly initiated by the Commercial Times, the Trust Association of R.O.C., and the Taiwan Securities Association. This award aims to encourage trust providers to design solutions that address the needs of various social groups, reflecting the core values of inclusive finance.



Bank of Kaohsiung received the Excellence Award for Best Integrated Innovation in Trust Products at the Trust Award, in recognition of its innovative and comprehensive trust solutions. The Bank also took part in the third Trust Award Video Contest, titled "Guarding Assets, Fulfilling the Future," under the theme "With Trust Comes Love That Never Fades." Participating university students created short films aligned with the theme. The award-winning video has been uploaded to the "Public Welfare-Oriented Trusts" section on the bank's official website. This serves as a promotional tool to help the public better understand the role of trust services in protecting assets and enhancing financial security in daily life. Through accessible and engaging content, the value of trusts in asset preservation and everyday application becomes easier to appreciate and adopt.



● **Trust promotion seminar**

Bank of Kaohsiung continued outreach to campuses, communities, local institutions, and social welfare organizations by organizing seminars that shared real-life trust stories and case practices. Cross-sector partners were invited to collaborate, helping the public gain a deeper understanding of trusts through practical examples. Promotional talks were also delivered across various units and institutions to expand the reach to different groups. In 2024, trust seminars were held at I-Shou University, Dashe Junior High School, and Alian Junior High School in Kaohsiung, offering students a foundational understanding of trusts. The Bank will further strengthen industry-academia collaboration with schools at all levels by planning diverse initiatives such as elective courses, project planning activities, and proposal competitions. These efforts aim to foster students' understanding of trusts during their academic years and to attract young talent interested in trust services, thereby cultivating future professionals to support the advancement of inclusive finance.

● **Cross-sector collaboration and campus trust promotion seminar**

Collaborating Parties	Number of Sessions	Number of Participants	Total Hours
Local communities, elderly	4	90	6.5
Insurance and financial advisory sectors	1	10	1
District courts and government agencies	3	216	4
Social welfare organizations and elder care facilities	14	467	17.5
Junior high schools, universities and colleges	3	165	3
Total	25	948	32



Pingtung County Government Department for Persons with Disabilities and Eden Social Welfare Foundation (Chaozhou session)



Referral from Kaohsiung Education Bureau – Dashe Junior High School (Junior high students)



Kaohsiung Palette Association (Family members of persons with disabilities)

6.1.3 Charity Trusts

Public welfare trusts are established to serve the public interest. These include trusts created for charitable, cultural, academic, artistic, religious, ceremonial, or other public welfare purposes and must be approved by the competent authority overseeing public interest affairs. To advance public welfare, donors (settlers) place their assets in trust with the Bank (as trustee), and the trustee manages and utilizes these assets in accordance with the trust deed for the benefit of the public.

● Performance of public welfare trusts in 2024

Unit: persons, NT\$

Charity Trusts	Cumulative Number of Beneficiaries	Cumulative Asset Value
Justice & Trust Social Welfare Trust	2 persons	NT\$988,420
Taiwan Chien Shih Sports and Culture Charity Trust	18 persons	NT\$38,438,128
Daitian Patrol Longsheng Temple Social Welfare Trust	0 persons	NT\$2,980,098

● Justice & Trust Social Welfare Trust

In recent years, Bank of Kaohsiung has proactively expanded cross-sector collaborations. Through the signing of a Memorandum of Understanding (MoU) with the Kaohsiung Bar Association to establish the Justice & Trust Social Welfare Trust, and partnering with Kaohsiung Municipal Min-Sheng Hospital to promote ESG trusts, the Bank has successfully integrated legal, medical, and social welfare resources to broaden the reach of trust services. Partners include long-term care institutions, medical facilities, certified public accountants, lawyers, and social welfare organizations. By co-hosting seminars and promotional events, the Bank has reached more individuals in need of elderly care and asset protection services, deepening the application of trust mechanisms in elderly and disadvantaged care, and furthering the mission of inclusive finance. As of 2024, the trust's asset size reached NT\$988,630, benefiting 2 individuals in total. It has supported proper asset management and care arrangements, enhancing the feasibility and scope of public welfare trust practices.





● Taiwan Chien Shih Sports and Culture Charity Trust

To promote the spirit of Taiwan Chien Shih—"Respect for life, love for the homeland, lawfulness, dedication, and fellowship"—the settlor has contributed personal funds to recognize coaches who have made significant contributions to sports development in Taiwan. The trust also aims to support cultural education and artistic endeavors by promoting high-quality cultural and arts activities. The fund is entrusted to Bank of Kaohsiung for management and is dedicated to supporting individuals who have devoted themselves to sports and cultural development. It helps these individuals achieve greater accomplishments in their respective fields, elevating Taiwan's presence on the international stage and fostering a positive cultural atmosphere in society. In 2024, coaches who received grants from the trust led outstanding Taiwanese athletes to participate in major national and international competitions, achieving excellent results worthy of recognition. Supported events included the National Youth Cup, National High School Games, and National Freedom Cup, covering disciplines such as weightlifting, tennis, taekwondo, roller skating, and track and field. A total of 18 applications were approved. As of the end of 2024, the total trust assets reached NT\$38,562,810, with 85 individuals having benefited from the trust.



● Daitian Patrol Longsheng Temple Social Welfare Trust

To uphold the religious tenets of the Daitian Patrol Longsheng Temple and provide charitable aid to underprivileged and disadvantaged individuals, this public welfare trust was established in accordance with the "Implementation Guidelines for the Daitian Patrol Longsheng Temple Social Welfare Trust" as set by the settlor. The trust provides financial subsidies to legally registered institutions or organizations in Taiwan dedicated to charitable and social services — including orphanages, nursing homes, rehabilitation centers, facilities for individuals with disabilities, and nonprofit foundations or associations — with the goal of promoting philanthropy, social care, and community giving.



6. ② Sustainable Education Empowerment

Bank of Kaohsiung demonstrates its strong commitment to education and social welfare through industry-academia collaboration programs and scholarship initiatives. Since 2016, the Bank has continuously expanded its cooperative internship programs with universities and colleges, seeing a steady increase in both partner institutions and participating students. These programs provide students with workplace experience and hands-on training, while the Bank's management trainee program further enhances their competitiveness in the job market. In addition, the Bank of Kaohsiung Social Welfare and Charity Foundation actively provides scholarships to students from underprivileged families, supporting equal access to education. Through these efforts, the Bank hopes to inspire young talents to pursue their dreams and give back to society, embodying the sustainable spirit of public welfare rooted in the financial industry.

6.2.1 Industry-Academia Collaboration for Financial Talent Development

● Industry-academia collaboration

Since 2016, Bank of Kaohsiung has partnered with the Kaohsiung City Government to promote the University-Industry Internship Program with local universities. This year, the Bank also collaborated with National Sun Yat-sen University to launch a Management Associate Internship Program. A total of 19 students participated in internships at various departments within the Bank's headquarters. After completing standardized onboarding training, students received department-specific pre-employment training and were assigned to various departments for internships, including Branch Counter Services, Wealth Management Services, Financial Technology Division, Wealth Management Department, Information Technology Dept., and Trust Dept. The program aims to help students integrate theoretical knowledge with practical experience and enhance their competitiveness in the job market.

To continue cultivating future financial professionals, the Bank assesses students' willingness to remain after their internship, and conducts comprehensive evaluations based on their performance and supervisor feedback to retain outstanding talent.

● 2024 internship program performance

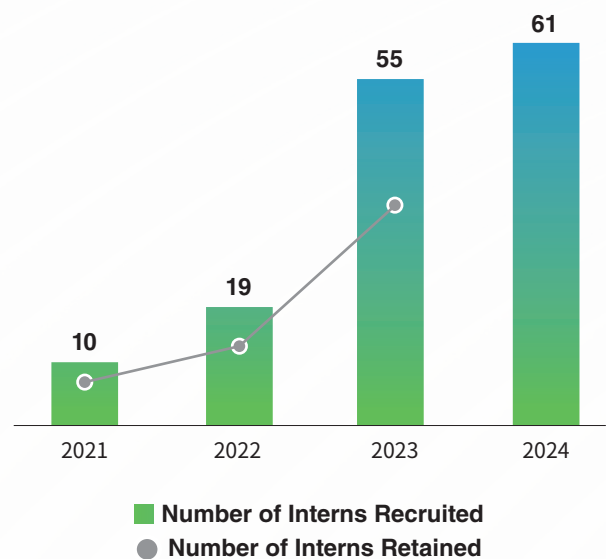
Intern Recruitment

In cooperation with 13 universities across Taiwan—including National Taipei University of Business, National Sun Yat-sen University, National University of Kaohsiung, Cheng Shiu University, Wenzao Ursuline University of Languages, Takming University of Science and Technology, China University of Technology, Chihlee University of Technology, Hsing Wu University, and Chien Hsin University of Science and Technology—Kaohsiung Bank has recruited a total of 53 interns in 2024.

Status as of 2024

Number of Partner Universities: 13
Total Interns Recruited (2021–2024): 145
Total Interns Retained (2021–2023): 53

● Intern recruitment and retention overview



2024 Internship Program

6.2.2 Empowering Students to Pursue Their Dreams

Scholarship system

The Bank of Kaohsiung Social Welfare and Charity Foundation has long been committed to educational equity. In collaboration with the United Charity Association of Kaohsiung and the Kaohsiung Social Welfare Association, the Foundation has implemented a scholarship program to support students from economically disadvantaged families in continuing their education. Through financial assistance, the program encourages students to bravely pursue their dreams and never give up on learning opportunities. It is hoped that recipients will one day give back to society with the knowledge they have gained, thereby sustaining a cycle of love and kindness and contributing to the sustainable goals of poverty alleviation and equal access to education.

2024 scholarship outcomes

Scholarship Program & Beneficiaries

"United Scholarship and Wings Project of Kaohsiung," organized by United Charity Association of Kaohsiung

- 2023 Academic Year – 2nd Semester: 12 recipients
- 2024 Academic Year – 1st Semester: 8 recipients

"Multi-Aspect Aids for Students Program," organized by Kaohsiung Social Welfare Association

- 2023 Academic Year – 2nd Semester: 12 recipients
- 2024 Academic Year – 1st Semester: 12 recipients
- 2024 Academic Year – 2nd Semester: 12 recipients

Status as of 2024

Each senior high school and college student received NT\$10,000–12,000 per semester. In 2024, a total of 56 scholarships were awarded, amounting to NT\$5,776,000.

Cumulative Totals as of 2024

Total beneficiaries: 614 students
Total scholarship amount awarded: NT\$5,776,000

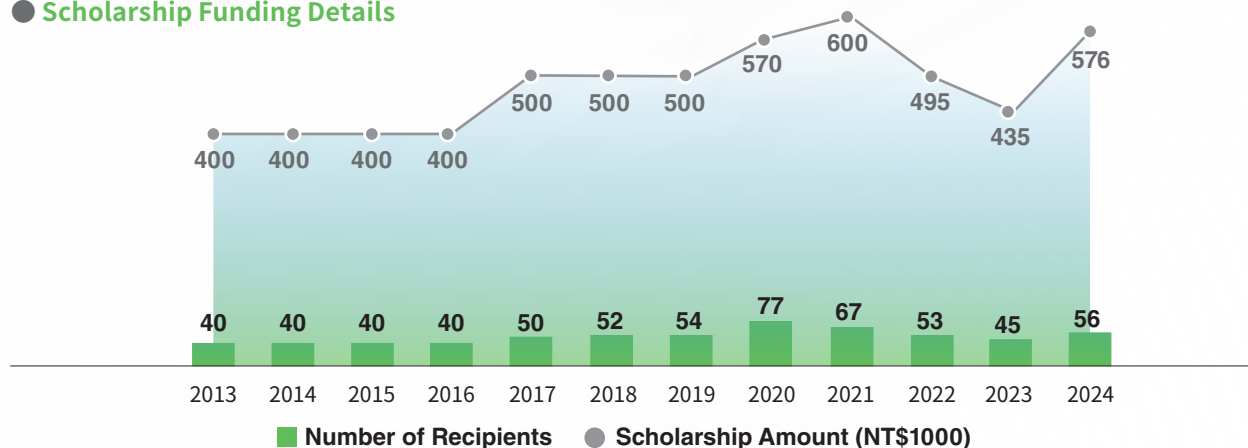
Impact

Provided scholarships for underprivileged students, encouraging them to pursue education without being hindered by financial constraints. We also hope these recipients will give back to society in the future, fostering a virtuous cycle of kindness.



"United Scholarship and Wings Project of Kaohsiung," organized by United Charity Association of Kaohsiung.

Scholarship Funding Details



6. ③ Social Care and Participation

To fulfill its corporate social responsibility and actively care for disadvantaged groups, Bank of Kaohsiung established the Bank of Kaohsiung Social Welfare and Charity Foundation in 2008. The Foundation was initiated with a capital contribution of NT\$10 million from the Bank and an additional NT\$2.5 million raised through voluntary employee donations, forming a total fund of NT\$12.5 million. Upholding the founding principle of “giving back to society what is taken from it,” the Foundation has operated for 16 years, consistently partnering with local social welfare organizations to channel charitable resources precisely into all corners of society and support those in need. By working hand in hand with social welfare partners, Bank of Kaohsiung continues to amplify the positive impact of compassion and build a warm, sustainable future for society.

6.3.1 The “Angel of Happiness” Campaign

To ensure the sustainable promotion of charitable initiatives and enhance the long-term operations of the Foundation, Bank of Kaohsiung launched the “Angel of Happiness – Let Love Fly” fundraising campaign in 2010. In addition to contributions from the Bank and employee donations, the campaign actively invites the public to participate, pooling more resources to support vulnerable communities. Over the years, the Foundation has worked alongside both public and private sector partners—including the Taiwan Fund for Children and Families, Eden Social Welfare Foundation, Hua-Shan Social Welfare Foundation, Syin-Lu Social Welfare Foundation, Genesis Social Welfare Foundation, and the Kaohsiung City Social Affairs Bureau—to support low-income families, people with disabilities, and the elderly. Employees are also encouraged to engage in volunteer services, expanding the campaign’s social impact and spreading the goodwill of “Angels of Happiness” across every corner of society.

In 2024, the Bank of Kaohsiung Social Welfare and Charity Foundation contributed a total of NT\$972,000 to 11 social welfare projects. The Foundation was honored with an “Excellent” rating in the 2023 evaluation conducted by the Kaohsiung City Social Welfare Foundation, in recognition of its long-term dedication and action. We will continue to uphold our mission of “fulfilling social responsibility and supporting the disadvantaged,” ensuring that every donation is used where it is needed most, in pursuit of a sustainable vision of corporate philanthropy.



Hua-Shan Social Welfare Foundation – Caring for the Elderly with Love and Reunion



● Participation in social welfare initiatives in 2024

Social Welfare Donations and Activities	Donation Details
Taiwan Fund for Children and Families	Sponsorship of 10 children, NT\$1,000 per person per month, totaling NT\$120,000
Eden Social Welfare Foundation – 2024 Happy Children Festival	NT\$30,000
Genesis Social Welfare Foundation – Together in Love Campaign	NT\$30,000
Syin-Lu Social Welfare Foundation – 2024 Institutional Care Fundraising Program	NT\$30,000
The Mustard Seed Mission – Family Recovery Support Program	NT\$20,000
Eden Social Welfare Foundation – 2024 Barrier-Free Life Festival Charity Fair	NT\$30,000
United Charity Association of Kaohsiung (on behalf of Kaohsiung City Council) – 2024 Winter Relief Distribution	NT\$200,000
Hua-Shan Social Welfare Foundation – 22nd Care for the Elderly Reunion Project	NT\$200,000
Genesis Social Welfare Foundation – Permanent Care for People in Vegetative State & 35th Cold Winter Meal for the Needy	NT\$30,000
Kaohsiung City Government Social Affairs Bureau – New Year Support for Underprivileged Children	Support for 290 children from 15 institutions, NT\$600 per child, totaling NT\$174,000
United Charity Association of Kaohsiung – Hope Express: Support Program for Disadvantaged Families	72 low-income families, NT\$1,500 Carrefour voucher per household, totaling NT\$108,000
Total Donation in 2024	NT\$972,000

Through the Bank of Kaohsiung Social Welfare and Charity Foundation, Bank of Kaohsiung has actively collaborated with community development associations across various districts in Kaohsiung to engage in a wide range of local initiatives. These include community festivals, environmental advocacy, elder care programs, anti-drug campaigns, and energy conservation awareness. These efforts have helped strengthen connections with local residents and demonstrate the Bank's genuine care for the well-being of Kaohsiung's citizens.

● 2024 community and social sponsorship summary

Category	Sponsored Community Activities	Amount
Community Care	"Spring Couplet Calligraphy Event" by Zhuzhong Community Development Association, Qianzhen District, Kaohsiung	NT\$10,000
	"2024 Community Policy Promotion & Volunteer Fellowship Activity" by Xinxia Community, Zuoying District, Kaohsiung	NT\$30,000
	"2024 Blood Donation for Love: It Starts with You and Me" Public Welfare Blood Drive by Gang'an Care Association, Kaohsiung	NT\$10,000
	"Dragon Boat Care – Sharing Zongzi" Event by Bayu Community, Sanmin District, Kaohsiung	NT\$20,000
	"Warmhearted Zongzi Moments" by The Zhonghua Cihai Charitable Association	NT\$10,000
	"Dragon Boat Festival & Care for the Disadvantaged" by Dexing Community Development Association, Meinong District, Kaohsiung	NT\$10,000
	"Green Eating & Environmental Health Lecture" by Kaohsiung Health Culture Promotion Association	NT\$10,000
	"2024 Mid-Autumn Festival Gala & Energy Conservation Awareness" by Wuquan Community Development Association, Lingya District, Kaohsiung	NT\$10,000
Donation to Society	Donation to Taiwan Foundation for Disaster Relief for the April 3rd Hualien Earthquake	NT\$2,000,000
Total Donation in 2024		NT\$2,110,000

In the aftermath of the 2024 Hualien Earthquake, the Bank swiftly donated via the Taiwan Foundation for Disaster Relief, supporting post-disaster recovery and reconstruction. This timely contribution underscores the Bank's commitment to public affairs and social responsibility. In addition, the Bank supported community-oriented charitable initiatives, including blood donation drives, community volunteer programs, indigenous cultural events, health seminars, and energy conservation campaigns. These efforts benefited a wide range of demographic groups and backgrounds, totaling NT\$2,110,000.

6.3.2 Social Engagement and Community Care Activities

As a key financial institution supporting municipal governance in the Greater Kaohsiung area, Bank of Kaohsiung has long been deeply rooted in the local community, serving both the public and local industries. Looking ahead, we will continue to invest in community development and adopt the London Benchmarking Group (LBG) model for community investment management. We aim to evaluate the resources invested and their social outcomes, continuously tracking the positive impacts of our social engagement initiatives to enhance sustainable governance.

● Co-hosting a beach cleanup event

Bank of Kaohsiung partnered with the ASE Environmental Protection and Sustainability Foundation to organize a beach cleanup event at Sizihwan. Led by Chairperson Meei-Ling Jeng and President Hsu Chui-Mei, employees and their families participated enthusiastically, demonstrating our strong commitment to environmental protection and joint efforts to preserve the local natural environment.

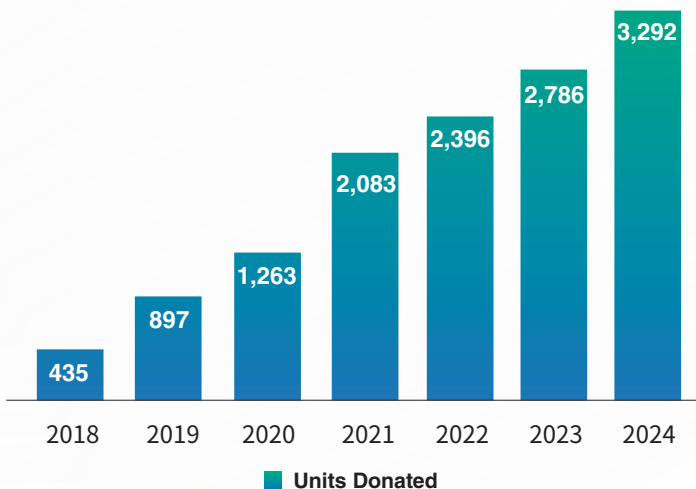


Sizihwan Beach Cleanup Co-Organized with ASE Environmental Protection and Sustainability Foundation

● **Public blood donation**

To support the needs of Kaohsiung's blood bank, Bank of Kaohsiung has been organizing blood donation drives for 16 consecutive years. In 2024, two events were held, collecting 317 and 189 units of blood respectively. One of these events was jointly organized with 9 local Kaohsiung-based companies and the Kaohsiung City Government Finance Bureau. The event also featured booths and giveaways promoting public awareness of the city's anti-illicit tobacco and alcohol campaign, encouraging citizens to actively participate and roll up their sleeves for a good cause. As of 2024, a total of 3,292 bags of blood have been collected. Bank of Kaohsiung will continue to respond to social needs through concrete actions, upholding the public welfare spirit of "Unstoppable Passion, Unbroken Love."

● **Cumulative blood donation overview**



Arena Blood Donation Event

6. ④ Support for Sports and Arts & Cultural Activities

Bank of Kaohsiung has long been dedicated to promoting sports development and local cultural initiatives. Through concrete actions, the Bank supports outstanding athletes and diverse performance events, aiming to foster a strong sports culture while enriching local cultural awareness. In response to the Kaohsiung City Sports Development Fund's Elite Athlete Advancement Program, the Bank convened a Sponsorship Review Committee to evaluate and select athletes for support. The program provides grants to athletes who have achieved top placements in the Asian Games, Olympic (Paralympic) Games, National Intercollegiate Athletic Games (Top 3), and the High School/Junior High School levels of the National High School Games (Top 2 for high school/vocational; 1st place for junior high). In 2024, a total of 140 athletes were approved for sponsorship, with total grants amounting to NT\$1,730,000, encouraging these athletes to continue striving for excellence and bringing honor to the nation.

● Sponsorship of sports and cultural events in 2024

Category	Sponsored Activities	Amount
Arts & Culture	Neo-Classical Chamber Ensemble, "Pursuing the light ahead-Into Paul Chiang"	NT\$500,000
	2024 Kaohsiung Halloween Series	NT\$1,000,000
	2025 Kaohsiung New Year's Eve Celebration	NT\$1,000,000
Sports	Taiwan Indigenous Archery Association, "The 4th Southeast Regional Indigenous Traditional Archery Competition in 2024".	NT\$10,000
	Sanshan Social Welfare Association of Kaohsiung City, "7th Fengyi Shangxing Cup Basketball Tournament and Anti-Drug, Energy Conservation, and Carbon Reduction Promotion" Event	NT\$10,000
	Kaohsiung City Sports Federation Adult Swimming Committee, "2024 Sports Taiwan 2.0 Program – Kaohsiung City Phase 2: Multi-Water Activities & Aquatic Fun Competition."	NT\$10,000
	Kaohsiung Golf & Country Club, "2024 Kaohsiung Open" Event	NT\$100,000
	Kaohsiung City Government Sports Development Bureau, "2024 Sports Development Fund of Kaohsiung City Athlete Summit" – 140 athletes sponsored	NT\$1,730,000
	2025 Kaohsiung International Street Dance Battle	NT\$800,000
	2024 Campus eSports Talent Cultivation and Learning Program	NT\$2,000,000
Total Donation in 2024		NT\$7,160,000



● Melting Greenland Project

In response to climate change education and awareness, Kaohsiung Bank supported the “Melting Greenland” project initiated by O’right Inc. This project involved on-site documentary filming and book publication in Greenland, recording the realities of glacier melt and the daily lives of local communities. Its goal is to enhance public awareness of the intensifying impacts of extreme climate events. On April 16, 2025, during the IPCC Global Scholars Forum held in Kaohsiung City, climate scientists from around the world and Inuit hunters from Greenland shared their research findings and firsthand experiences, fostering in-depth exchange on climate action and environmental education. Bank of Kaohsiung Chairperson Meei-Ling Jeng attended the event on behalf of the Bank, joining other corporate and academic representatives in witnessing the documentation of glacial changes. This demonstrated the Bank’s strong commitment to environmental issues.

In active support of the project, the Bank not only promoted the initiative internally but also purchased copies of the book *Melting Greenland* for distribution to high schools, universities, and libraries throughout Kaohsiung. Customers were also invited to view the documentary, further amplifying public engagement and dialogue on climate change. Through the power of visual and written media, the project aims to raise awareness of the far-reaching impact of global warming on human life and to deepen the substance of climate education. Bank of Kaohsiung believes that this initiative aligns with the United Nations Sustainable Development Goals (SDG 4: Quality Education and SDG 13: Climate Action), while also showcasing the positive role financial institutions can play in promoting sustainability. Looking ahead, Bank of Kaohsiung will continue to leverage its corporate influence, working alongside a broad range of stakeholders to sow the seeds of sustainable development and protect our shared planet.



Chairperson Meei-Ling Jeng represented Bank of Kaohsiung at the “Melting Greenland Project” event

Appendix 1 GRI Standards Index Comparison Table

GRI Statement

Statement of Use of the GRI Universal Standards	The 2024 Sustainability Report was published in reference to the GRI Standards. The scope of data and information are available from January 1 to December 31, 2024.
GRI 1 Version	GRI 1 : Foundation 2021
Application of the GRI Sector Standards	None

GRI 2: General Disclosures 2021

Index	Disclosure requirement	Corresponding chapters/description	Page No.
Organization and reporting			
GRI 2-1	Organizational details	About Bank of Kaohsiung	010
GRI 2-2	Entities included in the organization's sustainability reporting	About Bank of Kaohsiung	010
GRI 2-3	Reporting period, frequency and contact point	About the Report	003
GRI 2-4	Restatements of information	No restatement during the reporting year.	-
GRI2-5	External assurance	Appendix VI: Independent Auditor's Limited Assurance Report	211
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	About Bank of Kaohsiung 4.2.1 Supplier Management Strategy	011 145
GRI 2-7	Employees	5.1.1 Human Resource Data	153
GRI 2-8	Workers who are not employees	5.1.1 Human Resource Data	153
GRI2-9	Governance structure and composition	3.1.1 Corporate Governance Structure	102
Governance			
GRI 2-10	Nomination and selection of the highest governance body	3.1.2 Operation of the Board of Directors and the Committees	105
GRI 2-11	Chair of the highest governance body	3.1.2 Operation of the Board of Directors and the Committees	106
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.1.1 Sustainable Development Committee	022
GRI 2-13	Delegation of responsibility for managing impacts	1.1.1 Sustainable Development Committee	022
GRI 2-14	Role of the highest governance body in sustainability reporting	1.1.1 Sustainable Development Committee	022
GRI 2-15	Conflicts of interest	3.1.2 Operation of the Board of Directors and the Committees	109
GRI 2-16	Communication of critical concerns	1.2.3 Stakeholder Engagement and Management	027
GRI 2-17	Collective knowledge of the highest governance body	3.1.2 Operation of the Board of Directors and the Committees	108
GRI 2-18	Evaluation of the performance of the highest governance body	3.1.2 Operation of the Board of Directors and the Committees	109
GRI 2-19	Remuneration policies	3.1.3 Remuneration and Shareholding Policy	110



Index	Disclosure requirement	Corresponding chapters/description	Page No.
GRI 2-20	Process to determine remuneration	3.1.3 Remuneration and Shareholding Policy	110
GRI 2-21	Process to determine remuneration	5.1.3 Equal Pay Structure Some remuneration information is classified as confidential data and will not be disclosed.	158
Strategy, policies and practice			
GRI 2-22	Statement on sustainable development strategy	Operator's Sustainability Commitment	017
GRI 2-23	Policy commitments	1.1.2 Creation of Sustainable Influence Value 5.4.3 Human Rights Management	023 178
GRI 2-24	Embedding policy commitments	1.3.3 Material Topic Management Approach 5.4.3 Human Rights Management	032 178
GRI 2-25	Processes to remediate negative impacts	3.3.3 Internal and External Operational Risk 5.4.3 Human Rights Management	119 179
GRI 2-26	Mechanisms for seeking advice and raising concerns	3.1.1 Corporate Governance Structure 5.4.1 Workplace Safety Measures	103 175
GRI 2-27	Compliance with laws and regulations	3.4.2 Legal Compliance Implementation Status	123
GRI 2-28	Membership associations	3.1.4 Engagement in Guild and Association	111
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	1.2.3 Stakeholder Engagement and Management	027
GRI 2-30	Collective bargaining agreements	5.4.2 Diverse Communication Channel	176

GRI 3 : Material Topics 2021

Index	Disclosure requirement	Corresponding chapters/description	Page No.
GRI 3-1	Process to determine material topics	1.2.1 Stakeholder and Materiality Assessment Process	025
		1.2.2 Connecting Operational Value to Stakeholder	026
		1.2.3 Stakeholder Engagement and Management	027
GRI 3-2	List of material topics	1.3.1 Result of Material Topic Assessment	029
		1.3.2 Material Topic Impact Boundary	031
GRI 3-3	Management of material topics	1.3.3 Material Topic Management Approach	032

GRI Topic Standards

Index	Disclosure requirement	Corresponding chapters/description	Corresponding material topics	Page No.
Economic				
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	About Bank of Kaohsiung		010
	201-2 Financial impacts and other risks and opportunities due to climate change	2.4.3 Climate Strategy 2.4.4 Climate Risk Management		078 084
	201-3 Defined benefit plan obligations and other retirement plans	5.1.4 Employee Welfare Measures		160
GRI 204: Procurement practices	204-1 Proportion of procurement expenditure from local suppliers	4.2.2 Sustainable Procurement	Sustainable procurement and supplier management	147

Index	Disclosure requirement	Corresponding chapters/ description	Corresponding material topics	Page No.
GRI 205: Anti-corruption	205-1 Operating locations assessed for risks related to corruption	3.2.1 Policies and Systems		112
	205-2 Communication and training about anti-corruption policies and procedures	3.2.2 Outcome of Promotion of Ethical Management	Corporate governance compliance	112
	205-3 Confirmed incidents of corruption and actions taken	No related incidents in 2024		112
GRI 207: Tax	207-1 Tax policy	About Bank of Kaohsiung		016
	207-2 Tax governance, control, and risk management	About Bank of Kaohsiung		016
Environment				
GRI 303: Water and effluents	303-3 Water withdrawal	4.1.2 Water Resource Management		142
GRI 305: Emissions	305-1 Direct (Scope 1) greenhouse gas emissions	4.3.1 Greenhouse Gas Reduction		148
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	4.3.1 Greenhouse Gas Reduction	Responsible finance and reduction of carbon emissions from investment and financing	148
	305-3 Other indirect (Scope 3) greenhouse gas emissions	4.3.1 Greenhouse Gas Reduction	Greenhouse gas inventory and reduction	148
	305-4 Greenhouse gas emission intensity	4.3.1 Greenhouse Gas Reduction		148
	305-5 Reduction of greenhouse gas emissions	4.3.1 Greenhouse Gas Reduction		148
GRI 306: Waste	306-3 Generation of waste	4.1.3 Waste Management		144
	306-4 Disposal and transfer of waste	4.1.3 Waste Management		144
	306-5 Direct disposal of waste	4.1.3 Waste Management		144
GRI 308: Supplier environmental assessment	308-1 New suppliers screened using environmental criteria	4.2.1 Supplier Management Strategy		145
Society				
GRI 401: Employment	401-1 New employee hires and employee turnover	5.1.1 Human Resource Data		156
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	5.1.4 Employee Welfare Measures	Talent attraction and retention Employee salary and welfare	160
	401-3 Parental leave	5.1.4 Employee Welfare Measures		161



Index	Disclosure requirement	Corresponding chapters/ description	Corresponding material topics	Page No.
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	5.3.1 Occupational Safety and Health		170
	403-2 Hazard identification, risk assessment, and incident investigation	5.3.1 Occupational Safety and Health		171
	403-3 Occupational health services	5.3.1 Occupational Safety and Health 5.3.2 Health Promotion and Friendly Environment		168
	403-4 Worker participation, consultation, and communication on occupational safety and health	5.3.1 Occupational Safety and Health		168
	403-5 Worker training on occupational safety and health	5.3.1 Occupational Safety and Health		169
	403-6 Promotion of worker health	5.3.2 Health Promotion and Friendly Environment		173
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.1 Occupational Safety and Health		171
	403-8 Workers covered by an occupational health and safety management system	5.3.1 Occupational Safety and Health		170
	403-9 Work-related injuries	5.3.1 Occupational Safety and Health		169
	403-10 Work-related ill-health	5.3.1 Occupational Safety and Health		169
GRI 404: Training and education	404-1 Average hours of training per year per employee	5.2.2 Key Training Plan		164
	404-2 Programs for upgrading employee skills and transition assistance	5.2.1 Talent Development Program 5.2.2 Key Training Plan	Talent attraction and retention	162 163
	404-3 Percentage of employees receiving regular performance and career development reviews	5.2.3 Performance Evaluation and Development		166
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	3.1.2 Operation of the Board of Directors and the Committees 5.1.2 Talent Recruitment Strategy	Employee salary and welfare	104
	405-2 Ratio of basic salary and remuneration of women to men	5.1.3 Equal Pay Structure		157
GRI 414: Supplier social assessment	414-1 New suppliers screened using social criteria	4.2.1 Supplier Management Strategy	Sustainable procurement and supplier management	146
	414-2 Negative social impacts in the supply chain and actions taken	4.2.1 Supplier Management Strategy		146
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6.3 Personal Information Protection and Management No related incidents in 2024	Information security and personal data protection Anti-money laundering and counter financing of terrorism	133

Material topics without specific GRI standards

Index	Disclosure requirement	Corresponding chapters/description	Page No.
Preventing financial investment fraud, digital financial innovation and inclusion, inclusive finance			
No corresponding specific GRI standards		2.1.5 Digital Innovation, Friendliness and Inclusion 2.2.2 Poverty Eradication through Inclusive Finance 2.3.4 Preventing Financial Fraud	059 064 073

Appendix 2 Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Appendix 1-3 Article 4: Sustainability disclosure indicator					
Industry	No.	Indicators	Type of indicators	Corresponding chapters and contents	Page No.
Financial and insurance industry	I	Number of data breaches, percentage involving personally identifiable information, number of account holders affected	Quantitative	Appendix V: Sustainability Accounting Standards Board (SASB) Indicator Comparison Table FN-CB-230a.1	206
	II	Number and balance of loans granted for promotion of small businesses and community development	Quantitative	Appendix V: Sustainability Accounting Standards Board (SASB) Indicator Comparison Table FN-CB-240a.1	207
	III	Number of participants in financial literacy initiatives for financially disadvantaged groups	Quantitative	Appendix V: Sustainability Accounting Standards Board (SASB) Indicator Comparison Table FN-CB-240a.4	207
	IV	Products and services designed through all operating businesses for creating environmental or social benefits	Qualitative description	2.2.2 Poverty Eradication through Inclusive Finance	064



Appendix 3 Climate-Related Information for Listed Companies

Risks and Opportunities Caused by Climate Change and Relevant Response Measures Taken by the Company

TCFD four aspects	Item	Implementation status	Page No.
Governance	1. Explanation of how the Board of Directors and the management supervise and govern climate-related risks and opportunities explicitly	2.4.2 Climate Governance	076
Strategies	2. Explanation of how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term)	2.4.3 Climate Strategy	080
	3. Explanation of financial impact of extreme climate event and transition action explicitly	2.4.4 Climate Risk Management 2.4.5 Climate Risk Scenario Analysis	085 090
Risk management	4. Explanation of how climate risk identification, assessment, and management processes are integrated into the overall risk management system	2.4.3 Climate Strategy	078
	5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors used, and main financial impacts shall be explained	2.4.5 Climate Risk Scenario Analysis	090
	6. If there is a transformation plan in place to manage climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical and transformation risks	2.4.5 Climate Risk Scenario Analysis 2.4.6 Climate Indicators and Goals	091 096
	7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained	Since 2021, ISO 14001 Environmental Management System and ISO 50001:2018 Energy Management System have been implemented to establish relevant management mechanisms. To enhance the effectiveness of energy saving and carbon reduction control, starting in 2022, carbon inventories have been conducted for the Bank's Head Office building and branch offices (50 locations) in accordance with ISO 14064-1:2018 standards. Internal carbon pricing is being gradually planned in response to the "2050 Net Zero Carbon Emissions" goal.	-
Indicators and goals	8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant goals, the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) that were exchanged should be explained	Since 2022, in accordance with ISO 14064-1:2018, the Bank has conducted carbon inventories for its Head Office and branch offices (50 locations). To fulfill our carbon reduction and environmental sustainability goals, we have implemented reduction programs for electricity, official vehicle fuel, and water resources since 2022. In 2024, in comparison to 2023, the Bank achieved a reduction in total electricity consumption by 2.1%, official vehicle fuel usage by 5.6%, and per capita water consumption by 2.2%. For related contents, please refer to Section 4.3.2 "2050 Net Zero Target" of this Report.	149
	9. Greenhouse gas inventory and assurance	The information is also disclosed in Appendix IV	148

Appendix 4 Greenhouse Gas Inventory and Assurance

Greenhouse gas inventory and assurance status for the past two years				
Greenhouse gas inventory information	2023 (inventory scope: all domestic and overseas locations ¹)		2024 (inventory scope: all domestic and overseas locations ¹)	
	Total emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e/NT\$ million)	Total emissions (tons of CO ₂ e)	Intensity (tons of CO ₂ e/NT\$ million)
Scope 1	239.4851	0.0627	234.2711	0.0534
Scope 2	2,263.7876	0.5925	2,211.7712	0.5044
Scope 3 ²	495.4677		480.3521	

Note 1: Bank of Kaohsiung had no subsidiary in 2023 and 2024.

Note 2: Scope 3 inventories cover the indirect greenhouse gas emissions from products purchased by the organizations falling within the ISO 14064-1 Category 4, including upstream energy, water, and waste.

Note 3: All greenhouse gas emissions listed in this table have been verified by a third party.

Greenhouse gas assurance information	2023	2024
Assurance scope	46 locations of the Bank	50 locations of the Bank
Assurance organization	SGS (SGS Taiwan Limited)	SGS (SGS Taiwan Limited)
Assurance standard	ISO 14064-1:2018	ISO 14064-1:2018
Assurance opinion	None	None

Greenhouse gas reduction goals, strategies and specific action plans

Base year: 2022: Emissions of 3,036.136 tons CO₂e (46 locations of the Bank).

Reduction target: Annual reduction of 4.2%.

Strategies and specific action plan: Major energy equipment upgrades at operating locations, installation of solar photovoltaic panels, replacement of official vehicles, and purchase of green electricity, etc.

Reduction goal achievement status: To be achieved gradually after the 2025 annual strategies and specific action plans have been implemented.

Appendix 5 Sustainability Accounting Standards Board (SASB) Indicator Comparison Table

Based on the search result of industry type on SASB's official website, Bank of Kaohsiung selected applicable indicators to disclose information of indicators from 11 sectors and 77 industries in SASB Materiality Map of Sustainability Accounting Standards Board (SASB) Standards:

Sector	Financials	Industry	Commercial Banks		
SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters
Data Security		Number of data breaches	Quantitative	In 2024, Bank of Kaohsiung reported no incidents of information breach.	3.6.3 Personal Information Protection and Management
	FN-CB-230a.1	Percentage that are personal data breaches	Quantitative	In 2024, Bank of Kaohsiung reported no incidents involving the breach of personal information.	3.6.3 Personal Information Protection and Management
		Number of account holders affected	Quantitative	In 2024, Bank of Kaohsiung reported no incidents involving the breach of personal information; therefore, no customers were affected.	3.6.3 Personal Information Protection and Management
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Qualitative	For related content, please refer to Section 3.6.2 "Information Security Management" in the 2024 Sustainability Report.	3.6.2 Information Security Management



SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters																											
Financial Inclusion & Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding that qualify for programmes designed to promote small business and community development	Quantitative	<p>Implementation status of lending to small and start-up enterprises</p> <p>The loans provided by Bank of Kaohsiung in 2024 to promote small and start-up enterprises are as follows:</p> <table border="1"> <thead> <tr> <th>Project name</th> <th>Number of loans</th> <th>Balance (Unit: NT\$/hundred million)</th> </tr> </thead> <tbody> <tr> <td>Loans to small and start-up enterprises (note 1)</td> <td>7,681</td> <td>287.28</td> </tr> </tbody> </table> <p>Small and start-up companies that have been founded for less than five years, hire less than 20 employees, with capital below NT\$5 million, or annual revenue below NT\$10 million.</p>	Project name	Number of loans	Balance (Unit: NT\$/hundred million)	Loans to small and start-up enterprises (note 1)	7,681	287.28	2.2.2 Poverty Eradication through Inclusive Finance																					
	Project name	Number of loans	Balance (Unit: NT\$/hundred million)																													
	Loans to small and start-up enterprises (note 1)	7,681	287.28																													
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	<p>Number and balance of overdue loans and collections arising from lending to small and start-up enterprises</p> <table border="1"> <thead> <tr> <th>Project name</th> <th>Number of loans</th> <th>Amount (Unit: NT\$/hundred million)</th> </tr> </thead> <tbody> <tr> <td>Overdue loans</td> <td>1,424</td> <td>2.94</td> </tr> <tr> <td>Collection amount</td> <td>1,322</td> <td>2.50</td> </tr> </tbody> </table>	Project name	Number of loans	Amount (Unit: NT\$/hundred million)	Overdue loans	1,424	2.94	Collection amount	1,322	2.50	Refer to the left column																		
Project name	Number of loans	Amount (Unit: NT\$/hundred million)																														
Overdue loans	1,424	2.94																														
Collection amount	1,322	2.50																														
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	<p>Checking accounts are not commonly used as payment instruments by consumers in Taiwan. Furthermore, in accordance with pertinent regulations, the required documentation, credit history, and deposit thresholds for opening a checking account are more stringent than those applicable to other basic financial services. Given that regular deposit accounts and debit cards have lower entry requirements and are more accessible to financially disadvantaged groups compared to checking accounts, Bank of Kaohsiung currently does not offer no-cost checking accounts for these individuals. Instead, the Bank provides alternative inclusive financial measures aimed at supporting such groups.</p>	2.2.2 Poverty Eradication through Inclusive Finance																												
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	<p>Bank of Kaohsiung is committed to enhancing financial knowledge and overall financial literacy among local residents and financially disadvantaged groups in Kaohsiung. In 2024, the Bank held a total of 25 financial knowledge promotion courses and seminars, with 948 participants. Details of the seminars are shown in the table below:</p> <table border="1"> <thead> <tr> <th>Target group</th> <th>Seminar title</th> <th>Number of seminars (sessions)</th> <th>Number of participants (persons)</th> </tr> </thead> <tbody> <tr> <td>Local communities, elderly</td> <td>· Practical Application and Case Sharing of Trusts for Elderly Care · Trusts to Help—Protecting Assets, Preventing Fraud, Ensuring Care</td> <td>4</td> <td>90</td> </tr> <tr> <td>Insurance, financial advisory industry</td> <td>· Introduction to Types of Trusts and Case Sharing</td> <td>1</td> <td>10</td> </tr> <tr> <td>District courts, government agencies</td> <td>· Wealth Management and Property Management Trusts</td> <td>3</td> <td>216</td> </tr> <tr> <td>Social welfare groups and elderly care institutions</td> <td>· Practical Application and Case Sharing of Trusts for Persons with Disabilities · Elderly Trusts and Fraud Prevention</td> <td>14</td> <td>467</td> </tr> <tr> <td>Junior high schools, universities</td> <td>· Establishing Basic Concepts of Fund Investment, Wealth Management, and Trusts</td> <td>3</td> <td>165</td> </tr> <tr> <td colspan="2">Total</td> <td>25</td> <td>948</td> </tr> </tbody> </table>	Target group	Seminar title	Number of seminars (sessions)	Number of participants (persons)	Local communities, elderly	· Practical Application and Case Sharing of Trusts for Elderly Care · Trusts to Help—Protecting Assets, Preventing Fraud, Ensuring Care	4	90	Insurance, financial advisory industry	· Introduction to Types of Trusts and Case Sharing	1	10	District courts, government agencies	· Wealth Management and Property Management Trusts	3	216	Social welfare groups and elderly care institutions	· Practical Application and Case Sharing of Trusts for Persons with Disabilities · Elderly Trusts and Fraud Prevention	14	467	Junior high schools, universities	· Establishing Basic Concepts of Fund Investment, Wealth Management, and Trusts	3	165	Total		25	948	2.3.2 Customer Care and Satisfaction
Target group	Seminar title	Number of seminars (sessions)	Number of participants (persons)																													
Local communities, elderly	· Practical Application and Case Sharing of Trusts for Elderly Care · Trusts to Help—Protecting Assets, Preventing Fraud, Ensuring Care	4	90																													
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SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters																			
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Qualitative	<p>In response to the global sustainable development and leverage the financial influence, Bank of Kaohsiung has formulated the "Directions for Sustainability Loan Reviews" since 2023. Through the institutionalized credit review mechanism, the Bank encourages its borrowers to promote sustainable restructuring and to strengthen the management of environmental, social, and corporate governance (ESG) risks. The relevant survey results will be recorded in the Bank's ESG sustainability database as a reference for the development of sustainable financial products and services. In addition, the Bank also implements annual post-loan management in accordance with the "Sustainability Checklist" to ensure that credit customers continue to implement sustainable operations.</p> <p>In 2024, we have launched the Equator Principles execution and implementation project, and formulated the "Guidelines for Applying the Equator Principles to Credit Cases" and the "Environmental and Social Risk Assessment Form" of Bank of Kaohsiung, which will be published for business units to follow after approval by the association. We hope to join international initiatives and optimize internal loan business management processes and digital management, in order to achieve the goal of sustainable management, and work together for the sustainable development of the environment and society.</p>	2.1.1 Sustainability Loan																			
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, (3) Scope 3	Quantitative	<p>The absolute total greenhouse gas emissions in Scope 1 and Scope 2 from Bank of Kaohsiung's financing and investment targets in 2024 are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Type of asset</th> <th>Recognized emissions in Scope 1 and Scope 2 (tons of CO₂e)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Credit position</td> <td>Personal mortgage loan</td> <td>9,878.44</td> </tr> <tr> <td>Commercial real estate</td> <td>10,030.64</td> </tr> <tr> <td>Commercial loans</td> <td>202,882.20</td> </tr> <tr> <td rowspan="4">Investment position</td> <td>Corporate bonds in NTD (excluding sustainability bonds)</td> <td>188,513.05</td> </tr> <tr> <td>Foreign currency denominated corporate/financial bonds</td> <td>42,698.26</td> </tr> <tr> <td>Sovereign bonds (excluding LULUCF)</td> <td>79,772.66</td> </tr> <tr> <td>Equity investments (excluding ETF)</td> <td>2,064.14</td> </tr> </tbody> </table> <p>*Further details regarding the disclosure of Scope 3 will be provided in the future.</p>		Type of asset	Recognized emissions in Scope 1 and Scope 2 (tons of CO ₂ e)	Credit position	Personal mortgage loan	9,878.44	Commercial real estate	10,030.64	Commercial loans	202,882.20	Investment position	Corporate bonds in NTD (excluding sustainability bonds)	188,513.05	Foreign currency denominated corporate/financial bonds	42,698.26	Sovereign bonds (excluding LULUCF)	79,772.66	Equity investments (excluding ETF)	2,064.14	2.4.6 Climate Indicators and Goals – Financial Carbon Emission Data
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SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters																																												
Financed Emissions	FN-CB-410b.2	Gross exposure for each industry by asset class	Quantitative	<p>Bank of Kaohsiung discloses the top ten industries by credit exposure based on loan amounts, as shown in the table below:</p> <table border="1"> <thead> <tr> <th>Ranking</th> <th>Industry category</th> <th>Loan amount</th> <th>Proportion of total credit amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Real estate industry</td> <td>25,592,463</td> <td>11.22%</td> </tr> <tr> <td>2</td> <td>Financial and insurance industry</td> <td>23,674,598</td> <td>10.38%</td> </tr> <tr> <td>3</td> <td>Construction industry</td> <td>17,586,532</td> <td>7.71%</td> </tr> <tr> <td>4</td> <td>Wholesale and retail industry</td> <td>17,525,579</td> <td>7.69%</td> </tr> <tr> <td>5</td> <td>Electricity and gas supply</td> <td>10,050,127</td> <td>4.41%</td> </tr> <tr> <td>6</td> <td>Manufacture of basic metals</td> <td>7,184,877</td> <td>3.15%</td> </tr> <tr> <td>7</td> <td>Service industry</td> <td>6,664,212</td> <td>2.92%</td> </tr> <tr> <td>8</td> <td>Petroleum/coal/chemical materials/rubber and plastic products manufacturing</td> <td>6,325,412</td> <td>2.77%</td> </tr> <tr> <td>9</td> <td>Metal products/machinery and equipment manufacturing</td> <td>6,117,371</td> <td>2.68%</td> </tr> <tr> <td>10</td> <td>Food, beverage and tobacco industry</td> <td>4,605,424</td> <td>2.02%</td> </tr> </tbody> </table> <p>*Further details regarding the disclosure of Scope 3 will be provided in the future.</p>	Ranking	Industry category	Loan amount	Proportion of total credit amount	1	Real estate industry	25,592,463	11.22%	2	Financial and insurance industry	23,674,598	10.38%	3	Construction industry	17,586,532	7.71%	4	Wholesale and retail industry	17,525,579	7.69%	5	Electricity and gas supply	10,050,127	4.41%	6	Manufacture of basic metals	7,184,877	3.15%	7	Service industry	6,664,212	2.92%	8	Petroleum/coal/chemical materials/rubber and plastic products manufacturing	6,325,412	2.77%	9	Metal products/machinery and equipment manufacturing	6,117,371	2.68%	10	Food, beverage and tobacco industry	4,605,424	2.02%	<p>Refer to the left column</p> <p>Unit: NT\$ thousand</p>
	Ranking	Industry category	Loan amount	Proportion of total credit amount																																													
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	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Quantitative	<p>The amounts and proportions included in the calculation for Bank of Kaohsiung's 2024 financing and investment targets are presented in the table below:</p> <table border="1"> <thead> <tr> <th colspan="2">Type of asset</th> <th>Total amount (NT\$ million)</th> <th>Proportion of total risk exposure covered by the assessment for this category (%)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Credit position</td> <td>Personal mortgage loan</td> <td>28,968.68</td> <td>96.44%</td> </tr> <tr> <td>Commercial real estate</td> <td>17,150.10</td> <td>86.03%</td> </tr> <tr> <td>Commercial loans</td> <td>121,352.78</td> <td>99.93%</td> </tr> <tr> <td rowspan="4">Investment position</td> <td>Corporate bonds in NTD (excluding sustainability bonds)</td> <td>11,689.51</td> <td>100.00%</td> </tr> <tr> <td>Foreign currency denominated corporate/financial bonds</td> <td>22,213.57</td> <td>97.06%</td> </tr> <tr> <td>Sovereign bonds (excluding LULUCF)</td> <td>10,720.00</td> <td>100.00%</td> </tr> <tr> <td>Equity investments (excluding ETF)</td> <td>4,333.55</td> <td>100.00%</td> </tr> </tbody> </table> <p>Note 1: Among the asset categories disclosed in the Practice Handbook of the Bankers Association of the Republic of China and the PCAF Methodology, the credit position of Bank of Kaohsiung does not cover motor vehicle financing products.</p> <p>Note 2: Inventory coverage ratio of the asset position = investment or financing amount of the single asset category/total investment or financing amount of the asset position.</p>	Type of asset		Total amount (NT\$ million)	Proportion of total risk exposure covered by the assessment for this category (%)	Credit position	Personal mortgage loan	28,968.68	96.44%	Commercial real estate	17,150.10	86.03%	Commercial loans	121,352.78	99.93%	Investment position	Corporate bonds in NTD (excluding sustainability bonds)	11,689.51	100.00%	Foreign currency denominated corporate/financial bonds	22,213.57	97.06%	Sovereign bonds (excluding LULUCF)	10,720.00	100.00%	Equity investments (excluding ETF)	4,333.55	100.00%	<p>Refer to the left column</p>																	
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SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters
Financed Emissions	FN-CB-410b.4	Description of the methodology used to calculate financed emissions	Qualitative	The financial carbon emission calculation method of Bank of Kaohsiung for 2024 references the "Practical Manual for Domestic Banks' Financed Emissions (Scope 3)" issued by the Bankers Association and the "Global GHG Accounting and Reporting Standard for the Financial Industry" published by the Partnership for Carbon Accounting Financials (PCAF). In accordance with the materiality principle and considering data availability, priority is given to calculating carbon emissions for commercial loans (with priority to long-term loans and publicly listed or OTC companies with the most recent data), commercial real estate financing (for income-generating commercial purposes), personal mortgages (limited to home purchases), and investment positions in NTD corporate bonds (excluding government and perpetual bonds), foreign currency sovereign bonds, and equity investments (excluding ETFs) with higher proportions in Bank of Kaohsiung's credit position.	Refer to the left column
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	In 2024, Bank of Kaohsiung did not incur any financial losses due to legal proceedings related to fraud, insider trading, antitrust, or other violations of financial industry regulations.	3.4.2 Legal Compliance Implementation Status
	FN-CB-510a.2	Description of whistleblower policies and procedures	Qualitative	Bank of Kaohsiung has established the "Bank of Kaohsiung Standard Operating Regulations Governing Whistleblowing". We appoint our Compliance Dept. as the special unit for accepting and investigating reporting cases. Personnel responsible for handling whistleblowing cases must strictly maintain the confidentiality of the whistleblower's identity, the contents of the whistleblowing case, and all related documents and files. Dedicated staff must carefully safeguard confidential materials, and must not disclose any information that could identify the whistleblower or the content of the whistleblowing case.	3.2.3 Whistleblowing System



SASB related subject	Indicator code	Disclosure indicator	Nature	Content summary and description	Corresponding chapters																				
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (GSIB) score, by category	Quantitative	Bank of Kaohsiung is not a G-SIB, so this indicator is not applicable.	Refer to the left column																				
	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Qualitative	Bank of Kaohsiung calculates and monitors capital adequacy ratio in accordance with relevant regulations to ensure compliance with enhanced bank capital requirements. In addition, we regularly evaluate the internal capital adequacy and stress test, to evaluate current risk exposure and adequacy of working capital, and to make sure that we can respond to the loss under stress scenario.	3.3.3 Internal and External Operational Risk																				
Activity Metrics	FN-CB-000.A	Number and value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	<p style="text-align: right;">Unit: NT\$/hundred million</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Number of checking accounts</th> <th>Total balance of checking accounts</th> <th>Number of saving accounts</th> <th>Total balance of saving accounts</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>25,244</td> <td>3.17</td> <td>1,086,119</td> <td>138.16</td> </tr> <tr> <td>Small businesses^{1,2}</td> <td>13,540</td> <td>17.17</td> <td>70,809</td> <td>82.33</td> </tr> <tr> <td>Total</td> <td>38,784</td> <td>20.34</td> <td>1,156,928</td> <td>220</td> </tr> </tbody> </table> <p>Note 1: Excluding government agencies, social insurance and pension funds, non-profit organizations, financial institutions, and foreign currency deposits. Note 2: Small businesses are defined as business accounts with balances less than or equal to NT\$40 million.</p>	Subject	Number of checking accounts	Total balance of checking accounts	Number of saving accounts	Total balance of saving accounts	Individual	25,244	3.17	1,086,119	138.16	Small businesses ^{1,2}	13,540	17.17	70,809	82.33	Total	38,784	20.34	1,156,928	220	2.2.2 Poverty Eradication through Inclusive Finance
	Subject	Number of checking accounts	Total balance of checking accounts	Number of saving accounts	Total balance of saving accounts																				
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Small businesses ^{1,2}	13,540	17.17	70,809	82.33																					
Total	38,784	20.34	1,156,928	220																					
FN-CB-000.B	Number and value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	<p style="text-align: right;">Unit: NT\$/hundred million</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Number of loans in total</th> <th>Total value of loans</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>49,319 accounts</td> <td>701.03</td> </tr> <tr> <td>SMEs¹</td> <td>4,407 accounts</td> <td>922.69</td> </tr> </tbody> </table> <p>Note 1: According to the regulations of the Small and Medium Enterprise Credit Guarantee Fund, SMEs are defined as those meeting the "SME Recognition Standards" approved by the Executive Yuan, excluding finance and insurance industries and special entertainment industry.</p> <p style="text-align: right;">Unit: NT\$/hundred million</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Number of loans</th> <th>Total value of loans</th> </tr> </thead> <tbody> <tr> <td>General enterprises²</td> <td>323 accounts</td> <td>529.91</td> </tr> </tbody> </table> <p>Note 2: Public and private non-SMEs are included.</p>	Category	Number of loans in total	Total value of loans	Individual	49,319 accounts	701.03	SMEs ¹	4,407 accounts	922.69	Category	Number of loans	Total value of loans	General enterprises ²	323 accounts	529.91	Refer to the left column						
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SASB Materiality Map: <https://materiality.sasb.org/>
For the official SASB website, please refer to <https://www.sasb.org>

Appendix 6 Independent Auditor's Limited Assurance Report



安永聯合會計師事務所
80502 高雄市中區三昌路2號17樓
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Independent practitioner's assurance report

To Bank of Kaohsiung Co., Ltd.

We have been engaged by Bank of Kaohsiung Co., Ltd. (the "Company's") to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Company's identify subject matter (the "Subject Matter") contained in Company's Sustainability Report for the year ended December 31, 2024.

Please refer to Appendix 1 for information on the Subject Matter of assurance procedure.

Company's responsibilities

Company's management is responsible for selecting the Criteria, Sustainability Reports should be prepared in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the GRI Standards issued by the Global Reporting Initiatives, GRI. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

We conducted our engagement in accordance with the Taiwan Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (TWSAE 3000), and our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Description of procedures performed

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



Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, our procedures included:

- Obtain and read the year of 2024 Sustainability Report.
- Conduct interviews with relevant departments involved in providing sustainability performance information to understand the process for collecting, collating and reporting the Subject Matter during the reporting period and evaluate the processes of internal controls and IT system information.
- Based on the obtained understanding of the above information, perform analytical procedures on the specific information disclosed in the report, or sample check relevant documents when necessary to obtain sufficient and appropriate limited assurance evidence.

Innate Limitations

Due to the involvement of numerous assurance Subject Matter related to non-financial information, compared to the assurance of financial information, there are more innate limitations. The qualitative interpretation of the relevance, materiality, and accuracy of the data depends more on individual assumptions and judgments.

Our independence and quality management

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material



modifications that should be made to the Subject Matter, in order for it to be based on the Criteria.

Other matters

After the issuance of this limited assurance report, any changes to the Subject Matter or applicable criteria by the Bank of Kaohsiung will not be the responsibility for EY to re-perform the assurance work for such information.

Chen, Cheng-Chu
Ernst & Young, Taiwan
August 8, 2025

Number	Chapter disclosed the index	Disclosure requirement	Corresponding chapter and content	Sustainability disclosure indicator						
1	Appendix III	SASB Indicator Comparison Table FN-CB-230a.1	Bank of Kaohsiung did not experience any incidents of data breaches in 2024. And were no events related to the leakage of personal data at Bank of Kaohsiung in 2024, thus no customers were affected.	In "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-III, Indicator 1 : Number of data breaches, percentage involving personally identifiable information, number of account holders affected.						
2	Appendix III	SASB Indicator Comparison Table FN-CB-240a.1	The loans granted by Bank of Kaohsiung in 2024 to promote small-scale enterprises and start-ups are as follows: <table border="1"> <thead> <tr> <th>Item name</th> <th>Number of loans</th> <th>Balance (Unit: 100 million/NTD)</th> </tr> </thead> <tbody> <tr> <td>Loans to small-scale and start-up enterprises (Note 1)</td> <td>7,681</td> <td>287.28</td> </tr> </tbody> </table> <p>Note 1: Small and start-up companies that have been founded for less than five years, hire less than 20 employees, with capital below NT\$5 million, or annual revenue below NT\$10 million.</p>	Item name	Number of loans	Balance (Unit: 100 million/NTD)	Loans to small-scale and start-up enterprises (Note 1)	7,681	287.28	In "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-III, Indicator 2 : Number and balance of loans granted for promotion of small businesses and community development.
Item name	Number of loans	Balance (Unit: 100 million/NTD)								
Loans to small-scale and start-up enterprises (Note 1)	7,681	287.28								
3	Appendix III	SASB Indicator Comparison Table FN-CB-240a.4	Bank of Kaohsiung strives to foster financial knowledge and enhance overall financial literacy of citizens and disadvantaged groups of Kaohsiung. In 2024, we organized 25 financial knowledge promotion courses and seminars, with 948 participants in total. The	In "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-III, Indicator 3 : Number of participants in financial						



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4	CH2 Financial Products and Services—Constructing Responsible	2.2.2 Poverty eradication through financial inclusion	<p>Bank of Kaohsiung Inclusive Finance Blueprint</p> <p>The bank continues to promote various financial products and services to assist students,</p>	In "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Article 4, Appendix 1-II, Indicator 4 : Products and																		

Number	Chapter disclosed the index	Disclosure requirement	Corresponding chapter and content	Sustainability disclosure indicator
	Finance		homebuyers, young entrepreneurs, small and medium-sized enterprises, startups, cultural and creative industries, and disadvantaged groups in accessing diverse channels for funding and financial services. This initiative helps to eradicate poverty, create a favorable social environment, and promote economic stability and growth. For a description of the achievements, please refer to Table 1.	services designed through all operating businesses for creating environmental or social benefits.

Table 1:

Inclusive Ethnic Groups	Project Name	Project Descriptions	Achievement in 2024
Students	Student loans	Students of public and private colleges and universities, high schools, and continual schools may apply for student loans or student loans for living expenses if they meet the regulations announced by the Ministry of Education year by year. The loan covers tuition and incidental fees, internship fees, book fees, housing fees, student group insurance fees, overseas study fees, and living expenses.	We have granted 34,847 loans in total in 2024.
Home buyers	Reconstruction of unsafe and old urban buildings	We are committed to assisting in processing loans and trusts for the reconstruction of unsafe and old urban buildings. In addition to promoting the renewal and improvement of urban construction, we also help strengthen the stability and safety of the building structure, thereby reducing potential disaster risks. Through the urban renewal and reconstruction of unsafe and old buildings, it is also possible to effectively use land resources and promote the rational use and planning of urban spaces.	As of 2024, we have successfully underwritten 4 loans for the reconstruction of unsafe and old buildings.
	"Slung Easy" First-Time Home Buyer Discount Mortgage Project (2023/6 until now)	We worked with the Kaohsiung City Government in its "First-Time Home Buyer Home Loan Interest Subsidy Program" and launch of the "Slung Easy" project for the house loan discount for the first-time homebuyers. The interest subsidy provided by Kaohsiung City Government and our interest	The "Slung Easy" First-Time Homebuyer Preferential Mortgage Program has, from its inception through the end of December 2024, granted a total of 540 loans, with a total disbursed amount of NT\$3.335 billion.

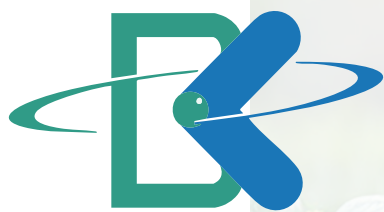
Inclusive Ethnic Groups	Project Name	Project Descriptions	Achievement in 2024
		relinquishment measures effectively help alleviate the pressure on mortgage interest rates of first-time homebuyers, allowing homebuyers to balance quality of life and create a happy life at the same time.	
Older Adults	Loans for housing pension	As an additional support measure for seniors to secure their life, we provide a financial security means for seniors to use their own housing to obtain the funds needed for senior living or nursing care.	Loans granted to 10 customers Loan balance of NT\$4 million.
Young Entrepreneurs	Kaohsiung City Government - Youth Entrepreneurial Loans	We work with the Youth Bureau, Kaohsiung City Government to support youth entrepreneurship, foster outstanding innovative companies, and offer this youth entrepreneurship loan. Kaohsiung City Government and the Small & Medium Enterprise Credit Guarantee Fund of Taiwan appropriate funds and offer credit guarantees for financing. We help youths in Kaohsiung apply for financing from a bank without providing collateral to acquire the start-up fund.	A total of 357 cases have been underwritten, amounting to NT\$224 million.
	Ministry of Economic Affairs - Youth Entrepreneurship and Start-up Loans	We offer youth entrepreneurship and start-up loans to advocate the policy enacted by the Small and Medium Enterprise Administration, MOEA. All of our business units may process the applications. The funds can be used in various ways, setting-up expenses at the initial stage, revolving expenditures during the business period, or CAPEX such as the purchasing of equipment and tools for business.	A total of 4,550 cases have been underwritten, amounting to NT\$2.12 billion.

Inclusive Ethnic Groups	Project Name	Project Descriptions	Achievement in 2024
		and interior decoration.	
	Youth entrepreneurship and start-up loans in cultural and creative industries	We offer start-up loans to youth entrepreneurs in cultural and creative industries, such as visual arts, music, and performing arts. They may apply for loans for setting-up expenses, revolving expenses, and CAPEX.	A total of 5 cases have been underwritten, amounting to NT\$3.45 million.
SMEs	Loans to small-scale and start-up enterprises	To build a financing environment favorable to SMEs, we provide loans to small and start-up enterprises.	A total of 7,681 cases have been underwritten. The balance of credit amounted to NT\$287.28 billion.
	Factory loan	To help factories of SMEs in Kaohsiung with transitions, we provide factory loan programs to general or specific factories for CAPEX or revolving expenditures.	A total of 175 cases have been underwritten. The balance of credit amounted to NT\$287.28 billion.
	Loan for SMEs innovative development project	To assist SMEs to promote international development with innovative and high-tech service models and encourage youth innovation, we provide them with innovative business revitalization and development funds.	2 contracts have been underwritten, with the balance of credit amounting to NT\$1 million.
	Business and strategic loans	To help Kaohsiung City Government thrive business activity in Kaohsiung, stimulate the economy, and facilitate the development of SMEs and strategic industries, we offer these loans with our own funds.	35 contracts have been underwritten, with the loan balance amounting to NT\$21 million.
	Accelerated the investment loaning to SMEs	Mitigate the capital burden of SMEs, and promote industrial transformation and economic growth.	93 contracts have been underwritten, with the loan balance amounting to NT\$551 million.



Inclusive Ethnic Groups	Project Name	Project Descriptions	Achievement in 2024
	Ministry of Economic Affairs grants SMEs the Post-Pandemic Revitalization Project loan.	Provide the working capital needed by SMEs to recover the economy after the pandemic, in order to assist SMEs to improve their competitiveness and restore business prosperity.	186 contracts have been underwritten, with the loan balance amounting to NT\$398 million.
	Loans granted by the Ministry of Economic Affairs for assisting SMEs in low-carbon and smart transformation, development of managed factories, and infrastructure optimization of specific factories	Assist SMEs in the low-carbon and smart transformation, or provide funds for working capital needed by specific factories and controlled factories subject to improvement plans authorized by municipal or county (city) governments.	56 contracts have been underwritten, with the loan balance amounting to NT\$109 million.
Start-up and cultural and creative industries	Five Plus Two Industry Innovation Plan	To advocate the Five Plus Two Industry Innovation Plan of the Taiwanese government, we help seven key start-up industries obtain working capital, including intelligent machinery, Silicon Valley Asia, green energy, biomedicine, national defense, new agriculture, and the circular economy.	4,789 contracts have been underwritten, with the loan balance amounting to NT\$53.289 billion.
	Loans of Benefits for Cultural and Creative Industries	To support the development of domestic cultural and creative industries, our bank assists enterprises engaged in innovation or research and development in obtaining operating funds. Eligible cultural and creative industries include those that meet the criteria	1 contracts have been underwritten, with the loan balance amounting to NT\$1 million. No new contracts were underwritten in 2024.

Inclusive Ethnic Groups	Project Name	Project Descriptions	Achievement in 2024
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高雄銀行
BANK OF KAOHSIUNG