



# 2024

## SUSTAINABILITY REPORT

永續報告書

## About This Report

As a local community bank, King's Town Bank Co. Ltd. (hereinafter referred to as KTB) adheres to its core value of "take from society, give back to society." Through the preparation and disclosure of the Sustainability Reports every year, we respond to the concerns of our stakeholders regarding the sustainable development of KTB. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021: SASB Standards, in line with UN Sustainable Development Goals (SDGs), and with reference to regulations including Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Data in the report are provided by specialized ESG staff in each department, sorted and compiled by the Strategy and Operations Department as a draft, and then submitted to the unit heads of each department and ESG team members for proofreading, and submitted to the Sustainable Development Committee and the Board of Directors for approval to ensure the accuracy and consistency of the information. We aim to facilitate the publics' understanding of KTB's implementation of sustainable development through open and transparent information, so as to raise the importance of sustainability development in all sectors of society.

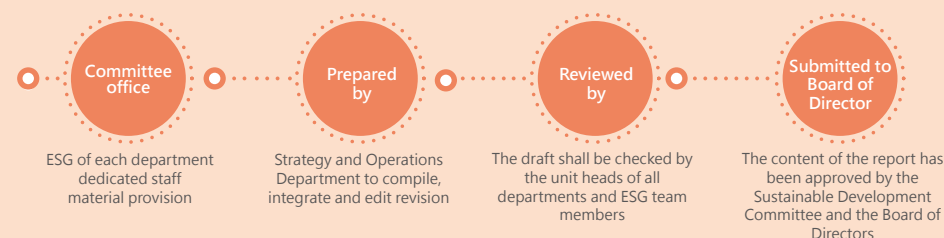
### Reporting period

KTB has been issuing Sustainability Reports on a yearly basis, since 2015. This is the 11th Sustainability report. This report discloses information from January 1, 2024, to December 31, 2024. The previous Sustainability Report was published in June 2024, and the next Sustainability report is scheduled to be published before June 30, 2026.

### Scope of the Report

The report discloses information related to the operational activities and services of KTB in Taiwan, covering "economy," "environment," "governance," "society" and "self-evaluation." The report discloses 94.18% of KTB's consolidated revenue, excluding subsidiaries King's Town Bank International Leasing Co., Ltd., King's Town Securities Co. Ltd. and King's Town International Construction Management Co., Ltd. Section 4.3 provides quantitative information on greenhouse gas emissions, water usage, electricity consumption, and energy, covering three subsidiaries. Any discrepancies in the scope are specified in the report.

### Report Quality Management Process



### Third-Party Assurance

The report has been audited by an independent third-party assurance organization, SGS Taiwan, using the AA1000 AS v3 Type 1 Moderate level, focusing on the inclusivity, materiality, responsiveness, and impact of the information disclosed in the report. For details on SGS assurance statements, please refer to [Appendix 8.5 Independent Assurance Statement](#). The financial information in this report is based on the annual financial statements of the Company after the adoption of the accounting standards. In addition, this report has also been audited by Ernst & Young Global Limited (EY Taiwan) for limited assurance in accordance with the Statements of Assurance Engagements Standards No. 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the ISAE 3000 Accreditation Standards issued by the International Auditing and Assurance Standards Board (IAASB) issued by the Accounting Research and Development Foundation in Taiwan. Please refer to [Appendix 8.6 CPA's Limited Assurance Report](#) for the CPA's independent assurance statement.

Information Category	Compliance Items/ Standards	Verification/ Assurance Agencies
Sustainable Information	GRI Sustainability Reporting Standards 2021	SGS Taiwan Ltd.
	Sustainability Accounting Standards Board (SASB) - Regulations Governing Commercial Banks	Ernst & Young Global Limited (EY Taiwan)
Financial Information	Annual Financial Statements	Ernst & Young Global Limited (EY Taiwan)
Environmental Data	ISO 14064-1 GHG Inventory	Ernst & Young Global Limited (EY Taiwan)
	ISO 45001 Occupational Health and Safety Management System	SGS Taiwan Ltd.
Management System	ISO 14001 Environmental Management System	British Standards Institution (BSI Taiwan)
	ISO 50001 Energy Management System	ARES International Certification
	ISO/IEC 27001 Information Security Management Systems (ISMS)	British Standards Institution (BSI Taiwan)

#### Feedback

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## Chairman's Message

The global situation in 2024 is filled with variables, and businesses are impacted by multiple factors such as economic transition, technological innovation, and environmental sustainability. As global inflationary pressures gradually ease, central banks in various countries are adjusting their monetary policies. However, geopolitical risks continue to impact supply chains, prompting companies to reassess their production and market strategies. Furthermore, with the rise of green finance and sustainable investment, companies must not only focus on financial performance but also meet ESG standards. The 2024 World Economic Forum (WEF) Annual Meeting particularly emphasizes the importance of "restoring trust" and "net-zero transition" for global enterprises. In the technology sector, advancements in AI, blockchain, and quantum computing continue to accelerate smart manufacturing and digital transformation. Nevertheless, they also bring challenges related to privacy protection and ethics. In 2024, the European Union passed the Artificial Intelligence Act, becoming the world's first comprehensive regulation targeting AI risk management, which is bound to impact companies' AI application strategies. At the same time, the frequent occurrence of extreme weather events due to climate change has prompted governments of various countries to accelerate the promotion of carbon markets and net-zero commitments. The 2024 COP29 (Conference of Parties) will further discuss carbon trading mechanisms and green supply chain standards, driving companies to strengthen carbon emission management and develop circular economy strategies. From a social perspective, the global labor market is undergoing significant changes, with companies facing challenges related to talent shortages and the need for skill upgrades. Additionally, attention should be paid to issues related to equitable development and diversity, equity, and inclusion (DEI). The United Nations Sustainable Development Goals (SDGs) emphasize that 2024 is a critical year for "social equity and inclusive growth." Companies must take a more active role in promoting labor rights protection and social responsibility plans. Concurrently, growing awareness of sustainable consumption is driving brands to shift toward low-carbon products and circular economy models to meet consumer demand for environmentally friendly products. In this context, companies not only need to adapt to changing circumstances but must also actively embrace innovative thinking and sustainable development efforts to ensure long-term competitiveness and the diverse sustainable development values of environmental, social, and governance (ESG).

The financial industry is a key driving force for promoting sustainable development, accelerating the low-carbon transition through capital allocation, risk management, and policy guidance. As green finance and ESG investments become mainstream, financial institutions bear greater responsibility in lending, investing, and asset management. Therefore, building a sustainable financial ecosystem requires participation from entire population, collaborative efforts from businesses, and policy monitoring. It must steadily advance within the core framework of sustainable development. To this end, King's Town Bank focuses on the following key aspects of sustainable development:

### Expand Climate Action Strategies and Promote Net Zero Carbon Reduction Goals :

In the face of the challenges posed by extreme weather, companies are no longer merely drivers of economic development; they are also key guardians of a sustainable future. From "net zero emissions" to "green innovation," we are actively taking action to integrate sustainable finance and climate action into core operations, demonstrating a long-term commitment to environmental responsibility. In recent years, we have adopted the Equator Principles and completed the ISO 14064-1 greenhouse gas inventory verification for the whole group by 2024. At the end of the same year, we further initiated the adoption of International Financial Reporting Standards (IFRSs), actively aligning with the domestic sustainable disclosure roadmap to enhance corporate transparency and make sustainable actions more concrete and visible. Upholding the spirit of "Action Creates Change," we have set a net-zero target for 2050, with two main carbon reduction strategies: "self-managed carbon reduction" and the "use of renewable energy." In 2024, we purchased renewable energy certificates from power suppliers for the first time, accelerating our carbon reduction processes and marking a milestone toward a clean energy transition. Every step taken by King's Town Bank not only reflects a commitment to environmental protection but also contributes to reshaping the resilience of corporate operations. Through resolute actions and innovative thinking, King's Town Bank is advancing towards the vision of "Net Zero Emissions by 2050."

### Leveraging Technology to Promote Inclusive Finance and Optimize the Quality of Fair Treatment of Customers :

In the era of finance driven by AI and digital technology, we not only pursue innovation but also focus on creating a friendly financial service environment. We ensure that every customer can enjoy fair and convenient financial services, becoming a driving force for inclusive finance and fulfilling our commitment to fair treatment of customers. We are actively working to reduce the digital divide caused by the rapid development of digital finance, striving to bridge the technological gap among different groups, particularly in the context of a super aged society. We continue to optimize the user experience of the "Friendly Financial Zone" to provide users with a convenient interface, enabling the elderly population to easily access and utilize digital financial tools. In order to extend financial services to a broader range of groups, in 2024, all 66 branches of King's Town Bank across Taiwan became "Dementia-Friendly Organizations," providing financial services for individuals with dementia. Meanwhile, we enhance the accessibility services by fully replacing touch-screen ticketing machines, adding user-friendly ticketing options, introducing large-screen ATMs, and implementing voice access features and various other services. In collaboration with Tainan City's "Voiced," we provided on-site sign language interpretation and real-time transcription services to facilitate transactions for individuals with hearing and speech impairments. Furthermore, in partnership with "the Taiwan Foundation for the Blind," we produced "braille stickers" and donated "signature boards and reading assistance tools" to improve reading and writing convenience for visually impaired individuals. We hope to ensure that every customer can enjoy comprehensive financial services through practical actions and meticulous care, thereby achieving true financial inclusion.

### Strengthening Operational Governance and Work Together to Build a Diverse and Inclusive Workplace :

Sustainable operation is a vital cornerstone of corporate development. A sound corporate governance structure ensures that while pursuing economic benefits, a company also takes into full account environmental, social, governance and other factors, guiding the companies toward stable operational development. KTB has been seeking breakthroughs amidst stability. For seven consecutive years (2018-2024), it has been awarded the top 5% in the Taiwan Stock Exchange's "Corporate Governance Evaluation," and ranked within the top 10% in the financial insurance industry category. Additionally, KTB was honored with SGS 2024 ESG Awards – Sustainability & Society Award and selected for the 《S&P Global》 2025 Sustainability Yearbook. These achievements demonstrate our long term commitment to promoting ESG sustainable development and have received high recognition and praise from regulatory authorities and external organizations.

"ESG" and "sustainability" have evidently become key indicators for assessing corporate operations. In the context of increasingly severe extreme weather conditions, sustainable operation has become a global consensus, and companies can no longer stay uninvolved. We believe that the environment, society, and corporate governance are intricately intertwined and mutually dependent as an integrated whole. Sustainable development is not only an extension of a company's operating model, but also relates to its role and responsibility within society. KTB adheres to the principle of "take from society, give back to society" actively promoting sustainable operations alongside corporate governance to make a long term and far-reaching contributions to the environment and society as a whole.



董事長





## 2024 ESG Important Results and Sustainable Development Performance



**E**



- 2024 Tainan "Green Performance Purchasing Companies Award"
- The Entire Group passed ISO 14064-1 Greenhouse Gas Inventory and Verification
- External certification of the ISO 14001 Environmental Management System
- External certification of the ISO 50001 Energy Management System
- Employee Cafeteria Recognized As An Eco-Friendly Restaurant, promoting green offices

**S**

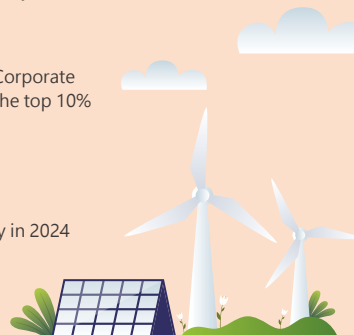


- The "Childcare Allowance for KTB Babies of 0-6 Years Old" has provided subsidies to 41 KTB babies, with a total subsidy amount of approximately NT\$1.5 million
- All 66 branches across Taiwan have become members of the "Dementia-Friendly Organization"
- The first bank in the country to complete registration for all its branches
- The Only One in Taiwan Western Union Remittance Cooperative Bank
- SGS 2024 ESG Awards – Sustainability & Society Award
- Cheng Kung Sustainability Gold Award: Social Excellence Award

**G**



- For seven consecutive years (2018 to 2024), we were ranked among the top 5% in the "Corporate Governance Evaluation" by the Taiwan Stock Exchange Corporation, and ranked within the top 10% in the financial insurance industry category
- Selected for the 《S&P Global》 2025 Sustainability Yearbook
- Fitch Ratings has affirmed the rating of KTB at A+
- Obtained the ISO 27001:2022 Certification
- Silver Award of Category 1 for TCSA Sustainable Report Financial and Insurance Industry in 2024



Year	Electricity Consumption Per Employee	Water Consumption Per Employee	GHG Emissions
2022	3,953 kWh	19.33 cubic meters	2,306 tCO <sub>2</sub> e
2023	3,948 kWh	20.58 cubic meters	2,196 tCO <sub>2</sub> e
2024	3,594 kWh	18.43 cubic meters	2,087 tCO <sub>2</sub> e

Year	Welfare Expense Per Employee	Education Training Investment Total Expense	Total Volunteer Participation Hours
2022	NT\$1,010.8 thousand	NT\$3,531 thousand	4,275 hours
2023	NT\$1,234.5 thousand	NT\$4,326 thousand	3,654 hours
2024	NT1,161.2 thousand	NT\$5,187 thousand	3,624 hours

Year	Earnings Per Share (EPS)	Net Value Per Share	Return of Equity (ROE)
2022	NT\$1.98	NT\$38.17	4.84%
2023	NT\$5.59	NT\$45.10	13.42%
2024	NT\$4.52	NT\$49.16	9.59%

## Chapter

# 01

## King's Town Bank will move mountains

King's Town Bank was a small and medium-sized corporate bank in Tainan region. In 2006, it was renamed "King's Town Bank" to symbolize a new service spirit. We adhere to the principles of striving for excellence and serve our customers with honesty and sincerity. We aim at providing comprehensive financial services and offering attentive care to every customer and creating exceptional financial value.



In 2024, both the Board of Directors and all Functional Committee Performance Evaluation received an "Excellent" rating in their performance evaluations



KTB has ranked top 5% of listed companies according to "Corporate Governance Evaluation" of Taiwan Stock Exchange Corporation for 7 years (the 4th to the 10th session) successively



Completion of the greenhouse gas inventory and verification for the entire Group in 2024

- 1.1 Vision
- 1.2 Operational Performance
- 1.3 Sustainable Enterprise Blueprint Strategy and Management

## 1.1 Vision

The corporate logo of King's Town Bank - "Flame Tree" is a flowering tree unique to southern Taiwan, symbolizing that KTB originated from southern Taiwan. The flaming red petals represent the entrepreneurial spirit of KTB's passion for service; the strong and sturdy tree trunk represents our business philosophy of being entrenched in the local market. The corporate typeface of "King's Town Bank" is Wei Bei. This typeface originated from stone rubbing from ancient epigrapher's carvings. Its bold and dynamic strokes embody strength and vitality, reflecting the principle upheld by KTB "King's Town Bank will move mountains."

Our corporate philosophy is to persist in creating a "different bank." In the rapidly changing financial environment, we root ourselves in the local community while integrating innovative thinking, and forge the unique financial value of KTB. We clearly understand our strengths and positions, thoroughly comprehend customer needs, carefully assess the potential risks of every transaction, and integrate sustainable development into our company's operations strategies. We are committed to making society better through the presence of KTB.

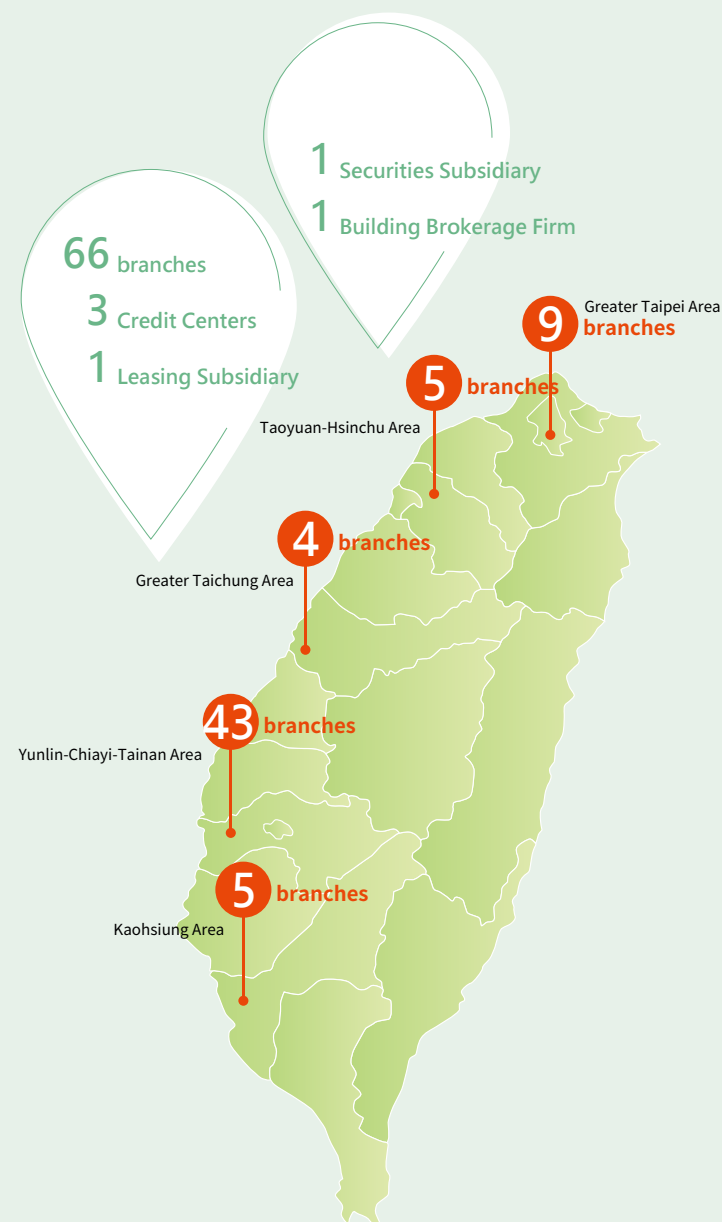
As our customer base is largely concentrated in Yunlin-Chiayi-Tainan area, many of our branches are located in districts with a population of only a few thousand. As a "local bank," taking care of the surrounding communities is both our mission and our responsibility. In 2017, we partnered with a local Tainan illustrator and created KTB's mascot - an owl (later named "Guchiu"), symbolizing professionalism, justice, and diligence. In 2020, with the launch of the international transmission service "King's Pay," a new mascot "Wuchiu" was born. Its dominant vivid yellow color and the W-shaped bang on the forehead symbolize the close cooperation between KTB and Western Union, providing customers with borderless, timely, and convenient remittance service but also conveys their longing for distant family members.

We hope that through the two endearing mascots, "Guchiu" and "Wuchiu," financial services will no longer be perceived as mere cold numbers, but rather as a warm current filled with positive energy. This initiative aims to bridge the gap between us and our clients, allowing every individual who walks into KTB and every customer who places their trust in KTB to experience a sense of "local connection" and to enjoy a uniquely friendly financial service.

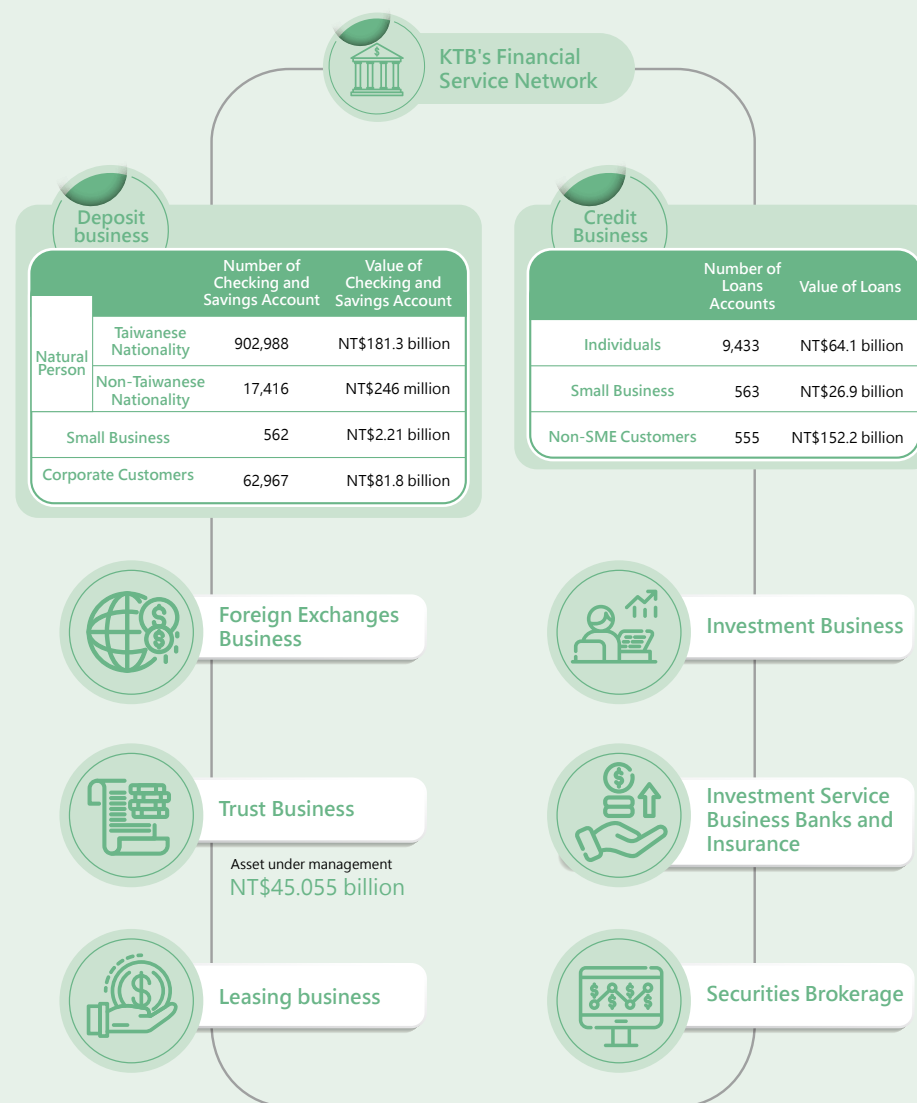
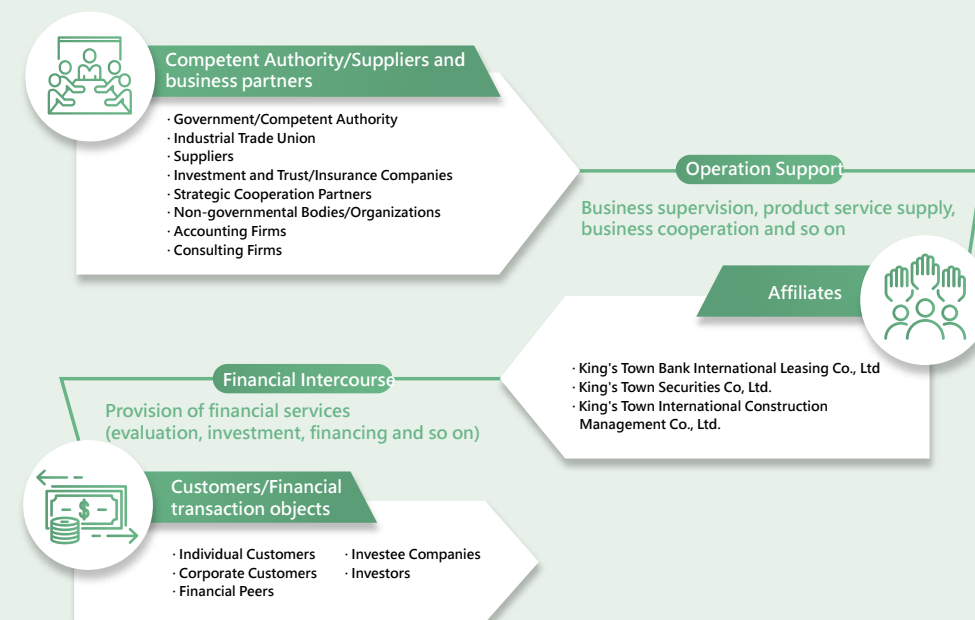
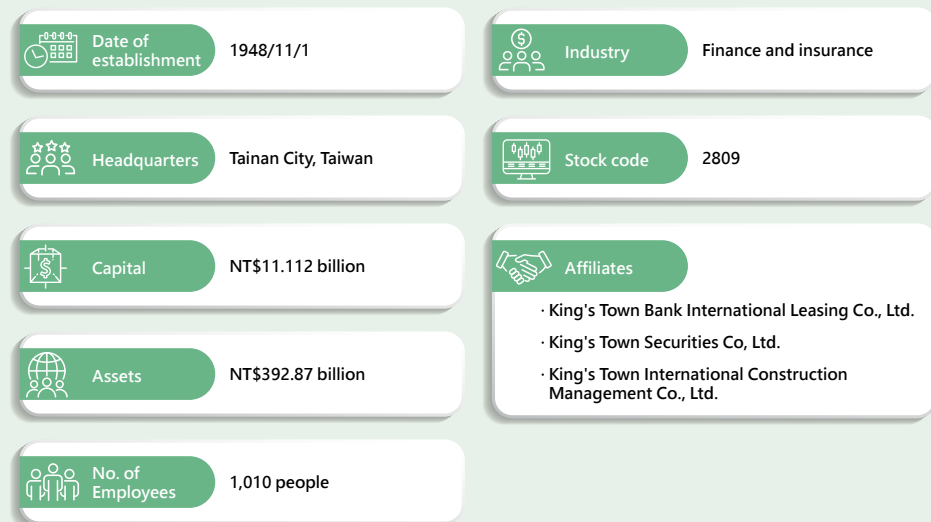
### Service Locations

The operating sites of KTB and its subsidiaries are located in Taiwan. Physical channels include branch offices, international leasing firms, and a securities subsidiary. The branch offices are mainly located in central and southern Taiwan, accounting for 73% of all branch offices. Digital channels include Internet banking, mobile banking, LINE official account, Facebook fan page, customer service hotline, automated service equipment, etc. Through various online and offline services and interactions, we provide customers with integrated, secure, and convenient inclusive financial services that are customer-friendly.

At present, KTB has total 66 domestic operating sites, and 1 international financial business branch, distributed in Yunlin-Chiayi-Tainan Area and main metropolitan areas. There are 14 branches in the north region, 4 in the Greater Taichung Area, 43 in Yunlin-Chiayi-Tainan Area and 5 in Kaohsiung Area, all of which are full-featured branches, with main business scope being wealth management, personal finance, enterprise finance and other diversified business.



## About King's Town Bank Co., Ltd.



Note: Small enterprises are defined as those with capital less than NT\$25 million under the "Small and medium Enterprises Credit Guarantee Fund."

## 1.2 Operational Performance

KTB prioritizes integrity and risk management, coupled with innovation and customized services, in its operations. Over the years, KTB has been focusing on improving the performance of its financial and non-financial services and sharing the results with our shareholders.

### Financial Performance

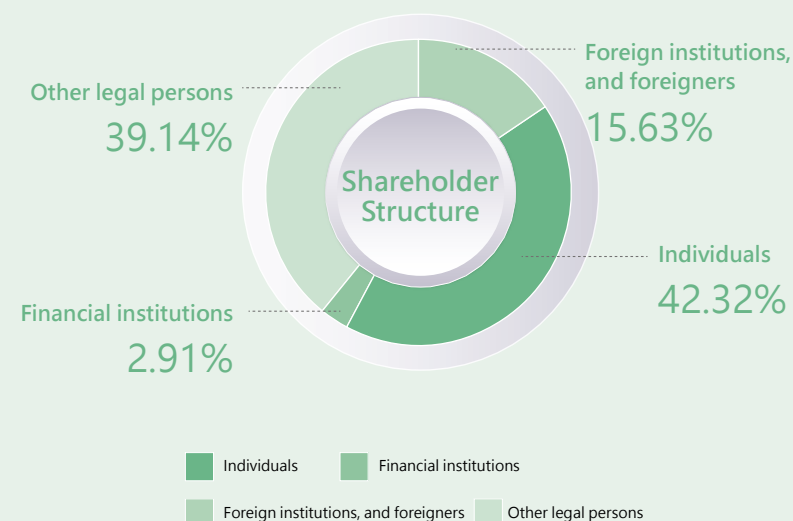
KTB's 2024 net income after tax reached NT\$5.024 billion. The earnings per share was NT\$4.52, return on equity was 9.59%, and return on assets was 1.29%. In a year full of challenges in external environment, KTB's abundance in capital and outstanding asset quality allows us to have the ability to respond to market fluctuation. For relevant financial statements, please refer to [pages 9-11 of KTB's 2024 Consolidated Financial Statements](#).

Unit: NT\$ million

Item		2022	2023	2024
Operating Ability	Total assets	379,987	384,348	392,869
	Shareholder equity	42,417	50,115	54,626
	Net income	5,352	9,972	9,609
	Net profit after tax	2,210	6,207	5,024
	Net Value Per Share	NT\$38.17	NT\$45.10	NT\$49.16
Profitability	ROE	4.84%	13.42%	9.59%
	ROA	0.61%	1.62%	1.29%
	Earnings Per Share (EPS)	NT\$1.98	NT\$5.59	NT\$4.52
Quality of Assets	Capital adequacy ratio	14.05%	16.58%	17.25%
	NPL ratio	0.02%	0.02%	0.02%
	Coverage ratio of allowance for bad debt	8,870.25%	7,571.27%	6,870.90%

### Shareholder Structure

KTB only issues ordinary shares, and the shareholding ratio and number of shares for each category are as follows:



Shareholder Structure	Number of people (persons)	Number of shares held (share)
Government Agencies	0	0
Financial Institutions	14	32,346,747
Other Legal Persons	150	434,924,140
Foreign Institutions and Foreigners	243	173,728,805
Individuals	41,544	470,234,573
Total	41,951	1,111,234,265

Base date: 2025.01.31



## Taxation Management

Tax revenue is an important source for the government to provide infrastructure and public services such as education and social welfare. While making profits, KTB pays taxes honestly and gives back to the society, which is consistent with the Company's principle of integrity and prudence. KTB is dedicated to sustainable development, enhancing shareholder value, and fulfilling our corporate social responsibility. The taxation management policies of the Company are as follows:

### Legal Compliance



Comply with the local tax laws and regulations and their legislative intent of each operating location, correctly calculate the tax burden and complete the declaration and payment within the statutory period, and fulfill the social responsibilities of tax obligations

### Taxation Planning



Make the most appropriate tax decisions on the Company's overall tax burden in accordance with laws and regulations and do not trade for the primary or sole purpose of tax avoidance or make tax planning by using tax havens

### Information Transparency



Comply with financial reporting standards and annual report disclosures and other relevant regulations, and make disclosure regularly through public channels to ensure information transparency

### Talent Development



Continue to cultivate talents through education and training, and participate in various tax seminars to enhance the professional quality of taxation and effectively manage tax risks

### Economic Substance



Transactions with related parties shall comply with the arm's length principle, with pricing reflecting economic substance. Such transactions must adhere to the transfer pricing regulations under the tax laws of each operating location and ensure compliance with the arm's length principle

### Honest Communication



Establishing a relationship of mutual trust and honest communication with tax authorities in each operating location

### Risk Management



Tax planning should consider optimizing the overall tax burden of the Company while adhering to principles such as sustainable development, corporate social responsibility, and tax risk management. This approach aims to uphold shareholder rights and create shareholder value

KTB makes all its profits in Taiwan regions, and has declared and paid various taxes within the prescribed time limit, of which the income tax paid in Taiwan accounted for 100%. It does not reduce its tax burden by setting up bases in tax havens or low-tax areas, nor does it arrange non-arm's length transactions or sets up special trading structures to manipulate profits and losses. According to the CSA Companion published by S&P Global in 2025, the average effective tax rate and average cash tax rate for the global banking industry in 2024 are 21.29% and 19.94%, respectively. As 100% of KTB's operating bases are located in Taiwan, and Taiwan's statutory tax rate (20% under the general tax system; 12% under the minimum tax system) is lower than that of other tax jurisdictions, the Group's effective tax rate and cash tax rate are lower than the global average in 2024. In addition, the information on the income tax of the Group for the most recent two years is as follows:

Unit: NT\$ million

	2023	2024
Net profit before tax (A)	7,359	6,563
Income tax expenses (B)	1,152	1,539
Effective tax rate (C)	15.65%	23.45%
Adjustments (D)	318	(226)
Income Tax Expenses After Adjustment (E) = (B) + (D)	1,470	1,313
Effective Tax Rate After Adjustment (E) / (A)	19.97%	20.00%
Income Tax Paid (F)	1,041	1,321
Cash tax rate (F) / (A)	14.15%	20.13%

Note 1 : Income tax expenses include income tax and undistributed earnings tax of the group company, etc.

Note 2 : In 2023, the effective tax rate was lower than the industry average primarily due to a higher proportion of tax-exempt income from securities transactions. In contrast, the effective tax rate for 2024 is higher than both the industry average and the statutory tax rate in Taiwan (20%), mainly due to the proportion of tax from unappropriated retained earnings to net profit before tax is higher than in previous years. After excluding the effects of tax-exempt income as regulated by tax laws and temporal differences, the adjusted effective tax rate is equivalent to the statutory tax rate (20%).

Note 3 : The difference between the cash effective tax rate and the book effective tax rate is due to the estimated income tax expense for each accounting year. In addition to the time difference resulting from the actual cash payment made in the following year, it also includes the impact of deferred income tax expenses.

## 1.3 Sustainable Enterprise Blueprint Strategy and Management

Corporate sustainable development is our goal of moving forward continuously. Apart from insisting on prudent management in the finance industry, we have also been contemplating on: how to fulfill the social responsibility of an enterprise? How to deliver resources to the people in need? How to exert our influence on the positive development of the whole society?

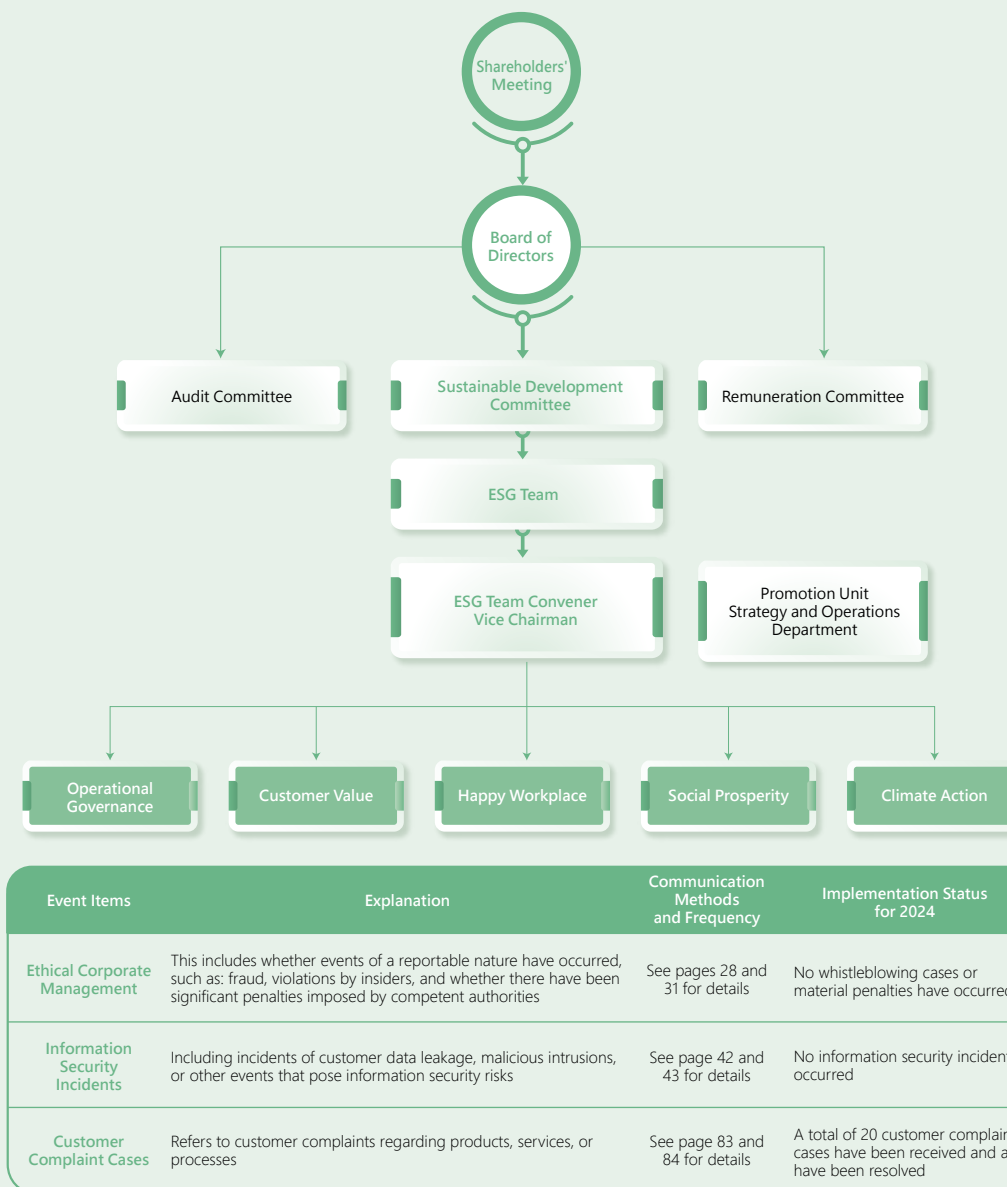
For this purpose, KTB formulated "[Sustainable Development Best Practice Principles](#)" passed by the Board of Directors in reference to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" of Taiwan Stock Exchange Corporation, "UN Global Compact." The content covers areas such as implementing corporate governance, promoting sustainable environment, maintaining social welfare, and strengthening the disclosure of information on corporate sustainable development. The "Sustainable Development Committee" affiliated to the Board of Directors is also set as the supreme guidance unit of sustainable development, under which "ESG Task Force" (Also known as Sustainability Team) served as ESG promotion unit, and then established KTB's list of materiality principles in "governance," "society" and "environment" by virtue of organized operation and strategic planning, evaluated risks and opportunities of various topics under discussion, and studied and drew up corresponding management strategies and action plans, to reduce the impact and influence.

### Sustainable Development Management Framework

In sustainable development management framework, the "Sustainable Development Committee" is the supreme guidance unit of sustainable development. Such committee consists of at least three directors elected by the Board of Directors, the majority of which are independent directors. In addition, there is also an "ESG Task Force," which would hold meetings quarterly. The Vice Chairman is the convener of ESG Team, and the Strategy and Operations Department is the promotion unit, which is responsible for formulating and reviewing ESG policy, system and management policies, integrating and planning ESG activities of the whole bank in collaboration with various other departments of the Headquarters. Besides, submit execution results and future work plan, etc. of sustainable development to the "Sustainable Development Committee" for discussion, and then report to the Board of Directors, and make adjustment as advised by the Board of Directors.

In 2024, the Company held total 4 "ESG Task Force Meetings," and submitted the execution plan and results to the "Sustainable Development Committee" for discussion on February 26, 2024 and August 12, 2024, and then reported to the Board of Directors, to review important ESG strategies, topics and key events of the Company, and make resolution on subsequent management policies. Contents of proposal are as follows: revision to Sustainable Development Best Practice Principles, Material Issue Analysis, Communication with the Stakeholders, Execution Condition of Sustainable Development in 2023, Sustainable Development Plan in 2024, Execution Condition of Sustainable Development in the First Half of 2024, Financial Disclosure Report of Climate Risks, and Greenhouse Gas Inventory and Verification Plan. The above contents are consented and passed by all members of the Sustainable Development Committee and all participating directors of the Board of Directors. "Sustainable operation" is combined with daily business to promote development of various ESG aspects, and improve efficiency of the enterprise in executing sustainable development.

Additionally, the Company has established an internal reporting and monitoring mechanism, designating significant events that may impact operational stability or reputation as key areas of focus for sustainable governance. Through the Board of Directors and various functional committees, key risk events are regularly monitored to ensure that these events can be effectively managed and improvements are implemented. The Company's communication methods for key events and an overview of the implementation status in 2024 are shown in the table as below:



## Operation Mode of Sustainable Development Strategies

### ESG Team Planned Annual Work Projects



#### 2024 Execution and Future Plans Primary Work Plan

- **Governance aspect:** KTB has implemented the "Responsibility Map System" as instructed by the Financial Supervisory Commission (FSC). This system is designed to establish a corporate governance framework based on responsibility, enhancing accountability mechanisms for senior management. Additionally, we continuously strive to obtain ISO 27001 recertification to strengthen our information security protection system.
- **Social aspect:** Enhancing fair treatment of customers and depth, integrating digital services to promote inclusive finance, and deepening gender diversity and inclusivity awareness to implement human rights policies.
- **Environmental aspect:** KTB is gradually introducing and establishing financial carbon emission inventories for investment and financing portfolios. We are also focusing on issues such as net-zero emissions and carbon management, deepening our climate governance and assessing related risks.

### Sustainable Development Committee View Implementation Possibilities and Outcomes



#### Summary of Implementation Outcomes

- The "Responsibility Map Project" was launched with a task force as the main axis to coordinate the necessary matters. The project will be reported to the Board of Directors and Audit Committee on December 23, 2024, and will be officially implemented starting January 1, 2025.
- It continued to optimize regulatory compliance and risk management, improved information security management system (ISMS) policy and norm, improved business skills and operation efficiency, and has ranked top 5% of listed companies according to "Corporate Governance Evaluation" of Taiwan Stock Exchange Corporation for 7 years (2018-2024, the 4th to the 10th session) successively.
- We actively participate in sustainable external evaluations and have been honored with the Silver Award of Category 1 for TCSA Sustainable Report Financial and Insurance Industry in 2024, as well as external recognition from SGS for the "2024 ESG Awards – Sustainability & Society Award."
- Continuously enhance information security protection mechanisms. The upgrade and renewal of the ISO 27001 certification will be completed by the end of 2024.
- Establishing the "Fair & Friendly Customer Service Promotion Committee" and formulating the "The Policy and Strategy of the KTB's Fair Customer Treatment Principle." In collaboration with Tainan City's "Voiced," we provided on-site sign language interpretation and real-time transcription services to ensure that individuals with hearing and speech impairments can smoothly conduct their transactions. Then, in partnership with "the Taiwan Foundation for the Blind," we produced "braille stickers" and donated "signature boards and reading assistance tools" to improve signing and reading convenience for visually impaired individuals.
- Since the launch of the "KTB Babies 0-6 Staggered Parenting Subsidy" at the end of 2022. To date, we have provided subsidies to 41 KTB babies, totaling approximately NT\$1.5 million. This initiative reinforces our commitment to creating a happy and friendly workplace.
- Continue to promote the entire Company's carbon management mechanism and complete the ISO 50001 energy management certification process. The Company began using green electricity in 2024 and has achieved its actual carbon reduction target (based on 2023 electricity consumption, a 3% reduction equates to 120,000 kWh), resulting in a green electricity usage of 137,000 kWh and achieving a green electricity supply rate of 114.17%. The Dounan Branch is the third solar energy-powered branch of the Bank. The installed capacity of the solar photovoltaic system, which is self-generated and self-used, is 19.6 kW, and it is anticipated to commence electricity generation in August 2025.
- Participated in the largest public welfare and eco-friendly second-hand market in Taiwan "-1111 Circular Treasure Festival" charity activity. Proceeds from the charity sale was fully donated to Wetlands Taiwan and the Abandoned Baby Social Welfare Association. Unsold items were sold in a charity sale held at the Head Office, the proceeds from the sale along with the unsold items, was entirely donated to the NanTaiNan Fund for Children and Families.

### Report to Board of Directors and Approved



### Detailed Implementation by ESG Team



#### Primary Work Plan in 2025

- **Governance Aspect:** Introduction of IFRS Sustainability Disclosure Standards, expansion of ISO 27001 boundaries, and strengthening the Company's ISO 22301 Operations Continuity Management
- **Social Aspect:** Enhance the connection between community care activities and fair treatment of customers; improve the functionality of the enterprise network. Continuously assist small and medium-sized enterprises in introducing digital services to optimize digital products; and increase inclusivity for the elderly and vulnerable groups.
- **Environmental aspect:** Establish financial carbon emission inventories for investment and financing portfolios, expand the application of internal carbon pricing, deepen climate governance and assess related risks.

## Results of Internal Audit on Sustainable Development

The Company has established the "Implementation Rules of Internal Audit and Internal Control System" which is to be implemented after approval by the Board of Directors. This Rule is used to supervise the business implementation status of various departments. The implementation status of sustainable development is also audited annually through internal control and internal audit mechanism. The audit content includes customer satisfaction surveys, consumer protection education promotion, report on the contents of the implementation and planning of sustainable development presented to the Board of Directors, the preparation of sustainability reports, updates of sustainable development information on the official website, and the completion of stewardship reports. The audit result for 2024 is classified as low risk.

In addition, regulations related to sustainability and regulatory compliance, such as the "Corporate Governance Best-Practice Principles" and the "Implementation Rules of Regulatory Compliance," have all been approved by the Board of Directors. Relevant progress is tracked during ESG task force meetings, covering items such as board meeting attendance, proportion of shares pledged, amendments to regulations in cooperation with competent authorities, and the implementation status of fair treatment of customers. The audit result for 2024 is classified as low risk.

The Company has established a "Risk Management Policies" and "Climate Risk Management Guidelines," as well as environmental and net-zero targets, all of which have been approved by the Board of Directors. These policies are reported on during meetings of the Risk Management Committee and the ESG task force, detailing the implementation progress. For instance, based on the materiality principle, risk assessments of environmental, social, and corporate governance issues related to the Company's operations are conducted. Relevant risk management policies or strategies are formulated and climate risks and opportunities are analyzed. Furthermore, the audit results for 2024 is classified as low risk.

The aforementioned specific measures for sustainable internal audits, regulatory compliance, and risk management are reported to the Board of Directors on a quarterly or semi-annual basis, in line with the goal of strengthening the sustainable governance mechanism under the supervision of the Board of Directors.

## Respond to the UN Sustainable Development Goals

The United Nations proposed global sustainable development goals (SDGs) in 2015 as the guideline for sustainable development action, the Sustainable Development Committee in Taiwan also formulated Taiwan sustainable development goals (T-SDGs) in accordance with local development demand. The UN promoted collaboration across all sectors to encourage cooperation and efforts of the international, government, agencies and organizations and every person by focusing on People, Planet, Prosperity, Peace and Partnership, with the aim of being able to eradicate extreme poverty and hunger and realize a peaceful society with dignity, justice and inclusiveness by 2030. When focusing on sustainable strategy, KTB practiced its core concept of "take from society, give back to society," and included UN sustainable development (SDGs) and Taiwan sustainable development goals (T-SDGs) into decisions on development strategy and core business, so as to actively fulfill due responsibilities as an international citizen.

KTB's sustainable development strategies has integrated SGD and T-SDGs and the actions are as follows:

### 4 QUALITY EDUCATION



- Since 2007, KTB has been organizing finance education activities in cooperation with local schools and organizations. There were 54 activities held in 2024, benefiting 1,302 people
- In 2024, a total of 10 lectures for Little Financial Specialist and finance education activities were held, with a total of 328 students participating
- In 2024, a total of 87 "Anti-fraud Advocacy" events were organized, benefiting 1,452 people

### 5 GENDER EQUALITY



- The ratio of female to male employees at KTB is 65:35
- Female managerial officers accounted for 56.25% of all managerial officers at KTB
- In 2022, KTB launched the "Childcare Allowance for KTB Babies of 0-6 Years Old," which not only provides monthly parenting subsidies but also incorporates a tiered bonus reward system. In 2024, approximately NT\$1.5 million was disbursed as subsidies, benefiting 41 KTB babies

### 7 AFFORDABLE AND CLEAN ENERGY



- The Dounan Branch is the third solar energy-powered branch of the Bank (self-generated and self-used), with an installed capacity of 19.6 kWh, and it is anticipated to commence electricity generation in August 2025
- The balance of green loans in 2024 was NT\$12.351 billion, representing a 44.65% increase compared to 2023

### 8 DECENT WORK AND ECONOMIC GROWTH



- Support SMEs, the loan to which accounted for 62.50% of the total loan balance
- For fourth consecutive years, KTB has participated in the Ministry of Labor's "The Youth's Employment Ultimate Program." By the end of November, 2024, a total of 235 individuals have been employed through this initiative

### 10 REDUCED INEQUALITIES



- The only financial institution in Taiwan collaborating with Western Union, upgraded its remittance functions at the end of 2022 by launching the "King's Global Pass" platform. This platform integrates Western Union with Mastercard Q-Send, providing migrant workers with a secure, convenient, and relatively low-cost remittance option. In 2024, 10,081 individuals successfully registered for King's Global Pass, with a total of 83,979 remittance transactions
- To assist economically disadvantaged and specific identity groups in obtaining basic insurance coverage, in 2024, the number of beneficiaries for micro-injury insurance and small-scale endowment insurance was 132, with a total insured amount of NT\$65.7 million

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- KTB promoted the adoption of electronic bills by customers in 2024. A total of 786,059 electronic statements were sent for foreign currency and fund transactions, including cloud-based fund statements, marking a 22.2% increase compared to 2023. This initiative reduced paper usage by approximately 2.36 million sheets, equivalent to a reduction of 16.98 tCO<sub>2</sub>e
- In 2024, the total number of documents processed via the electronic document system reached 22,547, accounting for 98.12% of all document usage. If each document requires an average of 10 sheets of paper, a total of 225,000 sheets have been saved, approximately reducing 1.62 tCO<sub>2</sub>e

### 13 CLIMATE ACTION



- Completion of the greenhouse gas inventory and verification for the entire Group in 2024
- In 2024, the total greenhouse gas emissions amounted to 2,217 tCO<sub>2</sub>e, with emission per capita of 2.00 tCO<sub>2</sub>e
- In 2024, 137,000 kWh of green electricity have been utilized, achieving the goal of renewable energy usage

### 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



- In 2024, both the Board of Directors and all Functional Committee Performance Evaluation received an "Excellent" rating in their performance evaluations
- This demonstrates the Company stance and actions against corruption and bribery. In 2024, there were no reported incidents of dishonest behavior involving corruption or bribery
- We actively promoted fair treatment of customers and inclusive finance and successfully intercepting fraud 115 times in 2024, with a total intercepted amount of approximately NT\$37.9 million

## Chapter

# 02

## Stakeholder Engagement

KTB follows the 4 main principles of GRI Standards of stakeholder inclusiveness, sustainability context, materiality, and integrity to review its sustainability issues and carry out degree of external impact and financial materiality assessment analysis, through the steps of identification, sequence, and confirmation. Thereby, KTB reviews its sustainable development results and timely adjusts the sustainable development strategies and long-term goals. These will serve as the preparation guidelines for the CSR reports.



Customer satisfaction rate

**92.5%**

Communication with Customer



Participated in the S&P CSA evaluation and selected as a member of the 2025 S&P Global Sustainability Yearbook

Communication with Investors / Shareholders

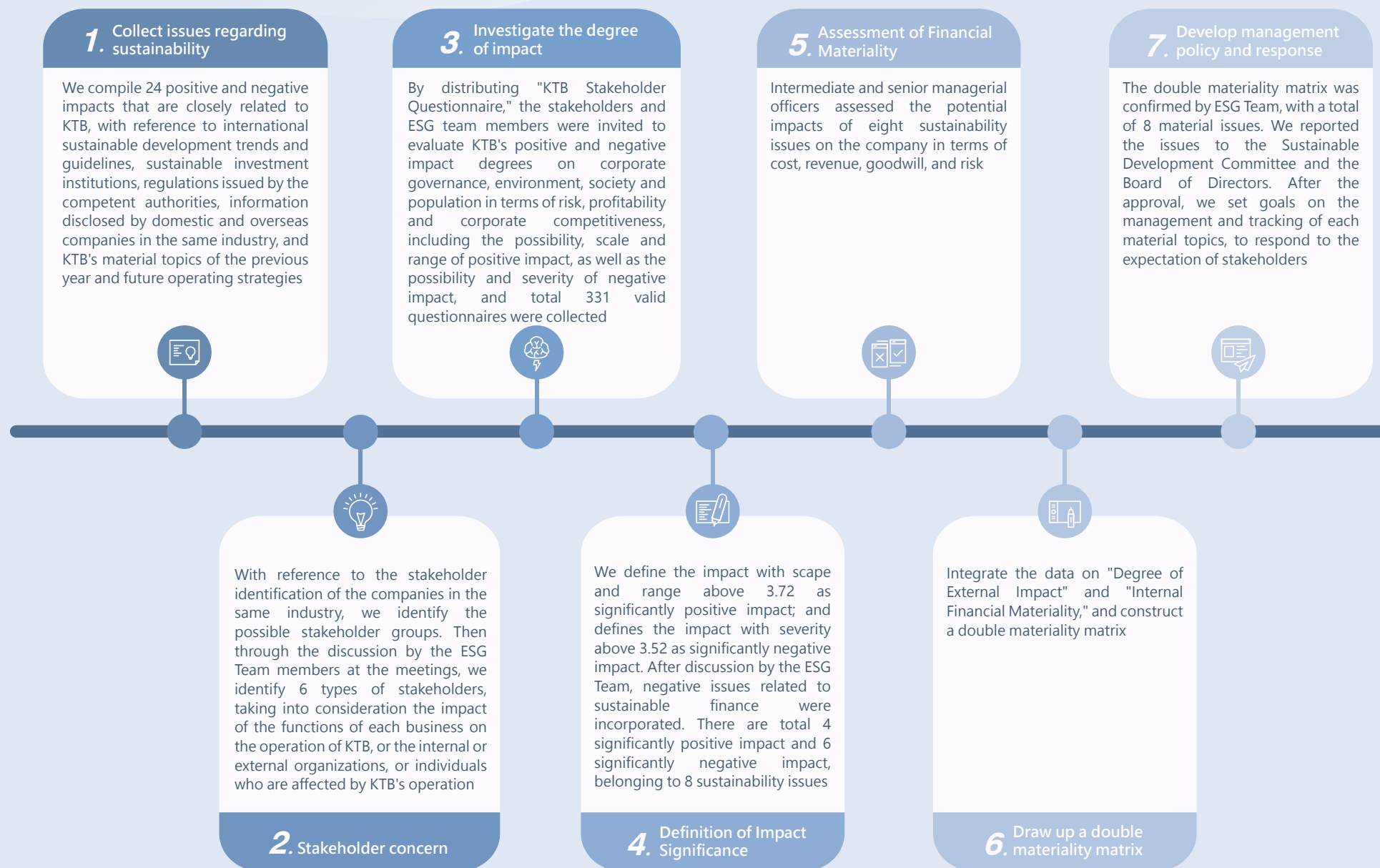


A total of 237 community activities were participated in, with a total volunteer time of 3,623.8 hours, benefiting a total of 9,419 individuals

Communication with General Public/Social Welfare Organizations

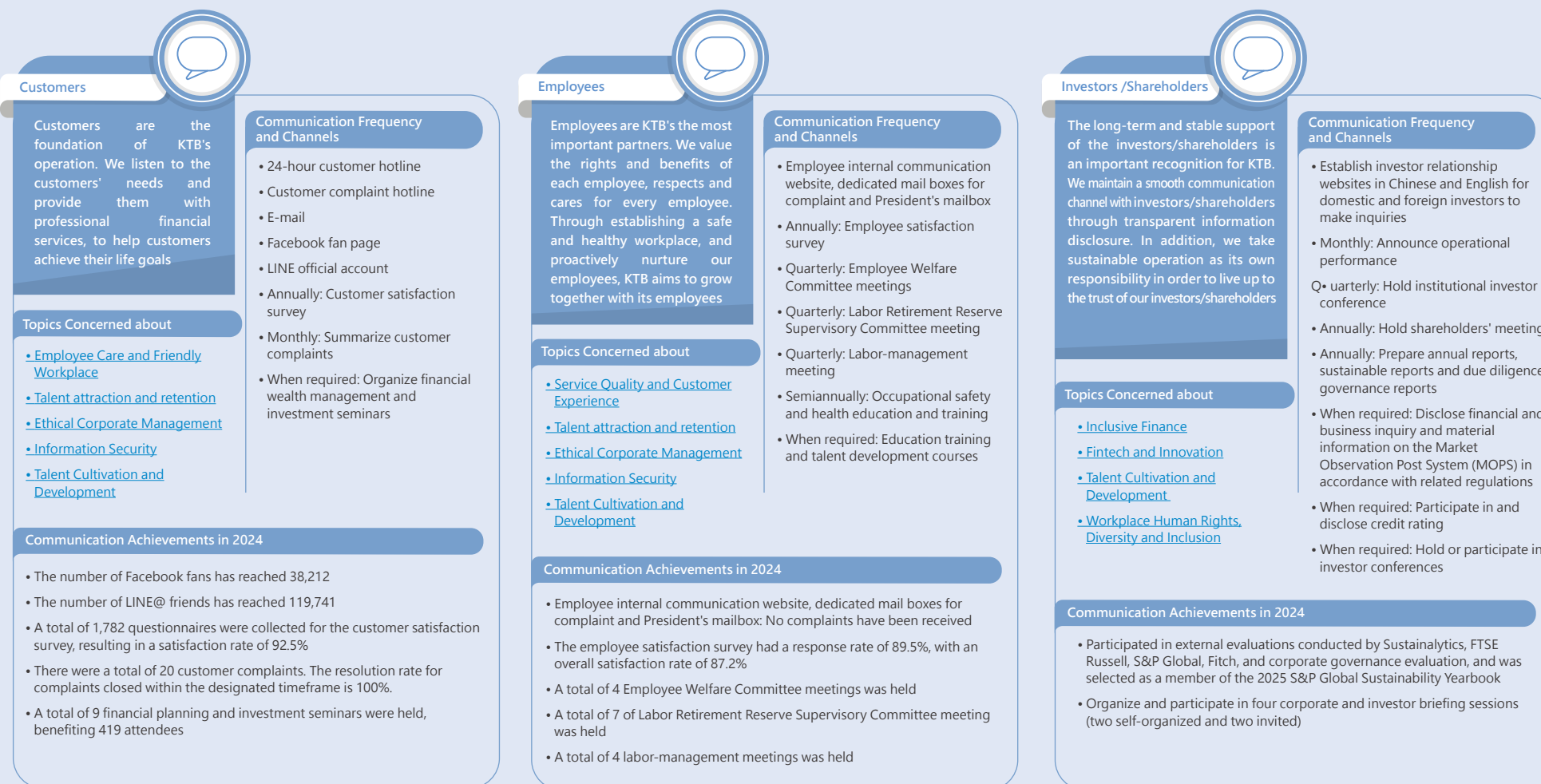
- 2.1 Stakeholder Identification and Communication
- 2.2 Material Topics Analysis
- 2.3 Strategies, Goals, and Achievements of Material Topics





## 2.1 Stakeholder Identification and Communication

With reference to the stakeholder identification of the companies in the same industry, KTB identifies the possible stakeholder groups. Then through the discussion on ESG Team meetings, we identify 6 types of stakeholders, taking into consideration the impact of the functions of each business on the operation of KTB, or the internal or external organizations, or individuals who are affected by KTB's operation, which are customer, employee, investor/shareholder, governmental agency, supplier, general public/social welfare organization, respectively, and report the communication condition with the stakeholders to the Sustainable Development Committee and the Board of Directors once half a year.



## Government Agencies

The finance industry is highly regulated. Compliance with government regulation, abiding by government policies, and establishment of an ethical and stable business operation are beneficial to the stability of society

### Topics Concerned about

- [Inclusive Finance](#)
- [Fintech and Innovation](#)
- [Ethical Corporate Management](#)
- [Risk Management](#)
- [Information Security](#)

### Communication Achievements in 2024

- All required information is reported on time, and there is active cooperation with various supervisory and audit activities.
- Attended 34 policy briefing sessions and seminars in total with 128 participants
- Respond promptly to inquiries from competent authorities

### Communication Frequency and Channels

- Reporting all required information on time
- When required: Cooperate with supervision and inspection activities
- When required: Participate in policy briefing sessions and symposiums
- When required: Carry out field visit to related agencies to establish smooth communication channels
- When required: Communicate through telephone, e-mail, and letters

## Suppliers

Being a responsible corporation, KTB prudently selects high-quality suppliers, exerts its influence to establish a sustainable supply chain

### Topics Concerned about

- [Ethical Corporate Management](#)
- [Risk Management](#)
- [Information Security](#)
- [Talent attraction and retention](#)

### Communication Achievements in 2024

- Promoted 21 suppliers to complete their self-assessments. The self-assessment results did not contradict the Company's corporate social responsibility principles
- Total of 4 advocacy events were organized and there were no casualties due to workplace accidents
- There were 7 field visits and inspections performed without any special or significant non-conformity detected
- When we enter into contracts with suppliers, we stipulate human rights and environment sustainability clauses in the contracts

### Communication Frequency and Channels

- Annually: Encourage supplier to conduct self-assessment of corporate social responsibility
- Annually: Hold supplier education training, and advocate relevant matters
- Annually: Visit and inspect suppliers for compliance with law and regulations
- When required: Encourage major suppliers to sign the Human Rights and Environment Sustainability Commitment

## General Public/Social Welfare Organizations

Community is the foundation of KTB. KTB adheres to the concept of "take from society, give back to society," and through cooperation with local communities and social welfare organizations, KTB gives back to the community and encourages a positive cycle in the society

### Topics Concerned about

- [Service Quality and Customer Experience](#)
- [Talent attraction and retention](#)
- [Ethical Corporate Management](#)
- [Information Security](#)
- [Talent Cultivation and Development](#)

### Communication Achievements in 2024

- A total of 237 community activities were participated in, with a total volunteer time of 3,624 hours, benefiting a total of 9,419 individuals
- Collaboration with 15 public welfare organizations, non-governmental and non-profit organizations, as well as humanities and arts groups

### Communication Frequency and Channels

- When required: Establish a close connection with local residents through the branch offices
- When required: Participate in NPO/NGO events and activities held by local communities
- When required: Co-organize events with long-term partners
- When required: Share financial education and anti-fraud knowledge through social platforms such as Facebook pages

## 2.2 Material Topics Analysis

The Company has collected 24 issues as follows: sustainability issues can be categorized into positive and negative aspects, with 8 positive issues and 16 negative issues. The topic "sustainable finance" has been reclassified from "social" to "environmental" due to its relevance to financial products, energy transition or energy conservation and carbon reduction. Additionally, the issue from the previous year, "Labor Rights," has been renamed to "Workplace Human Rights, Diversity and Inclusion" to clarify the aspects discussed within that topic.

### Positive Issues (Colored background indicates material topics)

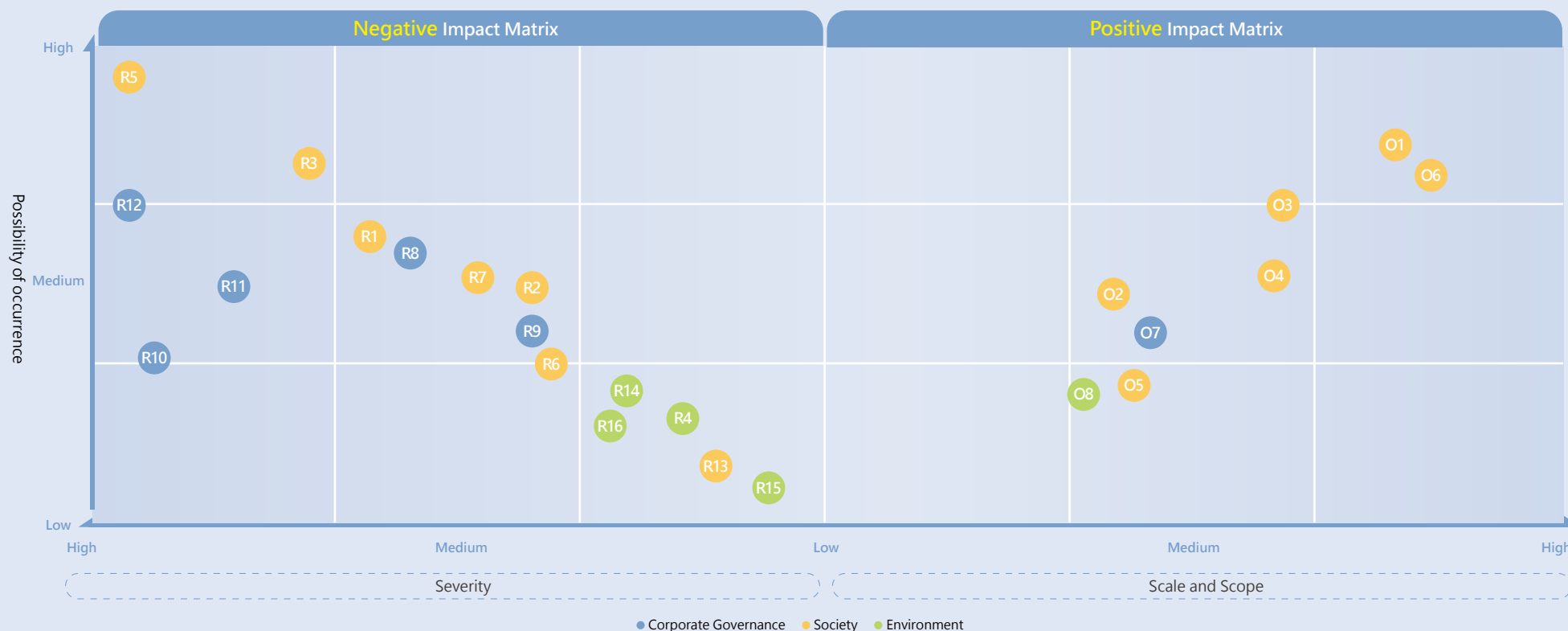
Structure	Society						Corporate Governance	Environment
Code	O1	O2	O3	O4	O5	O6	O7	O8
Sustainability issues	Service Quality and Customer Experience	Inclusive Finance	Fintech and Innovation	Talent Cultivation and Development	Employee Care and Friendly Workplace	Talent attraction and retention	Corporate Governance	Sustainable Finance
Impact or Opportunity	Efficient workflow and a good service experience	Promoting Economic Development for Special Groups and Small Enterprises	Expand Financial Technology Products and Services	Emphasize Talent Cultivation and Development	Emphasize Employee Welfare and Safety	Good Benefit Measures	The Board of Directors possesses transparency in decision-making and fairness	Incorporating ESG Factors into Credit and Investment Processes
Actual Impact <small>(Achieving Significant Impact)</small>	V		V	V		V		
Potential Impact		O			O		O	O

### Negative Issues (Colored background indicates material topics)

Structure	Society								Corporate Governance				Environment			
Code	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	R16
Sustainability issues	Service Quality and Customer Experience	Inclusive Finance	Fintech and Innovation	Social Prosperity	Talent Cultivation and Development	Employee Care and Friendly Workplace	Talent attraction and retention	Workplace Human Rights, Diversity and Inclusion	Workplace Human Rights, Diversity and Inclusion	Ethical Corporate Management	Risk Management	Information Security	Climate Change Strategies	Climate Change Strategies	Sustainable Finance	Supplier Management
Impact or Opportunity	Low Quality of Service	Lack of Inclusive Financial Measures	Neglecting the Development of Financial Technology	Fail to Actively Investing Resources in Social Care	Lack of Emphasis on Employees' Professional Development	Neglecting Employee Physical and Mental Health or Workplace Safety	Lack of Diverse and Effective Recruitment Channels	The Awareness of Cultural Diversity in Workplace has not been Established	Fail to Emphasize Workplace Human Rights, or Lack of Diversity and Inclusion	Occurrence of Dishonesty, Bribery, and Corruption	Fail to Identify or Respond to Potential Risks	Leakage of Sensitive Information	Lack of Emphasis on Climate Change Strategies	Neglect Climate Change Strategies	Inadequate Consideration of ESG Factors in Investment and Financing Activities	Lack of Emphasis on Supplier Management
Actual Impact <small>(Achieving Significant Impact)</small>			V		V					V	V	V			V	
Potential Impact	O	O		O		O	O	O	O				O	O		O

### ◆ Positive and Negative Impact Matrix

KTB conducts materiality assessments of impacts based on two factors: the degree of impact and the likelihood of occurrence. This assessment aims to understand the scale and scope, severity, and likelihood of occurrence of various sustainability issues. We define the impact with scope and range above 3.72 as significantly positive impact; and defines the impact with severity above 3.52 as significantly negative impact based on the stakeholders questionnaire. After discussion by the ESG Team, negative issues related to sustainable finance were incorporated. There are total 4 significantly positive impact and 6 significantly negative impact, belonging to 8 sustainability issues, which are actual impacts, while the others represent potential impacts.



Note: The original numerical values of positive and negative impacts have been converted into low, medium, and high categories for easier understanding by stakeholders. The corresponding values are as follows:

#### 1. Positive Impact

Scale and Scope : Low (3.20 - 3.59), Medium (3.60 - 3.79), High (3.80 - 4.10)  
 Likelihood of Occurrence : Low (3.30 - 3.49), Medium (3.50 - 3.79), High (3.80 - 3.90)

#### 2. Negative Impact

Severity : Low (3.10 - 3.35), Medium (3.36 - 3.59), High (3.60 - 3.80)  
 Likelihood of Occurrence : Low (3 - 3.15), Medium (3.16 - 3.29), High (3.30 - 3.60)



## Explanation of Management Policies and Impacts for Material Topics

● Directly    ■ Indirectly    ◆ Via business relationship

Order of Importance	Issues	Impact Explanation	GRI Standards / Specific Topics	Management Policies (Corresponding Section)	Boundaries of Impact and Level of Involvement <sup>Note</sup>					
					Internal			External		
					KTB (including subsidiaries and employees)	Customers	Investors / Shareholders	Government Agencies	Suppliers	General Public/ Social Welfare Organizations
1	Information Security	【Negative】: Failure to respond to evolving information security attack methods may result in the leakage of sensitive information or disruption of operational systems, thereby harming the interests of relevant stakeholders	GRI 418 Customer Privacy	3.4 Information Security	●	●				
2	Talent Cultivation and Development	【Positive】: Banks that emphasizes talent cultivation and development will have the opportunity to nurture financial professionals with innovative capabilities, thereby promoting the overall upgrade and development of the financial industry and creating more new employment opportunities for society 【Negative】: If banks do not emphasize on the professional development of their employees or lack a comprehensive promotion system, it will not only affect operational efficiency but also lead to the loss of a significant number of experienced and skilled employees	GRI 404 Training and Education	6.2 Talent Cultivation and Development	●		■			
3	Ethical Corporate Management	【Negative】: If incidents of dishonesty, bribery, and corruption occur within the company, it will affect the overall order of the financial system and result in a loss of customer trust	GRI 205 Anti-corruption	3.1 Corporate Governance	●	◆	●	●	◆	■
4	Risk Management	【Negative】: Risk management is treated as a mere formality and fails to identify or respond to potential risks can undermine the competitiveness and development of financial institutions, harm customer interests, and even jeopardize the stability of the entire financial system	GRI 3-3 Management of material topics	3.3 Risk Management	●	◆	●	●	◆	
5	Fintech and Innovation	【Positive】: Expanding financial technology products and services will, in the long term, help reduce operating costs and overcome geographical and temporal limitations, thereby reaching a broader audience and enabling more individuals to access basic financial services 【Negative】: Financial institutions that neglect the development of financial technology will gradually be unable to meet customers' expectations for fast, convenient, and secure digital services	GRI 3-3 Management of material topics	5.2 Fintech and Innovation	●	◆	■			■
6	Sustainable Finance	【Negative】: When banks engage in investment and financing activities without adequately considering ESG factors, it may lead to prioritizing short-term interests over long-term sustainable development. This, in turn, can restrict economic transformation and innovation, as well as undermine societal efforts to address climate change	GRI 3-3 Management of material topics	4.2 Sustainable Finance	●	◆	■			■
7	Talent attraction and retention	【Positive】: Effective benefit measures contribute to enhancing employees' sense of identity and loyalty towards the bank, thereby reducing employee turnover rates and effectively maintaining the bank's brand value and market confidence over the long term	GRI 401 Employment GRI 405 Diversity and Equal Opportunity	6.1 Talent attraction and retention	●		■			
8	Service Quality and Customer Experience	【Positive】: Efficient workflow and a good service experience can enhance the loyalty of existing customers, contribute to strengthening the brand image, and attract new customers. At the same time, strengthen consumers' willingness to utilize financial products, further supporting the stability and development of the financial market	GRI 417-3 Incidents of non-compliance concerning marketing communications	5.1 Service Quality and Customer Experience	●	◆	■			

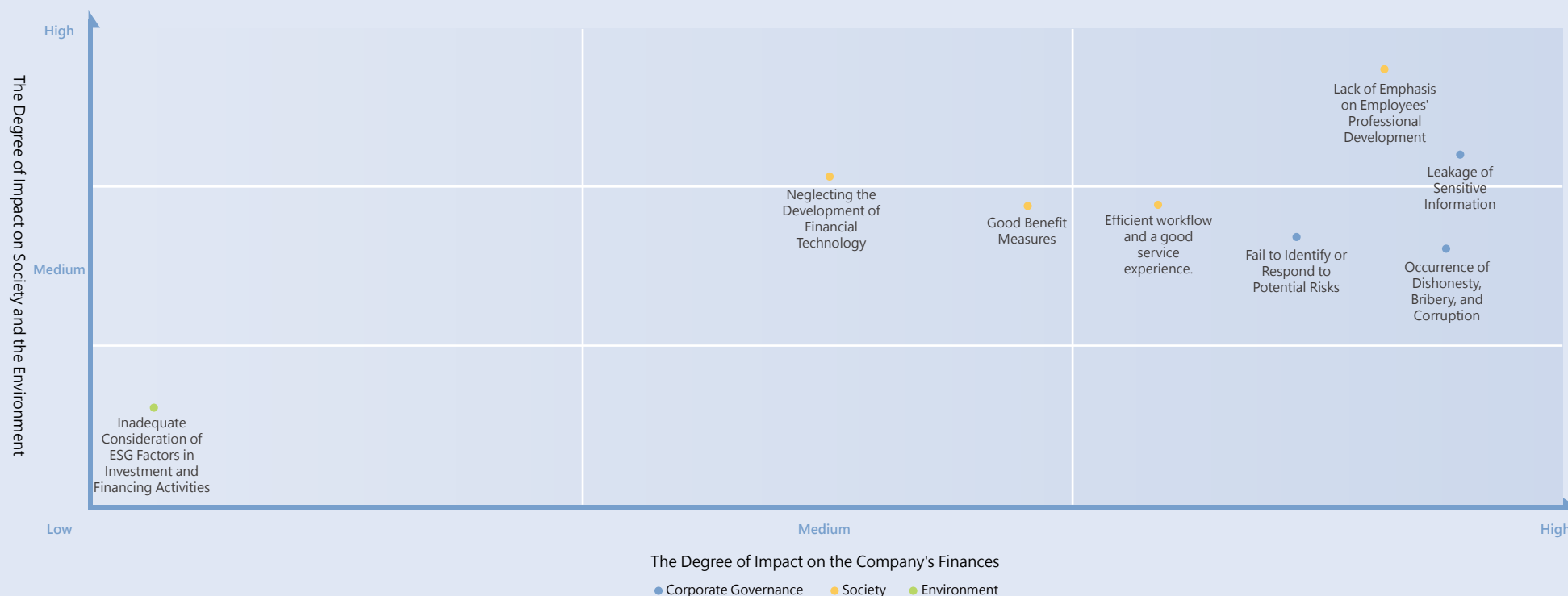
Note: The boundaries of impact of GRI specific topics and the relation between the boundaries of impact and KTB are in accordance with the GRI Standard. The key stakeholders of the value chain are taken into consideration for the boundaries of impact. The connection of the boundaries of impact is divided into three levels of involvement: If the impact is directly caused by KTB, caused jointly by KTB and other units, or caused via business relations.

## Explanation of Sustainable Issues and Changes in Material Topics

Contents Adjusted	Issues Changed	Reason for Adjustment
Name of Issue Adjusted	"Labor Rights" has been renamed to "Workplace Human Rights, Diversity and Inclusion"	"Starting from the human rights perspective," and emphasizing diversity and inclusion
Addition or Deletion of Issues	1. Add "Inclusive Finance" 2. Delete "Regulatory Compliance"	1. Refer to the Sustainability Accounting Standards Board (SASB) - Regulations Governing Commercial Banks 2. According to GRI 2-27, compliance with laws and regulations is a mandatory disclosure item; therefore, it has been removed from the materiality topic questionnaire
Change in Issue Category	The issue of "sustainable finance" has been reclassified from a social perspective to an environmental perspective	The adjustment better aligns with the goals of financial products, energy transition, and carbon reduction
Change in Material Topics	There are eight material topics that achieved significant impact, which is one fewer than the previous year	The newly added material topic is "Ethical Corporate Management," while the other two topics (Labor Rights and Regulatory Compliance) did not achieve significant impact and have been removed from the material topic questionnaire

## Double Materiality Analysis

The Company, after considering the impacts of material topics on external economy, environment, and population, further implements a double materiality analysis. Intermediate and senior managerial officers evaluate the potential impacts of the aforementioned material topics on the Company in terms of costs, revenues, goodwill, and risk, assigning a "financial materiality" score. By integrating the results of the "degree of external impact," the Company identifies double materiality topics that have significant impacts both internally and externally, producing a double materiality matrix.



## 2.3 Strategies, Goals, and Achievements of Material Issue

For each material topic, we identify its impacts on KTB, and establish corresponding management strategies and mitigation measures for each material topic to review the effectiveness of these actions. We set short-, medium-, and long-term goals, and track the execution results quarterly through the ESG team to continue to implement KTB's sustainable plans. Please refer to the following table for relevant achievements or refer to the operational approach to [sustainable development strategies](#).

Targets and indicators for each material topics: Completed targets are denoted by ✓, whereas incomplete targets are denoted by ✗.

Information Security	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked	
	<b>【Negative】</b> : Failure to respond to evolving information security attack methods may result in the leakage of sensitive information or disruption of operational systems, thereby harming the interests of relevant stakeholders	The Company has established "Information Security Policy" "Procedure Manual for the Establishment of Information Security Management Committee" and is committed to: <ol style="list-style-type: none"> <li>1. Establish information security measures and implement information security monitoring and other safety precautions</li> <li>2. Collect and provide information related to information security, such as protection, antivirus, and anti-hacking measures, and issue announcements in a timely manner.</li> <li>3. Plan, manage, and promote information security education and training for the entire organization</li> </ol>	<ul style="list-style-type: none"> <li>· Mitigate threats of cyber-attacks through internal information security advocacy and assessment, social engineering email attack drills, and information security emergency response drills</li> <li>· Pay attention to the development trends of information security and expand the boundary of application of ISO 27001</li> </ul>	<ul style="list-style-type: none"> <li>· The Information Security Management Committee holds at least one management review meeting on a regular basis every year, or holds meetings irregularly as required (anticipated to be once per quarter), to oversee the overall implementation of information security</li> <li>· Information security promotion unit shall individually establish and maintain a "Contact List of External Units" to receive timely information regarding the latest attacks related to information security and the vulnerabilities of the Company's information assets</li> <li>· Information Security Audit Unit: An independent and impartial audit unit under the Board of Directors. The Auditing Department is responsible for information security audits</li> </ul>	
	Goals	Targets and Indicators		2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>· There were no significant information security incidents</li> <li>· Completion of Improvement and Follow-up Operations for Service Interruptions and System Abnormalities</li> <li>· Completion of the revised ISO 27001:2022 (International Standard for Information Security Management) and obtaining certification</li> <li>· Conduct annual information security advocacy activities to enhance the concept of information security for employees</li> </ul>	<ul style="list-style-type: none"> <li>✓ There were no significant information security incidents</li> <li>✓ A total of four items related to service interruptions and system abnormalities were monitored in 2024, achieving 100% improvement rate</li> <li>✓ The ISO 27001 (2022) version has added a total of 11 new control items and has successfully obtained certification, achieving a completion rate of 100%</li> <li>✓ Participated in a total of 29 internal and external cybersecurity courses, with a combined total of 3,163 participants and a cumulative duration of 3,693 hours. The internal information security awareness rate is 100%</li> </ul>		<ul style="list-style-type: none"> <li>· There were no significant information security incidents</li> <li>· Monitoring mechanisms have been strengthened, potential issues of the system reviewed, achieving an improvement rate of 100%</li> <li>· The scope of ISO 27001 certification was expanded to include the IT and Information Security departments, with the verification scope covering 10% of the entire bank</li> </ul>	<ul style="list-style-type: none"> <li>· There were no significant information security incidents</li> <li>· Monitoring mechanisms have been strengthened, potential issues of the system reviewed, achieving an improvement rate of 100%</li> <li>· Expand the scope of ISO 27001 certification to enhance the overall information security of enterprise</li> </ul>

Ethical Corporate Management	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked	
	<b>【Negative】</b> : If incidents of dishonesty, bribery, and corruption occur within the company, it will affect the overall order of the financial system and result in a loss of customer trust	The Bank has established "Ethical Corporate Management Best Practice Principles" and is committed to creating an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope. Based on this, prevention programs are formulated and their appropriateness and effectiveness are regularly reviewed. Furthermore, the company ensures compliance with relevant laws and regulations as well as prevention programs when conducting businesses	<ul style="list-style-type: none"> <li>· Regularly analyze and assess business activities within the scope of operations that carry a higher risk of unethical conduct, and provide internal and external complaint channels</li> <li>· Organize regular ethical management training and advocacy to internalize ethical management</li> </ul>	<ul style="list-style-type: none"> <li>· The Sustainability Development Committee is the designated unit responsible for supervising, implementing, and set out ethical management policies and plans to prevent unethical conduct, promoting and coordinating the training of integrity policies, and reporting to the Board of Directors annually</li> </ul>	
	Goals	Targets and Indicators		2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>· Conducting education and training on relevant laws and regulations regarding ethical corporate management for the "entire bank"</li> <li>· No internal and external whistleblowing cases on unethical management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Conducting education and training on relevant laws and regulations regarding ethical corporate management for the "entire bank (including directors)," with a completion rate of 100%</li> <li>✓ Number of internal and external whistleblowing cases on unethical management: 0</li> </ul>		<ul style="list-style-type: none"> <li>· Conducting education and training on relevant laws and regulations regarding ethical corporate management for the "entire bank (including directors)," with a completion rate of 100%</li> <li>· Number of internal and external whistleblowing cases on unethical management: 0</li> </ul>	<ul style="list-style-type: none"> <li>· Conducting education and training on relevant laws and regulations regarding ethical corporate management for the "entire bank (including directors)," with a completion rate of 100%</li> <li>· Number of internal and external whistleblowing cases on unethical management: 0</li> </ul>

Risk Management	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Negative】: Risk management is treated as a mere formality and fails to identify or respond to potential risks can undermine the competitiveness and development of financial institutions, harm customer interests, and even jeopardize the stability of the entire financial system</p>	<p>The Company has established the "Risk Management Policies" and is committed to:</p> <ol style="list-style-type: none"> <li>1. Considering overall exposure, appropriate allocation of capital is undertaken to establish management mechanisms for various business risks, thereby enhancing operational performance</li> <li>2. According to relevant regulations, audits are conducted to assess whether the operations of each business unit and business management units comply with risk management procedures. Furthermore, we assess the effectiveness of our risk management mechanisms and provide timely recommendations for improvement</li> </ol>	<ul style="list-style-type: none"> <li>· Comprehensive risk management mechanism and structure</li> <li>· Carry out regular internal inspections to ensure the operation of internal control</li> <li>· Ensure the Implementation of Risk Management Controls</li> </ul>	<ul style="list-style-type: none"> <li>· Regular completion of risk control self-assessments for each department</li> <li>· Monthly Risk Management Committee meeting</li> <li>· Regularly report the "Risk Control Report" to the Board of Directors.</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>· Establish the risk control reporting platform</li> <li>· Implementation of preliminary establishment of ISO 22301 management process</li> <li>· Completion of Internal Audit and Improvement of Deficiencies</li> </ul>	<ul style="list-style-type: none"> <li>√ The "Key Risk Indicators (KRI)" and the "Risk Control Assessment Form" for workflow have been completed in the Business Process Management (BPM) system, achieving a completion rate of 100%.</li> <li>√ In accordance with the "Resilience Standards for Financial Institution Information Operation" and the spirit of ISO 22301, the "Procedure Manual for Business Continuity Management" has been revised with a 100% completion rate</li> <li>√ No deficiencies identified in internal audits</li> </ul>	<ul style="list-style-type: none"> <li>· Strengthen the Company's ISO 22301 Business Continuity Management, with 100% implementation.</li> <li>· The adequacy rate of solutions for risk events across the entire bank is 100%</li> <li>· No deficiencies identified in internal audits</li> </ul>	<ul style="list-style-type: none"> <li>· Obtaining ISO 22301 third-party certification</li> <li>· The adequacy rate of solutions for risk events across the entire bank is 100%</li> <li>· No deficiencies identified in internal audits</li> </ul>

Talent Cultivation and Development	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Positive】: Banks that emphasizes talent cultivation and development will have the opportunity to nurture financial professionals with innovative capabilities, thereby promoting the overall upgrade and development of the financial industry and creating more new employment opportunities for society</p> <p>【Negative】: If banks do not emphasize on the professional development of their employees or lack a comprehensive promotion system, it will not only affect operational efficiency but also lead to the loss of a significant number of experienced and skilled employees</p>	<p>The Company has implemented the "Employee Education and Training Regulations" to enhance talent development and promote the concept of lifelong learning among employees, as well as to unleash individual potential. Additionally, it monitors training outcomes and maintains systematic records of course information</p>	<ul style="list-style-type: none"> <li>· Organize education training that corresponds to the employees' work content and the organization's plans</li> <li>· Establish a clear and fair performance assessment policy</li> </ul>	<ul style="list-style-type: none"> <li>· The ESG Team reviews the implementation of employee education and training on a quarterly basis</li> <li>· In response to the company's development, the Human Resources Department continues to optimize and adjust the "Regulations on the Annual Employee Performance Evaluation." Each year, an employee engagement survey is conducted, and employees' suggestions are appropriately incorporated as a reference for system revisions and policy planning</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>· Completion of the employee training program (including onboarding training for new employees, on-the-job advanced training, professional competency training, financial friendliness and fair treatment of customers, enhancement of bilingual service capabilities, etc.) and the supplementation of manpower required</li> <li>· Promotion of the succession plan for middle and senior executives/core staff rotation and training program</li> </ul>	<ul style="list-style-type: none"> <li>· The completion rate of the training program is 99%, and the manpower supplementation achievement rate is 93%</li> <li>√ A total of 39 employees were promoted or received salary adjustments through the succession plan for middle and senior executives/core staff rotation and training program, with an achievement rate of 100%</li> </ul>	<ul style="list-style-type: none"> <li>· The completion rate of the personnel training program is 100%, and supplementation of manpower required has reached 100%</li> <li>· Continued promotion of the succession plan for middle and senior executives/core staff rotation and training program resulted in a 100% of promotions and salary adjustments</li> </ul>	<ul style="list-style-type: none"> <li>· The completion rate of the personnel training program is 100%, and supplementation of manpower required has reached 100%</li> <li>· Continued promotion of the succession plan for middle and senior executives/core staff rotation and training program resulted in a 100% of promotions and salary adjustments</li> </ul>

FinTech and Innovation	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Positive】: Expanding financial technology products and services will, in the long term, help reduce operating costs and overcome geographical and temporal limitations, thereby reaching a broader audience and enabling more individuals to access basic financial services</p> <p>【Negative】: Financial institutions that neglect the development of financial technology will gradually be unable to meet customers' expectations for fast, convenient, and secure digital services</p>	The Company has established the "Organizational Regulations," which clearly outline the various aspects of digital services. It is dedicated to developing digital financial policies, managing digital brands, and implementing innovative digital business strategies. The Company invests in research and development, strategic planning, marketing, and the design of digital products and services. Additionally, it supports the consultation, management, and education and training of digital financial services	<ul style="list-style-type: none"> <li>Innovation and optimization of FinTech products and services</li> <li>Through satisfaction surveys, we collect customer needs, plan and develop digital financial products and their associated services</li> </ul>	<ul style="list-style-type: none"> <li>The implementation status of relevant digital and financial technology is compiled into a report on a weekly basis and submitted to senior managerial officers (Vice Chairman, President) for review. "Digital Services Committee" is convened biweekly to supervise and track the progress of implementation, ensuring the smooth promotion of various services and products</li> <li>Conduct regular bi-monthly tracking of each department's implementation of fair treatment of customer, and understand the status of customer complaints, to serve as a basis for subsequent optimization and improvement of service processes</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>Increase the ratio of digital transactions</li> <li>Enhance customer experience by enriching products and services on digital platform (newly added/developed digital channels for applying products/services)</li> <li>Increase diversity in digital services to enhance the financial service penetration rate</li> </ul>	<ul style="list-style-type: none"> <li>✓ The percentage of account openings through digital channels is as high as 76.93%</li> <li>✓ Offline application-based services are being digitalized, covering a total of 35 items across mobile internet banking, personal internet banking, and corporate internet banking</li> <li>✓ The new mobile internet banking includes the application of "Account Closure" feature for New Taiwan Dollar accounts. Additionally, the official website has introduced the "Securities Settlement Account Balance Inquiry and Settings" feature. Furthermore, 30 new merchants supporting TWQR has been added</li> </ul>	<ul style="list-style-type: none"> <li>The ratio of digital account opening platform across the entire bank: Maintain at 75% or above</li> <li>Newly Added/Developed Digital Channels for applying Product/Service: 10 Items</li> <li>Optimize digital products to enhance inclusivity for the elderly and vulnerable populations</li> </ul>	<ul style="list-style-type: none"> <li>The ratio of digital account opening platform across the entire bank: Maintain at 75% or above</li> <li>Newly Added/Developed Digital Channels for applying Product/Service: At least 10 Items every year</li> <li>Optimize digital products to enhance inclusivity for the elderly and vulnerable populations</li> </ul>
Talent attraction and retention	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Positive】: Effective benefit measures contribute to enhancing employees' sense of identity and loyalty towards the bank, thereby reducing employee turnover rates and effectively maintaining the bank's brand value and market confidence over the long term</p>	The Company has established the "Sustainable Development Best Practice Principles" and is committed to prioritizing personal qualities, professional abilities, and suitable job assignments when hiring and promoting exceptional talent. The Company treats all employees with fairness and mutual respect, ensuring equal opportunities for fair competition and growth	<ul style="list-style-type: none"> <li>Focus on personality traits, professional abilities, and appropriate job arrangements, treat all KTB's employees with fairness and mutual respect</li> <li>Provide employees with fair competition and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>A labor-management meeting and an Employee Welfare Committee are established, with regular meetings held quarterly to address the opinions and needs expressed by employees</li> <li>Departmental work goals and individual employee performance evaluations will be conducted at mid-term and end-of-term each year.</li> <li>We conduct employee engagement surveys to understand the satisfaction and suggestions of the employees every year</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>To create a friendly and healthy workplace, establish a work environment that promotes gender equality, diversity and inclusion, and provide employees with mental and physical counseling and care measures</li> <li>Review and adjustment of employee performance assessment (KPI) and reward system</li> </ul>	<ul style="list-style-type: none"> <li>✓ Female managerial officers accounted for 56.25%</li> <li>✓ In 2024, employee engagement reached 87.23%. The feedback and suggestions provided by employees have been forwarded to the relevant departments for evaluation and improvement</li> <li>✓ The entire bank conducts a salary adjustment for all employees, with an average increase of 3.3%. Additionally, a salary adjustment for grassroot employees (including the Specialists and below) will be conducted, with an average increase of 9.38%</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the proportion of female managerial officers to 50% above</li> <li>The employee engagement survey response rate remains above 80%</li> <li>The Bank adjusted overall compensation of all or certain employees based on factors such as employee performance, professional knowledge and skills, industry salaries, and inflation trends every year</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the proportion of female managerial officers to 50% above</li> <li>The employee engagement survey response rate remains above 80%</li> <li>The Bank adjusted overall compensation of all or certain employees based on factors such as employee performance, professional knowledge and skills, industry salaries, and inflation trends every year</li> </ul>



Service Quality and Customer Experience	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Positive】: Efficient workflow and a good service experience can enhance the loyalty of existing customers, contribute to strengthening the brand image, and attract new customers. At the same time, strengthen consumers' willingness to utilize financial products, further supporting the stability and development of the financial market</p>	<p>The Company has established policies and strategies such as the "Fair Treatment of Customers Policy and Strategies" and "Consumer Protection Measures." We are committed to implementing relevant regulations in all aspects of customer transactions, including design, advertising, sales, contract fulfillment, service consultation, and customer complaint handling, ensuring fair treatment of customers throughout the process</p>	<ul style="list-style-type: none"> <li>Optimize operation procedures and improve operation efficiency</li> <li>Improve customer experience with the aid of technology</li> </ul>	<ul style="list-style-type: none"> <li>The implementation status of relevant digital and financial technology is compiled into a report on a weekly basis and submitted to senior managerial officers (Vice Chairman, President) for review. Additionally, a "Digital Services Committee" is convened biweekly to supervise and track the progress of implementation, ensuring the smooth promotion of various services and products</li> <li>The "Fair &amp; Friendly Customer Service Promotion Committee" convenes regularly every two months to review the implementation of fair treatment of customers</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>Increase customer satisfaction rate</li> <li>Enhancing specific measures to fair treatment of customers and financial friendliness</li> <li>Analysis and Improvement of Customer Service and Complaints</li> </ul>	<ul style="list-style-type: none"> <li>√ Overall customer satisfaction rate was 92.5%</li> <li>√ A total of 13 financial-friendly, accessibility services and facilities were completed, and 6 internal education training courses and 8 external events were held</li> <li>√ 100% of completing handling, tracking and investigation of customer complaint cases</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction is above 90%</li> <li>Enhancing specific measures to fair treatment of customers and financial friendliness</li> <li>100% of completing handling, tracking and investigation of customer complaint cases</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction is above 90%</li> <li>Enhancing specific measures to fair treatment of customers and financial friendliness</li> <li>100% of completing handling, tracking and investigation of customer complaint cases</li> </ul>

Sustainable Finance	Impact Explanation	Policy and Commitment	Management Strategies and Mitigation Measures	Effectiveness of the Actions Tracked
	<p>【Negative】: When banks engage in investment and financing activities without adequately considering ESG factors, it may lead to prioritizing short-term interests over long-term sustainable development. This, in turn, can restrict economic transformation and innovation, as well as undermine societal efforts to address climate change</p>	<p>The Company has formulated the "KTB Sustainable Finance Policy," pledging to follow international sustainability principles, support businesses or industries that have environmental, social, and governance benefits, and assess the provision of financial products and services. When dealing with contentious companies or industries, the Company should conduct thorough due diligence investigations and careful assessments to minimize the risk of significant adverse effects on sustainable development</p>	<ul style="list-style-type: none"> <li>Support credit and investment targets that have a positive impact on the environment and society</li> <li>Promote inclusive finance to ensure that all segments of society have access to diverse financial services</li> </ul>	<ul style="list-style-type: none"> <li>A loan review meeting is held weekly, during which the President and committee members review financing cases</li> <li>The "Digital Service Committee" is held every two weeks, and the "Fair &amp; Friendly Customer Service Promotion Committee" convenes regularly every two months to review the implementation of inclusive finance</li> </ul>
	Goals	Targets and Indicators	2025 Goals	Medium- and Long-Term Goals (5 - 10 years)
	<ul style="list-style-type: none"> <li>Promoting green credit, sustainable performance-linked loans, and other related services</li> <li>KTB provides small- and medium-sized enterprises with different financing plans based on the nature of their industry and life cycle, complemented by digital financial products, so as to address their capital needs, from loans to daily operation</li> </ul>	<ul style="list-style-type: none"> <li>√ The loan amount of ESG sustainable industry accounted for 10.98% of total loans</li> <li>√ Loan balance to SMEs accounted for 62.07%</li> </ul>	<ul style="list-style-type: none"> <li>Support and promote loan amount of ESG sustainable industry, with the proportion maintained above 8%</li> <li>Support loan to SMEs, with the proportion above 50% of the total loan balance</li> </ul>	<ul style="list-style-type: none"> <li>Support and promote loan amount of ESG sustainable industry, with the proportion maintained above 8%</li> <li>Support loan to SMEs, with the proportion above 50% of the total loan balance</li> </ul>

## Chapter

# 03

## Operational Governance



No significant penalties were received from competent authorities in 2024.



Obtained ISO 27001:2022 Information Security Management System Certification



No incidents of personal data leakage occurred and no material information security incidents occurred. In 2024.

### 3.1 Corporate Governance

3.1.1 Ethical Corporate Management

### 3.2 Regulatory Compliance

3.2.1 Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

### 3.3 Risk Management

3.3.1 Emerging Risks

### 3.4 Information Security

3.4.1 Personal Data Protection

## 3.1 Corporate Governance

KTB continues to enhance the functionality of the Board of Directors, improve the efficiency of the operating team, strive for information transparency, ensure the rights and benefits of shareholders and investors, and build a foundation for sustainable development. From 2018 to 2024, KTB was ranked among the top 5% of TWSE-listed companies in the "Corporate Governance Evaluation" by the Taiwan Stock Exchange Corporation (4th to 10th session) for 7 consecutive years, demonstrating the determination and achievements of KTB in building its corporate governance policy. The number of further study of each director conformed to stipulations in "Key Points for Further Study of Directors and Supervisors from TWSE/GTSM Listed Companies," and relevant achievements in 2024 are as follows:



### A Sound Board Structure

KTB's Board of Directors is the supreme governing body of the company, and it now has 7 Directors (not being employees), and 3 Independent Directors which accounts for 43% of all directors. For strengthening the Board's supervisory and management functions, multiple functional committees, including the "Audit Committee," "Remuneration Committee," "Nomination Committee," and "Sustainable Development Committee" are established directly subordinate to the Board of Directors. These committees are responsible for the discussion and resolution of key issues and issues in the economic, social, and environmental aspects. The functional committees consist of or participated by Independent Directors to achieve effective independent supervision and the check and balance mechanism to ensure all resolutions and actions of the Board are submitted to the Board of Directors for report and discussion. In additional, on March 20, 2023, the Board of Directors approved the appointment of Manager Tzu-Yun Chen, who is a qualified lawyer, as the Bank's dedicated Corporate Governance Officer, will handle matters related to board meetings and shareholders' meetings in accordance with the law.

### ◆ Summary of Various Functional Committees in 2024

Name of Committee	Audit Committee	Remuneration Committee	Nomination Committee <small>Note</small>	Sustainable Development Committee <small>Note</small>
Established in	2011	2011	2017	2017
Number of meetings	6	6	3	4
Average attendance rate	93.94%	88.80%	83.34%	81.25%
Number of members	3	3	4	4
Number of independent directors	3	3	3	3

Note: Established the "Corporate Governance and Nomination Committee" on November 13, 2017. The committee was renamed as the "Sustainable Development and Nomination Committee" on May 23, 2023 and was separated into two independent functional committees "Sustainable Development Committee" and "Nomination Committee" on June 11, 2024.

## Independence and Interest Recusal

In terms of the Board operation, KTB's Board of Directors carries through the promise of ethical management and has formulated the ["King's Town Bank Co., Ltd. Rules of Procedure for Board Meetings,"](#) which stipulates in Article 15 that, any motions at the board meetings that pose a conflict of interest with the Director himself/herself or the entity he/she is representing, the Directors shall recuse himself/herself from the discussion and voting on the matters, and he/she must not vote on other Directors' behalf, in accordance with the regulation or in a more rigorous approach. For the implementation status of the directors' recusal of proposal involved in conflicts of interest, please refer to [Page 23-25 of King's Town Bank Co., Ltd. 2024 Annual Report](#). Furthermore, for fulfilling the requirement of independence, the ["King's Town Bank Co., Ltd. Corporate Governance Best-Practice Principles"](#) states the number of seat, qualifications, tenure, functions, and responsibilities of Independent Directors, and explicitly stipulates that the number of independent directors shall not be less than two and shall not be less than 1/3 of total number of directors, and the term of independent directors shall not exceed 3 terms. In addition, KTB has formulated the ["Rules Governing the Scope of Powers of Independent Directors"](#) for independent directors to follow to perform their duties well and effectively enhance the operation of the Board of Directors and the Company's operational performance. For the details on the professional qualifications of directors and independence of independent directors, please refer to [Page 9 of King's Town Bank Co., Ltd. 2024 Annual Report](#).

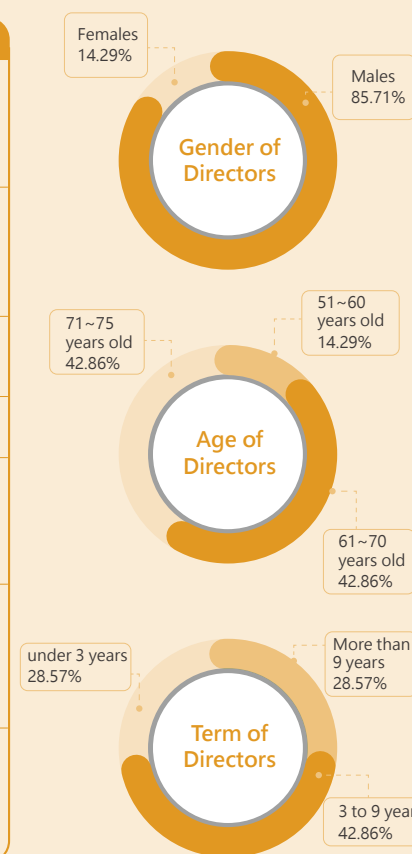
### Professional Background and Experiences of Director

Job Title/Name	Gender	Professional Qualifications and Experience Possessed
Chairman Chen-Chih Tai	Male	<ul style="list-style-type: none"> <li>He has more than five years of working experience required for commercial, legal, financial or banking business, and is specialized in risk management, investment decision-making, financial analysis and overall economic analysis. He was previously an executive director of Macoto Bank, and now acts as directors of many companies such as Taiwan Pulp &amp; Paper, Mentex, Taiga Development, and TPCC Vietnam simultaneously, and he has also been selected as the "Top 100 Taiwanese Business Leaders" according to Harvard Business Review for many times</li> <li>In addition to having relevant work experience in the banking industry, he possesses administrative, leadership, and corporate management capabilities, dedicated to enhancing the quality of the Board of Directors, corporate governance, and sustainable development decision-making of the Company</li> <li>【Industry Experience and Professional Expertise】 Business, Legal Affairs, Finance, Corporate Management, Sustainable Finance, ESG Sustainable Operations/Investment</li> </ul>
Vice Chairman Chiung-Ting Tsai	Male	<ul style="list-style-type: none"> <li>He has more than five years of professional background and experience in investment decision-making, financial analysis and product positioning, and is specialized in risk management, investment decision-making, financial and overall economic analysis in terms of professional ability and industry experience. He was previously Vice President of Vincera Capital, and now acts as directors of companies such as Hotel H2O, Jingzhan Hotel, Ethereal Capital and Ronald McDonald House Charities simultaneously</li> <li>Possesses the necessary work experience required in the banking industry, serves as a member of the Sustainable Development Committee and the Nomination Committee, and is dedicated to promoting and strengthening the company's sustainability policies</li> <li>【Industry Experience and Professional Expertise】 Investment, Finance, Market Analysis, Risk Management, Sustainable Finance, ESG Sustainable Operations/Investment</li> </ul>
Director Ching-Shun Ou	Male	<ul style="list-style-type: none"> <li>He has more than five years of practical working experience required for commercial, legal, financial or banking business, and has many years of practical and professional experience in construction and land development, etc. Currently serves as the Chairman of Baihong Construction Co., Ltd., the director of Wangfu Security Co., Ltd and the supervisor of Jincheng Construction Co</li> <li>【Industry Experience and Professional Expertise】 Business, Legal Affairs, Finance, Sustainable Finance, ESG Sustainable Operations</li> </ul>
Director Yi-Li Chuang	Female	<ul style="list-style-type: none"> <li>With over five years of experience in business, law, finance, or banking, and extensive experience in the field of education, currently serves as the Chairman of Hsinray Investment Co., Ltd</li> <li>【Industry Experience and Professional Expertise】 Business, Legal Affairs, Finance, Academic Education, Sustainable Finance</li> </ul>
Independent Directors Chuan-Fu Hou	Male	<ul style="list-style-type: none"> <li>He has more than five years of rich working experience in banking, credit business, financial and risk management, and is specialized in strategy and risk management and credit business. He was previously Chairman of Tainan Life Insurance Agency Co., Ltd., President of KTB, and Business Manager of The Dai-Ichi Kangyo Bank, Limited. Currently serves as the Chairman of Kuanlibao Construction Co., Ltd. and Libao Construction Co., Ltd. and the director of Hou Family Ancestral Shrine Foundation</li> <li>Possesses the necessary work experience required in the banking industry, serving as the convener of the Audit Committee, Remuneration Committee, Nomination Committee, and Sustainable Development Committee, assisting in the supervision of the company's quality of operations and the execution of corporate sustainable development.</li> <li>【Industry Experience and Professional Expertise】 Business, Finance, Risk Management, Sustainable Finance, ESG Sustainable Operations</li> </ul>
Independent Directors Chao-Long Chen	Male	<ul style="list-style-type: none"> <li>He has more than five years of working experience in international development, technological development, business management and crisis handling, and is mainly specialized in medical study, technological development and international development. Previously served as President of Kaohsiung Chang Gung Memorial Hospital and Professor at Chang Gung University. At present, he co-acts as Honorary President of Kaohsiung Chang Gung Memorial Hospital, Chairman of CHO PHARMA INC, Chairman of the Board of Directors of the Chao-Long Chen Foundation for Liver Transplantation and Director of Taiwan Bio-development Foundation. He has made academic contributions to liver for more than 40 years, and is known as "Father of Liver Transplant"</li> <li>Serves as the member of the Audit Committee, Remuneration Committee, Nomination Committee, and Sustainable Development Committee, assisting in the supervision of corporate governance and promoting the process of corporate sustainable development</li> <li>【Industry Experience and Professional Expertise】 Business, Healthcare, Corporate Governance, Inclusive Finance, ESG Sustainable Operations</li> </ul>
Independent Directors Ping-Sung Wu	Male	<ul style="list-style-type: none"> <li>He has accumulated more than five years of professional working experience in banking, marketing business and financial management, and has many years of practical experience in risk management, marketing business and financial affairs. He was previously Independent Director of YIHO International Co., Ltd., Director of Tang Eng Iron Works Co., Ltd and adjunct lecturer of Department of Finance at I-Shou University and Cheng Shiu University. He currently serves as independent director of Ample Electronic Technology Co., LTD. and associate professor of Department of Finance, National Kaohsiung University of Science and Technology</li> <li>Possesses the necessary work experience required in the banking industry, serving as the member of the Audit Committee, Remuneration Committee, Nomination Committee, and Sustainable Development Committee, assisting in the supervision of corporate governance and promoting the process of corporate sustainable development</li> <li>【Industry Experience and Professional Expertise】 Business, Financial Management, Sustainable Finance, ESG Sustainable Operations</li> </ul>

Note: Yi-Li Chuang was elected as a new director at the KTB shareholders' meeting on May 23, 2023.

## Diverse Board Members

To actively implement the Board of Directors' diversity policy, and give consideration to both specialty and gender balance, KTB states explicitly in the "King's Town Bank Co., Ltd. Corporate Governance Best-Practice Principles" and ["Procedures for the Election of Directors"](#) that constitution of Board members should take a diversity policy into consideration, i.e. their basic conditions (gender, age, nationality, etc.) and professional knowledge and skills (professional background, professional skills and industry experience, etc.) In addition, Article 29 of Corporate Governance Best-Practice Principles explicitly states that "there must be at least one director of each gender." All director candidates shall be nominated by the Nomination Committee by "Candidate Nomination System" in accordance with the Company Act, where, the Sustainable Development and Nomination Committee (separated into two independent functional committees "Sustainable Development Committee" and "Nomination Committee" on June 11, 2024) shall take development strategy of the company and overall functional configuration of the Board of Directors into account, and then submit to the Board of Shareholders for appointment after being passed upon resolution of the Board of Directors. The current Board of Directors of the Company consists of 7 members, including 1 female and 6 male members, all of whom possess extensive academic and professional backgrounds, contributing diverse perspectives to KTB. This diversity further promotes the sustainable development of our enterprise. Implementation of diversity of KTB's Board members is as follows



## Continuing Education and Performance Evaluation of the Board of Directors

All the KTB directors complete their continuing education in accordance with the "King's Town Bank Co., Ltd. Directions for the Implementation of Continuing Education for Directors" every year. In 2024, the average duration of training for KTB's Directors was 6.28 hours, meeting the 6 hours as recommended by regulations. The courses include "The principles of fair treatment of customers and corporate integrity management," "The latest development trend of international carbon tariff and the sustainable management strategy of securities and finance industry," "Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance (Including Financial Friendliness and CRPD)," "Examining the Benefits of Sustainable Development Goals (SDGs) and ESG Investments from the Perspective of Capital Markets" and so on, and the contents cover corporate governance, regulatory compliance, anti-money laundering, sustainable development, climate-related and other latest topics, so as to enhance their professionalism, enhance operation decision-making as well as risk governance function of the Board of Directors by arranging diversified courses.

In addition, KTB has formulated the "[King's Town Bank Regulations on the Board and the Functional Committee Performance Evaluation](#)." The Nomination Committee carries out annual performance evaluation on the Board and functional committees. The overall performance evaluations of the Board and the functional committees, and the self-evaluation by the Board members are carried out in the first quarter of every year, and the evaluation results are compiled by the Board's meeting organization unit. In addition to review of operation performance, the evaluation contents also cover non-financial projects, such as: improvement of corporate governance, diversity and professionalism of Board members, review of risk management system, effectiveness of implementation of sustainable development and other economic, environmental and population impact projects, and report the result to the Board of Directors, to serve as reference for remuneration and successor nomination of individual director. In 2024, performances of the Board of Directors and all functional committees were all evaluated as "Excellent," and the report to Nomination Committee and Board of Directors was made on February 24, 2025. For detailed evaluation contents, please refer to "[Results of the Functional Committee Performance Evaluation](#)."

Moreover, the "[King's Town Bank Regulations on the Board and the Functional Committee Performance Evaluation](#)" stipulates that the Board performance evaluation shall be conducted by an external professional independent institution or an external professional scholar team every three years. KTB has appointed "Ernst & Young Corporate Management Consulting Services Limited" to carry out the 2024 external board performance evaluation in 2025. According to a comprehensive assessment conducted by Ernst & Young, the Bank achieved a comprehensive performance level of "Advanced" in the areas of board structure and members, while processes and information were rated as "Benchmark." The evaluation summary is as follows:

- KTB has established functional committees including the Audit Committee, Remuneration Committee, Nomination Committee, and Sustainable Development Committee. The members of the Board of Directors shall possess the necessary knowledge, skills, and competencies required to perform their duties, enabling them to fully utilize their professional expertise and skills.
- The company has established regulations related to corporate governance, including the "Corporate Governance Best-Practice Principles" and the "Ethical Corporate Management Best Practice Principles." Most directors have a clear understanding of the industry to which the Company belongs, and have effectively assessed and monitored the various existing or potential risks faced by the Company. They have also discussed the implementation and tracking of the internal control system. The internal relationships and operational aspects received positive evaluations, indicating that the board members generally agree that the interaction between the Board of Directors and the management team is good, and there is also effective communication among the directors.
- It is recommended that the company establish a talent pool for board members through multiple channels to enhance the diversity of board members and enrich the backgrounds of the Board of Directors.

Other relevant information is disclosed on KTB's official website "[External Performance Evaluation results of the Board of Directors](#)." The next external performance evaluation is scheduled for the first quarter of 2028.





## Remuneration Policy

### (1) Director

Remuneration of KTB directors follows stipulations in Article 33 of the Articles of Association: "in case KTB makes profit in the current year, provision for director remuneration not higher than 2% of such profit shall be made, however, if KTB still has accumulated loss, the make-up amount shall be reserved from such profit first." No director remuneration has been provided in recent two years.

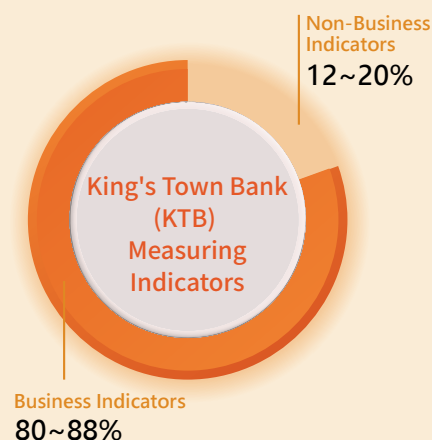
In addition, it is provided in Article 25(1) of the Articles of Association that: "remuneration of the directors shall be determined by the Board of Directors by reference to the level of related peers and listed companies." Remuneration of KTB directors is paid by reference to peer level, individual performance of the directors, operational performance of the Company and "Evaluation Results of the Performance of the Board of Directors." In addition, in accordance with Article 5 of "Specification for Scope of Responsibility of Independent Directors," and considering that responsibility and commitment time of independent directors are different from general directors, therefore, reasonable remuneration different from that of general directors is made for independent directors. In addition to fixed remuneration every month, the independent directors do not acquire additional remuneration to directors as stipulated in the Articles of Association, and the business execution expense is determined by reference to the standard for general directors. For remuneration to directors, please refer to ["Page 18 of King's Town Bank Co., Ltd. 2024 Annual Report."](#) Relevant performance evaluation and remuneration rationality are examined by the Remuneration Committee and the Board of Directors.

### (2) President, Senior Vice President, Chief Auditor, Managerial Officers, and Employee

Performance evaluation and remuneration system regarding the President, Senior Vice President, Chief Auditor, Managerial Officers, and Employee of the Company are handled respectively in accordance with "Regulations on the Annual Employee Performance Evaluation," "Regulations on the Employee Benefit Payment" and "Regulations on the Distribution of Annual Bonus" passed by the Board of Directors. Each year, the Remuneration Committee discusses the compensation and benefits of the Company's senior executives at the Remuneration Committee meeting and submits them to the Board of Directors for approval. The bonus component is linked to the performance assessment of the Company's units.

The content of unit performance evaluation is divided into business indicators and non-business indicators, accounting for 80% to 88% and 12% to 20%, respectively. The business indicator items include financial profitability indicators, operational indicators, strategic development indicators, and sustainable development implementation indicators. The content and weight of each indicator are determined according to the responsibilities of each unit. It is stipulated that the weight of the assessment of the implementation of sustainable development in the overall unit of the Bank shall not be less than 5%. This is to integrate the resources of the entire Bank, formulate a unified sustainable development strategy, strengthen the Company's commitment to sustainable development goals, and achieve sustainable development goals. Non-business indicators include regulatory compliance, internal audit and internal controls. While taking into account individual performance, responsibilities and contributions, appropriate compensation is provided so that pay is highly correlated with the Company's operational performance.

### ♦ Measuring Indicators, Weight and Connotation of Performance Goals



Type	Indicator Item	Weight Proportion	Explanation
Business Indicators	Financial Indicators	20~40%	The financial performance of the company and its comparison to industry standards: net income, pre-tax profit and loss, ROA, ROE, EPS and so on
	Business Indicators	20~40%	Based on short, medium, and long-term operational strategies, future development goals are planned, including: risk tolerance, asset quality management, improvement rate of defects from financial examination, adequacy rate of system equipment, and anti-money laundering risk mechanisms, etc
	Strategy Development Indicators	20~40%	Actively monitor the development of business trends, such as: achievement rate of system/process optimization, promoting a variety of digital financial products, and improving the quality of financial services and Fintech development and transformation
	ESG Sustainable Performance Development	5~15%	Strengthening our commitment to sustainable development goals, we are dedicated to implementing key sustainable development initiatives, including: emphasizing ethical corporate management, ensuring fair treatment of customers, promoting environment sustainability, identifying climate risks and opportunities, investing in human capital development, prioritizing human rights issues, and ESG key targets
Non-Business Indicators		12~20%	Regulatory compliance, internal audit and internal control, inter-unit feedback or special contributions



## 3.1.1 Ethical Corporate Management

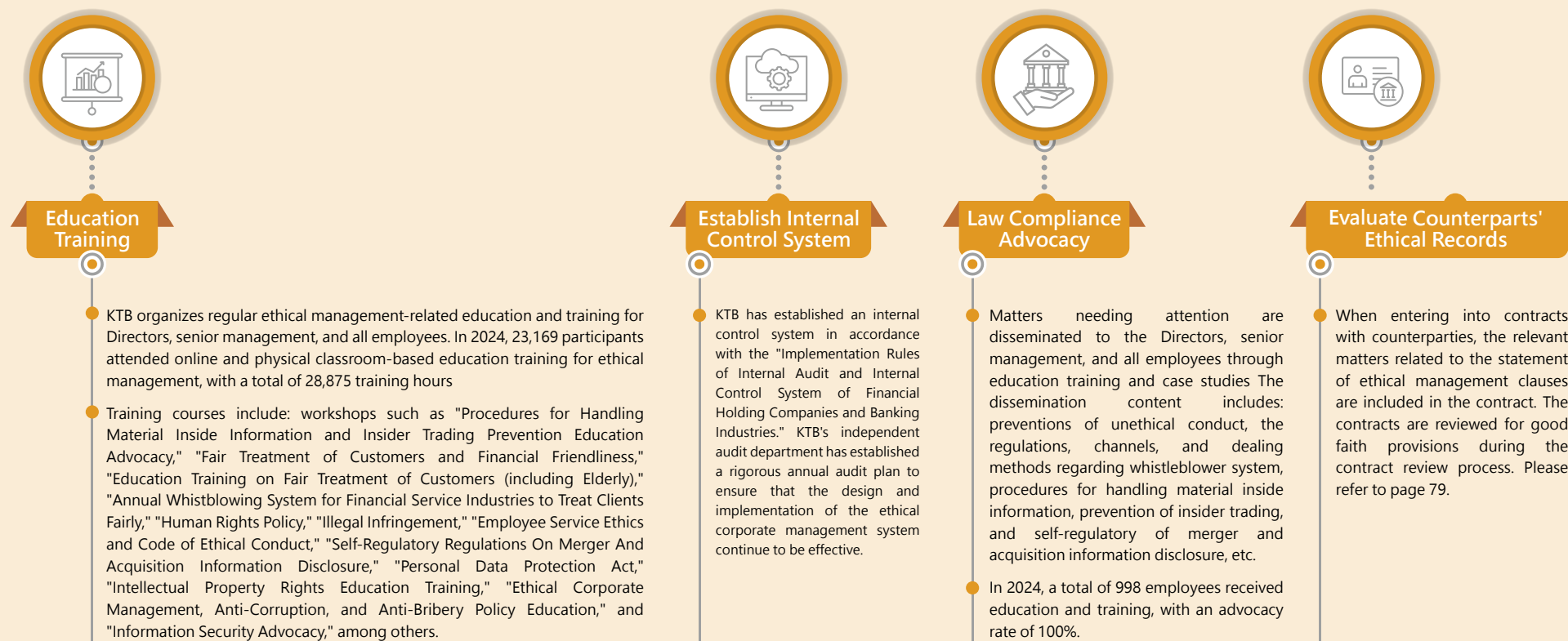
King's Town Bank regards ethical corporate management as the foundation of its business operations. The Company is committed to conducting all business activities with fairness, honesty, trustworthiness, and transparency. Guided by the principles of value creation, fair treatment of customers, and sincere care, we strive to implement integrity in our operations. To uphold strict ethical standards, adhere to the rule of law, and actively prevent dishonest behavior and corruption, King's Town Bank has designated the Sustainable Development Committee as the dedicated unit for integrity management. This committee assists in integrating integrity and ethical values into the Company's business strategies and collaborates with legal systems to establish measures that ensure integrity in operations. Moreover, every year, the Administration Management Department performs an unethical conduct risk assessment on all operating sites and identifies major unethical conduct risks. The Department then reports the unethical conduct risk assessment results, ethical management policy and the results of supervision to the Board of Directors. According to the risk evaluation in 2024, no significant risk of dishonesty has been identified in the Company, nor has any director or employee involved in ethical conduct.

Ensure all KTB directors, senior managerial officers, and employees are committed to exercising due diligence in business operations to prevent dishonest conduct and signed the "Ethical Conduct Statement," and have disclosed their "Ethical Corporate Management, Anti-Corruption, and Anti-Bribery Policy and Commitment" on the official website of King's Town Bank to exhibit KTB's zero-tolerance attitude and action against corruption and bribery. The Company also links employee ethics with their performance and remuneration, and has established an explicit reward and punishment system. For implementing ethical corporate management, KTB has formulated the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Fair Treatment of Customers Policy and Strategies," etc. The content summary for each principle is as follows:

### Summary of the KTB's Ethical Corporate Management Rules

Policy Objectives (e.g., Regulatory Items)	
<b>Ethical Corporate Management Best Practice Principles</b> <b>Target</b> The Company's Directors, managers, employees, appointees or anyone who has substantial control over the management	<ul style="list-style-type: none"> <li>To establish a corporate culture of integrity and sound development at King's Town Bank Co., Ltd., this Code is formulated with reference to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies jointly established by the Taiwan Stock Exchange Corporation and the Taipei Exchange</li> <li>The Bank should establish an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope. Based on this, prevention programs are formulated and their appropriateness and effectiveness are regularly reviewed</li> <li>The Company shall establish a policy to prevent conflicts of interest, which will be used to identify, monitor, and manage the risks of unethical conduct that may arise from conflicts of interest. Additionally, it shall provide appropriate channels for directors, managers, and other stakeholders attending or participating in the Board of Directors to proactively explain any potential conflicts of interest with the Company</li> <li>The Company shall establish a dedicated unit under the Board of Directors to ensure sound ethical corporate management. This unit will be allocated sufficient resources and staffed with qualified personnel, responsible for the formulation and supervision of the implementation of ethical corporate management policies and preventive measures. Additionally, it shall report to the Board of Directors at least once a year</li> </ul>
<b>Procedures for Ethical Management and Guidelines for Conduct</b> <b>Target</b> The Company's subsidiaries, foundations with cumulative direct or indirect donations exceeding fifty percent, and other group enterprises and organizations with substantial control	<ul style="list-style-type: none"> <li>The Company engages in business activities based on the principles of fairness, honesty, integrity, and transparency. In order to implement its ethical management policy and actively prevent unethical conduct, the Company has established this operating procedure and guidelines for conduct in accordance with the Company's Ethical Corporate Management Best Practice Principles and relevant laws and regulations applicable to the locations of the Company, its group enterprises and organizations. These guidelines specifically outline the matters that the Company's personnel should pay attention to when carrying out their duties</li> <li>The Company designates the Sustainable Development Committee as the dedicated unit, which is subordinate to the Board of Directors and is provided with sufficient resources and qualified personnel. The Committee is tasked with the revision, execution, interpretation, consultation services, and registration and documentation of the reporting contents related to these operating procedures and guidelines for conduct and supervision of the implementation. Additionally, the Committee shall report to the Board of Directors regularly (at least once a year)</li> </ul>
<b>Codes of Ethical Conduct</b> <b>Target</b> The Directors and Managers of the Company (including the President and those of equivalent rank, Senior Vice President and those of equivalent rank, Assistant Vice President and those of equivalent rank, Manager of the Treasury Department, Manager of the Accounting Department, and other individuals with authority to manage the company affairs and sign documents)	<ul style="list-style-type: none"> <li>To assist the Directors and Managers of the Company (including the President and those of equivalent rank, Senior Vice President and those of equivalent rank, Assistant Vice President and those of equivalent rank, Manager of the Treasury Department, Manager of the Accounting Department, and other individuals with authority to manage the company affairs and sign documents) to act in line with the ethical standards, and to facilitate the stakeholders' understanding of company's ethical standards, these guidelines are established based on the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the Taiwan Stock Exchange Corporation, for compliance</li> </ul>
<b>Ethical Corporate Management, Anti-Corruption, and Anti-Bribery Policy and Commitment</b> <b>Target</b> The Director of the Company, its subsidiaries and sub-subsidiaries including independent directors, supervisors, managers, employees, and appointees	<ul style="list-style-type: none"> <li>KTB places a strong emphasis on integrity and anti-corruption efforts. In all business dealings with subsidiaries and third parties, KTB conducts thorough assessments of the legality of the counterparties involved. It ensures a comprehensive understanding of their commitment to ethical management and compliance with corporate social responsibility policies. KTB explicitly rejects any direct or indirect provision, commitment, request, or acceptance of any form or guise of improper benefits. Contracts explicitly include clauses mandating adherence to integrity and corporate social responsibility principles</li> <li>All Directors, agents, contractors, suppliers, and related persons shall comply with all policies, laws, regulations, rules, and procedures regarding anti-bribery, anti-corruption and improper benefits when representing KTB or providing services for KTB</li> </ul>
<b>Anti-Corruption and Anti-Bribery Policy</b> <b>Target</b> The Company, its subsidiaries and sub-subsidiaries	<ul style="list-style-type: none"> <li>When conducting business transactions with others, King's Town Bank strictly adheres to high standards of integrity and maintains a zero-tolerance policy towards corruption and bribery. To promote Ethical Corporate Management and proactively prevent dishonest behavior, this policy has been established to provide clear guidelines for combating corruption and bribery.</li> <li>The Company acknowledges and complies with all international conventions, laws, and regulations against bribery and corruption. This includes the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, and other applicable laws and regulations that govern the business conduct of listed and over-the-counter companies</li> </ul>
<b>Regulations on the Implementation of the Whistleblower System</b> <b>Target</b> All Employees	<ul style="list-style-type: none"> <li>To establish a culture of integrity and transparency within the enterprise and to promote sound business operations, this regulation is formulated in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," "Corporate Governance Best Practices Principles for Banking Industry," and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"</li> </ul>
<b>The Policy and Strategy of the Bank's Fair Customer Treatment Principle</b> <b>Target</b> Business Management Unit	<ul style="list-style-type: none"> <li>This policy and strategy are established based on the "Principle for Financial Service Industries to Treat Clients Fairly" issued by the Financial Supervisory Commission(FSC)</li> <li>Establish a corporate culture that emphasizes the protection of financial consumers, enhancing the Company's employees' awareness of and compliance with relevant financial consumer protection regulations. The Company adopts the "Principle of Fair Treatment of Customers" as the core of its corporate culture, becoming a value system and code of conduct that is collectively adhered to by the entire company</li> <li>The Company adopts the following 10 principles as the highest guiding principles of the "Principle of Fair Treatment of Customers," and is committed to implementing them in all aspects of customer transactions, including design, advertising, sales, contract fulfillment, service consultation, and customer complaint handling, ensuring fair treatment of customers throughout the process while complying with financial consumer protection regulations</li> </ul>

## Implementation Status of Ethical Corporate Management



## Political Contributions

KTB has explicitly stipulated the handling procedures for political contributions and charitable donations or sponsorships in the "Procedures for Ethical Management and Guidelines for Conduct" that donations or public sponsorships shall comply with national laws and regulations for the ethical corporate management, Codes of Ethical Conduct and Political Donations Act. The Company's donations involving political/policy influence in the most recent three years are shown in the table on the right:

Unit: NT\$

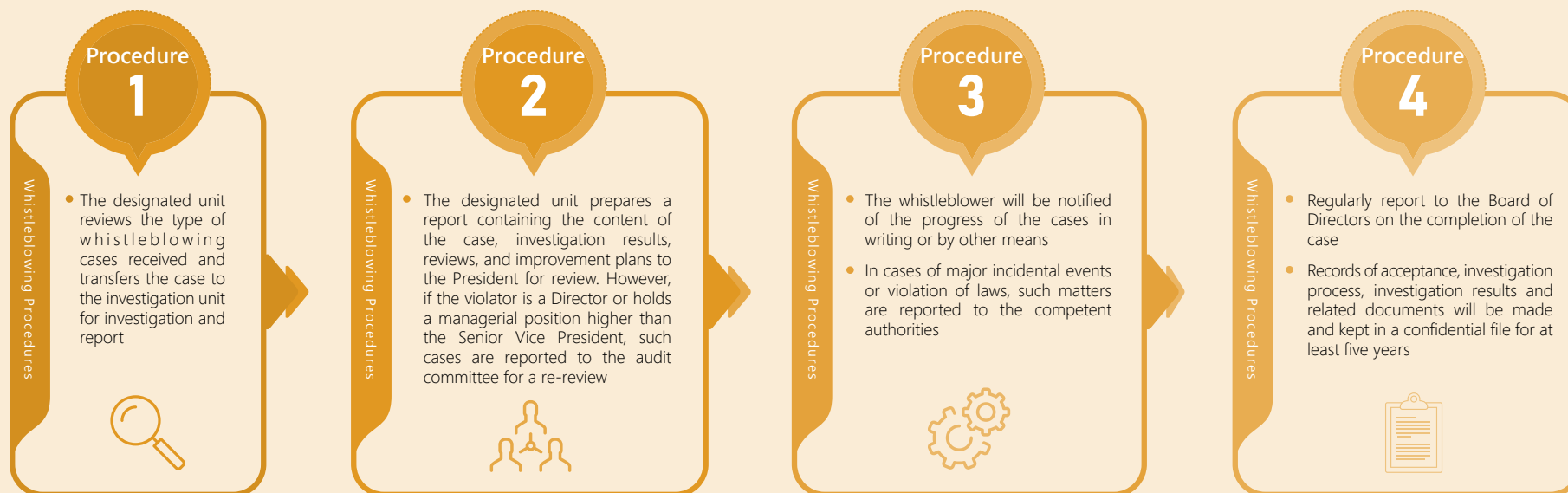
	2022	2023	2024
Policy Lobbyists/Organizations and Interest Groups	0	0	0
Political Organizations and Candidates	0	0	0
Industry/Trade Associations and Think Tanks That Influence Legislation	0	0	0
Others, Such As: Election Bills and Referendum-Related Expenses	0	0	0
Total	0	0	0
Coverage <sup>Note</sup>	100%	100%	100%

Note : 66 domestic business locations and 3 subsidiaries, which are King's Town International Leasing Co., Ltd., King's Town Securities Co., Ltd., and King's Town Bank International Construction Management Co., Ltd.

## Whistleblowing System and Whistleblower Protection Measures

To establish an ethical and transparent corporate culture, and to promote robust business, KTB has formulated the "[Regulations on the Implementation of the Whistleblower System](#)," after review and approval from the Board of Directors. The Regulations stipulate that the "Compliance Department" is the designated unit for KTB's whistleblowing system. The head of the Compliance Department of the headquarters is responsible for the acceptance, allocation, reply, follow-up, improvement, records, and keeping of reports, etc. KTB has established email and hotline to receive whistleblowing cases and has disclosed them on the Company's official website "[Stakeholders Communication Channels](#)" and the Intranet for internal colleagues and external personnel. Anonymous reporting is enabled to actively prevent unethical conduct, fraud and criminal behavior.

### ◆ Whistleblowing Procedures:



### ◆ Whistleblower Protection Measures

KTB shall keep the process of the whistleblowing cases confidential. The personnel involved in the handling and investigation of a case shall declare in writing to keep the identity of the informant and the content of the report confidential, and related documents shall be kept in the confidential files for at least five years. Where the whistleblower is an internal personnel, KTB undertakes measures to protect the internal whistleblower from improper treatment or dismissal, discharge, demotion, reduction in salary, impairment of their rights under the law, contract, or custom, or other adverse action as a result of the whistleblowing.

### ◆ Number of Cases Received in 2024 and Description of Handling

The Company has received a total of 0 case through the whistleblowing channel. In case of receiving a case through the whistleblowing channel, we will find whether it has evidence for violation or not and make it reported. During the process of handling, we pay attention to confidentiality to safeguard the rights and interests of the whistleblowers.

Number of Cases Received Through Whistleblowing Channel	2022	2023	2024
Named Whistleblowing	0	0	0
Anonymous Whistleblowing	0	0	0

[Stakeholders  
Communication  
Channels](#)



[Stakeholders  
Questionnaire](#)



## 3.2 Regulatory Compliance

KTB lays great emphasis on the rule of law, pays close attention to the financial laws and regulations, and ethical rules newly issued by the competent authorities. KTB strictly abides by relevant regulations when expanding its business. Relevant action plans and results are as follows:



### Material and Other Violated Items and Improvement Measures

- In 2024, KTB did not receive any significant penalties from competent authorities. <sup>Note</sup>
- No penalties were imposed in 2023; other violated items and improvement measures for 2024 are shown in the table below.

Types of Event	Number	Description of Event	Consequences of the Event	Improvement Project
Violation of Labor Laws	2	Due to negligence in operations, the declared insured salary and the contributions to the labor retirement fund were not accurately reported in accordance with regulations	The penalty amount is NT\$25,000	The system has been modified to include additional control measures to prevent recurrence of similar incidents

Note : The so-called "material punishment" refers to the punishment cases and disposal measures ought to be published by the Financial Supervisory Commission as in conformance to Article 2 of the "Measures of the Financial Supervisory Commission for Public Announcement of Its Material Punishment Measures for Violation of Financial Laws and Regulations."

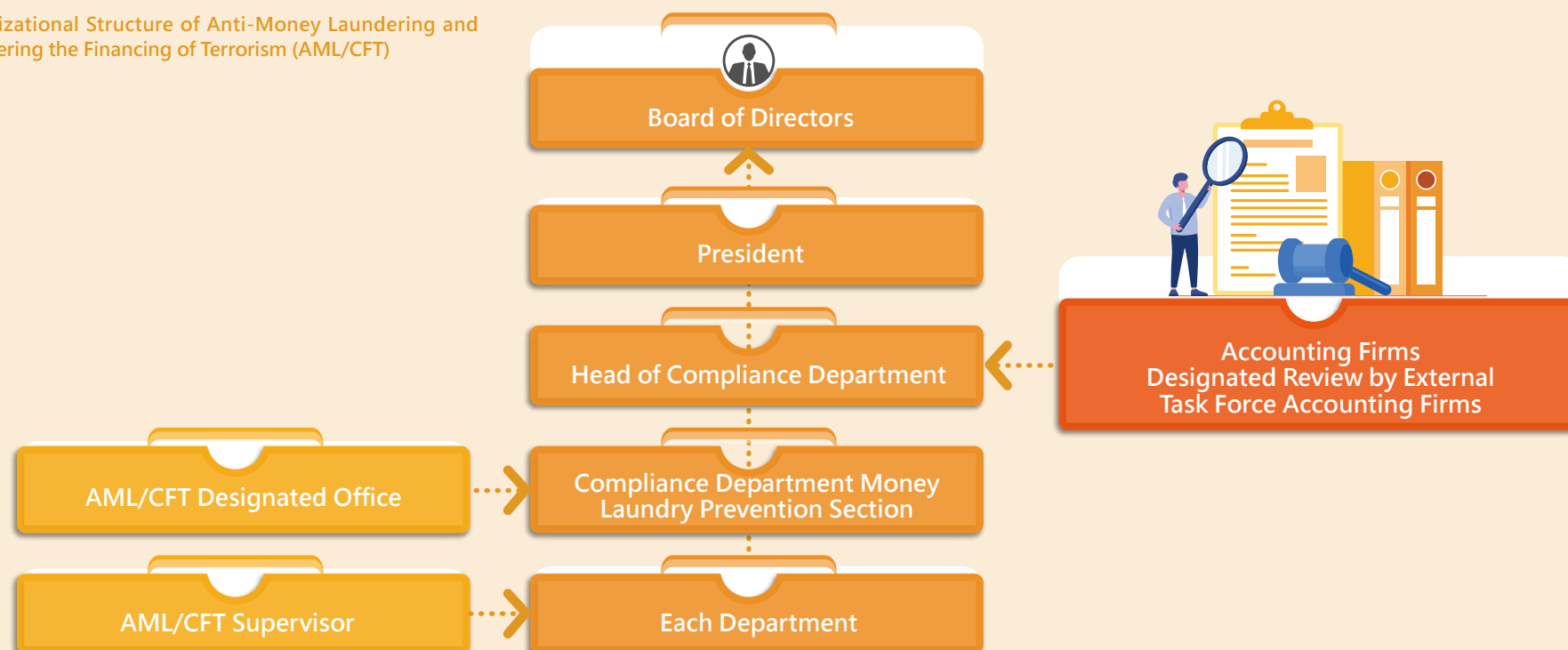
## 3.2.1 Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

### Management Policy

As the world is paying more and more attention to the prevention of money laundering. As criminals often use financial institutions to transfer illegal proceeds, financial institutions play an important role as the front-line gatekeeper in the money laundering process. To effectively implement and strengthen anti-money laundering and counter-terrorism financing control mechanisms, the Company strictly follows international standards by establishing relevant policies and procedures. Through annual institutional risk assessments and improve education training, the Company continuously enhance its prevention capabilities. To further strengthen the overall anti-money laundering and counter-terrorism financing mechanisms of the group, the "King's Town Bank Anti-Money Laundering and Countering Terrorism Financing Policy" has been established, which has been approved by the Board of Directors and serves as the basis for compliance by the Company and its subsidiaries. We formulate relevant risk prevention plans, regulations, or templates in accordance with the competent authorities or industry associations of the respective industry sectors. Additionally, we establish identification, assessment, and management plans for money laundering and counter-terrorism financing risks, implement comprehensive control measures, and review and revise them in a timely manner.

The Company shall allocate adequate dedicated personnel and resources for AML/CFT based on its scale and risk. The Board of Directors shall appoint one senior manager to serve as the designated officer, granting them sufficient authority to coordinate and supervise AML/CFT. Furthermore, it shall ensure that such personnel and the manager do not hold any concurrent positions that present a conflict of interest with their AML/CFT responsibilities. The designated manager shall report to the Board of Directors and the Audit Committee at least semi-annually. In the event of any significant violations of laws and regulations, an immediate report shall be made to the Board of Directors and the Audit Committee.

#### ♦ Organizational Structure of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)



Note: AML stands for Anti-Money Laundering, which is translated as Anti-Money Laundering (AML); CFT stands for Combating the Financing of Terrorism, translated as countering the financing of terrorism(CFT).

## Contents of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Control Regulations

The Company's contents of control regulations/mechanisms for AML/CFT include, but are not limited to, the following:

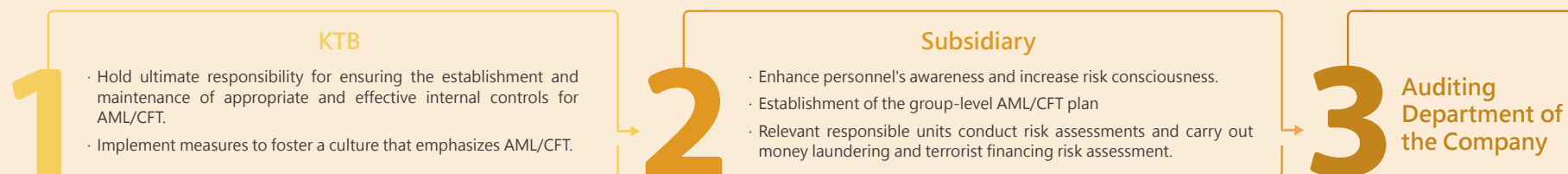
Control Mechanisms	Description of Implementation
Supervisors Are Set Up in Each Department	<ul style="list-style-type: none"> <li>Supervise the implementation of AML/CFT-related matters in their department</li> <li>Supervision included reviewing 203,673 accounts and transaction monitoring operations; 44,260 cases of periodic reviews were conducted for high-risk, moderate-risk, and low-risk customers for money laundering prevention purposes</li> </ul>
Set Up Designated Office	<ul style="list-style-type: none"> <li>The Compliance Department is the designated office responsible for matters regarding AML/CFT</li> <li>The "Money Laundry Prevention Section" is set up under the Compliance Department, responsible for supervising the identification and evaluation of money laundering and terrorism financing, as well as the planning and implementing policies and procedures</li> </ul>
Entrust Certified Public Accountants (CPAs) to Carry out Special Reviews	<ul style="list-style-type: none"> <li>In 2025, KTB entrusted the external independent firm Ernst &amp; Young Global Limited to carry out reviews on the "2024 Anti-Money Laundering and Countering the Financing of Terrorism Internal Mechanism Audit Project," which did not reveal any findings or recommendations, and an auditor's assurance report has been issued</li> </ul>
AML/CFT Risk Assessment	<ul style="list-style-type: none"> <li>AML/CFT risk assessments are carried out every year, and the assessment results are submitted to the Board of Directors</li> <li>Strengthen risk precaution and adjust control measures based on the assessment results</li> </ul>
Employee education and training	<ul style="list-style-type: none"> <li>Establish prudent and appropriate employee selection and appointment procedures</li> <li>In accordance with relevant regulations and based on business needs, relevant training courses on anti-money laundering regulations and the legal responsibilities of financial professional are arranged</li> </ul>

Based on the Company's scale, risks, and other factors, appropriate personnel and resources for AML/CFT are allocated.			Supervise the implementation of the Company's anti-money laundering and counter-terrorism financing operations		
Customer Identity Verification and Due Diligence	Verification of Names of Customer and Transaction Counterparty	Continuous Monitoring of Accounts and Transactions	Record Preservation	Transaction Reporting	Risk Assessment and Measures for Money Laundering and Terrorist Financing Risks by Country or Region
<ul style="list-style-type: none"> <li>✓ Conduct a review of the information on existing customer identity based on the level of importance and risk. Regularly assess whether the information obtained for identifying customers and beneficial owners, particularly for high-risk customers, is sufficient, and ensure that the information is updated</li> <li>✓ If a customer is found to be involved in suspected money laundering or terrorist financing transactions, or if there is suspicion that a customer or transaction may be related to money laundering or terrorist financing, or if the customer's transaction or account activity shows significant changes inconsistent with the customer's business characteristics, the customer's identity should be reconfirmed.</li> <li>✓ Conduct a detailed examination of transactions within the business relationship with the customers to understand the purpose and nature of the relationship</li> </ul>	<ul style="list-style-type: none"> <li>✓ Conduct name and title verification for customers, senior management of the customers, beneficial owners, and parties related to transactions</li> <li>✓ Confirm whether the customers, the senior management of the customers, and the beneficial owner are politically exposed persons, individuals or entities subject to economic sanctions, terrorists or groups identified by foreign governments or international anti-money laundering organizations, as well as individuals, legal entities, or groups designated for sanctions under the Counter-Terrorism Financing Act</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establishing account and transaction monitoring policies and procedures should at a minimum include complete types of monitoring, parameter settings, monetary thresholds, alert cases, implementation procedures for monitoring operations, review procedures for monitoring cases, and reporting standards. Additionally, information systems should be utilized to assist in identifying suspected money laundering or terrorist financing transactions</li> <li>✓ If a customer, their funds, or transactions of assets are found or reasonably suspected to be involved in money laundering or terrorist financing, the customer's identity should be reviewed, transaction records and supporting documents should be retained, and should be reported as suspicious transactions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Preserve all records obtained for customer identity verification, as well as documentation of dealings and transactions with customers</li> <li>✓ Retain supporting documentation and records related to cash transactions exceeding a specified amount, as well as those related to suspected money laundering or terrorist financing transactions, for a minimum of five years</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reporting of cash transactions exceeding a certain amount</li> <li>✓ Reports of suspected money laundering or terrorist financing transactions shall be kept confidential in accordance with regulations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establish a mechanism for assessing money laundering and terrorist financing risks by country or region. The assessment items include, but are not limited to, countries or regions having significant deficiencies in AML/CFT announced by the international anti-money laundering organization and forwarded by the Financial Supervisory Commission, as well as other countries or regions that have not complied or insufficiently complied with the suggestions of the international anti-money laundering organization</li> </ul>



## Three Defensive Lines of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

The Company is committed to fostering a compliance mindset and core cultural values regarding AML/CFT, ensuring that all employees understand their responsibilities in AML/CFT. At the same time, we implement internal control operations as the first line of defense, supervisory mechanisms as the second line of defense, and independent supervision as the third line of defense, thereby building the most robust and reliable AML/CFT protection network.



## Relevant Regulations on AML/CFT

To ensure the effective implementation of Anti-Money Laundering and Countering the Financing of Terrorism, KTB has established various regulations approved by the Board of Directors, including the "King's Town Bank Anti-Money Laundering and Countering Terrorism Financing Policy," "King's Town Bank Directions Governing Anti-Money Laundering and Countering-Terrorism Financing," and "King's Town Bank Anti-Money Laundering and Countering Terrorism Financing Risk Identification and Assessment Procedure." Each subsidiary follows internal regulations based on industry regulatory requirements and guidelines provided by regulatory authorities and associations relevant to their respective business sectors. Such regulations set out the implementation procedures, contents include the procedures for identification and verification of customers with documents from reliable and independent sources, identification of beneficial owner, face-to-face and non-face-to-face customer due diligence (CDD), anti-terrorism list review, monitoring and regular review of the list of politically exposed persons (PEPs), participation in the review of customers with high money laundering risk and terrorism financing risk by senior management, etc.

### ♦ AML/CFT Management Procedures



## Risk Management

To comprehensively eliminate illegal transactions related to AML/CFT, the Company has established the "King's Town Bank Anti-Money Laundering and Countering Terrorism Financing Risk Identification and Assessment Procedure" approved by the Board of Directors, in accordance with the "Regulations Governing Anti-Money Laundering of Financial Institutions," the "Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission," the "Template of AML/CFT Guidelines for Banks," and the "Guidance for Banks to Assess AML/CFT Risks and Establish Related Prevention Plans" stipulated by the Bankers Association of the Republic of China. The content includes conducting regular assessments of AML/CFT risks, and prepare risk reports to enable management to understand the Company's overall AML/CFT risk response measures in a timely and effective manner. It also includes reassessing threats of emerging risks and significant events in operations management, as well as analyzing and establishing customer risk factors, levels, and rules of risk grading.

### Internal Audit

1. The Auditing Department regularly conducts internal audit operations for the AML/CFT Program to supervise the implementation of the management mechanisms for AML/CFT, as well as to ensure the effectiveness and compliance of the program's execution. In 2024, the audit revealed that there were no significant deficiencies in the compliance management of the AML/CFT mechanisms and related regulations. This includes the effective operation of management mechanisms for the identification, measurement, and monitoring of money laundering and terrorism financing risks
2. The implementation status of the Money Laundering Prevention Section conducting sampling inspections across various units on a half year basis. Identified deficiencies are formally addressed by providing the correct regulations, and education and training is conducted for all employees

### External Audit

1. The competent authority conducts regular general financial inspections or irregular inspections for anti-money laundering and counter-terrorism financing/proliferation financing projects
2. In accordance with the regulations set forth by the competent authority, a certified public accountant is commissioned to conduct a special audit on personal data protection and AML/CFT mechanisms. The auditor is required to submit the special audit report for the previous fiscal year to the competent authority for record-keeping by the end of April each year

The President shall supervise each unit to carefully assess and review the implementation of the internal control system for AML/CFT. A joint statement of the internal control system for AML/CFT shall be issued by the Chairman, the President, Chief Auditor, and the designated manager for AML/CFT, and submitted to the Board of Directors for approval. Within three months after the end of each fiscal year, the contents of the internal control system declaration shall be disclosed on the Company's website and announced on the website designated by the Financial Supervisory Commission. Each year, external CPAs are engaged annually to conduct assurance and audit on AML/CFT, in order to verify relevant design of procedures and effectiveness of the implementation.

## Regulatory compliance response plan

### Information Sharing

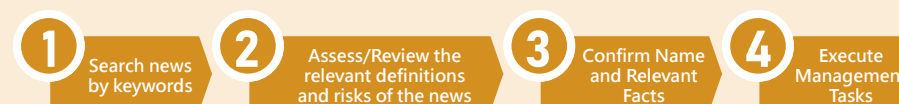
In compliance with the data confidentiality regulations where the Company and its subsidiaries operate, and for the purposes of preventing AML/CFT, the Company and its subsidiaries may share information with each other; however, they must maintain the confidentiality of the exchanged information and implement appropriate security measures.

### Digital System and Database for Regulatory Compliance and Anti-Money Laundering

The Company establishes and maintains the AML/CFT database in accordance with relevant information security regulations of the Company. The database primarily covers the following information:

1. When establishing a business relationship or conducting transactions with a customer, the Company must verify whether the customer, the senior management of the customers, beneficial owners, or other related parties are individuals, legal entities, or groups designated for sanctions under the Counter-Terrorism Financing Act, or are persons currently or formerly politically exposed persons in domestic or foreign governments or international organizations as defined under the Money Laundering Control Act.
2. The Accuity system is utilized to conduct verification operations through the "Customer Name Verification System" (LexisNexis-Accuity C-LINK). This system performs checks on the names of customers and related transaction parties. Information on Politically Exposed Persons (PEPs) and individuals associated with negative news, which has been collected but not published in the C-LINK list, is submitted to the manager of the Compliance Department for approval. Upon approval, the Compliance Department either processes the request independently or fills out a computer operation request form to seek assistance from the IT Department to update the list to the C-LINK system. Once completed, the Compliance Department reviews the integrity and accuracy of the data to enhance the completeness of the database.
3. Utilizing keyword to search for relevant negative news and examining whether it meets the relevant definitions. If matching negative news is found: in addition to retaining the search records, it should be confirmed whether the individuals involved in the negative news have business dealings with the Company, and information on relevant transactions should be reviewed to determine if there is a need to report suspicious transactions to the Ministry of Justice Investigation Bureau. Customer risk identification should be re-evaluated, and customer risk levels should be adjusted in a timely manner.
4. Establish a regulatory compliance platform to integrate relevant customer information for the purpose of querying, reviewing, or assessing the effectiveness of the Company's implementation.

### ◆ Optimized Negative News Screening Process



## 3.3 Risk Management

When developing its businesses, KTB prevents or mitigates damages that may be caused by risks through identification, balance, supervision, and management, so as to achieve reasonable risk pricing, to attain the balance between risk and performance. The implementation status of KTB risk management in 2024 is as follows:



The head of the Risk Management Department regularly reports to the Board of Directors on the "Risk Control Report" to fully disclose all risk exposures of KTB. The content of the report includes risk assessment, supervision, control, and execution. Total of 4 reports for the year



Convene Risk Management Committee meetings to review all implementation and management of risk controls, and to revise relevant regulations. Total of 12 meetings for the year



The Risk Management Department is responsible for supervising all departments to carry out the "Risk Control Self-Assessment," and based on the quantitative data of the result, formulate qualitative risk evaluation, summarize risk exposures of each category of event, and propose appropriate improvement procedures. Total of 4 assessments for the year. Self-assessments in 2024 were all in compliance with regulations

## Shaping the Risk Culture of KTB

Risk culture refers to an organized culture in which risk events or potential risks are managed through rigorous pre-incident controls and reporting procedures, proactive reporting by employees during the incident, and thorough investigation, improvement, and feedback following such events.

### Satisfaction with Risk Culture

- An annual employee engagement survey is conducted to assess the overall satisfaction of all employees regarding the company's "risk culture"
- The results of the 2024 Cultural Risk Survey are as follows: 98% satisfaction among managerial officers at the manager level (inclusive) or above, 93% satisfaction among assistant managers and deputy managers, 87% satisfaction among specialists, and 93% satisfaction among clerks. The level of agreement among specialists was lower than that of other job levels, indicating that senior colleagues are more likely to identify deficiencies in the system. Overall, however, there is a high level of recognition of the risk culture among all colleagues

### Enhancement of Risk Culture

- According to the "Key Points for the Implementation of the Risk Control Self-Assessment System of Each Unit," KTB regularly evaluate the operation status of each unit using the "Risk Control Assessment Form," including operation procedures, rules and measures, new products/businesses, activities, processes, systems, etc., maintain the quantitative data of the self-assessment and inspection results on a regular basis according to the business and risk-taking situation, and start planning, building, and developing a risk management system to ensure the continuous and effective operation of the system
- Conduct risk management education and training for all units on a irregularly basis, and deeply embed the awareness of risk management and control in daily decision-making

### Linking Risk and Performance

- The performance appraisal and remuneration of president, senior management and employees are linked to the operational performance, as well as the internal control, regulatory compliance, ethical management and other factors. In the event of a major risk event, the Board of Directors shall, in addition to taking necessary disciplinary action as prescribed by law and regulations, take measures such as, dismissal, reassignment, termination, or reduction of remuneration, as appropriate. Please refer to "Page 14 of King's Town Bank Co., Ltd. 2024 Annual Report" for detailed regulations
- The withdrawal rate and capital provision are included in the performance assessment items of business units to raise the attention of front-line business units to risk in daily life
- Continuously follow up, review and track the improvement according to the inspection opinions, deficiencies and the items to be improved as listed by the internal audit unit, which is also listed as an important item for the reward and punishment and performance appraisal of the relevant units
- The evaluation results of regulatory compliance for each unit are taken as the basis for the evaluation of relevant personnel

## Organizational Structure of Risk Management

The Board of Directors is the highest authority in the risk management mechanism. It bears the ultimate responsibility for approving KTB's risk management policies and maintaining effective internal control policies. The functional committee - "Audit Committee" at the same level with the Board of Directors serves as the Supervision Unit. In addition, "Risk Management Committee" is set as passed by the Board of Directors, where, the President acts as Chairman, while heads of the departments such as the Risk Management Department, Treasury Department, Digital Service and Channel Management Department, Credit Assessment Department, Administration Management Department, International Banking Department, Compliance Department, Strategy and Operations Department and so as act as ex officio member. The committee holds meeting regularly every month, to guide addition and revision to risk management policy and make overall planning of various risk management matters of the whole company. The "Risk Management Department" is responsible for executing and promoting the policies formulated by the Committee. The Department is also an independent unit that plans and supervises the overall risk management of KTB. At the beginning of every year, the head of the Risk Management Department is responsible for reporting various risk exposure conditions at the end of the previous year to the Audit Committee, and then to be passed upon resolution of the Board of Directors.



## Risk Management Policies and Objectives

In order to ensure sustainable management and capital security, KTB clearly specifies the objectives and procedures of risk management based on the risk management policies approved by the Board of Directors. Thereby, KTB establishes effective risk management mechanisms to assess and monitor its risk-bearing capacity, the current status of risk already incurred, and to determine its risk response strategies. Moreover, KTB has established a capital adequacy assessment process that takes into consideration the risk status in order to maintain capital adequacy based on business growth, and to prevent risk concentration and ensure that the entire Bank's risk remains within the risk appetite. In addition, KTB conducts appropriate overall capital allocation to establish management measures for a variety of business risks considering our overall risk exposure and includes all risks on and off the balance sheet in the scope of risk management. The scope of risk management includes: credit risk, market risk, operational risk, liquidity risk, country risk, climate risk, and other risks. The management standards and regulations are formulated according to the different risks, specifying the management countermeasures, organizational structure and responsibilities, and management procedures for different risks.

## Risk Management Mechanisms

Risk management is the responsibility of all personnel in KTB. Through the 3 defense lines of internal control and various risk management procedures, KTB has established a comprehensive risk protection to ensure that all business risks can be controlled timely and effectively.

### ♦ The 3 Defense Lines of Risk Management



## Risk Appetite Process/Framework

The Company's risk appetite refers to the overall risk that the Company is willing and able to bear in its operations. According to the "Regulations Governing the Capital Adequacy and Capital Category of Banks," this serves as a measuring indicator for determining whether to expand or downsize businesses. The Company shall, under the minimum statutory capital requirements, consider the overall risk status of the Company and, based on the changes in the capital adequacy ratio, the needs of the Company's various business developments, the Company's business characteristics and the methodologies established by the supervisory authorities, the Company shall calculate potential unexpected losses from various types of risks under its current asset and operational status. In addition, the Company shall allocate corresponding capital in response to these risks. Furthermore, the overall capital allocation and capital adequacy shall be analyzed and assessed by category of risks, which shall be reviewed at least once a year. In the event of any significant changes in strategy or operating environment that may affect the methodology and assumptions of the evaluation process, a timely review and revision should be conducted.

Category of Risk/Types	Risk Appetite Measuring Indicators
<b>Target Capital Adequacy Ratio</b>	<b>Quantitative Indicators</b> <ul style="list-style-type: none"> <li>The target is to maintain an overall capital adequacy ratio of no less than 10.5%.</li> <li>The target for Tier 1 capital is not less than 8.5% of the total amount of risk-based assets.</li> <li>The target is to maintain a common stock equity ratio of no less than 7%.</li> <li>The target is for the above ratios comply with the regulatory capital adequacy ratio requirements as stipulated in the "Regulations Governing the Capital Adequacy and Capital Category of Banks"</li> </ul>
<b>Regulatory Compliance Risk</b>	<b>Qualitative Indicators</b> <ul style="list-style-type: none"> <li>For the supervisory authorities, there shall be no occurrence of any significant violation of regulations, fines, or newsworthy incidents</li> <li>Not engaging in any business activities beyond the scope authorized by the competent authority</li> </ul>

## ♦ Risk Management Procedures and Categories

The Company collects various risk factors regarding various financial products or services, which shall be used to identify relevant risks that might influence corporate sustainability. The Company formulates quantitative or qualitative standards in accordance with requirements and criteria of the competent authority to establish risk assessment indicators, thus serving as the basis for management decision-making, performance evaluation and so on. Each department abides by various measures and criteria to control risk of the business under their jurisdiction, and provides assistance in identifying and evaluating whether the risk control method is appropriate or not. The Risk Management Department performs independent monitoring of important projects or integration risk, and reviews and amends KTB's risk management goals and practical operations, so as to achieve dynamic prevention and control of risk expansion. In addition, the Risk Management Department is responsible for preparing risk control report and disclosing relevant information regularly.



Category of Risk	Related Management Actions
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>"Market Risk Management Guidelines" has been formulated</li> <li>Categorize transactions into trading book and banking book based on purpose, and categorize the different types of market risk faced</li> <li>Establish identification of market risk factors, credit limit control, early warning management, stop-loss mechanism, stress test, etc</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>"Operational Risk Management Guidelines" has been formulated</li> <li>Appropriately adjusted in response to KTB's operating environment and changes in risk, and cover all key operational risks associated with business</li> <li>Determine the distribution of loss events through self-assessment of each department, collect data on loss events to classify the loss events by types and business categories. And to formulate corresponding threshold values and alert values based on major risk exposures</li> </ul>
<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>"Credit Risk Management Guidelines" has been formulated</li> <li>Further divided into lending risk, issuer risk, and counterparty risk based on counterparties and behaviors. Then, the possible risk types are classified according to the counterparty</li> <li>Carry out strict planning and control on credit extension on the same natural person, same juridical person, same public enterprise, same concerned person, same affiliates, and same group of enterprises, to avoid excessive concentration of credit risk</li> <li>Adjust approval limits in accordance with the industry and general economic climate</li> </ul>
<b>Country Risk</b>	<ul style="list-style-type: none"> <li>"Country Risk Management Guidelines" has been formulated</li> <li>Country risk level and credit limit are based on business needs, actual past credit limit usage, and also stability, economic development, credit status, and solvency of each individual country, and the rating of external rating organizations</li> </ul>
<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>"Liquidity Risk Management Guidelines" has been formulated</li> <li>Daily monitor of daily cash flows, changes in deposit reserves, etc</li> <li>Regularly analyzes the maturity gap and maturity structure changes of various assets and liabilities, the correlation between various assets and liabilities and market interest rate, and concentration and stability of capital. Early warning and reporting mechanism have been formulated</li> </ul>
<b>Climate Risks</b>	<ul style="list-style-type: none"> <li>"Climate Risk Management Guidelines" has been formulated</li> <li>Evaluate the potential risks and opportunities the Company faces in light of climate change, and develop mitigation and adaptation measures related to climate risks</li> <li>Identify the potential impacts of climate entities and transition risks on company's operations. This is achieved by analyzing the likelihood of climate risk events occurring and the level of their negative impacts it causes, in order to understand the effects of climate-related risks on the company's various businesses. Climate risk stress testing is performed and integrated into the risk appetite to evaluate its overall risk-bearing capacity</li> </ul>

## 3.3.1 Emerging Risks

There is a recognition of both long and short-term risks. The rapidly worsening environmental risks, alongside societal polarization, geopolitical conflicts, and the rapid advancement of AI technology, all contributing to heightened uncertainty in global operations. In this global wave of change, the financial industry will be highly affected. In response to these challenges, KTB has not only established robust risk management mechanisms but also prioritized emerging risks as areas of focus, enabling the Bank to keep abreast of global developments, assessing the pros and cons for its operations and management planning, and continuously gathering risk reports from leading global institutions and address issues of concern from various stakeholders. By staying vigilant and proactive, the Bank can identify the latest trends in emerging risks and implement effective strategies to address them.

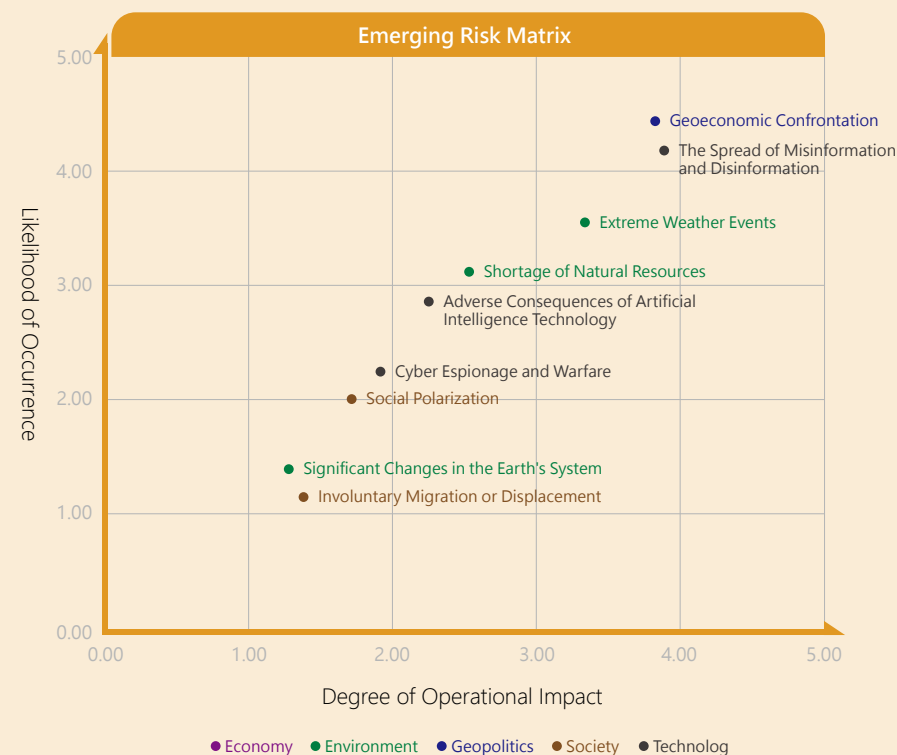
Analysis of emerging risk factors for KTB, taking into account the World Economic Forum's "The Global Risks Report 2025," evaluates five major categories of risk factors: economic, environmental, geopolitical, social, and technological, based on "likelihood of occurrence" and "impact severity." Three key emerging risks that may have a long-term impact in the future are identified, and corresponding response measures are proposed.

### ◆ Emerging Risk Identification Process



### ◆ Emerging Risk Matrix

The emerging risks of the Company are assessed based on the "degree of operational impact" and "likelihood of occurrence." 9 major emerging risk factors have been identified: geoeconomic confrontation, involuntary migration or displacement, social polarization, spread of misinformation and disinformation, cyber espionage and warfare, adverse consequences of AI technology, natural resource scarcity and extreme weather events. Among these, the emerging risks with the greatest impact are "geoeconomic confrontation" and "the spread of misinformation and disinformation." In light of this, measures have been developed to strengthen the Company's operations and resilience in addressing these risks.





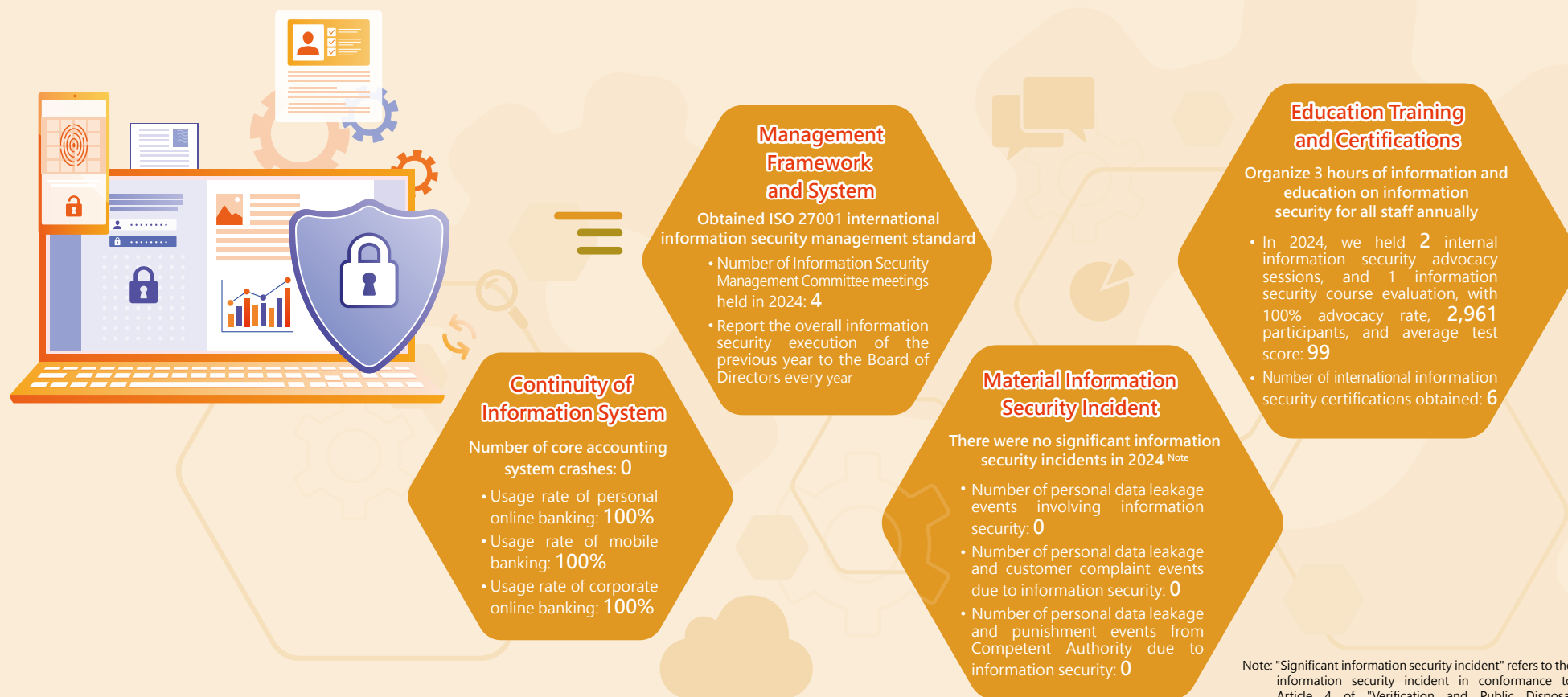
## ◆ Emerging Risk Identification Results and Response Actions

Name of Emerging Risk	Category	Risk Description	Impact or Influence on Operations	Mitigating Actions/Response Policies
Geoeconomic Confrontation	Geopolitics	<p>1. Armed conflicts around the world continue to escalate, with the war between Ukraine and Russia entering a stalemate and the Red Sea crisis in the Middle East intensifying. This new wave of turmoil gradually heightens tensions among countries and deepens geopolitical confrontations. Military security expenditures by governments around the world continue to rise, further impacting the global economy and causing ongoing market volatility</p> <p>2. The United States' tariff policy has introduced significant uncertainty into the international economy and market fluctuations. For example, the trade war with China has resulted in increased tariffs, disrupting global supply chains and undermining market confidence. Furthermore, the Trump administration eased certain provisions of the Dodd-Frank Act, reducing regulatory requirements for banks. While this encourages lending and investment, it has also raised concerns about increased financial risks. In terms of monetary policy, pressure has influenced the US dollar exchange rate and international capital flows. Although it stimulates economic and stock market growth in the short term, its long-term effects remain controversial, particularly fiscal deficits, international trade, and financial stability</p>	<p>1. The war and geopolitical crises may trigger an increase in market risk aversion, leading to a flow of funds towards low-risk assets, which could result in stock market volatility and capital outflows. Furthermore, fluctuations in energy and food prices may exacerbate inflationary pressures, affecting investment decisions and subsequently impacting the returns on assets of KTB</p> <p>2. Potential clients may be affected by global instability and dramatic economic fluctuations, which could impact cross-border transactions and their repayment capacity. This may lead to increased credit risk and higher default rates, subsequently raising the proportion of non-performing loans. As a result, KTB may face difficulties in debt recovery, affecting its investment and financing positions. Changes in interest rate policy may compress banks' lending profits while simultaneously increasing operational costs and pressure of compliance, further impacting overall financial performance</p>	<p>1. Establish a comprehensive risk assessment mechanism, implement effective risk management and early warning measures while closely monitor international economic trends. In the event of significant and urgent market changes, the company will be able to swiftly deploy emergency response plans and strategies, striving to minimize losses to the greatest extent possible</p> <p>2. To strengthen the control and optimize the structure of investment and financing positions, ensuring asset quality and stable returns, it is essential to closely monitor customer behavior and regularly review financial conditions, repayment records, and industry prospects for any anomalies. Asset allocation should be diversified to reduce the concentration of single risks or regional risks.</p> <p>3. Please refer to the Company's official website for quarterly operating results and <a href="#">investor conference information</a></p>
The Spread of Misinformation and Disinformation	Technology	<p>1. In an era where globalization and digitalization are progressing in parallel, the rapid development of AI technology has enabled the widespread dissemination of misinformation and disinformation across multiple platforms, leading to growing concerns over the authenticity of information. Due to the rapid dissemination of information and its high level of anonymity, it is difficult to trace the source, which may lead to uncertainty in the public's trust in the information. Consequently, market participants may face risks related to their goodwill and reputation</p> <p>2. New types of information security attacks are emerging continuously. Enterprises must not only prevent the leakage of confidential information but also address security threats such as system anomalies and network intrusions. Information security risks have evidently become a significant challenge to the stability of business operations</p>	<p>1. Market users lack the ability to distinguish between true and false information, which creates opportunities for financial fraud and results in monetary losses. For example, the intentional dissemination of false information about specific banks (bankruptcy rumors) leads to significant withdrawals or divestments by depositors. Additionally, the spread of false stock market information (speculative trading) causes market panic, resulting in severe fluctuations in stock prices</p> <p>2. Issues such as cyber attacks, data leakage, and system intrusions have triggered legal litigation and reputational crises, resulting in financial losses for enterprises and damage to brand image. This has consequently led to the disruption of operations at KTB and harmed the interests of related stakeholders</p>	<p>1. Regularly pay attention to information security risk issues of other companies in the same industry to strengthen KTB's information security structure, optimize data firewalls, monitor system anomalies in real-time, collaborate with government and regulatory agencies, and enhance investors' ability to identify misinformation and disinformation. Additionally, promote the importance of information security to reinforce information security crisis awareness</p> <p>2. Obtain ISO 27001 certification and continuously improved information security risk management year by year. Upgrade monitoring equipment and optimize security measures and compliance within the system</p> <p>3. Please refer to <a href="#">3.4 Information Security</a> and <a href="#">5.2 FinTech and innovation for relevant measures</a></p>
Extreme Weather Events	Environment	<p>1. The frequency and intensity of extreme climate events worldwide are increasing, causing significant damage to physical assets and prompting businesses to incur additional operating costs to implement transformation measures for mitigating disaster risks. At the same time, the "heat inflation" effect brought about by extreme high temperatures is bound to impact long-term market economic development</p> <p>2. In response to the international goals for net-zero emissions and changes in policies such as trading of carbon credits, companies must actively adjust their governance structures and operational strategies in line with policy trends to ensure compliance with regulatory requirements formulated by the country. "Climate risk" has become a key issue of high importance at present. At the same time, the Company need to plan for a future sustainable development pathway and complete its transformation under the guidance of policies</p>	<p>1. Any damage to physical assets will impact KTB's asset-liability, which in turn affects credit ratings and funding costs. This can raise doubts about KTB's financing ability and result in operational crisis</p> <p>2. Climate-related measures and regulations are becoming more stringent. Failing to comply with and enforce these measures not only violates national policy regulations but could also lead to pressure from the public, investors, and competent authorities, resulting in negative harm to the reputation and image of KTB</p>	<p>1. It is important to establish appropriate asset allocation and management strategies internally, while also closely monitor the structure of liabilities. It is crucial to adopt sound financial strategies to ensure the stability and sustainable development of operations</p> <p>2. Actively pay attention to global climate-related issues and the latest trends, incorporate climate risks into the risk assessment system, and establish the "Climate Risk Management Guidelines" and the "King's Town Bank Sustainable Finance Policy" as internal regulations. Implement energy-saving and reduction measures along with the promotion of relevant regulations, and regularly document and follow up on related measures. Please refer to <a href="#">4.3 Sustainable Operating Environment</a></p>

## 3.4 Information Security

Digital technology innovation continues to change people's life style, especially in the field of financial technology (FinTech); including web application, mobile application, digital currency, block chain, mobile payment, API, biometrics..., prompting huge changes in the financial industry and creating many new opportunities, however, they also lead to many information security risks at the same time, such as: cyber attacks, inadequate identity verification and inaccurate information. These vulnerabilities can be exploited by criminals with malicious intent to engage in money laundering or fraudulent activities, which may result in the leakage of personal information.

To effectively address risks and opportunities brought by digital technologies, KTB has established a comprehensive management structure and system, strengthen hardware and software strength, and promote education and training and other measures, to commit to take precautions and countermeasures. 2024 results are as follows:



Note: "Significant information security incident" refers to the information security incident in conformance to Article 4 of "Verification and Public Disposal Procedures for Significant Information of Listed Companies with Negotiable Securities."

## Information Security Risk Management Framework

The Information Technology Department of KTB is the information security execution unit and the first defense line of information security internal control. The Board of Directors approved the establishment of a dedicated unit of information security "Information Security Section" under the Risk Management Department in August 2015, to serve as the second defense line of information security internal control and to be responsible for the planning, promotion, monitoring and management of the information security management system (ISMS), so as to enhance the information security management. The Auditing Department under the Board of Directors is an independent information security audit unit, which plays the role of the third defense line of information security internal control, and is responsible for information security audits to ensure the implementation of management operations.

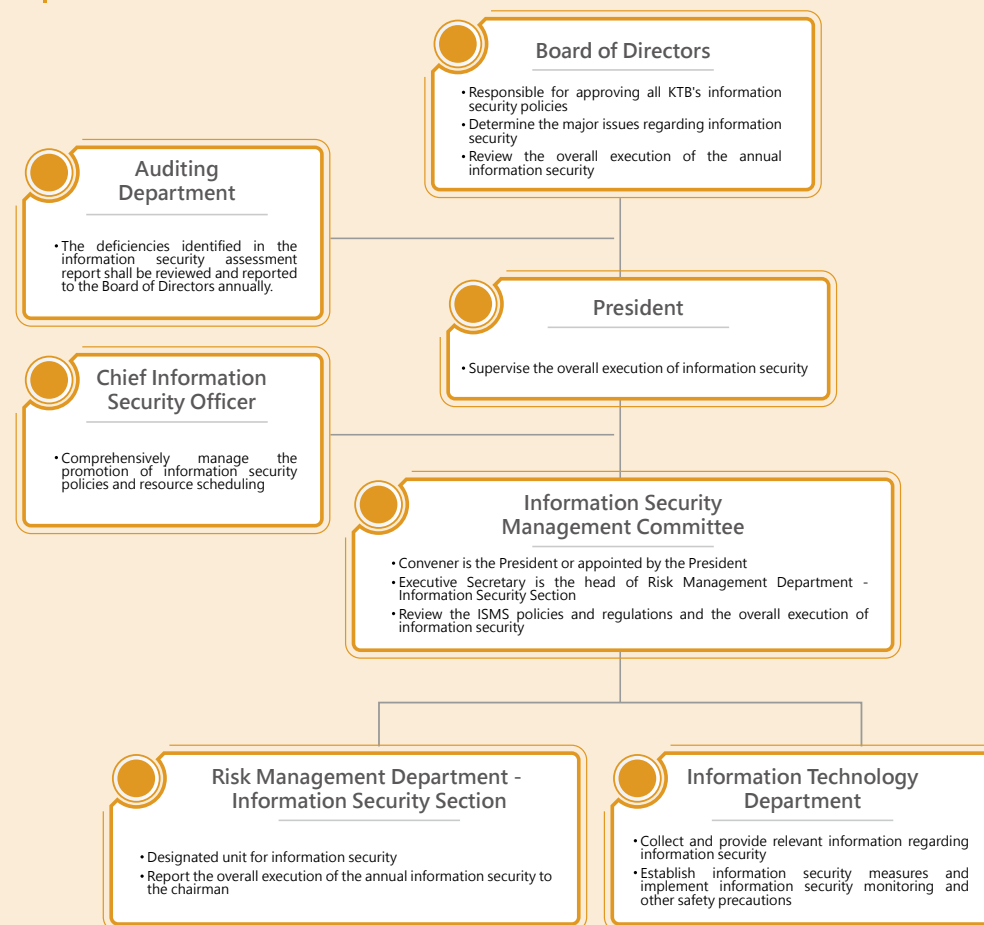
In order to improve the Bank's ISMS, respond to all changes in information security regulations, and comply with relevant government laws and regulations, so as to reduce the risks and impacts arising from information security, KTB established the "Information Security Management Committee" in November 2015. The committee is responsible for reviewing the ISMS policy and regulations as well as overall implementation of information security. The dedicated unit of information security - "Information Security Section" under the Risk Management Department, submits the implementation overview to the chairman every year, and then the Auditing Department will report the results to the Board of Directors. The committee has set up a convener, who is acted or designated by the president, and its members are acted or designated by heads of the Risk Management Department, Information Technology Department, Digital Service and Channel Management Department, Compliance Department and department heads of the units designated by the convener. The Auditing Department is a non-voting member at meetings. The committee holds at least one management review meeting on a regular basis every year, or holds meetings irregularly as required. Main task of the meeting is as follows:

- (1) Formulate KTB's Information Security Policies.
- (2) Promote the information security management system.
- (3) Assess the infrastructure of the information security management system.
- (4) Handle and review major information security incidents.
- (5) Major issues or discussions related to information security proposed by each unit.
- (6) Annual review of the overall implementation of information security measures.
- (7) Discussion of other information security issues.

In addition, to strengthen the information security management framework, KTB set a new position of Chief Information Security Officer on December 21, 2021, to be responsible for integrated information security policy promotion and resource scheduling. And in accordance with the Financial Supervisory Commission's "Financial Cyber Security Action Plan 2.0," which encourages financial institutions to appoint directors, advisors, or establish cybersecurity advisory groups with cybersecurity backgrounds, a "Cybersecurity Advisory Group" was officially established on July 1, 2023. The members include the President, Chief Auditor, Chief Regulatory Compliance Officer, Head of Risk Management, Head of Information Technology, Chief Information Security Officer, as well as internal and external members appointed by the President. The primary members consist of relevant managers from the Company's three lines of defense in cybersecurity, with responsibilities and qualifications closely related to the overall cybersecurity policy

of the institution. The operation mode involves discussing and communicating on information security policy issues that impact organizational operations and making recommendations through meetings or discussions in any form. These are then included in the "Information Security Management Committee" for implementation and follow-up, aiming to enhance the board members' understanding of information security situations and to substantively incorporate information security risks into business decision-making.

## Information Security Risk Management Framework



## Information Security Management Measures

### Information Security Policy

KTB has formulated the "[Information Security Policy](#)" to protect the confidentiality, integrity, and availability of KTB's information assets, to prevent risks including, inappropriate use, leakage, alteration, and damage, and to ensure the safety of the collection, handling, transmission, storage, and distribution of information. Moreover, KTB has formulated procedures and manuals in accordance with the "Information Security Policy," to specify the actions of employees, outsourced service providers, and visitors, and report relevant regulations to the Information Security Management Committee.

The Bank obtained the "Information Security Management System (ISMS) ISO/IEC 27001:2013" certification in December 2022 (valid until 2025-10-31), and subsequently acquired the revised certification for "Information Security Management System (ISMS) ISO/IEC 27001:2022" in December 2024 (valid until 2025-12-15). We will continue to review and improve to comply with the latest trends in information security-related laws, technologies, organizations, and operations. In addition, in accordance with the requirements of the competent authorities, regulations and the Bank's ISMS standards, we implement relevant control measures to build and strengthen all-round information security defense capabilities. The specific management plan is as follows:

#### (1) Information Security Protection and Inspection Analysis

- Establish an information security inspection platform for real-time information monitoring and statistical data presentation.
- Establish backup routes and "Distributed Denial-of-Service (DDoS) Attack Monitor and Traffic Cleaning Protection" mechanism for Internet network of major businesses.
- Regular information security evaluations are conducted by external professional vendors, including information architecture review, network activity testing, security settings review, vulnerability scanning, penetration testing, compliance review, etc. In accordance with the internal information security management regulations established by King's Town Bank, the risky items in the evaluation report are regularly reviewed and improvement measures are tracked in the Information Security Management Committee to ensure information security is not compromised.
- Update information security protection software and hardware regularly to detect and blocks Internet attacks effectively and timely.
- Join the Financial Information Sharing and Analysis Center (F-ISAC), to become a member of domestic information security joint defense system, and establish a joint defense system to have instant access to financial security information.

#### (2) Information Security Emergency Response Drills

In order to minimize the impact on business and resume operation in the shortest time in case of major disasters occurring to the information service, KTB has formulated regulations including, "Business Continuity Management Manual," "Cyber Security Incident Management Procedure," "ATM Cyber Security Emergency Response Procedure," "Information Technology Department Denial-of Service

Attack Handling Manual," and "Open System Backup Exercise Plan," etc. Also, KTB conducts annual drills to minimize possible information security impacts through correct operation procedures. In 2024, KTB organized total 29 drills, and the content is as follows. KTB has submitted the status of the drills to the Information Security Management Committee for review:



(3) Information Security Planning: In order to continuously enhance the management measures related to information security in the Company, we have obtained the new version of ISO 27001:2022 certification at the end of 2024. We will continue to maintain the validity of the certificate in the future and provide education and training for personnel with relevant certifications in information security.

### ◆ Resources Invested in Information Security

KTB continues to invest in the field related to information security. In 2024, KTB invested a total of NT\$67,403 thousand in information security, accounting for 65.71% of the total information budget and the projects invested include the improvement of information security and defense equipment, data monitoring and analysis, education training and so on. In terms of information security deployment, there is 1 Chief Information Security Officer, 4 members of information security promotion unit as the 2nd defense line, and 95 members of information security execution unit as the 1st defense line, total 100 members.

However, in terms of education training, the whole company participated in information security test, with a pass rate of 100%. 3,693 hours of internal and external courses related to information security were organized, of which 95.5% were internal education training courses and 4.5% were external education training courses. In addition, the information security promotion unit conducts information security awareness training twice a year for the whole company. The topics of the awareness training are planned according to the laws and regulations and current internal and external threat events, and the topics are as follows:



### ◆ Information Security Incident Reporting Process

KTB has developed the "Cyber Security Incident Management Procedures" to standardize the reporting process, evaluation capability and contingency measures of information security incidents. In the event of an information security incident, the personnel of relevant units being notified shall classify and identify the incident in the first time, and decide whether to form an "emergency response team" according to the incident level, identify the scope of impact within certain time, find out possible causes, eliminate and solve the information security incident, and analyze and produce reports after handling the incident to prevent the incident from happening again. List the loss, possible influence and countermeasures from significant information security incidents in recent year and as of publishing date of the annual report. If it is unable to make estimation reasonably, the fact that can't be reasonably estimated shall be explained: there is no significant security incident in 2024 and by January 2025

Material Information Security Incident	2022	2023	2024
Total Number of Material Information Security Incidents	0	0	0
Number of Customer Data Loss Cases Due to Information Security Incidents	0	0	0
Number of Customers Affected by Information Security Incidents	0	0	0
Financial Loss Due to Information Security Incidents	0	0	0

Data Leakage Incident	2022	2023	2024
Number of Data Leakage Incidents	0	0	0
Number of Personal Data Leakage Incidents	0	0	0
Proportion of Personal Data Leakage Incidents	0	0	0
Number of Customers Affected by Data Leakage Incidents	0	0	0

## 3.4.1 Personal Data Protection

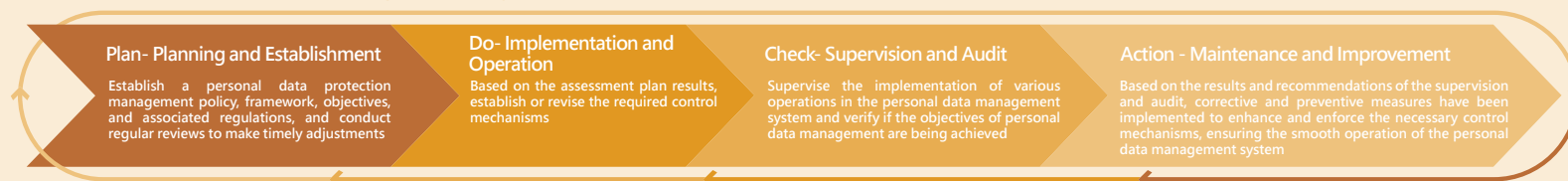
KTB places great importance on customer data protection and privacy. In compliance with the "Personal Data Protection Act," "Self-regulatory Standards for Customer Data Confidentiality in Banking," "Regulations Governing Security Measures of the Personal Information File for Non-government Agencies Designated by Financial Supervisory Commission," and the "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation," we have established the "King's Town Bank Co., Ltd. and Affiliated Enterprises Personal Data Management Objective and Policy." This framework aims to create a basic management structure for personal data protection within the Company and its subsidiaries (and sub-subsidiaries), ensuring the rights and interests of personal data subjects. Additionally, we have established the "King's Town Bank Privacy Protection Policy," "King's Town Bank Personal Data File Security Maintenance Regulation," and "King's Town Bank Personal Data Breach Emergency Response Guideline," among other relevant regulations, to protect the rights of customer personal data. These policies apply to all actions involving personal data encountered by KTB employees in the course of their duties. All employees are required to undergo education and training related to the Personal Data Protection Act every year. On November 13, 2024, the "Promotion of Annual Personal Data Protection Act" was conducted for all employees. Additionally, one session of personal data protection education and training was held this year, with a total of 983 participants and a cumulative duration of 491.5 hours. In 2024, there were no cases of personal data leakage, nor complaints involving infringement of customer privacy.

### Personal Data Protection Framework and Management

Policies / Regulations	Explanation of Goal Execution
<a href="#">King's Town Bank Co., Ltd. and Affiliated Enterprises Personal Data Management Objective and Policy</a>	<ul style="list-style-type: none"> <li>The basic framework of the personal data protection management system of the Company and its subsidiaries (hereinafter referred to as "Affiliated Companies") outlines the structure and implementation methods of our personal data management system. It clarifies the personal data management objectives and policies that all employees of the Company should follow, as well as the roles and responsibilities they should assume in the planning, implementation, and continuous improvement of personal data management</li> <li>Specify the operation mechanism of the personal data management system and the responsibilities of the management, and have a regular evaluation mechanism to reflect the latest developments in government laws, information technology, corporate business, so as to ensure the achievement of personal data management goals</li> <li>Establish a personal data management system to analyze business processes, information systems, and third-party management, and control the specific purposes of acquiring, processing, using, and storing personal data, implementing the personal data management policy. Begin by strategically positioning organizational management and operations, and then analyze business processes and information systems to assess the legality of acquiring, processing, using, transmitting, and storing personal data</li> </ul>
<a href="#">King's Town Bank Privacy Protection Policy</a>	<ul style="list-style-type: none"> <li>The Company's collection, processing, and use of your personal information are in line with the specific purposes and necessary scope of relevant business categories and comply with the provisions of the Personal Data Protection Act and other relevant laws and regulations</li> <li>Regarding your personal information file, the Company will adopt appropriate security measures and make every effort to use reasonable technology and measures to comply with relevant laws and regulations for security maintenance in order to prevent personal information from being stolen, altered, damaged, lost, or disclosed. The Company strictly adheres to relevant government regulations and information management principles, employs network firewalls, and supplements with intrusion detection systems and comprehensive antivirus mechanisms to protect information systems in order to prevent unauthorized access and malicious software damage</li> <li>The Company will not sell, exchange, rent, or disclose personal information to any third party in any way. We are committed to implementing the personal information management policies of the Company and its affiliated companies</li> </ul>
<a href="#">King's Town Bank Personal Data File Security Maintenance Regulation</a>	<ul style="list-style-type: none"> <li>The Company has planned, established, revised, and implemented the personal data file security maintenance plans, and the processing method for personal data after termination of the business relationship in accordance with Paragraph 1, Article 3 of the "Regulations Governing Security Measures of the Personal Information File for Non-government Agencies Designated by Financial Supervisory Commission." This is to ensure that the Company adheres to the obligations of confidentiality of customers' information and exercise the due care of a good manager when collecting, processing, or utilizing personal data. Each business management unit should define the scope of personal data files based on the business it manages and the subsequent processes for the use and maintenance of personal data. Additionally, appropriate personal data security audit mechanisms should be established to protect the security of personal data</li> <li>Establish a "Task Force for Implementing Personal Data Protection Management (Personal Data Team)" to handle relevant issues, and compile an annual self-assessment report on security and maintenance of personal data, with the results submitted to the Board of Directors</li> <li>In addition to regularly conducting internal education and training and promotion on personal data protection, employees may also be selected to participate in training courses organized by external training institutions, thereby ensuring the implementation of personal data protection regulations</li> </ul>
<a href="#">King's Town Bank Co., Ltd. Management Guidelines for Personal Data Leakage Emergency Response Management</a>	<ul style="list-style-type: none"> <li>The Company has established guidelines for handling personal data incidents and emergency response measures to ensure that incidents of personal data leakage are addressed swiftly and effectively, reducing damages to the minimum</li> <li>Establish mechanisms for reporting personal data leakage, handling timeline and emergency response measures. Determine the severity of personal data leakage, implement corresponding response measures, and subsequent tracking, handling, and improvement mechanisms. For relevant implementation methods, please refer to <a href="#">the explanation of the personal data leakage reporting and handling process</a></li> </ul>

### Operation Mechanism of Personal Data Protection Management System

The personal data management system follows the cyclic operation model of "Plan-Do-Check-Action (PDCA)"



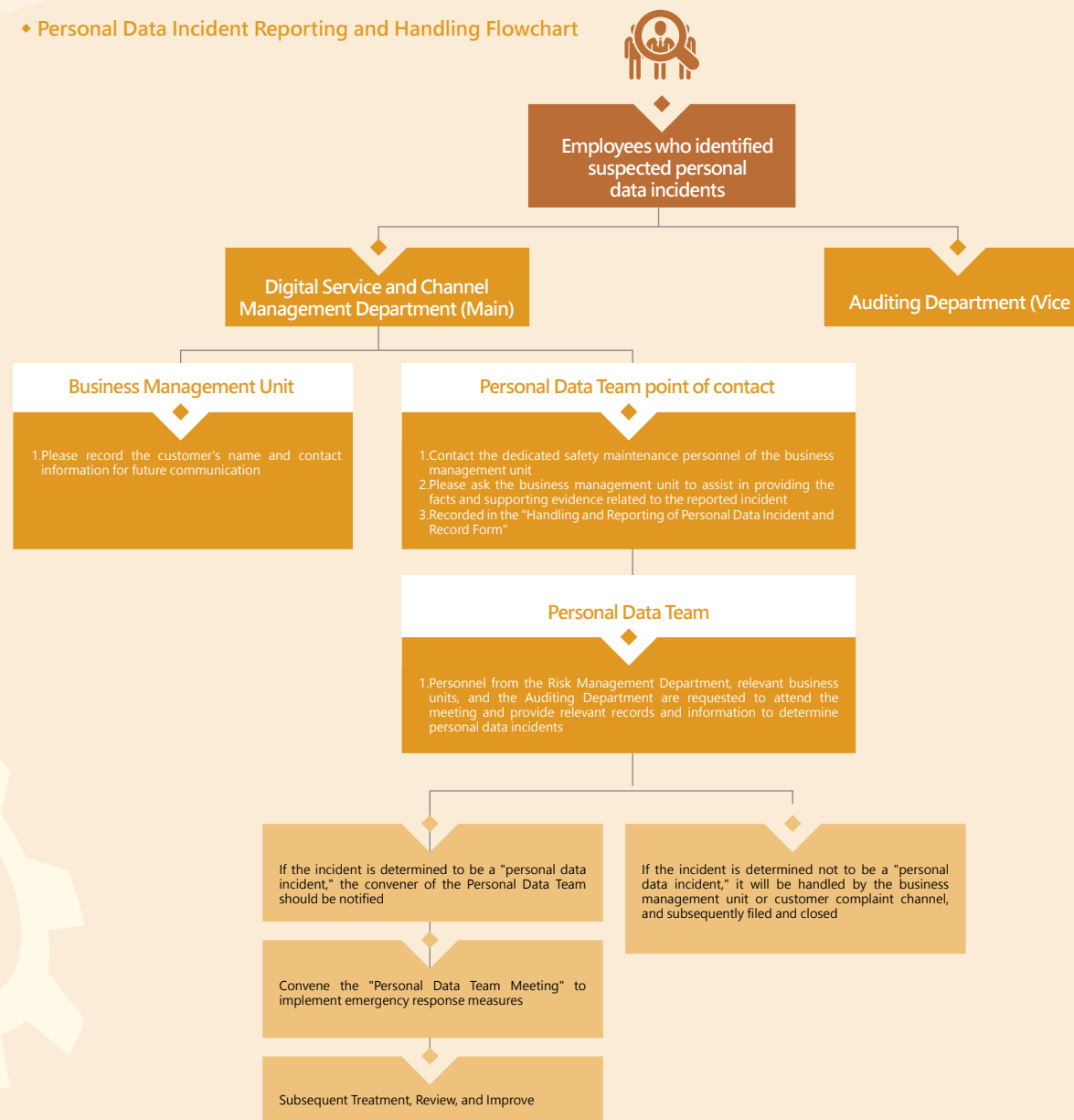


## Explanation of the Personal Data Leakage Reporting and Handling Process

When a suspected personal data incident occurs, it must be reported immediately in accordance with the flowchart. If any personnel at any level is unable to report according to the procedure, the person responsible for reporting should directly inform the next higher level to ensure the timeliness of the report.

First, the unit that discovers the incident should report it to the Digital Service and Channel Management Department, and inform the Auditing Department concurrently. The Digital Service and Channel Management Department will then notify the Personal Data Team point of contact and the relevant business management units. If the incident is reported by the customer, the customer's name and contact information should be recorded for follow-up communication. Upon receiving notification, the Personal Data Team point of contact should contact the dedicated personnel responsible for the safety of personal information of the relevant business management unit. They will assist in confirming the facts of the incident and collecting evidence, including the cause of the occurrence and the scope of its impact. This information should be documented in the "Handling and Reporting of Personal Data Incident and Record Form." Subsequently, the Personal Data Team point of contact convened a meeting with personnel from the Risk Management Department and the Business Management Unit. The Auditing Department should also be present to determine whether the case is personal data incident based on the record form and relevant information. If the nature is clear, the point of contact may proceed with independent judgment and notify the relevant units via email. If it is determined that it is not a personal data incident (such as the exercise of rights under Article 11 of the Personal Data Protection Act or customer complaint cases), it shall be handled and concluded by the business management unit or customer complaint channel. If it is a personal data incident, the convener of the Personal Data Team shall be notified. The overall reporting and handling process should be completed within one day of receiving the report; however, it may be appropriately extended depending on the complexity of the event.

### ◆ Personal Data Incident Reporting and Handling Flowchart



## Chapter

# 04

## Climate Action



The balance of green loans in 2024 was NT\$ **12.351** billion, representing a 44.65% increase compared to last year



Loan balance to SMEs accounted for **62.50%**



**137,000 kWh** of green electricity consumed

- 4.1 Climate Risks and Opportunities
- 4.2 Sustainable Finance
- 4.3 Sustainable Operating Environment
- 4.4 Supplier Management

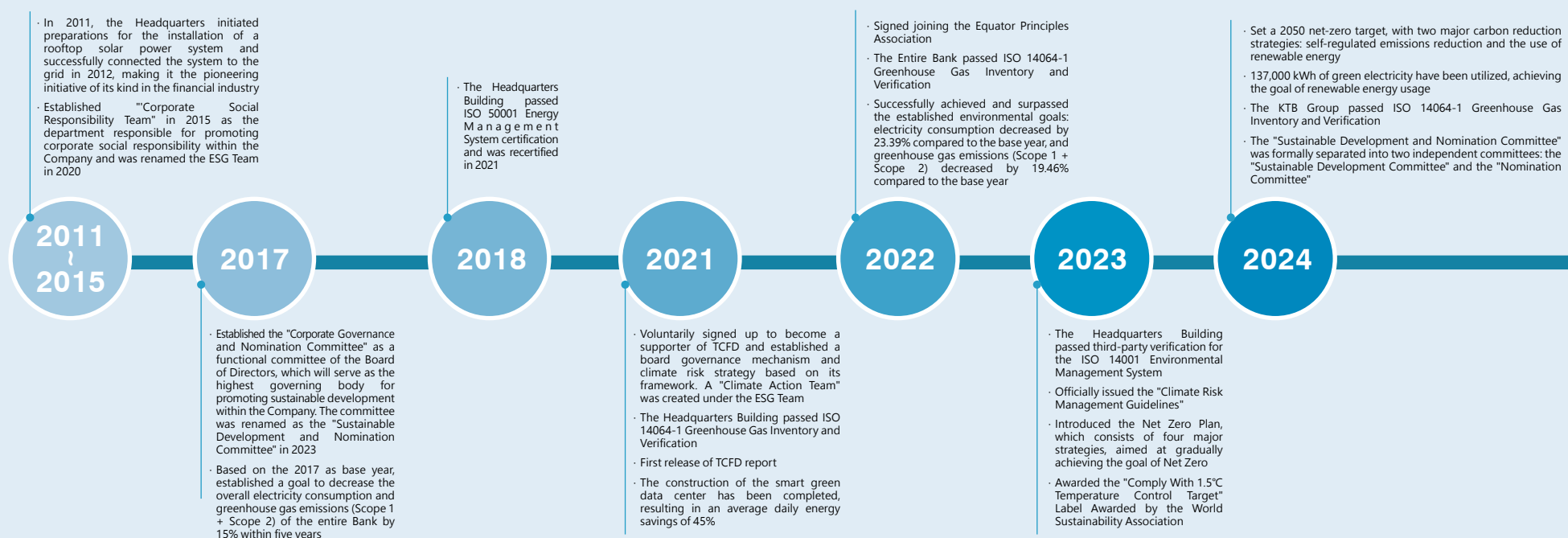
## 4. Climate Action

On January 15, 2025, the World Economic Forum (WEF) released the "Global Risks Report 2025," in which "extreme weather events" remained the top long-term risk over the next ten years, reflecting respondents' deep concern over the ongoing global climate crises. Since the first "Global Risks Report" was published in 2006, environmental impacts have shown a worsening trend in both intensity and frequency. This year's report indicates that nearly all environment-related risks ranked among the top ten long-term risks over the next decade. Respondents expect "extreme weather events" to become even more severe, marking the second consecutive year it has topped the list of long-term risks—painting a pessimistic outlook for environmental risk. Extreme weather events are becoming increasingly frequent and destructive; over the past 50 years, the cost per climate disaster has risen by nearly 77%. These climate change-driven extreme weather events have had widespread global impacts, disproportionately affecting the most impoverished communities.

As the threat of global climate change becomes increasingly evident, governments worldwide are actively formulating regulations, enhancing climate change mitigation efforts, and setting net-zero emission targets. Financial institutions, serving as intermediaries of capital, play a crucial role in steering sustainable development. Beyond reducing their own operational carbon footprints, they have a responsibility to promote the rational allocation of capital through financial tools and mechanisms, guiding businesses towards achieving low-carbon transitions.

KTB, in response to global climate action, signed the Task Force on Climate-related Financial Disclosures (TCFD) in July 2021. Following the TCFD framework, KTB made its first related disclosures in its 2021 Sustainability report and has continued to enhance its understanding and management of the financial impacts of climate risks each year. Since 2022, in accordance with the "Scenario Analysis of Climate Changes by Domestic Banks in 2022" issued by Taiwan's competent authorities, KTB has implemented and enhanced the management of climate-related risks and the transparency of related information. In addition, in 2023, the Board of Directors approved the "King's Town Bank Climate Risk Management Guidelines" to enhance the Company's assessment of potential climate change risks and opportunities. This development includes measures for mitigating and adapting to climate risks, thereby improving the Company's capacity for climate change risk management.

### KTB's Major Milestone in Climate Action



## 4.1 Climate Risks and Opportunities

### Governance

KTB has established a climate-related risk management structure and system by integrating it into the enterprise risk management framework. The Board of Directors serves as the highest governance body for climate-related issues and holds ultimate oversight and responsibility. Under the Board of Directors, the Sustainable Development Committee is established, and beneath it, a cross-departmental ESG Task Force is responsible for implementing sustainability initiatives. In response to climate change issues, a Climate Action Team has also been formed to identify and assess climate-related risks and opportunities, assist in developing relevant quantitative methods and indicators internally, and formulate climate-related management measures. The ESG Task Force reports the implementation status of sustainability initiatives, including climate-related matters to the Sustainable Development Committee half-yearly, which is then submitted to the Board of Directors.

In addition, under the supervision of the President, the "Risk Management Committee" has been set up. The committee comprises heads of various departments, including the Treasury Department, Digital Service and Channel Management Department, Risk Management Department, Credit Assessment Department, Administration Management Department, International Banking Department, Compliance Department, and Strategy and Operations Department. The Risk Management Department serves as the executing unit, responsible for overseeing the bank's climate risk management mechanisms, formulating climate risk management guidelines, and integrating climate risk management into the overall risk management process. Each year, the Risk Management Department reports the Company's climate-related financial information and the quantified financial impacts to the Board of Directors.

### Climate Governance Framework



Board of Directors and Functional Committees	Members	Meeting Frequency	Role of Climate Issues
Board of Directors	All directors	Twice a month	The Board of Directors is the highest risk management unit of the Company, responsible for supervising the effective operation of the risk management system and mechanism, and approving the policies and regulations related to risk management
Sustainable Development Committee	Three independent directors and one director	Quarterly	Responsible for overseeing the implementation and execution of the Company's sustainable development initiatives, including climate governance issues

Managerial Officers	Convener	Meeting Frequency	Role of Climate Issues
ESG Team	Vice Chairman	Quarterly	The convener is the Vice Chairman, and the Strategy and Operations Department acts as the implementing unit, with the President and designated department heads serving as team members. Within the ESG Team, there is also a Climate Action Team that is responsible for promoting the Company's environmental performance management and green finance strategy. Every half-yearly, the Team submits its plans and achievements to the Sustainable Development Committee for reporting to the Board of Directors
Risk Management Committee	President	Once a month	The "Risk Management Committee" has been set up under the President, with the President as the chairman, and the "Risk Management Department" as the execution and promotion unit, which is responsible for reporting the Company's risk management status to the Board of Directors on a regular basis

## ◆ Training Programs

To strengthen the awareness and response capabilities of the Board of Directors and senior management regarding climate issues, KTB regularly conducts training sessions for board members and senior executives on climate change and sustainable finance. The training covers key topics such as domestic and international policy trends, low-carbon transition strategies, and the TCFD framework. These efforts aim to move from raising awareness to integrating climate issues into practical operations and embedding climate governance into the Bank's core decision-making processes. In 2024, board members attended three climate-related training sessions, totaling 75 training hours.

In addition to the aforementioned training for the Board of Directors and senior executives, KTB also promotes sustainable finance literacy among all employees. For general staff, a three hours of sustainable finance training is scheduled per person annually. The training includes topics such as net-zero trends and green financial products, aimed at enhancing frontline employees' understanding of sustainable finance products and related risk issues, as well as improving their ability to engage with stakeholders on these matters. In 2024, a total of 959 employees completed general sustainable finance training, accumulating 2,877 training hours.

Furthermore, KTB encourages designated departments to proactively participate in advanced external training programs to stay abreast of the latest policy trends and practical approaches. This helps enhance professional competencies, foster experience sharing, and promote the in-depth and cross-functional implementation of climate and sustainability initiatives within the Company. Topics covered include sustainable finance, net-zero carbon reduction, climate change and risk, IFRS S1 & S2, and carbon pricing. In 2024, employees participated in 15 climate and sustainability-related professional training sessions, totaling 28 participants and 187.5 training hours.

## ◆ Incentive Mechanism

The Company clearly stipulates the standards and procedures for allocating directors' remuneration in its Articles of Incorporation. The ratio and amount of remuneration granted to directors take into consideration factors such as industry benchmarks, the Company's financial and operational performance, and the results of Board of Directors performance evaluations. The Board of Directors performance evaluation includes the Board's oversight and promotion of sustainable development. The evaluation results are submitted annually to the Remuneration Committee and the Board of Directors for approval and are subsequently reported at the shareholders' meeting.

According to KTB's "Regulations on the Annual Employee Performance Evaluation" and "Year-End Bonus Distribution Guidelines," the annual compensation of senior management is closely tied to the "Performance Items of the Headquarters' Management Units." Among the performance indicators, the weight of the "ESG Implementation" key performance indicator must not be less than 5%, to ensure the effective advancement and execution of ESG initiatives.

## 【Climate-Related Courses for Board Members】

Directors	Course Name	Hours
Chen-Chih Tai	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6
Chiung-Ting Tsai	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6
Ching-Shun Ou	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6
Yi-Li Chuang	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6
Chao-Long Chen	Corporate Sustainable Governance Essentials: Managing External Impacts through Diversified Strategies to Create Positive Corporate Value	3
Ping-Sung Wu	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6
Chuan-Fu Hou	Addressing Global Climate Change Risk: Policy Choices and the Concept of Sustainable Finance	6
	Examining the Benefits of Sustainable Development Goals and ESG Investments from the Perspective of Capital Markets	6

## 【Climate-Related Performance Evaluation Items】

Responsible Unit	Indicator Items
Risk Management Department	· Conduct climate risk stress testing
Strategy and Operations Department	· Enhance the quality and depth of climate-related financial disclosures · Continuously improve performance in various ESG evaluations · Effectively implement carbon management and achieve a 4% annual reduction in carbon emissions compared to the previous year
Administration Management Department	· Achieve targets for environmental management indicators related to internal operations · Obtain ISO 14064-1 greenhouse gas verification and ISO 14001 environmental management system certification annually
Treasury Department	· Assist in the completion of financial carbon emissions inventory
Credit Assessment Department	· Assist in the completion of financial carbon emissions inventory

## Strategy and Risk Management

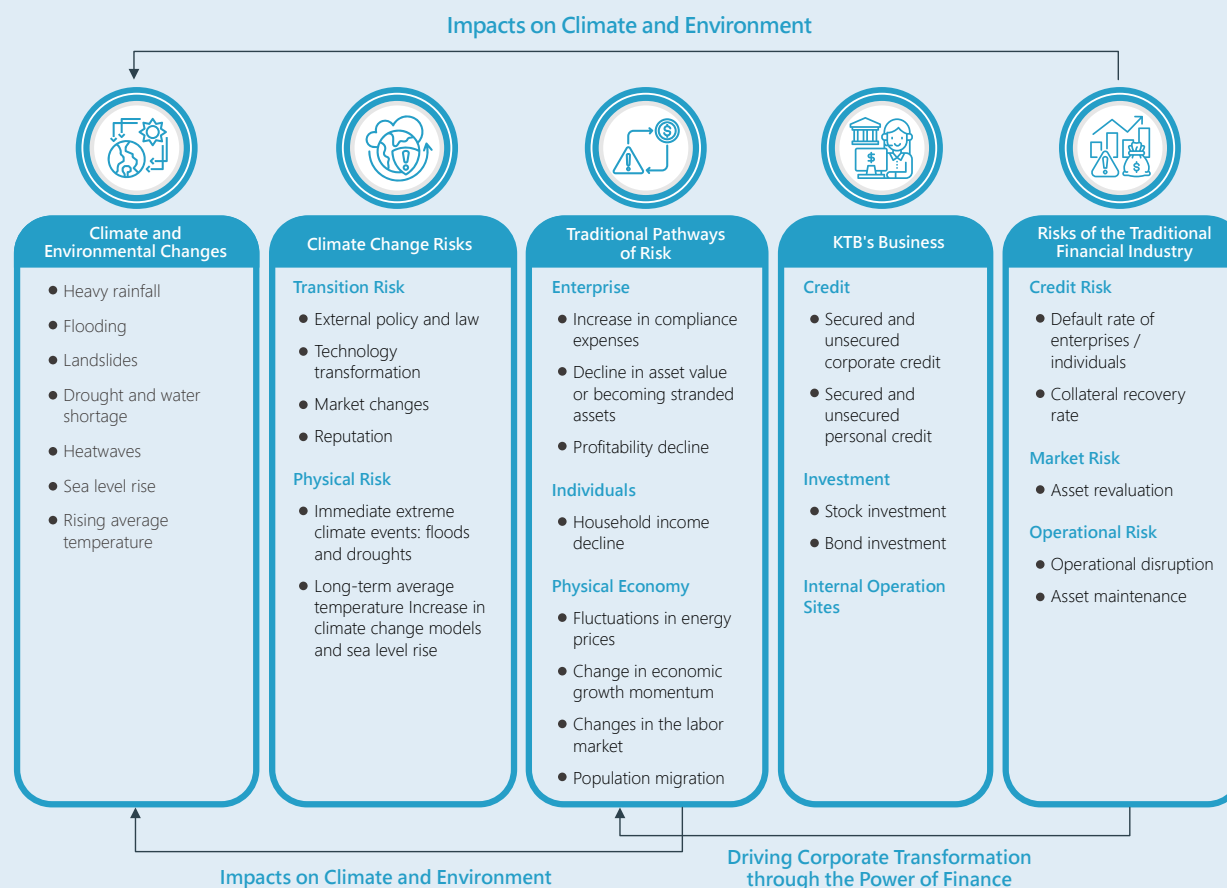
KTB's climate-related management strategy mainly focuses on three aspects, which is taken as the direction for optimization year-by-year:

- Manage climate-related risks, including physical and transition risks
- Manage the impact of the Company's operations on the climate
- Support customers in their transition to a low-carbon economy with financing or investment products

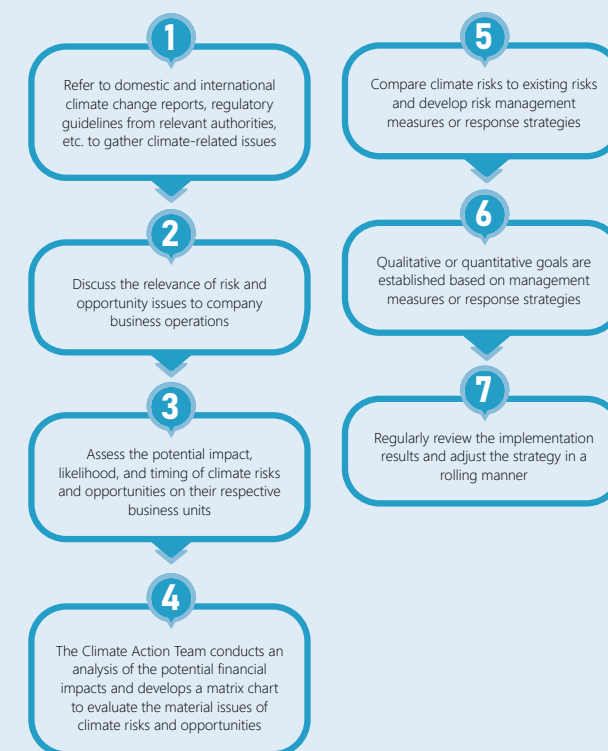
Regarding climate risk management, we believe that climate-related risks are not standalone risk categories but rather impact financial institutions directly or indirectly through transmission to individual and macroeconomic levels. This exacerbates traditional financial risks such as credit risk, market risk, operational risk, and others.

In order to comprehend the impacts and effects of climate change on the Company, the Board of Directors serves as the highest decision-making body for the Company's climate risk management framework. It determines comprehensive climate risk management guidelines and major decisions based on overall operational strategies and business environment assessments. Furthermore, within the ESG Team, a Climate Action Team has been formed to identify and evaluate the risks and opportunities associated with climate change. The Team also aids in the development of quantitative methods and indicators, as well as the implementation of effective management measures. Regular reports on climate-related matters are submitted to the Risk Management Committee, which is responsible for overseeing the comprehensive framework and execution of the climate risk management mechanism.

## Climate Risk Transmission Pathway



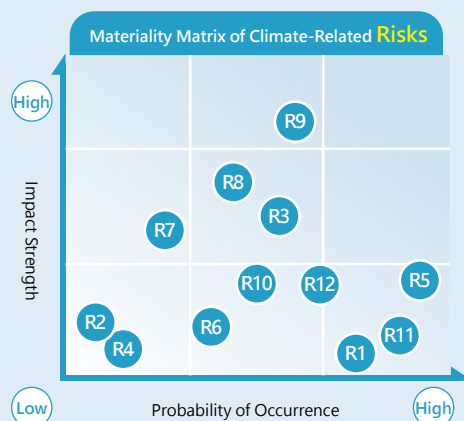
## Identification and Management Process for Climate Risks and Opportunities





## 2024 KTB Climate-Related Risks

In alignment with the recommendations of the TCFD framework, the Company has identified a total of 12 climate-related risks and 5 climate-related opportunities relevant to its business operations. Each business unit assessed these issues based on three key factors: the "timing of occurrence," the "likelihood of occurrence," and the "potential degree of impact on business." Based on this assessment, the Company developed a materiality matrix of climate-related risks and opportunities. Members of the Climate Action Team then further evaluated the potential financial impacts and the correlation of these risks and opportunities with existing risk categories (e.g., credit risk, market risk, operational risk). Corresponding mitigation or adaptation strategies were subsequently formulated.



Type of Risk	Category of Risk	Climate-Related Risk Items	Risk Description	Occurrence Cycle	Corresponding No.
Transition Risk	Regulatory and Policy Risks	Tightening policies or regulations on carbon pricing/carbon taxes, emission reduction targets, and reporting obligations, resulting in increased compliance costs	More stringent code of sustainable development or carbon reduction targets set by the government will result in an increase in the Company's related operating costs, such as: stipulate the proportion of renewable energy use and net zero carbon emissions in 2050, etc.	Short term Medium term	R1
		Tightening policies or regulations on carbon pricing/carbon taxes, emission reduction targets, and reporting obligations, resulting in increased compliance costs	Policy restriction leads to early write-off or retirement of existing assets	Medium term	R2
		Tightening policies or regulations on carbon pricing/carbon taxes, emission reduction targets, and reporting obligations, resulting in increased compliance costs	The government implements stricter carbon tax or carbon pricing for industries with high carbon emissions, which affects the profitability and repayment capacity of its credit customers	Medium term	R3
		Extreme weather events causing asset damage and personnel casualties, leading to potential legal liability and litigation risk	Climate change-related litigation risks, such as: litigations arising from personnel casualties due to damage to the Company's assets by climate	Short term Medium term	R4
	Technical Risk	Products or services are replaced by low-carbon technologies, such as: transform from physical to online (e.g. FinTech)	As customer preferences increasingly shift toward digital financial products driven by convenience and environmental awareness, failure to successfully develop financial technology may reduce customers' willingness to engage with the Company. Additionally, to meet customer needs, it will be necessary to enhance the current management mechanisms and systems, resulting in increased expenses and costs	Short term Medium term	R5
	Consumer preference / Market supply and demand imbalance Risks	The consumers have increased environment protection awareness, and have decreased preference and even resistance to products or services not being environmental friendly	As consumer expectations for corporate environmental responsibility continue to rise, a bank that fails to proactively offer environmentally friendly products or services (e.g., green loans, ESG investment products) may be perceived as lacking commitment to sustainability	Medium term Long term	R6
	Reputation Risk	The involvement of the Investment and Financing Department in significant sustainability controversies has affected stakeholders' perception of the company	If the Company is perceived as relatively environmentally unfriendly, it may face public scrutiny and external oversight, leading to reputational damage that could result in loss of business and clients, as well as a decline in revenue	Long term	R7
Physical Risk	Immediate Risk	The frequency and severity of extreme weather events, such as typhoons and heavy rainfall, have increased	The frequency and intensity of extreme weather events, such as typhoons and heavy rainfall, have increased, resulting in damage to facilities and equipment, and even interruptions in operations	Short term	R8
		The frequency and severity of extreme weather events, such as typhoons and heavy rainfall, have increased	Rainfall and flood cause shutdown, destruction for assets and decreased price in collaterals of the credit customers	Medium term	R9
	Long-term risk	Global sea levels are rising, causing some low-lying areas to be submerged	Rising sea level puts operation locations at risk of flooding	Medium term Long term	R10
		Average temperature increase	The increase in the number of hot days increases the demand for electricity	Short term Medium term	R11
		Changes in rainfall patterns - Drought	Long drought without rain influences production capacity of the enterprise and increases additional water-taking cost, thus damaging profitability of the credit customers	Medium term	R12

Note: Short term: It is estimated to occur within 1~3 years; Medium term: It is estimated to occur within 3~10 years; Long term: It is estimated to occur after 10 years

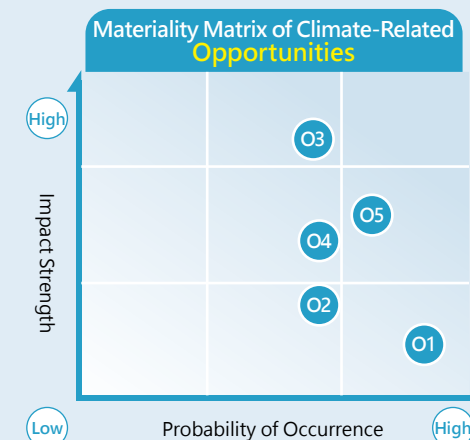
Based on the assessment of probability and impact, KTB has identified R3, R8, and R9 as relatively significant. For significant climate-related risks, the Company has implemented the following risk management measures:

Corresponding No.	Type of Risk	Risk Description	Affected Areas	Potential Financial Impact	Relevant with Existing Risks	Occurrence Cycle	Financial Impact Assessment	Risk Management Measures
R3	Transition Risk Regulatory and Policy	The government implements stricter carbon tax or carbon pricing for industries with high carbon emissions, which affects the profitability and repayment capacity of its credit customers	· Corporate Credit Business	· Decrease operating income	Credit Risk	Short term Medium term	· Please refer to the <a href="#">Transition Risk analysis</a>	<b>Management Measures - Control</b> <ul style="list-style-type: none"> <li>· Measure the impact of credit customers of industries with high carbon emissions on the Company's credit risk based on the 5P principles during the credit investigation process, and conduct regular post-loan management to check the volatility of their profitability</li> </ul>
R8	Physical Risk Immediate	The frequency and intensity of extreme weather events, such as typhoons and heavy rainfall, have increased, resulting in damage to facilities and equipment, and even interruptions in operations	· Own Operations	· Reduce asset value	Operational Risk	Short term	· Please refer to the <a href="#">Transition Risk analysis</a>	<b>Management Measures - Reduction/Transfer</b> <ul style="list-style-type: none"> <li>· Verify whether existing operation bases are located in warning areas with a high risk of flooding, strengthen their adaptation measures, and take this risk into account when selecting sites or acquiring self-owned land</li> <li>· For business locations with varying flood risk levels, including both owned and leased sites, the Company re-evaluates the usage of flood barriers, assesses the need to upgrade flood protection equipment, and considers installing additional drainage systems in high-risk areas</li> </ul>
R9	Physical Risk Immediate	Rainfall and flood cause shutdown, destruction for assets and decreased price in collaterals of the credit customers	· Corporate Credit Business	· Decrease operating income · Reduce asset value	Credit Risk	Medium term	· Please refer to the <a href="#">Transition Risk analysis</a>	<b>Management Measures - Reduction/Transfer</b> <ul style="list-style-type: none"> <li>· Identify impact of extreme rainfall condition on operation place of the credit customers, which shall be included in consideration of repayment ability</li> <li>· Identify real estate collateral with high climate risk and manage their loan-to-value ratio</li> </ul>



## 2024 KTB Climate-Related Opportunities

Type of Opportunity	Category of Opportunity	Climate-Related Opportunity Items	Opportunity Description	Occurrence Cycle	Corresponding No.
Opportunity	Resource Efficiency	Enhance the resource efficiency	Expand the use of energy-saving and water-saving equipment to reduce operating costs	Short term	O1
	Energy Source	Enhance the proportion of renewable energy usage at operational locations	Increase the use of low-carbon energy and reducing reliance on fossil fuels to avoid potential price increases	Short term medium term	O2
	Products and Services	Increase green financial products and services	Develop low-carbon products and services, such as green credit and sustainability performance-linked loans, to promote the rise of green industries and enhance related financing opportunities	Medium term long term	O3
		Increase green financial products and services	Deliver digital products and services that meet customers' growing demands for efficiency, convenience, and a low carbon footprint	Short term	O4
	Market	Aim to enhance the accessibility of climate-friendly services by promoting electronic transactions to expand the green services market	By enhancing and expanding electronic transactions and digital services (such as mobile banking and online loan applications), the Company reduces the carbon footprint of physical branches while increasing outreach to rural areas, younger generations, and environmentally conscious customer segments	Medium term long term	O5



Note: Short term: It is estimated to occur within 1~3 years; Medium term: It is estimated to occur within 3~10 years; Long term: It is estimated to occur after 10 years

Based on the assessment of probability and impact, KTB has identified O3, O4, and O5 as relatively significant. For significant climate-related opportunities, the Company has formulated following action measures:

Corresponding No.	Type of Opportunity	Opportunity Description	Potential Financial Impact	Occurrence Cycle	Financial Impact Assessment	Actions Taken
O3	Products and Services	Develop low-carbon products and services, such as green credit and sustainability performance-linked loans, to promote the rise of green industries and enhance related financing opportunities	· Increase operating income	Medium term long term	· Please refer to <a href="#">4.2 Sustainable Finance</a>  · Please refer to <a href="#">5.2 Fintech and Innovation</a>	· Respond to the "Green Finance Action Plan 3.0," and support the development of green industries based on the principle of risks and return consideration  · The Company has established the Digital Service and Channel Management Department in 2015 to expand the application scope and customer base of digital financial products year by year
O4		Deliver digital products and services that meet customers' growing demands for efficiency, convenience, and a low carbon footprint	· Increase operating income	Short term		
O5	Market	By enhancing and expanding electronic transactions and digital services (such as mobile banking and online loan applications), the Company reduces the carbon footprint of physical branches while increasing outreach to rural areas, younger generations, and environmentally conscious customer segments	· Increase operating income	Medium term long term		

## Assessing Strategy Resilience through Scenario Analysis

In accordance with the guidelines issued by Taiwan's competent authorities on "Scenario Analysis of Climate Changes by Domestic Banks," KTB adopted the Phase 4 scenario framework released in 2023 by the Network for Greening the Financial System (NGFS). The Bank selected the scenarios of Net Zero 2050, Delayed Transition, and Fragmented World as the primary basis for transition risk factors. For physical risk factors, the Bank referenced the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), utilizing the Shared Socioeconomic Pathways (SSPs) in conjunction with Representative Concentration Pathways (RCPs). These factors were then integrated and aligned accordingly to continuously strengthen climate risk management and enhance transparency in climate-related disclosures.

### Climate Risk Scenario Setting

Situation Assumption									Climate Risk Factor		
Long-term Scenario	Types of Transition Scenarios	NGFS Scenarios	Principal Axis of Scenarios	Temperature Rise by the End of This Century	Physical Risks Corresponding to ICCP AR6 Scenarios	GDP Growth Rate	Unemployment Rate	Carbon Price	Transition Risk	Physical Risk	
										Chronic Physical Risks	Actue Physical Risks
	Orderly net-zero scenario	Net Zero 2050	Make orderly transition immediately Achieve net zero emission by 2050	1.4°C	SSP1-1.9	2030 : 3.50% 2050 : 1.98%	2030 : 1.31% 2050 : 2.82%	2030 : US\$ 241 / t 2050 : US\$ 1310 / t	Policies and regulations - Carbon pricing and the inclusion of carbon reduction progress across various industries	Rising average temperature	· Work suspension due to heavy rainfall · Flooding · Landslides · Drought and water shortage · Heatwaves leading to reduced productivity
	Disordered transition scenario	Delayed Transition	Delayed transition (2030), with global warming still limited to below 2°C by the end of the century	1.7°C	SSP1-2.6	2030 : 3.13% 2050 : 1.98%	2030 : 4.90% 2050 : 4.18%	2030 : US\$ 80 / t 2050 : US\$ 807/ t			
Passive transition scenario	Fragment World	Climate policies are delayed and fragmented, failing to achieve emission reduction targets and resulting in more severe global warming	2.3°C +	SSP2-4.5	2030 : 3.13% 2050 : 1.86%	2030 : 4.54% 2050 : 6.16%	2030 : US\$ 63/ t 2050 : US\$ 317/ t				

	Situation Assumption				Climate Risk Factor	
	Transition Risk Scenario	Physical Risk Scenario	Overall Data	Carbon Price	Transition Risk	Physical Risk
Short-term Scenario (within One Year)	Assuming stricter domestic regulations: Carbon fees are imposed across all industries, with the removal of the 25,000 tCO <sub>2</sub> e emissions threshold and the carbon leakage risk coefficient	Assuming a future scenario with 2°C global warming and that Typhoon Morakot occurs again, with adjusted intensity	Assuming no impact on the overall economy	NT\$ 1,000 / t	Policies and laws - Carbon pricing	Flooding
						Landslides

## Comprehensive Result of Scenario Analysis

Under the aforementioned climate scenario framework, KTB assessed the potential impairment of assets at its own operating locations, as well as changes in credit risk parameters—Probability of Default (PD) and Loss Given Default (LGD)—for domestic and foreign credit, domestic and international bonds, and equity investments under stress conditions. The evaluation results are presented using Capital at Risk (i.e., expected credit loss amount ÷ baseline year net asset value).



## Climate Risk Analysis Scope and Results

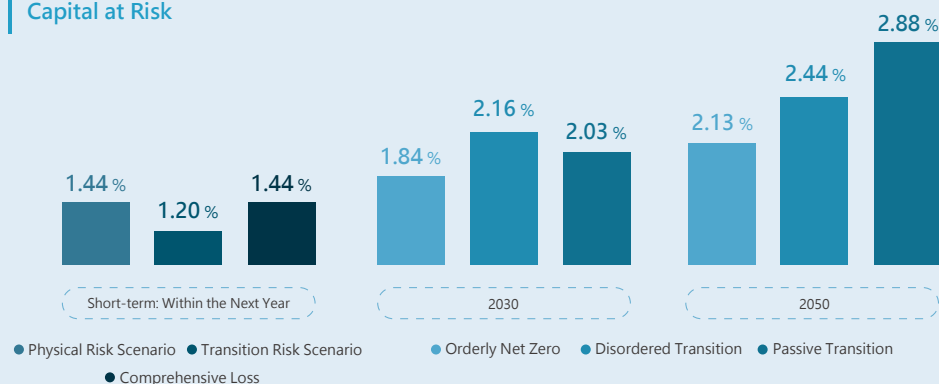
Business/Asset Category	Climate Analysis Scenario	Analysis Period	Existing Risks	Analysis Results
Internal Operation	Office buildings/Operating locations	· 2030 · 2050	Operational Risk	Under the passive transition scenario, specifically the high-end SSP2-4.5 by the end of the century, losses due to asset damage from flooding and landslides are estimated to account for approximately 1.51% of net asset value. In the case of a single extreme event occurring within a short period, the loss-to-net asset value ratio could rise to 2.73%
	Suppliers		Operational Risk	Under different scenarios, most supplier locations fall under the category of low-risk areas. In the future, the scope of supplier assessments will continue to be expanded
Investment and Financing Business	Individual house loan		Credit Risk	In 2030, the expected credit loss rate is projected to increase by approximately 2.06 to 2.15 basis points compared to the baseline scenario In 2050, the expected credit loss rate is projected to increase by approximately 1.58 to 2.16 basis points compared to the baseline scenario
	Domestic corporate Credit		Credit Risk	In 2030, the expected credit loss rate is projected to increase by approximately 0.22 to 6.95 basis points compared to the baseline scenario In 2050, the expected credit loss rate is projected to increase by approximately 3.47 to 11 basis points compared to the baseline scenario
	Overseas corporate credit		Credit Risk	In 2030, the expected credit loss rate is projected to increase by approximately 27.35 to 44.22 basis points compared to the baseline scenario In 2050, the expected credit loss rate is projected to increase by approximately 75.34 to 166.74 basis points compared to the baseline scenario
	Investment for non-transaction purpose		Credit Risk	In 2030, the expected credit loss rate is projected to increase by approximately 43.78 to 48.1 basis points compared to the baseline scenario In 2050, the expected credit loss rate is projected to increase by approximately 57.78 to 93.21 basis points compared to the baseline scenario

Note: Expected Credit Loss Rate (ECL Rate) =  $\Delta PD \times \Delta LGD$

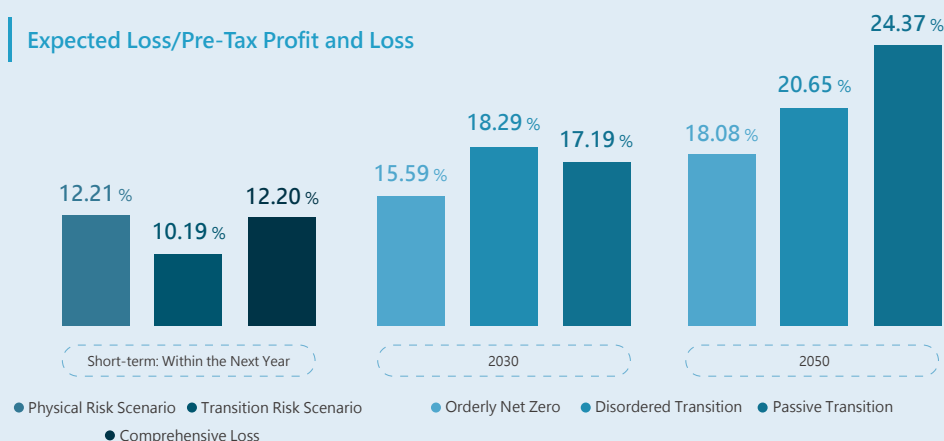
## ◆ Overall Investment and Financing Business

In the short-term scenarios, physical risks slightly outweigh transition risk scenarios and the overall loss outcomes, indicating that single-event physical disasters exert immediate pressure on credit and investment positions. However, the overall risk remains at a relatively manageable level. In long-term scenarios, the expected losses in 2050 are higher than those in 2030 across all scenarios, indicating that the overall climate risk intensifies over time. When comparing differences across scenarios, it is evident that under the disordered transition scenario, higher expected credit losses emerge in 2030, primarily due to rising carbon prices and a deteriorating macroeconomic environment. By 2050, the passive transition scenario exhibits the highest expected credit losses, mainly because transition risks begin to materialize while also facing significant impacts from physical risks.

### Capital at Risk

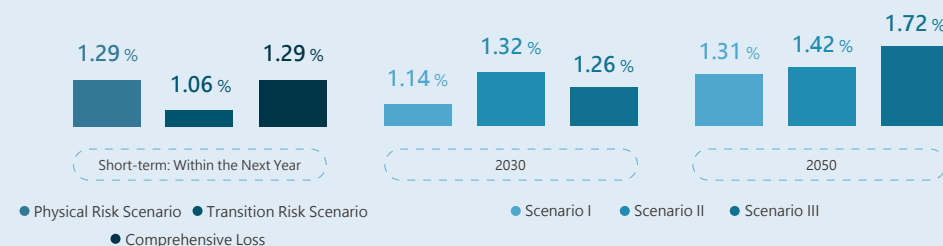


### Expected Loss/Pre-Tax Profit and Loss

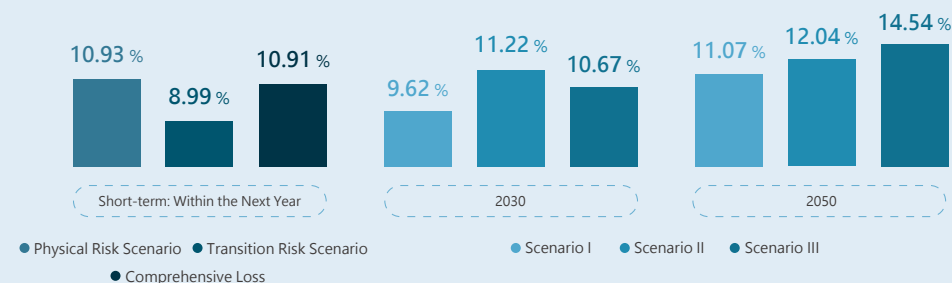


## ◆ General Corporate Credit Business

### Capital at Risk



### Expected Loss/Pre-Tax Profit and Loss



Note 1 : Capital at risk = Expected credit loss under each scenario ÷ Net asset value as of end-2024

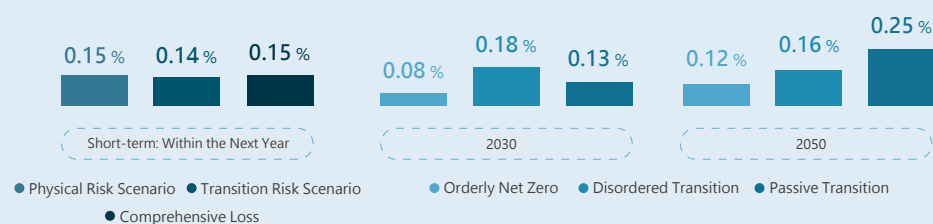
Note 2 : Only domestic investment and financing sites are analyzed in the short-term scenario. Due to the difference in methodologies between the long-term and short-term scenarios, it is not appropriate to compare the results of the analyses.

Note 3 : Long-term scenarios are evaluated over a long period of time; therefore, the expected loss scenarios estimated for each scenario are subject to uncertainty and are not indicative of actual future impacts, and limitations should be noted in using and interpreting the analytical results.

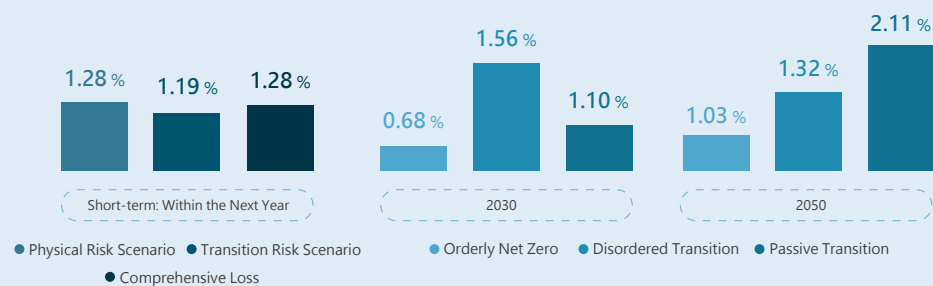


## ◆ Individual Credit Business

### Capital at Risk



### Expected Loss/Pre-Tax Profit and Loss



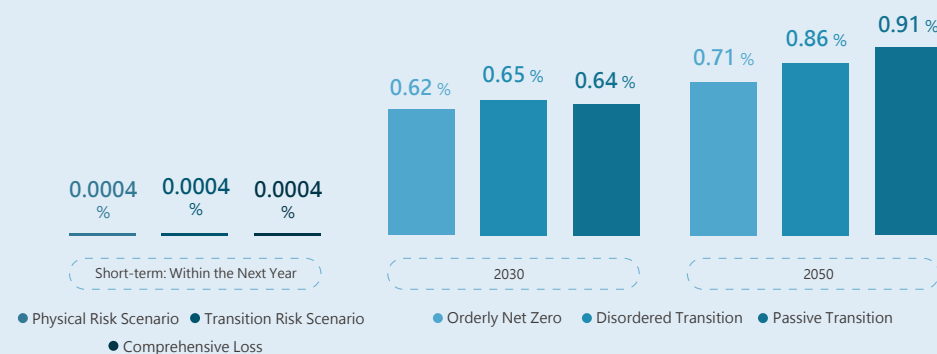
Note 1 : Capital at risk = Expected credit loss under each scenario ÷ Net asset value as of end-2024

Note 2 : Only domestic investment and financing sites are analyzed in the short-term scenario. Due to the difference in methodologies between the long-term and short-term scenarios, it is not appropriate to compare the results of the analyses.

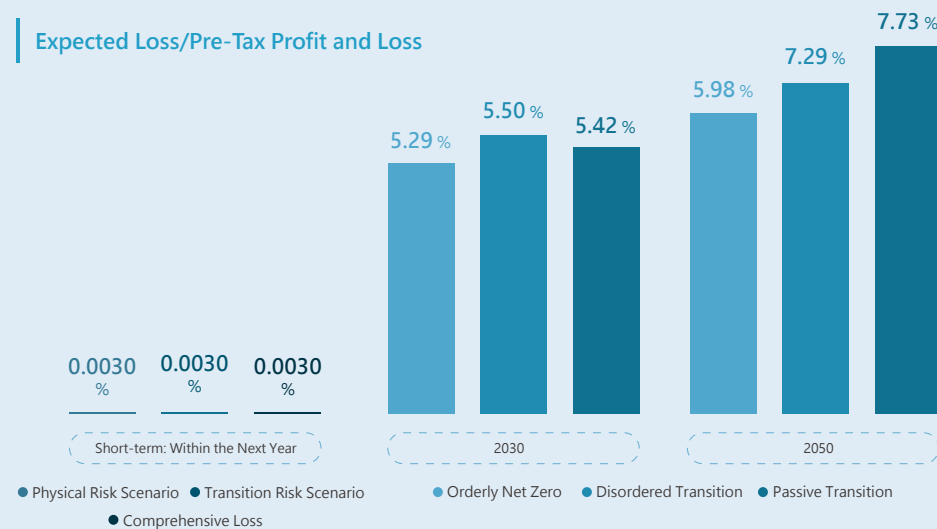
Note 3 : Long-term scenarios are evaluated over a long period of time; therefore, the expected loss scenarios estimated for each scenario are subject to uncertainty and are not indicative of actual future impacts, and limitations should be noted in using and interpreting the analytical results.

## ◆ Investment business for non-transaction purpose

### Capital at Risk



### Expected Loss/Pre-Tax Profit and Loss



## Physical risk analysis - Flooding and landslides caused by heavy rainfall

### ♦ Impairment of the Value of Owned Operational Sites

KTB's another major sources of revenue comes from over-the-counter banking services. If operational sites are flooded due to extreme weather conditions, it could result in business interruptions, asset and equipment write-offs, and potential impairment of owned asset values. This in turn increases operational risks for the bank. Therefore, KTB considers the depreciation losses from flooded operational sites as one of the significant climate risk factors.

KTB conducted an analysis of all owned operating sites using its climate risk analysis database to assess the distribution of risk levels, potential impairment amounts, and risk-bearing capacity under three scenarios: the short-term scenario with adjusted severity, and the passive transition scenarios for 2030 and 2050 under SSP2-4.5.

Under the three aforementioned scenarios, most of the Company's operating sites are located in low-risk areas. Based on the ratio of potential impairment to net asset value for owner-owned premises, the Company's risk-bearing capacity under each scenario is assessed at 2.73%, 1.30%, and 1.51%, respectively. The corresponding total potential impairment amounts are NT\$1.491 billion, NT\$709 million, and NT\$823 million. Overall, the financial impact of physical risks on the Company's owned fixed assets is assessed as low.

Operating Sites									
Assessment method : Referring to the Bankers Association of the Republic of China's document "Scenario Analysis of Climate Changes by Domestic Banks," KTB identified the potential impairment of book value for owner-owned premises by identifying their locations and the severity of physical risks in different regions									
	Short-Term Scenario - Intensity Adjustment			Passive Transition - 2030			Passive Transition - 2050		
	Owner-Owned Premises		Tenanted Premises	Owner-Owned Premises		Tenanted Premises	Owner-Owned Premises		Tenanted Premises
Risk Level	Number of Premises	Proportion of Potential Impairment Amount to Net Worth	Number of Premises	Number of Premises	Proportion of Potential Impairment Amount to Net Worth	Number of Premises	Number of Premises	Proportion of Potential Impairment Amount to Net Worth	Number of Premises
Mild	17	0.06%	18	17	0.52%	18	17	0.28%	18
Moderate	5	0.07%	3	5	0.20%	3	5	0.25%	3
High	4	0.74%	6	4	0.25%	6	4	0.51%	6
Extreme	3	0.99%	4	3	0.15%	4	3	0.33%	4
Significant	4	0.86%	2	4	0.18%	2	4	0.13%	2
Total	33	2.73%	33	33	1.30%	33	33	1.51%	33

Note : Potential impairment amount = Net value of owned operational sites (land and buildings) at the end of 2024 the impairment ratio under each physical risk scenario; Net value is based on the year-end 2024 figures

### ♦ Potential Supply Chain Disruption Risks

To understand the potential impact of extreme weather events on suppliers' ability to deliver products and services as contracted, KTB evaluated suppliers with contracted procurement amounts exceeding NT\$10 million in 2024. The assessment covered three scenarios—Short-term (Intensity-Adjusted), Passive Transition 2030, and 2050 under SSP2-4.5—focusing on risk level distribution to determine suppliers' delivery feasibility during disasters. This serves as a reference for adjusting the Company's supplier management strategies and further strengthening operational resilience.

Under all three scenarios, most of the Company's key suppliers are located in low-risk areas.

Suppliers with Procurement Contract Amounts Exceeding NT\$10 Million			
Assessment method : Referring to the Bankers Association of the Republic of China's guidelines in the document "Scenario Analysis of Climate Changes by Domestic Banks," KTB identified the risk level distribution of suppliers across different regions and varying degrees of physical risk severity			
	Short-Term Scenario - Intensity Adjustment	Passive Transition - 2030	Passive Transition - 2050
Risk Level	Number of Suppliers	Number of Suppliers	Number of Suppliers
Mild	3	3	3
Moderate	0	2	2
High	2	0	0
Extreme	0	0	0
Significant	0	0	0

Note : The supplier's operating location is based on the registered business tax address

## ◆ Impairment of Domestic Real Estate Collateral

KTB primarily generates revenue from credit business, with real estate often used as collateral. Climate change has increased the frequency and intensity of extreme weather events, potentially reducing the value of real estate collateral associated with credit business. As a result, banks face an elevated credit risk. Consequently, KTB has recognized the depreciation of real estate collateral as a significant climate risk factor.

KTB conducted an analysis of real estate collateral located in Taiwan through its climate risk analysis database. The assessment examined the distribution of risk levels, potential impairment amounts, and loss-absorbing capacity of collateral under three climate scenarios: a short-term scenario - intensity adjustment, and the passive transition scenarios for 2030 and 2050 under SSP2-4.5.

Under the three aforementioned scenarios, most collateral falls within low-risk areas. Observing the potential impairment amount of collateral located in "significant" risk zones under the passive transition scenario, it accounts for approximately 7.5% to 9.4%, indicating that tail risks under the passive scenario remain within a controllable range. In the short-term scenario, the potential impairment amount of collateral located in significant risk areas accounts for 34.27%. This is mainly because, on average, the impairment rate of collateral in significant risk areas is 84.6% under the short-term scenario. When measured by changes in loan-to-value (LTV) ratios, the risk tolerance of loans secured by real estate under different scenarios shows an increase from the baseline year's 14.95% to approximately 19.57%, 19.74%, and 18.73%, respectively. This indicates that the financial impact of physical risks on this business segment is relatively mild.

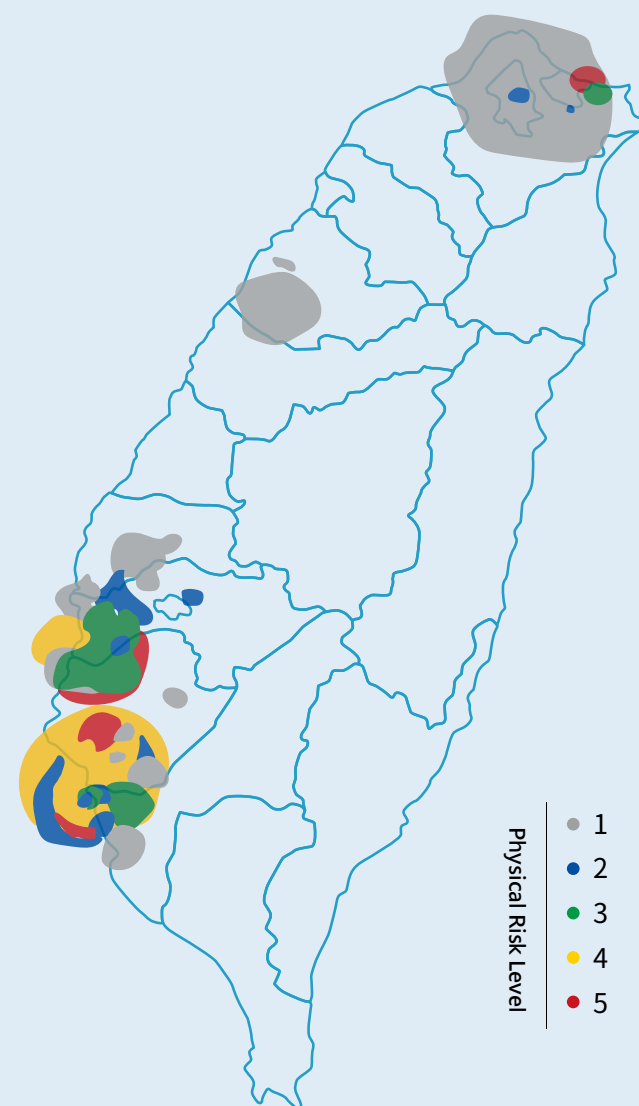
Domestic Real Estate Collateral						
Assessment method : Referencing the Bankers Association of the Republic of China's document "Scenario Analysis of Climate Changes by Domestic Banks," KTB identified the impairment of real estate collateral value due to flooding and landslide risks, based on different regions and levels of physical risk						
	Short-Term Scenario - Intensity Adjustment		Passive Transition - 2030		Passive Transition - 2050	
Risk Level	Loan Balance Ratio	Potential Impairment Amount Ratio	Loan Balance Ratio	Potential Impairment Amount Ratio	Loan Balance Ratio	Potential Impairment Amount Ratio
Mild	63.11%	27.66%	68.44%	71.60%	65.70%	70.64%
Moderate	6.42%	7.35%	6.33%	2.64%	7.89%	3.51%
High	7.29%	6.44%	6.92%	4.68%	6.66%	4.32%
Extreme	5.55%	7.48%	10.34%	11.73%	13.04%	14.01%
Significant	17.62%	34.27%	7.97%	9.35%	6.71%	7.51%

Note 1 : The analysis covers a total of 4,281 collateral cases

Note 2 : Potential impairment amount = Baseline year collateral appraisal value X impairment ratio under each physical risk scenario

Note 3 : Loan balance ratio = Loan balance of each risk level÷total loan balance secured by real estate collateral; Potential impairment ratio = Potential impairment amount of each risk level÷total potential impairment amount secured by real estate collateral

## Climate Sensitivity Distribution of Credit Collateral under RCP 4.5 2050 Scenario





#### ◆ Domestic High-Carbon Emission Industries and Corporate Credit Customers

Starting in 2025, Taiwan will officially enter the era of carbon pricing. In response to this policy, KTB has considered that the credit recipients are primarily domestic enterprises. Therefore, we have referred to the "Regulations for Gas Emission Inventory Registration and Inspection Management" and have classified the power generation industry, steel industry, petroleum refining industry, cement industry, semiconductor industry, and thin-film transistor liquid crystal display industry as "high carbon emission industries." In addition, we are tracking the total of 25,000 tCO<sub>2</sub>e in direct emissions and indirect emissions from electricity for credit customers. This is to enhance monitoring and control of transition risks under the carbon pricing system.

As of the end of 2024, KTB's domestic corporate credit customers classified under the aforementioned categories had a total credit balance of NT\$3.965 billion, accounting for approximately 1.55% of the Company's total loan balance. With reference to the climate scenario methodology issued by the competent authority, and taking into account both carbon price changes and the impact of heatwaves on productivity, the expected credit loss variations under the Orderly Net Zero, Disordered Transition, and Passive Transition scenarios in 2030 and 2050 were analyzed. The results are as follows:

Domestic High-Carbon Emission Industries and Corporate Credit Customers							
Assessment method : Referencing the Bankers Association of the Republic of China's document "Scenario Analysis of Climate Changes by Domestic Banks," KTB identified the expected changes in credit losses for domestic high carbon-emitting industries under different scenarios, specifically due to the anticipated decline in revenue resulting from increased carbon costs							
Unit: NT\$ million							
		Orderly Net-Zero		Disordered Transition		Passive Transition	
Category	Loan Balance Ratio	2030 ΔECL	2050 ΔECL	2030 ΔECL	2050 ΔECL	2030 ΔECL	2050 ΔECL
Power Generation Industry	0.00%	(0.90)	(0.62)	(0.21)	(0.46)	(0.29)	0.03
Steel Industry	0.39%	0.01	0.01	0.00	(0.00)	(0.00)	0.02
Petroleum Refining Industry	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
Cement Industry	0.42%	(2.23)	(1.29)	0.37	(0.46)	0.01	1.78
Semiconductor Industry	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
Thin Film Transistor Liquid Crystal Display Industry	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
The Total Direct and Indirect Emissions Amount to 25,000 tCO <sub>2</sub> e	0.74%	(2.28)	(1.32)	0.37	(0.47)	0.01	1.81
Total	1.55%	(5.41)	(3.21)	0.52	(1.39)	(0.27)	3.65

Note 1 : Loan balance ratio = Loan balance of the category/Total loan balance of the entire Bank at the end of 2024

Note 2 : Expected Increase in Credit Losses (ΔECL) = ΔPD×LGD×EAD. Where ΔPD is based on the impact of additional carbon costs on financial data. The stressed PD is calculated using the existing assessment model, and the difference from the original PD is taken as ΔPD

Note 3 : The term "Power Generation Industry" does not include companies involved in renewable energy power generation

#### Scenario Analysis of High Credit Concentration Industries

KTB primarily relies on credit business as its revenue source. To manage climate-related risks arising from industry concentration, industries with loan proportions exceeding 8% are further screened for analysis. The industries with concentration exceeding 8% at KTB are financial services and real estate development. The value of capital at risk performances in various scenarios for the years 2030 and 2050 are as follows:

Corporate Credit Customers with Concentration Exceeding 8%								
Assessment method : Referencing the Bankers Association of the Republic of China's document "Scenario Analysis of Climate Changes by Domestic Banks," KTB identified the expected changes in credit losses for domestic high carbon-emitting industries under different scenarios, specifically due to the anticipated decline in revenue resulting from increased carbon costs								
			Orderly Net-Zero		Disordered Transition		Passive Transition	
Categories of Industry	Loan Amount Ratio	Baseline Scenario	2030	2050	2030	2050	2030	2050
Real Estate Development Activities	19.22%	0.19%	0.23%	0.27%	0.31%	0.30%	0.27%	0.38%
Financial Service Activities	10.81%	0.10%	0.09%	0.11%	0.11%	0.11%	0.10%	0.12%

Note 1 : Loan balance ratio = Loan balance of the category÷Total loan balance of the entire Bank at the end of 2024

Note 2 : Value of capital at risk = Expected credit losses÷Net value at the end of 2024

## Climate-Related Indicators and Targets

KTB adopts a progressively deepening strategy in response to climate change and regards the establishment of climate-related indicators and targets as a foundation for strengthening management mechanisms and driving substantive action. In addition to implementing ISO 50001 Energy Management System, ISO 14001 Environmental Management System, and ISO 14064-1 Greenhouse Gas Inventory within internal operations to establish mechanisms for monitoring and improving key environmental metrics such as carbon emissions and energy efficiency, KTB has also extended its management focus beyond operational activities to encompass climate governance, climate risk management, and climate opportunity identification. These efforts aim to continuously enhance transparency in external communication and achieve the dual value of climate governance and business growth.

Climate-Related Indicators		2024 Goals	Achievement Status
Climate Governance	Deepening the Board of Directors' climate education training	Members of the Board of Directors receive climate-related education and training for a minimum of 3 hours each year	☑ Achieved. Please refer to <a href="#">page 50 for the content of the training and education</a>
	Establishing a compensation linkage mechanism	Incorporate the execution of ESG initiatives clearly into the objectives of senior management, and plan the weight distribution	☑ Achieved. Please refer to <a href="#">page 50 for the content of the incentive mechanism</a>
Climate Risk Management	Green operations	<ul style="list-style-type: none"> <li>Material environmental issues, including electricity consumption, water usage, and waste, aim for a 1% reduction per capita compared to the previous year</li> <li>Using 2023 as the base year, the Company aims to increase the proportion of renewable energy usage in its internal operations by 3%</li> </ul>	○ Achieved partially. Note. For implementation details, please refer to <a href="#">4.3 Sustainable Operating Environment</a> ☑ Achieved. In 2024, the proportion of renewable energy used in our operations reached 3.43%
	Strengthening the disclosure of greenhouse gas emissions	<ul style="list-style-type: none"> <li>Plan for the subsidiary to achieve 100% coverage in greenhouse gas inventory and certification</li> </ul>	☑ Achieved
Climate Opportunity Domination	Promoting credit extensions that align with green funding purposes	<ul style="list-style-type: none"> <li>The credit balance has increased by 10% compared to the previous year</li> </ul>	☑ Achieved. The green credit balance has increased by 44.65% compared to the previous year
	Expanding the green service market for electronic transactions	<ul style="list-style-type: none"> <li>Maintain the digital account opening platform ratio at above 75%</li> <li>Newly added/Develop digital channels for product/Service: 10 Items</li> </ul>	☑ Achieved. For implementation details, please refer to <a href="#">5.2 Fintech and Innovation</a>

Note : Due to the "Circular Treasure Festival" campaign, the number of cardboard boxes used for collecting donated items increased, resulting in a 0.25-ton increase in the total weight of recyclables and a 0.03% rise in per capita waste compared to the previous year. All other targets have been achieved.



## 4.2 Sustainable Finance

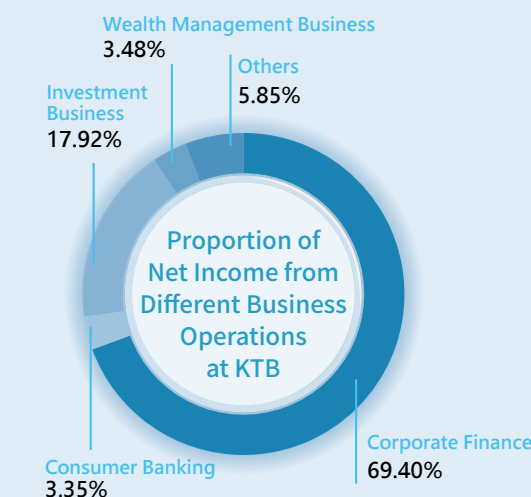
Taiwan declared its commitment to achieving "Net Zero Emissions by 2050" in 2021 and identified "Green Finance" as one of the 12 key strategies towards this goal. The financial industry plays a vital role in establishing green finance mechanisms and implementing targeted measures, serving as an intermediary for funds and facilitating investments to support sustainable development. It has become an essential driving force in the transition to net zero emissions. Therefore, while climate change causes changes in the operational environment and necessitates additional expenditures to mitigate potential damages, it also presents opportunities for financial institutions.

KTB places a strong emphasis on climate change issues and sustainable development. It not only continues to enhance its climate risk management mechanisms but also actively develops financial products and services that are aligned with climate and sustainability goals. Integrating ESG (Environmental, Social, and Governance) considerations into its daily business processes, KTB leverages its influence in the financial supply chain to promote societal awareness and importance of sustainable development.

### Overview of Sustainable Products and Services at KTB

Corporate Finance	Product and Service Description	Specific Actions for 2024
<b>Green Credit</b>	Assist companies and industries in securing the required funding for the development of renewable energy, clean transportation, and sustainable water sources, among others	The balance as of December 2024 is NT\$12.351 billion
<b>Sustainable Performance Linked Loan</b>	Encourage companies to establish and achieve their own sustainable development goals. If companies successfully achieve these goals, they will receive financial incentives, such as reductions in interest rates and waivers of fees	The balance as of December 2024 is NT\$1.133 billion
<b>Sustainable Deposits</b>	To meet the expectations of businesses and the general public, KTB ensures that the funds deposited in the bank are effectively and properly utilized for targets that have tangible benefits for the environment and society	The "Sustainable Fixed Deposit Project" was launched from the end of 2023 until the end of November 2024. As of early 2024, a total of six companies had responded, and the committed amount reached NT\$190 million. Funds were allocated to renewable energy, energy conservation, water conservation, and clean transportation, and in April 2024, a "Limited Assurance Report on the Use of Sustainable Time Deposit Funds" was obtained

### Proportion of Net Income from Different Business Operations at KTB

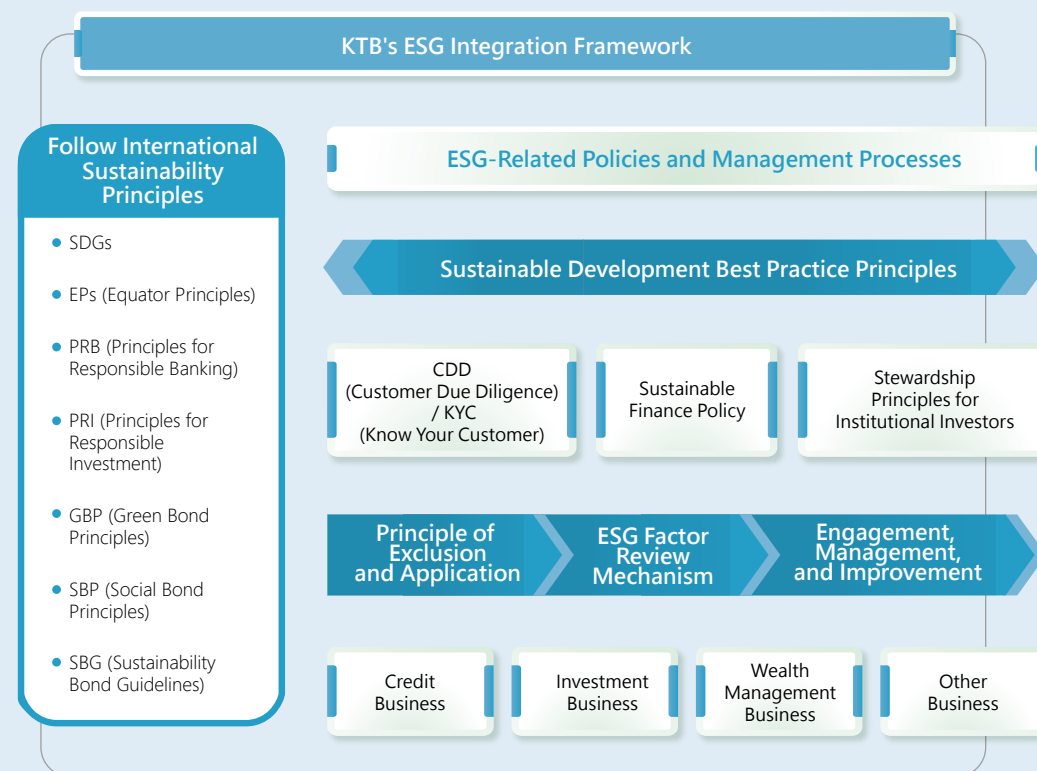


Note : Figures for Parent Company Only Financial Statements

Personal Finance	Product and Service Description	Specific Actions for 2024
<b>ESG-Related Financial Products</b>	In response to the growing awareness of ESG investing among domestic investors, KTB has increased the selection of financial products	<ul style="list-style-type: none"> <li>54 ESG funds were listed, generating sales of approximately NT\$1.827 billion, which accounted for about 58.54% of the total annual sales</li> </ul>
<b>King's Step by Step Surprise</b>	Combine digital services with reducing carbon footprint; encouraging customers and employees to choose "walking" whenever possible when moving, and promoting familiarity with digital products by logging into the mobile banking app daily	<ul style="list-style-type: none"> <li>In 2024, 12,000 customers participated</li> <li>Accumulated 590 million steps, which is equivalent to a walking distance of 357,000 kilometers, resulting in a reduction of approximately 84 tons of carbon emissions</li> </ul>
<b>Online Credit Application Service</b>	Online credit application conditions and mortgage applications were launched in July 2023, followed by online repayment services in September of the same year. Expanding digital financial services to more areas, thereby reducing the reliance on paper, mail transportation, and physical commuting	<ul style="list-style-type: none"> <li>Online applications for credit condition changes and mortgage loans totaled 92 cases, representing a 3.8-fold increase compared to the previous year</li> <li>A total of 220 online repayment applications were submitted, representing a 17-fold increase compared to the previous year, with a successful transaction completion rate of 92%</li> </ul>

## Sustainable Finance Management Policy

To further encourage all business units to integrate ESG factors into their business planning and operations, KTB has developed the "King's Town Bank Sustainable Finance Policy." This policy was approved by the Board of Directors and implemented across the entire Company. According to the policy, each business unit is required to include ESG factors in the evaluation criteria, taking into account the scope of their operations and service characteristics. As part of the customer due diligence process, their ESG performance should be assessed to identify any relevant risks and opportunities. The implementation status will be discussed by the ESG Team and reported to the Sustainable Development Committee as well as the Board of Directors. KTB's Sustainable Finance Management Policy is as follow:

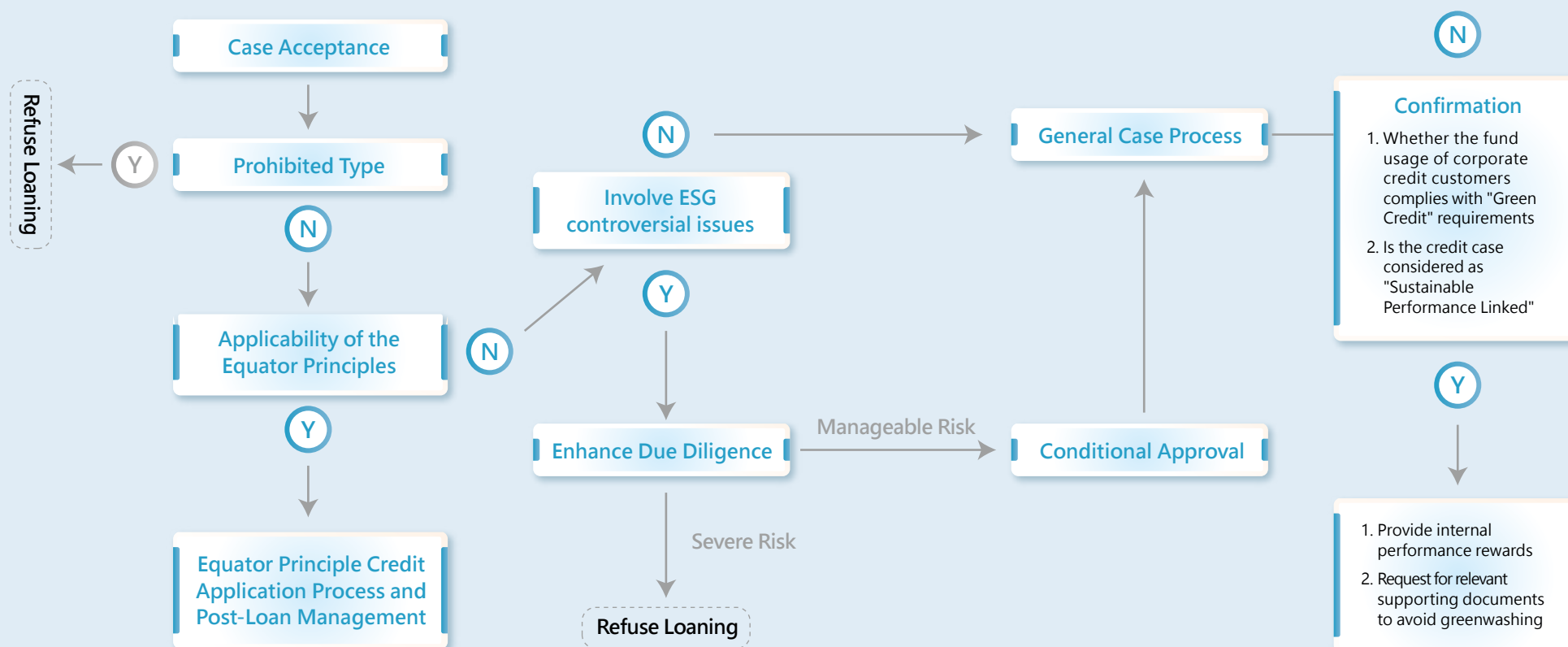


Scope of Application	Various Activities Such as Product and Service Development, Investment, and Financing
Category	Various Activities Such as Product and Service Development, Investment, and Financing
Prohibited Industries	1.Designated sanctions targets under the Anti-Money Laundering Act and the Counter-Terrorism Financing Act as determined by the competent authority 2.Individuals involved in illegal activities such as pornography, illegal arms manufacturing or trading, illegal gambling, and the harmful exploitation of endangered wildlife and plants
Positive Industry	1.Engage in renewable energy and alternative fuels can help to reduce greenhouse gas emissions 2.Those who are involved in water resources, energy conservation, and energy storage equipment can enhance the efficiency of natural resource utilization 3.To protect the natural environment, invest in products or equipment for environmental protection, pollution prevention and reduction, and other related purposes 4.Utilization of ecological crop protection and sustainable management of natural resources and the environment can address food security concerns and enhance biodiversity 5.Engage in vaccine and pharmaceutical research and development, as well as healthcare, to ensure and enhance health and well-being 6.Provide affordable vocational or higher education, promote equal learning opportunities for disadvantaged groups, and advance equitable and quality education access 7.Engage in activities that contribute to sustainable development in other areas
The Enterprise or Industry Needs to Enhance Its Due Diligence Investigation to Assess Whether to Provide Financial Products/Services or Gradually Reduce Them	1.Significant environmental violations have occurred, resulting in daily penalties, work stoppages, business suspensions, closure orders, permit revocations, or criminal referrals by various levels of environmental protection agencies and those who have failed to propose specific improvement plans 2.Instances of human rights violations, such as the employment of child labor and human trafficking, are significant, and no specific improvement plans have been proposed 3.Occurrences of occupational accidents, food safety issues, or significant corporate governance failures reported by the media, indicating substantial compliance risks and failure to present specific improvement plans 4.Business activities involving coal-fired power generation, harmful radioactive substances, or tobacco

## Sustainable Financing

Before released loans to corporate customers, KTB reviews the loaning based on the 5P principle - people, purpose, payment, protection, and perspective, according to the borrower's situation, fund use, repayment source, guarantee of creditor's rights and borrower's prospect, also incorporates the enterprise's ESG status into the credit investigation process, such as whether it has been subject to major pollution penalties, whether it has been involved in civil and criminal litigation, whether there is any incident that has an obvious adverse impact on the operation or image of the enterprise, and the prospects and risks of the industry, such as policy directions and changes in laws and regulations. Moreover, the "King's Town Bank Co., Ltd. Guidelines for Credit Rating of Corporate Customers" and "King's Town Bank Co., Ltd. Guidelines for Credit Rating of Individual Customers" stipulates that, if the applicant's operation or business complies with ESG principles, it can be considered as extra points on the credit rating form. In addition, for enterprises that are beneficial to sustainable development, KTB also implements an internal award mechanism to encourage the sales employees to develop credit business of sustainable industries, so as to increase capital investment in eco-friendly industries, including green power, clean energy, circular economy, and health care.

### Sustainable Financing Review Process Diagram



### ◆ Sustainable Industry Financing

As of the end of December 2024, KTB's loan balance in ESG sustainable industries such as green energy technology, circular economy, biotech healthcare, and new agriculture reached NT\$26.723 billion, reflecting a 7% increase from the same period in 2023, accounting for 10.98% of the total loan.

Furthermore, to support businesses in investing in clean energy, energy storage systems, clean transportation, and pollution control projects for green purposes, and to incentivize businesses to continue their sustainable efforts, collaborates with companies to establish sustainable development goals and offers financial incentives if the goals are achieved. KTB references the Green Loan Principles and Sustainability Linked Loan Principles established by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA). We are developing operational procedures and annotation guidelines based on these principles. Additionally, we continuously conduct internal education and training sessions to enhance frontline credit officers' understanding of green loans and sustainable performance linked loan. As of the end of December 2024, the loan balance for green fund purposes stood at NT\$12.351 billion, reflecting an increase of 44.65% compared to the previous year while the loan balance for sustainable performance linked loan amounted to NT\$1.133 billion.

Unit: NT\$ one hundred million

ESG Opportunities	Industry	Loan Balance at the End of 2024	Proportion in Total Loans
Environmental Friendly	Green Energy Technology	191.91	7.84%
	Circular Economy	17.78	0.73%
Social Friendly	Biotechnology & Medical	43.38	1.77%
Environmental & Social Friendly	Innovative Agriculture	14.16	0.58%
Total Loans to ESG Sustainable Industry		267.23	10.98%

Unit: NT\$ one hundred million

Sustainable Credit Business	Balance at the End of 2024
Loans to ESG Sustainable Industry	267.23
Green Credit	123.51
Sustainable Performance Linked Loan	11.33
Total of Sustainable Credit	402.07
Proportion in Total Loans	16.54%

### ◆ Project Financing

In light of the global goal of achieving "Net Zero Emissions," the development of renewable energy has become a crucial component. Apart from offering financial support for equipment, technology, and other requirements of renewable energy projects through general loans, KTB also promotes the development and implementation of project initiatives. From small and medium-sized solar power to the recent surge in offshore wind power, as of December 2024, the corresponding balance stands at NT\$12.606 billion, which is equivalent to an annual carbon reduction benefit of approximately 230,300 tons. Based on the general carbon fee rate of NT\$300 per metric ton announced by the Ministry of Environment, it is estimated that approximately NT\$69.1 million in carbon fee costs can be reduced.

Green Energy Project Financing	Balance at the End of the Year	Installed Capacity Recognized Based on Participation Loan Ratio <sup>Note 1</sup>	Converting to Carbon Reduction Benefits	Reduction in Carbon Fee Costs <sup>Note 5</sup>
Wind Power	NT\$12.439 billion	200.74 MW	223,900 tCO <sub>2</sub> e	NT\$67.18 million
Solar Power	NT\$167 million	9.25 MW	6,400 tCO <sub>2</sub> e	NT\$1.92 million

Note 1 : Installed capacity recognized based on participation loan ratio = Total installed capacity of the project Participation loan ratio  
 Note 2 : Estimated generation capacity = installed capacity×annual running hours×capacity factor  
 Note 3 : Capacity factors are based on the average capacity factors for wind and solar power from Taipower in 2024  
 Note 4 : Electricity emission coefficient was 0.494 KgCO<sub>2</sub>e/kWh in 2024 according to the announcement of "Bureau of Energy, Ministry of Economic Affairs" in 2023  
 Note 5 : According to the Ministry of Environment's announced "Standard Carbon Fee Rate," the general rate is NT\$300 / tCO<sub>2</sub>e

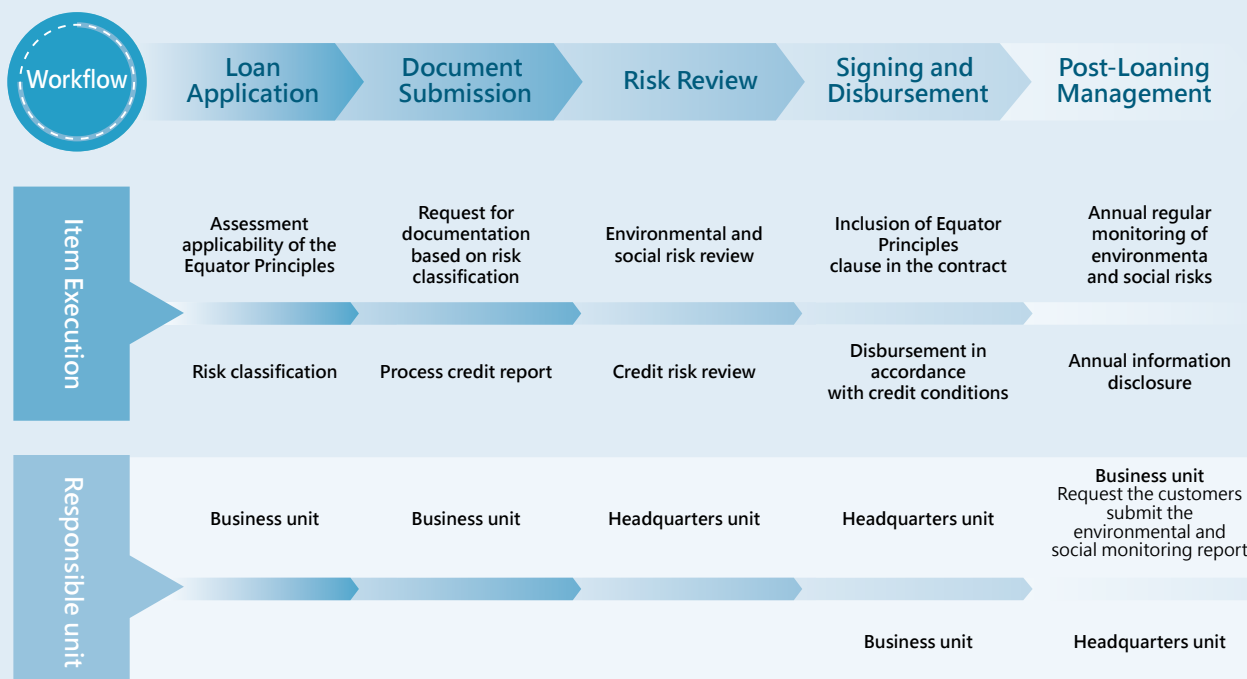


## ◆ Equator Principles

To accelerate international integration and promote sustainable finance development, as well as guide companies to prioritize environmental protection and social responsibility, KTB officially joined the Equator Principles Association on December 1, 2022. Additionally, in 2023, KTB issued the "KTB Equator Principles Financing Guidelines." When KTB processes corporate financing applications, we evaluate the applicability of the Equator Principles based on the amount and purpose of each case. If the case falls under the Equator Principles, it undergoes further classification into "Category A, High Risk B, B, C" using the Equator Principles Risk Classification Checklist. Depending on the classification, relevant documents are requested, and a dedicated unit conducts a review of environmental and social risks to ensure the completeness of risk classification and related documentation. After the case is approved, a routine review will be conducted in accordance with regulations to monitor its environmental and social performance.

In 2024, there were a total of seven cases under review. Out of these, one case required examination according to the Equator Principles. In total, one case was approved, fulfilling the disclosure requirement for the EP (Financial Close) status. The details are as follows:

### Equator Principle Credit Application Process Flowchart



### 2024 Equator Principle Case

Case Type : Project Financing			
	A	B	C
Industry			
Mining	0	0	0
Infrastructure	0	0	0
Oil and Gas Extraction	0	0	0
Energy and Power	0	1	0
Others	0	0	0
Region			
Americas	0	0	0
Europe, Middle East, and Africa	0	0	0
Asia Pacific, Oceania	0	1	0

### ◆ Support Small- and Medium-Sized Enterprises (SMEs)

KTB recognizes that small and medium-sized enterprises (SMEs) are not only a vital foundation of Taiwan's economy but also a key driving force for sustainable transformation. Compared to large corporations, which have more resources and professional support, SMEs often face higher technical barriers, difficulties in obtaining funding, and significant information gaps in their journey toward low-carbon transition and sustainable management. Therefore, they require proactive support and strategic guidance from banks. Leveraging its branch network primarily located in central and southern Taiwan, KTB deeply understands its customers and industries. With a flat organizational structure and flexible operational strategies, KTB not only provides diversified financial products tailored to SMEs but also integrates professional assessment and design to launch sustainable financing solutions suitable for SMEs. This approach supports stable operations while guiding them toward more resilient and future-oriented business models. As of the end of 2024, SME loan balances accounted for 62.50% of KTB's total loan, with small enterprises representing 11.06%. Among these, loans related to sustainability totaled NT\$13.273 billion, representing a 38.36% increase compared to 2023, and accounting for 8.73% of the total SME loan balances.

Unit: NT\$ one hundred million

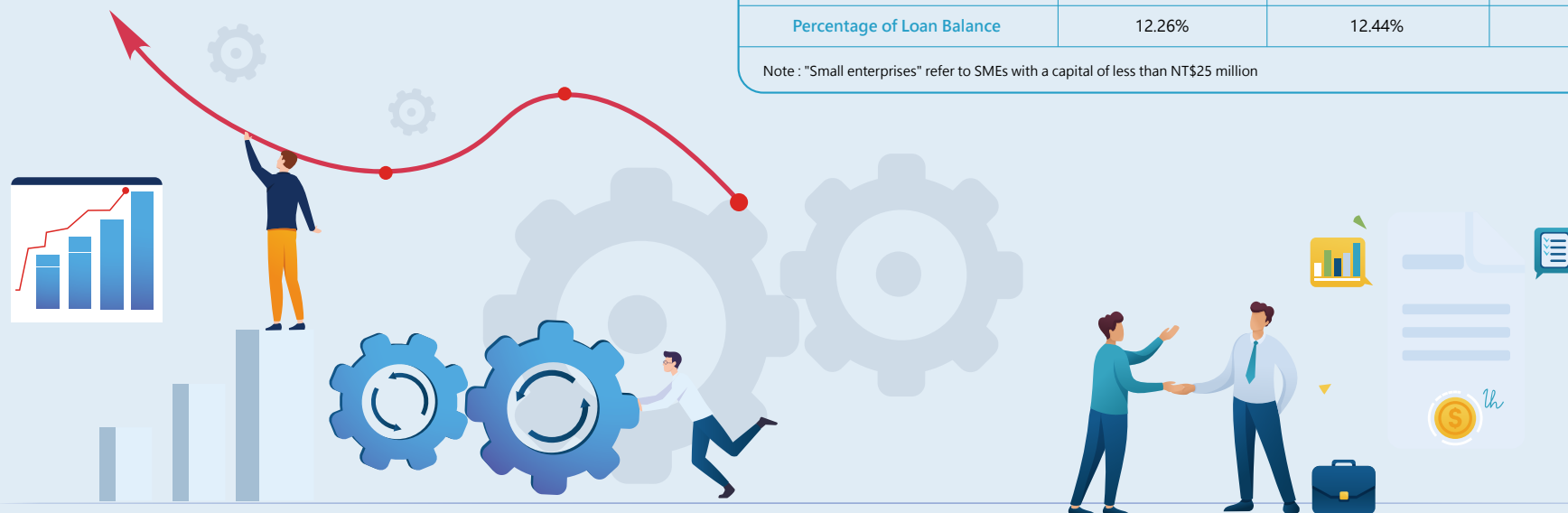
Outcomes for Supporting Small- and Medium-Sized Enterprises	2022	2023	2024
Loan Balance at the End of the Year	1,486.20	1,447.65	1,519.57
No. of Loans	5,348	4,237	3,753
Number of Customers	2,435	1,183	1,056
Percentage of Loan Balance	60.44%	60.94%	62.50%
Sustainable Credit Balance for SMEs	-	95.93	132.73
Sustainable Credit as a Percentage of Total SME Loan Balance	-	6.63%	8.73%

Note 1 : SMEs are defined in accordance with the "Small & Medium Enterprise Credit Guarantee Fund of Taiwan"  
 Note 2 : The year-end loan balance for corporate customers is NT\$179.059 billion  
 Note 3 : The year-end balance of loans to SMEs accounts for 84.86% of the year-end balance of total corporate loans

Unit: NT\$ one hundred million

Supporting the performances of Small Businesses	2022	2023	2024
Loan Balance at the End of the Year	301.38	290.85	269.00
No. of Loans	2,646	1,460	1,153
Number of Customers	1,855	647	563
Percentage of Loan Balance	12.26%	12.44%	11.06%

Note : "Small enterprises" refer to SMEs with a capital of less than NT\$25 million

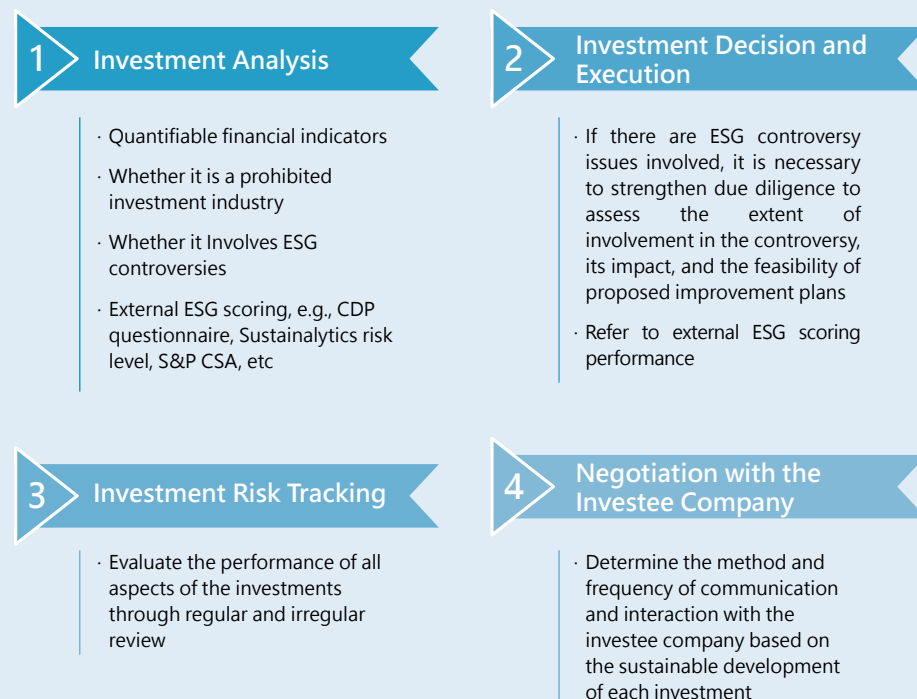




## Responsible Investment

Besides undertaking credit businesses to support sustainable development, KTB also lays great emphasis on the investees' actions in the aspects of environment, society, and corporate governance, when investing in shares or credits. Thus, the "Stewardship Principles" was formulated, and approved by the Board of Directors, specifying the principles, such as the due diligence policy, with the aim to facilitate the improvement of investees' corporate governance quality, through caring for, communication, and interaction with the investees, thereby promoting an overall positive development in the industry, economy, and society as a whole. The ["Stewardship Principles,"](#) ["Compliance Statement of the Code of Due Diligence Governance for Institutional Investors,"](#) and ["Stewardship Report"](#) are available for download from KTB's official website.

### Incorporate ESG in Investment Decision-Making Process



### Specific Achievements of Responsible Investment

KTB not only conducts due diligence and engagement on investment targets in its investment decision-making process to fulfill its responsibilities to investors, but also recognizes that investment can encourage businesses to adopt more sustainable business models, thereby leveraging its investment influence. Therefore, we refer to various external ESG rating results during the investment process to obtain a more objective evaluation of the sustainability performance of our investment targets. As of the end of 2024, approximately 19.42% of KTB's securities were ranked in the top 10% of industries in the DJSI, and 21% were classified as "low risk" according to Sustainalytics standards. These figures demonstrate our commitment not only to balancing risk and return in investments, but also to actively considering the ESG performance of investment targets.

Unit: one hundred million

Investments	Total Amount	ESG Compliance	Amount	Percentage
Stock Position	20.78	Companies Ranked in the Top 10% of the DJSI	4.04	19.42%
		CDP Questionnaire - Companies Listed on the B List or Higher	6.56	31.55%
		Identifies as Low-Risk Companies by Sustainalytics	4.87	23.43%
		Stock Position in the DJSI	0.43	2.07%
Credit Position (Excluding Domestic Government Bonds)	377.51	Companies Ranked in the Top 10% of the DJSI	123.74	32.78%
		CDP Questionnaire - Companies Listed on the B List or Higher	147.66	39.11%
		Identifies as Low-Risk Companies by Sustainalytics	96.58	25.58%
		Bonds Compliant with ICMA Principles	18.82	4.99%
Total	398.29	Companies Ranked in the Top 10% of the DJSI	127.78	32.08%
		CDP Questionnaire - Companies Listed on the B List or Higher	154.21	38.72%
		Identifies as Low-Risk Companies by Sustainalytics	101.45	25.47%

## 4.3 Sustainable Operating Environment

### Management Policies

#### ◆ Important Regulations for Environmental Management

KTB has formulated the "[Sustainable Development Best Practice Principles](#)," which was approved by the Board of Directors, as the principle to develop its sustainability, which has been disclosed on KTB's official website. KTB has also formulated the "Energy Conservation and Environmental Protection Standards Implementation Guidelines" and "Energy Operation Control Manual" as the principles for the promotion of environmental protection and energy conservation.

#### ◆ Environment Management Framework

We take initiative to set the reduction goal and employs third-party verification to review the achievement condition. At the time of implementation, KTB regularly reviews the energy consumption (water, electricity, greenhouse gas, etc.) of the whole bank compared to the same period last year, as well as monthly reviews the water and electricity consumption of each business unit for any irregularities, and reports the findings to the ESG Team meeting, so as to implement sound environmental management. In response to the global trend toward net-zero emissions by 2050, we have also established concrete net-zero targets. Through tangible actions, we aim to reduce our carbon footprint and enhance our competitiveness in the market, working collectively to address the challenges of climate change.

#### ◆ Introduction of Management System



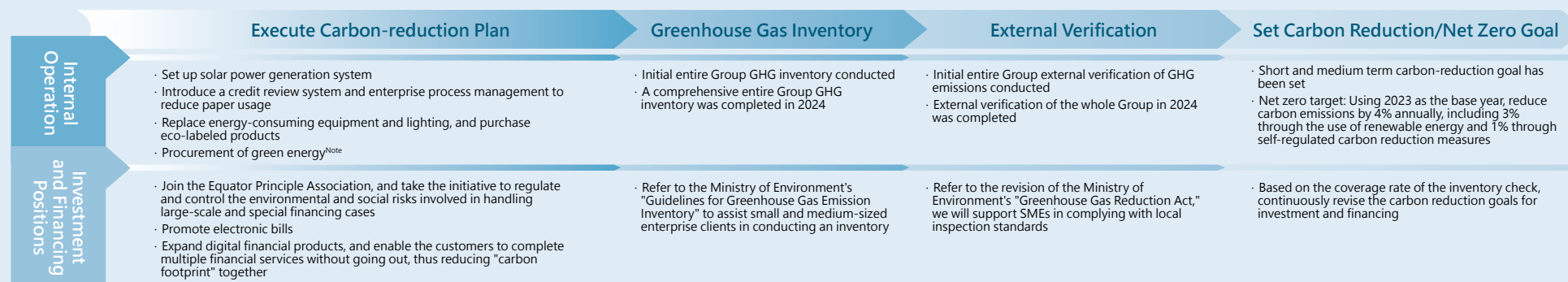
## Specific Actions

### ◆ Net Zero Planning

Confronted with the trend of net zero emission internationally, the Company formulated four strategies from the aspects of internal operation and investment and financing positions, respectively, to reduce our own carbon emission from operation, and we also make review every year to achieve the goal of net zero gradually.

- 1.Implementation of carbon reduction plans: Continuously reduce carbon emissions in operational processes
- 2.Greenhouse gas inventory: Understanding the Greenhouse Gas Emissions in the Operational Process
- 3.External verification: Verify the data obtained through rigorous methods of investigation
- 4.Set carbon reduction/net-zero goals: Based on rigorous and scientific data, set net zero goals and consistently implement practical carbon reduction measures.

In addition to internal operation, it's estimated by us that the project of the largest carbon emission is the emission by investment and financing customers in Scope 3 (include all other indirect emissions). However, small and medium-sized enterprises (SMEs) have many difficulties in executing inventory and disclosure of relevant data, requiring assistance by financiers very much. To solve this problem, KTB is planning to assist with SME financing customers in making carbon inventory. This action can not only help KTB have a more comprehensive understanding of the total carbon emissions from the investment and financing positions, but also enable the SMEs not to be neglected in the carbon reduction topic nowadays.



Note : The Company began using renewable energy starting in 2024

### ◆ KTB's Net-Zero Target and Renewable Energy Usage





KTB has established a net-zero emissions goal with the objective of achieving net-zero emissions by 2050. In line with the principles of the Science Based Targets initiative (SBT), the Bank has set net-zero targets for Scope 1 and Scope 2 emissions. Using 2023 as the baseline year, the Bank aims to reduce carbon emissions by 4% each year compared to the previous year, with 3% of this reduction derived from the use of renewable energy and 1% from self-managed carbon reduction efforts. We are committed to achieving net-zero emissions by 2050. The Company's environmental data are recorded monthly or quarterly by the responsible departments and reported to the ESG Task Force, which convenes quarterly to monitor progress. Additionally, results are reported to the Sustainable Development Committee and the Board of Directors half-yearly. In support of green energy policies, the Company began preparations in 2011 to install a rooftop solar power system at its Headquarters. With an installed capacity of 9.87 kW, the system was connected to the grid in 2012. Since then, the Company has continued to identify suitable branch locations to expand its green electricity generation capacity. Furthermore, starting in 2024, the Company began purchasing renewable energy from electricity retailers. In 2024, renewable energy usage reached 137,000 kWh, reducing greenhouse gas emissions by 67.68 tCO<sub>2</sub>e and successfully meeting the annual target. In the future, the Company plans to increase its renewable energy usage by approximately 120,000 kWh annually to further raise the proportion of renewable energy in its overall consumption.

Degree of Compliance Environmental Issues	2024 Goals	2024 Data	2024 Achievements	Short-term Goals (2025)	Medium- and Long-Term Goals
☑ Net Zero Target	Carbon emission decreased by 4% compared with the previous year	2,087 tCO <sub>2</sub> e	Decreased by 4.9% compared with the previous year	Decreased by 4% compared with the previous year	Using 2023 as the base year, achieve an annual 4% reduction in emissions compared to the previous year 1. Achieve a 28% reduction in carbon emissions by 2030 2. Achieve net-zero emissions by 2050
☑ Use of Renewable Energy	120,000 kWh	137,000 kWh	Successfully achieved the target of 120,000 kWh	Increased by 120,000 kWh compared with the previous year	Increased by 120,000 kWh annually compared with the previous year 1. Achieve 840,000 kWh by 2030 2. Achieve 2.04 million kWh by 2040 3. Achieve 100% renewable energy usage by 2050

Note : The net-zero issue pertains solely to the parent company, KTB.

## ◆ Entire Group Environmental Targets

KTB has set environmental targets with the objective of minimizing the environmental impact arising from its operations. The Company's environmental data are recorded monthly or quarterly by the responsible departments and reported to the ESG Task Force, which convenes quarterly to monitor progress. Additionally, results are reported to the Sustainable Development Committee and the Board of Directors half-yearly. The targets set for greenhouse gas management, energy management, and water resource management were all achieved in 2024. The boundary for waste management data is limited to the Headquarters building. Although general waste at the Headquarters decreased by 3.71% compared to the previous year, the 2024 target was not met due to the increase in cardboard recycling. This was primarily driven by the "Circular Treasure Festival" charity sale activity, where donations were collected from 66 branches and three subsidiaries, as well as the frequent gift-giving during the holiday season. In response, the Company has strengthened internal awareness campaigns, encouraging employees to reuse cardboard boxes and adjust their consumption behavior by reducing purchases of excessively packaged goods to alleviate environmental impact. The Company will continue to track related waste data to ensure further progress.

Degree of Compliance	Environmental Issues	2024 Goals	2024 Data	2024 Achievements	2025 Short-term Goals	2027 Mid-term Goals <sup>Note 2</sup>
	GHG Management <sup>Note 1</sup>	Carbon emission per capita decreased by 1% compared with the previous year	2.00 tCO <sub>2</sub> e	Carbon emission per capita decreased by 11.89% compared with the previous year	Carbon emission per capita decreased by 1% compared with the previous year	Carbon reduction per capita in accumulation reached 5% of that in 2022
	Energy Management	Electricity consumption per capita decreased by 1% compared with the previous year	3,594.39 kWh	Electricity consumption per capita decreased by 8.95% compared with the previous year	Electricity consumption per capita decreased by 1% compared with the previous year	Electricity consumption per capita in accumulation reached 5% of that in 2022
	Water Resources Management	Water consumption per capita decreased by 1% compared with the previous year	18.47 cubic meters	Water consumption per capita decreased by 10.25% compared with the previous year	Water consumption per capita decreased by 1% compared with the previous year	Water consumption per capita in accumulation reached 5% of that in 2022
	Waste management <sup>Note 3</sup>	Waste reduction per capita decreased by 1% compared with the previous year	39.46 kilograms	Waste reduction per capita increased by 0.03% compared with the previous year	Waste reduction per capita decreased by 1% compared with the previous year	Waste reduction per capita in accumulation reached 5% of that in 2022

Note 1 : The GHG management targets cover Scope 1 and Scope 2 emissions for the entire Group.

Note 2 : The cumulative per capita reduction target for 2027 accumulates from 2023 to 2027.

Note 3 : Boundary of the waste data is the Headquarters Building, while the whole KTB is covered in all other topics.

## ◆ Water Resources Management

100% of the water used in KTB's operations comes from the Taiwan Water Corporation and Taipei Water Department, and no groundwater or other water sources are used. The water used in all office buildings and operating sites is only for employees and some customers. There is no significant impact to the water source and is mainly used for drinking, air conditioning systems, cleaning, and other purposes. The wastewater is then discharged through the sewage system. Facing Taiwan's increasingly severe water shortage, we have set reduction targets. We prioritize purchasing products with the water-saving label, conduct monthly reviews of water usage across the Headquarters and its Business Units for any anomalies, report water-saving achievements quarterly in the ESG Team, present water-saving outcomes semi-annually to the Sustainable Development Committee and the Board of Directors, and periodically educate employees on proper water usage practices.

To reduce water usage, the Company actively implemented proactive controls in 2024 to manage water consumption at each operational site. We introduced water-saving initiatives, integrating water usage at operational sites with performance evaluations and used incentives and penalties to ensure that water-saving awareness. The actions are implemented by every team member. In 2024, KTB achieved notable water conservation results, reducing water consumption by 2.09 cubic meters compared to the previous year. Although the scope of the audit was expanded to cover the entire Group and the total number

of employees increased, resulting in a total water usage rise of 448 cubic meters, the per capita water consumption decreased by 10.25% year over year. This indicates that the Company's proactive control measures have proven effective. Building on this achievement, we plan to continue promoting water-saving initiatives linked to performance evaluations in 2025, with the goal of further reducing overall water consumption.

### Water Consumption Data for the Entire Bank

Item	2021	2022	2023	2024 <sup>Note 2</sup>
Total Water Consumption (cubic meters)	19,719	18,707	19,386	19,834
Water consumption per capita (m <sup>3</sup> )	21.02	19.33	20.58	18.43
Unit Net Revenue Water Consumption (cubic meters/Million)	1.98	3.74	2.02	2.06
Data Coverage Rate (Calculated based on the Number of Employees)	97.30%	97.38%	97.31%	96.67%

Note 1 : The water consumption data for the Company in 2022 and 2024 can be found in the Greenhouse Gas Inventory Assurance Report at <https://customer.ktb.com.tw/new/about/0e4ff2e5>

Note 2 : Data from 2021 to 2023 covers only KTB; data for 2024 includes the entire Group

## ◆ GHG Management

KTB's main GHG emissions are from electricity consumption. Thus, we have set forth special energy-conservation plans for light fixtures, air-conditioners, computer room, and elevators, and we have also set a goal of reduction. In 2024, the disclosure boundary was expanded from the entire Bank to the entire Group, resulting in an increase in Scope 1 and Scope 2 emissions. However, the per capita emissions amounted to 2.00 tCO<sub>2</sub>e, representing an 11.89% reduction compared to the previous year, successfully achieving the reduction target.

### Total GHG Emissions

GHG Emissions ( tCO <sub>2</sub> e )		2021	2022	2023	2024 <sup>Note 2</sup>
Scope 1		96	306	304	312
Scope 2	Location-based	2,027	2,000	1,892	1,973
	Market-based	-	-	-	1,905
Scope 1 + Scope 2	Location-based	2,123	2,306	2,196	2,285
	Market-based	-	-	-	2,217
Emission per capita		2.20	2.32	2.27	2.00
Greenhouse gas emissions per unit net income (t-CO <sub>2</sub> e/NT\$ million)		0.21	0.46	0.23	0.23
Scope 3 <sup>Note 7</sup>		17	4	3	3

Note 1 : The data of Scope 1 and Scope 3 in 2021 were only based on the verification data of the Headquarters Building, which were 95.5265 and 16.8375 respectively. The data of Scope 2 includes the inspection data of the Headquarters Building, plus the self-inspection data of 66 branches (unit: t-CO<sub>2</sub>e).

Note 2 : Based on verified data for the Entire Bank in 2022 and 2023, Scope 1 emissions data covers the Entire Bank, resulting in a significant increase compared to 2021 (where boundaries were limited to the Headquarters Building only); the 2024 verified data covered the entire Group

Note 3 : Assurance Scope for 2022 and 2023: Scope 1 to 3 (covering the Entire Bank). Assurance Scope for 2024: Scopes 1 to 3 (covering the entire Group). The assurance work was planned and performed by Ernst & Young Certified Public Accountants in accordance with engagement number 3410, "Assurance Engagement on Greenhouse Gas Statement," and resulted in a limited assurance conclusion

Note 4 : The data of Scope 1 mainly include data from official vehicle oil, liquefied petroleum gas (LPG), generator diesel and refrigerant.

Note 5 : Scope 1 emission is based on the "Greenhouse Gas Emission Factor Management Table" version 6.0.4 issued by the Ministry of Environment, Executive Yuan, and the global warming potential (GWP) is based on the "Climate Change 2021" IPCC Sixth Assessment Report.

Note 6 : Scope 2 annual emission is based on the announcement by the "Bureau of Energy, Ministry of Economic Affairs." The 2024 electricity carbon emission factor is based on 2023's factor, which was 0.494KgCO<sub>2</sub>e/kWh

Note 7 : Scope 3 for 2022-2024 includes purchased goods and services. Scope 3 for 2021 included purchased goods and services, capital goods, and waste generated from operations

Note 8 : According to ISO 14064-1, the organization's greenhouse gas inventory standard, emissions = activity data × emission factor × global warming potential (GWP)

Note 9 : The greenhouse gas inventory adopts the "Operational Control Approach" to aggregate data

## ◆ Greenhouse Gas Strategy and Specific Action Plan

V Please refer to [the net zero strategy for greenhouse gases](#)

V Specific Action Plan

In pursuit of the goal of sustainable environmental management, KTB has implemented the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System to reduce environmental pollution risks and improve energy efficiency. Internally, the Bank has also issued the "Sustainable Development Best Practice Principles," the "Implementation Guidelines for Energy Conservation and Environmental Protection Behavior," and the "Energy Operation Control Manual" as specific action guidelines to promote environmental protection and energy conservation.

In order to effectively reduce greenhouse gas emissions, our Company has formulated the following energy-saving measures:

1. Procured renewable energy sources and installed solar panels for self-use.
2. Newly installed and replaced lighting fixtures are fully equipped with energy-saving LED light fixtures.
3. The Bank installed variable speed air conditioners, which as a constant temperature control device, and sets the average indoor air temperature at no lower than 26 degrees Celsius.
4. Adjust computer room space configuration and reorganize wiring to improve energy efficiency in the computer room.
5. Regulate the billboard light on and off time period according to the daylight time and season.
6. The use of some elevators will be suspended during non-peak hours.
7. Electrical appliances or equipment, such as photocopiers, shredders, computers, lights, elevators, etc., are set to sleep, standby, or auto-sensing functions.
8. Prioritize purchasing products with the Water Efficiency Label and promote the correct concept of water usage.
9. Reduce the use of plastic or disposable utensils and cups, and implement proper waste sorting and resource recycling.
10. Promote digital transactions and paperless operations, and encourage double-sided printing and paper recycling.
11. Join the green procurement campaign to support low-carbon products, green building materials, and sustainable goods enterprises.

In 2024, 137,300 kWh of green electricity were utilized, accounting for approximately 3.43% of the total electricity consumption for that year. In the future, the Company plans to increase this usage by 120,000 kilowatt-hours annually and will continue to assess suitable branch locations to expand the solar power generation system, gradually enhancing the proportion of renewable energy usage.

## 2024 Entire Group Greenhouse Gas Composition and Emissions (Unit: tCO<sub>2</sub>e )

	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Subtotal	Proportion
Scope 1	40.21	98.10	0.97	172.95	-	-	-	312.23	13.52%
Scope 2	1,972.72	-	-	-	-	-	-	1,972.72	85.41%
Scope 3	2.70	-	-	-	-	-	-	2.70	1.07%
Total	2,015.63	98.10	0.97	172.95	-	-	-	2,287.65	100%
Proportion	87.26%	4.25%	0.04%	8.45%	-	-	-	-	-

### ◆ Internal Carbon Pricing

To reduce carbon emissions during operations and achieve a self-imposed net zero target of a 1% reduction, KTB has implemented an energy-saving program for its business units starting in 2024. This program will integrate the electricity and water savings of each operational site with performance evaluations, rewarding those business units that demonstrate superior energy-saving results. The Company adopts an implicit price for carbon by calculating the cost of replacing air conditioning equipment and the associated carbon savings. The price for one ton of carbon is set at NT\$6,000, which serves as the internal carbon price for evaluating the effectiveness of various energy-saving and carbon-reduction initiatives undertaken by our business units. We convert the amount of electricity and water saved into carbon reduction equivalents, which are subsequently translated into monetary value to reflect the benefits of carbon reduction. In 2024, across the entire Bank, based on market fundamentals, Scope 1 and 2 were collectively reduced by 108 tons, resulting in an estimated savings of 648,000 in carbon pricing costs. However, the scope of the inventory for 2024 has expanded to encompass the entire group, resulting in an overall increase of 21.53 tons in GHG emissions. In the future, the Company will continue to implement energy and water conservation projects and strengthen the promotion of internal carbon pricing. Through increased employee training and education, we aim to start with each employee and collectively work towards reducing carbon emissions during our operational processes.

The Company will adopt internal carbon pricing as a preliminary tool to simulate the cost-effectiveness of energy-saving measures. This approach will support the evaluation of financial risks and feasibility for operational sites or future investment projects, thereby gradually enhancing the Company's ability to identify and manage climate-related financial risks.

### ◆ Energy Management

The electricity used in the operating process of KTB is mainly externally purchased electricity (renewable energy and non-renewable energy), and a small part of it is gasoline and liquefied petroleum gas. For the use of energy, KTB has introduced the ISO 50001 Energy management system to effectively improve energy efficiency and reduce electricity consumption. Please refer to [the greenhouse gas strategy and specific action plan for further details on the measures](#).

In order to promote employees' actions and awareness of climate changes and energy conservation, we regularly organize educational training sessions to remind all employees to participate. In addition to regular training programs, in 2024 we further promoted a source reduction initiative by linking electricity savings at each operating site with performance evaluations, aiming to further reduce electricity consumption across our operations. In 2024, the Bank's total electricity consumption was approximately 3.75 million kWh, representing a 1.88% decrease compared to the previous year. Although the total electricity usage increased due to the expansion of the inventory boundary to cover the entire group, the per capita consumption was 3,594.39 kWh, marking an 8.95% reduction from the previous year and successfully achieving the reduction target. In 2025, we will continue implementing electricity conservation initiatives linked to performance evaluations, with the goal of further reducing electricity consumption.

### Electricity Consumption Data for the Entire Bank

Item	2021	2022	2023	2024
Electricity consumption (kWh)	4,037,998	3,928,789	3,821,580	3,993,367
Electricity Consumption Per Capita (kWh)	4,188.79	3,952.50	3,947.91	3,594.39
Unit Net Revenue Electricity Consumption (kWh/Million)	405.21	785.74	398.18	415.6
Data Coverage Rate	100%	100%	100%	100%

Note : The electricity consumption data for 2024 covers the entire KTB Group, while data for the other years covers only entire KTB

### Energy Consumption

Type of Energy	Unit	2021	2022	2023	2024
Liquefied Petroleum Gas (LPG)	Kg	1,320	2,224	2,292	2,472
Diesel	Liter (L)	122	947	749	737
Gasoline	Liter (L)	8,355	14,309	14,399	13,441
Electricity	Kilowatt hour (kWh)	4,037,998	3,928,789	3,821,580	3,993,367
Total Energy Consumption	GJ	14,883	14,759	14,373	14,968

Note 1 : Natural gas is not used

Note 2 : The increase in the consumption of liquefied petroleum gas in 2022 compared to 2021 is attributed to a higher number of employees dining at the staff cafeteria in the Headquarters Building

Note 3 : The energy consumption data for 2024 covers the entire Group, while data for the other years covers only entire KTB



## ◆ Waste Management

KTB has long had the awareness of waste reduction. Disposable tableware was never used in the employees' canteen in the Headquarters Building. All kinds of disposable utensils were not actively provided when the canteen was renovated in 2010. This policy has effectively reduced the use of 150,000 paper containers. In addition, for inevitable wastes, KTB separates the waste into general waste (including kitchen wastes) and recycled waste to increase the recycling rate. In order to track and manage the situation of waste management in the Headquarters Building, all the wastes were weighed before disposing, since November 2018. The data for waste treatment in the past four years are shown in the below table.

KTB has set a five-year reduction target (please refer to [the Environmental Targets](#)). To minimize the environmental impact of our operations, we have implemented two key measures: "eliminating personal trash bins" and "prohibiting the use of disposable tableware for takeout in the staff cafeteria." Although general waste in 2024 decreased by 3.71% compared to the previous year, the total volume of waste increased. This was primarily due to the "Circular Treasure Festival" charity sale organized by the Company, during which materials were collected from 66 branches and 3 subsidiaries, leading to an increase in cardboard box recycling. Additionally, the frequent exchange of gifts during the holiday season further contributed to the rise in cardboard waste. In response, the Company has strengthened internal communication to encourage employees to reuse cardboard boxes and adopt more sustainable consumption practices by avoiding excessively packaged products. We will continue to monitor waste data to reduce our environmental footprint.

Item		2021	2022	2023	2024
General Waste	Landfill	0	0	0	0
	Incineration				
	Energy recovery	9.08	10.11	9.75	9.39
	No energy recovery	0	0	0	0
	Other Processing	0	0	0	0
Total		9.08	10.11	9.75	9.39
Recycled waste		2.79	2.20	2.07	2.32
Total Waste Amount		11.87	12.31	11.82	11.71
Per Capita Waste (kg)		44.55	42.80	39.45	39.46
Data Coverage Rate		100%	100%	100%	100%

Note 1 : The unit is "metric ton"

Note 2 : The disclosed boundary is the Headquarters Building

## ◆ Promotion of Paperless Office

Unlike the manufacturing industry, the financial service industry does not directly cause negative impacts on the environment. However, it uses a large amount of paper in the operating process or the internal exchange of documents. As the traditional papermaking process requires a lot of water, fuel, electricity, and forest resources, the promotion of paperless office and digitization (for achievements, please refer to [section 5.2 Fintech and Innovation](#)) is the top practical action of KTB for the protection of the ecological environment.

- √ In 2023, the Business Process Management (BPM) system was implemented, facilitating the digitization of paper forms and significantly reducing paper usage. By the end of 2024, a total of 88 forms were transitioned online, with 17,918 forms processed through the system. Assuming an average of four sheets of paper per form, a total of 72,000 sheets of paper were saved, equivalent to a reduction of approximately 0.52 tCO<sub>2</sub>e.
- √ KTB implemented paperless management for official documents and meeting materials, and promoted double-sided printing and paper recycling. In 2023, electronic document systems were adopted in all branch offices, with a total of 22,547 documents processed through the system, achieving a utilization rate of 98.12% across the entire Bank in 2024. If each document requires an average of 10 sheets of paper, a total of 225,000 sheets have been saved, approximately reducing 1.62 tCO<sub>2</sub>e.
- √ KTB continues to promote the adoption of electronic bills by customers in 2024. A total of 786,059 electronic statements were sent for foreign currency and fund transactions, including cloud-based fund statements, marking a 22.2% increase compared to 2023. This initiative reduced paper usage by approximately 2.36 million sheets, equivalent to a reduction of 16.98 tCO<sub>2</sub>e.
- √ Use the "Credit Investigation and Review System" to convert hard copies of credit cases to electronic versions for storage and transmission, reducing carbon footprint incurred during transportation and paper waste. A total of 4,603 credit cases were uploaded in 2024. Estimating the average paper usage per corporate and individual case, we expect the reduction was about 1.48 million sheets of paper, or 10.68 tCO<sub>2</sub>e.

Paperless Measures	Number of Paper Saved (10,000 sheets)	Carbon Reduction ( tCO <sub>2</sub> e )
Implementation of Business Process Management (BPM) System	7.2	0.52
Implementation of Electronic Official Document System	22.5	1.62
Promotion of Electronic Bills	236	16.98
Implementation of Credit Review System	148	10.68
Total	413.70	29.80

Note 1 : Based on the "Product Carbon Footprint Information Platform," one A4 sheet is estimated to generate approximately 7.2 gCO<sub>2</sub>e.

Note 2 : The estimated carbon emission mentioned above is not included in the GHG emission and carbon-reduction goals of KTB.

## Innovative Carbon-reduction Actions

KTB has consistently responded to “Earth Day” for several consecutive years, staying committed to environmental protection. In 2024, the Company continued to organize the “Barter Trade” event, promoting the “3R Principles” to extend the lifecycle of products, reduce waste generation, and minimize unnecessary consumption. In addition, to encourage employee participation, we offered digital instant coupons and Green Points promoted by the Ministry of Environment as incentives. By providing digital-based rewards, we aimed to reduce the carbon emissions generated by the event.

**Employee Cafeteria - Low-carbon “Food” Trend:** As part of the Earth Day series of events, the employee cafeteria served an all-vegetarian menu on the day of the event and featured a “no-cook” dish for three consecutive days. These dishes were prepared without heating or stovetop cooking, using methods such as refrigeration, soaking, or pickling to highlight the natural flavors of ingredients. The initiative aimed to encourage employees to adopt healthier and more environmentally friendly eating habits in support of sustainable development. Each dish was carefully crafted using fresh, seasonal ingredients and emphasized reduced energy consumption, allowing employees to enjoy delicious meals while raising their environmental awareness.

**Circular Treasure Festival:** This event redefined the “11/11 Shopping Festival” as a secondhand charity market jointly organized by several companies. KTB hosted two booths during the event and encouraged employees to donate unused yet good-quality items from home for resale at the charity market. A total of 1,256 items were collected, and the proceeds from the sale—NT\$134,000—were fully donated to the Dengjiabao Social Welfare Association, Wetlands Taiwan, and the Taiwan Fund for Children and Families. This event not only promoted the principles of a circular economy and waste reduction, but also raised awareness of social welfare and environmental protection. Through the passing on of each secondhand item, resources were given a second life, while providing tangible support to children in need, wetland conservation efforts, and underprivileged families.

President Hung-Liang Chiang (right)  
Pictured with the Buyer



Circular Treasure Festival



Circular Treasures Festival - KTB's Booth



## Leopard Cat Conservation Lecture

On the path toward sustainable development, we recognize that every action—whether it be educational outreach, community engagement, or environmental protection—has a profound impact on the future of our society and the environment. In reviewing last year's activities, we initiated a one-day agricultural event as a starting point, gradually expanding the focus of KTB's commitment to sustainable development from the social aspect to the environmental aspect. This year, our efforts centered on SDG 15: “Life on Land.” We held a lecture on leopard cat conservation, delving into the connection between sustainability and biodiversity preservation.

We visited the natural habitat of the leopard cat, a Class I protected species in Taiwan. Their habitats are typically located in mountainous areas, forest edges, or agricultural zones—areas essential for their hunting and breeding. We also learned that the population of the leopard cat is scarce and faces survival threats, including roadkill, conflicts with chicken coops, and encounters with dogs. In recent years, Taiwan has accelerated the development of ground-mounted solar power to increase renewable energy generation, resulting in the extensive use of agricultural land and low mountain forests for “solar farming,” which further threatens the survival space of the leopard cat.

As a financial intermediary, KTB not only supports green finance but also strives to ensure that our financial operations and capital allocations consider ecological conservation and biodiversity. In addressing the conflict between leopard cat conservation and the development of solar energy, we recognize the need to carefully weigh the environmental impacts of renewable energy projects. We are committed to finding a balance between environmental protection and energy development, leading to a win-win outcome.



## National Green Life and Green Procurement



Green Life is one of the key strategies for Taiwan's 2050 net zero transformation. It aims to change behaviors and consumption patterns in food, clothing, housing, transportation, nurturing, leisure, and shopping to reduce greenhouse gas emissions, thereby achieving a vision of environmental protection and economic win-win. KTB actively supports the Ministry of Environment's series of environmental sustainability initiatives by promoting the "National Green Life" campaign, advocating the "Green Office Declaration," and participating in "Green Procurement." As a committed "Green Partner," the Company joins in safeguarding our "Green Planet."



Green office response  
QRCode

## Green Procurement



KTB also actively participates in green procurement activities, maintaining a consistent procurement amount each year. As a result, KTB has been awarded the Green Performance Purchasing Companies Award from Tainan City for four consecutive years (2021~2024). KTB's procurement amount in 2024 was NT\$11,007,110. In the future, KTB will continue to support low-carbon products, green building materials and sustainable product enterprises through green procurement to improve the efficiency of all resource use.

## Third Solar-Powered Branch



KTB has installed solar power systems on the rooftops of its Headquarters building and Taibao branch. The third system, located at the Dounan Branch, features a rooftop solar photovoltaic installation with a capacity of 19.6 kW for self-use. It is expected to be connected to the grid and begin power generation in August 2025.

## Environmental Restaurant



KTB has long had the awareness of waste reduction. Disposable tableware was never used in the employees' canteen in the Headquarters Building. All kinds of disposable utensils were not actively provided when the canteen was renovated in 2010. This policy has effectively reduced the use of 150,000 paper containers. Since 2022, it has been recognized as an "Environmental Restaurant," jointly supporting environmental sustainability initiatives.



Eco-friendly restaurant QRCode



## 4.4 Supplier Management

KTB supplier management strategy covers three main aspects: "corporate ethics and human rights," "rights and interests of employees," and "environmental protection." KTB has formulated the "Regulations on Supplier Management," which has been disclosed on the KTB's official website, stipulating that suppliers shall lay emphasis on corporate social responsibility, promote sustainable development, and abide by regulations on ethical management, occupational health and safety, and labor human rights, etc., and devote to reducing their impact on the environment.

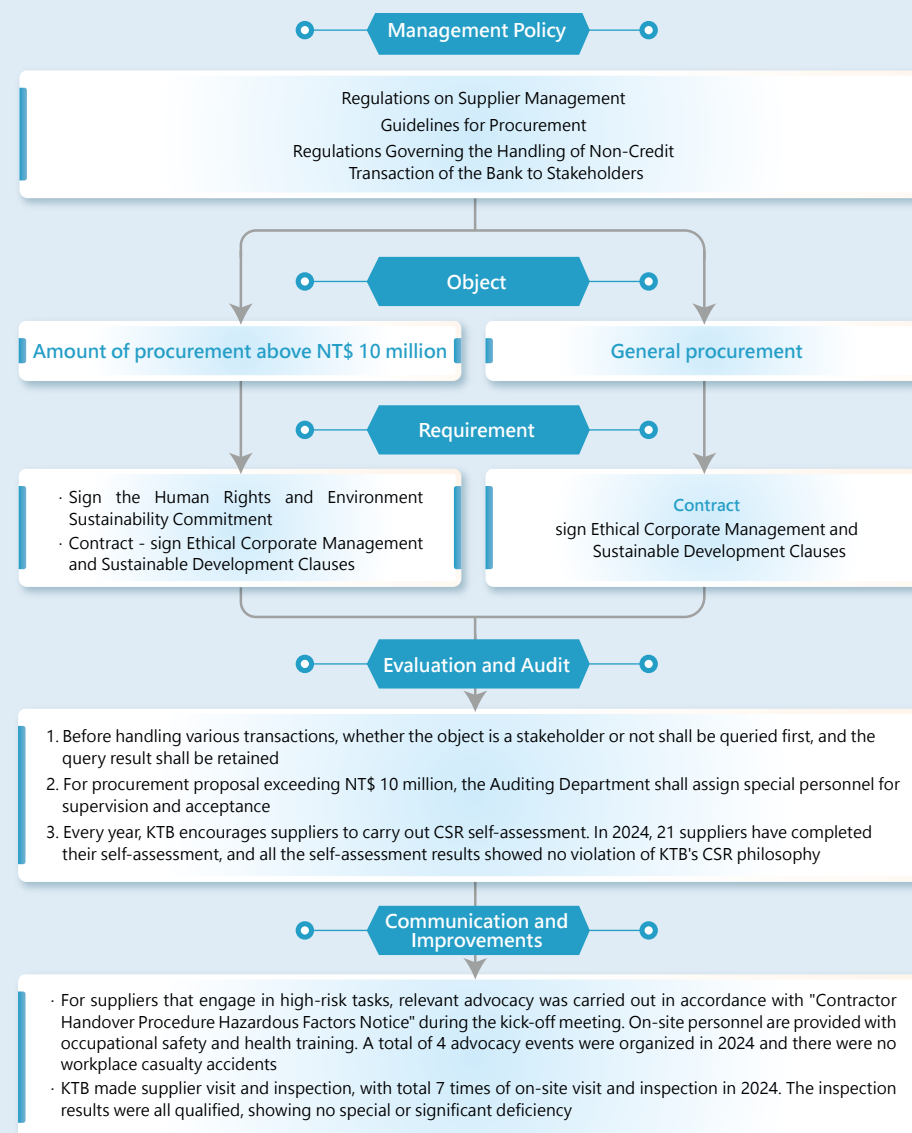
In terms of practical implementation, KTB formulated "Guidelines for Procurement" and "Regulations Governing the Handling of Non-Credit Transaction of the Bank to Stakeholders," established fair and reasonable manufacturer-selecting mechanism and procurement procedures. In addition, when signing contract with the suppliers, we set up clauses regarding ethical corporate management and sustainable development, etc., and the suppliers can become qualified manufacturers only after signing such clauses. KTB promoted self-assessment and acceptance inspection of the suppliers, and also performed health education training and advocacy regarding work with high risk, as well as routine visit, inspection, communication and improvement of the suppliers, so as to strengthen supplier management.

KTB prioritizes local suppliers as its source of procurement. KTB's suppliers include postal and courier service providers, printing and packaging manufacturers, machine and equipment maintenance service providers, software developers, construction and security maintenance providers, etc. The procedures of regulations and management regarding suppliers are as shown below:

### ◆ Supplier Management Conditions in Previous Years

	2022	2023	2024
Number of Suppliers with Self-assessment	24	27	21
Number of On-Site Visits	5	9	7
Number of Suppliers with Significant Deficiency	0	0	0
Proportion of Suppliers Passing Assessment	100%	100%	100%

### Supplier Management Procedure



## Chapter

# 05

## Customer Value

In this rapidly changing environment, we are acutely aware that customer needs and expectations are constantly evolving. To better meet customer requirements, we continuously drive innovation and strive to build a more open, fair, and sustainable financial system. Through digital transformation and the application of financial technology, we provide customers with more convenient, secure, and efficient financial services. At the same time, we uphold a human-centered approach and implement Fair Treatment Principle to ensure that every customer enjoys equal access to financial services. We actively promote inclusive finance to make financial services more accessible, helping more individuals achieve their financial goals.



The resolution rate for complaints closed within the designated timeframe is  
**100%**



King's Global Pass x Western Union digital transaction ratio reached  
**69.66%**



Overall customer satisfaction with digital channels scored  
**94.8 points**

### 5.1 Service Quality and Customer Experience

#### 5.1.1 Financial Inclusion

### 5.2 Fintech and Innovation

## 5.1 Service Quality and Customer Experience

Customers are the foundation of KTB's business. We are committed to enhancing the customer experience, protecting their rights and assets, and supporting them in achieving their life goals. We consistently deliver high-quality services that keep improving.

### Build a Culture of Fair Treatment of Customers

In line with international trends in financial consumer protection and in compliance with the "Principles for Financial Service Industries to Treat Clients Fairly" set by the FSC, KTB has formulated the "Policies and Strategies on Fair Treatment of Customers," "the Regulations on Consumer Protection," and "Friendly Financial Services" all of which have been approved by the Board of Directors. The spirit of fair treatment is embedded in every aspect of customer interaction ( from product design, advertising, and the sales process, to contract execution, customer service, and complaint handling ) ensuring fair treatment at every stage. KTB has clearly defined the applicable laws and self-regulatory guidelines related to fair customer treatment, along with supervisory mechanisms and improvement measures. Through ongoing education and staff training, KTB ensures that customers are fully informed of the key terms and potential risks of products and services before entering into a contract, thereby safeguarding their rights and interests.

#### ◆ Fair & Friendly Customer Service Promotion Committee

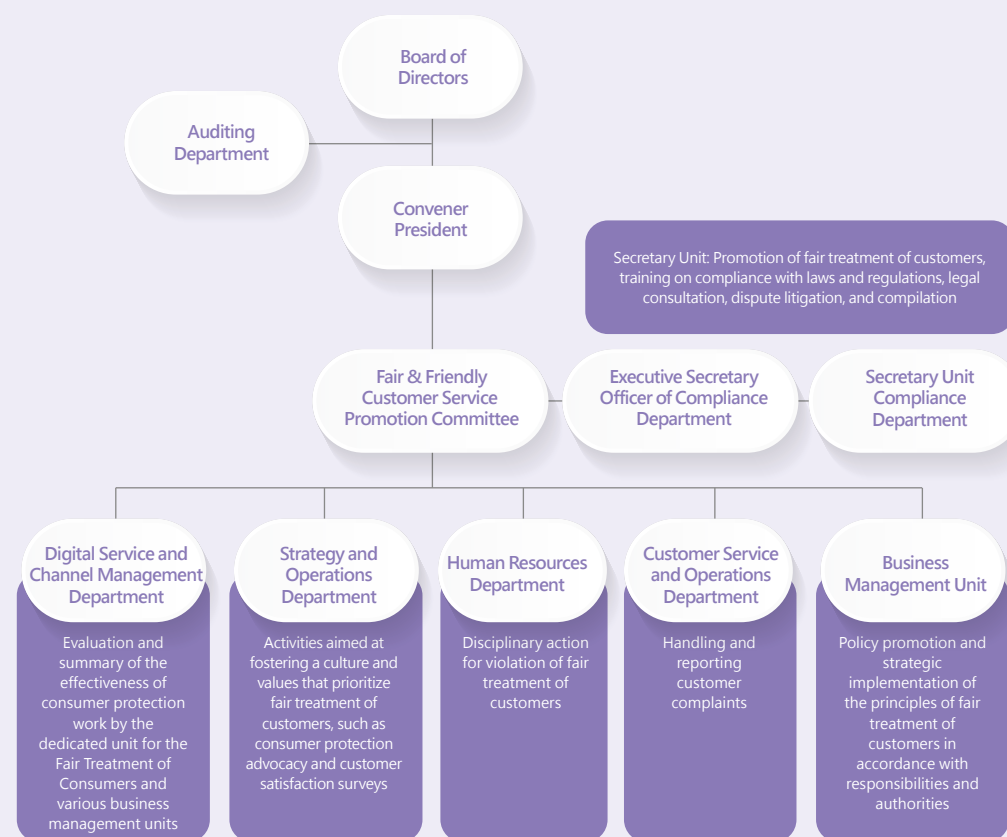
To ensure that customers are treated fairly and equitably throughout the entire transaction process and to deepen the KTB's core corporate culture of fair treatment of customers, the Board of Directors resolved in 2023 to establish the "Fair Treatment of Customers and Friendly Service Promotion Team." In early 2024, it was elevated to the "Fair & Friendly Customer Service Promotion Committee," with the President serving as the convener and the Compliance Department as the secretariat. The head office compliance department is responsible for the execution, with supervisors at each level promoting fair treatment of customers. Members of the management level and above in various business units of the head office serve as committee members, creating a horizontal communication channel to implement the company-wide Fair Treatment of Consumers. The committee convenes meetings every two months as a standard practice, with the presence and guidance of the Corporate Governance Officer and the Auditing Department. These meetings aim to fulfill the oversight objectives of the Board of Directors.

The Digital Service and Channel Management Department is the dedicated unit responsible for ensuring fair treatment of customers. It is responsible for overseeing the implementation of the "Fair Treatment of Consumers" across various departments, identifying any potential violations of the principle, proposing specific solutions, and presenting reviews and responses at committee meetings supervised by vice president and above.

KTB adheres to actively implement the Fair Treatment of Consumers. It is required to review the internal regulations, education and training, business operations, and customer complaint cases related to the Fair Treatment of Consumers every two months, and make timely adjustments. The measures for

fair treatment of customers are also included as designated items in department assessments, and the implementation status needs to be reported to the Board of Directors. The Board of Directors will then execute the resolution on fair treatment of customers and financial friendliness, and follow up with tracking, verification, and review.

The Company, in accordance with the "Fair Treatment of Consumers" policy, has incorporated relevant regulations and codes of conduct into its training programs. In 2024, training were conducted for all employees across the entire Bank, from frontline employees to senior management, covering topics such as the Financial Consumer Protection Act, Fair Treatment of Consumers, and the Convention on the Rights of Persons with Disabilities (CRPD). A total of 134 sessions were held, with 21,392 participants and a cumulative total of 29,676 training hours.





## Practical Actions and Results for Fair Treatment of Customers

### ◆ The Board of Directors Promotes the culture of "Fair Treatment of Customers"

#### Management

- Establish a "Fair & Friendly Customer Service Promotion Committee." To further enhance its effectiveness, three working teams were formed in February 2025: the Financial Fraud Prevention Team, the Complaint Protection Team, and the Financial Friendly Team
- A designated unit is responsible for regularly reporting to the Board of Directors on the promotion and implementation of the Fair Treatment of Consumers. These semiannual reports include: The execution status of responsibilities assigned to each department; Results of regular reviews; Outcomes of the consumer protection effectiveness assessment; Handling status of customer complaints, including root cause analysis and corrective measures. This management framework ensures the continued effectiveness of the Company's consumer protection mechanisms

#### Execution

- 1.Directors and responsible persons: All seven directors have completed the required training. Six directors attended the "2024 Corporate Governance Course (including Financial Inclusion and CRPD)" on November 11, 2024. Another director participated in relevant external training courses on October 26 and November 8, 2024
- 2.Regarding the "Convention on the Rights of Persons with Disabilities (CRPD) and Protection of the Rights and Interests of Disadvantaged Groups" training, briefing materials were provided to all directors for review on April 29, 2024
- 3.Reports on the implementation results of Fair Treatment of Customers and Consumer Protection measures for the first and second half of the year were submitted to the Board of Directors

#### Achievements

- As of the end of 2024, KTB did not receive any penalties from regulatory authorities and there was no violation of "Fair Treatment of Customers"
- A total of 20 cases related to the Fair Treatment of Customers, consumer protection, or complaints have been reported to the Board of Directors for discussion, all of which have been resolved. The resolution rate for complaints within the time limit is 100%



### ◆ Regularly and Strengthen the Review of the Implementation of Fair Treatment of Customers

#### Internal Practices

- To ensure financial inclusion and fair customer treatment, the Company holds regular meetings to review major complaints, analyze preventive actions, follow up on regulatory findings, and update relevant policies
- KTB has established an "Implementation Guidelines for Regulatory Compliance System," which includes a new business check item related to "providing financial-friendly measures or implementing protection measures for vulnerable groups." Existing services and products are reviewed for their friendly service functions based on their characteristics, and adjustments are made to improve digital disparity issues. Please refer to "Innovative and Intimate Digital Services" for details.
- The Compliance Department reviews the Company's business operations in accordance with the "Fair Treatment of Elderly Customers in Banking", and provides recommendations to the respective departments for improvement.
- Carry out the "Consumer Protection Evaluation" semiannually, and the management unit is responsible for self-evaluation on the aspects of "appropriateness of consumer policy," "completeness and correctness of consumer information disclosure," "effectiveness of consumer dispute handling mechanism," and "results of consumer protection measures"
- Fair treatment of customers is included as a key departmental assessment item, with non-financial evaluation indicators ( such as customer satisfaction surveys and complaint cases ) applied to staff who frequently interact with customers, including front-line service personnel and customer relationship managers.
- Conduct regular internal audits to review achievement status.

#### External Practices

- In line with Chapter 3 of the "Policies and Strategies on Fair Treatment of Customers" approved by the Board of Directors, the Company has established a fraud prevention and review mechanism covering pre-, during-, and post-incident stages. Measures include pre-incident care forms; monitoring long-inactive clients, designated accounts, migrant worker status, and early warning reports during transactions; and incorporating in-branch care inquiry forms into audit scope. Regular online training is also provided to strengthen staff's ability to detect and prevent fraud.
- For young (18–30) and elderly customers, in-person care and inquiries must be completed before proceeding with counter transactions. For customers under 30 using online wealth management services, the system issues alerts during risk profiling to confirm that their financial status, investment experience, and goals are appropriate, helping protect their rights and interests.
- To prevent fraud, the backend system of the Goyee Digital Account has incorporated verification mechanisms and care inquiry procedures for elderly and young customers, thereby enhancing the review process.
- Before providing financial products or services, a thorough understanding of the customer ( including young adults, people with disabilities, and the elderly ) is required. Products or portfolios should match the customer's risk profile, with clear disclosure of potential risks. If a customer insists on investing beyond their risk tolerance, the request should be politely declined.
- For customers aged 65 and above who newly apply for life insurance, case-by-case follow-up calls are conducted to ensure that the customer understands the insurance product and its purpose, as well as to confirm their cognitive ability, in order to prevent improper solicitation.
- To show KTB's commitment to fair customer treatment and promote the benefits of accessible design, the Yongkang Branch was designated as a model branch for accessibility in 2024. Service upgrades and staff training were carried out to enhance communication with persons with disabilities and other vulnerable groups.

## ◆ Comprehensive Education Training and Advocacy

### Training and Promotion Methods

### Contents

#### Internal Improvement

- All employees have completed the "Fair Treatment of Consumers and Whistleblowing System" training. Additionally, annual training and awareness programs on the "Principle for Financial Service Industries to Treat Clients Fairly" are conducted for all staff. These include courses such as "Fair Treatment of Customers and Friendly Finance - Foreign Exchange Personnel," "Friendly Finance and Fair Treatment of Customers," "Convention on the Rights of Persons with Disabilities," and "Case Studies on Financial Consumer Disputes - Deposit and Remittance." These programs aim to equip relevant personnel with proper concepts and practices for responsibly marketing financial products
- Senior managers participated in a 3-hour course titled "Financial Accessibility and Advocacy Training for People with Disabilities." The course had a total of 14 participants and aimed to enhance the financial accessibility awareness of senior personnel
- To keep frontline staff updated on the latest regulations, projects, service tips, case studies, and audit findings, KTB regularly provides the following resources: Weekly "Fair Treatment Reminders" with key tips and highlights; Biweekly "Fair Treatment Academy" online courses to build professional skills; Monthly Anti-Fraud E-Newsletters sharing real case studies to enhance fraud prevention. In 2024, KTB planned 21 Academy sessions, 49 Reminders, and 35 E-Newsletters

#### Cross-Border Collaboration

- Financial Inclusion Training: KTB partnered with social welfare organizations to conduct experiential learning programs that foster empathy and understanding of customer needs. These experiences support staff in designing and delivering more appropriate services. Training topics included: basic service knowledge for elderly clients, simulated inclusive experiences for the elderly, accessible service experiences, and specialized training programs
- 1. Conducted the "Fair Treatment of Customers - Branch Telephone Service Etiquette and Quality Inspection" event to strengthen telephone response etiquette and further enhance the service quality and professional image of our colleagues
- 2. In collaboration with the Hondao Senior Citizen's Welfare Foundation, KTB conducted a "Senior Executive Financial Inclusion Training" featuring the Peng Tsu experience to help participants better understand the needs of elderly customers. A total of 55 participants (including business unit managers, Fair & Friendly Customer Service Promotion Committee members, and subsidiaries) joined the training
- 3. Conducted the "Inclusive and Accessible Experience Program" in partnership with the Eden Social Welfare Foundation to train supervisors on inclusive service. The course covered the CRPD, FSC's Principles of Fair Treatment of Customers, and practical ways to interact with people with disabilities. Hands-on simulations helped participants experience the challenges faced by visually impaired and elderly customers, promoting greater empathy and inclusive service

## ◆ Enhancing Customer Experience, Rights, and Asset Protection

### Action

- To enhance convenience, KTB offers user-friendly services such as online and app-based queue reservations, real-time queue number access, inheritance appointment booking, and prefilled forms for deposits, remittances, and withdrawals to reduce wait times
- In June and November 2024, KTB conducted mystery caller inspections at 66 branches. The evaluations focused on common counter services and procedures related to friendly financial services. The results serve as the basis for subsequent improvements and coaching to enhance the friendliness of in-person services and ensure effective implementation of the Fair Treatment of Consumers
- Every six months, organize consumer protection advocacy, to understand the customers' level of understanding of consumer protection, show them the common misconceptions, so as to achieve bilateral education and consumer protection purposes. A total of 130,398 people were reached through promotion and education in 2024
- Joined the "Abnormal Account Early Warning Notification" coordination platforms with local district prosecutors' offices (Tainan, Kaohsiung, and Taichung) and affiliated financial institutions. Additionally, established a "Suspicious Account Early Warning Center System" at branch offices to promptly intercept dummy accounts and seize criminal proceeds, thereby enabling actual compensation for victims

### Achievements

- In 2024, a total of 20 customer complaints were received, all of which have been resolved. The resolution rate for complaints closed within the designated timeframe is 100%
- Customer satisfaction surveys are conducted annually through both in-branch and online channels to gather feedback and support the development of improvement measures. In 2024, a total of 1,782 valid responses were collected, with an overall satisfaction rate of 92.5% satisfaction across all service channels and business areas exceeded 88%
- Organized the "King's Heart" and provided optional bonus items to encourage branches to propose innovative practices aligned with the Fair Treatment of Consumers and to share heartwarming service stories. A total of 35 feedback responses were received from business units, and 13,190 customer feedback questionnaires were collected
- Successfully blocked 115 scam cases amounting to around NT\$37.9 million
- A total of 87 "Anti-fraud Advocacy" events were organized, benefiting 1,452 people

## Product Design and Service Quality Assurance

When designing products or providing services, KTB adopts preventive measures in advance to safeguard customer rights and enhance customer trust in the Company.

- KTB has formulated relevant regulatory compliance procedures for matters regarding consumer rights and interests, such as operational guidelines, products, application forms, contract of adhesion (including terms and conditions), revision of other related documents, or before the introduction of new products and services and application to the competent authorities for new businesses. A three-stage verification mechanism will be implemented to ensure that their contents comply with laws and internal regulations such as the principles of fair treatment of customers. In 2024, the Compliance Department conducted checks on 213 cases of legality, including new products and services, achieving a 100% inspection rate.
- KTB has set up a "Dedicated Money Trust Commodity Review Team" and "Insurance Agency Business Commodity Review Team," and hold product review meetings from time to time to properly evaluate its legality, reasonableness of cost, risk remuneration and full disclosure of information, to determine whether it can be sold on the channel or only available to professional investors.
- KTB has build a "Customer Investment Attribute Evaluation Form," and has indeed carried out the evaluation of customer risk attributes before conducting financial transactions or providing customers with foreign currency or investment-type insurance products, so as to provide products with suitable risk attributes. In addition, for customers who have taken out insurance products, KTB has established different suitability inquiry mechanisms to distinguish the suitability of various products or services for customers and ensure that the suitability measures are properly implemented.
- KTB fully discloses and explains information including the basic knowledge, all fees and collection methods, risks involved, and complaint channels, so as to ensure that the customers understand the nature of the products and the potential risks.

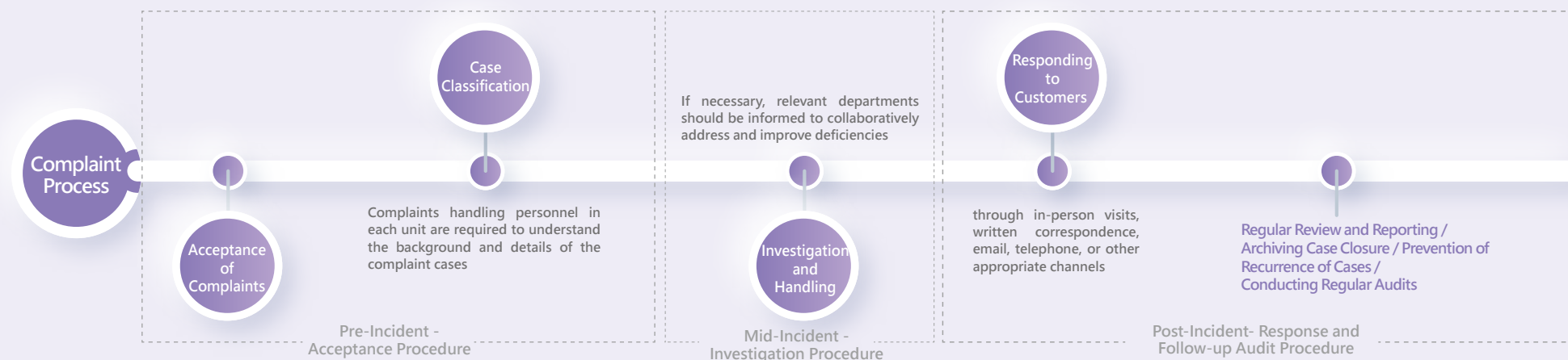
Relevant products will be specifically assessed and surveyed for suitability concerning elderly customers

## Customer Complaints and Consumer Rights Protection

To safeguard consumer rights, the Company has established the "Guidelines for Handling Customer Complaints" to address general complaints, financial consumer disputes, and personal data breaches. In principle, "customer complaint cases" should be resolved within seven days, while "financial consumer dispute cases" must be appropriately handled within thirty days from the date of receipt. Follow-up actions and improvements are also ensured. Channels for filing complaints: Complaints may be submitted via telephone, written correspondence (including those referred by competent authorities), the Company's customer service email (customerservice@mail.ktb.com.tw), in-person visits (at branch counters), or through competent authorities. These channels are not restricted by business hours. Additionally, a dedicated customer complaint hotline is available at (06)213-5231, with service hours from 9:00 AM to 5:30 PM on business days. The Company has established a dedicated unit to handle customer complaints, aiming to enhance processing efficiency, improve customer satisfaction, strengthen risk management, and drive continuous improvement. During incident investigations, the responsible business units collaborate with the complaints handling unit, and regular reviews and reports are conducted. A consolidated report on complaint cases is submitted to the Board of Directors every six months. The principles for establishing the complaint mechanism are as follows:

1. Establish a risk-based complaints handling mechanism: Complaints are assessed based on the Company's risk indicators to determine their risk level. Cases are then classified and handled accordingly, with the reporting level determined by the severity of the risk.
2. Enhance division of responsibilities and accountability in handling consumer disputes: A three-tiered escalation mechanism has been established. The first level involves the responsible business unit, the second level is the Vice President, and the third level is the President.
3. Refine the complaints handling process: The "Customer Service and Complaints Hotline" and "Customer Service and Complaints Email" are designated as official channels for customers to inquire about the status of their complaint cases.

### Complaint Process



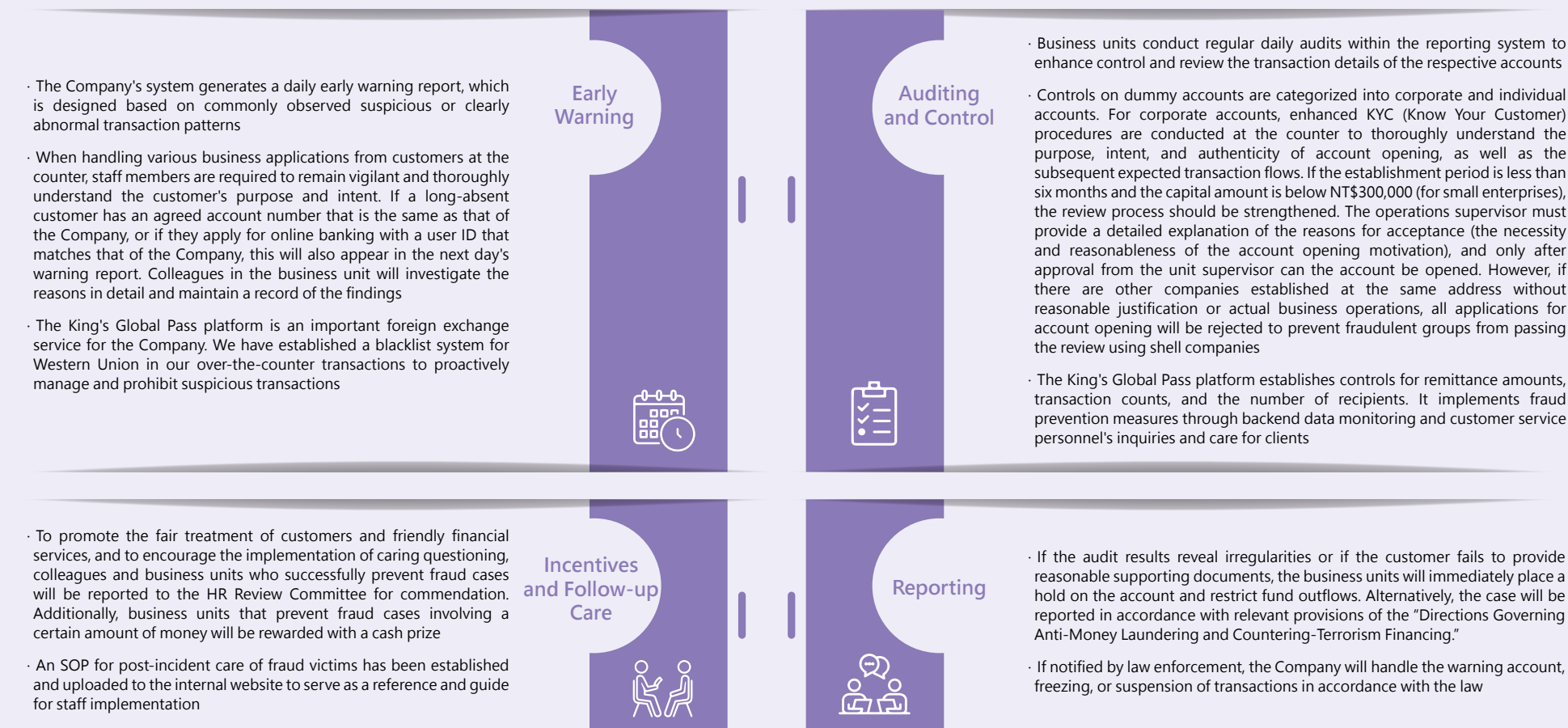
## Customer Service Outcomes

KTB conducts annual surveys through distributing surveys at the counter and online to understand customer satisfaction, serving as a basis for formulating subsequent improvement measures. In 2024, a total of 1,782 valid responses were collected, with an overall satisfaction rate of 92.5% satisfaction across all service channels and business areas exceeded 88%.

	2021	2022	2023	2024
Customer Satisfaction Rate	92.9%	91.7%	91.9%	92.5%
Coverage Rate (%)	100%	100%	100%	100%

## Anti-Fraud Mechanisms and Measures

As fraudulent tactics become increasingly diverse and covert, financial institutions bear a critical responsibility to safeguard customer assets. The Company continues to strengthen its internal control processes through four key measures—early warning, auditing, control, and reporting—while maintaining close collaboration with law enforcement, financial regulators, and other relevant agencies to establish a cross-institutional fraud prevention network. We recognize and reward frontline staff and business units that excel in fraud prevention to acknowledge their contributions in intercepting scams. At the same time, the Company actively promotes anti-fraud awareness through various channels, including fraud prevention campaigns, the official website, LINE messages, and social media, to enhance the public's ability to detect and avoid fraud. For related execution details, please refer to [the activities related to the popularization of financial anti-fraud knowledge education](#). The Company's anti-fraud achievements can be found in the "[Anti-Fraud Promotion](#)" to safeguard the public's assets.



## 5.1.1 Financial Inclusion

### Establish a Friendly Financial Service Network

According to statistics from the Ministry of the Interior, as of the end of December 2024, the elderly population aged 65 and above accounted for 19.18% of Taiwan's total population. As Taiwan gradually enters a super-aged society, KTB, with its extensive customer base in central and southern Taiwan, deeply understands the inconvenience elderly individuals may face when using financial services due to physical decline. In response to the challenges brought about by demographic shifts, KTB has introduced a range of elderly-friendly financial services, aiming to establish a financial safety net for senior consumers, prevent financial exploitation, and provide tailor-made financial products and services to support retirement and life care planning. To achieve comprehensive and inclusive financial inclusion, KTB has established policies and strategies for the "Policies and Strategies on the Principle of Fair Treatment of Customers" and the "KTB Financial Friendly Services Guidelines." These guidelines not only incorporate "friendly financial services," "protection for elderly customers," and "strengthened care mechanisms for elderly customers" but also ensure that people with disabilities and elderly customers can fully enjoy their basic rights and receive equal, fair, and convenient financial services. The content of the guidelines encompasses areas including environmental improvement, communication optimization, service enhancement, product design, and information transparency. In addition, regular annual training and policy review are conducted for directors, responsible persons, senior managers, managerial officers of business unit, and front-line counter staff. The "Fair & Friendly Customer Service Promotion Committee" follows up by reviewing the implementation status every two months, fulfilling the Company's responsibilities within the financial system.



#### Elderly Customers

##### Physical Finance

- All branches of the Bank have completed registration as a dementia-friendly organization, making KTB the first financial institution in the nation to achieve full registration across all business units
- Provide financial products and services suitable for elderly customers, and establish the Company's "Friendly Care Form for Specific Customers Aged 65 and Above" to be used by various business units when handling specific transactions or dealings in New Taiwan Dollars and foreign exchange for elderly customers
- When selling financial insurance products, the high-age telephone interview will be included in the project audit report. A fixed monthly audit will be conducted to ensure the implementation of telephone interviews with elderly clients, thereby strengthening control
- Remind senior customers to apply for specific transactions by adding a notification message in the system regarding care-related inquiries, in order to enhance the protective measures for staff in response to unusual financial transaction behaviors of senior customers
- To enhance the protection of senior customers, starting in 2024, KTB implemented additional control measures. When reviewing new insurance policy documents, insurance agents are required to conduct supplementary inquiries for customers aged 80 and above who are applying for policies with cash value. These inquiries include understanding how the agent became acquainted with the customer, the purpose of the insurance application, and the rationale behind the recommended product and coverage amount, in order to assess whether the case involves potential elder financial exploitation or improper solicitation
- In response to the government's efforts to provide trust services for an aging society and for the protection of the property of the demented, KTB has actively launched an Elder Care Trust to protect the future and meet medical care needs of the trustees. In addition to managing trust assets in the form of time deposits, we have also introduced innovative ways to provide trust services.
- Introduced 19-inch large-screen ATMs equipped with accessible voice guidance functions. To better serve senior consumers, the Company has optimized the interface with a more intuitive and simplified transaction process. All transaction screens feature large button designs and bilingual options. Additionally, the ATMs are equipped with headphone jacks, braille stickers, and service hotlines, enabling customers from diverse backgrounds to operate the machines with ease

##### Digital Finance

- The official website continues to enhance the "Senior-Friendly Financial Services Section," providing information on elder care trust, wealth management, deposits, insurance, and fraud prevention
- According to statistics, over 40% of elderly individuals have a daily exercise habit, primarily walking or jogging. We have added a "King's Step by Step Surprise" feature to our mobile banking app, which can record daily step counts. By incorporating check-ins, step challenges, or completing financial tasks (such as transfers, fixed deposits, currency exchanges, etc.), we aim to make the app habitual and enjoyable for senior customers, alleviating their fear of using mobile banking
- Red envelope gifting is a Taiwanese tradition. We have introduced red envelopes during various festivals to encourage elderly customers to engage with digital services
- In order to provide the elderly with up-to-date information on accounting changes and the latest methods for preventing fraud, customers are encouraged to link their accounts to the LINE account notification service
- Facebook is one of the most popular social media platforms among older adults, and it is utilized to disseminate anti-fraud messages



#### People with Physical or Mental Disabilities

##### Physical Finance

- ATM withdrawal fee waiver for people with physical and mental disabilities from January 2017
- The accessible voice-enabled ATM color design follows the "International Color Contrast Standards," using black and white text and background with a contrast ratio of 91%, aiding users with low vision. It offers five main functions—withdrawal, deposit (including accessible deposit features), balance inquiry, PIN change, and transfer—to meet the financial needs of persons with disabilities and reduce the digital divide
- In collaboration with Tainan City's "Voiced," sign language interpretation and real-time captioning services are provided at branches to facilitate smooth communication and assist hearing-impaired customers in completing their transactions
- In partnership with the Taiwan Foundation for the Blind, "braille stickers" were produced and "signature boards and reading assistive devices" were donated, aiming to improve the difficulties faced by visually impaired individuals in signing documents and reading
- QR Code links are installed on ATMs to provide access to text-based customer service, enabling individuals with disabilities to voice their opinions and exercise their rights
- Braille stickers have been applied to service bell indicators at business units, and "accessible and friendly service signs" has been added to business premises
- To address the inconvenience wheelchair users face when operating automated equipment, knee-space dual-screen ATMs with deposit and withdrawal functions have been procured to accommodate the needs of diverse user groups
- Various financial fraud prevention campaigns have been held, not only to raise fraud awareness among persons with disabilities but also to allow staff to personally experience the challenges these individuals face when conducting transactions. This fosters empathy and enhances service delivery. Activities include investment market seminars and inclusive experience programs that promote love and accessibility

##### Digital Finance

- An accessible facilities section has been established on the official website, and the website has obtained AAA-level accessibility certification
- On the homepage of the official website and in five other locations, including the personal online banking frequently used webpage, a "Friendly Online Banking" link has been added. This link integrates information on webpage login, transaction benefits, and text customer service to provide users with a convenient operating interface
- The insurance product section of the Official Website has added an easy-to-read version of the "Insurance Guidelines for Persons with Disabilities" and an "Introduction to Microinsurance" for customer reference
- The online banking platform has obtained an A-level accessibility certification and now includes accessible wealth management features
- The accessible transaction features of the mobile banking app have been adjusted and tested by the Taipei Parents' Association for the Visually Impaired, with testing completed in 2024
- To promote digital inclusion and fair treatment of customers, a "Fee Waiver for Interbank Transfers via Online Banking for Persons with Disabilities" has been introduced starting February 2024
- The "King's Preferential Deposit Program" offers a 1% interest rate on NTD demand deposits up to NT\$100,000, with 24 qualifying account holders





## Foreign Nationals (Including New Immigrants and Migrant Workers)

### Physical Finance

- In line with the government's bilingual-friendly policy, all 47 business units in the six cities have more than one English-speaking employee, and the current implementation progress is 91.5%
- The digital multimedia queuing system is designed with multilingual support in Chinese, English, and Vietnamese. The interface features color schemes accommodating color vision deficiencies and includes simplified and enlarged service menu buttons
- Promote the policy of financial-friendly bilingualism by revising documents such as deposit account opening forms, vouchers, foreign exchange forms, settlement forms, and applications for changes to customer basic information
- Establish a comprehensive bilingual signage system, including: exchange rate display boards, service point signs, automated service area signage, digital multimedia calling systems, and passbook updating machines
- Establish restrictions on foreign exchange transactions for high-risk foreign nationals

### Digital Finance

- KTB continues to collaborate with various international remittance companies to offer customers convenient and diversified remittance channels. For example, the new Q-Send service has been launched on the King's Global Pass online platform, with added registration functionality for foreign nationals. Taking into account the characteristics of its user base, the King's Global Pass website and mobile app support Chinese, English, and Vietnamese, and an English customer service hotline has been established to provide a more friendly and accessible service for new immigrants and foreign nationals
- The King's Global Pass platform provides an easily readable version in foreign languages, facilitating customers' understanding of the product operation process and important remittance information. At the same time, KTB enhances the anti-fraud education for King's Global Pass customers, improving their ability to recognize fraud



## Social Support Target

### Physical Finance

- We worked with the Taiwan Fund for Children and Families (Southern Tainan Center, Northern Tainan Center) to promote Micro Group Injury Insurance, please refer to ["Taiwan Fund for Children and Families" to protect the happy smiles of children for more details](#)
- In 2024, KTB participated in 15 debt negotiation meetings, demonstrating empathy and attentiveness to the needs of economically disadvantaged individuals, and offering debt relief measures as part of our commitment to social responsibility
- To implement the fair treatment of customers policy, the "King's Carnival" was organized as a themed initiative, featuring a series of events such as "Enjoy Arts" and "Enjoy Knowledge." These activities aim to promote customer care and enhance employee understanding of the service needs of vulnerable groups, enabling staff to consider customers' circumstances and respond appropriately to ensure their rights and needs are met
- All procurement activities prioritize products from organizations that support vulnerable groups, thereby promoting employment opportunities for these communities

### Digital Finance

- To reduce the digital divide, the Company provides short videos on its official YouTube channel, Facebook fan page, and King's Global Pass social media to assist customers in becoming familiar with online banking, mobile apps, first-time foreign remittances, remittance changes, and refunds
- The official website's financial-friendly section originally included areas for youth, seniors, and accessibility. It has been updated to include QR codes for commonly used contracts and service descriptions, facilitating quick inquiries and understanding of related content for customers
- The official website has been designed with a user-friendly interface, introducing a simplified version of microinsurance information to reduce the digital divide



## Young Demographic

### Physical Finance

- Launch a trust for real estate transactions or pre-sale housing prices to enhance the security of young customers in home purchasing transactions
- To uphold the Fair Treatment of Consumers and safeguard the rights of the younger demographic, all business units are required to conduct care-related inquiries when handling account opening, remittance, and foreign exchange services for customers aged 18 to 30, thereby strengthening protections for young customers

### Digital Finance

- The "Youth Preferential Demand Deposit Program" offers a 3% interest rate on demand deposits up to NT\$50,000 for newly opened accounts. The project aims to balance fair treatment of customers with the reduction of the digital divide, assisting the younger demographic in more easily accessing digital financial services
- The official website has launched a dedicated section for the "Youth-Friendly Financial Services." This section allows users to access financial. Additionally, a new "Home Purchase Loan" service has been introduced to assist young customers in realizing their dream of homeownership. The website features a dedicated section providing essential information on loan requirements under the theme "Completing the Dream of Homeownership for Youth," promoting the Company's "King's Loan" housing loan project



## Provision of Affordable Financial Products

### ◆ Elder Care Trust/Disability Trust

To assist the elderly and people with disabilities in protecting their assets and to promote community financial education, KTB leverages its regional bank characteristics to become the "Neighborhood's Trusted Companion." It has introduced a simple Elder Care Trust product, named "King's Anxin" in 2023, to aid elderly, disabled individuals, and those in need of eldercare in asset protection.

This product structure involves a "self-beneficiary trust," where the settlor and the beneficiary are the same person. The trust property delivered is in the form of money, and the trust property is invested through regular deposits with the Company. Customers can choose to entrust the Company solely with the custody of the funds or request the Company to handle living allowances, nursing home fees, or other expenses approved by the Company, according to their needs. By promoting this service, we aim to cultivate retirement and eldercare awareness among customers and encourage them to plan for a stable retirement life early on.

#### V Achievements in 2024 :

- Cumulative number of beneficiaries: 14 individuals
- Principal balance of trust assets: NT\$668.5 million
- The ratio of the principal balance of trust assets to the total amount of money in trust (excluding securities investment trust, futures trust fund custody), real estate trust, and securities trust business: 0.73%
- Among every 10,000 deposit account holders, the cumulative number of beneficiaries under elder care trusts: 0.14

### ◆ Micro Injury Insurance and Small Amount Endowment Insurance

To offer affordable basic insurance coverage to economically disadvantaged or specific identity groups, and in response to the aging and declining birth rate trends in Taiwan, KTB is promoting micro-injury insurance and small-scale endowment insurance. The target groups include low-income households, middle-low-income households, indigenous people, fishermen, farmers, people with disabilities, as well as their family members and elderly individuals. The objective is to safeguard vulnerable families, provide support to a broader range of groups, and meet their essential needs.

Unit: 10,000

Insurance Products	Target	Number of Policyholders	Total Insured Amount
Micro Injury Insurance	Low-income households, middle-low-income households, indigenous people, fishermen, farmers, people with disabilities, and family members of the aforementioned groups	131	6,550
Small Amount Endowment Insurance	Elderly individuals with limited budgets are seeking to establish basic security	1	20
Total		132	6,570

### ◆ Non-financial Support Services in 2024

For groups that have not fully benefited from financial products or services, the Company provides diverse and inclusive non-financial support to enhance their financial literacy and awareness of financial well-being. We are committed to delivering financial education through innovative and varied channels and formats, strengthening risk awareness and financial management capabilities. These efforts aim to promote the welfare and rights of specific groups, fostering a fairer and more sustainable financial environment.

Service Categories	Target Groups	Implementation Details	Social Impact KPIs (Quantitative Aspects)
Financial or Digital Knowledge Training	Vulnerable Groups <sup>Note 1</sup> , Young Generation	To implement the fair treatment of customers policy, KTB has designed the "King's Carnival Series" for vulnerable groups. This includes a series of events such as "Enjoy Arts" and "Enjoy Knowledge," aiming to promote customer care and enhance employees' understanding of the service needs of vulnerable groups. These initiatives help staff consider customers' individual circumstances during service delivery and adopt appropriate approaches to meet their needs and protect their rights	1. 15 events held 2. Collaboration with 10 external organizations (6 universities, 1 police department, 1 art museum, 1 hospital, and 1 foundation) 3. A total of 1,401,482 beneficiaries
Incentive Measures for Opening Savings Accounts	1. Natural persons (Aged 65 and above) 2. Aged 18-22	1. Senior Preferential Demand Deposit Program: Offers a preferential interest rate of 0.88% on demand deposits up to NT\$500,000 for newly opened accounts 2. Youth Preferential Demand Deposit Program: Offers a preferential interest rate of 3% on demand deposits up to NT\$50,000 for newly opened accounts	1. Attracted 160 account holders 2. Attracted 8 account holders
Technical Assistance	Small enterprises <sup>Note 2</sup>	SMEs often face various technical limitations during their development. Due to relatively limited resources, these enterprises are typically unable to invest as heavily as large corporations in upgrading or modernizing their technological infrastructure. At KTB, SME loan balances account for 62.50% of the total loan balance, highlighting the significant role SMEs play in the Company's revenue structure. We have launched the "King's Entrepreneur" mobile application and the "Corporate Online Banking" platform, complemented by in-person training sessions. These tools enable clients to manage their business accounts and conduct digital transactions anytime, thereby improving operational efficiency, enhancing competitiveness, and reducing operating costs	1. Loan balance at year-end: NT\$26.9 billion 2. Number of loans: 1,153 3. Number of SME clients: 563 4. Percentage of total loan balance: 11.06%
	People with Physical or Mental Disabilities	To improve the experience of visually impaired or low-vision customers during the counter transactions, the Company has equipped all business units with "Signature Boards and Reading Assistive Devices" as well as "Desktop Magnifiers," helping low-vision and senior customers read documents more easily. In addition, "Corporate Identification Braille Stickers" have been designed for visually impaired customers to affix to their passbooks and bank cards for easy identification of their "KTB" accounts	All 66 business units across Taiwan are equipped with the following tools: 1. Signature boards and reading assistive devices 2. Desktop magnifiers 3. Braille stickers

Note 1 : Vulnerable groups refer to individuals with visual impairments, hearing impairments, speech disorders, mental disabilities, or physical disabilities

Note 2 : "Small enterprises" refer to SMEs with a capital of less than NT\$25 million

## King's Global Pass x Western Union Remittance, a Safe Way for New Immigrants to Send Money Home

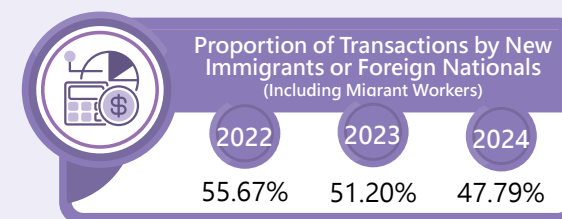
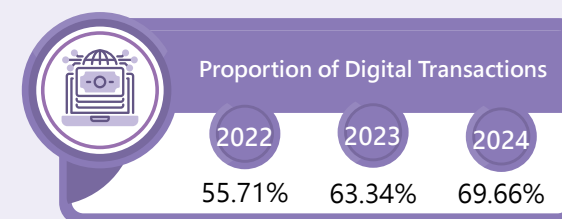
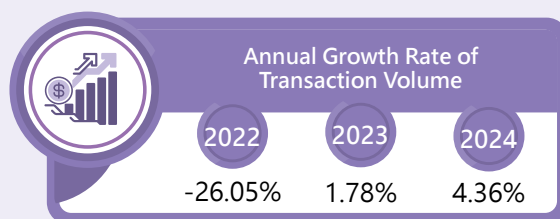
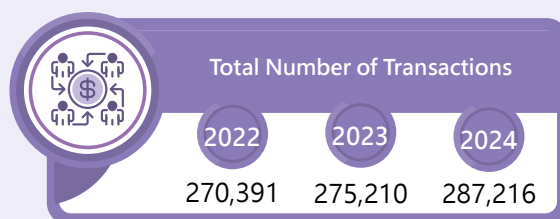
KTB is currently the only bank in Taiwan that has cooperation with Western Union. Due to the tightening of anti-money laundering laws, regulatory compliance costs of banks has increased. Therefore, many financial institutions chose to withdraw from the market due to the consideration of operating efficiencies, while others increased the handling fee for international remittance. However, being an island country, Taiwan has always been a multi-cultural society. With the development of trade and globalization, people of different nationalities, ethnic groups, beliefs, cultures come to Taiwan, and thus drives the growth of international remittance. New immigrants and foreign workers have traveled to Taiwan with dreams. However, they face great difficulties in basic financial services, such as sending money to their home countries, due to factors such as language barriers, lifestyle, and cultural backgrounds. As a consequence, they turn to illegal underground banking.

We noticed that our customers rely heavily on Western Union, and we believe that we should shoulder the responsibility of inclusive finance, to provide comprehensive financial services to everyone in the society. Through strict control mechanisms, personnel training, and system assistance (for related management

mechanisms, please refer to [3.2.1 Anti-Money Laundering and Countering the Financing of Terrorism](#)), KTB enforces robust anti-money laundering and countering the financing of terrorism. In parallel, KTB has developed digital services such as the online Western Union remittance service and the King's Pay remittance app. We further upgraded our remittance services by launching the King's Global Pass platform, which integrates Western Union remittance services with Mastercard Q-Send. This allows customers to remit funds conveniently via computer or mobile device, enjoy instant fund receipt, and benefit from lower transaction fees. The platform effectively addresses common issues associated with traditional international remittances, such as 2–3 day transfer delays and high service fees.

In 2024, a total of 287,216 transactions were conducted through the King's Global Pass x Western Union service, with approximately 47.79% of the transactions made by new immigrants, migrant workers, or foreign nationals. The total remittance amount from these three groups reached approximately US\$81.48 million. Additionally, 69.66% of all transactions were completed via the online platform or mobile app. The development of the online King's Global Pass x Western Union service has significantly helped new immigrants and migrant workers overcome previous time and geographic limitations, providing them with a secure and reliable way to send money back home.

### King's Global Pass x Western Union Remittance Transaction Status



## 5.2 Fintech and Innovation

In 2015, KTB noticed an imminent revolutionary wave in the finance industry and thus established the "Digital Service Meeting" in response to this wave. In 2016, we integrated the company's resources and merged the former "Business Division" into "Digital Service and Channel Management Department" to integrate digital technology with traditional business. In addition, we hold "Digital Service Meeting" every two weeks, where we convene relevant departments to discuss and propose new ideas, new services and new experiences according to different business projects. Nonetheless, bringing more convenient and safer (for relevant mechanisms, please refer to [section 3.4 Information Security](#)) financial services to our customers, and delivering heartfelt services through digital tools are our unchanging goals. To this end, we

provide a variety of digital platforms that make it easy for business owners and individuals to complete the transactions they want, whether using computers or mobile phones. At the same time, through the patient explanation and active expansion of our staff, we can eliminate the pain points of customers in use, so that customers can truly experience the convenience brought by technology. We can see that customers of KTB are more willing to use digital services year by year. In the future, KTB will continue to introduce more safe and convenient products to bring customers zero-time difference and zero-distance financial services. KTB's achievements in digital services in 2024 are as follows:

### KTB's Digital Finance Development Goals

- ✓ Increase the Ratio of Digital Transactions
- ✓ Reduce operational risk and costs by using technology
- ✓ Optimize digital products to enhance inclusivity for the elderly and vulnerable populations
- ✓ Enhance the functionality of the enterprise network to continuously assist SMEs in adopting digital services

Expand the number of TWQR special stores to enhance active deposits and customer loyalty

### Increase the ratio of digital transactions

- ✓ The digital percentage of deposit transactions has increased by 5.6%
- ✓ The percentage of account openings through digital channels is as high as 76.93%
- ✓ A total of 412,010 transactions were conducted through digital channels, representing a growth rate of 13.48%
- ✓ Corporate online banking transactions reached 887,340, with a growth rate of 2.62%

### Perfect Customer Experience

- ✓ 11 personnel digital services were launched and optimized
- ✓ 14 enterprise online banking functions were launched and optimized
- ✓ Digital channel customer satisfaction: 94.8 points, an increase of 0.8 points compared to last year

### Reduce Operational Risks and Costs

- ✓ The "Mobile Number Linked to Bank Account" feature has been expanded to include users with 8-digit business ID number
- ✓ Application-based services have been further digitized, such as enabling the closure of NTD deposit accounts (account termination and closure) through the mobile banking app



## Innovative and Intimate Digital Services

Faced with the continuous innovation of digital financial services, the differences among peers are gradually narrowing, and strengthening KTB's digital competitiveness has become the primary issue of the financial industry under the trend of digitalization. We believe that digital competitiveness lies not only in the provision and innovation of products, but also in "digital inclusion." In particular, we have a large number of customers in the central and southern regions. We are more aware of the digital divide caused by age and place of residence, as well as the concerns and considerations of customers when they actually use digital services. Therefore, KTB's concepts of designing digital products are focused on a digital platform that can provide customers with all-rounded services, so as to satisfy customers' needs, improve business efficiency, create unique values, and promote the transformation toward digital finance. To further reduce customers' application time and cost, we have placed a strong emphasis on optimizing digital processes by streamlining application procedures and enhancing automation efficiency. For example, by leveraging digital identity verification and real-time data synchronization technologies, we have significantly reduced the need for manual data entry and review. In addition, we introduced online appointment scheduling and self-service functions, allowing customers to initiate applications at their convenience. This eliminates long wait times and unnecessary in-person visits, greatly shortening the overall processing time and reducing operational costs for customers. These measures will effectively enhance customer experience while strengthening our competitiveness in the market. Further, the implementation status of relevant digital and customer-friendly services is compiled into a report on a weekly basis and submitted to senior managerial officers (Vice Chairman, President) for review. Additionally, a "Digital Services Meeting" is convened biweekly to supervise and track the progress of implementation, ensuring the smooth promotion of various services and products.



### Goyee Digital Account

- Customers can open new NTD and foreign currency accounts online, and enjoy services including multiple types of money transfer, mobile payment, currency exchange, overseas remittance, funds and wealth management, securities investments without going to the bank
- Integrating the Group's resources, goyee digital accounts and Capital Securities accounts were launched in May 2022, bringing a smooth experience of digital accounts + securities accounts in one go
- The number of applicants for goyee accounts in 2024 is 29.17% higher than the previous year



### Corporate Online Banking

- Provide diversified online cash management services for corporate customers, such as: domestic and foreign transfer payments, payroll deposits, foreign exchange services, collection services, and subscription and conversion transactions for specific money trusts...etc.
- Provide corporate customers with the ability to connect their internal system applications to the bank's corporate online banking function via an application programming interface (API) and to complete their financial information integration through tight security compliance
- To reduce customers' counter transaction and application time, business units have been authorized to waive the fees for corporate customers applying for online banking certificate devices
- In 2024, the total number of corporate online banking accounts reached 4,932, with a growth rate of 24.67



### Other Services

- Official account of KTB LINE: Provide personalized services and latest promotions through LINE
- Mobile Online Banking Push Notification: Notify you of any changes to your account immediately, so you don't have to worry about fraudulent claims, and you can receive timely news about special offers
- Mobile Phone Portal Number Transfer: Provide customers with a mobile phone number as a payment account, and one mobile phone portal number can be tied to multiple bank accounts, overcoming the trouble of remembering a long list of accounts and reducing the risk of account number input errors. In 2024, a total of 13,886 households applied to link their mobile numbers
- Launch an 8-digit business ID number transfer feature for corporate clients, allowing users to complete transfers simply by entering the 8-digit business ID number during the transaction
- Provide oral transactions and online application and appointment services to enhance customer convenience and reduce application time. The following are the related services:
  - (1) Oral transactions: opening accounts, applying for financial cards, updating customer basic information, making remittances, and conducting deposit/withdrawal/transfer operations
  - (2) Online application and appointment services: digital account opening, account closure, appointment scheduling for inheritance matters, reissuance of financial cards, issuance of deposit balance certificates, number reservation (real-time or by appointment), reporting loss of financial cards/passbooks/seals, exporting passbook covers, updating basic information, and pre-filled Forms
- A friendly service queue system has been installed in branch lobbies to accommodate customers with special needs



### Innovative Payment

- With the passage of time and the advancement of digital finance, mobile payments have become an essential payment method in people's lives. KTB actively promotes "TWQR," a QR Code payment service developed by Financial Information Service Co., Ltd., to corporate merchants. By the end of 2024, 52 financial institutions had adopted TWQR, including 29 public and private banks, 14 community financial institutions, and 9 electronic payment institutions. Merchants using this service can reduce the risk of counterfeit currency, quickly calculate sales revenue, and advance their digital transformation to accommodate various types of payment methods.
- Individual customers are encouraged to link their KTB's accounts to "Taiwan Pay" or "JKOPAY" through mobile banking, enabling payments and transfers by scanning QR codes or presenting payment codes for shopping and transactions
- Promote the "Introduction of Mobile Payments for Small-Scale Business Operators" and establish a new income and expenditure reporting system, submitted to the National Taxation Bureau by the Company, enabling small-scale business operators to qualify for tax incentives
- National payment (tax): Login to mobile banking or personal Internet banking to pay a number of livelihood fees, such as: water, telecommunications, parking fees, in response to the convenience of the people, electronic government



### King's Global Pass | King's Pay

- In 2020, KTB launched digital channel services jointly with Western Union, providing a true digitalized wire transfer platform from opening accounts to wire transfer. Through King's Pay application, customers can instantly make wire transfer to more than 200 countries and regions around the world, which will be done immediately, with a low commission and no additional fees for beneficiary
- In November 2022, KTB integrated the "King's Pay" remittance service and launched the "King's Global Pass" platform (phonetically similar to "money goes through" in Taiwanese), a "fully digital online foreign currency remittance platform" designed exclusively for individual users. This platform offers more diversified foreign currency remittance options, including Q-Send services. Remittance services are available 24 hours a day, 365 days a year, with support in Chinese, English, and Vietnamese. Customers can enjoy convenient features such as instant cash pickup in over 200 countries, person-to-person bank account transfers in 100 countries, no need to exchange local currency, and the ability to remit directly in New Taiwan Dollars
- To facilitate foreign customers in accessing key information about King's Global Pass, the Official Website has added English and Vietnamese versions of the King's Global Pass introduction and FAQs. Additionally, an online registration function for foreign nationals was launched on December 13, 2024

## Chapter

# 06

## Happy Workplace

Employees are KTB's partners. We believe that we have to emphasize on employees' rights and interests, cultivate talents, arrange duties appropriately, establish reasonable performance management system, and build an equal and safe workplace, so as to achieve cohesiveness among all employees and improve their sense of identity with KTB. When we realize the personal value of our employees, we are achieving a win-win-win situation for the company, employees, and customers.



Female managerial officers accounted for  
**56.25%**



Total subsidies under the "King's Baby Program":  
Approximately  
**NT\$1.5 million**



Average training hours per employee  
**86.2**

- 6.1 Talent attraction and retention
- 6.2 Talent Cultivation and Development
- 6.3 Employee Care and Friendly Workplace
- 6.4 Workplace Human Rights, Diversity and Inclusion



## 6.1 Talent attraction and retention

### Current Employee Structure

KTB had 1,010 full-time employees and 77 non-employee workers (74 contracted employees and 3 dispatched employees). For details on the distribution of employees, please refer to [Appendix 8.4 Human Resource Management Indicators](#). The ratio of female to male employees was 65:35, and the number of female employees holding managerial positions accounted for 56.25% of the total, which demonstrates KTB's focus on personality traits, professional abilities, and appropriate job arrangements when hiring employees and recruiting outstanding talents. KTB treats all its employees with fairness and mutual respect, to provide fair competition and development opportunities for both sexes.

#### Percentage of female employees of all groups in the past three years

Category	2022	2023	2024	
All Female Employees	63.28%	64.36%	64.95%	
Female Managerial Officers	52.15%	53.31%	56.25%	
	Senior Managerial Officers	37.63%	41.24%	42.00%
	Intermediate and Junior Managerial Officers	58.57%	59.02%	63.24%
	Managerial Officers of Business Unit	56.62%	58.57%	61.50%
Non-Managerial Female Employees	68.16%	69.37%	68.70%	
New Female Recruits	61.64%	65.75%	63.69%	
Female Technical Professional Employees	29.67%	31.58%	32.29%	

Note 1 : Female managerial officers includes the following three categories:

- (1) Senior managerial officers: Refers to managerial officers at the manager level (inclusive) or above
- (2) Intermediate and junior managerial officers: Refers to managerial officers at the deputy (assistant) level
- (3) Managerial officers of business unit: Managerial officers of branches and credit centers

Note 2 : Technical professionals: Employees who use knowledge and skills for science, technology, engineering or mathematics (STEM) in their jobs and have relevant qualifications



### Diversified Recruitment Channels

KTB proactively invests resources in recruiting outstanding talents with potential, with local residents as the main recruiting targets. In addition to general external recruitment, we put great emphasis on industry-academia cooperation, which includes campus recruitment, internship program, courses co-organization, career coaching programs, company visits, and seminars, to assist students in their career exploration, and at the same time, to find our future partners.

#### ◆ Promotion Program of "Friends to Comrades"

KTB values employee retention. A good retention rate not only reduces recruiting costs but also boosts organizational morale. Furthermore, we have also noticed that the highest turnover rate occurred during the probationary period, mainly due to incompatibility with the jobs or corporate culture. In order to encourage employees to recommend outstanding talents, expand the company's talent introduction channel, and reduce frictional turnover rate, we have launched the "Talent Recommendation Incentive" subsidy program in 2022, in which employees who recommend talents and apply for the job vacancies announced in the recruitment website will receive the recommendation incentive after the recommended talents being formally employees, and the employees who made the recommendations will be given the retention incentive again when the recommended employees have served for the company for two years. In 2024, there were nine new recruits recommended by employees, with a retention rate of 88.89%.



## ◆ College and University Internship Programs

Since 2017, KTB has been promoting internship programs in colleges and universities, including semester internship program and summer holiday internship program. In the internship, senior employees are assigned to work together with students to complete daily tasks, so as to facilitate the student's understanding of the outlook of the finance industry through practical experience. The internship also helps students combine theoretical knowledge and practical experience to reduce their inability to adapt to the workplace after they are formally recruited in the future. From the academic year of 2023 to 2024, a total of 13 interns were recruited. In July 2024, 7 interns successfully transitioned to full-time employee after passing their probationary period assessment, resulting in a retention rate of 54%. We expect that a well-designed internship program can effectively assist students in transitioning from academia to the workplace more seamlessly. Additionally, companies can leverage internship programs to identify and recruit talented individuals early on.

## ◆ The Youth's Employment Ultimate Program

Since August 2020, KTB has responded to the Ministry of Labor's "The Youth's Employment Ultimate Program," providing not only employment opportunities for youth, but also practical vocational training. The Company assigned senior employees to act as training instructors to lead and guide students to familiarize themselves with skill sets, on a one-on-one basis, and regularly track and provide feedback to them. In this way, these students may have a less steep learning curve in their future work and acquire useful skills. As of November 30, 2024, we have hired a total of 235 employees under this program.

## Talent Retention Measures

Hiring outstanding talents is the foundation of a company's growth. Creating a place that attracts talents and allows them to demonstrate their strengths is a key value of a company's existence. Only in this way can we move forward together with a common goal and become a prosperous company.

## ◆ Comprehensive Remuneration Structure

Based on the position and responsibilities of the employees and the operational performance of KTB, the departments, and the individuals, KTB has formulated a comprehensive remuneration structure and system. Performance evaluation and remuneration are carried out in accordance with the "Regulations on the Annual Employee Performance Evaluation," "Regulations on the Employee Benefit Payment," and "Regulations on the Distribution of Annual Bonus," approved by the Board of Directors. Remuneration includes base salary, additional pay, allowance, and annual bonus. In addition, with reference to the salary and remuneration level of peer companies in the same industry, we adjust the base salary in a timely manner to provide our employees with competitive and motivating salary and remuneration.

In 2024, KTB's total salary and compensation expenses amounted to NT\$1 billion. For the average and median salaries of full-time employees not in managerial positions, as well as changes in these figures, please refer to page 63 of the KTB's 2024 Annual Report. The highest individual total compensation

at the Company was 50.8 times <sup>Note1</sup> the median total compensation of all employees. Additionally, the percentage increase in the highest individual total compensation was 23.7 times <sup>Note2</sup> the median percentage increase in the average total compensation of employees. The significant increase in this year's data compared to previous years primarily reflects exceptional performance in specific positions due to particular performance factors during the year. In accordance with the Company's compensation mechanism, this resulted in relatively high variable remuneration, which is one-off in nature and has been reviewed through internal procedures to ensure its reasonableness and compliance. Overall, the Company remains committed to a fair, transparent, and market-aligned compensation philosophy, and regularly reviews its related mechanisms to ensure that the remuneration system strikes a balance between the organization's sustainable development and the value of its employees.

Regarding the implementation of salary equality, KTB complies with labor acts, including Labor Standards Act, Gender Equality in Employment Act, and Employment Services Act, and provides fair and reasonable salary and remuneration based on the ability and experience required by the position, without gender discrimination. The salary and related performance assessment of managers are also proposed to the "Remuneration Committee" every year for discussions to examine the reasonableness of the correlation between personal performance, company operational performance, and future risks. KTB ensures that employee salaries are sufficient to meet basic living needs. In 2024, the Company's average monthly salary for employees was 2.1 times the national minimum wage in Taiwan. The ratio of female to male employees at all levels of KTB for total salary and remuneration and for the regular salary and remuneration ratio (female: male) in 2024 are shown below:

## The ratio of female to male employees at all levels of KTB for total salary and remuneration and for the regular salary and remuneration ratio

Category of Employee	Total Compensation <sup>Note 3</sup>	Regular Compensation <sup>Note 4</sup>
Senior Managerial Officers	0.71	0.77
Intermediate and Junior Managerial Officers	0.97	0.96
Non-managerial Positions	0.94	0.96

Note 1 : Annual total compensation of the highest-paid individual in the organization ÷ median annual total compensation of all full-year employees in 2024 (excluding the highest-paid individual)

Note 2 : Percentage increase in annual total compensation of the highest-paid individual ÷ median percentage increase in annual total compensation of employees who were employed throughout both 2023 and 2024 (excluding the highest-paid individual)

Note 3 : Total compensation: refers to the sum of salary, allowance, and annual bonus

Note 4 : Regular salary compensation refers to the monthly payment of wages to employed staff, including base salary and various monthly allowances (such as position/title allowances, professional allowances) and fixed subsidies (such as meal allowances, regional allowances)

Note 5 : Directors are not employees and are therefore not included in the salary and compensation statistics

## ◆ Long-term Reward Mechanism

In addition to the salary mentioned above, KTB regards every employee as its partner and believes that KTB's steady growth lies in the team's cooperation and profit-sharing. In 2010, we launched the employee stock ownership trust, and the employees formed the "King's Town Bank Employee Stock Ownership Association." It has been agreed upon that KTB allocates a certain amount from each member's salary and deposits it to the trust organization for long-term investment and management of KTB's stocks. The Company also allocates additional relative incentive bonuses based on members' performance evaluations from the previous year and the amount members contribute voluntarily. Through "Employees to Shareholders," KTB gives its employees a sense of value in the workplace and the meaning of their hard work. As KTB grows and appreciates, we also assist our employees to build up their own assets so that they can enjoy a secure retirement in the future. The employee stock ownership trust participation rate for 2024 was 86.73%, with a cumulative return rate of 253.70%.

## Employee Benefit Plans

As employees devote most of their time and efforts to work, it is the responsibility of KTB to help employees achieve a work-life balance. In addition to the statutory labor and health insurance, KTB has introduced a number of measures and programs to take care of the employees in multiple aspects, such as the important moments of their lives, daily needs, emergency assistance, and retirement. The average welfare expense in 2024 was NT\$1.1612 million<sup>Note</sup>.



### Caring

- Additional group insurance is provided for employees and their dependents, covering major illnesses, surgical subsidies, hospitalization benefits, cancer treatment benefits, accident medical benefits, outpatient surgery, disability benefits, and death benefits
- Marriage, childbirth, childcare, funeral, illness or injury subsidies
- Provide prenatal check-up leave, maternity leave, paternity leave and parental leave in accordance with the Labor Standards Act



### Secure

- Employee preferential loan interest rates, enhancing financial flexibility
- Employee preferential deposit interest rates, encouraging savings and providing additional interest revenue
- Employee retirement benefits



### Thoughtful

- The "Employee Special Leave Policy" has been established to provide annual leave (special leave) in accordance with regulations. Unused annual leave may be converted into paid leave compensation
- Special discounts with a number of stores, covering food, clothing, housing, transportation, education, and entertainment
- The Welfare Committee distributes electronic vouchers to employees during the three major holidays, which can be used for purchasing daily necessities and entertainment expenses. It also provides funding for departmental gatherings

Note : The benefits for part-time employees and interns are determined according to individual contracts.

## ◆ Childcare Allowance for KTB Babies of 0-6 Years Old

In order to encourage employees to have children and reduce their burden of childcare, we have launched the "Childcare Allowance for King's Babies of 0-6 Years Old," which not only provides a monthly subsidy for childcare, but also includes a stepped reward. The more kids you have, the more reward you will receive, which could be up to NT\$1.095 million, to encourage our employees to have more and more children. For the first King's Baby, the employee will receive NT\$2,000 per month, for the second, he or she will receive NT\$5,000 per month, and for the third, he or she will receive NT\$8,000 per month, in the hope that our employees could feel at ease when giving birth and raising their children. In 2023-2024, approximately NT\$150,000 was disbursed as subsidies, benefiting 41 KTB babies.



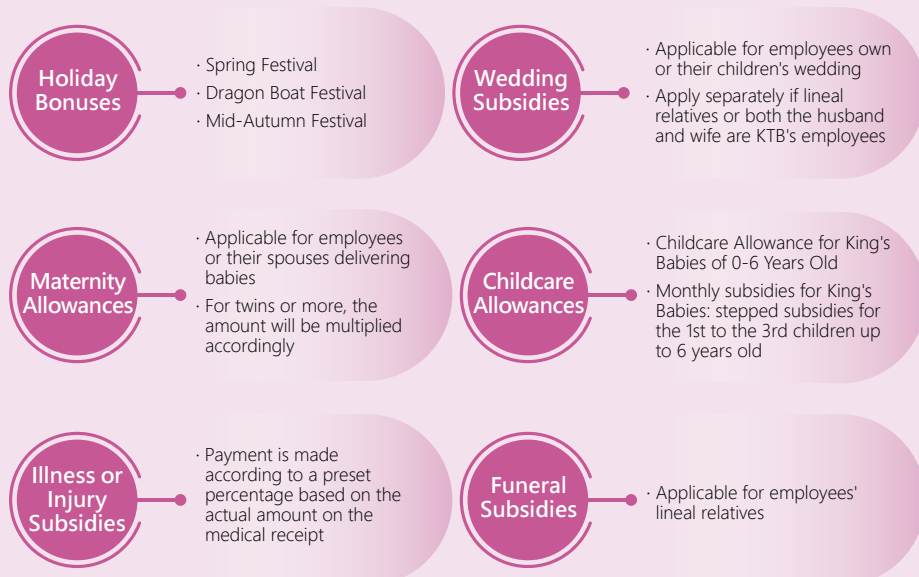
## V Provide employees with secure retirement

In order to encourage employees to plan their future retirement through long-term savings, the Company has formulated the "Regulations Governing Retirement of Employees" with reference to the "Labor Standards Act" and the "Labor Pension Act." Employees that can apply for retirement are those who have served in the Company for more than 15 years and have reached the age of 55, those who have served for more than 25 years, and those who have served for more than 10 years and have reached the age of 60. KTB has also set up the "Labor Retirement Reserve Supervisory Committee" to review, check, and supervise issues related to the employee's retirement reserves. A total of 7 Labor Retirement Reserve Supervisory Committee meetings were held in 2024.

With regards to the retirement system, for those who are subject to the "Labor Standards Act," KTB allocates 15% of the total salary of the employees to the "Company Pension Account" at the Bank of Taiwan every month starting 2012. When employees retire, the retirement pension is calculated based on the base unit of their service years and the approved average monthly salary for the final six months before their retirement. Furthermore, the Company hires external actuaries on an annual basis to assess the allocation status and ensure compliance with legal regulations. For the employees who are subject to the "Labor Pension Act," 6% of the individual employee's salary is allocated to their own individual labor pension account at the Bureau of Labor Insurance on a monthly basis.

Preferential measures for retired employees include: Six free monthly cross-bank ATM withdrawals and six free monthly cross-bank online banking transfers per savings account; Fund subscription fees set at 0.3% of the subscription amount for domestic funds; Fund subscription fees set at 0.5% of the subscription amount for offshore funds (including foreign currency trusts)

### Various benefit measures



## V Care for important moments of employees

KTB has formulated the "King's Town Bank Working Rules," which specify the various benefits and leaves employees are entitled to. In addition, KTB has also set up the "Employee Welfare Committee" to be in charge of employee welfare matters and formulated the "King's Town Bank Enforcement Rules for Employee Benefits" as the basis for the utilization of employee welfare fund. Employee welfare fund, deposited in a special account, is exclusively for welfare purposes, and cannot be utilized unless approved by the Employee Welfare Committee. Benefit allocation is calculated in accordance with the following guidelines: 0.1% of the total monthly operating revenue and 0.5% of the monthly salary of each employee are allocated for employee benefits. All employees (including those who are on probation period) of the Company are entitled to the same rights and obligations. A total of 4 Employee Welfare Committee meetings was held in 2024.

## V Care for the daily needs of employees



## 6.2 Talent Cultivation and Development

### Comprehensive Training System

In 2024, KTB held or participated in 956 internal or external education training classes (including 386 physical classes, 515 online classes and 55 financial management classes) with 80,740 participants. Every employee took part in 80 education training courses on average, with a total of 86.2 training hours. For details on education training, please refer to [Appendix 8.4 Human Resource Management Indicators](#).

KTB provides a comprehensive training system that includes onboarding programs for new employees, general education training, tiered training for managerial staff, specialized professional and technical training, and other programs (including internal on-the-job training hosted by various departments, legal compliance courses, ESG and sustainable finance, and occupational safety and health training). Training programs are arranged or encouraged based on employees' tenure, job roles, and professional competencies. These training initiatives aim to enhance the knowledge and skills required for each position, improve organizational efficiency, strengthen employees' sense of belonging to the KTB, and support the development of individual career paths.

### Incentives and Subsidies for Continuing Training and Certifications

Besides encouraging employees to participate in internal and external education training, KTB also designs a system to provide its employees with career growth opportunities and resources. KTB has formulated the "Major Licenses/Certificates Subsidy Scheme" based on the list of required certificates for each position and duty. For employees who obtain international certificates, such as CFA, FRM, AFMA, PMP, they may apply for subsidies for the application fee, and receive an additional monthly professional allowance. For details on the certificates held by KTB employees in 2024, please refer to "Page 57-58 of King's Town Bank Co., Ltd. 2024 Annual report"



## Employee Development Plans

The "Employee Development Plans" not only enhance employees' skills, knowledge, and professional capabilities, but also serve as a cornerstone for the Company's stable growth. In response to the rapidly evolving market environment and digital product landscape, KTB is committed to effectively developing and nurturing employee competencies. The Company views the modes of employee learning and types of development plans as key priorities. These plans aim to improve job performance, strengthen team competitiveness and innovation, and offer personalized learning and development opportunities. They are designed to support employees in their career growth, help them achieve their goals, and ultimately realize their full potential.

### ◆ Learning Methods

#### Establishment of "Regional Training Units" (Mentorship Program)



Since 2021, KTB has established regional training units and implemented the "Training and Assessment Program for New Employees without Industry Experience." Senior colleagues are designated to provide dedicated guidance and support to new hires without prior industry experience through a three-month mentorship program. In 2024, a total of 10 new employees participated in this training program.

#### Employee Resource Group



Domestic and international financial trends & practical Office skills Group: Initiated by department managers, this group meets weekly to analyze and discuss significant financial news from both domestic and international markets, as well as to share practical Office software skills. Through exchanging insights, knowledge sharing, and case-solving, the group aims to cultivate employees' financial expertise and global perspectives while enhancing practical skills and work productivity.

AI application and programming language Group: Founded spontaneously by colleagues from the Information Technology Department, this group focuses on sharing AI applications. Members exchange ideas on optimizing programming through AI, improving software development efficiency, and exploring AI-generated content such as presentations and copywriting. The group also discusses training AI to solve everyday challenges, including travel planning and financial management. Through this learning and sharing, employees enhance overall work efficiency and enjoy the convenience and innovation AI brings to both their professional and personal lives.

### ◆ Type of Employee Development Plans

Type	Implementation Details	Business Impact	Data	Remarks
Leadership Development Plan	Conducting a training course for managers on preventing workplace violations: In response to the official implementation of amendments to the Gender Equality in Employment Act and the Sexual Harassment Prevention Act, this training program aims to enhance the professional awareness and preventive handling capabilities of supervisors regarding issues of "gender equality" and "workplace violations." The goal is to protect employee rights and mental and physical health, thereby promoting a healthy workplace culture. A total of 88 managers participated	Proportion of resigned employees	13.27%	Decreased by 4.29% compared to 2023
Cultural Education	CRPD and fair treatment of customers courses: The training covered the Convention on the Rights of Persons with Disabilities (CRPD) to raise awareness of the rights of persons with disabilities, promote understanding of the diversity within this group, and encourage attention to and improvement of accessible environments and facilities across the entire Bank. The fair treatment of customers courses equipped employees with the skills to deliver fair and non-discriminatory services, and to communicate and interact effectively with persons with disabilities, the elderly, youth, migrant workers, and new immigrants, ensuring all customers can enjoy equal access to services. A total of 976 employees participated in the training	Customer satisfaction rate	92.5%	Increase of 0.6% compared to 2023
Programs for Enhancing Employee Skills and Transition Assistance	KTB places great importance on the career development of each employee and provides workplace adaptation support and counseling (via telephone or face-to-face) when necessary. We are committed to assisting employees in adjusting their roles or units, or providing mutually agreed-upon solutions as needed. For employees who retire or are terminated, we offer support through interviews to understand their reasons. We provide suggestions and assistance for job retraining, reemployment, or applying for relevant subsidies from government agencies. In 2024, the Company rehired a total of 8 former employees, offering them ongoing opportunities for reemployment in a supportive work environment	Return to work rate <sup>Note 1</sup>	6.06%	Decreased by 0.79% compared to 2022~2023
Digital Transformation Plans	The Company has implemented a Business Process Management (BPM) system to promote the digitization of paper-based forms. A total of 35 seed personnel were trained at the headquarters, who will assist and guide colleagues in each department in operating the system. Each department will set its own electronic goals. After evaluation, there has been a significant reduction in paper usage and operational time. By the end of 2024, 88 forms had been digitized and launched online, with a total of 17,918 form submissions recorded	1.Reduction in paper quantity <sup>Note 2</sup> 2.Reduce carbon emissions	1.A total reduction of 72,000 sheets of paper 2.Approximately a reduction of 0.52 tCO <sub>2</sub> e	Facilitates the Company's promotion of paperless office

Note 1 : Calculated using the number of voluntary resignations as the denominator; voluntary separation includes resignation, retirement and early retirement

Note 2 : Each form is estimated to use an average of 4 sheets of paper



## Expanding Career Experience through Job Rotation

The cultivation of talents relies not only on education training and continuing training but also on a systematic job rotation mechanism. Job rotation provides the employees a chance to expand their experience beyond their duties, enhance their abilities, and unlock their potential. From the organization's perspective, job rotation brings stimulation to internal revitalization and enhances the flexibility and breadth of manpower. At the same time, job rotation also reduces job burnout from long-term repetitive work, so as to strengthen the internal operational safety control.

We have formulated the "Regulations Governing Job Rotation" to mitigate the disadvantages and strengthen the advantages through systemization and scheduled rotation. The job rotation mechanism consists of job rotation training and internal recruitment. The former is a planned training based on the internal needs of the organization; while the latter is based on the employees' willingness to change their career path. Content of job rotation includes:

- √ Job rotation within the unit: Become an all-rounded financial expert through gaining experience in different areas of the business.
- √ Job rotation between the unit: Learn to work with different colleagues and enhance the ability to collaborate.
- √ Interdepartmental rotation or rotation between headquarters and branches: Cultivate the ability of strategic planning, strategy execution, and receiving customers, and improve the communication between departments or between headquarters and branches.

In 2024, the number of public recruitment was 129 and there were 108 positions transferred through job rotation training, and only 1 position through internal recruitment. The filling rate of internal employees for vacancies was up to 45.80%. For relevant data, please refer to [Appendix 8.4 Human Resource Management Indicators](#).

In order to protect the rights and interests of the employees, when there are changes in labor contracts due to KTB's business or employee career planning, they shall be announced in accordance with the following regulations, and KTB shall prepare the employees for job handover and their new work environment, so as to minimize the job handover time and the occurrence of operational risks.

- √ Where an employee has worked continuously for more than 3 months but less than one year, the notice shall be given 10 days in advance.
- √ Where an employee has worked continuously for more than 1 year but less than 3 years, the notice shall be given 20 days in advance.
- √ Where an employee has worked continuously for more than 3 years, the notice shall be given 30 days in advance.

## Diverse Performance Evaluation

When formulating corporate strategies, KTB first establishes overall goals and strategic directions for the entire organization. Based on these overarching objectives, each department sets corresponding specific goals and strategies. This approach ensures the effective implementation of the corporate strategy across the entire Bank. Building upon this foundation, the Company sets individual Key Performance Indicators (KPIs) to serve as performance assessment tools for each employee. This alignment facilitates the connection between personal and team objectives, jointly driving the Company's development. In 2024, 98.61% of eligible employees underwent performance evaluations. The assessment targets included all employees actively employed as of December 1, 2024 (including probationary staff and interns), excluding part-time workers, employees who joined on that date, and those who had submitted resignation or retirement notices effective before the end of December.

Evaluation Mechanism	Frequency	Object	Execution Method
Team Performance Evaluation	Half a year	Headquarters unit Business unit	Each unit of the Headquarters will establish corresponding work objectives based on corporate strategy. These objectives encompass areas such as strategic development, operational improvement, daily operations, fair treatment of customers, and the execution of Environmental, Social, and Governance (ESG) initiatives. At the same time, the Headquarters will allocate net income targets to each business unit. These targets constitute the team performance indicators between the Headquarters and the business units. Subsequently, the objectives of each unit will be further refined into individual KPIs to ensure the successful completion of team goals. Therefore, team performance evaluation is not only a measure of team performance but also influences individual performance assessments, becoming one of the contributing factors
Management by Objectives	Half a year	Regular employees (excluding interns)	Employee personal KPI assessments will be conducted at mid-term and end-of-term each year
Multi-Dimensional Performance Evaluation	Half a year	Regular employees	Through diverse feedback and suggestions, as well as performance coaching interviews, employees are assisted in enhancing their self-awareness, thereby improving their work knowledge and capabilities. Meanwhile, we provide learning and development courses to assist unit supervisors in self-understanding and effectively enhance their management capabilities
Real-time Feedback	Irregular		By utilizing real-time feedback and engaging with employees, we can understand the actual situation, thereby addressing issues and implementing daily management and assessments. This allows for a dynamic review of the execution status and enables adjustments or the initiation of guidance mechanisms when necessary



## 6.3 Employee Care and Friendly Workplace

The KTB prioritizes workplace safety. In 2023, KTB implemented the ISO 45001 Occupational Health and Safety Management System and obtained third-party certification. By conducting hazard identification and risk assessment, KTB effectively reduces and mitigates potential hazards. Furthermore, KTB offers a range of initiatives such as physical and mental care programs and health lectures to ensure the well-being of its employees. KTB continuously enhances these measures using the PDCA management approach, with the aim of creating a comprehensive and supportive work environment.

### Occupational Health and Safety Management System

KTB has implemented the "Occupational Safety and Health Policy," as the benchmark for occupational health and safety. In compliance with regulations, KTB conducts an annual ISO 45001 Occupational Health and Safety Management Review Meeting. This meeting is attended by the president, department heads, and labor representatives. Its purpose is to provide updates on the operation, objectives, improvements, and accomplishments of the occupational health and safety system. The meeting also aims to ensure the efficient functioning and ongoing enhancement of the management system, ultimately fostering a secure work environment.

And the "Occupational Safety and Health Management Manual" and the "Code of Practice on Occupational Safety and Hygiene" have been established. KTB also has established the "Code of Practice on Safety and Health," which defines the authorities and responsibilities of safety and health management, and regular maintenance and inspection of equipment or devices, and also clearly specifies work safety and health standards and incident report procedures to reduce the chance of hazards. We have established occupational safety and health management personnel to be in charge of formulating occupational hazard prevention plans, planning and supervision of each department's handling of safety and health issues, and organizing the safety and health education training for the employees. The head and designated personnel of each department are responsible for issues related to occupational safety and health, as well as to remind all employees to abide by relevant work regulations to protect their own safety.

Moreover, according to the nature of the finance industry, KTB has formulated the "Rules of Procedure for the Security Maintenance and Administration," and "Operating Processes of Anti-Robbery Drill," and requires every department to carry out an anti-robbery drill per quarter, to equip relevant personnel with the knowledge and skills for emergencies, so that they can handle different risks caused by different hazards and mitigate possible damages.

### ♦ Implementation of Occupational Safety and Health Education and Health Promotion Activities

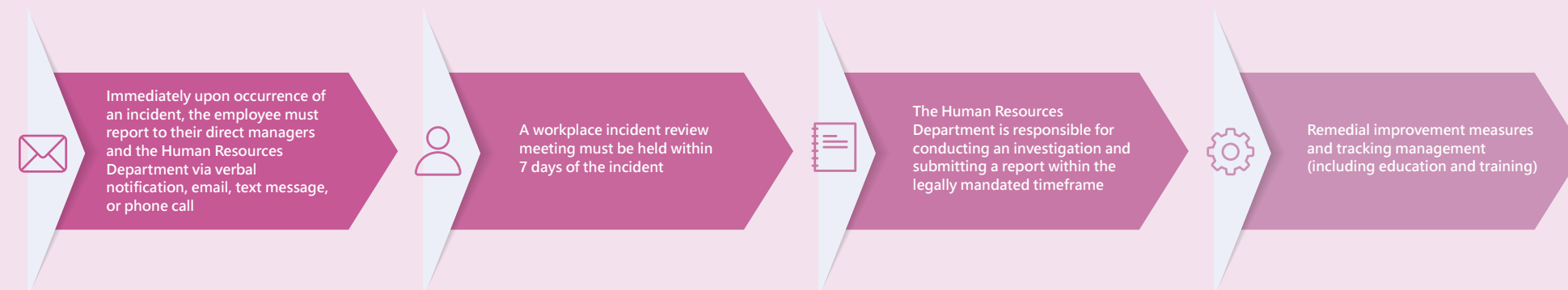
To strengthen employees' knowledge of occupational safety and health, the Company conducts general safety and health education training annually for all employees. New employees receive a 3-hour occupational safety and health orientation. The occupational safety and health education and training courses are as follows:

- ✓ Firefighting team training: 2 sessions, 64 participants
- ✓ Labor safety training: 40 sessions, 1,262 participants
- ✓ First aid personnel training: 18 sessions, 24 participants
- ✓ Workplace unlawful conduct prevention training: 13 sessions, 2,173 participants
- ✓ Health promotion activities: 7 sessions, 253 participants

### ♦ Statistics on Occupational Injuries

In case of injuries, KTB offers occupational sick leave in accordance with regulations and actual circumstances, and assists employees to apply for subsidies, and provides what they need in the shortest time possible. In 2024, there were three recorded occupational injuries or work-related fatalities. However, there were 13 commuting accidents, all of which were caused by traffic accidents during the commute. Follow-up telephone interviews were conducted to provide health education and counseling, and a comprehensive traffic safety campaign was launched, reaching 100% of the target audience. (For relevant data, please refer to [Appendix 8.4 Human Resource Management Indicators](#))

### Workplace Incident Reporting and Investigation Procedure



## Occupational Safety and Health Risk Assessment

The work environment at KTB is often characterized by long periods of static work, with no high-risk or specific disease-prone tasks. To effectively identify workplace hazards and promote health and safety, we utilize a "Hazard Identification and Risk Assessment Management Procedure," along with the four major safety plans required by law, to identify, assess, and control workplace hazards and operational risks.

The assessment results for 2024 have identified three high-risk issues related to workplace hazards, hazard identification, and risk assessment. We have promptly reviewed and planned improvement measures, and all subsequent risk improvement measures were completed within the same year. The remaining risks, such as maternal health protection, abnormal workloads, human factors hazards, and illegal infringements, are considered low risks. We employ a graded management approach to control and monitor these risks, and provide education and training to effectively manage health risks and ensure the health and safety of all employees.

### Risk Identification and Control Measures

Risk Identification		Impact Level	Recognition Frequency	Mitigation and Prevention Measures	
Workplace Hazards <sup>Note 1</sup>	Improvement of Water Quality Testing for Water Dispensers	High risk	Every year	Establish a testing frequency of once every three months and ensure that it is properly implemented	
	Carbon Dioxide Air Testing	High risk	Every year	Establish a testing frequency of once every six months and ensure that it is properly implemented	
Workplace Maternal Health Protection Program		Low risk	Every year	1.Hazard identification and assessment 2.Unit hazard identification and risk assessment	3.Risk assessment confirmation 4.Tiered management and health protection measures
Abnormal Load-Induced Disease Prevention Program		Low risk	Every year	1.Investigation of musculoskeletal injuries and hazards 2.Risk assessment, improvement methods, and implementation	3.Control and tracking
Prevention of Musculoskeletal Disorders Caused by Repetitive Tasks Program		Low risk	Every year	1.Investigation of musculoskeletal injuries and hazards 2.Risk assessment, improvement methods, and implementation 3.Control and tracking	4.Execution results: In 2024, a total of 25 individuals reported a pain index of 3 or higher. Arrangements have been made for on-site physicians to provide educational consultation and guidance in batches
Prevention of Illegal Infringement on Job Execution Program <sup>Note2</sup>		Low risk	Every year	1.Construction of code of conduct 2.Identification and assessment of hazards	3.Implementation of hazard prevention and communication skills training
Hazard Identification and Risk Assessment <sup>Note 3</sup>		High risk	Every three years	1.Occupational health and safety management system team 2.Execution of safety and health hazard identification	

Note 1 : The scope of execution is limited to the Headquarters building

Note 2 : On December 24, 2024, the Company received a workplace misconduct complaint. A special investigation team was immediately established to examine the complaint. The team conducted interviews with the respondent and relevant parties. Psychological counseling support was provided to the complainant, and the respondent was required to undergo workplace bullying prevention training. The training covered topics on workplace misconduct and communication skills. Furthermore, the respondent's conduct in performing job duties will be monitored for at least one year to prevent recurrence of workplace bullying or managerial misconduct. The case was officially closed on January 13, 2025, with ongoing follow-up and observation.

Note 3 : Only the Human Resources Department, Administration Management Department, and Customer service & Operations Department will conduct the evaluation

## Promote Employees' Health

KTB hires registered professional nurse to take care of the health of its employees. KTB also arranges annual health check-ups, on-site health consultation by doctors, health seminars, blood donations, and surveys, so as to provide employees with care and follow-ups on their physical and mental health and make necessary adjustments to their duties.

### ◆ Physical and Mental Health Care Measures

- √ Providing health check services that exceed legal requirements; KTB conducts a health check event every two years. In 2024, a total of 931 employees completed their health examinations, with a subsidy amounting to approximately NT\$1.96 million. Additionally, an annual health check abnormal report is analyzed using a health management risk table to facilitate proactive care, medical referrals, consultation services, and follow-up on improvement conditions. 23 employees were identified as high-risk based on the health check results (the classification of health risks is determined according to the health management risk chart jointly established by the on-site physician and the Company's nursing staff, which includes items such as liver abnormalities, cardiovascular diseases, kidney diseases, blood disorders, and lung diseases). We have issued re-examination notification forms, requesting these employees to follow up and seek treatment at medical institutions; employees classified as medium and low risk will participate in online health education and promotion courses.
- √ In 2024, KTB held 3 on-site consultation sessions, where employees received one-on-one health consultation, evaluation, and were given effective suggestions and assistance, with a total of 32 participants.
- √ A "Health/Epidemic Prevention Zone" is established on the Bank's intranet, offering a wide range of resources on physical health, mental well-being, physical fitness, physical and mental assessments, epidemic prevention guidelines, and health checkup information. This platform helps employees develop proper health awareness and habits in their daily lives.
- √ KTB has established the "Abnormal Load-Induced Disease Prevention Program," "Workplace Maternal Health Protection Program," "Unlawful Assault Prevention Program in the Performance of Duty," and "Program for Prevention of Musculoskeletal Disorders Caused by Repetitive Tasks." Additionally, KTB regularly conducts investigations and collects surveys pertaining to the four major safety plans, managing and tracking them diligently. These efforts aim to prevent physical and mental harm to employees resulting from unfavorable work environments, improper work hours, or other workplace infringements.
- √ The Headquarters Building has employed Level B Chief for Chinese culinary to plan and cook employee meals. KTB uses local ingredients or produce that is in season. During holidays, KTB prepares festival feast and invites all employees to enjoy the festive atmosphere.

### ◆ Health Seminars

Course Name	Contents	Hours	Number of Participants
Health Promotion Activity - Overactive Bladder and Urinary Tract Infection	Symptoms and improvement of overactive bladder and urinary tract Infections	0.5	33
Health Promotion Activity - Aromatherapy to Awaken Health Recovery Power	A Course on relaxation of muscles and mind through essential oils	1	29
Health Promotion Activity - DIY Self-Care with Aromatherapy	A Course on relaxation of muscles and mind through essential oils	1	15
Health Promotion Activity - Aromatherapy to Awaken Health Recovery Power & DIY Stress-Relief Bath Bombs	A Course on relaxation of muscles and mind through essential oils	1	26
AED and CPR Training (Three Sessions)	AED+CPR	4.5	150
King's Vitality - Awakening Health Resilience (6 sessions at Headquarters)	Employees utilize massage to relax their musculoskeletal system and mental state	24	147
Total		32	400



↑ Aromatherapy Course



↑ Urological Health Course



↑ Aromatherapy and Bath Bombs Course



↑ King's Vitality - Awakening Health Resilience

## ◆ Maternal Health Program

KTB is devoted to building a gender equality and friendly workplace. We offer females a place to shine and be a strong support for working mothers. From pregnancy, giving birth, breastfeeding, to raising a child, females have to bear with physical discomfort, mental anxiety, and a change in their identity. On top of that, they have to juggle between family and work. KTB has formulated the "Workplace Maternal Health Protection Program," and provides employees benefits including maternity allowance, childcare allowances, maternity leave, parental leave, and breastfeeding (collection) time, infant care center, and preschool. We stand side by side with our female employees to welcome the most important moment of their life and help them strike a balance between family and career.

### Unpaid Parental Leave

	Male	Female	Total
No. of employees eligible for unpaid parental leave	14	48	62
No. of employees that took unpaid parental leave	1	7	8
No. of employees that should return to work after taking parental leave in the year (A)	1	7	8
No. of employees returned to work after taking parental leave in the year (B)	1	5	6
Return to work rate (B/A)	100%	71%	75%
No. of employees that should return to work after taking parental leave in the previous year (C)	0	6	6
No. of employees that returned to work after taking parental leave in the previous year and stay employed for 12 months (D)	0	5	5
Retention rate (D/C)	-	83%	83%

Note : The data for "No. of employees eligible for unpaid parental leave" is the number of employees applied for maternity subsidy in the most recent 3 years



#### Pregnant

- Registered professional nurse to understand the health status of employees and provide health guidance
- Evaluate the workplace environment and operational hazards, and make appropriate adjustment
- 7-day full-pay antenatal examination leave
- Pregnant women can wear comfortable and easy-to-move-in clothes



#### Giving Birth

- Maternity allowance of NT\$5,000 per child, multiply accordingly for twins or more
- 8 weeks of fully paid maternity leave
- When an employee accompanies their spouse for prenatal check-ups or during childbirth, they are entitled to full pay for the accompanying check-ups and a 7-day paternity leave
- A total of 17 "KTB babies" were born in 2024



#### Breastfeeding and Childcare

- Breastfeeding rooms are set up in Headquarters Building
- Provide 60 minutes of breastfeeding per day; if the employee works over for more than one hour, another 30 minutes of breastfeeding will be provided. Breastfeeding (collection) time is regarded as working time
- Provide family care leave and parental leave
- Provide childcare allowance for King's Babies of 0-6 Years Old



#### Work-Family Balance

- Assist postpartum colleagues in their return to work, achieving a 75% return rate in 2024. Some colleagues chose not to reapply for employment due to family commitments
- Sign special agreements with nurseries and kindergartens to provide employees with discounts and reassuring organization information
- Provide 1-hour-a-day time off for more flexibility to take care of family

## 6.4 Workplace Human Rights, Diversity and Inclusion

KTB adheres to the regulations and laws related to international human rights. We are committed to building a culture of diversity, equality, and smooth labor-management communication, and to providing a safe, healthy, and harassment-free working environment.

### Promote a Culture of Diversity and Equality

#### ◆ Support Employee Diversity

KTB respects the uniqueness of each individual, recognizes the different perspectives and sparks that diversity can bring to a company. KTB provides an environment of gender equality (for details, please refer to section [Percentage of female employees of all groups in the past three years](#)), and has never discriminated against employees or their age, marital status, or family background (for relevant data, please refer to [Appendix 8.4 Human Resource Management Indicators](#)). In order to promote diversity and inclusion effectively, KTB introduced a mandatory course on "unconscious bias." Our goal is to raise awareness among all colleagues and managers that bias can exist in everyone's values and beliefs, often going unnoticed but significantly impacting their actions, decisions, and emotional responses. By providing this opportunity, we aim to eliminate unconscious bias and foster a more welcoming and equitable workplace environment. We have further incorporated the Convention on the Rights of Persons with Disabilities (CRPD) into our training courses to enhance understanding of the characteristics and needs of persons with disabilities, while also raising awareness to prevent potential exploitation. Besides, KTB fully supports the employment rights of employees with physical or mental disabilities. We adjust and evaluates the work content appropriately according to the individual employees, and continue to hire new recruits with physical or mental disabilities through all available channels. In 2024, KTB has 10 employees with physical or mental disabilities.

#### ◆ Sexual Harassment Prevention

In order to protect gender equality and dignity at work, KTB has formulated the ["Guidelines for the Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace,"](#) which has been disclosed on KTB'S official website - [Guidelines for the Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace], stipulating that all forms of sexual harassment at the workplace are prohibited. KTB also organizes sexual harassment-related education training to advocate the importance of sexual harassment prevention and eliminate the hostility originated from sex or gender, so as to protect employees, job applicants, and customers from the threat of sexual harassment. In 2024, the advocacy rate reached 100%.

KTB has established the sexual harassment complaint channel, complaint reporting method, investigation mechanisms, handling methods, and punishment. After receiving a sexual harassment complaint, KTB sets up the Sexual Harassment Complaint Handling Committee, and, when required, may retain experts or scholars as committee members to handle the cases independently, and report to the Board of Directors based on the circumstances. The investigation shall be based on the principle of protecting the privacy and dignity of the informer, and KTB promises not to terminate, transfer, or take any disciplinary action that is adverse against employees who personally file complaints or assist other persons to file complaints regarding sexual harassment. In 2024, a complaint regarding an incident of workplace sexual harassment was received. The case has been reported in accordance with established procedures, and relevant actions have been taken based on the investigation's resolution. Necessary assistance and improvement measures have been provided, and the case has been appropriately concluded.

#### ◆ Formulate and Implement Human Rights Policy

KTB supports and implements human rights policy, practices workplace diversity, and does not treat differently or discriminate in any form on the grounds of gender, sexual orientation, nationality, race, class, age, marriage, language, thought, party, place of origin, birthplace, appearance, facial features, physical or mental impairment, or trade union membership. In addition, KTB abides by laws and regulations and has never used child labor or illegal labor. KTB has established the ["King's Town Bank Co., Ltd. Human Rights Policy,"](#) which was approved by the Board of Directors with reference to the spirit and basic principles of human rights protection as outlined in various international human rights conventions, including the United Nations' "The Universal Declaration of Human Rights," "The United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," and "International Labor Organization - Declaration of Fundamental Principles and Rights at Work." KTB carries out education training to advocate its spirit on a regular basis. In 2024, the completion rate for human rights education and sexual harassment prevention training reached 100%.

#### ◆ Perform Human Rights Due Diligence

In addition to formulating human rights policies, KTB conducts human rights due diligence investigations annually on all operational locations, including 66 branches and 3 credit centers. These investigations aim to identify potential issues and subjects at risk, disclosing the implementation status of subsequent risk mitigation measures to ensure the effectiveness of human rights policy execution. The completion rate for 2024 was 100%. Furthermore, the results of these investigations are reviewed and approved by the President and disclosed on the official website under the [2024 Human Rights Risk Assessment Management Table](#).





## Human Rights Due diligence and Implementation Outcomes

Evaluation Issue	Target of Evaluation	Risk Identification Ratio <sup>Note 1</sup>	Total Risk Ratio	Risk Mitigation Management Measures	Impact Ratio <sup>Note 2</sup>	Total Impact Ratio	Impact Remediation / Implementation Outcome
Workplace Equality	Employees with physical or mental disabilities, job applicants with disabilities	0.99%		<ul style="list-style-type: none"> <li>Control the number and percentage of employees with disabilities, personnel appointments, and management procedures</li> <li>Abide by the Gender Equality in Employment Act, and other employment-related laws and regulations</li> <li>Organize human rights education training advocacies on a regular basis</li> </ul>	0.00%		<ol style="list-style-type: none"> <li>In 2024, KTB hired a total of 10 employees with physical and mental disabilities, surpassing the legal requirements</li> <li>The Company does not employ child laborers under the age of 16</li> <li>In 2024, human rights education training completion rate reached 100%</li> </ol>
Occupational Health and Safety	All employees	3.96%	6.63%	<ul style="list-style-type: none"> <li>Implemented the ISO 45001 Occupational Health and Safety Management System and obtained third-party certification</li> <li>Establish the "Occupational Safety and Health Management Manual" and "Code of Practice on Occupational Safety and Hygiene" and abide by the laws and regulations regarding occupational safety and health, protect the employees' health and safety, continue to improve the safety and health condition of the work environment, prevent the occurrence of occupational hazards, and ensure workplace safety</li> <li>Organize employee occupational safety and health training, and first aid personnel training, and increase the employees' awareness of hazard risk</li> <li>Promote health management and occupational disease prevention plans which include the "Ergonomic Hazard Prevention Program," "Unlawful Assault Prevention Program in the Performance of Duty," "Workplace Maternal Health Protection Program," and "Abnormal Load-Induced Disease Prevention Program," and carry out execution assessment checklists and surveys, and follow-up on the health condition of the employers</li> <li>Provide employees with information related to work, foods, health education, exercise, workplace epidemic prevention, and health promotion, and arrange related seminars</li> <li>Carry out regular employee health check-ups and invites contracted doctors to the Company to provide employees with health consultation</li> </ul>	3.07%	3.17%	<ol style="list-style-type: none"> <li>In 2024, a total of 3 occupational accident cases were reported in the workplace (specifically, one case of slipping inside the dormitory, one case of tripping outside the dormitory, and one case of being bitten by an animal while on official business). Additionally, there were 13 cases of commuting-related occupational injuries. Subsequent telephone interviews provided guidance on health education, group insurance claims, and consultations regarding applications for employee injury and illness subsidies. Additionally, traffic safety promotion and precautions to be observed during business trips were incorporated into the safety and health education training curriculum, reinforcing employees' awareness of traffic safety and protective risk considerations during business outings</li> <li>Abnormal Load-Induced Disease Prevention Program: The results of the Bank-wide overwork screening and overwork load assessment questionnaire indicate that only 15 employees are classified as having mild conditions, with no individuals reaching moderate or severe levels</li> <li>Workplace Maternal Health Protection Program: Among the participants, 13 employees were pregnant and 7 employees were within one year after delivery, all of whom have undergone interviews or telephone interviews with the Company's engaged service physician for health consultations, and are at the first-level management (Not harmful to the health of mother, fetus or infant as assessed by the physician)</li> <li>Human-induced Hazards Prevention Program: According to the investigation results, there are a total of 25 employees with symptoms (scoring above 3). These employees have been personally interviewed, via video conference, or through telephone interviews by the Company's designated service physicians and health managers, who provided health consultations and guidance</li> <li>Unlawful Assault Prevention Program in the Performance of Duty: According to the 2024 assessment results, 3 units were identified as having a "moderate" level of risk. In response, 3 online training sessions were conducted to strengthen awareness and prevention efforts across the entire Bank</li> <li>In 2024, a total of 13 physical courses were conducted for health promotion activities, with a total of 400 participants.</li> <li>Considering the analysis of recent employee health checkup data such as elevated cholesterol, triglycerides, and blood pressure levels, the Company adjusted the scope of the 2024 employee health screening (conducted biennially). The screenings were completed in phases from October 26, 2024, to January 4, 2025</li> </ol>
Discrimination and Sexual Harassment	All employees and job applicants	0.20%		<ul style="list-style-type: none"> <li>Formulate the "Guidelines for the Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace," forbid relative complaint channels, and create a friendly and equal workplace environment</li> <li>Set up the "Sexual Harassment Complaint Handling Committee," and handle complaints in a fair manner</li> <li>Organize regular "Sexual Harassment Prevention" advocacy courses and human rights education and training to raise the awareness of gender equality among supervisors and employees</li> </ul>	0.10%		<ol style="list-style-type: none"> <li>In 2024, a complaint regarding an incident of workplace sexual harassment was received. The case has been reported in accordance with established procedures, and relevant actions have been taken based on the investigation's resolution. Necessary assistance and improvement measures have been provided, and the case has been appropriately concluded.</li> <li>No incidents of employment discrimination occurred in 2024</li> <li>2024 completion rate for both "sexual harassment prevention" and human rights education training reached 100%.</li> </ol>
Working Hour	All employees	0.99%		<ul style="list-style-type: none"> <li>Strictly observe labor laws and regulations, specify regulations in the King's Town Bank Working Rules and related regulations, and enhance related advocacies</li> <li>Establish rules governing attendance and over-time management, assist the managers and employees to better manage working hours and extension of working hours</li> <li>Regularly review the overtime situation of each unit, and carry out subsequent follow-up management and manpower adjustments</li> </ul>	0.00%		<ol style="list-style-type: none"> <li>In 2024, there were no incidents of violations of labor laws resulting in penalties related to employee attendance management and overtime pay disbursement</li> <li>Employees who work more than 8 hours per day are eligible to apply for overtime pay</li> <li>Conduct quarterly surveys of manpower needs across all units and promptly supplement personnel as necessary</li> </ol>
Labor Dispute	All employees	0.49%		<ul style="list-style-type: none"> <li>Strictly observe labor laws and regulations, and specify regulations in the King's Town Bank Working Rules and related regulations.</li> <li>Hold regular labor-management meetings, communicate with employees in a proper manner, and ensure harmony between labor and management</li> <li>Conduct regular employee satisfaction surveys, to understand employee concerns and feedback</li> </ul>	0.00%		<p>No labor-management dispute mediation incidents occurred in 2024.</p> <p>Additionally, in 2023, there was 1 case of labor dispute mediation. The meeting held at the Labor Bureau resulted in no consensus, and the mediation was unsuccessful. Subsequently, the labor side agreed to transfer from the original unit and has adapted well to the new unit. The Company considers this matter closed.</p>

Note 1 : Risk identification ratio = number of potential employees/total number of employees


Note 2 : Impact ratio = number of actual occurrences/total number of employees




## Implement Labor-Management Communication

KTB puts emphasis on the voice of employees and smooth communication. KTB has established diverse communication channels, where employees may give their valuable opinions to the President or heads of all departments through formal meetings, face-to-face conversation, regular surveys, or the President's mailbox. The President also leads the heads of related departments to organize regional seminars at the branch offices, to build an effective, efficient, and bilateral communication mechanism. There were 0 employee complaint case received in 2024.


### ◆ Employee Communication Channels


**Method**

Irregularly hold regional branch symposiums, with participants including the President, the Managers of the Human Resources Department, or other managers from the Headquarters Departments; labor-management meetings, annual promotion/reserve cadre interviews, and performance coaching interviews


**Feedback Channel**

President's email, internal employee communication website, employee complaint dedicated email, reporting email


**Actual Execution**


1. Hold 1 Bank-wide sales meeting at the beginning of each year, attended by the management level and managers
2. Hold executive meetings every 2 months for inter-departmental communication in the head office, totaling six Meeting
3. Hold labor-management meeting on a quarterly basis; 4 meetings were held in 2024
4. Employee care visit (consultations)
  - (1)Resigned/retired employees - Retention or transfer to units/positions: 4 employees
  - (2)Received external complaints or feedback from colleagues regarding internal management conditions: a total of 2 units, and a visit to the branch was made to understand the situation, conducting care interviews with 12 employees
5. Annual promotion interviews: 46 employees
6. Reserve cadre development interviews: 4 employees
7. Performance coaching sessions: 10 employees

### ◆ Union Participation


At the end of 2024, SinoPac Holdings and KTB jointly announced a merger. On January 17, 2025, KTB held the inaugural meeting of the KTB Corporate Union and convened its 1st General Assembly of the first term, during which the election of union directors and supervisors was conducted. The elected directors began engaging with SinoPac Holdings to discuss subsequent employee placement plans. As of January 22, 2025, union membership accounted for 82.8% of all employees. In the future, the union will continue to represent employees in communications with management, safeguarding employee rights and voicing employee concerns. Employees can communicate with union directors through various channels such as phone, email, Line groups, and in-person meetings. As of the end of March 2025, two general assemblies had been held. A union webpage has also been launched on the Company intranet, featuring materials such as the union charter, list of directors and supervisors, meeting minutes (general assemblies and board meetings), and related announcements.

### ◆ Employee Engagement Survey

KTB conducts a bank-wide employee engagement survey every year, initiated by the Human Resources Department. The 2024 survey was conducted from July 19 to July 31, targeting managers and current employees of each department (including probationary employees, excluding part-time employees and interns). The survey focuses on salary and benefits, job duties, promotion and assessment, education and training, and organizational management, etc. The survey includes indicators such as feeling happy most of the time at work, feeling stressed most of the time at work, being completely satisfied with one's job responsibilities, and having a clear sense of purpose in one's work. It also examines the commitment and responses of colleagues in different age groups to various aspects. The feedback and suggestions provided by colleagues will be forwarded to relevant departments for evaluation and improvement. In 2024, the response rate was 89.55% and the employee engagement rate was 87.23%.


**Survey Results**

1. Employees generally feel happy at work most of the time. The average percentage of respondents who agree with statements regarding their response to stress, sense of purpose in their work, and job satisfaction is 81.70%
2. Employees generally agree that there is room for improvement in areas such as overall employee compensation and benefits, training and development, promotion system, communication and coordination, teamwork, and corporate identity


**Improvement and Adjustment**

1. Provide multiple channels for feedback to assist employees in achieving a balance between work and life; collaborate with social welfare organizations to offer visual impairment massage services at the Headquarters building, with the aim of alleviating employee stress
2. A Bank-wide salary adjustment was implemented, with an average increase of 3.3%. Special attention was given to frontline employees, with an average salary increase of 9.38% and a maximum increase of up to 25%

### Employee engagement in the past year

Year	Engagement	Questionnaire Response Rate (Coverage Rate)	Gender		Age			Managerial Officers	
			Male	Female	30 years old and under	31-49 years old	50 years old and above	Managerial Officers	Non-Managerial Officers
2021	80%	64%	-	-	-	-	-	-	-
2022	84.42%	86%	85.63%	83.75%	81.33%	83.46%	89.00%	90.62%	83.74%
2023	91.93%	95.21%	92.08%	91.83%	89.72%	90.63%	96.51%	95.62%	91.53%
2024	87.23%	89.55%	86.44%	87.66%	89.19%	84.31%	88.96%	91.23%	86.80%

## Chapter

# 07

## Social Prosperity

Nearly 65% of KTB's branches are concentrated in the Yunlin-Chiayi-Tainan area, demonstrating our high regard for local service. We are committed to deeply engaging with the community and integrating into local culture. We actively invest various resources and collaborate with our branch partners in different regions to jointly organize diverse community activities, support the development of local businesses, and promote educational programs, thereby realizing our vision of mutual prosperity and inclusivity. As a city rich in historical heritage, Tainan is not only a cultural treasure trove but also a vital foundation for promoting community prosperity, serving as a core base where KTB puts sustainable values into practice. We will continue to use Tainan as our starting point to convey local warmth and achieve the goal of mutual benefit between enterprises and society.



Total investment in cultural and artistic development amounted to  
**NT\$4,146,678**



Deep Local Engagement  
Community care events in the Yunlin-Chiayi-Tainan areas accounted for nearly **70%** of total events, benefiting **7,607** participants



Successfully intercepted **115** cases of fraud  
Safeguarded public assets totaling **NT\$37.9** million

- 7.1 Academic Education
- 7.2 Social Support
- 7.3 Arts and Humanities

## Social Investment Evaluation Mechanism

We abide by Article 27 of the ["Sustainable Development Best Practice Principles,"](#) and when making social investment project, we will firstly evaluate possible opportunities or impact of such investment action on the community. In its social engagement efforts, KTB embraces a core principle of "localization," striving to create a warm and welcoming environment that brings "local touches of care" to every corner of the community. Through initiatives such as promoting financial education, raising awareness on fraud prevention, delivering thoughtful customer services, encouraging employee volunteer participation, and organizing heartfelt outreach activities, KTB not only meets the financial needs of local residents but also strengthens its connection with the community. We believe that localization is key for the financial services industry to foster social prosperity. By understanding local culture, needs, and challenges, we are able to provide timely and appropriate support. This human-centered banking approach transcends the cold transactional nature of financial services, transforming them into a bridge that connects communities and co-creates a better future. It fosters long-term relationships and promotes social prosperity.

## Social Investment Action and Measures

In order to fully demonstrate the efficiency and extend impact of our social investment, KTB focuses its social prosperity efforts on three main pillars: "Academic Education," "Social Support," and "Arts & Culture." These initiatives are implemented through two primary models: "Call of the Headquarters" and "Branches are Good Neighbors." All social investment activities are monitored and consolidated by the ESG Team, serving as a basis for the continuous enhancement of the Company's social contribution efforts.

### ◆ Call of the Headquarters: Expand Influence and Foster Internal Participation

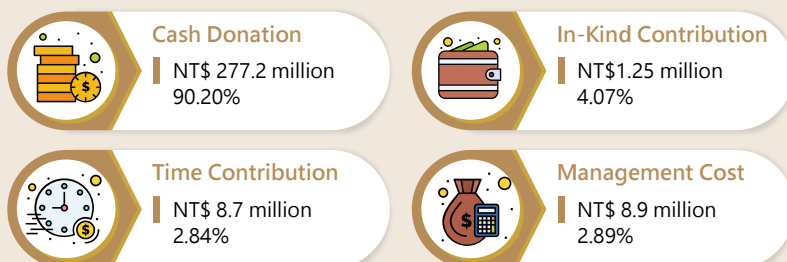
This model primarily addresses social needs through employee-generated proposals. These proposals are compiled, discussed, and developed into comprehensive plans by the ESG Team, then submitted for executive approval and budget allocation. Depending on the nature of the activity, implementation is assigned to the appropriate responsible unit. To encourage active employee participation, KTB has implemented a "Volunteer Leave" policy. Employees who take part in Call of the Headquarters initiatives are granted one day of paid leave. This incentive aims to mobilize greater manpower and collectively expand social impact. Details of the 2024 Call of the Headquarters initiatives are provided in CH4.3 Sustainable Operating Environment and CH7.1 Academic Education.

### ◆ Branches are Good Neighbors: Local Connections, Deepening Community Engagement

Leveraging the advantage of our branches being distributed across various counties and cities in Taiwan, the ESG Team proposes annual promotion focus and directions, and the branch offices are responsible for holding "community care activities" by combining local cultural characteristics and customs to becoming good neighbor to the local residents. In recent years, the prevalence of fraud has increased significantly, with methods becoming increasingly sophisticated. We recognize that promoting financial literacy is of utmost importance. Since 2019, we have established "Financial Education" and "Anti-Fraud Advocacy" as the two core components of our community care activities. Each branch is required to conduct at least one "Financial Education" and one "Anti-Fraud Advocacy" event annually, thereby taking concrete actions to enhance the community's awareness of financial security. Additionally, we regularly share and provide feedback on the outcomes of these initiatives during meetings, serving as a measure of our social investment and implementation effectiveness.

Types of KTB's social investment resources (form of contribution) can be divided into "Cash," "In-kind," "Time" and "Management Cost," and the investment motives (driver for contribution) are divided into "Charitable gifts," "Community investment" and "Commercial initiatives in the community." In the meantime, KTB assesses the overall condition of resource investment regularly by reference to London Benchmarking Group (LBG) framework, for the benefit of follow-up evaluation and tracking.

### Types of Investment Resources



Note : Time contribution is calculated based on man-hours invested and converted to approximately equivalent value based on average personnel costs per person per hour in 2024

### Investment Motives



Total : 30.73 million

## 7.1 Academic Education

"Education is the most powerful weapon which you can use to change the world."

The implementation of education equality is a long-term common goal of the world and one of the Sustainable Development Goals of the United Nations. KTB firmly believes that financial institutions can not only fulfill their core functions but also play a vital role in promoting educational equity. We are committed to the goal of ensuring that all individuals have equal rights to education. However, along the path of promoting educational equity, we have come to deeply understand the dual challenges faced by rural and remote areas: not only are educational resources relatively scarce, but access to financial services is also significantly limited. This further limits children and families from gaining the financial knowledge and resources necessary for empowerment.

Approximately 21% of KTB's branches are located in or near areas designated by the government as "Priority Regions for Regional Revitalization." Over the years, KTB has witnessed the challenges faced by schoolchildren in these areas, which often result from industrial transformation and population outflow. These include issues such as grandparent-led upbringing, cultural disruption, and shortages of qualified teaching staff, which in turn affect students' interest in learning and academic performance. Therefore, we not only invest in hardware resources but also engage in long-term collaboration with social welfare organizations. We delve into schools to provide ongoing companionship and support, realizing inclusive finance through financial education. This initiative assists students and families in rural areas in establishing fundamental financial knowledge, learning to effectively utilize financial services, and gradually cultivating financial management skills. Through these efforts, we aim to transform their future and help them escape their current economic difficulties.

At the same time, in order to implement a fair treatment of customers policy and promote the vision of inclusive finance, it is essential to enhance employees' understanding and awareness of the service needs of various customer groups. In addition to conducting routine financial education initiatives, we have organized a variety of financial education activities, both online and in-person, targeting various social strata, including individuals with disabilities, the elderly, new residents, and students/youth. These efforts aim to enhance the public's knowledge of financial products and their ability to bear risks, thereby promoting the widespread dissemination of financial knowledge and achieving the dual objectives of financial equity and inclusive finance.

♦ The activities and achievements related to the 2024 financial anti-fraud knowledge education are presented in the table below :

Category	Target Group	Purpose-Oriented Goal	Activity / Promotion Content	Achievements
Financial Education on Fraud Prevention in Rural Areas	Residents in areas with limited access to financial institutions (underserved populations), elderly population	Enhancing fraud awareness and promoting financial education	KTB places significant emphasis on serving customer groups with limited access to financial institutions. The Guanmiao, Lioujia, Yujing, and Lunbei areas are regions with relatively low financial institution coverage; therefore, local branches in these areas play a crucial role. Through the efforts of every branches, KTB actively promotes anti-fraud awareness and financial education within local communities. This includes strengthening at-counter care, reporting alerts for unusual transactions, and conducting fraud prevention campaigns, thereby integrating financial services into the community and enhancing residents' financial literacy and awareness of security	<ul style="list-style-type: none"> <li>Number of physical events : 9</li> <li>Cumulative beneficiaries : 204</li> </ul>
Little Financier Activities and Finance Education for Schools and Campus	Student/ young demographic	Enhancing fraud awareness and promoting financial education	KTB has planned financial education activities targeting the student demographic, bringing key points on fraud prevention and financial management knowledge into schools, after-school care centers, and kindergartens. Through engaging and interesting course designs, the Company aims to assist students in developing a correct understanding of money. And the Company continues to deepen collaboration with institutions of higher education through lectures, sharing sessions, and other activities, enabling university students to develop a keen awareness of fraud prevention and cultivate fundamental financial knowledge	<ul style="list-style-type: none"> <li>Number of physical events : 10</li> <li>Number of partner institutions : 10 (4 kindergartens, 3 junior/high schools, and 3 universities/colleges)</li> <li>Cumulative beneficiaries : 328</li> </ul>
Community Care	New immigrants and foreign nationals	Enhancing fraud awareness and promoting financial education	Considering that new residents and foreign nationals, being in a foreign land, are more susceptible to being targeted by malicious individuals and fraud groups compared to the general public, the Company has organized irregular anti-fraud promotional activities. We actively educate in-person customers about the latest anti-fraud techniques and communication strategies as part of our financial education efforts, with the hope of effectively reducing the incidence of fraud	<ul style="list-style-type: none"> <li>Number of volunteers participated : 20</li> <li>Cumulative beneficiaries : 72</li> </ul>
Implementation of CRPD Financial Equity and Fair Treatment of Customers Fraud Prevention Awareness Campaign	Persons with disabilities and elderly groups	Fraud prevention education and fair treatment of customers promotion	In response to the Executive Yuan's "New Generation Anti-Fraud Strategy Action Program," the Company actively promotes "fraud awareness" education. On November 2, 2024, the Company participated in the "Barrier-Free Living Festival" organized by the Eden Social Welfare Foundation, setting up a booth at the Tainan Shuijiaoshe Cultural Park. Through interactive games such as the Anti-Fraud Roulette QA Challenge and a lottery on our Facebook fan page, we aim to educate the public in an entertaining manner, leveraging the Company's professional expertise to promote knowledge on fair treatment of customers and anti-fraud measures	<ul style="list-style-type: none"> <li>Event attendance : 2,000 people</li> <li>Number of participants in disability experience activities : 1,148</li> <li>Number of interactions with the Company : 320</li> <li>The Company fundraising amount : NT\$12,135</li> </ul>
Enjoy Wisdom Academy [Joyful KTB, Outsmarting Scams]	Students/ young demographics, persons with disabilities	Fraud prevention education and fair treatment of customers promotion	University students are a high-risk group for investment and online shopping scams in recent years. To enhance their scam prevention awareness and uphold the principle of fair treatment of customers, KTB organized campus anti-fraud lectures and outreach events at Nanhua University (9/18), The Affiliated School for Students with Hearing Impairments of National University of Tainan (10/23), and Tainan University of Technology (11/25). Through diverse promotional methods and case explanations, the program aims to equip students with basic anti-fraud skills and crisis awareness	<ul style="list-style-type: none"> <li>Number of physical campus seminar sessions : 3</li> <li>Cumulative number of participants : 450</li> </ul>
Promoting Financial Digital Technology	Rural groups	Reducing the digital divide	With the widespread adoption of technology and rapid development of digital finance, KTB focuses on rural or underserved populations by promoting through online social media platforms. This approach enables timely access to the latest digital financial information, ensuring these communities can safely use financial transaction services in the digital environment while helping to bridge the digital financial gap	<ul style="list-style-type: none"> <li>Number of posts published : 11</li> <li>Number of digital platform interactions (likes, comments, shares, views) : 231,003 people</li> </ul>



↑ Lunbei Branch Collaborated with Yunlin County Police Department to Jointly Promote Anti-fraud Awareness to the Public



↑ Guanmiao Branch Conducted Anti-Fraud Awareness Education for over-the-Counter Customers



↑ Zhuzhi Branch partnered with Youshen Kindergarten To Teach Children About Recognizing Bills and Identifying Counterfeit Bills



↑ Northern Kaohsiung Branch Led Children from Cianjhen Elementary School in interactive financial education activities



↑ Eden Barrier-Free Living Festival - Bank Staff Accompanying Citizens in Playing Simple Anti-Fraud Game



## Industry-Academia Cooperation among Colleges and Universities

We place a high value on collaboration between academia and industry. Through two-way exchanges, we aim to seamlessly integrate financial theory with industry practices, while also fostering the development of innovative business models and attracting outstanding talent from the industry. Our achievements in industry-academia collaboration can be referenced through [diversified recruitment channels](#), and we have established in-depth partnerships with top academic institutions such as National Cheng Kung University. Through various forms of cooperation, we jointly cultivate future financial elites with forward-looking perspectives.

- ✓ We have held "Sustainable & Transformational FinTech and Impact Investing International Practice Forum" for 5 consecutive years in cooperation with Innovative Fintech Business Models Center, National Cheng Kung University as well as many enterprises. In 2024, Vice President You Qiwei and Manager Ho Chinyun served as panelists, sharing insights on how enterprises are responding to the rapid evolution of sustainable finance and the disruptive impact of emerging financial technologies. Their contributions aimed to equip future financial professionals with practical perspectives and professional expertise, helping them align with international financial market developments and sustainable finance trends.
- ✓ Vice President You Qiwei has been a course lecturer of Innovative Fintech Business Models Center of National Cheng Kung University for 5 consecutive years.
- ✓ On April 24, 2024, Vice President You Qiwei was invited to deliver a special lecture titled "Foresight and Reflection in FinTech" at the Department of Finance, College of Management, Chang Jung Christian University. In this lecture, he shared forward-looking insights and critical reflections on FinTech, exploring trends in digital finance and the opportunities and challenges brought by technological innovation. This academic exchange fostered diverse thinking among students regarding the future of financial technology.
- ✓ Organized three corporate visit activities incorporating topics such as digital financial trends, financial inclusiveness, and fair treatment of customers:
  1. 28 students from the Department of Finance, Southern Taiwan University of Science and Technology participated in a visit, with an overall satisfaction rate of 98%.
  2. In accordance with a course program, 5 students from Fu Jen Catholic University visited the Taipei Branch, where they were introduced to the Company and its internship program.
  3. 13 students from the Department of Business Administration, National Cheng Kung University participated in a visit, achieving an overall satisfaction rate of 100%.



↑ Vice President You Qiwei (first on the right) Serves as A Speaker on the Implementation of ESG Action Strategies in Taiwan's Sustainable Finance, Showcasing Exemplary Practices in Impact Investing



↑ Manager Ho Chinyun (third on the left) Serves as A Speaker on the Implementation of ESG Action Strategies in Taiwan's Sustainable Finance, Showcasing Exemplary Practices in Impact Investing



↑ Vice President You Qiwei - Invited as A Guest Speaker for a Keynote Speech Hosted by the Department of Finance, College of Management, Chang Jung Christian University



↑ Vice President You Qiwei - During the Keynote Speech



↑ Shanhua Branch Personnel Successfully Prevented Elderly Customers from Falling Victim to Investment Group Fraud



↑ Guanmiao Branch Successfully Prevented An Elderly Customer from Being Defrauded of Their Life Savings



↑ Meishan Branch Staff Demonstrated Strong Vigilance and Successfully Prevented A Elderly Customer from Being Defrauded

## Inclusive Financing Education in the Community

### ◆ "Anti-Scam Advocacy" Protects the Publics' Assets

We are acutely aware that the methods of fraud are constantly evolving with technological advancements. This is particularly true for the elderly, who, due to their unfamiliarity with technological products, limited exposure to current events, and narrower social circles, are more likely to become primary targets of fraud groups. The branches of KTB are primarily located in the Yunlin-Chiayi-Tainan area, where the customer demographic tends to be older. However, leveraging the trust established over many years, we have made "anti-fraud advocacy" a key community care initiative, actively safeguarding the security of our customers' assets. Through the proactive efforts of various branches, we aim to enhance public awareness of fraud by sharing case studies, providing practical anti-fraud response tips, and conducting interactive promotions. In 2024, we will hold a total of 87 "Anti-Fraud Advocacy" events, benefiting 1,452 individuals. In addition to daily advocacy, the Company employees also serve as the first line of defense against fraud, demonstrating high vigilance and enthusiasm, carefully detecting unusual transactions, and proactively caring for customers, thereby establishing a safety barrier for society. In 2024, a total of 115 fraud cases were successfully intercepted, thereby preventing a loss of NT\$37.9 million to the public.



↑ Jiali Branch and the Cheng Kung University Hospital Cancer Center Jointly Organized A Prize-Winning Anti-Fraud Awareness Campaign

#### ◆ "Financial Services Charity Carnival": A Fun and Educational Community Financial Carnival

The "Taiwan Financial Services Roundtable" aims to promote financial literacy and enhance public understanding of the financial industry's commitment to financial education and social welfare initiatives. Each year, it consolidates financial education resources from various financial associations and related organizations to host the "Financial Services Charity Carnival." The event focuses on promoting financial knowledge, supporting charitable organizations, and preventing financial fraud. It seeks to inform the public about the financial industry's dedication to advancing financial education and contributing to social welfare. By integrating the resources of financial institutions, the event highlights the financial services sector's commitment to inclusive finance, equitable fair treatment of customers, and active participation in social welfare and corporate social responsibility. This year, the Headquarters and other branch volunteers (including the Business Department at the Head Office, Tainan, Fucheng, and Xinxing branches) jointly organized the "2024 Financial Services Charity Carnival - Tainan" event. The location is at the west side plaza of the Yonghua Municipal Center in Anping District, Tainan City. Through simple financial education mini-games, the event aims to promote anti-fraud knowledge to the public. During the event, many elderly individuals and children participated in the booth games. While they were surprised by the endless new types of scams, the lively guidance and easy-to-understand explanations provided by the Company's staff helped the public learn how to prevent scam tactics in their daily lives, remember anti-scam tips, and increase their knowledge of financial education. On that day, the interactive booth games attracted 300 participants.



↑ Bank Staff Carefully Explained Emerging Fraud Schemes to Elderly Customers



↑ Inviting the Public to Answer Questions and Sending Small Gifts



↑ Group Photo of Financial Services Charity Carnival

#### ◆ Promote Equal Opportunity in Education

##### "Social Entertainment Enterprise: See the World with Your Heart" goes to rural communities to introduce new possibilities to children

"Social Entertainment Enterprise" is the first social enterprise in Taiwan focused on emotional health. It is dedicated to guiding students in recognizing the importance of emotional well-being and provides stress relief channels through artistic creation. For five consecutive years, KTB has collaborated with "Social Entertainment Enterprise." In 2024, employees from the Headquarters, Minghsung Branch, and Dalin Branch gathered at Songshan Elementary School, Minxiong Township, Chiayi County, to provide a series of meticulously designed courses for 21 students. These courses included art creation for stress relief, financial education, and environmental protection promotion activities, aimed at broadening the diverse learning horizons of children in remote areas and stimulating their potential and creativity.

Understanding emotions and depression is the core of the curriculum implementation. Through the process of creating visual art, children are assisted in recognizing their own emotions, learning emotional management and stress relief techniques, and guided to engage in inner dialogue, thereby discovering the power of self-healing. In addition, the course content integrates the professional competencies of KTB, arranging a course on "Fraud Prevention" to cultivate children's understanding of proper financial values and financial literacy. At the same time, it incorporates environmental sustainability issues, emphasizing the concept of ESG, making the entire course more enriching, practical, and inspiring.



↑ Sharing Children's Artwork at Songshan Elementary School



↑ "Social Entertainment Enterprise: See the World with Your Heart" Activity Group Photo



↑ Interaction with Children's Curriculum



↑ "Fraud Prevention" Course Promotion



## 7.2 Social Support

### Taiwan Fund for Children and Families: Safeguarding the Smiles of Children

The Taiwan Fund for Children and Families in Southern Tainan City has been deeply rooted in Tainan for 58 years, continuously supporting families in need of greater social assistance. Since 2015, KTB has provided nearly 200 ping of space in downtown Tainan free of charge for nine consecutive years to assist the Taiwan Fund for Children and Families in Southern Tainan City in establishing the "Parent-Child Happiness Academy." The academy is dedicated to the protection of children and the enhancement of parent-child relationships. It focuses on primary prevention to prevent children from experiencing neglect or abuse, ensuring that youth in need of social assistance and their families have a safe and supportive environment for activities. The academy has established various hardware and software facilities related to child protection and regularly organizes diverse thematic activities for parents and children to collaborate, create, and learn together, thereby promoting emotional communication and interaction between parents and children.

- ✎ Expansion of micro injury insurance - Providing stronger protection: KTB has long been concerned about the financial security of economically disadvantaged families. Since 2022, KTB has donated to the Taiwan Fund for Children and Families in Southern Tainan City for three consecutive years, providing micro group injury insurance and gradually increasing the donation limit each year. The target number of beneficiaries for 2024 is set at 150 individuals. In addition, we have expanded our service scope to the "Taiwan Fund for Children and Families in Northern Tainan City," deepening our collaboration with local social welfare organizations. This expansion aims to broaden the insurance coverage, allowing more economically disadvantaged groups to enjoy basic financial protection and become a solid support for them.
- ✎ Top-down care initiatives and charitable sales to support children's growth: We continue to implement social care initiatives and assist children from disadvantaged families. On February 1 and February 2, 2024, we held a "Vice Chairman's Charity Sale," with all proceeds donated to the Taiwan Fund for Children and Families in Southern Tainan City. Additionally, on November 13 of the same year, we organized a "Child Welfare Center Charity Sale," where all items for sale were donated by our employees, further supporting the Taiwan Fund for Children and Families in Southern Tainan City in resource mobilization. The two charity sale events demonstrated the high level of public welfare engagement and participation by KTB, working together to bring warmth and hope to the children of the Taiwan Fund for Children and Families in Southern Tainan City, and to collectively build a foundation of support and growth.
- ✎ Support local enterprises in charity sale of heartfelt mangoes for public welfare: The Xinying Branch collaborates with the Yuching Farmers' Association and the Taiwan Fund for Children and Families in Northern Tainan City to jointly promote a charity sale event. They have purchased 10 boxes of heartfelt mangoes to take concrete action in supporting disadvantaged children and their families. We firmly believe that through the collective efforts of various sectors in society, we can bring hope and warmth to more families.



↑ The 15th Floor of the Headquarters Hosted a Charity Sale Event Organized by the Taiwan Fund for Children and Families in Southern Tainan City



↑ Staff from the Xinying Branch Supported Public Welfare by Purchasing Charity Mangoes

### Program the World Association (PTWA): Becoming the Beacon for Children

The Program the World Association (PTWA) was established in 2016 by Professor Su Wen-Yu of National Cheng Kung University. The organization is dedicated to teaching children in rural areas about programming and maker education through open course content. Its mission is to serve rural and disadvantaged education by providing educational resources and opportunities. PTWA collaborates with local schools and teaching teams to help bridge the educational gap for children in remote areas through open courses, local teacher training, and long-term supportive teaching, thereby assisting them in expanding their future possibilities. Since January 2022, KTB has been offering the second floor of the Eastern Tainan Branch for three-year rent-free to the PTWA as a Program the World's innovative education base. This initiative helps PTWA establish a educational presence in southern Taiwan, providing more opportunities for teenagers to access diverse educational resources. Since its inception, PTWA has hosted 109 technology courses for social support and special education children, 18 technology camps, 13 teacher training sessions for technology lesson plans, and over 18 educational seminars, art performances, and other activities, providing many children with innovative learning opportunities.

KTB, in collaboration with the PTWA, has held the annual "National Computer Graphics Competition" for three consecutive years. Upholding the original intention of supporting education and bridging the urban-rural gap, the Company continues to provide learning opportunities and resources to children in rural areas and those with limited access to educational resources. The theme of the "3rd PTWA National Computer Graphics Competition"

was "The Future World in My Imagination," reflecting the growing integration of artificial intelligence and robotics into everyday life. Through this creative contest, students were encouraged to unleash their imagination and depict their envisioned future world through digital art, cultivating technological literacy, aesthetic sensibility, and creativity. This year's competition was fully sponsored by the Company, covering all event expenses including scholarships for award recipients and transportation subsidies for financially underprivileged students participating in the finals. The total sponsorship amounted to NT\$118,500. Through this initiative, the Company hopes to support and inspire children throughout their learning journey, creating a positive ripple effect that empowers more talented youth to pursue their dreams, carrying forward the spirit of care and education.



↑ Children who Compete Seriously and Demonstrate Creativity in Their Artwork



↑ Vice President Yang Chien-Ko (first from the right) Served as the Award Presenter for the 3rd National Computer Graphics Competition



↑ Program the World Innovation Education Base

## Dementia-Friendly Finance: Building a Financial Safety Net for Senior Angels

To ensure financial services are accessible to diverse groups, all 66 of the Company's branches were registered as "Dementia-Friendly Organization" in February 2024, making KTB the first financial institution in Taiwan to achieve full registration across all branches. In partnership with the Ministry of Health and Welfare, the Health Promotion Administration, the Public Health Bureau, Tainan City Government, Chi Mei Hospital, and 10 other financial institutions, KTB jointly established the "Dementia-Friendly Financial Street." This initiative integrates community and financial resources to build a secure and friendly safety net for individuals with dementia, ensuring they can access safe and respectful financial services. In the future, we will continue to deepen a friendly financial environment, ensuring that every customer receives respect and care.



↑ On September 24, 2024, Xindian Branch Joined the "New Taipei City Dementia-Friendly Support Station", Contributing to the Creation of A Dementia-Friendly Financial Environment



↑ On September 21, 2024, the Headquarters, in Collaboration with Yongkang Branch, Zhonghua Branch, and External Organizations, Organized the Event "Dementia-Friendly Finance - Safeguarding a Lifetime of Savings for the Elderly" at the Yongkang Zhonghua Village Community Center



Tainan City Pioneers the First Dementia-Friendly Financial Street

## King's Carnival Series - A Strong Financially Inclusive Umbrella for Vulnerable Groups

To implement the fair treatment of customers policy, the "King's Carnival" was organized as a themed initiative from the second half of 2024, featuring a series of events such as "Enjoy Arts" and "Enjoy Wisdom Academy." These activities aim to promote customer care and enhance employee understanding of the service needs of vulnerable groups and diverse groups, enabling staff to consider customers' circumstances and respond appropriately to ensure their rights and needs are met. The 2024 outcomes of these related activities are summarized as follows:



↑ Eden Social Welfare Foundation's Accessible Life Festival - Anti-Fraud Spin-the-Wheel Q&A Challenge



↑ Enjoy Wisdom Academy - Elderly Care and DIY Interactive Craft Workshop



↑ Eden Social Welfare Foundation - Love Without Barriers Inclusive Experience Workshop



↑ Hondao Senior Citizen's Welfare Foundation - Pengzu Longevity Experience



## Give Back to the Community

KTB is the only financial institution in Taiwan Headquartered in Tainan City. KTB has a strong presence in the Yunlin, Chiayi, and Tainan areas, with branch locations accounting for approximately 65% of its overall operations. As a local bank, KTB actively leverages the strength of its branches to engage in community care, reaching out to neighboring towns and fostering heartfelt connections. In 2024, a total of 237 community care events were held across the entire Bank, with the branches in the Yunlin-Chiayi-Tainan area conducting as many as 167 events, accounting for nearly 70% of the total. The number of beneficiaries reached 7,607, covering various aspects such as fair treatment of customers, elder care, financial fraud prevention education, and public welfare collaboration, demonstrating the Company's high regard and commitment to the local community.



↑ Shanhua Branch Collaborated with Local Police to Assist the Public with Cash Escort Services



↑ Huwei Branch, the Investment Service Department, and King's Town Securities Co-Hosted the KTB Customer Forum - King's Carnival: Wealthy Life Financial Seminar



↑ Beigang Branch Promoted Financial Education to Walk-In Customers



↑ Zhongpu Branch Conducted Anti-Fraud Awareness Activities in Coordination with Police and Civilian



↑ Zhuqi Branch sponsored the Zhuqi Elementary School Art Class Joint Exhibition



↑ Taibao Branch Provided Anti-Fraud Education to Elderly Members of the Community



↑ Yongkang Branch Organized the "Wealth Preservation for Seniors" Information Session



↑ Xinxing Branch and the Xinxing Community Development Association Co-Hosted An Anti-Fraud Awareness Activity and A Handmade Soap DIY Activity



↑ Xinhua Branch, Fucheng Branch, and the Investment Service Department Jointly Held a Fraud Prevention and Health Awareness Seminar



## 7.3 Arts and Humanities

KTB has demonstrated consistent and unwavering support for cultural development in Taiwan, especially promotion of arts and humanities. KTB formulated "[Sustainable Development Best Practice Principles](#)" passed by the Board of Directors as the basis, and continued to inject resources into cultural and artistic activities or cultural and creative industries mainly by means of donation, sponsorship and procurement. In the frenetic pace of modern-day society, we hope to return to our roots and enrich the soul through appreciating works of art, nurturing influence of aesthetic creation and guiding people's understanding and perception of aesthetics. In 2024, KTB invested NT\$4,146,678 in development of arts and humanities, with participants being up to 1,010,187 person times in related activities.

**The "Chimei Museum" is not only an artistic treasure of Tainan but also an important cultural landmark that promotes urban development. The following activities are sponsored by KTB :**

### ◆ 2024 Chimei Music Festival

The Company has always spared no effort in supporting the Chimei Museum in organizing cultural and artistic activities. Over the years, the Company has sponsored events such as the "Tim Walker Exhibition" in 2021 and the "2023 Chimei Music Festival." This year, the Chimei Museum once again hosted the "2024 Chimei Music Festival," hoping to realize the concepts of "revitalizing collections" and "educational promotion." The aim is to ensure that the centuries-old renowned instruments are not merely for display, but to lead the audience in experiencing the emotional resonance brought by classical music. This event attracted a total of 1,496 participants.

### ◆ Special Exhibition: "Masterpieces from the National Gallery, London"

The Company supports the development of culture and the arts through practical actions. In 2024, the world-renowned art museum, the "National Gallery of the United Kingdom," visited Taiwan for the first time in 200 years, presenting an unprecedented artistic feast for the public over a four-month exhibition period! The exhibition features a selection of 50 precious original works by Western art masters, spanning 400 years of artistic excellence, from the Renaissance giant Raphael and the Dutch master Rembrandt to the Post-Impressionist luminary Van Gogh. This exhibition not only allows the audience to appreciate classic masterpieces up close but also guides them into a multi-dimensional world of art, experiencing the brilliant splendor of Western art history. Approximately 425,000 visitors attended this event.

**The "Tainan 400" has launched a series of cultural and artistic activities to showcase the historical significance of Tainan's 400 years of city establishment. These events aim to collectively witness the cultural trajectory of the ancient capital and the emotional resonance of cultural heritage. The following activities are sponsored by KTB :**

### ◆ Tainan 400 Commemorative Stage Play: "Tayouan Tempo"

KTB has long been committed to supporting cultural and artistic activities in Tainan City. KTB actively responds to the Tainan City Government's "Tainan 400" themed events. In addition to issuing a limited edition financial card in support of "Tainan 400," the Company has sponsored numerous related cultural and artistic events, such as the "2024 Taiwan Lantern Festival" and the "2024 Tainan International Music Festival," both of which have achieved positive results. This year, the Company has significantly sponsored the Cultural Affairs Bureau, Tainan City Government in collaboration with the Tainaner Ensemble to create a commemorative stage play for "Tainan 400" titled "Tayouan Tempo," which attracted a total audience of 3,602 participants.

### ◆ 2024 Taiwan Lantern Festival Opening Performance - "Mazu"

The artistic masterpiece "Mazu," meticulously crafted by the renowned Taiwanese opera troupe "Ming Hwa Yuan Arts & Cultural Group," integrates local landscape features and deep-rooted folk beliefs, and is grandly presented within the Anping Lantern zone. The performance and Lin Mo-Niang Park complement each other, not only marking the opening of the 2024 Tainan Lantern Festival but also attracting approximately 260,000 participants.

### ◆ 2024 Tainan International Music Festival - "Taiwan Quartet"

The Tainan International Music Festival, as an international music brand developed by the Tainan City Government, was sponsored by the Company in 2022 for the "Eternal Golden Castle Romantic Opera Concert," which received enthusiastic responses. This year, we looked forward to once again marking the historical moment of "Tainan 400" through moving music. The composer Shih Ching-ju has created the four-part symphony "The Rising of a Legendary City" specifically for "Tainan 400," which had its world premiere by the Tainan Symphony Orchestra at the music festival, adding a brilliant chapter to "Tainan 400." The estimated participation was expected to reach 374 attendees.



↑ Promotional Materials for the 2024 Chimei Music Festival



↑ Promotional Materials for the 2024 Tainan International Music Festival



↑ KTB Lends Support to the Creation of "Tayouan Tempo"

## Various Arts and Cultural Activities

### ◆ Classic Special Exhibition

- ✓ For two consecutive years, we have sponsored the cultural and artistic activities of the Kaohsiung Museum of Fine Arts. In 2024, which marked the 30th anniversary of the museum, we were pleased to invite the Tate Museum in London to co-host the special exhibition "Capturing the Moment - A Journey through Painting and Photography." We also extended our invitation to clients from Tainan and Kaohsiung areas, as well as community service recipients from the Hondao Senior Citizen's Welfare Foundation, primarily those aged between 60 and 90 years, who had an interest in art. The sponsorship amount was NT\$2 million, and the estimated audience was approximately 300,000 people.
- ✓ Conducted guided tours for the Tainan Art Museum titled "Once Upon A Tainan Charm: Treasures from the National Palace Museum" and "Tainan Art Museum-Building 2." We invited department heads from the Headquarters and various units in the Yunlin-Chiayi-Tainan area to participate, with an estimated attendance of approximately 11,050 people.



↑ Group Photo of the "Capturing the Moment - A Journey through Painting and Photography" Special Exhibition



↑ Scenes from the "Capturing the Moment - A Journey through Painting and Photography" Special Exhibition



↑ Group Photo of the "Once Upon A Tainan Charm: Treasures from the National Palace Museum" Exhibition



↑ Guided Tour of the "Once Upon A Tainan Charm: Treasures from the National Palace Museum" Exhibition

### ◆ Music Exchange

- ✓ The National Kaohsiung Center for the Arts (Weiwuying) hosted the "2024 Weiwuying Organ Festival". The Company supported cultural arts and promoted artistic activities by purchasing tickets for the Weiwuying Organ Festival and inviting clients from the Kaohsiung area to participate. It was estimated that approximately 3,962 attendees attended.
- ✓ The "Taiwan Performing Arts Association" organized three performances of "A Music Journey - Japan & Taiwan Julliard Alumni Concerts," providing greater opportunities for international exchange in Taiwan's classical music scene and fostering the development of young musicians. The estimated number of attendees reached approximately 1,981.
- ✓ Sponsored the "Taiwan Yale Ensemble" in hosting its annual performance "Piano Fantasia," led by renowned pianist Chiao-han Liao. The concert featured six alumni pianists from different generations, showcasing the grandeur of four pianos on stage. This musical celebration allowed the audience to experience an extraordinary exchange of artistic energy and the dynamic spark of musical notes. The event drew approximately 2,022 attendees.

### ◆ Sports Events

- ✓ In alignment with our commitment to fostering the development of sports in Taiwan, a special sponsorship of NT\$100,000 has been awarded to the exceptional young tennis player from Tainan City, Chen Kuan-Shou. This funding will assist him in participating in the four major international tennis tournaments, specifically the 2025 Australian Open Junior Championships, demonstrating our concrete support for Taiwanese athletes.

### ◆ Folk Customs

- ✓ The "Tainan City Yanshui Art Pavilion Promotion and Cultural Association" organized the "2024 Yanshui Art Pavilion Cultural Festival - Mazu's Blessings for the World," focusing on a static exhibition of art pavilion culture and a parade featuring art pavilions. The event also incorporated local traditional performance arts from Yanshui, experiences with the installation of bee cannon frames, and other activities. Additionally, free meal vouchers for food truck markets were distributed to underprivileged families, demonstrating care for groups in need of social support. This initiative allowed disadvantaged families not only to participate in cultural activities but also to enjoy the festivities and cuisine of the cultural festival. It is estimated that approximately 700 participants attended.



Chapter

# 08

## Appendix

- 8.1 GRI Standards - Content Index
- 8.2 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- 8.3 Comparison Table of Disclosure Items of Sustainability Accounting Standards Board (SASB)
- 8.4 Human Resource Management Indicators
- 8.5 Statement of Independent Assurance Statement
- 8.6 CPA's Limited Assurance Report
- 8.7 Management System and Greenhouse Gas Inventory Certificate



## 8.1 GRI Standards - Content Index

Instruction for Use	KTB reported contents from January 1, 2024 to December 31, 2024 in accordance with GRI Standards			
GRI 1 used	GRI 1: Base 2021			
Applicable GRI Industry Standards	N/A			
GRI Standards	Disclosure	Corresponding Section	Page	Remarks/Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Vision 1.2 Operational Performance	<a href="#">4-6</a>	
	2-2 Entities included in the organization's sustainability reporting	About This Report	<a href="#">1</a>	
	2-3 Reporting period, frequency and contact point	About This Report	<a href="#">1</a>	
	2-4 Restatements of information	2.2 Material Topics Analysis	<a href="#">15</a>	Adjustment of topic name and changes in topic category
	2-5 External assurance	About This Report 8.5 Statement of Independent Assurance Statement	<a href="#">1</a> <a href="#">127</a>	
	2-6 Activities, value chain and other business relationships	1.1 Vision	<a href="#">4-5</a>	
	2-7 Employees	8.4 Human Resource Management Indicators	<a href="#">124</a>	
	2-8 Workers who are not employees	8.4 Human Resource Management Indicators	<a href="#">124</a>	
	2-9 Governance structure and composition	1.3 Sustainable Enterprise Blueprint Strategy and Management 3.1 Corporate Governance	<a href="#">8</a> <a href="#">24-25</a>	
	2-10 Nomination and selection of the highest governance body	3.1 Corporate Governance	<a href="#">25</a>	
	2-11 Chair of the highest governance body	3.1 Corporate Governance	<a href="#">24-25</a>	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Sustainable Enterprise Blueprint Strategy and Management 2 Stakeholder Engagement	<a href="#">8-9</a> <a href="#">11-22</a>	
	2-13 Delegation of responsibility for managing impacts	1.3 Sustainable Enterprise Blueprint Strategy and Management	<a href="#">8</a>	
	2-14 Role of the highest governance body in sustainability reporting	About This Report 2 Stakeholder Engagement	<a href="#">1</a> <a href="#">12</a>	
	2-15 Conflicts of interest	3.1 Corporate Governance	<a href="#">25</a>	Please refer to 【Page 9 & Page 24 of King's Town Bank Co., Ltd. 2024 Annual Report” for details】

GRI Standards	Disclosure	Corresponding Section	Page	Remarks/Omission
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	1.3 Sustainable Enterprise Blueprint Strategy and Management	<a href="#">8</a>	
	2-17 Collective knowledge of the highest governance body	3.1 Corporate Governance	<a href="#">26</a>	
	2-18 Evaluation of the performance of the highest governance body	3.1 Corporate Governance	<a href="#">26</a>	
	2-19 Remuneration Policy	3.1 Corporate Governance	<a href="#">27</a>	
	2-20 Process to determine remuneration	3.1 Corporate Governance	<a href="#">27</a>	
	2-21 Annual total compensation ratio	6.1 Talent Attraction and Retention	<a href="#">94</a>	
	2-22 Statement on sustainable development strategy	Chairman's Message	<a href="#">1</a>	
	2-23 Policy commitments	4.2 Sustainable Finance	<a href="#">65</a>	
		6.4 Workplace Human Rights, Diversity and Inclusion	<a href="#">104</a>	
	2-24 Embedding policy commitments	4.2 Sustainable Finance	<a href="#">64-65</a>	
		6.4 Workplace Human Rights, Diversity and Inclusion	<a href="#">104</a>	
	2-25 Processes to remediate negative impacts	2.1 Stakeholder Identification and Communication	<a href="#">13-14</a>	
		5.1 Service Quality and Customer Experience	<a href="#">84</a>	
		6.4 Workplace Human Rights, Diversity and Inclusion	<a href="#">105</a>	
	2-26 Mechanisms for seeking advice and raising concerns	2.1 Stakeholder Identification and Communication	<a href="#">13-14</a>	
		5.1 Service Quality and Customer Experience	<a href="#">84</a>	
		6.4 Workplace Human Rights, Diversity and Inclusion	<a href="#">104</a>	
	2-27 Compliance with laws and regulations	3.2 Regulatory Compliance	<a href="#">31</a>	
	2-28 Membership of associations	-	-	The Company has the following membership: The Bankers Association of the Republic of China, Tainan Chamber of Commerce, Trust Association of Republic of China, R.O.C. Bills Finance Association and Insurance Agents Association. It became a member of Business Council for Sustainable Development of the Republic of China (BCSD-Taiwan) and a member of "Equator Principles Association" in 2022
	2-29 Approach to stakeholder engagement	2.1 Stakeholder Identification and Communication	<a href="#">13-14</a>	
	2-30 Collective bargaining agreements	-	-	KTB established its corporate union on January 17, 2025. As of January 22, union members accounted for 82.8% of all employees. The Company is currently in negotiations with the union; therefore, a collective agreement has not yet been signed

GRI Standards	Disclosure		Corresponding Section	Page	Remarks/Omission
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2 Stakeholder Engagement	12	
	3-2	List of material topics	2.3 Strategies, Goals, and Achievements of Material Topics	19-22	
Talent Cultivation and Development					
GRI 3: Material Topics 2021	3-3	Occupational health and safety management policy	2.3 Strategies, Goals, and Achievements of Material Topics	20	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	6.2 Talent Cultivation and Development	97	
	404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Talent Cultivation and Development	97-98	
	404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Talent Cultivation and Development	99	
Fintech and Innovation (custom topic)					
GRI 3: Material Topics 2021	3-3	Fintech and innovation management policies	2.3 Strategies, Goals, and Achievements of Material Topics	19	
			5.2 Fintech and Innovation	90	
Talent Attraction and Retention					
GRI 3: Material Topics 2021	3-3	Labor-employment relation management policy	2.3 Strategies, Goals, and Achievements of Material Topics	21	
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	6.1 Talent Attraction and Retention	96	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Talent Attraction and Retention	95-96	
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.1 Corporate Governance 8.4 Human Resource Management Indicators	25 124	
	405-2	Ratio of basic salary and remuneration of women to men	6.1 Talent Attraction and Retention	94	
Service Quality and Customer Experience					
GRI 3: Material Topics 2021	3-3	Service quality and customer experience management policies	2.3 Strategies, Goals, and Achievements of Material Topics	22	There was no violation of any regulation and/or voluntary convention
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	5.1 Service Quality and Customer Experience	82	

GRI Standards		Disclosure	Corresponding Section		Page	Remarks/Omission
Information Security						
GRI 3: Material Topics 2021	3-3	Information security management policies	2.3	Strategies, Goals, and Achievements of Material Topics	<a href="#">19</a>	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.4	Information Security	<a href="#">41</a>	
Ethical Corporate Management						
GRI 3: Material Topics 2021	3-3	Information security management policies	2.3	Strategies, Goals, and Achievements of Material Topics	<a href="#">19</a>	According to the risk evaluation in 2024, no significant risk of dishonesty has been identified in the Company, nor has any director or employee involved in ethical conduct
			3.1.1	Ethical Corporate Management	<a href="#">28</a>	
GRI 205 Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	3.1.1	Ethical Corporate Management	<a href="#">28</a>	
	205-2	Communication and training about anti-corruption policies and procedures	3.1.1	Ethical Corporate Management	<a href="#">29</a>	
	205-3	Confirmed incidents of corruption and actions taken	3.1.1	Ethical Corporate Management	<a href="#">28</a>	
Risk Management (custom topic)						
GRI 3: Material Topics 2021	3-3	Risk management policies	2.3	Strategies, Goals, and Achievements of Material Topics	<a href="#">20</a>	
			3.3	Risk Management	<a href="#">36</a>	
Sustainable Finance (custom topic)						
GRI 3: Material Topics 2021	3-3	Sustainable Finance Management Policy	2.3	Strategies, Goals, and Achievements of Material Topics	<a href="#">22</a>	
			4.2	Sustainable Finance	<a href="#">64-70</a>	
Non-material topics disclosed independently						
GRI 200: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate chang	4.1	Climate Risks and Opportunities	<a href="#">52</a>	
	207-1	Approach to tax 2019	1.2	Operational Performance	<a href="#">7</a>	
GRI 400: Social Performance 2016	401-3	Parental leave	6.3	Employee Care and Friendly Workplace	<a href="#">103</a>	

## 8.2 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Articles	Contents of Rules	Corresponding Section	Page
Article 3	The TWSE listed companies should annually prepare their sustainability reports for the previous year by referencing the Universal Standards, Sector Standards, and Material Topic Standards published by the Global Reporting Initiative (GRI). These reports should disclose the company's identified material topics and impacts related to economic, environmental, and social (including human rights) issues, along with the relevant disclosures and reporting requirements. Additionally, companies may refer to the standards of the Sustainability Accounting Standards Board (SASB) to disclose industry-specific information and provide an index mapping SASB indicators to the content of the report	8.1 GRI Standards - Content Index	<a href="#">118</a>
	The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified	2.3 Strategies, Goals, and Achievements of Material Topics	<a href="#">19</a>
	In the sustainability report, a TWSE listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party	8.1 GRI Standards - Content Index 8.5 Statement of Independent Assurance Statement	<a href="#">118</a> <a href="#">127</a>
	The topic-specific disclosure referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice	8.1 GRI Standards - Content Index	<a href="#">118</a>
Paragraph 1 of Article 4	The TWSE listed companies specified in Subparagraphs 1 and 2 of Paragraph 1, Article 2 should enhance the disclosure of sustainability indicators according to their respective industries (as outlined in Schedule I (3) - Sustainability Disclosure Indicators - Financial and Insurance Industries): ( 1 ) Number of data breaches, percentage involving personally identifiable information, and number of account holders affected	3.4 Information Security	<a href="#">44</a>
	( 2 ) The number of loans and the balance of loans to promote the development of small businesses and communities	4.2 Sustainable Finance	<a href="#">69</a>
	( 3 ) Number of participants in financial education for disadvantaged groups lacking banking services	7.1 Academic Education	<a href="#">109</a>
	( 4 ) Products and services designed by each business unit to create environmental or social benefits	5.1.1 Financial Inclusion	<a href="#">89</a>
Paragraph 2 of Article 4	The TWSE listed companies mentioned in the preceding paragraph should disclose the sustainability indicators of their respective industries according to Schedule I (1-1) to Schedule I (1-3). They must obtain an assurance report from an accountant based on the standards issued by the Accounting Research and Development Foundation	8.6 CPA's Limited Assurance Report	<a href="#">128</a>
Paragraph 1 of Article 4-1	TWSE listed companies prescribed shall disclose climate related information with special seal (Schedule II)	4.1 Climate Risks and Opportunities	<a href="#">49</a>
Paragraph 2, Article 4-1 and Subparagraph 1 of the same paragraph	The applicable schedule for the inventory of Scope 1 and Scope 2 greenhouse gas emissions in the information mentioned in the preceding paragraph is as follows: 1. Steel industry, cement industry, as well as those with a paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, should disclose individual company data starting from 2023 and consolidated parent-subsidary data starting from 2025	4.3 Sustainable Operating Environment	<a href="#">74</a>
Paragraph 3, Article 4-1 and Subparagraph 1 of the same paragraph	TWSE listed companies should conduct assurance of Scope 1 and Scope 2 greenhouse gases according to the following schedule: 1. Steel industry, cement industry, as well as those with a paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, should complete individual company assurance starting from 2024 and consolidated parent-subsidary assurance starting from 2027	8.7 Management System and Greenhouse Gas Inventory Certificate	<a href="#">130</a>
Paragraph 4, Article 4-1 and Subparagraph 1 of the same paragraph	The TWSE listed companies should disclose their carbon reduction targets, strategies, and specific action plans for the company (including subsidiaries in consolidated financial statements) according to the following schedule 1. The TWSE listed companies with a paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, as well as steel industry and cement industry, should complete disclosure starting from 2025	4.3 Sustainable Operating Environment	<a href="#">72-76</a>



## 8.3 Comparison Table of Disclosure Items of Sustainability Accounting Standards Board (SASB)

Sustainability Accounting Standards Board (SASB)					
Topics	Indicator Code	Nature	Disclosure Items	Corresponding Section	Page
Information Security	FN-CB-230a.1	Quantitative	(1) Number of data breaches (2) Percentage involving personally identifiable information (3) Number of account holders affected	3.4 Information Security	<a href="#">44</a>
	FN-CB-230a.2	Qualitative	Describe methods for identifying and addressing data security risks	3.4 Information Security	<a href="#">41-44</a>
Financial inclusion and Empowerment	FN-CB-240a.1	Quantitative	Loans outstanding qualified to programs designed to promote development of small business and communities (1) Number (2) Balance	4.2 Sustainable Finance	<a href="#">69</a>
	FN-CB-240a.2	Quantitative	Overdue loans and collections outstanding qualified to programs designed to promote development of small business and communities (1) Number (2) Amount outstanding	Relevant information will be further disclosed in the future	-
	FN-CB-240a.3	Quantitative	Total number of accounts for free services provided to the groups without banking services or without adequate banking services	1.1 Vision	<a href="#">5</a>
	FN-CB-240a.4	Quantitative	Number of participants in financial literacy initiatives provided to the groups without adequate banking services	7.1 Academic Education	<a href="#">109</a>
Incorporate ESG Elements into the Credit Review	FN-CB-410a.1	Quantitative	Distinguish between commercial and industrial credit risks by industry	Please refer to 【Page 124 of King's Town Bank Co., Ltd. 2024 Consolidated Financial Statements and Page 106 of Individual Financial Statements】 for details	-
	FN-CB-410a.2	Qualitative	Describe the method for incorporating ESG elements into the credit review	4.2 Sustainable Finance	<a href="#">65-66</a>
Business Ethics	FN-CB-510a.1	Quantitative	Financial loss due to fraud, insider trading, anti-monopoly, anti-competitive, market manipulation, malpractice or other laws or regulations related to the financial industry as determined by legal procedures	3.2 Regulatory Compliance	<a href="#">31</a>
	FN-CB-510a.2	Qualitative	Describe the whistleblower system and procedures	3.1 Corporate Governance	<a href="#">30</a>
System Risk Management	FN-CB-550a.1	Quantitative	Global Systemically Important Banks (G-SIBs) by Category	KTB is not a G-SIB, this indicator does not apply	-
	FN-CB-550a.2	Qualitative	Describe methods for incorporating mandatory and voluntary stress test results into capital adequacy ratio plans, long-term strategies and other business activities	Please refer to 【KTB Official Website/Announcement/Statutory Disclosure】 for details	-
Activity Indicators	FN-CB-000.A	Quantitative	The number and amount of deposit accounts by individuals and small enterprises	1.1 Vision	<a href="#">5</a>
	FN-CB-000.B	Quantitative	The number and amount of loans by individuals, small enterprises and business customers	1.1 Vision	<a href="#">5</a>

## 8.4 Human Resource Management Indicators

### Staff composition

Category			Male	Female	Total Number
Regular Employees (Full-Time Employees)	Long-term Employee	Serving Employees	351	647	998
		Part-Time Employees	0	1	1
	Regular Contract Employees	Interns	3	8	11
		Contract Staff	0	0	0
Total			354	656	1,010

Note 1 : All KTB employees are hired within Taiwan, and the statistics is made regarding serving staff by December 31, 2024; the 7 members of the Board of Directors are not included. The number of employees increased by 0.04% compared to the previous year

Note 2 : Part-time employees, temporary employees and employees without working-hour guarantee are not employed

### Staff composition

Category			Male	Female	Total Number
Non-Employee Workers	Contracted Employees	Security Personnel	72	0	72
		Cleaning Staff	0	2	2
	Dispatched Employees	Kitchen Assistants	0	3	3
Total			72	5	77

Note : The count of non-employee workers at KTB as of December 31, 2024, includes those still employed, with no change in number compared to the previous year

### Gender and Age Distribution of Regular Employees

Gender	Age	Managerial Officers		Managerial Officers		Non-Managerial Officers		Total of Regular Employees	
		Senior Managerial Officers		Intermediate and Junior Managerial Officers		Non-Managerial Officers		Total of Regular Employees	
		Number of Persons	Percentage in Total Employees	Number of Persons	Percentage in Total Employees	Number of Persons	Percentage in Total Employees	Number of Persons	Percentage in Total Employees
Male	30 years old and under	0	0.00%	0	0.00%	121	17.14%	121	12.50%
	31-49 years old	11	11.00%	30	14.71%	69	9.77%	110	11.36%
	50 years old and above	47	47.00%	45	22.06%	31	4.39%	123	12.71%
Female	30 years old and under	0	0.00%	0	0.00%	249	35.27%	249	25.72%
	31-49 years old	9	9.00%	68	33.33%	189	26.77%	266	27.48%
	50 years old and above	33	33.00%	61	29.90%	47	6.66%	141	10.23%
Total of This Category		100	9.90%	204	20.20%	706	69.90%	1010	100.00%

### Diversity Indicators Distribution of Regular Employees

Diversified Items	Aborigines		Non-Taiwanese Nationality		Number of Employees with Physical or Mental Disabilities
	Total Number	Number of Managerial Officers	Total Number	Number of Managerial Officers	
Number of Persons	1	0	0	0	10
Percentage in Total Employees	0.10%	0.00%	0.00%	0.00%	0.99%

### Diversity Indicators Distribution of Regular Employees

Category	Gender		Age			Occupation		Race		Nationality		Total Number of New Recruits and Proportion of New Employees
	Male	Female	30 years old and under	31-49 years old	50 years old and above	Managerial Officers	Non-Managerial Officers	Non-Aborigines	Aborigines	Taiwanese Nationality	Non-Taiwanese Nationality	
Number of Persons	65	114	154	23	2	4	175	179	0	179	0	179
Percentage in Total Employees	6.44%	11.29%	15.25%	2.28%	0.20%	0.40%	17.33%	17.72%	0.00%	17.72%	0.00%	17.72%

Note 1 : The average recruitment cost in 2024 was NT\$10,242. Average recruitment cost (NT\$/person) = Recruitment expenses (NT\$) ÷ Number of new employees

### Diversity Indicators Distribution of Regular Employees

Items	Gender		Age			Occupation		Race		Nationality		Total Number of Resigned Employees	The proportion of resigned employees to total employees
	Male	Female	30 years old and under	31-49 years old	50 years old and above	Managerial Officers	Non-Managerial Officers	Non-Aborigines	Aborigines	Taiwanese Nationality	Non-Taiwanese Nationality		
Voluntary Separation	56	76	88	27	17	16	116	131	1	132	0	132	13.07%
Involuntary Separation	0	2	1	1	0	0	2	2	0	2	0	2	0.20%
Total	56	78	89	28	17	16	118	133	1	134	0	134	13.27%
Percentage in Total Employees	5.54%	7.72%	8.81%	2.77%	1.68%	1.58%	11.68%	13.17%	0.10%	13.27%	0.00%	-	-

Note 1 : Voluntary separation includes resignation, retirement and early retirement

Note 2 : Involuntary separation includes severance and death

### Internal Staff Filling Vacancies

Item	Gender		Age			Title		Group		Nationality		Total	Filling Rate of Internal Employees for Vacancies
	Male	Female	30 years old and under	31-49 years old	50 years old and above	Managerial Officers	Non-Managerial Officers	Non-Aborigines	Aborigines	Taiwanese Nationality	Non-Taiwanese Nationality		
Rotation Training	33	75	29	44	35	37	71	108	0	108	0	108	45.80%
Internal Recruitment	0	1	1	0	0	0	1	1	0	1	0	1	
Total	33	76	30	44	35	37	72	109	0	109	0	109	

Note 1 : Filling rate of internal employees for vacancies = number of internal employees filling for vacancies ÷ number of vacancy

Note 2 : Number of publicly recruited positions: 129

## Investment in Employee Education and Training

Item		2021	2022	2023	2024
Training Hours	Female	34,882	37,817	46,990	60,593
	Male	13,653	16,333	20,404	26,470
	Managerial Positions	17,189	18,863	25,404	31,328
	Non-managerial Positions	31,346	35,287	41,990	55,735
Total Training Hours		48,535	54,150	67,394	87,063
Average Training Hours Per Employee	Female	57.3	60.1	75.4	92.4
	Male	38.5	44.7	59.1	74.8
	Managerial Positions	57.9	62.3	84.1	103.1
	Non-managerial Positions	47.0	51.1	63.0	78.9
Average Employee Training Days (Days)		6.29	6.81	8.70	10.78
Total Training Expense (NT\$)		3,381,320	3,530,696	4,325,733	5,187,361
Average Training Expense Per Employee (NT\$)		3,508	3,552	4,469	5,136

## Occupational Hazards

Item	Male	Female	Total
Total Working Days	90,782	149,781	240,563
Total Working Hours	726,256	1,198,248	1,924,504
Number of Disabling Injuries	0	3	3
Total Lost Days of Disabling Injuries	0	2.5	2.5
Frequency of Disabling Injuries	0	2.50	1.56
Severity Rate of Disabling Injuries	0	2	1

Note 1 : Total workdays in 2024 were [249], and the calculation is based on the number of employees on December 31, 2024

Note 2 : Log-in of occupational accident filling system is taken as the criteria for statistics, and it is also stipulated that: Commuting occupational accidents should be included in number of disabling injuries, total lost days of disabling injuries, frequency rate of disabling injuries (FR) and severity rate of disabling injuries (SR)

Note 3 : Number of disabling injuries refers to the number of deaths, permanent total disability, permanent partial disability and temporary total disability caused by occupational accidents

Note 4 : Total lost days of disabling injuries refers to the total number of days lost after all injuries occurred. The number of days in which the injured person was temporarily (or permanently) unable to return to work, excludes the day when the injury occurred and the day of returning to work, but should include the number of days in between (including Sundays, holidays or days of shut down) and any days in which the injured person was still unable to work even after returning to work as a result of the accidents

Note 5 : Frequency of disabling injuries (FR) = number of disabling injuries per million total working hours = number of disabling injuries x 1,000,000/total working hours

Note 6 : Severity rate of disabling injuries (SR) = number of lost days of disabling injuries per million total working hours = total lost days of disabling injuries x 1,000,000/total working hours

Note 7 : Total number of occupational disease-related or work-related deaths: 0

Note 8 : Definition of severe occupational injury: it will take more than six months to recover to the state before injury; both the number and rate were 0

Note 9 : Both number and rate of recordable occupational injuries were 0

Note 10 : Total number of work-related deaths of contracted employees/suppliers: 0

## Absence Statistics

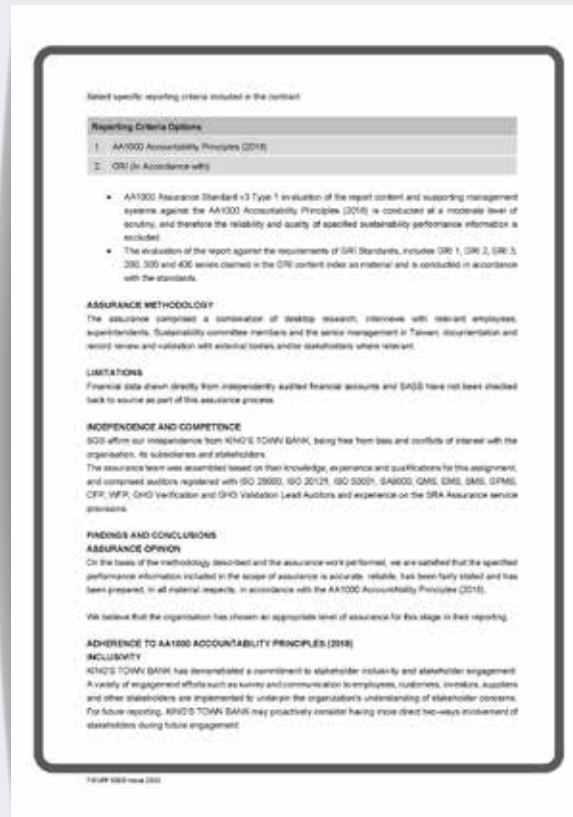
Item	Male	Female	Total
Days of Injury Leave	23.00	58.50	81.50
Days of Sick Leave	348.75	875.13	1,223.88
Days of Personal Leave	145.75	296.63	442.38
Total Days of Absence	517.50	1230.26	1,747.76
Absence Rate	0.57%	0.82%	0.73%

Note : Absence rate = (days of injury leave + days of sick leave + days of personal leave)/total working days x 100%

## Absence rate in previous years

Item	2021	2022	2023	2024
Absence Rate	0.44%	1.25%	0.90%	0.73%
Data Coverage (employees)	100%	100%	100%	100%

## 8.5 Statement of Independent Assurance Statement





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## Summary Table for Assurance Items

No.	Titles	Subject Information	Subject Information	Explanation	Applicable Standards
1	<a href="#">44</a>	3.4 Information Security	There were no major information security incidents in 2024	In 2024, KTB recorded the number of information leakage incidents, the proportion of information leakage incidents related to personal information, and the number of customers affected by information leakage incidents according to the "Information Security Incident Management Procedures."	<ul style="list-style-type: none"> <li>Article 4, Paragraph 1, Subparagraph 3, Item 1 of the "Taiwan Stock Exchange Corporation Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."</li> <li>The number of information leakage incidents, the proportion of information leakage incidents related to personal information, and the number of customers affected by information leakage incidents.</li> </ul>
2	<a href="#">69</a>	4.2 Sustainable Finance	Support Small- and Medium-Sized Enterprises (SMEs) Supporting the performances of Small Businesses At the end of 2024, the balance of loans was NT\$26.9 billion; the number of loans was 1,153; the number of loan customers was 563; and the loan balance percentage was 11.06%.	The (1) loan balance, (2) the number of loan cases and (3) the number of loan accounts for small businesses of King's Town Bank at the end of 2024. 1. Small enterprises refer to the definition derived from the "White Paper of Small and Medium-Sized Enterprises": those whose paid-in capital is less than NT\$25 million. 2. The balance of loans includes NT\$ loans, foreign currency loans and overdraft accounts. 3. The number is calculated based on the number of drawdowns. 4. The number of households is based on the result after the household registration at the end of 2024 (i.e., the same Tax ID number or Logic Serial Number (LOSN) is calculated only once).	<ul style="list-style-type: none"> <li>Article 4, Paragraph 1, Subparagraph 3, Item 2 of the "Taiwan Stock Exchange Corporation Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."</li> <li>The number of loans and the balance of loans to promote the development of small businesses and communities.</li> </ul>
3	<a href="#">109</a>	7.1 Academic Education	The activities and outcomes related to the 2024 financial anti-fraud knowledge education.	The number of financial education sessions held by KTB in 2024 and the corresponding participant counts for various social groups, including persons with disabilities, elderly groups, new immigrants, and students/young group.	<ul style="list-style-type: none"> <li>Article 4, Paragraph 1, Subparagraph 3, Item 3 of the "Taiwan Stock Exchange Corporation Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."</li> <li>Number of participants in financial education for disadvantaged groups lacking banking services.</li> </ul>
4	<a href="#">89</a>	5.1.1 Financial Inclusion	In 2024, a total of 287,216 transactions were conducted through the King's Global Pass x Western Union service, with approximately 47.79% of the transactions made by new immigrants, migrant workers, or foreign nationals. The total remittance amount from these three groups reached approximately \$81.48 million. Additionally, 69.66% of all transactions were completed via the online platform or mobile app. The development of the online King's Global Pass x Western Union service has significantly helped new immigrants and migrant workers overcome previous time and geographic limitations, providing them with a secure and reliable way to send money back home.	The number of Western Union remittances from KTB in 2024. Western Union remittances have the following benefits compared to general international remittances: easy processing; shorter collection time; lower processing fees, the recipient can receive the full amount of the remittance, etc. The above advantages can increase the frequency of financial services for new residents and migrant workers to achieve the goal of inclusive finance. It is a service that can create social benefits.	<ul style="list-style-type: none"> <li>Article 4, Paragraph 1, Subparagraph 3, Item 4 of the "Taiwan Stock Exchange Corporation Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."</li> <li>Products and services designed by each business unit to create environmental or social benefits.</li> </ul>

## 8.7 Management System and Greenhouse Gas Inventory Certificate

### ISO 50001 Energy Management System Certificate



### ISO 14001 - Environmental Management System Certificate



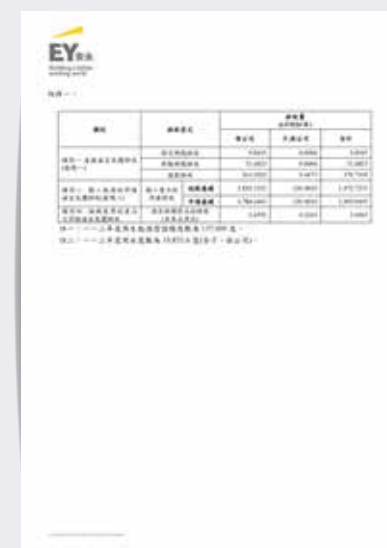
### ISO 45001 - Occupational Health and Safety Management System Certificate



### ISO 27001 - Information Security Management Systems Certificate



### ISO 14064-1 Greenhouse Gas Assurance Report



Please refer to the [Official Website/Sustainability/Corporate Governance/Other Corporate Governance Related/4. Certificates/Assurance Report](#) for detailed certificate contents.



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