

Summary of the communication between independent directors and CPA or Internal auditing officer

Date	Communication target	Communication content	Recommendations from Independent Directors and the Bank's response
2022/3/2	CPA	2021 Accountant Audit Report	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. Understand the actual implementation of the accountant's audit work. 2. Differences between internal control audit findings and audit findings. 3. Repeatability of past annual audits. <p>The Bank's response: Pay attention to handling according to the opinions of independent directors.</p>
2022/8/10	CPA	<ol style="list-style-type: none"> 1. Review of unqualified conclusions in the second quarter of 2022. 2. Computer check. 3. Information security risk. 	<p>Recommendations from Independent Directors: The impact of COVID-19 and the Russia-Ukraine war has been included, and it is recommended to help business units understand their differences.</p> <p>The Bank's response: Handled according to the Independent Directors' recommendation.</p>
2022/11/1	Internal Audit Officer and Audit Personnel	<ol style="list-style-type: none"> 1. The implementation of the internal audit business and the missing items in the audit. 2. Penalty cases and key points of supervision by competent authorities. 3. Risk-oriented internal audit system establishment and preparation progress. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. The risk-oriented internal audit system was officially implemented in January 2024. Before the implementation, the matters were handled every month, and the plan was first drawn up, tracked, and achieved. 2. Performance appraisal should be linked with audit appraisal. 3. Audit uses information or software tools to assist audit operations. <p>The Bank's response:</p> <ol style="list-style-type: none"> 1. The plan has been drawn up based on the recommendations of the independent directors and the progress is regularly reported to the board of directors. 2. At present, the audit assessment score accounts for 15% of the total performance assessment score, and the audit report rating does not meet a certain standard, the qualification for administrative awards will be cancelled, and the audit report rating of the business unit will be provided to the Human Resources Department as a manager assessment reference. 3. The audit and inspection has used notebook computers to assist in the operation, and there is also an audit management system to assist in audit reports and process operations. The audit department of the board of directors continues to adjust and improve the system functions.

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2022/12/5	CPA	<ol style="list-style-type: none"> 1. Key check items. 2. Audit quality indicators. 3. Independent communication matters. 4. Important regulatory updates. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. Financial commodity impairment assessment or fair value assessment factors affect subsequent dividend distribution, and it is recommended to include or make suggestions. 2. For the part of self-compilation of the financial report, please actively assist to make this work go smoothly and meet the requirements. <p>The Bank's response: According to independent directors' recommendations, accountants are asked to provide advice and assistance on financial product impairment assessment or fair value assessment factors affecting subsequent dividend distribution and self-compilation of financial reports.</p>
2023/2/20	CPA	<ol style="list-style-type: none"> 1. Matters concerning the proportion of public expenses included in the audit and independence. 2. Auditors check financial accountability. 3. Key inspection items. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. It is recommended that information on communication matters be provided in advance. 2. Recommendations for subsidiaries or specific events (items) should be more clearly stated. 3. It is recommended to provide opinions on the issue of consistency between paper data and computer data. <p>The Bank's response: Handled according to the Independent Directors' recommendation.</p>
2023/8/9	CPA	<ol style="list-style-type: none"> 1. Independence. 2. Responsibility for reviewing personnel's financial reports. 3. Review scope and findings. 4. Updates to codes or regulations. 	<p>Recommendations from Independent Directors: None.</p>
2023/11/1	Internal Audit Officer and Audit Personnel	<ol style="list-style-type: none"> 1. Internal audit business execution status and inspection deficiencies. 2. Punishment cases and key points of supervision by the competent authorities. 3. Risk-oriented internal audit system establishment and preparation progress. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. The point deduction mechanism should be adjusted for items with many deficiencies in the inspection to avoid recurrence. 2. The three lines of defense cooperate to reduce deficiencies found in audits. <p>The Bank's response:</p> <ol style="list-style-type: none"> 1. If there are a lot of defects for two consecutive years, the inspection comments should at least include "Please review and improve" depending on the circumstances of the defects to reduce the occurrence of defects.

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			<p>2. The Audit Office regularly compiles letters of audit deficiencies and sends them to the Business Management Department to review whether corrections are necessary in the operation process and strengthen supervision of business unit improvements. The Audit Office observes the increase and decrease trends in deficiencies through deficiencies analysis and reviews improvement measures. Effectiveness, provide timely suggestions, and use the cycle management model to reduce the occurrence of defects.</p>
2023/12/6	CPA	<ol style="list-style-type: none"> 1. Audit matters of high concern. <ol style="list-style-type: none"> (1) Discounting and lending. (2) Loan impairment assessment. (3) Assessment of fair value of financial instruments. (4) Financial asset impairment assessment. 2. Assessment planning and assessment methods. 3. Important regulatory updates. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. Clarify the difference between financial instruments and financial assets. 2. Supplement to the risk assessment. 3. Reasonable explanation of loan impairment assessment and provision for bad debts <p>The Bank's response: Handled according to the Independent Directors' recommendation.</p>
2024/2/19	CPA	<ol style="list-style-type: none"> 1. Check the independence of personnel. 2. Check the report and review opinions. 3. Key inspection items. 4. Important regulatory updates. 	<p>Recommendations from Independent Directors:</p> <ol style="list-style-type: none"> 1. How to deal with recurring audit defects. 2. Please make suggestions regarding the definition and classification of enterprise groups during the review. <p>The Bank's response: Handled according to the Independent Directors' recommendation.</p>