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5.4.4 Information Security Training

Results of information security training for year 2023 are as follows:

Table 5.4 2 Outcomes of the Information Security Training

Item	General staff information Security Training	Designated Personnel Information Security Training	Board Member Training
Training Participants	The entire staff	Personnel responsible for information security.	Members of the Board of Directors
Training Objectives	Continuously strengthening and enhancing cybersecurity awareness.	Continuously strengthening and enhancing cybersecurity expertise and knowledge.	Continuously strengthening the cybersecurity supervisory function of the management level.
Training Frequency	Conducted annually	Conducted annually	Conducted annually
Training Channels	Online Learning Platform of Cathay FHC.	Online Learning Platform of Cathay FHC and Participation in External Training.	Online Learning Platform of Cathay FHC and Participation in Physical or Online Seminars.
Number of Trainees (people)	Approximately 10,500	24	13
Completion Rate	100%	100%	100%
Training Hours	36,750 Hours	1,320 Hours	13 Hours

5.5 Compliance

The Bank has established a Compliance Department to establish and execute mechanisms for disseminating legal updates, providing training, maintaining contact with legal compliance operations domestically and internationally, and promptly notifying the Board of Directors of any changes, ensuring that all operations comply with legal regulations. The manager of Compliance Department regularly reports to the President on the implementation of the Bank's legal compliance system and reviews the content. Additionally, at least every half year, reports on the execution of legal compliance operations and the implementation of the Treating Customers Fairly Principle are submitted to the Board of Directors and the Audit Committee. In the event of significant violations of laws or a downgrade by financial regulators, the Directors should be promptly notified, and matters of legal compliance should be reported to the Board and the Audit Committee to effectively supervise and promote the implementation of legal compliance operations throughout the Bank. In order to comply with regulatory supervision and the recommendations of financial inspections, the Compliance Department continues to plan optimization measures and responses for various legal compliance operations. The Compliance Department also provides opinions on new products, services, or business lines that whether it complies with regulatory requirements of regulatory authorities and internal policies. Through existing channels such as business contact meetings, training, supervisory management, and improvement review, the Bank will continue to supervise the implementation effectiveness of legal compliance affairs in domestic units and overseas branches. The Department will also thoroughly review and improve based on the opinions of regulatory authorities, the Cathay FHC, and the Bank's Internal Audit Department, aiming to achieve the goal of full compliance with laws and regulations. The Bank will introduce financial technology to optimize operational processes and establish a compliance system to centrally manage the execution of various legal compliance operations. Additionally, utilizing artificial intelligence (AI) technology to develop tools for analyzing the correlation between internal and external regulations.

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 <p>Management Policies and Commitments</p>	<p>"Legal compliance" is an integral part of our corporate culture and a cornerstone of our business activities. The development of our business should inevitably adhere to legal requirements and should not conflict with them. Sacrificing legal requirements for short-term gains is not an option.</p> <p>"Legal compliance" is a shared responsibility among all levels of management and every employee in the Bank. Senior management should lead by example, and all levels of management and employees must understand that legal compliance is not solely the responsibility of senior management but also an everyday duty for every employee and department. Each employee should be aware that complying with relevant laws and regulations is a fundamental part of their job responsibilities. By embracing and practicing the concept of legal compliance across the organization, we can operate within a framework of sound risk management policies, ultimately leading to greater returns and creating more value for our stakeholders.</p> <p>To establish a robust legal compliance system within the Bank and strengthen employees' understanding of the rule of law, we are enhancing the dissemination and education of financial laws and ethical norms. This initiative aims to ensure that our daily management and business activities consistently adhere to relevant legal requirements, thereby promoting the sound operation of the Bank.</p> <p>In accordance with our organizational structure and risk management policies, the Board of Directors has approved the formulation of the "Implementation Guidelines for Legal Compliance System" for the Bank. These guidelines are designed to implement legal compliance practices and continuously enhance employees' awareness of financial laws and regulations. We will optimize our legal compliance control mechanisms, both domestically and internationally, to ensure that the Bank strictly adheres to relevant legal requirements in daily management and business activities.</p> <p>We will maintain open communication, coordination, and collaboration with legal compliance supervisors and colleagues in various departments, adapting promptly to changes in the domestic and international economic environment and relevant financial regulation amendments. Furthermore, we will continuously strengthen the legal compliance awareness of all employees and effectively supervise the implementation of relevant internal regulations in each department. This ensures that the Bank consistently complies with relevant legal requirements in daily management and business activities, thereby promoting the sustainable operation of the Bank. Together, we are committed to realizing the vision of "everyone is responsible for legal compliance, and compliance and accountability leads to shared benefits."</p>		
 <p>Corresponding to SDGs</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	 <p>Specific Performance</p> <ul style="list-style-type: none"> • Conducted legal compliance awareness courses, 18 units in total. • Conducted online induction courses on compliance regulations for new employees. • Monthly conducted 15-hour annual in-service training for compliance personnel. • Conducted "Integrity as the Foundation for Protecting Customers" course, 2 units in total. • Organized mandatory courses on the reporting system for the entire bank in 2023. • Held domestic and international regulatory compliance supervisor contact meetings in 2023, 10 sessions in total. 	 <p>Optimization Measures</p> <ul style="list-style-type: none"> • Continuously track the progress of operations and management regulation updates across various units on the "Group Compliance System" to ensure that the Bank's operational activities comply with legal requirements. • Plan to procure the latest legal delivery services from information service providers, with daily distribution of updates on financial regulations or other legal changes highly relevant to the Bank's operations. • Implement checks on the suitability of compliance managers and personnel at overseas subsidiaries and confirm whether local compliance resources are adequate to ensure that the subsidiaries comply with local laws.
 <p>Management Assessment Mechanisms</p>	<ul style="list-style-type: none"> • Each unit shall conduct self-assessment of relevant legal compliance matters semi-annually based on the latest revised "Self-Assessment Checklist for Legal Compliance." At the same time, the Legal Compliance Department shall assess the effectiveness of legal compliance operations in each unit (excluding the Audit Office). The annual legal compliance assessment results, approved by the President, will serve as a reference for evaluating management and department heads. • Quarterly meetings with legal compliance officer are held to ensure that the entire organization adheres to internal and external regulations in its daily operations. • Supervise overseas subsidiaries to collect and report local legal changes and regulatory focal points monthly, assessing their impact on business operations to enable headquarters to identify legal compliance requirements and local regulatory demands for overseas subsidiaries. 		