

# **Bank SinoPac**

## **Statement on Internal Control for AML/CFT**

On behalf of Bank SinoPac, we hereby declare that for the fiscal year of 2023, the Bank has duly complied with relevant regulations governing anti-money laundering and countering the financing of terrorism in establishing an internal control system, implementing risk management, and was audited by an independent internal unit, and reported periodically to the Audit Committee and the Board of Directors. After prudent evaluation, except for items listed in the Appendix, the internal controls for anti-money laundering and countering the financing of terrorism have been effectively implemented by all units during the year.

Statement by

Chairman : Tsao, Wei-Thyr

President : Ming Fu Chuang

Chief Auditor : Jih Tien Chen

Chief AML/CFT Compliance Officer : Shan Shan Tsai

Date : March 6, 2024

## Findings and Improvement Plans for AML/CFT Internal Control System

(As of December 31, 2023)

Findings	Improvement Plans	Target Date
<p>(I) In response to the correspondence received from the law enforcement agencies concerning potential fraud cases or transaction alerts generated by the AML transaction monitoring system, there appears to be insufficient gathering of customer background information and understanding of sources and destinations of funds. There is also a lack of analysis on linkage between related parties and reasonableness of transactions to complete a comprehensive evaluation of potential money laundering activities and the subsequent reporting of such activities as required by regulations.</p>	<p>To enhance the transaction monitoring and suspicious activities reporting mechanism, The Bank has implemented a third-party review mechanism for unreported cases and modified the operational procedures for the ongoing reporting of these transactions. These modifications were put into effect in February and March of 2023. The updated operation manual was released in March 2023. A specialized training program for the staff of AML Center was conducted on June 15, 2023. The training was designed to improve their ability to analyze transactions, make judgments, as well as to establish procedures for maintaining comprehensive investigation records.</p>	Completed
<p>(II) Three branches were found missing to file CTRs to the Investigation Bureau, Ministry of Justice as required by regulations.</p>	<p>CTRs filing of the said transactions were completed in July 2023. 2 training sessions to reiterate the correct procedures in handling CTR were conducted in September and October 2023 respectively.</p>	Completed