

2020

Annual Report Of Chunghwa Post



Pursue Excellence,
Trusted Forever



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I

Chairperson's Remarks

In retrospect, as the pandemic COVID-19 raged globally in 2020, the economy of various countries has been wrecked severely. The pandemic not only tests the resilience and responsiveness of all walks of life but also offers an opportunity for Chunghwa Post to demonstrate its brand value of integrity as a century-old enterprise.

Closely related to everyday life, Chunghwa Post as a postal company has provided mails, savings and remittances, and life insurance services to citizens. During this time of adversity and with concerted efforts of all colleagues, Chunghwa Post has created an annual revenue worth NT\$299.2 billion. Moreover, it has acted in concert with the government, following various policies for epidemic prevention, economic relief, and stimulus in full gear. For epidemic prevention, Chunghwa Post has mobilized more than 38,000 participants from staff members to deliver more than 3.09 billion face masks along with 3.85 million bottles of rubbing alcohol. After the government implemented the measures for economic relief and stimulus, Chunghwa Post has transported and distributed more than 22 million pieces of triple stimulus vouchers with the amount of redemption exceeding NT\$4.2 billion. All above has demonstrated the resilience of postal employees and their powers of reassuring people and stabilizing society.

During the pandemic emerge many new business models and technological innovations. In response to the diverse needs of customers, Chunghwa Post has actively invested in digital transformation, developing the intelligent network of logistics and warehousing, revitalizing assets, forming cross-industry alliances, and expanding the financial technology ecosystem, hoping to keep up with the times and stay competitive. Chunghwa Post is also devoted to promoting ESG (Environmental, Social, and Corporate Governance) and has published its first corporate social responsibility report in 2020. Participating in the selection of TCSA (Taiwan Corporate Sustainability Awards), Chunghwa Post has won three awards. One is the Corporate Sustainability Report Platinum Award in the finance and insurance sector. The other two are Best Project Awards, including the Innovative Growth Award and the Social Inclusion Award. Environmentally, Chunghwa Post has procured green vehicles, established solar photovoltaics, promoted energy-saving and carbon reduction measures under Occupational Safety and Health Management System and Energy Management System, and introduced the framework of TCFD (Task Force on Climate-Related Financial Disclosure). In addition, Chunghwa Post applies the international standard ISO14064-1 to monitor the emission of greenhouse gases. Socially speaking, Chunghwa Post has been actively involved in welfare services and community events, providing care to the elderly living alone, and organizing sports events for senior citizens. Furthermore, assisting local



Chairperson

Wu, Hong-Mo



young and small farmers to market their agricultural produce using postal channels to boost revitalization and tourism locally. In light of corporate governance, in addition to quality, efficiency, legal compliance, and revenue surplus, Chunghwa Post has striven to create a happy enterprise by enhancing human resource management, assisting employees with career development, optimizing salary scales, and offering more incentives.

In prospect, with the emergence of vaccines and the pandemic under control, the global economy is expected to recover gradually, and the global supply chain will continue to be reorganized and integrated. Facing changes in the business environment, Chunghwa Post has to constantly innovate to keep up with trends and arrange for sustainable development. In addition to focusing on safety, quality, and efficiency, Chunghwa Post will need to apply new digital technology to accelerate transformations of the postal company. Through several changes in the scope of strategies, human resources, operating procedures, and products and services, Chunghwa Post will continue to create more heartfelt, convenient, and diverse customer experiences and stay competitive. Moreover, it is urgent to establish a big data platform for services. Through data analysis, we can know better the needs of our customers, improve the quality of decision-making, optimize operating procedures, and achieve sustainable development by increasing the day-to-day involvement of the postal company through integrated marketing.

Effective management of human resources is the key to the development of an enterprise. Only a people-oriented enterprise can achieve sustainable development. Thus, creating a friendly workplace, fostering versatile talent, and emphasizing employees' learning and career development are the goals Chunghwa Post has pursued persistently since great employees are the cornerstone for the Company to stay competitive. At this critical moment when the Company is transforming, I'd like to encourage all my fellow colleagues to bravely take on challenges, stay united, and join hands to create a better future for Chunghwa Post.



II Business Report

- 8 I. 2020 Operation Results
- 9 II. 2021 Outline of Operation Plan



President

Chiang, Jui-Tang

In 2020, held back by the pandemic COVID-19, the global economy has slowed its momentum for growth considerably¹. Domestically, the economic growth rate in 2020 was 3.11%². The monitoring indicator turned to be yellow-red light (signifying transitional) in December along with the leading indicator and coincident indicator continuing to show a growing trend, suggesting that the domestic economy is gradually improving. Looking forward to 2021, as the pandemic is becoming more or less lenient, the global economy may be expected to pick up and grow, as the demand for distance economy continues to grow. Moreover, given that technology applications, in automotive electronics, for instance, are emerging, stimulating export growth, and that domestic consumption is rising³, the economic growth rate in 2021, estimated by the Directorate-General of Budgeting, Accounting, and Statistics (under Executive Yuan), is predicted to be 4.64%⁴.

With a business model that comprises services of mails, savings and remittances, and life insurance, Chunghwa Post is the most trusted state-owned enterprise that provides comprehensive, quality, and local services to citizens around the country to meet their basic needs.

In the face of a severe and ever-changing environment, Chunghwa Post has encountered many challenges regarding national missions and its operation. Thanks to the constant effort of all colleagues, Chunghwa Post again attains its operational goals in 2020. The operating results in 2020 and a summary of operational goals for 2021 are presented as follows:

[1] Based on the analysis of domestic and foreign economic situations done by the Committee of Research and Development, Ministry of Economic Affairs on December 31, 2020.

[2] Based on the statistics of national income and related press releases about the domestic economic prospect from the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan on February 20, 2021

[3] Based on the press release on January 27, 2021, from the National Development Council about the economy status in December 2020.

[4] Based on the same source as Note 2.

II

Business Report

I. 2020 Operation Results

(I) Major Operation Items: Estimation and Execution

Operation Item	Unit	Result This Year	Estimation	Result Previous Year	Estimation Accomplished (%)	Increase over Previous Year (%)
Mail Operations	1000 pcs	1,955,522	1,945,166	2,061,379	100.53%	-5.14%
Philately	NT\$1000	625,663	610,956	550,991	102.41%	13.55%
Savings (Average daily balance)	NT\$100 million	63,850.36	65,971.00	62,741.72	96.79%	1.77%
Domestic Remittances (Amount of Request)	NT\$100 million	16,360.07	16,361.00	16,411.87	99.99%	-0.32%
Simple Life Insurance (Premium income)	NT\$100 million	1,185.02	1,310.00	1,277.94	90.46%	-7.27%
Agential Services (Amount of Request)	NT\$100 million	201.52	47.10	61.68	427.86%	226.72%

Notes: 1. Compared with last year, there is a decrease in the number of mail pieces processed primarily because the government and larger clients are going paperless and because international mailing is affected by the pandemic, which leads air carriers to suspend some of their flights, in turn making all commercial airmails not deliverable temporarily.

2. Compared with last year, there is a decrease in the number of remittances processed primarily because over-the-counter remittance or interbank transfer service, for one, is replaced by electronic services such as automated facilities, mobile payment and transfer, etc. and, for another, is impacted by the pandemic in terms of its trading amount.

3. Compared with last year, the premium income of Simple Life Insurance decreases because the Financial Supervisory Commission has set an insurance threshold since July 1, 2020; terminating six types of insurance products, in turn reducing the premium income of new policies, and because many deposit insurance policies continue to mature this year and the amount of renewal premium declines.

4. Compared with the same period last year, the total amount of agential services increases by 226.72% primarily because of the new business operation, redeeming and distributing triple stimulus vouchers.

(II) Capital Utilization

Postal capital utilization is institutionalized in accordance with Article 18 of the Postal Remittances and Savings Act and Article 27 of Postal Simple Life Insurance Act. Below is the tabular presentation of the postal capital utilization as of the end of December 2020:

2020 Postal Capital Utilization

Unit: NT\$100 million

Item	As of the end of December of 2020	Percentage in Postal Capital (%)	As of the end of December of 2019	Increase/Decrease (%)
Demand deposits (including reserves against deposits in the Central Bank of the R.O.C. and the revolving funds in all branch offices.)	2,769	3.83%	2,681	3.28%
Time deposits (including time savings deposits)	20,585	28.45%	20,361	1.10%
Interbank Call Loans and Short Term Notes and Bills	17,767	24.54%	16,649	6.72%
Bonds (including government bonds, corporate bonds, and financial bonds)	19,818	27.39%	19,474	1.77%
Overseas Investment	9,693	13.40%	9,646	0.49%
Stocks and Mutual Funds (including investment outsourcing)	1,165	1.61%	1,216	-4.19%
Mortgage Loans on Certificates of Deposit, Insurance Policies and Real Estate.	442	0.61%	463	-4.54%
Real Estate Investment	114	0.16%	101	12.87%
Total	72,353	100%	70,591	2.50%

(III) Financial Status and Profitability Analysis

In fiscal year 2020, the total revenue (including operating revenue and non-operating revenue) amounted to NT\$244,667.63 million and the total expenditure (including operating costs, operating expenses and non-operating expenses) totaled NT\$229,607.68 million. Profit before tax was NT\$15,059.95 million, and the income tax payable was NT\$5,923.15 million, and the net profit was NT\$9,136.8 million, with an increase of NT\$200.02 million over the estimated NT\$8,936.78 million. The ROA (return on assets), ROE (return on equity) after tax, and net profit margin for the year were 0.12%, 4.49%, and 3.74% respectively.



(IV) Research and Development

The relevant business units of our company conducted analyses of financial situations and investigations on industrial dynamics and trends, both at home and abroad, on a regular and irregular basis, and compiled referential business reports for the benefit of operation. What follows is a list of major research developments in 2020 that deserves our mention:

1. Three hundred and fifty-seven (357) reports done regularly on the analyses of domestic and international financial situations.

- (1) Analytical reports on domestic and international macroeconomics (monthly)
- (2) Analytical reports on domestic fixed income market (weekly)
- (3) Analytical reports on domestic stock market (weekly)
- (4) Analytical reports on international investments (weekly and monthly)

2. One (1) sponsored research project by experts and academic institutions: Project of Risk Management Consulting Services for Chunghwa Post VISA Card

II. 2021 Outline of Operation Plan

(I) Strategy

By integrating Chunghwa Post's logistics, cash, and information flows, we aim to offer comprehensive and quality services of mails, savings and remittances, and insurance. By actively promoting digital transformations, we are pursuing the business objectives of smart logistics and digital finance. By enhancing the utilization of postal capital and revitalizing asset management to boost operational efficiency. By continuing to provide welfare services, we fulfill our corporate social responsibility.

(II) Policy

1. Related to Implementing Government Policies

- (1) To be in line with economic policies, supporting the government's major public construction projects and the investment plans of the private sectors.
- (2) To be in line with financial policies, popularizing mobile payment, increasing the ratio of electronic payment, developing diverse financial services that meet people's needs, and promoting inclusive finance.
- (3) To be in line with cross-strait policies, enhancing the interaction and cooperation so as to offer convenient services to people.
- (4) To be in line with the asset policies, enhancing asset management and utilization to enlarge operational capacity.
- (5) To be in line with national policies, promoting the exchange and cooperation with the postal businesses in various countries.

2. Related to Management

- (1) Vie for relaxing regulations, re-integrate resources of postal service, and diversify products so as to offer comprehensive and quality mails, savings and remittances, and insurance services.
- (2) Develop service of smart logistics to broaden the scope of postal service, create demand for EMS, parcel and package delivery, and gain greater advantage to Chunghwa Post's operation.
- (3) Promote the transition into financial technology and provide an O2O service in response to the digitalization of financial services.



Business Report

- (4) Allocate assets properly, enhance the effectiveness of capital utilization, activate asset utilization, and promote the effectiveness of such developments.
- (5) Make good use of our information technology, enhance information security, improve the operating procedures, and strengthen the overall effectiveness of our service.
- (6) Enhance management of human resources and actively nurture talent to improve competitiveness.
- (7) Enhance corporate governance, optimize the financial structure, and improve the risk management.
- (8) Gradually replace the current vehicles with electric ones to be in line with the government's green policies.
- (9) Actively advocate for various charitable activities, continue organizing events for the elderly, take social responsibility, and create a positive corporate image.

3. Related to Coordinating Supply and Demand

- (1) To enhance service quality and work effectiveness, relocating and renovating branch offices, improving facilities, and creating a bright, comfortable and friendly postal environment for clients.
- (2) To enhance operational efficiency, expanding information appliances and upgrading operating systems to meet clients' diverse needs.
- (3) To promote postal transformations and to develop smart logistics, constructing a postal logistics park, offering supporting services for related businesses, and strengthening our corporate competitiveness.
- (4) In response to the trend of Internet economy, constructing a public platform and network of comprehensive cross-border logistics, internally accelerating the transformation of traditional mail services and externally facilitating the expansion of local enterprises into global market.

(III) Operation Goals

- 1. **Mail:** Estimated to handle 1 billion 871.92 million pieces.
- 2. **Philately:** Estimated to have a revenue of NT\$548.77 million.
- 3. **Savings:** Estimated to have an average daily balance of NT\$6,603.4 billion year-round.
- 4. **Remittances:** Estimated to process a total amount of NT\$1,403.9 billion year-round.
- 5. **Simple Life Insurance:** Estimated to have a premium income amounting to NT\$128 billion in total year-round.
- 6. **Agential Services:** Estimated to process a total amount of NT\$5 billion 439 million year-round.

(IV) Surplus Goal

It is estimated to generate a profit before tax of NT\$11 billion 279.75 million.



III Company Profile

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Company Profile

I. History

In 1888, Liu Minchuan, the first Qing Governor of Taiwan Province, issued 16 Articles of Taiwan Postal Service on February 21, created a new postal service, and established the Taiwan General Post Office (GPO) in Taipeh Prefecture on March 22. The GPO provided stamps and mail delivery service; however, this innovative postal service was not available in the mainland area. After the first Sino-Japanese War, the Japanese colonial government established the Field Command Post Office in 1895. In the next year, the Field Command postal service was abolished, and the regular postal service was resumed.

In 1895, Sir Robert Hart was the Inspector-General of China's Imperial Maritime Custom Service (IMCS). He drafted modern postal regulations that included 4 items and 44 articles in total and presented them to the emperor through the Zongli Yamen, the Qing equivalent of the Foreign Office, on March 20, 1896. The regulations were soon passed on the same day and the Imperial Chinese Post was established with Sir Robert Hart as supervisor. To commemorate the beginning of modern postal service in our country, March 20 was therefore set as a memorial day by the Ministry of Transportation and Communications in 1947.

The Imperial Chinese Post was initially under the supervision of the IMCS. In 1911, the Ministry of Posts and Communications took over and established the Directorate General of Posts. A year later the Ministry was reorganized as the Ministry of Transportation and Communications and the Imperial Chinese Post was renamed as Chunghwa Post. Later, the General Postal Remittances and Saving Banks was established in 1930 and renamed to the Directorate General of Postal Remittances and Saving Banks after the Postal Act was announced in 1935. Subordinate to the Directorate General of Posts, the Directorate General of Postal Remittances and Saving Banks started providing life insurance services. The year 1936 saw the enforcement of the Postal Act and its supplementary rules, which laid the foundation for the Company.

In 1946 the Administrative Bureau of Posts and Telecommunications was established. Yet in 1949 the bureau was authorized to be divided into two: The Administrative Bureau of Posts and Administrative Bureau of Telecommunications. That same year the Directorate General of Posts and the Directorate General of Postal Remittances and Saving Banks both retreated to Taiwan. The next year (1950) the Directorate General of Posts was instructed by the Ministry of Transportation and Communications to terminate the operation of the Directorate General of Postal Remittances and Saving Banks while the Administrative Bureau of Posts would continue providing postal savings and remittance service under the direct supervision of Directorate General of Posts. However, in 1962 the Directorate General of Postal Remittances and Saving Banks was reinstated to help encourage saving and revitalize the financial sector. In 1980, the Directorate General of Posts reorganized the Administrative Bureau of Posts into three bureaus situated in northern, central, and southern regions of Taiwan to develop business and strengthen management.

In response to fierce competition in the market as well as the need to broaden the scope of services, the amendments to the Postal Act were passed in July 2002. In January of the following year (2003), the Directorate General of Posts of the Ministry of Transportation and Communications was officially reorganized into Chunghwa Post Company Limited with the Ministry of Transportation and Communications as its one and only shareholder. Chunghwa Post Company Limited has evolved from a government agency to a government-owned enterprise, taking over all the assets and debts of the Directorate General of Posts and continuing all the services.

Chunghwa Post Company Limited was once renamed Taiwan Post Company Limited in February of 2007. However, the amendment process of four acts that govern postal services had been pending and therefore the legal name of the Company was changed back to Chunghwa Post Company Limited in accordance with the law. The Company's rights, obligations, and scope of services all remain the same.



The Company has aimed to make postal service ubiquitous and adopted a business model that provides mails, savings and remittances, and life insurance services altogether. Putting the customers first has always been the spirit the Company upholds to fully understand the various needs of its clientele. Since 2003, the Company has continued to develop new businesses and improve the operating procedure. In recent years, the Company has also striven to renovate all postal offices, activate its real estate assets, create a friendly and harmonious working environment, and fulfill its social responsibility by actively participating in public welfare activities.

To date the establishment of Chunghwa Post has been 125 years and spanned 3 centuries. After several organizational reforms, Chunghwa Post is now a big family with more than 26,000 employees and many offices located in different administrative divisions nationwide that provide a wide range of services such as mails, savings and remittances, and life insurance for all citizens. With trust and confidence that citizens have in the Company over the past 12 decades, Chunghwa Post will continue to uphold the values of "honor, responsibility, and commitment," strive for sustainable management, and help create a better society.

II. Vision

To run a postal administration that provides excellent services and is trusted by all citizens

III. Core Values

Putting the customers first and providing services in honesty and efficiency.

IV. System

(I) The management and governance of the Company adopts a two-tier system:

The chairperson of the board and the president of the Company

The chairperson of the board should take full responsibility for the Company's operations. The president of the Company should be one of the board directors and must be nominated and appointed by the board.

(II) The personnel policy of the Company adopts a double-track system for the time being

After the reorganization of postal services, the Act of Establishment stipulates that original personnel policies still apply to current employees. However, new recruits will adhere to new personnel policies and no longer work as civil servant. With a flexible, incentivizing payment and bonus system, the Company is able to promote and reward eligible employees according to the business needs and the market price. All employees will be evaluated based on their actual performance concerning a promotion, new appointment, pay raise, or bonus. This system is hoped to encourage a right working attitude among employees and create a refreshing atmosphere at the Company.

(III) Implementing the Responsibility Center System

Post offices (or Responsibility Center Office) in all tiers under Chunghwa Post are the units of administration and management (supervision) in charge of implementing the policies instructed by the headquarters and they form an independent and comprehensive team to run the business. To faithfully present the operation performance of each Responsibility Center Office, assessment items and criteria for performance will be reviewed on a regular basis in hopes that the grading system can be more diverse and the assessment criteria more reasonable. In addition, performance bonuses will be integrated into the responsibility center system as a stimulus.



IV | Organization

- 15 I. Organizational Structure
- 17 II. Information about Board of Directors and Supervisors, President, Vice Presidents, Department Heads and Managers of Various Branches



I. Organizational Structure

(I) Structure

The Company is under the command of the Ministry of Transportation and Communications and has an organizational structure as follows:

1. The board of directors comprises eleven to fifteen members. In accordance with the law and the Company's Articles of Incorporation, the board has the authority to make decisions for the Company's operations while the Secretariat of Board of Directors is established to take charge of all related administrative affairs.
2. Three supervisors are elected pursuant to the law and the Company's Articles of Incorporation to oversee the financial and business operations.
3. In conformity with the law, the Company's Articles of Incorporation, as well as decisions made by the board of directors, the president is appointed to oversee the Company's operations and supervise all staff and departments. Four vice presidents, two assistant presidents, and one chief secretary are assigned to assist the president. President's Office is set up, and to meet the business needs, multiple sections may further set up.
4. The chief risk officer is responsible for overseeing risk management. The Office of Risk Management is set up with one director. Multiple sections may further set up to meet the business needs.
5. The chief compliance officer is responsible for overseeing the compliance to the law and other legal matters. Multiple sections may further set up to meet the business needs.
6. The governance officer is the top executive responsible for matters related to corporate governance.
7. The auditor general is appointed by the board of directors. The Department of Auditing (right under the command of the board) is responsible for conducting the Company's audits and reporting to the board as well as supervisors on a regular basis.
8. The Strategic Planning Committee has one chairperson, a position that can be held concurrently by the president. The committee also consists of five vice chairpersons (one of whom works on a full-time basis) and several committee members.
9. The Company also sets up the Department of Mail Business and Operations, the Department of Philately, the Department of Savings and Remittances, the Department of Life Insurance, the Department of Property Operations, the Department of Capital Operations, the Department of Human Resources, the Department of Civil Service Ethics, the Department of Accounting, the Department of Information Management, the Department of Occupational Safety and Health, the Department of Public Affairs, Postal Museum, and Office of Electronic Commerce.
10. Nineteen post offices are designated as Responsibility Center Office to serve as administrative and supervisory bodies, each forming an operational team with their subordinating branch offices to meet the business needs.
11. To meet the demand for mail business operations, a mail processing center is established in Taipei to coordinate mail processing operations and mail delivery network through a high-performance automatic system.

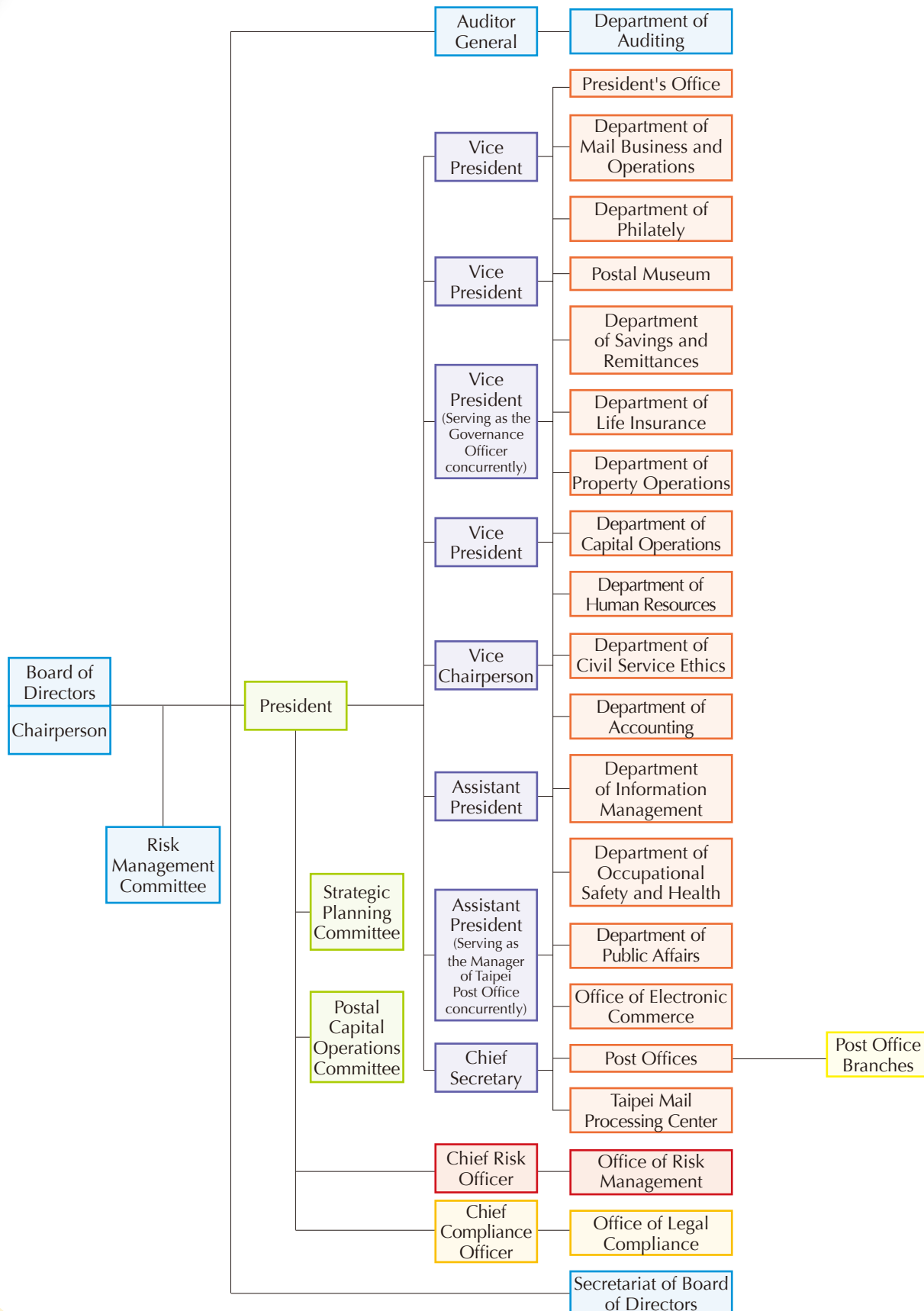


IV

Organization

(II) Organization Chart

Record Date: 2021/01/16





(III) Structural Division and Its Adjustments

The current organizational structure is divided into administrative branch and business branch. The business branch is further sub-divided into self-management branch and agential service branch. As of the end of 2020, the total number of the offices reached 2,180. The administrative branch ran 20 offices, including the head office and 19 post offices. The business branch ran 2,160 offices, out of which 1,301 belonged to self-management sub-branch, including 1 mail processing center and 1,300 post office branches. The other 859 offices fell into the agential service sub-branch, including 514 post agencies and 345 stamp-sales agencies.

Branches of Postal Services

Unit: Office

Types		2019	2020	Growth %
Administrative Branch	Head quarters	1	1	0%
	Post Offices	19	19	0%
	Subtotal	20	20	0%
Business Branch	Mail Processing Center	1	1	0%
	Post Office Branches	1,298	1,300	0.15%
	Temporary Post Offices	0	0	0%
	Subtotal	1,299	1,301	0.15%
	Post Agencies	542	514	-5.17%
Agencies	Stamp-Sales	389	345	-11.31%
	Subtotal	931	859	-7.73%
Total		2,250	2,180	-3.11%

II. Information about Board of Directors and Supervisors, President, Vice Presidents, Department Heads and Managers of Various Branches

(I) Information about Directors and Supervisors

2021/06/30

Title	Name	Education	Major Experience(s)	Date Elected
Director	H. M. Wu	Ph. D in Marine Environment and Engineering, National Sun Yat-sen University	Minister, Ministry of Transportation and Communications, Executive Yuan, R.O.C.; Chairman, Taiwan International Ports Corporation, Ltd.; Minister without Portfolio and Minister of the Public Construction Commission, Executive Yuan, R.O.C.; Deputy Mayor, Kaohsiung City Government.	2019.06.28
Director	J. T. Chiang	Department of Law, National Taiwan University	Vice President and Chief Secretary, CHP; Manager of Taichung, Taoyuan Post Office, and Assistant Manager of Changhua Post Office	2019.05.17
Director	Y. C. Liu	Department of Land Economic, National Chung Hsing University.	Deputy Director; Section Chief, National Property Administration, Ministry of Finance	2018.05.11
Director	F. G. Chan	Institute of Economics, National Chengchi University	Special Commissioner, Deputy Director General, and Director General of Council for Economic Planning and Development, Executive Yuan	2015.05.11
Director	M. R. Chen	Master in Law, Fu Jen Catholic University	Counselor and Concurrent Chief Secretary, Mongolian & Tibetan Affairs Commission; Special Commissioner, Legal Affairs Committee, Executive Yuan	2017.02.14
Director	H. M. Tsai	Department of Economics, National Taiwan University	Research Fellow, Section Chief, Economic Research Division, Central Bank	2018.05.11
Director	Y. T. Chen	Master in Shipping and Transportation Management, National Taiwan Ocean University	Section Chief of Customs Services; Chief Secretary of Customs Administration, Ministry of Finance; Director, Taichung Customs and Taipei Customs, Customs Administration, Ministry of Finance	2020.04.13
Director	M. R. Luo	Master for Eminent Public Administrators, Module for Financial Policies, National Cheng Chi University	Chief Accountant, Food and Drug Administration, Ministry of Health and Welfare; Chief Accountant, Banking Bureau of Financial Supervisory Commission	2018.05.11

IV

Organization

Title	Name	Education	Major Experience(s)	Date Elected
Director	Y. C. Lu	Ph. D in Economics, University of Missouri; Department of Agricultural Economics, National Taiwan University	Executive Director, Global Research & Industry Alliance, Feng Chia University; Director, Economic Development Bureau, Taichung City Government; Research Fellow, Director, Deputy Director, Project Director, Taiwan Institute of Economic Research; President, Taichung Meat Market Co., Ltd.; Director, Taiwan Water Corporation; Director, Taichung BRT Co., Ltd	2019.04.08
Director	Y. Y. Lin	Studied in Graduate Institute of Social Welfare, National Chung Cheng University.	Deputy Mayor, Taichung City Government; Executive Director, Hondao Senior Citizen's Welfare Foundation; Executive Secretary, Old Five Old Foundation.	2019.04.08
Director	C. C. Tao	Ph. D, Technical University of Berlin	Director, Transportation and Logistics Research Center; Chair, Department of Transportation Management, Tamkang University	2018.05.11
Director	Y. H. Chan	National Open University	3rd – 6th Director, CPWU Taichung Division; 2nd Deputy Director, CPWU Taichung Division; 1st Director of Secretariat, CPWU Taichung Division; Section Chief, Welfare Section, CPWU Central Taiwan	2019.04.22
Director	C. W. Wu	Department of Chemical Engineering, 2-Year College affiliated with Nantai University of Science and Technology	4th and 6th Director, CPWU, Kaohsiung Division; 4th and 5th Deputy Director, CPWU	2018.05.11
Director	R. C. Lin	Department of Engineering, Yilan Vocational College	Deputy Secretary- general, CPWU; Specialist, Shilin Delivery Subsection	2018.05.11
Supervisor	Y. R. Chen	Master in Political Science, National Taiwan University	Counselor, Ministry of Transportation and Communications; Counselor, Taipei City Government	2018.04.01
Supervisor	M. Chen	Master in Applied Statistics, Fu Jen Catholic University	Director, Department of Statistics, Ministry of Health and Welfare	2017.02.23
Supervisor	R. W. Liu	PH. D. in International Business, National Taiwan University	Director, Statistics Office, Control Yuan; Special Commissioner, Senior Executive Officer, Section Chief, Directorate-General of Budget, Accounting, and Statistics, Executive Yuan	2018.05.11

Note: Said officers are all nationals of R.O.C.

(II) Information about President, Vice Presidents, Department Heads, and Managers of Various Branches

2021/05/27

Title	Name	Education	Major Experience(s)	Date Elected
President	J. T. Chiang	Department of Law, National Taiwan University	Vice President, Chunghwa Post Co., Ltd. (CHP)	2019.05.17
Vice President	C. Y. Kuo	Master in Law, Soochow University	Assistant President, CHP	2019.09.16
Vice President	Y. K. Pan	Master in Finance, National Taiwan University	Auditor General, CHP	2020.05.21
Vice President, Concurrently the Corporate Governance Officer	L. L. Chien	Master in International Business, Tamkang University	Chief Secretary, CHP	2021.01.08
Assistant President	S. C. Lan	Department of Political Science, National Taiwan University	Chief Secretary, CHP	2018.01.16
Assistant President, (Concurrent Manager of Taipei Post Office)	H. E. Chiu	Department of Public Administration, Dominican University of California	Manager, Kaohsiung Post Office	2021.01.08
Deputy Commissioner, Strategic Planning Committee, CHP	W. C. Tsai	Master in Mechanical Engineering, National Taiwan University	Manager, Taoyuan Post Office	2019.09.24
Auditor General	H. C. Huang	Department of Public Finance, National Chung Hsing University	Manager, Banqiao Post Office	2020.05.21
Chief Secretary	C. H. Chiu	Department of Law, National Chengchi University	Manager, Taichung Post Office	2021.01.08
Director, Department of Mail Business	C. H. Chen	Department of Law, National Taiwan University	Director, Taipei Mail Processing Center	2019.09.24



Title	Name	Education	Major Experience(s)	Date Elected
Director, Department of Philately	Y. T. Chen	Supplementary Open Junior College For Public Administration, National Chengchi University	Deputy Director, Department of Philately, CHP	2018.10.29
Director, Department of Savings and Remittances	C. L. Chen	Master in Business Administration, San Diego State University, USA	Commissioner, CHP	2019.07.16
Director, Department of Life Insurance	Y. H. Chien	Department of Economics, Soochow University	Director, Department of Occupational Safety and Health, CHP	2019.09.23
Director, Department of Property Operations	S. M. Hsieh	Ph. D in Electrical Engineering, National Chung Hsing University	Director of Operations, Department of Property Operations, CHP	2019.08.23
Director, Department of Capital Operations	W. W. Lu	Master in Management Science, National Chiao Tung University	Deputy Director, Department of Capital Operations, CHP	2021.01.16
Director, Department of Human Resources	C. N. Cheng	Master in Public Administration, National Chengchi University	Assistant Manager, Tainan Post Office	2020.07.29
Director, Department of Public Affairs	S. E. Kuo	Department of law, National Chengchi University	Director, Department of Philately, CHP	2018.09.05
Department of Civil Service Ethics	L. L. Chou	Master in Business Administration, National Tsing Hua University	Director, Department of Property Operations, CHP	2019.07.25
Director, Department of Accounting	C. R. Wang	Department of Commerce, Providence University	Director, Postal Museum, CHP	2020.11.24
Director, Department of Information Management	H. Y. Cheng	Department of Business Administration, Fu Jen Catholic University	Deputy Director, Department of Information Management, CHP	2018.09.03
Director, Department of Occupational Safety and Health	M. N. Chang	Executive Master of Business Administration, National Chengchi University	Director, Postal Museum, CHP	2019.09.23
Chief Risk Management Officer, concurrently Director of Risk Management Office	C. A. Liao	Master in Accounting, National Chengchi University	Chief Compliance Officer, CHP	2019.07.16
Chief Compliance Officer	H. H. Yang	Master in Law, University of Auckland, New Zealand	Commissioner, CHP	2019.07.16
Director, Legal and Compliance Office	H. F. Tang	Department of Law, Chinese Culture University	Section Chief, Occupational Safety and Health Section (General Affairs Section) Taipei Post Office	2019.10.01
Section Chief, Electronic Commerce Section, Acting Director, Office of Electronic Commerce	W. H. Liu	Department of Business, National Open University	Section Chief, Electronic Commerce Section, Office of Electronic Commerce CHP	2020.10.16
Director, Postal Museum	M. L. Tseng	Department of Economics, National Taiwan University	Committee Member, Strategic Planning Committee CHP	2020.11.24
Director, Secretariat of the board of directors	J.F. Kang	Executive master of business administration, National Chengchi University	Secretary (class1) to the chairperson's office	2019.07.16
Manager, Banqiao Post Office	S. C. Yang	Department of Business Administration, National Taiwan University	Director, Department of Human Resources, CHP	2020.05.21
Manager, Taoyuan Post Office	M. C. Hsueh	Master in Management, Ming Chuan University	Director, Department of Mail Business and Operations, CHP	2019.09.24
Manager, Taichung Post Office	H. T. Chen	Department of Law, Fu Jen Catholic University	Assistant Manager, Taichung Post Office	2021.05.12
Manager, Tainan Post Office	L. C. Huang	Master in College of Administration, National Chiayi University	Manager, Sanchong Post Office	2019.07.16
Manager, Kaohsiung Post Office	H. L. Wu	Master in Business Administration, Dayeh University	Manager, Chiayi Post Office	2020.01.15
Manager, Keelung Post Office	C. F. Tsai	Executive Master of Business Administration, National Chengchi University	Commissioner, CHP	2020.07.16
Manager, Sanchong Post Office	W. R. Wang	Department of Law, National Taiwan University	Assistant Manager, Taichung Post Office	2019.07.16
Manager, Hsinchu Post Office	C. Y. Tseng	Department of Administration, Junior College of National Open University	Manager, Miaoli Post Office	2020.01.16
Manager, Changhua Post Office	R. H. Li	Department of Electrical Engineering, Provincial Kaohsiung Institute of Technology	Assistant Manager, Kaohsiung Post Office	2021.01.16

IV

Organization

Title	Name	Education	Major Experience(s)	Date Elected
Manager, Chiayi Post Office	L. H. Peng	Department of International Business, Soochow University	Assistant Manager, Taoyuan Post Office	2020.01.15
Manager, Miaoli Post Office	R. L. Fu	Department of English Language and Literature, Fu Jen Catholic University	Assistant Manager, Hsinchu Post Office	2021.05.12
Manager, Nantou Post Office	Y. C. Wang	Department of Business Administration, Tunghai University	Section Chief, Marketing Section, Department of Life Insurance, CHP	2019.08.05
Manager, Yunlin Post Office	S. C. Wu	Department of Textile Engineering, Oriental Institute of Technology	Section Chief, Occupational Safety and Health Section (General Affairs Section), Taichung Post Office	2020.01.16
Manager, Pingtung Post Office	L. M. Chen	Supplementary Open Junior College For Public Administration, National Chengchi University	Director, Kaohsiung Mail Processing Center, Kaohsiung Post Office	2021.01.18
Manager, Yilan Post Office	Y. T. Yen	Department of Administration, Junior College of National Open University	Section Chief, Operations Section, Department of Mail Business, CHP	2020.08.03
Manager, Hualien Post Office	Y. C. Chen	Department of Public Policy and Management, Shih Hsin University	Section Chief, Mail Business Section, Banqiao Post Office	2020.03.17
Manager, Taitung Post Office	C. H. Hsu	Department of Business Administration, Tamsui Institute of Business Administration	Section Chief, Planning and Marketing Section, Kaohsiung Post Office	2019.07.16
Manager, Penghu Post Office	H. R. Hsu	Master in Management, National Chiayi University	Section Chief, Business Section, Chiayi Post Office	2021.01.18
Director, Taipei Mail Processing Center	H. C. Lin	Department of Tourism Business, Tamsui Institute of Business Administration	Deputy Director, Taipei Mail Processing Center	2019.09.24

Note: Said officers are all nationals of R.O.C.



V

Fulfilling Our Social Responsibility

- 22 I. Promoting Corporate Governance
- 22 II. Maintaining Social Welfare
- 24 III. Developing Sustainable Environment
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- 28 V. Caring for Our Employees
- 29 VI. Reinforcing Information Disclosure and Other
Related Services



Fulfilling Our Social Responsibility

I. Promoting Corporate Governance

- (I) The management philosophy of Chunghwa Post consists of the following three principles: putting our clients on top priority; devoting ourselves to a corporate culture based on reliability, geniality, efficiency and innovation; and striving to improve with the society. We devise our annual business plans in accordance with the government's policies. In addition, we make timely adjustments by taking social changes into consideration. Our business policies and executive performance are periodically reviewed, and we also modify our management strategies and style when necessary.
- (II) We hold departmental management meetings on a regular basis. The Chairperson holds a high-level management meeting once every two weeks. Business reports and department meetings are held on a monthly basis. In order to strengthen the cooperation between senior managers and operative executives, debriefings of business expansions are conducted on a quarterly basis, so as to establish the foundation for decision formulation and implementation.
- (III) We provided postal capital in the amount of NT\$1,612,600 million to support the government's major construction projects, and also to offer project financing for private investments.
- (IV) A total of 79 directors and supervisors attended the corporate management courses offered by the Taiwan Corporate Governance Association, the Taiwan Academy of Banking and Finance, the Securities & Future Institute, the Ministry of Finance, KPMG Taiwan, and Chunghwa Post in 2020.
- (V) In order to enhance our robust operation, a set of internal control procedures are stipulated and should be followed by the board of directors, management personnel and all staff members, so as to ensure the attainment of the following objectives:
 - 1. To boost the efficiency of our company operation and to maintain the security of our assets.
 - 2. To ensure the credibility and integrality of our financial and management information.
 - 3. To abide by related laws and regulations.
- (VI) An employee who puts our corporate ethics into practice can be recommended by the department head to participate in our company's "Outstanding Postal Service Personnel Competition" or the "Exemplary Civil Servant Competition" held by the Ministry of Transportations and Communications.

II. Maintaining Social Welfare

- (I) We have continuously offered disaster relief donations accounts for the Ministry of the Interior with the exemption of administration fees. Additionally, we have devised and continuously



President Tsai Ing-wen inspected the logistics of face masks for epidemic prevention



Premier Su Tseng-chang inspected face mask operation and awarded a bonus



Care for the Elderly Living Alone



Supporting for Agricultural Produce Marketing

practiced the "Guidelines for Promoting Social Welfare via Postage Discounts" to aid disadvantaged groups. The discounted postage reached NT\$ 6.1 million in total in 2020.

- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 1,137 scam cases in 2020, thereby securing approximately NT\$170.96 million from scammers.
- (III) We have continuously set up barrier-free ATMs at appropriate sites to provide physically challenged customers with easy access to ATMs. By the end of December 2020, 2,102 barrier-free ATMs in total have been installed at 1,315 sites. Moreover, 97 ATMs with voice features suitable for visually impaired customers have been set up by the end of December 2020.
- (IV) In order to be in line with the government's public welfare policies, we have continued to provide discounts for physically and mentally challenged customers. Physically and mentally challenged depositors can enjoy inter-bank ATM transactions free of processing fees 3 times per month after filing applications to our company. The number of the applicants totaled 4,486 by the end of December 2020.
- (V) In order to be in line with the government's policies to support economically disadvantaged families, we have helped to process the payment and saving collections of the "Saving Accounts for the Future Education and Development of Children and Teenagers". Through the cooperation between public and private sectors in promoting the saving mechanism, the government and families can together help accumulate future education and career development funding for the saving accounts of children and teenagers. The number of saving collections processed in 2020 totaled 68,365 with a total saving of over NT\$78.01 million.
- (VI) We have continued to run the "Post Office Cares for Solitary Elderly Citizens Campaign" and encouraged our postmen to send greetings to solitary elderly citizens and watch out for their daily needs while delivering mails. Our postmen reached out to 84,308 elders in total in 2020.
- (VII) In response to the severe COVID-19 pandemic, we participated in the real-name mask distribution project as demanded by the government. From February 4, 2020, we collected masks from factories requisitioned by the government across Taiwan, and through our seamless postal system, collected and distributed masks to the NHI contract pharmacies, health centers, institutions, industries, ministries, and the 8 major convenient stores and supermarkets. In 2020, the number of masks collected was approximately 2.731 billion, and the number of masks distributed was approximately 2.523 billion.
- (VIII) We organized a series of nationwide blood donation campaigns called "Donate Hot Blood to Send Warm Love" from March 1 to March 31 in 2020, collecting 36,377 bags of blood in total, each containing 250cc.



Fulfilling Our Social Responsibility

- (IX) We offered "Scholarship for Postal Life Insurance Clients' Children" in 2020. The scholarship totaling NT\$4,995,000 was awarded to 2,998 recipients.
- (X) We held a series of elderly fitness activities called "Chunghwa Post Senior Citizens Outing Trips," in 2020 and the number of participants reached 2,322.
- (XI) In order to promote high-quality agricultural products, support local small farmers in Taiwan, integrate postal virtual, physical marketing systems and home delivery services, we have implemented the agricultural marketing plan to benefit small farmers, who, in return, donate NT\$10 for each carton of produce they sell, and we have created a multiple-win situation among farmers, consumers and disadvantaged groups. In 2020, a total of 24 caring agricultural marketing activities were held. The donation amount totaled about NT\$730,000, and the donations include 24 charity organizations: Watch Tower Bible and Tract Society Branch Office in Taiwan, Yi-xin Children's Home, St. Theresa Opportunity Center (Tainan), the Republic of China Global Long-term Care Association, Disability Employment Assistance Association (Kaohsiung City), Qishan Early Intervention Center (Kaohsiung City), Taitung Shenxiu Nursing Center, Pingtung County Nei-Shih Elementary School, Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District (Kaohsiung City), Public Emergency Relief Account in Guanmiao District (Tainan City), National Chiatung Agricultural Vocational Senior High School, Erhlin Happy Christian Homes, Daniel A. Poling Memorial Babies' Home (Taichung City), Tongle Primary School (Yilan County), National Yilan Special School, Lelin Food Bank (Changhua County), Guanyin Kindgarden (Taoyuan City), Huashan Social Welfare Foundation Fuli Love Angel Station, Nursing Home of Taitung Hospital, Genesis Social Welfare Foundation Caotun Branch, Tainan Branch, Hualien Branch, Douliu Branch, and Pingtung Branch.

III. Developing Sustainable Environment

- (I) We established the Taiwan Occupational Safety and Health Management System (CNS 45001).
- (II) We provide our employees with a safe and healthy work environment. All of the offices are equipped with central air conditioning systems and sufficient lighting, comfortable workspaces, evacuation routes and emergency exits. Elevators are checked and maintained regularly. Fire protection facilities are installed all over the buildings, and fire drills are practiced periodically. Access control systems are implemented to ensure staff security.
- (III) When our buildings undergo construction projects, contractors will be given the "Guidelines for the Work Environment and Hazardous Factors of Contract Projects" and will be advised to follow the guidelines, in order to improve the safety of our work environment and reduce the occurrence of occupational accidents. In addition, we organize "Educational Trainings of General Laborers' Safety and Health" to raise our employees' awareness of safety and health.



Donate Your Blood – Post Your Heart



Hiking Fun for Senior Citizens

- (IV) Cleaning, waxing, disinfection and disease prevention are periodically performed in our offices. We add an extra tinge of beauty to our work environment by constantly cleaning up wastes and tending potted plants. Several staff members are designated to patrol the offices and keep a close check on the environment.
- (V) Specialist staff members are assigned to be in charge of the cleaning, disinfection and disease prevention tasks of our workplaces. In addition, all of our employees attended the four-hour long Work Environment Education and Training Session in 2020.
- (VI) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 99.48% in 2020, surpassing the annual goal of 95%.
- (VII) We have digitalized our business process by establishing the "Public Key Infrastructure," and have practiced paper-free policies by promoting online signatures of official documents.
- (VIII) We regard neatness as a core value of our corporate culture. By regularly holding cleaning contests and environment assessments, we create comfortable workspaces and postal environments, improve our service quality, and cultivate a positive corporate culture and image that emphasize cleanness.
- (IX) We make the first day of every month our car-free day to protect our planet by saving energy and reducing carbon emissions.
- (X) We promote green architecture by installing solar power generation systems on the rooftops of several post offices to save energy and reduce carbon emissions. Also, dual-flush toilets have been installed in the restrooms, the faucets have been replaced with water-saving ones, and water leaks have been reported.
- (XI) We have launched the introduction plan of electric vehicles to gradually reduce carbon emissions, aiming to achieve green logistics with low noise and zero carbon emissions.
- (XII) We have been replacing fluorescent lamps with LED lamps year by year, and the replacement has been completed within the specified time period. In order to accelerate the replacement of old lamps and air conditioners, the device replacement schedule of affiliated units is released periodically on the "Action Program for Energy Saving in Government Agencies and Schools" website.
- (XIII) The total electricity consumption in 2020 was 110,279,800 kWh. Compared to the 121,607,112 kWh in 2015 (the base year), we saved 8,873,874 kWh of electricity, with a power saving rate up to 7.29%.



Issuing ceremony for the Covid-19 Prevention Postage Stamps

Fulfilling Our Social Responsibility



Award presentation ceremony for the 2020 Postal Simple Life Insurance Service Awards



Philatelic product launch featuring Hello Kitty

- (XIV) We have compiled a corporate social responsibility report. We have been conducting greenhouse gas inventories since 2019 and have been promoting various energy-saving measures according to the "Energy Conservation Action Plan for the "Ministry of Transportation and Communications and its Affiliated Agencies" formulated by the Ministry of Transportation and Communications.
- (XV) We have complied with energy management regulations to create an energy-saving and safe environment; we have expanded the purchase of energy-saving products to improve energy efficiency; we have strengthened energy management communication and optimized energy management systems; we have supported energy-saving innovative designs and continuously improved energy performance. In 2019 and 2020, the Chunghwa Post Jinshan Building and Taipei Juguang Post Office passed the ISO 50001:2018 energy management system certification.

IV. Protecting Our Clients' Rights and Interests

- (I) Dormant postal passbook saving accounts have automatically restarted interest accruals since 20 March 2014. As for joint passbook saving accounts, in addition to applying for account termination or transfer at post offices nationwide, depositors can also report the loss of passbooks or seals and close the accounts after making new replacements at post offices nationwide free of charges. However, for depositors without joint passbook saving accounts, such settlements should be made at the post office where the account is opened.
- (II) When a beneficiary applies for death benefits, our computer system will jointly search for all the tracking numbers of valid contract policies that the insured has yet claimed settlements, thus enabling related units to notify the relevant beneficiary upon death or accident of the insured to initiate the procedures of claim settlements as soon as possible.
- (III) Units in charge of life insurance claims conduct cross comparisons between the data of the deceased insured provided by the Life Insurance Association with the data of our insured clients on a daily basis. If the insured is found deceased and has yet filed for claims, the bureaus in charge of processing the life insurance contract will be notified to contact the contract beneficiary to apply for relevant claims and payments.



- (IV) We have established a "Database of Unclaimed Benefits." When an insured client visits our post office counters to make relevant life insurance transactions or consult with our staff at our Customer Service Center, our staff member will notify the client to claim relevant benefits as soon as possible if data of unclaimed benefits is retrieved. As for the unclaimed benefits of the insurance contracts that have filed changes in addresses, we will resend notices of benefits claim according to the new addresses every six months.
- (V) We have set up different levels of postal service establishments all over Taiwan. As of the end of 2020, a total of 2,160 establishments have been founded, including 1,301 self-run post office branches, 514 postal agencies and 345 licensed stamp distributors.
- (VI) By offering quick, dependable and efficient services and establishing sufficient postal facilities, we have expanded the "Non-Commercial Postal Service Areas" to offshore islands and other rural areas. Regardless of regional differences, the postage fees are fixed at reasonable rates. Approximately 234 post office branches have been established in the non-commercial postal service areas nationwide.
- (VII) We offer mailings, savings and remittances, and life insurance services to help improve people's livelihood, maintain social stability and meet national policy requirements. Chunghwa Post aims to safeguard the confidentiality, authenticity and availability of important personal and trading information in our information security control system, and the system has been reinforced to ensure the safety of private information, operating system, hardware equipment and Internet network. By adopting innovative information security techniques and practicing tight information protection procedures, we create a reliable trading environment and provide high-end services for our clients
- (VIII) We respect every client's right to privacy. Any act with regards to collecting, processing, utilizing and protecting our clients' personal information should be governed and regulated by the Personal Information Protection Law of the R.O.C. and our company's policies concerning the protection of personal information. Necessary actions will be taken when needed as per the two sets of regulations.
- (IX) We plan to establish a dual-mainframe Parallel Sysplex environment to reduce planned and unplanned outages and their duration with parallel processing so as to achieve our goal of zero interrupts of information services and increase our user satisfaction; we completed the establishment and implementation of single-mainframe Parallel Sysplex in February 2020. In order to enable the system to provide high availability and more stable operation, we continued to establish a dual-mainframe Parallel Sysplex environment, ensuring that when a



Mr. Wu Hong-mo, chairperson of Chunghwa Post, provided care to children in remote areas in Taitung



Staff made an all-out effort to play tug of war during the sports day



Fulfilling Our Social Responsibility

single point of failure occurs, the normal service can still be provided continuously and that the risk of service interruption can be greatly reduced; the establishment is expected to be completed in December 2021.

- (X) In order to comply with the information security requirements of the competent authority and ensure the security of ATM transactions, the Company implemented a mechanism of access control for USB for the Company's ATMs on January 1, 2020. With the mechanism, unauthorized USB access to ATMs is prohibited. Besides, on December 10, ATM application whitelisting and anti-virus software scanning were activated to ensure that the programs executed by the ATMs are authorized and do not contain any known malicious code.
- (XI) In order to prevent the vulnerable TLS 1.0/1.1 encryption from being cracked by hackers, our external service system completely disabled the TLS 1.0/1.1 encryption protocol in October 2020, and replaced it with the more secure TLS 1.2 encryption protocol to maintain the security of online transactions for our customers.

V. Caring for Our Employees

- (I) In compliance with related labor laws, to protect the legitimate rights and interests of our employees and regulations, we have devised appropriate management methods and procedures:
 - 1. The legitimate rights and interests of our employees are stipulated in laws and regulations. Our code of conduct and human resource service regulations are devised in accordance with administrative laws such as the Labor Standards Act. Additionally, our employees are enrolled in civil servant insurance, labor insurance, national health insurance, and retirement pension plans.
 - 2. To enhance our employees' physical and mental health, ensure their quality of life, and enable them to realize their full potential at work without worries, we provide regular health checks and psychological counseling sessions for our staff.
- (II) To enhance the expertise of our employees so as to improve the overall competence of our company, we hold educational trainings of various business operations as per each year's annual training plan. Moreover, a great variety of online self-study courses are offered on our e-University website. Also, we organize lectures and keynote speeches delivered by distinguished celebrities.
- (III) We boast a well-rounded remuneration system and a fair promotion structure. We foster talents with concrete step-by-step measures. Specifically speaking, we organize educational training programs for managerial staff of low, middle and high ranks, and job rotations are practiced periodically. In so doing, we recruit and retain great talents to make contributions for our company.
- (IV) We hold labor-management meetings periodically. Labors and managers communicate and negotiate with each other in terms of improving labors' working conditions, employees' rights, interests and welfare, so as to maintain stable and harmonious management-union relations between both sides.
- (V) We stipulated a set of Guidelines for Prevention, Complaint and Investigation of Sexual Harassment at Workplace and founded the Sexual Harassment Complaint and Investigation Commission pursuant to the Sexual Harassment Prevention Act and Act of Gender Equality in Employment. Appropriate preventive, corrective, or punitive measures are taken upon the occurrence of sexual harassment cases in order to protect the rights, interests and privacy of our employees.



(VI) Implementing "Newcomer Partnership Program"

Our "Newcomer Partnership Program" is implemented in order to take care of new employees and offer all kinds of information. By helping newcomers adapt to the workplaces and fit into their departments as early as possible, we hope to foster a sense of belonging and an enthusiastic urge to serve among our employees, thereby creating a benign corporate culture. We believe through this program, the important cultural assets and practical work experiences can be passed on to newcomers, resulting in positive outcomes such as increasing our employee retention rate and boosting our company's competitiveness.

- (VII) We have completed the health check of field workers over 50 years old and the health check of specific items for specified labor who work night shifts for extended periods.
- (VIII) Every year we hold educational trainings on safety and health regularly to reduce the occurrence of occupational accidents. In addition, health checks are performed as per relevant regulations to ensure the health of our employees.
- (IX) Nursery rooms have been set up to create a friendly environment for female colleagues to breastfeed at work without worries. The Jinshan building and Ai-Kuo building of our company have been granted the "Badge of Excellent Breastfeeding Room" by the Department of Health of Taipei City Government.
- (X) The Health Service Center of Daan District, Taipei City issued a Certificate of Appreciation on December 2, 2020, in recognition of Chunghwa Post Co., Ltd.'s commitment to promoting a healthy workplace and promoting the physical and mental health of employees.

VI. Reinforcing Information Disclosure and Other Related Services

- (I) Essential information such as our business operations, interest rates, exchange rates and service fees are fully disclosed on our website.
- (II) In order to protect our clients' privacy, all of the necessary information that our staff should clearly notify our clients upon collecting their personal data is fully disclosed on our website as per the regulations of the Personal Information Protection Act.
- (III) The "Instructional Document for Public Disclosure of Life Insurance Information" was drafted pursuant to the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises." In addition to posting the electronic file of the document on the "Public Information Observatory of Insurance Industry" website of the Insurance Bureau and Chunghwa Post global website, paper copies are also available for public inspection at branch offices providing life insurance services.
- (IV) We created webpages about micro-insurance and elderly insurance on our website to reinforce information disclosure, so as to make our products and sales information more transparent, and to promote the product and concept of micro-insurance.
- (V) The Certification Standards for Our Certified Products or Information Services:
 1. We have completed the installation of the "Personal Data Protection and Management System" by stages. During the first stage, we focused on certain sections for certification, including savings and remittances, life insurance, online PostMall, and information operations. We received the BS10012:2009 certificate of personal information management system from the British Standards Institution (BSI) in August 2012. During the second stage, we extended the scope of certification to the remaining operations of our company, including printing and packing operations. With our efforts in expanding the certification scope, we were granted the BS10012 international standards certificate in October 2013. We also passed the reexaminations in June 2015 and July 2018, successfully readjusting our system to comply with



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Campus lecture on financial knowledge



Opening ceremony for the Southern Hybrid-mail Center

the BS10012:2017 international standard, and the certificate remains valid by successively passing the biannual reexaminations. The next reexamination is scheduled in July 2021.

2. Our ePost printing and packing operations obtained the ISO27001:2005 information security certificate. The certificate was upgraded to the ISO27001:2013 version in July 2015, and it passed the reexaminations in December 2015 and July 2018. The next reexamination is scheduled in July 2021. The ISO 27701:2019 certificate for privacy information management remains valid by successively passing the biannual reexaminations.
3. Our "Savings and Remittances Operation System" received the BS7799 information security certificate in February 2005 and was upgraded to the ISO27001:2005 version in January 2007. The certification scope was extended to our Disaster Recovery Center in Taichung on November 27, 2009, and the certificate was upgraded to the ISO27001:2013 version in January 2015. The certificate passed the reexaminations in December 2015 and July 2018. The next reexamination is scheduled in July 2021. The ISO 27701:2019 certificate for privacy information management remains valid by successively passing the biannual reexaminations.



VI Capital Raising

32	I. Capital and Shares
33	II. Financial Bonds
33	III. Preferred Shares
33	IV. Overseas Depositary Receipts
33	V. Employee Stock Option Certificates
33	VI. Mergers and Acquisitions of Other Financial Institutions
33	VII. Plans for Capital Investment and Utilization

VI

Capital Raising

I. Capital and Shares

(I) Source of Capital

Currency: NT\$

Month and Year	Issuance Price	Authorized Share Capital		Paid-up Capital	
		No. of Shares	Amount	No. of Shares	Amount
April 2020	10	10 billion	100 billion	7.3522 billion	73.522 billion (*)

* Total amount of NT\$ 73.522 billion after capital surplus of 1.146 billion transferred to capital on April 30, 2020, as approved by Ministry of Economic Affairs Shangzi Letter No. 10901079140 dated May 20, 2020.

(II) Share Capital Structure, Distribution of Shares Ownership, and a List of Major Shareholders:

At the end of 2020, our paid-up capital amounts to NT\$ 73.522 billion, and with a par value of NT\$10, totaling 7.3522 billion shares. The Company is 100% owned by the MOTC, and the shares are not available for the public.

(III) Market Price, Net Worth, Earnings, and Dividends per Share in the Past 2 Years:

Unit: NT\$

Item			2019	2020
Net Worth per Share	Before Distribution		27.44	30.04
	After Distribution		26.14	28.97
Earnings per Share	Weighted Average No. of Shares		7.2376 billion shares	7.3522 billion shares
	Earnings before Adjustment		1.29	1.24
	Earnings after Adjustment ***		1.27	
Dividends per Share	Cash Dividends ***		1.04	1.08
	Stock Grant	Stock Dividend from Retained Earnings	0.158	0.715
		Stock Dividend from Capital Reserve	—	—
	Accumulated Dividends		—	—

* CHP is 100% owned by MOTC, neither a public-listed nor an OCT company. Therefore, there is no market price information available.

** The 2020 earnings is based on the accountants' financial statements and is subject to review by the National Audit Office.

*** On April 30, 2020, the Company transferred capital surplus to capital, making a total paid-up capital of NT\$ 73.522 billion. Therefore, there are readjustments in 2019's Net Worth per Share, Earnings per Share, and Dividends per Share.

(IV) Policies and Implementation of Dividends

1. In accordance with Article 18 of the company's Articles of Incorporation, after payment of taxes and before the distribution of surplus, the Company shall set aside 25% of the surplus as legal reserve and may also set aside a special reserve.
2. In accordance with the "Guidelines for Profits from State-Owned Enterprises to be paid to the Treasury," any surplus after replenishment of loss of previous years and allocation for legal reserve shall be paid to the National Treasury. The amount to be paid should be specified in the annual financial statement, and the payment should be made within a month of the end of the fiscal year. In the event that there is a difference in amount as determined by the Directorate General of Budget, Accounting, and Statistics of the Executive Yuan and the National Audit Office of



the Control Yuan, the Company should make up the difference or proceed to refund within two weeks of the notice.

3. The following table summarizes the distribution of surplus cash in the past 5 years. Unit: NT\$ 1,000

Item		2016	2017	2018	2019	2020 (*)
Stock (State-owned) Dividends and Bonuses	Cash	7,032,645	6,795,801	8,383,857	7,618,406	7,911,027
	Stock Grant	2,168,000	2,603,000	294,000	1,146,000	5,256,000
Legal Reserve		2,451,650	2,658,242	4,549,948	3,064,317	4,161,032
Special Reserve		322,304	1,178,924	5,265,988	1,574,546	4,553,073
Replenishment of Loss			—		—	—
Surplus not Allocated		—	—	—	—	—

* The 2020 earnings is based on the accountants' financial statements and is subject to review by the National Audit Office.

(V) The effects of stock grant on the Company's performance and earnings per share as put on agenda at the last shareholders' meeting: None

(VI) Employees' bonuses, remunerations to directors and supervisors: None

(VII) Share repurchasing: None

II. Financial Bonds: None

III. Preferred Shares: None

IV. Overseas Depositary Receipts: None

V. Employee Stock Option Certificates: None

VI. Mergers and Acquisitions of Other Financial Institutions: None

VII. Plans for Capital Investment and Utilization: None



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35	I. Scope of Business
60	II. Employee Composition
61	III. Labor-management Relations
62	IV. IT Facilities



I. Scope of Business

Chunghwa Post may, in accordance with Article 5 of the Postal Act, engage in the following businesses:

1. Mail delivery
2. Postal savings
3. Remittance services
4. Postal simple life insurance
5. Philately and related merchandise
6. Management of postal assets
7. Chunghwa Post may, subject to the approval of the Ministry of Transportation and Communications (MOTC), operate as an agent for other businesses, make investments or engage in relevant businesses as described in subparagraphs 1 to 6 of this article hereof.

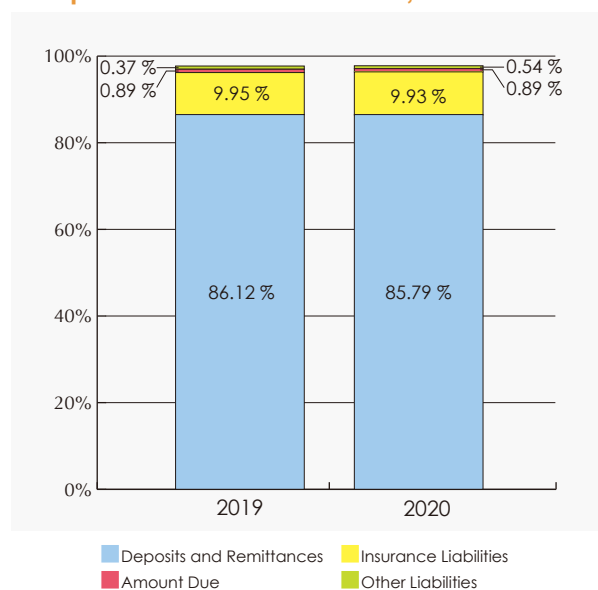
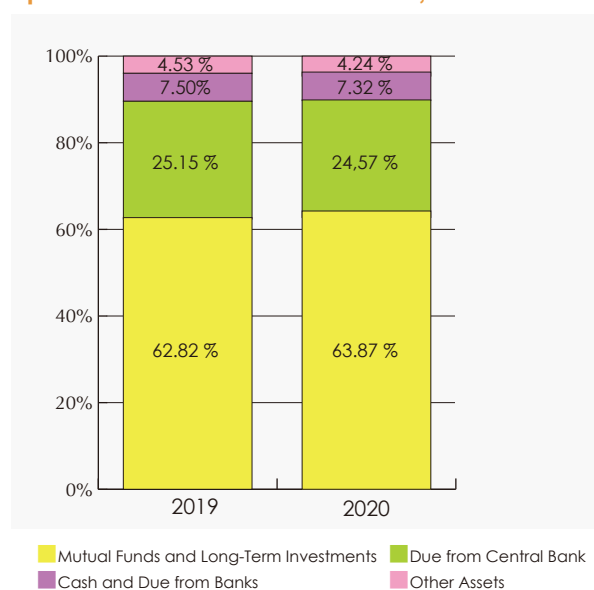
Percentage of Major Assets and Liabilities to Total Assets, 2019 and 2020

Unit: NT\$1,000; %

Major Items	2019		2020	
	Amount	%	Amount	%
Total Assets	7,281,664,852	100.00	7,471,015,716	100.00
Mutual Funds and Long-Term Investment	4,574,507,365	62.82	4,772,006,736	63.87
Due from Central Bank	1,831,436,833	25.15	1,835,520,794	24.57
Cash and Due from Other Banks	546,312,157	7.50	546,614,123	7.32
Other Assets	329,408,497	4.53	316,874,063	4.24
Total Liabilities	7,087,525,235	97.33	7,258,055,193	97.15
Deposits and Remittances	6,271,041,028	86.12	6,409,655,282	85.79
Insurance Liabilities	724,179,541	9.95	742,040,709	9.93
Amount Dues	64,977,224	0.89	66,548,379	0.89
Other Liabilities	27,327,442	0.37	39,810,823	0.54

Note: Figures for 2019 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2020 are CPA approved.

Comparison Chart of Asset Allocation, 2019 and 2020 Comparison Chart of Liabilities, 2019 and 2020



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Operations Summary

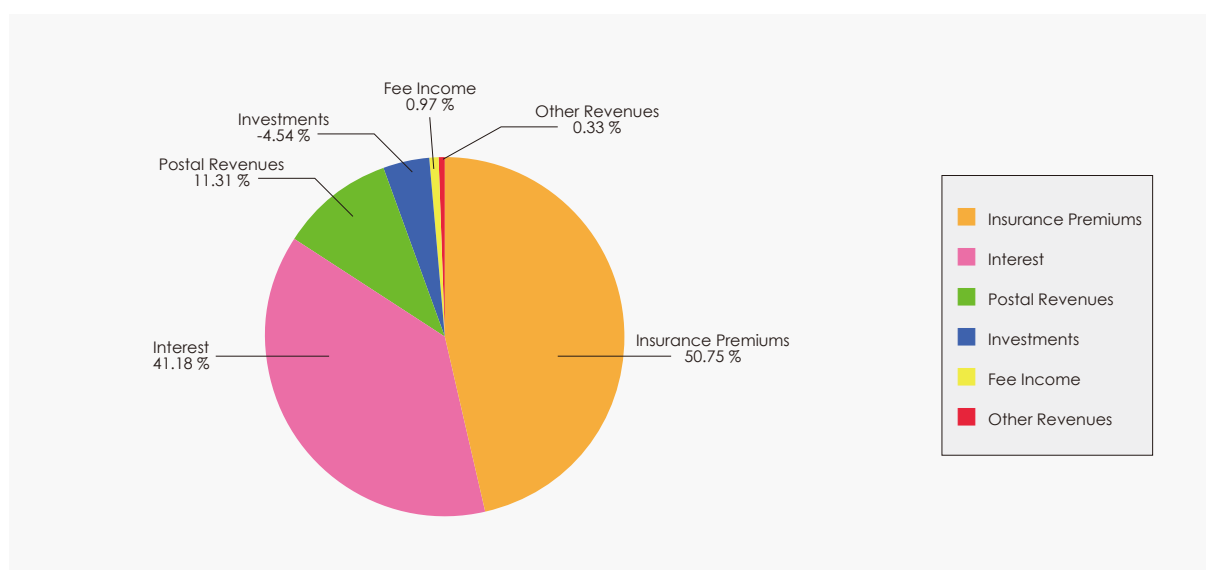
Percentage of All Business Revenues, 2019 and 2020

Unit: NT\$1,000; %

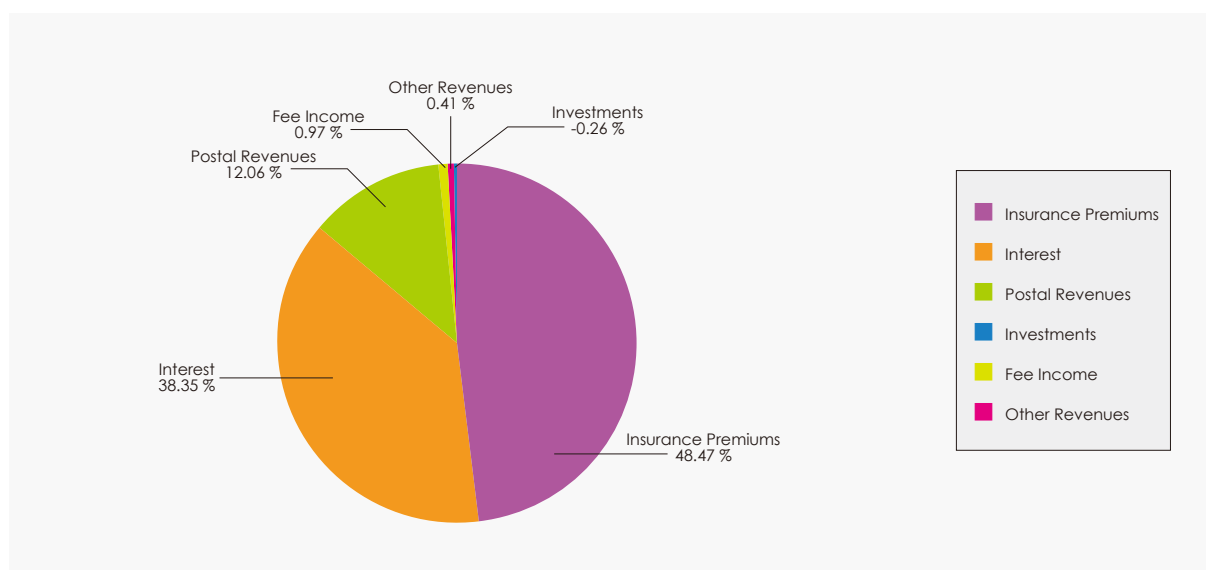
Item	2019		2020	
	Amount	%	Amount	%
Insurance Premiums	127,794,006	50.75	118,502,415	48.47
Interest	103,702,731	41.18	93,745,367	38.35
Postal Revenues	28,479,178	11.31	29,494,361	12.06
Investments	(11,426,275)	-4.54	(629,868)	-0.26
Fee Income	2,434,470	0.97	2,370,558	0.97
Other Revenues	849,842	0.33	987,117	0.41
Total Revenues	251,833,952	100.00	244,469,950	100.00

Note: Figures for 2019 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2020 are CPA approved.

Sources of Business Revenues, 2019



Sources of Business Revenues, 2020



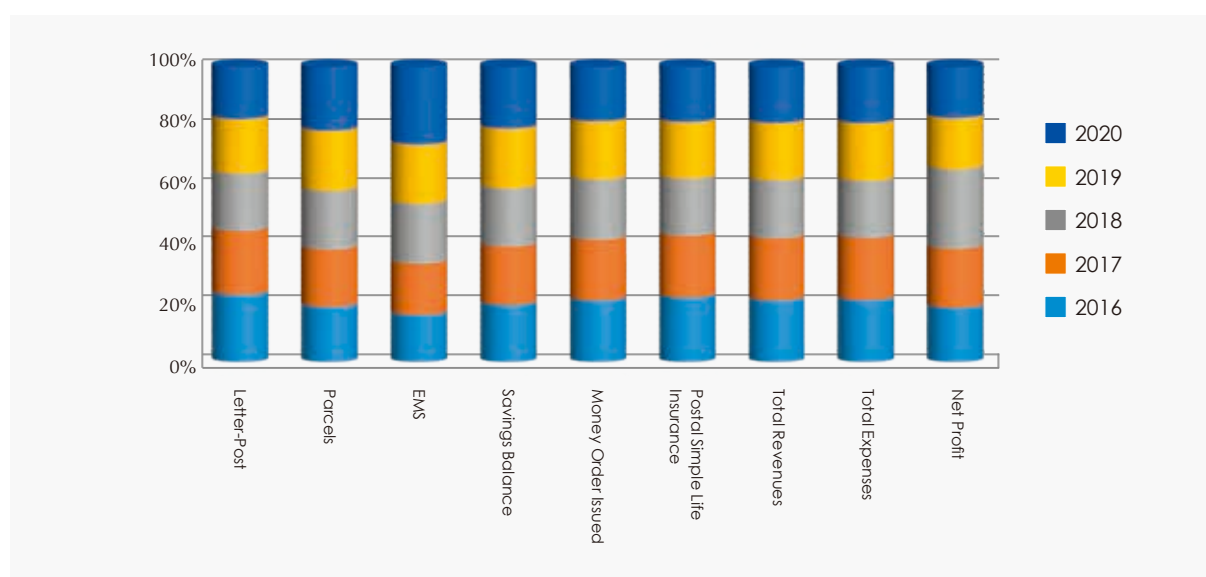


Business Highlights over the Past 5 Years

Item	Unit	2016	2017	2018	2019	2020
1. Letter-Post	Million pcs.	2,504	2,352	2,152	2,023	1,912
2. Parcels	Thousand pcs.	23,833	24,605	25,737	25,946	27,362
3. EMS	Thousand pcs.	9,806	10,849	12,457	12,364	16,186
4. Savings Balance	Million NT\$ Dollars	6,003,341	6,074,316	6,171,759	6,279,948	6,418,183
5. Money Order Issued	Thousand pcs.	17,114	16,769	16,890	16,174	14,948
6. Postal Simple Life Insurance	Thousand pcs.	2,585	2,465	2,308	2,270	2,185
7. Total Revenues	Million NT\$ Dollars	272,120	271,936	259,616	252,033	244,668
8. Total Expenses	Million NT\$ Dollars	262,313	261,328	245,185	242,685	235,531
9. Net Profit	Million NT\$ Dollars	9,807	10,608	14,431	9,348	9,137

Note: Figures for 2016-2019 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2020 are CPA approved.

Business Highlights over the Past 5 Years



(I) Mail Services that cross all boundaries

1. Letter-post items

The rapid development of information technology in recent years has promoted the widespread use of the Internet and e-mail. As it is becoming more and more convenient for clients to obtain information services, the use of mail delivery, a traditional way of communication, has gradually declined. Letter-post service nowadays is faced with a number of challenges. In addition to the price war initiated by private corporations, telecommunications operators and banks have also started to send more than one bills in a single letter, while some bills are even e-mailed only. The offshoring of some industries also makes the quality and number of letter-post items sent and received hard to grow. Besides, the price adjustment of delivering a domestic letter has been applied since August 1, 2017, and this caused the items sent and received in 2020 thus dropped

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Operations Summary

to 1,858.35 million pieces, which is 5.98 % lower than the 1,976.54 million pieces in 2019. The correspondence posted per capita was 78.9.

Mainly because of an increase in the "transit mail" business, international letter-post items sent and received in 2020 totaled some 53.62 million pieces, 15.26 % higher than that in 2019, which was some 46.52 million pieces.

2. Parcels

A total of 26,435,000 pieces of domestic parcels were delivered in 2020, 4.55% higher than that in 2019, which was 25,284,000. In order to enhance Chunghwa Post's competitiveness in the parcels sector, we have been striving to improve the quality of our delivery services by engaging in the exchange of mailing information with online shops as well as the integration of multiple services. We have also continued to encourage local farmers to sell quality produce on our online shopping site, Post Mall, thereby promoting the sales of produce and specialties through e-commerce and increasing our revenues.

The international parcels sent and received in 2020 totaled 926,853 pieces, 40.11% higher than the 661,501 pieces in 2019.

3. Express Mail Service (EMS)

Due to Covid-19 pandemic, logistics business and promotional activities by major online-shopping platforms thrive as the need for home shopping grows.

Express mail delivered domestically in 2020 totaled 14,460,000 pieces, up 32.94 % compared with that in 2019, which was 10,877,000 pieces. Chunghwa Post will continue to offer integrated logistics services such as doorstep pick-up, express delivery, and cash on delivery in order to meet online shopping merchants' demand for multichannel services. In addition, the Company will further promote the iBox pickup service. Services catering to senders will also be upgraded with a view to ensuring a stable growth in the number of items we are entrusted to deliver.

The volume of international EMS sent and received in 2020 amounted to 1,725,738 pieces, 16.10% higher than the 1,486,403 pieces in 2019.

4. E-mail service

We at Chunghwa Post seeks to promote our e-mail service and ensure the security of our clients' data. Our management system has met the ISO27001 information security standard, and we are being reviewed every 6 months with an aim to further boost clients' confidence and strengthen our competitiveness.

A total of 306.26 million e-mails were handled in 2020, 0.3% lower than that in 2019.

5. Cross-strait service

The completely direct mail service between both sides of the Taiwan Strait was launched on December 15, 2008. Over the past 12 years, the direct air and sea transport across the strait have seen substantial development, and related services in both Taiwan and China have also been streamlined. We at Chunghwa Post are therefore able to maintain a stable quality in our delivery of letter-post items, parcels, and express mail. Our comprehensive services have, in addition to satisfying the public's demand for mail delivery, promoted cross-strait economic and trading activities as well. In recent years, we have launched services including cross-strait postal (EMS) and cross-strait e-parcel, offering more convenient and varied options for the customers. These services can meet the needs of the general public and businesses alike such as sending and/or receiving groceries, goods purchased online, and business samples. We also continue to support the e-commerce industry in expanding consumer markets in China. Below are our achievements in 2020.



(1) Cross-strait mail delivered in 2020

The volume of mail sent from Taiwan amounted to more than 2,740,000 items, 20.94% lower than that in the previous year; more than 1,210,000 items were received from China, 30.70% lower than the volume in the previous year.

(2) Execution of the Cross-Strait Postal Service Agreement and the cooperation and communication of cross-strait postal service

Due to Covid-19 pandemic since 2020, postal personnel from Taiwan and China ceased to visit each other while the communication of relevant postal service continued. Chunghwa Post plans to have face-to-face business communication with postal personnel from China when the pandemic slows down.

6. Cargo to Mail service

In order to comply with border control policies of the Customs and enhance the competitiveness of the freight forwarders in Taiwan, Chunghwa Post has built the E-transmission system for packing lists. The system serves as a platform and channel for communications between logistics service providers in Taiwan and the Customs Administration, Ministry of Finance. It helps the logistics service providers streamline the Cargo to Mail declaration process and lower the cost. The logistics industry benefits from the system because of the tremendous cost reduction in the process of Cargo to Mail service. The services have processed 4,073 tons of merchandise in 2020, a 49% increase over the previous year, generating the revenue of NT\$1066.45 million, up 95% from the previous year.

Number of Mail Items Received and Delivered, 2019 and 2020

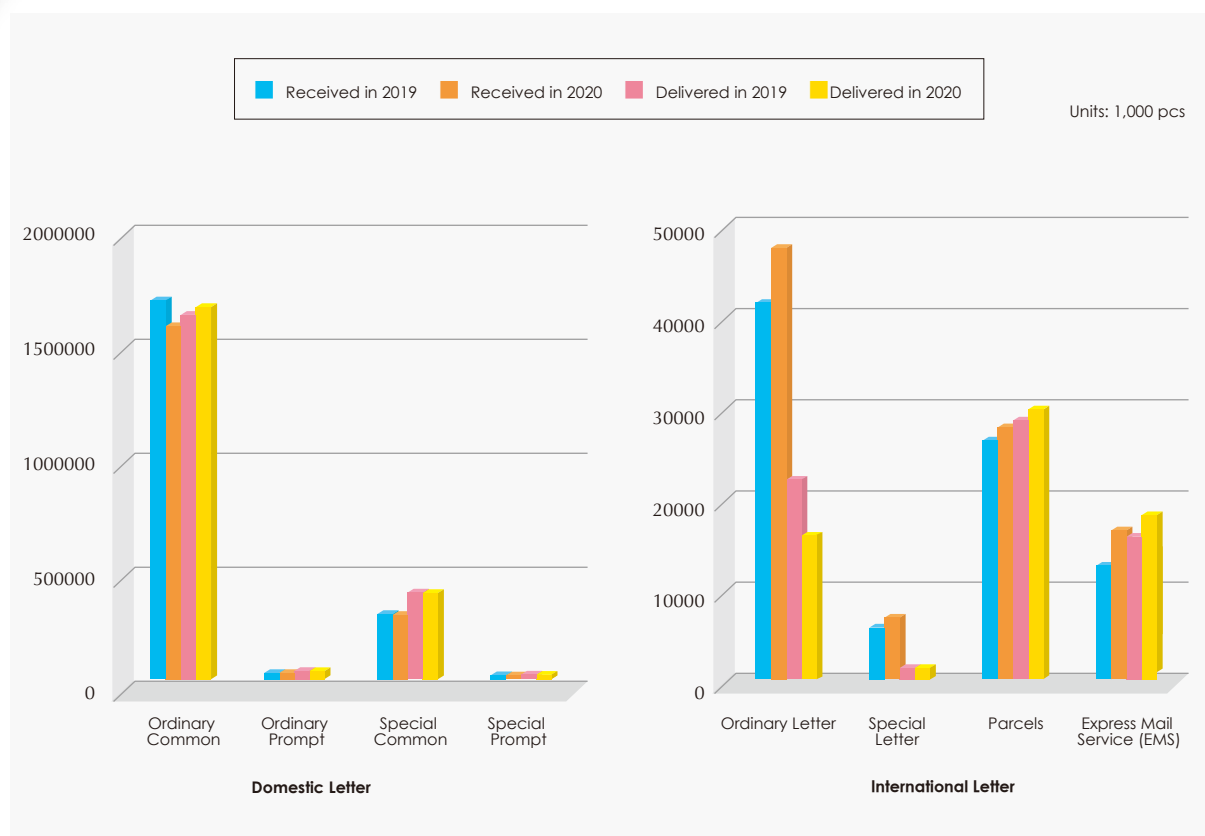
Units: 1,000 pcs

Category			Received		Delivered	
			2019	2020	2019	2020
Domestic Letter	Ordinary	Common	1,648,002	1,535,638	1,584,992	1,619,407
		Prompt	26,693	26,675	36,047	35,076
	Special	Common	284,273	279,523	377,588	375,357
		Prompt	17,576	16,517	20,286	19,259
	Sub-total		1,976,544	1,858,353	2,018,913	2,049,099
International Letter	Ordinary		40,926	46,905	21,674	15,615
	Special		5,600	6,717	1,226	1,214
	Subtotal		46,526	53,622	22,900	16,829
Parcels	Domestic		25,284	26,435	27,494	28,661
	International		662	927	596	626
	Sub-total		25,946	27,362	28,090	29,287
Express Mail Service (EMS)	Domestic		10,877	14,460	13,202	15,691
	International		1,487	1,726	2,294	2,149
	Sub-total		12,364	16,186	15,496	17,840
Total			2,061,380	1,955,523	2,085,399	2,113,055

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Number of Mail Items Received and Delivered, 2019 and 2020



7. Mail routes

(1) Domestic mail routes

Efficiency, safety, accessibility, precision, and affordability are valued in postal services. Therefore, domestic delivery is carried out with the support of a wide array of transportation resources offered by both the government and the private sector. In addition, we at Chunghwa Post also provide our own transportation vehicles and facilities, thereby constructing a delivery network which consists of highways, railroads, waterways, and air routes. By the end of 2020, the combined length of all the routes within the intricate network, which encompasses the Taiwan island, the Penghu County, the Kinmen County, and the Matsu Islands, had reached an impressive 113,733 kilometers.

(2) International mail routes

As Taiwan is an island, most international mail is delivered through air or over water. Taiwan's international mail routes start here on the island, extend overseas, and end at the exchange offices of foreign countries where cross-border mail is exchanged by dispatch series. By the end of 2020, the international air routes (EMS routes included) and waterways had reached 1,203,635 and 591,116 kilometers respectively.



Mileage of Mail Route, 2019 and 2020

Unit: KM

Type	2019	2020	%
I. Land	108,112	107,983	-0.12%
1. High-speed Railway	345	345	0%
2. Railroads	Suspended	Suspended	Suspended
3. Highways	17,918	17,918	0%
4. Others	89,849	89,720	-0.14%
II. Waterways	592,629	592,629	0%
1. Domestic	1,513	1,513	0%
2. International	591,116	591,116	0%
III. Air Routes	1,207,872	1,207,872	0%
1. Domestic	4,237	4,237	0%
2. International	1,203,635	1,203,635	0%

(II) Savings Services – Offered to the general public

Developed based on the idea that postal agencies are easily accessible to the general public, the postal savings system is aimed at providing services to all Taiwanese nationals. Postal savings accounts come in three types: passbook accounts, time deposit accounts, and giro accounts. As the government continues to encourage thrift and saving, all three types of accounts have absorbed large amounts of hot money, which was subsequently used to fund major constructions of Taiwan and stabilize the domestic financial market. Despite negative factors such as the 2008 financial crisis, economic downturns, offshoring, and capital outflows, the postal savings system still outperforms all the other financial institutions in Taiwan in terms of the number of accounts and the total savings balance thanks to the robust operations of Chunghwa Post over the years. In the future, we will keep striving to expand our services in the fields of payroll direct deposit, iPost, Mobile Post APP, online ATM, VISA debit card, and mobile payment services in order to increase our share in the passbook savings market. We will also strive to deliver services through a more diversified range of electronic channels and expand our scope of business, thereby enhancing our competitiveness.

Chunghwa Post's giro account, which allows account holders to make deposits and withdrawals as well as transfer payments and remittances, is one of the most unique services provided in the Taiwanese financial industry. Giro deposit slips are sent in the electronic form to increase the efficiency of giro payment; in the case of a giro deposit where the payer is to be specified, payer information is sent electronically to the recipient so that no manual write-off is needed. In addition, holders of giro accounts can also make transfers and request checks therefrom, which are two functions of demand deposit accounts. In the future, we at Chunghwa Post will continue to promote our online ATM, and ACH payment channels in order to make it more convenient for our clients to send and receive payments. We will also be in line with the finance digitization policy of the government, providing our clients with convenient and safe channels of mobile payment and e-payment.

By the end of 2020, the number of accounts totaled over 36,440,000, 0.16% more than that of 2019, while the balance of all accounts combined had climbed 2.20% compared with the previous year to NT\$6,418.1 billion, which translates into more than NT\$ 170,000 per account.

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1. New services introduced in 2020

(1) Launching the Postal VISA Debit Card MRT payment service

As a service to enhance the multi-payment function of Postal VISA Debit Card, the cardholders can take Kaohsiung Metro and Taoyuan Metro by tapping their contactless VISA debit cards to pay the fares as of January 16, 2020.

(2) Providing Open Banking first-stage public information search service

In order to provide multi-channel customer service, Chunghwa Post has uploaded financial product/service information to the Open Application Programming Interface Management Platform (Open API Management Platform) established by Financial Information Service Co., Ltd., since March 24, 2020, following the common standards of application interfaces. The information can thus be connected to cooperating companies. The first cooperating company was Moneybook Co., Ltd., whose MoneyBook APP can let customers search New Taiwan Dollar Demand/Time Deposits Product Information and Foreign Exchange Rate.

(3) Piloting Taiwan Pay QR Code Withdrawal service

As of July 7, 2020, holders of "Cloud Payment" cards can make withdrawal at 7 postal ATMs (including Beimen Branch Office, Taipei) through the "Scan to Withdraw" function under the ATM Withdrawal section of Taiwan Pay APP, as a more convenient service for the public with a view to boosting the use of postal ATMs.

(4) Issuing the VISA Ticket Debit Card

To provide the customers with more payment choices and to diversify postal card usage, Chunghwa Post issued its first VISA Ticket Debit Card on November 24, 2020. VISA Ticket Debit Card combines the functions of a debit card and Easy Card. In addition to the traditional function of a debit card, cardholders can also use the card to take public transportation or as a tool of micropayment. The automatic value-adding function can be turned on when there is insufficient card balance.

(5) Setting up more digitalized branches

In 2020, we opened 2 model digitalized branches, including Taoyuan National Central University Post Office and Tainan National Cheng Kung University Post Office. By the end of 2020, we have opened a total of 9 model digitalized branches in Taipei, Banqiao, Taichung, Kaohsiung, Taoyuan, and Tainan. These branches are equipped with systems for taking numbers and filling in sheets in advance, as well as self service areas with ATMs, passbook entry machines, iBoxes, and ecpost.

2. Improved working procedures

Integrating the transaction verifying processes of Mobile Post APP and Post Guard APP

To provide postal passbook depositors with more convenient services, Chunghwa Post has streamlined the account-device linking process since December 23, 2020. Passbook depositors no longer need to verify transactions on the Post Guard APP. Instead, they can complete the verification process directly on the Mobile Post APP, enjoying better using experience with less switches from different APPs.

3. New services for the convenience of the public

(1) Adding more cooperating platforms to E-payment With Postal Saving Accounts service.

Chunghwa Post has added icash Corp. as a cooperating e-payment platform since March 24, 2020. By the end of December 2020, Chunghwa Post has cooperated with JKOPAY, Line Pay Money, PChomePay, GAMA PAY, O'Pay, and icash to provide diversified payment channels.

(2) Deposit and withdrawal slip over printing services for postal passbook depositors

Since March 28, 2020, all branch offices have provided deposit and withdrawal slip over



printing services for postal passbook depositors to save the time of filling in documents and thus increase customer satisfaction for the service. By December 2020, there is a total number of 1,283,151 deposit/withdrawal transactions using this service.

(3) Adding a "Comment" section for the transfer function on Mobile Post APP and iPost

In order to provide a more convenient service, a "Comment" section was added to the transfer function on Mobile Post APP and iPost on April 28, 2020. Those who transfer money to others can leave comments for themselves' reference or provide transfer information for the received end.

(4) Adding function shortcuts on the logged-in page of Mobile Post APP

Based on the analysis of user behavior data, Chunghwa Post added shortcuts of several most used functions (including Transactions To Update, Transfer, Payment, and Cardless Withdrawal) on the logged-in Asset Overview page of Mobile Post APP from June 2020, creating a more efficient using experience for the postal passbook depositors.

(5) Adding a "Reset iPost Username and Password" service on physical postal ATM

Since July 7, 2020, a "Reset iPost Username and Password" service has been added on physical postal ATMs. In addition to reset the usernames or passwords at the counters or through iPost, postal passbook depositors can also complete the reset procedure through physical postal ATMs.

(6) Adding Appointment service items

To shorten customers' time spent on waiting at the counters and filling sheets, service items including ATM Card Efficient Issuance Appointment, VISA Debit Card Efficient Issuance Appointment, and Inter-bank Pre-designated Transfer Account Appointment were added on July 11, 2020. Postal passbook depositors can make an appointment in advance, fill in account information online, and go to the branch office at the appointment time to complete the application process at once.

(7) Issuance and redemption services of physical Triple Stimulus Vouchers at the counters

In line with the government's policy of economic stimulus, 1,299 branch offices across Taiwan provided services for issuing physical Triple Stimulus Vouchers at the counters from July 15, 2020 to December 31, 2020 and accepting redemption from July 23, 2020 to March 31, 2021. As of the end of December 2020, a total of 10,685,623 sets of Triple Stimulus Vouchers were issued and 13,262,158 vouchers were redeemed, which translated into a total amount of NT\$4,200,298,100.

(8) Digital Triple Stimulus Vouchers

In line with the government's policy of issuing Triple Stimulus Vouchers, Chunghwa Post provided postal VISA Debit Card and Postal ATM Card Scan-to-Pay (Taiwan Pay) electronic linking service with additional cashback. Postal passbook depositors were provided with diversified payment choices while the economic stimulus effect was enhanced through the service.

(9) Joining MyData Platform of National Development Council

In line with Smart Government Action Project, Chunghwa Post has provided the services of searching or downloading passbook deposit transactions information (within 3 months) from MyData Platform of National Development Council since July 31, 2020. Postal passbook depositors can search and download information needed from the platform after identity verification using the citizen digital certificate or TAIWAN Fido.

(10) SMS notification service for money transfers through ATM

From August 18, 2020, when postal passbook depositors transfer money from any physical postal ATM and the amount is NT\$30,000 or above, Chunghwa Post will send short messages

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or email as notification. In addition, postal passbook depositors can cancel or enable this service through iPost by cellphone OTP message identity verification, without signing in.

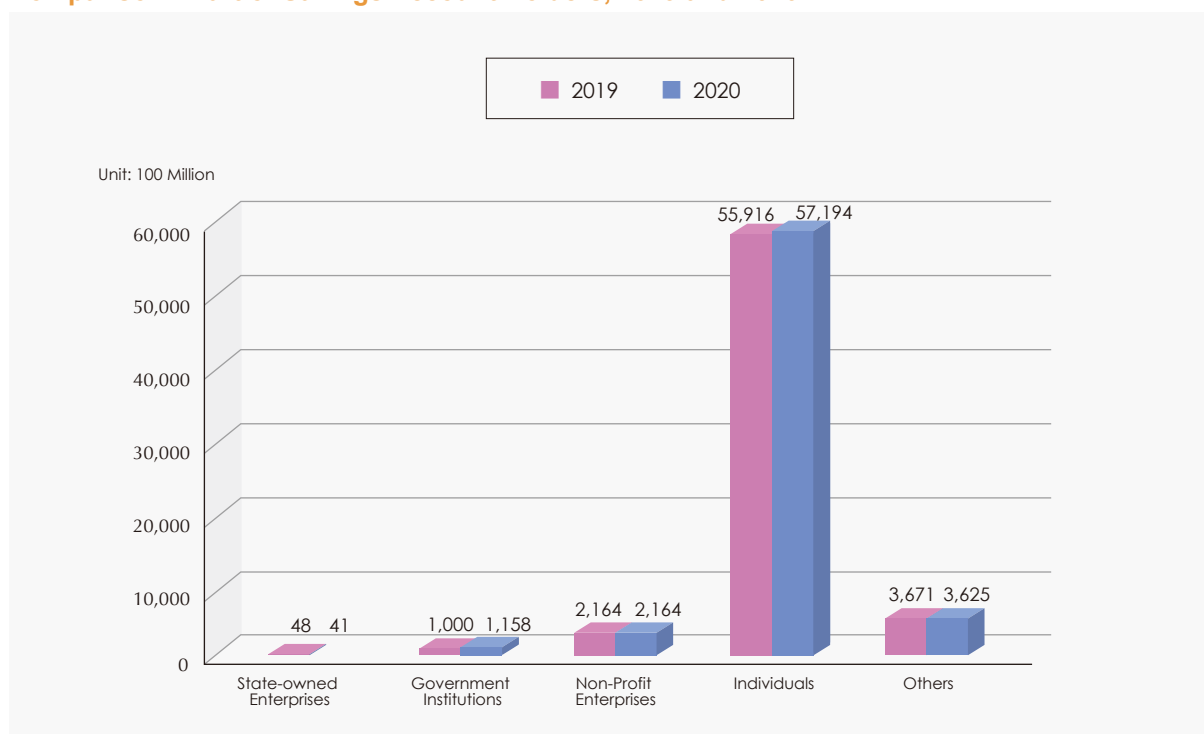
- (11) Providing postal passbook, time deposit, and giro account applications in English version
Chunghwa Post has provided English versions of "Application for postal passbook account" (since March 28, 2020), "Application for time deposit account" (since November 14, 2020), and "Application for giro account" (since December 15, 2020) to facilitate account application process for foreign people.
- (12) Providing the "changing cellphone number and email address" service on Mobile Post APP
In response to the regular use of mobile devices by the new generation, Chunghwa Post has added the "changing cellphone number and email address" function on Mobile Post APP since December 23, 2020, in addition to the original iPost, Web ATM, and at-the-counter channels.
- (13) To make it more convenient for remittances, the Company continuously increases the number of handling branches providing inter-bank remittances. By the end of 2020, there have been 1,263 branches providing the service.

Volume of Postal Savings Services

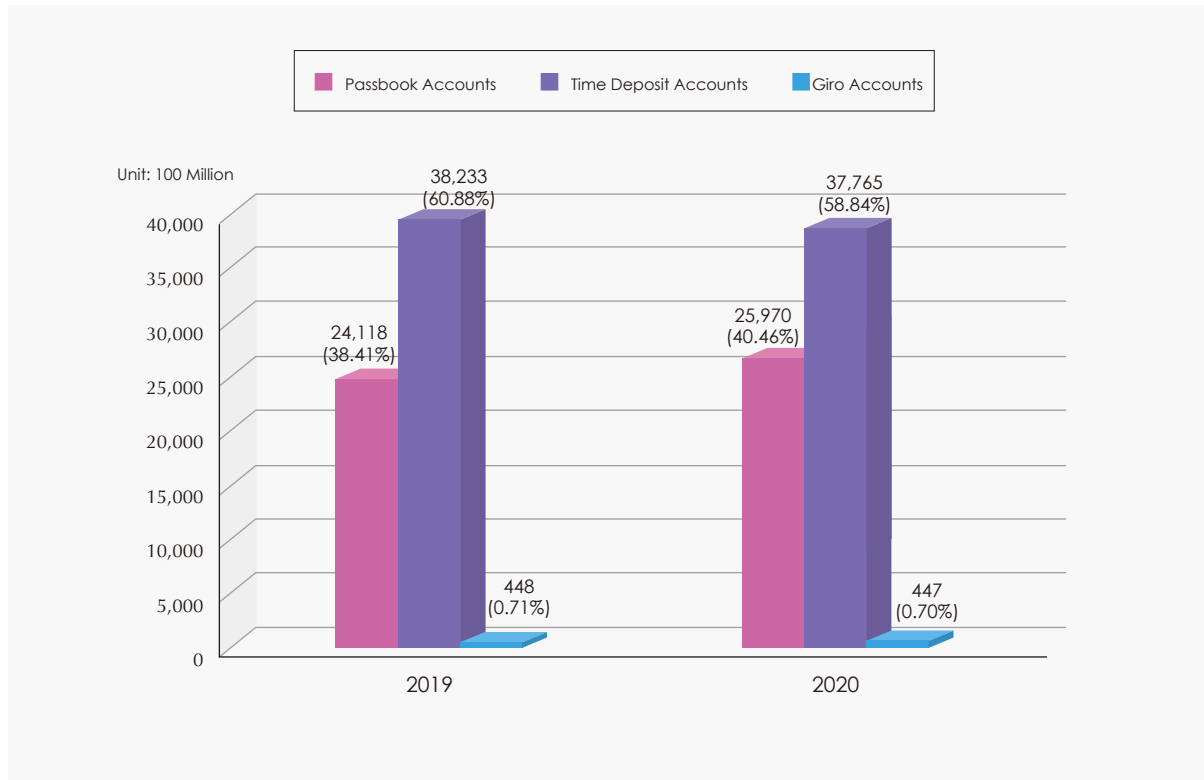
Unit: NT\$ Million

Type	Number of Deposits		Number of Withdrawals		Number of Accounts		Total Balance	
	2019	2020	2019	2020	2019	2020	2019	2020
Passbook Accounts	282,912,968	297,889,160	409,430,570	421,780,233	28,545,279	28,778,976	2,411,809	2,597,006
Time Deposit Accounts	7,347,454	7,131,641	43,761,000	42,847,825	6,264,117	6,106,740	3,823,355	3,776,532
Giro Accounts	46,220,222	54,346,837	12,976,803	13,288,256	1,574,797	1,563,752	44,784	44,645
Total	336,480,644	359,367,638	466,168,373	477,916,314	36,384,193	36,449,468	6,279,948	6,418,183

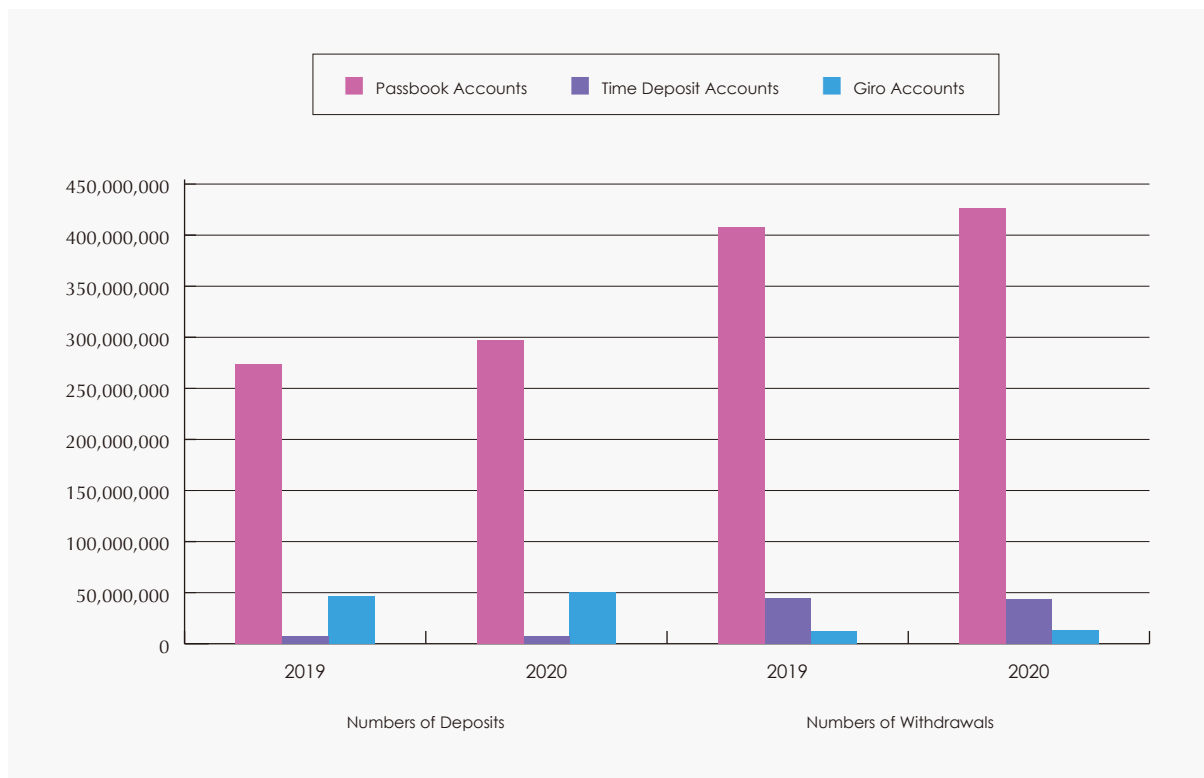
Comparison Chart of Savings Account Holders, 2019 and 2020



Comparison Chart of Postal Savings Services, 2019 and 2020



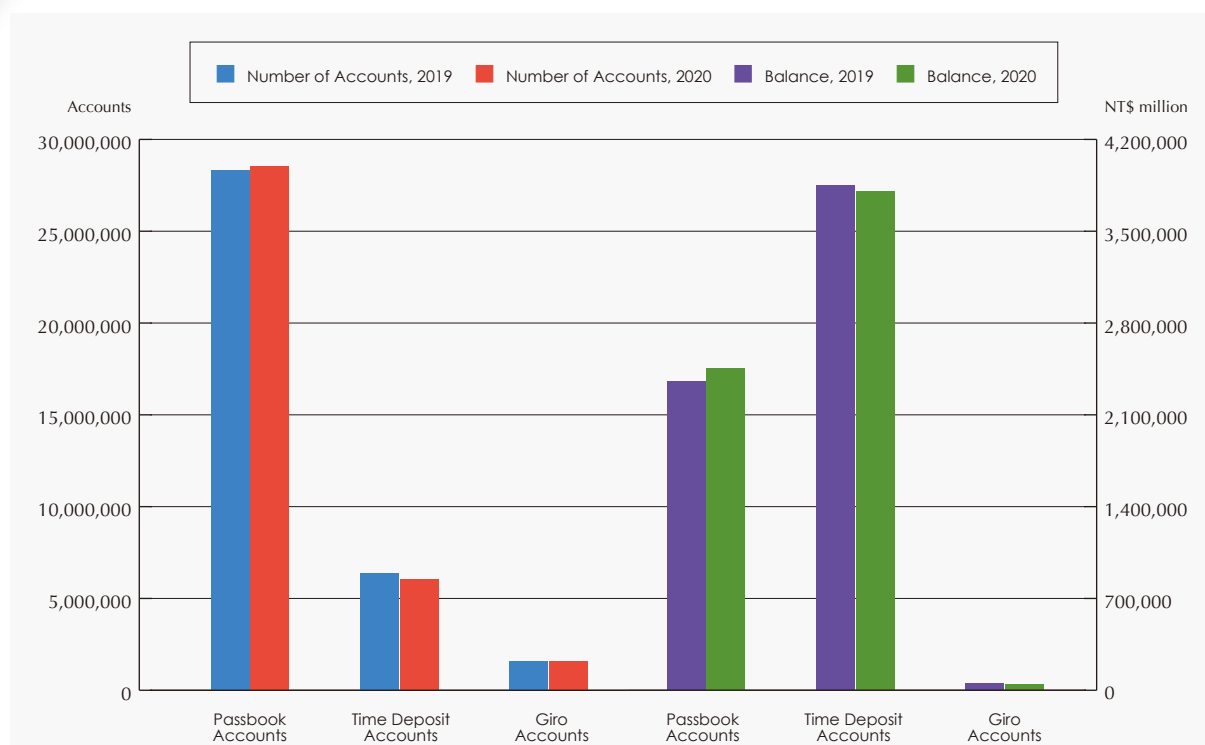
Numbers of Deposits and Withdrawals of Various Types of Accounts, 2019 and 2020



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Numbers of Accounts and Balances of Various Types of Accounts, 2019 and 2020



(III) Remittance Services – Connect our clients to the world

Chunghwa Post's convenient and efficient remittance services, which are provided through a nationwide remittance network, play a significant role in stimulating the flow of funds and the financial market in Taiwan. For domestic remittances, we currently accept postal money orders, remittances between postal passbook accounts, fax money orders, postal gift coupons, as well as remittances between Chunghwa Post and commercial banks. As for the international sector, we handle international postal money orders, outward/inward international remittances, as well as the exchange of foreign currencies and buying back travelers' checks in US dollars. By the end of 2020, the number of branches which provide international remittance services, including the trading of foreign currency, had reached 255, and the Taoyuan International Airport as well as 28 scenic areas/regional branches had been appointed to undertake the exchange of foreign currencies and the trading of US dollar travelers' checks.

In 2020, funds remitted through Chunghwa Post amounted to over NT\$ 1,636 billion, down 0.31% compared with 2019, while money orders totaled more than 14,940,000, down 7.61% compared with 2019.



Volume of Remittance Services

Unit: NT\$ 1,000

Type	Number		Amount	
	2019	2020	2019	2020
Postal Money Orders	1,221,697	1,188,602	10,637,170	10,622,283
Remittances between Postal Passbook Accounts	4,820,140	4,804,603	92,655,285	85,853,914
Fax Money Orders	1,843	1,694	22,568	21,474
Remittances between CHP and Commercial Banks	8,232,171	8,040,206	1,532,926,555	1,535,910,025
Postal Gift Coupons	841,628	672,544	1,842,500	1,459,625
International Postal Money Orders	71	6	373	3
International Outgoing Remittances	8,088	7,436	1,812,718	1,617,228
Travelers' Checks in USD	2,440	274	14,747	2,839
Remittances to Mainland China	3,954	3,242	349,462	280,244
Trading of Foreign Currencies	1,041,754	229,701	925,846	238,971
Total	16,173,786	14,948,308	1,641,187,224	1,636,006,606

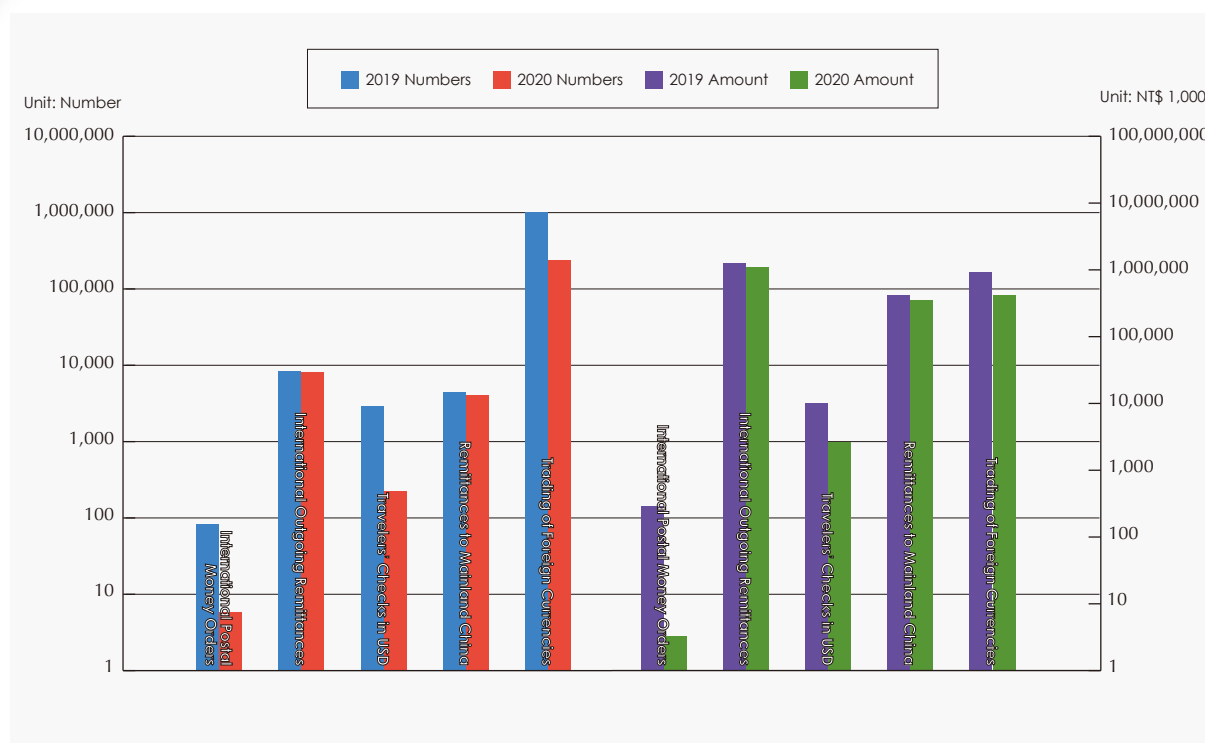
Volume of Domestic Remittance Services, 2019 and 2020



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Volume of International Remittance Services, 2019 and 2020



(IV) Postal Simple Life Insurance – The best safeguard

The Postal Simple Life Insurance is aimed at guaranteeing our nationals' basic economic security and improving the wellbeing of the society. The ubiquitous presence of postal agencies all over the country has made taking out the postal insurance policy an easy task. In addition, as no health checkup is required from the insured, and the application procedure is fairly simple, the Postal Simple Life Insurance has won the public's favor and trust.

When the Postal Simple Life Insurance was first introduced back in 1935, the then Nationalist Government expected it to be an extensively promoted service that is non-profit because it is specially administered by the government, simple and secure because it is exclusively managed by postal agencies, protective and carefree because it provides a safeguard against worrying about family financial conditions and life after retirement. This means the Postal Simple Life Insurance carries a specific significance in benefiting the general public and a policy-related mission to improve social welfare. Therefore, we at Chunghwa Post regard “溥益民生”, which means “enhance the wellbeing of the general public”, as the principle of providing the Postal Simple Life Insurance, hoping that this service will help protect our social security and contribute to a sound social security net in Taiwan.

Ever since the Directorate General of Posts was corporatized to become Chunghwa Post in 2003, we have been striving to create a favorable business environment, make full use of information technology, diversify our products, and provide a comprehensive array of services so as to satisfy customers' needs. In the future, we will continue to recruit and train professionals, hoping to win the confidence of all Taiwanese people by offering quality insurance programs that reflect our emphasis on honest, reliable, and customer-oriented services.



1. Characteristics of Postal Simple Life Insurance

(1) Types of products

The Postal Simple Life Insurance comprises pure endowment insurance, insurance against death, and endowment, as well as health insurance and accident insurance which may be provided as a rider. All nationals of the Republic of China are eligible to be insured.

(2) No health checkup required

Health checkups are not required for persons who are insured with the Postal Simple Life Insurance. However, in order to facilitate the insurer's underwriting process, the insured and the proposer shall respond with complete honesty to the questions on the insurance application form.

(3) Insured amount

No insured individual, regardless of how many policies he/she holds, is allowed to be insured for more than NT\$6 million in total.

(4) Premium payment

Unless otherwise specified, premium payments can be made on either a yearly, semi-yearly, quarterly, or monthly basis. The subsequent installments have to be transferred from the postal passbooks or giro accounts, a way of payment that trims 1% off the original transfer fees.

2. New insurance products introduced in 2020

(1) The "Postal Simple Life Insurance- Happy Life 168 Endowment" was launched on July 1, 2020.

- Age eligibility: 16 to 55
- The premium paying terms are 6 years or 10 years. Clients will receive living premium within the period of insurance every 3 policy anniversaries and a maturity premium on clients' 78-year-old policy anniversary.
- The minimum sum insured is NT\$100,000 and the maximum sum insured is NT\$2,000,000.

(2) "Postal Simple Life Insurance- Happy Postal Endowment" was launched on July 1, 2020.

- Age eligibility: 16 to 45 (Male); 16 to 50 (Female)
- The premium paying term is 15 years. Clients will receive living premium on the third, the sixth, the ninth, and the twelfth policy anniversary and a maturity premium when the term expires.
- The minimum sum insured is NT\$100,000 and the maximum sum insured is NT\$2,500,000.

(3) "Postal Simple Life Insurance- Ever Rich 123 Endowment"

- Age eligibility : 16 to 60 (Male); 16 to 65 (Female)
- The premium paying term is 12 years. Clients will receive living premium when the period of insurance every 3 policy anniversaries and a maturity premium on clients' 80-year-old policy anniversary.
- The minimum sum insured is NT\$100,000 and the maximum sum insured is NT\$2,000,000.

3. New policies

In 2020, newly-issued Postal Life Insurance policies totaled 217,654, the sum insured reached NT\$62.59592 billion, and the first-year premium income generated therefrom was NT\$16.40134 billion.

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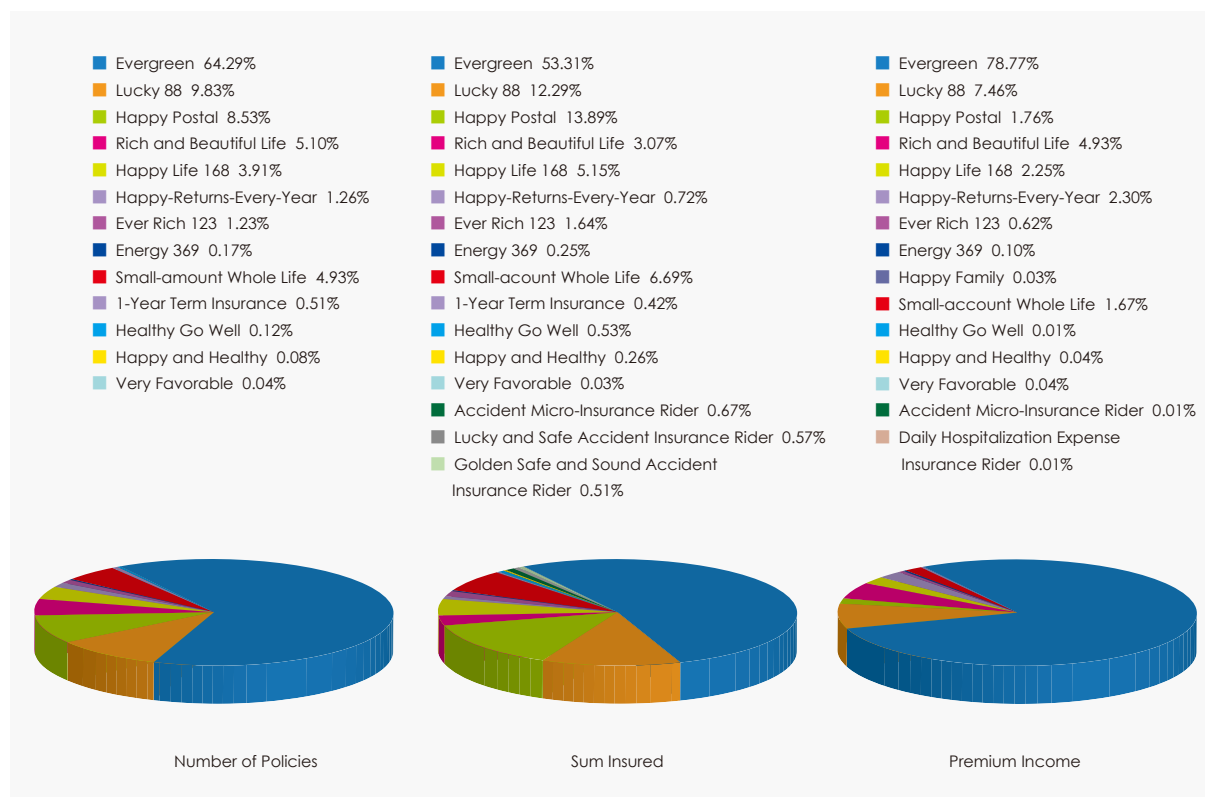
New Policies by Type

Unit of Sum Insured and Premium: NT\$1,000

Type	Number of Policies	%	Sum insured	%	Premium Income in the First Year	%
Total	217,654	100.00	62,595,916	100.00	16,401,340	100.00
Evergreen Increasing Endowment	139,937	64.29	33,367,969	53.31	12,919,982	78.77
Lucky 88 Endowment	21,396	9.83	7,694,363	12.29	1,224,100	7.46
Happy Postal Endowment	18,567	8.53	8,696,857	13.89	289,114	1.76
Rich and Beautiful Life Increasing Endowment	11,110	5.10	1,922,580	3.07	807,798	4.93
Happy Life 168 Endowment	8,506	3.91	3,221,760	5.15	368,206	2.25
Happy>Returns-Every-Year Endowment	2,733	1.26	451,810	0.72	377,032	2.30
Ever Rich 123 Endowment	2,685	1.23	1,022,659	1.64	101,268	0.62
Energy 369 Interest Sensitive Insurance	368	0.17	157,840	0.25	16,445	0.10
Happy Family Increasing Endowment	0	0.00	0	0.00	5,690	0.03
Small-Amount Whole Life Insurance	10,725	4.93	4,189,442	6.69	273,271	1.67
1-Year Term Insurance	1,098	0.51	260,110	0.42	617	0.00
Healthy Go Well Term Insurance	259	0.12	331,609	0.53	1,368	0.01
Happy and Healthy Whole Life Insurance	177	0.08	161,910	0.26	6,726	0.04
Very Favorable Increasing Whole Life Insurance	93	0.04	18,680	0.03	6,471	0.04
Accident Micro-Insurance Rider	965	—	421,350	0.67	1,153	0.01
Lucky and Safe Accident Insurance Rider	742	—	359,050	0.57	297	0.00
Golden Safe and Sound Accident Insurance Rider	698	—	317,240	0.51	338	0.00
Daily Hospitalization Expense Insurance Rider	579	—	687	0.00	1,464	0.01

Note: Accident Insurance and Health Insurance are sold as a rider and therefore not included in the total number of policies.

Percentage Distribution of New Policies by Type





4. Policies in force

In 2020, the number of in-force postal life insurance policies were 2,184,668, the sum insured amounted to NT\$ 713.07198 billion, and the premium income was NT\$118.50242 billion.

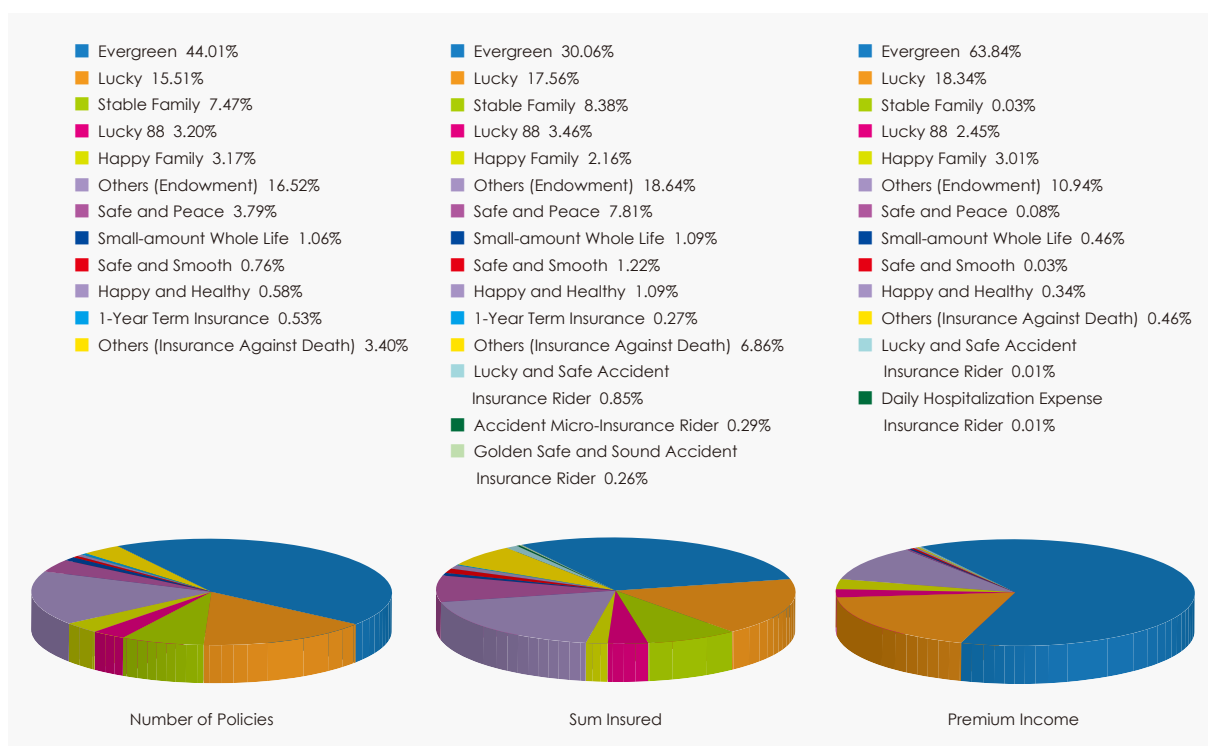
In-Force Policies by Type

Unit of Sum Insured and Premium Income: NT\$1,000

Type		Number of Policies	%	Sum Insured	%	Premium Income	%
Total		2,184,668	100.00	713,071,976	100.00	118,502,415	100.00
Endowment	Evergreen Increasing Endowment	961,535	44.01	214,318,354	30.06	75,656,591	63.84
	Lucky 6-year-Term Endowment	338,879	15.51	125,233,148	17.56	21,727,706	18.34
	Stable Family Refundable Whole Life Endowment	163,259	7.47	59,763,522	8.38	36,113	0.03
	Beautiful Life Interest-Sensitive Insurance	69,812	3.20	24,675,423	3.46	2,904,799	2.45
	Happy Family Increasing Endowment	69,356	3.17	15,378,359	2.16	3,570,720	3.01
	Others	360,840	16.52	132,903,878	18.64	12,963,125	10.94
Insurance Against Death	Safe and Peace Whole Life	82,765	3.79	55,656,482	7.81	92,049	0.08
	Small-amount Whole Life Insurance	23,089	1.06	7,807,260	1.09	540,180	0.46
	Safe and Smooth Double-Indemnity Whole Life Insurance	16,706	0.76	8,698,078	1.22	35,284	0.03
	Happy and Healthy Whole Life Insurance	12,692	0.58	7,806,889	1.09	398,057	0.34
	1-Year Term Insurance	11,507	0.53	1,898,260	0.27	5,047	0.00
	Others	74,228	3.40	48,924,692	6.86	548,372	0.46
Accident Insurance	Lucky and Safe Accident Insurance Rider	13,731	—	6,059,378	0.85	5,544	0.01
	Accident Micro-Insurance Rider	6,497	—	2,093,440	0.29	1,153	0.00
	Golden Safe and Sound Accident Insurance Rider	4,089	—	1,849,809	0.26	2,249	0.00
Health Insurance	Daily Hospitalization Expense Insurance Rider	4,092	—	5,004	0.00	15,426	0.01

Note: Accident Insurance and Health Insurance are sold as a rider and therefore not included in the total number of policies.

Percentage Distribution of In-Force Policies by Type



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5. Benefit payment

(1) Payment on maturity

In 2020, a total of 256,285 payments were made on maturity, and the sum insured was NT\$99.67572 billion.

(2) Payment to claims

The year of 2020 saw 6,671 payments to claims, and the sum insured was NT\$2.50603 billion.

(3) Surrender value

The year of 2020 saw 32,358 cases of surrender, and the sum insured was NT\$7.70885 billion.

6. Policy loans

Under the circumstances where a policyholder has paid for the premiums of a still-in-force policy for no less than one (1) year, he/she may apply for a loan no greater than the non-forfeiture value of the policy as a way to fulfill his/her financial needs. The application procedure is simple and easy. In addition to consulting counters personally, policyholders can also make use of Chunghwa Post's ATMs and the postal WebATM to apply for loans in a more convenient and efficient manner. The year of 2020 saw 92,292 cases of policy loans, and the loan balance was NT\$13.1252 billion.

7. Secured mortgage loans

Starting to be offered in 1997, Chunghwa Post's secured mortgage loans are not only available to policyholders of the Postal Simple Life Insurance but all applicants who meet the loan requirements as well. The loan service can be accessed all over the territory of Taiwan, except for the Matsu Islands, at the 19 branches undertaking mortgage loan-related services or the 202 branches collecting required documents.

In 2020, the number of secured mortgage loans issued by Chunghwa Post totaled 13,435, and the loan balance was NT\$30.75259 billion.

(V) Philately– Educational and Entertaining

Philately is among the key business activities operated by Chunghwa Post. In order to provide better services for philatelic customers, promote philatelic culture, and fulfill corporate social responsibilities, Chunghwa Post encourages all of its branches to vigorously expand philatelic business, which generated a revenue of NT\$ 625.66 million in 2020. The philatelic business activities include:

1. Issuing new postage stamps and philatelic accessories

- (1) A total of 18 sets of postage stamps were issued in 2020, including 1 set of commemorative stamps, 16 sets of special stamps and 1 set of definitive stamps. Among them, the set of the Completion of the Suhua Highway Improvement Project Postage Stamps was issued on January 3, 2020 in commemoration of the completion of this major national transportation construction. The Inauguration of the 15th-term President and Vice President Commemorative Issue was issued on May 20, 2020 to convey the concepts of blossoming, democracy, coming into place, and direction. The set of Astronomy Postage Stamps, designed with the motifs of an annular solar eclipse, a comet, a total solar eclipse, and a total lunar eclipse, was issued on June 20, 2020 to increase public understanding of astronomical phenomena. The set of COVID-19 Prevention Postage Stamps was issued on July 21, 2020 consisting two stamps designed with a horizontal se-tenant block and a se-tenant gutter featuring the text: "All out against the pandemic; COVID Nineteen we shall defeat. Taiwan can help." to promote and respond to the government's virus prevention policies against the COVID-19 pandemic. The set of the Ancient Chinese Paintings Postage Stamps: "Syzygy of the Sun, Moon, and the Five Planets" by Xu Yang, Qing Dynasty (I) was issued on November 11, 2020. In the set, the work held in the National Palace Museum was printed across a series of twelve stamps to present



the beauty of ancient Chinese paintings. Additional issues include 1 stamp yearbook (one in hardback and the other in loose leaf), 1 postage stamp catalogue, 5 stamp folios, 2 stamp pictorials, 9 maximum cards, and 1 press sheet of New Year's Greeting Postage Stamps (Issue of 2020). Furthermore, in line with business demands, Chunghwa Post also released envelopes for domestic registered mail (1 vertical type and 1 horizontal type), envelopes for domestic ordinary mail (1 vertical type and 1 horizontal type), 1 Mother's Day postal cards, 2 Auspicious Ox New Year Cards, 1 set of postage labels, and 1 set of two New Year's Greeting postal cards.

(2) Issuing philatelic accessories

In our quest for diversified product development and growth in philately business, Chunghwa Post manufactured and launched the BLOOMING HEART porcelain cup, the BLOOMING HEART cup and plate set, the President Inauguration Commemorative Pure Gold Ignot, the President Inauguration Commemorative Set of Pure Gold Ignot and Fine Silver Ignot, the President Inauguration Commemorative Fine Silver Ignot, 2 BLOOMING HEART soup bowls, 4 stamp display frames, 2 POST & SPORTS wristbands, the FrAGRANT Silk Fan, the Rattan Flower Scarf, the Auspicious Ox Pure Gold Ignot, the Auspicious Ox Fine Silver Ignots (2 types), the Auspicious Ox Fine Silver Ignot Premium Edition, the Auspicious Ox High Relief Copper Medal, the Collectable Set of Auspicious Ox Pure Gold Ignot, Fine Silver Ignot and High Relief Copper Medal, Chunghwa Post 2021 calendar, Chunghwa Post 2021 notebook, 2 types of HELLO KITTY thermos, the HELLO KITTY braising pot, 2 types of HELLO KITTY foldable bags, HELLO KITTY blessing cards, HELLO KITTY stickers, and HELLO KITTY sticky notes. A total of 31 philatelic accessories were launched. Additionally, Chunghwa Post authorized its branches nationwide to design and sell a total of 174 types of philatelic products.

2. Organizing sales promotions to expand philately business

(1) Stamp Yearbook Issue of 2019 Sales Promotion

The sales promotion was held from January 3 to May 31, 2020. During the event period, for every purchase of a Stamp Yearbook Issue of 2019 (hardcover or loose-leaf), the purchaser would get 1 scratch off. A total of 29,421 prizes were available, including an LG CX 55 inch 4K Ultra HD Smart OLED TV, the Collectable Set of Money Rat Pure Gold Ignot, the Fine Silver Ignot and High Relief Copper Medal, a DAIKIN Photocatalytic Air Purifier, a Panasonic Nanoe Hair Dryer, and a variety of exquisite philatelic accessories.

(2) 2020 Stamp Beauty Pageant

The 2020 Stamp Beauty Pageant was held from February 10 to March 13, 2020. In the event, people can vote for the most beautiful stamps through postcards, the Internet, Facebook fan pages, and LINE ON AIR. A total of 1,255,841 votes were casted, with the top three winners being "Dongsha Atoll National Park Stamps: Dongsha Coral Reef", "Taiwan Scenery Postae Stamps-Hualien County: Sea of Rapeseed Flowers in the East Rift Valley", and "Taiwan Scenery Postae Stamps-Hualien County: Qixingtai".

3. Philately promotion events

(1) Holding the issuing ceremony of Completion of the Suhua Highway Improvement Project Postage Stamps

To mark the completion and the opening of Suhua Highway Improvement Project to traffic, and to manifest Taiwan's achievement of major transportation construction, Chunghwa Post issued a set of 2 "Completion of the Suhua Highway Improvement Project Postage Stamps" on January 3, 2020, and held a stamp issuing ceremony on the 10th floor of the Postal Museum at 10 am on the same day. For postal fans, the Postal Museum also set up a temporary post

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office on the first floor, which provided service for the public to send postally-used mail items. Furthermore, cancellation service and philatelic products were also provided at the site.

(2) Holding the issuing ceremony of the COVID-19 Prevention Postage Stamps

Due to the unity of the whole people to fight against the pandemic, the spread of COVID-19 slowed down. To pay tribute to all epidemic prevention workers, Chunghwa Post issued the "COVID-19 Prevention Postage Stamps" on July 21, 2020 and held a stamp issuing ceremony on the 10th floor of the Postal Museum at 3:30 pm on the same day. The event was hosted by Wu Hung-Mou, Chairperson of the Company; Su Tseng-chang, Premier of the Executive Yuan; Tang Feng, the Minister without Portfolio; Lin Chia-Lung, Minister of Transportation and Communications; Chen Shih-Chung, Commander of the Central Epidemic Command Center along with members of the Epidemic Prevention Task Force; Tseng Wen-Sheng, Deputy Minister of the Ministry of Economic Affairs; Chiang Jui-tang, President of the Company, and representatives of the National Anti-epidemic Team and a number of distinguished guests jointly unveiled the stamps. The Taipei Post Office also set up a temporary post office on the 1st floor of the Postal Museum from 10 am to 5 pm on the same day to provide cancellation services, as well as sales of philatelic products, epidemic prevention postal cards, limited edition stamp folios and stamp issuing ceremony commemorative cards for the postal users.

(3) Supporting philatelic societies to participate in philatelic events at home and abroad

Supporting philatelic societies and other groups nationwide to organize stamp exhibitions and stamp-collection promotions, totaling 60 times.

(4) Organizing various youth-oriented philatelic events:

- i. Establishing a total of 192 stamp collecting classrooms in schools nationwide in 2020, recruiting 4,603 members.
- ii. On October 27, 2020, the "Best Philatelic Works Competition" was held to encourage students in the Philatelic Classroom to make 4-page Little Philatelic Artworks and 16-page One Frame Stamp Collections. The entries included 75 pieces of Little Philatelic Artworks and 32 pieces of One Frame Stamp Collections with rich and diversified materials used.
- iii. Supporting senior high and vocational schools as well as universities, colleges and junior colleges to start philatelic clubs, of which 33 have been established so far.

(5) Organizing exhibitions and activities at the Postal Museum

The Postal Museum was established for collecting, preserving, displaying and conducting researches on postal artifacts, so as to carry on postal missions, promote postal culture, and provide the public with a recreational place to learn about postal business and appreciate the beauty of stamps. In the year of 2020, 10 stamp exhibitions and special exhibitions and 12 philatelic lectures were held at the Postal Museum, attracting a total of 100,082 visitors. Stamp sales and site renting generated a revenue of NT\$4,732,320. In addition, exhibits were provided with external cooperation exhibitions and 2 community activities each.

i. Holding stamp exhibitions and special exhibitions to promote philately and aesthetics

- 4 exhibitions at Postal Museum: 2020 Year of the Rat Greeting Postage Stamps from around the World, Art from Childhood-Childhood Special Stamp Exhibition, Auspicious Gifts- Elderly Honoring Special Stamp Exhibition, and Happy Ox Year- Chinese Zodiac Special Stamp Exhibition.
- 5 exhibitions at Postal Museum Taipei Branch: Into the Woods Special Stamp Exhibition, Beautiful Architecture Special Stamp Exhibition, Doggie Special Stamp Exhibition, Playful Swimmers-Marine Life Special Stamp Exhibition, and Exquisite Porcelain Special Stamp Exhibition.



- 1 exhibition at Lanyang Museum: Yilan Image Reflected in the Stamp Collections of Taiwan Postal Systems and Postage Arts
- ii. Organizing philatelic lectures to encourage philately
To promote philatelic exchange and educate philatelists, the Postal Museum has cooperated with the Chinese Taipei Philatelic Federation to hold stamp monthly lectures on every third Saturday. Philatelic experts are invited to introduce stamp collections and pass down their knowledge, as well as to share the joy of philately. Every lecture draws a crowd of enthusiastic philatelists. A total of 12 lectures were held with the participation of 564 philatelic enthusiasts.
- iii. Sales of tickets and provision of venue rentals to increase revenue
In order to promote philately and social education and cultural activities, in addition to selling stamps and products at the business counter on the 1st floor, the audio-visual room on the 2nd floor, the special exhibition room on the 6th floor, and the auditorium and meeting rooms on the 10th floor were also available for rent. In 2020, due to the COVID-19 pandemic, the operating income of venue rental and visitor tickets was affected. The rental income was NT\$1,552,460, stamp and product sales income was NT\$3,179,860, and total revenue was NT\$4,732,320.
- iv. Providing exhibits and co-organizing exhibitions with external parties.
 - 1 exhibition at National Museum of Natural Science: Insects on Stamps exhibition.
 - 1 exhibition at Pinglin Tea Museum, New Taipei City: Cha Share exhibition
- v. Participating in community activities to enhance corporate image
 - From June 25th to 26th, 2020, for the Spring Book Fair at "2020 South Taipei Fun Carnival" organized by the General Association of Chinese Culture, Chunghwa Post planned a number of fun activities such as book sharing, letter writing, and stamp painting to encourage parents and their children and young people to learn more about the Postal Museum.
 - From December 12th to 13th, 2020, for "2020 Guling Street Books & Creative Bazaar", Chunghwa Post planned time letter writing and many other parent-child interactive games held in Longfu Village Office, Zhongzheng District, Taipei City, to exert the social education function of the Postal Museum in an entertaining way.

(VI) Agential Business – Inclusive of Everything

1. In accordance with Paragraph 7 Article 5 of the Postal Act, Chunghwa Post may operate as an agent for other business. At the present, the Company has been commissioned to sell 21 types of merchandise, including revenue stamps, anti-tuberculosis stamps, enrollment guidelines, web account ID and telephone cards, prepaid cards, tickets and accommodation vouchers, DVDs, clothes and ornaments, commemorative coins and gold/silver bars/bricks, beauty products, health products, health drinks (edible oil), wine, rice, electronic appliances, art gifts, coupons, festival gift items, daily supplies, organic foods and books.
2. Chunghwa Post continued to promote the Postmall, integrating postal logistics and distribution business. In 2020, the cumulative number of franchise stores totaled 2,269, and the cumulative number of products on the shelves exceeded 160,000. In order to establish the characteristics of the postal e-commerce platform, the "Caring Agricultural Products Marketing Zone", "Taiwan Special Agricultural Products Gallery Zone" and "Public Care Zone" have been opened to assist small farmers and micro-enterprises to expand commodity marketing channels.
3. To meet multifaceted investment needs of deposit account clients, Chunghwa Post has designated 961 branch offices to sell 131 domestic funds by the end of 2020.

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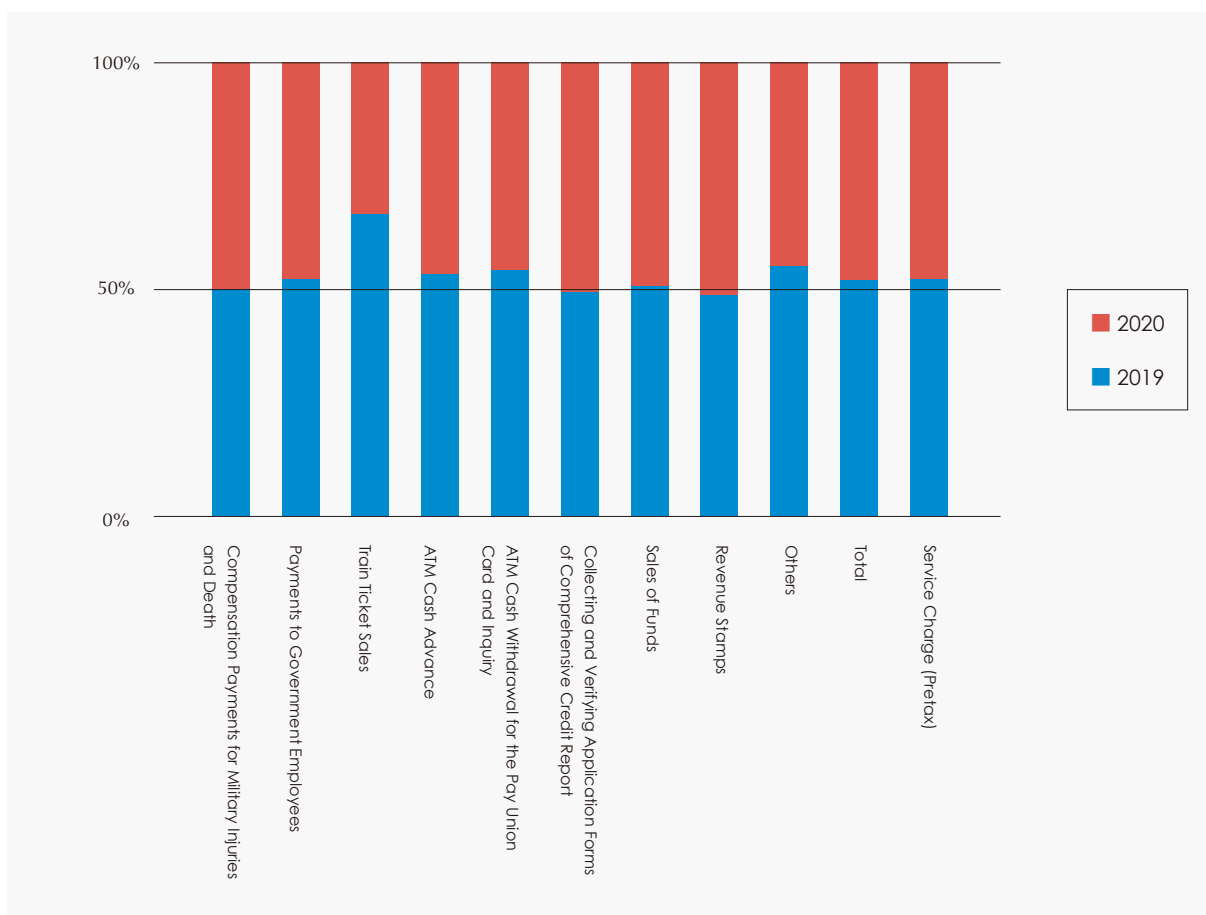
4. The Application Forms of Comprehensive Credit Report and Financial Institution Debtor Listing provided by the Report Joint Credit Information Center can now be collected and verified by branches on all levels.

Volume of Agential Business (exclusive of bonds and military honorable discharge pension)

Unit: NT\$10,000

Item	2019	2020	Growth %
Compensation Payment for Military Injuries and Death	105,675	104,320	-1.28%
Payments to Government Employees	2,172	2,017	-7.14%
Train Ticket Sales	1,181	620	-47.50%
ATM Cash Advance	35,722	30,208	-15.44%
ATM Cash Withdrawal for the Pay Union Card and Inquiry	313,393	246,422	-21.37%
Collecting and Verifying Application Forms of Comprehensive Credit Report	133	135	1.50%
Sales of Funds	38,421	35,087	-8.68%
Revenue Stamps	101,984	107,506	5.41%
Others	18,143	13,170	-27.41%
Total	616,824	539,485	-12.54%
Service Charge (Pretax)	6,609	5,757	-12.89%

Comparison Chart of Agential Business, 2019 and 2020





(VII) Asset Management – Asset Activation

Real properties under the management of Chunghwa Post are used to operate businesses such as postal service, savings and remittances services and life insurance. Paragraph 6 of Article 5 of the Postal Act provides that Chunghwa Post may engage in the management of postal assets. Moreover, according to the Plans for Strengthening the Management and Utilization Efficiency of State-owned Assets formulated by the Ministry of Finance, post offices and mail processing centers at all levels, while in compliance with objectives, originally designated purposes or profit-seeking businesses of Chunghwa Post, may properly utilize spare space or provide it to others at a cost after reviewing the actual utilization of real properties registered under their names. Such plans are aimed at increasing revenues, making full use of postal resources and boosting the rate of return on assets. In order to enhance the utilization efficiency of postal assets, Chunghwa Post managed to better utilize postal real properties and aggressively repurposed spare space in 2020. Details are as follows:

1. Asset lease

- (1) The lease of property assets is as follows:
 - i. Renting out spare space after review and adjustment of the workspace configuration.
 - ii. Renting out business premises for marketing display.
 - iii. Allowing mobile communication companies to rent roofs of post offices for base station installation.
 - iv. Renting out the interior and outer walls (or space) for posting ads.
 - v. Others: renting out meeting rooms, auditoriums, parking lots and the employee training classrooms.
- (2) All post offices and Taipei Mail Processing Center were asked to make an inventory of the actual use of their own real properties. Where there was spare space or any underused property, short-, mid- and long-term use improvement plans had to be proposed to guide the implementation of relevant asset revitalization program.
- (3) Post-tax revenue from rent was NT\$284.18 million in the year of 2020, up NT\$ 4.35 million or 1.55% compared with NT\$279.83 million generated in 2019.

2. Asset development

Chunghwa Post participated in a number of urban renewal projects:

- (1) Participated in 3 urban renewal projects launched by the private sector.
- (2) Participated in 1 urban renewal projects launched by the government.
- (3) Launched by ourselves 1 urban renewal project.

3. Continuing to demolish and rebuild old post offices to enhance the quality of service and use the space more efficiently

- (1) If the assets of Chunghwa Post (old office buildings or lands having yet to be used) locate in urban areas (that are convenient, well-developed, and densely populated), potentially great locations, or scenic spots, Chunghwa Post is going to rebuild them to enhance the quality of service.
- (2) In response to the change in the type of operation, Chunghwa Post evaluates the business performance and potential for development of post offices of all levels and Taipei Mail Processing Center, and accordingly adjusts the use of space. To utilize the real estate more efficiently, the old office buildings or lands of Chunghwa Post located in residential or business districts are rebuilt into or used for multi-purpose (commercial) buildings.

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4. Building a positive corporate image

- (1) Setting up more beautified post offices as examples, which provide bright, comfortable, convenient environments for the public to use the postal service and enhance the service quality. By the end of 2020, 31 exemplary post offices have been set up.
- (2) In line with the sustainable energy policies promoted by the government, Chunghwa Post has installed photovoltaic power generation systems on the roof of post offices. By the end of 2020, 60 systems have been installed, reaching a capacity of 2,286 KW.
- (3) Chunghwa Post provided long-term care institutions with spare post office space to support their development. For example, the third, fourth, and fifth floors of Nangang Post Office were rented out to the integrated long-term care institution of Keelung Hospital under the Ministry of Health and Welfare, and the third floor of Fengyuan Huludun Post Office in Taichung was rented out to the daycare center of Taichung Senior Health Promotion Association.
- (4) Four of the estates of Chunghwa Post were selected by the Ministry of the Interior and local governments to join the public housing scheme.

5. Other measures to activate assets

- (1) Chunghwa Post established a Property Assets Operation Supervision Team and formulated Guidelines for Property Assets Operation Incentives at All Levels of Post Offices (Taipei Mail Processing Center) to orchestrate, arrange and support the activation of property assets owned and managed by post offices/centers at all levels, and to provide incentives accordingly. The supervision team convened one meeting once in 2020 to speed up the revitalization and resolve problems arising therefrom.
- (2) Meeting minutes, briefings along with training materials, regulations and reports regarding asset revitalization have been uploaded online, ready to be shared among post offices (centers) at all levels.
- (3) Chunghwa Post provided trainings on property assets utilization on a yearly basis. All levels of post offices (center) performing well in asset revitalization were invited to designate a representative to share their successful stories and experience.

(VIII) Capital Utilization – Supporting state construction programs

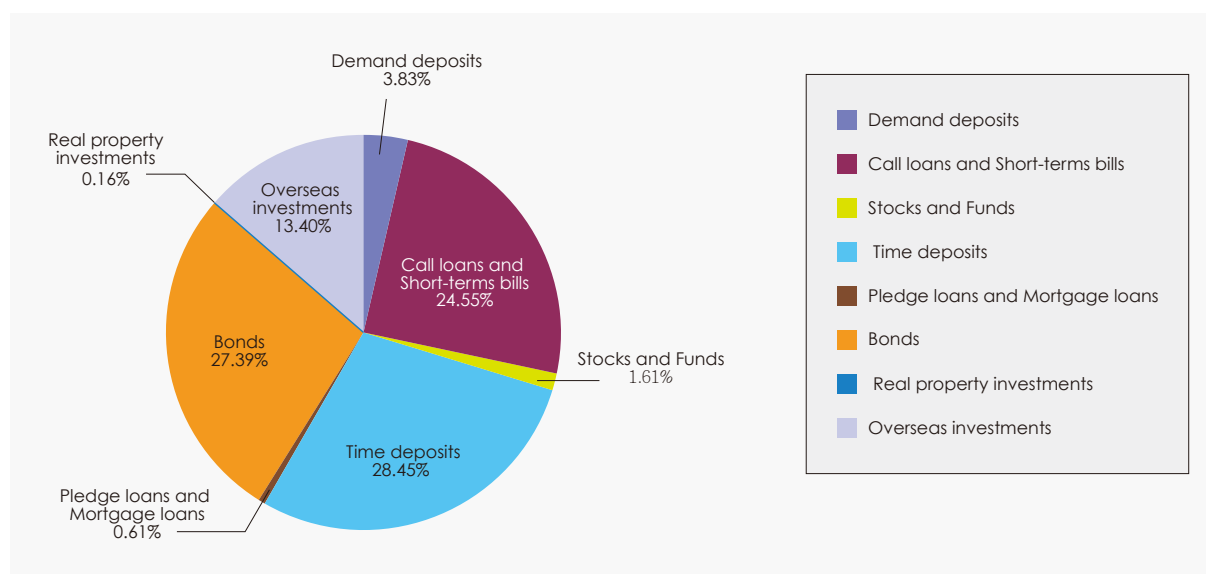
Chunghwa Post keeps attracting non-government idle capital, accumulating a steadily growing amount of postal capital, which shall be spent in accordance with Article 18 of the Postal Remittances and Savings Act and Article 27 of the Simple Life Insurance Act. Portions of the capital shall be re-deposited with the Central Bank of the Republic of China (Taiwan) while the remaining may be spent in various ways: deposited with state-owned and private banks, invest abroad, purchase bonds, bills and stocks, provide time deposits and life insurance policy pledge loans and mortgage loans, and invest in real property. In coordination with government policies, Chunghwa Post also provide mid- and long-term capital plans to finance major state construction projects and private investment projects to boost economic development across Taiwan. By the end of 2020, postal capital (savings, remittances and life insurance capital inclusive) put into use has totaled NT\$7,235.3 billion. The capital was distributed as follows:

1. Demand deposits (deposit reserves re-deposited with the Central Bank of the Republic of China, and revolving capital of post offices at all levels inclusive): NT\$276.9 billion, accounting for 3.83% of the total.
2. Time deposits (time savings deposits inclusive): NT\$2,058.5 billion, or 28.45% of the total.
3. Interbank call loans and short-term bills: NT\$1,776.7 billion, or 24.55% of the total.



4. Bonds (government bonds, corporate bonds and financial bonds inclusive): NT\$1,981.8 billion, or 27.39% of the total.
5. Overseas investments: NT\$969.3 billion, or 13.40% of the total.
6. Stocks and funds (outsourced investments inclusive): NT\$116.5 billion, 1.61% of the total.
7. Time deposits and life insurance policy pledge loans and mortgage loans: NT\$44.2 billion, or 0.61% of the total.
8. Real property investments: NT\$11.4 billion, or 0.16% of the total.

Utilization of Postal Capital



By the end of 2020, Chunghwa Post has provided more than NT\$1,612.6 billion postal capital, in coordination with government policies, to finance major state construction projects and private investment projects. Details are as follows:

Project Name	Amount / NT\$100 Million	Remarks
State Construction and Private Investment Projects	9,748	In coordination with the Committee for Planning and Promoting the Utilization of Short- and Long-Term Funding initiated by National Development Council
Small and Medium Enterprises (SME) Consolidation Project Loans	1,339	In coordination with Small and Medium Enterprise Administration of the Ministry of Economic Affairs
First Time Homebuyers Loans	1,057	In coordination with the Construction and Planning Agency, Ministry of the Interior
Manufacturing Industry and SME Project Loans	727	In coordination with the Central Bank of the ROC
First Time Homebuyers Loan for Citizens without Self-Use Residential Property	2,715	Same as above
Home Reconstruction Loans for 921 Quake Victims	515	Same as above
Reconstruction/Repair Loans for Schools, Medical Institutions, Temples and Churches Damaged in 921 Quake	25	Same as above

VII

Operations Summary

II. Employee Composition

Year		2019	2020	As of January 20 th 2021
Number of Employees	Staff	14,351	14,250	14,246
	Laborers	9,879	9,838	9,821
	Contract Workers	1,805	1,782	1,770
	Total	26,035	25,870	25,837
	Average Age	45.7	45.8	45.6
Average Seniority		17.1	17.0	16.8
Educational Background (Half-day Workers Counted as Whole)	Doctorates	9	9	9
	Masters	1,296	1,335	1,361
	Bachelors	17,000	17,197	17,226
	Senior High School	7,555	7,186	7,108
	Junior High School and Below	645	598	587
Employee Holding Professional Certificates		3,706	4,236	243
2020 Employee Training	1. Training Courses: Launched 873 classes on technical skills, computer and lectures on specific topics for new recruits, executives and professionals, with 50,833 recorded attendances. 2. Online Learning: Launched for all employees, having total hours amounting to 885,559.5 hours.			
2020 Volunteering	In 2020, a total of 4,151 volunteers worked for 1,429,432.2 hours in branches and mail processing centers at all levels.			

(I) Budget quota

In accordance with the quota set in budget 2020, Chunghwa Post was allowed to employ a total of 27,496 employees, including 14,800 regular staff, 10,896 regular workers and 1,800 temporary workers.

(II) Outsourcing some of the businesses to private enterprises

To cut salary expense, non-core businesses continued to be outsourced, such as mail transport, mail processing, postal service counters, registered mail claiming and postal agencies.

(III) Workforce structure

As of December 31, 2020, Chunghwa Post has employed a chairperson, a president, 9,931 transferred employees, 14,155 staff members and 1,782 contract workers, totaling 25,870 employees. Among them, 23,916 employees (92.45% of the entire workforce) were basic-level clerks, 1,869 employees (7.22%) worked at management level, 21 (0.08%) were training staff, and 64 (0.25%) were staff worked on temporary transfer. Such a workforce structure displays that, compared with a rather small number of managerial positions, a large number of employees work behind counters or at departments handling mail items.

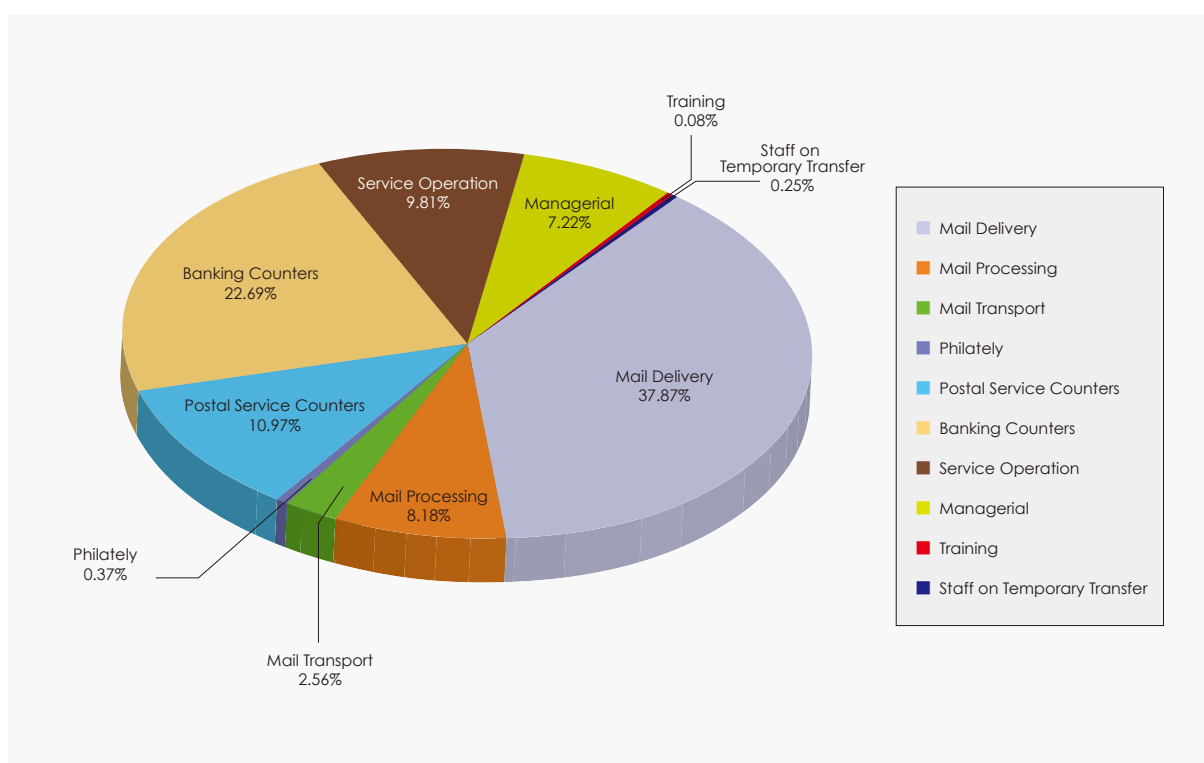


Employees by Function

December 31, 2020 Unit: Person

	Total	%	Head Office	Branches at All Levels	Mail Processing Center
Total	25,870	100%	1,725	23,369	776
Total Business Staff	23,916	92.45%	930	22,258	728
Mail Delivery	9,796	37.87%	0	9,796	0
Mail Processing	2,115	8.18%	0	1,635	480
Mail Transport	661	2.56%	14	399	248
Philately	97	0.37%	62	35	0
Postal Service Counters	2,839	10.97%	0	2,839	0
Banking Counters	5,870	22.69%	0	5,870	0
Service Operation	2,538	9.81%	854	1,684	0
Managerial	1,869	7.22%	739	1,083	47
Training	21	0.08%	17	4	0
Staff on Temporary Transfer	64	0.25%	39	24	1

Employees by Function



III. Labor-Management Relations

(I) Employee benefit plans, retirement system and its implementation, as well as labor-management agreements and measures for protecting employees' rights and interest:

1. Employee benefit plans

- (1) Benefits provided by the Company: sports and recreational activities, birthday parties, vacation subsidies and continuing education opportunities.
- (2) Benefits provided by the Company's Employee Welfare Committee: gifts and gift certificates for three major Chinese holidays and the Labor Day, education subsidies for employees' children, mutual assistance in the event of wedding, childbirth and funeral of employees.

VII

Operations Summary

2. Retirement system

Depending on employee status (civil servant concurrent with labor status, or only labor status) and employment dates, the following laws and regulations will apply with regard to employees' retirement, severance and consolation payments: Regulations Governing the Retirement of Employees of Postal and Communications Enterprises under the MOTC, Regulations Governing the Retirement of Non-Ranking Current Employees of Chunghwa Post Co., Ltd, Labor Standards Act, Labor Pension Act, Enforcement Guidelines for the Severance of Transferred Employees of Chunghwa Post Co., Ltd, and Directions for Retirement, Consolation Payments and Severance of Regular Employees of Chunghwa Post Co., Ltd. We at Chunghwa Post keep working on providing retirees with proper care.

3. Labor-management agreements

To harmonize labor-management relations, labor-management meetings are held at least once every three months in accordance with Implementing Regulations Governing Labor-Management Meetings and Article 83 of the Labor Standards Act. In order to unite employees and build a cohesive team, both labor and management representatives are elected and designated to attend such meetings in accordance with applicable laws. Additionally, labor-management businesses including employees' salary, welfare, laying off, and pension were all conducting according to regulations.

4. Measures for protecting employees' rights and interests

To clearly regulate rights and obligations of laborers and the management, Chunghwa Post has formulated work rules in accordance with Article 70 of the Labor Standards Act, and made and entered into with its Labor Union a collective agreement, which shall be complied with by the both parties. In addition, a report meeting (an ad-hoc meeting when necessary) is called every year to reconcile the relations between the two parties and to resolve issues relevant to employees' benefits in a proper manner. Where any recommendation is put forward at labor-management meetings, or by the Labor Union or its members, Chunghwa Post has been responding to or processing relevant issues in a timely and proper manner.

(II) Loss resulting from labor disputes in the most recent fiscal year and during the current fiscal year as of the date of printing the annual report, disclosure of an estimated amount of loss incurred to date or likely to be incurred in the future, and mitigation measures: None

IV. IT Facilities

(I) Hardware and software deployment of the IT system

1. The host system of Taipei Main Computer Center

This main computer center is employed with an IBM2828-V04 mainframe computer, which has four central processing units (CPUs) running at a speed of 2.244 billion instructions per second (BIPS), a 176GB memory and a z/OS V2.1 operating system. Based on the needs of the Company and its business systems, the host system of the main computer center handles (1) online and batch operations of savings, remittances and life insurance business requested by 1,299 branch offices throughout the country, (2) accounting and mail services, (3) operation connections with other financial institutions to deal with interbank businesses, and (4) system testing for various businesses.

2. The host system of Taichung Disaster Recovery Center

The backup and disaster recovery center in Taichung is employed with an IBM8562-K02 mainframe



computer, which has two CPUs running at a speed of 645 million instructions per second (MIPS), a 288GB memory and a z/OS V2.1 operating system. Based on the needs of the Company and its business systems, the host system of the backup center is divided into various logical partitions corresponding to the mainframe computer of the main center in Taipei, preparing for the activation of the backup system in the event of any disaster so as to sustain the operational capacity of the Company's important systems.

3. The open system

The Company built a three-tiered centralized computing environment for the open system. The front end, equipped with a blade server, deals with input and output network services while the back end, a storage area network (SAN), controls heterogeneous storage and stores databases of various systems, which can enhance the efficiency of managing storage resources, and the middle tier, equipped with a high-end server, integrates various systems to access back-end data. 90 % of the systems in this environment are established upon a virtualized platform, where the application systems and databases are with high availability and are able to use the hardware resources of a virtualized platform more efficiently. This environment also provides a big data platform to respond to large data storage and reduce storage costs and provide energy for data analysis. Moreover, to support the relocating of the Postal Park of Smart Logistics near the A7 station of Taoyuan (Airport) Metro in the future, the Company will keep bringing in new technologies and virtualization management tools to enhance system performance and operation efficiency and to prepare for the movement of the facilities.

4. Maintenance

The Company have professional manufacturers maintain hardware and software equipment of Taipei Main Computer Center, Taichung Disaster Recovery Center and the open system, with maintenance engineers checking the operation of equipment regularly, to prevent in advance any possible failure and ensure that the hardware runs safely and stably. On the other hand, to maintain the safety and high availability of information and communications, system software has also been updated on a regular basis.

(II) Emergency backup and safeguarding measures

1. The Company has been holding regular disaster recovery drills each year, and such drills have been carried out as follows:

- (1) Switching the operation system from Taipei Main Computer Center to Taichung Disaster Recovery Center twice a year to ensure that, after Taipei Center is hit by disasters, system operation can be resumed promptly and various businesses can continue to be provided.
- (2) Organizing local backup and recovery drills at Taipei Main Computer Center twice a year to familiarize relevant staff with required procedures, and to ensure the availability of backup data. Therefore, system operation can be resumed promptly in the event of a localized disaster at Taipei Center.

2. Chunghwa Post has established a Network Monitor Center and an Information Security Monitor Center, to monitor network operations 24/7 and any potential unidentified intrusion from within and outside.



VIII Financial Overview

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- 69 III. Financial Analysis for the Past 5 Years



I. Financial Highlights

Unit: NT\$ million

Item	2016	2017	2018	2019	2020
Assets	6,909,762	7,002,565	7,124,672	7,281,665	7,471,016
Discounts and Loans	51,078	50,574	48,973	46,586	44,460
Mutual Funds and Long-term Investments	4,573,095	4,590,121	4,576,877	4,574,507	4,772,007
Liabilities	6,754,469	6,839,557	6,961,765	7,087,525	7,258,055
Deposits and Remittances	5,994,921	6,065,297	6,163,003	6,271,041	6,409,655
Owner's Equity	155,293	163,008	162,907	194,140	212,961
Total Revenue	272,120	271,936	259,616	252,033	244,668
Interest Revenue	97,230	97,341	101,297	103,703	93,745
Total Expenses	262,313	261,328	245,185	242,685	235,531
Interest Expenses	49,565	45,170	44,593	44,317	37,847
Net Income	9,807	10,608	14,431	9,348	9,137
Return on Assets	0.14%	0.15%	0.20%	0.13%	0.12%
Return on Equity	6.59%	6.67%	8.86%	5.24%	4.49%

Remarks: 1. Return on Assets= Net Income/ Average Assets

2. Return on Equity= Net Income/ Average Equity

3. Total expenses include income tax

4. The 2016-2019 Financial Statement was readjusted in accordance with the Statement of Financial Accounting Standards of Taiwan. The 2020 Financial Statement was attested by CPA.

Tendency of Total Assets for the Past 5 Years

Unit: NT\$ 100 million

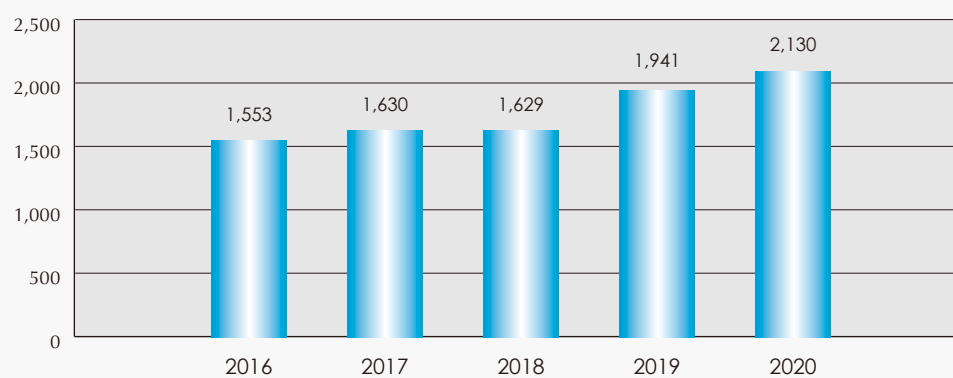


VIII

Financial Overview

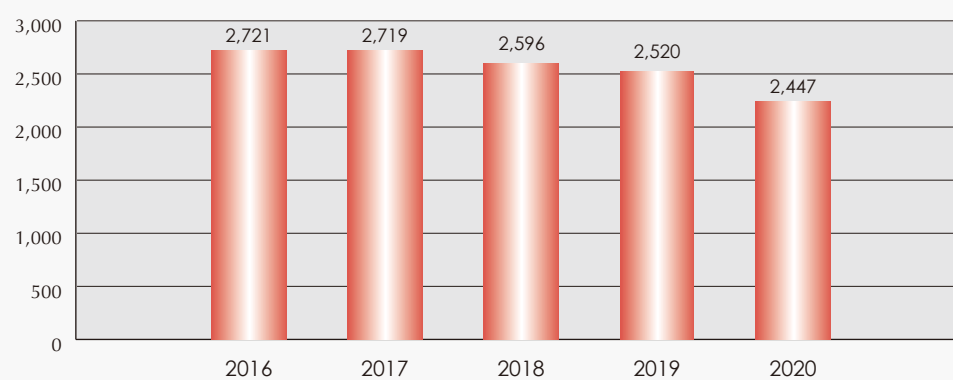
Tendency of Owner's Equity for the Past 5 Years

Unit: NT\$ 100 million



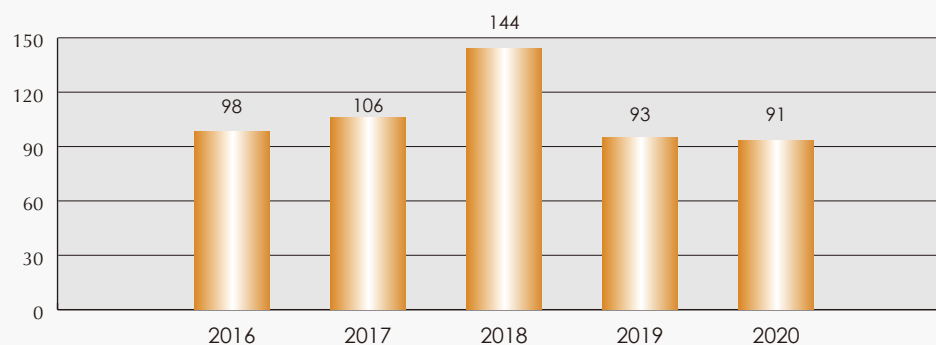
Tendency of Total Income for the Past 5 Years

Unit: NT\$ 100 million



Tendency of Net Profit for the Past 5 Years

Unit: NT\$ 100 million





II. Condensed Balance Sheet and Income Statement Data for the Past 5 Years

Condensed Balance Sheet

Unit: NT\$ 1,000

Item	2016	2017	2018	2019	2020
Cash and Due from Banks	308,398,555	402,471,133	460,451,682	546,312,157	546,614,123
Due from the Central Bank	1,807,288,531	1,791,887,579	1,804,930,412	1,831,436,833	1,835,520,794
Financial Assets at Fair Value through Income Statement	2,797,089	10,964,031	63,488,571	108,046,938	103,215,284
Investment in Bills & Bonds under Reverse REPO	7,502,104	2,402,201	2,528,140	1,350,000	1,471,908
Receivable Accounts – Net	42,727,220	43,723,069	43,290,685	42,542,097	38,243,722
Income Tax Assets	16,009,678	1,465,397	6,836,913	10,752,204	3,915,291
Loan – Net	51,078,402	50,574,485	48,973,332	46,586,139	44,459,526
Financial Assets at Fair Value through other Income Statements	–	–	282,931,155	285,146,602	296,174,291
Available-for-Sale Financial Assets – Net	390,386,007	405,615,951	–	–	–
Held-to-Maturity Financial Assets – Net	3,769,005,065	3,741,179,681	–	–	–
Investment under the Equity Method – Net	78,498	82,137	81,146	86,718	92,581
Investment in Bonds without Active Market – Net	405,435,774	436,589,866	–	–	–
Financial Assets from Sale of Amortized Cost	–	–	4,287,016,891	4,284,401,147	4,471,710,784
Other Financial Assets – Net	8,189,943	6,653,156	6,847,635	4,872,898	4,029,080
Right-of-use Assets – Net	–	–	–	754,490	657,973
Investment-based Real Estate – Net	3,915,367	5,092,526	11,440,248	11,361,534	12,154,226
Real Estate and Equipment – Net	93,524,585	98,470,877	102,936,631	105,515,173	109,026,533
Intangible Assets – Net	412,972	413,425	349,620	457,486	463,862
Deferred Income Tax Assets – Net	1,707,104	922,498	1,361,911	986,097	2,061,270
Other Assets – Net	1,304,724	4,056,817	1,206,670	8,340,032	1,204,468
Total Assets					
Before Distribution	6,916,127,667	7,009,360,630	7,131,765,615	7,288,948,545	7,478,194,609
After Distribution	6,909,761,618	7,002,564,829	7,124,671,642	–	7,471,015,716
Due to Banks	16,515,000	6,815,000	19,915,000	7,415,000	10,815,000
Financial Liabilities at Fair Value through Income Statement	6,773,119	72,105	7,118,956	78,686	4,914,665
Bills & Bonds Sold under REPO	1,005,364	–	–	–	–
Amount Dues	70,247,578	56,223,028	54,572,539	64,977,224	66,548,379
Current Tax	–	2,374,832	24,929	–	1,578,552
Deposits and Remittances	5,994,921,433	6,065,296,928	6,163,002,573	6,271,041,028	6,409,655,282
Insurance Liabilities	646,177,801	684,815,645	690,955,768	724,179,541	742,040,709
Foreign Exchange Valuation Reserve	1,107,493	554,031	1,364,174	370,630	145,601
Provisions for Employee Benefits	9,039,637	14,871,598	14,909,059	9,651,798	10,127,403
Lease Liabilities	–	–	–	636,573	542,818
Deferred Income Tax Liabilities	5,339,436	4,454,715	2,110,525	6,347,099	9,153,233
Other Liabilities	3,341,540	4,079,049	7,791,308	2,827,656	2,533,551
Total Liabilities					
Before Distribution	6,753,801,805	6,839,556,931	6,960,474,947	7,087,190,522	7,257,323,059
After Distribution	6,754,468,401	6,839,556,931	6,961,764,831	7,087,525,235	7,258,055,193
Capital Stock					
Before Distribution	67,311,000	69,479,000	72,082,000	72,376,000	73,522,000
After Distribution	67,311,000	69,479,000	72,082,000	72,376,000	73,522,000
Capital Surplus	6,407,576	6,407,425	6,407,425	6,407,425	6,407,425
Retained Earnings					
Before Distribution	55,384,154	56,791,081	65,592,073	69,171,485	77,032,211
After Distribution	48,351,509	49,995,280	57,208,216	61,553,079	69,121,184
Other Owner's Equities	33,223,132	37,126,193	27,209,170	53,803,113	63,909,914
Owne's Equities					
Before Distribution	162,325,862	169,803,699	171,290,668	201,758,023	220,871,550
After Distribution	155,293,217	163,007,898	162,906,811	194,139,617	212,960,523

Remark: 2016-2019 Financial Statement was readjusted in accordance with the Statement of Financial Accounting Standards of Taiwan. The 2020 Financial Statement was attested by CPA.

VIII

Financial Overview

Condensed Statement of Comprehensive Income

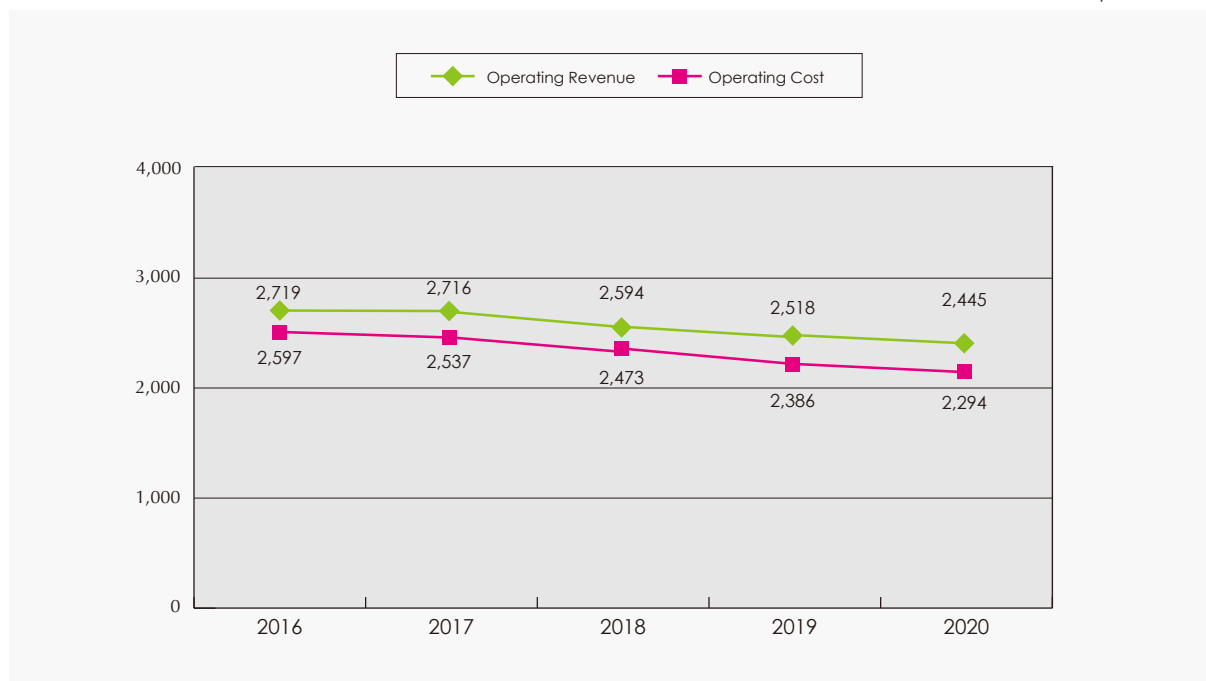
Unit: NT\$ 1,000

Item	2016	2017	2018	2019	2020
Operating Revenues	271,905,451	217,624,527	259,363,793	251,833,952	244,469,950
Operating Cost	259,691,281	253,722,711	247,323,288	238,569,677	229,405,330
Operating Profit	12,214,170	17,901,816	12,040,505	13,264,275	15,064,620
Non-Operating Profit (Loss)	102,910	(250,740)	161,328	42,425	(4,668)
Net Profit before Tax	12,317,080	17,651,076	12,201,833	13,306,700	15,059,952
Income Tax Expenses	2,510,481	7,043,463	(2,229,446)	3,958,357	5,923,148
Net Profit	9,806,599	10,607,613	14,431,279	9,348,343	9,136,804
Other Comprehensive Losses/ Gains (after tax)	10,079,658	3,903,061	(6,308,584)	29,502,869	17,595,129
Total Comprehensive Profit	19,886,257	14,510,674	8,122,695	38,851,212	26,731,933
Earnings per Share (NT\$)	1.33	1.44	1.96	1.27	1.24

Remarks: 1. The 2016-2019 Financial Statement was readjusted in accordance with the Statement of Financial Accounting Standards of Taiwan. The 2020 Financial Statement was attested by CPA.
2. On April 30, 2020, the Company transferred capital surplus to capital, making a total Paid-up capital of NT\$ 73.522 billion. Therefore, there are readjustments in 2016-2019's Earnings per Share.

Operating Revenue and Cost

Unit: NT\$ 100 million





III. Financial Analysis for the Past 5 Years

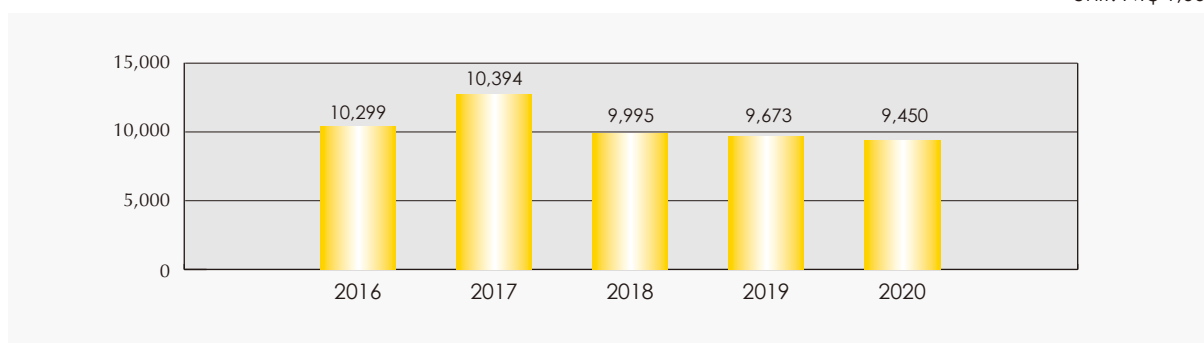
Item		2016	2017	2018	2019	2020
Operating Capability	Turnover of Total Assets (Number of Times)	0.04	0.04	0.04	0.03	0.03
	Average Operating Revenue per Employee (NT\$ 1,000)	10,299	10,394	9,995	9,673	9,450
	Average Earnings per Employee (NT\$ 1,000)	371	406	556	359	353
Profitability	Return on Assets (%)	0.14	0.15	0.20	0.13	0.12
	Return on Stockholders' Equities (%)	6.59	6.67	8.86	5.24	4.49
	Net Income Ratio (%)	3.61	3.91	5.56	3.71	3.74
	Earnings per Share (NT\$)	1.33	1.44	1.96	1.27	1.24
Growth Rate	Asset Growth Rate (%)	2.21	1.34	1.74	2.20	2.60
	Profit Growth Rate (%)	(10.35)	43.31	(30.87)	9.05	13.18

Remarks: 1. The 2016-2019 Financial Statement was readjusted in accordance with the Statement of Financial Accounting Standards of Taiwan. The 2020 Financial Statement was attested by CPA.

2. On April 30, 2020, the Company transferred capital surplus to capital, making a total paid-up capital of NT\$ 73.522 billion. Therefore, there are readjustments in 2016-2019's Earnings per Share.

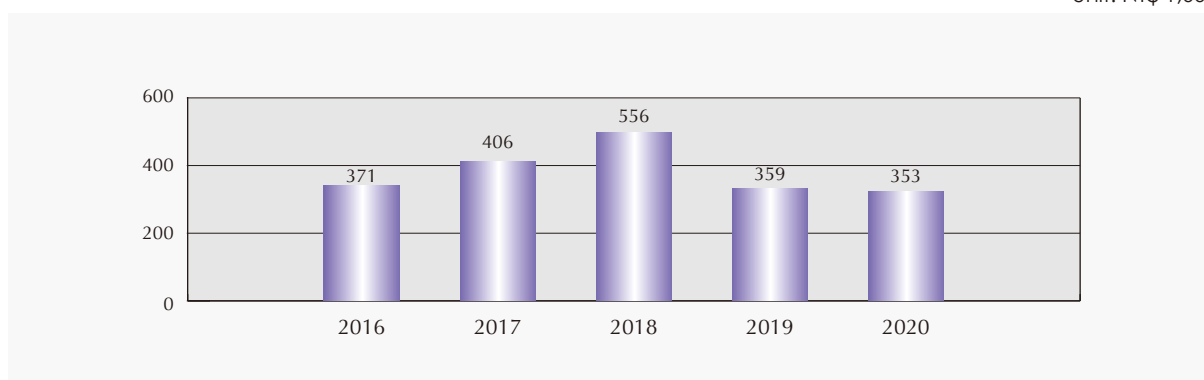
Average Operating Revenue per Employee

Unit: NT\$ 1,000



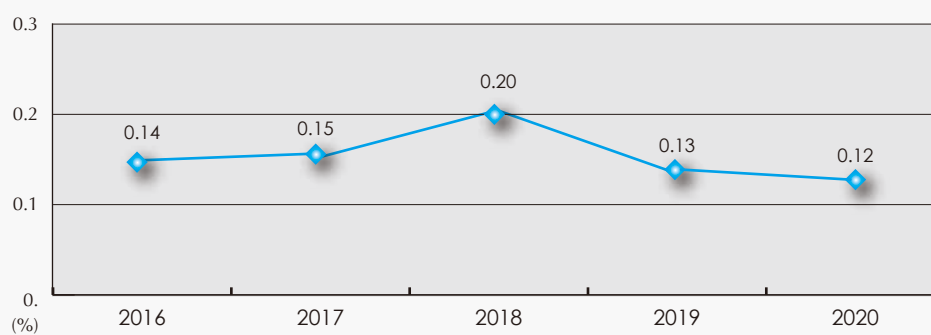
Average Earnings per Employee

Unit: NT\$ 1,000



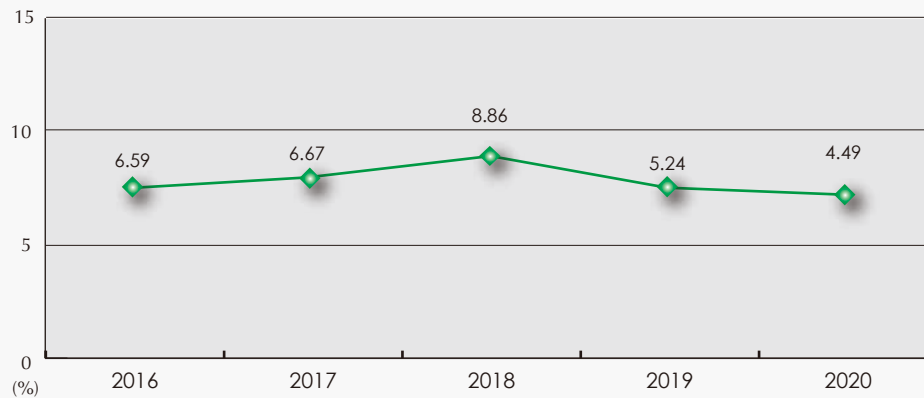
Return on Assets

(%)



Return on Stockholders' Equity

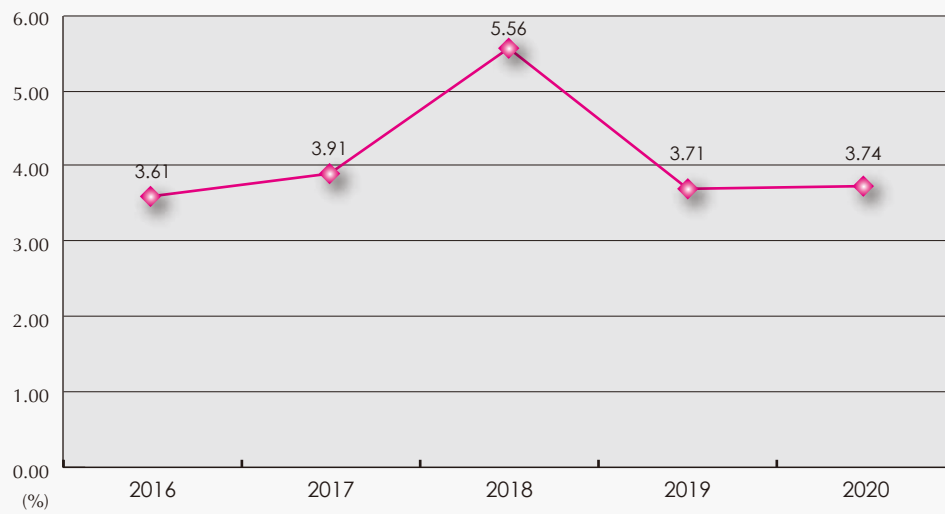
(%)





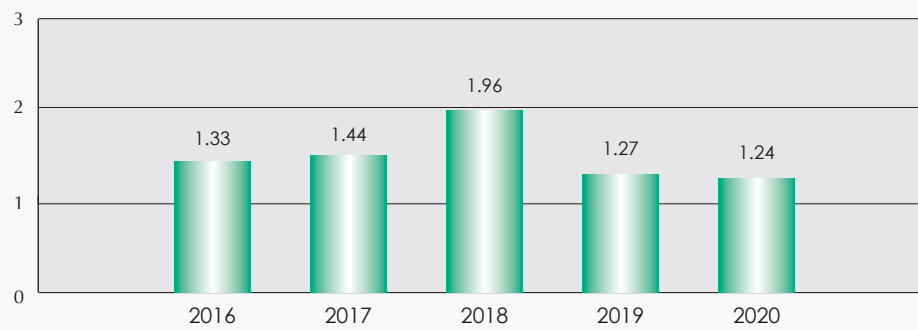
Net Income Ratio

(%)



Earnings per Share

Unit: NT\$



2020

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