

2.2 Low-Carbon Economy

The Bank is committed to becoming a leading brand in green finance by focusing on core businesses and promoting digital services alongside high-quality green financial products. Through capital provision and financial services, we support enterprises in their low-carbon transformation, helping industries address climate change, enhance competitiveness, and facilitate a structured transition toward a green economy, achieving shared prosperity for both the environment and the economy.

2.2.1 Sustainable Finance

■ Provide Comprehensive Climate Finance Solution

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Environment Investment & Lending	Cathay FHC offers sustainability-themed investment and lending to ensure our environment and society can both flourish. Low carbon and energy storage domains are particularly relevant to the low-carbon transition, representing an important direction for sustainable environmental development. CUB follows Cathay FHC's vision and has defined related services as environmental financing and environmental investments, taking stock of progress in each category to hopefully contribute to the vision of sustainable environmental development. In 2024, the amount of environmental investment and financing increased by 14.2 billion TWD compared to 2023. We hope to exert financial influence through increased capital injection, supporting enterprises in creating low-carbon transformation opportunities or mitigating and adapting to climate change, making industrial transformation more competitive. For more information on sustainable investment and lending, please refer to Appendix Table 6.1-22 .	Amount of environmental financing	41.3 billion	51.4 billion
		Amount of environmental financing Total amount of corporate lending × 100%	5.43%	6.07%
		Amount of environmental investments	25.7 billion	29.8 billion
Investment & Lending in Industries Important to Taiwan's 12 Key Strategies	Taiwan established action plans in the "Taiwan's Pathway to Net-Zero Emissions in 2050" for 12 key domains critical to energy, industry, lifestyle, and social transition policies. The government issued the "12 Key Strategies" to integrate inter-agency resources and show support to all contributing individuals, businesses, and NGOs. The capital market serves a critical role in this process as a major driving force for net-zero transition that can contribute to the development and breakthroughs of new technologies. To exert financial influence, the bank also supports the development of relevant industries with funding, investing in wind power and energy-saving industries, responding to government initiatives and supporting enterprises in the development of green energy and energy-saving industries, moving towards the positive goals of a green electricity home and optimal energy efficiency.	Amount of environmental investments Total investment × 100%	2.14%	2.70%
		Investments and lending in industries critical to the "12 Key Strategies" listed in the "Taiwan's Pathway to Net-Zero Emissions in 2050"	33.212 billion	47.000 billion

Unit: New Taiwan Dollar (NTD)

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Renewable Energy Loans	The Bank focuses on supporting Taiwan's green electricity and renewable energy policies and has set a goal to continue increasing the percentage of renewable energy loans to electricity supply loans until we reach 85% in 2025. This is a measurable goal that helps us monitor the outcome of the bank's support for renewable energy loans. Through technology cultivation, industry upgrading, and attracting external investment, CUB promotes industrial transformation, enhance Taiwan's energy independence and competitiveness, and achieve multiple goals of environmental and energy transition.	Percentage of renewable energy loans to total electricity supply loans	93.33%	99.79%
Sustainable Loans	Green Corporate Loans The use of funds is restricted to specific green projects, including renewable energy, energy conservation and efficiency improvement, clean transportation, water treatment, etc., supporting borrowers in achieving environmental benefits such as carbon reduction and water purification.	Outstanding amount of green corporate loans	28.080 billion	25.000 billion
		Outstanding amount of green corporate loans Total outstanding amount of corporate lending × 100%	3.69%	2.95%
Sustainable Loans	Sustainability-Linked Loans (SLL) Commercial terms of corporate loans are linked to pre-determined sustainable key performance indicators (KPIs) of the borrower or its controlled and affiliated companies. Currently, most of CUB's sustainability-linked loans have environmental KPIs, encouraging clients to achieve the quantifiable environmental outcome such as carbon reduction, electricity saving, use of green energy, and water conservation.	Outstanding amount of SLL	33.036 billion	49.513 billion
		Outstanding amount of SLL Total outstanding amount of corporate lending × 100%	4.34%	5.85%
Sustainable Investments	The bank's sustainability-related investments include investments in domestically and internationally issued green bonds, social bonds, sustainable bonds, and sustainability-linked bonds.	Amount of sustainable investments	25.041 billion	43.907 billion
		Amount of sustainable investments Total amount of investments × 100%	2.09%	3.97%
		Investment amount in sustainability-related bonds recognized by the TPEX	14.023 billion	19.291 billion
		Amount in sustainability-related bonds recognized by the TPEX Total amount of investment × 100%	1.17%	1.75%

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Renewable Energy Industry Insurance	<p>The renewable energies sector, specifically investments and operations, is susceptible to various risks such as equipment malfunctions, natural disasters, etc. However, insurance products can provide protection against risks, lower investor concerns, and encourage the development of renewable energy projects.</p> <p>CUB and Cathay Century are collaborating together on Cross-Selling to offer applicable insurance to green energy industries in support of their sustainable development and operations.</p>	Insurance premium of green energy industry clients	18.68 million	16.24 million
Green Consumer Loans	<p>The bank has launched green consumer loan schemes, covering green building-certified property loans and pure electric vehicle purchase loans, offering diverse preferential interest rates and flexible repayment terms. These schemes contribute to the development of the green economy and reduce negative environmental impacts. Positive environmental benefits include promoting green building development, improving energy efficiency, and reducing transportation emissions. This not only raises environmental awareness in the financial system but also broadly promotes sustainable social development, allowing financial institutions to make positive contributions to protecting the planet while supporting economic development.</p>	Amount of green consumer loans	567 million	1,196 million
		$\frac{\text{Amount of green consumer loans}}{\text{Total amount of consumer lending}} \times 100\%$	0.04%	0.06%
Green Time Deposit	<p>CUB's guidelines for Green Time Deposit products are designed based on the Green Bond Principles (GBP) established by the International Capital Market Association (ICMA). We also engaged third-party accounting firms to audit and issue limited assurance reports on the use of funds for this program. Green Time Deposit product is offered to enterprise clients to fund green projects in renewable energy and sustainable water sources. Launched in July 2022, the scale of the program has grown to NT\$38 billion.</p>	Green time deposit balance	2.394 billion	1.007 billion
Digitalization of Insurance Policies & Documents	<p>The life insurance application process is primarily electronic, with customers signing policy documents on mobile devices and transmitting images of application documents via digital systems, enhancing paperless applications and reducing resource waste.</p>	Ensure 85% of life insurance enrollment are conducted digitally	93.96%	95.08%
ESG Funds	<p>The bank has listed over 50 ESG funds, allowing clients to contribute to the environment, society, and corporate governance while pursuing financial returns. Through ESG fund investments, we hope to work hand in hand with clients to create a better future.</p>	Scale of ESG funds	5.78 billion	10.37 billion
		Number of ESG fund clients	20,059 people	24,604 people

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Offshore Wind Power	CUB has not only undertaken the first offshore wind power syndicated loan project in Taiwan - the 128 MW Marine Offshore Wind Farm Project, but also continued to participate in the equity project financing of the 640 MW Yunlin Offshore Wind Farm Project and 605 MW Greater Changhua Offshore Wind Farm Holdco Finance Project, actively investing in various renewable energy financing projects. In 2022-2023, CUB mainly provided financial advisory services. One of the projects involved providing financial advisory services during the selection phase of the 3-1 offshore wind farm, successfully assisting the client in obtaining the Energy Bureau's allocation and development of a 500MW offshore wind farm permit. There was also participation in discussions on domestic green electricity insurance projects with financial peers and related institutions. As of now, CUB has approved offshore wind power projects totaling 1,373 MW.	Offshore wind energy capacity from CUB-approved loans	1,373 MW	1,373 MW
Solar Power Project Financing	CUB undertook the first solar power project financing, the first EP case, and the first syndicated loan for an offshore wind farm in Taiwan. CUB provided loans for 39 solar power stations in Taiwan in 2024, with a total installed capacity of 14 MW. As of the end of 2024, CUB has approved loans for over 2,800 solar power stations in Taiwan and abroad, reducing carbon emissions by 638,000 metric tons each year.	Total installed capacity	1,045 MW	1,059 MW

Note:

- 1 The 2023 column figures are statistics as of December 31, 2023, and the 2024 statistics are as of December 31, 2024.
- 2 2025 targets for renewable energy loans were met ahead of schedule in the end of 2022. Considering that energy transition is an important strategy for Taiwan's goal of Net Zero by 2050 and that there is still a significant domestic demand for related funding, CUB will continue to track progress until 2025.
- 3 Total amounts of corporate lending (includes domestic and foreign borrowers but excludes closed accounts, dormant accounts, collections, bad debts, and frozen accounts) were NT\$760.978 billion in 2023 and NT\$846.894 billion in 2024. Total outstanding consumer loans were NT\$1,459.992 billion in 2023 and NT\$1,751.016 billion in 2024.
- 4 The calculation method for 2024 has been adjusted and the disclosure revised, using the premium volume confirmed by Cathay Century Insurance as produced by Cathay United Bank.

