

3.2.2 Digital Transformation and Innovation

CUB prioritizes customer-centric values and remains dedicated to providing innovative financial services that are flexible, autonomous, and digitally empowered. Through digital transformation, data analysis, technological applications, and cross-departmental collaboration, we strive to develop more advanced, convenient, and customer-oriented financial services and products. CUB's overarching goal is to evolve into a "technology company offering financial services," which underscores not only technological innovation but also emphasizes delivering exceptional user experiences for our customers. CUB firmly believes that integrating digital technology with financial services enables us to better cater to customer needs and offer them more convenient, efficient, and satisfactory financial experiences.

In recent years, driven by the inexorable trend of digital finance, CUB has embraced the brand ethos of the new CUBE, "Making Financial Life Safer and Simpler with Technology." Addressing the everyday needs of the public and starting from customer demands and scenarios, we've launched smart wealth management and developed autonomous and flexible financial products, providing customers with a richer and more autonomous financial experience. In 2024, we were honored with awards such as The Elite Awards by "Best Wealth Management", 3 big awards at "Best Wealth Management", "Best Digital Smart System", "Best Innovative Trust Service" by Wealth Magazine, "Best Asset Protector" by Business Today Magazine; "Best Wealth Manager" by The Asset; "Best Wealth Management Bank in Taiwan" by The Asian Banker; and "Financial Innovation Award among others."

By the end of 2024, CUB had launched a diverse range of innovative products including the CUBE App, CUBE Online Banking, and Financial Service Stations, acquiring 13 invention patents. These initiatives aim to provide personalized digital financial experiences for customers of all backgrounds, empowering them to achieve their individual financial goals and take control of their future.

3.2.2.1 All-in-One Digital Financial Platform: CUBE App

The CUBE App integrates various financial services to provide users with a convenient one-stop digital financial experience. Through the CUBE App, users can enjoy a variety of convenient and secure money transfer services, apply for a Taiwan dollar/foreign currency/securities account online, switch CUBE Card benefits, set up exchange rate alerts for online currency exchange, set up regular investments (funds/Taiwan/U.S. stocks/Smart Investments), inquire about insurance, and apply for loans, etc. With one app, users can enjoy the convenience of CUB, Cathay Securities, Cathay Life and Cathay Century in one convenient digital financial service.

CUBE App is the first in the industry to introduce the international security standard Fast Identity Online (FIDO), which allows users to experience a secure and convenient login method. The CUBE Card Privilege Program and Flex Credit, which can be customized according to users' needs, provide users with greater autonomy in arranging the use of products that meet their individual needs.

The CUBE Credit Card Privilege Program switching mechanism is the first of its kind in the Bank. Users can switch their privileges once a day through the CUBE App and enjoy rewards at designated merchants within the privileges. In addition, the Bank has developed a highly flexible and visualized coupon mechanism within the CUBE App. From time to time, exclusive coupons are offered for Taiwanese dollars, foreign currency, debit cards, and credit cards. Once claimed through the CUBE App, customers can automatically enjoy benefits such as waived transfer fees, discounted foreign exchange spreads, or cashback on card spending, creating a win-win-win for customers, businesses, and the Bank.

The "FlexiLoan" is an exclusive product for CUBE App users, offering a fully digital process that is not constrained by the operating hours of physical branches. Users can get approval in as fast as 5 minutes, completing the application, disbursement, and repayment in just 3 easy steps. With features like no face-to-face meetings, no binding contracts, flexible borrowing and repayment terms, and interest calculation based on actual usage, the FlexiLoan caters to the personalized loan needs of different customers. CUB is committed to alleviating the financial burden of young professionals and meeting various financial needs. Additionally, the Bank offers flexible fund utilization plans, including the "Principal and Interest Amortization Plan" and "Extension of Loan Contract Term Service." The Principal and Interest Amortization Plan provides a fixed monthly repayment amount, making it easy for customers to plan their budgets and manage their finances effectively. The Extension of Loan Contract Term Service allows FlexiLoan customers to apply online to extend the loan term, meeting the requirements for medium-term loans and better addressing customers' needs for flexible fund utilization. As of the end of 2024, FlexiLoan has served 76,714 customers, with a total loan amount of 10.99 billion.

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CUB's digital users has exceeded 7 million this year, and the number of monthly users of financial services through CUBE App and CUBE Web has reached 40 million, with the number of CUBE App users and transactions increasing twofold over the past three years, leading to a threefold increase in digital revenue. CUBE App and CUBE Web have been widely recognized and awarded for their efficiency and convenience. In 2024, CUB was recognized for outstanding digital services by several international organizations. We were honored with eight awards, including "Best Digital Bank in Taiwan" by Euromoney, "Best Wealth Management Bank in Taiwan" by The Asian Banker, and "Best Mobile Banking Application" by The Asset.

In 2024, CUB actively launched new features such as the "Payment Calendar," "Balance Sheet" (which refers to a personalized asset management dashboard)," "Video Services," and "Insurance Zone." Additionally, by strengthening mechanisms such as two-step login, security checks, and security guards, the Bank continues to safeguard digital security. For detailed feature descriptions, please refer to the table below.

New Features to Be Launched in 2024 for CUBE App and CUBE Web

Payment Calendar

The accounting calendar is the first of its kind in the industry, integrating payment information for 6 CUB products: credit cards, loans, funds, smart investments, scheduled transfers, and goal-based savings. It helps customers manage their daily spending, making the CUBE App as a thoughtful and reliable personal finance assistant.

Balance Sheet

The personalized asset management service dashboard integrates cross-product information such as local currency, foreign currency, investment, credit card, loan, etc., and integrates asset allocation in real time through new visual charts. It adds a chart of asset level changes in the past year to help users grasp the changes in assets, increase the sticking between customers and the Bank, and enhance the overall contribution.

Video Services

The 365-day uninterrupted "Video Appointment of Foreign Currency Account of Other Banks" service enables users to complete the foreign currency account service through the CUBE App, allowing customers to open the CUBE App as if they walked into a branch, just like the user journey of the service desk in the air.

Insurance Zone

The "Insurance Zone" integrates Cathay FHC and its subsidiaries' individual insurance policies and related information, and simultaneously provides personalized online insurance services, recommending suitable property and casualty insurance products according to the needs of customers in different periods.

Fully Upgraded Cardless Withdrawals with Mobile Phones

We collaborated closely with the Financial Information Service Co., Ltd. to establish a uniform interbank mobile withdrawal process across Taiwan, and rallied industry peers to join the initiative. With just the CUBE App, our customers can now easily withdraw cash using QR codes at nearly 70% of ATMs nationwide, providing them a simple and convenient service experience.

3.2.2.2 Financial Service Station that Breaks Traditional Time and Space Limitation

In line with the original intention of bringing financial services into people's lives and promoting financial inclusion, CUB partnered with PX Mart in 2020 to launch "CUB Financial Service Stations". Breaking away from traditional banking hours and locations, these stations extended service hours until 9 p.m., adopting a highly mobile service model to bring financial services to areas in Taiwan with relatively lower financial institution penetration. On-site services include account opening, digital service promotions and consultations, credit card applications and promotions, as well as guidance and tutorials for using automated banking equipment. Starting from the trial phase, they ventured into residential, industrial, and commercial areas to observe differences in financial needs among different communities. After their official launch, they actively expanded into areas with lower branch density. By the end of 2024, these financial service stations had reached 185 towns and cities across Taiwan, including 40 areas identified by the Banking Bureau as needing additional financial services, thus bridging gaps in financial service provision, had served more than 153,000 people, and received recognition from the 11th Taiwan Banking and Finance Best Practice Awards for promoting financial inclusion and the TSAA Taiwan Sustainable Action Award.

3.2.2.3 Trust for Happiness and Security

CUB's trust business professional team leads the industry, is the only six-time winner of the "Best Trust Financial Awards" of the Elite Awards, through physical seminars and 24-hour online trust consultation, CUB's trust business professional team reaches out to enterprises, hospitals, caregivers and neighborhoods to promote the concept of financial security through trusts.

With an innovative mindset, CUB has developed a wide range of customized trust products to meet the needs of different customer segments through the three strategies of "Service Scenario, Product Diversification and Contract Modularization". For example, by introducing suitable trust products based on common client scenarios, we have launched the Insurance Claims Trust and Children's Protection Trust for younger customer segments. For the senior segment, we have also launched products such as Micro Elder Care Trust, Easy Living Retirement Trust, Disability & Retirement Trust, Foreign Bond Reservation Trust and Testamentary Trust, etc. The terms of individual

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trust contracts are standardized into four modules: "Provision of Trust Agreements," "Trust Assets," "Trust Asset Management and Allocation," and "Provisions for Trust Payments," with flexible options provided to enhance customization and suitability.

Secondly, before providing trust services, we first seek to understand each client's specific needs in order to recommend the right trust products. The trust agreements are designed with considerable flexibility, allowing for customized arrangements to ensure the selected trust product or service is appropriate for the client. Furthermore, when investing and allocating trust assets, we comply with relevant trust regulations to conduct risk tolerance assessments of the trustor or related parties. After verifying and matching the products, investments only take place after the Bank confirms the selected investment aligns with risk tolerance to ensure investments meet the client's needs. Prior to signing trust contracts or executing investments or asset allocations, we provide clients with all necessary information, trust agreements, and product or service disclosures (including risk disclosures and potential returns) to ensure clients are fully informed before any trusts are initiated or executed.

The Bank continues to actively promote trust-related knowledge across all segments of society, helping the public safeguard their assets and care for themselves, their families, and their legacy through trusts. In 2024, we held a total of 23 in-person outreach sessions.

1		As part of the Trust Association's "Trust Outreach Program for Rural Communities," we promoted the use of trusts under the themes of "protecting assets, preventing fraud, and supporting senior care." These sessions aimed to raise public awareness of the risks faced by older adults and explain how trusts can be effectively used to safeguard their assets.	4 sessions
2		CUB hosted sessions at the New Taipei City Government's Senior University and the MOE University for Seniors (hosted by Hsuan Chuang University) to explain trusts and their applications.	4 sessions
3		CUB promoted the benefits and use of trusts to social welfare organizations such as the Taiwan Delayed Children Angel Eden Association and Zeelandia Dementia Association.	4 sessions
4		CUB promoted the concept of trusts to the Taiwan Bar Association, Healthy Ageing Tech Show, and other company associations.	11 sessions

In addition, CUB and Cathay Life jointly launched the "mutual promotion of insurance claims trust", becoming the first financial institution in Taiwan to integrate the resources of a financial control group to provide "mutual promotion of insurance claims trust" services, so as to enable the trust to give full play to its universal value, and help the people to advance their life and realize their wishes of taking care of themselves, protecting family members and passing on wealth.

■ Lists of Diverse Trust Products

Micro Elderly Care Trust

To protect the property and well-being of the elderly and disabled, CUB seeks to offer trust services that allows the public to entrust cash, insurance payouts, stocks, real estate, and other assets into trusts, ensuring that these diverse assets are used exclusively for retirement and long-term care purposes. Micro Elderly Care Trusts, in particular, accepts cash for trusts and is a pre-open trust with a set-up fee of less than NT\$1,000. By the end of 2024, there were 302 effective beneficiaries and trust property totaling \$2.619 billion for the elderly and the disabled trust. Among every 10,000 individuals who have opened various deposit accounts, an average of 0.67 people have set up the trust. The principal balance of Elderly Care Trust accounts for 0.4% of the total principal balance across all trust businesses involving cash, real estate, and securities.

Insurance Claims Trust

Insurance products provide policyholders with a fundamental net, and insurance Claims trusts further strengthen this safety net, making it more secure. Through these trusts, we plan the use of insurance claims, with the Bank disbursing funds for living and education expenses according to the contract. This ensures that the compensation is used exclusively for the designated purposes, effectively taking care of the family's needs.

Foreign Currency Reservation Bond Trust

The Foreign Currency Reservation Bond Trust accepts foreign currency bonds entrusted by customers, ensuring a worry-free retirement. This product not only adopts a pre-open trust model, allowing customers to deliver foreign bonds to the trust until they reach old age, but also innovatively introduces the nation's first foreign bond reservation delivery trust mechanism.

This means that when the settlor experiences guardianship declaration, severe disability, dementia, or accidental coma, the foreign bonds held by them can be delivered to the trust as agreed, activating the caregiving payment mechanism. In terms of trust management fees, discounted rates are set based on the nature of the delivered assets and whether the trust payment is activated, allowing customers to plan for their annuity trusts most conveniently and affordably, making these trusts their best asset guardians.

CPBL Anti-Gambling Trust

In 2009, CUB pioneered the "CPBL Anti-Gambling Trust" and the "CPBL Player Signing Bonus Trust" to help players prevent gambling and plan for retirement, to improve the professional baseball environment in Taiwan. During the trust period, if the player needs to withdraw funds temporarily, the Bank will only allocate the funds with the consent of the Taiwan Professional Baseball Players Association, and after the player retires, the trust property will be fully returned to him for daily use, to ensure the quality of life in his retirement. A total of 236 active players participated in the program, with the trust property exceeding NT\$174 million as of the end of 2024. As a result, CUB has sponsored the Taiwan Professional Baseball Players Association's "Giving Back Tour" for 12 consecutive years, creating opportunities for countless children from over 100 schools and institutions across Taiwan to meet their baseball idols. This initiative inspires a passion for sports and promotes sports education.