

Promote Financial Inclusion Products & Services to Build a Friendly Financial Environment

To realize inclusive finance, Cathay has established policies to strengthen its efforts, overseen by the board of directors and executed by the Corporate Sustainability Committee's Responsible Products and Services Working Group. By offering financial products and services such as insurance, bonds, and loans, and collaborating with social welfare organizations, Cathay enhances the accessibility, availability, and affordability of financial services.

■ Financial Inclusion Products & Services

Area	Products	Target Group	Description	Customer Reach	No. of Transactions/Contracts
Insurance	Small Amount Whole Life Insurance	Elderly people, economically underserved	<p>In 2017, Cathay led the industry in Taiwan by launching Small Amount Whole Life Insurance, raising the upper age limit for coverage to 83 years (compared to the usual maximum of 74 years for standard life insurance products). This product also relaxed underwriting health condition restrictions and lowered the minimum insured amount. These changes enabled individuals who were previously unable to obtain life insurance due to advanced age, economic disadvantage, or poor health to afford basic lifelong life insurance protection at an affordable price.</p> <p>For example, a 60-year-old woman who takes out a Small Amount Whole Life Insurance policy with a coverage amount of NT\$100,000 and a 10-year payment term would only need to pay NT\$19 per day to enjoy lifelong insurance protection up to the age of 105. In comparison, under a typical scenario, she would need to pay NT\$47 per day for term life insurance that only provides coverage up to the age of 86.</p>	As of the end of 2023, there are 243,000 policyholders with in-force contracts.	As of 2023, approximately NT\$880 billion in personal risk protection has been provided, with a cumulative number of policies reaching 267,000.
	Microinsuran	Economicall	Since 2009, Cathay has led the industry in	As of the end of 2023,	As of the end of 2023,

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	ce	y underserved, Indigenous people, farmers/fishermen, social welfare/charitable groups, people with disabilities	promoting microinsurance, actively collaborating with county and city governments as well as social welfare organizations. We have introduced microinsurance products personal accident insurance, term life insurance, accident medical insurance riders, group accident insurance, etc., offering basic protection to vulnerable populations in need of microinsurance coverage and expanding financial inclusion. Won the "Business Performance Award" and "Disability Care Award" in the microinsurance competition organized by the FSC Insurance Bureau of in 2023.	the number of people insured by in-force microinsurance policies of Cathay Life and Cathay Century was 133,000 people.	Cathay Life and Cathay Century had a total of 4,548 in-force microinsurance contracts, with a total insured amount of NT\$47.459 billion.
Insurance	Elderly-Friendly Products	Elderly people, economically underserved	Cathay Life has observed that with the continuous increase in average life expectancy and rising medical costs, many elderly people face difficulties in finding insurance products that meet their needs. In response, Cathay Life has introduced industry-first insurance products tailored for the elderly, covering cancer, hospital indemnity, surgery, long-term care, and accidents, and extending insurable age up to 75 or 80 years old (whereas most standard medical insurance products have a maximum coverage age of 65-70 years). Additionally, the products are designed with simplified terms, relaxed underwriting health conditions, and lower minimum insured amounts, making medical insurance accessible to seniors with limited budgets. For example, a 60-year-old man would only need to pay NT\$16 per day for a long-term care	As of the end of 2023, the cumulative number of new policyholders reached 110,000.	As of 2023, 125,000 policies have been sold.

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			insurance policy exclusive for the elderly with a coverage amount of NT\$5,000 and a 20-year payment term.		
	Crop Insurance	Farmers	As extreme weather patterns intensify, the risks to agricultural crop yields have also increased. Cathay Century leverages its core competencies to help different groups weather climate change risks. In 2016, it introduced the first Mango Crop Insurance (government disaster relief-linked), which covers mango losses due to typhoons, torrential rains, frost, heat (Foehn winds), and prolonged rain. Subsequent products introduced include Mango Crop Insurance (regional harvesting) and Parametric Guava Crop Insurance (for wind speed of typhoon and rainfall), which are tailored to the specific characteristics of different crops as well as climate and harvest variations. For instance, in 2017, the Mango Crop Insurance (regional harvesting) determined claims based on regional harvest volumes. If the actual harvest volume falls below the guaranteed level, compensation is made available, providing farmers with flexible indemnity conditions that better match the real circumstances of cultivation. In addition, to provide precision claims service for its crop insurance products, Cathay Century integrated an automated digital service, introduced instant claims processing, and adjusted the loss cost ratio to mitigate the financial impact of typhoons and torrential rains. In 2022, Cathay Century's Guava Crop Insurance began using instant	In 2023, Cathay handled four claims through the Mango Crop Insurance (government disaster relief-linked).	In 2023, the Mango Crop Insurance paid a total of NT\$408,000 in compensation.

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			<p>claims processing. This innovative approach has enabled us to initiate claims processing immediately when natural disasters such as torrential rains occur. We also proactively reached out to affected farmers via text messages, intending to complete claims payments as quickly as possible to help them replant and restore production levels.</p> <p>In addition, Cathay Century actively participates in agricultural seminars where we share our knowledge and expertise to help farmers increase their insurance and risk management awareness and gain valuable market insights. By regularly reviewing our insurance products and making adjustments to our policies, we strive to provide farmers with the most comprehensive coverage possible.</p>		
Loans	Microfinance	Those in need of funds but with limited access	<p>CUB was the first in the industry to launch the fully automated online service Flexible Loan in 2019. This innovative online service allows customers to apply for, drawdown, and repay small personal loans all in one convenient location - the CUBE App, with loan approval in as little as 5 minutes. The service has been very well received by our customers. At CUB, our customers are our top priority. With this philosophy in mind, CUB is committed to providing innovative financial services that offer flexibility and digital empowerment. We hope that the CUBE App can provide our customers, whether they are young entrepreneurs or looking to start a family, with highly personalized and</p>	By the end of 2023, the loan processed 327,000 borrowers.	By the end of 2023, the cumulative loan amount reached NT\$144.6 billion.

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	Preferential Loans for Social Enterprises	Social Enterprises	<p>diverse loan services.</p> <p>To aid social enterprises in flexibly utilizing their business models to address social issues and expand their social impact towards sustainable goals, CUB has been collaborating with the Taipei City Government since 2017 to promote Preferential Loans for Social Enterprises. In partnership with the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG), the bank provides direct guarantees and low-interest loans to eligible businesses to help them secure necessary operational funds.</p>	By the end of 2023, a total of 16 social enterprise loan applications were received.	By the end of 2023, a total of 16 loans and cumulative amount of approximately NT\$84 million was granted.
	Loans for microfinance institutions:	Microbusinesses	By supporting inclusive finance, Cathay United Bank (including its subsidiaries) demonstrates its commitment and determination towards corporate sustainability. The bank provides financing support to microfinance institutions in Cambodia, serving as a strong backing to help them continue developing micro and SME lending businesses. The supported entities align with the World Bank's definition of microfinance institutions (MFIs).	By the end of 2023, a total of 4 microfinance institutions loan applications were received.	By the end of 2023, a total of 4 loans and cumulative amount of approximately USD 41.4 million was granted.

Note: Microinsurance primarily involves group policies, hence the number of effective contracts will be lower than the number of insured individuals.

■ **Non-Financial Support**

Non-Financial Support	Target Group	Details	Social Impact Items (Quantitative)
Financial or Digital Literacy Training	Youth and Students in Remote Areas	<p><u>Elevated Tree Program - Tutor CUB</u> To help rural students build proper financial concepts, CUB has formed a team of 61 volunteer instructors over the past two years to conduct 12 sessions of Online/Offline Financial Literacy Courses for Rural Students. These courses are designed for elementary schools in remote areas, providing the knowledge, tools, and practice necessary for children to make informed financial decisions and develop correct money concepts and values.</p> <p>In 2023, the bank held the first Sustainable Finance Exploration Camp, integrating sustainable environmental education. The camp, which involved the Elevated Tree Program, sponsored schools and guided students on visits to bank branches to better understand the financial sector.</p>	<p>In 2023, the Elevated Tree Program's financial education initiative "Tutor CUB – Online and Offline" benefited a total of 164 children, with the impact on their financial knowledge rated between 4.6 and 5 out of 5.</p>
	Elderly in Remote Areas	<p><u>Anti-Fraud Awareness Campaign</u> Cathay Life recognizes the increasing threat of fraud in today's society, particularly targeting the elderly population, who are more susceptible to becoming victims of fraud schemes. Falling victim to fraud can lead to severe financial losses and psychological impacts. In response, Cathay Life has mobilized volunteers to enter communities and organize "Anti-Fraud Defense Squad" board game activities. These games aim to raise fraud awareness among participants, helping them move from recognizing fraud to actively combating it. Considering the lack of resources and opportunities in remote areas to access the latest fraud prevention knowledge, Cathay Life has also brought anti-fraud education to these regions. By</p>	<p>In 2023, Cathay Life organized 108 sessions, with a total participation of 8,683 individuals. Over 90% of participants stated that the Anti-Fraud Board Game helped them understand different methods of fraud and how to assist friends and relatives who encounter fraud.</p>

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		interacting with the elderly in remote areas, the initiative aims to enhance their financial fraud awareness, ensuring that educational opportunities are not limited by geographic or economic conditions.	
	Youth	<p><u>Financial Literacy Mini Courses for High School Students</u> To enhance young people's financial literacy, including understanding of financial management, investment analysis, knowledge of the financial industry, and awareness of sustainability issues, Cathay has partnered with Spark Taiwan and the Taiwan Financial Literacy Association to offer "High School Financial Literacy Courses" since 2021. These courses are taught by executives and colleagues from Cathay FHC, Cathay Life, and Cathay SITE. The curriculum covers industry knowledge and career preparation, aiming to help high school students develop financial concepts at an early age and inspire their interest in joining the financial industry.</p>	In 2023, Cathay offered lessons at 46 schools, impacting a total of 8,301 individuals with 541 hours of instruction. The willingness of students at these schools to pursue a career in finance reached a score of 4.5 out of 5.
Incentives for Offering Savings Accounts	Remote Populations	<p><u>Cathay's financial services stations</u> In 2020, Cathay and PX Mart worked in collaboration to launch Cathay financial services stations, which extend banking services to 9 pm. Cathay offers four types of services at these stations: processes bank account applications, digital service promotion and consultations, credit card applications, rewards and offers, as well as automated machine consultation and training. From the pilot phase, Cathay observed the varied financial needs of different communities and post-launch, actively expanded into 163 towns and regions across Taiwan and its outlying islands with fewer branches. Initially, customers would stop by the stations out of convenience</p>	Reached 163 townships across Taiwan and its outlying islands 23% of these service points are located in areas designated by the Banking Bureau as needing more financial branches, providing the service a total of 120,000 times

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		to ask questions, but this gradually shifted to actively seeking out these services for in-depth consultations.	
Business Management Tools or Training	For underserved women, including female entrepreneurs	<p><u>Academy for Women Entrepreneurs (AWE)</u></p> <p>Cathay participated in the Academy for Women Entrepreneurs (AWE) program launched by the American Institute in Taiwan (AIT) and the Small and Medium Enterprise and Startup Administration of the Ministry of Economic Affairs. The program aims to support women entrepreneurs who have been in business for less than five years and lead them to expand to international markets. In 2023, Cathy FHC's Chief Investment Officer, Sophia Cheng, and CUB Senior VP, Ye Yu-cheng, served as instructors and mentors at the accelerator camp, helping women entrepreneurs strengthen their financial tools and knowledge, and expand their business opportunities.</p> <p>In addition, to create international partnership opportunities for Taiwanese women entrepreneurs, AWE organized the AWE Indo-Pacific Women in Tech Summit under the theme "Women in Tech." This summit invited participation from countries in the Indo-Pacific region such as Brunei, India, Malaysia, New Zealand, the Philippines, and Singapore. Through women's technology seminars and international women's entrepreneurship exchange activities, the summit aimed to enhance the technological capabilities of various countries. Cathay's CIO, Sophia Cheng, was one of the judges for the business presentation competition. In the future, we will continue to make efforts to help establish the entrepreneurial ecosystem in Taiwan.</p>	Benefitted 95 women by enhancing their financial tools and knowledge

