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2.1.3 Comprehensive Climate Finance Solutions Provider

Cathay is supporting industries in their sustainability transitions through investments into leading renewable energy projects and various green financial products, including green insurances, green time deposits, green loans, SLLs, sustainability bonds, etc. For figures on Cathay FHC’s low-carbon investing and lending as well as historical performances of green products and services, please refer to [Table 6 in the Appendix](#), respectively.

Low-Carbon Investment & Financing

Percentage of Renewable Energy Loans

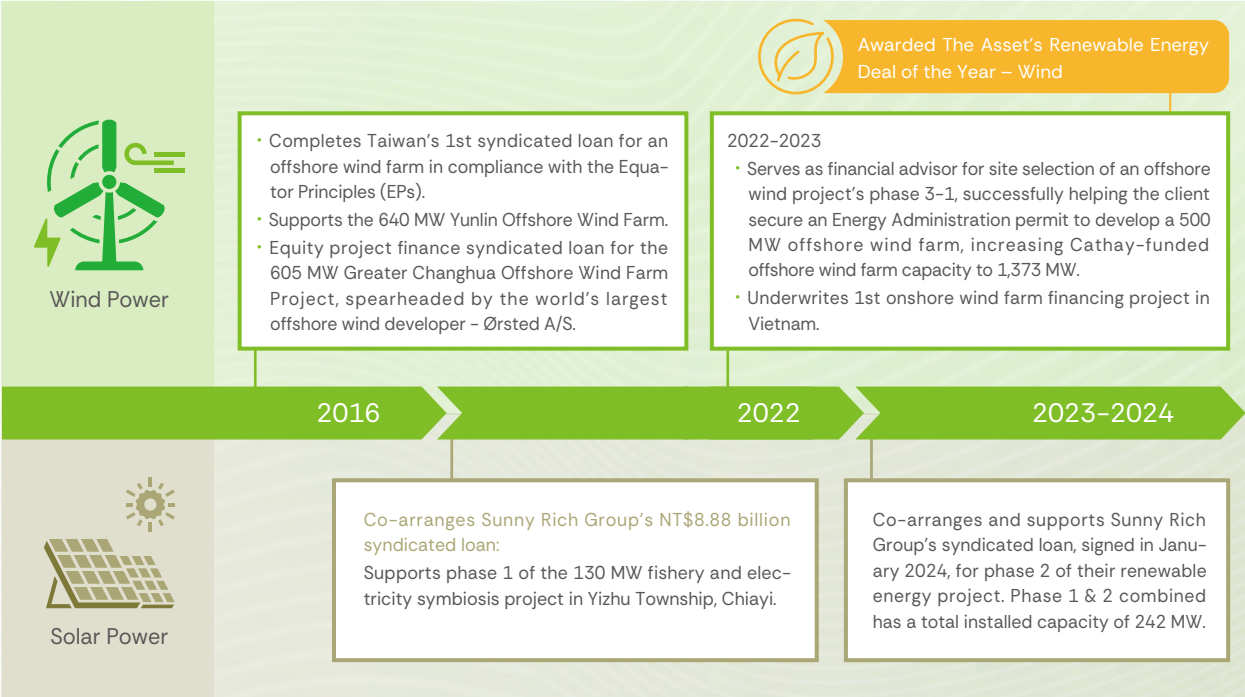
CUB reached its 2025 goal for renewable energy loans to account for 85% of loans to the electricity generation industry in 2022. In 2024, only one credit facility for coal-fired power plants remains, bringing CUB’s percentage of renewable energy loans to 99.79%.

As of Dec. 31, 2024 (Unit: %)	Percentage of available credits for renewable energies to the electricity generation industry
2021	77.53
2022	87.56
2023	93.33
2024	99.79

Investments in Renewable Energy Industries

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, loans have been approved for 2,800 solar power stations in Taiwan and abroad, with a total installed capacity of 1,059 MW and annual carbon reduction benefits of 612,000 metric tons^{Note}.

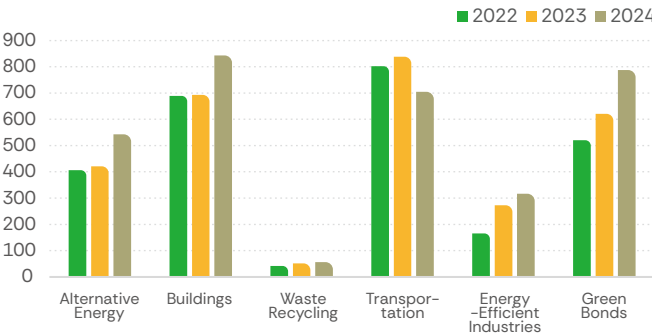
Note: Calculated based on Taiwan’s 2024 average capacity factor of solar power of 13.35% as announced by Taipower and the 2023 electricity emissions factor of 0.494 kgCO₂e/kWh as announced by the Energy Administration.



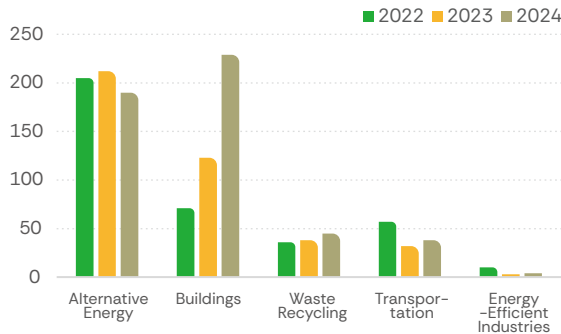
Low Carbon Investment and Lending

Cathay has established a group-wide definition for low carbon industries, referencing our experience from the Low Carbon Registry (LCI) of Global Investor Coalition on Climate Change (GIC), to facilitate low-carbon industries development. As of December 2024, Cathay’s total investment in low carbon investment reached NT\$325 billion, please refer to [Appendix 7.2 Table 1](#) for the detailed amount.

Low Carbon Investment



Low Carbon Lending



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|| Green Time Deposit Program

In July 2022, CUB launched the Green Time Deposit Program to support the government's Green Finance Action Plans 2.0 and 3.0. In compliance with international norms of green finance, the project works with third-party advisors for an inaugural issuance of an assurance report in September 2023 on the use of funds. As of the end of 2024, over 49 companies across transportation, electronics, chemical engineering, retail, machine tool, and construction industries have carried out the Green Time Deposit Program, undertaking a total of NT\$38.84 billion. Funds from the Program have been invested in the development of renewable energy industries, such as financing solar power plants, wind farms, and fishery and electricity symbiosis.



Achievements of the Green Time Deposit Program in 2024

- Carried out by over **49** companies
- Undertook over NT\$ **38.84** billion

|| Sustainability-linked Loans (SLL)

CUB is pushing for sustainability-linked loans, customizing KPIs (Key Performance Indicators) and SPTs (Sustainability Performance Targets) for corporate clients to assess their sustainability progress, and then providing loans accordingly. As of the end of 2024, CUB's approved facility amount was NT\$80 billion, which is provided to nearly 70 corporate clients across Taiwan, Hong Kong, the Philippines, Singapore, Malaysia, and Australia and covers industries such as electronic components, non-electronic manufacturing, real estate, retail, F&B, financial institutions, transportation, public utilities, etc.

• 2024 Sustainability-Linked Loan Milestones

AUGUST

CUB Manila Branch and the Taipei Economic and Cultural Office in the Philippines co-host the "Taiwanese Businessmen in Philippines: Case Studies in Net Zero & Decarbonization Seminar" to support Taiwan businesses in the Philippines with sustainable development, attracting over 30 businesses of various sectors and financial institutions. CUB branch manager presented on low-carbon transition and funding requirements, shared experiences with sustainable financing in the Philippines, and invited Delta Electronics and J&V Energy Technology to share their experiences in increasing energy efficiency and adopting renewable energy solutions.



→ Photo: Group photo of the speakers on the day of the seminar.

DECEMBER

To commend outstanding staff and teams in advancing sustainable finance, CUB held its second contest for "Best Overseas Sustainable Finance Project and Branch." After fierce competition and evaluation, the Hong Kong Branch was named Best Branch of the Year, while both the Hong Kong and Singapore branches won Best SLL of the Year.



→ Photo: During the final round of the contest, judges at the HQ join online to listen to presentations and interact with contestants.

NOVEMBER

CUB Hong Kong Branch receives six awards from the "2024 Hong Kong Green and Sustainable Finance Awards" organized by the Hong Kong Quality Assurance Agency (HKQAA). Awards include one "Outstanding Award for Green and Sustainable Loan Structuring Advisor," two "Leadership Awards for Green and Sustainable Finance Development," and two "Strategist Awards for Green and Sustainable Finance Development," which also made CUB the only Taiwan bank to receive the awards for three consecutive years. CUB Executive VP Michael Wen was a keynote speaker at the concurrent forum, where he shared CUB's experiences in green and sustainable finance.



→ Photo: Then CUB HK Branch CEO Kai Yuen Kan (first right) and Corporate Finance VP Chen Hui (first left) with HKQAA CEO P.C. Chan at the awards ceremony.



→ Photo: CUB Executive VP Michael Wen speaking at the "HKQAA 35th Anniversary Forum" as a keynote speaker

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Case Study

Case Study: In 2024, CUB successfully secured the role of lead arranger for an SLL provided to a utility group, while also acting as the Facility Agent and Lead Sustainability Coordinator and Advisor. This marks the bank's third SLL with the group and the first time the branch has served as both lead arranger and agent in an SLL project.

A few years ago, CUB first engaged with the group by participating in a syndicated loan for one of its affiliates. Since then, CUB has actively communicated sustainable financing opportunities, introducing third-party experts to assess the group's ESG policies and recommend terms for sustainability-linked financing. This led to the group's inaugural SLL, arranged by the bank. Given the stable margins and cash flow of utility businesses, they are sought-after clients among financial institutions. CUB's ability to secure a pivotal role in this highly competitive project reflects the bank's reliable history in delivering diversified sustainable finance solutions and maintaining close relations.

The counterparty of the SLL primarily provides water purification and environmental engineering services and develops water infrastructure in rural areas, which highlights the green and social benefits of the SLL. Looking ahead, with infrastructure demand in Southeast Asia remaining strong, CUB is promoting similar financing structures to potential clients, aiming to replicate and expand the success of this SLL project.

Green Bonds

Company	Green Bond Underwriting in 2024
Cathay United Bank (CUB)	<p>In 2024, CUB underwrote four green bonds to support corporations with sustainable transitions, underwriting a total of NT\$5.6 billion.</p> <ul style="list-style-type: none">• In March and May, CUB participated in the underwriting of TSMC's green bonds listed on the Taipei Exchange. The bond issuance volume is NT\$43.4 billion, with terms to maturity ranging between five to ten years. Funds from the sale of green bonds will be used to obtain green building certifications for TSMC facilities, large uninterrupted power supply systems, and local exhaust gas treatment facilities, and wastewater treatment facilities to increase energy efficiency.• In July, CUB underwrote green bonds issued by First Abu Dhabi Bank. The proceeds will finance or refinance eligible projects defined under the bank's Sustainable Finance Framework, including renewable energy, energy efficiency, green buildings, pollution prevention, clean transportation, wastewater management, climate change adaptation, biodiversity, and circular economy initiatives.• In September, CUB participated in the underwriting of green bonds issued by ABN AMRO Bank. The proceeds will finance green building projects for both residential and commercial real estate as well as renewable energy projects.• In October, CUB underwrote green bonds issued by Shinhan Bank. The proceeds will finance green building loans and projects.
Cathay Securities	<p>In 2024, Cathay Securities participated in the underwriting of seven green bonds issued by TSMC, Taipower, NTC, and Far Eastern New Century to support environmental protection and green corporations, underwriting a total of NT\$1.48 billion.</p>

Green Insurance

Cathay Century has long remained committed to its long-term development strategy: promoting insurance products to address environmental issues and offering businesses and society the financial security required for net zero and energy transitions.

Renewable Energy Industry Insurance	Public Bicycle Insurance
<p>Cathay Century has been offering insurance products targeting the development and operations of green industries since 2010. In 2016, Cathay Century became the first company of its kind in Taiwan to offer insurance for offshore wind turbines, helping the renewable energy sector strengthen its competitiveness and professionalism. In 2020, Cathay Century founded the Energy Infrastructure Team to develop solar power projects and offshore/onshore wind farms. In 2024, Cathay Century underwrote an additional NT\$141.1 billion in insurance policies for related projects.</p>	<p>In June 2018, Cathay Century launched Taiwan's first "Public Bicycle Accident Insurance" and "Public Bicycle Third-party Liability Insurance." As of 2024, 12 cities and counties across Taiwan – Taipei City, New Taipei City, Taoyuan City, Miaoli County, Hsinchu City, Hsinchu County, Chiayi City, Chiayi County, Tainan City, Kaohsiung City, Pingtung County, and Taitung County, providing coverage for over 290 million bike rides and mitigating risks for public bicycle users.</p>

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Green Funds

The Cathay Sustainable Development PE fund invests 100% in key industries driving sustainable development in Taiwan, covering areas such as the circular economy, renewable energy, and government-promoted 5+2 innovative industries (e.g., IoT, smart machinery, and new agriculture).

The fund has a total committed capital of NT\$8 billion, with NT\$6.7 billion in paid-in capital as of 2024. Investments include solar and wind power, related supply chains, energy storage, electric vehicles, IoT, circular economy, and new agriculture.

Impacts of the Cathay Sustainable Development PE Fund

Wind Energy	In 2020, the fund and the Caisse de dépôt et placement du Québec (Quebec Deposit and Investment Fund, CDPQ) inked an agreement with Ørsted A/S to acquire 50% shares in the 605MW Greater Changhua Offshore Wind Farm and participate in its development to supply clean energy to over 650,000 households in Taiwan. Annual power generation is estimated to reach 1950 GWh.
Solar Power	Estimated to generate 100 GWh annually.
Waste Resin & Waste Paint Residue Treatment	Processes up to 1,425 metric tons and 17,100 metric tons monthly and annually, respectively.
Waste Rubber Treatment	Processes up to 4,200 metric tons annually.
Recycled Oil	Generates up to 36,000 metric tons of steam annually.

Sunshine Green Benefit Debt STO

In 2023, Cathay Securities was granted approval to start a Security Token Offering (STO) and launched Taiwan's first Sunshine Green Benefit Debt STO in collaboration with GRINNODOT. With support from Cathay's blockchain team, Cathay Securities was able to provide alternative financing sources, helping companies issue 3,000 tokens and raising NT\$30 million. In addition to earning fixed returns, investors are also granted priority to green power, in the hopes for attracting more companies to engage in innovative investments while supporting investors in their net-zero transition and creating win-win scenarios. [Learn More about Sunshine Green Benefit Debt STO](#)

New Sustainable Finance Products Launched in 2024

Sustainability-Linked Payroll Services

In 2024, CUB launched Asia's first "sustainability-linked payroll service," helping corporate clients set sustainability goals with measurable indicators such as GHG emissions control, decarbonization results, power management, energy consumption, and waste reduction. Clients that meet their targets are rewarded with preferential financial services (e.g. favorable deposit rates, increased interbank transfer allowances, reduced transaction fees, etc.), thereby encouraging more businesses invest in sustainability.

Insurance Policy Linked with 100% Green Bonds

In 2024, Cathay Life collaborated with Crédit Agricole CIB and other financial institutions to launch its first eight-year investment-linked green bond product with annual dividends – the Cathay Life Investment-linked Insurance. Denominated in New Taiwanese Dollar but linked to New Zealand Dollar investments, the product is available to people aged between 15 and 75. All funds raised from the bond are earmarked for green investment projects.

To generate more positive environmental impacts, Cathay Life and Crédit Agricole CIB collaborated with Taiwan's GoodPoint Exchange in 2024 to launch the Taiwan Greenery Project, which aims to cultivate over 1,000 trees.

When specific Cathay Life products reach the equivalent of NZ\$100,000 in investments, Crédit Agricole CIB will support local Taiwanese organizations in adopting one tree endemic to Taiwan (sea hibiscus, thatch screwpine, beach cabbage, Indian beech, Oldham silverberry, and bead tree). Crédit Agricole CIB has also pledged that the total funding for this initiative will be no less than the equivalent cost of nurturing 1,000 trees, as part of its commitment to the conservation of trees along the coast of Nan'ao in Yilan.



2024 Sustainability-Linked Payroll Services

- 6 corporate clients
- over 3,000 employees



[Learn more about sustainability-linked payroll services](#)



[Learn more about Cathay Life's Insurance Policy Linked with 100% Green Bonds & the Taiwan Greenery Project](#)

Note: Green bonds are bonds recognized by the TPEx as green bonds.

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Corporate Catastrophe Services

Solar Photovoltaic (PV) Client Care Program

Cathay Century believes that ex-ante prevention is key to minimizing the financial impact of disasters on businesses and is thus committed to promoting loss control awareness. With two core goals in mind – “strengthening corporate loss control awareness” and “helping reduce workplace environmental risks,” Cathay Century supports the overall financial health of corporate clients in this initiative that also aligns with Cathay’s sustainability focus of “health.” In 2024, Cathay Century launched the Solar PV Client Care Program, providing solar power clients with enhanced risk resilience through various measures. Before the typhoon season, Cathay Century will provide a “Solar PV Site Safety Checklist” and short, real-life instructional videos through the program for clients to use for routine inspections. Additionally, large-scale clients receive “on-site risk assessment services,” where Cathay’s experts help identify potential risks on site.




Annual Loss Control Seminars

Cathay Century is leveraging its core function – loss control – to offer enterprise customers knowledge on risk prevention and management as well as professional assessments to help reduce catastrophe frequency and scale. In 2024, Cathay Century held three loss control seminars, sharing trends such as “Sustainable Supply Chain Management for Corporations,” “Information Security Risks in the Supply Chain,” and “Asset Risk Management for Corporations.”



Corporate Loss-Control Consulting

Cathay Century has applied natural disaster models since 2020 to help companies control risks and reduce operational loss from natural disasters. The models simulate scenarios of loss and damages from climate change, and help Cathay Century offer suggestions to enterprise customers for greater resilience against natural disasters.

Risk	Action	Achievements
 Natural Disasters (Typhoons, Floods & Earthquakes)	Cathay Century conducts on-site risk surveys and models fitting for Taiwan’s natural disasters during ex-ante disaster prevention planning to produce an assessment plan.	<ul style="list-style-type: none">Between 2012 and 2024, Cathay Century compiled 378 risk assessment reports on typhoons, floods, and earthquakes to help corporate clients and internal underwriting units.Cathay Century provided 183 risk assessment data sets from internal underwriting units to enterprise customers inquiring about typhoon, flood, and earthquake insurance, providing a total of 561 data sets.
 Rainstorms & Floods	Considering the risks of flooding from heavy rainfall caused by extreme weather, Cathay Century is helping corporate clients evaluate surrounding water drainage systems and vulnerable areas. Evaluations can serve as the basis for preliminary steps to upgrade factory flood alerts and water drainage systems, thereby reducing flood risks, claims, and scale of potential losses.	From 2013 to 2024, 18 service cases were completed.
 Solar Power Risks	Cathay Century conducted on-site surveys and collected information to assess risks and provide suggestions on defending solar farms against typhoons.	From 2015 to 2024, 107 solar facility risk assessments were conducted.