國泰世華銀行
Cathay United Bank

2025 SUSTAINABILITY REPORT

Cathay United Bank

國泰世華銀行
Cathay United Bank

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About this Report

Cathay United Bank Co., Ltd. (hereinafter referred to as CUB, the Bank, or we) envisions becoming a leading brand in sustainable finance. We are actively advancing towards assisting in the sustainable development of the environment and society, and continuously leveraging the influence of financial institutions to fulfill corporate social responsibility. The Bank adheres to the core values of "Integrity, Accountability, and Innovation" established by Cathay Financial Holdings Co., Ltd. (hereinafter referred to as Cathay FHC or the Group). The Bank aims to convey the idea of sustainable development and specific execution outcomes to various stakeholders through this Sustainability Report (hereinafter referred to as this Report).
This Report aims to showcase our practices in the field of sustainability. In the future, the Bank will regularly publish sustainability reports annually, continuing to disclose our relevant actions and contributions to Environmental (E), Social (S), and Governance (G), and sustainable development.

Reporting Period

This report primarily covers the year 2025 (from January 1, 2025, to December 31, 2025). Some content includes historical information and describes relevant plans and achievements up to the publication of the report in 2026, as noted in the relevant sections. This report will be published annually in August to provide stakeholders and the public with valuable information and keep them informed about the Bank's progress on its sustainability journey.

Reporting Boundary and Scope

This report covers all operational locations of CUB. The financial information disclosed in this Report is consistent with the Bank's consolidated financial statements, with relevant statistical figures calculated based on international standard indicators and presented in New Taiwan Dollars. Any special disclosure requirements that may result in differences between the content of this report and the disclosures in the consolidated financial statements will be noted in each section, specifying the scope and calculation methods. Any data that has been recompiled due to adjustments in defined boundaries, calculation methods, or data sources will be detailed in the relevant sections.

Reporting Principles

This report is prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards, 2021 edition, and is aligned with the United Nations Sustainable Development Goals (SDGs). The Bank actively responds to domestic and international sustainability trends by referring to the "Operating Procedures for Listed Companies to Compile and File Sustainability Reports" issued by the Taiwan Stock Exchange Corporation, the SASB Standards published by the Sustainability Accounting Standards Board (SASB), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (FSB) for related disclosures. Any restatements of information in this report will be explained in the relevant sections. The financial performance data in this report has been audited by Deloitte and is publicly disclosed in the annual report for the shareholders' meeting. The non-financial performance data disclosed in this report is based on information reported to regulatory authorities or data verified by external management system certification bodies.

Audit and Assurance

CUB engaged PwC (PricewaterhouseCoopers) to perform independent limited assurance on selected sustainability performance indicators reported according to the GRI Standards. This assurance was conducted in accordance with the Statement of Assurance Engagement Standards No. 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' issued by the Accounting Research and Development Foundation of the Republic of China (which references ISAE 3000 (Revised)). The limited assurance report is included in the appendix of this report.

Feedback

If you have any feedback on this report or suggestions for our sustainable development initiatives, we sincerely welcome your feedback and suggestions.

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Corporate Credit Risk Management Department
Phone: 02-8722-6666
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No. 7, Songren Road, Xinyi District, Taipei City
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https://www.cathaybk.com.tw/cathaybk/csr/index.html

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Sustainable Development Milestones

2001

Cathay Financial Holdings Co., Ltd. was officially established on December 31, 2001.

2013

CUB established the first solar-powered branch in Taiwan.

2015

CUB decided to adopt the Equator Principles, becoming the first signatory bank in Taiwan, and further incorporated biodiversity into its management framework.

2016

CUB facilitated Taiwan's first project finance transaction in compliance with the Equator Principles.

2018

- CUB became the first bank in Taiwan to announce its voluntary compliance with the United Nations Principles for Responsible Banking (PRB).
- We are the first financial institution globally to have successfully completed the ISO 20400:2017 Sustainable Procurement Guidance audit.
- Ruihu Branch was established as the largest solar-powered branch in the Greater Taipei area.

2021

- CUB also became the first bank in Taiwan to obtain limited assurance about its PRB implementation from an accounting firm and publicly disclosed its self-assessment report on compliance with the PRB.
- A zero-coal financing policy and timeline were established, with the objective of eliminating financing for coal-related industries and related value chains by the first quarter of 2027.
- Cathay FHC declared its alignment with the global RE100 initiative (100% Renewable Energy), targeting 100% renewable energy usage at all business locations in Taiwan by 2030 and net zero carbon emissions by 2050.
- CUB became the first financial institution in Taiwan to obtain dual certifications of Carbon Footprint Label and Carbon Reduction Label for "Personal Unsecured Loan Service."

2022

- Cathay FHC officially passed validation by the Science Based Targets initiative (SBTi) for its emissions reduction targets.
- Cathay FHC became the first RE100 member in the financial sector in Taiwan.
- CUB signed a memorandum of understanding (MOU) with the Hong Kong Quality Assurance Agency (HKQAA) to advance its transition toward net-zero operations.
- CUB signed the first Sustainability-Linked Loan (SLL) in the Philippine financial market with Prime Asset, a subsidiary of the Villar Group.
- CUB headquarters achieved 100% renewable energy usage ahead of schedule.

2023

- CUB signed an MOU with the Metal Industries Research & Development Centre to jointly promote industrial net-zero decarbonization.
- CUB became the first financial institution in Taiwan to obtain dual certifications of Carbon Footprint Label and Carbon Reduction Label for "Personal Housing Loan Service."
- CUB obtained the carbon footprint verification (ISO 14067:2018) of "Coin Deposit/Payment Services at Multi-Function ATM."
- CUB became the first financial institution in Asia to collaborate with CDP on the "CDP Corporate Banking Program".
- CUB was the only bank in Taiwan that collaborated with CDP and participated directly as an external expert advisor in the development of CDP's SME environmental disclosure questionnaire, as one of the 15 core working group members.
- CUB published the Executive Work Report on ESG and Climate Risk Management.
- The Sustainable Development Committee was established under the Board of Directors.

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2024

- CUB received five awards at the Elite Awards: "Best Personal Trust Finance Award" (Outstanding), "Best Green Finance Project Award" (Outstanding), "Best Wealth Management Award" (Merit Award), "Best Consumer Finance Award" (Merit Award), and "Financial Inclusion Promotion Award - Fraud Prevention" (Special Award).
- CUB became the first financial institution in Asia to launch the innovative "Sustainability-Linked Payroll Service" solution.
- CUB launched transition loans and transition-linked loans.
- CUB headquarters and three branches obtained PAS 2060 organizational carbon neutrality verification.
- Implemented internal carbon pricing for operations.
- Obtained ISO 14067 Carbon Footprint Verification and Carbon-Footprint Label for "Online Credit Card Application Service."

2025

- Renewable energy usage at all business locations in Taiwan reached 50%.
- Obtained ISO 14067 Carbon Footprint Verification and Carbon-Footprint Label for "Online Fund Subscription Service."
- CUB began charging internal carbon fees for operations. Starting in 2025, a "basic carbon fee" has been charged on electricity consumption not covered by renewable energy across all units in Taiwan.
- CUB worked with the Metal Industries Research & Development Centre to engage with enterprises on sustainability issues and provide sustainable finance product.
- "Personal Unsecured Loan Service" and "Personal Housing Loan Service" achieved product carbon neutrality in accordance with ISO 14068-1.
- CUB ranked among the top performers in the FSC's Sustainable Finance Evaluation for three consecutive rounds, placing in the top 20% in 2023 and the top 25% from 2024 onward among banks.
- CUB voluntarily published its first Sustainability Report and received the "Corporate Sustainability Report Award - Gold Award" from the Taiwan Institute for Sustainable Energy (TAISE).
- In response to regulatory policies, CUB established an internal control mechanism for sustainability information management.
- CUB collaborated with CDP, the world's largest environmental disclosure organization, to launch the "CDP Carbon Disclosure Project - Business Banking" program, with overseas branches participating for the first time in 2025.

2026

Target Impose an "excess carbon fee" on electricity consumption exceeding the energy usage quota across all units in Taiwan.

2027

Target Reduce credit exposure to the coal-related industry chain to zero.

2030

Target Double the target scale of sustainable lending from the 2023 base year.

Target Achieve 100% renewable energy usage at all business locations in Taiwan.

2035

Target Sustainable lending aims to exceed NT$200 billion.

2050

Target Achieve 100% renewable energy usage at all global business locations.

Target Achieve net zero carbon emissions.

Note: In addition to presenting key milestones that have been achieved, CUB's sustainable development milestones also include publicly announced policy commitments and future target timelines.

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Climate

- **Leading deployment in solar photovoltaic energy**
  The Bank continued to expand its renewable energy footprint, successfully establishing 14 solar-powered sites with total installed capacity reaching 494.08 kW, representing a 612% increase over 2020 and demonstrating industry-leading performance.
- **Deepening the green supply chain and energy transition**
  Green procurement amount reached NT$498 million (up 13.23% year on year), and the Bank was selected as a 2024 Outstanding Green Procurement Enterprise by the Ministry of Environment. At the same time, annual renewable energy use (including wheeled green electricity and renewable energy certificates) reached approximately 23.84 million kWh (up 150.8% year on year), and the renewable energy usage ratio across all Taiwan operating locations reached 53%.
- **Advancing digital financial solutions**
  By promoting digital financial tools, the Bank saved 334.85 million sheets of paper in 2025, thereby improving operating efficiency and reducing resource consumption.
- **Carbon Credits Trading Fund Trust Service**
  In response to the establishment of the carbon exchange and related transaction needs, the Bank launched the International Carbon Credits Trading Fund Trust Service, integrating receipt, payment, and settlement mechanisms while acting as both trustee and settlement bank, thereby providing a safe and comprehensive transaction mechanism to help customers reduce carbon emissions and facilitate low-carbon industrial transition.
- **CDP international carbon disclosure project**
  The Bank achieved Leadership-level status in the CDP Climate Change questionnaire, demonstrating its international-standard capability in climate governance and information disclosure.
- **Expanding the impact of sustainable finance**
  Outstanding Sustainability-linked Loans increased by 117.67% year on year (from NT$49.513 billion in 2024 to NT$107.774 billion in 2025). Renewable energy accounted for 99.86% of outstanding lending to the power generation industry, a 0.07 percentage-point increase year on year (from 99.79% in 2024 to 99.86% in 2025).

Health

- **Fraud prevention**
  The Bank regards anti-fraud action as a top priority and has demonstrated a firm commitment to financial security. According to statistics from the National Police Agency, the amount of fraud blocked at the counter in 2025 ranked among the industry's top performers.
- **Enhancing financial literacy**
  The Bank's financial health initiatives achieved notable impact. A total of 25 videos in the "CUB Financial Supporter" series were produced, with cumulative views reaching 11.68 million (including both full-length and short-form videos).
- **Maintaining workplace health and safety**
  The Bank places great importance on workplace safety and health. In 2025, 203 units achieved zero occupational injuries, accounting for 86% of all units (up 14% year on year), while participation in employee health-promotion activities reached 19,938.

Empowerment

- **Social responsibility investment**
  Spending on public-welfare projects reached NT$25.953 million in 2025, demonstrating the Bank's active participation in fulfilling social responsibility.
- **Volunteer service hours**
  Employees contributed a total of 8,850 volunteer service hours in 2025, demonstrating employees' enthusiasm and dedication to community service.

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RECOGNITION

Sustainability Awards and Recognition

In 2025, the Bank's performance in sustainability and corporate social responsibility was recognized by many distinguished institutions. These awards not only affirm the Bank's efforts in business innovation, customer service, social contribution, and environmental protection, but also encourage us to continue making progress toward our sustainable development goals.

2025 Sustainability Awards

Financial Supervisory Commission R.O.C. (Taiwan) (FSC)
- Sustainable Finance Evaluation
  - Ranked in the top 25%

Enterprise Asia
- Asia Responsible Enterprise Awards
  - Human Investment Award
  - Health Promotion Award

Global Markets Media
- ESG Investing Awards
  - Best Bank for Sustainable Finance

Global Views Monthly
- ESG Corporate Sustainability Awards
  - Outstanding Program — Low-Carbon Operations Model Award

Commercial Times
- Digital Finance Awards 2025
  - Digital Information Security (Security Category) — Excellence Award

Information Management Association of the Republic of China
- IT Matters Awards
  - Best IT Employer Award

The Asset
- Triple A Sustainable Infrastructure Awards 2025
  - Water Deal of the Year
  - Telecom Refinancing Deal of the Year

CSRWorks International
- Asia Sustainability Reporting Awards
  - Asia's Best Sustainability Report (First Time)-Gold

Department of Economic Development, Taipei City Government
- 1st TOPS Procurement Awards
  - Gold Award

Bloomberg Businessweek
- Financial Institution Awards 2025
  - Corporate Bank Category — Corporate Sustainable Finance

The Bankers Association of The Republic of China
- FinTech Anti-Fraud Summit
  - Financial Institution Actively Engaged in Anti-Fraud Efforts
  - Outstanding Frontline Fraud Prevention Personnel

HR Asia
- Best Companies to Work for in Asia — Vietnam 2025
  - Best Companies to Work for in Asia
  - Tech Empowerment Awards
- Best Companies to Work for in Asia — Singapore 2025
  - Best Companies to Work for in Asia
  - Diversity, Equity & Inclusion Awards
  - Most Caring Company Awards
  - Sustainable Workplace Awards
  - Tech Empowerment Awards

Taiwan Institute for Sustainable Energy (TAISE)
- 5th Taiwan Sustainable Investment Awards 2025
  - Model of Influential Institution
- 18th Taiwan Corporate Sustainability Awards 2025
  - Corporate Sustainability Report Award — Gold Award
  - Climate Leadership Award
  - Talent Development Leadership Award
  - Information Security Leadership Award

Hong Kong Quality Assurance Agency (HKQAA)
- Green and Sustainable Finance Awards 2025
  - Distinguished Contribution Award for Green and Sustainable Loan Structuring Advisor (Textile Industry, Pulp and Paper Industry) — Visionary Sustainability-linked Loan Performance Metrics
  - Outstanding Award for Green and Sustainable Deposit Facilitator (Banking Industry) - Visionary Green Deposit Service

The Stevie Awards
- The Stevie Awards for Great Employers
  - 12 awards in total (4 Gold, 2 Silver, and 6 Bronze)
- International Business Awards
  - Best Product for Social Impact — Bronze Stevie Winner
  - Sustainability Initiative of the Year — Bronze Stevie Winner

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Message from the Acting Chairman

In 2025, the global political and economic landscape continued to evolve rapidly. Geopolitical tensions, shifts in trade policy, and supply chain restructuring posed unprecedented challenges for businesses. At the same time, extreme climate events placed growing pressure on water resources, energy systems, and ecosystems. Meanwhile, the rapid advancement of digital technologies and generative AI has brought information security, operational resilience, and digital trust to the forefront of every organization.

Against this complex and fast-changing backdrop, Cathay United Bank remains firmly committed to the belief that finance is a vital force for social stability. By leveraging its financial influence, the Bank strives to support society in moving forward amid uncertainty. Building on the Group's three sustainability pillars—Climate, Health, and Empowerment—and aligned with its "Better Together" sustainability philosophy, the Bank continues to work with all sectors of society through concrete actions to expand its positive impact.

On climate, Cathay United Bank continues to deepen its efforts in two key areas: the low-carbon economy and environmental sustainability. The Bank is steadily advancing toward its 2050 net-zero target for its financial assets while further strengthening its role in climate engagement and transition support. In 2025, the Bank launched the Cathay One One-stop Transition Financial Platform, integrating transition strategies, financial tools, and professional resources to provide enterprises with more comprehensive support throughout their decarbonization journey. At the same time, the Bank continues to enhance its own operational decarbonization practices by introducing an internal carbon pricing mechanism and embedding climate risk into day-to-day management and decision-making, thereby strengthening the resilience of both the Bank and the industries it serves in navigating change.

On the health front, the Bank understands that a resilient society can be built only when employees enjoy physical and mental well-being and customers have financial security. Internally, the Bank continues to strengthen occupational safety and health management while promoting a wide range of health initiatives. In 2025, nearly 800 health-promotion activities were held, with cumulative participation reaching nearly 20,000, reflecting the Bank's strong commitment to employee well-being. Externally, as fraud schemes evolve rapidly, the Bank has reinforced its anti-fraud capabilities through cross-departmental governance and the application of technology. In 2025, the total amount of fraud prevented at branch counters was among the highest in the industry. The Bank also continued to improve the detection and interception of abnormal credit card and digital transactions, helping safeguard customer assets and strengthen public trust.

As sustainability transformation and technological advancement continue to unfold in parallel, Cathay United Bank remains to invest in Empowerment by developing employees' key capabilities in sustainable finance, digital skills, AI collaboration, and cross-disciplinary application. Guided by a spirit of co-creation and shared prosperity, the Bank is fostering a diverse and inclusive workplace where employees from different backgrounds can confidently apply their strengths. In 2025, the employee engagement survey achieved a response rate of 86.1%, with overall satisfaction reaching 4.37 out of 5, providing an important foundation for the Bank's ongoing efforts to enhance organizational management and talent development.

Cathay United Bank's sustainability efforts continue to be recognized by institutions in Taiwan and abroad. In 2025, the Bank was once again ranked in the top 25% of the Financial Supervisory Commission's Sustainable Finance Evaluation. It also received the Gold Award for Corporate Sustainability Reports and the Model of Influential Institution from the Taiwan Institute for Sustainable Energy, the Outstanding Program — Low-Carbon Operations Model Award from Global Views Monthly, the Corporate Sustainable Finance from Bloomberg Businessweek, and the Stevie Awards for Great Employers. These honors reflect the Bank's commitment and achievements in strengthening sustainability governance and enhancing its positive financial impact.

Looking ahead, Cathay United Bank will continue to build on sound governance, advance sustainable finance practices, and balance the interests of shareholders, employees, customers, and stakeholders across society. Through its core financial functions, the Bank will continue to drive positive change and, in the spirit of "Better Together," work with all sectors of society to amplify its impact in climate action, health protection, and talent empowerment, moving together toward a more resilient and sustainable future.

The Acting Chairman of CUB:
Tzung-Han Tsai
蔡宗翰



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Sustainability Strategy Blueprint



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1.1 About CUB

As a significant member of Cathay FHC, CUB is dedicated to providing comprehensive and diverse financial services to its customers, leveraging its deep expertise and experience. As a large private bank in Taiwan, CUB achieved a profit of NT$43.5 billion in 2025, demonstrating robust financial health and excellent management.

CUB has one of the most extensive networks among Taiwan-funded banks in the ASEAN region, with branches or offices in Singapore, Vietnam, Malaysia, Philippines, Myanmar, Laos, Cambodia, Thailand, and Indonesia. The Bank's extensive network of 67 overseas locations enables it to offer localized services and comprehensive cross-border financial solutions to meet customers' needs in funding, investment, and risk management. It assists businesses in enhancing their international competitiveness by tapping into local customer bases and Taiwanese multinational corporations, strengthening cross-border cooperation platforms, engaging in syndicated lending, strategic participation loans, and direct lending, promoting green energy project financing, and developing robust corporate financial solutions. CUB supports its customers in developing Taiwan's market while establishing a global presence.

Introduction of CUB

Headquarters location	1F, No. 7, Songren Road, Taipei City
Date of Establishment	Officially established on January 4, 1975
Acting Chairman	Tzung-Han Tsai
President	Chung-Yi Teng
Industry	Publicly traded finance and insurance industry
Amount of Paid-In Capital	NT$128,220,969,530
Stock Code	5835
The Total Number of Operating Locations	166 domestic branches 67 overseas locations
Number of Employees	12,197 [Note]
Participation of Important External Associations	• The Bankers Association of the Republic of China • Equator Principles Limited

Note: The number of employees includes overseas employees, excluding contract employees.

Distribution map of CUB's operating locations



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1.1.1 Overview of Operations

In response to international market fluctuations and the changing opportunities brought about by climate change, the Bank accelerated business development in three major areas: new retail, new fintech, and new markets. This will be driven by digitalization and intelligence. The Bank will pursue this growth under the customer-centric vision of "One Bank." At the same time, we will continue to lay the groundwork in talent development, information technology, risk management, and sustainable operations, advancing towards the goal of "expanding across the Asia-Pacific region and tackling new challenges."

The Bank will allocate and plan overall funds optimally, taking into account factors such as market conditions, economic fluctuations, interest rate trends, and historical experience, to devise business priorities and growth targets. We provide regular updates to the Board of Directors on business performance, enabling them to oversee operational outcomes.

Operating Performance in the Last Three Years (Thousand)

Item	2025	2024	2023	2025 Growth Rate
Total Assets	5,167,941,601	4,606,285,032	4,233,700,808	12.19%
Total Liabilities	4,843,282,553	4,306,237,002	3,957,835,133	12.47%
Total Equity	324,659,048	300,048,030	275,865,675	8.20%
Net Profit before Tax	52,684,253	46,770,404	36,069,193	12.64%
Income Tax Expense	9,174,467	8,429,626	7,102,387	8.84%
Net Profit after Tax	43,509,786	38,340,778	28,966,806	13.48%
Direct Economic Value	116,767,312	107,822,105	86,897,830	8.30%
Economic Value Distributed	65,964,722	60,269,887	52,854,062	9.45%
Economic Value Retained	50,802,590	47,552,218	34,043,768	6.84%

Profitability over the Past Three Years

Item	2025	2024	2023	2025 Growth Rate
Return on Assets	0.89%	0.87%	0.71%	2.30%
Return on Equity	13.93%	13.31%	11.19%	4.66%
Earnings per Share(Dollar)	3.35	2.95	2.40	13.56%

Note: Financial information is extracted from Cathay United Bank's 2025 and 2024 consolidated financial statements.

The Bank is fully compliant with all tax regulations in all operational jurisdictions, adheres to the highest international tax standards, and ensures accurate and timely tax reporting to fulfill all tax obligations. In accordance with the "Tax Governance Policy" of Cathay FHC, it ensures the effective operation of tax management mechanisms, refrains from tax avoidance through low-tax jurisdictions or tax havens, and honestly pays taxes in value-creation areas. Tax information is disclosed to stakeholders on a regular basis through public channels.

As the second-largest privately-owned bank in Taiwan and the Taiwanese bank with the most extensive operational presence in the ASEAN region, we are dedicated to providing comprehensive financial services to meet the diverse needs of individuals and businesses. Our services encompass a comprehensive range, including wealth management, consumer finance, corporate finance, international finance, electronic finance, trust services, investment, and financial product sales. In addition to our traditional banking services, we are at the forefront of financial innovation, demonstrating our competitiveness and growth potential in various financial fields.

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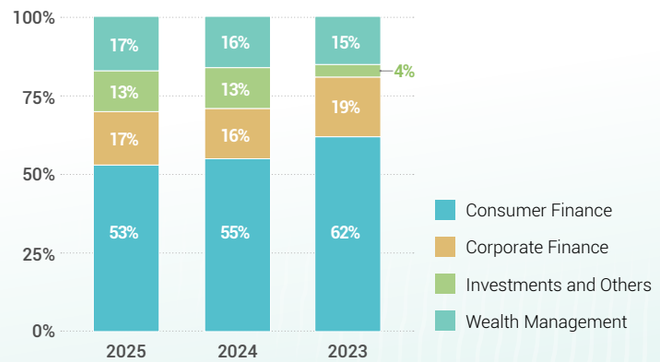
Overview of CUB's Services

Business Category	Service Overview
Wealth Management Services	Provide customers with wealth management, insurance, and asset-allocation planning services.
Consumer Finance Services	Provide deposit, remittance, and lending services.
Corporate Finance Services	Include corporate financing, project loans, syndicated loans, trade finance, and related services.
International Finance Services	Provide a full range of financial services for offshore customers.
Electronic Finance Services	Optimize ATM functions and facilitate branch automation.
Trust Services	Include mutual funds, real estate, individual and corporate trusts, and custody businesses.
Investment and Financial Product Sales	Sell derivative financial products and bonds and provide related advisory services.
Credit Card Services	Issue credit cards and process revolving credit and cash-advance services.
Payment Services	Include merchant acquiring and emerging payment services.
Digital Banking Services	Lead digital financial services, including smart investment services.
Overseas Services	Provide cross-border financing, cash management, and high-end private banking services.

Proportion of CUB's Revenue by Business



1.1.2 Sustainable Development Committee

The Sustainable Development Committee serves as the core organization through which the Bank puts its corporate sustainability vision into practice. The Bank has established the Charter of the Sustainable Development Committee to demonstrate its firm determination to promote sustainable finance and enhance its competitiveness in the field of sustainable development. The Sustainable Development Committee is a functional committee under the Board of Directors. It consists of three members, with the Chairman serving as the convener and two independent directors serving as committee members. Its principal responsibilities include formulating and reviewing annual sustainable development plans, strategic directions, and various sustainable development projects and activities.

The Sustainable Development Committee convenes at least once every quarter. In 2025, it held five meetings to regularly monitor and review the implementation effectiveness of sustainable development plans and projects and reported the implementation results to the Board of Directors. As the Bank's highest guiding and supervisory body for sustainable development, the Board of Directors leads the Bank in implementing corporate sustainability principles and policies from top to bottom and actively promotes comprehensive sustainable development. For details on the operation of the Sustainable Development Committee, please refer to the 2025 annual report of the Bank under "Corporate Governance Report / Corporate Governance Operations / Information on the members and operation of the Sustainable Development Committee."

The Sustainable Development Committee has established the Corporate Sustainability Team (CS Team), chaired by the President, to oversee and supervise related matters. The CS Team serves as the primary organizational unit responsible for promoting corporate sustainability within the Bank. Through the three ESG dimensions of Environmental, Social and Governance, the CS Team implements sustainable development initiatives. The CS Team convenes quarterly meetings and regularly reports on sustainability work plans and implementation results to the Sustainable Development Committee.

The CS Team is further subdivided into six sustainability task groups: sustainability governance, responsible investment, responsible products and services, employee happiness, green operations, and social prosperity. Each department participates in different task groups according to its functions. These task groups are responsible for implementing the annual plans and strategies adopted by the Committee and developing corresponding action plans. In addition to regularly reviewing the progress of these action plans, it also establishes and plans business objectives and budgets to ensure that implementing units receive corresponding resources.

Moreover, selected key objectives are included in the annual KPIs of executives at the level of Vice President and above to ensure alignment between implementation efforts and strategic objectives. This approach advances sustainability development work related to the Bank's corporate sustainability vision of "Leading Green Finance, Creating a Sustainable Future Together," thereby fulfilling and strengthening the Bank's corporate social responsibility efforts.

Organization Chart of the Sustainable Development Committee



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1.2 Focus Areas for Sustainable Strategy

In line with Cathay FHC's vision of "Best Financial Institution in Asia Pacific," CUB consistently integrates the concept of corporate sustainability into its core operations. By leveraging our financial influence and implementing effective risk management strategies, we are driving the advancement of sustainable finance. Additionally, CUB is actively supporting Cathay FHC's three sustainability themes of " Climate, Health, and Empowerment." To this end, we have established a Sustainability Strategy Blueprint Task Force to promote low-carbon economy, environmental sustainability, health promotion, financial health, workplace empowerment, and social empowerment in reference to the UN SDGs.

CUB is the first financial institution in Asia to collaborate with the CDP (formerly known as the Carbon Disclosure Project) in promoting the CDP Corporate Banking Program. For three consecutive years, CUB has supported companies of varying sizes and at different stages of low-carbon transition in obtaining CDP scores, thereby progressively enhancing their environmental disclosure capabilities and laying a solid foundation for sustainability transition. As Cathay FHC is the first RE100 member in the entire Taiwan financial industry, CUB has committed to full renewable energy usage (100% renewable energy across all CUB locations in Taiwan and 60% across global locations)by 2030 and net zero emissions by 2050.

CUB offers individuals the opportunity to entrust a range of assets for specific purposes, ensuring the safe inheritance of assets. We are the only financial institution to have been honored with the Best Trust Financial Award at the Elite Award six times. At the same time, we concentrate on external social welfare initiatives and internal talent transformation programs. These efforts ensure that employees can adapt to changes in the external environment and align with the standards of international benchmark enterprises.

With a spirit of continuous improvement, Cathay has brought together senior executives from the holding company and its five subsidiaries to benchmark international trends against actual operations. Through a more ambitious, forward-looking, and systematic approach, together with rigorous governance and review mechanisms, the Group continuously reviews and refines its Sustainability Strategy Blueprint and targets so as to create broader sustainability impact. Detailed short-, medium-, and long-term targets under the Sustainability Strategy Blueprint are presented in the Climate, Health, and Empowerment chapters. From issue selection and target management to action implementation, Cathay has comprehensively upgraded its approach, retaining the six action dimensions while strengthening positive impact on the basis of existing achievements.

1

Responding to emerging domestic and international sustainability trends and expanding the impact of sustainable finance:

Cathay continues to understand stakeholder concerns and identify issues critical to the long-term development of Taiwan and the world. In response to Taiwan's formal entry into a super-aged society, the Financial Health dimension has added "Empowering the Elderly: Promoting Healthy Aging" together with its corresponding tracking targets.

2

Systematically reviewing sustainability targets and strengthening Group resource allocation and management effectiveness:

Existing sustainability targets are systematically reviewed based on strategic relevance, materiality, and implementation status. Differentiated management principles are adopted so that resources are more focused on initiatives that deliver meaningful impact under the Climate, Health, and Empowerment pillars. Targets already achieved ahead of schedule or already managed through routine mechanisms are transferred to the day-to-day management and tracking of subsidiaries or relevant units. Targets that no longer align with current development priorities because of changes in the operating environment or strategic adjustments may be removed from the Sustainability Strategy Blueprint after internal review. Strategically important targets—whether already achieved or not—continue to be included in the Blueprint and are subject to regular review and tracking through rigorous governance mechanisms.

3

Continuing to align with the latest sustainable finance standards:

As domestic and international standards for sustainable finance products, net-zero methodologies, and related frameworks (such as ISSB and SBTi) become more mature, the baseline year, calculation method, and statistical methodology of certain indicators have been aligned in order to enhance comparability and transparency.

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Sustainability Strategy Pillars, Development Goal Summary, and SDG Mapping

Sustainability Strategy Pillar	Development Goal Summary	Corresponding Sections
Climate In the face of the challenges of climate change, the Bank has set a 2050 net-zero emission target, participated in global initiatives and actively engaged with customers through low-carbon economy and environmental sustainability strategies, and strengthened sustainable development partnerships. The Bank has introduced green operation management thinking into its daily operations through the use of renewable electricity and environmentally friendly interior design, advancing toward a zero-carbon operation future.	**2050 Net Zero Emissions in Financial Assets** 1. To promote net-zero emissions in financial assets and facilitate the low-carbon transition of industries, the Bank has established science-based quantitative decarbonization targets and a zero-coal financing target. With reference to ISO 14064-1 and PCAF, the Bank has also established an SBT Scope 3 financed-emissions inventory mechanism. By analyzing the carbon-emissions distribution of investment and financing positions and of specific carbon-intensive enterprises or industries, the Bank formulates corresponding decarbonization strategies and action plans and steadily advances Net Zero Emissions in Financial Assets by 2050. 2. Set Science Based Targets (SBT): The Bank sets decarbonization pathways for investment and financing portfolios using both the Emission-based and Impact-based approaches. At the same time, the Bank exerts its influence to encourage financing customers to set SBTs. The 2026 financing target is for the SBT engagement-method ratio to reach 45% across four major industries: general manufacturing, semiconductors, oil and gas / petrochemicals, and electronics manufacturing. 3. The Bank is also withdrawing from financing coal-fired power generation and promoting financing for natural gas and renewable energy to achieve the goal of "zero coal financing" by the end of the first quarter of 2027, when all coal credit exposure will be reduced to zero.	2.2.3 Net-Zero Emissions from Financial Assets by 2050
	Leader in Climate and Nature Engagement Actions 1. Through advocacy and engagement mechanisms, the Bank guides investment and financing customers to pay greater attention to climate and nature-related issues and to incorporate energy conservation, carbon reduction, and climate and nature-related risk response into corporate operation and decision-making so as to strengthen the overall resilience of financial assets. 2. The Bank encourages investees and financing customers to disclose greenhouse gas inventory results and set specific mid- to long-term decarbonization targets. It also combines the results of engagement with financial tools such as Sustainability-Linked Loans so as to translate engagement outcomes into concrete decarbonization actions and climate-governance results.	2.2.1.2 Leader in Climate and Nature Engagement Actions
	Provide Comprehensive Climate Finance Solution 1. The Bank channels capital to guide industrial and social net-zero transition and continues to develop and promote diversified green finance products, including Green Loans, Sustainability-Linked Loans, Social Loans, renewable-energy industry insurance, green time deposits, and green consumer lending, thereby helping enterprises accelerate capital deployment for low-carbon economic transition and broadening participation by both enterprises and the public. 2. The Bank clearly requires that Green Loan proceeds be used for green-project expenditures such as renewable energy, energy saving, pollution prevention and control, and natural environment management in order to ensure that funds are actually invested in activities with environmental benefits. 3. Through Sustainability-Linked Loans, the terms of corporate lending (such as interest rates) are linked to the sustainability performance targets of borrowers or their related enterprises so as to encourage target achievement. Using the end of 2023 as the baseline, the Bank has committed to doubling the scale of Sustainable Loans by 2030 and exceeding NT$200 billion by 2035. Note: Sustainable Loans = outstanding balance of Green Loans + Sustainability-Linked Loans + Social Loans.	2.2.2.1 Provide Comprehensive Climate Finance Solution
	2050 Zero Carbon Operations 1. Green Energy: Promote energy transition to achieve 100% renewable energy usage for all Taiwan operational sites by 2030, and 100% renewable energy usage for all global operational sites by 2050. 2. Green Operations: Implement internal carbon pricing and begin phased collection of internal carbon fees in 2025; actively introduce environmental management systems; and set 2035 targets for per-capita water consumption of 17.5 cubic meters, per-capita waste generation of 26.5 kilograms, and annual growth of 3% in the amount of green procurement relative to the 2023 baseline. 3. Green Real Estate: Construct a low-carbon real estate ecosystem to drive industry participation in energy transition, with green building materials accounting for more than 60% of total area. The target is for 55% of branches to meet eco-friendly renovation standards by 2035. The Bank also acts as a green landlord to help tenants obtain green electricity and expand sustainability impact.	2.2.3 Business Operations

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Sustainability Strategy Pillar	Development Goal Summary	Corresponding Sections
Health The Bank assumes responsibility for workplace safety, actively organizes various health-promotion activities and lectures, and encourages employees to maintain physical and mental health and improve quality of life. Extending this philosophy outward, the Bank promotes financial health concepts to the public, develops innovative digital financial products, combats fraud, fights organized crime, and advances the foundations of financial inclusion.	**Financial Health** 1. By 2026, the number of senior customers entrusting assets to the Bank is targeted to reach 2.0157 million, while AUM per capita is targeted to reach NT$784,500. 2. By 2026, the number of users of the goal-based financial planning tool on the Bank’ s official website is targeted to reach 50,000. 3. By 2026, the number of wealth-management customers using regular fixed-amount investment is targeted to reach 188,000, accounting for more than 45% of all wealth-management customers. 4. By 2026, the number of young small-asset customers participating in regular fixed-amount fund investment with a monthly deduction amount of NT$6,000 or below is targeted to reach 13,100. 5. By 2026, the proportion of customers who are satisfied and willing to recommend the Bank (those selecting 8–10 on a 10-point satisfaction scale) is targeted to exceed 40%. 6. By 2026, the Bank's anti-fraud education for customers is targeted to reach 20 million touches, thereby actively safeguarding customer property and assets.	3.2 Financial Health
	Financial Inclusion 1. In line with the concept of financial inclusion, the Bank promotes basic financial education through online videos using popular audio-visual formats. The 2026 target is 2.88 million views, while cumulative financial health assessment usage is targeted to reach 350,000. 2. The Bank provides the funding needed for SME operational development and accompanies enterprises as they grow. By 2026, the target is for lending to reach NT$365 billion and for the number of enterprises supported to reach 5,480.	3.2.3 Financial Inclusion
	Employee Health Services 1. Continue to enhance health-promotion activities, with the targets of maintaining a normal BMI among more than 51% of employees by 2026 and more than 53% by 2030. 2. Provide effective psychological-support programs for employees, with the 2026 target of helping 80% of employees maintain physical and mental health and the 2030 target of helping 85% of employees do so. 3. Maintain the validity of the ISO 45001 Occupational Health and Safety Management System as a short-, medium-, and long-term target. 4. Provide health examinations to employees once every two years, exceeding statutory requirements. The target for cancer-screening coverage among general employees reaches 80% by 2026 and 85% by 2030.	3.1 Health Promotion

Sustainability Strategy Pillar	Development Goal Summary	Corresponding Sections
Empowerment The Bank values the growth of its employees and provides professional skill development to empower the principles of Diversity, Equity, and Inclusion (DEI), creating an innovative and inclusive workplace. Externally, the Bank is committed to promoting financial literacy, taking action to provide quality education, reduce social inequality, and promote sustainable lifestyles to encourage responsible consumption.	**Enhance Employee Skills and Workplace Support** 1. Increase digital proficiency training coverage to achieve a goal of an 80% coverage rate on the theme of "AI Collaboration Skills" by 2026. 2. By 2026, the target is to achieve a 90% coverage rate for ESG sustainability programs to equip employees with the necessary professional knowledge and skills to respond to future trends. 3. By 2026, the target is to attain an 80% retention rate for employees returning from parental leave; achieve a 90% coverage rate for DEI micro-courses.	4.1 Workplace Empowerment
	Youth Empowerment 1. Through the Cathay Seed Program (CSP), the Bank cooperates with universities and colleges so that students can gain an early understanding of banking operations while still in school and strengthen their preparation for joining the Bank after graduation. 2. Through the Cathay Internship Program (CIP), the Bank offers a two-month summer internship so that students can understand how the financial industry operates while receiving specialized training in head-office functions, thereby deepening practical experience and exploring career possibilities. Through Youth Empowerment programs, the Bank targets a total of 200 interns by 2026, helping narrow the gap between academic learning and workplace application, supporting young people in exploring careers in finance, and cultivating diverse capabilities across job functions.	4.2.1 Youth Empowerment
	Supporting the Underprivileged 1. By 2026, the Bank aims to serve 10 rural elementary schools annually, reaching a cumulative total of more than 45 school-service instances. 2. Support the Cathay United Bank Education Foundation in continuing to carry out the Elevated Tree Program	4.2.2 Supporting the Underprivileged

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1.3 Stakeholder Identification and Communication

The Bank has always attached great importance to the voices of stakeholders, providing diverse communication channels and mechanisms to continuously listen to, understand, and strive to meet the expectations and needs of stakeholders. This enables us to gain a deeper understanding of stakeholders' concerns regarding sustainability. Following the GRI guidelines and the AA1000 Stakeholder Engagement Standard, we adhere to four core principles of stakeholder engagement: significance, effectiveness, flexibility, and respect. We identify seven major stakeholder groups and through continuous interaction and deep engagement, strengthen trust and common interests. Together, we move forward and create a sustainable future.

Stakeholder Engagement

Stakeholder Category	Importance	Communication Frequency	Communication Channels	Focus Issues	Communication Status
Employees	Employees are the Bank's most important asset and directly influence service quality and innovation. Employee satisfaction, professional development, and health and happiness are key to achieving sustainable operations.	Regularly	Conduct regular employee surveys to gather feedback.	• Attracting and Retaining Talents • Talent and Skill Development • Inclusive Workplace	• Overall employee satisfaction reached 4.37 out of 5 in the 2025 employee opinion survey. • The Bank held 4 labor-management meetings in 2025 in accordance with the Implementation "Guidelines for Implementing Labor-Management Meeting." • The Bank also convened the Occupational Safety and Health Committee quarterly, holding 4 meetings in 2025 in accordance with the "Occupational Safety and Health Management Guidelines."
		Irregularly	Management regularly communicates the Bank's mission and vision to employees.		
		Regularly	Organize regular labor-management meetings to facilitate dialogue.		
		Irregularly	Arrange occupational health and safety meetings to ensure workplace safety.		
Customers	Customers are at the core of banking business. By listening to customer views and needs, the Bank strives to enhance satisfaction and create greater customer value.	Regularly	Conduct regular surveys on customer satisfaction and the Bank's image to improve the Bank's service quality.	• Digital Transformation and Innovation • Customer Relationship and Service • Privacy and Information Security • Sustainable Finance and Responsible Finance • Financial Inclusion	• Customer satisfaction reached 93.1%. • In 2025, the customer service center tNPS was 67.1 and the CUBE App rNPS was 35.4.
		Irregularly	Provide customer complaint channel and customer service hotline to respond quickly to customer needs.		
Suppliers	We see the sustainable practices of our suppliers as an important strategy to maintain supply chain stability and reduce environmental impact.	Irregularly	Establish a regular communication mechanism with suppliers, including face-to-face meetings and telephone communication.	• Green Operations • Privacy and Information Security	• Cathay FHC held an in-person supplier conference in 2025 to communicate sustainability-related issues with suppliers.
		Irregularly	Organize supplier ESG education, training and promotion to promote communication.		

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Stakeholder Category	Importance	Communication Frequency	Communication Channels	Focus Issues	Communication Status
NGO/NPO	NGOs/NPOs play a crucial role in promoting social welfare, environmental conservation, and philanthropic endeavors. Through collaboration with these organizations, the Bank has strengthened our efforts in corporate social responsibility and sustainable development.	Regularly	Regularly publish donation or payment lists and information about charitable activities on Cathay United Bank Foundation's website.	• Social Impact • Financial Inclusion	• The Cathay United Bank Cultural and Education Foundation, established for educational public welfare, continued to promote related initiatives and compiled the Cathay Public Welfare Group Annual Report each year.
		Irregularly	Establish partnerships with other non-profit organi-zations to collaborate on social projects.		
Communities	Through engagement and invest-ment in community development, we are committed to promoting community prosperity and positive social impact.	Irregularly	Organize community service activities and encourage employee participation to fulfill the Bank's social responsibility.	• Social Impact • Financial Inclusion • Natural Resources and Biodiversity • Climate Change	• The Bank organized multiple volunteer service activities, focusing on services for NGOs and NPOs related to persons with intellectual disabilities, disadvantaged groups, the elderly, and environmental protection. Total volunteer service hours reached 8,850 in 2025.
Government	The Bank is committed to creating a robust operating environment by actively responding to government policies and strictly complying with regulatory requirements.	Irregularly	Participate in seminars or briefings organized by the government and regulatory authorities.	• Privacy and Information Security • Risk Management and Business Continuity • Fraud Prevention and Awareness • Customer Relationship and Service • Sustainable Finance and Responsible Finance • Legal Compliance • Corporate Governance and Ethical Corporate Management	• Cathay FHC participated in corporate-governance-related evaluations and was recognized by the Taiwan Stock Exchange as a company ranked in the 6%–20% band in the 12th Corporate Governance Evaluation. • The Bank signed Taiwan's Stewardship Principles for Institutional Investors. • The Bank made the List of Companies with Better Institutional Investor Stewardship Disclosure 2025.
		Quarterly	Publish audited financial reports on a quarterly basis.		
		Annually	Release sustainability reports and annual reports annually.		
Shareholders and investors	Through the pursuit of sustainable development and transparent communication, we are committed to maintaining the trust and support of our shareholders and investors.	Monthly	Publish revenue updates monthly.	• Corporate Governance and Ethical Corporate Management • Risk Management and Business Continuity • Business Performance • Climate Change	• Cathay FHC hosts 8 corporate briefings (including 4 in Mandarin and 4 in English). • Cathay FHC hosts one shareholders meeting. • Cathay FHC responds to international investor ESG surveys (e.g., DJBIC and CDP) each year.
		Quarterly	Host corporate briefings.		
		Irregularly	Participate in global investor conferences and forums to provide insights on important financial and business information about the Bank.		
		Irregularly	Establish an investor relations section and communi-cation channel on the Bank's official website.		

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1.4 Material Sustainability Issues Identification

Cathay United Bank integrates stakeholder feedback and references international trends including the GRI Standards, peer sustainability issues, and the SASB disclosure standards for the banking industry, compiling a total of 17 sustainability issues that affect stakeholders. The Bank adopts a double materiality approach: financial materiality and impact materiality. Financial materiality assesses the impact of sustainability issues on the Bank's business vision and financial performance, while impact materiality considers the degree to which the Bank's operations and business activities affect external stakeholders in climate, environmental, and broader sustainability dimensions. By consolidating the positive and negative impacts identified through both financial and impact materiality assessments for each sustainability issue, the Bank identifies its material sustainability issues.

Based on the ranking of impact levels, the Bank classifies sustainability issues into 7 Key Material Issues and 10 Focus Issues. After confirmation by the Sustainable Development Committee, the evaluation results and response measures are submitted to the Board of Directors.

Material Sustainability Issue Identification Process

1



Collect Sustainability Issues

Through its day-to-day operations and communication with stake-holders, the Bank continuously monitors global sustainability disclosure standards, sustainability ratings, benchmark companies, and international trends. Through a preliminary analysis, the Bank identifies 17 sustainability issues covering governance, environmental, and social dimensions.

2



Assess Positive and Negative Impacts

To identify material sustainability topics, the Bank invited the heads of 30 sustainability-related units to complete the "Material Sustainability Topic Impact Assessment Questionnaire." The feedback was consolidated and reviewed by six sustainability task forces and the Corporate Sustainability (CS) Secretariat. Through the assessment process, the probability of occurrence and the scale and scope of both positive and negative impacts were quantified. The Bank evaluated the degree to which each of the 17 sustainability topics affects financial materiality and impact materiality across economic, environmental, and people/human rights dimensions. The assessment results were further analyzed by incorporating the collective views of task force members.

For the "probability of occurrence" assessment, stakeholder engagement results and internal information were taken into consideration, and the scores were adjusted where relevant impact events had occurred in recent years. For the assessment of "impact scale and scope," factors including scale, scope, and irremediability were considered. Topics associated with longer recovery periods, broader affected populations or geographic areas, and impacts that are more difficult to remedy were assigned a higher priority.

3



Rank Sustainability Issues

Based on the results of the positive and negative impact assessment conducted through the material sustainability topics questionnaire, and after discussions with senior management and the sustainability team, the results are submitted to the Sustainable Development Committee for reporting and discussion. Ultimately, 17 material sustainability Issues were identified, including 7 Key Material Issues and 10 Focus Issues, and were disclosed in the Bank's annual Sustainability Report.

4



Review Key Material Issues

When preparing the sustainability report, the Bank aligns the Key Material Issues with the relevant GRI disclosure requirements and formulates management approaches together with short-, medium-, and long-term targets (see Sections 1.5 and 1.6).

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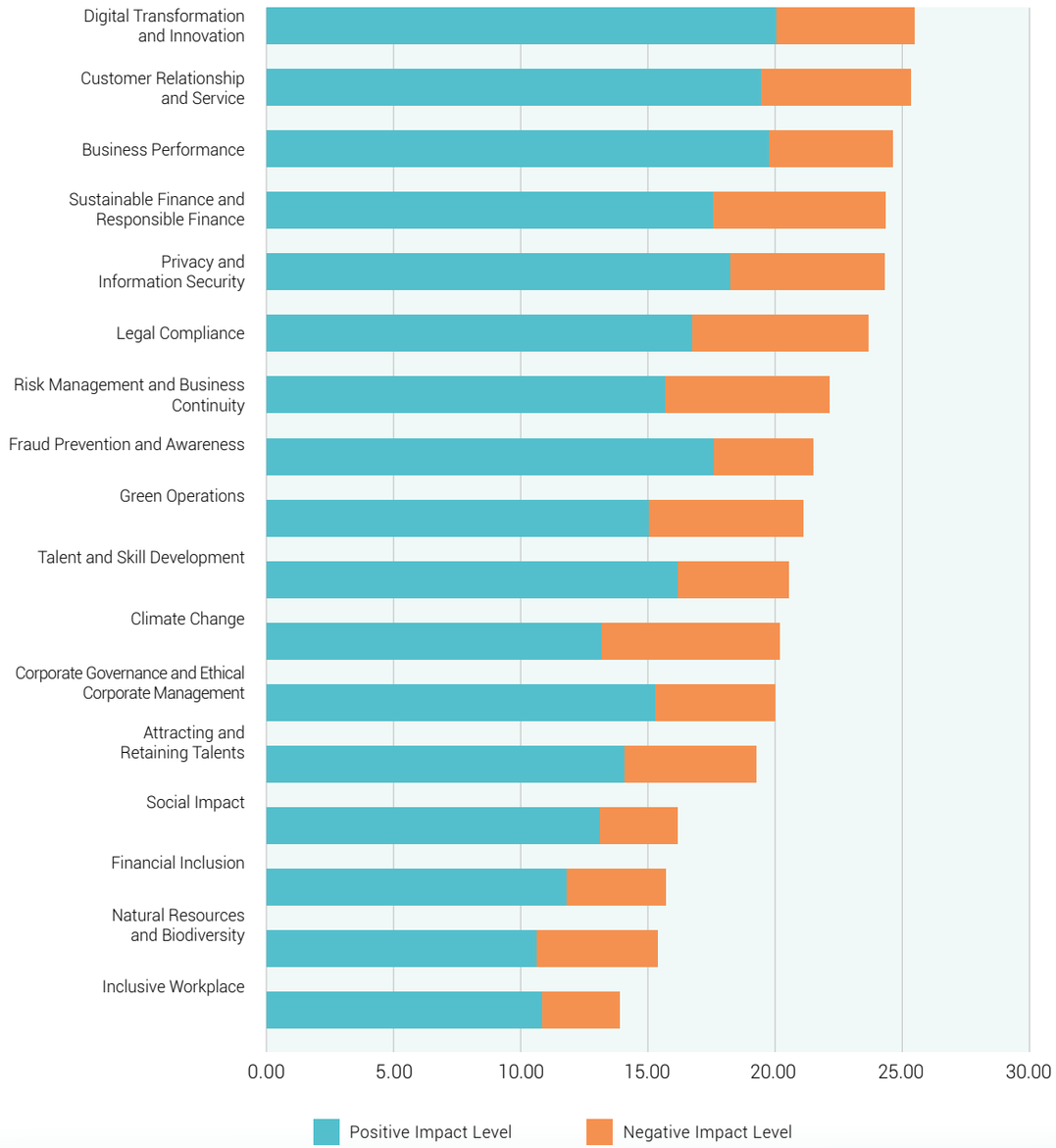
Sustainable Development Impact and Material Sustainability Issues



Material Sustainability Issues

Key Material Issues

Digital Transformation and Innovation	Governance
Customer Relationship and Service	Social
Business Performance	Governance
Sustainable Finance and Responsible Finance	Environment
Privacy and Information Security	Governance
Legal Compliance	Governance
Risk Management and Business Continuity	Governance

Focus Issues

Fraud Prevention and Awareness	Governance
Green Operations	Environment
Talent and Skill Development	Social
Climate Change	Environment
Corporate Governance and Ethical Corporate Management	Governance
Attracting and Retaining Talents	Social
Social Impact	Social
Financial Inclusion	Social
Natural Resources and Biodiversity	Environment
Inclusive Workplace	Social

Note 1: To express the underlying meaning more precisely, the 2025 sustainability issues renamed "Risk Management" as "Risk Management and Business Continuity" and newly added "Natural Resources and Biodiversity."

Note 2: In consideration of stakeholder concern and impact severity, "Social Impact" was removed from the Key Material Issues this year, while "Business Performance" was newly included.

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1.5 Management Guidelines of Sustainability Issues

Based on the key material issues identified through the double materiality assessment, the Bank has, with reference to the GRI Standards, established management approaches and adopted response measures such as setting short-, medium-, and long-term targets. Going forward, the Bank will regularly review progress toward these targets and disclose the results in its sustainability report, while continuously refining its management policies to advance sustainable corporate development.

Key Material Issues

Digital Transformation and Innovation

Enhancing business models and service quality through technological innovation and digital strategies.

Items	Content
Opportunities and Risks	• By leveraging digitalization and technological innovation, business process efficiency and customer experience can be improved, thereby enhancing market competitiveness. • Digital transformation also helps protect the environment by reducing resource consumption and improving energy efficiency, thereby reducing the Bank's environmental impact. • Lacking digital skills and innovative thinking can lead to customer churn and limited ability to innovate. • Employees whose skills lag behind digital trends can affect operational efficiency and service quality, ultimately impacting market competitiveness.
Action Plans	• Assist clients in conducting a financial health assessment and provide them with a personalized and diverse range of high-quality financial products and financial planning tools. This promotes healthy financial behavior among clients. Leverage technology to continuously develop inclusive digital financial products, promote and optimize intelligent assistant capabilities, and enable customers to access financial services without the limitations of physical branches and hours of operation, thereby expanding financial accessibility and affordability.
Specific Performance	• Launched diversified innovative products such as CUBE App, CUBE Online Banking, and Financial Service Stations, enabling customers across segments to achieve personal financial goals through personalized digital financial experiences. • More than 40 million user sessions per month were recorded for financial services via CUBE App and CUBE Online Banking.
Management Policies and Commitments	• CUB's digital banking services prioritize "Customer Experience" as the core focus. It actively participates in financial innovation policies and Fintech development, continuously playing an active role. In addition to consistently introducing diverse innovative digital services and products, it also collaborates with internal and external partners to develop various scenario-based services. This aims to create the best online and offline experiences while committing to enhancing digital security, making digital channels an indispensable part of customers' lives.
Management Assessment Mechanisms	• The board of directors of CUB encourages all relevant units to carry out business digital transformation. In addition to providing necessary assistance, they also regularly supervise the development progress and implementation status of the aforementioned projects. • Continue digital transformation to maintain uninterrupted financial services; make full use of the abundant resources of the Bank and Cathay FHC to launch new financial products and services. Through cross-device/cross-platform virtual and real integration, it provides digital cash flow services, strengthens account collection and payment functions, and becomes the main bank account of customers.
Material Topic Impact on Value Chain	Self / Customers

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Customer Relationship and Service

Maintaining and enhancing relationships with customers by providing high-quality service is crucial, alongside ensuring the legality and integrity of marketing activities.

Items	Content
Opportunities and Risks	• Providing excellent customer service and effective relationship management builds trust and satisfaction, ensuring long-term business stability and success. Conducting legal and ethical marketing campaigns avoids misleading advertising and strengthens the Bank's public image and brand reputation. • Failure to maintain high standards of customer service and relationship management can lead to a decline in customer trust and satisfaction. Misleading advertising and unlawful marketing strategies can result in legal action and fines, which can severely damage the Bank's public image and brand reputation.
Action Plans	• Continue to provide fair and equitable service to customers, while continually adjusting product or service offerings to meet consumer protection standards. • Customer satisfaction with the digital service experience.
Specific Performance	• Conduct training on Treating Customers Fairly Principle. • Reduce customer complaints this year through the customer complaint reduction plan. • Customer service center scored 67.1 points in Transactional Net Promoter Score (tNPS) (reference standard is 60 points). • CUBE APP scored 35.4 points in NPS (reference standard is 30 points).
Management Policies and Commitments	• "Treating Customers Fairly" is a core corporate culture and important principle of the Bank and serves as a core value and code of conduct shared by all employees. With Board approval, the Bank has established the "Treating Customers Fairly Policy Guidelines" so as to implement a customer-centric operating model. Through continuous refinement of service processes, the Bank seeks to maintain a good customer experience, provide secure and high-quality financial services, and promote sustainable innovation and financial inclusion through policies and guidelines that go beyond current regulatory requirements. The Board of Directors is the highest decision-making and supervisory body for the Treating Customers Fairly Policy Guidelines. Together with senior management, it leads the implementation of the Treating Customers Fairly Principle. The Bank has also established a Treating Customers Fairly Committee chaired by the President, which reports regularly to the Board on related measures and financial-friendly services.
Management Assessment Mechanisms	• Reporting to the Board of Directors every six months on the implementation of the Treating Customers Fairly Policy Guidelines, and quarterly reporting review and improvement of complaint cases to the Board. • Directors and senior management lead the "Service Quality Team," introducing FinTech to enhance customer service quality. • Implement a digital platform NPS customer feedback collection mechanism to better align with customer needs. • Continuously update the implementation of the Fair Customer Treatment Policy, digital financial service processes, and privacy protection policies to comply with legal changes and adapt to the latest technological advancements. This ensures the organization's commitment to safeguarding customer rights and interests. • Utilize technology to develop inclusive digital financial products and services, catering to a diverse customer base. Enhance digital platforms and optimize smart assistant functionalities to deliver high-quality financial services, thereby expanding accessibility and affordability of financial services for all.
Material Topic Impact on Value Chain	Self / Customers / Government and Competent Authorities

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Business Performance

Appropriate business strategy, strong business performance, and sound financial results—including revenue growth, cost control, and asset-utilization efficiency—create greater economic value for shareholders.

Items	Content
Opportunities and Risks	• Revenue growth and cost control can improve operating efficiency, strengthen profitability and market competitiveness, and, together with effective asset utilization, enhance financial health and investor confidence. • Economic downturns, intensified market competition, or technological innovation may affect operating income and profitability. Inappropriate cost management and low asset-utilization efficiency may increase operating costs, weaken financial health, and adversely affect market position and future development strategy.
Action Plans	• Take a customer-centric approach and, through digital and intelligent capabilities together with One Bank and one-stop CUBE services, drive the development of New Retail, New Corporate Banking, and New Markets. • Expand the customer base and business volume of retail wealth management, trust, and corporate finance businesses. • Strengthen corporate online banking service functions to increase transaction activity and service efficiency. • Promote stable growth in loan scale, fee income, and overall business performance.
Specific Performance	• Consolidated net profit after tax reached NT$43.5 billion in 2025, a record high, while earnings per share reached NT$3.35. • In 2025, ROE reached 13.93% and ROA reached 0.89%, indicating stable profitability and asset utilization.
Management Policies and Commitments	• Building on Cathay FHC's Sustainability Strategy Blueprint (Climate/Health/Empowerment) and the Principles for Responsible Banking (PRB), the Board and the Sustainable Development Committee provide oversight. Together with One Bank and one-stop CUBE digital services, the Bank integrates information security, fair customer treatment, ESG, and risk control into its operating governance so as to support New Retail, New Corporate Banking, New Markets, and stable ROE/ROA performance.
Management Assessment Mechanisms	• The Board's Sustainable Development Committee and Audit Committee oversee sustainability governance, sustainability-information internal controls, and external assurance, thereby ensuring rigorous and accurate disclosure and promoting the linkage between performance and remuneration systems so as to support continuous organizational growth toward the Bank's vision.
Material Topic Impact on Value Chain	Self/Shareholders and Investors

Sustainable Finance and Responsible Finance

Integrate ESG factors into our core business activities and work with our clients to implement sustainable value to achieve the goal of corporate and ecological coexistence and co-prosperity.

Items	Content
Opportunities and Risks	• Environmentally friendly and socially responsible investment projects can promote environmental and social well-being. • Achieving sustainable value not only enhances the Bank's market position, but also contributes to long-term profitability, providing ongoing economic benefits to the Bank. • In case investing in projects with high environmental risks or low social responsibility may result in failure to value sustainable and responsible finance, as well as on the Bank's long-term profitability and market position.
Action Plans	• Integrate ESG and climate risk management into the investment and lending process, monitor the climate performance of counterparties, assist customers in transition, and strengthen customer engagement. • Set quantitative decarbonization targets and follow commitments such as zero-coal financing (reduce relevant credit exposure to zero by 2027 Q1), doubling the scale of Sustainable Loans by 2030, and exceeding NT$200 billion by 2035, thereby steadily advancing Net Zero Emissions in Financial Assets by 2050. • Provide personalized sustainable finance services.
Specific Performance	• Enhance the Equator Principles (EP) policy and the review mechanism for EP cases. • Plan, promote, and analyze ESG standards. • Align and manage international ESG and corporate sustainability frameworks. • Adhere to and promote the United Nations Principles for Responsible Banking.
Management Policies and Commitments	• Cathay FHC and its subsidiaries must adhere to the "Cathay FHC and Subsidiaries Responsible Investment and Lending Policy" when making investments and loans. This is to fulfill the responsibility of financial institutions to stakeholders, prudently manage environmental, social, and governance (ESG) risks, pursue long-term investment performance, leverage financial influence, promote continuous improvement in ESG performance of investment and lending targets, contribute to global sustainable development goals, and achieve sustainable society and business operations.
Management Assessment Mechanisms	• Cathay FHC and its subsidiaries have established the "Cathay FHC and Subsidiaries Policy on Prohibited Investments and Loans, " which clearly defines areas of concern, including controversial industries and countries. The Responsible Investment working group reviews companies and countries in these areas annually based on specific screening criteria, updating the "Exclusion List for Investments and Loans." Subsidiaries are required to exclude these targets from their investment and lending activities.
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Privacy and Information Security

Protecting customer data to prevent unauthorized access and leaks.

Items	Content
Opportunities and Risks	• Effectively protecting customer privacy and data security enhances customer trust and corporate reputation. Proper management of privacy and information security also reduces legal risks while fostering customer loyalty and creating business opportunities. • Failure to properly manage customer privacy and data security can lead to customer dissatisfaction and a crisis of confidence. Data breaches or information security incidents can result in legal action and fines, which can damage a company's reputation and subsequently affect customer loyalty and business opportunities.
Action Plans	• Mitigating the risk of malicious cyberattacks on the enterprise involves more than just strengthening information security measures in software and hardware infrastructure. It also involves mitigating and transferring uncertain risks to ensure stable business operations.
Specific Performance	• Introduced international information security management standards such as ISO 27001 and PCI-DSS and has continued to adjust and expand the certification scope in response to digital development. • Passed ISO 27017:2015 international cloud security certification, becoming the first financial institution in Taiwan to achieve the "ISO/IEC 27017 International Certification for Cloud-Service Information Security Management" in a public-cloud environment. • Strengthened information-security operational resilience through cyber insurance, thereby supporting corporate-governance evaluation, strengthening customer and shareholder confidence, and contributing to corporate sustainability development. • 7×24 Cybersecurity Monitoring Center Service Mechanism involves multidimensional correlation analysis of cybersecurity equipment, network devices, operating systems, and other logs to provide real-time alerts and identify cybersecurity events, abnormal connections, and other behaviors. • Cathay FHC has established a cross-company "Cybersecurity Emergency Response Team" to promptly assess and control the cybersecurity situation of the Bank and other subsidiaries through event reporting and emergency response procedures.
Management Policies and Commitments	• The Bank has established the "Information Security Policy," approved at the Board level and follows Cathay FHC's information-security blueprint as the core guiding principle for the implementation of information-security protection. • The Bank has established a cross-unit "Information Security Committee" that convenes regularly to ensure compliance with information-security policies and to promote, supervise, and coordinate information-security management work.
Management Assessment Mechanisms	• Introduced cybersecurity assessment tools to assess information-security maturity and regularly reviews and improves related measures based on the results. • Each year, an independent professional consulting firm is engaged to conduct information-security assessments and onsite inspections of overseas branches to continuously strengthen the Bank's information-security protection capabilities. • In accordance with the "Reference Guidelines on the Adoption of Zero Trust Architecture" in the Financial Sector, the Bank has formulated a zero-trust blueprint plan and continues to expand its application across different risk scenarios. • Through red-team exercises, DDoS attack drills, and various information-security incident and disaster-recovery drills, the Bank continues to assess its information-security response capability.
Material Topic Impact on Value Chain	Self/Customers/Suppliers/Government and Competent Authorities

Risk Management and Business Continuity

Identify, assess, and manage various risks that may affect operations, including financial, legal, environmental, social, and ethical risks.

Items	Content
Opportunities and Risks	• Effective risk management strategies and procedures, including regular risk assessments and emergency response measures, ensure stable operations and long-term development of the enterprise. Good risk management helps reduce financial losses, avoid legal issues, and enhance the company's reputation and market position. • Lack of effective risk management strategies and procedures may lead to unstable operations and affect long-term development. Poor risk management can result in financial losses, legal issues, and environmental and social problems, thereby impacting the company's reputation, customer trust, and market position.
Action Plans	• Maintain sound capital adequacy and robust risk management mechanisms to achieve sustainable development goals.
Specific Performance	• The operational status meets the capital adequacy ratio target for D-SIBs. • The Risk Management Unit regularly prepares risk management reports and presents them to senior management and the Board of Directors according to internal processes.
Management Policies and Commitments	• "Risk Management Policy" is established in accordance with the Enterprise Risk Management (ERM) framework. Through the integration of the frontline, middle, and rear of defense, business units, risk management units, and audit units collaborate jointly, each fulfilling its respective responsibilities to monitor risks.
Management Assessment Mechanisms	• A Business Continuity Management (BCM) mechanism has been established, along with corresponding strategies and various backup and recovery plans, to ensure operational continuity and resilience. This enables CUB to swiftly resume critical operations in the event of a major emergency, minimizing losses and safeguarding customer interests. • Regularly conduct bank-wide stress tests and take necessary responsive measures based on the results, continuously enhancing the resilience verification mechanism for climate/natural issues (e.g., climate- and nature-related scenario analysis) to strengthen the Bank's operational resilience.
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Legal Compliance

Comply with relevant laws and regulations, including those in labor, environment, and finance to maintain the long-term stability and development of the Bank.

Items	Content
Opportunities and Risks	• Effective risk management strategies and procedures, including regular risk assessments and emergency response measures, help ensure stable operations and long-term development. Sound risk management reduces financial losses, avoids legal issues, and enhances the company's reputation and market position. • Lack of effective risk management strategies and procedures may lead to operational instability and hinder long-term development. Poor risk management can result in financial losses, legal issues, environmental and social issues, ultimately damaging the company's reputation, customer trust, and market position.
Action Plans	• Establish an effective compliance system that fully embraces the importance of adhering to laws and regulations.
Specific Performance	• Conducted legal compliance awareness courses, 17 units in total. • Conducted online induction courses on compliance regulations for new employees. • Monthly conducted 15-hour annual in-service training for compliance personnel. • Organized mandatory courses on the Whistle-blowing system for the entire bank in 2025. • Held domestic and international regulatory compliance supervisor contact meetings in 2025, 8 sessions in total.
Management Policies and Commitments	• Legal compliance is an integral part of our corporate culture and a cornerstone of our business activities. The development of our business should inevitably adhere to legal requirements and should not conflict with them. Sacrificing legal requirements for short-term gains is not an option. • Legal compliance is the shared responsibility of senior management, managers at all levels, and all employees. Senior management must lead by example, and each unit and employee must incorporate applicable laws, regulations, and operating rules into daily responsibilities and recognize compliance as a basic obligation to be carried out faithfully. • In accordance with the "Guidelines Governing Compliance System Implementation", the Bank implements compliance operations, strengthens employees' compliance awareness, optimizes compliance control mechanisms, responds promptly to changes in the domestic and overseas economic environment and revisions to financial laws and regulations, supervises each unit in establishing and implementing internal rules and operating procedures, and strengthens organization-wide compliance awareness and education and training so as to ensure compliant operations and jointly realize the vision of "everyone is responsible for legal compliance, and compliance and accountability leads to shared benefits."
Management Assessment Mechanisms	• Each unit conducts self-assessment of relevant legal compliance matters in the first and second half of the year based on the latest revised "Self-Assessment Checklist for Legal Compliance", and the effectiveness of each unit's compliance execution is also evaluated. After approval by the President, the annual compliance assessment results serve as reference for the performance evaluation of management and departmental heads. • Quarterly liaison meetings of compliance officers are held to ensure that the entire Bank carries out daily operations in accordance with internal and external requirements. • Overseas subsidiaries collect and report local legal changes and regulatory focal points monthly, assessing their impact on business operations to enable headquarters to identify legal compliance requirements and local regulatory demands for overseas subsidiaries. • Continuously track the progress of operations and management regulation updates across various units on the "Group Compliance System" to ensure that the Bank's operational activities comply with legal requirements. • Plan to adopt the "Cathay Group Regulations Database Platform" in phases and leverage AI tools to map relationships between internal and external regulations. The Platform features functions to help improve the operational efficiency of various units. Functions include daily regulatory update notifications, internal/external regulation analysis tools, and maintenance features for information relevant to internal regulations. • Implement checks on the suitability of compliance managers and personnel at overseas subsidiaries and confirm whether local compliance resources are adequate to ensure that the subsidiaries comply with local laws.
Material Topic Impact on Value Chain	Self/Government and Competent Authorities

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Focus Issues

Focus Issues	Impacts	Impacted Value Chain	Management Guidelines
Fraud Prevention and Awareness	• Prevent fraud through effective policies and procedures, as well as awareness campaigns.	Self/ Government	3.2.1 Anti-Fraud Guard Network
Green Operations	• Environmental policies and practices related to workplace operations, including the use of green energy, promotion of digital workflows, and green building renovations.	Self/ Suppliers	2.2.3.2 Green Operations
Talent and Skill Development	• Investing in the professional growth and skill development of employees to effectively adapt to rapid market changes and technological innovations.	Self / Employees	4.1 Workplace Empowerment
Climate Change	• Policies and actions related to climate change, including the assessment and management of physical risks (such as loss of assets or business interruption due to natural disasters) and transition risks (such as the impact of policy changes on the business).	Self / Communities / Shareholders and Investors	2.1. Vision and Strategic Goals
Corporate Governance and Ethical Corporate Management	• Ensure transparency, accountability, and integrity in business operations through an effective governance structure, a diverse governance team, and strict management of conflicts of interest.	Self / Shareholders and Investors	6.1 Corporate Governance 6.2 Ethical Corporate Management
Attracting and Retaining Talents	• Attracting and retaining key talent through effective human resource management strategies to support business objectives and long-term development.	Self /Employees	4.1.1.2 Attracting and Retaining Talents
Social Impact	• Engage in social impact and charitable programs to support the disadvantaged and promote social welfare.	Self /NGO/NPO/ Communities	4.2 Social Impact
Financial Inclusion	• Provide broad and affordable financial services, especially to low-income and vulnerable groups, to promote economic inclusion in society.	Self / Customer/ NGO/ NPO/ Communities	3.2.3 Financial Inclusion
Natural Resources and Biodiversity	• When investment and financing targets excessively rely on or damage the ecosystem (including causing pollution), it may lead to a decline in ecosystem services, thereby triggering physical risks and transition risks.	Self / Communities	2.2 Implementation and Engagement Strategies
Inclusive Workplace	• Promote diversity and equal opportunity in the workplace.	Self / Employees	4.1.1.1 Creating a Diverse and Inclusive Workplace

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1.6 Targets for Material Sustainability Issues

Key Material Issues **Digital Transformation and Innovation**

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Wealth management assets entrusted to the Bank by senior customers with peace of mind	Total scale NT$590 billion	Achieved	AUM per capita NT$784,500	AUM per capita NT$917,700	AUM per capita NT$1,116,500
Number of senior customers	1.8927 million	Achieved	2.0157 million	2.5931 million	3.5528 million
Digital self-service usage rate among senior and persons with disabilities	Newly added in 2026	Not applicable	Age 55 and above: 36% Persons with disabilities: 50%	Age 55 and above: 37% Persons with disabilities: 51%	Age 55 and above: 42% Persons with disabilities: 56%
Number of official-website financial health assessments	300,000	Achieved	350,000	1,000,000	2,000,000
Annual number of real-time intelligent-assistant Q&A services	12 million	Achieved	13 million	15 million	17 million
Customers who are satisfied and willing to recommend the Bank	Newly added in 2026	Not applicable	More than 40% of customers selecting 8–10 on a 10-point satisfaction scale		
Launch inclusive-finance innovative digital products or services	At least 2 annually	Achieved	This indicator has been removed from future years.		

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Key Material Issues Customer Relationship and Service

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Protect customer rights and interests	1. By Q3 2025, remain outside the top five institutions in complaint volume announced by the Banking Bureau. 2. Continue to optimize the Bank's existing systems and measures with reference to overseas supervisory trends.	Not achieved. Implementation will continue in accordance with the improvement plan, with the goal of remaining outside the top five institutions in complaint volume announced by the Banking Bureau.	1. Continue to optimize consumer protection mechanisms, strengthen the review content and execution effectiveness of the Consumer Review Committee, and clearly require product units to conduct root-cause analysis and end-to-end process reviews of complaint cases and propose improvement measures; business-management and business units will provide process and operational support so as to remain outside the top five institutions in complaint volume announced by the Banking Bureau. 2. Continue to optimize the Treating Customers Fairly system and related measures, with the goal of becoming a benchmark bank for fair customer treatment, including but not limited to achieving excellent results in the Treating Customers Fairly Principle evaluation.		

Key Material Issues Business Performance

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Consolidated net profit after tax (NT$100 million)	Stable growth in consolidated net profit after tax	Achieved	Continue growth in consolidated net profit after tax so as to support the long-term development of Cathay FHC and meet the expectations of internal and external stakeholders.		

Key Material Issues Sustainable Finance and Responsible Finance

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Scale of Sustainable Loans	Outstanding balance: NT$76.1 billion	Achieved	Outstanding balance: NT$82.3 billion	Outstanding balance: NT$122.2 billion	Outstanding balance to exceed NT$200 billion

Note: Sustainable Loans = Outstanding Green Loans + Outstanding SSLs + Outstanding Social Loans. In 2025, SSLs accounted for 0.16% of the total credit balance.

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Key Material Issues Privacy and Information Security

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Strengthen information security risk control	1. Complete the procurement of cyber insurance coverage for the 2025-2026 policy period by August 2025. 2. Continue monitoring trends in cyber threats and periodically assess and adjust the scope of cyber insurance coverage. 3. Maintain the ISO 27001 international information security management certification and complete the intro-duction of ISO 27017 cloud se-curity certification.	Achieved	Continuously monitor cyber threat trends and periodically review and adjust the scope of cyber insurance coverage.	Continue to maintain certification to the international information security management standards, ISO 27001 and ISO 27017.	

Key Material Issues Risk Management and Business Continuity

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Strengthen risk Management mechanisms for the Bank	1. Ensure the capital adequacy ratio meets the target requirements for D-SIBs. 2. Ensure that stress test results meet regulatory requirements for "capital adequacy under stress scenarios".	Achieved	1. Maintain compliance with capital adequacy targets for domestic systemically important banks (D-SIBs). 2. Ensure that stress test results meet regulatory requirements for "capital adequacy under stress scenarios" for D-SIBs. 3. Maintain the validity of ISO 22301 certification (three-year cycle; second-year recertification).		
Ensure business continuity for critical operations	Maintain validity of ISO 22301 certi-fication, and complete the latest re-certification audit.	Achieved			

Key Material Issues Legal Compliance

Items	2025 Targets	2025 Progress to Targets	Short-term Targets 2026	Mid-term Targets 2030	Long-term Targets 2035
Strengthen the establishment of the legal compliance system	Continue optimizing the "Group Com-pliance System" to track the update progress of each unit's operating and management regulations and ensure that all of the Bank's operating activities comply with legal requirements.	Achieved	To ensure that the Bank's operating procedures and management regulations are updated in a timely manner in line with relevant laws and regulations, the Bank has continued to enhance the "Group Compliance System" by establishing three major management functions: external regulatory change notification management, internal rule change management, and management of internal-external rule correlation results. The Bank has also introduced an AI system to identify the regulatory correlations between internal and external rules, thereby accelerating updates to operating procedures and management regulations and ensuring that all operating activities comply with applicable laws and regulations.		

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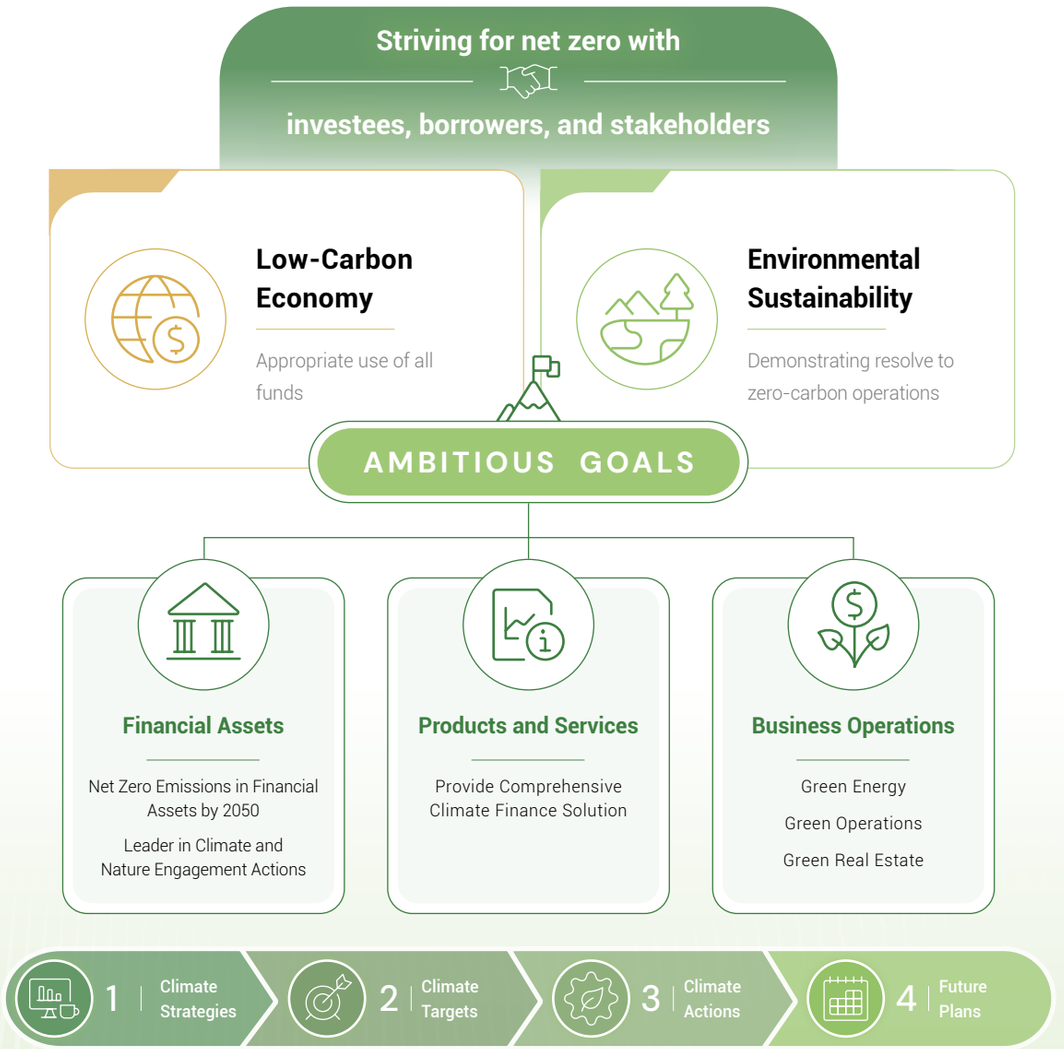
2.1 Vision and Strategic Goals

2.1.1 Vision

Cathay United Bank (CUB) envisions becoming a leading brand in green finance. Building on its core competencies, the Bank integrates sustainability into its business operations and actively works toward achieving environmental, social, and economic sustainability. To enhance the influence of the financial industry, the Bank has identified "climate" as one of the three pillars of its sustainability strategy blueprint. It emphasizes the concepts of a "low-carbon economy" and "environmental sustainability," incorporating climate change and ESG-related risks and opportunities into its core business practices. Through advocacy and engagement, the Bank generates a positive environmental impact while embedding green operational thinking into its daily management processes to promote low-carbon and environmentally friendly services.

Climate Strategy Blueprint



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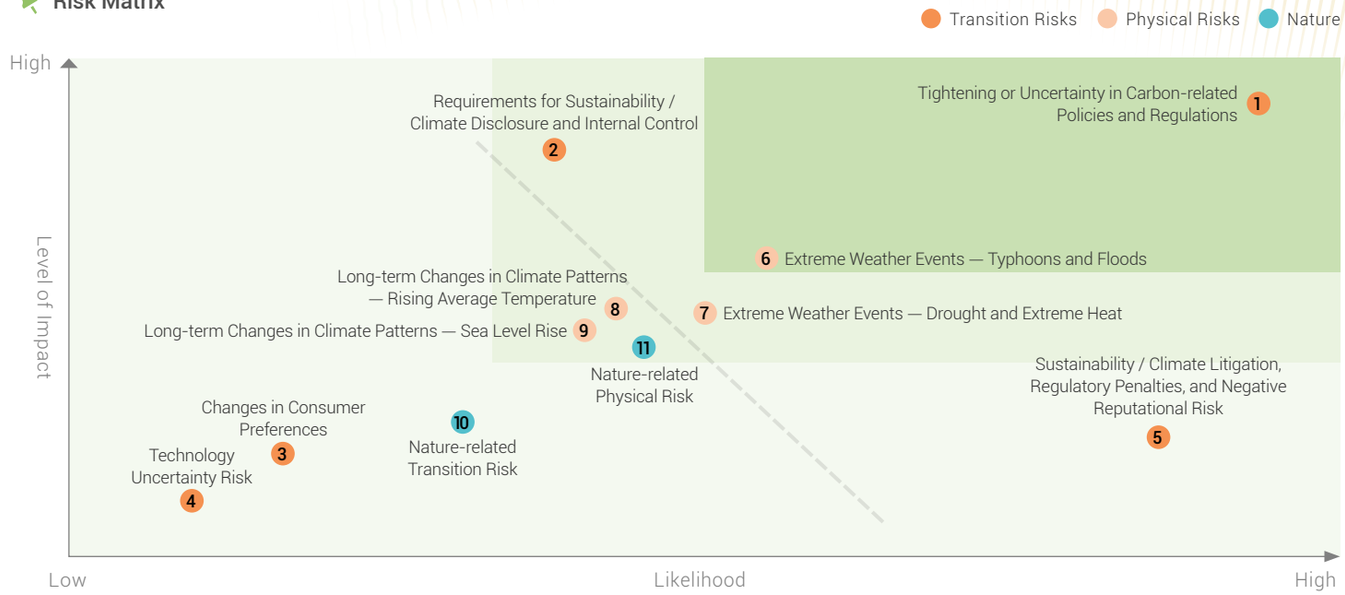
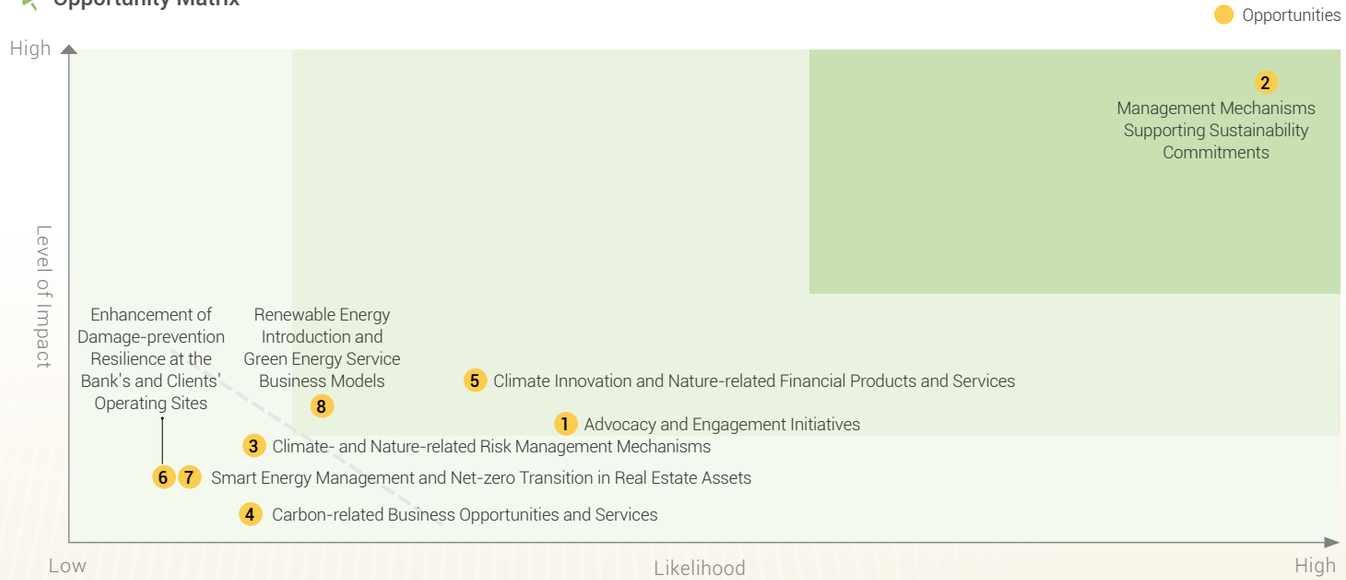
2.1.2 Risks and Opportunities

Based on Cathay FHC's material risks, CUB has identified six risk categories: health and medical, environmental and energy, technology, politics, economy, and social and corporate governance. CUB consulted with internal experts to rank these risks according to their materiality, considering both the level of impact and the likelihood of occurrence. This approach facilitates the identification of significant risks and the implementation of necessary adjustments. The environmental and energy risk is classified as a climate and nature risk. Acknowledging the increasing focus on climate and nature issues by regulatory agencies and international frameworks such as the TCFD and TNFD, CUB and Cathay FHC have initiated a process to identify climate and nature risks and opportunities. For further details, please refer to 2.3.2 Climate and Nature Risk Management. Based on the results of the climate and nature risk and opportunity matrix, five material risks and four material opportunities have been identified as key considerations for the Bank's risk management and strategic planning. For related response measures to these risks and opportunities, please refer to 2.2 Implementation and Engagement Strategies and 2.3 Governance and Risk Management.

Risk Matrix



Opportunity Matrix



Overview of Material Climate- and Nature-Related Risks and Opportunities

Risk Category		Risk Item Materiality Ranking	Description	Impact Dimension	Time Horizon	Relevant Traditional Risks
Transition	**Policy & Legal**	R1 Tightening or Uncertainty in Carbon-related Policies and Regulations	Carbon-related policies and regulations may become increasingly stringent or uncertain, including carbon taxes, carbon fees, energy-efficiency requirements, and renewable energy policies. Such developments may increase operating costs and transition pressure, while also creating financial pressure for high-carbon-emitting enterprises and counterparties, thereby raising default risk and resulting in declines in the value of related securities.	Investment & Lending CUB operations	Short-term Mid-term Long-term	Credit risk Market risk
Transition	**Policy & Legal**	R2 Requirements for Sustainability / Climate Disclosure and Internal Control	As supervisory authorities and market participants continue to raise expectations for sustainability and climate disclosure and internal control, enterprises are required to disclose and strengthen internal control in accordance with international standards such as IFRS S1/S2 and SASB. This may increase compliance costs and operational burdens, and may also increase the Bank's own compliance and operating costs.	Investment & Lending CUB operations	Short-term Mid-term Long-term	Operational risk Reputational risk
Physical	**Acute**	R6 Extreme Weather Events — Typhoons and Floods	As climate change intensifies, the frequency and severity of typhoons and flooding may increase, exposing assets located in low-lying or flood-prone areas to flood and wind damage. This may lead to physical asset damage, business interruption, and financial losses, and may affect corporate asset values and financial resilience.	Investment & Lending CUB operations	Short-term Mid-term Long-term	Operational risk Credit risk Market risk
Transition	**Reputation**	R5 Sustainability / Climate Litigation, Regulatory Penalties, and Negative Reputational Risk	If an enterprise fails to comply with sustainability / climate laws and regulations or provides inaccurate or misleading disclosures, it may face litigation and penalties, resulting in legal liabilities, financial losses, and reputational damage. If an enterprise or the Bank fails to fulfill external sustainability commitments, related negative news may also undermine stakeholder confidence.	Investment & Lending CUB operations	Short-term Mid-term Long-term	Operational risk Reputational risk
Physical	**Acute**	R7 Extreme Weather Events — Drought and Extreme Heat	Climate change may increase the frequency of drought and extreme heat events, leading to water shortages, deterioration in labor conditions, lower operating efficiency, and higher health and safety risks. Such impacts may in turn result in asset impairment, business disruption, increased operating costs, and adverse impacts on financial performance.	Investment & Lending CUB operations	Short-term Mid-term Long-term	Operational risk Credit risk Market risk

Note: The impact period is defined as follows: short term refers to within 1 year, medium term refers to 2–5 years, and long term refers to 6 years or more.

Opportunity Category		Opportunity Item Materiality Ranking	Description	Impact Dimension	Time Horizon
Responsible Investment and Lending	**Resilience**	O2 Management Mechanisms Supporting Sustainability Commitments	The Bank publicly commits to sustainability-related products and services while establishing management mechanisms to fulfill such external commitments or declarations. Through self-monitoring and review of related actions, the Bank enhances customers' willingness to do business with the Bank and strengthens customer confidence and trust in the Bank.	Investment & Lending CUB operations	Short-term Mid-term Long-term
Responsible Investment and Lending	**Market**	O1 Advocacy and Engagement Initiatives	Through initiatives and engagement actions, the Bank leverages its financial influence to raise clients' emphasis on ESG and encourages climate-sensitive or high-carbon-emitting industries and enterprises to respond proactively to climate- and nature-related risks. By building alliances, endorsing initiatives, and creating ESG-themed engagement scenarios, the Bank also connects industry, government, and academic resources to support investment and lending counterparties in planning and executing low-carbon transition action plans, thereby helping lead industries and society toward net zero.	Investment & Lending	Short-term Mid-term Long-term
Financial Products with Environmental and Social Benefits	**Products & services**	O5 Climate Innovation and Nature-related Financial Products and Services	The Bank actively seeks innovative investment and lending opportunities with strong future potential, such as green bond investments and renewable energy projects, so as to expand climate- and nature-related markets and business opportunities, strengthen the resilience of financial assets, and increase investment returns.	Investment & Lending	Short-term Mid-term Long-term
Environmental Impacts of Operations	**Energy sources**	O8 Renewable Energy Introduction and Green Energy Service Business Models	The Bank actively pursues corporate power purchase agreements (CPPAs) and installs solar panels on the rooftops of its own buildings to improve energy self-sufficiency and reduce carbon emissions and electricity costs. It also expands the Green Landlord mechanism and develops green energy service business models by allocating renewable energy to tenants, simplifying the green electricity adoption process, enhancing convenience for tenants, and creating new business models to jointly advance the energy transition.	CUB operations	Short-term Mid-term Long-term

Note: The impact period is defined as follows: short term refers to within 1 year, medium term refers to 2–5 years, and long term refers to 6 years or more.

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Overview of Other Climate- and Nature-Related Risks and Opportunities

Risk Category		Risk Item Materiality Ranking	Impact Dimension	Time Horizon	Relevant Traditional Risks
Climate Physical	**Chronic**	R8 Long-term Changes in Climate Patterns — Rising Average Temperature	Investment & Lending CUB operations	Mid-term Long-term	Operational risk Credit risk Market risk
Nature	**Physical**	R11 Nature-related Physical Risk	Investment & Lending CUB operations	Mid-term Long-term	Operational risk Credit risk Market risk
Climate Transition	**Market**	R3 Changes in Consumer Preferences	Investment & Lending	Short-term Mid-term Long-term	Market risk
Climate Physical	**Chronic**	R9 Long-term Changes in Climate Patterns — Sea Level Rise	Investment & Lending CUB operations	Mid-term Long-term	Operational risk Credit risk Market risk
Nature	**Transition**	R10 Nature-related Transition Risk	Investment & Lending CUB operations	Mid-term Long-term	Credit risk Market risk
Climate Transition	**Technology**	R4 Technology Uncertainty Risk	Investment & Lending	Short-term Mid-term Long-term	Credit risk Market risk

Opportunity Category		Opportunity Item Materiality Ranking	Impact Dimension	Time Horizon
Financial Products with Environmental and Social Benefits	**Products & services**	O4 Carbon-related Business Opportunities and Services	Investment & Lending	Short-term Mid-term Long-term
Environmental Impacts of Operations	**Resource efficiency**	O7 Smart Energy Management and Net-zero Transition in Real Estate Assets	CUB operations	Short-term Mid-term Long-term
Responsible Investment and Lending	**Resilience**	O3 Climate- and Nature-related Risk Management Mechanisms	Investment & Lending	Mid-term Long-term
Environmental Impacts of Operations	**Resilience**	O6 Enhancement of Damage-prevention Resilience at the Bank's and Clients' Operating Sites	CUB operations	Short-term Mid-term Long-term

Note: The impact period is defined as follows: short term refers to within 1 year, medium term refers to 2–5 years, and long term refers to 6 years or more.

2.1.3 Transition Plan

To address the risks and opportunities arising from climate change (see 2.1.2 Risks and Opportunities), the Bank has formulated a transition plan centered on Low-Carbon Economy and Environmental Sustainability as a concrete Climate Strategy Blueprint. In line with the Taiwan Sustainable Taxonomy and the Recommended Elements for Transition Plans, related requirements have been incorporated into financing assessments, decision-making processes, product design, and corporate engagement so as to direct capital toward sustainable economic activities across downstream financial assets and products and services, the Bank's own operations, and upstream suppliers. This is intended to drive corporate sustainability and support an orderly decarbonization transition. In addition, the Bank references the five key elements of the Transition Plan Taskforce (TPT) guidelines to align the transition plan with climate disclosure and ensure comprehensiveness and reliability. Each year, the Bank reviews and updates its annual sustainability plans and targets, submits them to the Sustainable Development Committee and the Board of Directors for approval, and then executes them. The Corporate Sustainability Team (CS Team), chaired by the President, oversees the implementation of sustainability-related projects, meets quarterly to track and review progress against climate and sustainability goals, consolidates implementation results, and reports them to the Sustainable Development Committee and the Board. The Bank also publishes sustainability reports regularly to communicate results to stakeholders, enhance transparency and trust, and support continuous improvement.

Climate Strategies	Climate Goals	Risks & Opportunities	Climate Actions	Affected Stakeholders
Net Zero Emissions in Financial Assets by 2050	• SBT emissions reduction targets (SBTs) for investment/lending • Achieve zero credit exposure to the coal value chain by 2027	R1 R3 R4 R5 O2 O3	1. Monitor decarbonization progress 2. Zero coal financing strategy	Clients / Government
Leader in Climate Engagement Actions	• Engage with investment/lending targets to participate in SBTi (Science Based Targets initiative)	R1 R3 R10 O1	1. Facilitate climate engagement 2. Commit to international initiatives	Clients / Government/ Peers
Provide Comprehensive Climate Finance Solution	• Double Sustainable Loans by 2030 and exceed NT$200 billion by 2035 Note	R3 R4 R5 R10 O4 O5	1. Green capital 2. Green finance products/services	Clients
Green Energy	• Achieve 100% renewable energy usage at headquarters by 2026, and over 50% renewable energy usage at CUB locations across Taiwan • Achieve 100% renewable energy usage at CUB locations across Taiwan by 2030 • Achieve 100% renewable energy usage at all global CUB business locations by 2050	R1 R3 O2 O8	1. Fulfill the RE100 commitment and increase renewable energy usage 2. Establish energy management systems 3. Expand solar power installations and strengthen self-generation and self-consumption of green electricity	Employees
Green Operations	• Achieve net-zero emissions in operations (Scope 1 & 2) by 2050 • Implement internal carbon fees across all units in Taiwan by 2026, including both a basic carbon fee and an excess carbon fee • Starting from 2026, achieve an annual 3% growth rate in green procurement spending compared with the base year (2023) • Achieve 17.5 cubic meters per capita water consumption by 2035 • Achieve 26.5 kg per capita waste by 2035	R1 R3 R7 R11 O2 O6 O7	1. Decarbonize CUB operations 2. Implement internal carbon pricing in operations 3. Sustainable procurement 4. Water management 5. Waste reduction	Employees /Suppliers
Green Real Estate	• Achieve 55% of CUB branches meeting eco-friendly renovation standards by 2035	R1 R3 R6 R9 R11 O2 O6 O7	1. Green retrofit 2. Low-carbon buildings 3. Green landlord practices	Clients / Employees

Note: In alignment with international market trends and the Group's sustainability policy, in 2024, the Bank established lending targets for "Green Loans" and "Sustainability-Linked Loans," collectively defined as "Sustainable Loans." In 2025, CUB further included "Social Loans" for the first time. Using 2023 as the base year, the Bank set short-, medium-, and long-term target amounts.

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2.2 Implementation and Engagement Strategies

2.2.1 Financial Assets

As a pioneer in sustainable finance, Cathay United Bank (CUB) is dedicated to maximizing the impact of every investment through responsible stewardship. By actively managing the carbon emissions of our financial assets and engaging proactively with investment and lending targets, CUB aims to guide them towards a low-carbon economy and a zero-carbon society, striving to be an influential and responsible bank.

2.2.1.1 Net Zero Emissions in Financial Assets by 2050

Climate Strategy and Targets

CUB has rolled out low-carbon transition plans for financial assets using science-based and quantitative decarbonization targets and a goal for zero coal financing, working steadily towards the ultimate goal of net zero emissions in financial assets by 2050.

◆ **Set Science-Based Targets (SBTs)**

Asset	Methodology	Base Year	Climate Target – Cathay FHC's SBT	Annual Emissions Reduction Target
Listed Equities & Bonds (Proprietary Investments)	Temperature Rating	2020	By 2026, decrease Scope 1+2 investment portfolio temperature from 3.08° C to 2.68° C	2.16%
			By 2026, decrease Scope 1+2+3 investment portfolio temperature from 3.13° C to 2.79° C	1.80%
Electricity Generation Project Finance	Sectoral Decarbonization Approach	2019	By 2026, decrease emissions intensity (tCO_2e/MWh) by 33% from base year	4.73%
Commercial Real Estate Loans			By 2026, decrease emissions intensity ($kgCO_2e/m^2$) by 39% from base year	5.56%
Long-Term Corporate Loans (Electricity Generation Industry)			By 2035, decrease emissions intensity (tCO_2e/MWh) by 69% from base year	4.30%
Long-Term Corporate Loans (Commercial Buildings)			By 2035, decrease emissions intensity ($kgCO_2e/m^2$) by 73% from base year	4.57%
Long-Term Corporate Loans (Fossil Fuel, Electrical and Electronic Equipment, Semiconductor, General Manufacturing Sectors)	SBT Portfolio Coverage Approach	-	By 2026, 33% of loan portfolio by loan value setting SBTi validated targets	4.76%

Note 1: Cathay FHC passed SBTi verification in September 2022, setting an overall target to limit global warming well below 2° C and achieve net zero across the Group by 2050. The SBT baseline calculation and target setting for Cathay FHC include all subsidiaries.
Note 2: (1) Electricity generation project finance: Evaluates the generated capacity and carbon emissions of each power plant based on their installed capacity, using carbon intensity of electricity generation as an indicator.
(2) Commercial real estate loans: Targets leased collaterals and evaluates their total floor area and building use for GHG emissions, using carbon intensity per square meter unit as an indicator.
(3) Long-term corporate loans (excl. SMEs): GHG information primarily derived from GHG emissions data disclosed by the companies themselves or, if company does not disclose GHG emissions, estimations according to their business data.
Industries/sectors are categorized into electricity generation, commercial buildings, SBT Portfolio Coverage, etc., and managed according to their characteristics.
Note 3: Annual emissions reduction targets refer to linear reduction rates required each year after the base year and target is set.

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Divestment from Coal Industries

Target

"Zero Coal Financing"

By end of 2027 Q1, reduce coal value chain credit balance to zero.

Strategy

- Cathay United Bank has ceased to extend credit facilities for coal-related loans since April 2021. This policy covers the upstream, midstream, and downstream coal industry chains, including upstream, midstream, and downstream sectors such as coal mining, products, wholesale, and retail, all of which are added to our exclusionary screening.
- All revolving facilities expired at the end of 2022, the designated transition period, and will not be renewed. Mid-to-long-term facilities will not be renewed upon expiration.

Monitoring

Quarterly

Climate Actions and Progress

Monitoring SBTs

In alignment with Cathay FHC's policy, the Bank sets decarbonization pathways and targets for its investment and lending portfolios using scientific and quantitative methods. The following outlines the Bank's specific measures and strategies:

1 Reference Standards and Guidelines

- Based on the Financial Sector Science-based Targets Guidance (SBT).
- Referenced the ISO 14064-1: Greenhouse Gases.
- Utilize the framework of the Partnership for Carbon Accounting Financials (PCAF).

2 Carbon Inventory and Emission Reduction Targets for Investment and Lending

Investment Carbon Inventory:
- Scope includes listed equity and corporate bonds.
- Use the temperature rating to assess the potential warming impact of investment assets, aiming to achieve the Science Based Targets (SBT) portfolio temperature goal.

Lending Carbon Inventory:
- Scope primarily includes electricity generation project financing, commercial real estate mortgage loans, and long-term corporate loans.
- Progress is monitored based on sectoral decarbonization approaches and legally binding SBT targets.

3 Carbon Reduction Strategy

- **Emission-based and Impact-based Approaches:** Establish carbon reduction pathways using scientifically quantified methods.
- **SBT Scope 3 Financed Emissions Inventory Mechanism:** Develop and implement a carbon inventory mechanism for financed assets.

4 Ongoing Monitoring and Evaluation

- Conduct annual analysis of investment and lending portfolios, as well as the carbon emission distribution of companies or industries with high emission intensity.
- The results of this analysis serve as a reference for future adjustments to investment and lending strategies and portfolios.

5 Action Plan

- Develop carbon reduction strategies and action plans based on analysis results to achieve emission targets.

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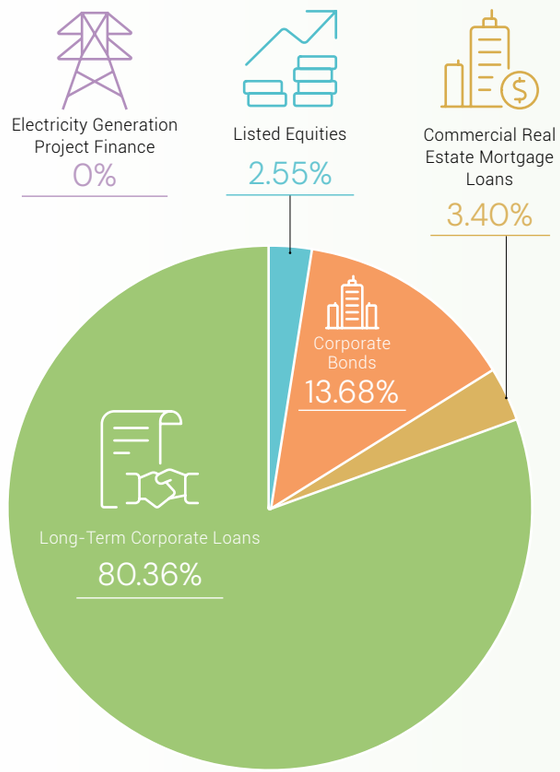
◆ **Results from the 2025 SBT Scope 3 carbon inventory for financial assets are as follows:**



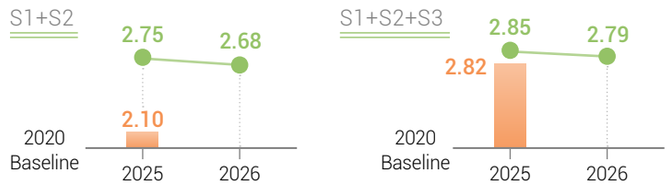
SBT scope 3 carbon inventory for financial assets

1,039,061 tCO_2e

◆ **2025 progress towards SBT Scope 3 emissions reduction targets for all financial assets are as follows:**

Temperature Rating

Listed Equities and Corporate Bonds (Proprietary Investment Portfolio)

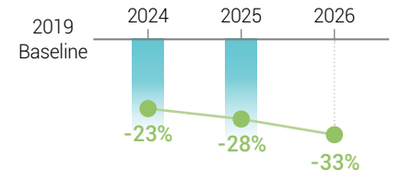


Target Value: SBT-aligned temperature pathway (° C)

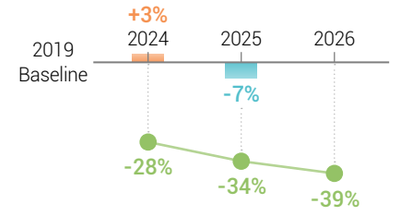
Actual Value: Actual temperature changes (° C)

Sectoral Decarbonization Approach

Electricity Generation Project Finance ☑ Ahead of Target



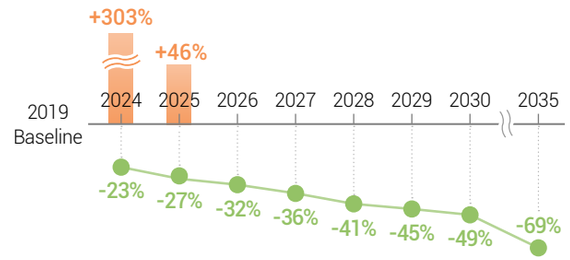
Commercial Real Estate Mortgage Loans



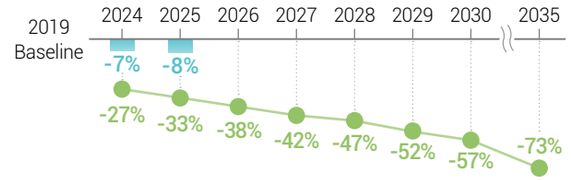
Target Value: Reach required reduction rate from baseline value to meet Cathay FHC' SBT target.

Actual Value: CUB's actual reduction rate from baseline value.

Long-term Corporate Loans (Electricity Generation Sector)

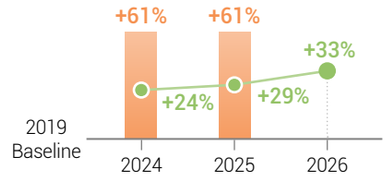


Long-term Corporate Loans (Commercial Buildings)



SBT Portfolio Coverage Approach

Long-Term Corporate Loans (Fossil Fuel, Electrical and Electronic Equipment, Semiconductors, General Manufacturing Sectors)



Target Value: Engagement outcomes required to meet Cathay FHC's SBT target.

Actual Value: CUB's actual engagement outcomes.

Note: The emission intensity of long-term corporate loans (electricity generation sector) has shown short-term fluctuations, mainly because most electricity generation companies are not publicly listed, making it difficult to collect power generation data. The Bank will continue to improve data collection from business counterparties in the future

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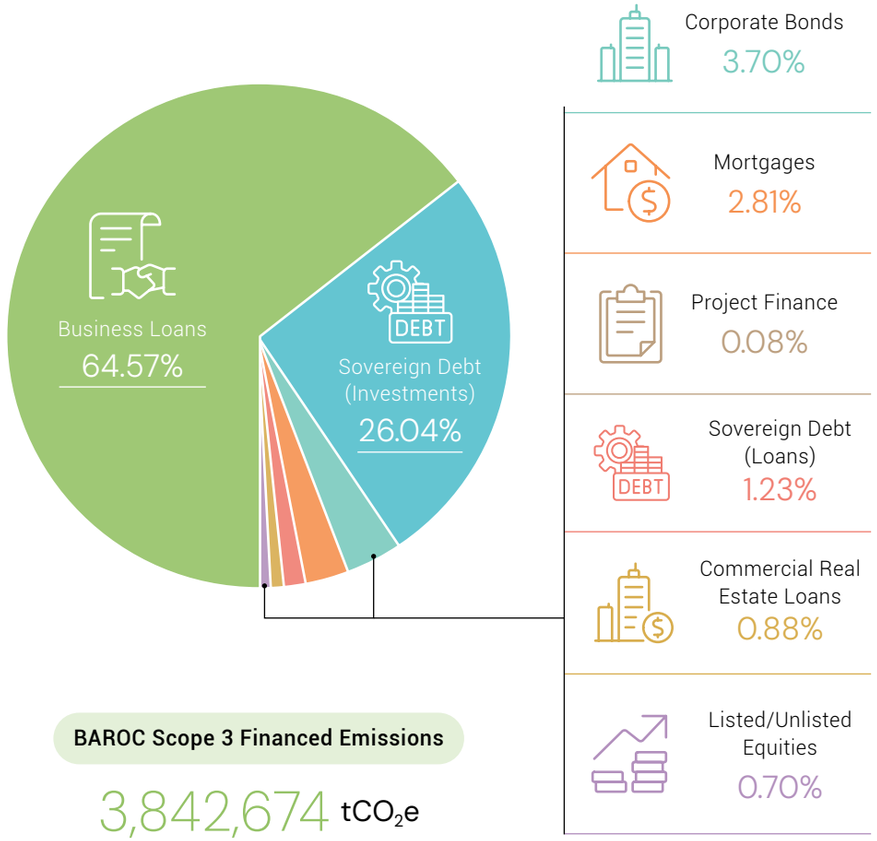
Scope 3 carbon inventory for financial assets in compliance with BAROC guidelines

CUB also complied with the Bankers Association of the Republic of China's (BAROC) "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" to develop a Scope 3 carbon inventory mechanism for financial assets in compliance with BAROC guidelines. The inventory scope is larger and more comprehensive than the Scope 3 carbon inventory for SBT. In the future, CUB will leverage BAROC Scope 3 carbon inventory results to develop and establish our emissions reduction strategies and targets. CUB's inventory task force conducted a carbon inventory of its investment and lending portfolios as of the end of 2025 in accordance with the second edition of "The Global GHG Accounting and Reporting Standard", published by PCAF in November 2022. The inventory scope covers listed and unlisted equity investments, corporate bonds investments, sovereign debt, business loans, project investments/finance, commercial real estate loans and investment, and mortgages. CUB's in-house verification team cross-checked the inventory results to verify the accuracy and reasonableness of the underlying data, corrected any identified errors, and the results were further subject to external third-party assurance.

Results from the 2025 carbon inventory for financial asset categories within the BAROC's scope are as follows (For details, please refer to 7.1 ESG Performance Data)

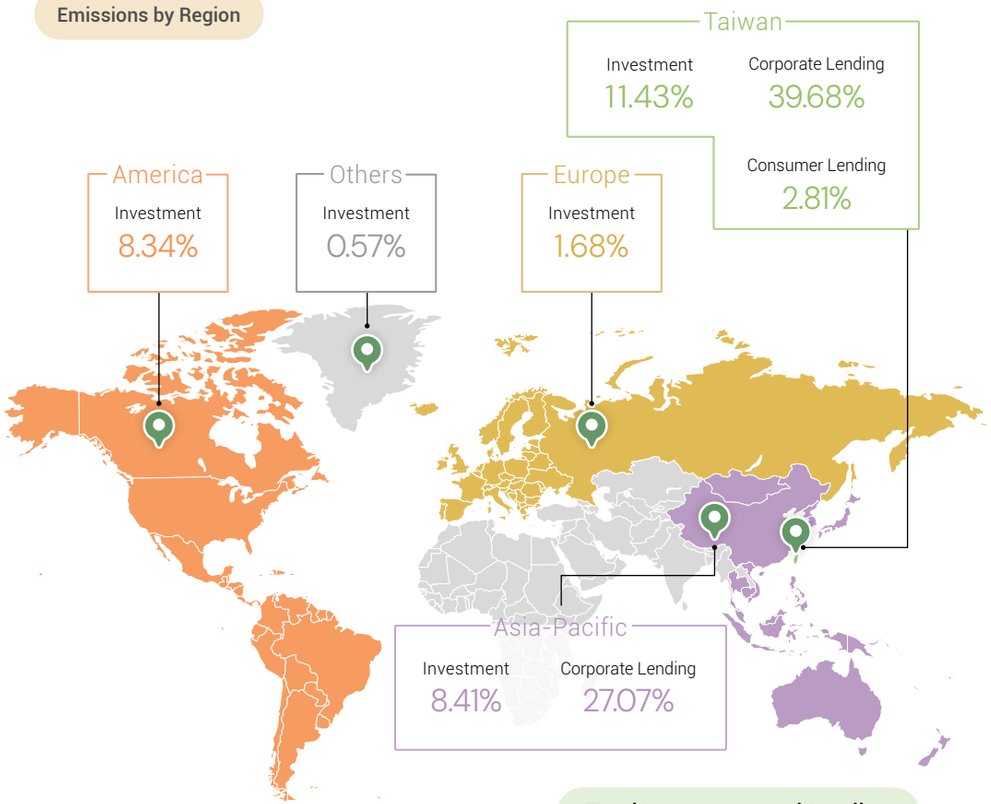
Emissions by Assets



BAROC Scope 3 Financed Emissions

3,842,674 tCO_2e

Emissions by Region



Note: The summary results of the Scope 3 financed emissions presented here exclude LULUCF (Land Use, Land-Use Change, and Forestry).

Total Investment and Lending

3,842,674 tCO_2e

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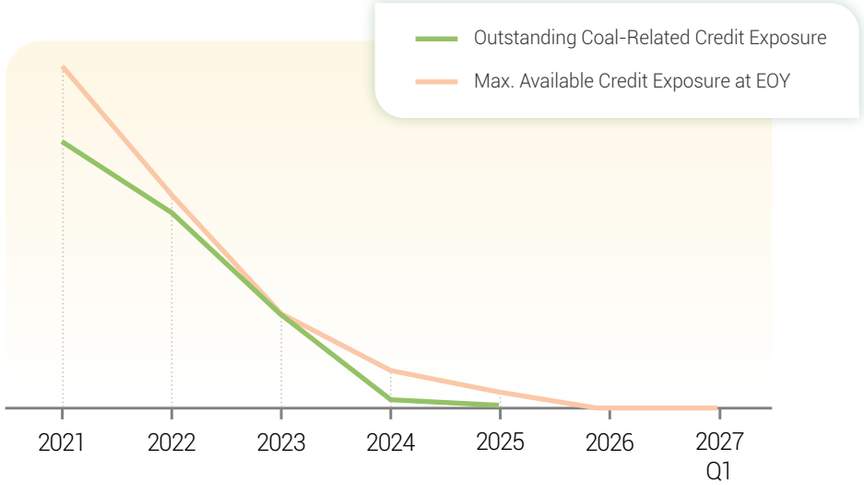
Zero Coal Financing Strategy

The goal of CUB's zero coal financing strategy is to reduce coal value chain credit facilities to zero by 2027 Q1 through regularly monitoring outstanding balance to coal-related businesses to track current progress toward zero coal financing goals. The following details how CUB verifies strategy resilience:





Next Steps

CUB will continue to comply with PCAF and SBTi methodologies to gradually expand the scope of carbon inventory for investment and lending portfolios to thereby strengthen carbon management of financial assets.

Low-Carbon Transition Plans for Financial Assets

Investment Assets

(1) Conduct comprehensive evaluations of investees in sensitive industries by reviewing their disclosures on carbon emissions data, emission reduction targets, potential warming temperature under SBT, water usage, and whether companies have policies on emission reduction, water resource management, and biodiversity. Also assess participation in initiatives such as SBTi and net-zero commitments.
(2) Conduct in-depth engagement with investees (e.g., setting SBT targets or joining net-zero initiatives) and thematic engagement (e.g., establishing policies on emission reduction, water resource management, and biodiversity).

Loan Assets

(1) Establish decarbonization pathways and set emission reduction targets for the lending portfolio. Conduct annual analysis of the carbon emission distribution of lending portfolio or carbon-intensive industries/companies to inform future adjustments to lending strategies and portfolio, and develop corresponding carbon reduction strategies and action plans.
(2) Continue promoting the low-carbon transition of financial assets based on SBT targets and the zero coal financing goal, steadily advancing toward net-zero emissions for financial assets by 2050.

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2.2.1.2 Leader in Climate and Nature Engagement Actions

Climate Strategies and Targets

As one of the systemically important banks in Taiwan, CUB fully understands the importance of climate action in enhancing the resilience of financial assets. By translating climate ambitions into practical actions, the Bank uses advocacy and engagement to raise clients' awareness of the importance of energy efficiency and decarbonization. CUB communicates with investees and borrowers to encourage them to disclose carbon inventory results, set more specific medium and long-term emissions reduction targets, or join international decarbonization organizations such as SBTi/RE100. CUB actively engages with borrowers to encourage them to join SBTi. Cathay FHC commits to having at least 33% of its long-term corporate loan portfolio by outstanding balance within the fossil fuel, electrical and electronic equipment, general manufacturing, and semiconductor sectors covered by SBTi validated targets by 2026.

Climate Actions and Progress

◆ Promoting Climate Engagement

Leveraging the Cathay FHC's comprehensive financial industry chain, CUB is committed to bridging Taiwan's zero-carbon policies and industrial transition trends and integrating sustainable finance into our core businesses. In addition, CUB references the "Taiwan Sustainable Taxonomy" and work through various direct and cooperative engagement channels to assist and support clients in planning and executing transition action plans. We hope to support clients to mitigate or adapt to the impacts of climate change, which can ensure a competitive industry while in transition, fostering an orderly shift towards a green economy and collectively creating a net-zero future. For details on progress toward SBT targets (of the SBT Portfolio Coverage Approach) in 2025, please refer to 2.2.1.1 Net Zero Emissions in Financial Assets by 2050.

During 2025, CUB also collaborated with the Metal Industries Research & Development Center (MIRDC) to engage enterprises in selected regions and provided Sustainable Loans to clients demonstrating a willingness to decarbonize, thereby helping clients take concrete actions to mitigate climate change.

● Taiwan Sustainable Taxonomy

To support Taiwan's goal of Net Zero by 2050, competent authorities issued the "Taiwan Sustainable Taxonomy" in December 2022, with the second edition published in December 2024. The guidelines encourage listed companies to disclose the following in their sustainability reports, annual reports, or on their websites:

1. The eligibility and alignment of their main economic activities or projects with the guidelines
2. Specific improvement or transition plans
3. The sustainability assessment of the main economic activities. Financial institutions are also advised to refer to the Taxonomy for investment and lending assessments and decisions, product design, and corporate engagement when labeling investments, lending, or financial products as "green", "ESG," or "sustainable."

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The Bank references the regulatory authority's announcement of the Taiwan Sustainable Taxonomy to expand the scope of applicable industries and has established criteria to determine whether economic activities make a substantial contribution to environmental objectives, helping to defi ne what constitutes a sustainable economic activity and to assess whether clients meet the sustainability standards set forth in the Taxonomy. CUB has designed related processes for engaging with investees and borrowers based on the Taiwan Sustainable Taxonomy, as detailed below.

Investment

To track and disclose the allocation of funds to economic activities that are eligible to or aligned with the guidelines, the Bank has incorporated the recognition of sustainable economic activities into its internal investment evaluation framework. The guidelines have also been integrated as a core element of corporate engagement, encouraging listed companies to fill out JCIC's "Corporate ESG Information & Sustainable Economic Activities Self-assessment Questionnaire." This covers GHG emissions, energy management, environmental protection, social responsibility, corporate governance, and self-assessment of applicability/ compliance with the "Taiwan Sustainable Taxonomy" and their public disclosure.

For companies whose economic activities are not applicable to the Taxonomy, the Bank encourages the development of climate-related action plans to support investment evaluation and direct capital toward sustainable economic activities and orderly decarbonization. The Bank discloses the amount and sustainability ratio of its domestic investment portfolio based on the Taxonomy:

Type	Economic Activities	Contributes to at least one environmental objective	Do no significant harm (DNSH) to any of the six environmental objectives	Do no significant harm (DNSH) to social safeguards	Self-assessed sustainability level	Issuers	Amount (NT$ 100 million)
Ordinary Economic Activities (OEAs)	Semiconductors	Aligned	Aligned	Aligned	Aligned	2	361.08
Forward-Looking Economic Activities (FLEAs)	Renewable energy generation, facilities, and related components	Aligned	Aligned	Aligned	Aligned	1	23.92
Sustainable Bond[Note1]		Aligned	Aligned	Aligned	Aligned	3	80.95

2025 Domestic Investment – Amount and Sustainability Ratio	Amount (NT$ 100 million)	Share of Investment (%)
A. Investment Amount Eligible	467.65	24.79%
A-1 Investment Amount Aligned	465.95	24.70%
Sum of Each Investee's Aligned Ratio Multiplied by the Investment Amount	146.56	7.77%
Green Bonds	289.39	15.34%
Social Bonds	-	-
Sustainable Bonds	30.00	1.59%
Sustainability-linked Bonds	-	-
Total Amount of Funds Complying with the ESG Fund Review Supervisory Principles	-	-
Investment Real Estate — Buildings (only buildings that comply with the construction, building, and real estate indicators under the revised Taxonomy are recognized)	-	-
A-2 Investment Amount Eligible but Not Aligned	1.70	0.09%
Eligible / Aligned Ratio	99.64%	

Note 1: The Taiwan Sustainable Taxonomy currently do not yet cover the economic activities applicable to these bond issuers.
Note 2: CUB invested in 29 sustainable bonds aligned with OEAs/FLEAs; 17 cases in the Bank's investment portfolio were both eligible and aligned with the guidelines.

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Corporate Loan

To encourage corporate borrowers to transition to low-carbon operations and promote sustainable development, CUB has incorporated Green Loans[Note 1], Sustainability-Linked Loans[Note 2], and social loans[Note 3] into its internal policies, establishing procedures for recognition, evaluation, and review to guide relevant personnel. In response to the guidelines, the Bank has also integrated them into its financing evaluation, decision-making, product design, and corporate engagement practices, aiming to channel capital toward sustainable economic activities and support an orderly corporate transition to low-carbon operations.

The Bank also discloses its engagement activities with borrowing companies reference to the guidelines. In 2025, 799 corporate borrowers completed "Corporate ESG Information and Self-Assessment Questionnaire on Sustainable Economic Activities" and successfully submitted them to the JCIC, accounting for 8.28% of domestic customers with credit facility approvals and renewals (excluding overdue accounts). In 2025, total domestic lending portfolio eligible to the guidelines amounted to NT$104.5 billion, of which NT$103.2 billion was aligned with the Taxonomy, including NT$6.4 billion in loans calculated based on the eligibility and alignment status of financed counterparties and NT$96.8 billion in other Green Loans or Sustainability-Linked Loans that were certified or verified by third parties or had obtained relevant labels.

Code	Type	Economic Activities	Number of Cases	Result of Sustainability Self-assessment		
				Aligned	In Transition	Not Aligned
C01	OEA	Cement	3	2	-	1
C04	OEA	Iron and Steel	1	1	-	-
C05	OEA	Textiles	2	1	1	-
C09	OEA	Computers and Peripheral Equipment	4	-	2	2
E03	OEA	Waste Reuse	1	1	-	-
F01	OEA	New Buildings	2	1	-	1
F06	OEA	Installation and Maintenance of Renewable Energy Technology Equipment	1	1	-	-
H05	OEA	Road Transport and Public Transport Infrastructure	1	1	-	-
Z01	FLEA	Renewable energy generation, facilities, and related components	9	9	-	-
Z02	FLEA	Hydrogen application technology R&D and infrastructure	1	1	-	-
Z04	FLEA	Manufacture of High-efficiency Equipment and Related High-efficiency Technology Applications	1	1	-	-
Z09	FLEA	Carbon Capture, Utilization and Storage (CCUS) Technology R&D and Application	1	1	-	-
Z13	FLEA	Installation of equipment or systems, technology development, and professional services for water conservation, water resource recycling, or new water-source development	1	1	-	-

2025 Domestic Corporate Loan – Balance and Sustainability Ratio	Balance (NT$ 100 million)	Share of Corporate Loan (%)
A-2 **Total Loans Eligible (Corporate)**	1,044.90	13.35%
A-2-1 **Total Loans Aligned (Corporate)**	1,031.93	13.18%
Loan Amount Calculated Based on the Eligibility and Alignment Status of Financed Counterparties	63.94	0.82%
Other Green Loans or Sustainability-Linked Loans Verified by Third Parties or Certified with Relevant Labels	968.00	12.37%
Eligible / Aligned Ratio	98.76 %	

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Note 1: Green Loans: Any types of loans made available to green projects and is based around the following core components:

(1) Use of Proceeds: The funds are made available exclusively for green projects with substantial environmental benefits. Common uses of proceeds of Green Loans include renewable energy, energy efficiency, pollution prevention and control, natural resource management, biodiversity, clean transportation, water management, climate change adaptation, circular economy, and green buildings.

(2) Environmental Benefit Objectives and Evaluations: Shall include the environmental sustainability objective(s) of the borrowers; and the environmental benefit objectives of the use of proceeds and the evaluation indicators; and if the use of proceeds relates to GHG emissions, business units shall have a process in place to identify borrower's greenhouse gas emission situation, restrictions, difficulties and action plans (including technology and financial needs, etc.) in the carbon reduction process during the KYC (Know Your Customer) stage.

(3) Management of Fund Flow: To ensure that the funds are used for expenditures for green projects, it is necessary to establish clear control methods.

(4) Fund Utilization Report: During the loan period, borrowers shall specify the use of funds of Green Loans and the implementation progress or situation of the environmental benefit objectives.

Note 2: Sustainability-Linked Loans: Loans where the lending criteria are linked to predetermined sustainable development performance goals, offering economic incentives to encourage the borrower to achieve sustainability goals; is based around the following core components:

(1) Key Performance Indicator: The Bank and the borrowers will agree on KPIs to measure the borrower's performance on environmental, social and corporate governance aspects. KPIs include GHG inventory and disclosure, emissions reduction target setting, sustainability assessment results, net zero initiatives, and water resources, etc.;

(2) Sustainability Performance Target: Suitable quantitative targets set according to KPIs;

(3) Economic incentives set according to credit criteria (rewards/penalties) for SPT achievement and applicable period;

(4) Reporting: To assess progress toward SPTs, the borrower must provide annual verification data during the loan period.

(5) Verification: Agreed format, frequency, and submission deadlines for information to be provided post-lending. The information shall be verified by a third-party institution to confirm achievement of KPIs.

Note 3: Social Loans refer to financing provided for expenditures related to social responsibility projects. Core components include:

(1) Use of Proceeds: Must be allocated to social projects that deliver substantial social benefits. Common categories include affordable basic infrastructure, access to essential services, affordable housing, job creation, food safety and sustainable food systems, and socioeconomic advancement and empowerment.

(2) Project Evaluation and Eligibility Process: Includes the borrower's social responsibility goals, procedures for determining eligibility under qualified social project categories, and identification and management of environmental and social risks related to the project.

(3) Fund Management: A mechanism must be established to track and control the fl ow of funds for identifiable uses.

(4) Reporting: The borrower must provide annual updates on the use of proceeds and progress toward social impact targets during the loan period.

The Bank has established an engagement and guidance process for those who have not reached the "aligned" level of sustainability as defined by the "Taiwan Sustainable Taxonomy." This is designed to guide clients in conducting internal reviews and formulating transition plans. Where a company demonstrates a willingness to improve its sustainability performance, has already begun planning climate change-related action plans, or expresses such intentions through the Bank's engagement process, the Bank will provide encouragement in accordance with its Principles Governing Corporate Banking Sustainable Loans. The Bank will also assist in preparing transition plans and related documentation and, where necessary, may extend support through transition finance to help companies progressively achieve their sustainability transition goals.

Identifying Gaps

The Bank identifies carbon-intensive clients as priority engagement targets. It assists clients in evaluating the sustainability of their current economic activities and understanding the gaps between their current status and the Guidelines. The Bank may also convene joint engagement meetings and provide professional advisory services to help clients formulate transition and improvement plans covering production processes, supply chain management, and energy use, thereby gradually enhancing the sustainability of their economic activities. In addition, the Bank participates in joint engagement initiatives organized by Cathay FHC and actively supports improvement efforts for industries in transition. During the year, the Bank shared engagement experience with clients in the petrochemical and aviation sectors.

Encouraging Transition through Preferential Financing

In addition to assisting clients in developing transition and improvement plans, the Bank also provides green finance products and preferential interest rates to support their transition, such as Green Loans and Sustainability-Linked Loans. This helps companies reduce costs during the transition process and improve economic benefits.



Setting Targets with Regular Follow-ups

The Bank assists clients in establishing long-term transition timelines and setting sustainability targets. It also reviews and monitors their transition progress during annual review stages and makes adjustments based on market developments and changes in guideline requirements, ensuring that companies meet sustainability standards as early as possible.

Education and Training

To help clients stay informed about domestic and international sustainability trends and regulatory guidance, the Bank regularly holds ESG forums to provide the latest knowledge on sustainable development and case analysis, thereby enhancing corporate sustainability awareness and practical capabilities. In addition, the Bank also offers courses related to supporting economic activities and key strategic industries for both internal employees and corporate clients.

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For companies whose economic activities are not eligible to the "Taiwan Sustainable Taxonomy," the Bank, in the course of credit and other business relationships, provides information on climate change and sustainability issues as appropriate, taking into account each company's size, industry characteristics, and actual operational needs. The Bank also encourages such companies to gradually adopt basic response actions, improvement measures, or transition plans within their capabilities.

Where a company demonstrates a willingness to improve its sustainability performance, the Bank may also assist it in setting appropriate sustainability targets and measurement indicators through financial products such as Sustainability-Linked Loans, thereby enabling the company to make tangible progress in climate change mitigation and sustainability actions. In 2025, the Bank engaged with clients in industries such as printed circuit board manufacturing, electronic component manufacturing, and optoelectronic component manufacturing, whose economic activities are currently not eligible to the Taiwan Sustainable Taxonomy. Through engagement, the Bank encouraged these companies to adopt decarbonization measures and actions and further provided sustainable finance products, including Sustainability-Linked Loans, to support these companies in setting decarbonization targets, implementing decarbonization strategies in concrete ways, and jointly advancing climate change mitigation.

◆ Engagement Case Study

Target	Topics	Content	Achievements
A domestic rubber products manufacturer	Clean technology, toxic emissions and waste management, carbon emissions	Based on material sustainability topics in the tire industry, the Bank explained the key sustainability transition areas most emphasized by international rating agencies and investors. It also discussed sustainability practices that, while not identified as material by rating agencies, are commonly prioritized by leading companies in the industry, such as circular materials. The Bank further assisted the company in connecting its sustainability strategy with sustainable finance instruments to promote the industry's low-carbon transition.	This engagement led to the provision of a sustainability-linked loan. The Bank and the company reached consensus on setting sustainability performance targets (SPTs), including management targets for greenhouse gas emissions, total water withdrawal, and hazardous industrial waste management. These targets are measured based on the company's annual environmental performance and will serve as the basis for post-lending interest rate adjustments and sustainability performance reviews, thereby providing concrete support for the company's sustainable development and orderly decarbonization transition.

● Direct Engagement

Due Diligence as Institutional Investor

In compliance with due diligence policies, CUB actively engaged with investees in 2025, participating in votes at 56 shareholder meetings, 308 investor conferences, and 118 direct engagements on environmental issues via phone calls, emails, etc. Focus areas included occupational safety, energy conservation, environmental protection, climate change, and environmental impacts. Related actions are as follows:

(1) CUB's investment team engages monthly with the investee's management team via phone calls and on-site visits, expressing CUB's opinion and gaining further insight on material issues. In addition, CUB refers to trends in industry and regulatory landscapes to evaluate whether engagement with investee is required on specific issues.

(2) In the event of major news or announcements in contradiction with CUB's sustainability ideals, CUB will communicate with investee's management team by attending shareholder meetings, attending board of director or supervisory board meetings when applicable, and sending letters or emails to ensure investee's policies remain aligned with CUB's sustainability ideals. CUB will vote against any proposals that raise concerns regarding an investee's approach or ability to address environmental and social risks.

(3) CUB will evaluate ESG risks based on engagement results with investees, which will serve as a reference for decisions on whether to continue investing in those companies. The bank also conducts regular reviews of investee ESG ratings and provides written recommendations to support improvements. In addition, CUB refers to information such as the "Corporate Governance Evaluation System" conducted by the TWSE, TPEx, and SFI, as well as the ESG rating database of domestic and foreign ESG rating agencies on the "ESG Investor Relations Platform" of the TDCC, to monitor ESG-related risks and opportunities of investee companies.



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Due Diligence as Institutional Investor

Direct Engagements on Climate Issues

CUB sustains its efforts in observing industry trends to identify changes in external environments, such as carbon taxes, stricter chemical safety regulations, and nation-wide commitments toward Net Zero, confronting investees in the future. As a responsible investor, CUB has sought insight on mid-to-long-term net-zero transition issues from two investees, encouraging them to set decarbonization strategies. In addition, CUB encourages investees to develop the following four major decarbonization strategies to achieve carbon neutrality by 2050: low-carbon energy transition, circular economy for energy conservation and decarbonization, increase renewable energy use and carbon capture, and strengthen ESG disclosure. ESG disclosure can be strengthened by providing detailed descriptions of ESG practices and improving corporate governance ratings. The climate action progress of two engagement targets in 2025 is as follows. CUB will continue to track their progress and factor the results into in-house investment decisions. (The actual engagement targets are investee companies of CUB, referred to as Company A and Company B.)

Company A

1. The company undergoes ISO 9001 and ISO 14001 certification assessments to maintain internationally recognized environmental and quality standards across its supply chain.
2. In accordance with ISO 14064-1, the company conducts greenhouse gas inventories and promotes low-power product design and product miniaturization, with the aim of reducing environmental impacts across the product life cycle.
3. It is recommended that the company adopt measurement methodologies such as Social Return on Investment (SROI) or Business for Societal Impact (B4SI) to assess and quantify the social or environmental impacts of its philanthropic activities, thereby making its social contributions more tangible and measurable.

Company B

1. The company received a BB rating in the TIP Taiwan Sustainability Ratings.
2. It is recommended that the company disclose whether it has undertaken green innovation and integrated green concepts into its environmental management policies and activities to build a green value chain, and disclose specific results achieved, such as energy savings generated through green logistics policies.
3. Regarding occupational safety indicators, it is recommended that the company's logistics operations also be included within the reporting scope.
4. The company should target achieving a BBB rating or above in the TIP Taiwan Sustainability Ratings in the future.

Thematic Engagement

Engagement Topics and Scope

- Enhance internal carbon awareness and promote actions
- Improve energy management efficiency

Engagement Background and Actions

CUB's Low-Carbon Economy Task Force engages with senior executives or sustainability-related management teams of corporate banking clients through ESG engagement meetings. These thematic discussions focus on companies' practical needs and challenges encountered during the decarbonization process, such as equipment replacement. Through in-person meetings, CUB exchanges views with companies and discusses action plans.
Topics covered include assisting companies in setting decarbonization commitments aligned with the 1.5°C pathway and providing financial support for industrial sustainability transition. Guided by the dual engagement pillars of "ESG Ratings and Disclosure" and "Climate Change," CUB encourages engagement counterparties to proactively address climate change and transition-related challenges.

In addition to providing advisory services on sustainability issues and customized green finance solutions, CUB also leverages external partner resources to help companies formulate appropriate solutions. This ensures that companies can advance their decarbonization transition smoothly and achieve their carbon reduction targets on schedule. Through concrete actions, CUB helps enhance ESG performance and supports net-zero commitments, creating sustainable value together with Taiwanese enterprises.

Achievements

The company responded positively to the topics discussed and subsequently began planning its internal low-carbon transition in order to align with sustainability trends.

To improve internal energy management efficiency, the company plans to optimize and upgrade its production lines and enhance energy efficiency, thereby reducing carbon emissions and energy consumption at its plant sites.

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Forums/Workshops

CUB ESG Forum: Toward a Net-Zero and Sustainable Future

CUB collaborated with CDP and the Industrial Technology Research Institute (ITRI) to host the Cathay United Bank ESG Forum, centered on corporate sustainability needs and focusing on key topics such as environmental disclosure, plastic reduction policies, carbon markets, and green finance. During the forum, CDP shared insights on climate- and nature-related risks, as well as key considerations for companies in advancing environmental disclosure. ITRI provided insights into industry transition pathways amid the trend toward plastic reduction, while the Taiwan Carbon Solution Exchange further examined the development potential of the carbon market, helping companies gain practical insights and recommendations for their net-zero transition. The event received an enthusiastic response from corporate clients, and through multi-stakeholder exchange, helped companies gain insight into challenges and opportunities in the era of carbon pricing, while working together toward sustainable transformation goals.



2025 Achievements

CUB recognized and presented the **Best Climate Action Award** and **Best Carbon Disclosure Award** to **6 outstanding companies** that participated in and completed the CDP questionnaire.

The forum attracted **84** in-person participants.



New Opportunities in Deep Energy Saving: Seminar on Toward a Net-Zero and Sustainable Future

CUB, in collaboration with Cathay Century Insurance, hosted the "New Opportunities in Deep Energy Saving: Seminar on Advancing Toward Net Zero and Sustainability", centered on corporate needs for energy saving and carbon reduction, with a focus on energy management, energy-efficiency strategies, and net-zero transition. The event invited the Metal Industries Research & Development Centre (MIRDC) to share practical experience in energy and carbon management and to illustrate corporate energy-saving strategies through case studies. MIRDC also introduced its achievements in technology development and advisory services relating to circularity, hydrogen energy, carbon capture, and regenerative thermal oxidation, and provided corporate clients with ESCO energy-saving advisory, diagnostic, and measurement report services. From the perspective of loss prevention services, Cathay Century Insurance also analyzed market trends in renewable energy and energy storage, highlighting the value of energy saving in risk management.
CUB additionally introduced Cathay One, its one-stop transition finance platform, which integrates financial products, services, and external partner resources to provide comprehensive solutions that combine operational efficiency with sustainability value. The seminar attracted enthusiastic participation from corporate clients, and through professional sharing and exchange, helped companies respond to net-zero trends and developments in carbon fee mechanisms.

2025 Achievements

Participating companies: **67**

Number of participants: **82**

Participating companies covered diverse sectors, including metals and steel, chemicals and plastics, and energy supply.

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CDP Corporate Banking Program

CUB is the first financial institution in Asia to participate in CDP's Corporate Banking Program. Since 2023, CUB has continuously promoted the CDP Corporate Banking Program for three consecutive years, supporting companies of different sizes and at different stages of maturity in progressively strengthening their environmental disclosure capabilities. By inviting clients to participate in CDP scoring projects, CUB helps them understand the importance of achieving net-zero emissions and managing environmental impacts. The program also encourages companies to demonstrate concrete actions in response to the climate crisis and improve the quality of carbon disclosure, while supporting SMEs in obtaining CDP scores and entering international sustainable supply chains.

2025 Achievements

- CUB continues to support companies in completing CDP environmental disclosure and obtaining scores. As of the end of 2025, the cumulative number of disclosures completed exceeded 200, further expanding the Bank’ s positive impact on corporate carbon transparency and climate governance capabilities.
- Companies' willingness to participate and the maturity of their disclosures have improved year by year, demonstrating that environmental disclosure has gradually evolved from one-time participation into a more regularized and continuously improving practice.
- In 2025, CUB again participated in the CDP questionnaire advisory group, continuing to help optimize the questionnaire structure for SMEs.
- In 2025, overseas branches were included in the program for the first time, successfully establishing a cross-border model for corporate engagement and the promotion of environmental disclosure, thereby further expanding the Bank's sustainability impact.

Direct Climate Engagement Case

One manufacturing company's low-carbon transition journey is a representative case of CUB's long-term engagement. When the company first made a CDP disclosure, it received only a D score. As customer requirements increased, the company's management decided to establish a dedicated ESG unit and continued to participate in CUB's CDP Corporate Banking Program from 2023 to 2025. Over time, the company gradually established its inventory management system, initiated substantive carbon reduction actions, completed organizational inventory verification, expanded its Scope 3 data collection to cover the supply chain, and promoted green design and packaging reduction. These transition efforts were also reflected in its CDP scores, which improved from C in 2023 to B in both 2024 and 2025.

To encourage the company to achieve further progress in sustainability performance, CUB agreed with the company on sustainability performance targets and linked them to financing terms, providing economic incentives when the client met the targets. Two indicators were set, covering corporate governance and greenhouse gas reduction. Through this collaboration, sustainability is no longer merely a disclosure requirement, but a key issue that materially affects the company's financing costs and strategic planning. Throughout this transition journey, CUB has gone beyond being simply a provider of capital. Through engagement, it has helped the company transform sustainability from a disclosure obligation into governance capability and operational resilience, making the company's low-carbon transition more robust and long-term.

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Commitments to Domestic & International Initiatives

To align with global sustainable development trends and bridge the influence of financial institutions in Taiwan and beyond, CUB actively participates in, signs, and complies with domestic and international sustainability standards and initiatives. We consistently challenge and assess ourselves using the highest standards available, guided by the vision of "bringing Taiwan to the world and bringing the world to Taiwan." CUB is dedicated to gleaning from forward-looking global insights and sharing international practices with Taiwanese businesses. We hope that Taiwan's efforts toward Net Zero become visible on the world stage.

CUB's Domestic/International Sustainability Standards & Initiatives

國泰金控
Cathay Financial Holdings

- 1st financial institution from Taiwan to join RE100
- 6th financial institution in Asia to pass SBTi verification
- Joined the Coalition of Movers and Shakers on Sustainable Finance to support the FSC
- Joined the PCAF

國泰世華銀行
Cathay United Bank

- 1st in Taiwan to sign the Equator Principles (EP)
- 1st bank to voluntarily comply with the Principles for Responsible Banking (PRB)
- Complies with the GRI Standards
- Sustainability Accounting Standards Board (SASB)
- IFRS S1 & IFRS S2
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- UN Sustainable Development Goals (UN SDGs)

Note: Sustainability standards and initiatives supported by Cathay FHC are also applicable to CUB.

NET ZERO

Strengthening Clients' Net-Zero Transition Capabilities and Advancing Toward a Net-Zero Future by 2050

Net-zero transition refers to actions taken to address climate change and achieve net-zero GHG emissions globally. To this end, CUB has implemented a series of mechanisms to strengthen our clients' ability to transition to Net Zero, thereby enhancing our influence on clients.

1. CUB has adopted the Equator Principles (EPs) and voluntarily followed the United Nations' Principles for Responsible Banking (PRB). We integrate the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-Related Financial Disclosures (TNFD) frameworks, aligning with CDP and Science-Based Targets (SBTs) to establish internal management rules that incorporate ESG, climate risks, and response measures of clients into our investment and lending processes. This includes disclosure of environmental factor management and transition assessments of carbon emissions. Additionally, to promote clients' net-zero transition goals, we manage lending portfolios in line with SBT methodologies, setting short- and midterm emissions reduction targets for different types of financial assets. CUB also designs "carbon emission calculators" for various asset types to estimate carbon emissions of lending cases, assessing their contribution to our overall carbon emissions and impact on our SBTs. This aligns with our commitment to achieving net-zero emissions for financial assets by 2050.
2. As an EP bank, CUB commissions independent third-party professional institutions to assist in evaluating the environmental and social risks of projects and to propose mitigation measures, requiring clients to comply with EP requirements to ensure the implementation of plans and actions that protect natural ecosystems. In accordance with EP Principle 2, for all projects in all locations where combined Scope 1 and Scope 2 Emissions are expected to be more than 100,000 tCO_2e annually, CUB must consider the relevant transition risks and complete an assessment to reduce greenhouse gas emissions. Alternative analysis of GHG emissions is required for eligible project borrowers to follow. CUB leverages Principle 2 to influence clients, requiring them to strengthen contributions to net-zero transition.
3. Following the third principle of the UN PRB, we strengthen cooperation with clients, encouraging practices that support sustainable net-zero transition and promote the development of economic activities that create shared prosperity for current and future generations.
4. As a pioneer in sustainable finance within Taiwan's financial sector, CUB collaborates with clients and encourages them to commit to climate engagement and support international climate initiatives. CUB lends full support to investees and borrowers in planning and rolling out low-carbon transition action plans. We also leverage funds (e.g., SLLs, Green Loans, Green Deposits, etc.) to direct industries and society to net zero and strengthen the quality of green financial products and services, positioning ourselves as a crucial partner in the sustainable financial value chain and encouraging clients to actively strive toward Net Zero by 2050.
5. If the investment or lending clients or engagement counterparties are listed companies, the bank will refer to external ESG databases, including the Taiwan Depository & Clearing Corporation's ESG IR Platform, to evaluate their ESG performance. If areas for improvement are identified, these will be incorporated into engagement themes or proposed as one of the KPIs for sustainability performance-linked loans.

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Next Steps

As a pioneer in Taiwan's financial sector, CUB remains committed to participating in climate engagement initiatives and international climate initiatives. We assist and support our investees and borrowers in developing and implementing low-carbon transition plans, serving as a key partner in the sustainable financial value chain. Our efforts aim to contribute to Taiwan's transition toward net-zero emissions by 2050.

Leading Climate Engagement and Sustainable Partnerships for a Low-Carbon Future

- **Creating a one-stop transition financial platform:** To support companies in progressing from information disclosure to tangible transition action, CUB launched the Cathay One One-Stop Transition Finance Platform in 2025. Leveraging the Bank's extensive experience in sustainability engagement, the platform brings together the key resources and solutions companies need throughout their low-carbon transition journey, providing practical sustainability transition support applicable across industries and to businesses of various sizes.

  With "One" as its core concept, Cathay One integrates the sustainability influence and professional expertise of Cathay Financial Holdings Group and connects companies with external strategic partners to provide comprehensive support throughout their low-carbon transition journey, from baseline assessments to advanced transition initiatives. The platform offers advisory and technical services covering carbon inventories, decarbonization technologies, carbon neutrality, ESG disclosure, and third-party verification and assurance. In terms of financial products, it also leverages the Group's capabilities to provide a wide range of solutions, including Sustainability-Linked Loans, Green Loans, and Carbon Credits Trading Fund Trust Service, helping companies align their transition efforts with their sustainability objectives while securing appropriate financing and resource support.

  In addition, Cathay One offers ESG engagement meetings and industry workshops to help companies define their transition pathways, connect with technical partners, and develop comprehensive solutions by integrated financial tools, thereby enabling a comprehensive transition from disclosure to action.

2.2.2 Products and Services

As a leading green finance brand, CUB focuses on its core business, uses capital to lead industries and society toward net-zero transition, develops more convenient digital services, and continuously improves the quality of green financial products and services, with the aim of creating shared environmental and economic prosperity.

2.2.2.1 Provide Comprehensive Climate Finance Solution

Climate Strategies and Targets

Through capital, financial products, and services, the Bank supports enterprises and industries in creating opportunities for low-carbon transition, mitigating or adapting to climate change, enhancing competitiveness, and helping society move in an orderly manner toward a green economy.

Climate Finance Solution Targets

Climate Target

Sustainable Loans[Note]

Short-term Target (2026)

Amount: 82.3 billion TWD

Mid-term Target (2030)

Amount: 122.2 billion TWD

Long-term Target (2035)

Amount: Exceed 200 billion TWD

Note: In alignment with international market trends and the Group's sustainability policy, in 2024, CUB established lending targets for "Green Loans" and "Sustainability-Linked Loans," collectively defined as "Sustainable Loans," with 2023 used as the base year for target-setting. In 2025, CUB also added "Social Loans."

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Climate Actions and Progress

In line with the Group's dual-track transition strategy, the Bank promotes a data-driven culture through three major pillars—digitalization, data, and technology. By improving the quality of green financial products and services, the Bank encourages and assists both corporate lending clients and retail customers in low-carbon transition, integrates environmental, social, and nature considerations into financial activities, directs capital toward green and sustainable development, and develops personalized sustainable finance services so as to broaden public participation in green finance and expand the influence of responsible banking. For more details on green financial products and services, please refer to 5.1 Responsible Investment/Lending and 5.2 Sustainable Financial Products.

Next Steps

As a comprehensive climate financial solutions provider, CUB will continue to exert influence as a financial institution, directing funds into low carbon transition plans. CUB seeks to support sustainability and lead clients to contribute to climate- and nature-positive goals.

Directions

- For "Personal Unsecured Loan Service" and "Personal Housing Loan Service," both of which have obtained Carbon Footprint Label and Carbon Reduction Label certifications, the Bank plans to establish carbon-neutrality management plans in accordance with ISO 14068-1, conduct product carbon footprint inventories, formulate decarbonization pathways, and execute carbon credit retirement after confirming residual emissions each year so as to complete carbon-neutrality claims and continuously identify life-cycle emission reduction opportunities.
- CUB will participate in green bond underwriting for large enterprises and affiliated companies engaged in negative-emission technologies, advanced energy, and the circular economy.
- CUB will engage with high emission industries and enterprises that have decarbonization plans and are willing to disclose transition-related information, and will provide transition finance support to such clients.

2.2.2.2 Quality control of information disclosure for financial products and services

In line with the principles set out in the competent authority's "Reference Guidelines for Financial Institutions to Prevent Greenwashing," the Bank conducts cross-functional reviews prior to externally releasing information relating to sustainable finance products and related achievements to ensure alignment with the Guidelines. The review covers the accuracy and completeness of disclosed information, whether any information that could mislead readers has been omitted, whether the language used is clear and understandable, and whether the information complies with relevant sustainability requirements. However, most qualitative information is not independently verified by a third party prior to publication.

To strengthen governance over sustainability information, the Bank has established the "Operational Rules for Sustainability Information Management," which set out the governance framework, data collection requirements, review procedures, control mechanisms, and division of responsibilities for sustainability information to ensure completeness, accuracy, and reliability. The preparation and management of sustainability information are also incorporated into the internal control and internal audit framework, with relevant departments required to conduct periodic reviews.

In addition, the Bank has established anti-greenwashing systems and internal controls through the "Principles Governing Corporate Banking Sustainable Loans" and the "Environmental, Social, and Governance (ESG) Rules for Corporate Loans." Starting from the lending assessment stage, the Bank reviews corporate sustainability performance and third-party verification reports to strengthen transparency and credibility. When arranging Sustainability-Linked Loans, the Bank sets challenging sustainability metrics and targets by referencing historical performance and the borrower's own targets, and it requires third-party assurance reports after disbursement to ensure objectivity in measurement and disclosure. For Green Loans or Social Loans, the Bank requires clients to submit regular fund utilization reports to track whether proceeds are being used in line with the promised sustainability or social-benefit purposes.

In summary, the Bank has established a comprehensive internal control and risk management process covering sustainability disclosure requirements, third-party assurance mechanisms, use-of-proceeds tracking, and internal management rules, to effectively prevent and avoid greenwashing.

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2.2.3 Business Operations

On environmental issues, the Bank steadily implements its Zero-Carbon Operation Transition Plan through three major dimensions—Green Energy, Green Operations, and Green Real Estate—in pursuit of its 2050 net-zero emissions target. The Bank is also committed to transforming workplace models and work patterns, reducing emissions from its own operations, and increasing renewable energy use. After Cathay FHC became the first financial institution in Taiwan to join RE100 in 2022, the Group further expanded its sustainability influence across the real estate ecosystem by providing more convenient access to renewable energy and working with stakeholders to jointly create a net-zero economy and achieve sustainability goals.

2.2.3.1 Green Energy

Climate Strategies and Targets

As approximately 90% of the Bank's operational greenhouse gas emissions are attributable to purchased electricity, the Bank is advancing its energy transition and reducing its environmental impact by focusing on three key areas: increasing the use of renewable energy, deploying energy management systems, and expanding solar installations to strengthen its capacity for the self-generation and self-consumption of green electricity. The Bank is also fully committed to the international RE100 initiative in pursuit of its 2050 net-zero emissions target.

Climate Target	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
Increase renewable energy use	Renewable energy to account for 50% of total electricity used at Taiwan operating sites and 40% of total electricity used at global operating sites	Renewable energy to account for 100% of total electricity used at Taiwan operating sites and 60% of total electricity used at global operating sites	Renewable energy to account for 100% of total electricity used at Taiwan operating sites and 80% of total electricity used at global operating sites
Expand solar installations to strengthen the capacity for self-generation and self-consumption of green electricity	Cumulative self-generation/self-consumption solar installed capacity to reach 427.2 kW, representing 1,600% of the 2020 baseline	Cumulative self-generation/self-consumption solar installed capacity to reach 453.9 kW, representing 1,700% of the 2020 baseline	
Deploy Energy Management Systems	All sites with installation benefits to be fully included; newly added or relocated sites to be evaluated continuously for inclusion		

Climate Actions and Progress

◆ **Increase renewable energy use**

After Cathay FHC officially became the first RE100 member in Taiwan's financial industry in April 2022, the Bank actively pursued corporate power purchase agreements (CPPAs) and obtained Renewable Energy Certificates (RECs) through diversified channels, including bidding on the National Renewable Energy Certificate Center platform and negotiating purchases with renewable energy retailers. The Bank has also set short-, mid-, and long-term renewable energy targets to increase usage year by year.

By the end of 2022, the Bank's headquarters had already achieved
100%
green electricity use

By the end of 2025,
the renewable energy ratio had reached
53%

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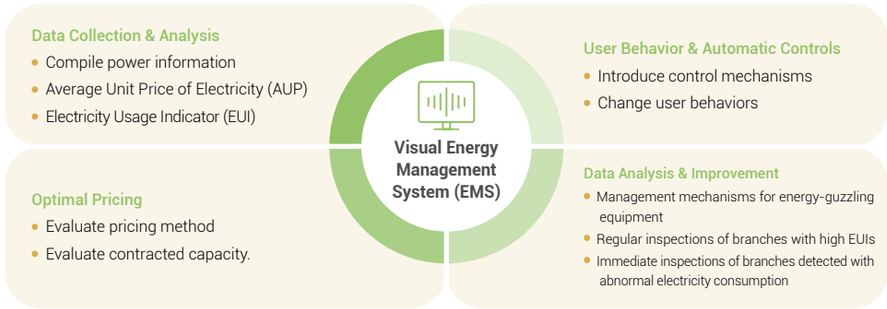
Expand solar installations

In addition to obtaining renewable energy through CPPAs, the Bank has installed solar power generation equipment on building rooftops to further improve building energy efficiency and reduce carbon emissions.

- **2013** Pioneered the first solar-powered bank branch in Taiwan.
- **2018** Turned Ruihu Branch into the largest solar powered branch in the Greater Taipei area.
- **2025** Added 3 new solar powered sites, bringing the total to 14 solar-powered locations across Taiwan with an installed capacity of 494.08kW, including 440.08 kW for self-generation and self-consumption.
- **2026 and beyond** Continue evaluating sites with potential installation benefits.

Deploy Energy Management System

Since 2020, the Bank has introduced a visualized energy management system. To date, more than 90% of branches have been included, and the system has also been extended to the units in the head office. Through a scientific approach to collecting and analyzing electricity-use information at each branch, the Bank improves energy-use behavior, controls energy costs, builds a foundation for energy management, and strengthens climate resilience. By the end of 2025, all operating sites with installation benefits had been fully included. Going forward, the Bank will continue installing smart meters at newly added or relocated sites to monitor electricity use, support energy-saving campaigns, and evaluate the replacement of older air-conditioning equipment to achieve energy conservation and carbon reduction.



Important Financial Impacts of the Green Energy Strategies

Climate Action	Cumulative Input as of 2025	Financial Impact in 2025	Expected Future Financial Impacts
Increase renewable energy use	Purchased 5.17 million kWh of renewable energy certificates, proceeding with 39.21 million kWh of green electricity supply, increasing cumulative electricity expenses by approximately NT$76.75 million.	Purchased 2.06 million kWh of renewable energy certificates, proceeding with 21.47 million kWh of green electricity supply, increasing current-period electricity expenses by approximately NT$25.30 million.	Each unit will allocate an annual budget for green electricity supply charges, while the head office will budget for the renewable energy certificates (RECs) required to make up for any shortfall in green electricity supply. Operating expenses are expected to rise for at least the next ten years. Between 2026 and 2030, as renewable energy usage gradually increases, cumulative electricity expenditures are projected to rise by approximately NT$186.01 million. Once domestic operating sites achieve RE100 in 2030, annual electricity expenditures are projected to increase by approximately NT$58.13 million.
Expand solar installations to strengthen the capacity for self-generation and self-consumption of green electricity	Installation of solar power generation equipment is estimated to cost a cumulative NT$43.40 million.	3 new solar powered sites were installed in 2025, increasing current-period capital expenditure by approximately NT$12.95 million.	The Bank will continue to expand solar power generation equipment using its own funds to strengthen self-generation and self-consumption. Capital expenditure and operating expenses are expected to increase annually for the next ten years, after which annual operating expenses are expected to decline.
Deploy Energy Management Systems	Cumulative expenditure on the visualized energy management system reached approximately NT$31.55 million.	No additional sites were newly added to the system in 2025, so current-period capital expenditure increased by NT$0.	The Bank will continue to establish energy management systems using its own funds. Capital expenditure and operating expenses are expected to increase annually for the next ten years, after which annual operating expenses are expected to decline.

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◆ Received the "Climate Leadership Award" at the 2025 TCSA and the "Model Award in the Low-Carbon Operations Category" at the Global Views Monthly ESG Corporate Sustainability Awards

By participating in the Taiwan Corporate Sustainability Awards (TCSA) and the Global Views Monthly ESG Corporate Sustainability Awards—two of the most credible and representative sustainability awards in Taiwan—the Bank has demonstrated its commitment to and achievements in advancing a low-carbon transition. Key initiatives include the introduction of an internal carbon fee in 2025 to accelerate progress toward net zero, the achievement of RE50 across all domestic locations in 2025, and the continued implementation of low-carbon operations in line with the Bank's core objective of becoming a green enterprise and progressing toward net-zero emissions. The Bank has also advanced a wide range of carbon reduction measures, including increasing the use of renewable energy, strengthening resource recycling and reuse, enhancing waste management effectiveness, improving energy and resource efficiency, establishing a sustainable supply chain, launching green products and services, and actively developing circular economy business models. These concrete actions have been recognized by professional judges in the sustainability field, marking an important milestone in the Bank's efforts to promote environmental sustainability.

Next Steps

To support the 2050 net-zero carbon emissions target and demonstrate the Bank's commitment to global energy transition, the Bank will continue expanding solar power generation equipment, strengthening self-generation and self-consumption of green electricity, and supporting diversified forms of renewable energy to promote energy innovation and mitigate climate change.

2.2.3.2 Green Operations

Climate Strategies and Targets

To reduce the environmental impacts of operations and provide employees with a better working environment, the Bank starts with its own operations and actively introduces management systems such as the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System, thereby promoting environmental management and resource efficiency through a systematic approach. Each year, high-energy-consuming equipment is replaced on a rolling basis according to indicators such as years of use and energy consumption. Since 2023, the Bank has planned to use internal carbon pricing as a supplementary tool to drive greenhouse gas reduction, and the system was formally announced in 2024. Internal carbon fees are collected in phases: a "basic carbon fee" has been charged to all Taiwan units since 2025, and an "excess carbon fee" will be introduced from 2026 onward. By collecting internal carbon fees, the head office promotes related energy-saving and carbon-reduction measures, effectively improving energy efficiency, reducing operating costs, and reinforcing decarbonization outcomes. The Bank also simultaneously promotes waste reduction, paperless operations, and green procurement measures, and regularly tracks performance to continuously reduce operational impacts on the natural environment and fulfill its environmental sustainability commitment.

Climate Target	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
Decarbonization of own operations	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 25.2% from the 2020 baseline	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 42% from the 2020 baseline	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 63% from the 2020 baseline
Internal carbon pricing for operations	In addition to the basic carbon fee, collect an excess carbon fee from units whose electricity consumption increases compared with the previous year	Continue collecting the basic carbon fee and the excess carbon fee	
Sustainable procurement	Green procurement amount to grow by 3% per year from the 2023 baseline		
Waste reduction	Per-capita waste generation to reach 29.5 kg	Per-capita waste generation to reach 27.5 kg	Per-capita waste generation to reach 26.5 kg

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Climate Actions and Progress

Decarbonization of own operations

In response to the national net-zero policy and in pursuit of SBT targets, the Bank has implemented an average annual reduction of 4.2% in Scope 1 and Scope 2 greenhouse gas emissions from own operations since 2021. To review decarbonization performance on a regular basis, the Bank conducts greenhouse gas inventories in accordance with ISO 14064-1 each year, tracks environmental data, and obtains third-party verification as an important basis for target-setting.

Domestic Scope 1 and Scope 2 emissions reduction

Target for 2030	Progress in 2025
At least 42% reduction from the 2020 baseline	51% reduction from the 2020 baseline

Internal carbon pricing for operations

Scope 2 emissions from purchased electricity account for the majority of the Bank's operational carbon emissions. Based on current decarbonization cost estimates, annual operating costs are expected to increase by approximately NT$58.13 million. By charging actual carbon costs to each unit, the Bank makes the concept that "carbon has a price" more tangible and enables each unit to implement low-carbon operations. This helps accelerate energy transition, improve energy-use efficiency, reinforce behavior change, achieve energy saving and carbon reduction, lower operating expenses, generate real decarbonization effects, mitigate financial impacts, and align with the Bank's zero-carbon transition strategy and goal.

2023

The Bank began planning internal carbon pricing and used it as a supplementary management tool in electricity-saving and carbon-reduction competition. Internal carbon pricing is adjusted on a rolling basis each year according to renewable energy costs, conventional electricity costs, and the electricity emission factor published by the Ministry of Economic Affairs.

2024

The Bank formally announced an internal carbon price of NT$12,323 per metric ton. Data on the basic carbon fee and excess carbon fee were displayed in electricity-saving and carbon-reduction competition, and incentives were provided to departments and individuals with strong energy-saving performance.

2025

The internal carbon price was NT$12,869 per metric ton. The Bank collected the basic carbon fee from all domestic units based on electricity consumption from non-renewable energy, and it collected approximately NT$39.06 million for the full year. The funds were centrally allocated by the head office to support energy-saving and carbon-reduction measures.

2026

In addition to continuing to collect the basic carbon fee, the Bank will begin charging an excess carbon fee on electricity consumption above the energy-use quota.

Important Financial Impacts of the Green Operations Strategies

Climate Action	Cumulative Input as of 2025	Financial Impact in 2025	Expected Future Financial Impacts
Internal carbon pricing for operations	Since 2023, the Bank has used internal carbon pricing in electricity-saving and carbon-reduction competition to encourage employee energy-saving behavior. As of 2025, the cumulative reduction attributable to the competition was approximately 828.9 tCO_2e, equivalent to a reduction of approximately NT$10.756 million in carbon costs.	The 2025 electricity-saving and carbon-reduction competition reduced emissions by approximately 100.9 tCO_2e. Based on the 2025 internal carbon price of NT$12,869 per metric ton, this was equivalent to reducing carbon costs by approximately NT$1.299 million. The financial impacts of the internal carbon fee mechanism are currently reflected mainly in internal management and resource allocation, with no material external cash outflow impact.	Over at least the next ten years, the Bank expects to continue driving electricity-saving behavior across units through internal carbon pricing (i.e., internal carbon fee collection), thereby achieving energy-saving and carbon-reduction effects and lowering operating expenses.

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Sustainable Procurement

The Bank has issued a Supplier Sustainable Procurement Guide that provides concrete green procurement requirements and recommendations, actively promotes green procurement, and encourages suppliers to work toward sustainable development. In addition to increasing renewable energy procurement, the Bank prioritizes products and services with environmental labels, such as energy-saving and water-saving equipment, green building materials, and environmentally friendly office supplies. The Bank also promotes a "lease instead of purchase" model, replacing ownership with usage and allowing items to remain in circulation through rental, return, repair, and reuse, thereby extending product life and reducing waste generation at the source. In 2025, the total green procurement amount reached NT$498 million, while the local procurement ratio reached 96.2%. The Bank was also recognized in 2024 by the Ministry of Environment as an outstanding green procurement enterprise. Operating expenses may increase as a result over at least the next ten years.

Waste Reduction

For a financial institution, waste mainly consists of general domestic waste and ordinary recyclables and does not include hazardous waste. The Bank reviews waste statistics regularly, tracks the status of data collection, makes timely improvements, and implements resource recycling. Through EDM campaigns and other communication channels, the Bank continues to strengthen employee awareness and action with respect to waste reduction and plastic reduction. Beginning in 2024, the Bank also joined the Ministry of Environment's "Free Water Refill Action" to reduce plastic use. All 144 branches equipped with drinking water facilities in their business halls have been registered as public water refill stations, allowing the public to bring their own reusable cups and refill drinking water. The Bank has also set related targets and committed to reaching per-capita waste generation of 26.5 kg by 2035.

Advancing Low-Carbon Transition through a Dual-track Approach — Sustainable Practices from Internal Carbon Fees to Energy-saving Public Welfare

To encourage employees to implement energy-saving and carbon-reduction practices and adopt environmentally friendly actions, the Bank has actively introduced an internal carbon fee mechanism that incorporates carbon emission costs into the day-to-day operational evaluation of each unit to promote low-carbon decision-making. In parallel, since 2017 the Bank has continuously organized electricity-saving competitions to reward units with strong performance in energy conservation. Through the dual-track approach of cost internalization and incentive mechanisms, the Bank effectively improves energy-use efficiency, further implements low-carbon operation targets, and channels part of the energy-saving benefits into environmental protection and public welfare.

In 2025, the Bank used energy-saving benefits to support the replacement of aging lighting equipment at the Taipei Yongming Development Center and the Taipei Chengzhong Development Center, both affiliated with the Yu-Cheng Social Welfare Foundation, improving lighting quality while reducing energy consumption. The Bank also supported the "Marine Citizen Scientists" biodiversity conservation project promoted by the Society for Environmental Education in Taiwan at Keelung Heping Island Geopark, contributing to marine ecological monitoring and environmental education, and strengthening public understanding of marine conservation. Through ongoing energy-saving initiatives and public welfare engagement, the Bank hopes to bring together the efforts of internal and external stakeholders to advance environmental sustainability and contribute corporate strength to the protection of the planet's ecosystems.

The entire bank responds to the Ministry of Environment's "Net-Zero Green Lifestyle - Green Office" policy



The Ministry of Environment has established five major indicators: Conserve energy and resources, reduce at source, green procurement, environmental greening, promotion and advocacy, with a total of 35 green office measures. Companies are encouraged to actively respond and promote green living messages to employees. If they comply with 25 or more measures, they can become a Green Partner. After promotion, the bank's headquarters and 165 branches all followed the policy in 2024 and were registered on the green office response list on the Ministry of Environment's website, implementing simple green living practices in daily office work.

Next Steps

To implement its zero-carbon operations transformation plan, the Bank will continue to align with its SBT targets and comprehensively decarbonize its operating processes across Scope 1 and Scope 2 emissions management, while extending decarbonization responsibility to its supply chain, products, and employee behavior. Key actions include the continued collection of internal carbon fees, the implementation of green procurement and circular economy practices, the promotion of digital services, the minimization of waste generation, the reduction of the environmental impact of operations, and the incorporation of decarbonization into management evaluation, demonstrating the Bank's commitment to protecting the planet and achieving sustainable coexistence.

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2.2.3.3 Green Real Estate

Climate Strategies and Targets

With ESG as the core concept, the Bank adopts environmentally friendly renovation concepts for premises and branches, improves the energy efficiency of existing buildings, actively obtains green building labels and energy-efficiency certifications, uses green building materials extensively in renovation and operation, and acts as a "green landlord" to help tenants introduce renewable energy and expand sustainability influence.

Climate Target	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
Green Retrofit	35% of branches to meet environmentally friendly renovation standards	45% of branches to meet environmentally friendly renovation standards	55% of branches to meet environmentally friendly renovation standards
Green Landlord	Continue to provide renewable energy introduction services to interested tenants		

Climate Actions and Progress

Green Retrofit

Since 2019, environmentally friendly branch renovations have been promoted with green building materials accounting for more than 60% of total renovation surface area. The Bank is committed to ensuring that 100% of fully renovated branches comply with environmentally friendly renovation standards.

Important Financial Impacts of the Green Real Estate Strategies

Climate Action	Cumulative Input as of 2025	Financial Impact in 2025	Expected Future Financial Impacts
Green Retrofit	As of 2025, 56 environmentally friendly branches had been completed, accounting for 33.7% of all branches and exceeding the annual target of 30%. Cumulative renovation expenditure reached approximately NT$2.0 billion.	Seven environmentally friendly branch renovation projects were completed in 2025, increasing current-period capital expenditure by approximately NT$250 million.	The Bank plans to complete ten environmentally friendly branch renovation projects in 2026, which is expected to increase current-period capital expenditure by approximately NT$350 million. Capital expenditure and operating expenses are expected to increase over at least the next ten years.

Low-Carbon Buildings

New building projects adopt low-carbon building assessments covering items such as building exterior, location, greening, energy-saving and water-saving labeled equipment, and the evaluation of photovoltaic panels and rainwater recycling systems to reduce reliance on conventional energy through onsite generation and self-use.

Green Landlord

The Bank has established a green landlord mechanism to help introduce renewable energy and allocate it to building tenants. This mechanism effectively addresses the challenges of green electricity access for multiple users under a single electricity account and for SME tenants. It also enables tenants to use renewable energy without the need to sign separate agreements with the power supplier, Taipower, and the landlords, thereby making green electricity more accessible. After signing a corporate power purchase agreement (CPPA) in 2024, the Bank began offering tenants the option to use green electricity, which received a positive response. In 2025, the Bank assisted tenants in supplying approximately 300,000 kWh of green electricity and will continue to support those interested in adopting green electricity.

Next Steps

The Bank will continue environmentally friendly renovations for premises and branches, incorporate ESG and low-carbon building design concepts, and promote green leasing solutions that help SME tenants access renewable energy more conveniently. Going forward, the Bank will continue to advance its three major directions—Green Retrofit, Low-Carbon Buildings, and Green Landlord—in support of energy transition and sustainable development goals.

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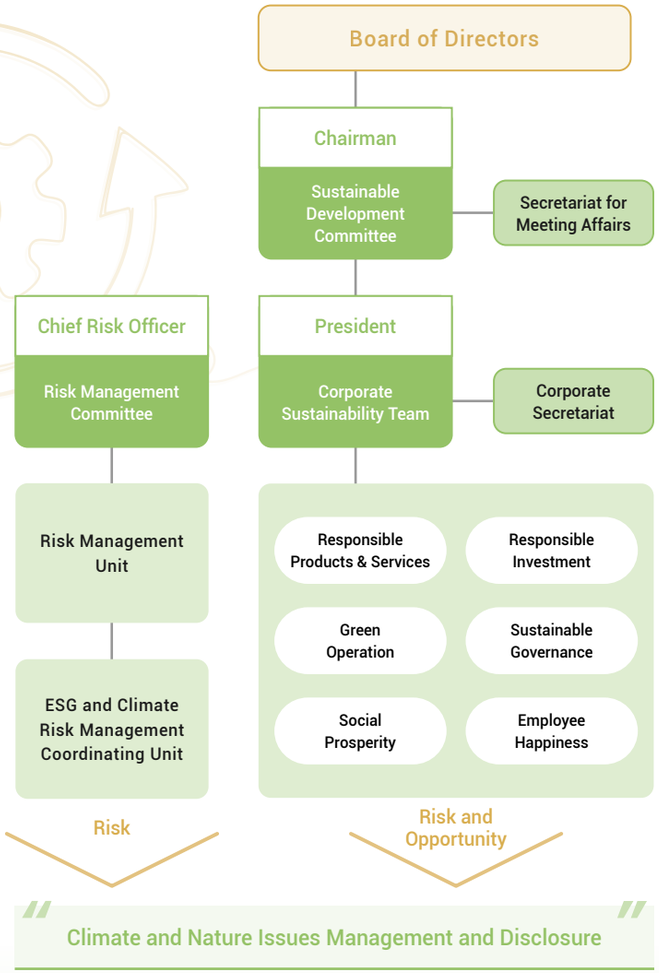
2.3 Governance and Risk Management

2.3.1 Climate and Nature Governance Framework



Organization	Chair	Climate- and Nature-related Issues Reporting/ Meeting Frequency	Roles in Climate and Nature Issues
Board of Directors	Chairman	Semiannually	The highest governing body for all decisions related to climate and nature issues
Sustainable Development Committee	Chairman	Quarterly	A committee under the Board dedicated to promoting corporate sustainability
Risk Management Committee	Chief Risk Officer	Semiannually	A committee responsible for overseeing CUB's overall risk management
Corporate Sustainability Team (CS Team)	President	Quarterly and as needed	Climate- and nature-related working groups under this team include: • **Responsible Investment Working Group:** Manages climate- and nature-related risks and opportunities in investment and lending incorporates ESG principles into investment and lending processes, and engages with clients. • **Responsible Products and Services Working Group:** Promotes ESG and green finance-related products and services and evaluates and manages associated risks and opportunities. • **Green Operation Working Group:** Responsible for managing the environmental impact of CUB's operations and leads efforts to reduce Scope 1 and Scope 2 greenhouse gas emissions and increase the use of renewable energy.

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2.3.1.1 Board of Directors and Management Level Roles and Responsibilities

Board of Directors: Oversight

The Board of Directors serves as the highest governing body for ESG risk management and climate- and nature-related issues. It is responsible for approving relevant policies, strategies, and targets, while considering climate- and nature-related risks, opportunities, dependencies, and impacts. The Board also oversees climate- and nature-related risk management and disclosure. At the end of each year, the Board of Directors conducts an annual performance evaluation to ensure that Board members effectively fulfill their duties. The evaluation incorporates corporate sustainability-related indicators, thereby creating a tangible link between sustainability performance and Board remuneration, while strengthening governance accountability and implementation effectiveness.

Management Level: Monitor, Manage and Oversee

Climate- and nature-related issues at CUB are overseen by the Sustainable Development Committee, Risk Management Committee, and management level such as the President and Chief Risk Officer (CRO). Under the Sustainable Development Committee, the Corporate Sustainability (CS) Team is established, chaired by the President, with the Vice President serving as the Executive Officer and supervising key tasks. The team consists of six major working groups, with departments participating according to their respective functions. These groups are responsible for implementing the annual sustainability development plans and strategies set by the committee, formulating execution plans, and incorporating selected key climate- and nature-related objectives into the annual KPIs of Vice Presidents and above, including areas such as operational decarbonization, the use of green electricity, and customer satisfaction, ensuring strategic alignment across operational execution. On the other hand, the Risk Management Committee, led by the CRO, guides various risk management units in formulating regulations and conducting risk management based on their respective functions. Operating on parallel tracks, these two committees jointly oversee CUB's climate- and nature-related risks and opportunities, conduct climate and nature scenario analyses, manage the Climate Risk Appetite Statement, set risk limits, and assess nature-related dependencies and impacts. Based on these assessments, they develop strategies and action plans to effectively implement climate and nature management.

Under the Bank's performance management system, various dimensions are covered, including financial targets, business operations, risk management, regulatory compliance, and internal control. To promote corporate sustainability, climate-related indicators have been incorporated into the performance evaluation criteria of the President and the CS Executive Officer. Through this system, the achievement of indicators is reviewed regularly and assessed annually. Bonus standards are determined based on evaluation results and market performance, thereby reinforcing strategic climate objectives and incentivizing leadership toward sustainability targets, and enhancing both market competitiveness and accountability.

Applicable Personnel	Climate Performance Indicators	2025 Performance Results
President and Vice Presidents of relevant responsible units	• Operational carbon emissions • Renewable energy usage rate • Employee engagement • Customer satisfaction	1 Domestic operational decarbonization ✓ Achieved 2 Renewable electricity usage rate at domestic locations ✓ Achieved 3 Employee engagement survey response rate and satisfaction rate ✓ Achieved 4 Customer satisfaction: CUBE App NPS (Net Promoter Score) ✓ Achieved

2.3.1.2 Climate and Nature Governance Performance

Climate and nature governance encompasses a range of topics, including identification, assessment, prioritization, and monitoring of climate- and nature-related risks, opportunities, dependencies, and impacts; the establishment of climate-related risk indicators and targets; and the corresponding risk management mechanisms and financial strategies. These topics are implemented by the designated execution units and overseen by the management level. Relevant proposals are regularly reported, and regulatory revisions are submitted on an ad hoc basis, enabling the Board of Directors to stay informed of the Bank's current progress in climate- and nature-related governance and management. In 2025, the following climate- and nature-related proposals were submitted to the Board of Directors:

Major climate- and nature-related matters approved/submitted by the Board

- Sustainable Strategy Blueprint and its key action plans
- Progress of Scope 3 carbon inventory for financial assets and execution status of the Science Based Targets (SBT)
- Climate Change Scenario Analysis Results
- Limit management for highly sensitive industries
- Guidelines Governing ESG and Climate Risk Management Amendments
- Climate and Nature Action Plan, ESG and Climate Risk Management Execution Report

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2.3.1.3 Climate-Related Financial Supervision over CUB's Overseas Branches

All CUB overseas branches are required to comply with internal ESG management regulations, which are aligned with the supervisory requirements of their respective jurisdictions. To achieve the Group's 2050 net-zero target and comply with local regulatory frameworks and standards. They also provide timely responses to various consultations and surveys and implement ESG and climate risk management mechanisms in accordance with newly issued regulations by competent authorities. In addition, employees are continuously encouraged to participate in various ESG training programs and seminars to enhance their ESG knowledge and stay informed of international trends and new regulations issued by local supervisory authorities.

Overseas Branches	Working Progress in 2025
Hong Kong Branch	1. In April 2025, the Branch completed the Hong Kong Monetary Authority (HKMA) Climate Risk Management offsite review and duly submitted its response to the regulator on April 25, 2025, demonstrating continued compliance with supervisory expectations and ongoing engagement with the HKMA on climate risk management matters. 2. To support the Group's sustainable finance objectives and further strengthen the Branch's green and sustainable finance capabilities, the Branch engaged an external consultant to develop a "Sustainable Product Framework", establishing a systematic approach to the classification and governance of green and sustainable finance products. A Second Party Opinion on the framework was obtained from the Hong Kong Quality Assurance Agency (HKQAA) to ensure alignment with international sustainable finance standards and market best practices. In parallel, the Branch formulated the Corporate Banking Sustainable Credit Management Guidelines, which set out clear criteria, approval processes, and ongoing monitoring requirements for green loans and sustainability linked loans, thereby embedding sustainability considerations in a structured and consistent manner into corporate lending. 3. As of the end of 2025, the total sustainable credit exposure of the Branch reached HKD 3.73 billion. Through the use of sustainability linked loans (SLLs), the Branch supported enterprises in sectors such as telecommunications and water services by incorporating sustainability objectives into their financing structures, while undertaking roles including lead arranger and underwriter in the related transactions. These financing arrangements enabled borrowers to advance sustainability related initiatives within their operational activities. In July 2025, the relevant projects received two awards under The Asset's Triple A Sustainable Infrastructure Awards, indicating recognition of these cases within the sustainable finance field. Regarding product governance, the Branch officially released its "Sustainable Product Framework" during the same year. This framework, verified by the Hong Kong Quality Assurance Agency (HKQAA) as a third-party, formalizes operational standards across product lines including sustainable deposits, green loans, and transition finance. Furthermore, the Branch participated in the ALMAC 2025 forum in November, contributing practical insights on decarbonization finance within the logistics and shipping industries. In December 2025, the Branch received three accolades at the "Hong Kong Green and Sustainable Finance Awards" hosted by the HKQAA, including the "Distinguished Contribution Award for Green and Sustainable Loan Structuring Advisor" for Textile Industry and Pulp/Paper Industry, as well as the "Outstanding Award for Green and Sustainable Deposit Facilitator (Banking Industry)." Looking forward, the Branch will continue to develop sustainable financing projects across various industries, maintaining alignment with regulatory directions to support the transition to a low-carbon economy while strengthening related risk management frameworks.
Singapore Branch	1. The Branch has enhanced employees' ESG knowledge through both internal (ESG Sustainability Program) and external training (accredited ESG courses). 2. The Branch is one of the two Taiwanese banks to join the Singapore Sustainable Finance Association, a key industry body established to advance sustainable finance across financial and non financial sectors, with the Monetary Authority of Singapore and the Association of Banks in Singapore as standing members. 3. The Branch supported a mid size client in completing the CDP Questionnaire, marking the first such representative case among CUB's overseas branches. 4. The Branch organized sustainability initiatives for staff and the community, including a CSR Day and an upcycling workshop. 5. The Branch received the 2025 Best Sustainable Financing Deal award under CUB.
Manila Branch	In March 2025, the Branch implemented its initial climate risk stress testing (CRST) methodology to assess its exposure to climate-related risks, encompassing both physical and transition risks, under various hypothetical scenarios. This tool is crucial to understand how different pathways may affect the Branch's financial performance. The process involves conducting scenario analyses that simulate potential climate change impacts, such as extreme weather events, regulatory shifts, and changes in market dynamics. By integrating these analyses into the risk management frameworks, the Branch can identify vulnerabilities, evaluate capital and liquidity adequacy, and formulate strategies to mitigate potential risks. For the Branch's 2025 CRST, the Branch used the latest financial statements as of December 31, 2024. The results of the CRST in a Baseline scenario, the Branch is well-positioned to sustain resilience, accommodate business expansion, and meet future regulatory requirements. Under the climate stressed "Current Policies" scenario, despite the declining trend in capital adequacy, the Branch continues to operate well above regulatory minimums, demonstrating resilience in managing capital under stress conditions. Whereas, under the "Delayed Transition" scenario, the reflected increased capital pressure due to climate stress remains above the regulatory thresholds, however, the Branch must strengthen capital buffers, optimize RWA exposures, and enhance risk management to ensure long-term resilience during climate stress conditions.
Ho Chi Min City Branch	1. In February 2025, the Branch submitted the annual report (for the year 2024) to the State Bank of Vietnam (SBV) regarding the implementation of the Green Banking Development Project in Vietnam (based on Decision No. 1604/QD-NHNN). 2. To demonstrate the Bank's strong commitment to sustainable development and innovation, the Branch celebrated its 20th anniversary under the theme "Better Together" by hosting the seminar "ESG: Challenges and Practices for Sustainable Development" in May 2025. As ESG standards exert an increasingly strong influence on global business strategy, the event provided key industry stakeholders with concrete, actionable insights and strategic guidance to help respond to evolving sustainability trends. 3. The Branch conducted the annual review on Credit Risk Management Rules–Corporate Banking and obtained the approval in November 2025. The revision includes the update of EP/ESG rules and Principles governing sustainable loans to ensure that the Branch's internal risk management on EP/ESG and sustainable loans is in line with headquarters.

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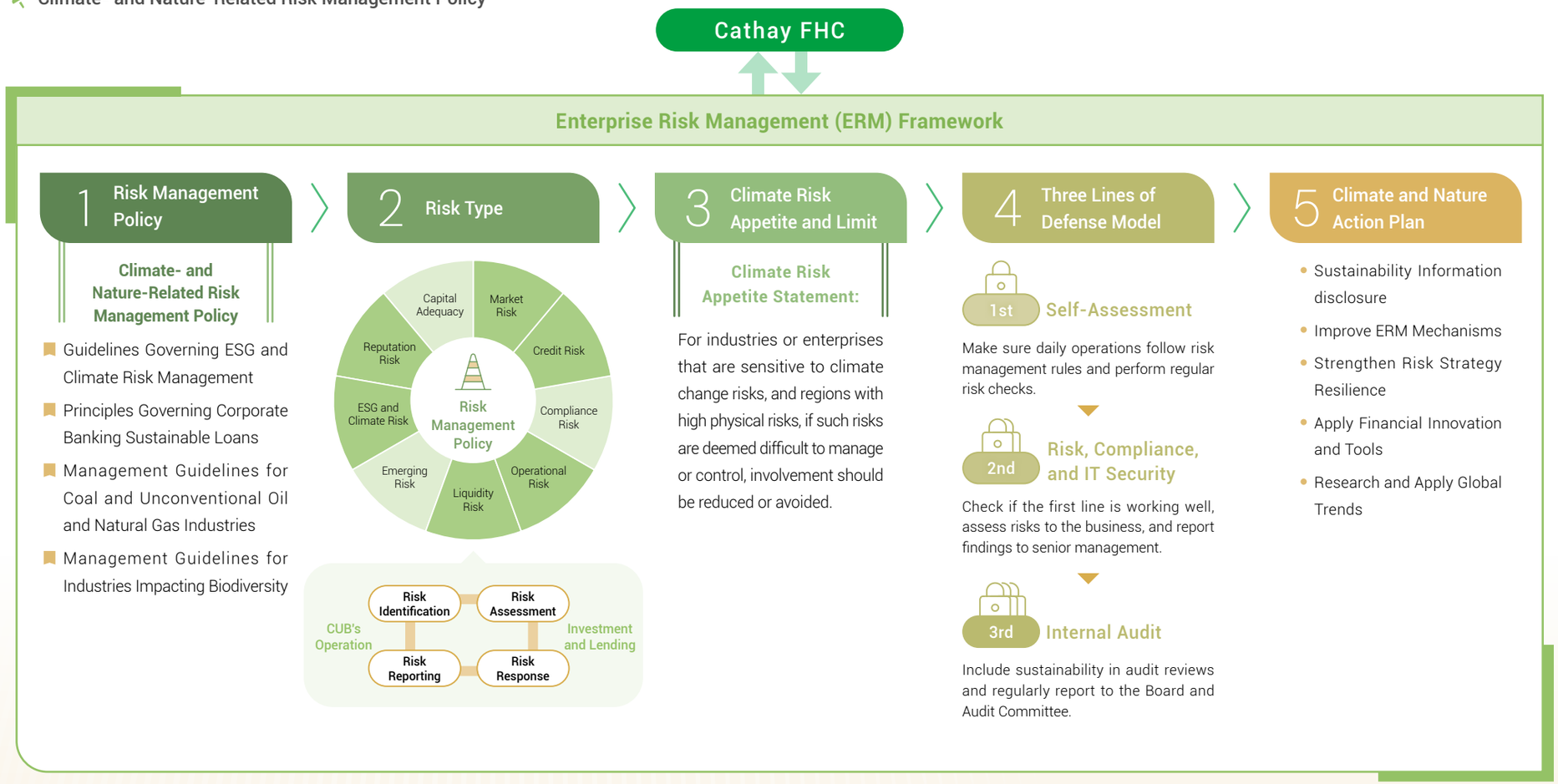
2.3.2 Climate and Nature Risk Management

2.3.2.1 Risk Management Framework and Policy

CUB follows the enterprise risk management framework and implements a structured process of risk identification, measurement, response, monitoring, and reporting. The Bank has established a "Risk Management Policy" to manage major sources of risk and has developed corresponding management guidelines. In recent years, ESG risks have been progressively integrated into the existing risk management scope. CUB has introduced the "Guidelines Governing ESG and Climate Risk Management," the Climate Risk Appetite Statement, and limit management mechanisms to strengthen the management of ESG and climate-related risks. Through the implementation of the three lines of defense model, the Bank ensures effective risk management and internal control. The bank continues to develop and promote climate and nature action plans to respond to and monitor material climate and nature risks.

Climate- and Nature-Related Risk Management Policy



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Climate- and Nature-Related Risk Management Policy

To effectively manage sustainability and climate-related risks, Cathay has, in recent years, revised and expanded several climate- and nature-related policies across the financial holding company and its subsidiaries (as shown in the table below). These efforts aim to integrate climate- and nature-related risks into traditional financial risk management processes.

Climate- and Nature-Related Risk Management Policy

Guidelines Governing ESG and Climate Risk Management

Purpose of Policy Formulation

Aimed at mitigating risks related to climate change, environment, society, and corporate governance, while embedding responsible lending into core functions and operations.

Principles Governing Corporate Banking Sustainable Loans

Purpose of Policy Formulation

Designed to promote green finance products and services, such as Green Loans, social responsibility loans, and Sustainability-Linked Loans, to encourage and support corporate banking clients in their low-carbon transition.

Management Guidelines for Coal and Unconventional Oil & Natural Gas Industries

Purpose of Policy Formulation

Due to the high carbon emissions and significant environmental impact of coal and unconventional oil & gas industries, and in line with Cathay FHC's commitment to achieving net-zero emissions in financial assets by 2050.

Management Guidelines for Industries Impacting Biodiversity

Purpose of Policy Formulation

Reflecting Cathay FHC's emphasis on biodiversity, the company has participated in initiatives and alliances such as TNFD, PBAF, and Business for Nature since 2022, leveraging its influence as a financial institution to support the "Kunming-Montreal Global Biodiversity Framework."

Three Lines of Defense Model

CUB adopts the Three Lines of Defense Model as part of its sustainability governance framework to strengthen its risk management culture. The first line (self-assessment), the second line (risk management/compliance/information security), and the third line (audit management) continuously enhance their effectiveness through risk identification and measurement, correlation analysis, impact assessment on operations and business, and the development of control measures and response strategies. The audit unit has incorporated sustainability topics into its audit scope, including ESG risk management and compliance with corporate governance standards. It regularly reports to the Board of Directors and the Audit Committee, assisting them and senior management in evaluating the effectiveness of risk management and internal control systems, and providing timely recommendations for improvement.

Climate Risk Appetite

Cathay FHC established a Climate Risk Appetite Statement in 2023, setting exposure limits for industries financially impacted by climate change. CUB aligns with the Group's statement: "For industries or enterprises that are sensitive to climate change risks, and regions with high physical risks, if such risks are deemed difficult to manage or control, involvement should be reduced or avoided." CUB has implemented limit management mechanisms and internal guidelines for highly sensitive industries, regularly monitoring usage and continuously strengthening its climate- and nature-related risk management.

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Climate & Nature Action Plan

CUB and Cathay FHC have integrated processes for identifying, assessing, and prioritizing climate- and nature-related risks and opportunities (see 2.1.2 Risks and Opportunities, 2.3.2.2 Risk Identification). Through the formulation and ongoing implementation of the Climate and Nature Action Plan, CUB aims to respond to and monitor the material climate and nature risks identified, focusing on the Group's key development directions, enhancing CUB's climate and nature risk management, and keeping pace with international trends. The key highlights of CUB's Climate and Nature Action Plan are outlined as follows:

Action Plan	Key Points of the Plan	Corresponding Material Risks	Corresponding Chapters of the Action Plan
Sustainability Information Disclosure	Build a framework for analyzing the financial impacts of key risks and for information disclosure in line with IFRS S1 / S2 so as to improve transparency.	R2 R5	2.1.2 Risks and Opportunities 2.3 Governance and Risk Management
Improve ERM Mechanisms	Improve the management of material risks by establishing identification and assessment processes, integrating emerging risks and climate- and nature-related risk mechanisms, and incorporating transition plans/speed into investment and financing evaluations. • ESG and Climate Risk Management Mechanism • Climate Transition Assessment Framework • Physical Climate Risk Assessment Framework • Climate- and Nature-related Risk Indicators	R1	2.3.2.2 Risk Identification • Identification Process of Climate and Nature Risks and Opportunities 2.4.3 Risk and Impact Management • Investment & Lending in Highly Nature-Sensitive Industries 5.1.1.1 Investment and Lending Risk Management
Strengthen Risk Strategy Resilience	Conduct climate quantitative analysis for investment, lending, and owned real estate; enhance scenario analysis applications; establish indicators for physical risk exposure; and use scenario analysis to build a strategy validation mechanism to ensure resilience under various climate scenarios. • Scenario Analysis and Stress Testing • Mechanism for Validating Strategy Resilience and Risk Appetite	R1 R6 R7	2.3.2.3 Risk Measurement and Management • Climate and Nature Risks and Opportunities Concentration • Climate- and Nature-Related Scenario Analysis
Apply Financial Innovation and Tools	Improve the coverage of climate risk information platforms, enhance the application of climate data in business development, and expand the use of climate resources to support strategic business opportunities. • Risk Management Platform and Data Integration Applications • Cross-Domain Data Management and Strategic Opportunity Application	R1	5.1.1.2 ESG Rating and Classification Module System
Research and Apply Global Trends	Monitor domestic and international developments in sustainability policy and trends in climate- and nature-related risks, and deepen the Bank's understanding and application of its sustainable risk culture. Analyze nature-related risks across industries using tools aligned with the TNFD framework; develop quantitative indicators and management approaches to effectively control nature-related risks and address emerging issues in industry transitions. • Deepen the Group's Climate- and Nature-related Risk Culture • Research on Emerging Issues	R1 R6 R7	2.3.2.3 Risk Measurement and Management • Climate and Nature Risks and Opportunities Concentration • Climate- and Nature-Related Scenario Analysis 2.4.3 Risk and Impact Management • Investment & Lending in Highly Nature-Sensitive Industries • Water Resources: Drought Scenario Analysis

Note: The Bank formulated its 2026 Climate and Nature Action Plan in 2025. To ensure that the Board of Directors and senior management oversee the progress of the implementation of climate- and nature-related issues, the action plan was submitted to the Board of Directors and the Risk Management Committee in the first quarter of 2026, and Cathay FHC will regularly track the subsidiaries' implementation progress.

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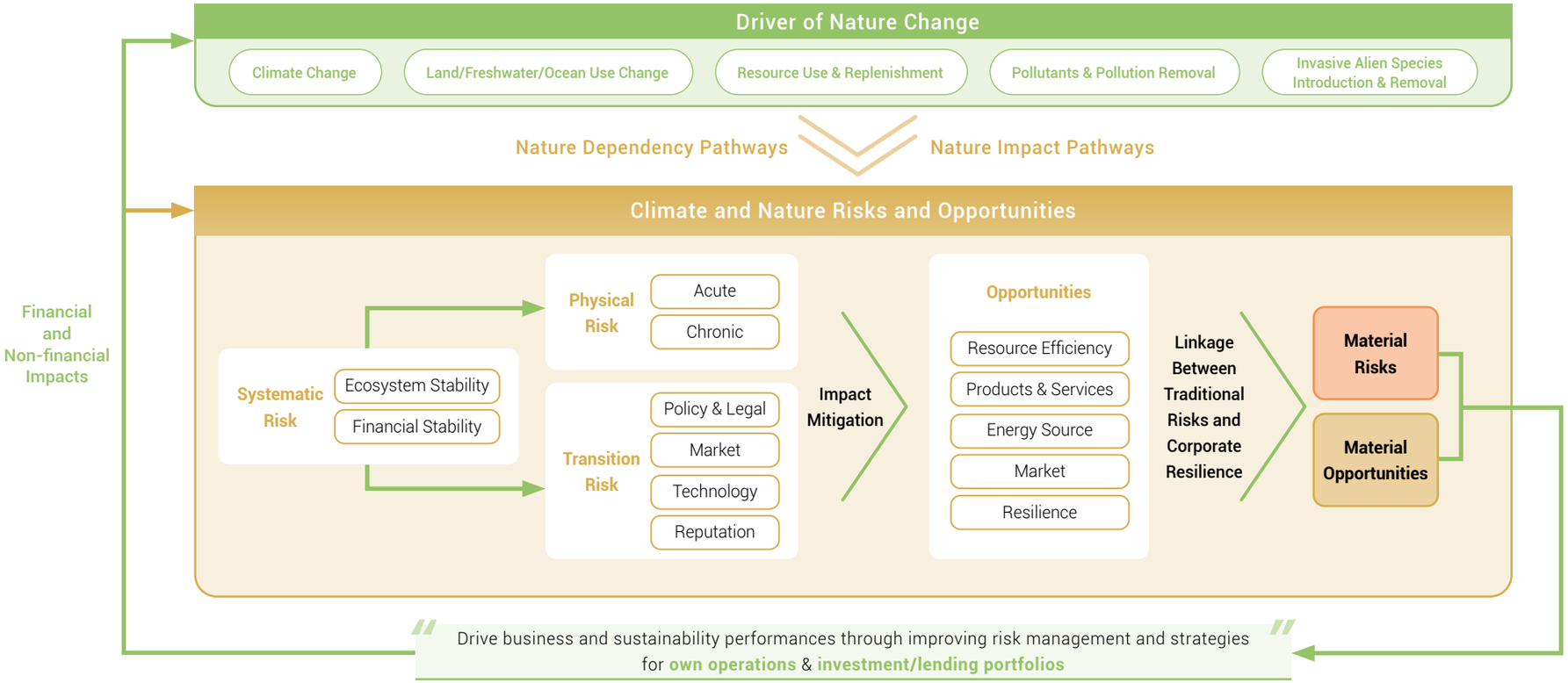
2.3.2.2 Risk Identification

Identification Process of Climate and Nature Risks and Opportunities

CUB integrates Cathay FHC's sustainability strategy and refers to frameworks such as TCFD, TNFD, and the Network for Greening the Financial System (NGFS). It aims to understand the transmission pathways of climate- and nature-related risks and opportunities, identify short-, medium-, and long-term climate- and nature-related risks and opportunities relevant to the Bank, and assess their linkage with existing traditional risks and corporate resilience. This helps determine the potential financial impacts on the Bank's operations and investment or lending portfolios. A matrix is then developed using internal expert judgment, ranking materiality based on "degree of impact" and "likelihood of occurrence," and is regularly updated. Finally, based on the identification results, the Bank strengthens risk management and develops response strategies for its operations and investment/lending portfolios. This aims to improve both commercial and sustainability performance while mitigating financial and non-financial impacts. For detailed results of the identification of material climate- and nature-related risks and opportunities, please refer to 2.1.2 Risks and Opportunities.



In addition to analyzing climate- and nature-related risks, the Bank also collects sustainability topics that affect stakeholders and adopts a double materiality approach to assess the sustainability and operational impacts of various sustainability topics, as well as to understand potential sustainability risks and opportunities (including climate- and nature-related ones), their interactions, and their prioritization. For detailed analysis processes, impact descriptions, and management approaches, please refer to Sections 1.4 Material Sustainability Issues Identification, 1.5 Management Guidelines of Sustainability Issues, 1.6 Targets for Material Sustainability Issues.

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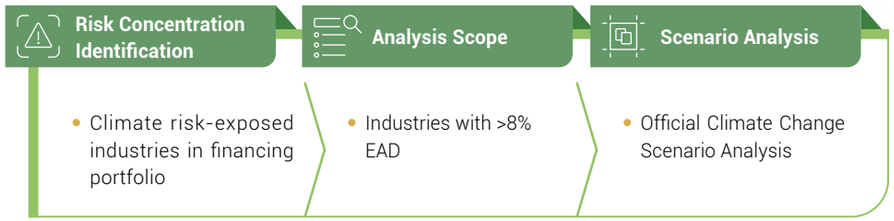
2.3.2.3 Risk Measurement and Management

Concentration of Climate and Nature Risks and Opportunities

Physical and Transition Risks Across Specific Industries

The impact of climate- and nature-related risks is intensifying. In addition to the introduction of domestic and international policies, including the Carbon Border Adjustment Mechanism (CBAM), Carbon Cost Adjustment (CCA), and the Climate Change Response Act, the frequency of extreme weather events has significantly increased. To better understand the Bank's exposure to transition and physical risks on CUB[Note], priority was given to analyzing domestic industries with significant credit exposure that are more relevant to the Bank's business. The analysis was conducted using the Official Climate Change Scenario Analysis. The results are summarized as follows:

(For detailed analysis, please refer to Climate- and Nature-Related Scenario Analysis)



- Credit Concentration and Expected Loss to Pre-Tax P/L for Specific Domestic Industries

Industries with High Credit Concentration	Loan Concentration	Expected Loss to Pre-Tax P/L						Top Three Geographic Areas by Credit Concentration
		Orderly Net Zero		Disorderly Transition		Passive Transition		
		2030	2050	2030	2050	2030	2050	
Real Estate Development	18.80%	0.88%	1.06%	1.59%	1.34%	1.36%	2.25%	Da'an District, Taipei City Risk Level 1 ; Zhongshan District, Taipei City Risk Level 1 ; Xitun District, Taichung City Risk Level 2
Real Estate Management & Services	13.10%	0.69%	0.79%	1.13%	1.00%	1.03%	1.65%	Da'an District, Taipei City Risk Level 1 ; Xinyi District, Taipei City Risk Level 1 ; Songshan District, Taipei City Risk Level 1
Wholesale & Retail	14.13%	1.43%	1.63%	1.84%	1.72%	1.68%	1.94%	Neihu District, Taipei City Risk Level 1 ; Xinyi District, Taipei City Risk Level 1 ; Zhongshan District, Taipei City Risk Level 1
Financial Services	11.35%	1.17%	1.33%	1.51%	1.41%	1.38%	1.59%	Da'an District, Taipei City Risk Level 1 ; Zhongshan District, Taipei City Risk Level 1 ; Xinyi District, Taipei City Risk Level 1
Manufacturing of Electronic Components & Related Products	11.27%	1.11%	1.17%	1.28%	1.27%	1.16%	1.37%	Guishan District, Taoyuan City Risk Level 2 ; Nanzi District, Kaohsiung City Risk Level 1 ; Neihu District, Taipei City Risk Level 1

Note: According to the scenario analysis assumptions set by the Bankers Association of the Republic of China in the "Plan for Climate Change Scenario Analysis of Domestic Banks (2024)," loan portfolios impacted by physical or transition risks can be categorized into five risk levels according to level of impact, while those impacted by industry-specific physical risk (heatwaves) are categorized into three risk levels. A higher risk level indicates a greater degree of impact from physical or transition risks.

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Distribution of Exposure Levels to Physical and Transition Risks for Specific Domestic Industries under the 2050 Passive Transition Scenario

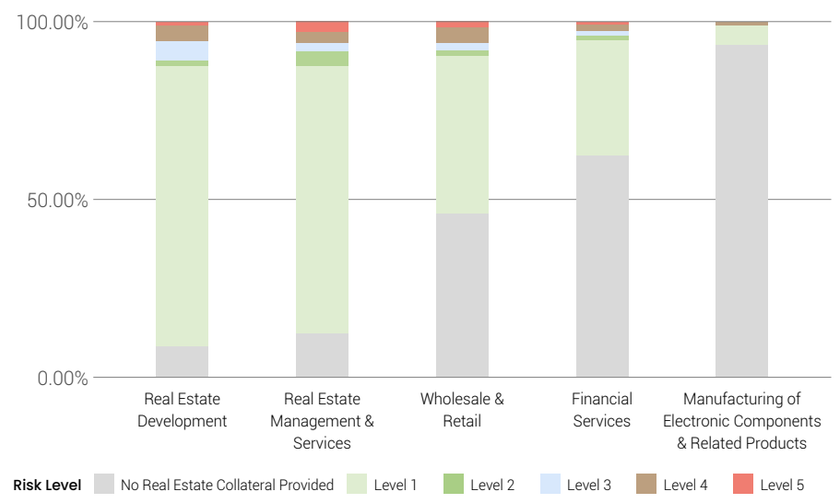
Physical Risk – Registered Locations



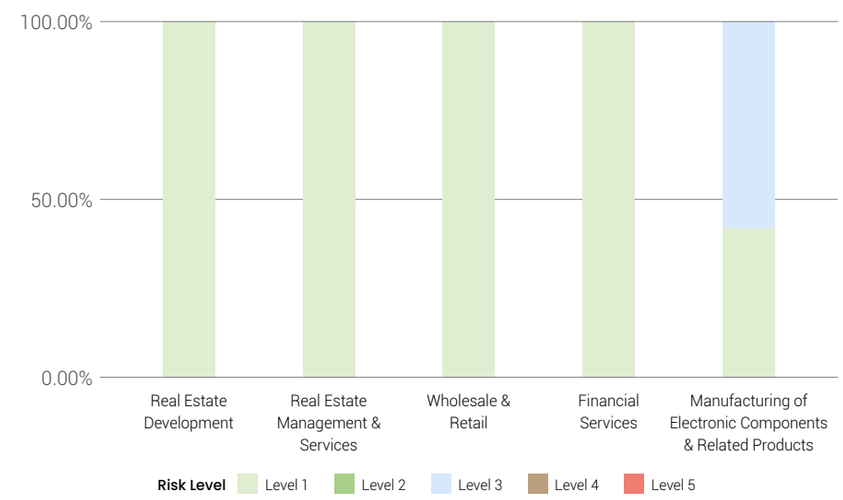
Physical Risk – Industry



Physical Risk – Real Estate Collateral



Transition Risk – Industry



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Physical Risks from Floods

According to the flood risk identification maps projected to the end of the century by the National Science and Technology Center for Disaster Reduction (NCDR), flood hazard levels are categorized into five tiers. Areas ranked in the top 20% for hazard-vulnerability are classified as the highest flood risk zones. CUB compared these high-risk areas with the property locations of its retail mortgage clients and CUB operating locations to assess the exposure status as of the end of 2025. The evaluation concluded that the risk is considered within acceptable thresholds.

Percentage of High Flood Risk Areas

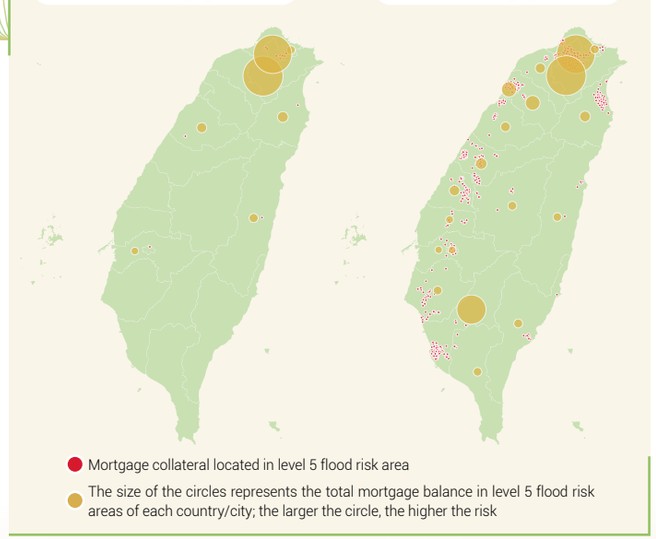
	Baseline	Future
Outstanding balance of retail mortgage loans	0.26%	5.82%
Number of CUB operating locations	0.00%	5.49%
Number of CUB-owned real estate properties	0.00%	5.70%

Risk Concentration Identification
- CUB locations in climate risk areas
- Mortgage collaterals in climate risk areas

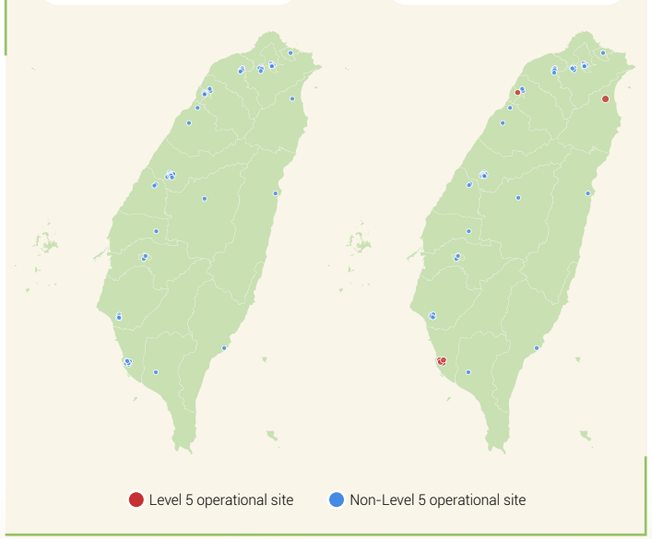
Analysis Scope
- Top 20% in hazard-vulnerability level

Scenario Analysis
- NCDR Flood Scenario

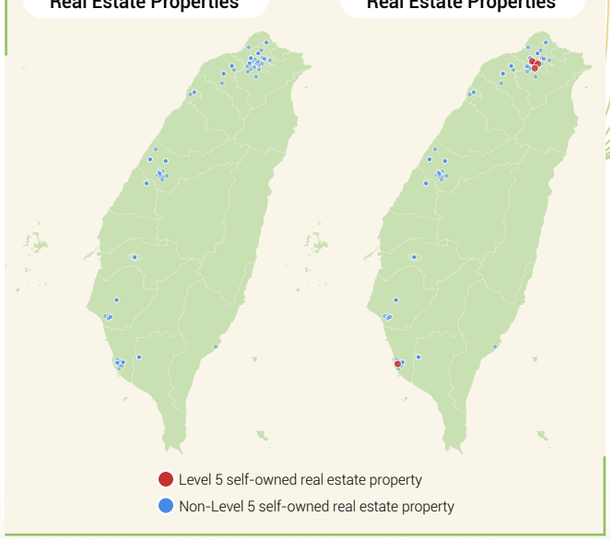
Mortgage Collateral Balances with High Physical Risk



CUB Locations with High Physical Risk



CUB-owned real estate properties with High Physical Risk



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Climate- and Nature-Related Scenario Analysis

To assess the financial impacts of climate- and nature-related impact, CUB conducts both official and in-house climate- and nature-related scenario analyses annually. These analyses evaluate the potential impacts of future scenarios on CUB's operations and investment/lending portfolios, focusing on how physical and transition risks may affect credit risk factors, and calculate the expected financial losses under each scenario. Due to the inherent uncertainty in the results, the outcomes are used as references. CUB will adjust its climate and nature risk management strategies in a timely manner, taking into account existing risk management frameworks and tools, including risk appetite.

(Scenario data as of December 31, 2025)

Scenario Type	Risk Type		Analysis Timeframe	Scope	Scenario Description	Analysis Result
Official Climate Change Scenario Analysis (Long-term)[Note1]	Physical	Floods/Landslides/ Rainfall-caused work stoppage/Drought/ Heatwaves	2030 2050	Domestic corporate & consumer lending Overseas corporate lending Domestic banking book investments Overseas banking book investments	• **Orderly Net Zero (ONZ) Scenario:** Aligned with NGFS Net Zero 2050 and IPCC SSP1-1.9. • **Disorderly Transition (DT) Scenario:** Aligned with NGFS Delayed Transition and IPCC SSP1-2.6. • **Passive Transition (PT) Scenario:** Aligned with NGFS Fragmented World and IPCC SSP2-4.5.	The highest expected loss under long-term scenarios occurs in 2050 under the Passive Transition scenario, accounting for approximately 47.45% of baseline pre-tax profit and 7.69% of baseline net value. The financial impact is assessed to be within CUB's risk tolerance levels.
	Transition	Carbon pricing				
Official Climate Change Scenario Analysis (Short-term)	Physical	Floods/Landslides/ Rainfall-caused work stoppage	Within 1 year	Domestic corporate & consumer lending Domestic banking book investments	• **Physical Risk Intensity-adjusted (IA) Scenario:** The statistical rainfall data from Typhoon Morakot adjusted to reflect the intensity under climate change conditions. • **Transition Risk (TR) Scenario:** Uniform carbon fee applied across all industries and companies. • **Combined Loss (CL) Scenario:** Considers both physical and transition risk scenarios.	The highest expected loss under short-term scenarios occurs in the Combined Loss Scenario, accounting for approximately 24.76% of baseline pre-tax profit and 4.01% of baseline net value. The financial impact is assessed to be within CUB's risk tolerance levels.
	Transition	Carbon pricing				
Scenario Analysis of Transition Risks on Corporate Loans in Aircraft Leasing Industry[Note 2]	Transition	Policies	-	Aircraft leasing industry in Singapore Corporate lending	• **In-house Scenario:** Changes in aircraft preference and valuation under the CORSIA scenario.	Expected credit losses (ECL%) for secured and unsecured credit portfolios at Singapore branch are 5.97% and 0.30%, respectively. The financial impact on CUB remains manageable.
Trading Book Equities and Bonds: Decarbonization Transition Scenario Analysis	Transition	Carbon pricing/ Electricity price/ Upstream and downstream additional costs	-	Trading book investments	• **Orderly Transition:** Aligned with NGFS Net Zero 2050. • **Disorderly Transition:** Aligned with NGFS Delayed Transition. • **Too Late Scenario:** Aligned with Fragmented World.	Under the Orderly Transition Scenario, due to lower warming potential and higher carbon price, climate-related losses account for up to 1.93% of market value. The financial impact on CUB remains manageable.

Note 1: Orderly Net Zero refers to a scenario where the world gradually achieves net-zero emissions by 2050 (approx. 1.5° C warming). Disorderly Transition refers to a delayed transition that still achieves net-zero by 2050 (warming below 2° C). Passive Transition refers to a scenario where delayed action fails to meet carbon reduction targets, resulting in more severe physical and transition risks (warming exceeds 2° C). These official scenarios simulate impacts on macroeconomic indicators such as GDP, unemployment, and interest rates, as well as property value losses due to natural disasters.

Note 2: Revised 2030 CORSIA Target: Due to the significant decline in global aviation demand caused by COVID-19 in 2020, ICAO revised the CORSIA baseline to 85% of 2019 emissions for the 2024–2035 period, making the target more challenging. The original baseline was the average of 2019 and 2020 emissions, with a net zero goal by 2030.

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Official Climate Change Scenario Analysis

Overview of Scenario Analysis Process

Climate change risk is a major global challenge. Promoting net-zero transition and sustainable development has become a global consensus, and the financial industry is expected to play a key role in accelerating sustainable finance. According to the Bankers Association of the Republic of China to draw up the "Plan for Climate Change Scenario Analysis of Domestic Banks (2024)," CUB conducts official climate change scenario analysis annually to assess the potential financial impacts of climate risks.

Long-Term Scenario

- **Scope of Calculation:** Includes five portfolios—Domestic Corporate and Consumer Lending, Overseas Corporate Lending, Domestic and Overseas Banking Book Investments.
- **Scenario Design:** Based on internationally recognized sources NGFS and IPCC, scenarios are categorized into Orderly Net Zero (ONZ), Disorderly Transition (DT), and Passive Transition (PT). The analysis focuses on expected losses of investment and lending assets in the long term (2030 and 2050).
- **Risk Assessment:** Physical risks include heavy rainfall, floods, drought, landslides, and heatwaves. Through risk level identification and impact factors, the analysis estimates the impairment effects of these risks on corporate profitability and collateral value, and also assesses the impact on mortgage collateral value. Transition risks include carbon pricing and industry emission trend changes. Simulations are used to analyze the impact of carbon pricing on corporate profitability. In addition, the long-term scenario incorporates macroeconomic impacts, such as the effects of GDP growth rate, unemployment rate, inflation rate, and long-term interest rates on default rates.

Short-Term Scenario

- **Scope of Calculation:** Includes three portfolios—Domestic Corporate and Consumer Lending, and Domestic Banking Book Investments.
- **Scenario Design:** Based on risk types, scenarios are categorized into Physical Risk Intensity-adjusted (IA), Transition Risk (TR), and Combined Loss (CL) scenarios. The analysis primarily evaluates the impact on portfolios from specific climate-related physical or transition risk events within the short-term period of one year.
- **Risk Assessment:** Due to basic assumptions, macroeconomic impacts are excluded. Drought and heatwaves are also excluded from physical risk types. Other risk types and risk linkage pathways are consistent with those used in the long-term scenario.

Analysis Results and Resilience Verification

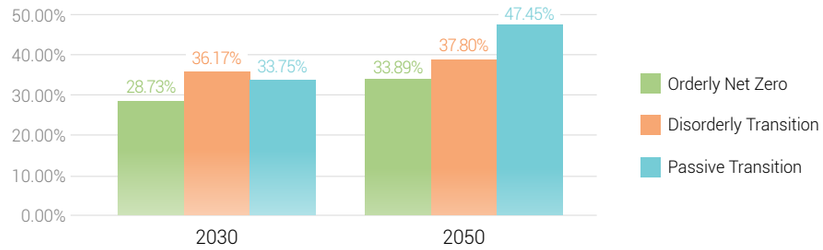
Based on the results of the official climate scenario analysis, a summary of key findings is provided below. For detailed results, please refer to Appendix 7.1 ESG Performance Data. Due to differences in time horizons and underlying assumptions, the results of the long-term and short-term scenarios are not directly comparable, but both are integral to CUB's climate and nature risk management assessments.

(1) Under the long-term scenario, the highest expected loss occurs in 2050 under the Passive Transition scenario (PT), accounting for approximately 47.45% of baseline pre-tax profit and 7.69% of baseline net value. Under the short-term scenario, the highest expected loss occurs in the Combined Loss scenario, accounting for approximately 24.76% of baseline pre-tax profit and 4.01% of baseline net value. After evaluation, the total expected losses from the scenario analysis are considered financially manageable for CUB.

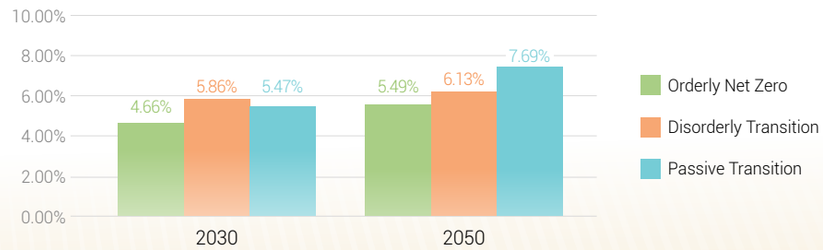
(2) In the long-term scenario under the 2050 Passive Transition (PT) scenario, for collateral located in townships classified as high physical risk (Level 5), the exposure amount related to the loss in collateral value for domestic corporate and consumer lending accounts for approximately 2.26%.

(3) In the long-term scenario under the 2050 Passive Transition (PT) scenario, for industries with high carbon intensity and high transition risk (Level 5), the exposure amount for domestic corporate lending accounts for approximately 4.59%.

Long-Term Scenario Expected Loss as a Ratio of Baseline Year Pre-Tax Profit



Long-Term Scenario Expected Loss as a Ratio of Baseline Year Net Value



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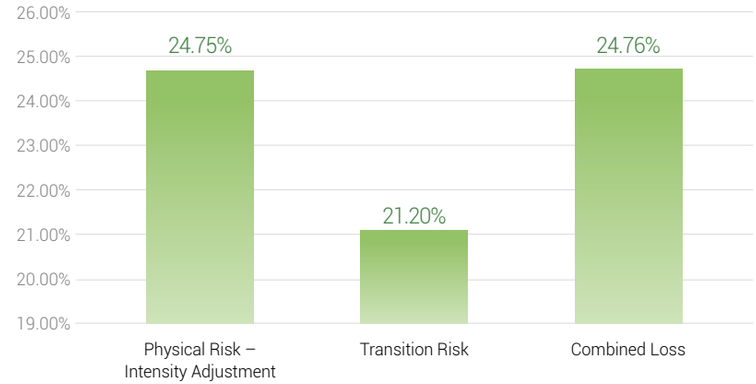
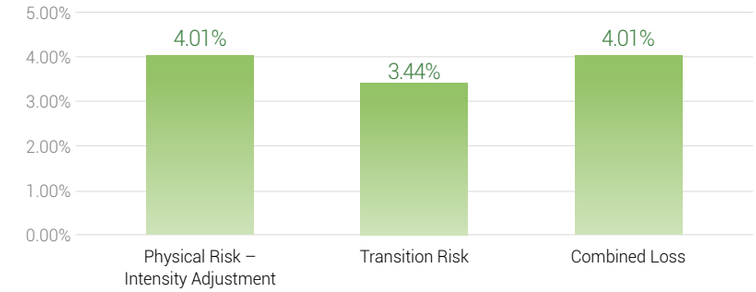
Short-Term Scenario Expected Loss as a Ratio of Baseline Year Pre-Tax Profit



Short-Term Scenario Expected Loss as a Ratio of Baseline Year Net Value



Note: Due to the assumptions inherent in the methodologies of both long-term and short-term scenario analyses, and the fact that the relevant parameters are estimated values under different risk scenarios, the long-term scenario covers a more distant time horizon. Therefore, the expected losses estimated under each scenario carry a degree of uncertainty and do not represent actual future impacts. Caution should be exercised when interpreting and explaining the results of this analysis, given its limitations.

Risk Mitigation Strategies

CUB has set a target of achieving net-zero emissions in financial assets by 2050. In alignment with this goal, a "Coal-Exit Action" has been established for the coal industry, with a clear objective of "Zero Coal Financing." CUB aims to reduce all coal-related credit facilities to zero by the end of Q1 2027. The Bank is also actively promoting low-carbon transition financing and will adjust strategies as needed to ensure that asset allocation remains resilient to climate- and nature-related risks. In parallel, CUB has launched a Climate and Nature Action Plan, which includes regular resilience verification of climate strategies, monitoring the usage of exposure limits for highly sensitive industries, and tracking the concentration of physical risks in real estate collateral for corporate and consumer lending. CUB has also set short-, mid-, and long-term investment and lending targets to track progress toward net-zero transition. For details, please refer to 2.2.1.1 Net Zero Emissions in Financial Assets by 2050.

Scenario Analysis of Transition Risks on Corporate Loans in Aircraft Leasing Industry

Overview of Scenario Analysis Process

According to the "Guidelines on Environmental Risk Management for Banks" issued by the Monetary Authority of Singapore (MAS), banks are required to conduct scenario analysis and stress testing to assess the impact of significant environmental risks on their credit portfolios. Given the substantial credit exposure of CUB's Singapore branch to the aviation industry, we have evaluated the impact of transition risks on our aviation industry credit portfolio based on the credit structure. This analysis takes into account the changes in airline preferences under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) scenario and the price volatility of aircraft assets due to international carbon emission policies. We assess the impact of changes in aircraft leasing rates and residual values of aircraft collateral on borrowers' financial conditions to estimate potential expected credit losses.

Scenario Analysis of Loans in the Aviation Industry

Loan Type	Secured Loan	Unsecured Loan
Risk Scenario	Policy Change	
Scenario Assumption	Airliners' preference changes and valuation adjustment in CORSIA scenario	
Analysis Subject	Leasing ratio of aircraft assets and residual value of aircraft asset collaterals	Leasing ratio of aircraft assets
Region	Singapore	
Percentage of ECL to the industry's EAD under scenario analysis	6.87 %	0.52 %
Percentage of ECL to the industry's EAD in the baseline scenario	0.90 %	0.22 %
Percentage increase in ECL due to transition risks	5.97 %	0.30 %

Note: ECL% is the percentage of ECL out of EAD. ECL represents expected credit losses, while EAD represents exposure at default.

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Analysis Results and Resilience Verification

Assessment of the aircraft leasing industries focused on expected credit losses derived from transition risks for the Singapore branch's secured and unsecured credits given changes in airline preference under the CORSIA scenario. The expected credit losses, derived from transition risks, for secured and unsecured loans, are 5.97% and 0.30%, respectively. The expected total loss from the scenario analysis is deemed manageable.

Risk Mitigation Strategies

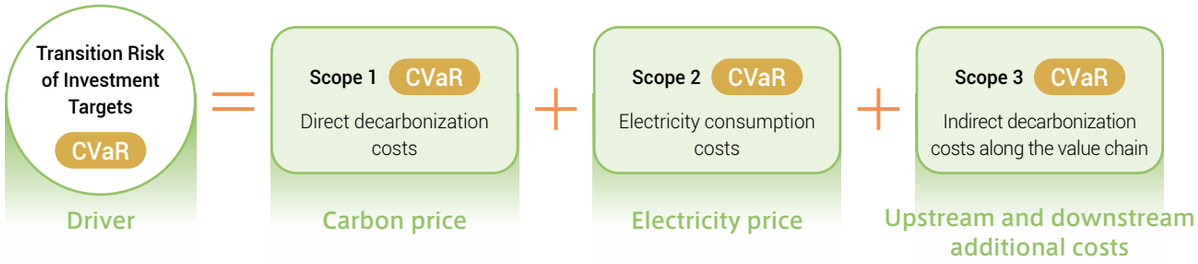
CUB complies with TMRAC and rules for aircraft collateral valuation when screening clients and managing collateral for all aircraft financing cases. The Singapore branch's aviation team refers to the latest TMRAC and considers the environmental impacts of aircraft financing by undertaking new/energy-efficient aircraft financing and/or participating or leading financing compliant with the Loan Market Association's (LMA), Green Loan Principles (GLP) and Sustainability Linked Loan Principles (SLLPs), expanding the bank's financing products.



Trading Book Equities and Bonds: Decarbonization Transition Scenario Analysis

Overview of Scenario Analysis Process

The global transition to a low-carbon economy and the occurrence of extreme climate events will significantly impact corporations, potentially leading to a decline in the value of their issued securities and resulting in net asset losses for investors. In addition to using official climate change scenario analysis to assess credit risk losses in the banking book investment, CUB has also adopted a model developed by MSCI. Using scenarios from NGFS Phase 5, CUB assesses the market risk impact of decarbonization transition scenarios on trading book equity and bond investments under three transition pathways: Orderly (achieving net-zero emissions by 2050), Disorderly (delayed transition), and Fragmented (too-little-too-late). The analysis is conducted using Climate Value at Risk (CVaR). The CVaR model assesses the financial impact of the costs required for decarbonization across Scope 1 to Scope 3 emissions of the investment targets. The discounted value of these costs represents the CVaR result. The analytical methodology is illustrated in the figure below.



Analysis Results and Resilience Verification

Scenario analyses reveal that CUB's trading book equities and bonds will experience climate losses from market risks of 1.93%, 0.41%, and 0.01% of the portfolio's market value for the Orderly Transition, Disorderly Transition, and Fragmented World scenarios, respectively. Under the Orderly Transition Scenario, due to the lower potential warming scenario and higher carbon pricing, the climate loss accounts for the highest at 1.93% of the portfolio's market value. However, results show that the impact is manageable and that we demonstrate a certain degree of resilience.

Risk Mitigation Strategies

CUB incorporates ESG risk assessments and controls over highly sensitive industries into its internal investment processes as crucial factors in investment decisions to reduce climate risk losses and enhance the Bank's climate resilience.

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2.4 Nature-related Financial Disclosures (TNFD)

2.4.1 Governance

The Board of Directors is the Bank's highest governance and oversight body for climate- and nature-related issues and is responsible for approving relevant policies, strategies, and targets while considering risks, opportunities, dependencies, and impacts. The Sustainable Development Committee, Risk Management Committee, President, Chief Risk Officer, Corporate Sustainability Team, and relevant working groups jointly support implementation, monitoring, and reporting. Please refer to 2.3.1 Climate and Nature Governance Framework for details.

2.4.2 Strategy

The Bank continues to incorporate nature-related issues into its overall business operations and financial decision-making, with close attention to the potential impacts of climate- and nature-related risks and opportunities on investment and lending, and business development, and adjusts its asset allocation and business development direction accordingly. With respect to nature-related issues, the Bank has included water scarcity risk within its key assessment scope. For high-exposure industries such as the technology hardware and semiconductor industry, consumer staples, and the raw materials industry, the Bank analyzes the potential impacts of water scarcity on client operations and on the Bank's financial performance, thereby gaining a clearer understanding of exposures to high-risk industries and geographic locations. By regularly reviewing the reasonableness of scenario assumptions and data, the Bank ensures the robustness of relevant risk analyses and estimation results. At the same time, it monitors the utilization of limits for highly sensitive industries and tracks the status and trends of asset exposure to geographic areas with high water resource risk.

In addition, the Bank continues to promote green loans, sustainability-linked loans, and transition finance to gradually direct funding toward low-carbon and sustainable transition activities, while also capturing nature- and climate-related financial opportunities. Among these, the use of proceeds for green loans also cover areas such as natural environment management, biodiversity, water resource management, and climate change adaptation, which helps further integrate nature-related issues into the Bank's business development direction. For clients that have not yet met sustainability standards or that require transition, the Bank also provides engagement, advisory support, and financial assistance to help them identify gaps, formulate transition plans, and establish improvement timelines, thereby strengthening the resilience of industrial transition.

2.4.3 Risk and Impact Management

The Bank has incorporated nature-related dependencies, impacts, risks, and opportunities into its existing management processes. Based on the characteristics of its businesses, the Bank identifies, assesses, prioritizes, and monitors such factors through scenario analysis, industry- and portfolio-level analysis, credit review, and client engagement. In addition, through the ESG rating and classification module system, the Bank uses data extraction, analysis, and processing to quickly screen borrowers' ESG risk levels and support post-lending management and risk early warning, serving as a reference for credit decision-making and risk management.

In the management of its investment/lending value chain, the Bank assesses clients' and investment targets' dependence on natural resources, their impacts on nature, and the potential credit risks, market risks, and financial impacts that may arise through industry- and portfolio-level analysis. At the same time, the Bank evaluates the impact of water shortages on client operations in high-exposure industries and pilots the LEAP approach in its analysis by incorporating the distribution of borrowers' registered operating addresses and production sites, which serves as a basis for identifying, assessing, and prioritizing exposure to high-risk geographic locations. In addition, for project finance cases subject to the Equator Principles, the Bank assesses not only climate change risks but also environmental risks such as biodiversity. For cases with significant impacts, the Bank also requires third-party consultants to issue assessment reports and tracks the implementation of mitigation measures. The table below provides a supplementary case example of applying the LEAP approach from the perspective of an individual credit case.

LEAP Methodology - Case Study

L — Locate Examine business footprint and nature interface		The siting and operation of offshore wind farms involve marine ecosystems, with potential impacts including fishery resource compensation, changes to marine species habitats, and adjustments to ecological balance. The development process may alter marine ecosystems and environmental conditions, thus requiring environmental impact assessments and ongoing monitoring programs to ensure ecological sustainability.
E — Evaluate Dependencies and impacts	Dependency	Scientific analysis of wind conditions in Taiwan's offshore areas—including wind speed, direction, and long-term climate change trends—is conducted to evaluate the power generation efficiency of offshore wind farms and to forecast annual average output, ensuring energy supply stability and economic feasibility.
	Impact	Underwater noise generated by turbine operations may interfere with marine species that rely on echolocation (e.g., whales and dolphins), affecting their foraging and migration behaviors. In addition, construction and long-term operations may alter local hydrological conditions, further impacting the distribution of fishery resources and, consequently, the economic activities and livelihoods of coastal fishing communities.
A — Assess Nature-related risks and opportunities	Risk	Offshore wind development involves the allocation of marine rights and ecological protection, requiring coordination with fishing communities and other stakeholders. The financial burden of fishery compensation mechanisms must also be assessed. Furthermore, environmental risks during construction and operation may affect investor confidence and influence long-term capital market evaluations of the project.
	Opportunity	Wind power is a key driver of global energy transition and aligns with the national 2050 net-zero emissions target. Through continuous technological innovation and environmental management, offshore wind can promote the upgrading of the green energy industry, attract long-term capital investment, and enhance the competitiveness of wind power developers in the global sustainability arena.
P — Prepare Response measures and external disclosure	Response Measures	Financial institutions continuously monitor the financial and operational status of their investment and lending targets. Wind power developers also maintain long-term collaboration with third-party environmental consultants to strengthen nature-related risk assessments and adaptation strategies, ensuring stable project operations and investment soundness. **(1) Black-faced Spoonbill Conservation:** Use satellite positioning technology (GPS) to track the migration patterns of black-faced spoonbills, accurately identifying critical habitats to enhance conservation efforts and ensure that offshore wind development proceeds in parallel with ecological protection. **(2) Marine Ecosystem Protection:** Implement multi-level protection strategies such as establishing a cetacean identification database, enforcing vessel speed limits, enhancing marine mammal monitoring systems, and applying underwater noise mitigation technologies to reduce the potential ecological impacts of construction and operations, thereby ensuring long-term biodiversity and ecosystem stability.

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Investment & lending in Highly Nature-Sensitive Industries

CUB, with reference to the TNFD recommendations and by integrating the ENCORE[Note 1] database and the SBTN[Note 2] materiality analysis tool, analyzed the nature dependency and impact of highly sensitive industries[Note 3] on ecosystem services, as well as the distribution of risk exposure in investment and lending, as a reference for risk management and strategic planning. The results are as follows: the investment amount and corporate lending balance[Note 4] in highly sensitive industries accounted for approximately 2.74% and 23.7% of CUB's total investment amount and total corporate lending balance, respectively.



Identification Results of Nature-Related Risk Dependency and Impact

Very High High Medium Low N/A

Industry	Nature Dependency					Nature Impact						Investment	Lending
Highly Sensitive Industries	Water Resource	Atmosphere	Species	Soil	Habitat	Water Resource Use	Other Resource Use	Climate Change	Ecosystem Changes	Pollution	Distribution to Species		
Fossil Electric and Coal Mining Industry												0.04%	0.003%
Manufacture of Chemical Material and Fertilizers												0.34%	3.25%
Extraction of Crude Petroleum and Natural Gas												0.22%	0.49%
Manufacture of Building Materials (Contains Cement)												0.04%	0.28%
Food and Beverage Products												0.60%	1.12%
Transport												0.02%	1.07%
Agriculture, Forestry, Fishery & Animal husbandry Industry												0.00%	0.47%
Mining												1.29%	1.93%
Real Estate Management & Development												0.18%	14.14%
Manufacture of Motor Vehicles and Parts												0.00%	0.77%
											Total	**2.74%**	**23.52%**

Note 1: ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a database jointly developed by the United Nations Environment Programme and other organizations. It compiles global data on nature-related risks to help companies assess their "dependency" and "impact." ENCORE defines "dependency" as the extent to which economic activities rely on ecosystem services and natural capital, and "impact" as the extent to which economic activities affect ecosystem services and natural capital.

Note 2: SBTN (Science Based Targets Network) provides a materiality analysis tool to assess the overall impact of corporate economic activities on nature.

Note 3: Cathay FHC has established industry exposure limits for the group, defining sensitive industries based on factors such as climate change, natural capital, pollution and waste, and community protests/human rights. If CUB's sensitive industries fall under Cathay FHC's sensitive industry definition, they are classified as CUB's highly sensitive industries. Cathay FHC's definition of "mining" includes industries such as basic metal manufacturing.

Note 4: Investment is calculated as the proportion of risk exposure in highly sensitive industries relative to total investment portfolios. The scope of total investment portfolios includes domestic and foreign stocks, domestic and foreign bonds, unlisted stocks, commercial papers, and other non-cash equivalent securities, excluding asset securitization products, funds, venture capital, equity method investments, and reinvestments. Calculations are based on book value. Lending is calculated as the proportion of corporate lending balance in highly sensitive industries relative to total corporate lending balance.

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Water Resources: Drought Scenario Analysis

◆ Overview of Scenario Analysis Process

Global warming has intensified climate extremes. Taiwan faces challenges such as uneven rainfall, increased drought frequency, rising temperatures leading to higher evapotranspiration, and aging reservoirs and pipelines causing high leakage rates and reduced water storage capacity. In response, the government has implemented measures such as the "Reclaimed Water Resources Development Act" and the "Water Consumption Fee Collection Regulations" to encourage water conservation among enterprises.

However, with ongoing economic development, the water supply-demand gap is widening, threatening supply stability and increasing operational risks for businesses. International credit rating agencies have also identified water resources as a key environmental risk in Taiwan's sovereign ESG ratings. The Bank assesses industry-specific water resource risks through a complementary use of qualitative and quantitative information. Based on this assessment, the "technology hardware and semiconductor industry," "consumer staples," and "raw materials industry" were selected as the target sectors for analysis. The analysis examines the financial impact of water shortages on investment and lending counterparties and the associated financial impacts on the Bank. The LEAP approach was also piloted for domestic corporate lending borrowers.



Highly Sensitive Industry

Technology hardware and semiconductor industry; consumer staples; raw materials industry

Associated Risk

Physical risk (acute): Climate change causes uneven rainfall distribution, leading to water shortages.

Financial Impact on Invested/Lent Entities in the Industry

The operations of companies highly dependent on water resources may be affected. For example, higher water procurement costs may increase expenses, and disruptions in production processes may reduce revenue.

Financial Impact on CUB from Investing/Lent in this Industry

If the operations of investment/lending counterparties are affected, thereby impacting their financial performance, this may in turn affect credit risk and trigger changes in market risk, resulting in a potential decline in the Bank's investment gains and interest income, as well as an increase in provision expenses.

Note: "Consumer staples" and the "raw materials industry" cover highly sensitive industries such as agriculture, forestry, fishery & animal husbandry Industry; food and beverage products; and mining. Although the "technology hardware and semiconductor industry" is not classified as a highly sensitive industry, it was included in the analysis in view of its water-intensive characteristics.

1 Locate

In addition to their registered operating addresses, manufacturing companies often have varying numbers of production sites. Since the actual interface between borrowers and nature is primarily at these production sites, the first step is to identify the full site distribution of each borrower, including its registered operating address and active production sites.

2 Evaluate

Due to their industry characteristics, the target sectors either have a high dependence on or exert a significant impact on water resources. For the analysis results on nature-related dependencies and impacts of highly sensitive industries, please refer to the section on the Concentration of Climate and Nature Risks and Opportunities.

3 Assess

A "water resource drought scenario analysis" was conducted for the target sectors. All administrative districts were categorized into four different water resource risk levels, and the drought risk faced by each borrower's sites was assessed based on the overall distribution of its locations. This step measures the operational impacts that enterprises may face at different points in time when water shortages affect or even disrupt operations, and links these impacts to credit risk in order to evaluate the potential financial impact on the Bank.

4 Prepare

Based on the assessment of the Bank's potential financial impact, follow-up management and response measures are developed.

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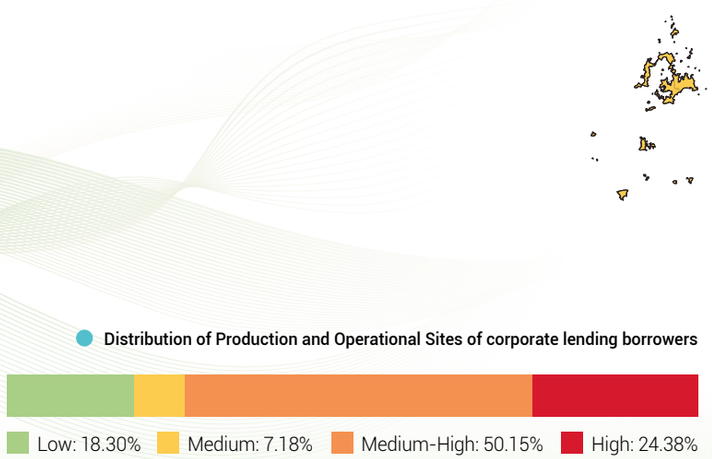
Analysis Results and Resilience Verification

The distribution of risks across administrative regions, the locations of production and operational sites of CUB's corporate lending borrowers, and the proportion of mining exposures in high-risk administrative regions are shown in the figure below. The estimated EL% under the SSP1-2.6 scenario at different time points is presented in the table below. The highest EL% resulting from physical risks occurs between 2040 and 2060, reaching approximately 0.65%. After evaluation, the total expected loss is considered to have a controllable financial impact for CUB.

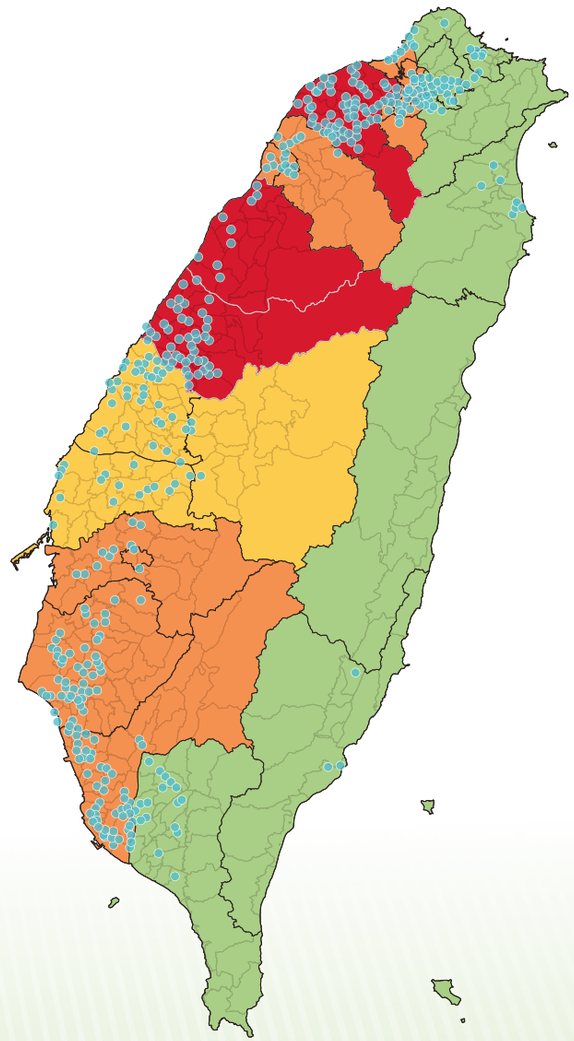
Water Resources: Drought Scenario Analysis

Industry Analyzed	Raw materials industry, technology hardware and semiconductor industry, and consumer staples		
Borrower Type	Domestic Corporate Lending Borrowers		
Scenario Design	SSP1-2.6		
Analysis Timeframes	2020 - 2040	2030 - 2050	2040 - 2060
EL% under Scenario Analysis	0.65%	0.65%	0.64%
Baseline EL%	0.25%		
Increase in EL% due to Physical Risk	0.39%	0.39%	0.39%



Risk Mitigation Strategies

By regularly reviewing the assumptions and data used in scenario analysis to ensure the robustness of risk assessments and estimations. Additionally, the Bank monitors the usage of exposure limits for highly sensitive industries and tracks the status and trends of asset exposures located in regions with high water resource risks.



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2.4.4 Metrics, Targets, and Implementation Results

In response to nature-related issues, the Bank is progressively advancing natural resource management and conservation initiatives, while strengthening nature-related metrics, targets, and management approaches through its operational management, core financial business, and employee engagement. At this stage, the Bank focuses on water resource management, supporting financing projects that generate nature conservation benefits, and organizing environmental initiatives such as beach and mountain cleanups that involve employees, their family members, and suppliers. Through these efforts, the Bank aims to reduce pressure on the natural environment and increase its positive contributions to freshwater resources, ecosystems, and biodiversity.

Water resource management

Nature Target

Water resource management

Short-term Target (2026)

Per-capita water consumption to reach 18.4 m^3

Mid-term Target (2030)

Per-capita water consumption to reach 18.0 m^3

Long-term Target (2035)

Per-capita water consumption to reach 17.5 m^3

Water resources are one of the key natural resources on which the Bank's operations depend and represent a critical area of management within nature-related issues. In response to changes in the water cycle and increasing water stress, the Bank continues to monitor water consumption at its operating sites and seeks to reduce pressure on natural resources by improving water-use efficiency, promoting rainwater harvesting, and strengthening management systems, thereby supporting the sustainable use of freshwater resources. In 2025, the Bank's per capita water consumption was 17.8 cubic meters, achieving ahead of schedule its 2026 target of 18.4 cubic meters per capita. The Bank has also committed to keeping per capita water consumption at no more than 17.5 cubic meters by 2035. To achieve the target, the Bank has implemented the following measures:



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Promoting Financing for Natural Ecosystem Conservation

Through its financing activities, the Bank encourages clients to align with the United Nations Sustainable Development Goals, place greater emphasis on biodiversity, and undertake actions that support natural ecosystem conservation. In 2025, the Bank provided shipbuilding financing for a high-specification ocean research vessel constructed by a shipyard. The vessel features advanced green and energy-efficient technologies, including low-noise operating standards designed to meet underwater noise requirements, thereby minimizing environmental disturbance and reducing impacts on marine ecosystems. It is also equipped with a battery energy storage system and waste heat recovery equipment, which enhance energy efficiency while reducing thermal pollution and carbon emissions. These technical features are expected to contribute positively to marine ecosystem conservation, reduce environmental burdens, strengthen regional marine scientific research capacity, and support the sustainable development of the blue economy.

From Internal Operations to Common Good with Natural Environments:

Supporting SDG 14 "Life Below Water" and SDG 15 "Life on Land" by Conserving and Sustainably Using Marine and Terrestrial Ecosystems, Safeguarding Biodiversity, and Preventing Environment Degradation

Beach Cleanups

Since 2018, the Bank has organized beach cleanups for eight consecutive years, rallying employees, their families, and suppliers to help protect the oceans. To date, the Bank has held more than 22 beach cleanup events across Taiwan. In 2025, four beach cleanups were carried out at Guanyin Coast in Taoyuan, Evergreen Forest in Zhunan, Miaoli, Shalun Beach, and the Bali North Embankment Beach adopted by the Bank, collecting a total of 414 kilograms of marine debris. The Bank also participated in the International Coastal Cleanup (ICC) marine environmental protection initiative by recording the types and quantities of debris collected through beach cleanup data cards and uploading the information to the cloud for expert analysis and monitoring, helping identify sources of pollution.



Mountain Cleanups

To protect local biodiversity, the Bank organized an invasive plant species removal activity and a mountain cleanup in Yangmingshan in 2025. A total of 156 kilograms of Tradescantia fluminensis and other aggressive plant species were removed, creating more living space for native species and sustaining natural vitality.



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Health

- 3.1 Health Promotion
- 3.2 Financial Health



Health is the most valuable asset for humanity and the foundation of social development. Its essence encompasses not only physical health but also the sound development of psychological, social, and economic dimensions. In today's society, people face diverse challenges, including occupational safety, health risks, and financial security. As a major domestic financial institution, CUB operates with caution regarding workplace safety, fully supports the physical and mental health of our employees, and strives to be their strongest support. Simultaneously, we expect to extend the scope of health promotion from ourselves outward, assisting the public in steadily accumulating wealth through providing safe, reliable, and convenient digital financial solutions, thereby realizing the goal of a happy and healthy life and demonstrating our influence in leading sustainable development within the financial industry.

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3.1 Health Promotion

According to the "Healthy Workplaces: a Model for Action" published by the World Health Organization (WHO), workplace health should cover four dimensions: "Physical Work Environment," "Psychosocial Work Environment," "Personal Health Resources," and "Enterprise Community Involvement". The Bank follows the "Cathay FHC Occupational Safety and Health Policy" and regularly promotes health concepts through diverse health-promotion activities. We are committed to creating a safe and healthy work environment, collaborating with contractors to ensure workplace safety, and deepening enterprise community involvement to promote the positive development of overall social health.

Health Promotion - Strategy Blueprint

Strategy | Expand the health ecosystem and promote physical and mental health among the public.

Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ Promote employee health service programs.	**Percentage of employees with a normal BMI (18.5–24)** Note 1	Continue to enhance health-promotion activities and maintain the percentage of employees with a normal BMI at 51% or more.	Continue to enhance health-promotion activities and maintain the percentage of employees with a normal BMI at 53% or more.	
	Percentage of employee mental-health self-assessment satisfaction	Provide effective psychological-support programs to help 80% of employees to maintain physical and mental health.	Provide effective psychological-support programs to help 85% of employees to maintain physical and mental health.	
	Walking steps under the "Every Step Counts" campaign Note 2	Total accumulated steps by Group employees reach 15 billion steps per year.		
	Number of subsidiaries certified to ISO 45001 Note 3	Maintain the validity of ISO 45001 at the Bank.		
	Cancer screening rate Note 1	Cancer-screening coverage among general employees reaches 80%.	Cancer-screening coverage among general employees reaches 85%.	Cancer-screening coverage among general employees reaches 88%.
	Percentage of Group employees attaining FitBack Practitioner level or above	Through health-promotion activities, help the percentage of Bank employees attaining FitBack Practitioner level or above reach 20%.	Through health-promotion activities, help the percentage of Bank employees attaining FitBack Practitioner level or above reach 25%.	Through health-promotion activities, help the percentage of Bank employees attaining FitBack Practitioner level or above reach 30%.
	Percentage of Bank employees completing health expertise training (Dementia-Friendly Angel Training Course)	30% of Bank employees complete the Dementia-Friendly Angel Training Course.	60% of Bank employees complete the Dementia-Friendly Angel Training Course.	90% of Bank employees complete the Dementia-Friendly Angel Training Course.

Note 1: Calculated based on the health check-up rate for general employees, excluding supervisors.
Note 2: A 1-kilometer walk (approximately 1,666 steps) can reduce 0.2367 kg carbon emissions.
Note 3: ISO 45001 is the Occupational Health and Safety Management Standard.

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3.1.1 Occupational Health and Safety Management System

CUB follows the "Cathay FHC Occupational Safety and Health Policy," with the highest goal of "striving to achieve zero harassment and discrimination, zero accidents, and zero disasters." We promote a comprehensive occupational safety organization and system, incorporating current occupational safety and health practices into a systematic management framework. The headquarters building has adopted the ISO 45001 Occupational Health and Safety Management System, aligning with international standards to strengthen management effectiveness. This management system is certified by SGS Taiwan Ltd., valid from January 10, 2026, to January 10, 2029, and is subject to regular annual external audits to ensure continued compliance with standard requirements and the implementation of occupational safety and health management performance.

3.1.2 Occupational Safety and Health Organization

CUB has established the "Occupational Safety and Health Committee" as the highest decision-making body for occupational safety and health. It is responsible for deliberating, coordinating, and recommending matters related to occupational safety and health. The chairperson is the President, and the committee consists of seven members, including labor representatives appointed by the labor union. The Occupational Safety and Health Committee meets quarterly and convened four meetings in 2025. Through joint participation by labor and management, topics such as occupational safety and health policies, risk issues, education and training, health promotion, and disaster statistics are discussed and communicated to ensure that employee' feedback is effectively incorporated into management decisions. In addition, the Bank has appointed "Occupational Safety and Health Personnel" to be responsible for annual goal planning, plan execution, performance tracking, and annual review, collaborate with each unit to implement occupational safety and health initiatives.

3.1.3 Hazard Identification, Risk Assessment, and Management Measures

CUB conducts bank-wide hazard identification and risk assessment every year, carrying out inventories of occupational safety and health hazards, analysis of risk levels, and tracking of improvement plans as the basis for planning preventive measures and emergency response plans. Through a systematic occupational safety risk management process, the Bank protects the employees' physical and mental health, prevents occupational accidents, and continues to build a safe, healthy, and friendly workplace. CUB is classified as a low-risk workplace, and conducts hazard identification based on the characteristics of the financial industry, covering risk types such as physical, chemical, ergonomic, psychosocial, fire, infectious disease, workplace illegal infringement, and maternal health protection. Corresponding management measures are adopted for each risk to effectively reduce the overall risk level.



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Occupational Safety Risk Types and Management Measures

Risk Type	Identification Item	Potential Impact	Risk Level	Management Measures
Workplace Illegal Infringement Risk	Loss of emotional control, verbal abuse, or robbery encountered at the counter	Psychological pressure, workplace violence, personnel harm	High	• Comprehensive installation of surveillance systems and access control; security guards at business locations. • Cooperation with police authorities to establish rapid-response channels. • Establishment of a workplace illegal infringement prevention plan and grievance channels. • Provision of workplace illegal infringement training for current and new employees. • Provision of the Employee Assistance Program (EAP).
Psychosocial Risk	Pressure from customer complaints and business performance	Anxiety, psychological pressure, emotional instability	Medium-High	• Assess stressors annually through an employee mental-health survey. • Require high-risk employees to complete an abnormal workload self-assessment form and conduct risk management. • Hold stress-relief activities and EAP lectures. • Provide the Employee Assistance Program (EAP).
Ergonomic Risk	Long periods of computer work, poor posture, mismatched counter workstation height	Musculoskeletal soreness or disorders	Medium	• Conduct musculoskeletal symptom surveys. • Provide ergonomic chairs, laptop stands, or height-adjustable monitor stands for severely affected areas during the year. • Hold lectures on preventing ergonomic risks.
Fire Risk	Electricity, wiring, or server-room equipment that may cause fire	Property damage, personnel harm	Medium	• Conduct annual fire drills. • Maintain an uninterruptible power supply (UPS) system. • Use smart cabinets to detect abnormalities in the computer-room environmental control system, power outages, and air-conditioning equipment.
Physical Risk	Slips, trips, manual handling, and operation of branch equipment	Sprains, abrasions, accidental injuries	Low-Medium	• Place "Wet Floor" warning signs during cleaning work. • Strengthen awareness through occupational safety training for new employee. • Equip cash-counting machines with anti-entanglement protection devices.
Chemical Risk	Low-level chemical exposure from cleaning agents, copier toner, etc.	Irritating odors, allergic reactions	Low	• Equip copiers with toner-dispersion prevention devices. • Clearly label cleaning products. • Require cleaning staff to wear appropriate protective equipment.
Infectious Disease Risk	Branches are open spaces with contact with a large number of customers	Respiratory infectious diseases	Low	• Strengthen cleaning and disinfection of public areas. • Provide alcohol disinfectant and masks when necessary. • Activate work-from-home or backup-work arrangements according to epidemic levels under the "Bank's Major Infectious Disease Emergency Response Guidelines."
Maternal Health Risk	Physical hazards and work pressure	Psychological pressure, personnel harm	Low	• Install access control, surveillance, and security guards. • Provide a welcome notice for pregnant employees, the Employee Assistance Program (EAP), and on-site physician services. • Set up nursing rooms to provide female employees with necessary support during working hours.

3.1.4 Accident Investigation

CUB has established a comprehensive process for accident reporting, investigation, and improvement to ensure employee health, safety, and business continuity. When an occupational accident occurs, the occupational safety supervisor of the unit immediately initiates the accident reporting procedure, and the General Affairs and Occupational Safety Department coordinates with relevant units to provide necessary assistance and care. If an accident meets the statutory criteria for "Major Occupational Accident, " the Bank reports it on the website of the Occupational Safety and Health Administration of the Ministry of Labor within eight hours and cooperates with subsequent investigations.

If an employee requires surgery, long-term treatment, or may suffer permanent disability due to an occupational accident, occupational safety personnel and medical staff conduct a fitness-for-work assessment as well as subsequent follow-up and care to assist the employee in returning to work with peace of mind. Even if the accident does not reach the threshold of a major occupational accident, the Bank still follows internal procedures to conduct a full accident investigation, hazard analysis, improvement tracking, and effectiveness verification, and reports accident statistics, trend analysis, and improvement recommendations to the Occupational Safety and Health Committee every quarter so as to implement continuous improvement and transparent management and prevent the recurrence of similar accidents.

Occupational Accident Reporting and Investigation Process

Accident Occurrence
- On-site reporting to the unit supervisor and occupational safety supervisor.

Accident Reporting
- Report to the General Affairs and Occupational Safety Department.
- If it is a major occupational accident, report it on the OSHA website within 8 hours.

Accident Investigation and Improvement
- Conduct accident investigation and analysis.
- The General Affairs and Occupational Safety Department proposes improvement plans and asks the unit to implement them.

Ongoing Follow-up
- Track improvement status and verify effectiveness.

Statistical Analysis
- Conduct statistical analysis of accidents
- Report quarterly to the Occupational Safety and Health Committee.

Occupational Accident Classification, Control, and Improvement Measures

LEVEL 1 General accidents (including near-miss incidents)

Definition	Causes no injury or only minor abrasions.
Investigating Unit	Unit supervisor and occupational safety supervisor
Control and Improvement Measures	• Confirm whether there is any unsafe condition on site and improve it immediately. • Confirm whether there is any unsafe behavior by personnel. • Use department meetings for awareness and communication.

LEVEL 2 Moderate accidents

Definition	Such as entanglement, impact injury, falling, or tripping accidents requiring sutures.
Investigating Unit	General Affairs and Occupational Safety Department
Control and Improvement Measures	• Conduct accident investigation and analysis and propose improvement plans, requiring the unit to make immediate improvements. • Track and verify improvement results. • Carry out irregular awareness communications through EDM.

LEVEL 3 Major accidents

Definition	Involving hospitalization, disability, or danger to life.
Investigating Unit	General Affairs and Occupational Safety Department
Control and Improvement Measures	• Report major occupational accidents on the OSHA website. • Conduct accident investigation and analysis jointly with labor union representatives. • Report to the Occupational Safety and Health Committee for follow-up control until improvements are completed. • Carry out related awareness communications through EDM or training.

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3.1.5 Training of Occupational Safety and Health

CUB regularly conducts occupational safety and health training to strengthen employees' awareness of potential risks and ensure that all personnel possess the capabilities required for hazard identification, accident prevention, and emergency response. The Bank has equipped all sites with first-aid personnel, first-aid kits, and Automated External Defibrillators (AEDs) to ensure immediate response and handling when emergencies occur.

To enhance employees' attention to occupational accident prevention, the Bank has promoted the "Unit Zero Occupational Accident Reward Program," which targets teams, strengthens internal communication within units, and encourages teamwork in implementing preventive measures. In 2025, there were 203 zero-occupational-accident units, accounting for 86% of the entire Bank.

To improve employees' first-aid capabilities, a total of 227 AEDs have been installed across all sites in Taiwan. Starting in 2025, each unit of the Bank is required to conduct at least one AED training session every year so that employees become familiar with correct AED operation. In 2025, cumulative first-aid training hours reached 2,082 hours.

Occupational Safety and Health Training Items and Participation in the Past Three Years

Training Item	Participation		
	2023	2024	2025
New Employee Occupational Safety and Health Training	2,122	1,871	2,033
Annual Occupational Safety and Health Training	10,694	11,334	11,157
Occupational Safety and Health Business Supervisor Training	404	300	661
Fire Management Personnel Training	383	50	36
First-Aid Personnel Training	52	79	449

3.1.6 A Good Workplace Environment

CUB is committed to creating a safe, healthy, and comfortable work environment. In accordance with relevant regulations, the Bank regularly conducts workplace-environment and indoor-air-quality measurements covering particulate matter, total volatile organic compounds (VOCs), illuminance, and carbon dioxide concentration. Annual test results serve as the basis for subsequent equipment improvement and environmental management. In 2025, 100% of the test results complied with the requirements of the competent authority. In addition, for drinking-water equipment that is part of a fixed continuous water-supply system, the Bank carries out quarterly water-quality testing. Coliform results all complied with drinking-water quality standards, ensuring the hygiene and safety of employees' drinking water and continuously fostering a healthy workplace environment free from concerns.

3.1.7 Contractor Occupational Safety and Health Management

CUB attaches importance to the management of occupational safety and health risks for contractors and outsourced personnel working at Bank premises. To ensure that contractors comply with the Bank's safety requirements, each unit must complete a contractor qualification review before outsourcing work, assess the contractor's safety-management capabilities, and require the submission of necessary occupational safety and health documents and certificates for occupational safety and health business supervisors. The Bank's occupational safety personnel and engineering management units conduct irregular on-site inspections of contractor operations and, when necessary, perform spot checks and follow up on the rectification of deficiencies to ensure that contractor work complies with safety requirements. In 2025, there were no contractor accidents at the Bank.

3.1.8 Workplace Health Promotion

CUB places great importance on the physical and mental health of its employees. The Chairman and President jointly signed the "Health Self-Management Declaration," demonstrating top management's commitment to promoting a healthy workplace. The Bank is dedicated to creating a supportive, safe, and caring work environment, continuously promoting diverse health-promotion measures, investing necessary resources, and improving workplace factors that may affect employee health so as to shape an all-round culture of occupational "safety and health." Guided by a prevention-first philosophy, the Bank helps employees maintain good health and reduce work-related disease risks by providing professional physician consultation, health-topic seminars, and exercise-promotion activities. At the same time, the Bank expands the social impact of health promotion through activities such as blood donation and influenza vaccination.

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The Bank has continuously responded to the Group's health initiatives, including the Weight-Loss Contest, and the "Every Step Counts", while also proactively promoting diverse health programs such as the Employee Assistance Program (EAP), health seminars, and stress-relief activities. During the year, a total of 780 health-promotion activities were held, with 19,938 cumulative participants, 1,099 hours invested, and spending of NT$45 million. Through concrete actions, the Bank continues to create a safer, healthier, and more wellbeing-oriented workplace so that employees can work with peace of mind, maintain good health, and fully demonstrate their strengths. For the execution results and expenditures of health-promotion programs, please refer to Appendix Table 7.1-13.

3.1.8.1 Physical and Mental Health Assessment Process

CUB has established 7 health centers to provide injured employees with rest and necessary medical care. Following Cathay FHC policy, the Bank regularly provides employees with health examinations. In 2025, the health examination rate for general employees reached 91.9%, and the completion rate for new-employee physical examinations reached 100%.

In accordance with the "Employee Health Check Follow-Up Management Guidelines," the Bank conducts graded health management based on the results of statutory health examination items. Nurses provide follow-up tracking for high-risk groups and, depending on individual needs and willingness, refer them to on-site physicians for professional consultation. In addition, based on statistical analysis of the top three health issues identified from employee examination results and the most severely affected areas identified in musculoskeletal questionnaires, the Bank held 5 physical-health lectures with 277 participants, achieving an overall satisfaction rate of 93.8%.

3.1.8.2 Mental Health Plan and Health Seminars

In addition to using the annual employee mental health survey to identify whether there are any major risk factors in employees' mental health status, the Bank has implemented the Employee Assistance Program (EAP) to further help employees achieve a balance between work and life. When employees encounter distress or feel stressed, a professional team of consultants provides one-on-one professional services to promote mental health and improve work quality. According to the vendor's satisfaction survey of employees who used consultation services, 99% of employees expressed satisfaction with the EAP service. In addition, three mental health-themed lectures were held to address issues that employees frequently used EAP for counseling in the previous year, as well as issues that may affect mental health, such as psychological stress and family communication, to help employees regain inner balance. A total of 218 participants attended, and the overall satisfaction rate reached 96.5%.

EAP Service Content

Service Area	Service Channels
Psychological Consultation, Legal Consultation, Financial Consultation, Management Consultation, Health Consultation	24-hour toll-free 0800 hotline and email reservations; telephone or face-to-face consultation services
Service Platform	**Service Locations**
Free online mental and physical assessment tools (Emotional Quotient, Overwork Scale, Simple Work Stress Scale)	Cooperation with psychological counseling locations throughout Taiwan to provide face-to-face consultation services

According to the requirements of the "Regulations of the Labor Health Protection," we engage three family doctors from Cathay General Hospital to provide on-site services at the Headquarters Building, Information Building, Jianguo Building, Guanghua Building and Guangfu Building monthly. In 2025, the resident doctors provided on-site services in 146 sessions, with a total of 253 employees receiving this service. As our service locations are distributed both domestically and internationally, in addition to the nurse-assessed referral appointments, we provide all colleagues with online resident physician appointments every month, which are available in physical, telephone, and video formats for health consultations. In response to the annually increasing percentage of middle-aged and older employees in the workplace, the Bank has also actively promoted health promotion for middle-aged and older employee groups by inviting professional medical personnel to deliver lectures. A total of 3 lectures were held, with 157 participants. The overall satisfaction rate was 97.4%.

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3.1.8.3 Promoting Employee, Family, and Community Health

CUB recognizes that health is the foundation of both business and society. Therefore, we are committed to organizing various activities to promote the health and well-being of employees, families and the community. Every year, we invest continuously substantial resources and promote a series of health promotion programs, including chronic prescription pick-up services, stress relief craft workshops, parent-child interaction activities and blood donation. The Group also organizes wellness initiatives such as weight-loss and walking challenges, which not only raise employees' health awareness, but also strengthen family and community cohesion, working together to build a healthier, more harmonious society.

To implement the maternal health protection plan for female workers and ensure that employees receive necessary support, the Bank provides parenting gifts for employees and uses questionnaires to assess parenting-related needs so as to provide corresponding assistance measures. In 2025, 141 pregnant employees applied for the "Mommy Care Gift", 153 postpartum employees applied for the "Baby Care Gift", and 77 male employees applied for the "Parent-Child Blessing Gift".

Employee Health Promotion Activities

Weight-Loss Contest

In response to the Cathay FHC Weight-Loss Contest, we held 4 tech-enabled fitness activities to help employees better understand their physical condition.
Together with in-person activities and online live-streamed courses, these activities helped employees cultivate healthy dietary and exercise habits. In 2025, a total of 2,628 employees participated, of whom 2,192 completed the program, with a combined weight loss of 8,407.23 kg.

Brisk Walking

In support of Cathay Life's "Every Step Counts", we launched the "Step into Health, Walk into Happiness!" event to encourage colleagues to exercise through a walking challenge enhanced with a reward mechanism. In 2025, the total number of participants reached 5,039, average daily steps per person reached 6,028, and total steps increased by 117% compared with the previous year.

Sports Activities

To promote the physical health of employees, the Bank regularly organizes sports activities, such as the annual Table Tennis and Badminton Tournament and Cathay Run. Through team formation and incentive mechanisms, employees are encouraged to exercise and maintain good physical health. In 2025, nearly 1,000 people participated in the Table Tennis and Badminton Tournament, and nearly 3,000 employees and their families signed up for Cathay Run.

Stress-relief Activities

Based on annual feedback from employee's stress-relief activity satisfaction questionnaires, we held 5 stress-relief activities across northern, central, and southern regions, including DIY handicraft sessions such as aroma stones, Turkish mosaic lamps, meridian massage, moss-ball arrangements, and outdoor SUP activities, allowing employees to effectively relieve stress outside work. In addition, based on analysis results from the abnormal workload questionnaire (also known as the overwork questionnaire), employees at higher risk were given priority to participate. In 2025, total participation reached 220, with employee satisfaction reaching 100%.

Family and Community Health Promotion Activities

Parent-Child Activities

CUB values work-life balance. In support of the Group's July-October parent-child activities, this year's events were designed around the concept of Better Together and the twin themes of "sustainability and health," guiding children to learn new knowledge and spark creativity through games while incorporating environmental awareness into the parent-child experience journey. In 2025, eight events were held, with 590 participants and an overall satisfaction rate of 99.1%.

Family Group Insurance

The Bank provides employees and their dependents with group insurance coverage that exceeds statutory requirements, taking comprehensive care of the health and well-being of employees and their families. In addition, the Bank provides employee cancer insurance to reduce the economic burden arising from cancer treatment.

Blood Donation Activities

Blood donation promotes circulation and metabolism, benefits employees' physical health, and—most importantly—helps save lives. Continuing our annual corporate blood drive tradition, CUB launched the 2025 campaign under the theme "Cathay Cares, Passion Never Fades," inviting employees, customers, and the general public to participate. A total of 7 events were held across northern, central, and southern Taiwan, resulting in 1,057 successful donations and 1,525 bags of blood collected. The overall satisfaction rate reached 99.4%.
To thank employees for their participation, those who joined the event were eligible to enter a prize draw featuring items such as PlayStation®5, a cordless handheld mite-removal vacuum cleaner, massage vouchers.

Combating the Flu Epidemic

Receiving the influenza vaccine not only prevents severe illness and death but also contributes to herd immunity. In response to the flu season, CUB organizes an annual vaccination campaign, inviting employees and staff from neighboring companies to receive publicly funded flu shots. The initiative encourages employees to prioritize health and preventive care. This year, under the theme "Healthy & At Ease," CUB partnered with the Taipei City Hospital Renai Branch—coordinated through the Xinyi District Health Center—to host 3 vaccination sessions.

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3.1.9 Occupational Accident Statistics

CUB is committed to maintaining a safe, healthy, and resilient workplace and has established a comprehensive mechanism for incident reporting, investigation, and recurrence prevention, including cause analysis, tiered control, and improvement tracking. Incident statistics and improvement results are regularly reported to the Occupational Safety and Health Committee. No major occupational accidents occurred in 2025. In the low-risk financial industry, occupational accidents are predominantly related to commuting to and from work, accounting for approximately 83%. To reduce the risk of commuting accidents, we are promoting the "Motorcycle Self-Maintenance Inspection Reward Project" to encourage colleagues who ride motorcycles to regularly maintain their motorcycles to keep them in optimal operating condition, prevent disasters due to poor motorcycle condition, and raise awareness of driving safety.

In 2025, 595 people participated in the Motorcycle Self- Maintenance Inspection Reward Project, which combined raffles with environmental sustainability. The prizes included an NT$50,000 subsidy toward the purchase of an electric motorcycle for one winner and a total of 100,000 Green Points awarded to 100 winners to encourage environmentally sustainable behavior. For detailed occupational accident statistics, please refer to Appendix Table 7.1-12.

3.2 Financial Health

According to the definition of the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), financial health consists of four elements: day-to-day financial management, financial planning, resilience to financial risks, and financial confidence. Through diversified financial products and services, Cathay United Bank responds to these four elements and practices the value of financial inclusion. With the goals of becoming "the best guardian of customers' assets" and "a Taiwan Financial Inclusion Benchmark Enterprise," the Bank implements financial health through the following four aspects:



Anti-Fraud Protection

Promoting anti-fraud measures and anti-fraud awareness so as to help customers avoid being affected by fraudulent activity.



Digital Transformation and Innovation

Promoting digital transformation and innovative products so that customers can enjoy convenient one-stop digital financial services, access convenient financial-planning tools to make healthy financial decisions, manage their finances effectively, and use trusts to protect their assets.



Inclusive Finance

Improving the resilience of micro-enterprises, SMEs, social enterprises, and other diverse groups against financial risks while enhancing the convenience of using online digital services and expanding the usability and accessibility of financial services.



Financial Education

Promoting financial education to raise public financial awareness, help people make more rational financial decisions, strengthen their financial resilience and confidence, and support a confident and happy life.

Through the services above, Cathay United Bank hopes to strengthen customers' financial health capacity and build a solid foundation for a secure society.

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Strategy | Leader in Comprehensive Wealth Protection

Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ 1. Support the public throughout their financial decision-making journey by helping them understand their financial health and providing appropriate products, planning tools, and assessment services to enable sound financial decisions. ⊕ 2. Support financial health through the power of compounding over time by encouraging customers to make regular fixed-amount investments, thereby increasing both the number and proportion of wealth management customers participating in such plans.	Number of senior customers who entrust their assets to the Bank for management	2.0157 million customers	2.5931 million customers	3.5528 million customers
	Average AUM per senior customer entrusting assets to the Bank for management	NT$784,500	NT$917,700	NT$1,116,500
	Customer satisfaction and willingness to recommend	At least 40% of customers give a satisfaction rating of 8–10		
	Cumulative number of customer uses of the Financial Health Assessment tool through the dedicated Financial Health section	350,000	1 million	2 million
	Number of users of the goal-based financial planning tool on the Bank's website, which helps customers develop feasible investment portfolios based on different goals	50,000	60,000	80,000
	Number and proportion of wealth management customers using regular fixed-amount investment plans to support financial health through long-term compounding	188,000 customers; at least 45% of wealth management customers	220,000 customers; at least 50% of wealth management customers	268,000 customers; at least 50% of wealth management customers
⊕ Integrate technology and innovative anti-fraud solutions to implement fraud identification, prevention, and interception measures	Number of new anti-fraud initiatives launched in coordination with the public sector or independently in response to evolving fraud schemes	At least 2 initiatives	At least 1 initiative	
	Annual investment in anti-fraud initiatives (including personnel, training, and system resources)	At least NT$30 million		At least NT$20 million
	Annual reach of fraud prevention education and awareness initiatives	To promote anti-fraud education and awareness among customers, with a target annual outreach of 20 million person-times.		
	Year-over-year decline rate in failed interceptions for fraud cases involving losses over NT$1 million	5% year-over-year decline in the monthly average number of failed interceptions in fraud cases involving losses over NT$1 million (i.e., cases not reported to the police)		
	Strengthen fraud prevention mechanisms for online credit card transactions and improve the 3DS fraud prevention rate	>60% per year	>62% per year	>65% per year
⊕ Develop diversified trust products and services to help customers safeguard their assets and fulfill their wishes to care for themselves and their families	Annual number of beneficiaries using diversified trust products or services to safeguard their assets	46,000 people; at least 2 innovative products/services	58,000 people; at least 4 innovative products/services	73,000 people

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Strategy | Become the most inclusive financial benchmark in Taiwan

Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ Leverage smart technology to enable real-time customer service through intelligent assistant functions, helping customers promptly address their needs and issues, while expanding inclusive digital financial services unconstrained by geography	**Annual number of customer service requests handled through the intelligent assistant**	13 million	15 million	17 million
	Issue resolution rate of the intelligent assistant in responding to customer inquiries	94%	95%	
⊕ Emphasize customer digital experience by applying techno-logical innovation to improve digital self-service adoption and accessibility among specific customer segments, thereby narrowing the digital divide	**Cumulative number of people served through financial service stations; annual service days in underserved areas**	Achieve a cumulative total of 200,000 service engagements. Deliver 360 service days through financial outreach points in underserved areas during the year.	Achieve a cumulative total of 350,000 service engagements. Deliver 500 service days through financial outreach points in underserved areas during the year.	Achieve a cumulative total of 500,000 service engagements. Deliver 800 service days through financial outreach points in underserved areas during the year.
	Digital self-service adoption rate among seniors and persons with disabilities	Ages 55 and above: 36% People with disabilities: 50%	Ages 55 and above: 37% People with disabilities: 51%	Ages 55 and above: 42% People with disabilities: 56%
⊕ Provide accessible microfinance services to help young people develop sound investment habits and build initial wealth	**Number of young customers with limited disposable income participating in regular fixed-amount mutual fund investments of up to NT$6,000 per month**	13,100 people	16,000 people	20,400 people

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Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ Provide financing and online digital fund management services for resource-constrained SMEs to enhance their economic resilience	**Total SME lending balance and number of supported SME borrowers**	Outstanding loan balance reaches NT$365 billion; number of supported borrowers reaches 5,480	Outstanding loan balance reaches NT$370 billion; number of supported borrowers reaches 5,550	Outstanding loan balance reaches NT$373 billion; number of supported borrowers reaches 5,600
	Annual number of new borrowers and new loan amount for preferential loans tailored to the operational and development financing needs of different types of small businesses under the Franchise Owner Financing Program and Supplier Financing Program (added in December 2023)	12 new borrowers; new loan amount of NT$120 million	14 new borrowers; new loan amount of NT$140 million	16 new borrowers; new loan amount of NT$160 million
	Annual number of new borrowers and new loan amount under the social enterprise support program launched in partnership with the Taipei City Government	1 new borrower; new loan amount of NT$1.92 million		
	Number of micro and small enterprise customers using fast and convenient corporate online banking services to transfer funds anytime and anywhere and conduct transactions such as deposits, remittances, and financing without visiting a branch	Monthly average reaches 8,600	Monthly average reaches 11,000	Monthly average reaches 14,000
	Cumulative number of payroll accounts using the TaiYouXin service, which helps micro and small enterprises digitalize payroll disbursement, reduce processing time, and improve operational efficiency	Cumulative number reaches 4,500	Cumulative number reaches 5,500	Cumulative number reaches 7,000
⊕ Expand the impact of financial education through diversified channels and easy-to-understand approaches to enhance financial literacy among the public and specific groups	**Annual views of online introductory financial education videos**	Annual views reach 2.88 million	Annual views reach 5 million	Annual views reach 5 million
	Annual number of participants and sessions of financial education programs for specific groups, such as youth, seniors, and schoolchildren in underserved areas	Maintain 10 sessions and 100 participants per year for schoolchildren in underserved areas		

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3.2.1 Anti-Fraud Guard Network

As a Domestic Systemically Important Bank (D-SIB), the Bank has taken on the responsibility of building a fraud-prevention protection network. Through online monitoring of new forms of criminal behavior, strengthened cash-flow management, enhanced information-security protection capabilities, and the integration of offline customer-service resources, we have built all-round anti-fraud strategies and technologies to safeguard the security of everyday financial transactions. We go further by actively improving the public's awareness of fraud so as to reinforce the first line of defense against scams.

Under the leadership of the President, the Bank has established a cross-departmental Anti-Fraud Taskforce that brings together expertise from different departments to build a sound anti-fraud governance structure. With an integrated anti-fraud mindset, the Bank has mapped out an anti-fraud blueprint, formulated comprehensive anti-fraud strategies and management objectives, and, by leveraging the "Cathay Shield"—which integrates data technology and staff empowerment—has established a joint defense mechanism spanning the four pillars of Knowledge Shield, Technology Shield, Care Shield, and Alliance Shield. This mechanism strengthens the Bank's ability to identify and intercept fraud. The Anti-Fraud Taskforce regularly reports progress to the Anti-Money Laundering and Countering the Financing of Terrorism Committee and the Treating Customers Fairly Committee to evaluate anti-fraud effectiveness and continuously refine anti-fraud strategies.

To encourage all units to proactively block fraud, the Bank has established special reward programs for the successful interception of fraud cases in addition to its existing reward rules. Employees who successfully block fraud are regularly recognized. In 2025, employees received a total of 8,793 recognitions for their successful fraud prevention efforts.

According to statistics from the National Police Agency of the Ministry of the Interior, the Bank ranked among the industry's top performers in the total amount of fraud successfully blocked at the counter in 2025. Through practical action, the Bank protects customers from financial losses, gradually builds a comprehensive omni-channel anti-fraud awareness strategy tailored to audiences of different ages, and enhances vigilance against fraud across society. The Bank also continues to introduce protection mechanisms from the perspective of victims, laying a foundation for further strengthening account security and customer protection mechanisms.

Looking ahead to 2026, the Bank will further strengthen anti-fraud measures and is committed to building a comprehensive anti-fraud ecosystem. This includes achieving cross-institutional joint anti-fraud capability through exchanges of experience and resource sharing among financial institutions, thereby accelerating identification of and responses to fraud patterns, as well as cooperating with the public sector to strengthen data-capture effectiveness based on actual fraud cases. Through such cooperation, the Bank will not only enhance its ability to identify potential criminal cases but also create a safer financial environment for customers.

In addition, the Bank continues to pay close attention to the potential of AI as a tool to support risk-control manpower and improve efficiency. Going forward, the Bank will continue to deepen the digital security network together with customers, industry peers, and regulators, becoming a fortress that safeguards assets and a trusted digital-finance partner for customers.

2025 Performance

Online Platform

- Effectively handled and removed 11 counterfeit websites and social media accounts.

Credit Card Transactions

- Successfully blocked abnormal transactions totaling NT$677 million.
- Blocked 3,241 suspicious cards.
- Successfully intercepted 45,927 unauthorized transactions.
- The early-warning detection rate was on average approximately 38% higher than that of peers.

Deposit & Remittance

- Successfully intercepted 4,374 fraud cases at the counter, with a cumulative blocked amount of NT$3.124 billion.
- Set abnormal-control rules for 45,435 accounts and blocked abnormal cash flows totaling NT$4.748 billion.

Educational Campaigns

- Cumulative anti-fraud education and outreach exceeded 69.9 million person-times for the year.

Note: The 2025 performance data is based on the Bank's internal statistics as of December 31, 2025.

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Cathay Shield
Four-pronged Joint Defense Mechanism

Knowledge Shield

- In 2025, the Bank extended fraud awareness education to younger audiences by signing a tripartite memorandum of understanding (MOU) with the National Police Agency of the Ministry of the Interior and the K-12 Education Administration of the Ministry of Education. Together, the parties launched the "Report Online, Call 165, Speak Up" anti-fraud program for schoolchildren, developing age-appropriate anti-fraud teaching materials for elementary school teachers nationwide. The program aims to strengthen children's understanding of the rule of law and self-protection skills, thereby reducing the risk of fraud targeting children and youth. More than 100 anti-fraud awareness sessions were delivered on campuses throughout the year.
- The Bank also partnered with the iconic Taiwanese snack brand Kuai Kuai to launch the limited-edition "Cathay United Bank X Kuai Kuai Anti-fraud Co-branded Pack." Featuring a blank face design on the packaging for consumers to draw on creatively, the campaign served as a reminder that fraudsters may appear in many different guises and encouraged the public to remain cautious when encountering unfamiliar information. In addition, the Bank launched the online "Anti-fraud Readiness" quiz. Through both online and offline outreach, as well as engaging and educational activities, the initiative helped reinforce anti-fraud awareness and improve the public's ability to recognize fraud.
- The Bank released four short videos under its "Technology for Security Protection" series, which accumulated more than 1.7 million views.
- Through its owned media channels, including EDM, Facebook, and LINE, the Bank shared information on fraud schemes and anti-fraud awareness, reaching more than 25 million impressions.
- In 2025, the Bank held a total of 418 anti-fraud awareness events, including 10 online events, with total participation exceeding 79,000.

Technology Shield

- Established monitoring rules based on common suspicious or clearly abnormal transaction patterns published by the Bankers Association, and issued alerts through system controls and abnormal account detection reports.
- Strengthened the identification of impersonation and fraud risks in application cases through the fraud detection system.
- Continued to monitor suspicious credit card transactions in real time through the early warning detection system and a 24-hour professional team, activating investigation and interception mechanisms. When impersonation fraud is suspected, the Bank proactively suspends credit card transactions and blocks abnormal merchants to prevent fraudulent card use.
- Leveraged technology to prevent and detect fraudulent activities.

Precautions Beforehand

- ✓ Procured internationally recognized real-time detection and takedown services for fraudulent impersonation websites. In 2025, the Bank also developed its own AI-Powered Online Bank Impersonation Detection System, combining automated web crawling with image and text recognition technologies to expand detection coverage and enhance monitoring effectiveness.
- ✓ Regularly collected dark web intelligence and, upon identifying any leakage of customer information, immediately implemented corresponding protective measures. The Bank also introduced digital signatures for emails sent to customers to ensure that email content has not been spoofed or tampered with.
- ✓ Partnered with Cathay Century Insurance to launch "Account Security Insurance." CUBE App users who complete the security settings required under the "Account Security Checkup" can enjoy enhanced protection and become eligible to participate in the "Account Security Insurance" program, making their digital financial experience more secure and reassuring.
- ✓ The CUBE App's "Card Security Lock" feature allows customers to flexibly set transaction time, location, type, and single-transaction amount limits according to their needs, effectively protecting the security of credit card and debit card transactions. The "SMS Inbox" feature helps customers verify messages in real time and quickly identify official SMS messages sent by the Bank.
- ✓ Introduced the FIDO2 biometric authentication mechanism into the online card payment verification process. By leveraging public-private key encryption, biometric recognition, and the Client to Authenticator Protocol (CTAP), the Bank enhances transaction security and helps prevent fraudulent card use through phishing and remote device manipulation.
- ✓ Enhanced the security of in-app Apple Pay card provisioning in the CUBE App by requiring credit cardholders to complete "device binding" through mobile phone number verification or ATM verification before proceeding with card linking, thereby preventing unauthorized enrollment of their cards into mobile payment services.
- ✓ Strengthened protection mechanisms for card linking within merchant apps by introducing mobile phone number verification and real-time card-linking alerts to ensure that the cardholder is the person performing the action.

Responses Afterwards

- ✓ Conducted daily real-time analysis of transaction patterns in fraud and unauthorized card use cases, and continuously refined and optimized detection rules to improve the accuracy of the early warning detection system.
- ✓ Continuously adjusted detection rules within the 3DS verification system, monitored abnormal transactions in real time on a daily basis, and blacklisted merchants and device IP addresses involved in fraudulent activity to block online verified transactions.
- ✓ Introduced Cathay Shield's real-time risk detection mechanism to accurately monitor abnormal fund flows and shorten the time gap between suspicious account activity and the Bank's account restriction measures.
- ✓ Built an "Abnormal Fund Flow Exploration Platform" that combines big data and visualization modules to lower technical barriers, enabling anti-fraud analysts without engineering backgrounds to quickly perform pattern modeling and rule testing. This accelerates the adjustment and deployment of risk control strategies and strengthens the defense system's ability to evolve continuously.
- ✓ Applied breakthrough federated learning technology through the "Finshield" project, enabling financial institutions to collaboratively train technology-based anti-fraud models without exchanging personal data. This helps identify new fraud patterns, expand detection coverage, and effectively address the data silo challenges faced by financial institutions.

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Cathay Shield
Four-pronged Joint Defense Mechanism

Care Shield

- All employees are required to complete anti-fraud awareness training.

"Fraud Identification and Prevention Workshop" training program

- ✓ Enhances employees' professional knowledge and anti-fraud awareness in handling abnormal situations at branch counters across all 165 branches.
- ✓ Covers the Bank's key control procedures and tools, fraud scenario analysis, techniques for asking follow-up questions with care and vigilance, as well as case studies and drills.

Branch Operations Management Monthly Meeting

- ✓ Provides reminders on key follow-up questions based on the analysis of warning patterns and fraud scenarios.
- ✓ Reviews and analyzes fraud cases in which interception at the counter was unsuccessful, with the aim of strengthening the depth of customer follow-up and inquiry.

Communication guidelines for high-risk businesses / transactions

- ✓ Developed the "KYC Communication Guide for High-risk Business Services" and the "High-risk Transaction Counter Communication Guide" to provide practical inquiry techniques for different scenarios.

Fraud alerts and anti-fraud cases sharing

- ✓ Regularly issues the latest fraud alerts and shares exemplary fraud prevention cases for reference.

- Each branch has designated anti-fraud champions and established an internal reporting group, "C_Team Anti-fraud Vanguard." When branch staff identify unusual circumstances during customer applications or over-the-counter transactions, such as suspected victimization or fraud, they may, depending on the situation, contact the customer's family members or local police officers to provide assistance. Anti-fraud champions are required to report over-the-counter interception cases in the group, enabling the real-time sharing of case information and handling approaches across branches, promoting cross-branch communication and collaboration, and strengthening the Bank's overall anti-fraud response capabilities.
- The operating guidelines for deposit and remittance services require strict implementation of identity verification and customer due inquiry. Account opening procedures must be completed in accordance with the checklist, item by item. When handling applications for automated service items, staff must understand the purpose and reasonableness of the customer's transactions, conduct enhanced KYC checks based on the checklist, and record the results. Relevant review items have also been incorporated into internal self-inspection procedures to highlight key control points and assess the effectiveness of implementation.
- The Bank established a user risk rating detection module and prioritized its application in the review process for high-risk business applications. Enhanced customer due inquiry is conducted for medium- and high-risk users.
- The Bank has established relevant handling procedures for accounts suspected of being used by someone other than the account holder and implemented corresponding control measures.

Alliance Shield

- Collaborated with Cathay Financial Holdings (Cathay FHC), the Ministry of Justice Investigation Bureau, the Criminal Investigation Bureau, the Taiwan High Prosecutors Office, and local district prosecutors offices to share anti-fraud intelligence.
- In 2025, the Bank signed memorandums of understanding on a suspicious financial accounts analysis project with three district prosecutors offices-Taipei, Ciaotou, and Shilin-establishing a real-time notification mechanism for suspicious financial accounts to strengthen fund flow monitoring and risk alerts.
- Partnered with the National Police Agency of the Ministry of the Interior and the K-12 Education Administration of the Ministry of Education to sign a tripartite memorandum of understanding (MOU) and jointly launch the "Report Online, Call 165, Speak Up" anti-fraud program for schoolchildren.
- Participated in anti-fraud forums organized by the Criminal Investigation Bureau and local police departments to exchange views on identifying fraud schemes and suspicious fund flows, thereby jointly enhancing anti-fraud capabilities.
- In 2025, branches reported more than 4,500 cases in which local police officers were contacted to provide on-site assistance after customers were suspected of being defrauded or involved in fraud.
- For suspected credit card fraud cases, designated investigators promptly compiled information on abnormal accounts, transaction trails, and related evidence, and worked with peer institutions to gather similar cases and swiftly report them to police authorities for analysis and investigation. This helped disrupt fraud chains at an early stage and prevent cases from escalating. A total of 162 such cases were recorded in 2025.

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3.2.2 Digital Transformation and Innovation

The Bank, with a strong customer-oriented mindset as its core value, remains committed to providing innovative financial services that are flexible, autonomous, and digitally empowering. Through digital transformation, data analysis, technological application, and cross-departmental collaboration, the Bank seeks to create more advanced, convenient, and customer-centric financial services and products. Our goal is to evolve into a technology company that provides financial services, a vision reflected not only in technological innovation but also in our focus on delivering an outstanding user experience. We firmly believe that by integrating digital technology with financial services, we can respond more closely to customer needs and bring users more convenient, efficient, and satisfying financial experiences.

Amid the trend in which digital finance has become imperative, Cathay United Bank has adopted the brand spirit of the all-new CUBE—"Using technology to make financial life safer and simpler." Starting from customers' daily-life needs and putting customers at the center, the Bank has launched intelligent wealth-management services, built autonomous and flexible financial services, and provided customers with richer, more autonomous, and more diverse financial experiences.

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

The CUBE App integrates a wide range of financial services so that users can experience convenient, one-stop digital finance. Through the CUBE App, users can access various convenient and secure transfer services, apply online for TWD, foreign currency, and securities accounts, switch CUBE card benefit plans, set exchange-rate alerts for online foreign exchange, set up regular investments (funds, Taiwan and U.S. stocks, and intelligent investing), check insurance information, and apply for loans. Through one app, customers can enjoy comprehensive digital financial services from Cathay United Bank, Cathay Securities, Cathay Life Insurance, and Cathay Century Insurance. By integrating online digital finance with offline physical branches, the Bank meets service needs from omni-channel to omni-customer service while taking into account different customer types and providing more appropriate and thoughtful personalized service experiences.

The mechanism for switching CUBE credit card benefit plans is an industry first. Users can switch benefit plans once a day through the CUBE App and enjoy consumption rewards from designated merchants under the selected plan. In addition, the Bank has built a highly flexible and visual coupon mechanism within the CUBE App. Personalized coupons for TWD, foreign currency, debit cards, and credit cards are launched from time to time, enabling customers to automatically enjoy reduced cross-bank transfer fees, foreign-exchange discounts, or credit card rewards after claiming coupons in the app, thereby creating a win-win situation for customers, merchants, and the Bank.

This year, the number of digital users exceeded 7 million, and the number of users utilizing financial services through the CUBE App and CUBE online banking exceeded 40 million per month. The CUBE App and CUBE online banking have been widely recognized for their efficiency and convenience. In 2025, the Bank won eight major awards in the digital-service field from overseas evaluation institutions, including Asian Banking & Finance awards such as Debit Card Initiative of the Year, Mobile App Award, and Customer Experience Solution Award, as well as four awards from The Stevie Awards and the Taiwan awards under The Asian Banker Excellence in Retail Financial Services and Technology Innovation 2025.

The Bank continues to launch new functions and strengthen login and transaction security to build a comprehensive security-check system that protects users.

New Features to Be Launched in 2025 for CUBE App and CUBE Web

IDO (Fast Identity Online) small-amount transfer	Introduces biometric authentication in line with international FIDO standards to support fingerprint and facial recognition for fast small-amount transfer services, providing a seamless and secure transaction experience.
Account Security Insurance	As digital finance becomes more widespread, online phishing and fraud schemes continue to evolve. To strengthen the security of digital services, Cathay United Bank has partnered with Cathay Century Insurance to launch the innovative "Account Security Insurance" program. CUBE App users who complete the "Security Checkup" under the "More > Security Checkup" menu and fulfill all 10 security settings across four categories can establish a more comprehensive protection mechanism and become eligible to participate in the "Account Security Insurance" program. The first 45,000 eligible applicants may receive up to approximately NT$ 16,000 in coverage.
Bond subscription for special-pricing products	To enhance customer experience and transaction convenience, a new bond subscription function will be launched, allowing customers to subscribe to wealth management products directly through digital channels.
Conversational search (CUBE Search)	After users enter text in the search bar on the CUBE App, the Bank uses natural language understanding to identify customer needs and guide them directly to the relevant function page in the app to complete the intended action.

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3.2.2.2 Financial Service Stations Breaking the Limitations of Time and Location

Upholding the original intention of allowing finance to actively enter daily life and implement financial inclusion, the Bank has partnered with PX Mart to establish Cathay United Bank Financial Service Stations. These stations break the limitations of traditional bank business hours and locations by extending service hours to 9:00 PM. Through a highly mobile service model, financial services are extended to areas in Taiwan where financial institution penetration is relatively low. In-person services include account-opening applications, promotion and consultation for digital services, credit card applications and benefit inquiries, as well as consultation and guidance on automated equipment.

By entering residential, industrial, and commercial areas, the Bank observes differences in financial needs among various communities and actively extends services to regions with lower branch density. As of the end of 2025, Financial Service Stations had visited 194 townships across Taiwan, including 40 areas identified by the Banking Bureau as regions requiring an increase in the number of financial branches, serving more than 175,000 people and bridging gaps in financial accessibility. This initiative has been recognized by the Financial Inclusion Award at the 11th Elite Awards and the TCSA Taiwan Sustainability Action Awards.

3.2.2.3 Trust for Happiness and Security

CUB has long been a leader in the trust services industry and is the only financial institution in Taiwan to have received recognition for trust services at the Elite Awards six times. Through in-person seminars and 24-hour online booking services for trust consultations, CUB's professional trust services team reaches out to enterprises, hospitals, care institutions, and local communities to promote the use of trusts as a means of safeguarding financial security and protecting the well-being of individuals and their families. 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 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 2025, we held a total of 49 in-person outreach sessions.

In line with the Trust Association's "Village Office Trust Promotion Program" and "Trust Outreach Program," promoted the importance of trusts and how they can be used to safeguard personal assets, based on the concepts of "asset protection, daily living support, and risk avoidance"

8 sessions

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.

3 sessions

Shared practical trust planning experience with students from Soochow University and National Chengchi University.

2 sessions

Promoted trust concepts and applications to the Taipei Bar Association, senior health industry expos, and other groups.

36 sessions

In addition, CUB and Cathay Life jointly launched the "cross-selling activities of insurance claims trust", becoming the first financial institution in Taiwan to integrate the resources of a financial holding company to provide "cross-selling activities 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.

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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 pre-established trust with a set-up fee of less than NT$1,000. By the end of 2025, there were 302 effective beneficiaries and trust property totaling $2.418 billion(TWD) for the elderly and the disabled trust. Among every 10,000 individuals who have opened various deposit accounts, an average of 5.05 people have set up the trust. The principal balance of Elderly Care Trust accounts for 0.3% of the total principal balance across all trust businesses involving cash, real estate, and securities.

Insurance Claims Trust

Insurance products provide policyholders with a basic safety 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-established 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 Elderly Care 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 270 active players participated in the program, with the trust property exceeding $185 million(TWD) as of the end of 2025.

3.2.3 Financial Inclusion

The UNSGSA noted that "financial inclusion is an enabler and accelerator of broad-based economic growth and resilience, improved financial health, job creation, and development." Financial services should be accessible to everyone, rather than limited to specific groups. Recognizing the critical role of financial inclusion in advancing broad-based social development and enhancing economic vitality, CUB is committed to introducing a diverse range of financial products and services tailored to the needs of different sectors of society and customer groups through innovative and inclusive strategies. In doing so, the Bank seeks to foster a people-centered financial system and enhance public well-being.
To improve the accessibility and convenience of financial services, the Bank continues to innovate and is committed to creating a friendlier and more convenient financial environment for customers with diverse backgrounds and needs. CUB firmly believes that through continuous innovation and inclusive efforts, it can realize true financial inclusion, promote balanced and harmonious socioeconomic development, and work together with customers and all sectors of society to build a better future.

3.2.3.1 Support the Development of Social Enterprises and Small and Medium-sized Enterprises

CUB has partnered with the Taipei City Government on the "Social Enterprise Preferential Financing Program." Through its collaboration with the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, the Bank provides qualified social enterprises with direct guarantees and low-interest loans to help them obtain the working capital necessary for their operations. This program not only encourages social enterprises to address social issues proactively through business models and expand their social impact, but also demonstrates the active role that financial institutions can play in fulfilling their social responsibilities.
In addition, the Bank has established key performance indicators (KPIs) for both the number and amount of loans extended to small and medium-sized enterprises (SMEs), including micro-enterprises. It has also launched a series of preferential microfinance loan programs for small enterprises, covering supplier financing and franchise owner loans, to meet their diverse operational and development needs. These loan programs, specifically designed for small enterprises, not only offer more favorable lending terms but also effectively ease their financial burden, thereby supporting their growth and development.
As of the end of 2025, the cumulative amount of approved loans under the Social Enterprise Preferential Financing Program had reached NT$92.88 million, benefiting 19 social enterprises. Meanwhile, the Supplier Financing Program also delivered significant results,

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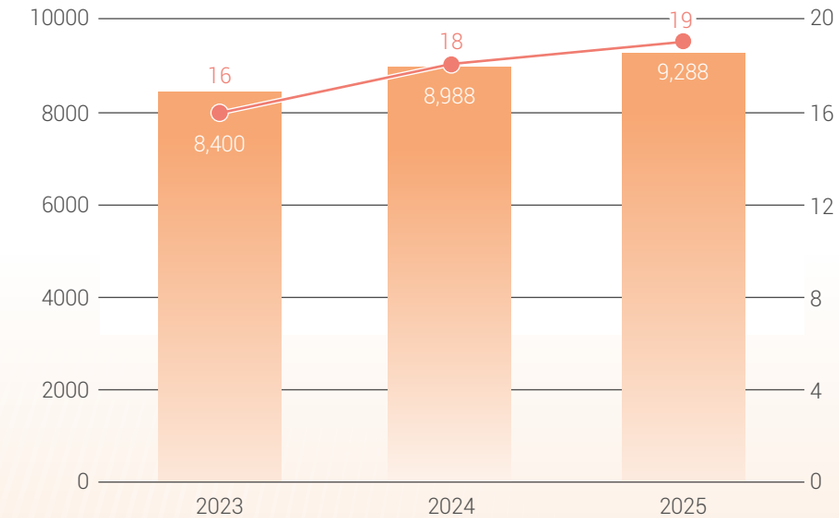
with 89 approved loan accounts and an outstanding loan balance of NT$360 million. These achievements fully demonstrate the Bank's proactive efforts in advancing financial inclusion and supporting the development of social enterprises and SMEs.

Meanwhile, to support the development of Taiwan's cultural and creative activities and industries, the Bank continued in 2025 to provide financing under the "Loan Program for Strengthening the Upgrading and Transformation of Cultural and Creative Industries" to one corporate client. The application was reviewed and approved by the Taiwan Creative Content Agency, met the program's eligibility requirements, and completed the procedures for receiving the relevant subsidy.

Through the successful implementation of these programs, CUB has not only deepened its support for enterprise development, but also demonstrated through concrete action that financial institutions can play a key role in promoting economic growth and social progress. Looking ahead, the Bank will continue to explore and develop more innovative financial solutions to meet a broader range of societal needs and further advance financial inclusion.

Social Enterprise Preferential Financing Project Results



3.2.3.2 Promoting Innovative and Customer-Friendly Financial Services

In order to promote the concept of sustainable investment, the Bank has specially designed ESG funds and themed webpages, aiming to cultivate sustainable investors. With detailed website content guidance, the number of investors in ESG funds has exceeded 23.2 thousand with a total investment scale of NT$13.56 billion. Additionally, the number of users using our target-based financial planning tools for retirement planning has reached 448 thousand times. On the website, we emphasize, "Your choice is the driving force for a sustainable planet, riding with the world towards an environmentally friendly and sustainable future," encourage more people to join ESG investments and create a green future together.

CUB places great importance on fair treatment of customers, financial consumer protection, and accessible financial services. To ensure the effective implementation of its financial accessibility initiatives, the Bank has designated the Digital Banking Development Department as the coordinating unit responsible for overseeing related efforts. The department actively plans and promotes the Bank's accessible financial services, fair treatment of diverse customer groups, and related measures, and regularly reports the progress of implementation to the Board of Directors for oversight. Through these efforts, the Bank seeks to provide customers with appropriate products and services, as well as a more comprehensive financial experience and stronger protection.



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3.2.3.3 Promoting Inclusive Financial Services to Diverse Communities

CUB recognizes the importance of accessibility and convenience in financial services to meet the needs of various customer groups. Therefore, we actively introduce a series of friendly financial initiatives and measures to create comprehensive and inclusive financial environment.

Visually Impaired Individuals

- Accessible online banking services: Provide 11 services, including pre-designated NTD transfers, account statement inquiries, and changes to user IDs and online banking passwords.
- Accessible webpages: Provide 6 services, including NTD deposit interest rate inquiries, foreign currency deposit interest rate inquiries, and real-time exchange rate inquiries.
- Voice-guided ATMs for visually impaired users: Enable visually impaired customers to independently complete transactions such as cash withdrawals and transfers by following voice instructions. As of the end of 2025, the Bank had installed 1,110 ATMs accessible to visually impaired users, an increase of 243 from 2024, representing growth of approximately 28% and accounting for 20.2% of the Bank's total ATM fleet.
- CUBE Touch Card (Debit Card): Special design with a circular notch on the edge and the embossed characters of CUBE on the front, making it easier for visually impaired users to identify the card.
- Accessible webpages and accessible online banking certified at AA level: Both the accessible website and accessible online banking platform have obtained AA-level accessibility certification marks. They provide commonly used webpage content with clear landmarks and easy-to-read layouts, as well as visible keyboard focus indicators to meet the needs of visually impaired users. Access keys have also been configured to enable users to quickly navigate form elements on webpages by using keyboard shortcuts.

Hearing Impaired Individuals

- On-site and video sign language interpretation services: The Bank works with the Taiwan Sign Language Interpreter Association to provide sign language interpretation services for customers with hearing impairments. Requests may be made to the Association by phone or email at least 24 hours in advance, and customers may choose either on-site or online sign language interpretation services. This helps ensure that customers with hearing impairments have full access to basic rights, equal treatment, and reasonable accommodation in financial services.
- Online customer service QR code displayed on ATM standby screens: A QR code for online customer service is displayed at the bottom of the ATM standby screen, allowing customers to scan it instantly and report issues through text-based customer service, thereby enhancing accessible and inclusive financial services.

Language-friendly services

- ATM multilingual service zones for New Southbound customers provide six language options-English, Japanese, Korean, Thai, Vietnamese, and Indonesian-and five service functions: cash withdrawal, deposit, transfer, PIN change, and balance inquiry, in support of friendly and inclusive financial services.
- Bilingual agreements and forms for lending services are provided.

Customers with intellectual disabilities

- Provide an easy-to-read guide produced by the Bankers Association for deposit account opening procedures, along with a dedicated QR code for the Bank's pre-set contract services.
- When customers have difficulty expressing their intentions, and where there is no concern regarding legal capacity, services may be handled in accordance with internal operating procedures and relevant witness arrangements, depending on business needs.
- When customers are unable to visit a branch in person to handle banking services, they may authorize another person to act on their behalf or have a branch staff member provide off-site assistance. For customers under guardianship or assistance orders, the guardian or assistant may accompany them to the branch to complete the procedures.
- Customers with disabilities may apply for a waiver of ATM interbank withdrawal fees. Holders of a disability handbook or certificate may apply to designate one account eligible for up to three fee-free ATM interbank withdrawals per month.

Customers with physical disabilities

- All branch entrances are equipped with service bells at accessible heights. Except for a small number of branches undergoing renovation, the remaining branches are equipped with priority service counters featuring lower counter heights and wheelchair-accessible space.
- Insurance services can be handled remotely by phone, reducing inconvenience for customers with limited mobility.
- All branches provide loan services. For customers who are unable to sign their name due to disability, documents such as the "Notice of Loan Terms" and the "Agreement" are sent by mail or delivered in person.
- All of the Bank's ATMs are designed to meet the operational needs of wheelchair users, including the following features: the maximum height of the reachable operating area is 122 cm, with a depth not exceeding 25.5 cm; the maximum height of each operating interface does not exceed 110 cm, with a depth not exceeding 35 cm; and the card slot, cash withdrawal/deposit slot, and keypad are all positioned at a height of no more than 110 cm.
- The Bank's official website service locations page provides information on accessibility facilities at each branch and sub-branch.

Middle-aged and Older Adults

- Age-friendly counters in inclusive branches provide friendly services and care to older adults.
- Articles on financial literacy for older adults provide information on financial management and retirement planning.
- Digital Security: Provide anti-fraud information to ensure financial safety.

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CUB's accessible online banking platform has obtained AA-level accessibility certification. In 2011, CUB took the lead in launching "Voice-guided ATMs for the Visually Impaired," becoming an industry pioneer in enhancing the accessibility of financial services for visually impaired users at public transportation hubs. The Bank has also established accessible service facilities across its 165 branches in Taiwan to better meet the financial service needs of customers with physical disabilities. These efforts not only demonstrate CUB's strong commitment to financial inclusion, but also reflect the Bank's determination to provide customers with more comprehensive and accessible financial services.

CUB is committed to providing thoughtful services for older adults and has established a one-stop information section on its official website, where customers can access information on senior-friendly counters, financial education, and digital security services. In response to the evolving nature of fraud, the Bank's digital anti-fraud section also provides easy-to-understand financial education and digital security information, helping customers obtain the information they need and enhance their protection against digital fraud.

As digital finance enters a new stage of development, barriers to accessing financial products and services have been significantly lowered. At the same time, however, the risks associated with financial crime have also increased, making the promotion of financial education more important than ever. Cathay Financial Holdings and its subsidiaries have long been committed to providing a wide range of financial learning resources. Through various channels, such as forums, financial education videos, and in-person seminars, and by combining engaging topics with easy-to-understand content, they seek to enhance the public's financial awareness and help people make more informed financial decisions, thereby promoting financially healthy and secure lives.

CUB has planned a series of innovative and diversified initiatives to enhance financial literacy across society. The Bank invites financial experts to participate in livestream financial education events to share the latest investment trends, and also organizes forums on financial management and investment trends to further integrate financial knowledge into everyday life and improve financial literacy among the public.

Financial Literacy Insights

To ensure the innovation and practicality of its content, we have established a content management team that holds regular thematic meetings every week. By incorporating AI language reading capabilities, we transform professional financial knowledge into easily understandable points for the general public. Through website announcement, electronic direct mail (EDM), and LINE push notifications, we enable the public to receive easily comprehensible financial knowledge. The single-time open rate has exceeded 300,000 of people.



Financial Health Check Platform

Providing a one-stop experience service through three steps: testing, obtaining reports, and improving financial health improvement plans. This platform enables instant and rapid initiation of financial health promotion actions. Thematic financial knowledge and videos are also readily available for reading and viewing on the website, helping people understand their financial health and obtain exclusive financial health promotion plans.

Financial Management Videos

Produced the practical " CUB Financial Supporter" series of financial education videos, featuring guests and experts sharing their insights on topics such as financial planning for young people, couple finances, credit scores, overseas investment, and foreign exchange, in support of financial inclusion.

Global Investment Trend Forums

Invited PIMCO Global Fixed Income CIO Andrew Balls and the Bank's Chief Economist, Lin Chao-Chin, to share insights on the macroeconomic environment and investment trends. Through these carefully curated educational activities and resources, the Bank continues to provide diversified financial learning resources over the long term, helping enhance the public's financial literacy and support more rational financial decision-making.

In 2025, the Bank held the Cathay Asset Management Summit, inviting internationally renowned investment leaders-including Howard Marks, Co-Founder and Co-Chairman of Oaktree Capital, John Studzinski, Vice Chairman of PIMCO Group, and Sir Robert Fairbairn, Vice Chairman of BlackRock-for in-depth discussions. The event provided Taiwan investors with key insights from the front lines of global markets and brought fresh global perspectives to the local market.

國泰世華銀行
Cathay United Bank

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Empowerment Strategy

▸ 4.1 Workplace Empowerment

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CUB continues to invest resources in cultivating talent with diverse, cross-disciplinary, and sustainable visions. Through a variety of online courses, CUB encourages employees self-directed learning, and promotes the concept of a fair, diverse, and inclusive workplace. Through courses and activities, CUB deepens cultural awareness and strengthen team cohesion. At the same time, we listen to the voices and needs of diverse groups to foster a safe and happy workplace. In addition to internal talent development, we also actively demonstrate empowerment achievements to the public by strengthening the security of client assets through anti-fraud measures. We also encourage our colleagues to leverage their professional expertise to serve as financial education volunteer instructors, dedicating themselves to educating disadvantaged children in rural areas, helping them improve their financial literacy, and strengthening their awareness of anti-drug, anti-fraud, and sustainability, thereby fulfilling our corporate social responsibility.

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4.1 Workplace Empowerment

In the face of rapidly changing market environments and work patterns, every role within the organization faces unprecedented challenges. We firmly believe that talent is the key to driving corporate sustainability. Upholding the philosophy of "investing in the future of employees," we continue to build a learning organization and systematically promote diverse and forward-looking talent development programs. Our training programs covers key capabilities such as data analysis, sustainable finance, agile thinking, and AI collaboration, assisting employees in reskilling and upskilling to adapt to digital transformation and the evolution of future work models. At the same time, CUB actively builds a robust leadership pipeline through comprehensive talent development and succession mechanisms, and is committed to fostering a diverse, equitable, and inclusive workplace culture, enabling talent from different backgrounds to fully exert their expertise and potential at CUB. We believe that only by growing together with our employees can we create a long-term, resilient, and sustainable future.

Strategies | Creating DEI Workplace (Diversity, Equity & Inclusion): Creating a diverse and inclusive workplace environment to unlock the potential of all talents at Cathay, enhancing organizational competitiveness.

Action Plans	Short-term Targets 2025 » Mid-term Targets 2030 » Long-term Targets 2035
⊕ **Cultivating a Foundation of Diversity and Inclusion:** Openly advocating for respecting each unique Cathay member, promoting the acceptance of diverse individuals, and fostering an environment of equal rights. ⊕ **Establishing Diverse and Inclusive Networks:** Safeguarding the basic labor rights of employees and prioritizing the job rights of female employees, indigenous employees, and employees with disabilities. ⊕ **Support measures for slowing down without dropping out:** Open learning resources will continue to be available to help employees during the slowdown period (employees will not have to stop studying due to suspension of work).	• 50%±5% of total female Managers. • 30%±5% of female middle to senior-level managers. • 50%±5% of female junior managers. • 50%±5% of female employees. • 40%±5% of female STEM talent. • 80% of return-to-work rate after maternity and paternity leave.
⊕ Annual Employee Engagement survey - DEI satisfaction score. ⊕ Inclusive Leadership Training coverage rate.	• Annual Employee Engagement Survey score reaches 4 out of 5. • 90% of Inclusive Leadership Training coverage rate.

Strategies | Reskilling Employees: Identifying the future skills required to meet upcoming trends and ensuring employees possess the necessary expertise and knowledge.

Action Plans	Short-term Targets 2025 » Mid-term Targets 2030 » Long-term Targets 2035
⊕ Drive reskilling initiatives to enhance employee digital literacy learning coverage. ⊕ Foster sustainable culture literacy.	• 80% of digital competency completion coverage rate. • 90% of ESG basic online course completion coverage rate.

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Strategies | Upskill Employees: Provide tailored training resources according to employees' developmental needs at different stages, continuously enhancing their job capabilities.

Action Plans	Short-term Targets 2025 >> Mid-term Targets 2030 >> Long-term Targets 2035
⊕ Tailor learning resources according to job categories/levels to strengthen job skills, continuously integrating various physical and digital learning resources to meet diverse learning needs. ⊕ Establish different-level training programs to cultivate talent in various roles. ⊕ Create a comprehensive career development system to lead the key construction of employees' diversified development.	• Annual Employee Engagement training satisfaction rate reaches 4 out of 5. • 85% of participants achieved a rating of 4 or higher in the 360-degree competency assessment, meeting the standard for core competencies.

Strategies | Establishing a Leadership Pipeline: Strengthening talent pools at different management levels to deepen the bench strength and ensure the sustainable development of the organization.

Action Plans	Short-term Targets 2025 >> Mid-term Targets 2030 >> Long-term Targets 2035
⊕ Regularly review talent pools at all levels and implement tailored development plans to cultivate management talent required for business operations.	• Key talent retention rate for middle-level talent pool (Assistant Manager/Manager level) at 80%. • Key talent retention rate for Young Talent pool at 50%.

4.1.1 Diverse and Inclusive Workplace

CUB adheres to local labor laws and refers to international frameworks such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, UN Sustainable Development Goals (SDGs), and relevant regulations of the International Labour Organization (ILO). According to "Human Rights Policy of Cathay FHC," we ensure the protection of employees' rights and prohibit discrimination based on personal factors such as gender, sexual orientation, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, facial features, disability, or other factors. As of 2025, the Bank employed a total of 12,197 full-time employees and 104 non-regular employees. For detailed information on our number of employees, regional distribution, gender, and age statistics, please refer to Appendix Table 7.1-2.

Cathay FHC, the parent company, also regularly conducts human rights risk surveys on entities of concern, implementing impact assessments and improving the management of high-risk issues. Risk identification and assessment take into account international human rights frameworks, corporate development strategies, and external trends. It involves discussion by the ESG Strategy Committee, consultation with employees, external consultants, and other stakeholders, followed by a risk assessment of each human rights issue, identification of high-risk groups, and subsequent management.

To ensure every employee can reach their full potential at CUB, the Bank continues to provide measures and management mechanisms that go beyond regulatory requirements. In line with the Cathay FHC Code of Ethical Conduct, the Bank has established the Employee Code of Conduct, which clearly sets out the principles and standards expected of employees.. The Code also safeguards fundamental employee rights, including freedom of association. From their very first day, all employees are expected to acknowledge and commit to upholding workplace ethics and integrity, and to carrying out their duties in a lawful and responsible manner.

Human Rights Policy of Cathay FHC

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4.1.1.1 Creating a Diverse and Inclusive Workplace

Fostering a Diverse and Inclusive Culture

Employees are our most valuable asset. In line with the Human Rights Policy of Cathay FHC and the Labor Standards Act, the Bank has established work regulations that have been reviewed and approved by the competent authorities to ensure the protection of labor rights. Meanwhile, to implement the Bank's core philosophy of "diverse and inclusive workplace," the bank through conducts diversity and inclusion training and community events to provide multiple learning channels, including diversity-and-inclusion culture courses(on-line), Shared Learning Space (offline courses) and Lecture Hall (offline courses). The Bank fosters an inclusive workplace through diverse initiatives to enhance employees' cultural awareness and strengthen team cohesion. By publicly advocating for the respect of every unique individual at Cathay and listening to the voices of diverse groups, we convey the values of embracing differences and mutual respect, assisting colleagues in building an equal and inclusive workplace culture.

FlexiPacing Support Measures

The Group supports colleagues in balancing work and family life by offering work flexibility and "Slowing Down Without Dropping Out" support resources. For colleagues who need parental leave without pay, CUB provides psychological and learning support. They may seek professional consultation through the Employee Assistance Programs (EAP) and make use of digital learning resources for daily parenting information, financial planning, and skills warm-up before returning to work. This allows colleagues to feel supported at every stage of their career and life while continuing to achieve fulfillment in both their personal and professional lives. For detailed statistics on parental leave at CUB please refer to Appendix Table 7.1-11.

Prevention Measures Against Workplace Unlawful Infringement

To protect the health, safety, and human rights of colleagues, CUB has established the "Prevention of Unlawful Infringement in the Performance of Duties." We provide education and training for both new and current employees, set up complaint channels, and establish incident-handling procedures. The overall investigation process is required to be completed within two months, and all investigations must be conducted objectively, fairly, and impartially, while properly protecting the rights and privacy of the parties involved. Necessary assistance measures and counseling services are also provided so as to fulfill our corporate social responsibility in caring for employees.

4.1.1.2 Attracting and Retaining Talents

Employee Performance

The Bank provides market-competitive compensation and benefits to attract, motivate, and retain outstanding talent. To link employees' annual performance goals with organizational strategy, we have formulated the "Employee Performance Management and Development Guidelines". Employees who have been with the Bank for at least six months, regardless of gender or job title, are required to participate in the annual performance evaluation, resulting in a 100% participation rate. Employee performance is assessed regularly. In addition, a 360-degree feedback mechanism supports employees' individual development plans and strengthens talent cultivation and retention.

We provide diverse reward mechanisms. In addition to offering market-competitive salaries, we have established the "Guidelines on Incentives for Senior Employees" and grant long-service bonuses based on different tenure thresholds to recognize the long-term contribution of senior employees. For expatriate employees and their dependents, the Bank also provides practical benefits, such as airfare, accommodation, children's education subsidies, and International SOS medical and security services.

The Bank has established a promotion mechanism that values both professional performance and managerial competence. Outstanding performers are actively promoted and given greater responsibilities and functional development goals, thereby advancing both organizational development and strengthening the talent bench. At the same time, the Talent Development Committee regularly promotes internal rotation, discusses talent capability gaps, and plans rotation paths.

Employee Welfare Support

In addition to providing statutory labor and health insurance, the Bank offers a comprehensive range of welfare programs to support employees in building better lives. These include support for employee learning, subsidies for professional certifications, English proficiency exams, and professional-related training courses. We also provide access to online learning platforms and a digital library, as well as measures such as "one-day paid learning leave" and language learning subsidies to encourage self-directed learning and strengthen both professional and language skills. To promote work-life balance and employee well-being, we offer workplace massage services, regular health checkups, five days of paid sick leave, travel subsidies, and various wellness activities such as road races, table tennis and badminton tournaments, online walking challenges, and wellness programs like weight management. Besides, employees also receive holiday bonuses, birthday gift allowance, scholarships for their children, and allowances for weddings, funerals, and childbirth. Insurance coverage includes term life, accident, cancer, and dependent medical insurance. To strengthen employees' sense of belonging, we have established an Employee Share Ownership Trust, allowing employees to participate in the company's long-term development as shareholders, thereby increasing engagement and encouraging long-term retention.

The Bank also values a friendly workplace environment. We actively plan maternal employee protection programs, including continued access to learning resources for employees on parental leave, and support through Employee Assistance Programs (EAP). As well as offering additional services include employee health education, psychological counseling, and more flexible hybrid work environment designed. Through these diverse welfare measures, the Bank strives to foster a healthy and harmonious work environment, with the aim of building a long-lasting and stable workplace together with our employees.

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Employee Benefits

Office Layout	• Implementing Flexible Shifts • Piloting Hybrid Work
Development of Learning	• Digital Learning Resources (e.g., online learning platforms and digital libraries) • Learning Development Resources about Study, Certification and Licensing Support /Continuing Education Assistance • Learning Leave
Insurance Coverage	• Group Term Life Insurance for Employee • Accidental Insurance for Employees • Cancer Insurance for Employees • Medical Insurance for Dependents
Family-Friendly Policies	• Exclusive Parent-Child Activities • Monetary Gifts for Marriage, Bereavement, and Childbirth • Child Education Subsidy • Prenatal check-up leave days exceeding statutory requirements • Above-statutory maternity leave • Childcare Support Gift • Maternal Employees Supporting Programs
Health and Leisure Benefits	• Travel Subsidies • Holiday Bonuses • Workplace Massage • Stress-relief activities • On-site Physician Consultation • Health Promotion Activities (e.g., road runs, table tennis tournaments, online walking challenges, weight management programs) • Regular Health Check-ups • Employee Assistance Program (EAP) • Birthday Gift Allowance
Social Activities	• Club Subsidies • Family Day • Volunteer Leave
Investment and Property Management	• Cross-Bank Withdrawal/Transfer Discounts • Cathay Construction Home Purchase Benefits • Employee Share Ownership Trust (ESOT)

CUB Maternity Plan

Cathay Pregnancy Club

For pregnant female employees, the Bank has designed a work-risk assessment mechanism and formulated a maternal health protection plan. Together with pre- and postnatal questionnaires for mothers and new fathers, the Bank provides birth gifts such as the " Mom's Care Package, Baby Care Gift, Parent-Child Blessing Gifts," as well as appropriate work adjustments, LV-level lactation rooms, return-to-original-post arrangements after parental leave, and various parent-child lectures. Responding to needs from pregnancy through the postpartum period, the Bank provides comprehensive support covering physical and mental well-being, workplace, and job arrangements. Nurses also proactively care for and track mothers' physical and mental conditions. These efforts have been highly appreciated by employees.

Cathay Dad-to-Be Handbook

CUB expanded the "Cathay Pregnancy Club" from focusing solely on female employees to including fathers as well. We introduced the "Cathay Dad-to-Be Handbook, "which was created in collaboration with Cathay General Hospital and Cathay Health Management. This handbook combines professional health education with practical life experiences to help new fathers understand the physical and emotional changes their partners undergo during pregnancy. It encourages them to actively support their partners, becoming invaluable teammates. The Handbook is a pioneering effort in the industry, aligning with government and medical institutions' initiatives to promote equal parental involvement during pregnancy. It includes sections such as "The 280 Days of Pregnancy with Daddy," "Understanding the Physical and Emotional Changes of Expectant Mothers," and "Welcoming the New Baby," representing a significant breakthrough in corporate social responsibility.

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Retirement Planning

To share business results with employees and strengthen retirement protection, the Bank formulated the Employee Share Ownership Trust (ESOT) plan in 2022. Employees voluntarily contribute a fixed amount of salary, and the company contributes a matching amount to jointly purchase company stock in the public market, encouraging employees to participate in management results and helping them accumulate long-term assets. As of 2025, the participation rate was nearly 80%. At the same time, in accordance with labor laws and regulations, the bank contributes 6% of monthly salary to personal pension accounts for employees under the new pension system and maintains adequate retirement reserves for employees under the old pension system so as to ensure diversified and sufficient sources of retirement benefits.

Cathay Health Promotion Activities

Case Study

Team Road Run –
Promoting Wellness and Unity Among Employees

Employees shared that they have always enjoyed the large-scale road running events organized by the company and felt especially honored to personally participate in the 10th Anniversary Milestone this year. Over the years, colleagues have formed teams for Cathay Run across both the same department and different departments. Beyond the official race, they also arrange practice runs after work, creating many natural and warm moments of interaction and further bringing colleagues closer together. Employees expressed gratitude to the company for continuing to organize the annual road running event, allowing colleagues to cultivate good exercise habits together amid busy work and move toward a healthy win-win future with Cathay.



Case Study

Cathay Family Carnival –
Edutaining Parent-Child Moments Filled with Joy

An employee shared that the company's parent-child activities are carefully planned every year, rich in content, and filled with laughter. Children from babies to sixth-graders can participate in, and every event fills up almost instantly after registration opens. Whenever the annual calendar is announced, the employee immediately checks it against the child's holiday schedule and even sets an alarm to compete for a slot, just to make sure the child will not miss these edutaining experiences. The events themes are diverse, including baby crawling, balance-bike races, little football players, baking and handcrafting, and little professional experiences. Children have tremendous fun, while parents feel great happiness and enthusiasm while accompanying them. From static handcraft classes to outdoor parent-child activities, the company's dedication and creativity are evident everywhere. The children not only have fun but also learn new knowledge and understand how they can protect the living environment starting from themselves. Even lunch is thoughtfully prepared, allowing children to eat happily and play to their hearts' content, so the whole family can enjoy a full and unforgettable day together. The employee deeply felt the company's care for a friendly workplace and family support and said that working in such a happy enterprise truly feels very fortunate.



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4.1.1.3 Employee Communication

Union Participation

CUB holds quarterly labor-management meetings, allowing both labor and management to use the platform to communicate on welfare measures and management systems related to employees, promote interaction and communication, and balance employees' labor rights with the CUB's operating needs. CUB established a labor union in 2024 and takes an open and voluntary attitude toward employees' applications to join the union. As of the end of 2025, 240 employees had joined the union, accounting for 1.97% of all employees, and the first collective agreement has not yet been signed.

The Bank has also established various communication channels, including regional communication meetings and real-time feedback systems, to collect employees' suggestions, communicate core values, and provide employees with opportunities to express their views. To protect employee rights and interests, the Bank formulates work rules in accordance with the Labor Standards Act and implements them with the approval of the competent authority. In addition, under the "Principles Governing Establishment of Employee Caring Hotline," the Bank has established an employee care hotline (02-87226666 #8885) and an email address (8885@cathaybk.com.tw). These channels strictly follow confidentiality and protection principles. For issues such as workplace illegal infringement and sexual-harassment complaints, designated personnel provide assistance and act as a communication buffer between employees, supervisors, and peers.

In 2025, no complaints involving discrimination. There was 1 substantiated case involving workplace illegal infringement and sexual harassment in total, and this case was closed in accordance with the relevant procedures. In summary, the Bank follows local labor laws and regulations, values employees' right to express opinions, and formulates relevant management rules accordingly. Information is also communicated through public channels so that employees can fully understand it and have their lawful rights and interests protected.

Labor Management Major Issues	Action Plan	Performance in 2025
Forced Labor and Working Hours	• The Bank has established a program for preventing diseases caused by abnormal workloads. Regular surveys on abnormal workloads (overwork) of shift workers, night workers, and those working long hours are conducted. High-risk groups are identified considering individual risk factors and work pattern risk factors. • Promotion and implementation of daily/monthly overtime hour limits. • Establishment of flexible working hours and flexible scheduling systems.	• Provide flexible working hour system according to employee needs. • 99% of abnormal workload-triggered disease prevention self-assessment form response rate. • A total of 220 people participated in the stress relief activities, with an overall satisfaction rate of 100%.
Diversity, Inclusion, and Equal Opportunity	• Ensure that all employees have the opportunity to participate in clubs and associations. • Organize labor-management meetings to fully communicate and address various major labor-management issues, and take action based on meeting consensus. • Formulate the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures ". • Maternal Employee Health Protection Program • Formulate "Prevention Program for Unlawful Infringement in the Performance of Duties", and establish a workplace illegal infringement investigation committee, providing education and training to both current and new colleagues across the Bank.	• Held a total of 4 labor-management meetings. • Achieved a 100% Training participation rate for sexual harassment prevention training courses. • Achieved a 100% Training participation rate for workplace unlawful Infringement training courses.

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Employee Engagement and Satisfaction Survey

In accordance with Cathay FHC's relevant policies, CUB systematically analyzes employee expectations through multiple methods such as qualitative feedback, sampling interviews, and thematic questionnaires, and conducts an annual "Employee Engagement Survey "to analyze employees' feedback on five major dimensions — Corporate Sustainability, Employee Happiness, Organizational Commitment, Leadership Management, and Work Identification—as well as Overall Satisfaction. The survey covers all domestic and overseas employees. In 2025, the response rate reached 86.1%, overall employee satisfaction reached 4.37 points (out of 5), and the target of satisfaction above 4 points has been achieved for three consecutive years.

To continuously enhance overall employee engagement and satisfaction, we have maintained close communication with department heads and colleagues based on the survey results to jointly develop improvement plans and action programs. In addition to continuously benchmarking against the external market in terms of employee welfare, assessment, and compensation, we will continue to enhance supervisors' leadership capabilities, promote a diverse and inclusive workplace culture, and provide diverse resources supporting employee growth and career development in response to the organizational changes brought by the recent AI wave.

Corporate Sustainability

Survey Item

The Group's implementation on corporate sustainability can increase employee commitment to the company.

4.42 out of 5

Employee Happiness

Survey Item

Employees identify with the welfare and activities, training and development, health promotion, and family-friendly measures promoted by the company.

4.40 out of 5

Organizational Commitment

Survey Item

Employees are proud to be part of Cathay and are willing to put in extra effort to make Cathay better.

4.40 out of 5

Leadership Management

Survey Item

Employees identify with the degree of support that supervisors provide in performance goal setting, coordination of the environment and resources, feedback and guidance, and the development of subordinates' capabilities.

4.41 out of 5

Work Identification

Survey Item

Employees believe their work is meaningful and that they can obtain opportunities for learning and growth in their current roles.

4.38 out of 5

Employee Satisfaction

Survey Item

Overall, employees feel satisfied working at the company.

4.37 out of 5

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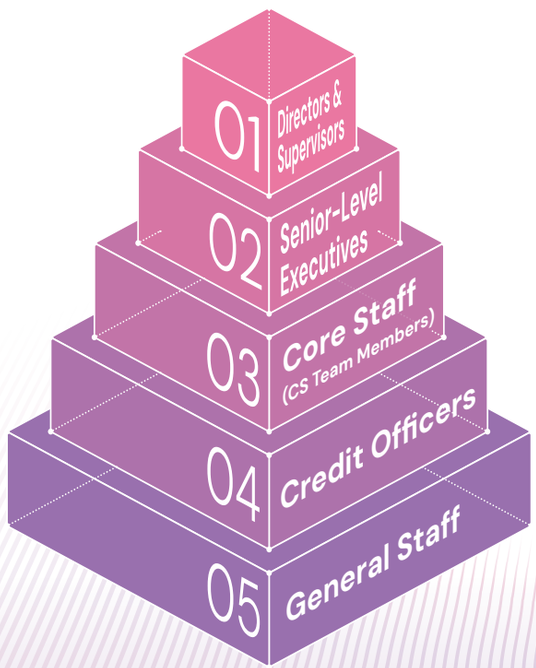
4.1.2 Reskilling Employees

In response to future trends, the Bank identifies the professional knowledge and skills required for future talent. We view talent cultivation as a key management issue for promoting sustainable finance and responsible management. With the goal of reskilling employees, we have established a cultivation framework oriented toward functional expansion. By systematically mapping the key capabilities required for business transformation and sustainable development, we assist employees in continuously upgrading their existing skills and cultivating emerging expertise to respond to regulatory developments, market changes, and the needs of sustainable finance development. For details on employee training statistics, please refer to Appendix 7.1-15.

4.1.2.1 Anchoring Sustainability Mindset Systematically from the Top to Down

The Bank adopts a dual-track talent cultivation model of "popularization of basic capabilities" and "cultivation of advanced capabilities." General personnel continue to accumulate sustainability knowledge through basic training and learning incentive mechanisms. Specialized personnel such as those engaged in credit and lending business, receive the professional course titled "Taiwan Sustainable Taxonomy (Version 2.0)" and "Transition Plan Coverage," which meets regulatory requirements and business practice needs, so as to improve operational quality and compliance capabilities. Core personnel are cultivated through dedicated classes to become sustainability seed talent, thereby enhancing the influence and practical implementation effectiveness of sustainability issues across units. To ensure management effectiveness, the Bank regularly reviews training participation and learning outcomes and incorporates feedback into course optimization and resource allocation so as to continuously enhance overall sustainability professional capacity and the organization's long-term competitiveness. As of the end of 2025, cumulative participation in this program reached 15,347 person-times, improving employees' awareness of sustainability values and their ability to put them into practice, while promoting the deepening and development of the Bank's sustainability culture.



Explanation of the Employee Training Content

Training Target	Training Methods & Content	Effectiveness & Application Scenarios	Training Hours Note	Participants
Directors and supervisors	Provide flexible external training courses related to sustainable governance.	Drive organizational focus and amplifies sustainable impact.	268	15
Senior-Level Executives	Provide personalized external training resources to encourage supervisors to participate in sustainability training courses related to their responsibilities.	Deepen understanding of sustainability trends and enable more effective sustainability strategy development.	277	47
Core Staff (CS Team Members)	Launch the "Advanced Modules for Sustainable Finance Professional Certification" dedicated certification program to provide systematic training on sustainability trends and knowledge.	Refine the sustainability competencies of core personnel, enabling them to become internal sustainability experts and assist the organization in promoting sustainability-related projects.	2,875	184
Credit Officers	Thematic training on "Taiwan Sustainable Taxonomy (Version 2.0) and Transition Plan Coverage" for front-, middle-, and back-office credit teams.	Assist credit officers in understanding the latest relevant regulations and linking them to practice so as to implement sustainable credit and lending business in day-to-day work.	5,256	1,752
General Staff	Provide a 3-hour sustainability knowledge training course for each employee and design an incentive system for obtaining foundational sustainability capability certifications to encourage employees to deepen their sustainability competencies.	Raise sustainability awareness across all staff and reinforces CUB's commitment to sustainable development.	40,047	13,349

Note: Cumulative hours = hours per session × cumulative attendance.

Strengthening Training and Cultivating Sustainable Finance Talent

To respond to Taiwan's sustainable development goals and strengthen the organization's long-term competitiveness, the Bank continues to upgrade employees' sustainability transformation and skills, systematically building robust and scalable sustainability human capital. In 2025, the Bank's budgeted and actual expenditure for employee training was NT$130 million to enhance professional capabilities and practical literacy related to sustainable finance and digital transformation.

Through internal professionals, the Bank continuously tracks market and policy development trends and regularly promotes diverse and forward-looking sustainability-related learning activities across the organization so as to facilitate the diffusion and deepening of sustainability knowledge. Learning content covers key topics such as international sustainability initiatives, domestic and international regulatory trends, the identification of climate-related risks and opportunities, and overviews of green finance products and market development. By linking learning content with the Bank's sustainability strategy and business scenarios, the Bank helps departments strengthen core competencies and practical application capabilities and gradually accumulate the organization's professional foundation and long-term competitive advantage in sustainable finance.

Regarding sustainable finance talent development, the Bank launched a strategic partnership with the Taiwan Institute for Sustainable Energy (TAISE) to plan and promote Advanced Sustainable Finance Certification courses this year. The courses are taught by experts with industry-academia practical experience. Through a systematic and progressive curriculum design, they provide in-depth analysis of market trends, institutional development, and practical applications related to sustainable finance, helping trainees build the thinking framework and action capability required of professional managers. Participants covered core departments related to the Sustainability Strategy Blueprint and the CS Team, as well as units closely related to the promotion of sustainable business. A total of 298 employees participated in sustainability-related certification examinations and courses, accounting for 2.59% of all full-time employees.

Certification Name	Number of certified personnel (A)	Scope (B)	Percentage (A/B)
Basic Sustainable Finance Certification	212	11,506	2.59%
Sustainable Finance Manager	3		
Advanced Sustainable Finance Certification	83		

Note: The Bank has a total of 12 sustainability-dedicated personnel, of whom 6 have obtained the "Corporate Sustainability Manager" certification, 2 have obtained the "Sustainable Finance Manager" certification, and 4 have obtained the " Basic Sustainable Finance Certification". 8 personnel have already obtained "Advanced Sustainable Finance Certification" (each person obtained 1–3 functions), including 6 in information disclosure, 5 in business development, and 6 in risk management. The number of personnel with advanced certifications already exceeds one-half of all dedicated personnel.

Going forward, the Bank will continue to deepen the cultivation of sustainable professional talent within the organization and strengthen the deployment and implementation of sustainability capabilities across units. Through collaboration with core units, the Bank will gradually build a cross-departmental sustainability seed network and take Advanced Sustainable Finance Certification as the core of professional training to build a systematic and scalable sustainability talent development framework to support the execution of various organizational sustainability projects. Meanwhile, the Bank continues to promote sustainability knowledge and skills among all employees. Through basic competency certification incentives and supporting measures, we encourage employees to actively participate in learning and professional development, promote the dissemination and internalization of sustainability concepts within the organization, and work together towards a long-term vision of sustainable development.

4.1.2.2 Promoting Agile Culture Bankwide to Foster New Work Skills

Facing the rapid evolution of the financial environment and technology, the Bank continues to promote an AI-centered work model transformation. Through layered capability cultivation and scenario-oriented training design, we are gradually shaping an organizational culture that is friendly to AI applications, while also combining agile methods and cross-departmental exchange to accelerate the actual implementation and application of AI technology in business processes. At the same time, through the "Craftsman Learning" common competency system, we strengthen foundational abilities such as problem-solving and collaboration, which serve as a common language for human-machine collaboration and process optimization. Looking ahead, the Bank will continue to expand the popularization and deepening of AI literacy, combining generative AI and digital-tool training to consolidate the talent foundation and support long-term competitiveness and sustainable development.

Resource Category	Description	Results
AI Training Courses: 1. Basic Cognition (understanding AI and grasping core concepts) 2. Trend Application (generative AI trends and applications); 3. Ethical Risks (ethics and risks of AI applications)	• Explore the background and operational principles of AI development. • The scope and future development of GenAI applications. • Explore the potential hallucinations, ethical principles, relevant regulations, and the risks and limitations of AI.	A total of 11,707 employees completed the training courses.
AI Application Activity: Copilot Prompt Competition	• Hold a competition and invite colleagues across the Bank to apply what they have learned in their daily work.	A total of 120 teams registered for the preliminary round, adopting 190 different types of prompt formats.
Common Competencies (Craftsman Learning)	• Provide a series of elective courses for all employees. Topics include problem-solving, communication and collaboration, etc., to help employees improve work efficiency and quality.	Theme of problem-solving: 4 series, 16 classes, 400 completions. Theme of communication and collaboration theme: 3 series, 9 classes, 303 completions.

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4.1.3 Upskilling Employees

In response to changing learning needs and formats, the Bank encourages employees to engage in cross-disciplinary learning. We facilitate this by providing training mechanisms, introducing diverse external resources, and offering platforms for knowledge sharing, thereby enhancing employees' learning abilities. Apart from developing comprehensive general knowledge resources and professional competency courses, we have tailored digital literacy courses to align with technological trends. We have designed learning blueprints, development guides, and personal development plans for employees at different career stages. This ensures that all employees, regardless of hierarchy or tenure, can continuously grow and improve through uninterrupted learning.

4.1.3.1 Training Programs at Different Levels to Cultivate Talent Across Various Roles

Training Program Statistics and Results

Amid rapidly evolving global financial markets and regulatory frameworks, we have strengthened collaboration between headquarters, branches, and regional units, while progressively transforming the talent development model for channel talent. This approach ensures that employees across all functions continue to enhance their capabilities through training, enabling us to deliver more professional and sustainable financial services in a fast-growing regional market. To this end, we implemented differentiated training strategies for two key groups, financial consultants and business supervisors, strengthening job skills and business transformation capabilities to adapt to diverse business challenges in a more flexible manner. Investment in learning resources also increased from NT$30.63 million in 2024 to NT$33.81 million in 2025 (representing year-on-year growth of 9.4%).

Role Title	Program Start Year	Number Of Batches	Total Trainees	Transformation / Training Highlights
Personal Banking ARM	2020	24	212	Wealth Management Reserved Talent Development Program: Builds specialized knowledge through standardized course content and daily activities. Trainees rotate between branches and the training center to gain practical experience and develop into well-rounded banking professionals. Key initiatives include: • Establishment of regional training centers • Standardized curriculum design • Implementation of class advisor system • Practical simulations and case study analysis • Program optimization and progress tracking
Elite Wealth HRM	2023	3	38	Training is designed from the client's perspective, extending from high-net-worth individuals to family and corporate needs. The program deepens relationship-building skills and expands client engagement. Key initiatives include: • Relationship-based client management • Integration of group resources • Introducing international training resources and institutional visits • Application of advanced financial instruments for family offices or alternative investments.
Corporate Banking ARM	2017	22	156	In response to the rapid growth of the corporate banking business, trainees undergo standardized training and rotations between front-line business and credit review units. The program develops technical expertise, client management, financial analysis, and risk control skills, creating well-rounded corporate banking professionals. Key initiatives include: • Standardized centralized development • Rotational training across corporate banking channels • Dedicated instructor system • Customer relationship management and co-creation of solution case studies across front-, middle-, and back-office teams.

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4.1.3.2 Linking Development Tools into a One-stop Career Development System

The Bank has established a one-stop career development system that connects various development resources across different platforms, creating a comprehensive career development framework. This system aims to become a key tool in guiding employees towards diverse career growth opportunities.

One-stop Career Development System

iCareer

Identifying skill gaps and providing career direction guidance

Developing talent profiles and designing career paths to help employees identify skill gaps. Utilizing data analysis to offer capability enhancement and position development recommendations. Encouraging employees to acquire professional and common competencies through skill labeling.

iTalent

Focusing on consensus development for development, establishing learning application schemes

Using job responsibilities, annual goals, and career development direction as the framework, facilitate consensus building between employees and supervisors. This will help in choosing suitable learning methods and formulating individual development plans (IDP).

iLearning

Integrating data applications to provide personalized learning resources

Leveraging data analytics to understand employees' learning preferences and offer personalized learning resources, thereby igniting their motivation to learn.

iMatch

Internal recruitment mechanism that encourages talent mobility across different domains

Integrating with the iCareer platform to provide comprehensive matching for skills, expertise, and traits. This allows both supervisors and talent to make mutually beneficial selections. Employees can find suitable career directions and positions, while supervisors can identify suitable candidates based on team needs, thus promoting internal talent mobility within the organization.

4.1.3.3 Pioneering Diverse Training Initiatives to Enrich Learning Experience

The Bank is pioneering diverse training models to meet various training needs through different channels, formats, and methods. Utilizing internal community platforms to gather learners for two-way exchange and feedback, and through mechanisms like competitions, shaping a collaborative and co-learning ecosystem. Additionally, fostering internal trainers who embody the spirit of "everyone can be an expert", assisting interested individuals in building their personal brands, and ensuring the transfer of organizational knowledge. The aim is to enhance the learning experience through diverse and enriching training resources, thus fostering learning culture.

Employee Training Explanation

Diverse Learning Experiences

Item	Description	Highlights
In-house Digital Courses	The Bank is the first in the country to have an in-house digital course production team, covering both professional domains and soft skills topics.	Produced a total of 218 digital courses in 2025.
Business Review Articles	Introducing professional digital content providers such as Harvard Business Review, Master Cheers, Common Wealth Magazine, etc., to offer a rich array of learning resources.	Offering multimedia learning resources.
Learning Community	Leveraging social platforms to build learning communities and encouraging peer-to-peer knowledge sharing through point- based mechanisms such as team interaction and collaboration.	Establish a communication community for associate-level managers at the head office to facilitate discussions on management practices and cross-departmental collaboration among supervisor.
Internal Trainer System	Collaborating with Hahow Learning Platform to provide a diverse range of professional courses.	Accumulated 970 professional courses.

A Rich Platform Resource for Continuous Learning

Item	Description	Highlights
Hahow Learning Platform	Collaborating with Hahow Learning Platform to provide a diverse range of professional courses.	Accumulated 970 professional courses.
Digital Library	Providing a rich resource of e-books and digital magazines.	More than 1,554 popular modern collections.

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4.1.3.4 Climate-related Cultivation and Training

To actively respond to the challenges posed by the United Nations Sustainable Development Goals, Green Finance 3.0, and the Green and Transition Finance Action Plan, CUB is committed to enhancing climate risk awareness and management capabilities across all employees. Tailored training programs are implemented based on different functional levels to ensure that every employee integrates climate risk considerations into their daily work.

To ensure the effectiveness of the training plan, the Bank regularly reviews and establishes the annual training plan for sustainability-related issues every March. Through the continuous enhancement of knowledge related to climate and nature—such as climate, carbon tariffs, human rights, and supply-chain management—we work together with employees to implement the strategic development goals of the Cathay Transformation Plan and become a key force in driving both the Bank and its clients toward steady sustainable transformation.

Case study	
General Employee Sustainability Basic Knowledge Training	To strengthen employees' professional knowledge of sustainable finance, the Bank provides a 3-hour online course to help employees focus on sustainability and financial practices, covering ESG, regulations and disclosure standards, climate risk, greenhouse gas inventories, and IFRS S2 climate-related disclosure standards.
Sustainability Training for Credit Personnel	The Bank cooperated with Sustainability Services Company, PwC Taiwan to develop training courses focusing on development trends in enabling activities (formerly referred to as the "14 forward-looking economic activities") and 12 key strategic industries. The program responds to the Second Edition of the Reference Guidelines for Identifying Sustainable Economic Activities and Recommended Coverage Items for Transition Plans, published in December 2024, and provides practical operational guidance. Course content covers the purpose and core content of the Guidelines, the practical application of green finance, and domestic and international peer case sharing. It strengthens understanding of climate-change mitigation and adaptation, net-zero transition, carbon-reduction indicators, and transition finance, helping 1,752 credit personnel learn how to guide capital toward supporting low-carbon economic activities. Cumulative training hours reached 5,256 hours.
Training for Core Sustainability Personnel	To continuously strengthen the professional knowledge of core sustainability personnel, the Bank organized a series of advanced training courses for Sustainable Finance Manager certification. The courses include modules on sustainable development supervision and governance, sustainable investment/financing and insurance, greenhouse gas management, and sustainability disclosure, thereby deepening climate risk identification, carbon-reduction management, and net-zero transition capabilities.
Sustainability Practice Lecture	To improve the corporate banking team's ability to grasp competition, challenges, and opportunities and to deepen understanding of net-zero transition and industry trends, the Bank held a 1.5-hour sustainability practice lecture in 2025 under the theme "Global Plastics Treaty Accelerating Industrial Sustainable Transition." External professional experts were invited to analyze the latest sustainability trends, covering the latest developments in the Global Plastics Treaty, analysis of affected industries, and several transition cases involving low-carbon innovative business models for SMEs. The lecture discussed how enterprises can respond to sustainability transformation trends and the currently available advisory resources. Through this, the Bank strengthened the sustainability mindset and professional knowledge of front-office business supervisors and employees and enhanced their ability to communicate with corporate clients, thereby further engaging enterprises to set net-zero commitments and sustainability goals.
Overseas ESG and Sustainable Finance Education and Training	To strengthen the organization's capability to respond to risks and opportunities related to climate change and sustainable finance, the Bank continues to organize ESG and sustainable finance training for overseas corporate banking teams, as well as relevant supervisors and colleagues at the Head Office. Through systematic training delivered in cooperation with external consultants, the program helps relevant personnel incorporate ESG and climate factors into the knowledge base and professional judgment used in lending business, thereby promoting consistent understanding across units of sustainable finance products and overseas market practices and serving as a foundation for the Bank's capabilities in promoting overseas green financing, renewable-energy financing, and support for enterprises and public utilities in improving environmental performance. **Topic 1**: Seminar on ESG Trends and Green Lending Opportunities — Taking Hong Kong as an Example **Topic 2**: ESG Trend Insights — Leading Energy Transition and Green Lending Opportunities **Topic 3**: Introduction to Sustainability-linked Loan (SLL) and Green Lending Cases
New Opportunities in Deep Energy Saving —Toward a Net-Zero Sustainable Future Seminar	Together with Cathay Century Insurance and the Metal Industries Research & Development Center, the Bank co-hosted two in-person forums in Tainan and Kaohsiung, introducing Taiwan's net-zero transition policies and initiatives and sharing case studies and international trends related to net-zero transition application projects. The forums attracted participants from 67 companies, with a total of 82 attendees.
Training on Completing the JCIC Corporate ESG Information & Sustainable Economic Activities Questionnaire	On July 22, 2025, the Bank conducted an internal training session on completing the Joint Credit Information Center's Corporate ESG Information & Sustainable Economic Activities Questionnaire. A total of 174 people participated.

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4.1.4 Establishing a Leadership Pipeline

The Bank continuously builds a multi-layered and multi-disciplinary leadership talent pool, systematically strengthening the breadth and depth of talent reserves in order to ensure a stable and continuous source of talent for key competencies and leadership succession. Through the planning of diverse and structured development resources and comprehensive supporting mechanisms, the Bank invites managers at all levels to participate in leadership development, thereby promoting the transfer of management experience and organizational values. Based on different professional fields, the Bank uses both internal and external tools to carry out suitability analysis and balances individual development aspirations with long-term organizational needs so as to tailor individualized development paths for management talent and help them clearly define their growth direction. Through this institutionalized talent cultivation and deployment mechanism, the Bank promotes the flexible realization of talent potential while enhancing the organization's agility in responding to environmental changes and future challenges, thereby laying the human resource foundation for sustainable corporate development and sound governance.

Talent Pool	Characteristics
Head Office Talent Pool	To promote internal talent mobility and cultivate professionals with integrated and diversified capabilities, the Bank plans customized career rotation paths based on reserve talent's professional backgrounds, experience, and organizational development needs. The "Talent Development Committee" is convened quarterly, and through institutionalized talent review and cross-departmental development arrangements, employees are assisted in fully developing breadth of thinking, business vision, and decision-making capability, thereby further enhancing the organization's overall resilience and competitiveness. Robust succession pipelines have already been established in all departments, and currently more than 90% of key positions have successors ready to assume them, ensuring organizational continuity and resilience.
Personal Banking Channel Talent Pool	In recent years, the Bank has for the first time adopted open recruitment methods and a multi-dimensional anonymous review process. After selection, talent at different readiness levels receives differentiated training. Combining the resources of the Head Office and regional units, the Bank collaboratively builds diversified real-world development scenarios and cultivates ready-to-perform talent through a co-selection and co-development mechanism. In 2025, 94% of newly appointed supervisors came from the talent pool. Practical training includes: • **Conduct audit as part of an audit team:** Assigning talents to participate in internal audit to enhance daily management and risk control awareness. • **Acting as branch manager:** Establishing a mechanism of acting as a proxy for vacationing branch managers to assist talents in gaining early exposure to branch operations. • **Individual Development Plan:** with channel executives acting as course instructors and examiners to enhance practical abilities and managerial skills through situation simulation.
Corporate Banking Channel Talent Pool	Beginning in 2025, "non-financial indicators" have been incorporated, focusing on the core development of the corporate banking business and clearly anchoring talent profiles and career blueprints according to standardized and non-standardized product business. Through the talent pool mechanism, the Bank systematically plans cross-customer-segment and cross-department development experiences as well as key capability cultivation for critical talent, while simultaneously promoting domestic and overseas talent mobility and building a diverse and scalable talent development pathway. In 2026, all newly appointed corporate banking channel supervisors will come from the talent pool, and all will have cross-departmental rotation experience, effectively linking high-potential talent to the supervisory pipeline.
Young Talent Pool (CMA)	**(1) Launch of the First Overseas CMA Cultivation Program:** In June 2025, the Bank officially launched the first overseas CMA (Management Associate) cultivation program as an important reserve mechanism for overseas corporate banking talent. The program adopts consistent recruitment standards, compensation systems, and training frameworks across regions, while adjusting recruitment strategies according to local labor conditions and talent supply in each market in order to improve recruitment flexibility and promote the long-term development of cross-border talent mobility. The inaugural program covered Singapore, Hong Kong, and Vietnam and successfully recruited 9 outstanding talents, laying a solid foundation for the deep cultivation of overseas business. **(2) Attract Cross-disciplinary Talent to the Management Associate Program:** In response to the establishment of the Bank's AI Center of Excellence and the needs of core modernization transformation. In 2025, the Bank expanded the management associate series by adding AI and IT as 2 new field. At the same time, the Bank advanced onto campuses to promote the "Prerequisite Binding Mechanism for Internships," establishing early links with potential interns and forming an end-to-end intern-to-hire pipeline. In 2025, 40% of outstanding interns were fully transitioned into the CMA program, strengthening the stable supply of the Bank's future high-potential talent.

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4.2 Social Impact

In Taiwan, one out of every two people is a customer of Cathay FHC and its subsidiaries. Therefore, the Bank actively utilize the Group's resources to promote sustainable actions, with the vision of helping to build an inclusive and equitable society. We form alliances with diverse strategic partners to jointly advance social sustainability. Focusing on "Youth Empowerment" and "Supporting the Underprivileged," we aim to help young people and disadvantaged groups acquire knowledge and skills, enabling them to remain confident and self-reliant in the face of a rapidly changing social environment, and to achieve their personal goals. In 2025, a total of NT$25,952,977 was invested in social impact. Employee participation in social volunteer work reached 1,199 person-times, accumulating a total of 8,850 volunteer hours.

Events & Activities	Amount (NTD)	Percentage
Business Facilitation	25,332,477	97.6%
Community Involvement	620,500	2.4%
Total Investment	25,952,977	100%

Strategy | Youth Empowerment

Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ **1. Youth ×Tech** Strengthen young people's understanding and application of AI, big data, cybersecurity, and digital transformation, and cultivate young tech talent to adapt to future industrial change. ⊕ **2. Youth × Problem-solving** Cultivate young people's critical thinking and problem-solving skills, combining financial knowledge and workplace experience to promote self-learning, apply theoretical knowledge in practice, enhance cross-disciplinary collaboration and innovation, and accelerate the transition from learning to the workforce. ⊕ **3. Youth × Sustainability** Enhance young people's understanding of corporate sustainability values, ESG issues, and civic responsibility, and encourage them to solve social and environmental challenges through action, thereby transforming sustainability concepts into career readiness..	**Number of partner schools**	25 schools	25 schools	25 schools
	Number of interns	More than 200 interns.		
	Youth Action Willingness and Future Trends Questionnaire (willingness to take action)	>3.5 points (out of 5)	>4 points	
	Overall program satisfaction	>4 points (out of 5)		

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Action Plan	Indicator	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
⊕ **CUB Financial Education (Online / In-Person)**	**Online financial education**	50 volunteer instructors served for a total of 400 hours of service.		
		10 rural elementary schools annually, reaching a cumulative total of more than 45 school-service instances.	10 rural elementary schools annually, reaching a cumulative total of more than 55 school-service instances.	10 rural elementary schools annually, reaching a cumulative total of more than 85 school-service instances.
		Impacted the financial literacy of students with a score of 3 or higher.		
⊕ **1. In-progress project:** Elevated Tree Program. ⊕ **2.** The calculation scope is not limited to Foundation- or company-related public-welfare activities or specific projects, but covers all volunteer actions and activities by employees across the Group.	**Scholarships and specialized education sponsorships:** Based on budget from government education bureaus.	The procedures are handled annually according to the resolutions of the foundation's board of directors. In the absence of major events, the procedures are usually carried out on a continuous basis, similar to the previous year.		
	Total volunteer participation, total volunteer hours, and corporate identity	Volunteer participation served 830 visits, reaching 6,100 hours. Corporate identity >4	Volunteer participation served 900 visits, reaching 7,300 hours. Corporate identity >4	Volunteer participation served 1,000 visits, reaching 8,700 hours. Corporate identity >4

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4.2.1 Youth Empowerment

The aging population and declining birth rates are reshaping demographics, demanding a more diverse set of skills from future generations. Organization for Economic Cooperation and Development (OECD)'s "Skills for 2030" report highlights three key abilities: cognitive thinking, social and emotional skills, and practical learning skills as crucial. As digital transformation continues to reshape financial services, to cultivate self-awareness, career reflection, and skill development among youth, bridging the gap between education and employment, and empowering them for the workplace, the Bank organizes the Cathay Youth Internship Program (CSP, CIP), and coding classes. We actively collaborate with universities across Taiwan, providing practical training during internships, engaging in business operations, understanding corporate strategies, and enhancing the potential of our talent pool. We aspire to expand our influence continually, driving positive developments in society and the environment.

4.2.1.1 Java Talent Development Program

Through a 15-week curriculum combining programming courses and hands-on training, the program equips participants with programming capabilities to serve as a source of entry-level IT talent in the financial sector. Given the strong outcomes of the previous two Java training cohorts, the program continued in 2025, admitting 26 participants and onboarding 24, with a final conversion rate of 75%.

4.2.1.2 Cathay Seed Program (CSP)

This program collaborates with universities to provide students with early exposure to the banking industry during their academic studies. It aims to enhance their understanding of banking roles and allows the Bank to identify and assess talented individuals in advance. Through rigorous practical training, the program strengthens interns' willingness and readiness to join the Bank upon graduation. In 2026, the program offered opportunities in 5 career paths, including branch operations, operations centers, financial services, corporate banking, information technology, with a total of 129 interns reporting for duty.

4.2.1.3 Cathay Internship Program (CIP)

The CIP is a two-month summer internship program designed to help students gain a deeper understanding of financial industry operations. Through hands-on participation in internal bank projects, ESG case competitions, and networking sessions with senior executives and mentors, students gain practical experience and explore potential career paths. This year, a legal-specialist career path was newly added, covering 5 career paths: legal specialists, IT specialists, digital finance, finance management, and operations planning. A total of 28 interns were admitted. After the summer internship, 6 remained at Cathay, and among them, 2 transitioned to full-time positions.

Cathay Internship Program(CIP)Standout Activities

Application of Sustainability Strategy Blueprint

ESG Project Competition

This year's project competition continued to focus on sustainability. CIP interns invited from various different subsidiaries and business units worked in teams to develop implementable ideas by combining what they had learned about products or planning with their understanding of Cathay's sustainability strategies and actions. Proposals included gamified approaches to promoting financial literacy among the public and using high cashback credit cards as incentives for ecofriendly behaviors. Final presentations were judged by executives from across the group based on impact, logic, and innovation.



Career Path Exploration

Alumni Sharing

The alumni seniors from 4 major career paths of personal banking, corporate banking, AI, and information technology were invited to share their career journeys , project participation, and recruitment insights. This not only helped students grasp key recruitment programs but also deepened their understanding of practical work and development potential and attracted potential talent.



Knowledge Sharing

Dialogue with Senior Vice Presidents

This session provided a space for open dialogue between senior vice presidents and CIP interns. Discussions covered the design of the internship program, project planning, and event execution. Leaders also shared personal career experiences and advice, encouraging interns to stay curious and courageous when facing challenges, and to turn those challenges into fuel for growth.



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4.2.2 Supporting the Underprivileged

4.2.2.1 Online Financial Education / Financial Discovery Camp

To implement our ESG spirit and correspond with Cathay FHC's ESG sustainability strategy, the Bank focuses on youth empowerment, designing a series of financial literacy courses for elementary schools in rural areas. Through systematic teaching, helping to equip children with the knowledge and tools needed to make sound financial decisions, helping them develop positive money values and financial habits that will benefit them throughout life. At the same time, the course is also updated to keep pace with the times, incorporating anti-fraud concepts into lesson plans, strengthening teaching content, and establishing financial security awareness among students. We call on Bank colleagues to leverage their professional capabilities in combination with volunteer mechanisms to help students in remote elementary schools build sound values. Through live-streamed online financial education, we break through spatial limitations to deliver distance learning each year. In addition, we plan a in-person, two-day experiential trip for students in remote areas. we invited students from partnering with the "Elevated Tree Program" to travel north, where CUB's employees led hands-on financial and sustainability education sessions and guided the children on branch visits, participate in the Bank's annual employee road running event—Cathay Run, watch professional baseball games, and visit the Taipei Music Center green building. By combining financial education with the Bank's actual practice, we bring diverse experiences to students in remote areas. During the year, we continued to promote financial education for financially disadvantaged groups and children in remote areas, delivering a total of 13 financial education courses and outreach events. As of December 31, 2025, 260 students benefited from financial education courses under the CUB Financial Education.

4.2.2.2 Donation Platform

In addition to supporting educational opportunities for disadvantaged children, the Bank also committed to assisting other vulnerable groups through its role in the financial sector. To this end, the Bank has established a dedicated donation platform on its official website to providing the public with a convenient and secure channel for charitable giving. This not only facilitates donations to legitimate charitable organizations but also helps reduce the risk of fraudulent fundraising conducted by counterfeit charitable organizations. The Bank partners with a number of nonprofit organizations, including Beunen Foundation, Taiwan Prevent Blindness, Syin-Lu Social Welfare Foundation, and The Garden of Hope Foundation etc. The donation platform provides information on each organization's services, together with links to their official websites for downloading donation forms and making online donations. Furthermore, to encourage people to spread love, the Bank has introduced the "Tree Point Donation" program. Credit card cardholders may redeem 100% of their accumulated Tree Point for donations. This initiative aims to increase people's willingness to donate and provide tangible support to these organizations to extend assistance to more people in need. Over the past three years, a total of 17,608 cardholder accounts have redeemed a total of 7.58 million Tree Point for charitable donations.

Tree Point Donation Redemptions

	2023	2024	2025
Number of redeeming cardholder accounts	4,036	6,300	7,272

4.2.2.3 Cathay United Bank Foundation

The Bank supports the public welfare initiative "Elevated Tree Program" by the Cathay United Bank Foundation, working together to address issues related to underprivileged groups, remote areas, and child development, while fulfilling our corporate social responsibility. The Foundation's public welfare initiatives are summarized below:

Elevated Tree Program

The Foundation continually promotes the "Elevated Tree Program" rooted in education, helping students learn with peace of mind, build self-confidence, and create a brighter future. In 2025, the "Elevated Tree Program – Scholarship Donation" supported a total of 6,760 disadvantaged elementary and junior high school students.

Extending the spirit of the Elevated Tree Program of nurturing young saplings into towering trees, the Foundation also encouraged students to participate in sports in 2025. Through the "Elevated Tree Program – Sports Donation," the Foundation supported elementary and junior high schools in promoting physical education, cultivating students' self-discipline and team spirit, and helping students discover themselves through participation in major sporting events. In 2025, the Foundation sponsored 13 sports teams, including the judo team of Jianshi Junior High School in Hsinchu County, for competition participation, training expenses, and equipment procurement, and also sponsored the "Cathay United Sunrise Village Cup National Junior Football Game" tournament.

Cathay Charity Group Activities

To continue the educational public welfare concept of the Elevated Tree Program, the Foundation continued to participate in Cathay Charity Group's educational charity activities, such as the "Cathay Youth Excellence Scholarship," "Teach For Taiwan Partnership," "Dream Come True Program," "After School Care Program," "Free Broadcasting of Taiwan Unsung Hero at Remote Country Schools," and the "Winter Warmth Program." In addition, the Foundation published the Cathay Charity Group Annual Report.

Charity Arts and Cultural Events

To promote art education in Taiwan, the Foundation hosted public art exhibitions and art lectures at the Cathay United Art Center, offering the public a free venue for art appreciation and learning about art. In 2025, the Foundation held 8 exhibitions, 4 art lectures, and 4 arts and cultural events. In addition, the Foundation produced an art desk calendar featuring works by local artists, conveying warm blessings and celebrating the beauty of art.

國泰世華銀行
Cathay United Bank

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5.1 Responsible Investment/Lending

5.1.1 Responsible Investment/Lending Policy

Internal Policies or Management Guidelines	International Standards or Relevant Taiwan Regulations Followed / Referenced	Information Disclosure
• Guidelines Governing ESG and Climate Risk Management • Equator Principles (EP) Implementation Guidelines • Environmental, Social and Governance (ESG) Rules for Financial Trading • Principles for Identifying Corporate Banking Sustainable Loan Products • Principles Governing Corporate Banking Sustainable Loans • Environmental, Social, and Governance (ESG) Rules for Corporate Loans • Sustainability Information Compilation Management Rules	• United Nations Principles for Responsible Banking (PRB) • Taiwan Sustainable Taxonomy • Transition Lending Review Reference Guide • Suggested Elements of a Transition Plan • Green Loan Principles (GLP) • Social Loan Principles (SLP) • Sustainability-Linked Loan Principles (SLLP)	• Sustainability Report • Stewardship Report • Records of Voting at Shareholders' Meetings • Engagement Records

The Bank has established the Principles for Identifying Corporate Banking Sustainable Loan Products, which integrate international sustainable finance standards with the Bank's internal management regulations to serve as a consistent governance framework for sustainable lending products. These guidelines clearly define the recognition principles, review processes, and credit-limit attributes for various sustainable lending products, ensuring that credit decisions balance international alignment, risk control, and the sustainable benefits of the use of proceeds. They cover green, social, sustainability-linked, and transition loan types.

In addition, when developing financial products related to net-zero or sustainable transition, such as transition loans and sustainability-linked loans, the Bank designs the framework with reference to international standards, including SLLP, LSTA, LMA, and APLMA, and incorporates relevant risk-assessment results into the terms of each related financial product. When setting credit terms and sustainability performance targets, the Bank considers the enterprise's transition risks, sustainability governance capabilities, and industry characteristics to ensure that products can effectively promote corporate decarbonization or overall improvement in sustainability performance. At the same time, the Bank adheres to the principle of information transparency and clearly discloses the product's sustainability objectives, measurement indicators, tracking methods, default adjustment mechanisms (such as interest-rate adjustments), and relevant post-lending management requirements during client negotiations and document preparation. This helps clients fully understand and identify product characteristics and strengthens their trust in and willingness to participate in sustainable finance products.

Through the above processes, the Bank ensures that the design of sustainable finance products embodies international consistency, risk control, and information transparency, while substantively supporting enterprises in moving toward net-zero and sustainable transition. In addition, the Bank reviews the sustainability level of clients' economic activities in accordance with the Taiwan Sustainable Taxonomy so as to provide corresponding lending structures or products. In 2025, the Bank provided sustainability-linked loans to such clients whose economic activities were reviewed under the Taiwan Sustainable Taxonomy, setting indicators and targets with reference to their autonomous reduction plans and sustainability performance in recent years, thereby establishing challenging goals and supporting concrete climate-mitigation actions.

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5.1.1.1 Investment and Lending Risk Management

CUB is committed to mitigating risks related to climate change and environmental, social, and governance (ESG) related issues. Climate-related risks (including transition risks and physical risks) are clearly defined. In addition to incorporating ESG and climate-related risk identification processes (including ESG factors such as controversial activities, climate, biodiversity, and human rights) into existing investment and lending procedures, we also actively respond to TCFD, TNFD, and align with CDP and SBTi management frameworks. We have also established investment and lending management rules to prudently assess the ESG and climate risks of borrowers and investees before investment/lending. By evaluating information related to environmental, social, governance and regulatory violations and sanctions, we assign ESG ratings to corporate lending clients and implement differentiated tiered management. After investment/lending, we not only continue to review their ESG and climate performance, but also actively engage in in-depth dialogue with relevant companies to assist them in transitioning, in order to properly manage the long-term risks of the investment and lending portfolios.

Responsible Investment/Lending Process

Exclusion List → **No Investment/Lending**

Integrate ESG Factors into Decision-Making

- Material ESG risks
- Financial assessment
- Controversial activities
- Climate/Biodiversity/Human rights risks

Approved for Investment/Lending

- ESG due diligence and risk assessment
- Sensitive industry management
- Equator Principles project financing

Post-Investment/Lending ESG Due Diligence Measures

Investment

(1) Sensitive industry concentration of the investment portfolios
(2) Climate risks and ESG performance of investee companies
The above items are reviewed at least semi-annually as a reference for adjusting investment positions or taking appropriate management measures, including monitoring, reduction, or suspension.

Lending

Corporate lending clients shall conduct an annual ESG review during the annual review, prudently assessing the ESG credit conditions approved in the original case, compliance status, and historical changes in ESG ratings, and continuously monitoring changes in clients' ESG risks and early warning information to facilitate timely responses.

Exclusionary Screening

In line with Cathay FHC's responsible investment and lending policies, CUB revised its list of excluded business activities and introduced additional management measures for unconventional oil and gas and natural gas related activities in 2024.
CUB excludes business engaged in controversial weapons, human rights violations, pornography, mining, coal-fired/nuclear power generation, coal-related activities, upstream exploration and extraction of conventional and unconventional oil and gas, the tobacco industry, gambling, tropical rainforest logging, and drift net manufacturing and fishing. This approach aligns with the United Nations Sustainable Development Goals (SDG) 14 "Conserve and sustainably use the oceans, seas and marine resources" and SDG 15 "Protect, restore and promote sustainable use of terrestrial ecosystems and halt biodiversity loss."

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ESG Due Diligence and Risk Assessment

CUB strictly controls ESG-related risks arising from investment and corporate lending cases and has established an ESG rating management mechanism to implement differentiated tiered management.

Investment:

If the industry of CUB's investment target falls under sensitive industries, a "Climate Risk Assessment Form" must be completed to include climate risks in due diligence, covering carbon emissions, water usage, disclosure of potential temperature rise under SBT, carbon reduction targets, including Self-determined Reduction Plan approved by the Ministry of Environment, Voluntary Reduction and Offsetting Project, water resource management, and biodiversity policies. In the investment process, CUB refers to ESG rating information from MSCI, the international rating agency, to understand the ESG performance of the target. If poor ESG performance or no ESG rating is found, an "ESG Risk Assessment Form" must be completed to further evaluate whether to invest and determine post-investment management.

Corporate Lending:

In accordance with the "Environmental, Social, and Governance (ESG) Rules for Corporate Loans,"CUB incorporates ESG-related risks such as environmental penalties, harm to public welfare, human rights violations, governance, climate, and nature into the KYC (Know-Your-Customer) process for corporate lending cases. ESG incidents of the client must be reviewed, and the client must be consulted to understand the status of corrective actions, risk mitigation measures, and monitoring items.

In addition, clients are encouraged to provide ESG risk management plans, explaining corrective actions or response strategies, to continuously improve their sustainability performance. These plans may refer to the "Taiwan Sustainable Taxonomy"and "Recommended Items for Transition Plans,"or international net-zero transition standards or guidelines. The plan may include, but is not limited to, carbon emission data, carbon reduction targets and strategies, technical challenges and funding needs for carbon reduction, and water resource management policies. Clients are also encouraged to consider transition opportunities, such as green loans or sustainability-linked loans, to promote capital flow toward low-carbon and sustainable development. If an enterprise has obtained a Self-determined Reduction Plan approved by the Ministry of Environment, or participates in Voluntary Reduction and Offsetting Project, the Bank regards such actions as important reference information for sustainability practices, incorporates them into the assessment of the enterprise's ESG-related management plans and transition strategies, and considers whether they should be reflected in credit terms and conditions.

Credit Officers assess the risk mitigation measures and monitoring items based on the ESG risk incidents involved in the credit case, which serve as references for the review comments. If the case involves serious harm or meets exclusion criteria, actions such as loan reduction, setting restrictive conditions, or loan rejection may be taken to guide clients to value relevant issues and implement responsible lending principles. For environmental pollution cases, the Bank determines the appropriate measures based on the severity of penalties. In severe cases, the Bank may reject the loan, reduce the credit facility, or suspend further drawdowns. If the enterprise demonstrates significant improvement through third-party certification, it may apply for reassessment of the credit conditions. In 2025, there were 55 high-risk cases subject to enhanced environmental review, totaling NT$16.02 billion; 8 cases involving environmental pollution were approved with restrictive conditions, totaling NT$6.75 billion.

Through ESG review and post-lending monitoring, the Bank continuously requires clients to propose improvement plans and reviews their implementation progress. Through the Bank's ongoing follow-up, a client in the manufacturing sector strengthened its waste management, monitoring mechanisms, and process controls, and proposed specific waste management strategies, shifting from passive remediation to institutionalized management. During the ESG review of corporate lending in 2025, the client's environmental penalties over the past three years decreased by more than 40% compared with the previous period. The Bank also provided sustainability-linked loans to encourage the client to strengthen climate actions and improve emissions performance, while offering economic incentives upon achievement of the targets. The Bank continues to guide enterprises in implementing compliance, energy conservation, and carbon reduction through a comprehensive ESG review mechanism supported by sustainable finance tools.

Management of Sensitive Industries

Based on the stringency of government policies in various countries, each industry's exposure to climate-related risks, Cathay FHC's climate risk appetite, and measurable criteria, CUB uses carbon emissions, water usage, and biodiversity as sensitivity factors to establish a sensitive industry management mechanism and implement tiered management. For highly sensitive industries, an exposure limits management mechanism is introduced, and the usage of limits for highly sensitive industries is regularly monitored.

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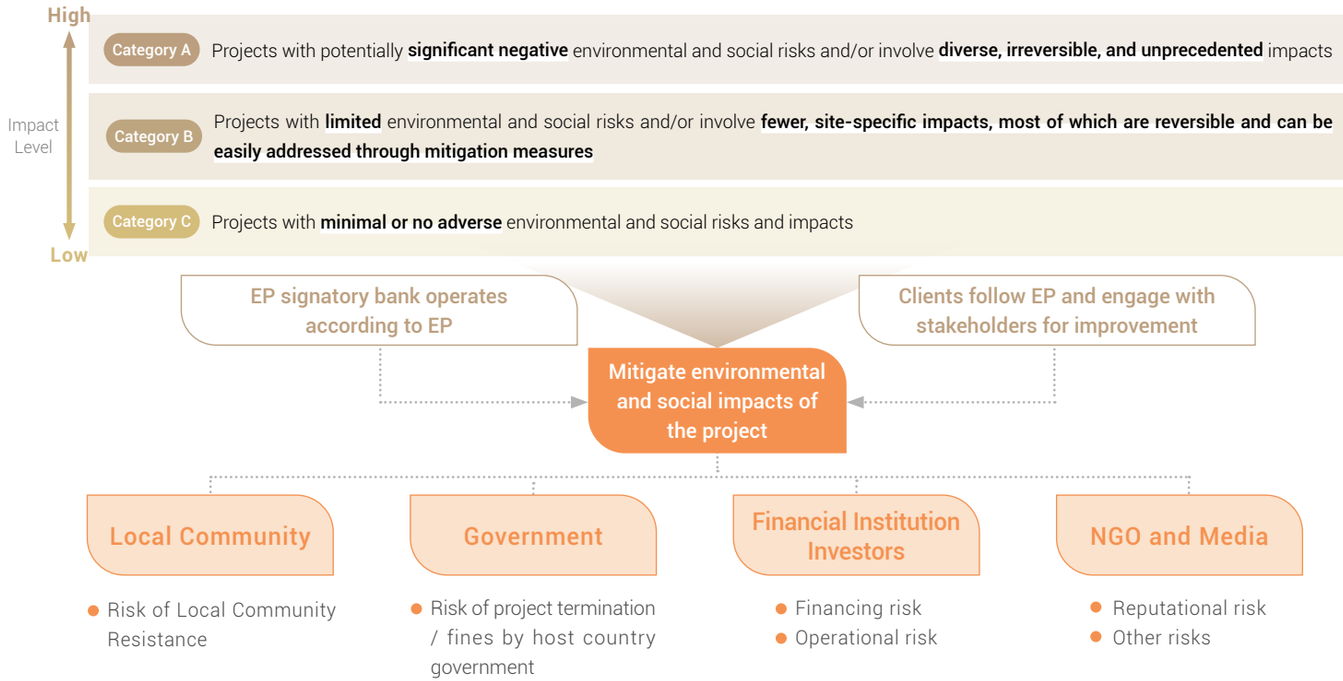
Project Finance of Equator Principles (EP)

CUB includes biodiversity, climate change, and human rights risks as essential items in the assessment of Equator Principles project finance cases. These cases are reviewed in accordance with the eight IFC Performance Standards, including PS6 on biodiversity, and incorporated into review opinions. For example, in climate change assessments, projects with estimated annual carbon emissions exceeding 100,000 tons must consider transition risks and complete an analysis of alternative solutions to reduce greenhouse gas (GHG) emissions. Post-lending, the Bank tracks emissions and the effectiveness of mitigation measures.

The Equator Principles focus on assessing the potential environmental and social risks of large-scale project financing. For cases with significant risks (i.e., Category A and B), the assessment process must involve independent review by third-party consultants. After loan approval, a rigorous post-lending management mechanism is required, including annual monitoring reports reviewed by professional third-party consultants to ensure proper monitoring of environmental and social risks in EP credit cases. As of December 31, 2025, 4 cases reached Financial Close in accordance with EPs, with newly approved credit totaling approximately NT$3,716 million. As of December 2025, CUB had a cumulative total of 31 EP credit cases that reached Financial Close.



Year	Number of New Cases	Category A	Category B	Category C
2015	Grace Period			
2016	5	1	1	3
2017	2	-	-	2
2018	6	1	2	3
2019	2	1	-	1
2020	2	-	-	2
2021	2	1	-	1
2022	2	-	2	-
2023	3 LA	-	2	1
2024	3 LA	-	3	-
2025	4 LA	-	3	1
Total	31	4	13	14

Note 1: According to the Equator Principles, environmental risk assessments should align with the risk categories defined by TCFD, while social risk assessments should refer to the United Nations Guiding Principles on Business and Human Rights (UNGPs) to evaluate human rights risks and impacts.

Note 2: Project finance cases that meet the scale applicable to the Equator Principles (EP) have greater environmental and social impacts than general cases. As an Equator Principles signatory, in addition to assessing environmental risks such as climate change and biodiversity, CUB also requires clients to refer to the UNGPs and include human rights risks of stakeholders such as local communities and residents in their assessments. For cases with significant impacts (such as Category A and B risks), third-party consultants must issue relevant assessment documents, such as conducting effective engagement actions with affected communities and other stakeholders. CUB' s Board of Directors and Risk Management Committee may regularly supervise the environmental and human rights risks of EP cases and track the progress of mitigation measures through ESG implementation reports.

Note 3: The number of new cases refers to credit cases that reached Financial Close during the year (i.e., the case has been signed and is in a drawable state), and this is used to calculate the newly approved EP credit amount.

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5.1.1.2 ESG Rating and Classification Module System

System Overview

Through technologies such as data extraction, analysis, and processing, CUB has developed the "ESG Rating and Classification Module System" by integrating big data related to environmental, social, and governance (ESG) factors. This automated system can quickly screen borrowers' ESG risk levels, support post-lending management and risk alerts, helping the front office to quickly identify client risks, the middle office to monitor asset quality, and the back office to reduce operational risks. It not only saves manual query time but also identifies potential ESG deficiencies or concerns in clients, reducing reputational or financial risks for the Bank and comprehensively enhancing risk management.

To align with international trends, group development, and the promotion of sustainable finance, in addition to adopting the Equator Principles and voluntarily following the UN Principles for Responsible Banking, the system is updated and processed from time to time according to external regulations and international standards to create sustainable value and deepen awareness of environmental, social, and governance risks.

Key Features

- Leading the financial industry in implementing internal ESG rating and management frameworks.
- Pioneering ESG risk classification and differentiated management, covering the entire credit process end-to-end, and using AI algorithms to automatically interpret corporate ESG performance scores.
- Using automated extraction technology to obtain both clients' ESG-related negative penalty information and positive ESG information of clients, including SMEs.
- Through "weighting" design, standardizing and aggregating borrowers' positive and negative performance, and classifying them into four rating levels to assess clients' sustainability risks and opportunities, thereby supporting the formulation of credit decisions.

Milestone

September 11, 2020
"Negative ESG Rating Classification Module" approved as a "Utility Model" patent by the Intellectual Property Office, Ministry of Economic Affairs.

July 1, 2023
"Negative ESG Rating Classification Module" approved as an "Invention" patent.

April 21, 2024
"Automated ESG Rating Classification Module" approved as a "Utility Model" patent.

December 7, 2024
"Automated ESG Rating Classification Module" submitted for "Invention" patent re-examination.

5.1.2 Results of Responsible Lending

The Bank centers its efforts on the responsibilities that financial institutions should fulfill, proactively incorporating environmental and social issues into its lending processes and focusing on low-carbon transition, renewable energy, and the Twelve Key Strategic Industries. Through green loans, renewable energy project finance, sustainability-linked loans, and social loans, the Bank leverages its capital to help clients improve sustainability performance in areas such as carbon reduction, energy conservation, and social inclusion. The Bank continues to deepen its responsible lending strategy, expand the proportion of sustainable capital supply, and help industries pursue sustainable transition through positive financial influence, thereby creating long-term social value that is more inclusive and resilient.

5.1.2.1 Items of Responsible Lending Service

Unit: New Taiwan Dollar (NTD)

Items of Responsible Lending Service	Description	Key indicators	2024	2025
Environmental Lending	To promote the shared prosperity of the environment and society, Cathay FHC has established sustainable thematic investment and lending, among which low-carbon and energy-storage themes are closely related to low-carbon transition. The Bank adopts the Group's philosophy and categorizes these related sustainable themes as Environmental Lending, tracking the implementation of each theme to support the vision of environmental sustainability. The Bank expects to continue leveraging capital to create financial influence, support enterprises in generating low-carbon transition opportunities or climate change mitigation and adaptation, and enhance the competitiveness of industrial Transition. For details on lending under each sustainable theme, please refer to Appendix 7.1 ESG Performance Data.	Amount of environmental lending	51.421 billion	47.962 billion
		(Amount of environmental lending) / Total amount of corporate lending) ×100%	LA 6.07%	LA 5.23%

Unit: New Taiwan Dollar (NTD)

Items of Responsible Lending Service		Description	Key indicators	2024	2025
Twelve Key Strategic Industries Lending		Taiwan's Pathway to Net-Zero Emissions in 2050 establishes action plans across Twelve key domains related to energy, industry, lifestyle, and social transition policies. The government issued the "Twelve 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, financing 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. For more information on lending under the Twelve Key Strategic Industries, please refer to Appendix 7.1 ESG Performance Data.	Lending in industries critical to the "Twelve Key Strategies" listed in the "Taiwan's Pathway to Net-Zero Emissions in 2050"	20.150 billion	17.497 billion
Renewable Energy Loans		CUB actively supports the national policy on green electricity and renewable energy by promoting renewable energy financing to reduce greenhouse gas emissions and create green jobs. The Bank has set a goal to continue increasing the percentage of renewable energy loans in total electricity supply loans until it reaches 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, enhances 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	99.79%	99.86%
Corporate Sustainable Loans Note 4	Corporate Green Loans	The use of proceeds is restricted to specific green projects, including renewable energy, energy conservation and efficiency improvement, pollution prevention and control, clean transportation, and water treatment. By supporting these projects, the financing helps borrowers achieve environmental benefits such as carbon emissions reduction and water purification, while ensuring that the allocation of funds results in substantive improvements in environmental outcomes.	Outstanding amount of corporate green loans	LA 25.000 billion	LA 20.628 billion
			(Outstanding amount of corporate green loans) / (Total outstanding amount of corporate lending) ×100%	2.95%	2.23%
	Sustainability-Linked Loans (SLL)	Commercial terms of corporate loans are linked to pre-determined sustainability KPI of the borrower or its controlled and affiliated companies. Currently, most of CUB's sustainability-linked loans incorporate environmental KPIs, encouraging clients to achieve quantifiable environmental outcomes such as carbon emissions reduction, electricity savings, use of renewable energy, and water conservation.	Outstanding amount of SLL	LA 49.513 billion	LA 107.774 billion
			(Outstanding amount of SLL) / (Total outstanding amount of corporate lending) ×100%	5.85%	11.63%
	Corporate Social Loans	The use of proceeds is restricted to specific social projects, including lending to micro and small enterprises in certain regions and the construction of social housing, with the aim of generating social benefits for target populations.	Outstanding amount of corporate social loans	0.983 billion	LA 1.463 billion
			(Outstanding amount of corporate social loans) / (Total outstanding amount of corporate lending) ×100%	0.12%	0.16%
Green Consumer Loans		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.	Amount of green consumer loans	1.196 billion	1.936 billion
			(Amount of green consumer loans) / (Total amount of consumer lending) ×100%	0.07%	0.10 %
Offshore Wind Power Financing		In addition to participating in Taiwan's first offshore wind power syndicated loan — the 128 MW Formosa 1 Offshore Wind Farm— the Bank continues to actively engage in domestic and overseas renewable energy financing projects. Through project finance, syndicated loans, and financial advisory services, the Bank supports offshore wind projects and the development of renewable energy.	Cumulative Installed Capacity of Approved Offshore Wind Power Financing	1,373MW	1,373MW
Solar Financing		The Bank handled Taiwan's first solar financing case and has long promoted renewable energy project finance in support of energy transition and low-carbon economic development. In 2025, the Bank approved financing for solar power plants in Taiwan with a total installed capacity of 4 MW. In addition, the Bank participated in an Australian solar project financing case with a total installed capacity of 800 MW.	Cumulative Installed Capacity of Approved Solar Financing	Domestic: 1,059.00MW；Overseas:156.00MW	Domestic:1,062.86MW；Overseas:956.00MW

Note 1: Figures in the 2024 column are statistics as of December 31, 2024, and figures for 2025 are statistics as of December 31, 2025.
Note 2: The total amounts of corporate lending was NT$846.894 billion in 2024 and NT$926.986 billion in 2025. The total amounts of consumer lending was NT$1,751.016 billion in 2024 and NT$1,882.496 billion in 2025.
Note 3: The total amounts of corporate client lending comprises on- and off-balance-sheet credit for domestic and overseas corporate clients, excluding accounts that are settled, dormant, under collection, bad debt, or frozen. The balance in 2025 was NT$916.864 billion.
Note 4: Corporate sustainable loans cover corporate green loans, sustainability-linked loans, and corporate social loans. However, there may be differences between the total amount of corporate sustainable lending and the sum of the individual sub-items, mainly because some lending cases simultaneously qualify for two or more types of corporate sustainable lending and are therefore excluded to avoid double counting. As of December 31, 2025, CUB's corporate sustainable lending balance was NT$129.616 billion, excluding approximately NT$0.249 billion that simultaneously qualified for two or more types of corporate sustainable lending. Overall growth momentum was driven mainly by the promotion of standardized SLL terms. In 2025, the launch of the SME Sustainable Finance Partner Program also expanded the client base and business scale.

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5.1.2.2 Case Study of Responsible Lending

Case Study

Through engagement, guiding clients to promote carbon reduction and green projects, and fully supporting sustainable transition

With reference to the "Taiwan Sustainable Taxonomy" and the Bank's existing "Principles Governing Corporate Banking Sustainable Loans", the Bank engages clients on sustainability when handling corporate lending. The topics covered include corporate carbon-reduction actions, other specific climate-mitigation measures, and the promotion of green projects that generate environmental benefits.

Based on the results of such engagement, the Bank guides enterprises in sustainable transition and provides corresponding sustainable finance products, including green loans and sustainability-linked loans, taking into account the characteristics of their sustainability initiatives, to help enterprises achieve carbon emission reductions and improve environmental performance. In 2025, the Bank used green loans to help clients replace high-energy-consuming equipment to reduce greenhouse gas emissions, and also used sustainability-linked loans to establish ambitious decarbonization targets that encourage enterprises to continuously improve their sustainability performance.

Case Study

Actively expanding social responsibility loans in domestic and overseas markets to broaden positive social impact through collaboration with clients, other financial institutions, social welfare-related institutions or vendors, and enterprises

By providing financing channels, the Bank indirectly supports disadvantaged and underserved populations. The bank primarily focuses on groups that have difficulty obtaining adequate basic services, such as transportation, medical care, housing, and financial services, as well as those who need to improve basic education, skills, or socioeconomic status. Through its network of partners, the Bank helps specific groups such as people requiring long-term care, low-income households with housing needs, and other project beneficiaries approved by local government social affairs bureaus to obtain the necessary resources. All social responsibility loans are restricted to one or more designated social projects. The Bank has also established sound cash-flow control and fund-tracking mechanisms, requiring borrowers to report regularly on the use of funds to ensure that funds are used for the financing or refinancing of designated projects, thereby enhancing transparency and strengthening tangible social benefits. In 2025, CUB's social loans included both overseas syndicated loans and domestic bilateral loans. These financings supported the construction of social housing, wheelchair transportation services for people requiring long-term care, accessible education and training services, and other designated social responsibility projects.

Case Study

Green guarantee facility supports green shipbuilding, with CUB contributing to marine scientific research and sustainable development

CUB has extended its sustainable finance offering beyond to a broader range of financial products. In 2025, with the support of Enterprise Singapore, the Singapore Branch structured a green guarantee facility with a tenor of up to six years for Marco Polo Shipyard Pte Ltd, a subsidiary of Marco Polo Marine Ltd, to support its construction of a marine research vessel for Taiwan's National Academy of Marine Research. The total shipbuilding amount was NT$4.67 billion. This was a large-scale cross-border project with high specifications, a long construction period, and stringent performance requirements. Through rigorous risk assessment and structured financing design, CUB helped the enterprise alleviate liquidity pressure during project execution and delivery.

The new marine research vessel has a gross tonnage of 4,000 tons. Its design incorporates the Underwater Noise Notation (UWN) standard to minimize underwater noise emissions, and it is equipped with a battery energy storage system and waste heat recovery equipment to improve overall energy efficiency and reduce carbon emissions, thermal pollution, and impacts on marine ecosystems, thereby balancing scientific research needs with environmental protection goals. By supporting a project with energy-saving, carbon-reduction, and public-research value, this case not only helps strengthen regional marine scientific research capacity, but also demonstrates the Bank's concrete achievements in using cross-border finance, guarantees, and structured financing capabilities to support green and transition projects and promote sustainable and blue-economy development. This transaction marked the Bank's first green guarantee facility and received the Best Case of the Year award in the Bank's third annual Overseas Sustainable Finance Best Case and Branch Awards.

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5.1.3 Results of Responsible Investment

The Bank has fully incorporated ESG ratings and climate risk assessments into its sustainable investment practices. It has established an exclusion list and target sustainable thematic investments, actively implemented a phased decarbonization plan, and made specific commitments not to add new investments in, or to phase out and completely exit from, the coal and unconventional oil and gas industries. The Bank also influences the sustainable practices of investees through shareholder actions and engagement.

5.1.3.1 Items of Responsible Investment Service

Unit: New Taiwan Dollar (NTD)

Items of Responsible Investment Service	Description	Key indicators	2024	2025
Environmental Investment	To promote the shared prosperity of the environment and society, Cathay FHC has established sustainable thematic investments, among which themes such as alternative energy, buildings, waste recycling, transportation, energy-saving industries, natural carbon sinks, and green bonds are closely linked to low-carbon transition. The Bank adopts the Group's philosophy and categorizes these related sustainable themes as Environmental Investment, tracking the implementation of each theme to support the vision of environmental sustainability. In 2025, environmental investment increased by NT$13.7 billion compared with 2024. The Bank expects to generate financial influence by increasing capital allocation to support enterprises in creating low-carbon transition opportunities or climate change mitigation and adaptation, thereby making industrial transformation more competitive. For details on investments under each sustainable theme, please refer to Appendix 7.1 ESG Performance Data.	Amount of Environmental Investment	29.821 billion	43.586 billion
		(Amount of environmental investment / Total amount of Investment) ×100%	2.70%	3.20%
Twelve Key Strategic Industries Investment	Taiwan established action plans in the "Taiwan's Pathway to Net-Zero Emissions in 2050" for Twelve key domains critical to energy, industry, lifestyle, and social transition policies. The government issued the "Twelve 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 create financial influence, the Bank also supports the development of related industries by investing in wind power, energy-saving industries, and green finance. In 2025, investment in the Twelve Key Strategic Industries increased by NT$11.9 billion compared with 2024, in response to government policy and in support of enterprise development in green energy and energy conservation, thereby moving toward the positive goals of a green-energy homeland and optimal energy efficiency. For details on investment by industry under the Twelve Key Strategic Industries, please refer to Appendix 7.1 ESG Performance Data.	Investment in industries critical to the "Twelve Key Strategies" listed in the "Taiwan's Pathway to Net-Zero Emissions in 2050"	16.755 billion	28.698 billion
Sustainable Investment	The Bank's sustainable investments include investments in green bonds, social responsibility bonds, sustainable development bonds, and sustainability-linked bonds issued in Taiwan and overseas.	Amount of Sustainable Investment	43.907 billion	57.463 billion
		(Amount of sustainable investment / Total amount of Investment) ×100%	3.97%	4.22%
		Amount of investment in sustainability-related bonds recognized by the TPEx	19.291 billion	38.859 billion
		(Amount of investment in sustainability-related bonds recognized by the TPEx / Total amount of Investment) ×100%	1.75%	2.85%

Note: Figures in the 2024 column are statistics as of December 31, 2024, and figures for 2025 are statistics as of December 31, 2025.

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5.1.3.2 Case Study of Responsible Investment

Case Study

Participating in new sustainable financial products — Sustainable Commercial Paper

The Bank actively participated in investing in a new type of sustainable financial product launched for the first time in Taiwan's New Taiwan dollar money market—the world's first Sustainable Commercial Paper. The issuer was the world's largest manufacturer of food-grade recycled polyester pellets (rPET). The proceeds from the Green Commercial Paper and Social Commercial Paper issued in that transaction will be used respectively for expanding rPET production capacity and renewable energy use, and for building essential living infrastructure and providing funding to maintain jobs for employees of domestic SMEs and micro-enterprises, thereby helping vulnerable groups achieve economic independence and social rights, while supporting enterprise transition and putting responsible investment into practice.

5.2 Sustainable Financial Products

5.2.1 Results of Sustainable Financial Products

5.2.1.1 Items of Sustainable Financial Products

Unit: New Taiwan Dollar (NTD)

Items of Sustainable Financial Products	Description	Key indicators	2024	2025
Renewable Energy Industry Insurance	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. CUB and Cathay Century Insurance are collaborating on Cross-Selling to offer applicable insurance to green energy industries in support of their sustainable development and operations.	Insurance premium of green energy industry clients	16.24 million	15.03 million
Green Time Deposit	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$40.28 billion.	Green time deposit balance	1.007 billion	0.295 billion
ESG Funds	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.	Investment scale of ESG funds	10.370 billion	13.560 billion
		Number of ESG fund clients	24,604	23,201

Note 1: Figures in the 2024 column are statistics as of December 31, 2024, and figures for 2025 are statistics as of December 31, 2025.
Note 2: The 2025 green time deposit balance declined compared with the previous period because funds were reallocated to other internal deposit products.

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5.2.1.2 Case Study of Sustainable Financial Products

Case Study

"Online Fund Application Service" obtained ISO 14067 carbon footprint verification statement and carbon label



In 2025, the Bank's Online Fund Application Service obtained an ISO 14067 carbon footprint verification statement and received the Ministry of Environment's Carbon Footprint Label certification. This reflects the introduction of carbon inventory calculation into financial products and services, recording carbon emissions generated from stages including raw material input, service delivery, and waste treatment, and examining sustainability strategies such as the product life-cycle carbon footprint.

Case Study

Carbon Credits Trading Fund Trust Service



In response to the establishment of Taiwan Carbon Solution Exchange (TCX) and growing overseas demand for carbon credit trading, at the end of 2023, CUB developed "International Carbon Credits Trading Fund Trust Service" and integrated settlement mechanisms, taking on the role of trustee and clearing bank. This service provides a secure and comprehensive international carbon credit trading mechanism, empowering clients' decarbonization efforts and promoting low-carbon transition across industries.

Case Study

SME Sustainable Finance Partner Program



Following the Sustainability-Linked Payroll Innovative Solution, the Bank launched the SME Sustainable Finance Partner Program in 2025. By combining preferential offerings related to payroll transfer, lending, and foreign exchange, the Bank provides customized solutions to support SMEs in decarbonization transition. Enterprises that achieve electricity- or water-use targets are eligible for loan-interest discounts and preferential treatment on various financial services, thereby enhancing environmental awareness and promoting sustainable development.

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CUB's sustainable governance is founded on "risk management" and "internal control systems," dedicated to maintaining a healthy corporate structure while valuing commitments to stakeholders and sustainable value. We strictly adhere to relevant laws and regulations and strive to establish a comprehensive corporate risk culture to achieve sustainable development goals. While complexity of business environment increases, CUB upholds risk management principles to ensure that operations comply with domestic and international regulations. With a core objective of "automated efficiency and intelligent risk control," we continuously optimize our risk management and compliance systems. We actively promote a bank-wide risk management culture, integrating risk management principles into daily operations and decision-making to minimize potential risks and provide shareholder value.

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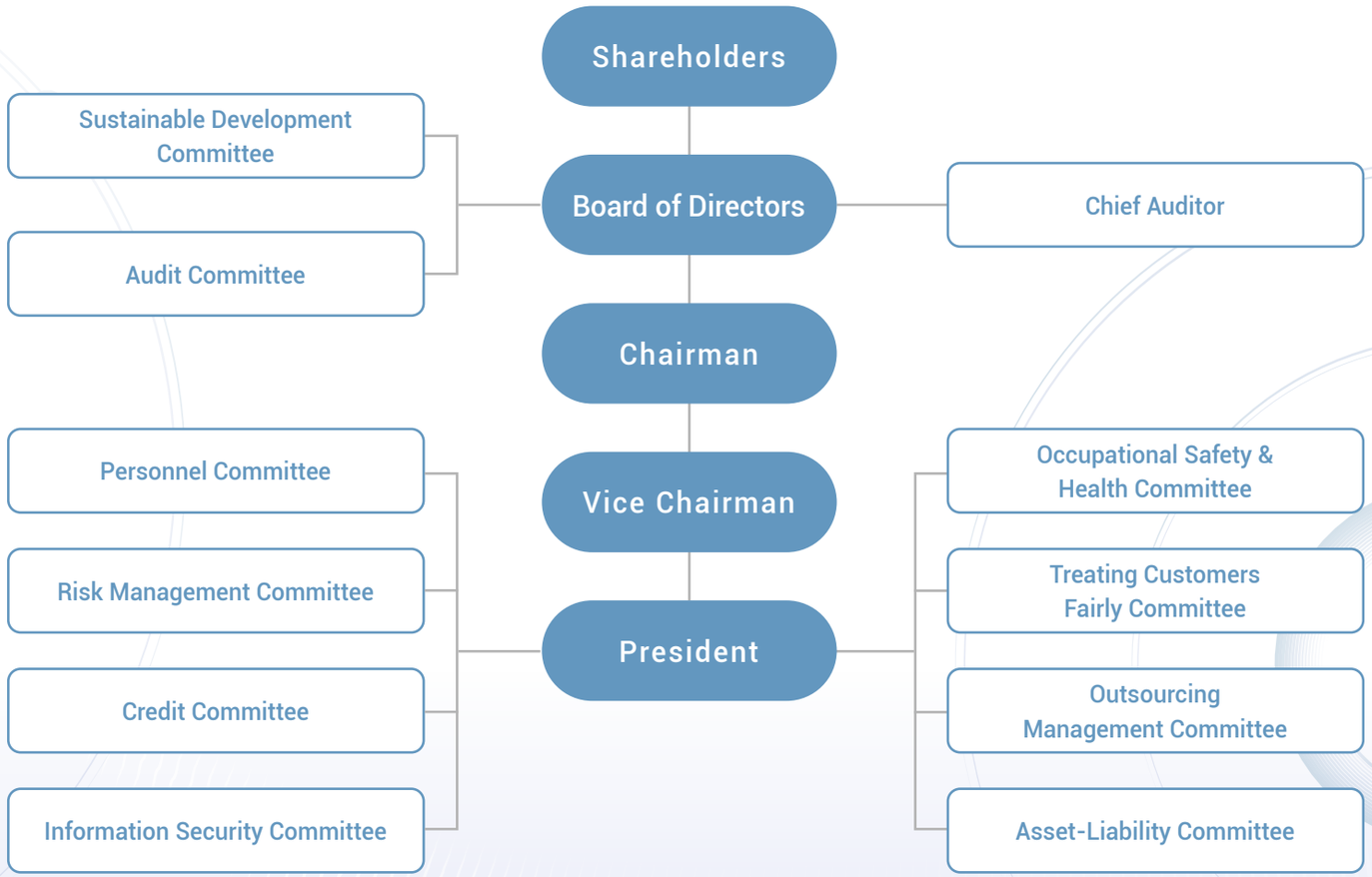
6.1 Corporate Governance

The Bank continues to refine its corporate governance structure to ensure that decision-making is transparent, prudent, and forward-looking. Leveraging a diverse range of professional backgrounds, the Board of Directors leads the Bank in advancing strategies such as internationalization, digitalization, and financial innovation and applications through a sound supervisory mechanism and a rigorous risk-control framework.

Organization Chart



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6.1.1 Board of Directors Structure and Operations

The Board of Directors is the highest decision-making body of the Bank and is chaired by the Chairman. In 2025, the Board held 12 meetings, with an actual attendance rate of 98.4%. The average tenure of directors was 7.4 years, while the average tenure of the three independent directors was 2.5 years. To promote corporate governance and sustainable development, the Bank actively establishes a system of functional committees under the Board to improve the quality of Board decision-making, effectively respond to challenges related to economic, environmental, and social issues, and enhance the forward-looking, objective, and comprehensive nature of decisions through the participation of independent directors.

The Bank has established the Audit Committee and the Sustainable Development Committee as functional committees under the Board to assist the Board in enhancing corporate governance performance and to lead the Bank in continuously deepening its commitment to and investment in corporate sustainability and responsible governance.

Functional Committee	Composition and Meeting Frequency	Responsibilities	Operations
Audit Committee	Composed of all independent directors, with no fewer than three people, one of whom serves as convener, and at least one possessing accounting or financial expertise. Meets at least once per quarter or whenever necessary.	Establishing or amending internal control systems and assessing their effectiveness; reviewing the fair presentation of financial reports; supervising the handling procedures for major financial and business activities; matters involving conflicts of interest of directors; and the appointment/dismissal or remuneration of certified public accountants.	Held 10 meetings in 2025, with a 100% attendance rate by committee members.
Sustainable Development Committee	Composed of 3 to 5 directors, at least half of whom must be independent directors, and at least one of whom must possess management expertise. Meets at least once per year or whenever necessary.	Establishing and amending annual sustainability plans and strategic directions; establishing and amending sustainability projects and activity plans; tracking and reviewing the implementation effectiveness of annual plans, strategies, projects, and activities; and deciding on other sustainability-related matters.	Held 5 meetings in 2025, with a 100% attendance rate by committee members.

The Bank will continue to review and refine its board diversity policy based on board operations, business models, and development needs, further strengthening the breadth of Board members' professional experience and knowledge and skills so that they can effectively support the Bank's strategic goals and promote corporate sustainability. This enables the Board to respond more effectively to the rapidly changing market environment while creating greater value for shareholders, customers, and society. In 2025, the directors completed 267.9 hours of training, with an average of 17.9 hours per director. Training topics included legal obligations and responsibilities of directors, Board structure and operations, enhancement of Board performance, finance, accounting, and sustainable development.

Board Conflict of Interest

To avoid conflicts of interest and ensure impartial decision-making, directors maintain a high level of self-discipline. The Bank's Rules of Procedure for Board Meetings contain clear provisions on the recusal of directors in cases of conflict of interest. In addition to matters stipulated by relevant laws and regulations, if a meeting agenda item involves a conflict of interest for a director or the legal entity represented by that director, the director must explain the essential content of the interest at the Board meeting. If there is a risk of harm to the Company's interests, the director may not participate in discussion or voting, must recuse themselves, and may not exercise voting rights on behalf of other directors. For information on directors' concurrent positions at the Bank and other companies in 2025, the percentage of directors who also serve as managers of the Bank, the six directors who are also employees of companies within the financial holding group (representing 40% of all directors), and the implementation of recusal for proposals involving conflicts of interest, please refer to the relevant sections in the Bank's 2025 Annual Report.

Communication of Key Material Events

According to the Bank's Implementation Guidelines for Legal Compliance System, if a major violation of laws and regulations is discovered or the Bank is downgraded by financial regulators, it must be reported to directors immediately, and the relevant compliance matters must be submitted to the Board of Directors. In 2025, a total of two major penalty cases[Note] involving regulatory sanctions were reported to the Board. These included a penalty case involving the Bank's Mainland China subsidiary and a case involving a customer service specialist stealing from a customer's credit card. Follow-up measures have been established to strengthen controls and prevent recurrence. In addition, if the Bank or its subsidiaries experience a compliance risk event as defined by internal operating rules, the event must also be reported to the Board of Directors in accordance with reporting procedures to effectively implement the corporate governance system.

Penalty Date	Penalty Amount	Case Description
April 2025	RMB 300,000 (approx. NT$1.33 million)	The Mainland China subsidiary's dedicated computer for regulatory reporting did not use a dedicated transmission line and was therefore penalized by the Shanghai Regulatory Bureau.
August 2025	NT$12 million	Deficiencies relating to a case in which a customer service specialist stole from a customer's credit card, resulting in a penalty imposed by the Financial Supervisory Commission (FSC).

Note: Major penalty cases refer to (1) cases with a penalty amount of NT$3 million or more; or cases where the penalty amount is less than NT$3 million but reaches one-half or more of the statutory maximum fine, excluding cases where the statutory maximum fine does not exceed NT$1 million; and (2) other major penalty cases announced by the FSC.

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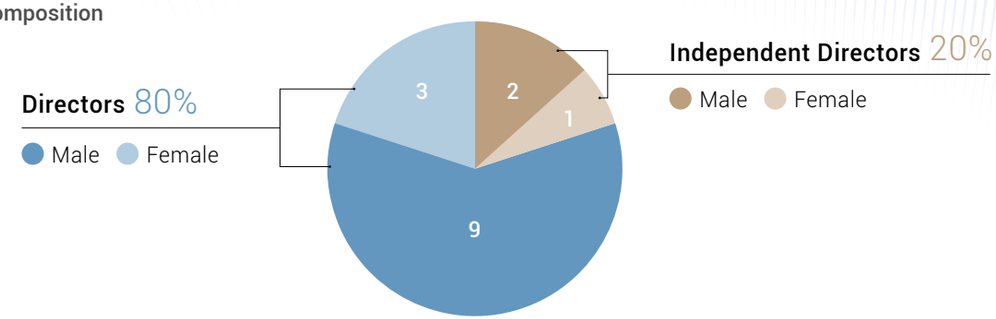
6.1.2 Professionalism, Diversity, and Independence of the Board of Directors

The Bank is a wholly owned subsidiary of Cathay FHC, and all directors are appointed by Cathay FHC. The term of the 18th Board of Directors runs from June 26, 2025, to June 25, 2028. The current Board consists of 15 members, including 12 directors and 3 independent directors. Among them, 4 are female directors, accounting for 26.7% of the total.

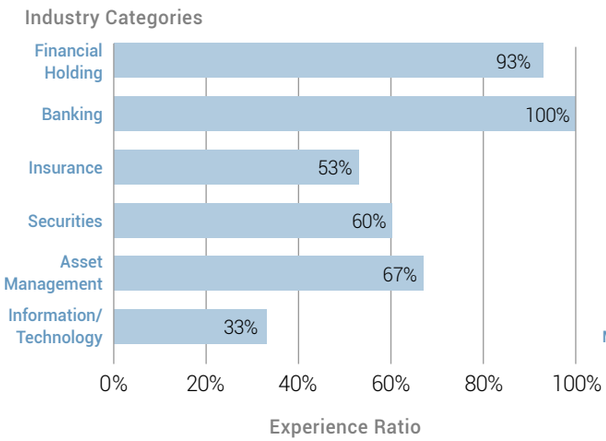
Current Board members possess extensive professional experience in business, finance, accounting, law, banking, information technology, overseas markets, and mergers and acquisitions, which supports the Bank's development strategies of internationalization, digitalization, and financial innovation and applications. In terms of industry experience, 15 directors have banking experience, 8 have insurance experience, and 9 have securities experience, reflecting the Bank's emphasis on both the depth and breadth of financial expertise. Overall, the Board's composition combines professionalism and diversity, which helps strengthen corporate governance and sustainable management capabilities.

Among the current 15 directors, independent directors account for 20%, and two directors have spousal or second-degree kinship relationships. None of the directors fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, and the Board therefore meets the relevant independence requirements. For the implementation status of the Board diversity policy, please refer to pages 33-35 of the Bank's 2025 Annual Report; for corporate governance operations, please refer to pages 56-138 of the same report.

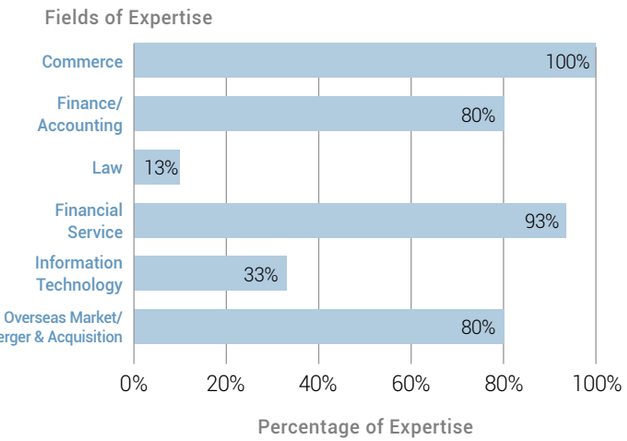
Board Composition



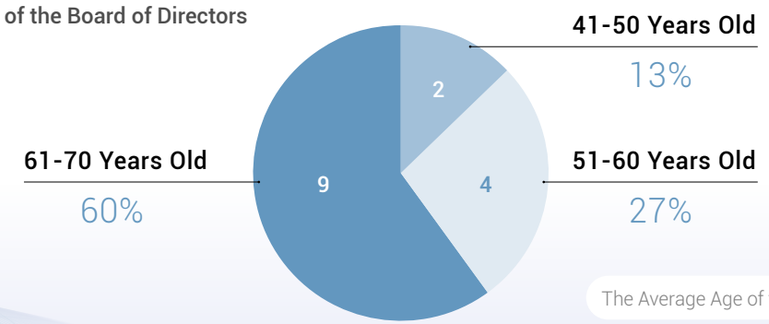
Board Professional Experience



Expertise of the Board of Directors



Age Distribution of the Board of Directors



The Average Age of the Directors: 60 Years Old

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6.1.3 Performance Evaluation and Remuneration Policy

To enhance the corporate governance system and create long-term value for shareholders, while ensuring that remuneration is linked to roles and responsibilities, the Bank has established the "Guidelines for Evaluation of Directors' Performance," "Guidelines for Directors' Remuneration," " Policy Governing Performance Management and Development of Senior Management," and "Guidelines for Remuneration of Senior Management." These documents clearly define the various remuneration items and performance evaluation standards for directors and managers. Although the Bank has not established a remuneration committee, it refers each year to market salary reports issued by external consulting firms, including peer surveys and inflation changes, and reviews remuneration policies, standards, and structures in light of overall operating conditions to maintain market competitiveness. During each Board term, revisions to relevant rules and review results are submitted for approval, and the remuneration policies and systems for directors and managers are disclosed in the annual report and sustainability report. Additionally, specific guidelines for the overall operation of the Board of Directors and functional committees have been stated in the "Regulations Governing the Evaluation of the Board and Functional Committee's Performance," which include corporate sustainability indicators. This ensures that the Bank fulfills its responsibilities in corporate governance, business operations, and the practice of corporate sustainability.

Performance Evaluation Aspects:

1. The Bank has established the "Regulations Governing the Evaluation of the Board and Functional Committee's Performance" to assess the overall performance of the board and functional committees. The evaluation encompasses five major aspects, each divided into "qualitative" and "quantitative" measurement indicators: participation in company operations, enhancement of board (and functional committees) decision-making quality, composition and structure of the board (and functional committees), selection and continuing education of directors (and functional committee members), and internal controls. To further enhance the functionality and efficiency of the board, the Bank conducts internal performance evaluations at least once a year, and external effectiveness evaluations by independent external professional organizations or by experts and scholars at least once every three years.
2. The Bank has established the "Guidelines for Evaluation of Directors' Performance," which includes indicators such as understanding company goals and missions, supervising the Bank's financial performance, supervising the Bank's internal audit and control, risk management, compliance with laws and regulations, and other reference items (such as company credit ratings and corporate social responsibility performance, board participation rates, etc.). Additionally, we have the "Policy Governing Performance Management and Development of Senior Management," which includes measurement indicators such as annual strategic goals, other important tasks (e.g., corporate sustainability indicators), and job responsibilities (including "operational management," "effectiveness of internal control execution," "effectiveness of compliance with laws and regulations"). Annual performance evaluations are conducted at the end of each year to ensure that both board members and senior management fulfill their duties.

Remuneration Policy Aspects:

To enhance overall operational efficiency and long-term business performance, the Bank has established the "Guidelines for Directors' Remuneration," which clearly outline the remuneration items and standards for directors, including remuneration, compensation, and transportation expenses. Director remuneration is determined by considering each director's level of participation in company operations, contribution value, and industry norms, and is submitted to the Audit Committee for review and approval by the Board of Directors.

Furthermore, to create long-term shareholder value and ensure remuneration alignment with job position and responsibilities, the Bank has established the "Guidelines for Remuneration of Senior Management." Senior management remuneration consists of fixed salary, year-end bonuses granted following annual performance evaluation, and the long-term incentive plan of Cathay FHC, to attract, motivate, and retain outstanding talent. Fixed salary is determined based on job responsibilities, performance, and capabilities, considering external benchmark market standards. Variable remuneration is based on the "Policy Governing Performance Management and Development of Senior Management," reviewed and assessed annually, and year-end bonuses are granted based on the Bank's net income and overall performance relative to market standards, together with the Group's long-term incentive measures.

Evaluation Results

Internal Evaluations

In 2025, the internal performance evaluation results of the Bank's Board of Directors and all functional committees were all rated "Outstanding."
In 2025, the evaluation results for the Bank's directors were all rated "Qualified."

External Evaluations

In 2023 and 2026, the Bank commissioned the Taiwan Institute of Ethical Business to complete the external Board performance evaluations for 2022 and 2025, and implemented enhancement measures based on the Institute's optimization suggestions.

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6.2 Ethical Corporate Management

"Integrity" is one of the core values of the Bank. CUB conducts business activities based on principles of fairness, honesty, trustworthiness, and transparency. To implement our policy of integrity in operations and actively prevent dishonest behavior, the Bank adheres to the "Policy and Code of Operation Integrity" of Cathay FHC, "Code of Ethics" of Cathay FHC as well as relevant laws in the jurisdictions where the Bank, Cathay FHC, and its subsidiaries operate. CUB has established the "Procedures and Guidelines of Conduct for Ethical Management" and "Code of Conduct," which specifically state the duties of our practicing directors, managers, and employees at work. They are required to comply with relevant laws and integrity policies, avoid conflicts of interest, and refrain from bribery and seeking personal gain, to enhance our corporate governance. The Bank has established internal regulations for each business area and implemented a comprehensive review mechanism. Additionally, using a risk-based approach, the Bank regularly monitors employee behavior through data analysis and implements robust job rotation mechanisms to mitigate the risk of dishonest behavior. When planning new business services, the Bank undergoes rigorous review processes and risk assessments to ensure the protection of consumer rights. CUB also complies with the Human Rights Policy of Cathay FHC and adheres to internationally recognized human rights policies to safeguard the fundamental human rights of our employees, customers and stakeholders while also urging business partners to do the same.

Bank-level (Rules, Guidelines, Policies, Key Points, and Operating Instructions)	Brief Description or Usage Scenario	Applicable Targets
Procedures and Guidelines of Conduct for Ethical Management of CUB	CUB has established the "Procedures and Guidelines of Conduct for Ethical Management" to strengthen the principles of fairness, honesty, trustworthiness, and transparency in business practices. This guideline explicitly prohibits any form of unethical conduct, including but not limited to bribery and corruption. The guidelines specify standards for accepting gifts and hospitality, with a dedicated unit regularly reporting the implementation of integrity to the board of directors.	Directors, supervisors, managers, and employees,
Code of Conduct of CUB	To uphold the Bank's core values and business philosophy of "Integrity, Accountability, Innovation" and to achieve the Bank's development vision, all employees must recognize and commit to adhering to workplace ethics and morals, being lawful and reasonable at work. Based on the "Code of Ethics" of Cathay FHC, the Code further establishes essential guidelines for employees to ensure compliance with laws and regulations, providing a basis for understanding and making correct decisions. The guidelines serve as the fundamental behavioral norms for employees in handling daily business and as guiding principles that all employees must comply with and implement.	All employees

The Bank upholds Cathay FHC's spirit of integrity management and ethical standards. The CS Team is responsible for promoting and overseeing the implementation of integrity management, and the CS Team regularly reports to the Board of Directors. To deepen the corporate culture of integrity and highlight its importance, key departments such as Human Resources, Education & Development, and Compliance Departments simultaneously conduct employee awareness education and compliance training. The Bank comprehensively implements integrity management policies by regularly organizing training sessions and compliance-related meetings. These include regulatory compliance education for new employees, liaison meetings with high-level managers, and "Code of Conduct Training" achieving a 100% training nomination rate. These ensure all employees to deeply understand and are familiar with the regulations. Before special holidays like the Mid-Autumn Festival and New Year, the Human Resources Department also reinforces promotion by sending out "We Don't Accept Gifts" reminders via the office email to all employees. This enhances employees' compliance with ethical behavior standards, further solidifying the practical outcomes of our ethical guidelines.

Whistleblower Mechanism & Reporting Channels

The Bank adheres to the "Code of Conduct for Reporting Unethical or Dishonest Cases" and the "Reporting Mechanism" of Cathay FHC, establishing reporting channels and handling procedures to protect the legal rights and interests of whistleblowers and related parties. The Bank is committed to maintain strict confidentiality regarding the identity of whistleblowers and investigators, and we ensure that they do not suffer unfair treatment or retaliation due to their reports.

The Bank also encourages individuals who consider an illegal activity that has happened to come forward, facilitating early detection and proper handling of such cases to prevent potential risks and minimize losses. The official website provides information on reporting channels, with the Compliance Department designated as the unit for receiving reports. Strict procedures are established for investigating reported matters, implementing post-investigation measures, and ensuring case confidentiality. "Code of Conduct for Reporting Unethical or Dishonest Cases" clearly states that the confidentiality of the whistleblower's identity must be protected, and it is prohibited to fire, dismiss, demote, reduce salary, damage the legitimate rights and interests of the whistleblower, or take other adverse sanctions due to the whistleblower, in order to implement protection of the whistleblower.

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6.3 Risk Management

6.3.1 Risk Management Policy

As the business environment becomes increasingly complex, the types of risks and their impact have also become more diversified. The Bank has formulated the "Risk Management Policy" to establish a comprehensive risk management framework. Through steps such as identification, assessment, response, and monitoring, the Bank continuously improves and implements risk management in the operational activities, reducing potential risks, and striving for sustainable business operations.

The Bank's risk management covers multiple dimensions, including market, credit, operational, liquidity, and reputational risks. To ensure a sound capital structure and support steady business growth, the Bank has established corresponding strategies and processes for various risks and has formulated the "Capital Management Policy," "Capital Adequacy Management Guidelines," and "Stress Testing Management Guidelines." Considering factors such as market interest rates, housing price fluctuations, borrower credit ratings, industry changes, and concentration, the Bank regularly conducts regulatory and self-designed stress tests to evaluate financial impacts and to serve as a basis for setting management targets. This ensures that the Bank meets the competent authority's requirements for the "capital adequacy under stress" applicable to Domestic Systemically Important Banks (D-SIBs) and allows response mechanisms to be activated when necessary. For more information on capital adequacy management, please refer to the dedicated section on the Bank's official website.

Considering ESG development trends, the Bank has formulated relevant rules for ESG and climate risks in line with global and industry trends. The "ESG and Climate Risk Management Guidelines" currently serve as the Bank's core framework, under which relevant internal regulations have been established and climate risk appetite statements and limit management mechanisms have been added to strengthen ESG risk management capabilities. The Bank also prudently evaluates the correlations and interactions between ESG and climate risks and other types of risks. Starting in 2025, sustainability risk management and sustainability information management have been incorporated into the "Internal Control Policy" to enhance the effectiveness and resilience of the risk management mechanism.

In addition to implementing the risk management system, Cathay United Bank promotes a sound and comprehensive risk management culture and environment through public disclosure, regular risk management meetings, and education and training. Risk management unit regularly prepare risk management and stress testing reports and submit them to senior management and the Board of Directors so that they can fully understand the Bank's risk profile and formulate relevant business decisions to achieve sustainable development goals.

Board of Directors

Function

As the highest approving authority for the Bank's risk strategy and major risk policies, the Board of Directors approves risk management strategies, policies, and frameworks. The Board of Directors oversees the management outcomes of credit risk, operational risk, capital adequacy management, reputation risk, and emerging risks, and they ensure the appropriate allocation of relevant resources.

Risk Management Committee

Function

The Committee manages tasks related to credit, market, and operating risks. It conducts discussions on key risk management reports, including credit ratings (scoring), market valuations, risk indicators, and capital adequacy ratios, among other relevant topics. Meetings are held monthly and chaired by the Chief Risk Officer.

Risk Management Unit

Function

The Unit operates independently from business units to handle risk management activities (e.g., credit risk, market risk, and operational risk), it identifies, measures, monitors, and responds to risks. The unit convenes regular risk management meetings, reports risk management information to senior management, and issues early warnings to prevent minor issues from escalating.

Audit Department

Function

The Department formulates audit plans, audits, and evaluates internal control-related systems. Tracks and controls the execution status of various units and assists responsible units in improvement efforts.

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Building on its risk management functions and reporting mechanisms, the Bank continuously optimizes its risk control system under the core concept of "Automated Efficiency and Intelligent Risk Control" to promote a risk management culture across the organization. On this basis, Cathay United Bank combines the three lines of defense so that business units, risk management units, and audit units can jointly guard against risks, each performing its own duties. Through the establishment of Three-Line Defense, the Bank seeks to ensure the stability of business activities while effectively managing and reducing potential risks and safeguarding the long-term interests of the Bank and its stakeholders.

Three-Line Defense Structure for Risk Management

STEP 1 **First Line of Defense**

The first line of defense comprises the business management units, product units, IT departments, and accounting departments that directly face customers and markets. They are responsible for managing and controlling risks inherent in daily business activities.

STEP 2 **Second Line of Defense**

The second line of defense is responsible for formulating the Bank's overall risk management policies and procedures, monitoring the risk profile of business units, and ensuring alignment with the Bank's risk appetite. This line includes the Risk Management Unit, Compliance Department, and information security departments. Their responsibilities involve overseeing and assessing the effectiveness of risk management practices within business units and reporting risk management outcomes to senior management.

STEP 3 **Third Line of Defense**

The third line of defense is the internal audit unit, which is responsible for auditing and assessing the effectiveness of the internal controls and risk management systems designed and implemented by the first and second lines of defense. It also provides timely recommendations for improvement. Additionally, sustainability-related matters, including ESG risk management and compliance with corporate governance standards, have been incorporated into the audit scope.

6.3.2 Risk Identification and Response Measures

Risk Identification	Risk Management Response Measures	Coverage of Risk Management Reports and Reporting Frequency
Market Risk	Market risk refers to the risk of losses resulting from fluctuations in the prices or volatility of financial market instruments, which in turn affect the value of the Bank's financial assets. This risk is managed through various risk management measures, including setting and managing limits, regular reporting processes, independent monitoring management units, and oversight by senior committees. The adequacy of these management mechanisms is regularly reviewed.	The market risk reporting and measurement system covers portfolio valuation, various limits, profit and loss monitoring, management and calculation, stress testing and scenario analysis, pricing models, and qualitative/quantitative risk reporting or VaR (Value at Risk) analysis. These are regularly reported to the Board of Directors, senior management, and the Risk Management Committee.
Credit Risk	Credit risk refers to the risk that counterparties, including businesses, individuals, and financial institutions, with whom the Bank engages, may fail to fulfill their obligations as agreed, leading to potential financial losses. Engagement includes credit transactions such as lending activities, investment activities, and transactions involving financial products or contracts. Credit risk measurement includes the operation of various mechanisms, including credit approval processes, limit management, credit rating and scoring systems, collateral information, periodic credit reviews, and non-performing asset management. The Bank continuously refines its risk quantification techniques and strengthens its risk measurement models while improving assessment mechanisms such as stress testing to adequately monitor asset quality and proactively adopt necessary precautionary measures when needed.	The regular risk management reports are submitted to the Board of Directors, senior management, and the Risk Management Committee. Please refer to the Traditional Chinese edition of 2025 Annual Report for detailed information.

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Risk Identification	Risk Management Response Measures	Coverage of Risk Management Reports and Reporting Frequency
Operational Risk	Operational risk refers to the risk of loss resulting from misconduct or failed internal processes, personnel, systems, or external events, including legal risks but excluding strategic and reputational risks. The Bank employs mechanisms such as operational risk self-assessment, reporting of operational risk events, and regular monitoring of key risk indicators to achieve the objectives of identifying, assessing, and monitoring operational risks, ensuring the effectiveness of risk avoidance and mitigation tools. For business processes executed or managed, risks, causes, impact levels, and relevant control points are identified in order to produce self-assessment results and formulate key risk indicators. Response measures are established according to different levels to effectively monitor and improve operational risk exposure. Operational risk events are also regularly tracked and analyzed to serve as references for improvement plans such as process or system optimization.	Database establishment for operational risk events, and operational risk self-assessment and key risk indicator mechanisms will be executed. The identification and assessment results, as well as the corresponding improvement measures, will be reported to the Risk Management Committee regularly. Relevant risk information will also be included in the semi-annual risk management report presented to the Board of Directors.
Liquidity Risk	Liquidity risk refers to the risk that a financial institution may not be able to obtain funds at a reasonable price within a reasonable time frame to support asset growth or meet maturing liabilities, which may result in losses. The Bank adheres to the principle of maintaining stable liquidity, with conservative estimates of fund requirements. Diversification and stability are valued in fund sourcing, while fund utilization balances safety and profitability, with attention given to diversifying liquidity risk. When significant changes or anticipated changes in liquidity positions occur, relevant business units promptly inform the Finance & Accounting Department and the Market Risk Management Department. If necessary, an Asset and Liability Management Committee meeting may be convened to discuss response measures, with subsequent reporting to the Board for approval.	To manage liquidity risk, the Bank regularly prepares reports to ensure that all liquidity indicators meet liquidity requirements. Additionally, liquidity stress tests are conducted quarterly to assess the Bank's ability to meet repayment obligations in the event of a liquidity crisis. The results of these tests are reported to the Board every six months.
ESG and Climate Risk	Based on the "ESG and Climate Risk Management Guidelines" as the benchmark, and integrating various core functions, corresponding ESG management regulations are formulated to reduce environmental, social, and governance risks, as well as to seize opportunities in these areas. Efforts are also made to optimize internal credit, investment management mechanisms, and enhance external services and products. The Bank adheres to the Group's climate risk appetite statement: "For industries or enterprises sensitive to climate change risks, and regions with high physical risks, if it is assessed that related risks are difficult to manage or control, involvement or undertaking should be reduced or avoided." Accordingly, the "Highly Sensitive Industry Quota Business Management Rules" are established, introducing quota management mechanisms to regularly monitor the use of financing in high-sensitive industry quotas, thereby strengthening climate and natural risk management.	The Bank has established both a "Sustainable Development Committee" and a "Risk Management Committee" to oversee their respective areas. Specialized units regularly report sustainability, ESG, and climate risk-related issues to the Board of Directors.
Reputational Risk	Potential risks to brand value and shareholder equity arising from misconduct by the company or employees, or negative media coverage are identified. The severity, speed of dissemination, and scope of impact of such events are assessed. By promptly notifying events, relevant response measures can be taken, and the negative impact of event development or media coverage can be continuously monitored.	Regularly organize reputation event data for presentation to the Risk Management Committee and reporting to the Board of Directors for verification.
Emerging Risks	Identifying emerging risks that may not yet be apparent but could arise due to changes in the environment or society to assess the significant impact these risks may have on the company's sustainable operations and to promote the Bank's sustainability objectives. This involves identifying and assessing emerging risks, compiling an annual risk map, and planning response and control measures.	Draw an annual risk map, report to the Risk Management Committee, and submit it to the Board of Directors for approval.

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6.3.3 Crisis Management and Business Continuity Management

The Bank has established the "Guidelines Governing Contingency Plans for Business Crises" which clearly regulate emergency response measures in the event of liquidity crises, insufficient capital adequacy ratios, or other crises, including disruptions in market clearing operations, significant fines imposed by domestic and foreign regulatory authorities, natural disasters, man-made disasters, outbreaks of infectious diseases, political unrest, and employee strikes.

When a business crisis occurs, in addition to the units responsible for daily management, a crisis management team is established as the highest command unit. This team rapidly and effectively assesses the severity of the crisis, formulates and activates response measures to prevent the crisis from escalating further until it is resolved. The Bank conducts crisis response exercises annually to evaluate the effectiveness, which serves as the basis for review and revision.

To address the risk of significant operational disruptions resulting from major emergencies, the Bank has established a Business Continuity Management (BCM) mechanism. This involves assessing the frequency, impact, and predictability of risk sources to identify high-risk scenarios such as natural disasters, pandemics, or other events. Corresponding strategies and contingency recovery plans are developed to ensure the continuity and resilience of operations. In the event of a major emergency, these plans aim to swiftly restore critical business functions, minimizing losses and safeguarding customer interests. To ensure the continuous operation of information systems, in the event of a significant unexpected disaster in the information system environment, measures are in place to restore normal operations as quickly as possible. The Bank conducts two information system recovery backup exercises annually. In 2025, a total of two off-site backup drills were conducted, all of which were completed successfully and met the objectives of the exercises. In addition, CUB obtained the British Standards Institution (BSI) ISO 22301:2019 certification for Business Continuity Management System in May 2022 and successfully passed the re-certification in 2025. Further details regarding the Business Continuity Management are publicly disclosed on the Bank's Traditional Chinese edition official website.

6.3.4 Risk Management Training

To establish a robust and comprehensive risk management culture and environment, and to implement risk management functions effectively, the results of the risk management and internal control training conducted this year are as follows:

Risk Management and Internal Control Training Results

Risk management and internal control training in 2025	General Risk Management Course
Total Number of Trainees	11,670
Total Training Hours	1,983.90
Completion Rate	99.97 %

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6.4 Information Security

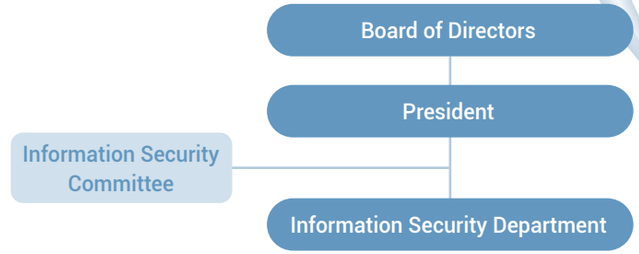
6.4.1 Information Security Management Policy

To enhance the quality and stability of financial services and effectively manage information security risks, CUB has established the Information Security Policy following the information security blueprint of its parent company, Cathay FHC. This policy serves as the guiding principle for implementing information security protection measures, continuously strengthening its information security capabilities, and achieving secure, convenient, and uninterrupted financial services.

The Bank has set up an Information Security Department as the dedicated unit responsible for monitoring compliance with information security laws and regulations, formulating the bank-wide information security policy, planning the information security architecture blueprint, coordinating the handling of major information security incidents, periodically reviewing information security defense mechanisms and emergency response plans. The Chief Information Security Officer (CISO), concurrently held by a Deputy General Manager or above, oversees policy implementation and resource allocation. The Information Security Department monitors the effectiveness of information security implementation across business units and promotes information security awareness programs and training. Through these actions, the Bank identifies information security risks and implements appropriate response measures.

In addition to the dedicated information security unit, the Bank has established a cross-unit Information Security Committee to ensure compliance with and promotion of information security policies and to supervise and coordinate information security management work. The President serves as Chairperson and the Chief Information Security Officer serves as Executive Secretary. Committee members include supervisors overseeing information technology, legal affairs, legal compliance, risk management, information security, and digital transformation. The committee meets at least once every six months and reports overall information security implementation to the Board of Directors annually. To keep pace with industry trends, emerging technologies, and cloud applications, the Bank continues to maintain international recognized third-party certifications, including ISO 27001:2022 and PCI DSS (Payment Card Industry Data Security Standard), in accordance with relevant laws, regulations, and self-regulatory rules. The Bank also achieved the ISO/IEC 27017 cloud-service information security management certification this year, becoming the first financial institution in Taiwan to obtain this certification for public cloud services.

Information Security Organizational Structure Chart



6.4.2 Information Security Action Plan and Achievements

The Bank regularly conducts computer system information security assessments, various contingency drills, penetration testing, cloud service security configuration assessments, intrusion and attack simulation drills, and white hat hacker red team drills, as well as enhanced testing of customer-facing service applications. Additionally, the Bank has established mechanisms for cyber threat intelligence collection and processing, a cybersecurity monitoring center, detection and takedown of fraudulent websites, and incident response mechanisms to ensure appropriate responses across all stages of emerging cybersecurity threats. In view of the growth of outsourcing and cross-industry cooperation in financial services, the Bank also continues to strengthen third-party information service provider management to prevent information security risks arising from the supply chain.

Furthermore, the Bank annually invests in cybersecurity insurance to ensure appropriate measures are in place against all new types of cybersecurity threat, protect its and its customers' interests, and minimize losses from cybersecurity incidents. This year, a total of NT$504.56 million was spent on cybersecurity expenses, including software and hardware licenses, personnel training, etc., accounting for approximately 37% of the Bank's total information budget of NT$1,372.31 million. The Bank also encourages employees to obtain cybersecurity certifications, with a total of 344 cybersecurity certifications achieved by the end of this year, covering both management and technical certifications.

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Defensive measures for transaction systems and internal operations

The Bank's security controls include monitoring and defense against abnormal network traffic, network firewalls, web application firewalls, intrusion detection and prevention systems, as well as endpoint protection mechanisms (anti-virus and EDR). An Information Security Monitoring and Management Platform is established to aggregate security event logs from various security protection devices, and to centrally manage, store, search, and forward them to the Security Operation Center (SOC). This monitoring center provides 7×24 service and is responsible for analyzing and monitoring activities that may violate the confidentiality, integrity, or availability of information in the system. Once abnormal events are detected, they are immediately reported, processed, and tracked to ensure the security of transactions and the effectiveness of protection measures.

Implementing financial cybersecurity action plans

The Bank has completed the items required of financial institutions under the "Financial Cyber Security Action Plan 1.0" issued by the Financial Supervisory Commission on August 6, 2020, as well as the additional items added to the "Financial Cyber Security Action Plan 2.0" on December 27, 2022. In addition, based on the "Reference Guidelines for the Financial Industry's Adoption of a Zero Trust Architecture, " the Bank has formulated an implementation plan and continues to assess and expand adoption across various high-risk areas. The Bank also continues to strengthen its cybersecurity defense capabilities through cybersecurity maturity assessment tools, thereby achieving secure, convenient, and uninterrupted financial services.

Collaborated with third-party professional consultants to assess the implementation of information security both domestically and internationally

In order to enhance overall information security and comply with regulatory requirements in the financial industry, the Bank conducts regular computer system security assessments including the Bank's overseas branches every year. An independent professional consulting firm is engaged to evaluate the Bank's overall information security implementation annually. The assessment results, along with an internal control statement, are submitted to the Board of Directors before the end of the first quarter of the following year. Additionally, to gain deeper insights into the information security practices at overseas branches, information security personnel, along with third-party consultants, conduct on-site inspections. This ensures that operations at overseas branches comply with information security regulations and adhere to various security control requirements, aiming to embed information security into the corporate culture and enhance the Bank's overall security posture.

6.4.3 Information Security Training

The Bank conducts information security training every year. Training targets are divided into three categories—general employees, dedicated information security personnel, and Board members—with a focus on continuously strengthening information security awareness, professional skills, and the information security oversight capabilities of management.

Item	General Personnel Information Security Training	Information Security Personnel Training	Board Member Information Security Training
Total Number of Trainees	12,226	32	15
Completion Rate	100%	100%	100%
Total Training Hours	36,678	2,263	15

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6.5 Legal Compliance

The Bank has established Compliance Department to establish and execute mechanisms for disseminating legal updates, providing training, maintaining contact with legal compliance operations domestically and internationally, and promptly notifying the Board of Directors of any changes, ensuring that all operations comply with legal regulations. The Chief Compliance Officer regularly reports to the President on the implementation of the Bank's legal compliance system and reviews the content. Additionally, at least every half year, reports on the execution of legal compliance operations and the implementation of the Treating Customers Fairly Principle are submitted to the Board of Directors and the Audit Committee. In the event of significant violations of laws or a downgrade by financial regulators, the Directors should be promptly notified, and matters of legal compliance should be reported to the Board and the Audit Committee to effectively supervise and promote the implementation of legal compliance operations throughout the Bank. To comply with regulatory supervision and the recommendations of financial inspections, the Compliance Department continues to plan optimization measures and responses for various legal compliance operations. The Compliance Department also provides opinions on new products, services, or business lines that whether it complies with regulatory requirements of regulatory authorities and internal policies. Through existing channels such as business contact meetings, training, supervisory management, and improvement review, the Bank will continue to supervise the implementation effectiveness of legal compliance affairs in domestic units and overseas branches. The Department will also thoroughly review and improve based on the opinions of regulatory authorities, Cathay FHC, and the Bank's Internal Audit Department, aiming to achieve the goal of full compliance with laws and regulations. The Bank will introduce financial technology to optimize operational processes and establish a compliance system to centrally manage the execution of various legal compliance operations. Additionally, utilizing artificial intelligence (AI) technology to develop tools for analyzing the correlation between internal and external regulations.

2025 Major Regulatory Penalties and Improvement Measures by the Financial Supervisory Commission (FSC)

Reason	Penalty Amount	Improvement Measures
From March to October 2024, a customer service specialist took advantage of their position to apply for reissuance of customers' credit cards without authorization. Before the reissued cards were delivered, the specialist changed the customers' contact information to their own, then used the customers' credit cards on overseas websites to top up the specialist's own and relatives' accounts, and ultimately transferred the funds back to the specialist's own account. A total of 18 customers were affected, and the total amount misappropriated was approximately NT$6.88 million.	NT$12 million fine	The Bank has completed improvement measures for the matters involved in this case, including credit card customer data changes, applications for lost-card replacement and reissuance, adjustments to credit card payment amounts, and inquiries into credit card images. Measures include voice confirmation of customer data changes, strengthened review mechanisms, and tightened system access-right management.

Note: Major penalty cases refer to cases handled in accordance with Article 2 of the Regulations Governing the Public Disclosure of Major Penalties Imposed by the Financial Supervisory Commission for Violations of Financial Laws and Regulations.

Summary Table of Recent Legal Proceedings and Fines

	2024	2025
Number of major penalty cases	1	1
Penalty amount (NTD)	NT$8 million	NT$12 million

Note: Refers to the total monetary loss resulting from legal proceedings related to fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, misconduct, or other related laws or regulations applicable to the financial industry.

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6.6 Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing

In response to global trends in anti-money laundering (AML), combating the financing of terrorism (CFT), and countering proliferation financing (CPF), and in line with the Group's overseas expansion strategy, the Bank adopts a "risk-based approach" to continuously enhance its AML/CFT/CPF framework. Internal policies and regulations are updated promptly to comply with external regulatory changes, and correct concepts are disseminated with major current events as examples to strengthen the consensus and risk awareness of all staff regarding AML/CFT/CPF.

6.6.1 AML / CFT Management Policy

The Bank has established policies and regulations including the "Anti-money Laundering and Counter Financing Terrorism Policy", "Anti-Money Laundering and Counter-Terrorism Financing Guidelines", "Rules Governing Customers' Money Laundering and Terrorist Financing Risk Assessment and Due Diligence", "Management Rules Governing AML/CFT of the Overseas Entities", "Rules Risk Assessment on Money Laundering and Financing Terrorism of Product and Service Offerings and Related Channels and Platforms", and "Rules Governing Reporting on Cash Transactions, Suspicious Transactions and Designated Sanctioned Individuals or Entities". These regulations are reviewed regularly each year to ensure their appropriateness considering domestic and international trends and changes in the financial market.

Considering recommendations from Financial Action Task Force (FATF) and best practices from banking associations, Cathay FHC establishes an information sharing mechanism with its subsidiaries while Cathay FHC being the core. This mechanism includes sharing group lists, types of suspicious transactions, information about suspicious customers/transactions, and risk data across subsidiaries to deploy a collective defense network against money laundering and financing of terrorism.

By identifying and assessing potential money laundering, terrorist financing and proliferation financing countering risks, specific assessment items are formulated based on the identified risks to further control, mitigate, or prevent risks. The Bank has established an Anti-Money Laundering and Counter Financing Terrorism Committee, chaired by the CEO, with heads of various business units serving as committee members. Regular meetings are held to report and discuss issues related to AML/CFT. The committee reports on the Bank's AML/CFT efforts to the board of directors semi-annually. Additionally, we refer to external and internal information, including reports from FATF, foreign related reports, the National ML/TF/PF Risk Assessment Report (NRA) process conducted by the Anti-Money Laundering Office, Executive Yuan, and Sectoral Risk Assessment (SRA) conducted by the Financial Supervisory Commission. Regular institution-wide risk assessments are conducted and submitted to the Audit Committee for review and approval by the Board of Directors, with reports provided to regulatory authorities for reference.

To effectively enhance the Bank's ability to monitor suspicious transactions associated with money laundering (ML), terrorist financing (TF), and proliferation financing (PF), and to mitigate related risks, the Bank has adopted a centralized approach to monitoring transactions. A standardized suspicious transaction investigation procedure has been established to ensure consistent review standards and strengthen the quality of monitoring operations. A bank-wide digital information system has been implemented to systematize the alerting, reviewing, and reporting processes for transactions suspected of ML/TF/PF. Through centralized reviews and division of responsibilities, we enhance the investigative expertise of monitoring personnel. The Bank also holds regular review meetings on transaction monitoring investigations and reporting, and has established a quality assurance mechanism to periodically review the handling of monitoring cases to ensure their effectiveness.

6.6.2 AML / CFT Training

The Bank regarding anti-money laundering, counter the financing of terrorism and proliferation financing conducts diverse education programs to cultivate talent in technology compliance, anti-money laundering (AML), counter the financing of terrorism (CTF), and counter proliferation financing (CPF). These programs aim to instill a culture of compliance from within and address the specific needs of employees based on their roles. Educational materials are developed to address internal and external regulations, international trends, industry enforcement cases, and emerging threats in electronic commerce and financial technology. This ensures that employees understand their responsibilities and obligations in AML, CTF and CPF efforts and are equipped with the necessary expertise to fulfill their duties professionally.

AML/CFT/CPF Process Flow Chart

The Bank has established an internal audit mechanism for business units and subsidiaries/branches, focusing on risk-based internal audits. Internal audits are conducted regularly to examine the effectiveness of the Anti- Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) measures in the first line of defense (business units) and the second line of defense (compliance, risk management, and various business management units). This ensures the effectiveness of the procedures established in the first and second lines of defense against AML/CFT/CPF.

Regular cross-functional communication is facilitated among the three lines of defense to ensure the effective implementation of the AML/CFT/CPF framework.

Additionally, the Bank annually engages independent third-party organizations to conduct special audits.

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6.7.1 The Treating Customers Fairly Principle and Implementation Status

The Bank is dedicated to implementing the Treating Customers Fairly Principle, with the establishment of several key guidelines and committees: " Treating Customers Fairly Policy Guidelines", "Treating Customers Fairly Committee Organization Regulations", "Consumer Dispute Review Committee Operating Rules", "Service Quality Team Establishment Guidelines". The Board of Directors serves as the highest decision-making and oversight body for the "Treating Customers Fairly Policy Guidelines." The Bank has also established the Treating Customers Fairly Committee, which is chaired by the President and composed of senior managers. Through cross-departmental collaboration in areas such as sales management, quality control, and system development, the Committee continuously strengthens the implementation of fair customer treatment and reports its implementation effectiveness to the Board of Directors on a semiannual basis. The Board of Directors and the Audit Committee regularly review reports on customer complaints, legal compliance and implementation of fair customer treatment service, to ensure being effectively supervised.

Management Process of the Treating Customers Fairly Principle

Planning Phase

- Develop Products, Business, and Services Aligned with the Treating Customers Fairly Principle.
- Establish Contracts, Internal Regulations, and Codes of Conduct that comply with the Treating Customers Fairly Principle.
- Conduct Regular Employee Training Programs for tellers, enhance fair customer treatment awareness.
- Implement report and internal reward mechanisms, oversee and award tellers to comply with customer protection culture and guidelines.

Execution Phase

- Adherence to the Treating Customers Fairly Principle when operating, selling products, and fulfilling contracts, to avoid disputes.
- Unit supervisors supervise each unit to implement the Treating Customers Fairly Principle and report risk events in a timely manner.

Management Phase

- The business management unit handles customer complaints or consumer disputes prudently and provides reasonable and easy-to-use service consultation and complaint channels.
- Examine whether the consumer dispute resolution system violates the Treating Customers Fairly Principle. Review and revise the system in a timely manner.

To deepen the long-term implementation of the Treating Customers Fairly Principle and ensure the effective execution of related systems, the Bank has arranged inclusive finance training for all directors, senior managers, and all full-time employees. The content covers protection of the rights of disadvantaged groups, including topics related to the Convention on the Rights of Persons with Disabilities (CRPD). Courses include "Key Points of the 2024 Revision of the Self-Disciplinary Guidelines for Banking Industry Financial Friendly Services and Fair Treatment of Elderly Customers" and "Inclusive Finance." The completion rate for all full-time employees reached 100%.

To enhance customer service quality and ensure consumer rights, the Bank continues to develop digital financial services. In 2025, the Bank conducted inclusive finance interviews with visually impaired customers and elderly customers. Based on the interview findings, the Bank adopted "Universal Design" as its guiding principle to adjust the structure of the CUBE App, using a single-version design that does not require users to switch modes. The Bank also optimized core functions including login authentication, account overview, NTD transfers, and NTD and foreign currency deposit pages. In accordance with the Web Content Accessibility Guidelines (WCAG), the Bank further enhanced five accessibility features, including dynamic font adjustment, improved color contrast, enlarged touch areas, mobile native voice-over support, and landscape screen operation, thereby improving the usability of the CUBE App and the digital accessibility experience. In addition, the Bank established a cross-departmental anti-fraud task force to strengthen fraud prevention measures, reflecting CUB's commitment and efforts to safeguarding customer assets.

In terms of inclusive financial services, the Bank continues to optimize various measures to ensure that elderly customers and customers with disabilities can receive services as quickly as possible. Based on issues reflected through messages left on the Bank's official website, the Bank optimized the website's virtual assistant, Afa (阿發), by adding keywords such as "hearing impaired," "elderly," and "people with disabilities" as priority dispatch cases, ensuring that customer needs are promptly and properly addressed. Going forward, the Bank plans to expand the keyword list and continue improving service quality, so that customers from all groups can experience better services and a more inclusive environment.

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6.7.2 Customer Care

CUB implements a "customer-centric" business model, where every service staff member interacts with customers based on the three key principles of "sharing wholeheartedly, touching sincerely, and caring attentively." By integrating warmth and sincerity into professional service, we have successfully created a culture of heartfelt service. In addition to actively addressing customer complaints, the Bank proactively manages customer feedback from the perspective of consumer rights. By systematically optimizing and adjusting consumer service processes, we ensure the maintenance of excellent customer experiences, reflecting the Bank's commitment to continuously enhancing customer satisfaction.

Complaints Handling Channel

Responsible Unit	Financial Services Department
Complaint Channels	The Financial Services Department is dedicated to handling complaints. We have set up a 24-hour customer service hotline at (02) 2383-1000 or toll-free at 0800-818-001 for inquiries. Additionally, we provide various other channels for complaints, including service emails on our official website, intelligent customer service, branch offices, and written correspondence. We continuously enhance our intelligent services, integrating online and offline channels to improve operational efficiency and provide customers with a comprehensive 360-degree financial service experience. Customers are encouraged to utilize any of the afore-mentioned channels to provide feedback or share their thoughts.
Number of Complaints	A total of 1,959 complaint cases were recorded in 2025.
Handling Mechanism	• Cases are classified according to severity, and relevant business units are notified to enhance processing efficiency. • Senior executives convene the "Consumer Dispute Review Committee" to effectively handle customer dispute cases. • Educational training is conducted for common, recurring, or significant compliance cases to reinforce compliance with operational and sales standards among colleagues. • Pain points in products or processes are reviewed to provide recommendations for root cause improvements, reducing the occurrence of customer disputes and enhancing service quality.
Handling Status	For petitions to the Banking Bureau of the FSC and complaint cases from the Financial Ombudsman Institution, a total of 1,695 cases were handled in 2025, with an average processing time of 17 business days. For dispute cases, consensus was reached with customers and cases were completed within an average of 17 business days.
Improvement Measures	• Expand the functionality of the AI assistant, "Afa," continuously adding self-service applications to create personalized digital services, with the aim of enhancing service processing efficiency. • Align with the ISO 10002 international standard for complaint handling mechanisms: 1. Establish clear standards for handling customer complaints, strengthen the effectiveness and efficiency of complaints handling, and implement a risk-based escalation mechanism to identify customer pain points and design corresponding solutions. 2. Develop customer complaint analysis dashboard: Leverage visualized tools to present Treating Customers Fairly cases and customer complaints across the whole bank, enabling quick insights and adjustments to the complaint handling mechanism, thereby safeguarding the rights and interests of financial consumers. • In addition to referencing ISO 10002 in building a standardized and risk-oriented reporting mechanism, the Bank reports the implementation effectiveness of the Treating Customers Fairly Principle to the Board of Directors every six months. The Bank also reports the specific implementation status and review recommendations for complaint cases to the Board of Directors, thereby actively protecting the rights of financial consumers.
Industry Performance	The Bank ranked second in case volume in 2025. The Bank strengthened the review content and execution effectiveness of the Consumer Dispute Review Committee, and clearly designated product units as responsible for root cause analysis of customer complaint cases and end-to-end process reviews, with improvement measures proposed accordingly. Business management and business units also provided process and operational support to reduce the recurrence of customer complaints.

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CUB has established a Digital Platform NPS Customer Feedback Collection Mechanism" to effectively gather user feedback on platform experiences through NPS surveys combined with customer interviews or usability tests. This approach allows us to design platform experiences that better meet users' actual needs and expectations, thereby enhancing overall customer satisfaction.

Our customer service center conducts Transactional Net Promoter Score (tNPS) surveys for customers who call in daily. This not only helps in promptly recording customers' feelings about the service but also assesses their satisfaction and loyalty. By analyzing questionnaire feedback, call reasons, and related product interactions, we delve into gaps in the customer experience. We then report these findings to relevant units monthly, allowing us to formulate service strategies that are more closely aligned with customer needs. In 2025, the tNPS for our customer service center was 67.1 points (Standard Score of 60), while the rNPS for the CUBE APP was 35.4 points (Standard Score of 30).

In 2025, customers maintained a high level of satisfaction with our customer service center. We will focus particularly on key factors directly impacting customer satisfaction and continuously improve them to understand the service touchpoints better. Besides striving to meet customer expectations, we are committed to exceeding them and creating more personalized and seamless service experiences. Through these efforts, we aim to solidify and enhance our position as a leading provider of financial services in the industry, while consistently delivering high-quality service experiences to our customers. This will further deepen the trust and loyalty between our customers and the Bank.

The Result of the 2025 Satisfaction Survey

	Result	Target
Satisfaction Survey	93.10%	90%

6.7.3 Customer Information and Privacy Protection

The Bank places great importance on the protection of customers' personal information and privacy. We have established the "Personal Information Management Guidelines and Related Operating Standards" and set up a "Personal Information Management Committee" responsible for supervising matters related to the personal information protection mechanism. We handle the collection, processing, and utilization of personal information and act in accordance with the "Personal Data Protection Act" and relevant laws and regulations. Before collecting information, we inform individuals the purpose of collection and sharing recipients, ensuring that it does not exceed the necessary scope for specific purposes. We explicitly define customers' rights regarding inquiries, requests for access, provision of copies, correction, supplementation, cessation of collection, processing, utilization, or deletion of personal information. Additionally, we require third parties to comply with the Bank's policies on personal information protection. Personal information is deleted, stopped from processing, or utilized when the specific purpose of collection disappears or when the deadline expires, unless otherwise stipulated by laws or contracts. We retain trace Information or relevant evidence for at least five years.

Our "Privacy Policy" statement outlines how we collect, apply, and protect personal information provided by customers. To safeguard users' personal Information and maintain online privacy, we will update the privacy protection policy in accordance with changes in laws and the adoption of new technologies. This is to fulfill our mission of safeguarding customer rights. If there are any questions about the privacy protection policy or the use of personal Information, individuals can contact the service windows through the contact information provided on the official website.

The Management Process for Customer Information and Privacy Protection

Personal Information Protection Policy Website	https://www.cathaybk.com.tw/cathaybk/personal/about/news/customer-benefits/client-privacy/
Rules and Regulations for the Mutual Use of Customer Information Among Subsidiaries within the Group	Each subsidiary within the Group adheres to the "Financial Holding Company Act," "Personal Data Protection Act," " Regulations Governing Cross-selling Activities Among Subsidiaries of a Financial Holding Company," and other relevant laws and regulations, as well as the "Personal Data Management Policy" established by the parent company in recognition of the importance of customer privacy and personal data protection, for the collection, processing, storage, integration, and use of customer information. It is also declared that subsidiaries involved in customer information adopt strict confidentiality measures in the processing and use of such information when conducting related business and use the information in accordance with legal requirements.
Incident Response Procedure	The Bank has established an "Emergency Response Procedure for Personal Data Breaches" along with a drill mechanism. Through regular drills, the Bank aims to enhance employees' response and protection capabilities to prevent incidents from impacting the Bank and minimize harm to the parties involved. Simultaneously, these drills verify the effectiveness of internal procedures, identifying any inadequacies in personal Information protection measures and continuously improving relevant safeguards. Additionally, the Bank conducts annual Information protection training sessions for all employees to strengthen their awareness and reduce the occurrence of Information breaches.
Audit Mechanism	Every year, The Bank undergoes third-party audits and verifications using the "BS 10012:2017 Personal Information Management System" and accounting firm projects for personal Information protection, anti-money laundering, and counter-terrorism financing mechanisms. These audits are conducted to ensure the effectiveness of personal Information protection measures.
Data Breaches Event LA	We had 10 data breach events in 2025, all of which (100%) involved with personally identifiable information. A total of 875 customers were affected by such violation.

國泰世華銀行
Cathay United Bank

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7.1 ESG Performance Data

Table 7.1-1 Distribution of Total Employees (By Gender)

Item	Male	Female
Number of Full-Time Employees (people)	4,737	7,460
Number of Temporary Employees (people)	48	56

Note 1: Including overseas employees. The Bank has no part-time employees and no guaranteed-hour employees, or permanent employees.
Note 2: A total of 258 interns were recruited in 2025. However, because the duration of each internship program differed, the number of interns as of December 31, 2025 was 21.
Note 3: The statistics cover full-time employees in Taiwan and overseas, excluding part-time employees, directors, supervisors, dispatch employees, hourly employees, interns, contracted employees, and other personnel not belonging to the Cathay FHC and its subsidiaries. Overseas refers to "expatriate employees + local hires," and subsequent tables follow this definition unless otherwise specified.
Note 4: Compared with 2024, there was no significant change in the Bank's employee headcount or composition.

Table 7.1-2 Distribution of Total Employees (By Region)

Item	Taiwan	Hong Kong	Singapore	Vietnam	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia	Cambodia	Mainland China	Total
Full-Time Employees (people)	11,506	184	171	195	11	22	37	14	2	4	27	24	12,197
Temporary Employees (people)	74	14	11	5	-	-	-	-	-	-	-	-	104
Total (people)	11,580	198	182	200	11	22	37	14	2	4	27	24	12,301

Table 7.1-3 Distribution of Female Full-Time Employees

Item	Number of People	Percentage	
Female Senior Executives and Middle Management	96	As a Percentage of All Senior Executives and Middle Management	34.16%
Female Junior Managers	353	As a Percentage of All Junior Managers	62.70%
Female Non-Managerial Employees	7,011	As a Percentage of All Non-Managerial Employees	61.75%
Total Female Employees	7,460	As a Percentage of All Full-Time Employees	61.16%

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Table 7.1-4 Distribution of Full-Time Employees (By Level of Education)

Item	Number (people)	As a Percentage of Total Full-Time Employees
Doctorate	17	0.14%
Master's	2,780	22.80%
Bachelor's / Associate	9,020	73.96%
High school	375	3.08%
Below High school	3	0.02%

Note: Excluding consultants engaged under mandate contracts.

Table 7.1-5 Diversity of Full-time Employees by Position

Item	Managerial Positions				Non-Managerial Positions				Total			
	Male		Female		Male		Female		Male		Female	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Under 30	-	-	-	-	927	7.60%	1,470	12.05%	927	7.60%	1,470	12.05%
30-49	154	1.26%	227	1.86%	2,842	23.30%	4,699	38.53%	2,996	24.56%	4,926	40.39%
50 and above	241	1.98%	222	1.82%	573	4.70%	842	6.90%	814	6.67%	1,064	8.72%

Note 1: Managerial positions are defined as section-level supervisors, department-level supervisors, vice presidents, senior vice presidents, the President, Vice Chairman, and Chairman.
Note 2: Percentage = Number of persons / Full-time employees × 100%.

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Table 7.1-6 Diversity Composition of Full-Time Employees

Item	Number of Employees	As a Percentage of Total Full-Time Employees
Indigenous Employees	60	1%
Foreign-National Employees	Foreign-national employees working in Taiwan: 36 Foreign-national employees working overseas: 539	5%

Table 7.1-7 Distribution of Employees with Disabilities

Item	Number of Employees	As a Percentage of Total Full-Time Employees
People with Disabilities	102	1.25%

Note: According to Article 38 of the People with Disabilities Rights Protection Act, for insured units with more than 67 persons (The aforementioned regulations apply to 8,162 persons), CUB's employment ratio for people with disabilities reached 1% and was in compliance with this requirement.

Table 7.1-8 Distribution of New Full-Time Employees

Item	Gender	Under 30 (people)	30-49 (people)	50 and above (people)	Total (people)	As a Percentage of Total Full-Time Employees
Taiwan	Male	474	433	13	920	16.69%
	Female	618	467	31	1,116	
Overseas	Male	21	33	5	59	1.09%
	Female	19	50	5	74	

Table 7.1-9 Distribution of Full-Time Employees Who Voluntarily Resigned

Item	Gender	Under 30 (people)	30-49 (people)	50 and above (people)	Total (people)	As a Percentage of Total Full-Time Employees
Taiwan	Male	240	326	15	581	10.54%
	Female	300	379	26	705	
Overseas	Male	8	27	4	39	0.59%
	Female	7	23	3	33	

Table 7.1-10 Number and Salaries of Non-Managerial Full-Time Employees

Item	2023	2024	2025
Weighted Average Number of Non-Managerial Full-Time Employees (people)	10,253	10,723	11,353
Average Salary of Non-Managerial Full-Time Employees (NT$ 1K)	1,499	1,696	1,779
Median Salary of Non-Managerial Full-Time Employees (NT$ 1K)	1,228	1,308	1,339

Note: Statistics are prepared in accordance with the "Instructions for Reporting Information on Full-time Employees Not Serving in Supervisory Positions" issued by the Taiwan Stock Exchange.

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Table 7.1-11 Parental Leave Statistics

Item	Female (people)	Male (people)	Total (people)
Number of Parental Leave Applications in 2025	142	12	154
Expected Number Returning from Parental Leave in 2025 (A)	125	10	135
Actual Number Returning from Parental Leave in 2025 (B)	101	5	106
Return-to-Work rate (B / A)	80.80%	50.00%	78.52%
Actual Number Returning from Parental Leave in 2024 (C)	117	10	127
Number Still Employed 12 Months after Returning from Parental Leave in 2024 (D)	105	8	113
Retention Rate (D / C)	89.74%	80.00%	88.98%

Note 1: Figures include CUB's Taiwanese employees, expatriate employees, and local hires in overseas locations.
Note 2: After completing six months at CUB, employees may apply for parental leave without pay for each child before the child reaches the age of three. The leave may continue until the child turns three, but shall not exceed two years. For those raising more than one child simultaneously, the duration of parental leave without pay shall be calculated collectively, with a maximum limit of two years for the youngest child. This shall be determined in accordance with the calculation method for childbirth subsidy applicants.
Note 3: Return-to-work rate = (Number of employees returning to work / number of employees expected to return) x 100%

Table 7.1-12 Employees Occupational Accident Statistics

Item		2023	2024	2025
Number of Occupational Injuries[Note 1] (people)	Male	14	20	24
	Female	51	64	45
Number of Occupational Fatalities (people)	Male	-	-	-
	Female	-	-	-
Total Work Days Lost (Days)	Male	188	268	279
	Female	550	845	731
Disabling Injury Frequency Rate[Note 2]	Male	3.75	2.14	2.45
	Female	1.64	4.30	2.92
Disabling Injury Severity Rate[Note 3]	Male	40	28	28
	Female	22	56	47
Total Person-Work Hours[Note 4]		22,063,392	24,191,207	25,137,234

Note 1: The occupational accident statistics include commuting accidents.
Note 2: Disabling Injury Frequency Rate (DIFR) = (Times of Disabling Injuries ÷ Total Person-Work Hours) × 1,000,000.
Note 3: Disabling Injury Severity Rate (DISR) = (Total Work Days Lost ÷ Total Person-Work Hours) × 1,000,000.
Note 4: Refers to the sum of total hours worked by employed workers.
Note 5: Employee occupational accidents statistics exclude overseas local-hire employees.

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Table 7.1-13 Results of Health-Related Programs Implementation and Related Expenses

Item	Participation Count	Number of Sessions	Activity Period / Total Hours	Company Expenditure (NTD)
Health Checkups for Supervisors and Employees Posted Overseas	1,273	-	Year 2025	14,293,748
General Employee Health Checkups	6,613	-	Year 2025	22,484,200
On-Site Physician Consultations	303	146	Year 2025	1,284,800
Employee Assistance Program (EAP)	475	475	Year 2025	1,921,597
Group Weight-Loss Contest	2,628	1	05/1–07/31	3,106,153
Tech-Enabled Fitness	308	4	12	108,000
Stress-Relief Activities	220	5	10.5	396,000
Parent-Child Activities	590	8	38	778,200
Blood Donation Activities	1,057	7	49	219,506
Health-Themed Lectures	277	5	5	35,915
Parenting Classes	81	2	4	23,320
Activities for Middle-Aged and Older Employees	157	3	3	5,340
EAP Lectures	218	3	3	46,383
Brisk Walking	5,039	1	05/1–06/30	611,940
Influenza Vaccination	205	3	3	-
Chronic Prescription Service	494	117	58.5	26,910

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Table 7.1-14 Effectiveness of Financial Inclusion Promotion

Item	2023	2024	2025
Amount of Property Principal in CUB's Charitable Trust (NT$100M)	377.49	378.97	375.73
Charitable Trust Donation Amount (NT$100M)	1.85	2.55	3.57
No. of ATMs Designed for the Visually Impaired (ATMs)	654	867	1,110
Total Balance of Loans to Microfinance Institutions (US$1M)[Note 1]	41.41	58.18	26.15
Total Balance of Loans to SMEs (NT$100M)[Note 2]	3,240	3,352	3,618
Total Balance of Loans to Small Business (NT$100M)[Note 3]	1,280	1,469	LA 1,551
Total Number of Loans to Small Business (Loans)[Note 3]	8,275	8,037	LA 6,952
Balance of Personal Loans (NT$100M)	1,431.5	1,545	1,556
Balance of Personal Loans to Customers Aged 35 and Under (at the Time of Application) (NT$100M)	400.7	441.2	413.7

Note 1: According to the World Bank's literature, there is a clearly de fined Micro Finance Institution (MFI) credit account.
Note 2: The Ministry of Economic Affairs defines small and medium enterprises (SMEs) as businesses whose paid-in capital is no more than NT$100 million, or which hire fewer than 200 regular employees. The total balance of loans to SMEs, including overdue and collection amounts.
Note 3: Small enterprises are defined as corporate customers and their group affiliates with a combined revenue of 500 million or less.

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Table 7.1-15 Statistics on Employee Education and Training Results

Category	Item	2023	2024	2025
Total Hours	Male Employees	187,980	201,852	224,631
	Female Employees	331,745	351,289	364,871
	Managerial Positions	34,324	35,608	35,338
	General Employees	485,401	517,533	554,164
	Statutory Training	219,656	226,261	230,975
	Additional Training	300,069	326,879	358,526
	Total	519,725	553,140	589,502
Average Hours	Male Employees	44	45	47
	Female Employees	49	50	49
	Managerial Positions	42	44	42
	General Employees	47	48	49
	Statutory Training	20	20	19
	Additional Training	27	28	29
	Total	47	48	48

Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines

As of December 31, 2025 Coverage [Note1]	Coverage Applicable to PCAF Methodology	Coverage of Carbon Inventory
Investment	29.78%	29.78%
Corporate Lending	95.24%	95.19%
Consumer Lending	30.14%	30.11%
Total	44.49%	44.46%

Note 1: Mainly due to insufficient specific data that makes calculation impossible, coverage applicable to PCAF methodology and coverage of carbon inventory for corporate lending are slightly less than 100%. For consumer lending, both the coverage applicable to PCAF methodology and the coverage of carbon inventory are less than 100% because the scope of the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" is limited to real estate loans used for purchasing residential properties. The coverage of carbon inventory for consumer lending is slightly less than the coverage applicable to PCAF methodology because some collateral consists of vacant land or non-real estate, which cannot be included in the calculation. For investments, both the coverage applicable to PCAF methodology and the coverage of carbon inventory are less than 100% due to the exclusion of certain assets such as money market instruments (notes), asset-backed securities, municipal bonds, supranational bonds, sustainability-related bonds (green bonds, sustainable development bonds, social responsibility bonds, sustainability-linked bonds), ETF, and investments in subsidiaries that are fully controlled and included in the bank's consolidated financial statements.

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As of December 31, 2025 Asset Type Distribution			Absolute Emissions Note 1		Emission Intensity Note 2		Data Quality Score
			Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Economic Emission Intensity	Physical Emission Intensity	
Investment	Listed/Unlisted Equities		8,061	18,943	0.91	-	2.82
	Corporate Bonds		75,120	67,020	0.69	-	2.88
	Sovereign Debt (Investment)	Excl. LULUCF	1,000,462	-	5.84	-	4.00
		Incl. LULUCF	939,240	-	5.48		3.05
Subtotal	Excl. LULUCF		LA 1,169,606		2.88	-	LA 3.35
	Incl. LULUCF		LA 1,108,384		2.73		LA 2.95
Lending	Corporate Lending	Sovereign Debt (Lending) Excl. LULUCF	47,212		85.81	-	2.00
		Sovereign Debt (Lending) Incl. LULUCF	60,187		109.40	-	
		Business Loans	2,481,023		3.14	-	3.73
		Project Finance Note 3	3,024		0.17	0.00	2.98
		Commercial Real Estate Loans	33,859		0.46	73.14	3.95
	Consumer Lending	Mortgages	107,950		0.19	20.98	4.00
		Motor Vehicle Loans	-		-	-	-
Subtotal	Excl. LULUCF		LA 2,673,068		1.84	-	LA 3.84
	Incl. LULUCF		LA 2,686,043		1.85	-	
Total	Excl. LULUCF		3,842,674		2.07	-	3.73
	Incl. LULUCF		3,794,427		2.05	-	3.64

Note 1: Absolute emissions refer to the carbon emissions from financial assets (financed emissions) in Scope 3 as defined by the BAROC, originating from the Scope 1 and Scope 2 emissions of the investees and borrowers.
Note 2: Economic emission intensity unit: tCO2e per NT$1 million; physical emission intensity unit: kgCO2e/m2 (commercial real estate loans and mortgages) and tCO2e/MWh (project finance).
Note 3: The avoided emissions from project finance are approximately 6,364,353 tCO2e.

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As of December 31, 2025 Region Distribution		Investment Assets					Lending Assets (Corporate Lending)			Lending Assets (Consumer Lending)		
		Absolute Emissions Note 1			Data Quality Score	Economic Emission Intensity (tCO_2e/ NT$1M)	Absolute Emissions Note 1	Data Quality Score	Economic Emission Intensity (tCO_2e/ NT$1M)	Absolute Emissions Note 1	Data Quality Score	Economic Emission Intensity (tCO_2e/ NT$1M)
		Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 1+2 (tCO_2e)			Scope 1+2 (tCO_2e)			Scope 1+2 (tCO_2e)		
Excl. LULUCF	Taiwan	381,361	58,020	439,381	3.71	3.07	1,524,838	3.68	2.18	107,950	4.00	0.19
	Asia Pacific	307,208	15,915	323,123	3.45	3.30	1,040,280	3.94	5.66	-	-	-
	Americas	315,268	5,260	320,528	3.07	3.21	-	-	-	-	-	-
	Europe	62,189	2,461	64,650	2.80	1.04	-	-	-	-	-	-
	Others	17,617	4,307	21,924	3.19	7.83	-	-	-	-	-	-
Total		1,083,643	85,963	1,169,606	3.35	2.88	2,565,118	3.73	2.91	107,950	4.00	0.19
Incl. LULUCF	Taiwan	364,371	58,020	422,391	3.71	2.95	1,524,838	3.68	2.18	107,950	4.00	0.19
	Asia Pacific	298,483	15,915	314,398	3.11	3.21	1,053,255	3.94	5.73	-	-	-
	Americas	279,750	5,260	285,010	2.19	2.85	-	-	-	-	-	-
	Europe	62,201	2,461	64,662	2.14	1.04	-	-	-	-	-	-
	Others	17,617	4,307	21,924	3.19	7.83	-	-	-	-	-	-
Total		1,022,422	85,963	1,108,385	2.95	2.73	2,578,094	3.73	2.92	107,950	4.00	0.19

Note 1: Absolute emissions refer to the carbon emissions from financial assets (financed emissions) in Scope 3 as defined by the BAROC, originating from the Scope 1 and Scope 2 emissions of the investees and borrowers.
Note 2: Scope 1 and Scope 2 data are rounded to the nearest integer for presentation in the table. Therefore, there are discrepancies between the sum of Scope 1 and Scope 2 figures and slight differences with the vertical total data results.

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As of December 31, 2025 Industry Sector Distribution [Note 2]	Investment Assets - Listed/Unlisted Equities & Corporate Bonds						Lending Assets - Business Loans					
	LA Absolute Emissions [Note 1]			Data Quality Score	Economic Emission Intensity (tCO_2e/ NT$1M)	Exposure Balance (NT$ million)	LA Absolute Emissions [Note 1]			Data Quality Score	Economic Emission Intensity (tCO_2e/ NT$1M)	Exposure Balance (NT$ million)
	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 1+2 (tCO_2e)				Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 1+2 (tCO_2e)			
Energy	14,843	1,246	16,088	4.39	5.26	3,057.45	612,302	61,687	673,989	3.91	95.30	7,072.57
Materials	26,943	7,506	34,449	2.47	16.87	2,042.45	682,297	235,159	917,456	3.15	14.19	64,650.42
Industrials	4,427	2,402	6,829	3.88	1.34	5,093.45	207,093	16,243	223,335	3.79	2.84	78,502.53
Consumer Discretionary	1,292	785	2,077	2.13	0.54	3,831.18	82,707	81,956	164,662	3.69	1.68	98,086.62
Consumer Staples	3,121	2,937	6,058	2.00	0.40	15,031.76	54,804	22,525	77,329	3.84	3.13	24,739.18
Health Care	-	-	-	-	-	-	1,997	3,812	5,809	3.73	0.98	5,952.68
Financials	6,652	3,290	9,942	2.65	0.08	130,343.05	141,330	24,601	165,931	3.99	0.81	204,396.95
Information Technology	3,439	50,981	54,419	3.50	1.15	47,300.31	22,854	160,108	182,962	3.03	1.69	108,384.79
Communication Services	977	9,874	10,852	2.32	0.67	16,201.19	500	3,354	3,854	4.01	0.25	15,357.23
Utilities	21,059	6,513	27,572	4.10	2.91	9,483.10	43,038	3,391	46,429	3.92	6.93	6,697.20
Real Estate	428	428	857	5.00	0.40	2,129.65	3,271	15,996	19,267	3.92	0.11	176,947.89
Total	83,181	85,962	169,143	2.87	0.72	234,513.59	1,852,191	628,832	2,481,023	3.73	3.14	790,788.06

Note 1: Absolute emissions refer to the carbon emissions from financial assets (financed emissions) in Scope 3 as defined by the BAROC, originating from the Scope 1 and Scope 2 emissions of the investees and borrowers.
Note 2: Industries are classified using the two-digit sector level codes of the Global Industry Classification Standard (GICS).
Note 3: Scope 1 and Scope 2 data are rounded to the nearest integer for presentation in the table. Therefore, there are discrepancies between the sum of Scope 1 and Scope 2 figures and slight differences with the vertical total data results.
Note 4: Economic emission intensity refers to the total Scope 1 and Scope 2 carbon emissions per unit of investment and lending exposure amount.

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As of December 31, 2025 Asset/Industry Distribution [Note 2]			Lending Assets — Undrawn Loan Commitment [Note 3]		
			Absolute Emissions [Note 1]		Economic Emission Intensity (tCO_2e/NT$1M)
			Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	
Corporate Lending	**Sovereign Debt (Lending)**		2,274,272		17.49
	Business Loans	Energy	26,324	224	61.39
		Materials	26,030	19,083	22.21
		Industrials	29,162	755	2.60
		Consumer Discretionary	2,162	4,200	0.89
		Consumer Staples	2,595	1,640	3.04
		Health Care	189	309	1.72
		Financials	10,669	1,707	0.70
		Information Technology	319	4,794	0.51
		Communication Services	8	46	0.18
		Utilities	25,656	120	83.24
		Real Estate	133	541	0.07
	Project Finance		11,782		13.48
	Commercial Real Estate Loans		89		0.33
Consumer Lending	**Mortgages**		–		–
	Motor Vehicle Loans		–		–
	Total		2,442,806		12.69

Note 1: Absolute emissions refer to the carbon emissions from financial assets (financed emissions) in Scope 3 as defined by the BAROC, originating from the Scope 1 and Scope 2 emissions of the investees and borrowers.
Note 2: Industries are classified using the two-digit sector level codes of the Global Industry Classification Standard (GICS).
Note 3: In anticipation of IFRS S2 requirements, given that it has not yet provided a clear definition for "undrawn loan commitments", the current disclosure scope covers the carbon emissions of irrevocable loan commitments.
Note 4: The aggregated results of the Scope 3 financed emissions inventory presented here exclude LULUCF.

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Table 7.1-17 Operational Greenhouse Gas Emissions

Item	Unit	2023		2024		2025	
Scope 1- Direct GHG Emissions	tCO_2e	Taiwan	1,141.74	Taiwan	995.58	Taiwan	1,003.33
		Overseas	882.11	Overseas	865.84	Overseas	2,156.66
Scope 2- Indirect GHG Emissions from Imported Energy (Location-Based Emission)		Taiwan	20,653.02	Taiwan	20,805.72	Taiwan	21,194.87
		Overseas	3,156.64	Overseas	2,880.85	Overseas	2,724.99
Scope 2- Indirect GHG Emissions from Imported Energy (Market-Based Emission)		Taiwan	16,991.85	Taiwan	16,422.40	Taiwan	10,046.58
		Overseas	3,156.64	Overseas	2,880.85	Overseas	2,724.99
Scope 1 +Scope 2 (Location-Based Emission)		Taiwan	21,794.76	Taiwan	21,801.30	Taiwan	22,198.20
		Overseas	4,038.76	Overseas	3,746.69	Overseas	4,881.64
Scope 1 +Scope 2 (Market-Based Emission)		Taiwan	18,133.59	Taiwan	17,417.98	Taiwan	11,049.91
		Overseas	4,038.76	Overseas	3,746.69	Overseas	4,881.64
Scope 3- Indirect GHG Emissions from Transportation			284.73		420.87		715.65
Scope 3- Indirect GHG Emissions from Products Used by Organization			781.20		368.97		208.09
Scope 3- Indirect GHG Emissions Associated with the Use of Products from the Organization			1,931.98		1,752.48		(Not inventoried)
Carbon Credit Purchase			10,000[6]		-		-
Carbon Credit Retirement			-		3,320[7]		2,785[8]
Intensity – Consolidated Accounting Group	(Scope 1+Scope 2) tCO_2e/NT$1M		0.26		0.20		0.14
Renewable Power Purchase (PV)	kWh		7,276,290		8,076,752		21,465,958
Renewable Energy Certificate (T-REC)	kWh		120,000		1,171,000		2,062,162

Note 1: A rolling review of inventory sites is conducted annually. In 2024, 348 domestic locations and 71 overseas locations were inventoried. In 2025, the number was adjusted to 345 domestic locations and 72 overseas locations (all overseas locations include overseas branches, Cathay United Bank (China), Indovina Bank, Cathay United Bank (Cambodia), and CUBC Investment Co., Ltd.). Scope 1 and Scope 2 cover both domestic and overseas locations. For Scope 3 (Categories 3–5), only emissions from waste generated in operations, water usage, business travel, credit card services, and personal unsecured loan services at domestic locations were inventoried in 2023 and 2024. In 2025, in alignment with the Group's inventory boundary, the scope was adjusted to cover emissions from waste generated in operations, water usage, and business travel at all locations, including emissions from air travel and high-speed rail travel, excluding Indovina Bank.

Note 2: (1) Since 2018, the new version of ISO 14064-1:2018 standard has been adopted, and from 2020, BSI has been commissioned for external verification.
(2) Greenhouse gas emissions are calculated using the "Operational Control" approach.

Note 3: The emission factors are based on the latest factors published by the Bureau of Energy during each year's greenhouse gas inventory period: 2023: 0.495 kg CO_2e/kWh; 2024: 0.474 kg CO_2e/kWh; 2025: 0.474 kg CO_2e/kWh.

Note 4: Since 2022, with the purchase of Renewable Energy Certificates or use of Renewable Energy, in accordance with Appendix E of ISO 14064:2018, Scope 2 emissions are disclosed under both the "Location-Based" and "Market-Based" methods.

Note 5: Intensity (tCO_2e /NT$1M): Calculated based on the market-based method.

Note 6: Carbon credits purchased in 2023 were all certified by the Gold Standard: 1,000 tCO_2e from the Eritrea Community Boreholes Project, 3,500 tCO_2e from the AMI KHANH HOA Solar Project, 2,500 tCO_2e from the Central Mozambique Safe Water Programme, 1,000 tCO_2e from the Household And Commercial Biogas Plants In Kenya, 2,000 tCO_2e from the Santa Marta Landfill Gas (LFG) Capture For Electricity Generation Project, totaling 10,000 tCO_2e.

Note 7: On September 18, 2024, 3,320 tCO_2e of carbon credits from the AMI KHANH HOA Solar Project were retired in accordance with the PAS 2060 carbon neutrality standard. These credits were used to offset the 2023 GHG emissions from CUB's HQ building (including Business Department), Tongde, Xinshu, and Ruihu branches. The offset was verified by a third-party verification body, and a carbon neutrality verification statement was obtained.

Note 8: On December 24, 2025, 2,785 tCO_2e of carbon credits were retired, including 1,000 tCO_2e from the Eritrea Community Boreholes Project, 180 tCO_2e from the AMI KHANH HOA Solar Project, 1,000 tCO_2e from the Household And Commercial Biogas Plants In Kenya, and 605 tCO_2e from the Santa Marta Landfill Gas (LFG) Capture For Electricity Generation Project, in accordance with the ISO 14068-1 carbon neutrality standard. These credits were used to offset the 2024 GHG emissions from Cathay United Bank's personal unsecured loan service and personal housing loan service. The offset was verified by a third-party verification body, and a carbon neutrality verification statement was obtained. The relevant carbon neutrality report is disclosed on the Bank's official corporate sustainability website.

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Table 7.1-18 Official Climate Change Scenario Analysis Results

Expected Losses to Pre-Tax P/L

Asset Position	Long-Term Scenario						Short-Term Scenario		
	Orderly Net Zero (ONZ)		Disorderly Transition (DT)		Passive Transition (PT)		Physical Risk: Intensity-Adjusted (IA)	Transition Risk (TR)	Combined Loss (CL)
	2030	2050	2030	2050	2030	2050			
Domestic Lending (Corporate Finance)	10.28%	11.56%	13.86%	12.93%	12.75%	16.23%	12.20%	9.95%	12.21%
Domestic Lending (Consumer Finance)	13.64%	15.75%	17.83%	16.85%	15.37%	18.86%	11.52%	10.22%	11.52%
Overseas Lending (Corporate Finance)	3.08%	4.72%	2.56%	5.88%	3.76%	9.77%			
Domestic Banking Book Investments	1.42%	1.48%	1.64%	1.61%	1.53%	1.77%	1.03%	1.03%	1.03%
Overseas Banking Book Investments	0.31%	0.38%	0.28%	0.53%	0.34%	0.83%			
Total	28.73%	33.89%	36.17%	37.80%	33.75%	47.45%	24.75%	21.20%	24.76%

Expected Loss to Net Value

Asset Position	Long-Term Scenario						Short-Term Scenario		
	Orderly Net Zero (ONZ)		Disorderly Transition (DT)		Passive Transition (PT)		Physical Risk: Intensity-Adjusted (IA)	Transition Risk (TR)	Combined Loss (CL)
	2030	2050	2030	2050	2030	2050			
Domestic Lending (Corporate Finance)	1.67%	1.87%	2.25%	2.10%	2.07%	2.63%	1.98%	1.61%	1.98%
Domestic Lending (Consumer Finance)	2.21%	2.55%	2.89%	2.73%	2.49%	3.06%	1.87%	1.66%	1.87%
Overseas Lending (Corporate Finance)	0.50%	0.77%	0.42%	0.95%	0.61%	1.58%			
Domestic Banking Book Investments	0.23%	0.24%	0.27%	0.26%	0.25%	0.29%	0.17%	0.17%	0.17%
Overseas Passbook Investments	0.05%	0.06%	0.05%	0.09%	0.06%	0.13%			
Total	4.66%	5.49%	5.86%	6.13%	5.47%	7.69%	4.01%	3.44%	4.01%

Note: This calculation is conducted on a standalone basis, including domestic and overseas branches as well as offshore banking unit. The portfolios include on- and off- Banking Book lending positions, bonds, and equity investments, while excluding domestic government institutions. The calculations were conducted using the Basic Approach.

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Table 7.1-19 Results on Green Energy and Green Operations

	2023	2024	2025
Renewable Energy Usage (kWh)	7,448,304	9,508,523	23,849,438
Energy Management System Established (Locations)	153	155	155
Internal Carbon Pricing Mechanism	In 2023, an internal carbon pricing mechanism was incorporated into the energy-saving competition. The implementation plan for the future internal carbon pricing was also promoted in the competition's carbon reduction reports.	Announced and implemented an internal carbon pricing mechanism, divided into two parts: basic carbon fees and excess carbon fees. Carbon fee data has been incorporated into the carbon reduction competition reports, enabling units to understand that in the future, in addition to electricity costs, they will need to pay for carbon emissions.	Basic carbon fees are actually charged to all units across Taiwan based on their electricity consumption from non-renewable energy sources.
Solar Panels on Proprietary Buildings (kW)	270.78	395.14	494.08
Domestic Operational Greenhouse Gas Emissions (Scope 1 + Scope 2, tCO_2e)	18,134	17,418	11,050
Per Capita Water Consumption (Cubic Meters)	18.07	18.37	17.8
Per Capita Waste (Kilograms)	30.82	29.26	27.1
Sustainable Procurement (Green Procurement/NT$)	192,573,349	439,947,013	498,139,460

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Table 7.1-20 Achievements in Environmental Investment and Lending

Unit: NT$100M

Sustainable Themes of CUB's Investment and Lending	2024		2025	
	Lending	Investment	Lending	Investment
Alternative Energy	189.81	0.23	212.50	0.57
Buildings	229.01	-	161.60	5.00
Waste Recycling	44.56	-	50.16	-
Transportation	38.44	29.80	42.90	11.43
Energy-Efficient Industry	3.89	0.86	7.17	16.49
Green Bonds	-	267.32	-	402.37
Natural Carbon Sinks	-	-	-	-
Low-Carbon Transition Infrastructure	8.50	-	5.29	-
Total Amount	514.21	298.21	479.62	435.86

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Table 7.1-21 Investment & Lending in Twelve Key Strategic Industries

Unit: NT$100M

Industry	2024			2025		
	Lending	Investment	Total	Lending	Investment	Total
Wind/Solar Energy	192.59	0.23	192.82	160.34	0.57	160.91
Hydrogen	-	-	-	-	-	-
Innovative Energy	-	-	-	-	-	-
Power Systems & Energy Storage	-	-	-	-	-	-
Energy Saving	-	0.86	0.86	-	16.49	16.49
Carbon Capture, Utilization & Storage	-	-	-	-	-	-
Carbon-free & Electric Vehicles	1.00	0.08	1.08	1.00	0.43	1.43
Resource Recycling & Zero Waste	1.92	-	1.92	0.33	-	0.33
Carbon Sinks	-	-	-	-	-	-
Green Lifestyle	5.99	-	5.99	13.30	5.00	18.30
Green Finance	-	166.38 Note	166.38	-	264.49	264.49
Just Transition	-	-	-	-	-	-
Total Amount	201.50	167.55 Note	369.05	174.97	286.98	461.95

Note: As the scope of statistics for investment and lending in Twelve Key Strategic Industries covers only the Taiwan market and does not include global data, the 2024 investment figures have been revised accordingly.

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7.2 2025 Sustainability Blueprint Target Achievement Status

Climate Low-Carbon Economy

Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
Net Zero Emissions in Financial Assets by 2050	1. Set science-based targets (SBTs) 2. Divestment from coal Industries 3. Formulate transition plans for investment and financing.	1. Portfolio temperature / emission intensity / engagement ratio 2. Outstanding coal-related credit balance	See 2.2.1.1 Net Zero Emissions in Financial Assets by 2050		Non-material topic
Leader in Climate and Nature Engagement Actions	Communicate with investees and credit clients to encourage disclosure of carbon inventory results, set more concrete medium- and long-term decarbonization targets, or join international decarbonization initiatives such as SBT and RE100.	SBT engagement ratio	See 2.2.1.1 Net Zero Emissions in Financial Assets by 2050		Non-material topic
Provide Comprehensive Climate Finance Solution	1. Provide green lending and sustainability-linked loans 2. Provide personalized sustainable finance services	Scale of sustainable lending (including outstanding green loans, sustainability-linked loans, and social loans)	NT$76.1 billion	Achieved	Sustainable Finance and Responsible Finance

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Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
Green Energy	1. **Full Use of Renewable Energy Across Operating Sites:** Optimize the mix and volume of renewable energy sources, explore diversified renewable energy procurement options, and develop green electricity procurement strategies for each operating site. 2. **Digitalized Energy Data Management:** Manage both conventional grid electricity and renewable electricity consumption and renewable electricity to optimize energy allocation and usage.	Practice the RE100 commitment and increase renewable energy use.	1. Renewable energy usage at operating locations in Taiwan exceeds 50%. 2. Headquarters uses 100% renewable energy.	Achieved	Non-material topic
		Establish energy management systems.	Through the energy management system, manage and monitor 62% of total electricity consumption in the base year (2022) and strengthen energy-saving efforts.	Achieved	
		Implement internal carbon pricing for operations. Note 1	Adopt an internal carbon fee mechanism and begin collecting a "basic carbon fee" on a quarterly basis.	Achieved	
		Increase solar installations on self-owned buildings.	Achieve a 500% increase in cumulative solar installed capacity on self-owned buildings compared with 2020.	Achieved	
Green Operations	1. **Workplace Transformation Plan:** Through the redesign of new hybrid workplace models, establish flexible and shared office spaces, complemented by measures such as remote working, to enhance workplace space utilization efficiency. 2. **Paperless Operations and Services:** Reduce carbon footprints by digitalizing and paperlessing service and operational processes.	Decarbonization – fulfill the SBT commitment, reducing Scope 1 and Scope 2 emissions by an average of 4.2% per year.	Cumulative reduction of 21% in Scope 1 and Scope 2 GHG emissions from own operations compared with 2020.	Achieved	Non-material topic
		Mobilize operations – Mobile Office.	VDI OA project, with a target of introducing the system to 20% of suitable colleagues.	Project Closed Note 2	
		Digitalize services – Carbon Footprint Label.	Commit to completing carbon footprint inventories for 66% of major products.	Achieved	
		Shared workplaces – Workplace transformation.	5 additional flexible workplace sites were added compared with 2020.	Achieved	
		Water resource management	Per capita water consumption: 18.5 cubic meters	Achieved	
		Waste reduction	Per capita waste generation: 31.6 kg	Achieved	
		Sustainable procurement	Total amount of green procurement: NT$151 million	Achieved	
Green Real Estate	1. **Green Landlord Initiative:** Introduce renewable energy to support corporate clients in achieving their sustainability goals, while encouraging more clients to transition to and conveniently use locally sourced renewable electricity. 2. **Development of Low-Carbon Buildings:** Create lower-carbon building models through measures such as developing self-generated and self-consumed solar power, purchasing renewable electricity, and constructing green buildings.	Green renovation: use green building materials when renovating existing locations.	100% of branches fully renovated during the year comply with environmentally friendly renovation standards, and the overall compliance rate of branches with environmentally friendly renovation reaches 30%.	Achieved	Non-material topic
		Green Landlord: expand influence and assist tenants in obtaining green electricity	Continue to provide willing tenant clients with green electricity services.	Achieved	

Note 1: In the 2025 Sustainability Blueprint, the status of "operational internal carbon pricing" is presented under the Green Energy strategy. In 2026, in line with the adjustment of the short-, medium-, and long-term targets under the Sustainability Blueprint, this indicator will be moved to the Green Operations strategy.

Note 2: At the Financial Holdings information management liaison meeting held in November 2025, it was determined that the Bank was not applicable to the VDI OA project. The Bank's VDI OA project was therefore concluded and no further target tracking is required.

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Health Health Promotion

Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
Expand the Health Ecosystem and Promote Physical and Mental Health among the Public	Promote employee health service programs.	Percentage of bank employees with good mental health.	Provide effective mental support programs to help 80% of employees maintain physical and mental health.	Achieved	Non-material topic
		Walking steps under the "Every Step Counts". Note 1	Total accumulated employees' steps reduce 4,240 metric tons carbon emissions per year.	Achieved	
		Number of subsidiaries certified to ISO 45001. Note 2	The Bank and Life maintain the validity of ISO 45001.	Achieved	
		Obtain the Accredited Healthy Workplace Certification and the iSports Enterprise Certification.	The Bank maintains the validity of certifications.	Achieved	
		On-site physician consultation satisfaction.	On-site physician consultation satisfaction reaches 80%.	Achieved	
		Health promotion activity satisfaction.	Health promotion activity satisfaction reaches 80%.	Achieved	

Note 1: A 1-kilometer walk (approximately 1,666 steps) can reduce 0.2367 kg carbon emissions.
Note 2: ISO 45001 is the Occupational Health and Safety Management Standard.

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Health Financial Health

Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
The Best Guardian of Customer Wealth	Assist clients in conducting financial health assessments to understand their financial condition, offering personalized, diverse, high-quality financial products and planning tools to encourage long-term investment habits, promote healthy financial behavior, and prepare for financial planning at various life stages (youth cultivate saving habits, middle-age accumulate wealth for the family, and old age maintain stable cash flow for retirement), thus achieving the vision of a happy life.	The scale of assets under management (AUM) entrusted to the bank by clients	NT$1.64 trillion	A 99.3% rate despite the volatile market environment in 2025, with efforts toward stable growth in wealth management AUM.	1. Digital Transformation and Innovation 2. Customer Relationship and Service
		The scale of assets under management (AUM) entrusted to the bank by senior clients	NT$590 billion	Achieved	
		The number of senior clients confidently entrusting their assets to the bank	NT$1.8927 million	Achieved	
		Client satisfaction with the bank's wealth management services	Over 80% satisfaction	Achieved	
		Net Promoter Score (NPS) where satisfied clients are willing to recommend the bank's wealth management services	Leading competitors	Achieved	
		Established a financial health promotion section with a cumulative usage of financial health assessments	300,000 visits	Achieved	
		Help clients set feasible investment portfolios according to life stage financial goals, with the number of users of target-oriented financial planning tools on the official website	350,000 users	Achieved	
		Support financial health through the power of compound interest over time, with the number and proportion of wealth management clients using regular investment plans	232,000 people, accounting for over 50% of wealth management clients.	A success rate of 78% and 88%. Continual promotion of regular fund investments (such as happiness marathon activities).	
		The number of wealth management clients investing in funds announced on the ESG section of the fund information monitoring station and the scale of their investments (AUM)	22,000 clients with investments reaching NT$7 billion.	Achieved	
	Utilize AI to prevent financial fraud and safeguard client assets, implementing various customer protection measures; use trust funds for designated purposes and asset protection characteristics to develop diverse trust products and services, expanding trust coverage.	Post-sale care contact rate for senior clients investing in financial products (funds/ETFs/bonds)	100%	Achieved	
		Number of new anti-fraud initiatives launched in coordination with the public sector or independently in response to evolving fraud schemes	Introduce at least two "new anti-fraud initiatives"	Achieved	
		Annual investment in anti-fraud initiatives (including personnel, training, and system resources)	Total investment cost not less than NT$30 million	Achieved	
		Annual reach of fraud prevention education and awareness initiatives	Continuously promote fraud prevention education and advocacy to the public, with cumulative reach hitting 68 million.	Achieved	
		Year-over-year decline rate in failed interceptions for fraud cases involving losses over NT$1 million	5% year-over-year decline in the monthly average number of failed interceptions in fraud cases involving losses over NT$1 million (i.e., cases not reported to the police)	Achieved	
		Strengthen fraud prevention mechanisms for online credit card transactions and improve the 3DS fraud prevention rate	3DS fraud prevention rate > 45% per year	Achieved	
		Annual number of beneficiaries protected by leveraging diverse trust products or services to ensure client asset safety	Reach 40,000 beneficiaries Accumulate at least 2 innovative trust products or services.	Achieved	

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Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
Benchmark for Financial Inclusion in Taiwan	Leveraging AI technologies to continuously develop digital financial inclusion products, while expanding digital platforms and optimizing intelligent assistant functions, the Bank enables customers to access financial services without being constrained by branch locations or business hours, thereby enhancing the accessibility and affordability of financial services.	Customer satisfaction with digital service experience	Satisfaction score of at least 8; CUBE App NPS of at least 30	Achieved	Non-material topic
		Proportion of customers using digital services (penetration rate)	Maintain 80% and continue to optimize the service process and security of digital financial services/products	Achieved	
		Proportion of digital transactions in the Bank's financial services	>90%	Achieved	
		Monthly login visits to the CUBE App (mobile banking)	>30 million	Achieved	
		Number of newly launched innovative inclusive finance digital products or services	At least 2 cumulatively	Achieved	
		Annual service volume of customers using the intelligent assistant for instant customer service	12 million	Achieved	
		Issue resolution rate of the intelligent assistant within 1 second	94%	Achieved	
	Deepen the reach of financial services into areas across Taiwan where financial institution branches and services are relatively scarce, shorten the distance people need to travel to access financial services, and accelerate digital financial inclusion so that more people can enjoy financial services that are fair, friendly, practical, and innovative.	Total number of underserved areas across Taiwan reached by financial service stations, and the cumulative number of people served, so as to expand the overall coverage of financial services and improve financial accessibility	Coverage reached 195 underserved areas; cumulative number of people served reached 170,000	Achievement rates reached 99.5% and 103%, respectively	
	Provide convenient small-amount financial services to help young people develop sound investment habits and accumulate their initial wealth.	Number of young customers with limited disposable income participating in mutual fund investments through regular fixed-amount contributions of up to and including NT$6,000 per month	Reached 12,500 people	Achieved	
	Provide the operating funds and online digital cash management services required by SMEs to promote their sound financial development and business growth, and work together to become a key force in advancing Taiwan's economic and social development.	Total loan amount extended to SMEs and number of supported SME borrowers	Outstanding loan balance reached NT$337 billion; number of supported borrowers reached 5,700	Achieved	
		Annual number of new borrowers and new loan amount under preferential loan programs tailored to the operational and development financing needs of different types of small businesses, including the Franchise Owner Financing Program and Supplier Financing Program (added in December 2023)	10 new borrowers; new loan amount of NT$ 100 million	Borrower target achievement rate: 60%; the Bank will continue to promote the program. Loan amount target achievement rate: 180%	
		Annual number of new borrowers and new loan amount under the social enterprise support program launched in partnership with the Taipei City Government	1 new borrower; new loan amount of NT$ 1.92 million	Achieved	
		Number of micro and small enterprise customers using fast and convenient corporate online banking services to transfer funds anytime and anywhere and conduct transactions such as deposits, remittances, and financing without visiting a branch	Monthly average reaches 6,700	Achieved	
		Cumulative number of payroll accounts using the TaiYouXin service, which helps micro and small enterprises digitalize payroll disbursement, reduce processing time, and improve operational efficiency	Cumulative number reaches 3,600	Achieved	

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Benchmark for Financial Inclusion in Taiwan	Use diversified channels and easy-to-understand educational approaches to enhance the public's financial and wealth management knowledge and expand the impact of financial education.	Participant agreement on the effectiveness of financial education activities	At least 80% of returned questionnaires indicate a positive impact on financial literacy	Achieved	Non-material topic
			At least 80% of returned questionnaires indicate satisfaction	Achieved	
		Number of people reached by financial literacy education and outreach	Annual cumulative reach of 4.8 million	Achieved	
		Financial education for students in underserved areas and senior citizens: cumulative beneficiaries and sessions	Cumulative reach of 240 people	Achieved	
			12 financial education videos for senior citizens	Achieved	
			10 financial education courses for students in underserved areas	Achieved	
			8 trust education seminars for senior citizens	Achieved	

Empowerment Workplace Empowerment

Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status
Creating DEI Workplace (Diversity, Equity & Inclusion): Creating a diverse and inclusive workplace environment to unlock the potential of all talents at Cathay, enhancing organizational competitiveness.	◆ Cultivating a Foundation of Diversity and Inclusion: Openly advocating for respecting each unique Cathay member, promoting the acceptance of diverse individuals, and fostering an environment of equal rights. ◆ Establishing Diverse and Inclusive Networks: Safeguarding the basic labor rights of employees and prioritizing the job rights of female employees, indigenous employees, and employees with disabilities. ◆ Support measures for slowing down without dropping out: Open learning resources will continue to be available to help employees during the slowdown period (employees will not have to stop studying due to suspension of work).	◆ 90% of DEI micro-course coverage rate ◆ 40% of total female Managers.[Note 1] ◆ 25% of female middle to senior-level managers. ◆ 45% of female junior managers. ◆ 45% of female employees.[Note 2] ◆ 35% of female STEM talen. ◆ 80% of return-to-work rate after maternity and paternity leave.	Achieved	Non-material topic
Reskilling Employees: Identifying the future skills required to meet upcoming trends and ensuring employees possess the necessary expertise and knowledge.	◆ Drive reskilling initiatives to enhance employee digital literacy learning coverage. ◆ Foster sustainable culture literacy.	◆ 50% of digital literacy learning coverage rate (based on annual training program: Generative AI. ◆ 90% of ESG Sustainability Program Coverage Rate.	Achieved	
Upskill Employees: Provide tailored training resources according to employees' developmental needs at different stages, continuously enhancing their job capabilities.	◆ Tailor learning resources according to job categories/levels to strengthen job skills, continuously integrating various physical and digital learning resources to meet diverse learning needs. ◆ Establish different-level training programs to cultivate talent in various roles. ◆ Create a comprehensive career development system to lead the key construction of employees' diversified development.	◆ Annual Employee Engagement training satisfaction rate reaches 4 out of 5. ◆ 85% of employees rated 4 or higher in the 360-degree performance evaluation.	Achieved	
Establishing a Leadership Pipeline: Strengthening talent pools at different management levels to deepen the bench strength and ensure the sustainable development of the organization.	◆ Regularly review talent pools at all levels and implement tailored development plans to cultivate management talent required for business operations.	◆ Key talent retention rate for middle level talent pool (Assistant Manager/Manager level) at 80%. ◆ Key talent retention rate for Young Talent pool at 50%.	Achieved	

Note1：The target is 40% for 2025 disclosed in 2024 sustainability report, which was later adjusted to 45% due to internal management considerations.
Note2：The target is 60% for 2025 disclosed in 2024 sustainability report, which was later adjusted to 45% due to internal management considerations.

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Empowerment Youth Empowerment

Strategy	Action Plan	Indicator	2025 Target	2025 Achievement Status	Material Sustainable Issues
Youth Empowerment	**1. Youth ×Tech** Strengthen young people's understanding and application of AI, big data, cybersecurity, and digital transformation, and cultivate young tech talent to adapt to future industrial change. **2.Youth × Problem-solving** Cultivate young people's critical thinking and problem-solving ability, combining financial knowledge empowerment and workplace experience to promote self-learning, transform theoretical knowledge into practical action, enhance cross-disciplinary collaboration and innovation, and accelerate the transition from learning to the workplace. **3.Youth × Sustainability** Promote young people's understanding of corporate sustainability values, ESG issues, and civic responsibility, and encourage them to solve social and environmental challenges through action, thereby transforming sustainability concepts into career competitiveness.	Number of partner schools	25 schools	Achieved	Non-material topic
		Diversify internship fields: Offer nonfinancial internships	5	Achieved	
		Number of internships	More than 250 interns.	Achieved	
		Course satisfaction	More than 4 out of 5.	Achieved	
		Corporate identity	More than 4 out of 5.	Achieved	
		Willingness to work in the financial sector	More than 3.5 out of 5.	Achieved	
		Willingness to recommend courses	More than 3.5 out of 5.	Achieved	
Supporting the Underprivileged	CUB Financial Education (Online / In-Person)	Number of volunteer instructors / hours of service	50 volunteer instructors served for a total of 400 hours of service.	Achieved	Non-material topic
		Number (or proportion) of schools served in rural elementary schools	10 rural schools served during the fiscal year, and cumulative more than a total of 35 rural elementary schools (times) served.	Achieved	
		Impacted the financial literacy of students	Impacted the financial literacy of students with a score of 3 or higher.	Achieved	
	Elevated Tree Program.	Scholarships and specialized education sponsorships: Based on budget from government education bureaus.	The procedures are handled annually according to the resolutions of the foundation's board of directors. In the absence of major events, the procedures are usually carried out on a continuous basis, similar to previous year.	Achieved	

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7.3 GRI Index

Usage Statement	CUB has reported on the period from January to December 2025 with reference to the GRI Standards.
Cited in the GRI Content Index Table is based on	GRI 1: Foundation 2021

GRI 2 General Disclosures 2021

GRI Number	Disclosure Items	Chapters
2-1	Organizational details	1.1 About CUB
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Any restatements of information in this report will be explained in the corresponding sections.
2-5	External assurance	About This Report
2-6	Activities, value chain and other business relationships	1.1 About CUB
2-7	Employees	4.1.1 Diverse and Inclusive Workplace; Table 7.1-1 Distribution of Total Employees by Gender; Table 7.1-2 Distribution of Total Employees by Region
2-8	Workers who are not employees	Table 7.1-1 Distribution of Total Employees by Gender; Table 7.1-2 Distribution of Total Employees by Region
2-9	Governance structure and composition	6.1.1 The Operation of the Board of Directors
2-10	Nomination and selection of the highest governance body	6.1.2 Professionalism, Diversity, and Independence of the Board of Directors
2-11	Chair of the highest governance body	6.1.1 The Operation of the Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.2 Sustainable Development Committee
2-13	Delegation of responsibility for managing impacts	1.1.2 Sustainable Development Committee
2-14	Role of the highest governance body in sustainability reporting	1.1.2 Sustainable Development Committee

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GRI Number	Disclosure Items	Chapters
2-15	Conflicts of interest	6.1.1 The Operation of the Board of Directors
2-16	Communication of critical concerns	6.1.1 The Operation of the Board of Directors
2-17	Collective knowledge of the highest governance body	6.1.1 The Operation of the Board of Directors
2-18	Evaluation of the performance of the highest governance body	6.1.3 Performance Evaluation and Remuneration Policy
2-19	Remuneration policies	6.1.3 Performance Evaluation and Remuneration Policy
2-20	Process to determine remuneration	6.1.3 Performance Evaluation and Remuneration Policy
2-21	Annual total compensation ratio	Not disclosed due to confidentiality requirements.
2-22	Statement on sustainable development strategy	Message from the Acting Chairman
2-23	Policy commitments	6.2 Ethical Corporate Management; 4.1.1 Diverse and Inclusive Workplace
2-24	Embedding policy commitments	6.2 Ethical Corporate Management
2-25	Processes to remediate negative impacts	6.7.2 Customer Care
2-26	Mechanisms for seeking advice and raising concerns	6.7.2 Customer Care
2-27	Compliance with laws and regulations	6.5 Legal Compliance
2-28	Membership associations	1.1 About CUB
2-29	Approach to stakeholder engagement	1.3 Stakeholder Identification and Communication
2-30	Collective bargaining agreements	4.1.1.3 Employee Communication

GRI 3 Material Topics

GRI Number	Disclosure Items	Chapters
3-1	Process to determine material topics	1.4 Material Sustainability Issues Identification
3-2	List of material topics	1.4 Material Sustainability Issues Identification
3-3	Management of material topics	1.5 Management Guidelines of Sustainability Issues

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GRI 200 Economic

GRI Series	GRI Number	Disclosure Items	Chapters
201	201-1	Direct economic value generated and distributed	1.1.1 Overview of Operations
	201-2	Financial implications and other risks and opportunities due to climate change	2.1.2 Risks and Opportunities
	201-3	Defined benefit plan obligations and other retirement plans	4.1.1.2 Attracting and Retaining Talents
	201-4	Financial assistance received from government	No government financial assistance was received in 2025.

GRI 300 Environment

GRI Series	GRI Number	Disclosure Items	Chapters
305	305-1	Direct (Scope 1) GHG emissions	Table 7.1-17 Operational Greenhouse Gas Emissions
	305-2	Indirect energy (Scope 2) GHG emissions	Table 7.1-17 Operational Greenhouse Gas Emissions
	305-3	Other indirect (Scope 3) GHG emissions	Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines; Table 7.1-17 Operational Greenhouse Gas Emissions
	305-4	GHG emissions intensity	Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines; Table 7.1-17 Operational Greenhouse Gas Emissions

GRI 400 Social

GRI Series	GRI Number	Disclosure Items	Chapters
401	401-1	New employee hires and employee turnover	Table 7.1-8 Distribution of New Full-Time Employees; Table 7.1-9 Distribution of Full-time Employees Who Voluntarily Resigned
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.1.2 Attracting and Retaining Talents
	401-3	Parental Leave	Table 7.1-11 Parental Leave Statistics

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GRI Series	GRI Number	Disclosure Items	Chapters
403	403-1	Occupational health and safety management system	3.1.1 Occupational Health and Safety Management System
	403-2	Hazard identification, risk assessment, and Incident Investigation	3.1.3 Hazard Identification, Risk Assessment and Management Measures; 3.1.4 Incident Investigation
	403-3	Occupational health services	3.1.5 Training of Occupational Safety and Health; 3.1.6 A Good Workplace Environment; 3.1.8 Workplace Health Promotion; 4.1.1.1 Creating a Diverse and Inclusive Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.1.2 Occupational Safety and Health Organization; 4.1.1.3 Employee Communication
	403-5	Worker training on occupational health and safety	3.1.5 Training of Occupational Safety and Health
	403-6	Promotion of worker health	3.1.8.3 Promoting Employee, Family, and Community Health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.1.2 Occupational Safety and Health Organization; 3.1.7 Contractor Occupational Safety and Health Management
	403-8	Workers covered by an occupational health and safety management system	3.1.1 Occupational Health and Safety Management System
	403-9	Work-related injuries	3.1.9 Occupational Accident Statistics; Table 7.1-12 Employees Occupational Accident Statistics
404	404-1	Average hours of training per year per employee	Table 7.1-15 Statistics on Employee Education and Training Results
	404-2	Programs for upgrading employee skills and transition assistance programs	4.1.3.2 Linking Development Tools into a One-stop Career Development System
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.1.2 Attracting and Retaining Talents
405	405-1	Diversity of governance bodies and employees	6.1.1 The Operation of the Board of Directors; Table 7.1-5 Diversity of Full-time Employees by Position
406	406-1	Incidents of discrimination and corrective actions taken	4.1.1 Diverse and Inclusive Workplace
417	417-1	Requirements for product and service information and labeling	6.7.1 The Treating Customers Fairly Principle and Implementation Status
	417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance concerning product and service information and labeling occurred in 2025.
	417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance concerning marketing communications occurred in 2025.

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7.4 Sustainability Accounting Standards Board (SASB)

Table 7.4 SASB Standards for Commercial Banking-2023

SASB Code/Metric	Disclosure	Chapter/Explanation
FN-CB- 230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	(1) 10 data breach incidents; (2) 100% involved personal information; and (3) 875 customers were affected. 6.7.3 Customer Information and Privacy Protection
FN-CB- 230a.2	Description of approach to identifying and addressing data security risks	6.4 Information Security
FN-CB- 240a.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	3.2.3 Financial Inclusion; Table 7.1-14 Results of Financial Inclusion Promotion
FN-CB- 240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	The Bank's number of overdue loans is not publicly disclosed; this indicator is therefore not disclosed for the time being.
FN-CB- 240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	The Bank does not disclose this indicator.
FN-CB- 240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	4.2.2 Supporting the Underprivileged
FN-CB- 410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	5.1 Responsible Investment / Lending
FN-CB- 410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Table 7.1-17 Operational Greenhouse Gas Emissions
FN-CB- 410b.2	Gross exposure for each industry by asset class	Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines
FN-CB- 410b.3	Percentage of gross exposure included in the financed emissions calculation	2.2.1.1 Net Zero Emissions for Financial Assets by 2050
FN-CB- 410b.4	Description of the methodology used to calculate financed emissions	2.2.1.1 Net Zero Emissions for Financial Assets by 2050
FN-CB- 510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	6.5 Legal Compliance

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<table>
<tr><th>SASB Code/Metric</th><th>Disclosure</th><th>Chapter/Explanation</th></tr>
<tr><td>FN-CB- 510a.2</td><td>Description of whistleblower policies and procedures</td><td>6.2 Ethical Corporate Management</td></tr>
<tr><td>FN-CB- 550a.1</td><td>Global Systemically Important Bank (GSIB) score, by category</td><td>Not applicable</td></tr>
<tr><td>FN-CB- 550a.2</td><td>Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities</td><td>6.3 Risk Management;
Annual Report Sections "Four. Fundraising Situation" and "Seven. Review and Analysis of Financial Position and Operating Results with Risk Management Matters"</td></tr>
<tr><td>FN-CB- 000.A</td><td>(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business</td><td>
<table>
<tr><th></th><th></th><th>Number</th><th>Amount (100 Million NTD)</th></tr>
<tr><td rowspan="2">Check</td><td>Accounts Personal</td><td>145,522</td><td>19</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>22,689</td><td>39</td></tr>
<tr><td rowspan="2">Savings</td><td>Accounts Personal</td><td>13,424,678</td><td>27,813</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>146,596</td><td>2,908</td></tr>
</table>
Note 1: Small and medium-sized enterprises (SMEs) are defined according to the White Paper on Small and Medium Enterprises issued by the Ministry of Economic Affairs. SMEs are businesses with paid-in capital of less than 100 million or those that regularly employ fewer than 200 employees.
Note 2: Amounts are as of December 31, 2025.
Note 3: Excludes overseas branches and subsidiaries.
</td></tr>
<tr><td>FN-CB- 000.B</td><td>(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate</td><td>
<table>
<tr><th></th><th>Loan Balance (100 Million NTD)</th></tr>
<tr><td>Personal</td><td>1,503</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>3,618</td></tr>
<tr><td>Enterprises</td><td>2,643</td></tr>
</table>
Note 1: The scope of personal customers includes unsecured personal loans, labor relief loans, overseas study loans, and student loans, excluding mortgage loans and revolving credit loans.
Note 2: Small and medium-sized enterprises (SMEs) are defined according to the White Paper on Small and Medium Enterprises issued by the Ministry of Economic Affairs. SMEs are businesses with paid-in capital of less than NT$100 million or those that regularly employ fewer than 200 employees.
Note 3: Enterprises refer to domestic enterprises other than SMEs, excluding state-owned enterprises and government entities.
Note 4: Amounts are as of December 31, 2025, including overdue loans and loans under collection.
Note 5: Excludes overseas branches and subsidiaries.
</td></tr>
</table>

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Aspect	TCFD Recommended Disclosures	Chapter of Disclosure
Governance	(a) Describe the board's oversight of climate-related risks and opportunities.	2.3.1
	(b) Describe management's role in assessing and managing climate-related risks and opportunities.	2.3.1
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.1.2
	(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.1.1 / 2.1.2 / 2.2.1 / 2.2.2 / 2.2.3 / 5.1.1 / 5.1.2 / 5.1.3 / 5.2.1
	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	2.3.2
Risk Management	(a) Describe the organization's processes for identifying and assessing climate-related risks.	2.3.2 / 5.1.1
	(b) Describe the organization's processes for managing climate-related risks.	2.3.2 / 5.1.1
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.3.2 / 5.1.1
Metrics and Targets	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.1.2 / 2.2.1 / 2.2.2 / 2.2.3 / 5.1.1 / 5.1.2 / 5.1.3 / 5.2.1
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2.2.1 / 2.2.3
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.1.2 / 2.2.1 / 2.2.2 / 2.2.3

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7.6 Guidelines for Domestic Banks' Climate Risk Financial Disclosure Index

Aspect	Recommended Disclosure Items	Chapter of Disclosure
General Description	1.(1)-(4)	Ch2 / Ch5
Governance	2.(1)	2.3.1
	2.(2)	2.3.1
	2.(3)	2.3.1 / 5.1.1
	2.(4)	2.3.1
Strategy	3.(1)	2.1.1
	3.(2)	2.1.2 / 2.2.1 / 2.2.2 / 2.2.3
	3.(3)	2.3.2
Risk Management	4.(1)	2.3.2 / 5.1.1
	4.(2)	2.3.2
	4.(3)	2.1.1
	4.(4)	2.3.2 / 5.1.1
	4.(5)	2.3.2 / 5.1.1
	4.(6)	2.3.2 / 5.1.1
	4.(7)	2.3.2 / 5.1.1
	4.(8)	2.3.2 / 5.1.1
Metrics and Targets	5.(1)	2.1.2 / 2.2.1 / 2.2.2 / 2.2.3
	5.(2)	2.2.1 / 2.2.3
	5.(3)	2.1.2 / 2.2.1 / 2.2.2 / 2.2.3

Note: For detailed provisions, please refer to the website (Link).

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Principles	Disclosure Elements	Disclosure Items	Chapter of Disclosure
Ambition	1. Foundations	1.1 Strategic Ambition	2.1.2
		1.2 Business Model and Value Chain	
		1.3 Key Assumptions and External Factors	
Action	2. Implementation Strategy	2.1 Business Operations	2.2.1 / 2.2.2 / 2.2.3
		2.2 Products and Services	
		2.3 Policies and Conditions	
		2.4 Financial Planning	
	3. Engagement Strategy	3.1 Engagement with Value Chain	2.2.1.2
		3.2 Engagement with Industry	
		3.3 Engagement with Government, Public Sector and Civil Society	
Accountability	4. Metrics & Targets	4.1 Governance, Business and Operations Metrics & Targets	2.1.2
		4.2 Financial Metrics & Targets	2.1.2
		4.3 Greenhouse Gas Metrics & Targets	2.2.1.1
		4.4 Carbon Credits	7.1-17 Operational Greenhouse Gas Emissions
	5. Governance	5.1 Board Oversight and Reporting	2.3.1
		5.2 Roles, Responsibilities, and Accountability	
		5.3 Culture	
		5.4 Incentives and Remuneration	
		5.5 Skills, Competencies and Training	

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Aspect	TNFD Recommended Disclosures	Summary of Related Actions
Governance	(a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	2.3.1 / 2.4.1
	(b) Describe management's role in assessing and managing nature-related dependencies, impacts, risk and opportunities	2.3.1 / 2.4.1
	(c) Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	2.3.1 / 2.4.1
Strategy	(a) Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term	2.4.2
	(b) Describe the effect nature-related dependencies, impacts, risks, and opportunities have had on the organization's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place	2.4.2
	(c) Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios	2.4.2
	(d) Disclose the locations of assets and/or activities in the organization's direct operations, and, where possible, upstream and downstream value chain(s) that meet the criteria for priority location	2.4.2
Risk & Impact Management	(a)(i) Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations	2.1.2
	(a)(ii) Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain(s)	2.4.3
	(b) Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities	2.4.3
	(c) Describe how processes for identifying, assessing, prioritizing, and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes	2.3.1.2 / 2.4.3
Metrics & Targets	(a) Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management processes	2.4.4
	(b) Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature	2.4.4
	(c) Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	2.4.4

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7.9 The Execution Status of PRI and PRB

Table 7.9-1 The Six Principles of PRI

Incorporate ESG issues into investment analysis and decision-making processes.	1. Established the Responsible Investment and Lending Policy and the Investment and Lending Exclusion Policy. 2. Established an ESG risk review process and investment management principles for sensitive industries. 3. Defined themed investing and increased investments in sustainable investment targets. 4. Continue to monitor investment portfolio emissions and calculate climate risks for appropriate ESG management. 5. Established net zero and SBT targets for financial assets. 6. Investment team regularly organizes education and training.
Be active owners and incorporate ESG issues into our ownership policies and practices.	1. Establish engagement policies and establish procedures for engagement processes and upgrading engagements. 2. Sign the Code of Corporate Governance, establish voting policies, and disclose voting records annually. 3. Engage with investee companies through dialogues, engagement activities, voting and advocating Cathay's interests at shareholder meetings to facilitate improvement in ESG management and disclosure.
Seek appropriate disclosure on ESG issues by the entities in which we invest.	1. Identify companies of concern through Cathay's engagement strategy; conduct engagement activities to encourage investee companies to improve their ESG disclosure and strengthen their climate change management. 2. Encourage investees to complete CDP surveys, provide ESG information, and fill out self-assessment surveys on sustainable economic activities; and to disclose carbon emissions and efforts to mitigate climate change. 3. Continue to host the Cathay Sustainable Finance and Climate Change Summit; urge the financial industry to prioritize ESG disclosure and management, and take proactive action on climate change. 4. Participate in or support the PCAF, Partnership for Biodiversity Accounting Financials (PBAF), TCFD, and TNFD initiatives as part of our commitment to promoting sustainable disclosure for financial institutions and companies.
Promote acceptance and implementation of the Principles within the investment industry.	1. Proactively participate in external activities or sustainability evaluations to communicate Cathay's responsible investment policies and encourage industry peers to jointly implement responsible investment policies. 2. Proactively share responsible investment trends with the government to help government agencies understand their importance and strengthen responsible investment promotion. 3. Support academic institutions in their research and study of sustainable investment development in Taiwan to understand the status of sustainable investment in Taiwan and help the industry and the government promote its development.
Work together to enhance our effectiveness in implementing the principle.	CUB supports Cathay FHC's participation in Climate Action 100+, the CDP Non-Disclosure Campaign and Nature Action 100 to facilitate engagement with international investors and improve the effectiveness of corporate engagement.
Report on our activities and progress towards implementing the Principles.	1. CUB publishes an annual report to disclose responsible investment activities and the status of implementation of stewardship principles. 2. CUB publishes a Sustainability Report annually, including the Climate and Nature Report.

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Table 7.9-2 The Six Principles of PRB

Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	Cathay United Bank (CUB) was established in 1975 and has evolved into a regional bank over the decades, committed to providing comprehensive financial services. By the end of 2025, the Bank had more than 10,000 employees and paid-in capital of NT$128.221 billion. It is one of Taiwan's leading privately owned banks and holds market-leading positions in securities settlement services, credit cards, corporate banking, and wealth management. Taiwan remains its primary operating base, while its overseas network is focused on Greater China and Southeast Asia. With 67 overseas locations, the Bank provides comprehensive cross-border financial services to international enterprises. CUB has reviewed its existing products and services against the key international initiatives and agreements referenced in Principle 1 of the Principles for Responsible Banking (PRB), including the SDGs and the Paris Agreement, and identified those areas where the Bank has the most significant impacts based on business dimensions and influence. The Bank has long regarded supporting the financial needs of businesses and individuals as a core mission. By offering a diverse range of products and services, CUB strives to meet the financial service needs of both corporate and individual customers. At the same time, the Bank translates the Cathay Group's social responsibility mission into concrete actions, working hand in hand with all stakeholders to amplify its positive financial impact. CUB also continues to pay close attention to the negative effects that environmental change and infectious disease outbreaks may have on society, the economy, and individuals.
Principle 2: Impact & Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	◆ CUB uses the UNEP FI Portfolio Impact Analysis Tool for Banks to identify impact areas across its global banking services. These impact areas include (1) climate stability, (2) the availability, accessibility, affordability, and quality of resources and services, (3) biodiversity and healthy ecosystems, and (4) circularity. In addition, the Bank has integrated its material sustainability topics, stakeholder feedback, and assessments of climate- and nature-related risks and opportunities to identify the financial services with greater environmental and social impacts, including renewable energy loans, sustainability-linked loans, social enterprise loans, microloans, and inclusive financial services. In view of the environmental and social responsibilities of a regional bank, CUB has prioritized sustainable finance and zero-coal financing as two key impact areas for target setting and strategy implementation. The Bank will also assess and plan biodiversity-related products in the future. ◆ In line with international green trends and government policies on net-zero emissions and energy transition, CUB actively supports the SDGs through corporate lending and promotes energy transition. By supporting green energy industries, including renewable energy and energy-saving technologies, the Bank directs capital toward green technologies and solutions, guiding enterprises toward a low-carbon economy and sustainable development. To demonstrate its ongoing support for renewable energy financing, enhance its financial impact, and enhance the competitiveness of industrial transition, the Bank has selected loans to high-carbon-emitting industries and the outstanding balance of sustainable loans as measurable and monitorable targets for 2025. Since April 2021, the Bank has not extended any new coal-related credit facilities, and changes and progress in relevant exposures are tracked quarterly. Monitoring continued through the end of December 2025, with no new coal-related credit facilities granted during the period. For sustainable loans, the Bank uses 2023 as the baseline and tracks progress quarterly through the end of December 2025. Monitoring continued through the end of December 2025, please refer to Section 5.1.2.1 Responsible Lending Services for details. Both targets are reported to the Board of Directors at least once a year, and in 2025 they were reported four times. ● Target of "zero coal financing" of loans to high carbon emission industries : To completely exit coal project financing by the first quarter of 2027. ● Target of "sustainable loans": Based on the baseline of 2023, the Bank has set a target amount of more than one trillion by 2030. ◆ In consideration of market growth potential and in response to the Cathay Financial Holdings Group's expectations for advancing sustainability policies, CUB established an interdepartmental ESG Engagement Strategy Task Force in 2024 to actively pursue these goals. The Task Force is responsible for designing sustainable finance products and services, developing and planning sustainability initiatives for different customer segments, and creating distinctive business opportunities in the sustainability market. Through sustainability-related seminars and marketing activities, the Bank also creates opportunities for customer outreach and actively engages with clients. In addition, ESG performance has been incorporated into KPI assessments, reflecting the Bank's commitment to helping customers move toward low-carbon transition and promoting the sustainable development of both industries and clients.
Principle 3: Clients & Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	CUB actively integrates its core functions with a commitment to the environment, society, and customers. Through the positive impact of its products and services, the Bank communicates and collaborates with clients to promote environmental and social contributions. A summary is provided as below: ◆ Renewable energy financing: CUB is committed to advancing renewable energy-related services. Since 2011, the Bank has taken the lead in financing Taiwan's first solar power project, first Equator Principles-compliant transaction, and first offshore wind syndicated loan. As of the end of 2025, the total installed capacity of domestic solar power plants financed by the Bank had reached 1,062.86 MW, reflecting the Bank's efforts to support both its customers and the environment through lending. ◆ Personal financial services: The Bank currently serves nearly 10 million deposit and loan customers. In this area, it is committed to providing services that better address customer's evolving financial needs, including the following: ● Since 2021, CUB has offered the CUBE credit card, which allows cardholders to switch benefits based on their preferences. By the end of 2025, the CUBE credit card ranked fourth among domestic issuers in both cards in circulation and active cards. ● To meet the public's cash withdrawal and deposit needs and promote financial inclusion, the Bank has extensively deployed ATMs at branches, shopping malls, and convenience stores. As of December 2025, the Bank operated 5,483 ATMs, ranking second in the industry, and has continued to increase the number of machines that accept coin deposits to provide more thoughtful services. ● The Bank continues to promote the CUBE App as a cornerstone of its influence in personal finance and digital banking, offering users a one-stop financial services experience across multiple scenarios.

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Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	CUB places great importance on its stakeholders. Through diversified communication channels and engagement mechanisms, the Bank listens to and understands stakeholders' key sustainability concerns and is committed to meeting their expectations and needs. With reference to the GRI Standards and the core principles of the AA1000 Stakeholder Engagement Standard, CUB has identified seven major stakeholder groups (see Section 1.3) and responds to the issues they care about. Through ongoing interaction and in-depth engagement, the Bank seeks to strengthen mutual trust and shared interests, and to move forward together by leveraging the financial sector's core functions to create sustainable impacts. A summary is provided below: ◆ Participated in forums and briefing sessions convened by government agencies and regulators, and contributed to the planning and discussion of sustainable finance initiatives organized by public institutions and industry associations. ◆ Integrated the Bank's core business functions with operational decarbonization efforts, while encouraging employees to participate in community service activities to promote shared prosperity and expand social impact. ◆ Collected customer feedback through interviews and customer service channels, and responded promptly in order to enhance customer satisfaction and deliver greater value to customers. ◆ Invited broad participation in the "Cathay Sustainable Finance and Climate Change Summit" and the "Cathay Youth Forum on Climate Change" to promote awareness and collaboration through dialogue and interaction.
Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	◆ Building a responsible banking culture: In alignment with Cathay Financial Holdings' three sustainability pillars—Climate, Health, and Empowerment—CUB finalized its Sustainability Strategy Blueprint in March 2025. By leveraging its professional banking capabilities to create social impact, the Bank actively advances key initiatives, works alongside stakeholders to address ESG challenges, and leads sustainable development in both its core business and the wider industry. With a vision of becoming a leading green finance brand, CUB is actively moving toward environmental, social, and economic sustainability, continuing to enhance its positive sustainability impact and fulfill its corporate social responsibility. The Bank has already integrated internal resources and will continue to introduce sustainability initiatives step by step from within, guided by a strong sense of mission, in order to become a forward-looking leader in meaningful change. CUB has formulated a number of specific goals, summarized below: ● Achieve net-zero emissions in financial assets by 2050: Through concrete actions, CUB aims to become Taiwan's first financial institution to actively phase out coal in its lending and investment portfolios. ● Leader in climate engagement actions: Actively participating in domestic and international organizations, aligning with international frameworks, and jointly participating with Cathay Financial Holdings in initiatives such as RE100, SBTi, and the First Movers Coalition. ● Provider of comprehensive climate finance solutions: By offering green lending, sustainability performance-linked financing, support for sustainable supply chains, and green bond underwriting, CUB supports enterprises in directing capital toward low-carbon and green transition. ◆ Establishing an effective management structure: To strengthen the oversight and promotion of corporate sustainability, CUB has established a Sustainable Development Committee composed of three directors, two of whom are independent directors. To implement the Bank's sustainable development policies, CUB has also established a Corporate Sustainability Team (CS Team), chaired by the President, with six working groups under its supervision: Responsible Investment, Sustainable Governance, Responsible Products, Employee Well-being, Green Operations, and Social Prosperity. A senior executive at the level of Executive Vice President serves as the executive secretary of the CS Team. The Team convenes quarterly meetings to carry forward the Group's sustainability pillars, formulate short-, medium-, and long-term action plans aligned with the Bank's core functions, and embed the concept of sustainable development into the Bank's various businesses through implementation of these plans. Key sustainability resolutions and implementation progress are reported to the Board of Directors at least once a year. In 2025, CUB tracked changes in and progress on zero-coal financing and sustainable loan balances on a quarterly basis and reported them to the Board each quarter, for a total of four reports. In addition, the Bank's 2024 Sustainability Report was also presented to the Board once, bringing the total number of reports submitted to the Board in 2025 to five.
Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	CUB demonstrates its commitment to responsible banking and the exercise of its positive impact through regular assessments of its implementation progress and public disclosure. This report summarizes the measures the Bank has taken to apply the Principles for Responsible Banking (PRB) and to manage the impacts of its products and services. Building on its core banking functions, CUB integrates ESG considerations into relevant business decision-making. As an industry pioneer in aligning with internationally recognized sustainability frameworks, CUB was the first bank in Taiwan to voluntarily commit to the United Nations Principles for Responsible Banking. A summary of implementation progress is provided below: ◆ Since 2021, CUB's PRB progress report has been publicly disclosed each year on the Bank's corporate sustainability website and in Cathay Financial Holdings' Sustainability Report. Starting from 2024, the PRB progress report has been incorporated into CUB's Sustainability Report and disclosed publicly for the information of the general public and investors. ◆ The Bank regularly discloses the status of its Equator Principles implementation and ESG review and control mechanisms for corporate lending in Cathay Financial Holdings' Sustainability Report, and periodically discloses the status of EP transactions on its official website. Each year, CUB continues to refine its ESG- and EP-related policies and standards, while monitoring and tracking climate-related risks and continuously improving its management mechanisms. In 2025, the Bank completed revisions to the "Environmental, Social and Sustainable Governance (ESG) Rules for Corporate Lending.

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Limited Assurance Report

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Independent Limited Assurance Report

PWCM25001260

To Cathay United Bank Co., Ltd.

We have been engaged by Cathay United Bank Co., Ltd. (the "Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2025 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" of the Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "About this Report" of the Sustainability Report.

The respective applicable criteria referred to above are the PRB Reporting and Self-Assessment Template, Guidelines for Domestic Banks' Climate Risk Financial Disclosure issued by the Financial Supervisory Commission, the Company's portfolio financed carbon emissions calculation criteria, which is based on the Global GHG Accounting and Reporting Standard for the Financial Industry, published by the Partnership for Carbon Accounting Financials (the "PCAF") and Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks, the Global Industry Classification Standard (the "GICS"), and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "Applicable Criteria").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the respective applicable criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

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The quantification of the Portfolio Financed Carbon Emissions data (hereinafter referred to as the "**Financed Emissions**") underlying the Financed Emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, and the estimation uncertainty from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. There are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance by Company on proxy data. As there are currently no legislative requirements or regulation prescribing the preparation, disclosure and verification of the Company's Portfolio Financed Emissions, the Financed Emissions needs to be read and understood together with the financed emissions calculation criteria designed by the Company.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Statement of Assurance Engagements Standards 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and the Statement of Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" of the Republic of China. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed

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in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

1. Financed Emissions
   - Evaluated the suitability in the circumstances of the Company's use of the respective applicable criteria as the basis for preparing the Financed Emissions; and
   - Through inquiries, obtained an understanding of the Company's control environment and information system relevant to the Financed Emissions quantification and reporting, but did not evaluate the design of specific control procedures, obtain evidence about their implementation, or test their operating effectiveness; and
   - Evaluated the appropriateness and consistency of the Company's methods for developing estimates. However, our procedures performed did not include testing the data underlying the estimates or separately developing our own estimates against which to evaluate the estimates made by the Company; and
   - Reconciled the emissions data back to the underlying records on a sample basis to obtain evidence for limited assurance. However, our procedures did not include corroborating the accuracy and completeness of the underlying greenhouse gas emissions and financial data from third parties; and
   - Evaluated the presentation and disclosure of the Financed Emissions, including the categorization of data by industry sector and the data quality score, but excluding the coverage rate of greenhouse gas emission data.
2. Other Identified Key Performance Indicators
   - Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, information systems and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
   - Based on the above understanding and the areas identified, performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH
Partner
For and on behalf of PricewaterhouseCoopers, Taiwan
30 September, 2026

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ISO 14064-1：2018 Greenhouse gas inventory at organizational level (consolidated group)

Verification Opinion

Verified as Satisfactory	
Reasonable Assurance: Based on the process and procedures conducted, the GHG statement contained in the Cathay United Bank Co., Ltd., 2025 GHG Report produced by Cathay United Bank Co., Ltd., covering the direct GHG emissions and removals (Scope 1) and the indirect GHG emissions from imported energy (Scope 2):	• Is materially correct and is a fair representation of GHG data and information. • Has been prepared in accordance with ISO 14064-1:2018 and it's principles.
Limited Assurance: Based on the process and procedures conducted, there is no evidence that the GHG statement contained in the Cathay United Bank Co., Ltd., 2025 GHG Report produced by Cathay United Bank Co., Ltd., covering the other indirect GHG emissions (Scope 3):	• Is not materially correct and is not a fair representation of GHG data and information. • Has not been prepared in accordance with ISO 14064-1:2018 and it's principles. • For certain categories, greenhouse gas emissions are estimated using secondary data, which may introduce inherent uncertainty in the resulting emissions figures.
Lead Verifier	Steven Cheng
Independent Reviewer	Max Tsai
Signed on behalf of BSI	Managing Director Northeast Asia, APAC Assurance
Issue Date	2026-04-28
BSI Group Singapore Pte. Ltd. Taiwan Branch, 2nd Floor, No.37, Ji-Hu Road Nei-Hu Dist., Taipei 114700, Taiwan	
NOTE: BSI Group Singapore Pte. Ltd. Taiwan Branch (hereafter referred to as BSI Taiwan) is independent to and has no financial interest in Cathay United Bank Co., Ltd.. This 3rd party Verification Opinion has been prepared for Cathay United Bank Co., Ltd. only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Taiwan has assumed that all information provided to it by Cathay United Bank Co., Ltd. is true, accurate and complete. BSI Taiwan accepts no liability to any third party who places reliance on this statement.	

Certificate Number and date of issuance of opinion: CFV 836911 Dated 2026-04-28

ANAB ANSI National Accreditation Board ACCREDITED VALIDATION AND VERIFICATION BODY

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ISO 14001：2015 Environmental management systems

Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that: Cathay Financial Holdings
No. 296, Sec. 4, Ren' ai Rd.
Da' an Dist.
Taipei City
10633
Taiwan

國泰金融控股股份有限公司暨子公司
臺灣
台北市
大安區
仁愛路四段
296號
10633

Holds Certificate No: **EMS 735138**

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

The composed of insurance, securities, banking and other diversified financial institutions.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2012-03-14
Effective Date: 2024-01-13
Latest Revision Date: 2023-11-30
Expiry Date: 2027-01-12

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Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
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ISO 50001：2018 Energy management systems

Certificate of Registration

ENERGY MANAGEMENT SYSTEM - ISO 50001:2018

This is to certify that: Cathay Financial Holdings
No. 296, Sec. 4, Ren' ai Rd.
Da' an Dist.
Taipei City
10633
Taiwan

國泰金融控股股份有限公司暨子公司
臺灣
台北市
大安區
仁愛路四段
296號
10633

Holds Certificate No: **ENMS 735140**

and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:

The composed of insurance, securities, banking, and other diversified financial institutions.
The main energy uses include:
- electricity for lighting, office equipment and air conditioning
- diesel for emergency power generator and gasoline for company car.

For and on behalf of BSI:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2016-11-23
Effective Date: 2024-01-17
Latest Revision Date: 2023-11-30
Expiry Date: 2027-01-16

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7.11 Summary of Subject Matter Assured

No.	Subject Matter Information	Applicable Criteria	Section / Page
1	As of December 31, 2025, Cathay United Bank's corporate sustainable lending balance was NT$129.616 billion.	Total balance of corporate sustainable loan products undertaken in 2025. Cathay United Bank compiles and discloses its sustainable lending balance in accordance with the recognition principles and reporting requirements for Green Loans, Sustainability-Linked Loans (SLLs), and Social Loans set forth in the "Guidelines for Reporting Credit Data by Financial Institutions" issued by the Joint Credit Information Center: 1. Green Loans refer to lending dedicated exclusively to eligible green projects and meeting all four core components of the Green Loan Principles. 2. Social Loans refer to lending dedicated exclusively to eligible social projects (including direct and indirect lending as well as committed credit facilities) and meeting all four core components of the Social Loan Principles. 3. Sustainability-Linked Loans (SLLs) refer to any type of loan (including direct and indirect lending as well as committed credit facilities) for which financing terms, such as interest rates, may vary depending on whether the corporate borrower achieves predetermined performance targets. Such loans meet all five core components of the Sustainability-Linked Loan Principles.	CH5, P.122 Table：5.1.2.1 Items of Responsible Lending Service
2	Cathay United Bank's environmental financing in 2025 amounted to 5.23% of the total amount of corporate lending.	The amount of environmental financing by Cathay United Bank in 2025 divided by the total amount of corporate lending. Cathay United Bank's environmental financing includes, within sustainability-related industry categories, low-carbon financing and low-carbon transition-related infrastructure in infrastructure financing. Cathay United Bank determines low-carbon financing according to the following criteria: 1. The industry classification belongs to alternative energy, construction, waste recycling, transportation, energy-saving industry, and carbon sinks. 2. The company's business items include the above categories. 3. The financing included in Bloomberg's Green Bond List. Cathay United Bank determines low-carbon transition-related infrastructure in infrastructure financing according to the following criteria: 1. The industrial classification belongs to the categories of energy transmission & storage, CO2 transmission & storage, electric power grid equipment, services and management, energy efficiency, and charging facilities. 2. The company's business items include the above categories.	CH5, P.121 Table：5.1.2.1 Items of Responsible Lending Service

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3	Appendix Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines ◆ Total financed emissions from investment portfolios, including LULUCF, in 2025 were 1,108,384 tCO_2e; ◆ Total financed emissions from investment portfolios, excluding LULUCF, in 2025 were 1,169,606 tCO_2e; ◆ Data quality score of investment portfolios, including LULUCF, in 2025 was 2.95; ◆ Data quality score of investment portfolios, excluding LULUCF, in 2025 was 3.35; ◆ Total financed emissions from lending portfolios, including LULUCF, in 2025 were 2,686,043 tCO_2e; ◆ Total financed emissions from lending portfolios, excluding LULUCF, in 2025 were 2,673,068 tCO_2e; ◆ Data quality score of lending portfolios in 2025 was 3.84.	◆ Cathay United Bank references the Taiwan FSC's Practical Manual for Financed Emissions of Investment and Lending Portfolios for Domestic Banks (Scope 3), which was developed based on the Partnership for Carbon Accounting Financials (PCAF) standards in 2022, and uses it to compile and disclose financed emissions for each asset category.. ◆ Financed emissions (tCO_2e): The financed emissions represent the Scope 1 and Scope 2 emissions, expressed in metric tons of CO_2 equivalent (tCO_2e) associated with the investment and lending portfolio held by Cathay United Bank. Cathay United Bank strives to use the "latest available Scope 1 and Scope 2 emissions data or estimation data". This includes: 1. Emissions data directly obtained from MSCI database, emissions data directly obtained from investment and lending companies, Architecture and Building Research Institute, Ministry of the Interior, Bloomberg, official websites of state-owned enterprises, government-released carbon emissions data, Taiwan Economic Journal (TEJ) database, or other publicly available third-party statistics. 2. Estimated data are calculated based on the methodology recommended by PCAF, using emissions data calculated from Energy Use Intensity (EUI) of the building type or physical and economic activity data, or obtained from the MSCI database and Bloomberg classified by industry to calculate estimated industry-specific emissions factors or the attribution factors estimated based on the most recent annual financial information or accounting financial information. ◆ Scope of Financed Emissions of Investment Portfolios: Cathay United Bank conducted an inventory of listed equities, corporate bonds, unlisted equities and sovereign bonds held as of December 31, 2025. The scope includes positions in the following financial accounts: "Financial Assets at Fair Value through Profit or Loss (FVTPL)", "Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)", "Financial Assets at Amortized Cost (AC)" and "Investments accounted for using the Equity Method", for self-managed investment portfolios. ◆ Scope of Financed Emissions of Lending Portfolios: The scope of Cathay United Bank's lending portfolio financed emissions included business loans, project finance, commercial real estate loans, mortgages and sovereign loans provided by Cathay United Bank as of December 31, 2025. ◆ Data quality: The data is estimated by Cathay United Bank using the methodology recommended by PCAF. It includes data quality scores provided by the MSCI database, calculated as a weighted average based on the amount of investment and lending positions. ◆ Industry classification disclosure: The classification disclosure is based on the 11 economic sectors at level one of the Global Industry Classification Standard (GICS) structure.	Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines, P.152
4	Appendix Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines ◆ Financed emissions from proprietary investment asset portfolios (excluding sovereign bond investments) by industry in 2025. ◆ Financed emissions of business loans by industry in 2025.		Table 7.1-16 Scope 3 Financed Emissions for Financial Assets in compliance with BAROC Guidelines, P.154
5	We had 10 data breach events in 2025, all of which (100%) involved with personally identifiable information. A total of 875 customers were affected by such violation.	The total number of data breach events, the percentage of the data breaches events which was involved with personally identifiable information of the data breaches events, and the total number of customers affected by data breaches events in 2025, as reported in accordance with Cathay Financial Holdings and its subsidiaries' "Major Information Security Incident Reporting and Emergency Response Management Guidelines" and Cathay United Bank's "Personal Data Breach Incident Management Measures."	CH6, P.143 Customer Information and Privacy Protection
6	As of December 31, 2025, the outstanding amount of loans to small business was NT$155.1 billion and the total number of small business loans was 6,952.	The total number of loans and the outstanding amount of loans of CUB and its overseas branches to small business as of December 31, 2025. Pursuant to the Corporate Customer Segmentation and Management Guidelines of CUB and its overseas branches, small business customers are corporate customers and affiliated accounts with consolidated annual revenue of NT$500 million and under.	Table 7.1-14 Effectiveness of Financial Inclusion Promotion, P.150
7	As of December 31, 2025, 260 students benefited from financial education courses under the CUB Financial Education.	Total number of students that participated in courses under CUB Financial Education in 2025.	CH4, P.115 Online Financial Education / Financial Discovery Camp
8	As of December 31, 2025, 4 cases reached Financial Close in accordance with EPs.	Total number of CUB's financing projects that reach financial close according to the CUB's "Rules Governing Project Finance of Equator Principles" in 2025.	CH5, P.120 Project Finance of Equator Principles (EP)

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9	In 2025, the Bank approved financing for solar power plants in Taiwan with a total installed capacity of 4 MW.	1. Solar power stations: CUB-financed stations approved by the Bureau of Energy in 2025. 2. Domestic financed capacity: The sum of installed capacities from the lower of the projects with approval documents issued by the Bureau of Energy or Taipower Electricity Purchase Contract and financed by CUB head office and all domestic branches in 2025.	CH5, P.122 Items of Responsible Lending Service
10	CUB has reviewed its existing products and services against the key international initiatives and agreements referenced in Principle 1 of the Principles for Responsible Banking (PRB), including the SDGs and the Paris Agreement, and identified those areas where the Bank has the most significant impacts based on business dimensions and influence.	Through the internal procedures of CUB, the impact areas are identified.	Table 7.9-2 The Six Principles of PRB Principle 1, P.179
11	The Setting of PRB Targets conducted by CUB. (a) Target of loans to high carbon emission industries: The goal of "zero coal financing" is to completely exit coal project financing by the first quarter of 2027. (b) Target of "sustainable loans": Based on the baseline of 2023, the Bank has set a target amount of more than one trillion by 2030.	The targets approved through the internal procedures of CUB.	Table 7.9-2 The Six Principles of PRB Principle 2, P.179
12	The implementation, monitoring, and progress of PRB targets. (a) Zero coal financing: Implementation: Since April 2021, the Bank has not extended any new coal-related credit facilities, and changes and progress in relevant exposures are tracked quarterly. The tracking report should be submitted to the Board of Directors at least once a year. Monitoring continued through the end of December 2025, with no new coal-related credit facilities granted during the period. (b) Sustainable loans: Implementation: the Bank uses 2023 as the baseline and tracks progress quarterly through the end of December 2025. The tracking report should be submitted to the Board of Directors at least once a year. Monitoring continued through the end of December 2025, please refer to Section 5.1.2.1 Responsible Lending Services for details.	For detailed content, please refer to the sustainability report.	Table 7.9-2 The Six Principles of PRB Principle 2, P.179
13	Cathay United Bank has established a Sustainability Development Committee, composed of three directors, two of whom are independent directors. To implement the Bank's sustainable development policies, CUB has also established a Corporate Sustainability Team (CS Team), chaired by the President, with six working groups under its supervision: Responsible Investment, Sustainable Governance, Responsible Products, Employee Well-being, Green Operations, and Social Prosperity. A senior executive at the level of Executive Vice President serves as the executive secretary of the CS Team. The Team convenes quarterly meetings. Key sustainability resolutions and implementation progress are reported to the Board of Directors at least once a year. In 2025, CUB tracked changes in and progress on zero-coal financing and sustainable loan balances on a quarterly basis and reported them to the Board each quarter, for a total of four reports.	For detailed content, please refer to the sustainability report. The total number of times the execution status is reported to the Board in 2025.	Table 7.9-2 The Six Principles of PRB Principle 5, P.180


國泰世華銀行
Cathay United Bank