



Press release

CTBC launches Taiwan's first sustainability-linked bond

TAIPEI, Taiwan, Sept. 14, 2022—Taiwan's first sustainability-linked bond (SLB) started trading today on the Taipei Exchange, marking a new milestone in the domestic stock market's sustainable development and quickly becoming oversubscribed.

Underwritten by CTBC Bank and issued by chemicals company CHIMEI Corp. in support of the central government's sustainable development policy, the unsecured corporate bond has a five-year maturity, 1.65% coupon rate, and face value of NT\$1 billion.

It is the first certified SLB since the over-the-counter trading of the bonds was authorized in July.

Attending the listing ceremony along with CHIMEI President Chao Lin-Yu, CTBC Bank Vice Chairman Austin Chan said he was confident that the bond would have a tangible impact on environmental sustainability.

In particular, he said, the bond would bridge the gap between capital market and corporate sustainable development goals while also practically facilitating CHIMEI's sustainable development and increasing the range of sustainable products available to investors.

The coupon rate of the bond is determined by two CHIMEI sustainability performance targets based on the Science Based Targets initiative: reducing greenhouse gas emissions (Scopes 1 and 2) by 16.8% by 2025 from 2021 levels and raising the rate of reclaimed water in its manufacturing processes to 80% by 2025.

If the targets are not met, as determined by a third party, the bond's coupon rate will increase, benefitting investors.

CHIMEI's Chao said the SLB highlighted how the company uses innovative solutions and concrete actions to realize its long-term commitment to environmental sustainability worldwide.

Moving forward, he said, CHIMEI would continue to seek opportunities to bring supply chains and financial institutions together in the fight for greater environmental sustainability, to actively implement "clean and green" sustainable development, and to strive for net-zero emissions with partners worldwide.

The SLB was established based on the Sustainability-Linked Bond Principles of the International Capital Market Association. The positive market response it has received reflects investors' satisfaction with CHIMEI's business performance over the years and trust in its responsible investment and environmental protection efforts, the company said.

The new bond is also the latest in a string of sustainability-related milestones for CTBC Bank, which was behind Taiwan's first Formosa bond, first green bond, first sustainability bond, and first social bond.

The bank said that going forward, it would continue to be a strong supporter of Taiwan's bond market, including by expanding its services in sustainable finance, developing sustainable-finance fundraising and investment tools, and increasing investor interest in sustainable finance.



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About CTBC Bank

CTBC Bank, a subsidiary of CTBC Holding (TPE: 2891), was established in 1966 and has been helping build customers' personal wealth and Taiwan's economy for more than 50 years. In addition to its 152 branches nationwide, CTBC Bank has the most extensive international presence of any Taiwanese bank, with 116 overseas branches across 14 countries and regions. Having purchased a subsidiary, The Tokyo Star Bank, in Japan and having established CTBC Bank subsidiaries in the U.S., Canada, the Philippines and Indonesia, the Bank has laid a strong foundation for regional business, providing international enterprises with comprehensive transnational financial services.

Looking ahead, we plan to continue optimizing our international service network as well as to provide our customers with even more convenient global services. We will also continue to expand our efforts in operational performance, corporate governance, corporate social responsibility and environmental sustainability as we cement our status as "Taiwan Champion, Asia Leader."