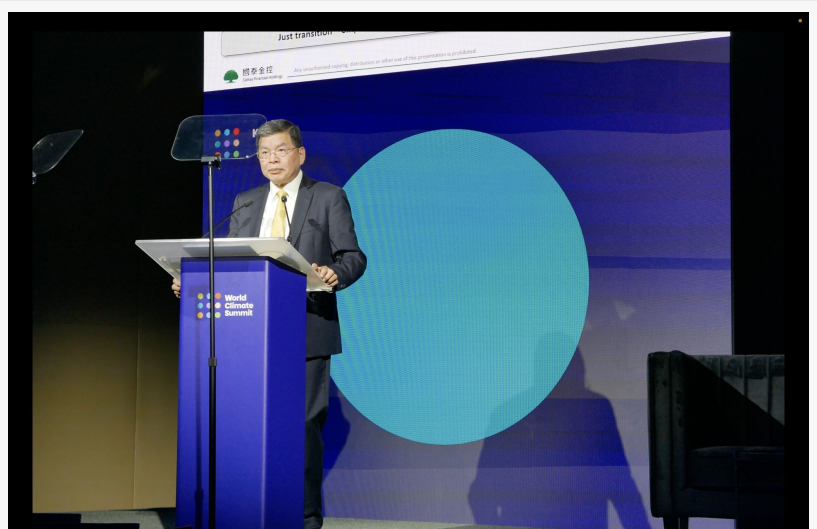


Cathay FHC President Lee's Opening Keynote Aligns with COP28 at World Climate Summit

Mobilizing the private sector for climate finance

DUBAI, UAE, December 14, 2023 /EINPresswire.com/ -- The 28th United Nations Climate Conference (COP28) has just concluded in Dubai, with Cathay Financial Holdings (Cathay FHC) President Lee Chang-Ken delivering the opening keynote at the World Climate Summit in its second week.

Lee stated that, observing the recent development trends of COP conferences in recent years, there have been more successful cases of global collaborative actions. Within the discussions of COP28, there is a heightened emphasis on the implementation of the Paris Agreement's goals. Urgency is recognized in expediting the low-carbon transition through blended finance and transitional finance. Additionally, placing "just transition" at the forefront of



Cathay Financial Holdings President, Lee Chang-Ken, delivers the opening keynote at the World Climate Summit.

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If each company contributes with an innovative solution and each financial institution supports a few blended finance and transition finance projects, we can collectively change the world.”

Cathay FHC President, Chang-Ken Lee

low-carbon development is crucial. This involves using innovative, technological, and nature-based solutions (NbS), complemented by well-crafted policies and interdepartmental coordination, to effectively address the challenges of climate change.

Cathay FHC, serving 63% of Taiwan's population, positions itself as an enabler within Taiwan's financial industry chain by integrating resources from various subsidiaries to support, participate in, and promote climate financial solutions. Through the core strategies of advocacy and engagement, the company aims to assist businesses in making their climate transition more competitive.

In the previous year, Cathay FHC partnered with World Climate Foundation for an exclusive livestream of the event associated with COP27—the World Climate Summit. This year, President Lee personally traveled to Dubai, once again representing Cathay FHC at the summit, where the focus was on "Mobilizing the private sector for climate finance."

Lee mentioned during his speech that at COP28, he observed that participants have been consistently discussing and asking, "Where is the money?" As a financial institution, Cathay FHC has keenly felt society's concern about the role of the financial industry. Lee emphasized, "This also reminds us that we should take more proactive actions."

Lee stated that the key is to place resources in the right positions, realizing and expanding more solutions by transforming forward-looking projects into commercially viable and financially feasible cases. Individuals or entities seeking capital must actively search for investors whose preferences align for successful fundraising. For example, companies with prospects but still incurring losses may be more suitable to seek angel investors or venture capital funds rather than bank loans. As a financial institution, Cathay FHC is committed to improving the pairing of funds between supply and demand. Lee also pointed out that there are already excellent new models that should be continuously refined and expanded. For instance, blended finance can leverage public funds with higher risk tolerance to attract several times the amount of private capital. According to research, an average of \$1 of concessional capital can attract \$4.1 of commercial capital. However, there is a need to expand the scale of blended finance projects, increase the willingness of institutional investors and other commercial financial institutions to participate, or establish more robust mechanisms to manage political risks in emerging markets, among other issues.

As for how to confront the current challenges of climate change, Lee stated that expediting transition actions is a crucial expectation of COP28, encompassing technological innovation and multi-level actions. It requires well-crafted policies and enhanced cross-sector cooperation, including inter-departmental coordination within the government, public-private partnerships, and a more systematic guidance of private sector funding. Additionally, there should be consideration given to the transition from a linear economy to a circular economy. Nevertheless, this necessitates extensive collaboration across supply chains and industries, with a focus on placing a just transition at the forefront of low-carbon development. He emphasized that this is to empower society to accelerate the low-carbon transition, rather than merely adhering to



political correctness.

Lee shared Cathay FHC's personal experience. The company undertook Taiwan's first solar energy financing and committed to achieving net-zero financial assets and carbon emissions by 2050. In 2022, it became the sixth financial institution in Asia to pass the Science-Based Targets initiative (SBTi) official target validation and the first RE100 financial industry member in Taiwan. In 2022, Cathay FHC achieved a low-carbon investment and financing amount of NTD 305.8 billion (about USD 9.78 billion), including sustainable finance in areas such as infrastructure, microfinance, and water resources, reaching a total of NTD 1.7 trillion (about USD 54.4 billion)

Cathay FHC has been recognized as a global best practice example in the Investor Climate Action Plans (ICAPs) for two consecutive years. Active participation in initiatives like AIGCC, Climate Action 100+, and the CDP Non-Disclosure Campaign has yielded fruitful collaborative results. In 2022, Cathay Financial Holdings Corporation joined forces with four financial peers in the "Financial Supervisory Commission-led Coalition of Movers and Shakers on Sustainable Finance" in Taiwan. The coalition has five major goals, including collaboration and engagement, participating in the "Financial Industry Net-Zero Promotion Platform." Through collaboration, Cathay FHC is dedicated to driving the industry and society toward sustainable development goals. This year, Cathay FHC and the Taiwan Stock Exchange co-organize the "Cathay Sustainable Finance and Climate Change Summit." Participating listed companies account for approximately 75% of the market value of the Taiwan Stock Exchange, with the carbon emissions of these listed companies surpassing 50% of Taiwan's total carbon emissions.

Before concluding his speech, Lee urged for more active involvement from businesses and financial institutions, stating, "If each company contributes with an innovative solution and each financial institution supports a few blended finance and transition finance projects, we can collectively change the world."

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