3.4 FinTech and Innovation

GRI: 203-1

Sustainability and digital transformation are key to corporate development. E.SUN Bank integrates ESG into overseas business expansion, wealth management operations, financial technology, and the management of three lines model, striving to build a human-centric digital financial leading brand.
E.SUN Bank drives digital finance and intelligent applications through a technology coalition, integrating capabilities across R&D, marketing, processes, risk control, and empowerment into a core competitive advantage. E.SUN Bank is committed to promoting inclusive finance, intelligent finance, and scenario-based finance. The achievements of our digital channels in 2025 are detailed below:

99% Foreign exchange transactions are completed on digital channels.

96% Loan applications are completed on digital channels.

97% Transfer transactions are completed on digital channels.

94% Mutual fund investments are completed on digital channels.

88% Credit card applications are completed on digital channels.

55% Deposit account openings are completed on digital channels.

3.4.1 Support Services and Digital Infrastructure

E.SUN Bank continuously advances digital transformation and constructs a Generative AI ecosystem to comprehensively strengthen internal and external knowledge empowerment. Concurrently, E.SUN Bank has completed the cloud migration of our core and overseas systems, bolstering operational resilience. Furthermore, through resource optimization, cloud-native architecture, and cybersecurity monitoring, E.SUN Bank enhances efficiency, agility, and overall security. The achievements in 2025 are as follows:

Topics	Strategy Directions
AI Technology	We construct a Generative AI ecosystem. Our internal AI platform, "GENIE", underwent a major upgrade, enhancing digital empowerment for all staff in E.SUN through 11 professional conversational bots that feature "internal knowledge integration" and "real-time web search functionality." Externally, we launched customer-facing Generative AI applications, "E.SUN i-chat" and "AI Mortgage Advisor," scaling the delivery of professional investment research insights to customers and achieving a complete link from internal innovation to inclusive financial value.
Operational Resilience	In order to enhance the availability of overseas information systems and reduce the impact on services in overseas branches, we continue to plan and promote the migration of servers to the public cloud in other overseas branches. In 2025, we completed the migration of servers in our Singapore, Japan, USA and Australia overseas branches to the public cloud.
	In 2025, we set an industry benchmark by migrating core system disaster recovery to the public cloud. This initiative ensures the preservation of vital business data and the continuous provision of essential financial services during extreme scenarios, thereby safeguarding customer rights.
Resource efficiency	In order to increase productivity, we implement the collaboration platforms and digital tools in the development process and optimize workflows through AI tools.
	E.SUN's overseas branches, UCB subsidiaries, and public clouds have fully implemented an SD-WAN (Software-Defined Networking in a Wide Area Network) design. This strengthens the integration of existing leased lines, enhancing communication quality while reducing circuit costs.
	Continuously refine virtualization resource allocation by reclaiming idle resources through dynamic capacity analysis, while strengthening cloud monitoring and optimizing usage patterns to enhance computing and storage efficiency.
Agility and Resilience	Cloud services offer diversity and high availability that complement on-premises services, fulfilling our information service needs. Meanwhile, a security management framework ensures that cloud utilization remains highly secure.
	Continuing to expand the usage of container platforms to strengthen agile development and CICD capabilities. We are actively driving the transition to cloud-native architecture, accelerating application deployment through automated delivery, elastic scaling, and standardized microservices.
Cybersecurity Monitoring	Continuously enhance cross-cloud security monitoring capabilities by integrating centralized monitoring mechanisms across multi-cloud platforms and optimizing anomaly detection scenarios, in order to strengthen overall cloud security and real-time threat protection.

Protecting Patented Technology

E.SUN Bank adopted the Taiwan Intellectual Property Management System (TIPS) in 2020 and has been honored with the Grade A Certification. Through risk assessments, proposal reviews, and educational campaigns, E.SUN Bank reinforces our intelligent services and technological advantages. Looking ahead, E.SUN Bank will continue to cultivate intellectual property management, promoting fundamental knowledge to raise awareness across all staff in E.SUN. Simultaneously, E.SUN Bank will precisely position patents to proactively identify technical vulnerabilities and continue encouraging innovative R&D. In 2025, E.SUN Bank achieved our goal of completing two patent applications in other Asian countries (Japan).

Patents Granted in E.SUN

252 fintech-related patents approved by the Intellectual Property Office.

	Invention patents		Utility patents		Design patents	
	Bank	Securities	Bank	Securities	Bank	Securities
Announced in 2025	10	1	15	0	3	0
As of the end of 2025	90	7	116	3	32	4

Financial Innovation Applications

E.SUN Bank reinforces the service quality and efficiency of digital finance support through commercial activities driven by innovative applications.

Copilot Intelligent Customer Service / Customer Service Copilot	E.SUN Bank integrated RAG and LLM into our internal knowledge base, providing real-time recommendations that reduce inquiry steps by approximately 50%. This is expected to increase service efficiency by around 10% while mitigating the administrative workload of frontline colleagues.
Mobile Banking	E.SUN Mobile Banking integrates banking, securities, and insurance businesses to provide one-stop financial services. In 2025, through AI applications and functional optimizations, we continued to prioritize customer experience and delivered diversified services: AI innovation applications: ・AI Mortgage Advisor: In July 2025, we launched a generative AI Mortgage Advisor. Existing mortgage customers can complete top-up loan applications by answering only three core questions, reducing required fields by 90% and achieving a 98% customer satisfaction rate. ・Investment i-chat: In 2025, we introduced a generative AI investment advisor. By combining LLM and RAG, investment research knowledge was converted into real-time interactive consultation. Responsible AI practices and data protection measures were implemented to enhance customer experience and service efficiency. This initiative was awarded the "Best AI Application Award" by Business Today Magazine. Asset-liability management enhancements: ・We are the industry frontrunner in launching online trading services for the principal-protected structured product FRC (Fixed Rate Callable), available in both USD and TWD, offering customers more diversified investment options. ・To enhance the gold investment service experience, E.SUN Mobile Banking has added a gold investment service. Customer journeys and workflows were redesigned; real-time price and trends were added; and functions including "Gold Purchase," "Gold Sell-back," "Gold Transaction Enquiry," "Inventory Profit/Loss," and "Transaction Details" were integrated to enable customers to seize current gold investment opportunities and enjoy more convenient gold trading and inquiry services. ・We have expanded E.SUN Mobile Banking's online insurance offerings with the addition of an annuity product. Customers can flexibly plan premium budgets according to their needs and independently arrange fund allocation to achieve their financial objectives. ・The personal loan function entry on the homepage has been enhanced with a "Exclusive Offers" feature, enabling customers to quickly obtain key information such as maximum eligible loan amount, loan fees, and interest rates, thereby enhancing the personalization and immediacy of personal loan services. ・A new "TWD Transfer Service Settings" function has been introduced, allowing customers to enable/disable online banking transfer services at their discretion and to individually disable non-authorized transfer capabilities, thereby safeguarding customers' account security.
Digital Saving Account	Drawing on e-commerce shopping-cart recommendation models to continuously enhance the customer digital experience, after a customer selects a product the system evaluates the customer's existing relationship profile and the combination of products in the current application to identify the next most suitable product for the customer. The system then proactively prompts the customer, asking whether they would like to apply for the recommended product concurrently, thereby creating a one-stop financial services experience.
e-Mortgage	・We continue to enhance the end-to-end digital mortgage customer experience. In 2025, we launched the industry's first "Online Platform for Mortgage Lien Cancellation," enabling customers to apply online for the cancellation of mortgage liens. After SMS OTP identity verification and completion of required information, the online application is finalized without the need for an in-branch visit. The platform improves the digital loan process for customers and reduces manual handling and the costs associated with exchanging physical documents. ・In response to regulatory liberalization, online loan verification — previously limited to top-up loan customers — was extended in 2025 to cases involving secured property rights and mortgage life-insurance limits, effectively reducing manual processing costs. E.SUN Mobile Banking has also added an "e-Step Restore Original Credit Limit" feature: eligible existing borrowers may apply via E.SUN Mobile Banking to restore their prior credit limit. The feature integrates with the E.SUN unified application platform to automatically populate existing application data, accelerating re-loan applications for returning customers and streamlining our credit approval processes.

Fraud Risk Management

E.SUN Bank strengthens our joint fraud prevention capabilities to enhance financial transaction security and minimize societal losses from fraud, generating a positive economic impact.

Real-time Alert Account Management and Control	To improve the immediacy of alert account detection, the inference interval of our alert account prediction model was upgraded from daily to every 5 minutes (short-batch) starting October 2025. Predictions are executed immediately post-transaction to block sequential anomalous cash flows. To support this, the service architecture underwent major adjustments, including real-time data ingestion and multi-threaded parallel processing. Simultaneously, the model parameters were updated to include new variables (such as cryptocurrency transactions and rapid-in-and-out transaction patterns), fresher training data, and model thresholds that account for fluctuations in the number of alert accounts. This real-time short-batch model breaks through technical and data limitations, intercepting 30% to 40% of potential risks ahead of time.
Financial Cleanroom and Anti-Fraud Laboratory	To resolve fraud detection blind spots caused by fragmented data across single institutions, E.SUN Bank initiated the "Financial Cleanroom" project. This project utilizes homomorphic encryption and double-blind technologies to achieve cross-bank and cross-industry data collaboration within a secure, compliant environment, effectively breaking down data silos to reinforce joint fraud recognition. According to PoC verification results, integrated analysis reduced unidentifiable alert accounts by approximately 80% and decreased the average number of lookup layers required to track suspicious accounts by 15%, significantly improving management immediacy and reducing customer asset losses. We have further collaborated with the Ministry of Digital Affairs (MODA) to establish the "Anti-Fraud Laboratory." Through public-private collaboration, this initiative expands participating institutions to build a more resilient financial protection network, fulfilling the social responsibility of financial institutions to safeguard asset security.

Business Empowerment

E.SUN Bank leverages the power of technology to empower the development of commercial activities.

E.SUN Platform of Interactive Communication	E.SUN Bank has developed a platform of customer interactive communication that integrates digital marketing and data insights. The platform's four core functions are as follows: ・Enhancing omnichannel customer experience: Establishing seamlessly integrated intelligent marketing channels combined with AI-driven recommendations to deliver a consistently superior customer experience across all touchpoints. ・Advancing customer journey orchestration: Creating a unified "golden record" of customer data to comprehensively improve customer experience and business performance. ・Streamlining and simplifying operational workflows: Accelerating marketing execution by shifting resources from data extraction to creative strategy development. ・AI-enabled customer behavior insights: Integrating cross-system data to improve model accuracy and enable efficient, agile marketing strategies.
Customer Service Voice Database	We process approximately 400,000 call records per month. Through AI-driven speech-to-text conversion and data-leakage protection analyses, these recordings support marketing initiatives, service optimization, and experience enhancement.
Intelligent Credit Search Report (Generative AI Assisted Functions: iCatcher, Credit 5Ps generation)	We promote "Intelligent Credit Search Reports" that utilize Generative AI combined with OCR and public information to automatically integrate data, adopting a hybrid collaboration model of "AI generation, human enhancement, and AI oversight." This elevates credit check quality, shortens loan approval workflows, and lowers the entry barrier for novice Relationship Managers (RMs). In 2025, the second phase of iCatcher (external information collection, aggregation, and generation) and Credit 5Ps generation went live sequentially. These tools support an average of 3,000 data recognitions and 1,000 report generations per month, and are projected to save approximately 84,000 man-hours annually.

Talent Development

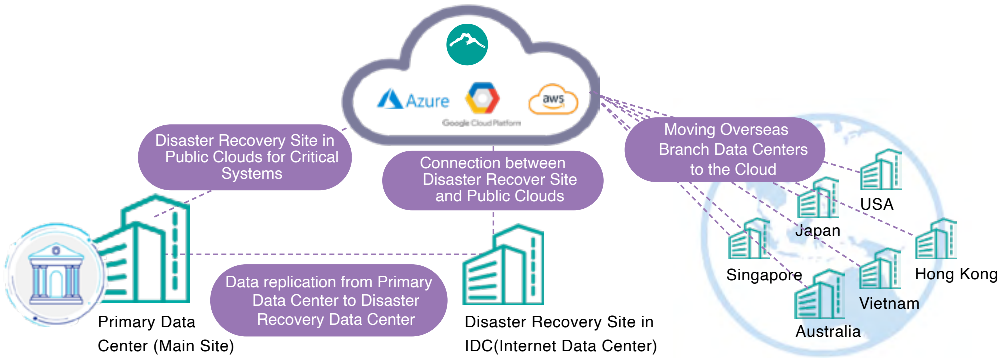
E.SUN Bank utilizes internal AI and cloud professional training alongside empowerment tools to strengthen human capital. Furthermore, through E.SUN AI Open Challenge and industry-academia collaborations, E.SUN Bank propagates knowledge and skills to society, delivering public welfare benefits.

Staff Cloud/AI Education Training	We continue to strengthen critical cloud and AI competencies across our talent pool. Approximately 30% of personnel in the Intelligent Banking Division have completed advanced cloud training, equipping the team with 29 certified GCP Cloud Architects and 2 Data Engineers. Furthermore, our AI training programs tailored for managers have cultivated over 190 leaders since 2024. To further institutionalize compliance, we expanded our initiatives in 2025 by introducing dedicated AI governance training, which prepared 50 cross-functional participants to bolster our risk management and governance capabilities.
E.SUN AI Open Challenge	Since 2019, this annual initiative has completed 11 consecutive editions, drawing over 14,000 participants across 8,780 teams. The 2025 competition, centered on "AI Fraud Detection," joined forces with the Ministry of Education, Academia Sinica, and National Taiwan Normal University to drive industry-academia synergy and co-create solutions for pressing social issues.
Industry-Academia Collaboration	Since 2018, we have collaborated with multiple universities across 6 departments, involving over 60 professors and 370 students. This collaboration has yielded over 118 deliverables and 14 presentation sessions, with research papers published in conferences and journals such as Rocling, Interspeech, and ICIP.
AI-Powered Copilot tools	In response to the digital workplace trend, we have introduced AI-Powered Copilot tools. Using low-code technology, employees have autonomously developed business chatbot and automated workflows. In 2025, we held 13 workshops with 900 participants. In 2026, this initiative will expand from headquarters to business units and overseas branches to enhance daily operational efficiency.

3.4.2 Infrastructure

Signing Platform for E.SUN Electronic Documents

In response to government policies and to support corporate sustainability strategies, E.SUN Bank has established the "Signing Platform for E.SUN Electronic Documents (SPEED)" to replace traditional paper-based signing processes with digital solutions. This initiative not only reduces paper consumption, printing materials, and energy usage associated with document delivery, but also shortens approval turnaround times and alleviates the environmental impact arising from operational workflows.
In terms of application scope, the platform has currently been implemented for non-financial business documents. Moreover, suppliers are required to adopt electronic signatures for contract execution in supplier contract management processes. This approach helps suppliers transition toward paperless documentation and gradually fosters a positive and sustainable ecosystem.



The Big Picture of E.SUN Hybrid Cloud Management

Examples of Cloud and Carbon Reduction

- In 2025, E.SUN Bank decommissioned end-of-life data centers and migrated their operations to other facilities, effectively optimizing our overall energy efficiency.
- In 2025, E.SUN Bank completed the cloud migration for our Australia branch. This cloud-based architecture significantly bolsters the operational resilience of our cross-border services. Furthermore, by leveraging the cloud provider's commitment to renewable energy, low-carbon construction materials, and high-efficiency resource management, we have effectively reduced the carbon footprint of our IT infrastructure.

3.4.3 Responsible AI

Taiwan FinTech Alliance	E.SUN FHC actively participates in the Taiwan FinTech Alliance and serves as the founding convener of the working group dedicated to providing practical regulatory proposals for digital finance, driving common and institutional fintech development topics together with the industry. Through the alliance platform, E.SUN FHC focuses on two core directions—"Financial Cleanroom" and "Programmable AI Governance"—strengthening cross-institutional cooperation and the institutional output of governance experience.
AI Governance at E.SUN Bank	· In January 2025, E.SUN Bank established the Artificial Intelligence Management Committee (AIMC) to institutionalize bank-wide AI governance, legal compliance, and risk control. Appointed by the President, the CTO convenes the AIMC, which spans executives from technology, cybersecurity, compliance, and business units, operating via dual Compliance and Application groups to balance innovation with regulatory demands. · Aligned with the FSC's "Guidelines for the Use of Artificial Intelligence (AI) in the Financial Industry," the committee enforces a risk-based approach across the AI lifecycle to ensure fairness, transparency, and data protection. In 2025, we updated our AI policies and launched the Responsible AI project. Concurrently, pioneering services like the "AI Mortgage Advisor" and "E.SUN i-chat" were rolled out, successfully advancing financial innovation and AI governance in tandem.

Responsible AI Management Items and Concrete Actions

Management Items	Specific regulations or measures
Limiting access to sensitive AI capabilities	FHC-level AI governance policies explicitly prohibit us from utilizing artificial intelligence to engage in manipulative behavior, exploitation of vulnerable groups, social scoring, unauthorized biometric surveillance, or any other actions that infringe upon individual rights. Relevant regulations have been integrated into internal AI governance and risk management processes, applying to all AI applications and models across our Group.
Distinct labeling of AI-generated content and outcomes of AI-driven decisions	Pursuant to the "E.SUN Bank Management Operations Guidelines for Artificial Intelligence (AI) Applications," AI services such as the AI Mortgage Advisor and E.SUN i-chat must explicitly label that content is automatically generated by generative technology. We proactively inform customers of the scope of application and alternative options, and ensure customer consent is obtained prior to service delivery, safeguarding their right to know.
Mechanisms to detect and correct drift or degradation of AI models over time	The "E.SUN Bank Management Operations Guidelines for Artificial Intelligence (AI) Applications" mandates model monitoring mechanisms. For instance, medium-to-high risk models (e.g., models that recognize check content) undergo performance and fairness metric monitoring at least semi-annually. Model monitoring reports are submitted to supervising units for approval to ensure timely correction and optimization if AI model drift occurs.
Regular assessments of deployed AI models for fairness/bias	E.SUN Bank incorporates fairness into AI monitoring reports. For medium-to-high risk models (e.g., AI-driven fund selection models), we regularly review whether any customer complaints regarding unfair treatment by AI models occurred during the period, thereby conforming to fair customer treatment principles and ensuring that AI decision-making processes do not generate unjust bias based on physiological characteristics or backgrounds.
Initiatives (own/with suppliers) to lower the ecological footprint of AI data centers/models	Through our continuously held "ESG Sustainability Initiative," E.SUN Bank rallied AI suppliers, including Microsoft and AWS, to jointly respond and sign initiative letters. We commit to utilizing digital technology applications to accelerate sustainable transformation, jointly implementing low-carbon computing, and cultivating green-collar talents to lower the ecological footprint of AI operations.
Appeals process for users/affected third parties to contest an AI decision or outcome	E.SUN Bank internal regulations stipulate that for medium-to-high risk AI decisions, customer feedback and remedy channels must be provided. Our grievance channels integrate multiple routes such as customer service and our official website. Upon receiving a complaint, the processing unit is required to contact the customer on the same day for immediate disposition. Regular root cause analyses of customer complaints are performed and reported to the Board of Directors.
Quantification of the impact of AI initiatives/tools on sustainability outcomes	E.SUN Bank quantitatively evaluates the sustainability benefits of AI applied to credit card fraud detection. In 2025, it intercepted anomalous transactions across 3,449 credit cards in real time, preventing losses of approximately NT$ 74 million.
Training of employees on the ethical use and/or security of AI	In 2025, E.SUN Bank established a specialized AI governance training, guiding cross-unit participants to complete online courses and specialized training including the ISO 42001 international standard. This comprehensively refines our risk governance capabilities in technology applications, strengthening employee awareness of AI ethics and cybersecurity protection.