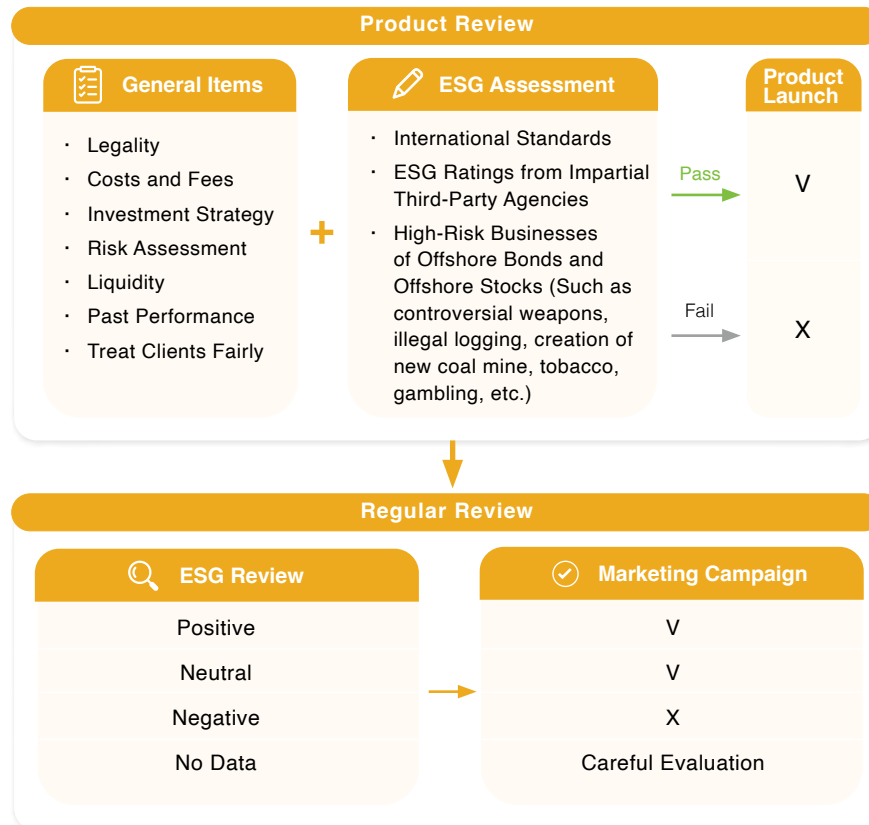


3.1.3 Wealth Management

■ Wealth Management Products

1. Wealth Management Product ESG Rating Management

- (1) Use international standards (such as EU SFDR, ICMA's GBP, ICMA's SBP, ICMA's SBG, ICMA's SLBP, etc.), ESG ratings from impartial third-party agencies (such as MSCI, DJSI, Bloomberg, Morningstar, etc.) to assess onshore and offshore mutual funds, offshore bonds, offshore ETFs, and offshore stocks for their ESG performance and take the result into consideration during product selection process.
- (2) Review the ESG ratings of the wealth management products on the platform every month and adjust their promotion levels if there are any changes.



2. Sustainable Wealth Management Product

Sustainable AuM reaches **45.2 billion**, and percentage of sustainable AuM over total AuM reaches **14.40%**. The number of ESG funds increases **50%** in 2023, and reaches **75** ESG funds.

Unit: NT\$M

Investment Approaches	Asset under Management(AuM)
ESG Integration	3,623
Best-in-Class Screening	38,476
Thematic Investing	1,258
Impact Investing	873
Other	999
Total Sustainable AuM	45,229
Total AuM	314,142

Note 1: Wealth management products include mutual funds, offshore bonds, offshore ETFs, and offshore stocks.

Note 2: Sustainable wealth management products:

- (1) Mutual funds: Funds meet the ESG requirements of Financial Supervisory Commission and are listed on ESG Fund Area of Fundclear. The investment approaches include ESG integration, best-in-class screening, impact investing, EU SFDR Article 8, EU SFDR Article 9, and so on.
- (2) Offshore bonds: Include sustainability bonds and bonds in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening" or "Thematic Investing."
- (3) Offshore ETFs: Products in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening."
- (4) Offshore Stocks: Products in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening."

Note 3: Investment Approaches:

- (1) ESG Integration: Consider ESG factors into the process of investment decision.
- (2) Best-in-Class Screening: Invest in the company with positive ESG performance relative to industry peers.
- (3) Thematic Investing: Invest in certain environmental or social issues, such as energy transition, climate change, promotion of equality, and so on.
- (4) Impact Investing: The investment strategy will bring positive impact on environment and society.
- (5) Other: Funds promoting environmental or social characteristics or with a sustainable investment objective, which include but not limited to EU SFDR Article 8 or EU SFDR Article 9.

Note 4: Asset under management (AuM) of wealth management products is calculated at present value.

3. Business Partner Management

- (1) Evaluate the implementation of ESG-related practices of business partners or any material negative ESG issues to rethink the depth of business relationship with the partner.
- (2) All insurance companies and onshore fund companies cooperating with E.SUN in wealth management business have all signed the "Stewardship Principles for Institutional Investors," and offshore fund companies have all signed the "Principles for Responsible Investment (PRI)."
- (3) Invite wealth management business partners to sign the "Sustainable Development Commitment of E.SUN Bank Wealth Management Business Partner." By the end of 2023, 24 partners have signed the commitment. E.SUN continue to invite more business partners to join, hoping to leverage the power of our partners to create sustainability impact of promoting ESG investment products and implementing sustainable finance.

4. Wealth Management Consulting Services

(1) "Global Rebalance Advisory Core Engine" Incorporates ESG Elements

E.SUN integrates the perspectives of our investment research team and product experts to conduct multi-dimensional analysis of customers' investment portfolios in the "Global Rebalance Advisory Core Engine (GRACE)" system. ESG factors are included in the analysis parameters to prioritize the selection of investment targets that meet both customer needs and ESG criteria. This enables us to tailor exclusive investment solutions for our customers.

(2) Modular ESG Training Course

E.SUN have incorporated modular ESG courses into our education and training programs to continuously deepen the awareness of sustainable finance among our financial planners. This enables us to provide advisory services that meet our customers' ESG investment needs.

(3) Promoting ESG Investment Concepts

In the "E.SUN Wealth Management Perspectives" publication, we categorize articles based on different investment and wealth management needs, providing a wealth of thematic content. We have specifically established an ESG category to allow customers to easily grasp hot topics and investment trends. Additionally, we share ESG concepts through visual content on social media, offering concise and professional investment advice in order to lower the barriers for customers to engage with ESG investments.



5. Encourage Customers to Involve In Sustainable Finance

(1) "ESG Investment" Web Page Provides Various Information on ESG Products

"ESG Investment" web page provides various ESG-themed articles, including investment concepts and market research reports about ESG, and regularly updates the list of ESG funds, ESG offshore ETFs, and sustainable bonds. In addition, we have launched the ESG-themed fund investment campaign, "E.SUN ESG Funds," allowing customers to contribute to sustainable development while investing. The web page also discloses MSCI ESG Ratings of ESG funds and offshore ETFs to assist customers in seizing investment opportunities by comprehensive information on ESG products.

(2) "Wealth Management Express" Goes Paperless to Support Environmental Sustainability

"Wealth Management Express" service has been upgraded, allowing customers to conduct transactions for mutual funds, overseas bonds, overseas ETFs, and overseas stocks. Customers can receive personalized asset allocation advice from their financial planner in real time through SMS or push notifications on the mobile banking app. They can also confirm multiple transaction at once through personal internet banking (mobile version) or the mobile banking app. This enhanced convenience not only improves the transaction experience but also aligns with ESG principles through paperless transactions, contributing to environmental sustainability. As of 2023, nearly 1.5 million sheets of paper have been saved, resulting in a reduction of over 11 metric tons of carbon emissions.



6. Wealth Management Customer Due Diligence (CDD)

- (1) When establishing a business relationship with wealth management customers, E.SUN carries out customer due diligence and Know Your Customer (KYC) procedures to assess aspects such as identity, source of funds, transaction content, and account purpose. This ensures the implementation of anti-money laundering and counterterrorism financing management mechanisms. If a customer is suspected of applying for a business for illegal purposes, we will decline the application.
- (2) The membership application processes of private banking includes ESG factors such as violation of environmental protection regulations, failure to conduct business with integrity or social responsibility, in order to guide customers to pay attention to ESG issues through due diligence and continue to exert positive social influence.

■ Trust Services

Improving service platform to meet the needs of customers in their golden years

1. Cultivating Trust Professionals

- (1) Building a cross-domain trust seed network to meet the all-round needs of individuals, families, and businesses, and established a "Trust Expert Team" in 2023 to provide customized trust services.
- (2) Continuously enhancing the expertise of staff, including incorporating trust courses into employee training programs, selecting outstanding staff to participate in eldercare financial planning and family trust planning consultant training courses, etc.
- (3) Through strategic alliances with various industries, we not only enhance the expertise of our employees but also leverage the strengths of different industries to provide assistance based on customer needs. This includes collaborating with healthcare institutions, law firms, accounting firms, and real estate appraisal firms, among others.

2. Tailor-made Services

- (1) To help customers have a clear understanding of their own situations and carry out suitable trust planning, we have introduced a "Trust KYC Form" to provide corresponding trust services based on the scale score.
- (2) Designing various trust products, including simplify caring trusts that can plan for future life in advance, spilt-over caring trusts combined with the concept of overflow, and retirement trusts with modules for designated guardians and conditional decision rights, etc.
- (3) We are continuously enhancing the digital experience for our customers, including online access to trust information, and easy deposit of trust assets through digital channels, to provide a more complete customer experience.

Achievements in 2023

Accumulated Beneficiaries of Elder Care Trust

reached **4,400** people

Accumulated Principal of Elder Care Trust (NTD)

reached **134** billion

Beneficiaries of Caring Trust per 10,000 deposit accounts

7.6 people

Proportion of Caring Trust principal balance to total trust principal balance

3.61 %*

*The principal balance of the trust assets includes money trusts (excluding securities investment trust funds and futures trust fund custody), real estate trusts, and securities trusts.

Promoting Financial Knowledge, Cultivating Trust Awareness

1. Trust Seminars

E.SUN organizes seminars such as "Insights into Taiwanese Stock Trends and Completing Asset Succession" to convey trust concepts and knowledge, allowing participants to understand how to utilize trusts for advance asset succession planning. In addition, E.SUN has held nearly 120 online/offline seminars in the past two years, attracting over 5,100 participants. Trust awareness events have also been held at places such as the New Taipei City Elderly University, Taoyuan Rehabilitation Hospital, and Chiayi Evergreen Center. E.SUN has also conducted 10 seminars on dementia and fraud prevention in collaboration with Taipei City Hospital and police agency, with a total of 160 participants.

2. Collaboration with Colleges and Universities

By 2023, E.SUN collaborates with various colleges and universities, including National Taiwan University, National Chengchi University, National Cheng Kung University, National Sun Yat-sen University, and National Taipei University. Through seminars or visits, E.SUN has shared trust concepts with students and faculty. A total of nearly 300 students participated in these activities. E.SUN has established a long-term series of financial seminars with National Sun Yat-sen University. In 2023, we introduced trust topics to explain how the financial industry can innovate and design products that contribute to society and create positive impacts in inclusive finance.

3. Taipei International Care Expo

Under the theme "E.SUN's Commitment to a Carefree and Beautiful Future, Creating a Perfect Senior Life," E.SUN shared the importance of trusts in preventing elderly fraud, reducing elder exploitation, and promoting dementia-friendly financial services. Through real-life examples and interactive sessions with customers, E.SUN demonstrated how trust structures can mitigate risks of elderly fraud. Over 12,000 people have attended these events. Additionally, E.SUN offered an online exhibition that allows people to browse E.SUN's trust services anytime from their smartphones, tablets, or computers. This allows those who cannot attend in person to learn about trusts and use them to safeguard their assets.

