

3.4 FinTech and Innovation

GRI: 2-23, 2-24, 2-25, 3-3, 203-1; GRI G4 Financial Services Sector Disclosures: FS1, FS5, FS7, FS10

■ Preface

E.SUN is committed to the development and application of financial technology. With more than 1,300 technology professionals forming a technology team responsible for overall digital development, AI applications, IT research, and information security management. Through cross-team collaboration, E.SUN improved the efficiency of digital financial technology. Information acts like the organization's nervous system, AI serves as the brain, digital is the agile limbs, and information security is the immune system. Each is indispensable. E.SUN has made significant achievements in AI, inclusive finance, and scenario-based finance. We are the first bank in Taiwan to deeply integrate artificial intelligence into various businesses and the first bank to build our core system using cloud-native technology and microservices architecture. In recent years, in addition to actively introducing agile practices and exploring cloud applications, E.SUN has also established the XDC (Experience Design Center), a dedicated team of User Experience researchers and designers to optimize customer experience across digital channels. In 2023, more than 86% of mutual fund investments, 89% of loan applications, and 98% of foreign exchange transactions were completed through digital channels. Additionally over 96% of members in the e.Fingo program were active. Specific achievements are as follows:

98% Foreign exchange transactions are completed on digital channels.

89% Loan applications are completed on digital channels.

96% Transfer transactions are completed on digital channels.

86% Mutual fund investments are completed on digital channels.

87% Credit card applications are completed on digital channels.

48% Deposit account openings are completed on digital channels.

■ Services Supported

Digital Foundation

Capitalizing on the technological capacity of E.SUN, we continue to develop infrastructures for digital transformation and endeavor to fulfill our sustainability commitments by adopting eco-friendly practices, conserving energy, and creating the value of environmental sustainability.

Topics	Strategy Directions
AI Technology	E.SUN's proprietary MLaaS (Machine Learning as a Service) platform already hosts over 100 AI services, allowing for rapid and flexible deployment and utilization of AI model APIs. It has become a vital bridge connecting mature AI models and business systems.
	The establishment of the GENIE platform provides E.SUN staff with a single interface for using generative AI. In the wave of emerging technologies, it ensures information security, compliance, and budget management.
Operational Resilience	E.SUN proactively prepares for potential extreme scenarios in the future by leveraging the advantages of the cloud. In 2023, we promoted the backup of critical system data to the cloud.
	In order to enhance the availability of overseas information systems and reduce the impact on services in overseas branches, E.SUN had completed the migration of servers in our Singapore branch to the public cloud by 2023. We will also continue to plan and promote the migration of servers to the public cloud in other overseas branches.
Resource efficiency	To achieve optimal allocation of information resources, we provide services through virtualized environments and private clouds. We also implement monitoring and management tools to collect and analyze resource usage trends for flexible resource scheduling.
	In order to increase productivity, we implement the collaboration platforms in development process and digital tools.
Agility and Resilience	To enhance resource utilization efficiency, we have implemented a new form of wide area network (WAN) connectivity architecture called SD-WAN (Software-Defined Networking in a Wide Area Network). We have adjusted the existing network infrastructure in overseas branches and strengthened the integration and utilization of existing network connections.
	We have expanded the usage of container platforms since 2022. In addition to providing flexibility in leveraging public clouds, this expansion will enable rapid application delivery, automated deployment, and operations. Container technology also allows for automated scaling to enhance system reliability, ensuring uninterrupted application services.
Security Monitoring	Cloud Service has the diversity and high availability, and complement with on-premises services, more information service requests will be achieved by using both cloud and on-premises service. At the same time, the security of using cloud services is ensured through a security management framework.
	E.SUN continues to benchmark the supervisory configuration rules proposed by the competent authorities to expand the scope of abnormal behavior detection, and utilizes automatic threat intelligence collection to improve the efficiency of threat intelligence process, further reducing manual processing costs and increasing risk identification.

Protecting Patented Technology

As a pioneer of financial technology and digital transformation, E.SUN adopted the Taiwan Intellectual Property Management System (TIPS) in 2020, and passed the TIPS A-Level verification. Through intellectual property risk assessment, patent proposal review mechanism, proposal rewards, intellectual property-related advocacy education, and talent training, E.SUN implements intelligent services and technical advantages.

Financial Innovation Applications

Digital Process Optimization, Service Without Interruption

Unified Application Platform	In the past, customers usually had to apply for multiple financial products to meet their shopping, investment, and travel needs. With the customer's needs at the core, E.SUN launched the new generation "Unified Application Platform" in December 2023. Customers can fill out their information only once according to their own needs and complete up to 7 financial service applications simultaneously. This includes applications for TWD and foreign currency accounts, credit cards, personal loans, mortgage loans, securities accounts, and sub-brokerage accounts. The platform also automatically completes account linking and settlement, eliminating the need for repetitive applications or in-person visits. This one-stop service saves time on tedious and repetitive application processes, solving the inconvenience of daily financial services and allowing customers to easily enjoy E.SUN's high-quality digital services.
Corporate Online Application Platform	In order to enhance the digital loan experience for businesses, E.SUN has created the "Corporate Online Application Platform." Business owners and enterprises can fill out credit application forms, agree to credit inquiries, and apply for credit guarantee fund loans through a variety of identity verification mechanisms. The platform is also integrated with business registration services, reducing the need for customers to input redundant information and addressing pain points in the application process. Subsequently, cases are automatically assigned to the corresponding account managers based on the attributes of the businesses. This integration of virtual and physical channels reduces the cost of manual operations for employees.
Embedded Financial Services	By linking with preferred partners such as convenience stores, communities, and chain brands, E.SUN integrates banking services into customers' daily life scenarios, enhancing the customer service experience. In 2023, a total of 5 scene integrations were completed, including data sharing with PLUSPay for "personal loans and account opening services," "account opening and linking services" with PLUSPay and PXPAY, integration of account payment for management fees through the Smartdaily App, embedding the E.SUN foreign currency balance inquiry in the PLUSPay travel section, and providing exchange rate inquiry services. With a customer-centric approach, E.SUN utilizes API modules to build microfinance services and scene ecosystems.
Mobile Banking	Integrating multiple innovative services within the bank, E.SUN Mobile Banking has obtained multiple patents and has an active user base of around 70%. In 2023, we will continue to focus on enhancing the customer experience and providing diverse services, including: (1) Diverse authentication modules: To ensure the security of customer transactions, E.SUN provides 12 authentication methods, including FIDO authentication (added in 2023), voice OTP, SIM card authentication, ATM verification codes, and facial/fingerprint recognition. E.SUN has obtained 2 invention patents and 5 utility model patents. In 2023, it was also approved by the government for financial innovation investment deduction. Customers can choose suitable authentication according to their own needs, providing a more flexible and secure service experience. (2) Upgrade of foreign exchange services: In 2023, the foreign currency trading interface was integrated, and a new service for reserving foreign currency transactions was added. In addition, there are 15 types of foreign currency available for online buying and selling services 24/7. Customers who need to travel or go on business trips can exchange currencies at any time, enjoying a simpler, smoother, and more considerate digital financial experience. The overall proportion of online foreign exchange transactions has exceeded 98%.

Patents Granted in E.SUN

179 patents

	Invention patents	Utility patents	Design patents
Announced in 2023	16	15	2
As of the end of 2023	69	86	24

E.SUN's patents cover areas such as data control and information security, identity verification, payment, AI application, interface design, and more. These innovations are applied to create innovative financial services, providing customers with convenient, fast, and secure experiences. Our significant digital business proportion leads Asian financial banks. E.SUN will continue to protect the intellectual property rights of various core businesses, strengthen the business development foundation, and promote corporate governance to move towards sustainable development.