

Press Release
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The Asian Banker Excellence in Retail Financial Services Awards 2009

Cathay United Bank (Taiwan) named Best Retail Bank in Taiwan for 2008

- *Cathay United Bank (Taiwan) wins Best Retail Bank in Taiwan award for its outstanding performance in 2008 amid great market upheaval.*
- *The bank was also notable for building a sustainable business franchise in a mature and highly competitive environment.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 20 March 2009 – Cathay United Bank (Taiwan) has been named Taiwan's Best Retail Bank in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the award at The Asian Banker Excellence in Retail Financial Services Awards 2009 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Grand Hyatt in Singapore on the evening of March 19th, 2009.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf and Central Asian regions attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

Cathay United Bank (Taiwan) wins Best Retail Bank in Taiwan award for its strong 2008 performance in a troubled market

Cathay United Bank (Taiwan) (CUB) has been named the Best Retail Bank in Taiwan for 2008, its first time to win the award since The Excellence in Retail Financial Services were inaugurated in 2002, led by its strong yearly performance.

While 2008 was a turbulent year in the Taiwanese market, CUB reported substantial net retail deposit growth as well as moderate total operating revenue growth across multiple business lines, sharply contrasting with the negative results of major peer lenders.

CUB avoided deep losses on the back of its strong business model, balanced revenue stream, and robust sales capabilities underscored by its high cross-selling ratio and key product market share. Notably, the bank strengthened its dominant market position in key business areas such as life insurance trust and bancassurance, in coordination with group partner Cathay Life.

In 2008, CUB's channel strength was also on clear display, yielding impressive sales volume increases among newly refurbished branches and double-digit online banking sales growth.

CUB was notable for building a sustainable business franchise in a mature and highly competitive environment, drawing strong early results

CUB's long term franchise sustainability was underscored in 2008 by the bank's retail banking cost-to-income ratio, one of the lowest in Taiwan, and cost of retail banking core deposits, the industry's lowest overall.

CUB also claimed Taiwan's lowest retail non-performing loan ratio, a product of the bank's well constructed business structure and prudent risk culture. The bank meanwhile launched an important new project to improve asset quality and enhance upmarket client numbers and assets ratios, with impressive preliminary results. By targeting premium clients, for example, CUB reported a zero non-performing loan ratio for NT\$16.4 billion in newly issued loans.

The bank also leveraged its established online banking platform to engage a wide range of client segments. Going beyond upmarket client value add customisation services alone, as commonplace among market peers, CUB's platform allows mass market users to select their own interface layout and functions, and make use of analytic tools. The approach helped CUB log 42% total user growth in 2008.

Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

"This year over 120 banks and financial institutions in 22 countries across Asia were evaluated as part of the Excellence in Retail Financial Services Programme. It has become the single most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the world today," said Philip Strause, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks' retail banking businesses that involves extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Strause, who has over 30 years experience as a principal consultant to leading financial institutions in North America and the Asia Pacific, added, “The Asian Banker Excellence in Retail Financial Services Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company’s website is www.theasianbanker.com

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