



Press Release

E. Sun Bank and Standard & Poor's Risk Solutions Announce Completion of Workout Loss Given Default (LGD) Model For Retail Exposures

Hong Kong, May 6, 2009 – E.Sun Bank, a major local commercial bank in Taiwan, and Standard & Poor's Risk Solutions, the risk management services arm of Standard & Poor's, today announced the successful completion of a significant risk management project to develop a residential mortgage workout loss-given-default (LGD) model for E.Sun Bank. The LGD model was developed for regulatory compliance and internal purposes to better manage and more accurately price credit risks. The project included enhancing internal policies related to risk governance and internal audit framework.

“In addition to developing risk components in line with the Basel II Accord, E.Sun Bank took the opportunity to enhance bank-wide risk culture and structure in a number of areas including risk governance, data quality management and transparent documentation,” said Ms. Yang Heng-Hwa, Chief Risk Officer of Risk Management Committee, E.Sun Bank. “We received a significant amount of knowledge transfer through sessions conducted by Standard & Poor's Risk Solutions regarding robust credit risk management under Basel II Accord, which will lead to significant long-term benefits for E. Sun Bank.”

Standard & Poor's Risk Solutions worked with E.Sun Bank's risk management, credit modeling and audit teams to develop the bank's LGD retail model. Standard & Poor's provided guidance on data quality management, development and validation framework of the bank's LGD model for retail exposure against S&P's workout LGD templates. S&P also provided training on major Basel II issues.

“Know-how transfer plays a key role in any Standard & Poor's Risk Solutions assignment, and E. Sun Bank committed substantial resources to this learning process, including involving all relevant departments in interactive project workshops” said Mr. Kitae Yang, Associate Director and member of S&P Risk Solutions' Global Analytic Group.

“During this project, roles and responsibilities of individual units at E.Sun Bank were well defined and E-Sun has told us the training significantly increased understanding of risk governance among senior management and throughout the organization,” added Mr. Clemens Thym, Vice President, Head of S&P Risk Solutions Asia Pacific.

About E.Sun Bank

E.Sun Bank, founded in 1992, is a major commercial bank in Taiwan who achieved a total deposits of NT\$ 621.5 billion (annual growth rate of 17.32%) and total outstanding loans of NT\$ 512.1 billion (annual growth rate of 17.25%) at the end of 2007. After-tax profit for the year was NT\$ 2,591 million equivalent to earnings per share of NT\$ 0.86. In 2007, its return on equity 5.91%, and its NPL ratio was 0.89%.

E.SUN has been awarded a number of honors. It won the National Quality Award, Taiwan's highest honor marking quality, for the second time. In addition, it was honored as displaying the best corporate governance in Taiwan's financial industry by Hong Kong's The Asset Magazine.

About Standard & Poor's Risk Solutions

Standard & Poor's Risk Solutions helps clients worldwide to develop, enhance, and validate their credit assessment processes, collect and analyse data, model credit risk, and train staff, working on both low default and SME credit risk. Risk Solutions leverages Standard & Poor's experience in credit assessment to help institutions manage their credit activities with confidence. For more information about Risk Solutions, visit www.risksolutions.standardandpoors.com. To be added to our mailing list, please contact us at risksolutions@standardandpoors.com and include full contact information.

About Standard & Poor's

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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