

Press Release

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Cathay United Bank wins Best Credit Card Product in Taiwan and Best Retail Risk Management Initiative in Taiwan at The Asian Banker Taiwan Country Awards 2017

- **Cathay United Bank ranked first in the annual house loan balance growth rate in 2016**
- **The bank launched its in-house real estate index model to monitor collaterals and refined its account review terms and conditions to raise effectiveness of the application process**
- **The Formosa Co-Brand Card managed to overturn the marketing model of refueling co-brand cards, and improved the bank's credit card performance in 2016**

Taipei, September 12th 2017 — Cathay United Bank received the award for **Best Credit Card Product in Taiwan and Best Retail Risk Management Initiative in Taiwan** for 2017 in The Asian Banker Taiwan Country Awards 2017, the foremost annual meeting for decision makers in the financial services industry in Taiwan, held at Westin, Taipei on September 12th 2017.

Cathay United Bank ranked first in the annual house loan balance growth rate in 2016

With the implementation of In-House Real Estate Index and Early Warning Mechanism for Retail House Loans, the bank has demonstrated the strengths of maintaining both quality and quantity of retail house loan business segment with annual growth rate 16.79%. Also, the bank maintained a non-performing loan (NPL) ratio of 0.09%, which was lower than the average NPL ratios of major competitors.

The bank launched its in-house real estate index model to monitor collaterals and refined its account review terms and conditions to raise effectiveness of the application process

Cathay United Bank's in-house real estate index model helps in identifying the effects of price movements and fluctuations of collateral values on the credit loans of the bank. It helps to monitor the market values of collaterals and loan-to-value (LTV) ratios more efficiently. The bank has made adjustments to its account review terms and conditions in 2016 to improve and enhance its in-house real estate index and early warning mechanism. This allows its system to be more effective and competent, ensuring high quality risk management of the bank.

The Formosa Co-Brand Card managed to overturn the marketing model of refueling co-brand cards, and brought about outstanding credit card performance in 2016

By providing greater incentives to own and use this credit card product for gas purchases, the bank overturned the marketing model of refueling co-brand cards, improving the product profitability by raising out-of-store consumption. Within just 3 months of its product launch, Cathay United Bank managed to acquire an astounding active rate of 77.8%. With the launch of this credit card product, 28% of new to bank customers was observed for the product. Also, out-of-store consumption comprises more than 60% of the total consumption in the bank, indicating that the credit card product has motivated cardholders to do out-of-store consumption.

The Asian Banker Taiwan Country Awards Programme, refereed by prominent global bankers, IT consultants and academics, is the most prestigious of its kind in Taiwan. Recipient of these awards are honoured in a gala event that recognises their efforts in bringing superior products and services to their customers. A stringent and long evaluation process determines the awardees.

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