

Press Release

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CTBC Bank, Taiwan awarded for Achievement in Credit Risk Management for 2016

- **Objectives of the big data in the @SB Credit Risk model**
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Hanoi, May 11th 2016 - **CTBC Bank, Taiwan** received the award for **Achievement in Credit Risk Management** for 2016 in The Asian Banker Risk Management Awards Programme. The programme is administered by The Asian Banker under its prestigious annual Business Achievement Awards programme. The awards ceremony was held in conjunction with The Asian Banker Summit 2016, the foremost annual meeting for decision makers in the financial services industry in the Asia Pacific region, held at JW Marriott Hanoi on 11th May 2016.

Objectives of the big data in the @SB Credit Risk model

Taiwanese small and medium-sized enterprises (SMEs) play an important role in economic development and social stability. There are now 1.35 million SMEs in Taiwan, accounting for 80% of employment. As a result of much higher risk and operating costs, small business lending has difficulty expanding in the banking sector compared to general large corporate loans and retail lending. The big data of the @SB Credit Risk model was developed to efficiently identify a wide variety of small business risk and effectively manage credit and operation costs.

Three initiatives of the big data in the @SB Credit Risk model

The big data @SB Credit Risk project includes three initiatives: industry risk measurement, business risk measurement, and behaviour measurement. The model is able to measure the risk ranking of 494 sub-industry categories among 7,841 districts using an industry 30-year survival rate database, as well as business profitability general survey big data. The model can predict business profitability based on 430 variables using geographic information system and industry, commerce, and service census big database. Debt and wealth information of individual businesses and business owners are also integrated into the model. Since the model can precisely predict industry and business risk, subjective individual business financial aspects are assigned significantly reduced weights.

Unique features of big data in the @SB Credit Risk model

As the first Taiwan bank that uses nationwide big data to develop enterprise credit risk rating models, there are three unique features of the CTBC initiative: sustainability, precision, and

agility with efficiency. CTBC completed the big data in the @SB Credit Risk model in the last quarter of 2015, which was then signed off for implementation by the Credit Risk Committee.

About 1,000 delegates attended the awarding ceremony, consisting of industry specialists, senior bankers, regulators, service providers, and decision makers from leading institutions in Asia, the United States, Europe, and Latin America, where opinions and responses of practitioners to global issues are shaped.

The The Asian Banker Risk Management Awards Programme, administered by the Asian Banker, is Asia's most important annual recognition of risk management on a number of critical areas affecting the banking industry featuring leading practitioners from a cross-section of banks and global regulators. A stringent three-month evaluation process based on a balanced and transparent audit-based approach is used to determine the awardees.

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Manila, Hong Kong, Beijing and Dubai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

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