

Press Release

CTBC Bank awarded The Achievement in Credit Risk Management Award for 2018 in The Asian Banker Risk Management Awards 2018

Beijing, May 25th 2018—CTBC Bank was awarded **The Achievement in Credit Risk Management Award for 2018** in The Asian Banker Risk Management Awards 2018. The awards ceremony was held in conjunction with the prestigious Future of Finance Summit 2018 at the China World Hotel, Beijing, China on May 25th 2018.



Leverage technology to transform the modes of risk management

In order to maintain its leading position in the over-saturated banking market, CTBC found that it's necessary for them to use technology to enhance their customers' experience. The bank launched "Proactive Intelligence Risk Management" project in year 2016-2017 to transform the modes of risk management.

Polished the end-to-end loan services to achieve the goal of solid credit risk management

At the front-end stage for digital revolution, the bank introduced the dual dimension scoring model, applied the real-time strategy system and online pre-approval mechanism to enhance risk identification and management effectively and optimise the customer experience. At the mid-end stage for impaired asset management, the bank strengthened the prevention of restructured loan through cross-departmental defence mechanism and detailed segment management by use of robust scoring model and reserved the resource for customers that really need the assistance of

restructuring to achieve the better asset quality performance. At the back-end stage for IFRS9 implementation, the bank enhanced the prediction of the forward-looking loss and introduced to risk limit management. Meanwhile, it applied IFRS9 forward-looking mechanism to improve bank's risk appetite management.

The project has improved customer experience and enhanced asset quality

The project has improved the asset quality of the bank and accomplished the conversion of IFRS9 accounting system in January 2018. The bank established a 24-hour online personal loan application platform and house appraisal platform to provide the instant service and digitised end-to-end process to shorten turnaround time, which provided better service experience.

With the establishment of the prevention mechanism, the new inflow of restructured unsecured loans dropped by 40% in 2017. The average tenor of restructured repayments was reduced from 139-month to 118-month and the interest rate was increased from 4.53% to 5.22%, which enhanced the profit and also increased the buffer of loss tolerance. Through the project, the asset quality of the bank remained sound, which enabled the bank to maintain the leading position in risk management. Their NPL ratio improved from 0.13% in 2016 to 0.11% in 2017 and the impairment ratio also improved from 2.57% in 2016 to 2.28% in 2017.

The project helps the bank to strengthen risk management and stay competitive

The project, an end-to-end transformation and innovation of loan origination, satisfies and anticipates the potential demand of customers, and mitigates risk uncertainty for the bank to effectively make business decisions. It helps the bank grow business significantly and stay competitive.

About The Asian Banker

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