

CATHAY BUSINESS CONNECT

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EXECUTIVE'S CORNER

Turning Points

Moving into autumn is a turning point for many businesses. Perhaps you are gearing up for the holiday season and meeting year-end goals or you are looking ahead to 2015's strategic business plan. Whether you are seeking ways to increase sales, increase profits and/or borrow to expand your business, Cathay Bank is here to help. This issue of *Cathay Business Connect* shares information on all of these topics.

How can accepting credit cards help your business grow? Check out "Increase Sales by Accepting Credit Cards" on this page to learn about benefits such as improved cash flow and automatic currency conversion.

With increased sales comes the need to retain profits. "Maximize Your Business's Excess Cash" on page 2 offers tips to do just that with business savings accounts and other bank products that protect your money.

If a loan is an important business need, Cathay Bank is a Small Business Administration (SBA) Preferred Lender. Read more on page 3, and our Account Officers will be happy to discuss any and all options with you when you're ready to turn to us!

Mr. Irwin Wong
Senior Executive Vice President,
Chief Retail Administration
and Regulatory Affairs Officer



Increase Sales by Accepting Credit Cards

Americans love their credit cards – an average American carries five or six.* So it stands to reason that your customers want to be able to use their plastic when they buy from you. This is true for any consumer transaction, but especially for those done online.



Your business can benefit from the advantages of accepting credit cards:

- **Improved cash flow.** You get paid in days – not weeks – when customers pay with plastic.
- **Potential for increased sales.** When customers can make a purchase instantly, they're more likely to follow through with the transaction. The easier you make it for customers to buy, the more likely they are to return for additional purchases.
- **Greater likelihood of moving big-ticket items.** Consumers know they can spread out payments over several months when they use a credit card.
- **Automatic currency conversion.** If you have customers in other countries, credit cards instantly convert the transaction from the foreign currency to U.S. dollars.

Contact us to learn more about how our payment processing solutions can boost your business' success. Cathay Bank offers a complete package of merchant services.

* Source: *CardWeb.com*.

Smart Tips: Take Steps to Prevent Card Fraud Online

You can help prevent fraudulent transactions and potential customer disputes. Simply make use of these tools in every card-not-present transaction.

Address Verification Service compares the address a customer provides when placing an order with the billing address on file with the card issuer. You will be notified during transaction processing whether there's a match and can choose to either deny or proceed with the transaction.

Card Verification Value 2 (CVV2) on Visa® cards and **Card Validation Code 2 (CVC 2)** on MasterCard® cards is a three-digit number on the card's signature panel that helps you verify that your customer has the card in hand at the time of the order.

Verified by Visa and MasterCard SecureCode® allow cardholders to register their cards and receive a password to use for online transactions.



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Maximize Your Business's Excess Cash

Your business can earn profits not only on sales, but on investing its cash. To maximize the earning power of your funds, consider these savings options in light of your cash flow needs.

Business Savings Account – With as low as \$500 minimum opening deposit, this basic account allows your excess cash to earn interest while giving you daily access to funds. Plus your balance benefits from FDIC insurance coverage.

Money Market Account – For larger balances, this option may provide higher yields without sacrificing

liquidity. The money market account offers tiered interest rates – the more you have on deposit, the higher the rate. And you can access funds by check on a limited basis. This account is also insured by the FDIC.

Consider tying a business savings account or money market account to your commercial checking account to provide overdraft protection as well.

Certificates of Deposit – Because these accounts lock in your funds and rate for a specific term, they are best used for cash reserves not immediately needed. You can

Learn More

To learn more about the savings options for your business, please contact your Cathay Bank Account Officer at **1-800-922-8429** or visit our website, www.cathaybank.com.



choose terms from as short as seven days. Your money still enjoys FDIC coverage in these accounts.



Is Your Business Eligible for SBA Loans?

The Small Business Administration (SBA) revised its size standards and expanded eligibility for SBA loans in 2012.* As a result more firms may now be eligible for SBA loan programs. SBA loans give borrowers who qualify a leg up with lower down payments and more favorable terms than conventional loans in general. SBA loans also make it possible to extend credit to startups or businesses in underserved communities that have limited access to credit.

The SBA does not make loans directly – your bank lends the money. SBA loans are issued with government guaranty that they will be repaid, so there is less risk to the lender. In turn, borrowers may have greater access to business loans with competitive interest rates, flexible terms and other benefits.

Cathay Bank is an SBA Preferred Lender, and our business bankers can help determine if you are eligible for the SBA-backed loan programs. Get in touch with us to explore different loan options.

Cathay Bank Is an SBA Preferred Lender

Cathay Bank is an SBA Preferred Lender (PLP Lender). Our Account Officers are experienced in SBA lending and can guide you through the application process. Call us at **1-800-922-8429** or visit www.cathaybank.com to learn more.



SBA 7(a) and 504 loan programs are the most popular SBA-backed loan programs. The program summary is listed below:

SBA 7(a) loan program is a government-guaranteed loan program to encourage lenders to extend business loans to qualifying small businesses that cannot obtain funds on reasonable terms through other conventional lending. The maximum SBA 7(a) loan amount is \$5,000,000.

SBA 504 loan program provides small businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings.

It is designed to create employment opportunities by enabling expanding businesses to reserve working capital for growth.

Below are the major SBA loan advantages:

- **Low down payment** (as low as 10%)**
- **Flexible requirement** on collateral
- **Longer terms** than most other conventional loans (up to 25 years)**

* Source: U.S. Small Business Administration press release, Feb. 10, 2012.

** Owner-occupied commercial real properties acquisition.

These "lucky dates" are provided for entertainment purposes only. The "lucky dates" were provided to us by a third-party source unrelated to Cathay Bank and derived mainly from the Bai He Ming Almanac, and other sources including the Internet and the Tung Shing. Cathay Bank does not endorse, sponsor or guarantee the use of this information, and makes no warranty or representation regarding the accuracy, reliability or results that may be obtained from the use of this information.

DAYS SUITABLE FOR...

Opening a Business:

October: 7, 8, 14, 26
 November: 1, 7, 16, 19,
 22, 25, 27
 December: 4, 8, 9, 21

Signing Contracts:

October: 7, 8, 26
 November: 1, 6, 16, 27
 December: 19, 20, 21

Travel:

October: 4, 5, 6, 7, 14, 16, 18,
 19, 23, 28, 30, 31
 November: 7, 13, 15, 16, 19, 22,
 25, 27, 29
 December: 4, 6, 8, 20, 21, 23,
 26, 27, 30

DAYS UNSUITABLE FOR...

Opening a Business:

October: 2, 3, 4, 15, 20, 21, 22,
 23, 27, 29
 November: 2, 3, 4, 5, 6, 9, 11, 21,
 24, 26, 29
 December: 2, 6, 11, 16, 17, 23, 26,
 28, 29, 30

Signing Contracts:

October: 21, 23
 November: 3, 9, 29
 December: 16

Travel:

October: 1, 8, 13, 20, 24, 29
 November: 8, 14, 17, 20, 26
 December: 17, 29

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Think Cathay Bank

9650 FLAIR DRIVE
 EL MONTE, CA 91731
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Receive up to \$200 credit

when you open a **Cathay Advanced Business Checking Account¹** or **Commercial Analysis Checking Account¹** and one or more of the following products or services:

- ▶ Cathay Business Online Banking²
- ▶ Business CD³
(minimum 1 year term & \$10,000 - \$99,999.99 opening deposit)
- ▶ Merchant Deposit Capture⁴

Checking account plus

Any 1 Receive \$25 credit⁵

Any 2 Receive \$100 credit⁵

All 3 Receive \$200 credit⁵



Your Business is Our Business.

Also ask us about these other great business offers!

- ▶ Merchant Bankcard Services - receive \$100 credit to your account⁶
- ▶ SBA 7(a) Loan - up to \$2500 packaging fee waived⁷
- ▶ Smart Capital Line - up to \$100 loan documentation fee waived⁸

Limited time offer⁹: October 1, 2014 - November 30, 2014

1.800.9CATHAY
 1.800.922.8429
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1. Offer valid for new money only. Account must be opened during the promotion period. Cannot be combined with any other offer. Advanced Business Checking: \$3,000 minimum opening deposit. \$15 monthly maintenance fee and monthly activity fees apply. Commercial Analysis Checking: \$200 minimum opening deposit. \$15 monthly maintenance fee and activity fees apply (may be offset by earnings credit). 2. Cathay Business Online Banking is available at no additional cost. 3. Offer valid for new money only. Opening deposit cannot be transferred from an existing Cathay Bank Account. Annual Percentage Yield (APY) of 0.50% for a 1-year CD with an opening balance of \$10,000 to \$99,999.99 is effective as of 9/8/2014 and is subject to change at our discretion. You must maintain a minimum balance of \$2,500 in the CD to earn this APY. No bonus rates are offered for this promotion. Penalty will or may be imposed for early withdrawal. Fees could reduce earnings on the account. 4. Subject to approval. Requires 2 years contract and activation of Cathay Business Online Banking. Please inquire for further details. 5. All accounts and services must be opened/applied for on the same day. Credit will be applied to your business checking account within 45 days after opening/activation of related service(s) for the account. Cannot combine with any other offer. 6. Cathay Merchant Bankcard Services are offered through First Data™ Card Processing Services. The funding account must be a Cathay Bank Business Checking Account. \$100 will be credited to the business checking account on approval and activation of the merchant bankcard service and after the account has been opened for minimum of 2 months. 7. Application must be submitted during the promotion period. Subject to credit approval and other terms as required under the Small Business Administration (SBA). Packaging fee waiver applies for SBA loan funded before 2/28/2015. 8. Application must be submitted during the promotion period. Loan documentation fee waiver applies for eligible loan that is funded before 1/15/2015. The Smart Capital Line requires opening of a Cathay Business Checking Account with setup of automatic repayment of any monthly minimum amount due on the line from the checking account. The minimum opening deposit for the Cathay Business Checking Account is \$200. Other activity fees associated with Cathay BusinessChecking Account may apply, please inquire for further details. 9. Cathay Bank reserves the right to withdraw these offers at any time.

