

CATHAY BUSINESS CONNECT

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EXECUTIVE'S CORNER

Celebrating 50 Years

Welcome to 2012! It's a special year for Cathay Bank as we are celebrating 50 years since opening our doors for business in 1962. We started as the first Chinese-American Bank in Southern California, but we've always had an open door for all. Today we extend from the West Coast to the Eastern Seaboard in the U.S. and have presences in Hong Kong, Shanghai and Taipei.

Do you have big plans for your business this year? Let Cathay Bank's business services help you reach your goals. We offer business credit cards and can help you manage your accounts more wisely (read more on pages 3 and 4). Remote Deposit Capture can help you save time and money, improve cash flow and be greener (learn more at right). Perhaps you're ready to expand your business overseas. Learn about the great resources available to help you on page 2.

Explore all of Cathay Bank's business services at www.cathaybank.com. Or stop by any branch location to speak with your Account Officer or Branch Manager. Our doors are open for you!

Peter Wu, Executive Vice
Chairman of the Board and
Chief Operating Officer



Remote Deposit Capture Streamlines Receivables

Your business can save time and money by using remote deposit capture. With this system, you can electronically deposit scanned checks through a secure Internet connection from the convenience of your office or shop. Scanned checks are processed as usual, and you receive a deposit receipt.

Taking advantage of remote deposit capture through Cathay Bank virtually eliminates the need to make deposits in person and can provide more efficient cash management for your business.

COUNT THE BENEFITS

Remote deposit capture can benefit your organization in many ways:

Reduce costs and save time.

Courier, transportation and insurance expenses decrease with reduced physical transportation of checks. You can also deposit when it's convenient for you.

Consolidate banking relationships.

If your organization has multiple locations – even if they're spread across the country – checks from each location can be scanned and sent to one account. You will no longer need multiple local banking relationships with the corresponding fees.

Improve cash flow. You can increase efficiency with faster deposits, quicker access to funds and faster collection of returned items. Extended cut-off times for electronic



deposits can also hasten collection and streamline cash flow.

Ensure security. A secure, encrypted connection provides privacy and accuracy along with an audit trail for tracking and recording. You may experience fewer data entry errors and lower risk of check fraud or loss. You can also assign varying access levels to users within your organization.

Work greener. Remote deposit capture eliminates greenhouse gases by decreasing trips to the bank and eliminating physical transportation of checks throughout processing.

WE WORK WITH YOU

Remote deposit capture through Cathay Bank is easy to implement and brings you convenience and savings. To learn more about how this service can work for you, call your Account Officer or Branch Manager for more information.



CATHAY BANK

OPPORTUNITIES MAY ABOUND ABROAD

Breaking into International Sales

As business in Latin America, Asia, the Mideast and Africa continues to expand, so do international sales opportunities for U.S. companies.

Just ask the leaders of Humane Manufacturing, a Wisconsin-based maker of recycled rubber mats and flooring. In less than five years, international sales at Humane quintupled and the company now has a new international sales division.

The key to Humane's international success? To enter into new markets overseas, it relied heavily on the experience, connections and counsel of state and federal agencies specializing in international trade.

You can do so as well, and best of all – these services are free!

FED HELP FOR EXPORTING

The U.S. Commercial Service, a trade promotion division of the U.S. Department of Commerce's International Trade Administration, helps domestic companies get started in exporting or increasing sales in new global markets. With trade professionals located in more than 100 U.S. cities and 75 countries, this division is a veritable international bazaar of market research, trade events, counseling, advocacy and business matchmaking.

Specifically, the U.S. Commercial Service helps companies with:

- **International sales and marketing** – including market research, advertising, promotion, market entry and expansion.
- **International finance** – assist not only with capital needs, but also insurance and grants.
- **International logistics** – help with freight forwarding, tariffs, import fees and export documents.
- **Licenses and regulations** – information on foreign standards, legal considerations and economic sanctions.



- **Trade data and analysis** – industry-specific trade data and analysis, using the agency's proprietary TradeStats Express.
- **Trade problems** – ranging from trade barriers and intellectual property infringement to customs issues and free trade agreements.

The U.S. Commercial Service also operates www.buyusa.gov, a promotional and matchmaking agency for U.S. companies connected to more than 20,000 international buyers.

SEEK STATE ASSISTANCE

Recognizing the positive economic impact of international trade, states in the U.S. also help local companies enhance their international sales opportunities. The types of services states provide range from research- and information-oriented (market analysis, service provider referrals, etc.) to those which are people-oriented, connecting buyers with sellers.

Many states conduct annual overseas trade missions, inviting local company representatives to meet with foreign buyers and government officials. States also host buyers' missions, bringing foreign buyers to meet with local companies.

To learn more about international trade assistance in your area, contact your state's commerce department.

COMMERCIAL LETTERS OF CREDIT

For international trade, a commercial letter of credit is the primary means of payment. Essentially, the letter is a contract between an importer and exporter and their respective financial institutions, ensuring timely and accurate payment for the proper delivery of goods or services. Cathay Bank can help you obtain the proper letters of credit needed to successfully operate your international business.

Should Your Business Charge It?

Congratulations. Your company just signed a deal with an important new customer. Work must begin immediately, and you need to buy a considerable amount of materials to get started. But what if your cash flow is tight right now, and your lending partner is not lending? Could the solution be to just “charge it”?

Business credit cards function as a working capital line of credit. They are meant for short-term purchases and financing. The Federal Reserve reports that the number of businesses – now more than 80% – using credit cards to provide working capital is growing significantly.

Unlike traditional lines of business credit where you must pay the balance to zero per specified terms, a credit card lets you draw from the line and pay it back when it best suits you – as long as you stay within your credit limit.

Here’s a look at the pros and cons of using business credit cards for working capital.

THE PROS

Fast and easy. Qualifying for a traditional line of credit may take months. Your business may be approved for a credit card in a matter of minutes.

No collateral needed. Because most business credit cards are unsecured, your business’s financial assets aren’t used as collateral – and aren’t on the line.

Sharing the wealth. You can issue credit cards in your business name to your employees to enable them to make business-related purchases. You establish what can be purchased and the spending limits.

Quick buys. Business credit cards give you the flexibility to make quick buying decisions, purchase online or pay for routine costs of doing business (like your phone bill) that are no-nos with traditional credit lines.



Purchasing Power at Your Fingertips

If you use business credit cards for short-term working cash and don’t run large balances month to month, they may prove to be a useful tool for providing your business’s working capital. Enjoy competitive rates with security, reliability and convenience. Contact your Account Officer or Branch Manager today to apply for a Cathay Bank business or corporate credit card.



Higher limits. Business credit cards may have higher credit limits than consumer cards. This limit leeway comes in handy if you’re purchasing capital equipment that has a hefty price tag.

CONS

Interest inches up. Business credit cards carry a higher interest rate than traditional lines of credit. However, if you use your credit card for short-term working capital, you may be able to better manage the level of your interest accrual.

Perils of misuse. Any type of credit card, business or consumer, can become a problem if you don’t use it responsibly.

The fine print. The issuer has the right to, without notice, change rates, or impose unrestricted penalties or terms.

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DAYS SUITABLE FOR...

Opening a Business:

February: 8, 9, 12, 27
 March: 4, 7, 9, 15, 21, 26, 27, 31
 April: 2, 5, 15, 23, 27

Signing Contracts:

February: 8, 9, 11, 12, 23
 March: 4, 7, 9, 11, 26, 27, 31
 April: 2, 11, 12, 17, 24, 27

Travel:

February: 3, 6, 9, 12, 16, 18, 20, 25, 27
 March: 4, 7, 14, 15, 17, 19, 23, 26, 31
 April: 6, 11, 12, 13, 23, 25, 27

DAYS UNSUITABLE FOR...

Opening a Business:

February: 2, 3, 4, 5, 13, 15, 16, 28
 March: 1, 3, 6, 12, 16, 17, 20, 29
 April: 3, 6, 9, 12, 14, 18, 24

Signing Contracts:

February: 3, 5, 13, 15
 March: 20
 April: 3, 9, 18

Travel:

February: 2, 5, 10, 11, 14, 15, 21
 March: 9, 20, 21, 30
 April: 2, 9, 14, 17, 26

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Increase Sales by Accepting Credit Cards

An average American carries five or six credit cards.* So it stands to reason that your customers want to be able to use their credit card 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 the next day – not weeks – when customers pay with credit cards.
- **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.

* Source: CardWeb.com.®

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