



Protecting Your Business Finances

It's exciting when new technology helps your business function more smoothly or cost-efficiently. But it's important to always stay observant when technology is combined with personal or financial information. This issue of *Cathay Business Connect* provides ways to protect your information while using new technology.

We begin by looking at Automated Clearing House (ACH) fraud. Electronic fund transfers are important to many businesses, so read ways to stay on guard to protect your funds.

On page 2, we provide information on lockbox services, which can help your business save time and money and benefit from improved cash flow.

Even in the age of technology, your business may still receive stacks of paper mail. See page 3 to take a look at the benefits of eStatements. Signing up for eStatements can help reduce mail and better protect sensitive financial information.

A look at secure services continues on page 3. Learn about Positive Pay, which can minimize the financial and legal impact check fraud could have on your business.

Cathay Bank takes security seriously and is privileged to help protect your business finances. Contact an Account Officer today to learn more about smart and safe banking services at Cathay Bank.

Mr. Irwin Wong
Senior Executive Vice President,
Chief Operating Officer

Protect Your Business from ACH Fraud

The Automated Clearing House (ACH) network brings your business such labor- and time-saving services as automatic bill pay, direct payroll deposit and cash transfers. But with the convenience of electronic fund transfers (EFT) comes the need for vigilance. Criminals are also taking advantage of the ease of moving money electronically, and fraudsters continue to devise new ways to access business accounts and fraudulently siphon funds.

PHISHING, PHARMING AND SOCIAL ENGINEERING

Most ACH fraud occurs when thieves transfer money out of your account through the unauthorized use of sensitive information such as your business account numbers, passwords and bank routing numbers. Thieves gain access to this data through:

- **Phishing schemes.** Scammers send an email appearing to come from a legitimate business contact that lures you into revealing sensitive information.
- **Pharming tactics.** You are redirected to a fake website nearly identical to the site you were trying to access. The sham site asks you to enter sensitive information which the scammers then use to steal from you.
- **Social engineering.** Through phone calls or personal visits, scammers manipulate you into divulging confidential information.

DON'T BE PHOOLED

The ploys scammers use vary, but most have a common goal: manipulating the victim into providing access to the data needed to fraudulently transfer funds. To avoid being the unwitting victim of ACH fraud:

- **Stay current.** Make sure your operating system and anti-virus, anti-malware and anti-botware programs are up-to-date.
- **Use layers of security.** Firewalls, encryption and security suites create multiple barriers to criminal access.

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- **Designate one computer for online banking and money management.** Restrict access to this computer and make sure it is not connected to the business network or used for browsing the internet or emailing. Never conduct online banking from free Wi-Fi areas.
- **Make sure you are on a legitimate and secure website** before beginning any online banking or money management by looking for “https” (not “http”) in the browser.
- **Educate yourself and employees.** NACHA – The Electronic Payments Association (www.nacha.org) offers sample scam emails and recommendations for best practices so you can defend your business.
- **Work together with us.** For fraud protection, we offer ACH blocks/filters so you can designate which businesses are legitimate trading partners, receive alerts when an ACH debit occurs and monitor your accounts for ACH fraud.

If you think your account has been compromised, contact us immediately.

Improve Your Cash Flow with Lockbox Services

Do you need a quicker, more efficient way of making deposits and faster access to your cash? Lockbox services can save you time and money and help your bottom line by improving cash flow.

WHY YOU NEED LOCKBOX SERVICES

Although paper check usage is declining, it still represents a significant source of business-to-business (B2B) payments. According to the Association for Financial Professionals:*

- The majority – 51 percent – of all B2B payments are made by check.
- The typical organization receives 44 percent of its B2B payments by check.
- Checks are used in 39 percent of payments from major customers.

It’s not unusual for an organization to have well-paid professionals spending time ripping open envelopes, posting against receivables, filling out deposit slips and driving to the bank to make deposits. To save trips, businesses may hold checks for several days – time that money could be working for them rather than sitting idle.

HOW LOCKBOX WORKS

With lockbox services, receivables are sent to a centralized Cathay Bank post office box rather than to your physical location.

- Cathay Bank does the front-end processing, expedites the payments and deposits the money directly into your account.



- In most cases, the deposit is made on the same day the check is received.
- Cathay Bank provides reports that make it easy for you to post your receivables and monitor customer payment schedules.

As a result, you benefit from improved cash flow and greater efficiency. Lockbox services can free up your existing staff for other projects or even help you avoid the need to add staff for check processing.

LEARN MORE

Your Cathay Bank Cash Management Sales Officer can show you how lockbox and other services, such as remote deposit capture, can expedite processing of your receivables and streamline your cash flow. Contact us today.



* Source: “2016 AFP Electronic Payments Report of Survey Results,” March 6, 2017, www.afponline.org.

TOO MUCH MAIL?

Time to Turn Off Paper Statements

If you receive paper statements for all of your financial accounts, the paper trail can pile up quickly. Making the switch to eStatements can help you get organized and keep your financial information safe.

Here's how it works: You'll get an email stating that your e-statement is ready to view through our online banking portal. Your eStatement includes the same information as your paper statement, and you can view 18 months of past statements online or download them to your computer.

Here are five good reasons to switch to eStatements:

- 1. Check your accounts at a glance.** You can keep a closer eye on your account balances and transactions. Simply log in and view your eStatements in just a few clicks. Also sign up for financial alerts from Cathay Bank via mobile, text message or email.
- 2. Reduce clutter.** With electronic storage of statements, your statement history is archived securely online. You can view your statement history online without digging through a pile of papers.
- 3. Monitor for fraudulent activity.** Check your eStatements right away instead of waiting for paper statements in the mail. With less lag time in reviewing statements, you monitor your accounts and identify fraudulent activity more quickly.
- 4. Protect your information.** When you turn off paper statements, there's no risk of your financial information getting lost or stolen through the



mail. Cathay Bank has online security features, including multifactor authentication, to protect your information online.

- 5. Go green for the environment.** Choosing eStatements conserves paper, trees and the fuel that would've been used to deliver a paper statement.

MAKE THE SWITCH

Streamline your finances and help the planet, too! Select eStatements when you log in to online banking at www.cathaybank.com, or call us at **800-922-8429** for assistance.



Protect Your Business with Positive Pay

If check fraud is negatively impacting your bottom line, you're not alone. Check fraud continues to be the No. 1 type of payments fraud, with losses in the millions of dollars.

In a recent survey, companies reported an increase in check fraud.* In 2016, 75 percent of those surveyed that were victims of payment fraud attempts/attacks experienced check fraud – up from 71 percent in 2015. To minimize the financial and legal impact of check fraud on your business, consider adding another level of security using Positive Pay.

* Source: Association for Financial Professionals.

HOW IT WORKS

You send us a list of checks your company issues each day. Checks requested for payment are verified against the list – we'll only pay checks that are listed. We'll also notify you of any unauthorized checks, including stale checks and checks that appear to be forged or altered in any way.

Cathay Bank takes check fraud seriously. Contact a Cathay Bank Account Officer to learn more about Positive Pay and our suite of services.



CATHAY BANK

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Secure and Streamlined

Your finances are of utmost importance, and that's why Cathay Bank is here to help you keep them secure. See inside for tips to protect against fraud and Cathay Bank services that provide security as well as convenience.

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CATHAY BUSINESS CONNECT FALL 2017



WHAT YOU'LL FIND INSIDE:

- Protect Your Business from ACH Fraud
- Improve Your Cash Flow with Lockbox Services
- Time to Turn Off Paper Statements
- Protect Your Business with Positive Pay

LUCKY DATES

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.

OPENING A BUSINESS	Days Suitable for ...	Days Unsuitable for ...
October	2, 3, 5, 22, 26, 27, 28, 31	11, 17, 18, 19, 21, 23, 24, 29
November	9	8, 13, 16, 20, 21, 22, 25, 28
December	16, 29	7, 10, 12, 13, 19, 24, 25
SIGNING CONTRACTS	Days Suitable for ...	Days Unsuitable for ...
October	1, 10, 21, 26, 28, 31	18
November	12, 23, 28	13
December	5, 16, 22, 29	N/A
TRAVEL	Days Suitable for ...	Days Unsuitable for ...
October	1, 2, 10, 12, 13, 14, 15, 19, 22, 24, 27	7, 8, 20, 28
November	3, 8, 9, 13, 18, 20, 21, 24, 30	1, 2, 10
December	3, 10, 11, 14, 15, 16, 19, 27	9, 13, 20, 21