

CATHAY UNITED BANK SAVES 50% OF SERVICE DEVELOPMENT TIME WITH RED HAT



Cathay United Bank, one of Taiwan's largest banks, sought to keep pace with fintech and other new market competition by transforming its operations and services to become more customer-oriented. Working with Red Hat Consulting, the bank built a new framework to support faster development, testing, and time to market, enhancing its productivity and customer satisfaction.

SOFTWARE

Red Hat® OpenShift®
Container Platform

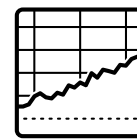
Red Hat Fuse

Red Hat JBoss® Enterprise
Application Platform

Red Hat Enterprise Linux®

Red Hat Satellite

Red Hat Consulting



FINANCIAL SERVICES

10,000 EMPLOYEES
164 BRANCHES

"Flexibility and speed are crucial factors in timely delivery of financial services to our customers. These significant outcomes of our digital transformation initiative were made possible by the framework we've built with Red Hat solutions."



CHRIS WANG
DEPUTY GENERAL MANAGER
INFORMATION MANAGEMENT
OFFICE, CATHAY UNITED BANK

BENEFITS

- Reduced product development and testing time by 50-60%
- Gained stronger competitive edge with digital, customer-centric services
- Established roadmap for maintenance and future projects



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“Founded on the innovation and flexibility of open source code, Red Hat products support fast-paced processes and have been instrumental to our transformation strategy.”

RAYMOND CHANG
CHIEF ENTERPRISE ARCHITECT,
INFORMATION STRATEGY
DEVELOPMENT DEPARTMENT,
INFORMATION MANAGEMENT OFFICE,
CATHAY UNITED BANK

TRADITIONAL BANK FACES FINTECH COMPETITION

Traditional banks are facing increasingly fierce market competition from fintech startups, who bring rapid time to market and greater agility to the industry.

Cathay United Bank is one of the largest traditional banks and credit card issuers in Taiwan. Like other traditional banks, it has complex business attributes and numerous sales channels.

“Bank information systems are traditionally highly complex with rather weak links among the various systems. Existing tools create connections that are not completely seamless, as logic is scattered across various systems,” said Chris Wang, deputy general manager, Information Management Office, at Cathay United Bank.

Launching new products and services using its existing, traditional information framework models took months, with different channels requiring different codes and logic. As a result, release frequency lagged behind new fintech competition.

In 2012, Cathay United Bank began an organizational transformation initiative, New Heights 2020, to reform its front- and back-end operations to shift from a product-centric to a customer-centric approach.

“Our strategy aims to consolidate all the bank’s services using standardized logic and implementation methods across platforms, creating a flexible information system framework,” said Chris.

INTEGRATED SOLUTIONS SUPPORT NEW OPERATIONS FRAMEWORK

After assessing and testing different types of frameworks and related technology, Cathay United Bank decided to work with Red Hat, an enterprise open source leader, to take advantage of stable yet innovative solutions that align with the bank’s requirements and transformation strategy.

To support an integrated, flexible IT framework, Cathay United Bank deployed several Red Hat platform solutions, including Red Hat Enterprise Linux, Red Hat JBoss Enterprise Application Platform (EAP), and Red Hat OpenShift Container Platform. Red Hat Fuse provides key integration capabilities to seamlessly unite these platforms, while Red Hat Satellite provides highly effective management functions to support the new operations framework.

“Founded on the innovation and flexibility of open source code, Red Hat products support fast-paced processes and have been instrumental to our transformation strategy,” said Raymond Chang, chief enterprise architect of the information strategy development department, Information Management Office, at Cathay United Bank.

The bank worked with Red Hat Consulting to ensure a smooth implementation process guided by technology experts. With their support, Cathay United Bank completed its platform-building project in less than a year. The bank has now built 36 microservices into the framework, with another 20 microservices in development and testing within its OpenShift environment.

DEVELOPMENT IMPROVEMENTS CREATE STRONGER COMPETITIVE EDGE

REDUCED PRODUCT DEVELOPMENT AND TESTING TIME BY 50-60%

Previously, Cathay United Bank's large servers and systems required developers to use complex logic to perform write, debugging, testing, and other processes. With its new operations platform based on OpenShift Container Platform, JBoss EAP, and Fuse, Cathay United Bank has greatly streamlined interactions between these large servers, speeding programming and other workloads.

With reusable programs eliminate rewriting work, the bank has reduced infrastructure costs by 50% and reduced development time by 50-60%—a key factor in improving time to market for new, customer-facing services. For example, development time for various microservices—including development, testing, verification, and launch—has been drastically reduced from six weeks each to less than two weeks each.

"In the past, we would create the same code eight times, once for each of our main bank channels. Now, with OpenShift and our other Red Hat software, we can create one program which can be applied across all of those channels," said Raymond.



IMPROVED COMPETITIVE EDGE WITH NEW SERVICES

As banking products are launched more and more quickly on digital channels, traditional banks must adapt their service delivery to keep pace with fintechs and other industry shifts.

With an agile, flexible foundation provided by Red Hat OpenShift Container Platform, Red Hat JBoss EAP, and Red Hat Fuse, Cathay United Bank has launched several new, modern services that help it differentiate in the financial services market.

Another example is the bank's new real-time data monitoring (RTDM) system, which offers innovative capabilities such as real-time temporary credit card limit adjustments. If a customer exceeds their credit limit when using their card, the system sends a notification, then instantly increases their credit limit to accommodate the purchase—within seconds. The bank's RTDM system supports 5-6 million transactions per week.

With these innovative, responsive services, the bank can provide more personalized digital experiences to improve its customer satisfaction and market position.

CUSTOMER CASE STUDY Cathay United Bank saves 50% of service development time with Red Hat**GAINED EXPERT INSIGHT FOR ROADMAP PLANNING**

Prior to adopting a new technology, Cathay United Bank evaluates its scalability and predicts its technical development path for the next 3-5 years. Working closely with Red Hat Consulting during and after its implementation of Red Hat solutions has helped the bank gain recommendations for ongoing maintenance and operations, as well as insight for creating a roadmap that aligns with industry and technology shifts.

"Red Hat Consulting provided exemplary service that put us at ease and built our confidence in our new technology and platform," said Louisz Cheng, enterprise architect manager at Cathay United Bank.

NEW STRENGTHS TURN TRADITIONAL BANKING CHALLENGES INTO OPPORTUNITIES

After its initial success with its integrated operations platform, Cathay United Bank has transformed the strengths of traditional banking into competitive differentiation.

The bank plans to continue implementing key transformational initiatives by moving the bank's core logic from its back-end system to the new platform, establishing standardized access method across all channels, and digitizing its omnichannel experience. As part of these efforts, the bank expects to introduce a new teller system, investment platform, and customer relationship management (CRM) system, as well as smart and flexible consumer finance forms.

With support from Red Hat technology and expert consultants, Cathay United Bank is set to continue its successful digital transformation journey.

"Flexibility and speed are crucial factors in timely delivery of financial services to our customers. These significant outcomes of our digital transformation initiative were made possible by the framework we've built with Red Hat solutions," said Chris.

ABOUT CATHAY UNITED BANK

Cathay United Bank was established in 1975 and currently has the largest number of branches in Taiwan, with a capital amount of \$NT 91.2 billion. It is a market leader in the delivery of securities services, credit cards, and wealth management.

www.cathaybk.com.tw

ABOUT RED HAT

Red Hat is the world's leading provider of open source software solutions, using a community-powered approach to reliable and high-performing cloud, Linux, middleware, storage, and virtualization technologies. Red Hat also offers award-winning support, training, and consulting services. As a connective hub in a global network of enterprises, partners, and open source communities, Red Hat helps create relevant, innovative technologies that liberate resources for growth and prepare customers for the future of IT.



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