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Press Release

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The International Excellence in Retail Financial Services Awards 2011

United Overseas Bank (UOB) Wins Two Awards—Best Retail Bank in Singapore and Best SME Banking Business

- *UOB is the sole winner for two awards—Best Retail Bank in Singapore and Best SME Banking Business.*
- *UOB has taken over the lead in retail banking in Singapore, building on solid growth in retail deposits, revenues and profits while building on a strong SME business and a rapidly growing affluent segment.*
- *Over 170 banks and financial institutions from 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa were evaluated as part of the International Excellence in Retail Financial Services programme.*

Singapore, March 11th 2011—UOB has been named the Best Retail Bank in Singapore and was also awarded the Best SME Banking Business by the 10th International Excellence in Retail Financial Services Awards Programme. The bank received the awards at The International Excellence in Retail Financial Services 2011 Awards ceremony, held in conjunction with the region's most prestigious retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Shangri La Hotel in Kuala Lumpur on March 11th 2011.

About 150 senior bankers from award-winning banks in 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa attended the glittering event that recognises their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three-month evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various retail banks in the region is attached.

UOB is the sole winner for two awards—Best Retail Bank in Singapore and Best SME Banking Business

The bank demonstrated solid and sustainable growth in terms of revenues and profits, building on a well-diversified portfolio, with notable strength in the SME, payments, and lately, wealth management sectors.

The bank has reorganised its customer segmentation into a new framework, creating competition among individual segments in the retail bank. Every segment now seeks to serve

the specific needs of their customers in a better, more targeted way. This reflects in a stronger value proposition for each segment, which together offer everything from customer advisory for first home buyers to sophisticated services for high net worth clients—including concierge services, offshore services and privilege cards. The bank has also positioned itself as an open and easy-to-deal-with bank for Singapore’s fast-growing foreign population, in particular the mainland Chinese.

UOB has a reputation for silent innovation, which although not widely publicised, has kept pace with Singapore’s development, pushed by the strong presence of international players in a very competitive market. Improved predictive behavioural analytics helped to target marketing efforts and develop customised solutions, improve response rates and cost efficiency.

Chris Kapfer, head of Asian Banker Research, says: “When Singapore banks were struggling with top line growth, UOB focused on a diversified product offering, strength in the SME market and merchant acquisition, and were able to maintain its momentum and outgrow its peers.”

Also on the operational side, UOB has started a number of initiatives to improve efficiency in terms of operational cost. Enhanced roles of frontline personnel and faster turn-around times for loan products have helped to close the gap with its competitors

UOB has taken over the lead in retail banking in Singapore, building on solid growth in retail deposits, revenues and profits while building on a strong SME business and a rapidly growing affluent segment.

In 2010, UOB embarked on a significant transformation process in its SME banking business. To cater to the needs of its clients, its hybrid operating model aimed to combine the “Best of Two Worlds”—efficiency in retail and depth of wholesale banking.

With its 67 branches and four SME centres, its depth and breadth of penetration, sector coverage and unique client approach, it has made the most significant advances in SME banking in the region. While others have fluctuated in their industry focus or revenue generation, UOB has been increasing its top line growth steadily, growing by over 10% year-on-year in outstanding loans and extending its market share beyond 30% in the Singapore market in terms of loan value in 2010.

Chris Kapfer, head of Asian Banker Research, says: “UOB is one of the very few domestic institutions in Asia that is visibly moving away from pure lending to comprehensive account management, and building a regional platform that can view many markets as one.”

By institutionalising its credit underwriting with a proprietary smart system, it combined a configurable rule engine and advisory function with multiple decision parameters that allows UOB the flexibility to offer customised solutions for its clients. It also streamlined its review processes, reducing the amount of account reviews to 15% of the portfolio while capturing 90% of all non-performing loans.

By freeing up time for its personnel, it was also the first in the industry in Singapore to certify its relationship managers and sales managers for the sale of investment products. Moreover, a

clear segregation of risk and sales with regard to people and processes allowed robust control of risk management.

Over 170 banks in 29 countries across Asia, and this year for the first time Africa, were evaluated as part of The International Excellence in Retail Financial Services Programme.

“This year over 170 banks and financial institutions in 29 countries across Asia were evaluated as part of The Excellence in Retail Financial Services Programme in what has become the most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions anywhere in the world today” said Philippe Paillart, chairman of The International Excellence in Retail Financial Services Programme. He added: “It is amazing to see the rapid development of the retail financial services industry every year, and to experience the narrowing gap between mature and emerging market banks in terms of operational efficiency and technology.”

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks’ retail banking businesses that involve extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Paillart, formerly vice chairman and CEO of DBS Bank and a pioneer in the retail banking industry in the Asia Pacific region, elaborated: “The Asian Banker Excellence Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time. To stay abreast of the rapidly growing geographic scope of the programme, The Asian Banker has renamed the awards ‘The International Retail Financial Services Awards’ in 2011.”

About The Asian Banker

The Asian Banker is the region’s most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company’s website is www.theasianbanker.com

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