



Media Release

Mixed scorecard for Singapore's banks in corporate banking

(30 November 2004 – Singapore) Strategies employed by Singapore's three leading banks are producing varying levels of success among Asia's major corporate customers, a new report by banking research firm East & Partners has found.

East's six-monthly Asian Corporate Transaction Banking Markets report shows that OCBC's market share of primary corporate relationships is dropping dramatically –down to 6.3 percent of the total market compared with 7.8 percent a year earlier.

UOB's market share has fluctuated over the past 12 months, up slightly on the year at 8.5 percent from 8.4 percent in November 2003, but down on the previous half-yearly report in May 2004 when the bank had 8.7 percent of primary transaction banking relationships.

The best performing Singaporean bank in the corporate market is DBS which has steadily built its market share to nine percent of primary relationships in this latest report from 8.4 percent 12 months earlier.

Of the three banks, only DBS has also improved its share of secondary transaction banking relationships. Both OCBC and UOB have experienced attrition in their secondary transaction relationships with corporate customers since the previous release of this report in May.

The analysis shows that international banks HSBC, Standard Chartered and Citigroup continue to dominate Asia's corporate banking markets with the three banks collectively owning almost 49.3 percent of primary transaction banking relationships across the region, up from 48.6 percent six months earlier.

The research program is based on regular interviewing programs with CFOs and Treasurers from the 1,000 largest corporates across the region – Hong Kong, Singapore, China, India, Indonesia, Malaysia, Philippines, South Korea, Taiwan and Thailand – about their banking relationships.

“The local Singaporean banks are having mixed success providing transaction banking products and services to the major corporates in the region and international banks are increasingly occupying this space,” East & Partners principal analyst Paul Dowling said.

“Singapore's banks appear to have differing views as to how much they wish to engage with these large corporate customers, given the regional service platform the top end of the corporate market is now demanding.

“OCBC’s share of the top end of the market has receded, in part because they’re shifting their focus to middle market and SME customers, which is a more natural habitat for one-two country banks,” Mr Dowling said.

“UOB and DBS are looking to become strong players regionally as well as domestically, partly by taking equity stakes in local banks around the region,” he said.

“Demonstrable capability across all the service variables, especially Relationship Management, has become mandatory in building profitable business for banks with larger corporates. Every one of these factors has become more important in the eyes of corporate CFOs and Treasurer; this is proving to be the case in each of the ten countries this research program covers,” Mr Dowling said.

Principle Transaction Banker to Asia’s Top 1000 Corporates

	% of Primary Relationships		
	November 2004	May 2004	November 2003
DBS	9.0	8.9	8.4
UOB	8.5	8.7	8.4
OCBC	6.3	7.1	7.8

East & Partners Asian Corporate Transaction Banking Service

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