



Media Release

DBS outstrips local rivals in banking to large corporates, report finds

(20 June 2005 – Singapore) DBS is edging further ahead of its local rivals UOB and OCBC in providing transaction banking services to large corporates* in the region, banking research firm East & Partners has found.

East & Partners' latest six-monthly Asian Transaction Banking Report shows DBS has increased its market share of primary transaction banking relationships over the past six months while fellow Singaporean banks UOB and OCBC have recorded notable market share losses since the previous report.

The research program, which examines the banking experiences of Asia's Top 1000 corporates (excluding Japan), reveals DBS has grown its share of primary transaction banking relationships to 9.2 percent, up from 9.0 percent six months earlier.

UOB's share of primary transaction relationships has dropped to 7.7 percent from 8.5 percent in the previous report; OCBC has shed even more primary relationships with large corporates, dipping to 5.3 percent from 6.3 percent just six months earlier.

Foreign banks HSBC, Standard Chartered and Citigroup continue to own the lion's share of relationships with major corporates across Asia, having slightly more than 50 percent of the overall market. Standard Chartered remains the leading transaction services provider across the region.

East & Partners' report finds that in terms of overall customer satisfaction as experienced by large corporates, the big improvers over the past six months are Bank of America, followed by DBS, Standard Chartered and JPMorgan.

UOB is the only bank whose overall customer satisfaction rating has deteriorated, while Citigroup, Bank of China and Hang Seng registered only minimal improvement.

"Deteriorating customer satisfaction inevitably results in losing customers, particularly large sophisticated ones with high expectations of their service providers, therefore UOB and OCBC really need to lift their game from a customer service perspective if they want to successfully compete in this market," East & Partners principal analyst Paul Dowling said.

"Which bank a company borrows from no longer determines who it views as its primary banker, these days the key banking relationship is centred upon transaction banking," he said.

“As a result of the emphasis on transaction banking that has occurred over the past 18 months in these Asian markets, it’s vital that service providers get the basics right; transaction processing and account settlement performance need to be quick, accurate and reliable but it’s these areas where UOB and OCBC appear to be slipping up,” Mr Dowling said.

“By contrast, DBS seems to be getting its service delivery right with across the board improvements in customer satisfaction, in some cases outperforming several of the foreign banks,” he said.

“Another key finding from the report is that customers in the region are increasingly looking for better understanding of both their business and the industry they operate in. Banks have to demonstrate a greater advisory and partnership capacity than ever before,” he said.

“Coming to a corporate CFO’s table with product offering is no longer good enough because product has become increasingly commoditised. What gets banks over the line these days are top quality service and relationship propositions,” Mr Dowling said.

Current Ranking		Improvement in Overall Service Satisfaction Performance (%)
1	Standard Chartered	3.1
2	JPMorgan	3.1
3	Deutsche	2.2
4	Citigroup	0.6
5	Bank of America	4.3
6	HSBC	2.5
7	DBS	3.9
8	OCBC	1.8
9	UOB	(0.9)
10	Hang Seng	0.8
11	Bank of China	0.0

Source: East & Partners Asian Transaction Banking Program – May 2005

Total Market Product Importance and Satisfaction Ratings – May 2005

Average Rating Reported

1 — 2 — 3 — 4 — 5
 (high) (low)
 (satisfied) (dissatisfied)

	Importance		Satisfaction		
	Overall Rating	Overall Satisfaction	Product Performance	Customer Support	Value for Money
Account and Transaction Facilities	1.06	1.90	1.84	1.98	1.88
Liquidity Management	1.07	2.41	2.54	2.00	2.29
Integrated e-Banking Service	1.61	2.32	2.41	2.16	2.38
Internet Banking Service	1.12	2.25	2.43	2.23	2.10
Receivables	1.29	2.22	2.29	2.13	2.25
Payables	1.33	1.89	1.96	1.80	1.92
Trade Finance	1.51	1.97	2.00	1.91	1.99
Money Market	1.27	2.32	2.30	2.16	2.32
Short Term Debt	1.11	2.36	2.36	2.23	2.49

Source: East & Partners Asian Transaction Banking Program – May 2005

* Large corporates are defined in this continuous six monthly market study as the top 100 enterprises based on annual revenues in each of eleven countries in Asia.

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