
NEWS RELEASE

CREDIT CARD NEWCOMER UOB CELEBRATES IMPRESSIVE FIRST QUARTER IN HONG KONG

Outperforms Industry Benchmark by 45%

Hong Kong, 4 June, 2002 - Singapore's largest card issuer United Overseas Bank ("UOB"), has achieved a new milestone in Hong Kong's credit card market, by outperforming the industry benchmark of spending per card by an impressive 45 percent. This comes despite a stringent credit policy and only three months after the UOB Card was first launched in Hong Kong.

"UOB Card has performed well above expectations. The result shows that UOB has carved a niche for itself in Hong Kong's saturated credit card market to attract a large pool of high spenders in the territory. Our success in the credit card business will propel us to expand into other areas of personal financial services, in line with UOB's long term commitment in the territory," said UOB's Head of Credit Card Centre Hong Kong, Lawrence Tsong, at a meet-the-press session.

Currently, the typical profile of the UOB cardmember stands as such: successful, young professionals, holding stable careers with the same employer for three or more years, at managerial level or above. Of this member base, around 50 percent falls in the income bracket of over HK\$500,000 per annum.

These results prove that UOB's marketing strategy of customer segmentation is on the right track. This strategy follows the Bank's mission, which is to constantly enhance its leadership in consumer banking and to always be "united behind" its customers.

In February this year, UOB launched the UOB OCG Golf VISA, its first co-branded credit card in Hong Kong with Oriental City Group and OGC Golf City, to cater to the growing market of avid and aspiring golfers. This was followed by the launch of the UOB Card in April. Both cards target successful, ambitious, professionals, who seek a high quality lifestyle outside of work.

UOB Cards' true differentiation however, lies in its offer of true value and individual empowerment in managing one's finances. For example, UOB Cards offer direct, monthly cash rebates of up to 1 percent to cardmembers who are 'transactors'. Those who need to ease their financial burdens on the other hand can opt for the low interest rate plan and make balance transfers at 1.9 percent for the first three months.

Currently, UOB Cards are the first in Greater China to make use of a unique translucent card technology. By owning the translucent credit card space, this further reflects a point of brand differentiation.

"We've tested this strategy and it has proven to work brilliantly," added Tsong. "Going forward, we will continue to take this route to achieve greater milestones for UOB Cards in Hong Kong, and ultimately to pave the way for UOB's launch in Mainland China."

The second in the series of UOB Card television commercials was also unveiled at the event today. Set in a coffee shop scene, the campaign will ride on the current coffee craze in the territory to promote the coffee culture as a lifestyle element.

A series of promotional programmes will also be deployed in the next quarter. These programmes will be driven by UOB's strategic partnerships with exclusive merchants, and will provide top quality benefits to cardmembers.

About United Overseas Bank

Founded in 1935, the United Overseas Bank (UOB) has charted steady growth over the years to establish itself as a leading bank in Singapore. Today, UOB is the largest credit card issuer in Singapore with a card base that exceeds 740,000. It is also the market leader in loans to small and medium-sized enterprises and a recognised leader in the personal loans business.

With its acquisition of Singapore-incorporated Overseas Union Bank Limited in 2001, the combined Group has a total customer deposit base of more than S\$70 billion (approximately HK\$312 billion) and a total asset base of over S\$113 billion (approximately HK\$503 billion).

UOB provides a wide range of financial services through its network of 84 bank branches in Singapore and 185 offices in 17 other countries in the Asia-Pacific, Western Europe and North America. UOB is rated among the world's top banks by Moody's Investors Service, receiving B+ for Bank Financial Strength, and Aa2 and Prime-1 for long-term and short-term deposits respectively.

In Hong Kong, UOB has four branches across the territory with a staff strength of more than 200. UOB opened its first overseas branch in Hong Kong in 1965 with a business focus on trade financing and corporate banking. Its range of activities in the territory has since expanded to include personal and corporate financial services.

About UOB Credit Card Centre

UOB is focused on enhancing its leadership in the consumer market. Today, UOB is the largest credit card-issuing bank in Singapore with a market share of more than 30 percent. In addition, UOB has the largest base of merchants in Singapore, both for consumer and commercial credit card acceptance. UOB has also expanded its credit card business to Thailand and Malaysia.

Established in April 2002, the UOB Credit Card Centre, Hong Kong, is a fully-fledged card centre employing around 50 staff in marketing, operations, credit risk management, fraud and collection, finance, and customer service functions.

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