
NEWS RELEASE

Keppel TatLee Bank, Oversea-Chinese Banking Corporation, Overseas Union Bank And United Overseas Bank Form Joint Venture Company To Market And Manage ATM Services

*To be called Ace Net, it will be the brand name for the
newly integrated ATM network in Singapore.*

Singapore, 6 November 2000 – Keppel TatLee Bank (KTB), Oversea-Chinese Banking Corporation (OCBC Bank), Overseas Union Bank (OUB) and United Overseas Bank (UOB) today announced the formation of a joint venture company that will market and manage all their off-site ATMs. To be called Ace Net Financial Services Pte Ltd ('Ace Net'), the new joint venture company will consolidate the present shared ATM network of all off-site ATMs of the four banks, while ATMs at branches will continue to be managed by the individual banks.

Ace Net will be responsible for operational and technical services – such as ATM cash replenishment, maintenance and upgrade of the network, development of infrastructure, and other ATM-related services. The management of these services includes outsourcing these functions to service providers.

Ace Net will be equally owned by KTB, OCBC Bank, OUB and UOB, with equal capital contributions from these member banks. Member banks will serve on the Board of Directors with equal rights.

Increased Access For Customers

The integrated network will give customers access to over 500 Ace Net ATMs. Customers will have easy access to ATMs in the most convenient locations. By reducing duplication, excess ATMs at prime sites can be relocated to provide wider and more comprehensive islandwide coverage.

Improved Range Of Services For Customers

Commenting on the formation of Ace Net, Mr Bill Chua, Chairman of the Ace Net Steering

Committee and SVP & Head of Operations, OUB said, "Ace Net will re-position our existing shared ATM network under one brand name. It will have its own management team who will have a clear and dedicated mandate to streamline and synergise the existing shared ATMs into a single entity. In the process, Ace Net will further develop and expand the range of ATM network delivery services."

Lower operating costs from economies of scale and better leverage in negotiating rentals will allow member banks to improve the range of services offered while continuing to provide convenient access to ATMs.

Mr Victor Ow, member of the Ace Net Steering Committee, and General Manager & Head of Consumer Services, KTB said, "Ace Net will be very customer-driven in its approach. Customers can be assured that services that are popular and in high demand will be retained and even upgraded for greater consumer convenience. Ace Net will not only seamlessly streamline the use of the ATMs but will also improve the range of ATM services."

Systems Integration And Seamless Communication

One of the immediate responsibilities of Ace Net is the management of systems compatibility, which is a key consideration when integrating the ATM networks of the four banks.

"For this purpose, Ace Net, when selecting a service provider, will ensure a best fit in terms of systems integrity and smooth integration. Ace Net will also act on our behalf to secure prime sites and introduce state-of-the-art technology," said Andrew K K Lee, member of the Ace Net Steering Committee and Head of Channel Management, OCBC Bank. Added Mr Lee, "Currently, the individual member banks are competing against one another when it comes to bidding for prime locations for their ATMs. With this co-operation among the four member banks, all our customers will benefit because we will ensure that the most ideal in terms of location and range of quality services will be delivered."

Implementation Stages And Dates

Ace Net is expected to have a nine- to 12-month transition period to implement the streamlining and integration of the ATM networks of the four member banks and explore other leading edge

technology for the unified network. During this implementation period, member banks will continue to run their own ATMs and maintain their respective individual bank's branding.

The transition period will comprise two phases. In the first phase, Ace Net will appoint a service provider, as well as take over the operational services, such as ATM cash replenishment and front-end maintenance, from the banks. In the second phase, Ace Net will undertake the negotiation of leases that have expired or new leases offered during the transition period. After the transition period, all off-site ATMs will be run and administered by Ace Net, together with the appointed service provider. The ATMs will also carry the brand name of Ace Net under the unified network.

Said Chua Choon Kim, member of the Ace Net Steering Committee and SVP of Singapore Branches & ACU, UOB, "We have carefully studied global best practices on ATM services. We have also commissioned an independent research to draw up a detailed template on the integration of the technical and operational aspects and also to formulate the financial arrangements among the four banks. Ace Net will reimburse member banks based on site rental and the value of the ATM hardware, which will be sold to Ace Net at market rate." Elaborated Mr Chua, "We have taken much effort to look into the finer details so that our customers can enjoy the benefits of a greater integrated ATM network. At the same time, we recognise the importance of ATM services to our customers, and we would like to assure them that we have taken steps to make the transition as smooth as possible for them so that they would be least inconvenienced."