
NEWS RELEASE

United Overseas Bank -- First Visa Member Bank in Singapore to Migrate from Magnetic Stripe to EMV Chip Technology

Major milestone in launching global interoperable chip card infrastructure

Singapore, 25 March 2004 - United Overseas Bank Limited (UOB) and Visa International today announced that UOB is the first Visa member bank in Singapore to successfully roll out a fully operational Europay-MasterCard-Visa (EMV) chip card infrastructure.

More than 4,000 EMV point-of-sale terminals are being activated at about 3,500 merchants over the next three months. These terminals will be able to accept transactions from any Visa EMV chip card issued in Singapore or anywhere else in the world.

EMV is the global interoperable standard for chip card based payment transactions. Chip cards offer new payment options and services, greater security and more convenience and choice compared to traditional magnetic stripe cards. Chip cards provide additional levels of security as they store encrypted data using algorithms.

Today at Meritus Mandarin Singapore, one of UOB's first batch of merchants to be installed with EMV terminals, UOB demonstrated the simple and secure process of accepting a Visa EMV chip card at the newly installed EMV chip terminal.

Mr Francis Hsu, head of UOB Card Centre, said: "UOB is proud to be the first bank in Singapore to roll out EMV chip card infrastructure. EMV chip technology is a key platform for the global payment industry in the future, and this is a significant milestone for UOB in our overall migration from magnetic stripe to EMV chip cards.

"This is certainly an exciting development for our merchants and consumers. UOB merchants using the new EMV terminals will benefit from additional chip functionality, as well as EMV's added security and protection as chip cards are rolled out locally and globally.

"In Singapore, UOB already has 230,000 EMV chip cards in circulation and we look forward to gradually migrating the remainder of our card portfolio to EMV chip over the next two years.

"Moreover, being a key international leisure and business travel hub, Singapore plays host to millions of overseas visitors, many of whom may be carrying EMV chip cards. By taking the first step in moving towards a globally interoperable chip card infrastructure, we hope to help enhance Singapore's international reputation as a safe and secure city," Mr Hsu added. .

Globally and in the Asia Pacific, Visa is working closely with the payment card industry to accelerate the migration from today's magnetic stripe payment cards to EMV chip technology. Visa Asia Pacific's goal is to establish a comprehensive EMV chip infrastructure in Asia Pacific by 2008.

Visa International's Country Manager for Singapore Dennis Ng said, "Visa congratulates UOB in taking the lead in migrating from magnetic stripe to EMV chip technology. EMV chip cards not only provide the highest available level of payment card security, they are also the most versatile payment tool available because banks can combine different functions on a single chip to meet consumers' various needs. EMV chip migration is a global initiative already taking place around the world and UOB's achievement is a major milestone for Singapore's payment industry. Visa looks forward to working with the rest of the industry in Singapore in this migration exercise."

Jack Pan, Visa International's Director, Chip and e/m-Commerce Implementation, Southeast Asia said, "Visa has been working closely with UOB over the last nine months in providing business and technical support and consultation to ensure a smooth EMV migration process. Visa is one of the key payment industry players that first developed the globally interoperable EMV specifications and standards, and we also bring valuable best practices from migration programs around the world.

"Visa has been making solid progress towards EMV chip migration globally. To date, more than 100 million Visa EMV cards have been issued, with 20 million in Asia

Pacific. Over two million EMV point-of-sale terminals have been deployed globally, including 260,000 in 12 markets around Asia Pacific. EMV cardholders in Singapore and from around the world can now use their cards at UOB merchants with enhanced

protection to all parties involved," Pan added.

Visa and EMV Chip Migration

Together with financial institutions, technology and industry partners, Visa Asia Pacific has been working to build a firm foundation for EMV chip migration and has introduced a number of major initiatives to support member banks in their smart card programs.

- Low cost Visa Smart cards, devices and personalization solutions
- Support for member and national level chip implementation
- Comprehensive EMV chip training programs
- Framework of policies and incentives
- Consumer research
- Partners and consulting

About UOB

UOB is Singapore's largest credit card issuer with a base of more than 900,000 cards. Rated among the world's top banks by Moody's Investors Service, UOB has received a B+ for Bank Financial Strength, and Aa2 and Prime-1 for long-term and short-term deposits respectively.

The Bank's strong reputation and financial performance continue to be strengthened by a series of accolades from leading publications, organisations and the investment community. In 2003, it received the following awards: The Bank Of The Year - Singapore (The Banker), Best Local Bank - Singapore (FinanceAsia), Most Progress In Investor Relations (Investor Relations Magazine), and Most Valuable Singapore Brand (International Enterprise Singapore).

The UOB Group achieved a profit growth of 19.5% in 2003, with Net Profit After Tax reaching S\$1.2 billion. Its ROE (excluding goodwill amortisation) stood at 10.9%. Group total assets were S\$113.4 billion and Group shareholders' funds were S\$13.3 billion as at 31 December 2003.

Visa International

Visa is the world's leading payment brand generating more than US\$2.9 trillion in annual card sales volume. Visa has unsurpassed acceptance in more than 150 countries. The Visa organization plays a pivotal role in developing innovative payment products and technologies to benefit its 21,000 member financial institutions and their cardholders. Visa is a leader in Internet based payments and is pioneering the creation of u-commerce, or universal commerce, the ability to conduct commerce anywhere, anytime and any way. For more information, visit www.corporate.visa.com.

Visa Asia Pacific

In Asia Pacific, Visa has a greater market share than all other payment card brands combined with 62 percent of all card purchases at the point of sale being made using Visa cards. There are currently 203 million Visa-branded cards in the region. During the twelve months ended 31 December 2003, US\$438 billion was spent at point of sale or withdrawn from ATMs in Asia Pacific using Visa cards. Visa Asia Pacific's Internet address is www.visa-asia.com.

For more information, please contact:

Edna Lam
Director Corporate Communications, SE Asia
Tel: 6437 5607
Email: edlam@visa.com

Ms Wendy Tan
Corporate Affairs
DID: (65) 6539 3981
Email: wendy.tansh@uobgroup.com