

MEDIA RELEASE

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Corporate Reputation Survey 2011: Retail banking sector leads the charge in reputational recovery

Singapore – More than two years after the collapse of Lehman Brothers triggered the worst economic downturn in living memory, a study has shown that the majority of consumers in Singapore believe that the performance and corporate reputation of Singapore companies have come out of the woods. In the latest Corporate Reputation Survey, 90.3% of respondents polled say that the performance and reputation of Singapore companies have staged a recovery from the financial crisis.

However, in a post-financial crisis environment, demonstrating transparency and openness in dealings with customers has been elevated to a top metric used by the public to define good corporate reputation. The three top drivers of corporate reputation in the post-financial crisis world are good customer service (ranked first), transparency (ranked second) and profitability and growth prospects (ranked third). The rest of the factors include wealth creation for shareholders (ranked fourth), valuing employees and rewarding them accordingly (ranked fifth), and support of community projects (ranked last).

Commenting on the results, John Lim, CEO of Reputation Management Associates, said: "In a post-crisis environment, demonstrating transparency and openness in dealings with customers has overtaken valuing a company's employees as a key attribute that drives good corporate reputation. This shows that although the corporate reputation of Singapore companies has recovered, there is still a need for them to practise good corporate governance and demonstrate transparency in addressing customers, stakeholders and investors. The results show that businesses that communicate openly and have good ethics and governance practices will not only experience a positive effect on their bottomlines but will see halo effects on their reputations."

The Corporate Reputation Survey 2011, the fifth ranking commissioned by communications consultancy Reputation Management Associates Pte Ltd (RMA) since 2005, polled 341 members of the public in March 2011 to determine the state of the corporate reputation of firms in the retail banking, life and general insurance as well as telecommunications sectors post-financial tsunami.

The survey found that of the two verticals most affected by the financial crisis – banking and life insurance, the former has more successfully recovered in terms of performance and reputation than the latter. Corroborating these results is the ranking of the corporate reputation of retail banks. In this vertical, U.S.-based Citibank, which was hard hit by the financial crisis and slid to fifth place in the 2009 rankings, regained the second

position that it occupied in the pre-financial crisis honour roll of 2008. However, in the life insurance sector – which respondents feel have not recovered as quickly, AIA, which was ranked as the top insurer in pre-crisis rankings, slid a further four notches from its 2009 position of fourth to eighth in this year’s rankings.

The *Corporate Reputation Survey 2011* has also concretised into an index, called the Corporate Reputation Index (CRI), the intangible asset of a company’s reputation. The CRI measures the ability of Singapore companies to manage the activities that directly contribute to their corporate reputations, such as the company’s **Employee Focus, Market & Customer Focus, Community Focus, Shareholder Focus, Financial Focus** and **Communications Performance**.

The companies that garnered the highest CRI in their respective industries in the 2011 Survey are:

Industry Vertical	Company	CRI
Retail Banking	DBS Bank	5.69
Life Insurance	NTUC Income	4.65
General Insurance	NTUC Income	4.95
Mobile Phone Companies	SingTel / StarHub	2.13

In the various verticals, the survey uncovered the following highlights:

- DBS and NTUC Income remain undisputed leaders in corporate reputation in the retail bank and general insurance sectors respectively, having been voted by the public as having the best corporate reputation in the 2008, 2009 and 2011 rankings. This indicates that their reputation has remained intact pre- and post-financial crisis.
- Foreign banks and insurers made a strong showing in the Corporate Reputation Survey 2011. HSBC and Standard Chartered Bank both rose one position to take third and fifth place respectively in the retail banks verticals, while in the life insurance vertical, foreign insurers occupied three of the top five positions.
- In the telco sector, StarHub has moved up in the corporate reputation rankings and is currently SingTel’s strongest competitor. It remains to be seen if StarHub can overtake Singapore’s oldest telco in the near future.



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About:

Reputation Management Associates Pte Ltd

RMA is a communications consultancy based in Singapore. Formed in 2000, RMA has helped clients in the finance, IT and engineering industries safeguard and enhance their reputations. For more information, visit www.reputation.asia.

In 2005, RMA launched Singapore's first Corporate Reputation Index, which helps companies measure their reputations based on public perception. This is a landmark study, undertaken by TNS Singapore, which looks at corporate reputation from consumer, shareholder, financial, market and communications perspectives.

RMA has offices in Kuala Lumpur, Shanghai and, most recently, Taipei. We also have associates with strong track records in Jakarta, Perth and Sydney, Hong Kong and Mumbai.