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UOB

UOB integrates Citigroup in ASEAN's largest data merger

UOB's acquisition of Citigroup's ASEAN banking franchise, encompassing 2.4 million customers, marked a major expansion. Leveraging innovation and strategic partnerships, UOB achieved seamless integration, cost savings, and strengthened its position in the regional banking sector

UOB's acquisition of Citigroup's ASEAN banking franchise in 2022 marked a significant expansion, adding over 2.4 million customers to its existing base. This strategic move, costing SGD 4.9 billion ($3.6 billion), encompassed Citigroup's unsecured and secured lending portfolios, wealth management, and retail deposit businesses across Malaysia, Indonesia, Vietnam, and Thailand.

Innovative integration and cost efficiency

The ambitious growth necessitated a comprehensive process of data migration and system integration. UOB effectively managed this transition, achieving substantial cost savings and minimising disruptions. The bank's replicable data migration model, a first in the ASEAN market, streamlined the process with a 40% reduction in costs.

Preparation and implementation

Meticulous preparation was crucial for the project integration, covering data mapping and staff training to ensure a seamless shift of Citi businesses to UOB. UOB prioritised minimal disruption to services and adopted some of Citigroup's best practices to maintain a strong customer experience during this critical period. As of March 2024, the migration for Malaysia and Indonesia was complete, with Thailand and Vietnam scheduled for the second quarter of 2025.

Partnership with Silverlake Axis

UOB partnered with Silverlake Axis to develop its portfolio migration software, using Silverlake's '3Es' ideology of experience, expertise, and execution for a fluid progression. The Silverlake Integrated Banking Software (SIBS), employed by UOB since 1997, was enhanced to interface directly with Citigroup's IMPACTS system.

UOB and Silverlake faced challenges and imperatives during the integration process

Figure 1. **Technology challenges and imperatives affecting the integration process (2022-24)**



Source: TABInsights

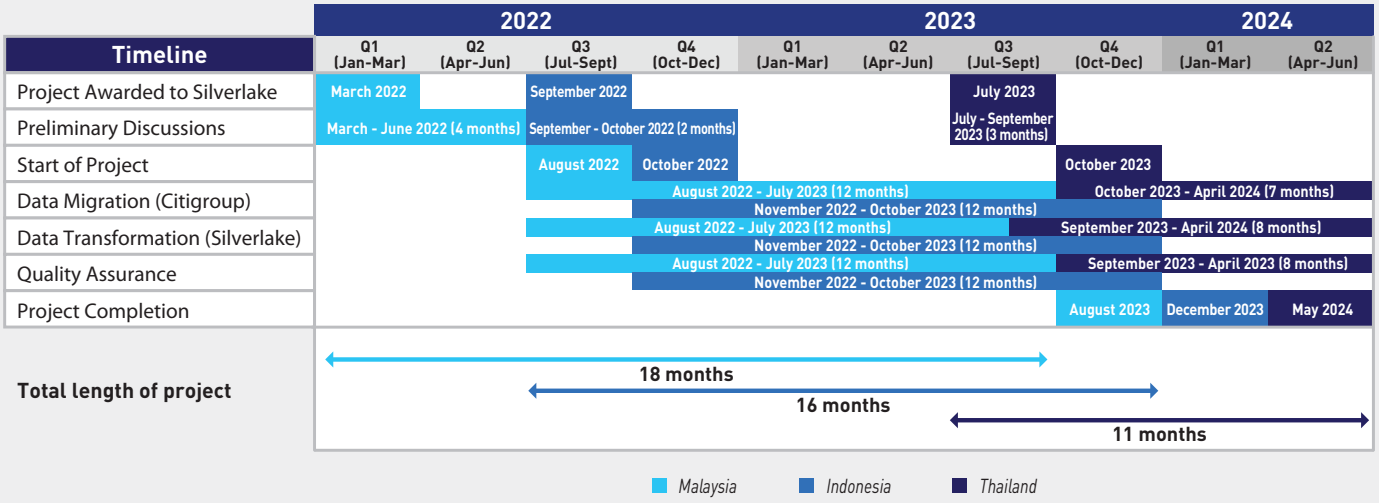
Challenges and strategic decisions

The integration process presented several challenges that required strong leadership and strategic decision-making. UOB chose to transition customers and products simultaneously to avoid inconvenience. The bank committed to retaining almost 4,000 Citigroup staff, placing them in significant roles across business and operational functions.

In Indonesia, UOB executed a legal and operational

The 'golden copy' data migration progressively lowered project timelines

Figure 2. **Timeline of the integration of Citigroup assets across Malaysia, Indonesia and Thailand (2022-24)**



Notes: Project commission in Vietnam yet to be decided, therefore it is not included in the timeline above.
Source: Silverlake Axis, TABInsights

day-one migration, requiring a swift integration with UOB's brand and backend systems. Despite the complexities, UOB credits its strict process adherence and meticulous planning for a successful handover.

'Golden copy' for data migration

UOB used Silverlake's 'golden copy' model for data migration, structuring a strategy for a frictionless process while minimising risks and costs. This approach involved a three-pronged method of data migration, transformation, and finalisation, ensuring compatibility and accuracy between the two banks' systems.

Infrastructure enhancement

From a backend perspective, UOB scaled up its infrastructure, specifically increasing central processing units and memory storage capacity to accommodate the new customer load. This included extending existing hardware platform features such as resiliency, security, load balancing, and recovery capabilities.

Successful transition and cost savings

The golden copy factory model, a significant undertaking in the ASEAN market, led to 40% savings in implementation costs without compromising data quality. Staff were regularly updated on the migration process, with workshops to align them on the similarities and differences between the old and new systems.

UOB attributes its successful approach to allowing it to cutover in Malaysia in July 2023, Indonesia in November 2023, and Thailand in April 2024. The bank is confident that its robust processes and scalable solutions will result in efficiency gains as it finalises the Citi acquisition in Vietnam by the second quarter of 2025.

Continued commitment to excellence

UOB demonstrated its commitment to its customers by ensuring a seamless integration of systems and infrastructure. The bank prioritised both existing and new customer relationships and adapted Citigroup's best practices to ensure continuity in product offerings.

As the bank explores cloud and microservices strategies, it continues to rely on its IBM AS/400 core banking system, which offers robust performance and security benefits. UOB's acquisition of Citigroup's banking franchise, combined with its partnership with Silverlake Axis, has resulted in enhanced services for millions of customers, substantial cost savings, and operational efficiency for UOB.

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