

Press Release – For Immediate Release

Banks continue to dominate the Brand Finance Singapore 100 ComfortDelGro and Genting Singapore replace Semcorp and Keppel in the top 10

UOB posts the highest brand value gain amongst the 3 banks and also joins in the Brand Finance Global 500 ranking for the first time.

- Total value of Top 100 Singapore brands in 2017 has increased to US\$42.6 billion, up 4% from US\$41.1 billion in 2016.
- DBS retains the #1 Most Valuable Singapore Brand for 2017 however it's brand strength remains stagnant.
- Singapore Airlines is still the strongest brand in Singapore with AAA- rating, beating DBS and OCBC by a hair's breadth.
- Top 10 brands contribute 57% of the total value while Bottom 50 brands contribute only 7% of the total value.
- The average ratio of brand value/enterprise value (BV/EV) of Top 100 dropped from 18% to 16%, indicating that businesses failed to utilize the brand for the business success.

Every year, leading brand valuation and strategy consultancy [Brand Finance](#) puts thousands of the world's top brands to the test, evaluating which are the most powerful and valuable, publishing the [Brand Finance Singapore 100](#).

Singapore's top 10 Most Valuable Brands

Rank 2017	Rank 2016	Brand	Sector	Brand Value 2017 (USDm)	Brand Value 2016 (USDm)	BV/EV 2017	Brand Rating 2017	Brand Rating 2016
1	1	DBS	Banks	5,403	5,314	16%	AAA-	AAA-
2	2	OCBC Bank	Banks	3,643	3,293	14%	AAA-	AA+
3	3	UOB	Banks	3,619	2,762	16%	AA+	AA
4	5	Wilmar	Food	2,833	2,467	17%	A+	A+
5	6	Singtel	Telecoms	2,625	2,417	11%	AA	AA
6	4	Singapore Airlines	Airlines	1,632	2,547	25%	AAA-	AAA
7	7	Great Eastern	Insurance	1,516	1,314	30%	A+	AA-
8	9	Frasers Centrepoint	Real Estate	1,102	1,012	8%	A+	A
9	12	ComfortDelGro	Logistics	1,080	965	25%	AA-	AA-
10	14	Genting Singapore	Leisure & Tourism	1,003	812	13%	A+	AA-

Formidable Three

The three local banks have been performing well for a number of years and in 2017, we see no other contenders capable of challenging the top three spots. DBS, with US\$ 5.4

billion brand value, holds its crown at the top of the Brand Finance Top 100 Most Valuable Singapore Brands table for the fifth consecutive year. OCBC and UOB again finish second and third with a brand value of US\$3.64 billion and US\$3.62 billion. Notably, UOB is the most improved brand by absolute value, its brand value has increased US\$856million, closing the gap with OCBC.

'We see the more aggressive moves from the banks particularly in M&A, with DBS acquiring wealth and retail business of ANZ in 5 markets and OCBC acquired National Australia Bank and Barclays wealth business in Singapore and Hong Kong. These will provide a boost to the brands' values after the business integration and we expect the top 3 spots continue to be dominated by the banks next year.' said David Haigh, Group CEO of Brand Finance Plc.

'The 3 banks have contributed 30% of the total brand value in Singapore, up from 27% last year. The growth is in line with other financial brands around the world but we wish to see a more diverse mix at the top.' he added.

David also congratulated UOB on having the highest brand value increase amongst all the top 100 brands indicating the strong brand and business alignment by UOB contributing to this significant increase.

"For UOB, there is possibly more upside in the future as their BSI has still room to grow and that will surely provide them with some buffer when DBS and OCBC integrate their acquisitions impact into the business and might report a higher revenue base", commented Samir Dixit, managing Director of Brand Finance Asia Pacific.

The Focus on Brand Strength

The brand strength, measured by Brand Strength Index ('BSI'), the average BSI of the Top 100brands has improved dropped from 60.3 in 2016 to 59.6 this year. The brands have remained stagnant in terms of their brand strength and while they may be doing well locally, they have been losing out to some of the key competitors in the region as they lack competitiveness outside of Singapore market.

"What's extremely alarming is that the "BBB" rated brands have increased to a whopping 13 in total, up from 1 in 2016", highlights Samir Dixit, Managing Director of Brand Finance Asia Pacific.

"Singapore Airlines is named the strongest brand amongst one of the three brands with triple-A brand rating, along with DBS and OCBC. However, it is also the only brand in Top 10 losing brand value due to weakening of brand strength (down from AAA last year) and weaker business performance whilst others have an average of 14% growth in brand value", pointed out Jake Ng, analyst with Brand Finance Asia Pacific.

Brand Highlights

With a US\$ 857 million BV increase, UOB had the highest brand value gain amongst all Singapore brands. In fact more than double the value increase of # 2 highest value increase brand CapitaLand which had a brand value increase of US\$ 384 million.

ComfortDelGro and Genting Singapore, with 12% and 23% value growth, made their way into the top 10, replacing Semcorp and Keppel who in the tough industry in this couple of years.

CapitaLand missed the top 10 spot by a narrow margin, with brand value surging 69%. The high revenue forecast helped the company to finish at 11th place.

Samir Dixit, Managing Director of Brand Finance Asia Pacific highlighted that “While the Singapore brands have grown considerably well overall, it is the brand strength for most brands that still remains a concern. Also, the rankings still remains very top heavy with 57% of the total brand value contributed by the Top 10 brands and 93% contributed by the Top 50 brands. We would like to see a more diverse mix at the top and more significant value increase at the bottom which means other brands must start focusing on their value and brand strength.”

Samir Dixit also challenged the Singapore companies to be more brand-driven and not sales or offers-driven. “These while help sell in the short term, might destroy the long term value and the strength of the brand. Brand has to be a strategic agenda for the senior management and boards and must be managed like any other business asset and not just a legal trademark.”

“It is exciting to see UOB having made it to the Brand Finance Global 500 rankings in 2017 with DBS and OCBC. Other than the Big 3 in Singapore, there are only handful of ASEAN brands in the Global 500, including the Telkom Indonesia and Sampoerna from Indonesia, Malaysia and Thailand state-owned oil & gas giants – Petronas and PTT”, he added.

[Click here for the full Brand Finance Singapore 100 Table](#)

ENDS

Contacts

Samir Dixit, Managing Director – *Brand Finance Asia Pacific*

T: +65 6408 3377 M: +65 90698651, s.dixit@brandfinance.com

Bernard Lee, SR Project Manager – *Brand Finance Asia Pacific*

T: +65 6408 3378 M: +65 96583650, b.lee@brandfinance.com

Notes to Editors

2017 brand values are calculated in USD with a valuation date of 1/1/2017. For conversions into other currencies, please hover over the ‘i’ button on the web version of the table and select.

[Click here for special infographics](#). More information on our methodology can be found on our website [here](#).

About Brand Finance

[Brand Finance](#) is the world's leading valuation and strategy consultancy, with offices in over 20 countries. We provide clarity to marketers, brand owners and investors by quantifying the financial value of brands. Drawing on expertise in strategy, branding, market research, visual identity, finance, tax and intellectual property, Brand Finance helps clients make the right decisions to maximise brand and business value and bridges the gap between marketing and finance.

Methodology

Definition of Brand

In the very broadest sense, a brand is the focus for all the expectations and opinions held by customers, staff and other stakeholders about an organisation and its products and services. However when looking at brands as business assets that can be bought, sold and licensed, a more technical definition is required. Brand Finance helped to craft the internationally recognised standard on Brand Valuation, ISO 10668. That defines a brand as “a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value.”

However, a brand makes a contribution to a company beyond that which can be sold to a third party. ‘Brand Contribution’ refers to the total economic benefit that a business derives from its brand, from volume and price premiums over generic products to cost savings over less well-branded competitors.

Brand Strength

Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with customers, staff and other stakeholders) and finally the impact of those on business performance. Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

Approach

Brand Finance calculates the values of the brands in its league tables using the ‘Royalty Relief approach’. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand—assuming it were not already owned.

The steps in this process are as follows:

- 1 Calculate brand strength on a scale of 0 to 100 based on a number of attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index.
- 2 Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database of license agreements and other online databases.
- 3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.
- 5 Determine forecast brand specific revenues using a function of historic revenues, equity analyst forecasts and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post tax to a net present value which equals the brand value.