



Banking for the digital generation

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TMRW competes on Customer Intimacy, enabled by technology to deliver operational efficiency & ↓ costs

Competitive Strategies for Market Leadership



“Best Total Cost”

Operational Excellence

Instant & paperless processes available 24/7 to streamline operations and reduce costs



“Best Total Solution”

Customer Intimacy

Providing a unique range of experiences to meet the needs of YP/YPF customers



“Best Product”

Product Leadership

Achieving premium market prices due to the experience created for customers



Differentiated & advocated banking for tomorrow

1

Why did we build TMRW ?

- Young & digitally advanced ASEAN consumers
- Complex, universal and opaque banking
- Favorable regulatory environment



2

How is TMRW different ?

- Laser focus to be the most engaging bank
- Unique ATGIE business model
- Three-stage path to profitability

3

What have we achieved ?

- Acquired a sizable & high quality customer base
- Top tier NPS ¹ within one year of launch
- Won ten prestigious awards

1

Why did we
build
TMRW?



ASEAN is young and digitally savvy

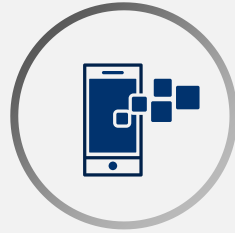


We are young



57%

Under
35 years old

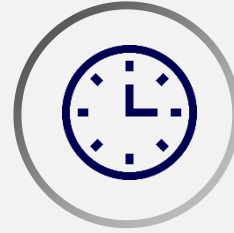


We are mobile



66%

Owns a
Smartphone



We are addicted
to mobile



3.6

Hours of mobile
internet usage/day



We are influenced
digitally

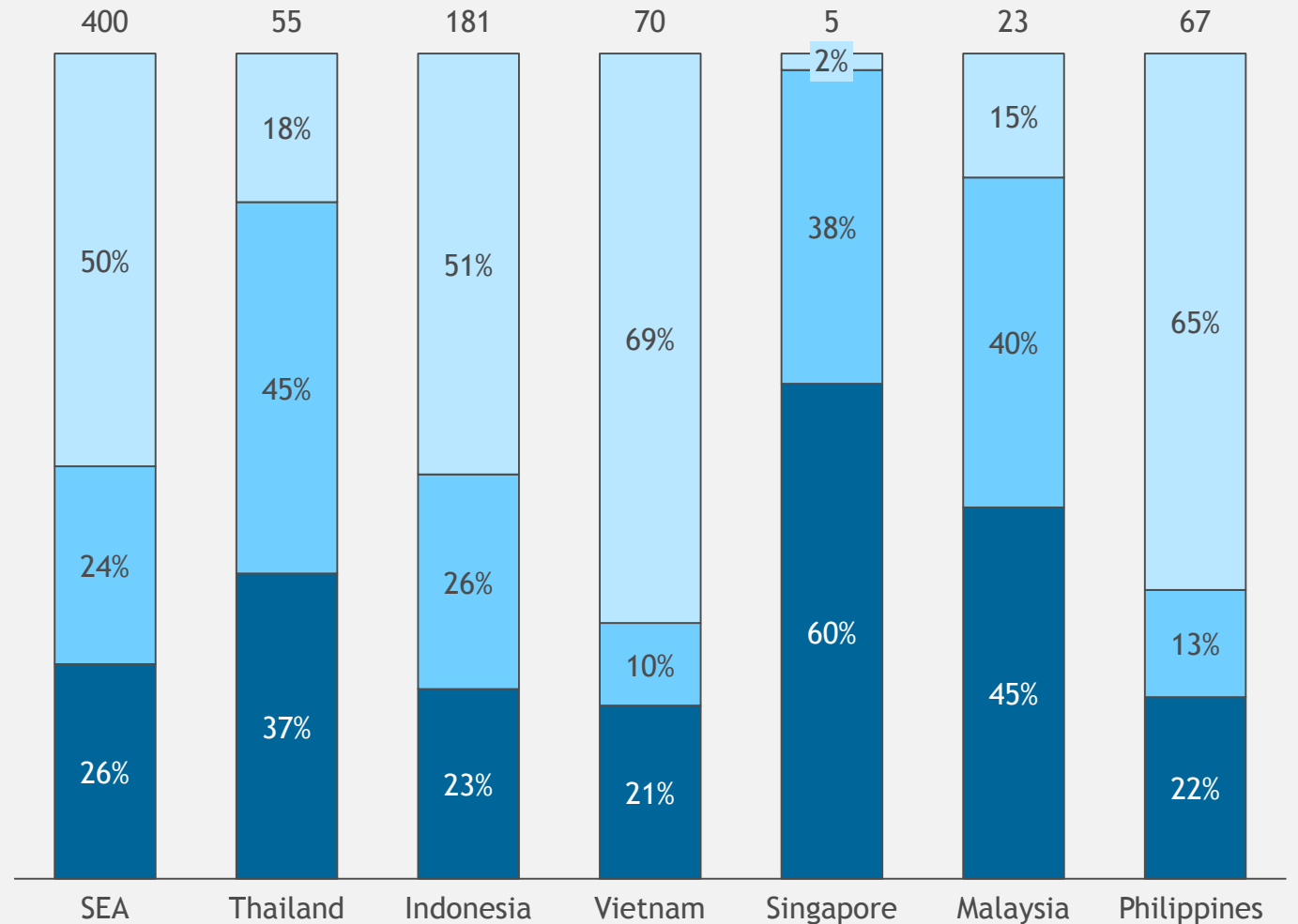


67%

Made an
Online Purchase

Role of Digital Banks: Increasing financial inclusion as majority of ASEAN is still unbanked & underbanked

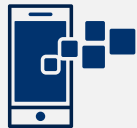
- **Unbanked**
No access to basic financial services
- **Underbanked**
No access to credit, underinsured, no long-term saving products
- **Banked**
Have access to credit, insured, have investment products



Source: Google, Temasek & Bain, the future of SEA's digital financial services

UOB's view of the future of Retail Banking

The retail banking future



Digital Banking & Digital Bank

Digital banking (omni-channel) and the digital bank (mobile only): distinct and will **co-exist**

Data-centric digital banks will drive **unprecedented** disruption globally

Opportunities will open for progressive banks, big techs and FinTechs

Emerging capabilities to power this will **accelerate**

The new business model

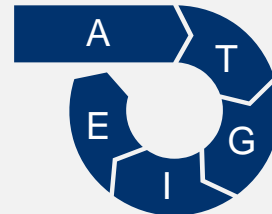


From Cross-selling to Engaging

The data-centric Digital Bank's advantage: **Digital Engagement**

A unique business model: **ATGIE**

- **A**cquire
- **T**ransact
- **G**enerate data
- **I**nsight
- **E**ngage



The new Digital Bank



Making it Simple, Engaging and Transparent

Simple

- Intuitive user interface, remembers you, fast and fully digital experience

Engaging

- Anticipates your needs and prompts you towards smarter spending and saving habits

Transparent

- Promotes openness and engenders trust

We concluded that a **compelling digital bank** should:



Know that millennials are unique

Different Generation, Different Solution



Be a friend not a bank

Help them Save and Spend Better



Make everything accessible

Bank, Chat, Find Solutions



Grow with your customers

Learn to create personalised experiences



Be simple and straightforward

Less Clicks, Less Jargon



Be proactive

Anticipate their Needs

Which we built into TMRW's proposition



What millennials want



What millennials don't want



What TMRW is



Easy, accessible & fuss-free



Complex, time-consuming



Simple



Anticipate & tailor to my needs



One-size-fits-all



Engaging



Open & fair interactions



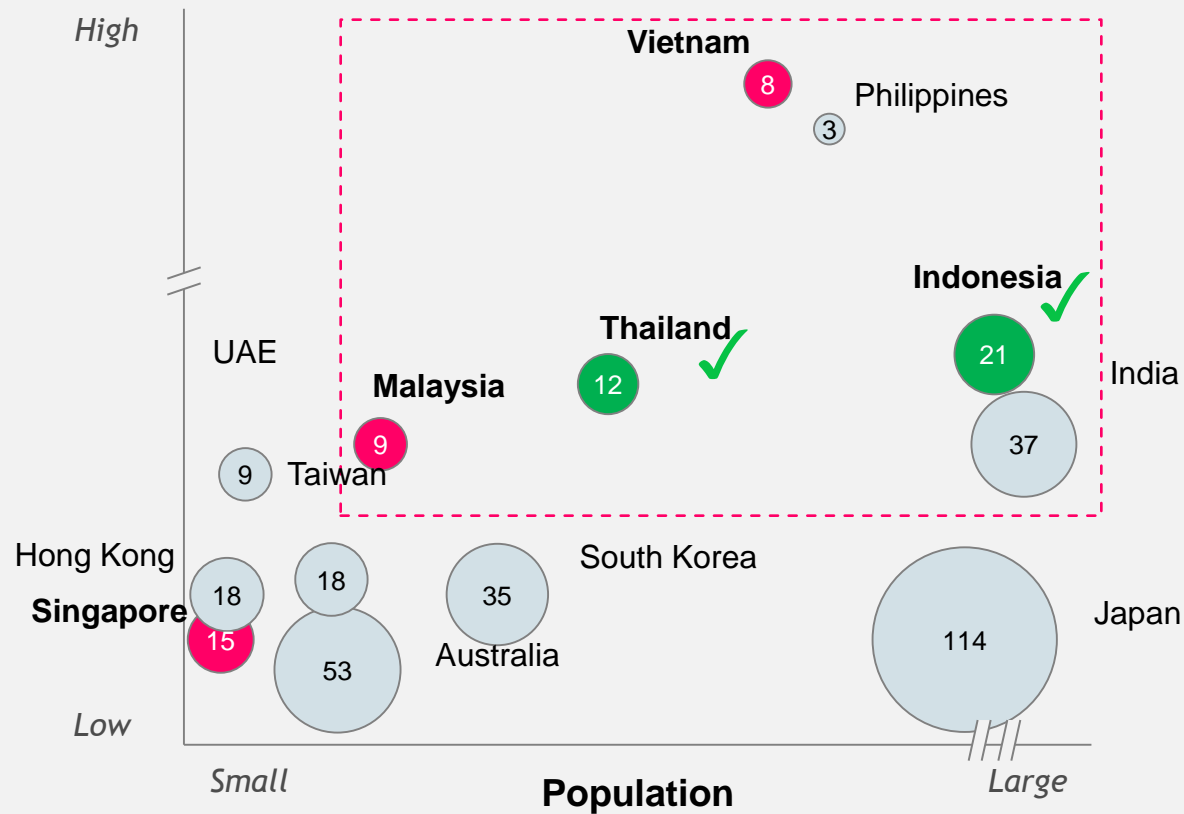
Opaque with hidden fees & terms



Transparent

TMRW markets selected by the highest potential

Banking penetration growth potential



Official launch in Mar 2019

- Population 70 Mil (20% YP/YPF)
- 71% smartphone penetration
- Favorable regulatory environment
- First mobile-only digital bank



Soft launch in Dec 2019

- Population 273 Mil: (23% YP/YPF)
- 60% smartphone penetration
- Favorable regulatory environment

Light blue circle: USD B, 2019 retail banking pool sizes

Green circle: Markets that TMRW launched

Red circle: Potential markets for further UOB / TMRW expansion

2

How is
TMRW
different?



Lifetime engagement differentiation towards profitability



Extreme focus on customer engagement

- To achieve high NPS and ultimately build long-term customer advocacy



Serve customer of the future well today

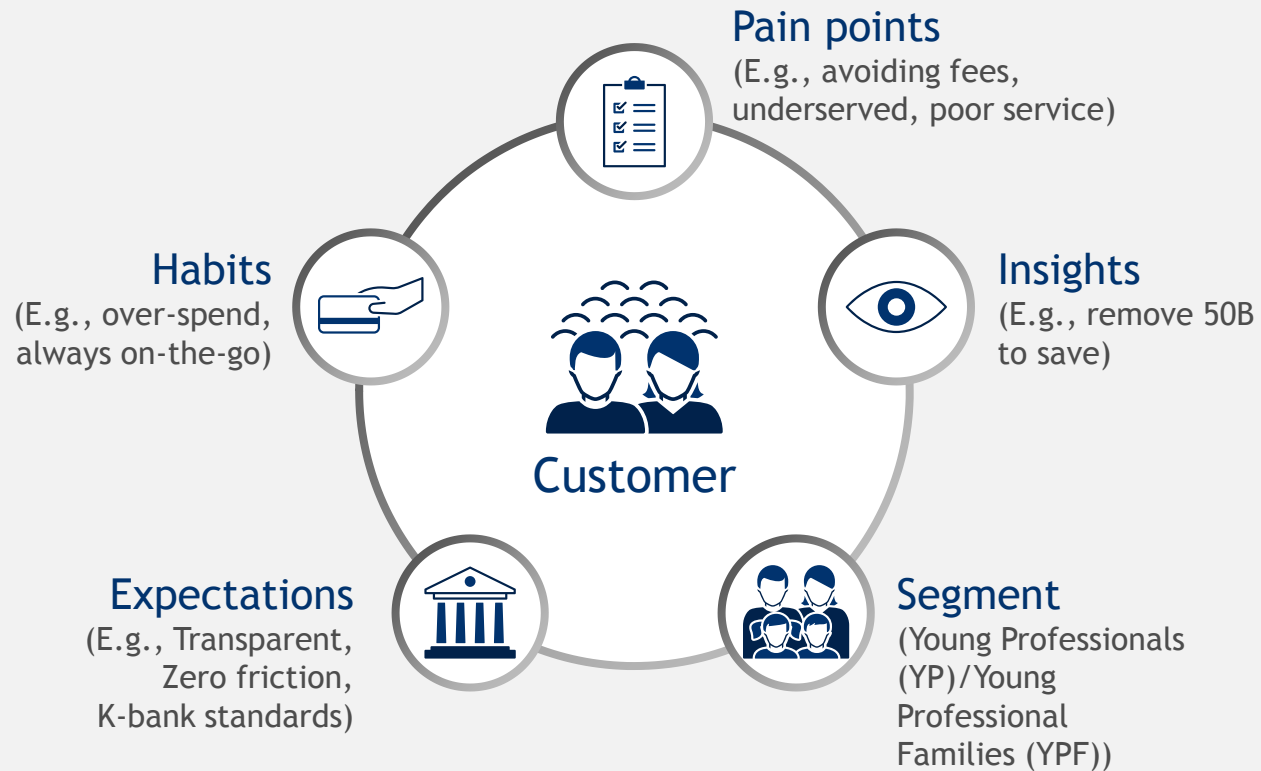
- Foundation for lifetime relationship



Unique three stage approach

- Mitigate risk and scale efficiently

How we designed TMRW for **customers**



8M YP/YPF in Greater Bangkok

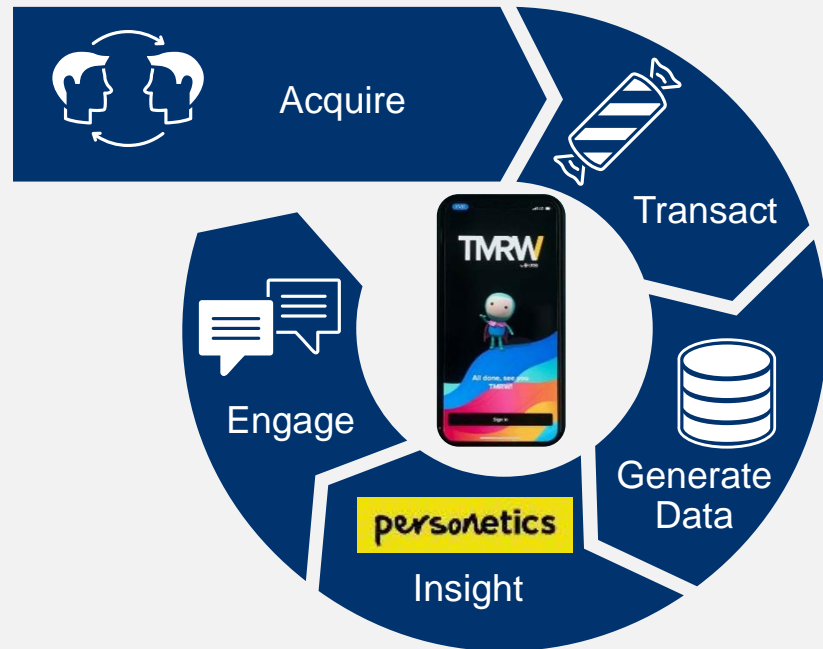
>500 Customers interviewed

62% Reduction in fields and T&Cs

30K Thai phrases taught to chatbot

How we designed TMRW for **business**

TMRW Business Model



Acquire

- Fast & modular
- Avatec.ai

Transact

- New UI capabilities & 24/7 fast digital service
- Goal savings & control

Generate data

- Access to real-time categorized transactions for high context & relevance

Insights

- New cognitive analytics engine powered by Personetics

Engage

- Engagement lab for design and experimental learning about engagement

How we built new capabilities for TMRW

Design

(Customer centric:
Biometric unmanned kiosk)



Fintech

(Avatec, Meniga,
Personetics, Cloudcherry ...)

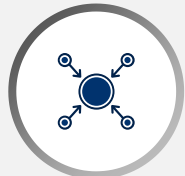


Agility

(Scrum teams, colocation,
tradeoffs, discipline)



Enablers



Core Systems

(Leverage existing regional
core, new regional bundle)



Ecosystem

(MAP, Line, Central, Go-Jek,
Grab, Tencent, Shopee ...)



Data

(Collect, clean, enhance,
categorize)

1st Global implementation



1st Thai bank with non-face to face
biometric

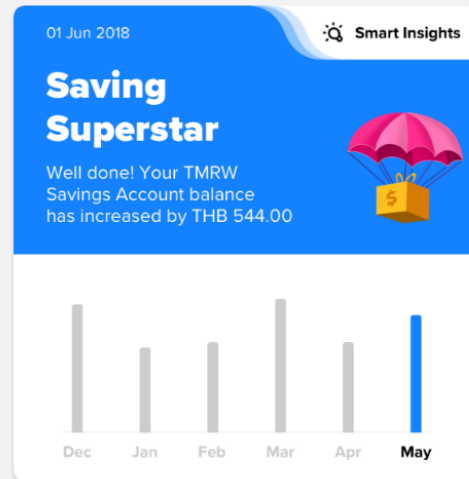
1st Bank to develop a full-fledged savings
game to make savings fun and easy

1st Bank to set up a pan-regional
engagement lab

Agile New ways of working

Key engagement differentiators of TMRW

Insights cards



Real-time expense tracking

Track your spending

We'll let you know when you spend 50%, 80% and 100% of your budget this month.

Select a category

- All spends
- Cash
- Food and drinks
- Groceries

City of TMRW



Enhancing engagement

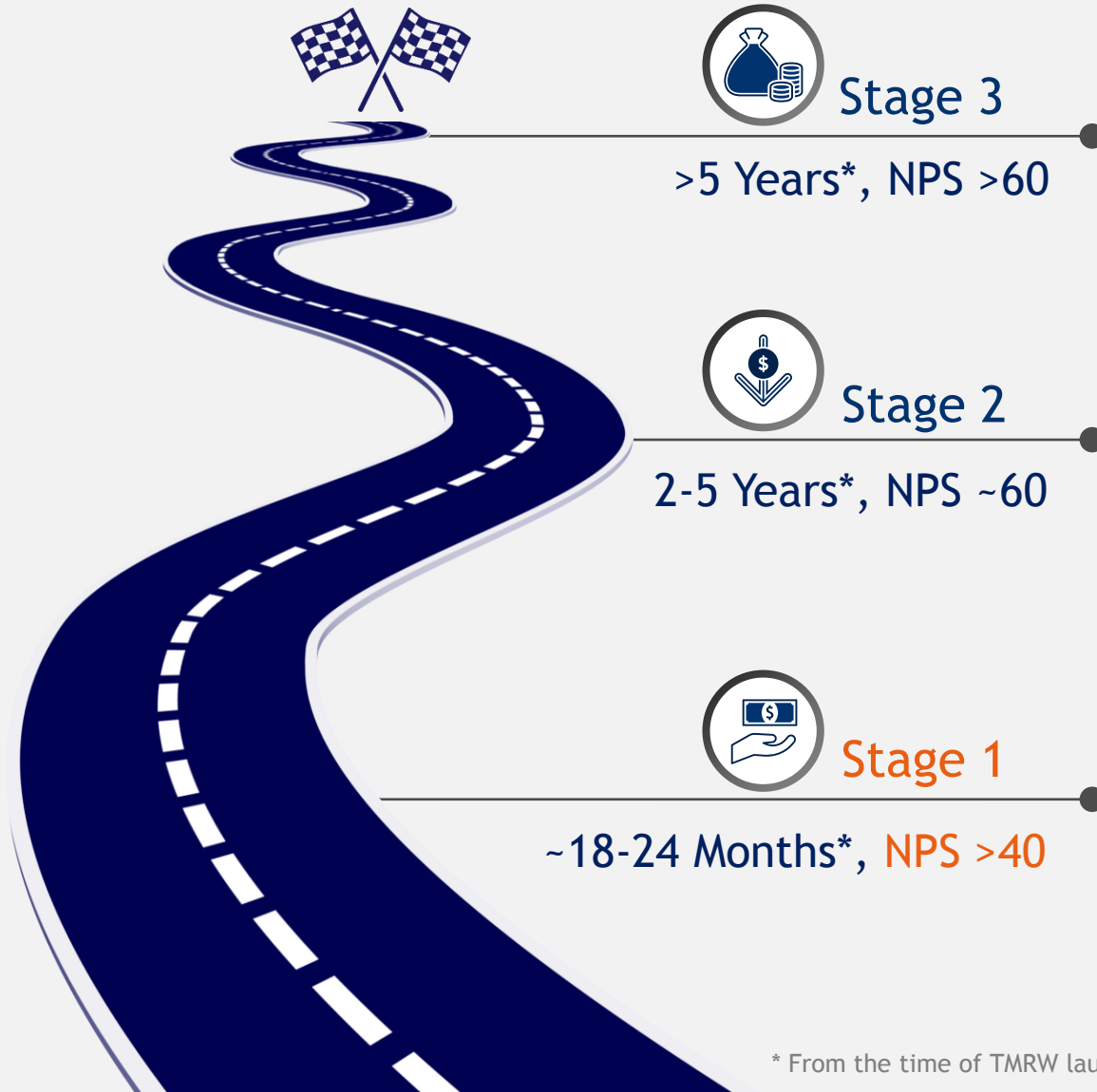


Increasing balances



Growing transactions

3-stage Path to Profitability: Exit Stage 1 by end 2020



Goal: ↓ Cost-to-Income Ratio 35%

- NPS large enough allowing scale to spread annual fixed costs over larger customer base

Exit: ↓ Cost to Serve

- Push NPS higher for cost of acquiring customers to near ~\$0
- Cost-to-serve drops
- Revenue covers some annual fixed costs

Exit: ↓ Cost of Acquisitions < Revenue

- On par with basic banking
- Every customer generates positive income
- ↓ Cost of acquisitions enabled though higher NPS

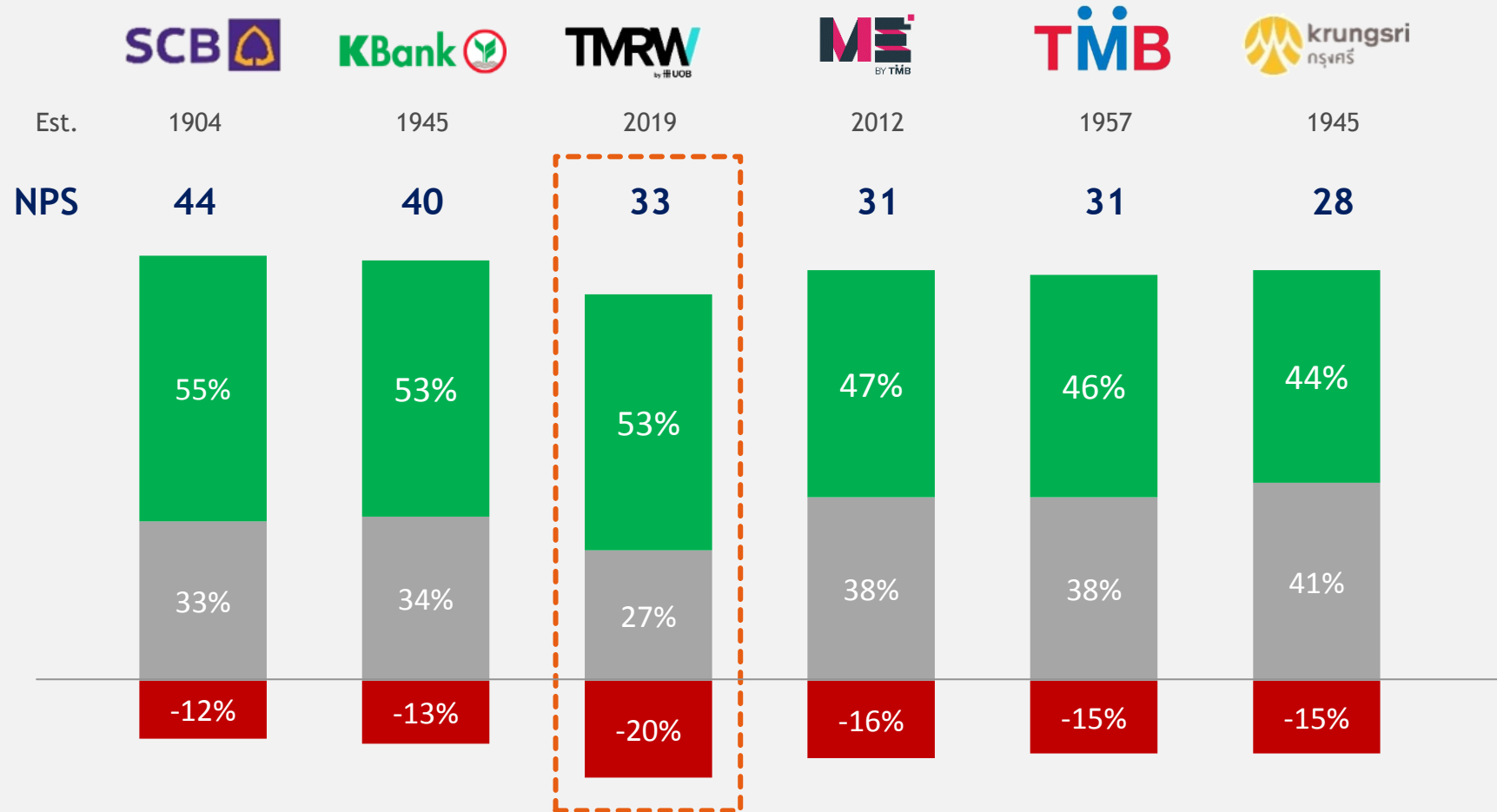
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What have
we
achieved?



NPS 33 - 3rd in market 1YR after launch & ahead of ME

Focus on reducing detractors to become market leader



■ Promoters
 ■ Passives
 ■ Detractors

We've taken the 1st step to prove that it works in Thailand..

Advocacy Rate

74%

Customers spread the word for us

Active Rate

51%

High percentage of active customers

No. of Customers

 306%

Acquired sizable & high quality customer base

Cost of Acquisition per Active Customers

 75%

Growing organic & declining acquisition offers

...and have won 10 awards along the way



Most Innovative Digital Bank in Asia Pacific



Asia's Best Bank Transformation Award



Best Bank for Millennials

Best customer centric business model

Outstanding client onboarding

Outstanding social media campaign



Best Digital Bank in TH



Best New Digital Bank - TH

Best New Mobile Banking App - TH



Best Digital Bank TH - Rising Star

Make Tomorrow Yours

TMRW

by  **UOB**