

# UOB Corporate Day 2019: Integrated Regional Franchise

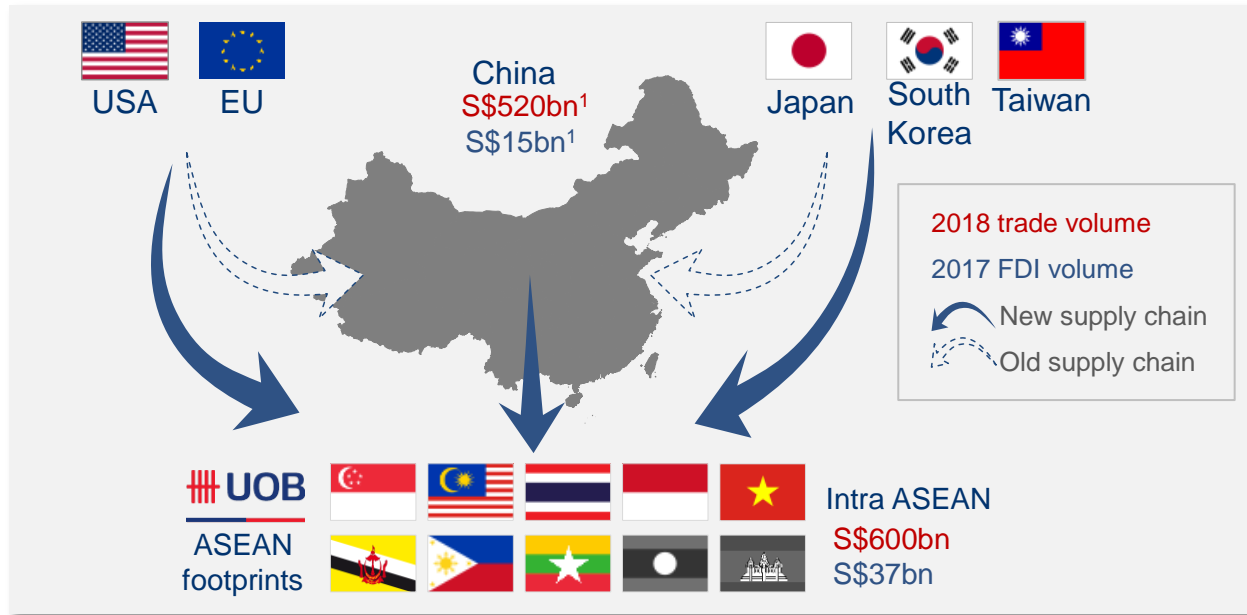
Richard David Maloney Jr.  
Group Wholesale Banking

15 May 2019

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# Shifting Investments and Supply Chain to Southeast Asia



**100+** companies to shift production to Southeast Asia amid rising labour cost and geopolitical tension

**~S\$3trn** trade flowing through Southeast Asia by 2023

**~S\$328bn** FDI flowing into Southeast Asia by 2035 (2017: S\$185bn)

1. Trade volume and foreign direct investment (FDI) volume from China into Southeast Asia  
 Source: United Nations; Macroband; Visual Capitalist; UOB Global Economics and Markets Research

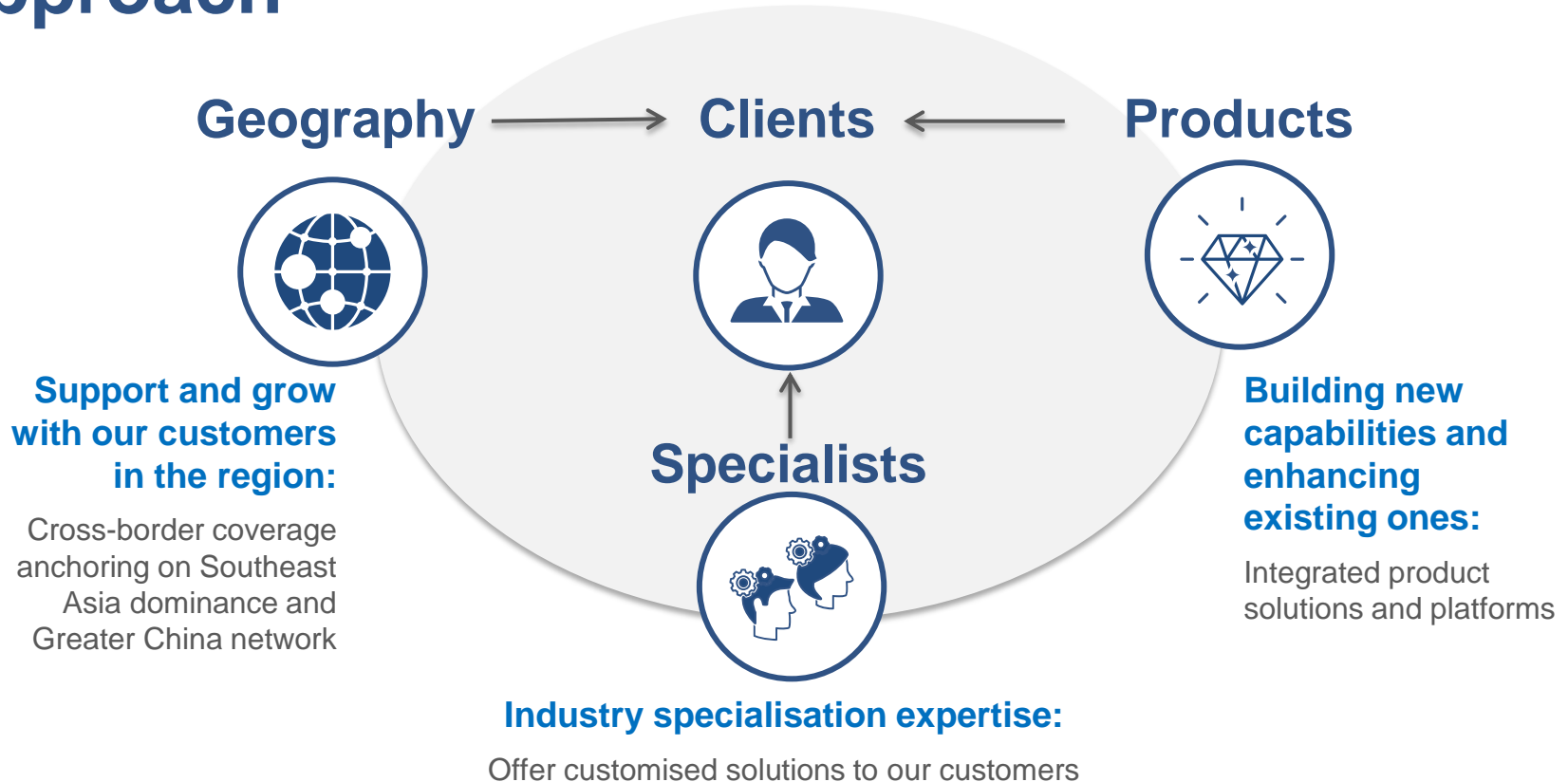
# UOB is Well-Positioned to Capture Connectivity Flows

## Our Client Value Propositions

- **Regional network in Asia**, with comprehensive Southeast Asia footprint
- **Integrated solution capabilities**, supported by continued investments in people, products and technologies
- **Deep sector insights** to understand our clients' connectivity needs
- **Strong balance sheet** to support our clients through business cycles



# Connecting Clients through Our Focused Approach



# Growth in Cross-Border Income Supported by Our Regional Franchise

**25%**

cross-border income's share of Group Wholesale Banking income

**+15%**

year-on-year growth in cross-border income in 2018



**+5%**<sup>1</sup>

more in client groups

**+11%**<sup>1</sup>

growth in average income / client group

**+8%**<sup>1</sup>

increase in average product holdings / client group

**+26%**<sup>1</sup>

expansion in non-loan income

1. Year-on-year growth in 2018



# **UOB Corporate Day 2019: Sharpened Sectoral Solutions**

Karunia Tjuradi, Sector Solutions Group,  
Group Wholesale Banking

# Our Sharpened Approach in Sectoral Focus, Leveraging Network Connectivity




# Customising Pan-Regional Solution

## Pain points

**Fragmented banking engagements**, different touchpoints and conversations result in complex banking relationship management

**Multiple negotiations of trade facilities**, different offices result in having to juggle different banking terms and conditions

**Delay of implementation, leading to potential loss of business opportunities**, was a key concern



Southland Group operates 16 factories in Thailand and another 21 factories in the region, all of which are managed by their subsidiaries in Singapore, Indonesia, Malaysia, Vietnam, Myanmar, India and China.

Beyond Asia, it is also present in the USA, Europe and Africa.

## UOB's solutions

**Offer umbrella facility covering holistic banking services for client's group of companies**

*offering flexibility to seamlessly support client's financing needs across Asia Pacific swiftly*

**Dynamic facility limits**

*catering to commodity price volatility and addressing impact on client's needs*

## Outcomes

### Client says

“ UOB understands our business needs across the region. Importantly, it has a proven track record to support and grow along with us.”

>2x

Facility size increased



6

Countries covered



5+

Product Holdings



**Awarded**

Best Trade Finance Solution (Regional) - Manufacturing





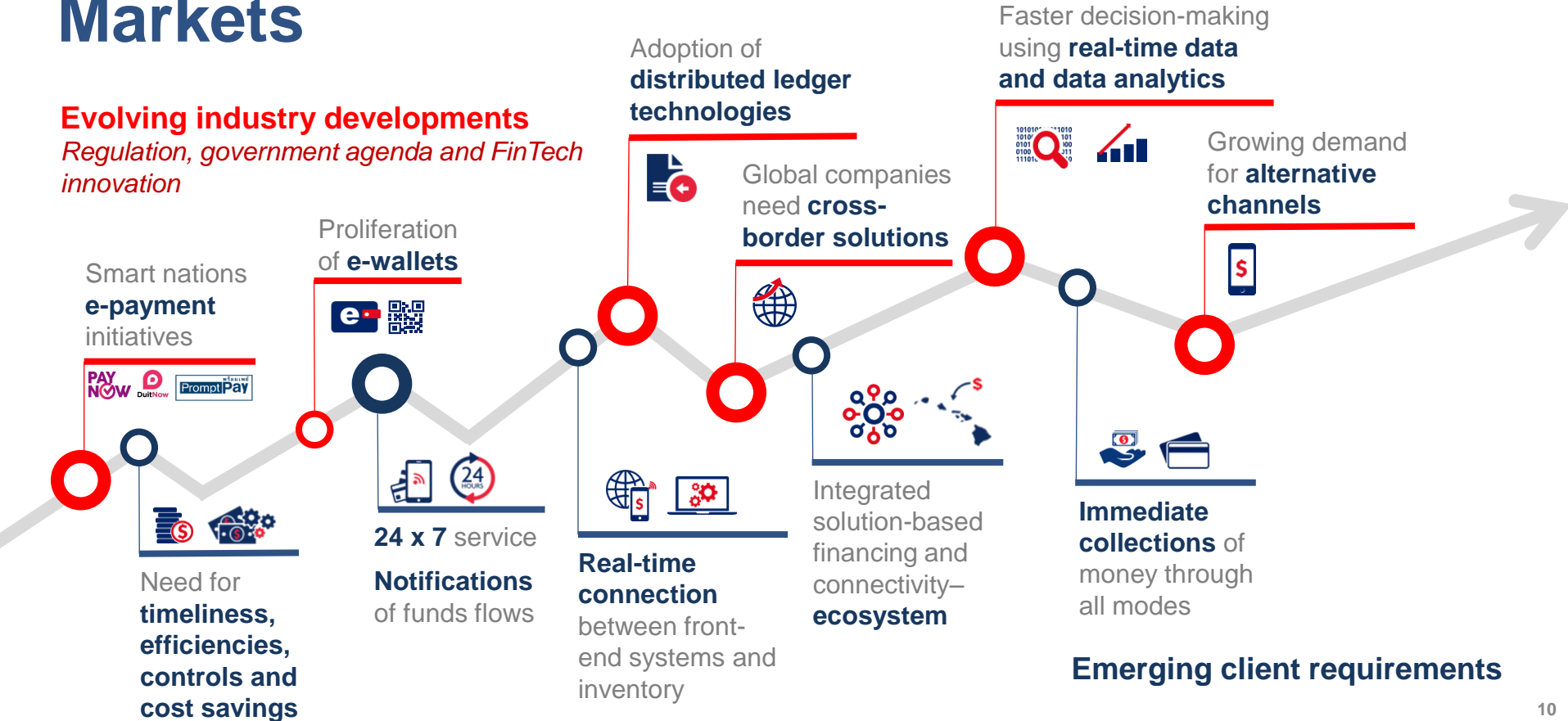
# UOB Corporate Day 2019: Driving Integrated Solutions

So Lay Hua, Group Transaction Banking,  
Group Wholesale Banking

# Evolving Client Needs amid Fast-changing Markets

## Evolving industry developments

Regulation, government agenda and FinTech innovation



# Empowering Clients with Digital Solutions

## Cash Management Services

Omni-Channels  
Cash  
Payables  
Receivables  
Reconciliation



## Digital Solutions

*Enabling our clients to improve their efficiency and working capital management*



*Real time payments*



*Available 24 x 7*

**DuitNow**

*Immediate credit*



*QR code*



*Proxy<sup>1</sup>*



*Virtual Accounts provides enhanced reconciliations for collections*

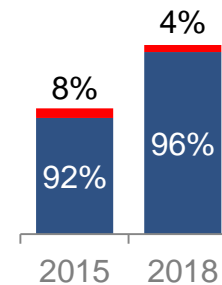


*API services supporting real-time transactions*



## Impact on UOB

UOB's payment volume mix



3-year CAGR

**+15%** Overall

**-9%** Manual

**+16%** Electronic

*Number of clients doubled year on year  
Number of virtual accounts grew more than 4x, over last 3 years*

*Incremental growth of more than half a million of transactions within 2 months of launch*

1. B2B & C2B payments via Business Registration Number/C2C payments via mobile number or ID

# Enhancing the Experience for Our Corporate Client, and Their Customers

## Areas for enhancement

## Customer journey

## Benefits and outcomes

**Consumers**

Access to more convenient digital payment channels

Enable near-instant digital payments

**M1**

High processing costs associated with cheques and cards

Alternative collection channel to facilitate timely payments

**m1** **SCAN & PAY at M1 retail shops & M1 bill payment**  
*Ease of payment for purchases at M1 retail stores & ease of bill payments*

**First telco in Singapore to offer PayNow as a mode of payment**

CASHIER

Confirm details and select PayNow as payment mode

Log into mobile banking app and scan QR code

Review and authorise payment

Payment is complete

**Consumers**

Convenience of making payment on-the-go

Instant payment and settlement of outstanding bills

**M1**

Reduced processing costs and ease of reconciliation

Instant notification and collection of funds

# Enhancing the Experience for Our Corporate Client, and Their Customers

## Needs/pain points

## Customer journey

## Benefits and outcomes

Consumers

Gain access to convenient alternative payment channels



Enable alternative payment option which allows for immediate booking confirmation during promotional periods



Scot

Need for a seamless book-and-pay experience for wider group of passengers



**SCOOT** BOOK & PAY via Scoot's online portal  
Ease of booking and paying for air tickets

**First airline in Singapore to offer PayNow as a mode of payment**



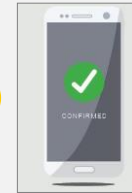
Confirm booking and select PayNow as payment mode



Log into mobile banking app and scan QR code



Review and authorise payment



Payment is complete

Consumers

Lower booking fees



Instant payment and completion of booking confirmation and ticket purchase in one go



Reduced booking and ticket sale processing time



Instant confirmation of payments received and immediate availability of funds



Scot

# Leveraging Our Network Connectivity through Integrated FSCM<sup>1</sup> Programmes

## Product-based financing

Documentary Trade  
Open Account

## Solution-based financing

Transform clients' needs-based financing into end-to-end working capital management



Supplier Financing



Inventory Financing



Receivable Financing



Distributor Financing



Accounts and FX

## Benefits

Offer comprehensive trade facility covering order-to-collection cycle requirements

Deliver regionally consistent solutions to clients' activities in multiple countries

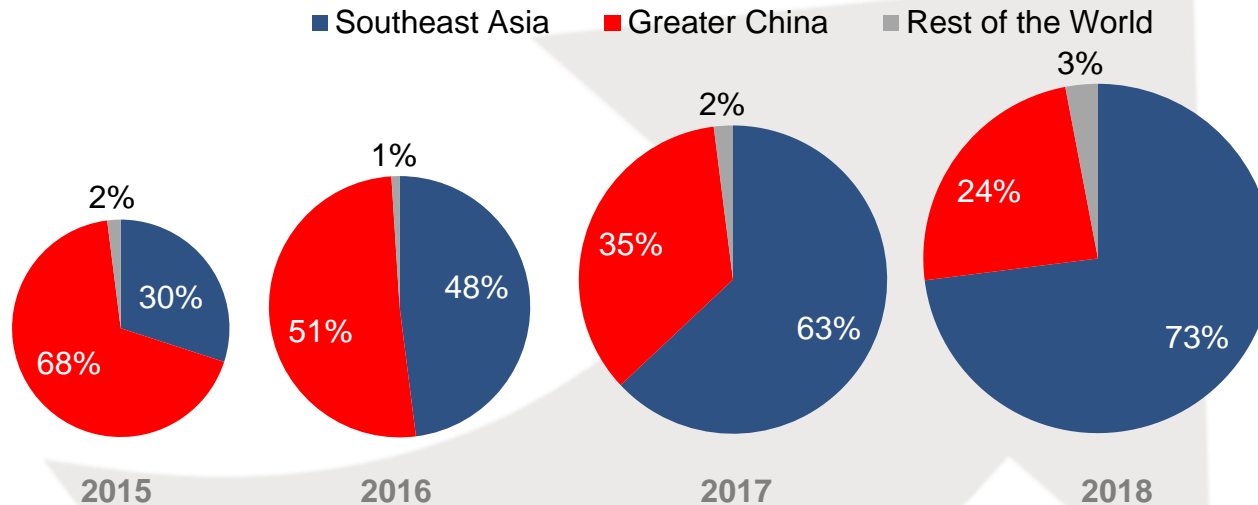
Offer complementary cash management and FX

Enable growth and safeguard the physical chain with integrated solution connecting the entire ecosystem

1. Financial Supply Chain Management – an integrated approach to drive greater working capital efficiency and support clients' supply chain stability

# Supporting Client Ecosystems

## Spoke distribution by region



## Growth trend

Average of 78% growth in the number of spokes since 2015, covering anchors from various industries



# Transaction Bank of Choice

28

Total Transaction Banking Awards in 2018



18

The Asset<sup>1</sup> - Triple A Treasury, Trade, Supply Chain and Risk Management Awards

6

The Asian Banker Transaction Banking Awards



THE ASIAN BANKER  
The Best Transaction Bank  
in Singapore

TRANSACTION AWARDS 2018



THE ASIAN BANKER  
The Best Cash Management Bank  
in Singapore

TRANSACTION AWARDS 2018



THE ASIAN BANKER  
The Best Trade Finance Bank  
in Singapore

TRANSACTION AWARDS 2018



THE ASIAN BANKER  
THE BANKERS' CHOICE AWARDS 2018  
THE BEST BALANCE SHEET MANAGEMENT IN ASIA PACIFIC



THE ASIAN BANKER  
THE BANKERS' CHOICE AWARDS 2018  
THE BEST FINANCIAL SUPPLY CHAIN MANAGEMENT IN SINGAPORE



THE ASIAN BANKER  
THE BANKERS' CHOICE AWARDS 2018  
THE BEST SUPPLIER RELATIONSHIP MANAGEMENT IN INDONESIA

2

Euromoney Asiamoney Cash Management Survey

2

treasurytodayASIA  
Adam Smith Awards ASIA 2018

1. A total of 39 awards already received in 2019 to date



# Thank You



RIGHT BY YOU

