

**Macquarie-SGX
Singapore Smart City Access**

Digital Payments: New Ways To Play

15 May 2020

Disclaimer: This material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.

UOB Personal Financial Services (PFS): Strategic approach



Integrate banking solutions into consumer top lifestage/style priorities

 **Driving superior customer experience,
Growing customer franchise & Enhance profitability**

Transforming the way we | BANK. | PLAY. | LIVE.

Omni-channel engagement

An icon showing a central human figure surrounded by six circular icons connected by dashed lines. The icons represent a bank building, a location pin, a smartphone, a laptop, a speech bubble, and a document.

Design client-centric solutions & digitise processes to make banking simpler

An icon depicting a hand holding a smartphone with a ribbon icon, and a person standing on a circular ripple effect.

Leverage partnership ecosystems

An icon showing two hands shaking in a firm grip.

Omni-channel customers are our most engaged and profitable



KEY STATISTICS ²	TRADITIONAL ¹			DIGITALLY ENGAGED					
				OMNI-CHANNEL ¹			DIGITAL ¹		
	FY17	FY18	FY19	FY17	FY18	FY19	FY17	FY18	FY19
% of UOB Cx	55%	50%	45%	34%	37%	39% ↑	11%	13%	16%
Avg Transactions ²	99	100	98	229	264	313	165	188	233
Avg Prdt Hldgs	1.54	1.54	1.52	1.85	1.87	1.88	1.48	1.47	1.48
Avg Revenue	\$1,070	\$1,178	\$1,240	\$1,597	\$1,713	\$1,927	\$833	\$819	\$961
% of Total Revenue	48%	43%	39%	44%	49%	51%	8%	8%	10%

(1) Traditional: Only used traditional platforms (branch/call centre); Digital: Only used digital platforms (PIB/Mighty); Omni-channel: Used both traditional and digital platforms
All figures are annualised, exclude customers with no transactions with the bank and for Singapore

(2) Branch and PIB/Mighty Channels are used for comparison

(3) Includes Branch, Internet & Mobile Channels, ATM, CASA and Credit/Debit Card transactions

What drove our thinking in 2015 for UOB Mighty



“How do we get more customers to use the Mobile App?”

1

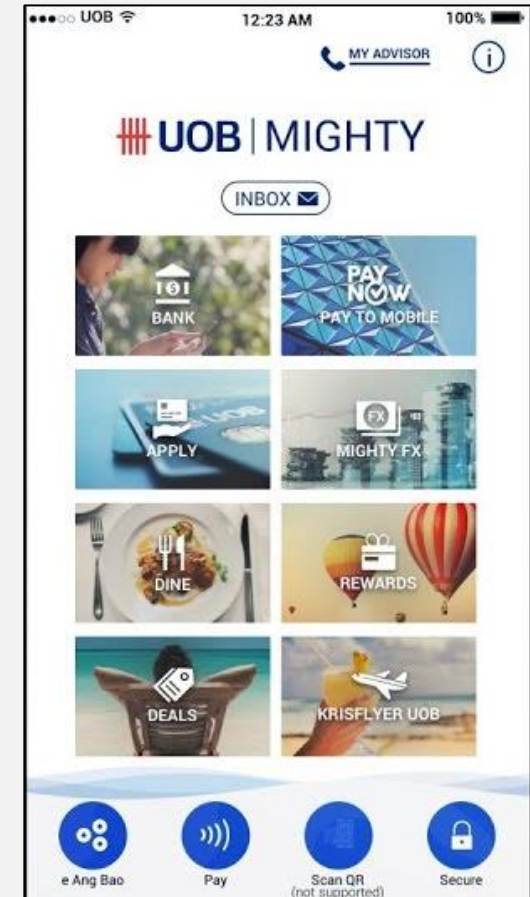
Customer Experience was crucial - Customers' expectations were becoming higher. They were not comparing us to other banks, but the experiences they got with the Big Techs.

2

One Single App - 60% of total app time spent on top 10 apps. 40% fought over by the other 2 billion. Battle was in how frequent your app would be used.

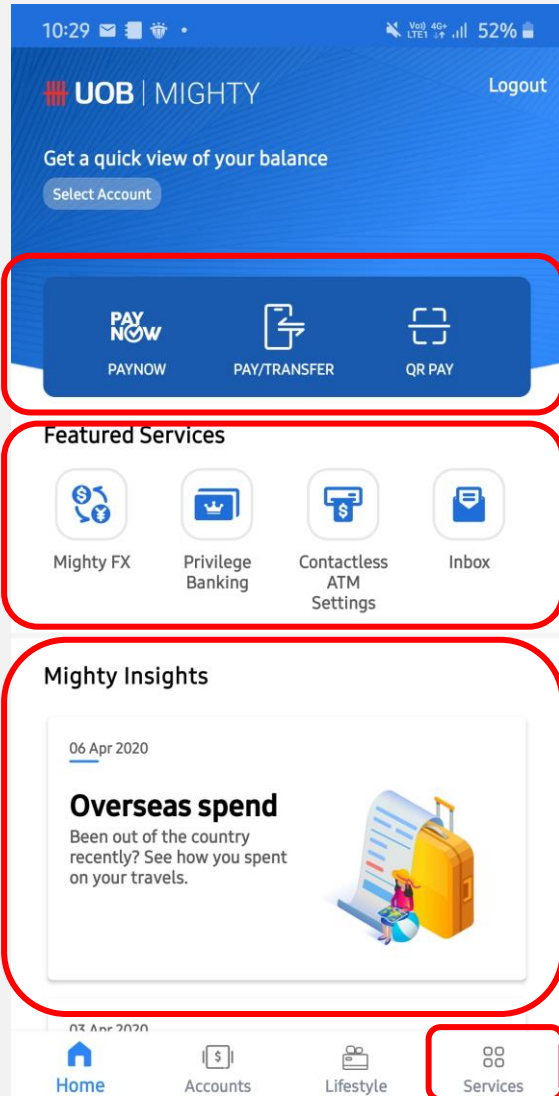
3

Beyond Banking - Entry of Contactless Mobile Payments (Apple, Google, Samsung) + Banking would not drive frequency, we would need to go beyond that - Experiment with Dining and Payments.



First all-in-one banking app focused on Bank, Dine & Pay

Moving from Mighty to Mightier in 2019



“What would we do differently if we were a Payments app that did Banking?”

Payments occupies prime location

Enable multiple banking services to be added

Personalised Insights triggered by Payments and Key Events

Enable multiple banking services to be added

A

Payments alone would drive Frequency - ‘Beyond banking’ required too much investment. Focus on Payments and Banking services. Partner ecosystem players to go where customers were.

B

Super-App of Banking - More and more services needed to be digitised and we needed to create design framework to support that.

C

Personalising every Mighty app - Present insights and offers based on individual payment details and key events. Every Mighty app would be customised.

Mighty Insights: Payments & transactions enable us to engage our customers contextually



Notifications

Recommendations

Usage & Partnerships

Festive

Birthdays

09 Dec 2019

Your One Account

You earned bonus interest in [Month].

09 Dec 2019

Go faster with SimplyGo

Why queue up to top up your fare card? Just tap your UOB card.

09 Dec 2019

End the year on a high!

You could receive a limited edition designer gift with your festive spends. Tap to find out how.

09 Dec 2019

Jolly good meals!

Grab your loved ones, check out our festive dining guide and feast.

09 Dec 2019

Happy Birthday!

We've something special for you. Tap to see more.

09 Dec 2019

You've got cash!

Your cashback from RebateMango was deposited on [Date].

[Date]
Date

XX.XX SGD
Amount

09 Dec 2019

One Account bonus

You missed out on extra interest for [Month]. Find out how to earn it.

09 Dec 2019

Love ZALORA? So do we!

We see that you've made past purchases with ZALORA. Here's an UOB exclusive promo code for your next purchase.

09 Dec 2019

Hearty reunions

Catch up over feasts of abundance with our Lunar New Year dining deals.

09 Dec 2019

Happy birthday

09 Dec 2019

You've got cash!

Your cashback from RebateMango was deposited on [Date].

[Date]
Date

XX.XX SGD
Amount

09 Dec 2019

Get a \$50 reward!

Simply credit your salary into your UOB account.

09 Dec 2019

Give foodpanda a try?

You've been making purchases with food delivery services. Here's a promo code to give foodpanda a try.

09 Dec 2019

May good fortune smile on you

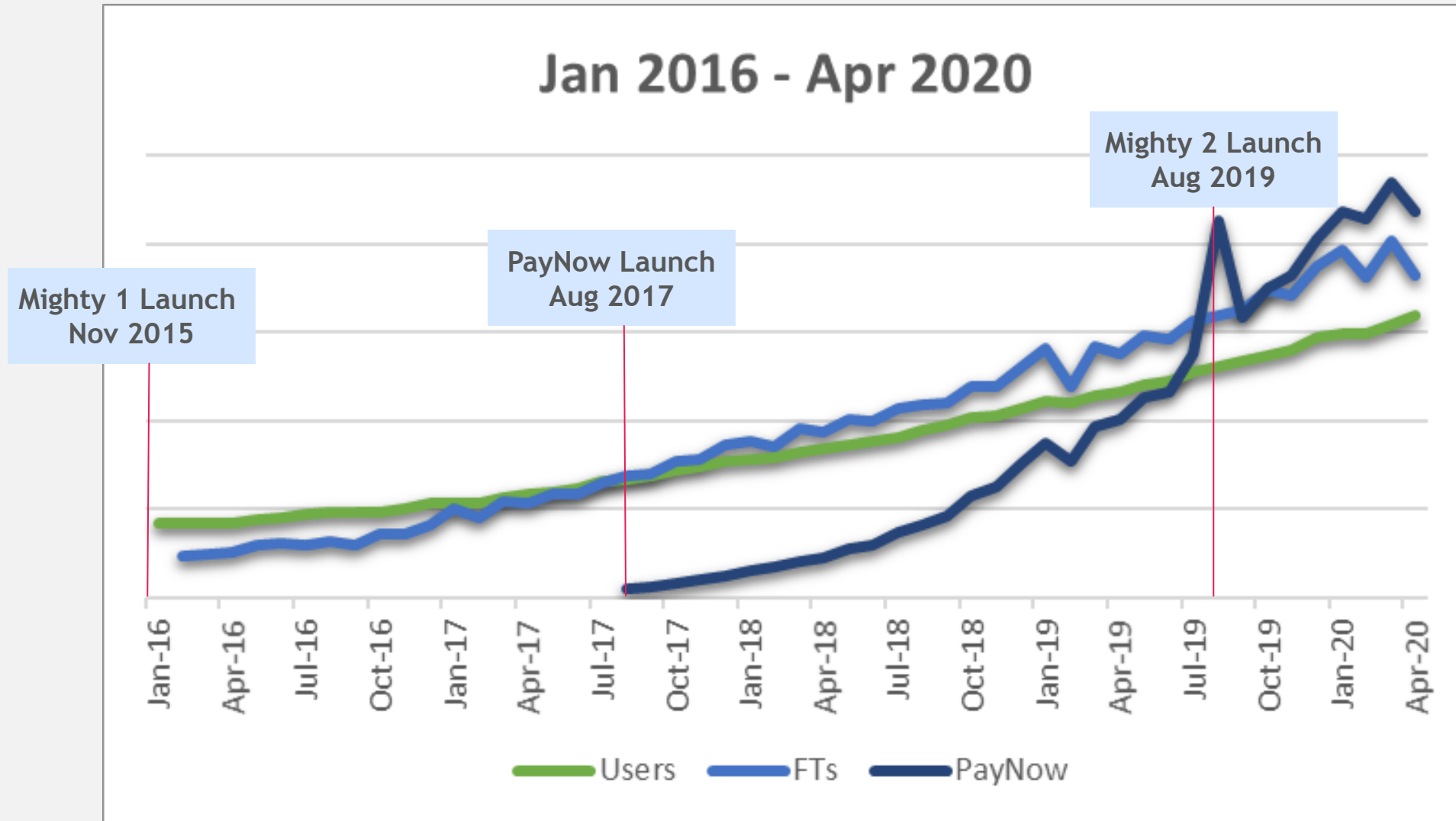
Born in the year of the [zodiac]? Find out what you can do to prosper in 2020.

7 to 9 new monthly insights

42 baseline features

20+ customised features

UOB Mighty's performance



Since Launch of
Mighty in Nov 2015:

- Mobile users have grown **4x** since launch of Mighty
- Fund Transfers have grown **7x**
- Transactions on PayNow have grown **51x** since launch in Aug 17

UOB Mighty top in 2019 Customer Satisfaction Index



Mobile Application Banking Services

Banks	Satisfaction ¹	% Δ ²	% Used mobile app in the last 3 months
UOB	7.89	+3.9%	48.5%
Bank 1	7.83	+2.6%	62.9%
Bank 2	7.83	-0.2%	51.5%
Bank 3	7.77	+0.2%	64.7%
Bank 4	7.77	-0.6%	48.2%
Bank 5	7.76	-0.1%	58.5%
Other banks	7.74	-0.6%	49.3%
Bank 6	7.68	-2.2%	58.8%

1. Satisfaction with mobile banking services based on experience in the last 3 months, on a scale of 1 to 10.
2. Percentage change from last year.

Trends to watch - Rollout of national payment infrastructure across region

1. Strong usage in both Singapore and Thailand. Reduce reliance on Cash and Cheques. Adoption in Malaysia still slow.
2. Expected nation-wide rollouts for Vietnam and Indonesia in next few years.
3. Questions we are asking ourselves:
 - a) Impact to domestic card payments (so far both have been growing)
 - b) Impact to cross-border payments & transfers with government-to-government initiatives
 - c) Are there areas of differentiation in what is a ubiquitous service



**PAY
NOW**



DuitNow



พร้อมเพย์
PromptPay



Expected launch in
next 3-5 years

Trends to watch - Digital wallets and cashback platforms

Digital Wallets



Key Players	GrabPay, Ovo, GoPay, BigPay, Touch’N’Go, LINE Pay, Momo, Payoo
Strengths	Has gained mass acceptance in some markets with success in verticals like transports and F&B
Challenges	In markets where payment infrastructure is strong, market share gained through high rewards costs. Unsustainable and has fallen. Revenue model also in question as national initiatives are rolled out.
Considerations	<ol style="list-style-type: none">1. Many of the Digital Wallets are also Digital Banking applicants. How will they play if given a license?2. How will we react to the Wallets in markets where we are an incumbent bank vs one in which we are a foreign bank?

Cashback Platforms



	FAVE, Shopback
Strengths	Successful model with increasingly wide acceptance. Operates in parallel with existing payment infrastructure.
Challenges	Successful with smaller setups and smaller chains that do not have their own rewards platform.
Considerations	<ol style="list-style-type: none">1. Are there opportunities to partner or work with them?2. What are the barriers to entry?3. Are there any natural advantages which traditional banks have?

Thank You