

UOB Corporate Day 2019: Integrated Regional Franchise

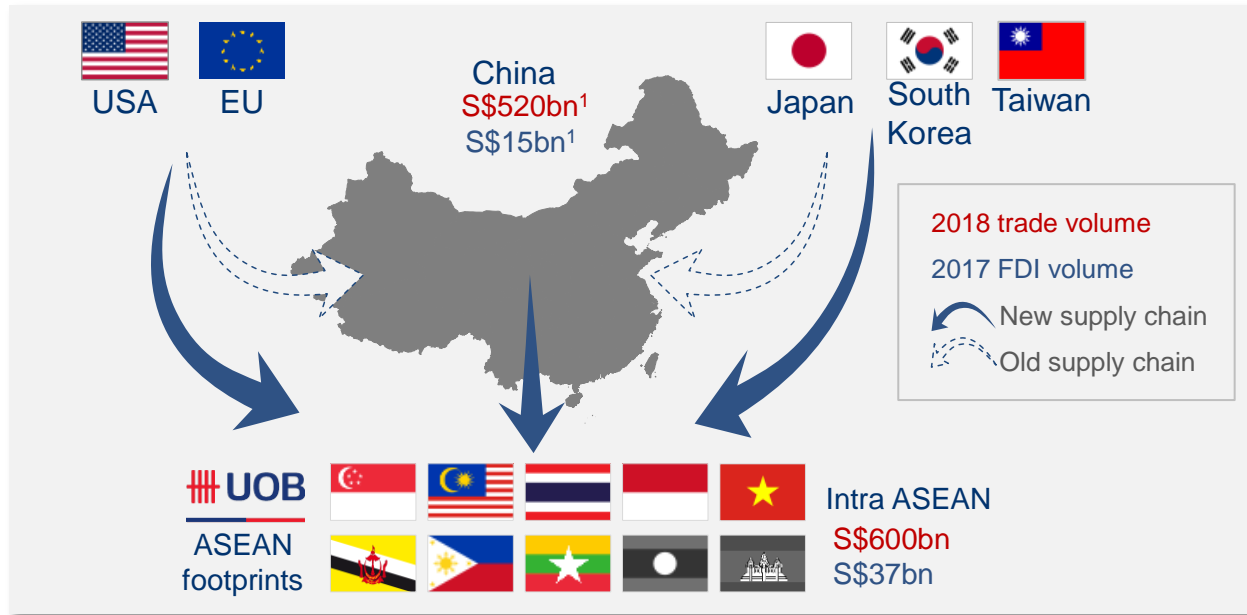
Richard David Maloney Jr.
Group Wholesale Banking

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

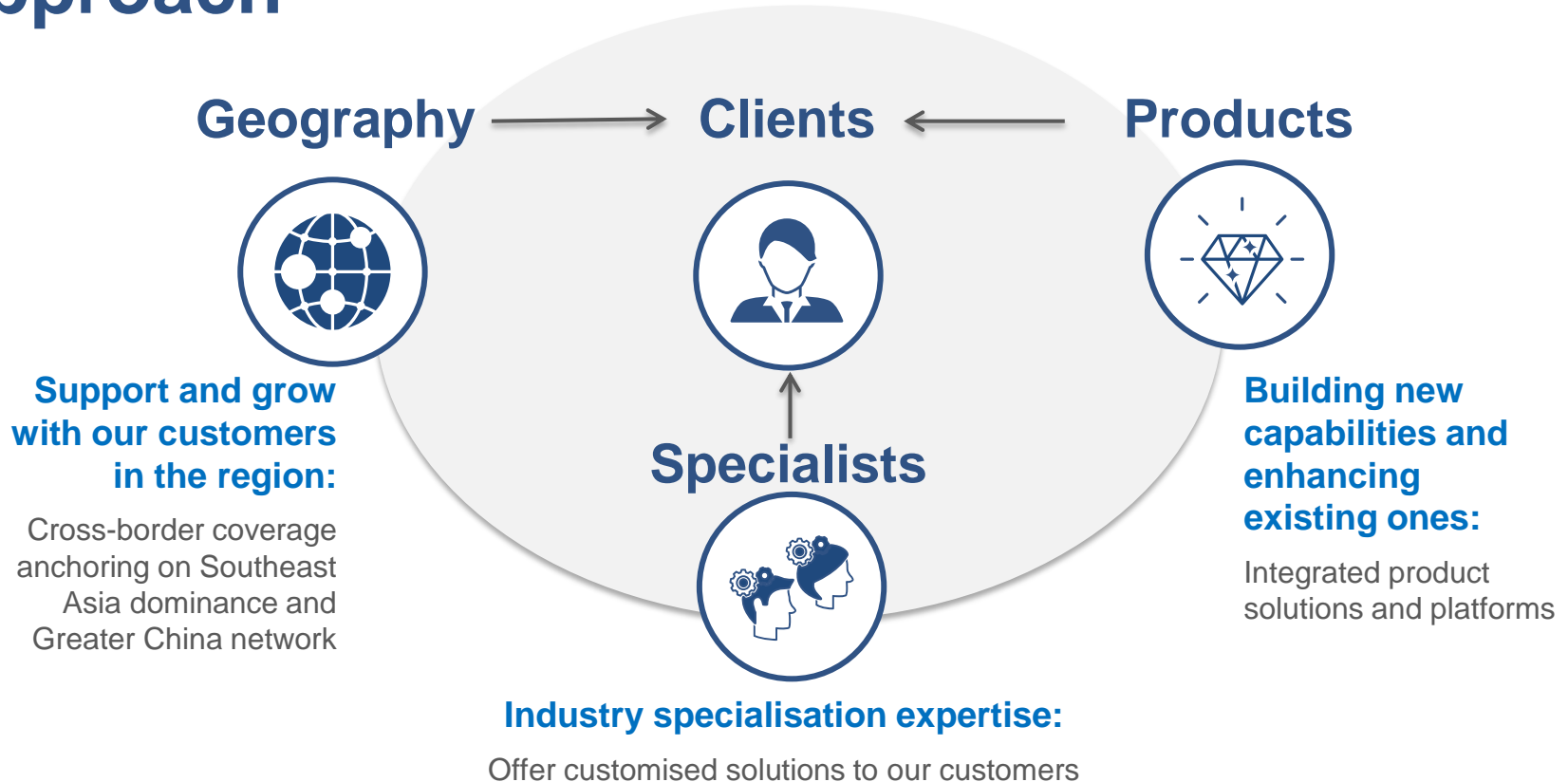
UOB is Well-Positioned to Capture Connectivity Flows

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%¹

more in client groups

+11%¹

growth in average income / client group

+8%¹

increase in average product holdings / client group

+26%¹

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



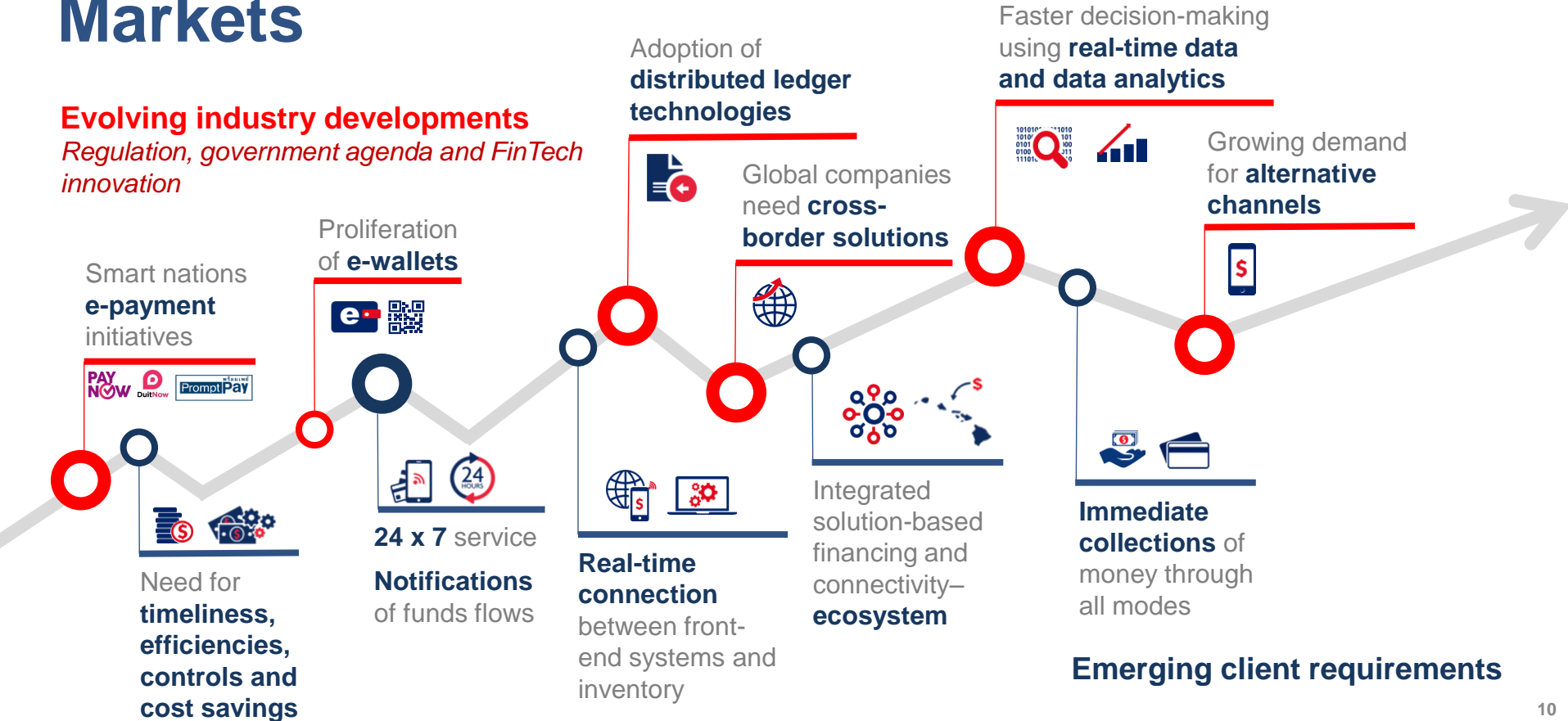
UOB Corporate Day 2019: Driving Integrated Solutions

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



Proxy¹



Virtual Accounts provides enhanced reconciliations for collections

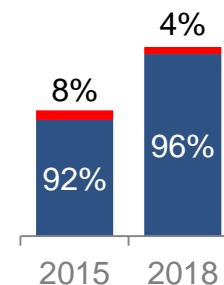


API services supporting real-time transactions



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



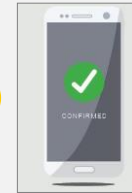
Confirm booking and select PayNow as payment mode



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 FSCM¹ 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

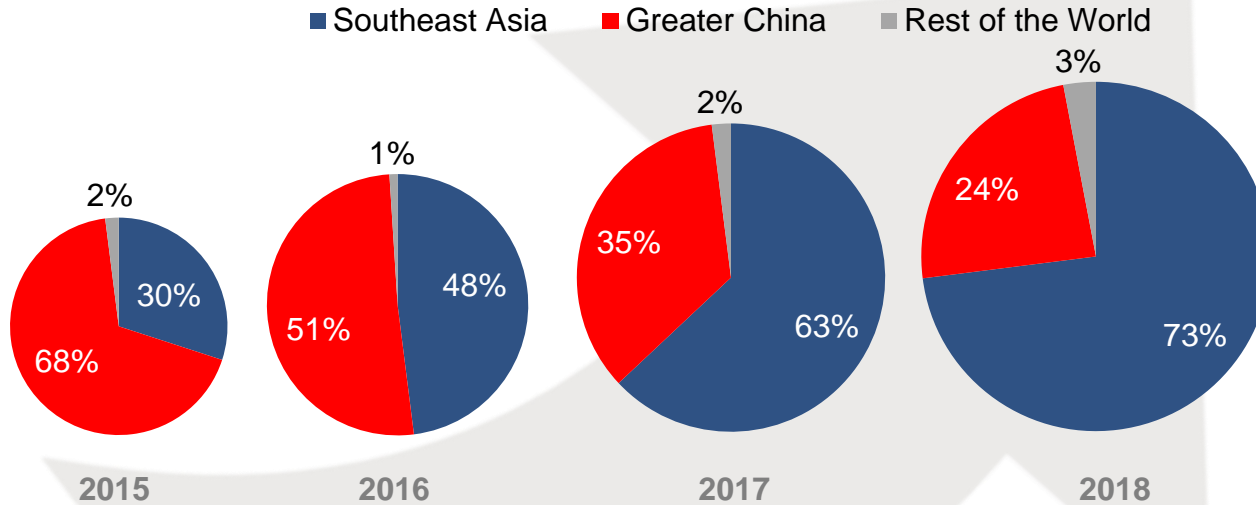
Offer complementary cash management and FX

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 Asset¹ - 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

