

## **UOB launches Southeast Asia's first virtual payment solution to help companies improve productivity and efficiency**

**Singapore, 28 February 2017** – United Overseas Bank (UOB) has launched Southeast Asia's first virtual accounts payable solution, the UOB Virtual Payment Solutions suite, to help companies raise their productivity and manage cost efficiently.

The UOB Virtual Payment Solutions suite enables businesses to pay their vendors and suppliers through a virtual corporate credit card account even if these parties do not accept card payments. This in turn benefits the entire supply chain as the supplier receives payment immediately and the company making the purchase enjoys interest-free credit to help extend their cash flow for up to 90 days<sup>1</sup>.

As the account reconciliation process for UOB Virtual Payment Solutions is automated, the company would be less reliant on manual processing. It can then redeploy its resources to focus on other areas of business.

Mr Eric Tham, Managing Director and Head of Group Commercial Banking, UOB, said that businesses are looking for ways to use technology to increase their profits particularly as they grapple with rising business costs and a tight labour market.

"In the current economic climate, it is important for companies to be even more proactive in managing their cash flow and increasing productivity to ensure their continued growth. That is why we continue to introduce financial technology solutions such as the UOB Virtual Payment Solutions suite to make managing the financial side of their business easier," Mr Tham said.

### **Payments made simpler**

NEC Asia Pacific (NEC APAC) is the first company in Southeast Asia to use the UOB Virtual Payment Solutions suite. NEC APAC and 18 of its small and medium enterprise suppliers are using the business-to-business payment solution as part of a pilot. Through the solution, NEC APAC has improved its

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<sup>1</sup> With the UOB Virtual Payment Solutions, companies can extend their average payable period (in which they pay its invoices from trade creditors such as suppliers) from the typical 30 days to up to 90 days, when their commercial credit card payment is due.

processing of payments from up to 60 days to fewer than seven days from when the invoices are received.

Ms Sandra Kwok, Finance Director, NEC APAC said, “We have had good feedback from both employees and suppliers on the improvements made through the UOB Virtual Payment Solutions suite. Our ability to pay with a credit card, even when our supplier does not accept this form of payment, has enabled our Finance team to reduce the time spent on reconciling payments. Human error is also minimised as the process is now largely automated. At the same time, our 18 suppliers, who are all SMEs, benefit as they receive their payments faster. This helps them manage their cash flow more effectively.”

Ms Jacquelyn Tan, Managing Director and Head of Personal Financial Services Singapore, UOB said, “Over the last five years, we have seen close to a 20 per cent increase in the use of payment cards by companies. This is mainly because the companies appreciate the ease of account reconciliation that credit cards bring. However, as their SME suppliers generally do not accept credit cards, the companies have had to rely on time-consuming cash and cheques to pay them. Through the UOB Virtual Payment Solutions suite, our corporate customers can pay their SME suppliers as well as reap the benefits of using credit cards.”

The accounts payable component within the UOB Virtual Payment Solutions suite is offered in partnership with Visa Business Solutions and Invapay, a UK-based financial technology company.

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#### **About United Overseas Bank**

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s and AA- by Standard & Poor’s and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices.

UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council’s Distinguished Patron

of the Arts Award for the twelfth consecutive year in 2016. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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