Transaction Banking

Andre Lee

UOBM Corporate Day
4 – 5 September 2014

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.
Overview of Transaction Banking Solution

Cash Management
- Account Structures and services
- Receivables Management Solutions
- Payments Solutions
- Liquidity Management Solutions

Trade Services
- Imports Services
- Exports Services
- Banker’s Guarantee
- Supply Chain Financing
- Small Value Trade Financing

Delivery Platform
- UOB Business Internet Banking (BIB)
- UOB Electronic Bulk Services (Host to Host)
- Physical Channels
Notable Achievements in Malaysia

UOB Malaysia has done it again.
We have been voted as the overall **Best Foreign Cash Management Bank in Malaysia** for 2 years in a row (2013 & 2014)!

- Best Foreign Cash Management Bank (Small Cap)
- Best Foreign Cash Management Bank (Medium Cap)
- Best Foreign Cash Management Bank (Large Cap)
- Best Overall Domestic Cash Management Services (Small Cap)
- Best Overall Domestic Cash Management Services (Medium Cap)
- Best Overall Cross-Border Cash Management Services (Small Cap)

UOBM clinched 8 of 9 contested awards for the Asiamoney Cash Management Polls 2014

- **Best Foreign Cash Management Bank in Malaysia** as voted by small-sized corporates
- **Best Foreign Cash Management Bank in Malaysia** as voted by medium-sized corporates
- **Best Foreign Cash Management Bank in Malaysia** as voted by large-sized corporates
- **Best Foreign Domestic Cash Management Services in Malaysia** as voted by small-sized corporates
- **Best Foreign Domestic Cash Management Services in Malaysia** as voted by medium-sized corporates
- **Best Foreign Cross-Border Cash Management Services in Malaysia** as voted by small-sized corporates
- **Best Foreign Cross- Border Cash Management Services in Malaysia** as voted by medium-sized corporates
- **Joint #1 Best Foreign Domestic Cash Management Services in Malaysia** as voted by large-sized corporates

NEW!!
Steady Growth Trends

- Customised end-to-end solutions covering cash, trade and supply chain financing across our network

- Assist customers in their cash flows and risk management

- Cash and trade equally important; gathering sticky deposits consistent with liability management initiatives

- Continued investments in building capabilities to support customers as they grow and needs evolve
Growth Drivers
- Capturing Intra-Regional Opportunities via FSCM

**Effective access to credit**
- Competitive Pricing
  - Based on trade relationship & proven track record with Anchor and UOB’s depth of knowledge of end to end supply chain flows

**Holistic product proposition**
- Full Product Suite
  - Provide one-stop end to end solutions

**Ability to cater to local and cross border needs**
- Strong Local Presence & Expertise
  - Extensive local footprint with strong expertise in the small and medium enterprise segment, deep understanding of operating environment, business practices and risks

**Appetite for Pre-Sales Financing**
- PO financing, import LCs, trust receipts, clean invoice financing, documentary collections

**Post-Sales Financing**
- Export LC negotiation, packing of credit loans, trade bills discounting, receivables financing

**Outsourcing**
- Full range of cash management solutions covering payments and receivables management

**THE UOBM VALUE PROPOSITION**
- Extensive Regional Capabilities
  - Ability to support our customers’ expansion

**Balance Sheet & Credit Appetite**
- Commitment to grow in a business we are strong and familiar with
Growth Drivers
- FSCM case study

Benefits of Payables financing for Anchor

- Discounting of usance purchases is requested by the suppliers
- Anchor’s trade facilities can be reserved for other financing requirements
- Financing cost is borne by suppliers
- May be able to standardize the suppliers tenor
- Predictable supplies
- Build stronger supplier / buyer relationship

Benefits of Receivables financing for Anchor

- Shorter post shipment financing of 60 days as compared with purchase financing of 150 days
- Predictable cash flow
- Savings on interest payments of 90 days
- Longer financing tenor as compared with pure purchase financing
- Transparent to the big buyers e.g. hypermarkets

UOB

Signs normal purchase contracts

UOBM discounts invoice and remit proceeds

Anchor settles loan on maturity

Presents docs to UOB to draw down supplier’s facility for between 60-90 days

Draws down 60 days post shipment financing

Delivers goods to Anchor

Delivers finished goods on 60 days terms

Debit Anchor NCA on maturity

Pays on maturity

ANCHOR

Distributors

NCA - Non-Chequing Account
In-country Transaction Banking Teams in each key market to provide local advisory services:
- Singapore
- Indonesia
- Malaysia
- China
- Thailand

Strong implementation & premium customer service to build stronger customer relationship

Provide real-time visibility and improved working capital management with convenience without compromising security

Premium Customer Service Delivery

Secured Internet Banking Platform

Comprehensive Cash & Trade Solutions

Domestic Custody Solution

Comprehensive cash management and trade services solutions that are specifically tailored to meet the needs of our customers

Domestic custody solutions in selected markets - Singapore and Malaysia

Growth Drivers - Building Regional Transaction Banking Capabilities