Group Transaction Banking

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1. TRENDS AND OPPORTUNITIES
2. EXPANDING WITH OUR CLIENTS
3. GROUP TRANSACTION BANKING STRATEGY IN GREATER CHINA
4. STRONG RESULTS
5. CASE STUDIES
6. STRONG INDUSTRY RECOGNITION
Trends and Opportunities: Tapping on Strong Regional Flows

Strong FDI flows$^1$ into Greater China and ASEAN, and within the regions

![Diagram showing FDI flows between China, Hong Kong, Myanmar, Thailand, Malaysia, Singapore, and Indonesia.]

**Strong growth in Intra-Greater China trade flows$^2$**

<table>
<thead>
<tr>
<th>Year</th>
<th>USD billion</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>231</td>
<td>+23%</td>
</tr>
<tr>
<td>2011</td>
<td>284</td>
<td>+20%</td>
</tr>
<tr>
<td>2012</td>
<td>341</td>
<td>+18%</td>
</tr>
<tr>
<td>2013</td>
<td>401</td>
<td></td>
</tr>
</tbody>
</table>

**Strong growth in ASEAN-Greater China trade flows$^2$**

<table>
<thead>
<tr>
<th>Year</th>
<th>USD billion</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>449</td>
<td>+20%</td>
</tr>
<tr>
<td>2011</td>
<td>541</td>
<td>+8%</td>
</tr>
<tr>
<td>2012</td>
<td>583</td>
<td>+8%</td>
</tr>
<tr>
<td>2013</td>
<td>632</td>
<td></td>
</tr>
</tbody>
</table>

- New growth catalysts such as ASEAN Economic Community and ‘One Belt, One Road’
- Connectivity is key to seizing growth opportunities

Sources:
1. UOB Global Economics & Markets Research
2. PRC Ministry of Commerce, Hong Kong Economics, Trade and Culture Office
Trends and Opportunities: Expanding with Our Clients

56% of our customers have cross-border needs and are looking to expand into Greater China and ASEAN

Tapping increasing regional connectivity to capture growth opportunities

Source: UOB’s internal survey, 2014
## Group Transaction Banking Strategy in Greater China

### CUSTOMERS
**Supporting clients’ regional business needs**
- Focus on target segments (MNCs, SOEs, LLCs\(^1\), SMEs) and their regional business needs
- Our strong foothold in ASEAN allows us to link our Greater China corporates to their counterparts in Asia
- Leverage Group’s integrated capabilities to originate opportunities into Greater China by capturing various cross-border flows from targeted large corporates into and within Greater China

### GEOGRAPHY
**Uniquely positioned to capture growth**
- Focus on driving cross-border business within the Greater China region
- Conduit for ASEAN clients’ expansion into Greater China; large ASEAN footprint to help clients capture various flows
- Leverage UOB’s 500-office network to capture end-to-end transaction flows (cash, trade and FSCM\(^2\)) within Greater China and across the rest of UOB franchise
- Ride on AEC\(^3\) and OBOR\(^4\) initiatives, where UOB is present in 11 of the OBOR countries

### PRODUCT & PEOPLE
**Offering advice and solutions**
- Build in-country solutions with regional overlay to service domestic and regional clients, for eg. our Global e-banking and Global Liquidity Management Solutions
- Transaction Banking teams in China (set up in 2011) and Hong Kong (set up in 2012), have since expanded by around 4 times
- Global FSCM\(^2\) team in place to meet the growing financial supply chain management needs of our customers globally

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1. LLC: Limited liability companies
2. FSCM: Financial supply chain management
3. AEC: ASEAN Economic Community
4. OBOR: One Belt, One Road
Strong Results over Past 5 Years

• Group Transaction Banking’s revenue recorded good growth momentum over the past 5 years, with Greater China business’ growing significantly alongside Group Transaction Banking

• Strategic focus remains on delivering solutions that meet clients’ evolving regional business needs

1. The axis of both charts are not on the same scale.
Leveraging UOB’s Greater China Franchise and ASEAN Footprint

- The China-Singapore cross-border sweep structure is strategically important to the customer
- Customer aiming to develop a pan-Asia regional liquidity and cash management structure in stages

**Benefit to Customer**

“With UOB’s support, we have been able to centralise the management of our RMB funds and this has helped us to improve our cash flow management as well as reduce the cost of capital.”

– General Manager of UOB’s customer
Building Comprehensive FSCM\(^1\) Solutions in Greater China

Our FSCM\(^1\) solution helped to cement our relationship with a leading residential developer, who served as the first anchor for our relationships with its Suppliers (Level 1), and in turn was able to extend the supply chain financing upstream to include their Suppliers (Level 2).

1. FSCM: Financial supply chain management
Innovative Bundling of Strategic Collaboration

Full Suite of Collections
- Cash collection via banknotes
- Lockbox lite
- Direct debit authorisation

Our Customer: Hotel Operator & Mobile Phone Dealer

BIBPlus

Full Suite of Payments
- RTGS\(^1\)
- Telegraphic transfer
- Cheque
- Pre-printed corporate cheque
- Autopay

Benefits to Customer

Streamline the Process
- Faster turnaround time i.e. same day credit
- One-stop shop service i.e. FX and fixed deposit
- Easy account reconciliation with reference input per cheque
- Faster turnaround time for fee collection

Process & Control (Internet Banking)
- Real-time account information
- Improve cash flow
- Easy reconciliation and reporting
- Outsource labour intensive tasks to bank

Cost Savings
- Straight-through processing of payables, instead of manual issuance by paper instructions
- Enjoy preferential pricing for online payments
- Convert from expensive RTGS\(^1\) to low-cost electronic payments, ACH\(^2\)

1. RTGS: Real-time gross settlement
2. ACH: Automated clearing house
Leveraging Our Strong Network & Relationships

- Strong position to connect Chinese corporates with Myanmar corporates
- Able to support the trade corridor between Greater China and Myanmar

Benefits to Customer

- Help to enhance and facilitate our customers’ cross-border trade between China and Myanmar
- Provide Chinese corporates an end-to-end trade solution for their trade with Myanmar
- Provide faster turnaround time to collaborate with Myanmar suppliers and end-buyer in China
- Leveraging UOB’s network to link up Chinese corporates
Strong Industry Recognition

Won 28 AsiaMoney Awards in 2015 – Seeing 6 times Growth over Last 5 years

SINGAPORE 8 awards

UOBS 2015
Best Local Cash Management Bank
(voted by Small, Medium and Large corp)
Best Overall Domestic Cash Management Services
(voted by Small and Medium Corp)
Best Overall Cross-Border Cash Management Services
(voted by Small and Medium Corp)
Best Local Currency Cash Management Service (SGD)
(voted by Financial Institutions)

MALAYSIA 9 awards

UOBM 2015
Best Foreign Cash Management Bank
(voted by Small, Medium and Large corp)
Best Foreign Domestic Cash Management Services
(voted by Small, Medium and Large Corp)
Best Foreign Cross-Border Cash Management Services
(voted by Small, Medium and Large Corp)

THAILAND 7 awards

UOBT 2015
Best Foreign Cash Management Bank
(voted by Medium corp)
Best Foreign Domestic Cash Management Services
(voted by Small, Medium and Large Corp)
Best Foreign Cross-Border Cash Management Services
(voted by Small, Medium and Large Corp)

CHINA 4 awards

UOBC 2015
Best Foreign Cash Management Bank
(voted by Small and Medium Corp)
Best Foreign Domestic Cash Management Services
(voted by Small Corp)
Best Foreign Cross-Border Cash Management Services
(voted by Small Corp)
Strong Industry Recognition

Delivering Excellent Solutions; Won 4 Awards in 2015 from The Asset

The Corporate Treasurer Names Asia’s 25 Most Influential Women in Treasury & Finance

- Ms. So Lay Hua, Head of Group Transaction Banking
  - Named Asia’s 25 most influential female treasurers and bankers throughout Asia-Pacific by The Corporate Treasurer in March 2015
Questions & Answers
THANK YOU