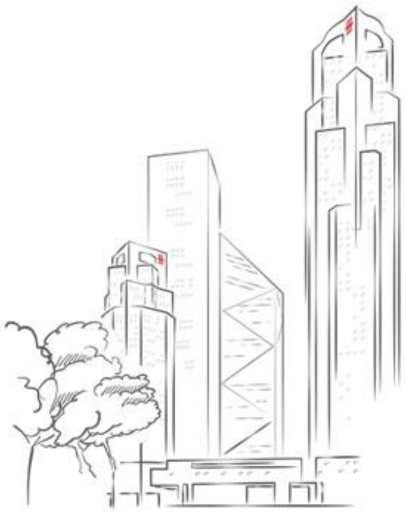


# Responding to new digital bank entrants:

## *An Incumbent's Perspective*

March 2021

# Our retail strategy

## Balanced business, quality balance sheet, regional scale

**Engines of growth**

- Deposits
- Wealth

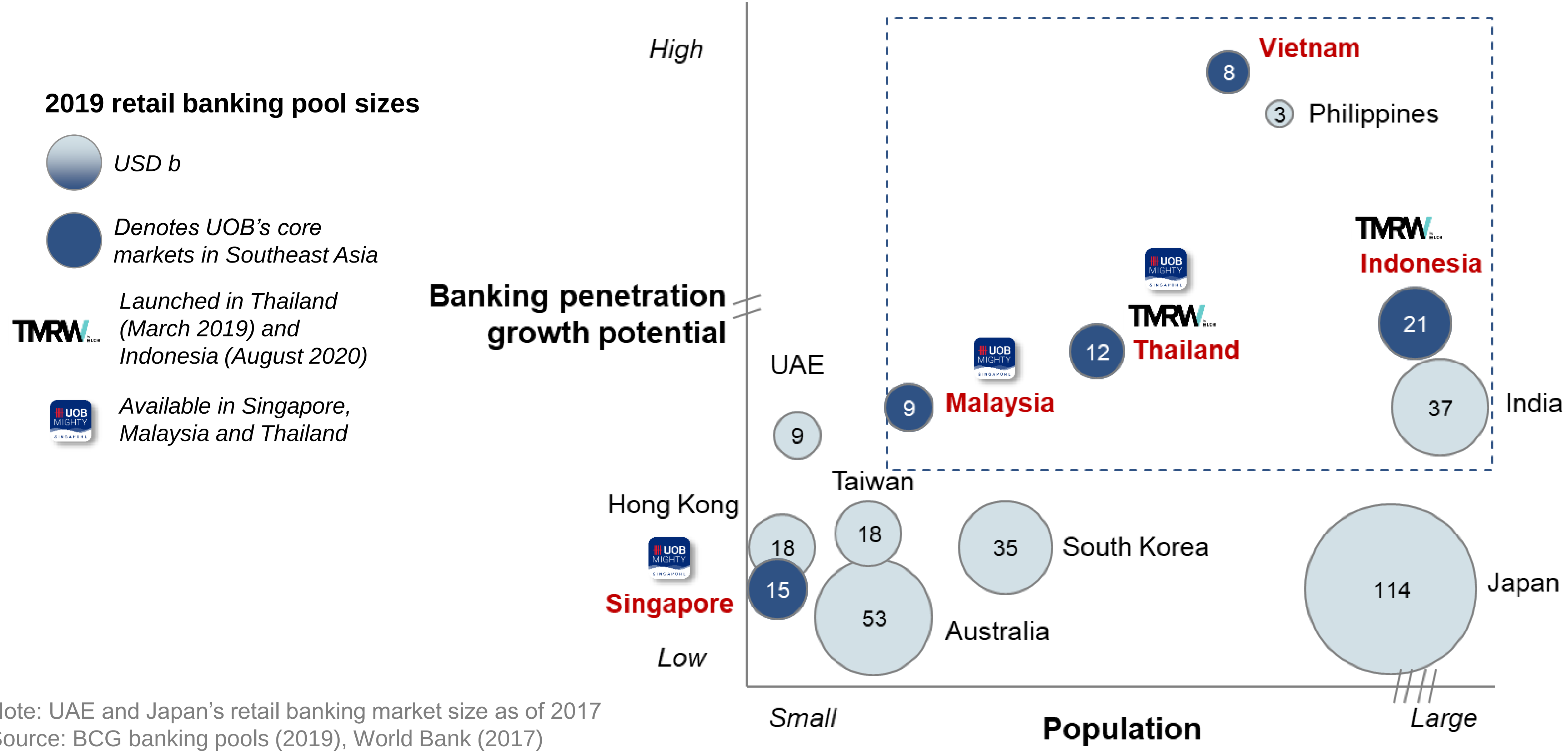
**Innovate & Protect Core**

- Mortgages
- Cards & Payments

**Enablers**

- Omni-channel
- Data/ AI
- Partnerships

# Retail banking opportunity in the larger, less saturated markets in Southeast Asia




Note: UAE and Japan's retail banking market size as of 2017
Source: BCG banking pools (2019), World Bank (2017)

# Evolving banking landscape and consumer behavior

UOB

**Market forces and Regulatory pressures**

**Our competitors**
*(Competing, Investing, Transforming)*

**Customer Expectations / Behaviour**
*(Embracing digital, expecting more)*

- Fearful of economic impact and job security
- Ever increasing focus on health
- Shift to value and essentials
  - *Rise in conscious consumption*
  - *Growing love for local*
  - *Shock to loyalty*

**Ecosystems disrupting banking**
*(Payments, Wealth, Lending)*

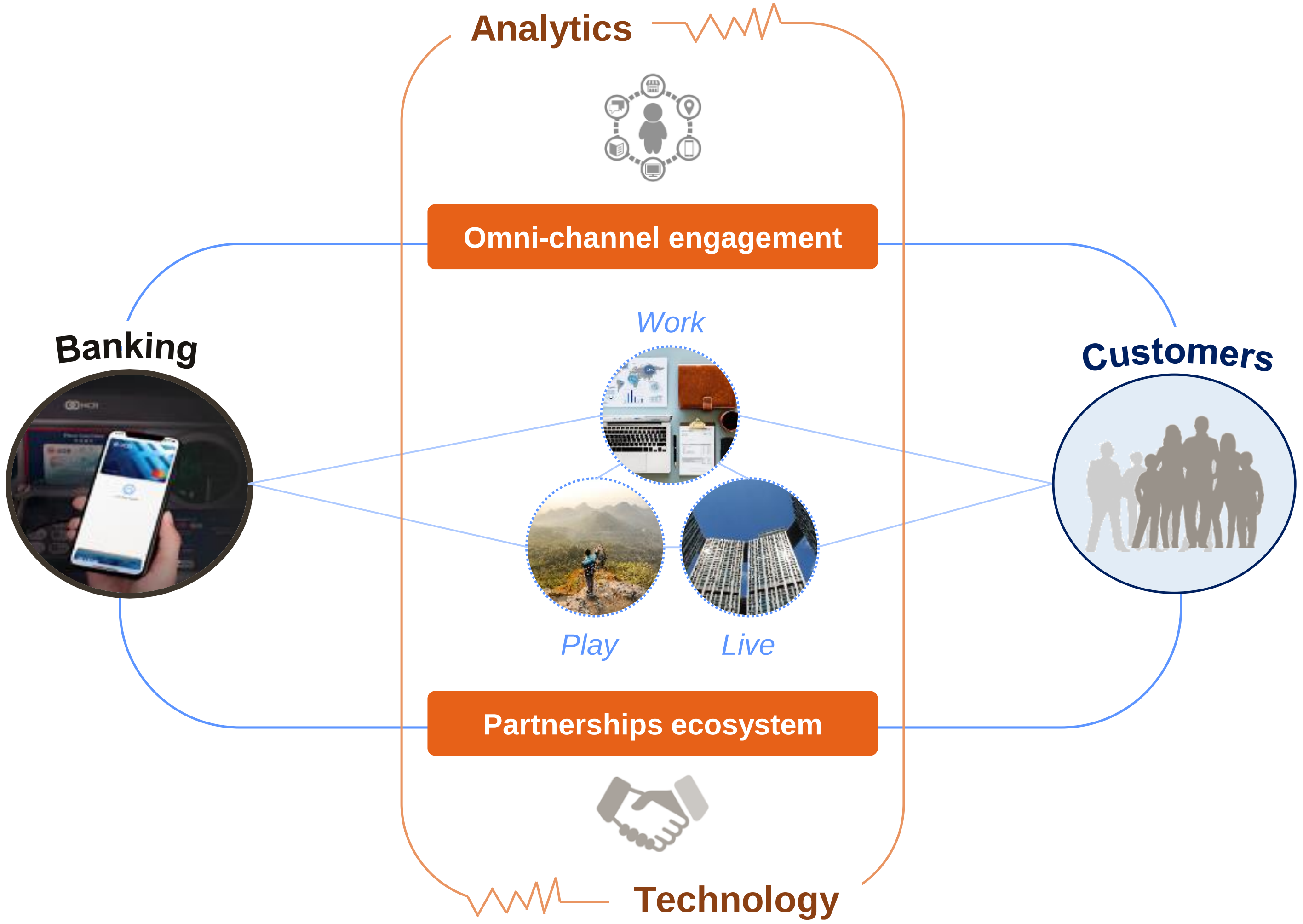
**Open banking**

- Flight to digital and omni-channel
- A new virtual workforce
- Trust local banks (53%*) more post-COVID-19

*Source: Survey of 300 Singapore consumers by Dynata

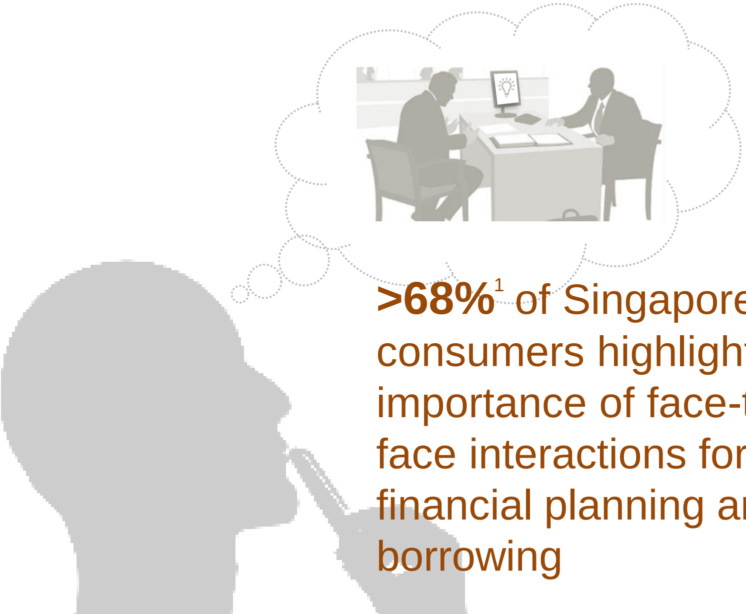
# Our approach

- **Integrating** the Bank into customers' **everyday** life – **Work, Live** & **Play**
- Leveraging analytics and technology to drive omni-channel engagement and partnerships ecosystem



# Omni-channel engagement strategy:
## A result of customers’ needs and business imperatives

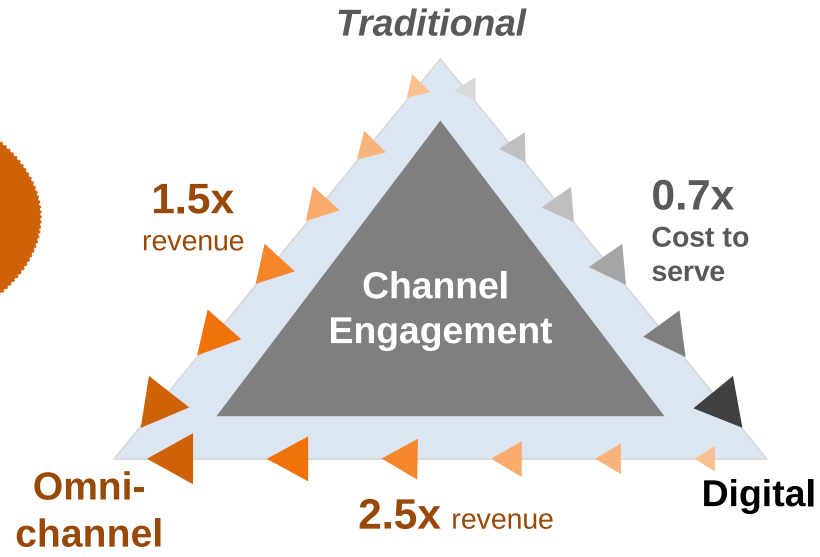
### Varying channel preferences along customer’s buying journey



**>68%**[1] of Singapore consumers highlight the importance of face-to-face interactions for financial planning and borrowing

**Omni-channel strategy**

### Drive revenue and optimise cost-to-serve




1. Survey of 300 Singapore consumers by Dynata.

# Omni-channel engagement strategy:
## Investing in our digital capabilities

### 2016
**Year of the Mighty**

- Launched Mighty
- 1st in mobile pay: Mighty Pay
- 1st in contactless ATM cash withdrawal

### 2017
**PayNow**

- Launch of PayNow

### 2018
**Digital onboarding and MightyFX**

- 1st Singapore bank to enable digital onboarding across all bank products within 15 minutes
- Launched MightyFX

### 2019
**Mighty V2**

**All-in-One, All-for-One**

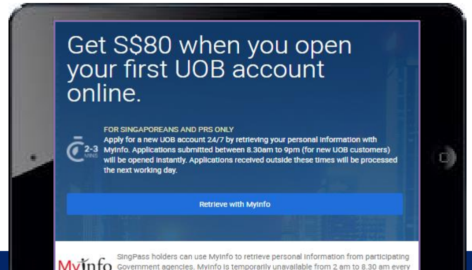
**Personal:** Bank, Pay, Play

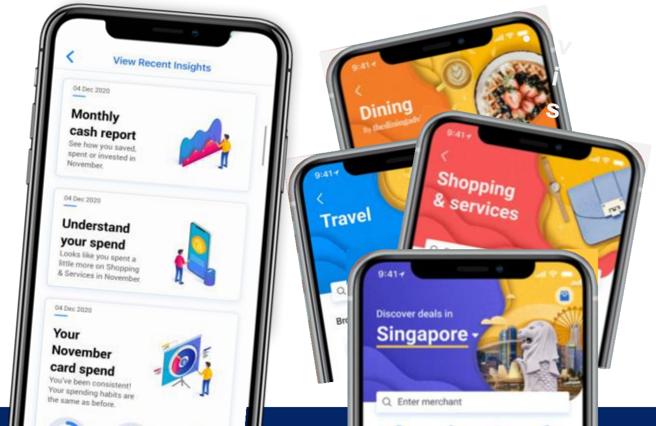
- Payments-focused
- Powered with AI – Mighty Insights
- Designed to serve full spectrum of needs including customised deals / offers

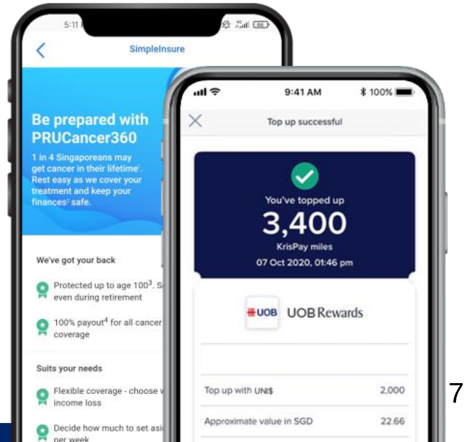
### 2020
**APIs and Simple Wealth**

- Integrated payment APIs with partners – **1st in the world** to leverage VISA API, SP pay-with-points and Kris+ UNI$-to-Miles conversion
- Launched Simple Insure and SGFinDex





# Our digital investments have yielded positive results

## From onboarding, to engagement / cross-sell, to servicing

### Digital Onboarding

*Fuss-free, paperless, instant*

- ✓ 30-100% online mix across all products

### Digitally engaged

*Engaging customers 24/7*

- ✓ >20% increase in Mighty users
- ✓ >60% increase in financial transactions

### Mighty Insights

*Personalised to your needs and behaviours*

- ✓ >40m AI-driven insights served
- ✓ High 2.8/3 rating
- ✓ Seen 60% conversion

### E-Payments

*Making payments simpler, safer, smarter*

- ✓ >200% growth in PayNow and QR Pay transactions
- ✓ >50% growth in e-Commerce

# Omni-channel engagement strategy:
## Transforming our physical touchpoints

**2018**

### Use of Geospatial Analysis

- Leverage analytics through the use of internal and external data to strategically redesign our physical touchpoints

### Piloted High-Street Wealth Centre (HSWC)

- Pilot launch of Orchard HSWC where customers receive a personalised experience via the use of AI and data analytics (queue profiler / product recommender)

**2019**

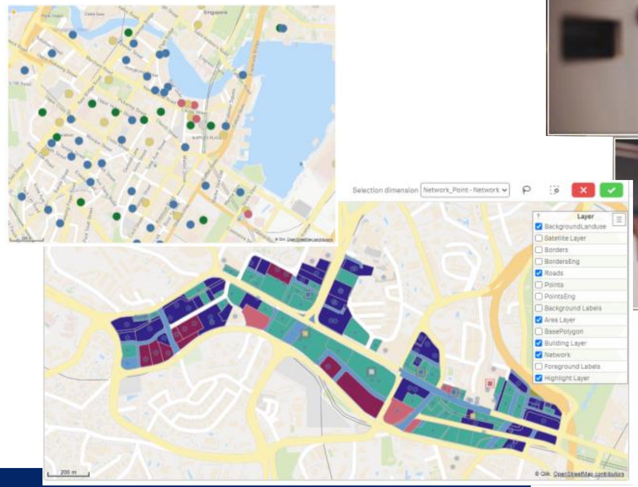
### Digital Portfolio Advisory Tool *(PAT)*

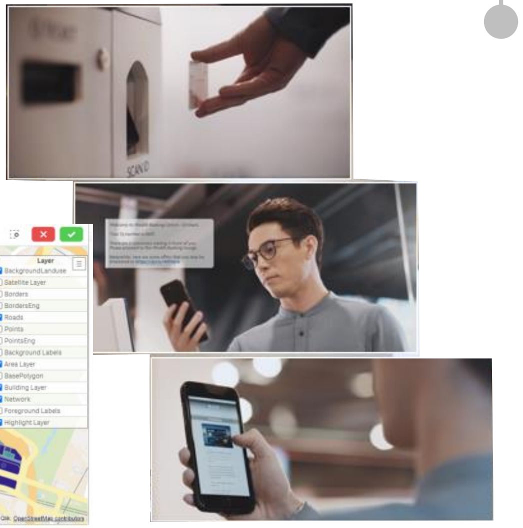
- Aided by an adviser, PAT provides insights to clients on portfolio performance / simulation, helping customers to make informed decisions

**2020**

### Continue to innovate and optimise

- Continue to leverage data analytics and technology to optimise physical network and enhance the role of face-to-face touchpoints to complement digital





Transforming our touchpoints and tools to drive omni-channel engagement

**Investing in Digital, Transforming Physical**

| | | | |
|---|---|---|---|
| *Be where customers 'work, live, play (WLP)'* | *Serving with the right customer value proposition* | *Recommends product / service* | *Deliver superior service* |

*Powered through **analytics and technology***

Driving conversations with customers via **omni-channel engagement**

*Delivering great **customer experience***

| | | | |
|---|---|---|---|
| *Online-to-offline convenience* | *Wealth continuum and segment privileges* | *Quality advisory / solutions* | *Loyalty / Net Promoter* |

**Customers**

# Extensive partnerships ecosystem: Banking lifestyle needs

UOB

## Embed within customer journey to become essential at every stage

**Phases of life**

**Everyday and lifestyle spending**

**Milestone purchases (Property and motor)**

**Home solutions (Utility payment)**

**Strategic Partners**

Everyday and lifestyle spending:

- Transport / Ride-hailing
- Delivery
- Groceries
- Health & Beauty
- Retail
- e-Commerce
- Airlines

And >1,000 partner deals across key categories

Milestone purchases:

- Home solutions >90% agencies
- Car solutions >80% dealerships

Home solutions:

- Electricity marketplace >90% coverage
- Telecommunications

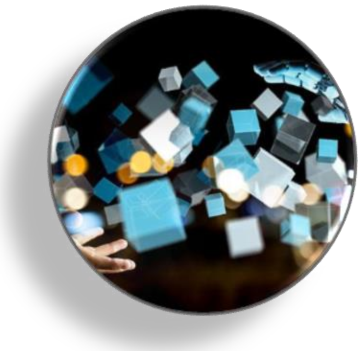
# In summary

# Integrate banking into consumer lifestyles

## Continuously innovating our products & services

**Serving Customer Journeys**

**Investing in Digital Transforming Physical**



**Leveraging Advanced Data Analytics (ML/AI)**

**Leveraging Partnership Ecosystem**

**Digital Innovation**

**Expertise**

**Omni-channel services**

# Thank You