UOB mobile and Agent banking

February 2014
Agenda

Mobile banking
- Aims
- Features
- Fees
- Customer experience

Agent network
- Creating the Agent network
- Liquidity management and performance evaluation
Introduction

• In 2013 UOB launched their mobile banking service, mHose
• Delivered through VISA’s mVISA platform
• 22,000 customers and 213 Agents registered
mHose aims

1. Reduce operational cash related risks
   - Lending staff no longer need to handle cash

2. Increase operational efficiency and productivity
   - Lending staff, Data Entry Dept, and Branch network will all experience benefits

3. Provide clients with access to full range of financial services
   - Customers will have convenient, safe and affordable access to savings, loan and insurance services without having to access a UOB branch
mHose mobile banking service

- Make **deposits** and **withdrawals** though network of Agents
- **USSD** *501#

**Customer bank account**

- Manage UOB loan: • Repayments • Receipt of loan
- **Interest is paid**
- **Life insurance** for customer and 2 family members

**Other services:**
- Send money, buy airtime, pay bill, balance enquiry
- ATM withdrawal and online purchases
The mVISA system is “interoperable”

- UOB customers can visit mVisa Agents linked to other Banks
- Customers of other Banks (linked to mVISA) can use UOB Agents
- Anyone using mVISA can send money to each other

UOB customers can visit any Agent displaying the “mVISA” logo
Customer fees

- UOB charges fees:
  - Affordable to customers
  - In line, or cheaper, than the competition
- All fees are deducted from the customer’s account
- No fees for cash deposit or pay loan to drive adoption for loan payments

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Min</th>
<th>Max</th>
<th>Fee (Rwf)</th>
</tr>
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<tbody>
<tr>
<td>Send money</td>
<td>1,500</td>
<td>300,000</td>
<td>300</td>
</tr>
<tr>
<td>Cash withdrawal at agent</td>
<td>1,500</td>
<td>10,000</td>
<td>275</td>
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<tr>
<td></td>
<td>10,001</td>
<td>25,000</td>
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<tr>
<td>Cash deposit</td>
<td>1,500</td>
<td>500,000</td>
<td>No fee</td>
</tr>
<tr>
<td>Pay Loan</td>
<td>1</td>
<td>500,000</td>
<td>No fee</td>
</tr>
<tr>
<td>Top-up Airtime</td>
<td>500</td>
<td>300,000</td>
<td>No fee</td>
</tr>
<tr>
<td>Pay Merchant / Pay Bill</td>
<td>500</td>
<td>300,000</td>
<td>No fee</td>
</tr>
<tr>
<td>Balance Enquiry / Mini Statement</td>
<td>1st trnx per day is free; then Rwf 50 per trnx</td>
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<td></td>
</tr>
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</table>
Customer experience

Getting started

• Customers register at UOB branch, with lending staff (& now at Agents)
• Dial *501# to access the menu
• Accessible on any phone through any MNO

Customer usage

• Customers appreciate the secure and convenient access to financial services, especially loan payments, and airtime top-up
• Challenges with illiterate customers and those without a phone

Customer support

• Call the support centre for free (5151)
  • Reset PIN
  • System is down or confirmation of transaction

UOB mHOSE mVISA
1. Send Money
2. Withdraw Cash
3. Pay Loan
4. Top-up Airtime
5. Pay Merchant
6. Pay Bill
7. My Account
8. Get VISA Number
Marketing to customers

- Key value proposition: mHose is a new banking solution

- Radio
- Roadshows
- Customer training and leaflets
- Billboards and posters
mHose Agent network

- Agents enable customers to make deposits and withdrawals on their accounts

To deposit cash into their account:
1. Agent sends money to customer’s account
2. Customer gives cash to Agent

To withdraw cash from their account:
1. Customer sends money to Agent’s account
2. Agent gives cash to customer

- Agents are paid a commission for every transaction
  - Tiered structure; commission paid directly into account
Creating the Agent network

1. Identify required Agent locations
2. Select and validate Agents
3. Train and register Agents
4. Agent signs contract with UOB and starts transacting
Liquidity and performance management

- UOB employ a third party to help manage the liquidity at Agents (an ALM)
  - Demand is driven by UOB groups making cash deposits
  - UOB create a weekly forecast for ALM to show float required by Agents each day
- MMC provide liquidity in two main ways
- MMC paid a percentage of commission paid to Agents
- MMC completes Agent evaluation form during regular visits, until AQM is brought online

1. Sales rep travels to Agent
2. Sales rep sends float to Agent
3. Agent gives cash to sales rep
4. ALM sends float to Agent
5. Agent deposits cash into ALM’s account
UOB mHose team structure

mHose manager

- Call Centre supervisor
- 3 Call Centre operators

mHose Implementation manager

- Agent network manager
  - Liquidity Manager
  - Agent Training and Evaluation Officer
  - Agent registration
  - Agent selection and validation
## Key challenges in launching and running mHose

<table>
<thead>
<tr>
<th>System</th>
<th>• Ensuring the mHose system is reliable and accurate</th>
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</thead>
<tbody>
<tr>
<td>Customers</td>
<td>• Ensuring customers understand mHose and trust it</td>
</tr>
<tr>
<td></td>
<td>• Customers registering and setting their PINs</td>
</tr>
<tr>
<td>Agents</td>
<td>• Ensuring Agents hold sufficient float and are satisfied with the business</td>
</tr>
<tr>
<td></td>
<td>• Reaching more isolated groups</td>
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<td></td>
<td>• Handling loan disbursements</td>
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In summary

A good start, but plenty more progress to make…….