

UOB survey shows that Indonesians have increased the use of contactless payments during the COVID-19 pandemic

Jakarta, 25 February 2021 – During COVID-19, contactless modes of payment¹ emerged as an essential solution for consumers in Indonesia to make transactions in a simpler, smarter and safer way. The *UOB ASEAN Consumer Sentiment Study 2020*² has found that Indonesian consumers prefer to use peer-to-peer payments (76 per cent), followed by QR system (QRIS) payments (69 per cent) and mobile-based internet banking (64 per cent). Only one quarter of respondents said that they continue to rely heavily on cash during the pandemic. Of the respondents who favoured cash, 34 per cent were consumers between the ages of 51 and 65 years old.

The UOB study³ also found that digital payment preferences were different across the generations. More than three in four Gen-Y Indonesians polled preferred peer-to-peer payment services, while Gen-Z consumers (77 per cent) preferred QRIS payments. Baby Boomers said their preference was for mobile-based internet banking services (69 per cent).

Findings from the *UOB ASEAN Consumer Sentiment Study 2020* align with transaction data from UOB Indonesia and TMRW, UOB's digital bank for ASEAN's digital generation. For example, from February to December 2020, monthly electronic fund transfers (RTOL and RTGS)⁴ made by TMRW customers grew an average of 26 per cent⁵.

Mr Khoo Chock Seang, Head of Personal Financial Services and Digital Bank, UOB Indonesia, said, "The COVID-19 pandemic has accelerated the digitalisation of most aspects of our lives. As more Indonesians take to the safety and simplicity of making digital payments through their smartphones, we expect that the demand for mobile services in the country will continue to grow and to help drive Indonesia's aim of being a cashless society.

¹ Contactless payments include mobile-based internet banking, QR code payments, web-based internet banking, mobile wallet, credit/debit cards and peer to peer payment services

² The *UOB ASEAN Consumer Sentiment Study* was conducted by UOB in July 2020 among more than 3,500 individuals aged between 18 and 65 years old across five ASEAN markets, namely Indonesia, Singapore, Malaysia, Thailand and Vietnam.

³ The survey compares Generation Z (aged 18 to 23), Millennials (aged 24 to 39), Generation X (aged 40 to 55) and the Baby Boomer Generation (aged 56 and above).

⁴ RTOL (Real-time Online Transaction) and RTGS (Real-time Gross Settlement) are the two methods of electronic funds transfer in banking. RTOL allows the recipient to received funds in real time, while RTGS takes up to four hours.

⁵ TMRW was soft-launched in Indonesia in January 2020 and officially launched on 3 August 2020.

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“At UOB, we support the government’s cashless payments push to make digital banking and payments simpler, safer and smarter. This helps to address the needs the more than nine in 10 respondents to our survey who said they wanted more convenient digital services (95 per cent) and secure digital payment modes (94 per cent).”

As part of the Bank’s digital payment offering, the Bank launched TMRW, UOB’s award-winning ASEAN digital bank for the region’s digital generation in August 2020. From the moment customers apply for a TMRW account, they enjoy a completely contactless experience. This fully-digital experience is powered by artificial intelligence and machine learning to create an engaging and personalised experience for each customer based on their transaction data. By understanding and anticipating customers’ needs, TMRW is able to serve customised insights to help each individual spend and save more wisely.

“As the trend is moving towards contactless payment options at the expense of cash payment, we believe TMRW is the future. Through our QR feature in TMRW that enables fast and convenient payment, UOB is supporting the National Non-Cash Movement (Gerakan Nasional Non-Tunai) and Bank Indonesia’s target to reach 12 million merchants through QRIS payments by end of 2021,” Mr Khoo said.

About the UOB ASEAN Consumer Sentiment Study

The *UOB ASEAN Consumer Sentiment Study* aims to understand ASEAN consumers better as the region undergoes a profound social and economic transformation. For the study’s inaugural run in July 2020, more than 3,500 respondents from five ASEAN countries were interviewed, including more than 600 consumers from Indonesia.

Among the five ASEAN countries covered in the *UOB ASEAN Consumer Sentiment Study*, Indonesia saw the highest share of consumers (74 per cent) who said their use of digital or cashless payments had gone up, ahead of Singapore (70 per cent), Vietnam (67 per cent), Malaysia (63 per cent) and Thailand (50 per cent) during the pandemic.

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About UOB Indonesia

UOB Indonesia was established in 1956. The Bank's service network comprises 41 branch offices, 131 sub-branch offices and 160 ATMs across 30 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are accessible through its regional ATM network, the ATM Prima and Bersama networks and the Visa network. UOB Indonesia is a subsidiary of UOB, 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.

UOB Indonesia is committed to providing quality products and excellent customer service. UOB Indonesia offers various banking products and services categorised into personal financial services, business banking, commercial banking, corporate banking, global markets and investment management.

The Bank has a strong retail customer base through its wide range of saving products, mortgage services and credit cards. UOB Indonesia's banking services are also accessible in Indonesia, Singapore, Malaysia, and Thailand through hundreds of UOB ATMs.

UOB Indonesia also offers a full suite of corporate/commercial and personal banking products, including a range of treasury and cash management products and services. UOB Indonesia has also been increasingly focused on helping companies with their expansion plans. It has facilitated many enterprises from industries such as construction, mining, real estate and the services sector expanding into Indonesia. UOB Indonesia is rated AAA (idn) by Fitch Ratings.

UOB Indonesia believes in being a responsible financial services provider. It is committed to making a difference in stakeholders' lives and the communities in which it operates. Just as its dedication in helping customers manage their finances wisely and grow their businesses, UOB Indonesia is steadfast in its support of social development, particularly in art, children, and education.

For further details on TMRW by UOB, please visit www.tmrwbyuob.com

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