

Financial markets by quarter

Finance Vertical Practice
Consumer Insights

Q2 2021





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Foreword

Welcome to NielsenIQ's inaugural publication for the financial services industry!

Welcome to our second *Financial Markets by Quarter* publication.

Time flies. We are now in the middle of 2021 already! The consumer and business environment have been extremely dynamic in the first half of the year.

Many of our clients and financial institutions have been busy trying to understand, adapt and operate against the ever-changing COVID-19 backdrop. There are even talks and discussions now on preparing their businesses from a pandemic environment to an endemic one. While some are introducing new products or solutions that are relevant to the “new normal”, there are others who are trying to redefine Customer Experience or change their marketing and communication strategies to the new setting.

In this quarter's *Feature Article*, we have our Vietnam Finance Vertical Leader, Ms Ha Dang, sharing her point-of-view on the *Consumers of Tomorrow* – that is the increasingly important and younger consumer segment as we move forward.

We also have a special *Market Spotlight* article on Indonesia this quarter, where our local Finance Vertical Leader, Inggit Primadevi, shares insights on the (dis)loyalty and shifts away from mainstream banking. A growing phenomenon that goes beyond just Indonesia.

Hope you will find our sharing useful.
Enjoy your read!



Garick Kea
Global Finance Vertical Leader
NielsenIQ, Consumer Insights

Feature Article

Targeting the customers of tomorrow

By Dang Thuy Ha
Vietnam Finance Vertical Leader





Targeting the consumers of tomorrow

How the industry is digitalizing to target the connected consumer

“In the new world, it is not the big fish which eats the small fish, it’s the fast fish which eats the slow fish”.

*– Klaus Schwab, Founder & Executive
Chairman of the World Economic Forum*

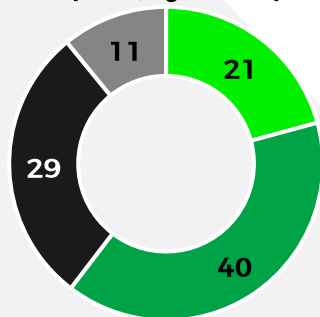


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Digitalization is the inevitable global trend that is shaping the way people are thinking and how businesses are running. And it is the younger population - the customer of tomorrow - who has the knowledge and the familiarity with smartphones and the Internet that will be a key driver of this trend and ultimately, the economy as a whole.

This is even more so the case in Vietnam. In a world where most countries are facing a diminishing younger population, it is the younger segment that is the dominant age group in Vietnam. By 2025, the population of Gen Z in Vietnam is estimated to reach 14.7 million people and are forecasted to contribute to 21% of the labor workforce¹. In NielsenIQ’s (NIQ) latest edition of Personal Finance Monitor (PFM), we found that among 1,200 bank users in Hanoi and Ho Chi Minh City, over 60% were 35 years old or less².

Bank user's profile (%)
(PFM, Q1 2021)



- 18-25 years old
- 26-35 years old
- 36-45 years old
- 46-50 years old

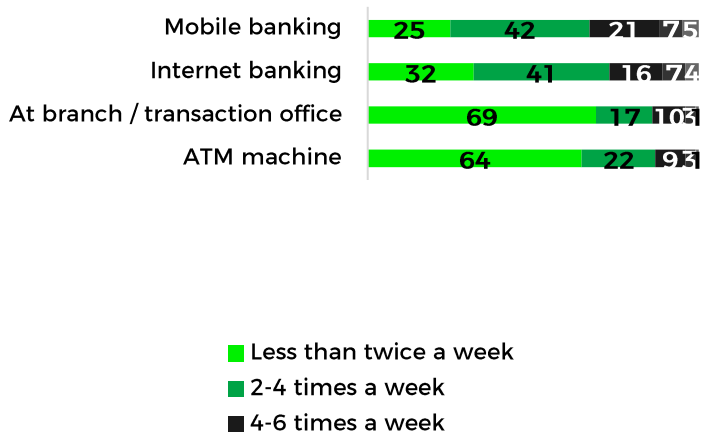
This segment is also the most connected. Even back in 2017, 45% of Gen Z claimed that they could not live without mobile, compared to 35% Millennials and 36% Xennials¹.

To take advantage of these trends, Vietnamese banks have proactively studied how best to seize these opportunities and have adopted various methods to enhance their product/solutions to keep connected with the customer in this competitive landscape.

Convenience as the key consumer demand

Based on the current trajectory, consumers of tomorrow are not going to be as loyal as they are now, and certainly not as they were before. Based on NIQ’s global syndicated study³, 47% of the consumers said that they wanted to experience new products. They have become

**Channel frequency of banking services
(%) (PFM, Q4 2020)**



more demanding, more knowledgeable and are living in a more complex lifestyle. The most noticeable change now turns out to be “Convenience” – how quickly and easy it is to use a specific product or service. To tackle this matter, banks have been utilizing the mobile platform to attract and provide their customers with banking services. This is critical considering that mobile banking is used more frequently than any other channel².

The importance of mobile is not just apparent in Vietnam, but many global markets as well. For some markets like Malaysia, Turkey and the US, a “good mobile banking app” was one of the top two drivers for selecting their main bank³.


Top 3 ranked reasons for selecting a bank as main bank (Top 3 attributes per country among 23)			
Attributes	Malaysia Gen Z	Turkey Gen Z	USA Gen Z
Good mobile banking app	1	2	1
This bank is the very safe and secure	2	-	-
Good customer experience and service	-	-	2
Good ATM network	-	1	-

Urbanization and rapidly developing technological advancements are going to continue to feed this growing “on-demand culture”, where customers are expecting to have control to be able to do things whenever they want, wherever they need to and that includes banking. Time has become increasingly precious to customers, calling for greater control in every part of their lives. That is where great mobile banking can deliver the promise to ensure a simple, easy, and interruption-free banking experience.

Easy-to-use features critical in achieving greater convenience for customers

In this battle to address this need for fast, on-demand services, banks are investing consistently in new technology and system upgrades to ensure on-to-off customer transactions.

For example, China Construction Bank has integrated an e-commerce trading platform into their online banking platform, providing an avenue for product trading, distribution, credit financing, and financial planning. On the same note, Korea Exchange Bank has upgraded its technology platform to meet the growing volume of SWIFT traffic payments, trade finance, and securities. Along the same lines, Vietnam’s own BIDV Smart banking even turns their mobile banking app into a Super app, when integrating many utilities in one application with a variety of fields ranging from basic financial services to bill payment needs, shopping, travel or education, health.



In Vietnam, Vietcombank Joint-Stock Commercial Bank (VCB), Vietnam Prosperity Joint-Stock Commercial Bank (VPB), Vietnam International Commercial Joint-Stock Bank (VIB), Bank for Investment and Development of Vietnam (BIDV), Saigon Thuong Tin Commercial Joint-Stock Bank, and Tien Phong Commercial Bank (TPBank) are introducing their mobile banking apps with integrated eKYC*, allowing mobile banking to be easier for customers to access and use. With eKYC, opening an account is now effortless because customers can do it anywhere, at any time of the day without waiting or queuing at the bank. Gone are the days where people had to memorize random digits each time to complete banking activities. Today onwards, we can expect completion of all banking activities with just a mobile number.

Digital transformation with the customers of tomorrow in mind

At any point in time, financial institutions need to explore external drivers to join efforts in coping with digitalization. These factors could be partnerships with fintech or venture capital firms. However, firms still need to prioritize customer demand and deal with their ongoing concerns within their digital banking usage journey. That means building a complete customer-centric culture, and frequently monitoring key KPIs such as NPS, RSI, or CSAT.

The UI and UX of their websites and apps are also important considerations. The user interface can be improved through independently developed Omni-channels access. In Vietnam, one joint-stock bank has had more than 20 updated versions of the Mobile Banking app from Q2 2020 – Q2 2021⁴.

Perhaps the most important to achieve – as well as the most challenging – would be personalization. Financial institutions are moving away from a one-size-fits all model to address the differentiated needs of customers. Segmentations are vital in clustering customers and delivering personalized engagements with them.

If these three factors can be achieved, customers can look forward to greater accessibility of financial products, and banks and financial institutions that achieve this can look forward to staying as the preferred partner well into the future.

**e-KYC, the abbreviation of electronic Know Your Customer, refers to the process of verifying customers' identity and credentials electronically prior to provision of financial services.*

Source:

¹ NielsenIQ Gen Z report in Vietnam 2017

² NielsenIQ Personal Finance Monitor report (PFM) in Q1 2021

³ NielsenIQ Global Finance State of Play 2021

⁴NielsenIQ analysis from Mobile Bank app in App Apple Store

About NielsenIQ Personal Finance Monitor report: The Personal Finance Monitor (PFM) is a monthly survey conducted since 2010 based on the responses of 1,200 customers in Hanoi and Ho Chi Minh City. It is a one-stop point for all banks to get a comparative view of their performance and plan effective marketing plans. This quarterly report provides a deep dive into brand health performance, equity, drivers and perception, attitudes and usages of bank users in Vietnam. Contact ha.dang@nielseniq.com for more information.

Market Spotlight

A spotlight on Indonesia: Defining loyalty in financial services

By Inggit Primadevi
Indonesia Finance Vertical Leader



Is disloyalty a phenomenon in the financial services industry?

The financial service industry has been embracing advanced technologies in recent years, resulting in a multitude of digital solutions being launched in the market – both by existing as well as new emerging financial technology based companies.

These new solutions have opened up wider consumer choices – remain with their current banks, switch to other banks, or add to their repertoire from Fintech brands.

With these landscape changes, the question has been posed as to whether it is increasingly becoming difficult for consumers to maintain loyalty in their financial relationships.

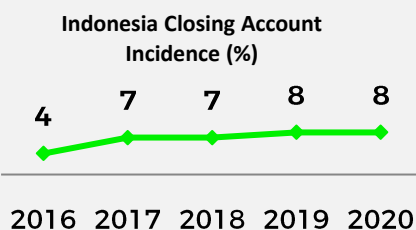


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The state of disloyalty in financial services

How do we know there is disloyalty in financial services? Below are a few key trends we have observed in Indonesia that demonstrate how consumers are turning away from main banking and looking outwards.

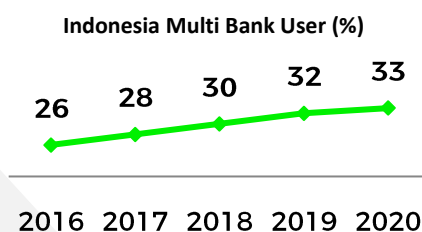
1 Higher tendency of closing accounts



Based on NielsenIQ's Indonesia retail banking syndicated study (BRRM), over the last 5 years, an increasing trend of closing accounts in certain banks has definitely been observed, even though it has been flattening in the past year¹.

2 Multi-usership becoming more prevalent

Based on the same study, the number of multi bank users is also increasing steadily¹.



¹Source: NielsenIQ Indonesia Bank Rapid Reaction Monitor syndication

3

Number of considered banks increasing

2016

2.6

2020

2.9

The data points on account closure and wider bank repertoire usership indicates that disloyalty is on the rise in the banking industry. Customers also tend to consider more banks now.

The need to redefine “disloyalty”

With these above trends, and additionally the entry of Fintech into the market, banks are posed with challenges to retain existing customers like never before.

The KPI that should be closely monitored should change from not just reducing ‘closed account’ but perhaps more importantly, to reducing ‘inactive’ or ‘dormant’ accounts. The increase of dormant accounts over time indicates that while customers still have a relationship with that brand, they are likely to be more loyal to others.

These customers could still be trying other banks or Fintech solutions due to promotions or gimmicks (the stage of ‘almost churn’), or already be in the stage of preferring other banks as their main account (churn).

Due to the complicated exit process in the banking category where customers need to be present at the bank, declare and need to retain certain amount of funds before closing the account, not all are willing to declare their status with the bank. Hence, in the attempt to retain customers, a continuous study is needed to monitor and help implement initiatives towards existing customers, especially the dormant ones.

Opportunities moving forward

On the other hand, this opens up opportunities for challenger brands or new entrants (bank or Fintech) as customers are more open than ever before towards newer options. Customers are less reluctant to try, as long as the new brands can meet their basic requirements. If they are able to provide a unique and relevant solution, then it opens up opportunities to acquire new customers from competitors or convert the un-bankable customers which are still high in some emerging markets.

Source:

¹NielsenIQ Indonesia Bank Rapid Reaction Monitor (BRRM)

About NielsenIQ Bank Rapid Reaction Monitor (BRRM): NielsenIQ’s BRRM is syndicated brand health tracker has been monitoring consumer behavior in retail banking and their perception towards banks on an annual basis since 2016. The latest edition covered n=1,900 respondents via face to face/offline interviews, 25 – 65 years old banking customers, upper SES, and across 9 urban cities in Indonesia. Contact inggit.primadevi@nielseniq.com for more information.

Markets by quarter

A market-level snapshot

Q2 2021



Australia Q2 2021

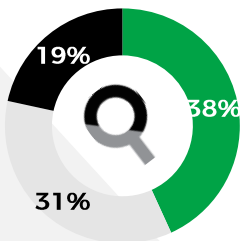
- During 2020 the Australian approach to COVID-19 with tactical lockdowns and strong Government support (\$300bn injected into the economy) meant that we outperformed many advanced economies only contracting 0.2%.
- The outlook for Australia in 2021 is mostly positive with the IMF expecting our economy to grow 4-5%.
- Unemployment is predicted to decline and inflation to remain subdued.
- This, coupled with the recent deficit budget of \$161bn, is reflected in Australian's positive outlook in terms of job prospects, their own finances and willingness to spend in 2021.



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Future outlook in the next 12 months

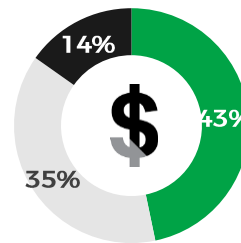
- Australia's job market is optimistic, assisted by positive employment statistics. Optimism in this regard has increased 15% compared to the same time last year at the outset of the pandemic.



Perception towards future job prospects in Australia

■ Positive ■ Neutral ■ Negative

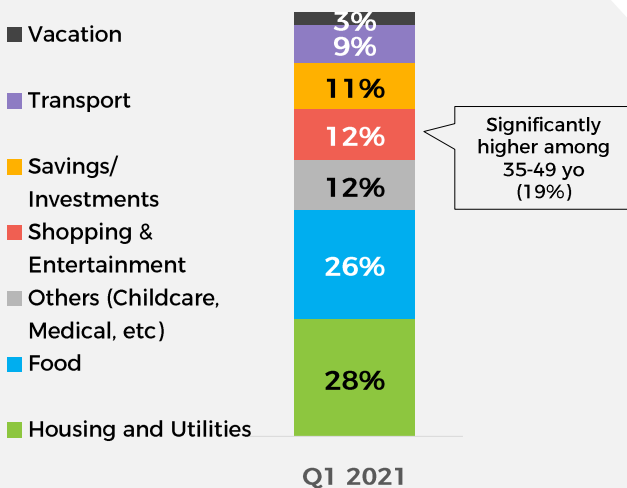
- Australians remain relatively positive about their own personal circumstances.
- Young males below 50 yo who are currently employed feel most secure in their future circumstances.



Perception towards the future state of their personal finances

Share of wallet

- The main bulk of Australian's monthly budget is allocated to food expenses and housing.
- Aligned with the top actions taken to save, the amount allocated for vacations is the smallest while shopping and entertainment spend is relatively higher.
- Over 10% of household budgets are allocated to saving and investments.



Spending & savings



37% are willing to spend on what they want and need at this point in time

- Compared to a year ago, Australians are opening their wallets and are more prepared to spend on many categories.
- Australians aged 35-49 yo are most likely to still be cutting back, being significantly more likely to be looking to get better deals on financial products like home loans and insurances.

38%

Cut down on holiday

38%

Spend less on new clothes

34%

Cut down on take-away meals

31%

Try to save on gas/electricity

29%

Cut down on out-of-home entertainment

China Q2 2021

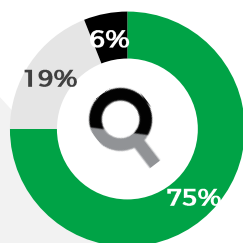
- In recent years, with the rapid development and gradual popularization of virtual wealth management and credit products, residents' financial management awareness has been cultivated and improved. As the data shows, Chinese people allocate 18% of the budget to save/invest in 2021, a similar proportion as food expenditure.
- This research shows that most Chinese people are optimistic about their career development and personal financial situation. People are willing to pay for necessities and demand goods. Residents' increasing willingness to consume is good for the development of the consumer credit market.



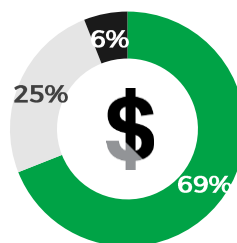
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Future outlook in the next 12 months

- Most Chinese hold a positive attitude towards future job prospects since the pandemic is under control and society is going back to normal gradually.
- Only a small proportion of Chinese predicts worse future personal finances. Compared to the unemployed and the retired, the employed are more optimistic.



Perception towards future job prospects in China

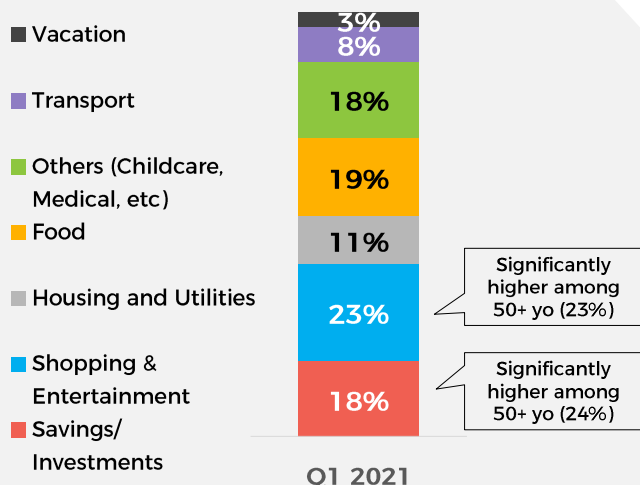


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Shopping and entertainment occupied the largest part of the monthly budget of the Chinese. Comparatively, the amount allocated to vacation is the smallest.
- Chinese also allocated large bulk to food expenses and savings. The 50+ yo especially tend to allocate more to savings and food.



Spending & savings



61% are willing to spend on what they want and need at this point in time

- It seems that the group of 35-49 yo cut down more spending on vacations (both short breaks and annual vacation).
- Retired people take fewer actions to save compared to the people of working age.

50%
Cut down on out-of-home entertainment

48%
Cut down on holidays/short breaks

34%
Cut down on at-home entertainment

Significantly higher among 35-49 yo (36%)

28%
Cut down on take-away meals

28%
Cut out annual vacation

Hong Kong Q2 2021

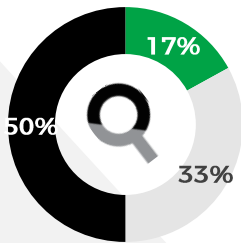
- Since the fourth wave of the pandemic has ended and vaccinations are now available for broader consumers, Hong Kong's economy is recovering from last year, with GDP resuming appreciable of 7.9% in Q1 2021 as compared to the same period last year.
- The rise of application and importance of Fintechs during the COVID-19 pandemic has shifted customers to use more digital services and expect a shorter turnaround time in handling their requests. Virtual Banks are one of the key contributors to it and have acquired more than 400k+ new account users in the past year.



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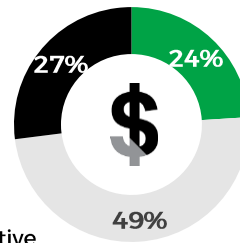
Future outlook in the next 12 months

- Hong Kong's economy has rebounded at a quick pace and the employment situation has picked up. However, companies will remain conservative and keep the tightened headcount and salary budgets.
- The future outlook continues to concern Hongkongers that half of them feel negative towards future job prospects. They hold more neutral views towards their personal finance, but the lack of confidence is still shown.



Perception towards future job prospects in Hong Kong

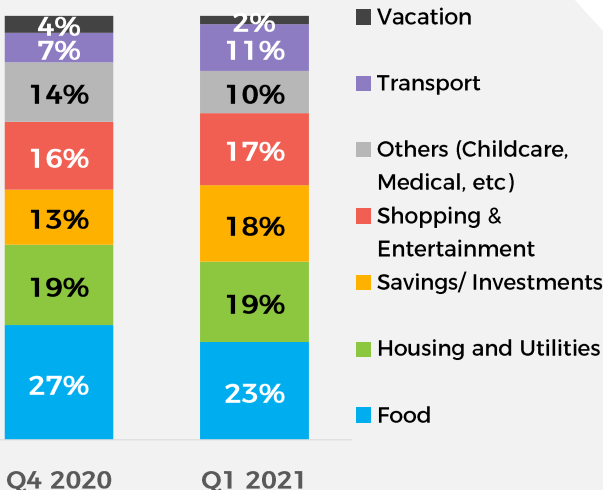
■ Positive ■ Neutral ■ Negative



Perception towards the future state of their personal finances

Share of wallet

- The main bulk of budget it still being allocated to food, housing / utilities
- With relaxing social distance measures, expenses on transport and shopping and entertainment have grown marginally.
- Budget allocated for savings / investment has increased.



Spending & savings



28% are willing to spend on what they want and need at this point in time

- Close to half of the consumers are still thinking of spending less on clothes and continue to cut down of out of home entertainment.

47%

Spend less on new clothes

46%

Cut down on out-of-home entertainment

37%

Cut down on holiday

34%

Delay upgrading technology

13%

Cut out annual vacation

India Q2 2021

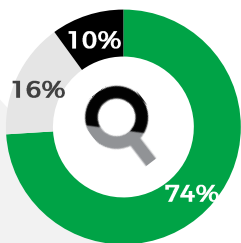
- Indian economy showed an upward trend in Q1 2021 prior to upsurge in COVID-19 cases in March'21.
- While vaccination drive is slow, it is expected to pick up towards the end of Q2 2021 enabling the economy to bounce back.
- Consumer confidence is expected to drop down as COVID-19 second wave is set to hit consumers' spending on non-essential goods.
- Uptake of technologies and rising pace of convergence and interconnectivity have led financial services industry to ramp up investment in information technology (IT) to better serve their end-customers.



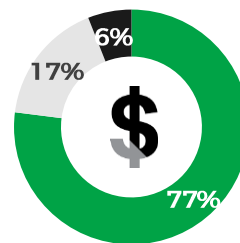
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Future outlook in the next 12 months

- With reducing number of COVID-19 cases and relaxed government restrictions; businesses have rebounded back to normal, thus improving the outlook towards job prospects
- Indians also have a very positive outlook towards their personal finances (especially among 35-49 yo). The same is reflected in the stock market reaching peak in Feb'21.



Perception towards future job prospects in India

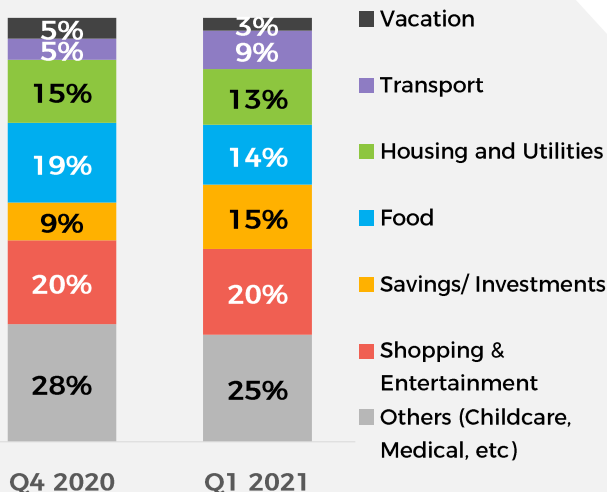


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Since Q1 2021 is the last quarter of FY20-21 in India, a lot of investments are made, both for growing wealth and saving taxes.
- As the businesses resumed work, the spends on transport increased.
- All this resulted in lower spends on food, dining out as compared to Q4 2020.



Spending & savings



71% are willing to spend on what they want and need at this point in time

- Fear related to COVID-19, travel restrictions and non-festive period has resulted in people saving by cutting down on holidays / vacations.
- Lack of travel and work from home has also reduced the need for new clothes.

46%
Cut down on holiday

41%
Cut out annual vacation

36%
Spend less on new clothes

34%
Cut down on at home entertainment

33%
Cut down on out-of-home entertainment

Indonesia Q2 2021

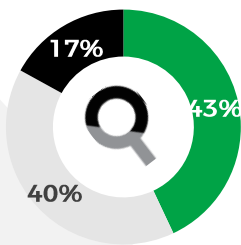
- The start of Indonesia's recovery after the pandemic was seen in Q1 2021 with the roll out of vaccines, shown by the more positive perception towards personal finances and job prospects.
- Prioritization towards spending has also shifted slightly from basic needs (food and housing/utilities) to more mobile activities. However, precautionary measures have still taken place, seeing how the proportion on saving and investment remains high. Digital investments has been a trigger to boost the growth of mutual fund and stock investment.



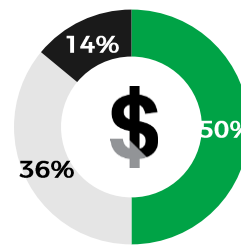
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Future outlook in the next 12 months

- Indonesia's job market has shown some signs of optimism, assisted by government support via the pre-employment program, and other policy amendments.
- Indonesians are also more optimistic (especially among 18-34 yos) in the forecast of their personal finances for the next one year.



Perception towards future job prospects in Indonesia

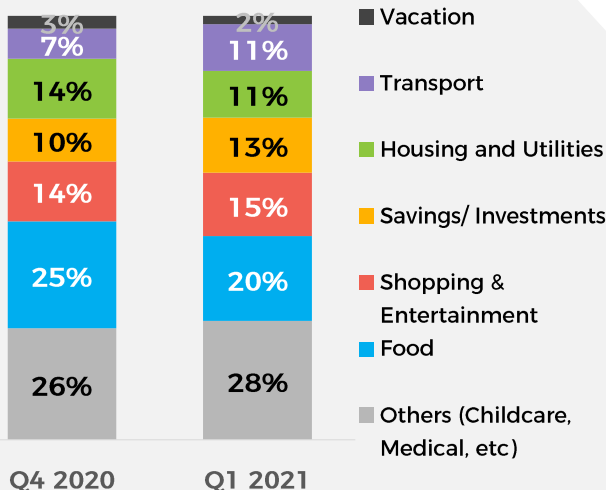


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Spending behavior was reprioritized compared to last quarter.
- Indonesians reduced food expenses while increased in saving/investment, medical or childcare expenses, and transportation as they are more encouraged to use private vehicle.



Spending & savings



25% are willing to spend on what they want and need at this point in time

- Although half of Indonesians are optimistic about their future personal finances, their spending intention is generally low, especially on entertainment.

58%

Cut down on out-of-home entertainment

50%

Spend less on new clothes

49%

Cut down on holiday

44%

Cut down on at-home entertainment

44%

Cut out annual vacation

Significantly lower among 18-34 yo (33%)

Malaysia Q2 2021

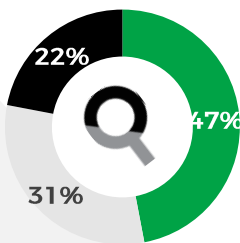
- COVID-19 has affected the capacity of growth in Malaysia particularly on the development progress that was ongoing. To reduce the impact from pandemic, the Malaysian government launched various stimulus packages and expected to contribute over 4% to the nation's GDP growth.
- We saw 'new normal' during these unprecedented times where consumers opt for cashless options (mobile banking, mobile wallet etc.). The pandemic has accelerated the adoption of digitalization where growth is expected to bloom in Fintech and gig economy.



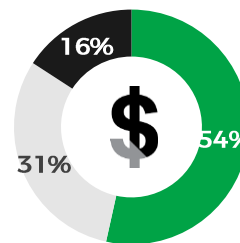
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Future outlook in the next 12 months

- Assisted by the National Economic Recovery Plan and Hiring Incentive Programme from the government, Malaysians are confident about their job prospects in the next 12 months.
- Malaysians are also more optimistic (especially among 18-30 yo) in the forecast of their personal finances despite an unpredictable pandemic situation currently.



Perception towards future job prospects in Malaysia

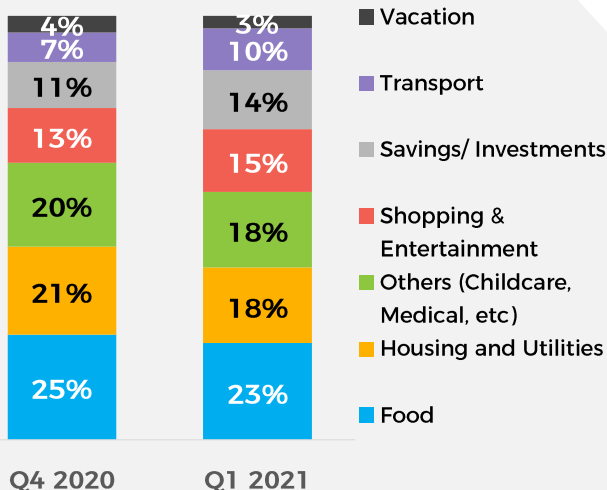


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Spending behavior did not change significantly in Q1 2021 where the necessities (food, housing and utilities, etc.) remain as the major expenditures for Malaysians.
- More funds are allocated in shopping & entertainment, savings/ investments and transport which has increased.



Spending & savings



41% are willing to spend on what they want and need at this point in time

- While Malaysians are still restricted to travel interstate in Q1 2021, we are seeing downfall in terms of holidays/ short breaks and annual vacation to ensure compliance.

60%
Cut down on holidays/short breaks

57%
Spend less on new clothes

52%
Cut down on out-of-home entertainment

41%
Cut out annual vacation

35%
Try to save on gas and electricity

Philippines Q2 2021

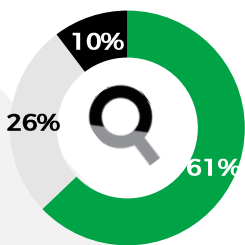
- The overall PH economy and consumer confidence is recovering from the 2020 slump. While there is improvement, the recovery is not fast enough giving rise to the “cautious consumers”. Households still have declined spend in all sectors except communications (internet and mobile connectivity).
- According to the Phil Statistics Authority, positive GDP growth is seen only in Finance and Information industries, as well as public administration as evidenced by continuous spending.
- Filipinos’ outlook remains positive and optimistic, attributed to the reopening of business, workplaces, and stable rise in economic activities.



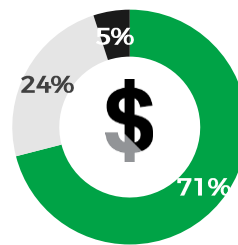
John Paul M. Yamsuan
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Future outlook in the next 12 months

- The optimistic outlook on the Philippines job market is attributed to the reopening of businesses and workplaces in the “new normal”, suggesting a stable rise in economic activity.
- Filipinos also have a more positive outlook (especially among 18-34 yo) in the forecast of their personal finances.



Perception towards future job prospects in the Philippines

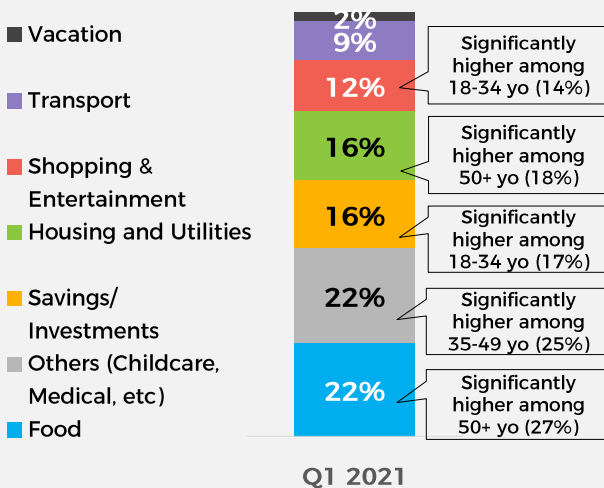


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- The main bulk of one’s monthly budget is allocated to food expenses and other expenses such as childcare and medical.
- Budget allocation for savings, investments, shopping and entertainment is more prevalent among the younger age group (18-34 yo).



Spending & savings

41% are willing to spend on what they want and need at this point in time

- Due to the re-imposed quarantine restrictions to control the surge of COVID-19 cases, Filipinos continue to reduce their spending on leisure activities. They also continue to spend less on new clothes and take-away meals.

69%

Spend less on new clothes

61%

Cut down on holiday

60%

Cut out annual vacation

45%

Cut down on take-away meals

43%

Cut down on out-of-home entertainment

Significantly lower among 18-34 yo (35%)

Significantly lower among 18-34 yo (51%)

Significantly lower among 18-34 yo (51%)

Significantly higher among females (49%) and 35-49 yo (50%)

Singapore Q2 2021

- With the pandemic situation being a reality for more than a year now, the relationship between response to COVID-19 and economic activity is becoming more muted. Firms and individuals have gathered experience in how to operate in the midst of a pandemic. This is reflected in the increase in optimism towards the future among Singaporeans in Q2 2021.

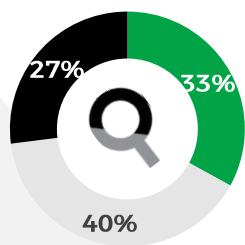
- We can see this change even in the financial services industry. Institutions in Singapore have repositioned their strategy to become more digital first. The sector will continue to reform through the next few years. With the new digital banking licenses awarded, we can expect to see financial institutions adapt to the new normal and push their digital agenda forward.



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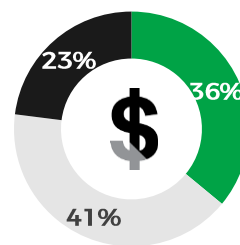
Future outlook in the next 12 months

- Singapore's job market has showed some signs of optimism, assisted by the introduction of government support schemes, retraining and up-skilling.



Perception towards future job prospects in Singapore

- Singaporeans are also more optimistic (especially among 18-30 yo) in the forecast of their personal finances- reflected in their rising spending levels on non-essentials.

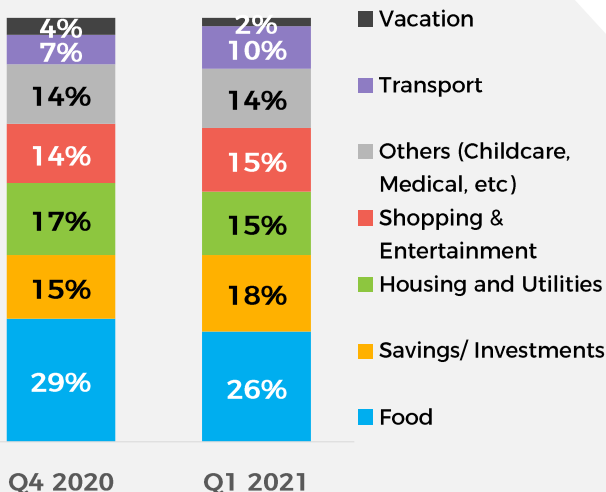


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Aligned with the top actions taken to save, amount allocated for vacation has reduced slightly while shopping and entertainment spend had a slight increase (significantly higher among 18-30 yo).
- The main bulk of one's monthly budget is still allocated to food expenses and savings.



Spending & savings



34% are willing to spend on what they want and need at this point in time

- Compared to a year ago when Singapore was entering the peak of its COVID-19 restriction phase (circuit breaker), spending levels for new clothes, out-of-home entertainment and take-away meals have now increased.

49%

Cut down on holiday

47%

Spend less on new clothes

41%

Cut out annual vacation

Significantly higher among 18-30 yo (38%)

36%

Cut down on out-of-home entertainment

29%

Cut down on take-away meals

South Africa Q2 2021

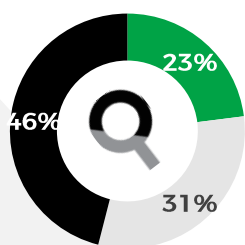
- South Africa saw a marginal increase in output despite the ongoing COVID-19 second wave.
- Consumer confidence is slow and steadily rising indicating a slower economic recovery in Q1 2021.
- An anticipated third wave of COVID-19 and slow rollout of vaccines could lead to a reintroduction of stricter lockdown measures, while a resumption of rolling power outages may also curb the rebound.



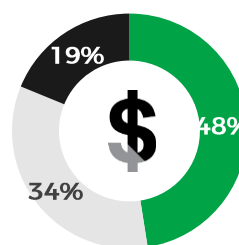
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Future outlook in the next 12 months

- With unemployment rate at all time high in Q1 2021, South Africans remained negative about their job prospects. Negativity increased with increase in age.
- However, nearly half of the South Africans (especially those under 35 yo) remained positive of their own personal finances.



Perception towards future job prospects in South Africa

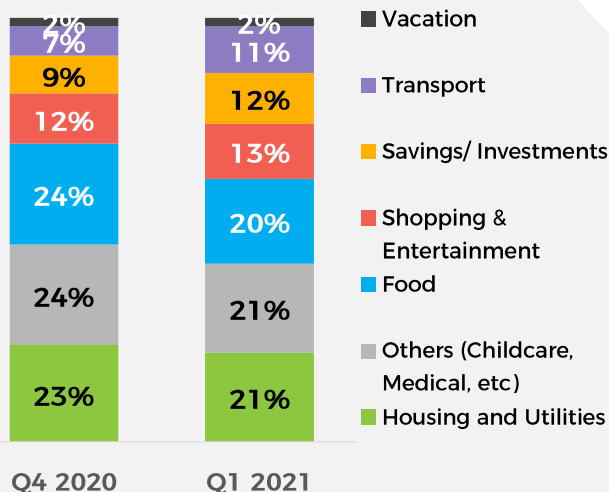


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- South Africans are able to reduce their share of wallet on food and other necessities like childcare, medical, education etc. which enabled them to save and invest more.
- Share of spends on day to day transport has also increased substantially.



Spending & savings



26% are willing to spend on what they want and need at this point in time

- Aligned with the share of wallet, South Africans have been spending less on take away meals
- COVID-19 related restrictions have helped people save on buying new clothes and holidays. Especially those above 35 yo are travelling much less and cutting down on out of home entertainment much more than those below 35 yo, possibly due to the higher risk exposure to COVID-19.

68%

Cut down on take away meals

62%

Spend less on new clothes

57%

Cut down on holidays / short breaks

49%

Cut down on out-of-home entertainment

47%

Cut down on at-home entertainment

Taiwan Q2 2021

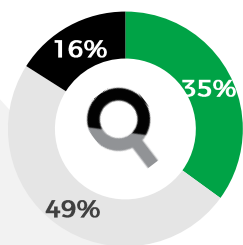
- “Record high”, “the urgency for accelerating digital transformation”, “changes become reality” are the keywords that best describe Taiwan’s financial services sector recently.
- Taiwan’s stock market reached a record high in 1H 2021, yet the 2nd wave of COVID-19 situation also brought anxiety back to investors who were optimistic in early Q2 2021.
- Arm racing in digital products/services development is commonly seen in the banking sector, given two virtual banks, “Rakuten” & “LINE”, have become fully operational. The COVID-19 situation also reinforced the belief for accelerating digitalization.



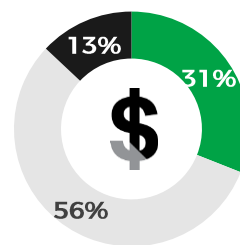
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Future outlook in the next 12 months

- With the strong economic growth, Taiwan’s unemployment rate has edged. Nevertheless, the future of job market still depends very much on the development of the pandemic.
- Taiwanese have been optimistic in general, seeing that one-third of them felt positive and half of them felt neutral about their job and personal finances.



Perception towards future job prospects in Taiwan

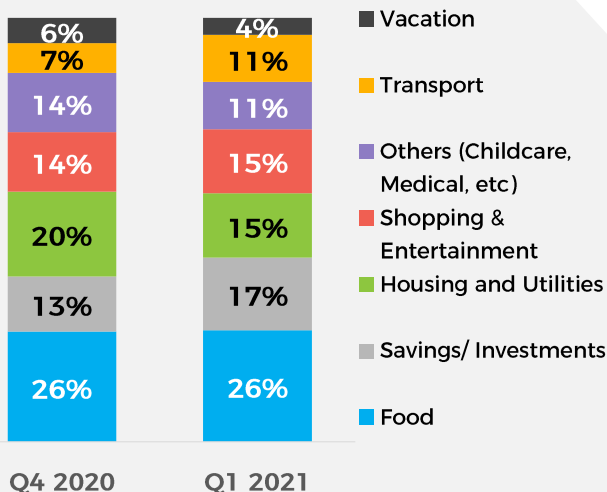


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Savings/investments have gained a larger share of wallet, riding on the upward trend of the stock market in Q1 2021.
- Spending on transport has also increased in Q1 2021, when many Taiwanese returned home during Chinese New Year.



Spending & savings



22% are willing to spend on what they want and need at this point in time

- However, some consumers are still conservative about spending on non-essentials like out-of-home entertainment, holiday spending and new clothes.
- Younger consumers are more likely to delay upgrading technology.

40%
Cut down on out-of-home entertainment

31%
Cut down on holiday

30%
Spend less on new clothes

Significantly higher among 18-30 yo (38%)

24%
Cut out annual vacation

22%
Delay upgrading technology

Thailand Q2 2021

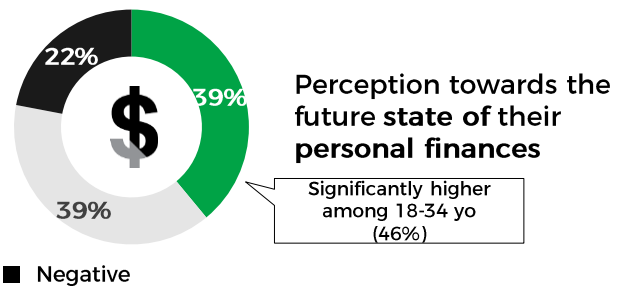
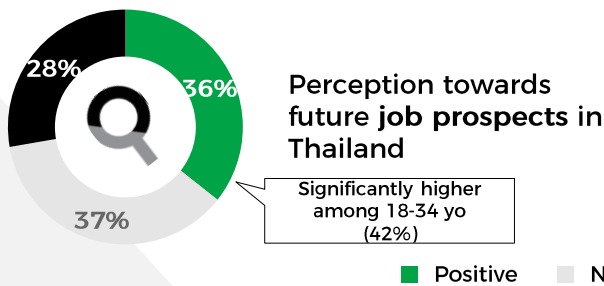
- Vaccinations are the key to bring back the economy since the tourism industry is a major contributor to the country. As soon as Thailand can re-open the country to international tourists, domestic demand is expected to rise significantly.
- Meanwhile, the Bank of Thailand has asked commercial banks to support small and medium-sized enterprises (SMEs), who are the backbone of the Thai economy and a primary source of employment, to help them maintain sufficient funding and liquidity to retain their workforce by giving them soft loans. Banks are also relaxing the current loan user criteria, both retail and SMEs, by pausing their principle, render special interest rates, and extend the payment periods.



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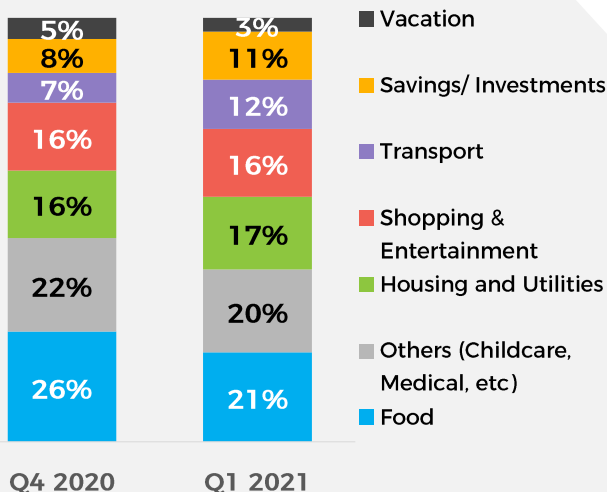
Future outlook in the next 12 months

- Thailand's job market has showed small signs of optimism, with the same proportion of positive and neutral respondents, assisted by the vaccination and reopening of the borders.
- This are partly optimistic (especially among 18-34 yo) in the forecast of their personal finances - reflected in their reduced spending levels on non-essentials.



Share of wallet

- Aligned with the actions taken to save, the amount allocated for vacation has reduced slightly and savings/ investments have increased from 8% to 11%.
- The two main bulk of one's monthly budget are still allocated towards food and other expenses.



Spending & savings

28% are willing to spend on what they want and need at this point in time

- Compared to a year ago when Thailand had not yet felt the impact of COVID-19, spending levels for non-essentials such as holiday, new clothes, entertainment and alcohol beverages have been cut down.

64%
Cut down on holiday

57%
Cut down on out-of-home entertainment

52%
Cut down on at-home entertainment

Significantly higher among 50+ yo (68%)

52%
Spend less on new clothes

46%
Cut down on or buy cheaper brands of alcohol

UAE Q2 2021

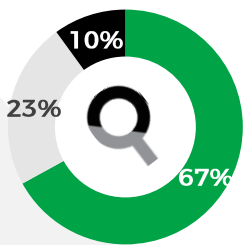
- UAE reaps the benefits of a massive vaccination drive and is poised for stronger economic growth in 2021 than anticipated.
- The IMF has upgraded estimated GDP growth rate from 1.3% in Oct'20 to 3.1% in Apr'21 led by the growth in the non-oil sector.
- In recent times, both real estate and hospitality sectors have shown rebound trends in UAE, led by Dubai. The real estate transactions grew 27% in Q1 2021 compared to the same period last year and occupancy rates in hospitality sector was above 60% in Mar'21, one of the highest in the world for the period.



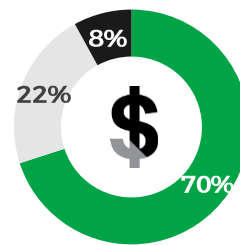
Deepti Shah
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Future outlook in the next 12 months

- Optimism in job prospects evident with 2 in 3 consumers carrying a positive outlook – a trend led by males.
- Reflection of the job outlook in future state of personal finances in UAE, fueling expectations of improved lending and spending.



Perception towards future job prospects in UAE

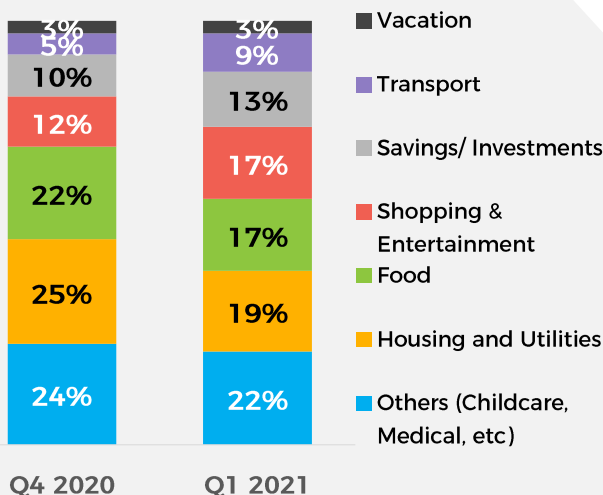


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- Consumers in UAE have reset their spending habits rationalizing on some of the biggest expense heads – saving 11% on housing and food
- Spends on shopping and entertainment indicate a 5% as socializing recovers post an effective vaccination drive



Spending & savings



52% are willing to spend on what they want and need at this point in time

- The travel industry may not see a recovery in the short run with consumers indicating a cut down on short trips, staycations as well as annual vacations – a trend led by the 35+ yo segment.

52%

Cut down on holiday

42%

Spend less on new clothes

Significantly higher among 35-49 yo (43%)

41%

Cut down on take-away meals

Significantly lower among 18-34 yo (31%)

35%

Cut down on out-of-home entertainment

Vietnam Q2 2021

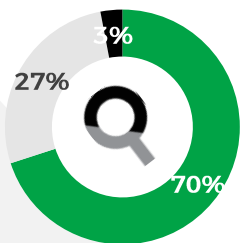
- The success of the Vietnamese government in managing the pandemic is proven through the positive GDP growth of 2020. A 2.9% growth rate put Vietnam amongst a few economies in the world with positive growth in the first year of the COVID pandemic.
- Moving into 2021, Vietnam's Q1 GDP growth was estimated to reach 4.48%, a higher recorded quarter-on-quarter figure compared to 2020's 3.68%, according to GSO Vietnam.
- Major international financial institutions expressed a positive outlook of Vietnam in terms of economy, job prospects, and personal finances, where there was increased spending for non-essential categories.



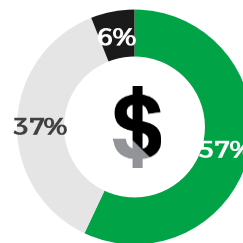
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Future outlook in the next 12 months

- Vietnam's job market has shown significant signs of optimism due to the government's successful control of the COVID-19 pandemic.
- Vietnamese are also very optimistic in the forecast of their personal finances – reflected in their rising spending levels on non-essentials.



Perception towards future job prospects in Vietnam

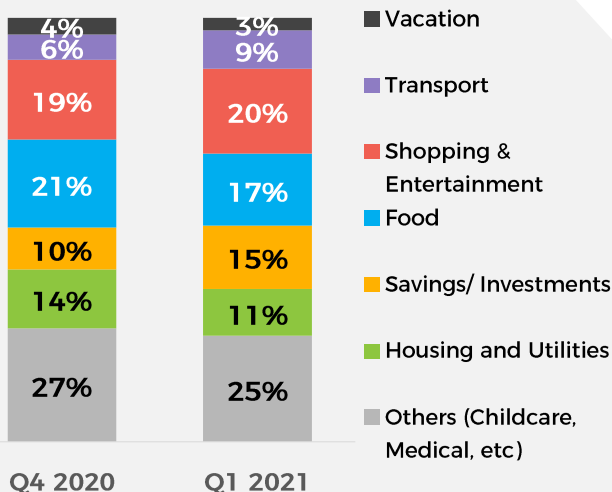


Perception towards the future state of their personal finances

■ Positive ■ Neutral ■ Negative

Share of wallet

- The main bulk of one's monthly budget is still allocated to childcare / medical etc.
- With the situation slowly returning back to normal, spends on transport, shopping & entertainment have increased
- Vietnamese are now allocating higher proportion of budget to saving / investing compared to Q4'2020



Spending & savings



52% are willing to spend on what they want and need at this point in time.

- Compared to a year ago when Vietnam was entering the peak of its COVID-19 restriction phase (circuit breaker), spending levels holidays, out-of-home entertainment new clothes have now increased.

58%
Cut down on holiday

52%
Cut down on out-of-home entertainment

41%
Spend less on new clothes

40%
Cut down annual vacation

33%
Cut down on at-home entertainment



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