

Press Release

Jakarta, March 1st, 2017

HSBC calls for the importance of long term financial protection amidst low awareness

More than half Indonesians (61%) would cut back on spending when experiencing most life-changing financially negative event

The most recent studies commissioned by HSBC *the Power of Protection, Confidence in the Future* and *Life Changers* show that only a handful Indonesians choose protection as the main solution in the face of life-changing event.

The study finds that most respondents allocate from expenses for other needs (61%), withdraw their savings (51%), and seek loans or debts (39%), which will invariably disturb their financial stability. Only 29% respondents have admitted to have bought new insurance policy, and other 24% have decided to increase protection on their existing insurance policy.

The findings are similar to the Financial Service Authority (OJK)'s recent data on insurance literacy that shows that out of 100 Indonesians, only 18 of them are literate on insurance financial service institutions and only 12 of them have already used insurance financial service.

“As the provider of an extensive Wealth Management service, HSBC completely understands various challenges and needs, both predicted and unpredicted, to be well managed by each individual in every stage of life. The predicted events include starting the first job, running a family, purchasing a home, raising and financing children’s education, and enjoying retirement age. However, unpredicted events within the stages may damage one’s financial condition. It is crucial that we anticipate it with appropriate protection,” said **Steven Suryana, Head of Wealth Management, HSBC Indonesia**.

The study shows that the most worrisome unpredicted events by the majority respondents which might affect their financial conditions are critical illnesses or serious injuries in the future (71%). Other unpredicted occurrences that might implicate future financial issues are damaged houses due to weather or natural disaster, fire and the loss of valuable possessions. Although children education is part of predicted plan, 61% respondents are still concerned about the uncertainty of the increased tuition fee in future.

Other concerning findings to be highlighted are the anxiety of many Indonesian respondents (42%) think that the next generation will be under more financial pressure. This is among others due to the lack of today’s generation in preparing their retirement days.

These interesting facts have driven HSBC to collaborate with other leading insurance companies such as Allianz and AXA to provide comprehensive protection solution to answer the needs of complete protection, from health, child education, to retirement time. It also offers its optimal protection via its credit card, HSBC Premier MasterCard.

“HSBC also acknowledges the current and future life styles needs of its customers, including HSBC Premier clients. In terms of protection, HSBC offers protection, exclusivity, and comfort for HSBC

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Premier MasterCard holders and their family members. The card allows for insurance payment convenience, as well as peace of mind both at home and during overseas travel, thanks to the benefit and values that we offer,” said **Dewi Tuegeh, Head of Customer Value Management, HSBC Indonesia**.

The benefit provided by HSBC Premier MasterCard include *Travel Accident Insurance* to Rp10 billion, *Travel Medical Insurance* to Rp500 million, *purchase protection* up to Rp.150 million, *Travel Inconvenience Protection* to Rp80 million, including flight delays, missing flights, or baggage loss, , and *emergency cash* up to USD2000 per day,”

Power of Protection studies provide insights into people’s concerns about the future and how they are protecting themselves financially, in 12 countries and territories. In Indonesia, the findings are based on a nationally representative survey of 1,002 people aged 25 and over, and was conducted online by TNS in October and November 2015. The result affirms HSBC’s commitment to continuously raise awareness in the Country on the importance of protection for a long term financial stability for either planned objectives or unpredicted future events that seriously impact their financial condition.

Practical Steps from HSBC for a Better Prepared Future

HSBC studies have identified four possible practical actions to assist people to be more prepared in preparing their future:

1. *Plan for the events that will change your life*
As your life changes, so will your financial needs. Make sure you have a financial plan and review it regularly to help you achieve your ambitions at every stage of life.
2. *Allow the unpredictable*
Protect your future plans from being pushed off course by unexpected events. Plan for the financial impact of personal or work-related life events and consider the income you would need to cope should they happen.
3. *Have a balanced strategy*
Protection should be part of comprehensive financial plan to achieve your ambitions in life. Ensure your plan includes an allocation for protection as well as for spending, saving and financing, and seek professional advice if you need help.
4. *Plan with the next generation in mind*
Consider how your financial plan can help to secure your children’s future. Share the benefit of your experience and encourage them to plan ahead.

End

About HSBC Indonesia

HSBC has operated in Indonesia since 1884 and now the Bank serves its customer through 38 branches in 6 major cities across Indonesia. Supported by more than 3,000 employees, today HSBC Indonesia has grown into Indonesia's leading international bank, offering services in Commercial Banking and Global Banking for Corporate and Institutional Banking, Global Markets for treasury capital Markets as well as Retail Banking and Wealth Management business.

About Integration

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Having already surpassed 130 years in Indonesia, HSBC Group will further cement its long-term commitment to support the Country's growth by integrating the foreign bank branch of HSBC in Indonesia ("KCBA HSBC") with PT Bank HSBC Indonesia ("HBID", formerly PT Bank Ekonomi Raharja). The integrated bank will be the platform for HSBC to contribute more to the growth of Indonesian economy. With a network covering 90% of global trade and capital flows, our more than 5,000 staff will be connecting customers to opportunities through its over 90 branch network in more than 25 cities across Indonesia.

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