

Press Release

Jakarta, 24 October 2017

Prioritizing Health and Family Stability, Majority of Indonesians are Willing to Sacrifice their own Ambitions

****More than 71% admit that they do not have reliable financial planning to anticipate the sustained financial support for the family in case of unexpected accidents.**

The majority of Indonesians choose to prioritize the family needs instead of personal needs or ambitions. This was disclosed through the facts reported in the HSBC recent study entitled *The Power of Protection, Facing the Future*. As many as 94% of Indonesians admit that they give financial support on a regular basis to their family - 89% for their children aged under 18, 87% for their children aged 18 and above, 74% for their partner, and 64% for their parents.

“Indonesian people make families as a source of happiness in their life. It has been a cultural commitment to lend a financial support to parents, children and relatives. As many as 58% of Indonesians feel guilty if their own spending exceeds that aimed to assist the short- in-cash families. Furthermore, 48% of Indonesians are willing to give up their aspirations in order to assist family members financially ,”says **Steven Suryana, Head of Wealth Management, PT Bank HSBC Indonesia**.

For parents, children’s education is the priority. Out of 77% parents who own children aged 18 and above, 67% will prioritize children’s needs for education. Moreover, a number of parents also said that they set aside their income or savings for their children’s weddings (38%), children’s daily expenses (28%), children’s savings and investment (27%), as well as helping them in purchasing a house (26%).

“The small portion of Indonesians possessing an appropriate financial planning (35%) has been a challenge that has to be solved nowadays. On the other hand, financial management plays an important role in determining the sustained financial support to other family members. Some people say that their financial stability is disrupted, and they are unable to give financial support to families if cost of living increases drastically (43%), or if they are laid off (42%), their income goes down (33%), economic crises occur (26%), or if their finance is significantly drained out due to critical illnesses or fatal accidents, both of them are very costly”says Steve.

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Most of Indonesians turn out to be unprepared to face unexpected incidents impacting significantly to the long term financial stability. As many as 73% are not ready if they are diagnosed to suffer from serious illness such as cancer. Seventy one percent also admit that they do not have enough financial back up if they got a fatal accident which ends up in permanent disability and prevents him from work.

Most of the people have to make choices based on equality of needs because they are not prepared with the long term financial planning. If faced with children's education, 78% of parents are willing to sacrifice their pension. They will do the same in case their parents have to undergo expensive medical treatment.

"HSBC always encourages each individual to have a strategic financial planning which orients to the long term needs. Our service in the Retail Banking and Wealth Management is able to help each individual manage his finance so that they can meet his various aspiration without sacrificing other important needs. Discipline and a comprehensive planning are a new culture we offer to develop material welfare for any individual," says Steve.

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