

Indonesian Wealth Management Forum 2018

video highlights

[Link to Event Homepage](#)
[Link to Content Summary page](#)
[Link to Photos](#)
[Link to Video Highlights](#)



At the Hubbis Indonesian Wealth Management Forum 2018 in Indonesia on October 18th, we interviewed leading industry experts. Want to know what you missed - [click here to view the highlights.](#)

You can also read the transcripts in this document - and click on the name of the person to view their individual comments.

Benjamin Szeto

RHTLaw Taylor Wessing

Well, I think one of the main challenges that many Indonesian families face is in the area of secession planning, how do they hand over their family businesses to the next generation, and also in the area of their personal interest.

For instance, in the area of art, many patriots, many collectors are concerned of handing over their collection to the next generation. How do you prevent the collections from being fragmented, that is another area of concern that a lot of families face.

Bill Johnston

Mercer

I guess when I think about the wealth market here in Indonesia, it's a very exciting market. First of all, it's got a massive amount of wealth onshore. There's over a trillion dollars sitting onshore. The biggest challenge that Indonesia's having is giving people access and choice to investment.

The portfolios and the choice of investment are still limited, it is growing, but there's a lot of appetite. What we're seeing here, as people make the quest for financial security for life, in the mass market or even in the high net worth market, there's a strong push on demand for more assets onshore.

The idea "I want to go offshore and do things" was sexy at one time and maybe had a certain security piece to it, but over the generations, we see that that's become less important and people are looking for a consumer-grade, automated, personalized type experiences that they get in other goods or in their health

services. They want to have that same option here in Indonesia.

The biggest place we think that that can happen is in two areas. One is in the corporations, on the pension and savings plans, so getting more legislation that opens up and allowing companies to give their employees more access to making the choice of the investment. Right now a lot of the investment choices are done by the corporate.

The second piece is the access component. The first one was choice. The second would be, how do we get 62% of the workforce that are in SMEs getting access to not only financial services but also

health protection and wellness services? When you put the two together, great opportunity, I think probably the best word to describe it would be still on tap, waiting for somebody to break it open.

Carolyn Leng

CIMB Private Banking

High-net-worth individuals of Indonesians represent 1% of the total high net worth in Asia-Pac. If you look at the last two years, Indonesia in terms of total population and net worth-wise, they lead the pack in terms of the highest growth.

For CIMB, being a local bank, CIMB Niaga, which has a strong branding, I think this is something



that we want to stay committed to and this is an area of focus for us in the next five years. We believe that this market presents a whole lot of opportunity, so we're really looking forward to that.

Given the fact that 35% or 36% of their total net worth is actually resided onshore, a lot of the Indonesians tend to leave their money in fixed deposits, and I think what we can do is come in with some innovations, creativity, looking at potentials to give enhancement to the current deposits, better returns, and more likely is really solutions.

I think Indonesians are looking for ways to how to package their wealth. Today, trust law does not exist within the shores of Indonesia. The key is how do we then transition the wealth from one generation to the other, and how do we get the second generation coming into the picture to help manage the wealth of the predecessors?

Chris Bendl
Zurich Topas Life

Zurich is very excited and very committed to this market. We've just announced a major investment of \$414 million to acquire a control stake in Adira Insurance. This will make us the leading general insurance provider, foreign general insurance provider in the market, in a very fast-growing market, and in a market where there's severe under-penetration.

You can see from recent natural calamities that have happened within the market, the unfortunate incidences in Lombok and Pulau, that there's a strong need for that given the huge protection gap within this market. We're extremely excited about the opportunities, particularly to work with our future partners.

High-net-worth insurance is something that is also very unappreciated, particularly in this market. If you look around Jakarta, it's a burgeoning metropolitan city. Most Indonesians who would own those apartments would need to have protection for natural calamities, so we think that there are great opportunities also under-penetrated to cover their assets, to cover the assets of the emerging mass affluent and also high-net-worth Indonesians in Jakarta and other major cities. That's an area of focus for us moving forward.

Daphne Chandra
Henley & Partners

The reason why Indonesian families come to us to get a second citizenship and residency is because to get a better travel document, and also some migration for education in terms of their kids' education and purposes of having a better quality of living in Europe.

David Fergusson
Global Precious Metals

I'm here from Global Precious Metals. I've been talking about why people should have gold in their investment portfolios at the Hubbis Wealth Management Conference in Jakarta. In these turbulent times, it's important that people should have gold in their portfolio because it automatically balances their portfolio and reduces risk and volatility within an overall portfolio of construction.

Hassan Karim
Zurich General Insurance

One of the major challenges for high-net-worth customers in this space, is the lack of products designed in a general insurance base to cater to their needs. There's a massive protection gap here.

In terms of what's available for those customers, it's a pretty limited





offering. One of the things that I'm excited about doing is to build collaboration with wealth managers, private bankers to really design and cater for the needs of customers in that space.

**Irene Lee
Hawksford**

Now that tax amnesty is over and the Indonesian Tax Authority has confirmed that they are ready to exchange information with Singapore, at the end of the day, we wealth practitioners need to be able to advise the clients correctly to be tax-compliant in every single way.

At the end, what we are going to do is also to make sure that they consult the relevant tax authorities and the professionals to give good advice for proper structuring, to make sure that they have their asset protection structures in place, asset management, in order to enable them to grow their business, grow their wealth a lot better.

**Kimmis Pun
VP Bank**

Well, it is really a great pleasure to be in Jakarta today, joining in the Hubbis Wealth Management Forum. I feel very honored to be the panelist talking about the wealth management and also the private banking business in Jakarta, both onshore and also offshore.

It's wonderful experience for me here; so many participants, and I can see a lot of interest Indonesia. They are very keen to know a bit more about the development of the private banking industry and also the future development of the Robo-advisings, or maybe the new disruptive innovation of the technology.

I'm very happy to be here. This will be a very focused market for us, VPBank, to look into it, and then, we have a lot of innovative product and services which I think Indonesian market will be interested. I'm very happy and I'm happy to have Hubbis to be our partners.

**Michael Gerber
360F**

Indonesia is a great market. Indonesia develops between 15% and 20% every year on wealth management. I think the biggest contribution actually can be done for the affluent client from the best affluent client segment, because this client segment hardly have any support these days from the advisors, from solutions that are in the market.

How it really works is that we are building up hybrid solutions between the digital and the human advisory and offering solutions that even have embedded solution for insurance products, because currently the affluent segment, if they

imagine they have 100,000 US dollars available, 50,000 US dollars available, we had to invest between insurance and investment, they don't know. I think bridging the element on the affluent segment, mass affluent segment between insurance and wealth management is a crucial solution.

**Nagaraj Prasad
Intellect Design Arena**

We are a software technology firm specializing in software for banks and financial institutions. We are here at this Hubbis event done in Jakarta to reach out to possible customers who can embrace the future, customers who would understand that we can provide them, have a 360-degree view of the customer's portfolio, and service them better.

A good customer and a happy customer brings in more wealth, and that customer can become your ambassador. You can become our ambassador with the technology that we provide, and that's what we are here for.

**Ranjit Khanna
UBP**

Indonesia has been and continues to be key to our strategy in Southeast Asia. How can you ignore a country that's got 273 million people, a GDP growth rate of north

of 4.5%, and frankly, a growing wealthy population? Our focus here continues to be around, what do we do in terms of wealth transference for second generation particularly? Wealth planning is now going to continue being a core of our offering in Indonesia going forward.

I think one of the things that many people, wealthy individuals, are underestimating, is really the risk involved with the developments over the past five, ten years in terms of the automatic exchange of information, because this is something that many people are really not aware of all of the details, and these investigations will surprise a lot of clients.

Richard Piliero

Finaport

These developments which have occurred primarily in the last five to ten years will surprise clients when governments, because of this automatic exchange of information, start contacting them about their investments, primarily in so-called tax haven.

Sachin Gawade

Miles Software Solutions

Hi, I'm happy and excited to be here at Indonesia Wealth Management. Indonesia is a very critical market for us as a plan of our Southeast Asia growth strategy. We have

seen the race between the man and the machine, so we are trying to bring in both together by offering a wonderful solution which is required by banks today to take care of the data analysis and serve the client better.

Miles will be bringing in our global experience and the local expertise in Indonesia to sell the bank over here. We thank Hubbis for giving us a platform to meet right amount of people, right people from the banking industry, which will help us to grow our footprint in local market. Thanks. Thank you so much.

Shihan Abeyguna

Morningstar

In addition to diversification, one of the other areas that we would like to see is the type of products that investors have access to. If you look at the global markets right now, there's a lot of interest around passive investing. With ETF growth, that's something that we would like to see a bit more.

Morningstar, we have a index business that we've developed for the last 16 years or so. We have a research team of about 500 people where we produce a lot of intellectual capital. Marrying that intellectual capital with broad base indexes, so there's a lot of interesting products that we can create.

Simon Lints

Schroders Wealth Management

I've been brought in to aggressively grow the business in Asia, where we see huge opportunities. We're here in Indonesia today, huge population, huge mine of wealth, and totally under-invested. As we've heard already today, we see our brand and our presence here in Asia, and particularly in Indonesia, as a good foothold that we're going to develop from and build our business quite aggressively here in the region, not only in Indonesia, across Southeast Asia, where we see huge mine of new wealth being created. We're a great brand name, we have a great product offering, so we're very pleased and encouraged by what we're seeing in the market and we're keen to grow as quickly as possible.

Steven S Yudha

Ashmore Investment Management

Now, we differentiate retail between two segments. The first segment is high-net-worth individual, which mostly result through our selling agents such as banks, private banks, but for mass retail, less than high net worth, we are more selling it through digital channels.

Currently, we are under corporation with some digital platform to increase our coverage to sell our mutual fund to retail products. ■

