

News release

UOB Study: Indonesian consumers show strong financial literacy despite rising economic concerns

Jakarta, 9 December 2024 – Indonesian consumers displayed a strong sense of financial literacy as they stayed active in the key pillars of saving, investing, planning for retirement and protecting themselves via insurance even amid growing economic pessimism, UOB's latest flagship ASEAN Consumer Sentiment Study (ACSS) 2024 found.

The study, conducted in partnership with global management consulting firm Boston Consulting Group, explored consumer trends and sentiments across five ASEAN countries, namely Indonesia, Singapore, Malaysia, Thailand, and Vietnam. Conducted in May and June 2024, the online study surveyed 1,000 Indonesian consumers across various demographic groups to better understand their financial literacy, priorities, and planning behaviours.

Mrs Cristina Teh Tan, Consumer Banking Director, UOB Indonesia, said, "UOB Indonesia believes that understanding our customers is at the heart of everything we do. The UOB ACSS 2024 reflects our commitment to uncovering the insights that matter most to Indonesians. The finding reinforces the growing financial maturity of Indonesian consumers, even in the face of economic challenges. UOB Indonesia remains committed to empowering individuals with the tools and resources to achieve their financial goals, from savings and insurance to retirement planning. These insights enable us to better support Indonesians in building a more secure financial future."

Rising economic concerns result in weaker financial confidence for Indonesians

The ACSS 2024 found that Indonesian consumers were feeling increasingly negative about today's economic environment compared to a year ago. The study showed that more consumers felt uncertain (26 per cent, up by three per cent from 2023), worried (25 per cent, up by nine per cent from 2023) and anxious (18 per cent, up by seven per cent from 2023) about the current state of Indonesia's economy. Recessionary fears increased in tandem, with almost three in four Indonesian consumers saying that they believed a recession was likely in



the next six to 12 months, up three percentage points from last year and higher than the regional average of 71 per cent.

Rising inflation and household expenses drove the pessimism, remaining the top financial concerns for Indonesians. In response, 62 per cent of respondents started a secondary source of income, 58 per cent delayed major expenses, and 54 per cent cut non-essential spending.

Financial pressures were also taking a toll on consumers' ability to save and invest. Nearly half of respondents said their ability to save had been impacted, with Gen Z¹ feeling this pressure the most (54 per cent). Similarly, 40 per cent of respondents reported challenges in setting aside money for investments, with the mass affluent demographic being the most affected (43 per cent). Moreover, 35 per cent of consumers reported difficulties in affording essential items for their families and themselves, with 40 per cent of mass consumers declaring as such.

Indonesian consumers prioritise saving and prudent financial planning

UOB Indonesia recognises the resilience of Indonesian consumers in maintaining sound financial practices. More than half of Baby Boomers allocated above 20 per cent of their monthly income to savings, while 41 per cent of Gen Ys did so too. Forty-four per cent of respondents had set aside emergency funds sufficient to cover at least three months of expenses, showcasing a focus on financial preparedness.

Insurance coverage was another area where Indonesian consumers showed strong awareness. The ACSS 2024 findings showed that 77 per cent of respondents had health insurance, while 45 per cent held life insurance policies, reflecting growing recognition of the importance of protecting against unforeseen circumstances.

On investing, a significant proportion of Indonesians were actively building their wealth. A quarter of respondents invested more than 20 per cent of their annual income, with another 25 per cent allocating 11 to 20 per cent of their income to investments.

Retirement planning was also a key focus, with seven in 10 respondents indicating that they had a fairly or very clear understanding of the amount needed for a comfortable retirement. 89 per cent had already started their retirement planning, primarily through savings accounts

¹ UOB ACSS 2024's generational and monthly personal income categorisation of respondents can be found in the "Notes to Media" section below.





(44 per cent), fixed deposits (19 per cent), and property investments (11 per cent). These findings underscore a proactive approach towards securing financial stability for the future.

UOB Indonesia continues to innovate and refine its offerings based on the insights gained from studies like this one. On 2 December, UOB Indonesia launched its first ever “Savings Weeks” programme, aimed at encouraging customers to take proactive steps towards building their savings habits and securing their financial futures. UOB Savings Week is part of UOB Indonesia's commitment to empower customers to achieve their financial aspirations. The bank remains dedicated to providing tailored solutions that address the financial needs of Indonesians, ensuring they are well-equipped to face challenges and capitalise on opportunities in an ever-changing economic environment.

The full UOB ACSS report is available on UOB Indonesia's website at go.uob.com/acss2024-id.

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Notes to media:

About UOB ACSS Study

ASEAN Consumer Sentiment Study (ACSS) is UOB's flagship study analysing consumer trends and sentiments in five countries (Singapore, Malaysia, Indonesia, Thailand and Vietnam). Now in its fifth year, the 2024 survey was conducted in Indonesia in May and June 2024. It captures the responses of 1,000 consumers across different demographic groups with respondents aged 18 to 65 years. Participants were drawn from diverse demographic groups and segments.

Age Segments:

- **Gen Z** – 18 to 25 years
- **Gen Y** – 26 to 41 years
- **Gen X** – 42 to 57 years

Monthly personal income:

- **Mass** – less than IDR10 million
- **Mass Affluent** – IDR10 million to IDR59.9 million



Singapore Australia Brunei Canada China France Hong Kong India Indonesia Japan
Malaysia Myanmar Philippines South Korea Taiwan Thailand United Kingdom USA Vietnam



- **Affluent** - IDR60 million and above

About UOB Indonesia

UOB Indonesia is a subsidiary of UOB, a leading bank in Asia with a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Established in 1956 through PT Bank Buana Indonesia, PT Bank UOB Indonesia was formed after a merger with PT Bank UOB Buana, which marked the existence of UOB Indonesia for more than a decade in Indonesia.

UOB Indonesia's service network comprises 42 branch offices, 73 sub-branch offices and 129 ATMs across 44 cities in 16 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 committed to providing quality products and excellent customer service. The Bank offers various banking products and services categorised into digital bank, personal financial services, business banking, commercial banking, corporate banking, global markets and investment management. UOB Indonesia is rated AAA (idn) by Fitch Ratings.

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's award-winning digital bank, TMRW, serves Indonesia's generation of enterprising and digitally-savvy customers by providing a better, personalised banking experience through the use of data and customer feedback. Through TMRW, the Bank is committed to helping customers meet their financial goals as they build a better tomorrow.

UOB Indonesia also offers a full suite of corporate/commercial products, including a range of treasury and cash management products and services. UOB Indonesia is focused on helping companies with their expansion plans and has supported many enterprises from industries such as construction, mining, real estate and the services sector in their expansion into Indonesia.

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

For further details on UOB Indonesia, please visit www.uob.co.id

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Singapore Australia Brunei Canada China France Hong Kong India Indonesia Japan
Malaysia Myanmar Philippines South Korea Taiwan Thailand United Kingdom USA Vietnam