

ASIA-PACIFIC WEALTH REPORT 2018



Asia-Pacific¹ region remains global HNWI² powerhouse

APAC¹ is on track to surpass US\$42 trillion in HNWI wealth by 2025

▶ In 2017, APAC¹ generated 41.4% of all new global HNWI wealth

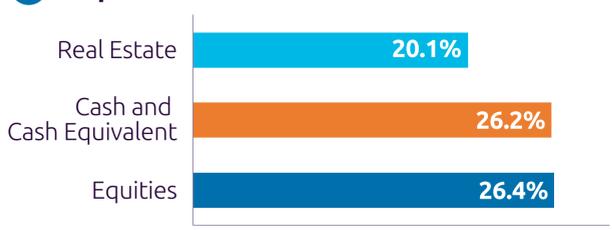
- ↑ 12.1% growth in HNWI population
- ↑ 14.8% growth in HNWI wealth



▶ Emerging markets⁴ powered more than half of APAC¹ new wealth growth for HNWIs

- India up 20+% in HNWI wealth and population

▶ Top 3 APAC¹ HNWI investments



Personal connection crucial for customer satisfaction

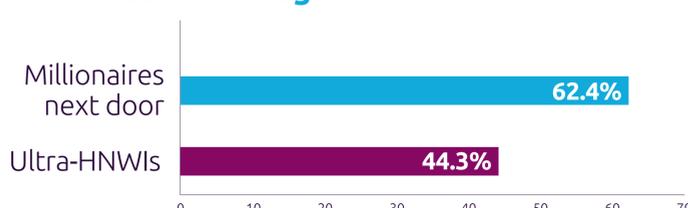
APAC³ HNWI satisfaction is below 70% and considerably lower than the rest of the world

▶ Satisfaction varies amongst HNWI wealth groups⁵

With wealth managers



With wealth management firms



▶ Reasons for HNWI discontent

- Complex fee structures
- Lack of holistic services
- Not enough personalization
- Low personal connection with wealth manager

▶ By providing innovative solutions to improve personal connections with HNWIs, APAC³ firms can

- Improve HNWI satisfaction
- Increase assets under management
- 95.7% of APAC³ HNWIs with strong personal connections to their wealth managers are willing to consolidate their assets



As BigTech⁶ disruption looms, wealth management firms must fast-track hybrid-advice⁷ model transformation

▶ HNWIs give high importance to hybrid-advice business models



Competition intensifies as HNWIs are lured towards BigTech offerings

▶ BigTech firms greatly appeal to APAC³ HNWIs

- Highly-intuitive customer experience
- Low-cost business models
- Attractive to 81.2% of underserved millionaires next door⁵ HNWIs



▶ APAC³ HNWIs highly interested in wealth management services from

- Google – 60.8%
- Alibaba – 52.6%

▶ In this disruptive landscape, APAC³ firms should

- Shift to innovative budgeting approaches
- Invest strategically in emerging technologies
- Undergo/accelerate hybrid transformation activities



1 Asia-Pacific

2 HNWI – High Net Worth Individuals. HNWIs are defined as those having investable assets of US\$1 million or more, excluding primary residence, collectibles, consumables and consumer durables.

3 APAC – Asia-Pacific, excluding Japan.

4 Emerging Asia-Pacific markets include China, India, Indonesia and Thailand.

5 Millionaires next door – HNWIs with US\$1 million – US\$5 million in investable wealth
Ultra-HNWIs – HNWIs with US\$20 million or more.

6 BigTechs are large, multinational technology firms such as Google, Amazon, Facebook, Apple, Alibaba, Tencent, etc.

7 Hybrid-advice is defined as "Putting clients in the driver's seat by allowing them to tap into life-stage and need-based wealth management and financial planning capabilities in a modular, personalized pay-as-you-go manner. These capabilities will be delivered through the amalgamation of (1) a cognitive-analytics-driven, automated/self-service delivery (such as for basic investment management); (2) a human-led delivery (such as for complex wealth structuring); or (3) a wealth manager-assisted hybrid approach – as preferred by the client."



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