



**THE REAL LIFE  
COMPANY**

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## Media Release

### **AIA's Survey Findings of Wealth Management Attitudes 2014**

*\*\*Nearly 80% of people recognise the importance of saving for the future, but only one in two actually save\*\**

*\*\*Cash or deposits fail to keep pace with inflation yet account for almost 60% of people's personal assets\*\**

*\*\*Nearly 70% of people have no idea about their investment returns\*\**

*\*\*Nearly 70% of people would change their investment decisions if they could turn back the clock\*\**

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*\*\*Hong Kong people consider HK2M as their "First Pot of Gold", but more than 90% have yet to achieve this\*\**

*\*\*One in four have participated in speculative activities, with trading in electronic devices the most common\*\**

**Hong Kong, 1 December 2014** – AIA Hong Kong today announced the key findings of AIA's Survey of Wealth Management Attitudes 2014. The survey reveals that only half of Hong Kong people have savings habits, despite recognising the importance of saving for the future. People also adopt a conservative attitude towards wealth management by putting nearly 60% of their personal assets in cash or bank deposits. Their opportunity for wealth accumulation will be lost and savings will be eroded by inflation in a low interest rate environment. The survey also finds that nearly 70% of respondents are unaware of the actual returns of their asset portfolios over the past 12 months and nearly 70% would change their investment decisions if they could turn back the clock.

Ms. Bonnie Tse, General Manager, Marketing and Business Strategy of AIA Hong Kong and Macau, said, "Saving for the future is a traditional attitude towards financial planning. It's wiser today to embrace a wealth accumulation strategy. However, growing your wealth in a high inflation and low interest rate environment requires knowledge and expertise. AIA Hong Kong understands that people have different financial goals throughout their life stages, underscored by our brand promise as 'The Real Life Company'. By conducting this survey, we aim to enhance public awareness of the importance of financial planning and urge people to review whether the returns of their wealth management solutions are meeting their expectations."

To examine the financial management habits and preferences of Hong Kong people, AIA Hong Kong commissioned GfK Hong Kong, an independent market research company, to conduct "AIA's Survey of Wealth Management Attitudes 2014" via online questionnaires in October 2014. Survey respondents included 500 working adults aged between 20 and 59.

**Key findings of the survey:**

- (1) **Nearly 80% of people recognise the importance of saving for the future, but only one in two actually save.**
  - Nearly 80% (79%) of respondents recognise the importance of “saving money for the unexpected and preparing for a prosperous future”, and 21% describe themselves as “enjoying my life at the moment, living for today”;
  - Only 1 in 2 (53%) Hong Kong people have savings habits. Only around one-tenth (13%) save a fixed amount each month;
  - 35% of all people interviewed have no savings, either spending all of their income or are running a deficit.
  
- (2) **Cash or deposits fail to keep pace with inflation yet account for almost 60% of people's personal assets.**
  - Respondents allocate almost 60% (59%) of their personal assets to cash / demand or time deposits. This will lose the opportunity for wealth accumulation and is highly susceptible to the eroding effects of inflation. The proportions of other asset classes include investment products (20%) and properties (14%). Savings plans account for only 5%.
  
- (3) **Nearly 70% of people have no idea about their investment returns.**
  - Nearly 70% (69%) of people interviewed are not too sure about the performance of their personal asset portfolios over the past 12 months. Given that these people are unaware of the actual returns of their assets, this contradicts their desires to grow their wealth through investments;
  - More than 60% (67%) of respondents plan their own investment strategies. Over 70% (75%) will not seek consultation from professionals on the matters of financial planning or investment.
  
- (4) **Nearly 70% of people would change their investment decisions if they could turn back the clock.**
  - Almost 70% (67%) of people who have invested would change their original investment decisions if they could turn back the clock. Among them, a majority (26%) say they will increase the holding of low-risk and stable-return financial or investment products, and more than one-tenth (11%) wish to consult professionals for financial planning.

**Other interesting findings:**

- (5) **Hong Kong people consider HK\$2M as their "First Pot of Gold", but more than 90% (96%) have yet to achieve this.**
- Only 4% of respondents say they have earned their "First Pot of Gold". For those who haven't achieved this goal yet, their confidence in earning the "First Pot of Gold" is just fair. If they have their "First Pot of Gold", buying property (31%), saving for an emergency fund (16%) and retirement (10%) are the most common major uses of their funds;
  - Investing in financial products is regarded by nearly 40% (36%) of respondents as the most feasible way to build wealth, followed by investing in property (25%). On the other hand, 30% of people believe the way to create wealth is to win "Mark Six" simply by luck, especially among people with liquid assets below HK\$1M (36%).
- (6) **One in four (27%) have participated in speculative activities, with trading electronic devices the most common.**
- Electronic devices (23%) are the hottest trading item. Other hot trading items include concert or theatre tickets (4%), luxuries such as handbags / purses (3%) and sneakers (2%);
  - Around 20% (18%) of respondents participate in unconventional investments, mainly investing in coins (10%), and stamps (7%). Five percent of people interviewed have sold parallel goods.
- (7) **Nearly 30% (29%) of respondents have borrowed money for their investment.**
- The most popular are personal loans from banks or financial institutions (11%), borrow from family (9%) and credit card overdraft / cash out (8%).
- (8) **More than 30% (31%) of people would conceal their investment performance from their family or partners.**
- Around 20% (19%) of respondents claim that they will share with their family members or partners only when there is a profit.

"Financial management is a lifelong planning exercise. Whether they are aggressive investors or stable return seekers, we recommend our customers to set up a wealth accumulation goal at an early stage and seek advice from professional financial planners. Stable and guaranteed returns are crucial for savings. Smart wealth management, effective financial tools and a customised savings solutions will help people to grow their wealth for a prosperous future," Ms. Bonnie Tse added.

AIA Hong Kong offers a full suite of savings plans and products with unique features. These include:

- **"Spring Income Plan"** – provides short premium payment periods and guaranteed income offering customers the maximum flexibility to withdraw cash when in need;
- **"Forever Love Coupon Plan 3"** – a flexible wealth accumulation and protection solution which provides guaranteed cash payments and additional guaranteed cash payments;
- **"Simply Love Encore 2"** – provides desirable lifelong returns and different premium payment period options allowing customers better financial management;
- **"Admire Life 2"** – fulfils customers' needs in both protection and savings with stable returns;
- **"Proactive Insurance Plan"** – for customers seeking long-term savings returns with its higher savings element and competitive long-term returns features.

From now until 28 February 2015, customers who successfully apply for "Proactive Insurance Plan" and "Admire Life 2" with a specified minimum premium<sup>1</sup> will be eligible for a one-month premium refund (for other premium payment periods) or 2.5% premium refund (for single premium). Also, from now until 12 December 2014, the first 4,000 policy owners<sup>2</sup> of successful applications for any new individual life protection plan will receive two complimentary entry tickets for The AIA Great European Carnival (including HK\$100 tokens for each ticket).

Note:

<sup>1</sup> Customers who successfully apply for "Proactive Insurance Plan" with annualised premium of US\$6,000 / HK\$ / MOP48,000 or above, will be eligible for a one-month premium refund. For customers who successfully apply for "Admire Life 2", single premium payment with annualised premium of US\$20,000 / HK\$ / MOP160,000 or above, will be eligible for a 2.5% premium refund. For other premium payment periods, new policy with annualised premium of US\$3,000 / HK\$ / MOP24,000 or above will be eligible for a one-month premium refund.

<sup>2</sup> This promotion covers the period from 1 December 2014 to 12 December 2014, both dates inclusive. The first 4,000 policy owners of successful applications for any individual life protection plan and the correspondence address of the new policy are located in Hong Kong or Macau, policy owners of the new policies will receive two complimentary entry tickets for The AIA Great European Carnival (including HK\$100 tokens for each ticket).

For details, terms and conditions of the above two customer promotions, please refer to the respective promotional leaflets. In the event of any disputes, AIA's decision shall be final and conclusive. The above information is for reference only. For the details of the product features, content and conditions, please refer to the relevant product brochures and subject to the terms and conditions of the relevant Policy contracts.



Ms. Bonnie Tse, General Manager, Marketing and Business Strategy of AIA Hong Kong and Macau, announces the key findings of AIA's Survey of Wealth Management Attitudes 2014. The survey reveals that Hong Kong people allocate nearly 60% of their personal assets in cash and bank deposits. Their opportunity for wealth accumulation will be lost and their savings will be eroded by inflation in a low interest rate environment.



Ms. Bonnie Tse, General Manager, Marketing and Business Strategy of AIA Hong Kong and Macau, says that stable and guaranteed returns are crucial for savings. Smart wealth management, effective financial tools and a customised savings solutions will help people to grow their wealth for a prosperous future.



Mr. Jacky Chan, Chief Executive Officer of AIA Hong Kong and Macau, celebrates an anticipated Christmas with media by following AIA's tradition of giving away gourmet roasted turkeys.

### **About AIA Hong Kong and AIA Macau**

AIA Hong Kong and AIA Macau are subsidiaries of AIA Group Limited, who established its operations in Hong Kong in 1931. We have the largest team of over 10,000 financial planners in Hong Kong and Macau\*, as well as an extensive network of IFA, brokerage and bancassurance partners, who serve around 1.68 million customers. Our products range from individual life, group life, accident, medical and health, personal lines insurance to investment-linked products with numerous investment options. We are also dedicated to providing superb product solutions to meet the financial needs of high net worth customers.

*\* As of 30 September 2014*

### **About AIA**

AIA Group Limited and its subsidiaries (collectively "AIA" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has operations in 17 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint-venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia-Pacific region (excl. Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$159 billion as at 31 May 2014.

AIA meets the savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. AIA currently serves the holders of more than 28 million individual policies, more than 120,000 corporate clients and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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