

News Release

26 October 2016

THE AGE OF UNCERTAINTY

- *Almost half (49%) believe they are under more financial pressure than the previous generation*
 - *51% of Singaporeans think that they have to take more risks with their finances*
- *Having a baby, marriage and divorce or separation from a life partner are the top three life-changers for Singaporeans*

HSBC's latest report in The Power of Protection series, *Life changers*, found that many Singaporeans see the future as increasingly uncertain for themselves and their families and are under greater financial pressure than their parents' generation.

Over 12,000 people were surveyed in 12 countries and territories¹, including 1,000 respondents from Singapore, asking them to compare their lives to those of the previous generation and the next generation.

More choices in life but face more financial pressure

While most Singaporeans believe that their lives are overall better than their parents' generation, they are feeling increased financial pressure and uncertainty compared to the previous generation.

65% of Singaporeans think that they have more choices in life and over half (54%) think they are better off financially. However, almost half (49%) believe they are under more financial pressure than the previous generation while 51% of Singaporeans think that they have to take more risks with their finances.

Ian Martin, CEO of HSBC Insurance Singapore, said: "The findings are reflective of how global economies have transformed over the decades. While we benefit from the rise in personal income, we are also more exposed to unexpected and disruptive global events that impact the local economy and jobs. It is not surprising that the current generation while living a better life, feel less secure than their parents."

He added: "The increasing uncertainties highlight the importance of planning ahead as it allows you to better navigate the potential pitfalls in life."

For better or for worse: Key events that affect Singaporeans most and how they muddle through

The number one life changer is parenthood. Almost two-third (63%) of Singaporeans find that having a baby is their most life-changing event. Marriage (57%) and divorce or separation from a life partner (41%) are the top three life-changers for Singaporeans.

When managing life-changing events, more than half (52%) of Singaporeans had to use their savings, while 25% sought a loan or financing and 22% sought financial help from relatives.

Experiencing life-changing events also prompt people to think harder about their finances. Many people wish they had done things differently.

With hindsight, 59% of Singaporeans wish they had started to save more and over a third (36%) wish they had opened a new savings account.

¹ Argentina, China, France, Hong Kong, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States.

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Over one third of Singaporeans (37%) wish they had taken out a new insurance policy or increased the level of their existing one when they experienced a financially challenging life-changing event

Mr Martin added: "While it's impossible to predict the unpredictable, having a protection plan in place gives you something to fall back on when it really happens. Preparing for the future requires thinking ahead and starting early. Getting insurance protection early will not only keep the premiums low, but also enable you to have better coverage than you may be able to a few years down the road."

HSBC's report identifies four practical steps which may help people to better prepare for the future:

1. Plan for the events that will change your life

As your life changes, so will your financial needs. Make sure you have a financial plan and review it regularly to help you achieve your ambitions at every stage of life.

2. Allow for the unpredictable

Protect your future plans from being pushed off course by unexpected events. Plan for the financial impact of personal or work-related life events and consider the income you would need to cope should they happen.

3. Have a balanced strategy

Protection should be part of a comprehensive financial plan to achieve your ambitions in life. Ensure your plan includes an allocation for protection as well as for spending, saving and financing, and seek professional advice if you need help.

4. Plan with the next generation in mind

Consider how your financial plan can help to secure your children's future. Share the benefit of your experience and encourage them to plan ahead.

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Notes to editors:

The Power of Protection is an independent consumer research study into global protection needs and trends, commissioned by HSBC. This report, Life changers, is the second report and represents the views of 12,398 people in 12 countries and territories (Argentina, China, France, Hong Kong, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings are based on a nationally representative survey of people aged 25 and over in each country or territory. The research was conducted by TNS in October and November 2015, online in 11 countries and by face-to-face interviews in the UAE.

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