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## Media Release

### **LONG-TERM COVID-19 FEARS DRIVE MAJOR SHIFT IN HOUSEHOLD SAVINGS IN ASIA**

#### ***AIA SURVEY REVEALS PEOPLE ARE SAVING MORE BUT COULD BE SAVING SMARTER***

**HONG KONG, 24 June 2021** – AIA Group Limited (“AIA”; or the “Company”; stock code: 1299) announced today the results of a survey on the impact of COVID 19 on household savings, revealing that as many as 71 per cent of consumers plan to save more, driven by fear and insecurity arising from the pandemic. The survey also showed that 73 per cent of consumers agree that insurance has become more important than ever to secure better financial protection in case of emergencies.

The AIA Save Smarter Study 2021 surveyed 7,400 insurance consumers aged 25+ across eight Asian markets, including Mainland China, Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Stuart A. Spencer, Group Chief Marketing Officer of AIA Group, said: “AIA’s purpose is to help people live Healthier, Longer, Better Lives. One of the key findings from this survey is that under duress, consumers are willing to forgo saving for planned life events and instead shift their focus toward protecting themselves against the unexpected. This approach is completely understandable, but it has led people to retain cash in the bank. A better solution lies in insurance products and savings plans that deliver greater peace of mind through higher returns and access to liquidity.”

#### **Intention to save more for emergencies but without more planning**

Uncertainties caused by COVID-19 are driving a major shift in consumer household savings. While 41 per cent of the respondents said they reduced their savings in 2020, 55 per cent said they plan to increase their savings in 2021 and 10 per cent of those plan to increase their savings by more than 50 per cent.

The study also showed that household savings trends and objectives are changing. Managing uncertainty has become the emerging saving goal with a greater focus on having access to emergency funds. Preparation for emergency spending (64 per cent), guaranteeing financial security (60 per cent) and coverage for medical expenses (54 per cent) top the list of savings objectives. A lower but nonetheless important priority remains saving for typical life goals such as education, getting married, buying a house (42 per cent) or retirement (52 per cent).

How to meet such diverse goals through increased household savings is a major challenge. Almost a third of the respondents (31 per cent) simply save what money they have after expenses

without a proactive saving plan. 21 per cent set aside a fixed amount for various goals. By far the most popular place to save is the bank, with more than nine out of 10 preferring the liquidity of bank savings, and a quarter of the savers with no other form of savings at all.

### **The importance of insurance for protection and savings**

A further impact of the pandemic is a stronger interest in insurance with 73 per cent agreeing that insurance has become more important than ever to provide better protection in case of unexpected incidents and 18 per cent say they plan to increase their allocation of funds to insurance. Of those planning to raise their spending on insurance, 57 per cent say they plan to spend more on medical and health insurance, which is already the most popular category with 56 per cent currently owning a medical/health policy.

### **The emotional and financial impact of COVID-19**

The fear and uncertainty that is driving increased interest in protection also appears to be impacting wellbeing, with 70 per cent of those surveyed saying COVID-19 has negatively impacted their social life, 38 per cent believing it has adversely affected their health, and 39 per cent feeling that their mental health<sup>1</sup> has suffered. The financial impact has also been significant with an average income reduction of 27 per cent across the eight markets surveyed in Asia, with a reduction of as much as 33 per cent in Thailand. And these impacts may not end any time soon, with 88 per cent believing COVID-19 will persist beyond June 2021 and 57 per cent believing it will last until 2022 or beyond.

Timothy Beardsall, Head of Group Propositions Innovations and Insights, said: “The pandemic has driven fear and insecurity in people which compromises their financial and mental wellbeing. AIA is committed to providing people with peace of mind through a wide range of savings products that meet their risk/return profiles and longer-term financial objectives. Our AIA Vitality wellness program also helps people make positive changes to their health, through knowledge and tools that motivate them toward healthy living and rewards them with lower premiums and enhanced policy values, which further enables them to meet their saving goals.”

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<sup>1</sup> From Kantar’s COVID-19 Barometer

## **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 a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>(1)</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR<sup>(2)</sup> and New Zealand, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$326 billion as of 31 December 2020.

AIA meets the long-term 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. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 38 million individual policies 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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#### **Notes:**

1. Hong Kong SAR refers to Hong Kong Special Administrative Region.
2. Macau SAR refers to Macau Special Administrative Region.