

Media Release

AIA Survey in Six ASEAN Markets Finds Middle Class Place Health and Quality of Life Ahead of Wealth

74% of Singaporean respondents report being satisfied with their lives

SINGAPORE, 20 October 2014 – AIA today unveiled findings from the just-completed AIA Survey on Middle Class Hopes and Aspirations: the ASEAN Region, which found that across the six ASEAN markets surveyed, middle class respondents overwhelmingly place health, happiness in marriage and a better life for their children and family before accumulation of wealth as their primary goals and motivations in life.

The survey provides an in-depth analysis of the fast-growing middle class' attitudes towards quality of life, financial security, retirement, and family and education. Three thousand (3,000) self-identified middle class individuals were surveyed across the ASEAN markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

This is the second year that AIA has carried out this measurement of middle class hopes and aspirations; the first survey undertaken in 2013 focused on the middle class in the Greater China markets of China, Hong Kong and Taiwan. This year's survey was conducted by global market research agency Ipsos between July and August, 2014.

Speaking at the survey launch event in Singapore, Ng Keng Hooi, Regional Chief Executive of AIA, said: "Perhaps one of the most striking observations from the survey is that in a region where a strong work ethic is a way of life, having good health is hands down the most important goal in life for the middle class across the six markets surveyed. We are also pleased to note that those who took part in the survey generally expect their lives to improve over the next 12 months."

"As the leading pan-Asia life insurer, AIA continues to build on our extensive body of knowledge of the rising middle class in this region as we provide them with products and services tailored to support their needs and the needs of families through all stages of their life," said Ng.

Quality over quantity

The self-identified middle class in the six ASEAN markets unanimously agree that quality is more important than quantity in terms of their approach to life. Sixty-one percent (61%) say that being healthy is one of their top life goals, followed by 40% who value having a happy marriage or relationship and 34% who say that one of their primary life goals is a comfortable retirement.

A large proportion (41%) of those surveyed are primarily motivated to create a better life for their children and family, while only 8% say becoming wealthy is their major life motivator.

The survey found that nearly half of respondents (47%) who currently work full-time would rather work part-time so that they could spend more time with their families. A further 17% of full-time workers also wish to become full-time parents.

Expectations for the future

The ASEAN middle class expects their lives to improve in the short-term. This year, AIA introduced the AIA Middle Class Index* (MCI) which measures respondents' sentiments toward ten aspects of life situations. All markets surveyed record MCI scores above 50, indicating a positive expectation that their life situations will improve over the next 12 months. Indonesia, Vietnam and the Philippines lead with MCI at 77.1, 70.9 and 70.6 respectively. MCI scores for Singapore, Malaysia and Thailand are 55.6, 60.5 and 63.3 respectively. Across all surveyed markets, respondents tend to agree that family life would be the situation that is most likely improve (with an index of 72.4) over the next year.

While the income levels of those surveyed in each of the markets showed significant disparity, nearly three-quarters of those surveyed (73%) think they will achieve their biggest dreams within their lifetime. The middle class in Indonesia are the most optimistic in achieving their dreams, with 87% believing that they will achieve their dreams within their lifetime.

Both the middle class in Indonesia and Vietnam have high aspirations for their children. Indonesians are also inspired by dreams of entrepreneurship. Travelling the world is a common dream for the middle class in Malaysia, the Philippines, and Vietnam. The dreams of the middle class in Thailand are largely centred around health, wealth and their children's achievements. In contrast, the middle class in Malaysia have more diverse dreams, ranging from becoming millionaires to staying healthy and having a secure retirement.

The retirement challenge

Saving for retirement is widely perceived as a challenge facing the middle class across all markets. Almost half of all respondents (44%) are concerned that they will not be able to save enough for a comfortable retirement, including a majority in Singapore (55%), followed by Malaysia (53%) and Thailand (53%).

The amount of savings perceived to be needed for retirement varies greatly among the six surveyed markets. The average savings figure for retirement desired by respondents is US\$181,610 in Indonesia, US\$207,610 in the Philippines, US\$233,960 in Thailand, US\$493,100 in Vietnam, US\$583,380 in Malaysia, and not surprisingly, the amount desired by Singapore's middle class tips the scale at US\$898,330.

Further to the retirement challenge, there is an expectation that future generations will continue to be caretakers of their families. A majority (70%) of the middle class believe that children should be responsible for financially supporting their parents in their old age. However, those in the Philippines are least likely to agree, with just over half (53%) thinking children should support parents in retirement. Sixty-three percent (63%) of the respondents are currently supporting their parents or their spouse's parents.

Although saving for retirement is both a key goal and also a challenge for all respondents, an overwhelming majority (81%) of those who are working have hopes to retire some day.

Singapore's Findings:

Quality over quantity

The middle class in Singapore values health, happiness in marriage and saving for a comfortable retirement over wealth as their primary goals, dreams and motivators. When asked to select their top three goals in life, 69% of Singapore's middle class list being healthy, 46% list

having a happy marriage or relationship, and 42% want to save for comfortable retirement. Almost half (48%) of the respondents who are full-time workers in Singapore want to reduce their working hours to spend more time with their family.

Seventy-four percent (74%) of Singapore's middle class report being satisfied with their lives, including 12% who say they are very satisfied. The oldest respondents (55 years and older) are most likely to be satisfied, with 31% of this group saying they are very satisfied.

For Singapore's middle class, greater wealth does not substantially lead to greater satisfaction. Seventy percent (70%) of those with less than S\$200,000 in assets report being satisfied with their lives. That figure only rises slightly to 75% for those with assets between S\$200,000 to S\$999,999. For respondents with more than S\$1 million in assets, the proportion who are satisfied increases eight percentage points to 83%.

Expectations and dreams for the future

Singapore's middle class expects their life situation to improve over the next 12 months (MCI of 55.6) and they are also optimistic towards their dreams and future. Over 94% of Singapore's middle class say they have a dream for their future and more than half of the respondents (53%) feel they will be able to achieve their dreams within their lifetime. In contrast, 38% of the Singapore middle class think they will not achieve their dreams in their lifetime.

The dreams of Singapore's middle class often take the form of an easy and relaxed life, including having a work-life balance, travelling around the world and having a comfortable retirement. Once they achieve a certain amount of financial security, many wish to give back to the community by starting social enterprises or helping the underprivileged.

The retirement challenge

Like the rest of the ASEAN markets, saving for retirement is a challenge facing Singapore's middle class, with 35% of the Singapore respondents ranking saving for a comfortable retirement as the most difficult goal to achieve in life. Nearly half (45%) are confident that their family will have enough to retire comfortably.

There are also similar expectations from Singapore's middle class for the next generation to be caretakers for their parents. Seventy-six percent (76%) of Singapore's middle class think that children should be responsible for financially supporting their parents in old age and 65% of the respondents are already supporting their own or their spouse's parents.

Despite concerns regarding retirement savings, the overwhelming majority of Singaporeans (86%) hope to retire some day. To achieve these plans, they have indicated a wide variety of investment vehicles, including building up cash savings (55%), investing in equities, funds or bonds (53%), having a retirement plan (51%) or real estate (47%).

"From the survey, we see that Singapore's middle class desires to be financially stable and healthy enough to be able to celebrate and experience life with their families, but they are also pragmatic about how much wealth is actually enough for a comfortable retirement. At AIA Singapore, we aim to help alleviate their worries so that they can focus on what's most important in their lives," said Tan Hak Leh, Chief Executive Officer of AIA Singapore.

Initiatives spearheaded by AIA Singapore, encouraging families to lead fuller lives include:

- Launching AIA Vitality, a transformational, first-in-market science-backed wellness programme which rewards members for making healthier choices and improving their health

AIA Survey in Six ASEAN Markets Finds Middle Class Place Health and Quality of Life Ahead of Wealth

Page 4

- Introducing innovative products as part of a comprehensive range of protection, investment and savings solutions which meet their evolving protection, long-term savings and investment needs at different stages of life
- Supporting activities such as the annual Jurong Lake Run community event which encourages families to spend quality time together while keeping healthy

“AIA Singapore is dedicated to Singapore’s future. This is why we do more than protecting families in Singapore financially, we also protect their health. This is our commitment as ‘The Real Life Company’,” Mr. Tan added.

- End -

Editor’s Notes:

About AIA Survey on Middle Class Hopes and Aspirations

The AIA Survey on Middle Class Hopes and Aspirations is a proprietary survey commissioned by AIA Group, providing an in-depth look at the fast-rising middle class segment in Asia across four key areas, including quality of life, financial security, retirement, and family and education. In 2014, the survey interviewed 3,000 self-identified middle class individuals from six ASEAN markets, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, through online and face-to-face interviews. Interviews were conducted over four weeks (10 July to 12 August 2014) with 500 individuals in each country who self-selected themselves as middle class; 400 online interviews were with respondents aged 25-49 and 100 face-to-face interviews were with individuals aged 50 or older via a random sample selection. The survey was first conducted in 2013, and covered Mainland China, Hong Kong and Taiwan. Please visit asiamiddleclass.aia.com for more details.

About The AIA Middle Class Index

The AIA Middle Class Index is a summary score for whether respondents think ten aspects of their lives will improve, stay the same, or worsen over the next 12 months at the time when they were surveyed. An index above 50 indicates respondents expect life to improve and an index below 50 indicates they expect their life to worsen.

The ten aspects of life include: the amount of money available to spend, the value of savings, family life, the amount of time for leisure, romantic life, home and the quality of where respondent lives, the environment where respondent lives, health and well being, career/business, and the value of respondent’s property.

The index is calculated based on the formula of $\text{Index} = (P1 * 1) + (P2 * 0.5) + (P3 * 0)$, where P1 is the percentage of respondents who believe their situation will improve, P2 is the percentage of those who say it will stay the same, and P3 is the percentage of those who think it will worsen.

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 (ex-Japan) based on life insurance premiums and holds

AIA Survey in Six ASEAN Markets Finds Middle Class Place Health and Quality of Life Ahead of Wealth
Page 5

leading positions across the majority of its markets. It had total assets of US\$159 billion as of 31 May 2014.

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-Pacific, AIA serves the holders of more than 28 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”).

Follow us on Twitter: @AIAGroup_Press

Contacts

Regional media contacts

Stephen Thomas	stephen.thomas@aia.com	+852 2832 6178
Sonia Tsang	sonia.tsang@aia.com	+852 2832 1868
Natalie Siu	natalie.siu@aia.com	+852 2832 1860

Singapore media contacts

Joanna Ash	Joanna-TM.Ong-Ash@aia.com	+65 65300 863
Dawn Teo	Dawn-MY.Teo@aia.com	+65 65300 875