



Media release

Hong Kong Workers Better Prepared for Retirement but Retirement Income Remains Low, Says AXA Global Survey

Hong Kong, 15 March 2006 –The AXA Retirement Scope –Wave 2 Hong Kong – January 2006 (the Survey) is a benchmark 11-country study on retirement that offers remarkably detailed insights into people’s attitudes to work, life, money, health and retirement. The 6,900 working and retired people under age 75 surveyed included 314 working adults and 303 retirees interviewed by Synovate Hong Kong in late 2005. The other countries covered in the survey were: Australia, Belgium, Canada, France, Germany, Japan, Italy, Spain, the United Kingdom and the United States.

The Survey shows that when comparing with other surveyed countries, Hong Kong working group start preparing for retirement earlier and are one of the biggest retirement savers among the surveyed countries and more optimistic about retirement than the existing retirees. The Survey also indicates that within Hong Kong, many existing retirees are dissatisfied with Hong Kong’s low average retirement income, the general lack of activity associated with life after work; and Hong Kong working group are more active in seeking financial advice than the existing retirees.

The Survey found that Hong Kong retirees, when comparing with other surveyed countries, have no planning on activity during retirement, generally receive a lower income and experience a lower quality of life than when working. They also show little interest in hobbies and wish they had postponed their retirement for another few years. While retirement income is up from the previous 2004 retirement survey (HK\$5,493 per month), compared to the other countries surveyed, the Hong Kong retirees have the lowest retirement income of HK\$7,477 a month in 2005.*

“Our local survey indicates that respondents expressed a fair amount of concern about their income and living standards in retirement. That said, it is apparent that people are becoming more aware that much preparation and planning are necessary to achieve their retirement goals”, said Mark Wilson, Chief Executive Officer, AXA Hong Kong.

The Survey is part of AXA's continued effort to enhance its understanding of the issues, perceptions, concerns and wishes surrounding retirement, for the ongoing development of innovative financial and retirement planning services.

"Retirement is something inevitable to us. The more we know about Hong Kong people's perceptions, the better equipped we are to help them approach this time of life with confidence by leveraging opportunities for managing, growing and protecting their assets," Mr. Wilson said.

"Our retirement scope survey illustrates that Hong Kong people are increasingly seeking financial answers to retirement questions, which supports our strategy to provide advice and solutions to secure their financial well-being," Mr. Wilson added.

The AXA Retirement Scope – Wave 2 Hong Kong – January 2006 Survey findings at a glance:

Hong Kong working group are becoming better prepared for retirement.

- Just over 60% of surveyed workers have begun to do retirement preparations.
- Working group start planning for retirement at 32 years of age (whereas the retirees started at 47 years of age).
- Working group are setting aside an average of HK\$4,525 each month for their retirement - the second highest amount of all countries surveyed.
- Only 50% of surveyed workers believe their retirement income will be sufficient and possibly in anticipation of this, 67% out of all hope to hold a paid job, in spite of retirement.
- Only 18% of surveyed workers know the amount of their eventual retirement income.

Hong Kong retirees are the youngest in the world.

- Hong Kong surveyed retirees' average retirement age of 57 is one of the lowest of all 11 countries surveyed.
- Working group's average preferred age of retirement is 53 years of age.
- Existing retirees surveyed wish they had delayed their retirement until they were 61 years of age.

Hong Kong's average retirement income* is the lowest of all countries surveyed.

- Hong Kong's HK\$7,477 average monthly retirement income* leaves retirees little spare change from the HK\$7,151 average monthly household expenses*.
- 85% of retirees surveyed state that their monthly retirement income is less than their last salary.

- 50% of retirees surveyed said they experienced a lower standard of living and lower quality of life following retirement.

Hong Kong working group take complete personal responsibility for financing their retirement.

- Most high income workers surveyed are supplementing their legally obligated MPF contributions with a diverse range of retirement products.
- Favourite options under this trend include Life Insurance (66%) and individual savings schemes (64%).
- Today's workers surveyed are more active than the retirees surveyed in seeking financial advice about retirement and are more willing to turn to private sources such as insurance companies, banks and financial brokers for this information.

Pollution, smoking and stress are Hong Kong's biggest health threats.

- More than in any other surveyed countries, Hong Kong people believe that the main health threats are pollution and smoking, closely followed by stress.
- 66% of working group and 74% of retirees are satisfied with Hong Kong healthcare system.
- 50% of working group choose individual or fully private healthcare programs compared with only 17% of retirees.

* The figures quoted do not take into account the different standards of living in each country surveyed.

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About AXA

AXA China Region is a part of AXA Asia Pacific Holdings, a member of the global AXA Group, a worldwide leader in Financial Protection and Wealth Management. AXA has a history dating back to the early 19th century and commenced business in Hong Kong in 1986. AXA secures the future of 50 million people around the world. One million people in Hong Kong and Macau trust AXA to protect their families. For the year 2005, AXA's revenues were US\$88.6 billion* and, as of 31 December 2005, its assets under management were US\$1,309.8 billion*.

*Calculated based on the exchange rate of 1 Euro = US\$1.231.

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