

1 November 2016

ILLNESS, DIVORCE AND REDUNDANCY HIT THE POCKET HARDEST

- *New report uncovers the most common financial disasters in people's lives.*
- *People around the world feel a sense of uncertainty about the future*

HSBC's latest report in The Power of Protection series, *Life changers*, uncovers the most financially damaging events that people experience in the course of their lives. According to the survey of over 12,000 people in 12 countries and territories¹, these were:

1. Made redundant (financially negative for 85% of those who experienced)
2. Had a critical illness/injury (78%)
3. Had a traumatic accident or injury (76%)
4. Divorce/separation from a life partner (75%)
5. Took a career break/extended holiday (74%)
6. Had a bereavement of parent (57%)
7. Had a bereavement of close friend/relative (55%)
8. Retired (54%)
9. Had a baby (50%)
10. Bought a home (46%)

The report, which explores the major events that change people's lives and financial behaviour, reveals the actions people took to cope with these financial challenges:

1. Cut back on spending (52%)
2. Re-prioritised spending (48%)
3. Started saving more (42%)
4. Withdrew from savings (37%)
5. Set up a new savings account (26%)
6. Took out a new insurance policy (22%)
7. Sought a loan or financing (21%)
8. Sought financial help from relatives (18%)
9. Made an investment (e.g. shares, bonds) (18%)
10. Increased level of existing insurance policy (13%)

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

Looking back on how they responded to these events, people were asked what they wish they had done differently but did not do at the time. More than one in two (54%) wish they had started saving more, almost four in ten (37%) wish they had cut back on spending, and more than a third (34%) wish they had re-prioritised their spending.

Furthermore, respondents were asked to compare their lives to those of the previous generation and the next generation.

The report finds that, compared with their parents' generation, respondents think they:

	% Agree	% Disagree
Face a more uncertain future	48	33
Are under more financial pressure	49	33
Have to take more financial risks	51	28
Are better off financially	46	34
Have a better quality of life	43	38
Have more choices in life	60	27
Have a more fulfilling life	42	35

When coming to predictions about the future of life, respondents believe that the next generation will:

	% Agree	% Disagree
Face a more uncertain future	56	28
Be under more financial pressure	58	24
Have to take more financial risks	54	26
Be better off financially	39	38
Have a better quality of life	46	32
Have more choices in life	56	29
Have a more fulfilling life	47	29

Charlie Nunn, Group Head of Wealth Management, HSBC, commented:

“Too few people think ahead about their financial needs at every stage of life. While it is impossible to anticipate all the events that will change your life, having a plan in place will help you be more confident of protecting what you already have and achieving your future ambitions.”

Sabbir Ahmed, Head of Retail Banking and Wealth Management, HSBC Vietnam, added:

“We have witnessed our quality of life having been significantly improved thanks to scientific and technological changes. These changes, however, are also leading to an ageing population and the feeling that employment and social provision like pensions are less secure than ever.

Overall, we feel better off than the generation that went before and that we have greater choice and opportunities for fulfilment in our lives. But we also feel less stable and less secure, and see these trends continuing for the next generation. This increasing uncertainty highlights the importance of planning ahead for our peace of mind at every stage of life.”

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.

ends/more

Media contact:

Tran Ngoc Anh Thu

+84 8 3520 6592

thunatran@hsbc.com.hk

Notes to editors:**About the Power of Protection**

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.

For more information visit www.hsbc.com

About HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,400 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

HSBC Vietnam

HSBC has been in Vietnam for more than 140 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and three full-service branches in Binh Duong, Can Tho, and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, network, product range, staff and customer base.

ends/all