



AIA Survey Reveals Good Health is a Top Life Goal for Malaysia's Middle Class

New survey finds happiness in marriage and retirement savings are also highly valued

KUALA LUMPUR, 30 October 2014 – A survey commissioned by AIA on the *Hopes and Aspirations of the Middle Class in Malaysia* reveals that Malaysia's middle class places health, happiness in marriage and a better life for their children before wealth accumulation as their primary goals and motivations in life.

Sixty-eight per cent of Malaysia's middle class rated being healthy as one of their top life goals. This was followed by 38 per cent who valued having a happy marriage or relationship and 35 per cent who gave top priority to having a comfortable retirement.

On balance Malaysia's middle class expect their life situations to improve over the next 12 months, as indicated by an AIA Middle Class Index (MCI) score of 60.5, where scores above 50 show more expect situations to improve than to worsen. Even so, they cited affordability of healthcare (51 per cent), unexpected emergencies (46 per cent) and the cost of housing (31 per cent) as their main concerns.

Bill Lisle, Chief Executive Officer, AIA Bhd. said, "A key insight from the survey is that Malaysia's middle class desires to be financially stable and healthy enough to be able to celebrate and experience life with their families. They are also pragmatic about how much wealth is needed for a comfortable retirement".

Findings of the survey, which covered six ASEAN markets, namely Indonesia, Malaysia, the Philippines, Thailand, Singapore and Vietnam, in which AIA operates, were generally consistent across the region. It revealed that although a strong work ethic prevails in those markets, having good health is hands down the most important goal in life for the middle class in the six markets surveyed. Only 8 per cent cited becoming wealthy as their major life motivator.

"As a leading life insurer in Malaysia and across Asia-Pacific, AIA will continue 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 that of their loved ones as they go through life. As The Real Life Company, our role is to ensure our customers enjoy financial security and peace of mind," Lisle said.

The survey provided interesting insights into the attitudes of Malaysia's middle class towards quality of life, financial security, retirement, as well as family and education. Conducted in July 2014, the survey involved both online and face-to-face interviews with 500 self-identified middle-class respondents in Peninsular Malaysia.

Key Findings from Malaysia include:

Financial Security

- Generally, Malaysia's middle class have higher expectations on how much is needed to achieve financial security compared with other ASEAN markets surveyed, apart from Singapore; the majority believe that they need approximately RM1.5 million (US\$480,000) in asset value to be financially secure.
- By contrast, on average, the middle class in Thailand, the Philippines and Indonesia feel they need about RM360,000 (USD\$110,000), RM864,000 (USD\$264,000) and RM451,000 (USD\$138,000) respectively.
- 53 per cent believe that financial security can be achieved in their life time while 47 per cent feel financial security is a never-ending pursuit.

On Family and Education

- Malaysia's middle class have high aspirations for their children; of those surveyed, 95% either already have children or are planning to have children.
- 81% cite their children's health as their highest priority, followed by their children having a good career (56%) and their general happiness (53%).
- Malaysian middle-class parents have high expectations for their children's education with 91% wishing for their children to attain tertiary education and a further 37% hoping that their children will achieve post-graduate qualifications.
- 96% of the parents surveyed revealed that they save about RM560 (USD\$175) per month for their children's education.
- 22% who are currently working full-time said that they would want to become stay-at-home parents, which is one of the highest in the region.

The Retirement Challenge

- Saving for retirement is considered a serious challenge with 33% citing enjoying a comfortable retirement as the most difficult goal to achieve in life. Some 53% are worried that they will not be able to save enough for a comfortable retirement. The average amount that Malaysia's middle class desires to have for retirement is RM1.9 million (USD\$583,380).
- To achieve their retirement plans, the middle-class respondents indicated a variety of investment instruments including contributing to a regular retirement plan (70%), investing in the stock market (70%), real estate (61%) and contributing to a regular savings account (50%).
- Further to the retirement challenge, there is an expectation that future generations will continue to be caretakers of their families. The majority (73%) of Malaysia's middle-class respondents believe that children should be responsible for financially supporting their parents in their old age. 57% of the respondents are currently supporting their own and/or their spouse's parents.

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 to improve (with an index of 72.4) over the next year.

- Ends -

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-identified 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 wellbeing, 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 Bhd.

AIA Bhd. is a leading insurer in Malaysia, where we have been privileged to do business since 1948. We offer a suite of high quality products including Protection, Health, Personal Accident, General Insurance, Employee Benefits, Retirement and Family Takaful options to meet our customers' protection and financial security needs at every life stage. Through our wide and diverse distribution footprint which comprises a tied agency force of close to 17,000 members, our exclusive bank partner's branches nationwide as well as corporate sales teams and brokers, we give our customers the choice of deciding how, when and where they connect with us.

Part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group, AIA Bhd. in Malaysia has the financial strength, experience, service centre network as well as a well-trained team of more than 2,000 staff to serve its 3 million customers nationwide. As at end 2013, AIA Bhd.'s total asset worth was RM42 billion, with a paid-up capital of RM767 million.

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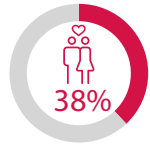
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Hopes and Aspirations of Malaysia's Middle Class

Top Life Goals



Being healthy



A happy marriage or relationship



Saving for retirement

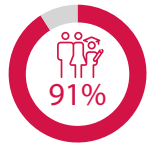
Family and Education



Almost all of Malaysia's middle class either have children or are likely to have children some day



Parents want their children to enjoy good health



Almost all of Malaysia's middle class parents wish for their children to achieve university degrees

Expectations and Dreams for the Future

AIA Middle Class Index*

INDONESIA

MALAYSIA

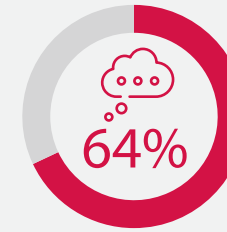
PHILIPPINES

SINGAPORE

THAILAND

VIETNAM

60.5*



Believe they will be able to achieve their biggest dreams. 6% have achieved their dreams so far

Financial Security

Malaysia's Middle Class needs

RM1.5 MILLION

in asset value to be financially secure



Believe that financial security can be achieved in their life time



Find financial security is a never-ending pursuit

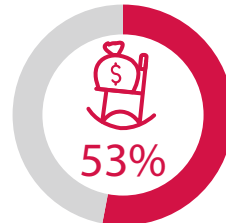
Retirement Challenge

RM1.9 MILLION

The average amount that Malaysia's middle class desires to have for retirement



Think that children should be responsible for financially supporting their parents in old age



Worried that they will not be able to save enough for a comfortable retirement



Currently financially supporting their parents or their spouse's parents



500 Self-identified Middle Class

Sample Size (50% men; 50% women)



Online & Face-to-Face

Survey Method



July 2014

Date Collection Period

+/- **4.4%**
Margin of Error

Ipsos

Market Research Agency

Source: The AIA Survey on Middle Class Hopes and Aspirations: ASEAN Markets

*The AIA Middle Class Index (MCI) measures respondents' expectations towards ten aspects of life situations. It is a summary score for whether respondents think their life situations will improve, stay the same, or worsen over the next 12 months at the time when surveyed. An index above 50 indicates respondents expect their life to improve.

Find out more about the survey at asiamiddleclass.aia.com

aia.com.my



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