

MPF Survey 2010

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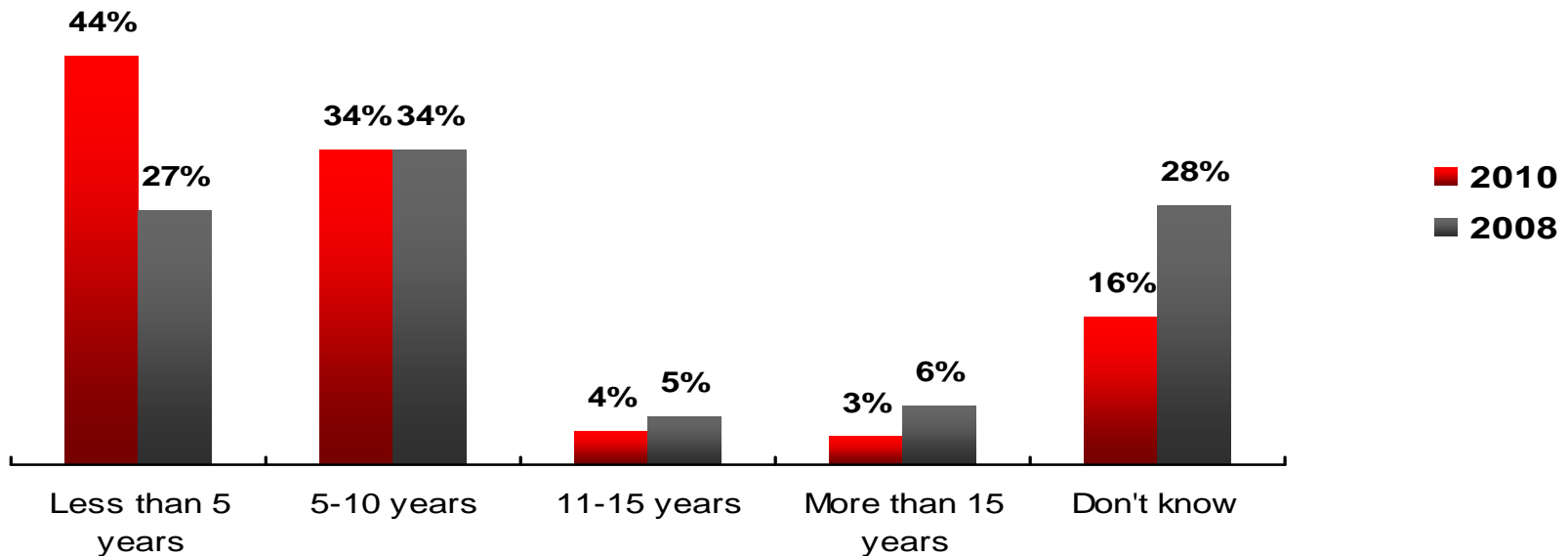
HKU survey - methodology

- **Survey conducted by The University of Hong Kong's Public Opinion Programme to gauge the retirement preparedness and account management attitude of MPF members**
- **Across 1,000 MPF respondents aged 18-65 with minimum monthly personal income of HK\$5,000**
- **Fieldwork conducted in March-April 2010**

MPF savings to last less than 7 years after retirement

- On average, MPF members believe their savings will last **6.7 years** after retirement (2008 : 7.6 years)
- **44%** believe their savings will last **less than 5 years** post-retirement (2008 : 27%)
- **34%** believe they are covered for **5-10 years** (2008 : 34%)
- Only **3%** believe MPF savings will last **more than 15 years** post-retirement (2008 : 6%)
- **16% do not know** for how many years they are covered (2008 : 28%)

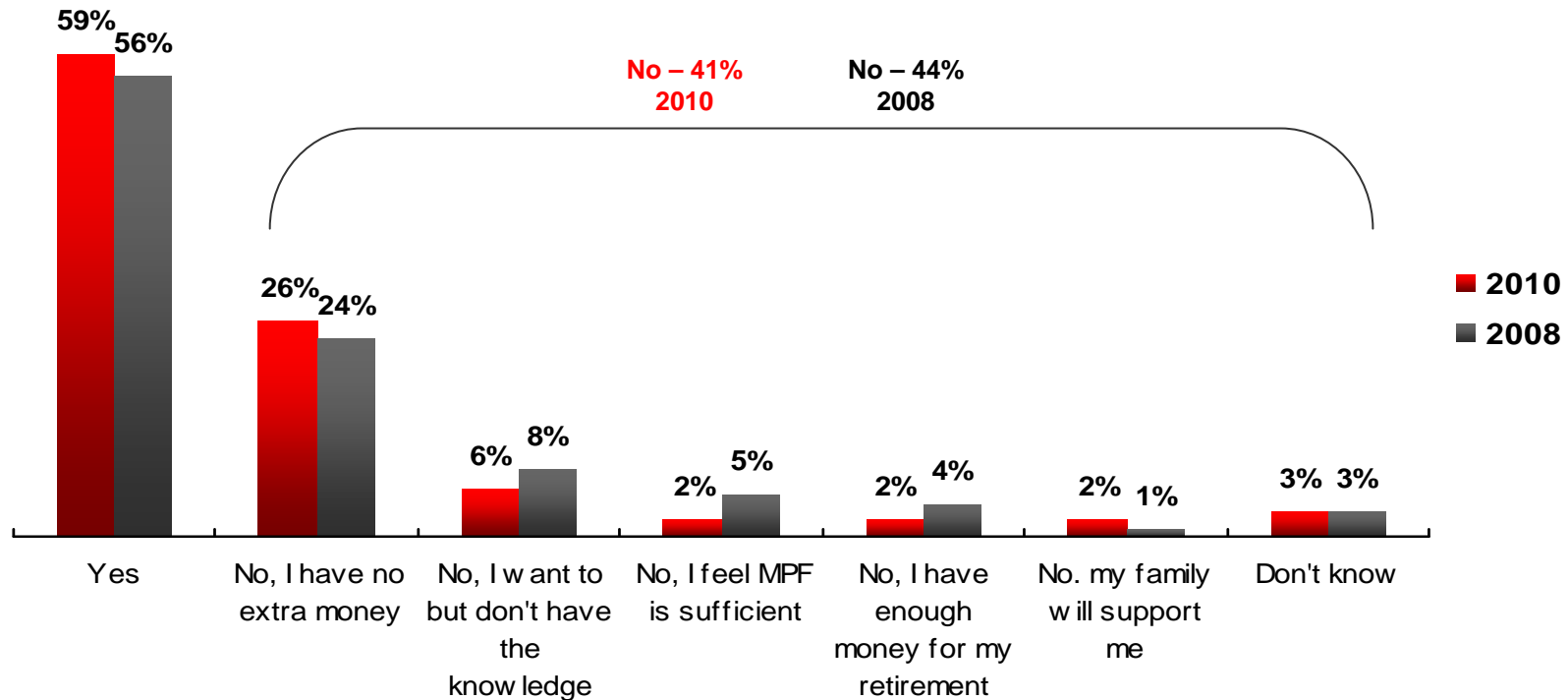
Based on current contribution, how many years can your MPF support basic living expenses at retirement



Four in 10 members still solely rely on MPF for retirement savings

- **41%** do not have plans aside from MPF to prepare for retirement (2008 : 44%)

Preparation for retirement aside from MPF



Majority don't make voluntary contribution

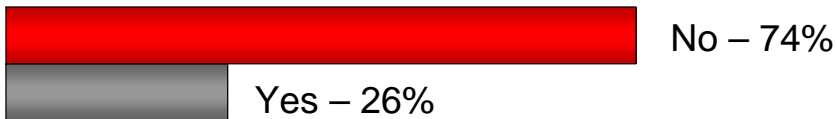
- Almost **87%** do not make any MPF voluntary contributions now (2008 : 89%)

Voluntary contributions



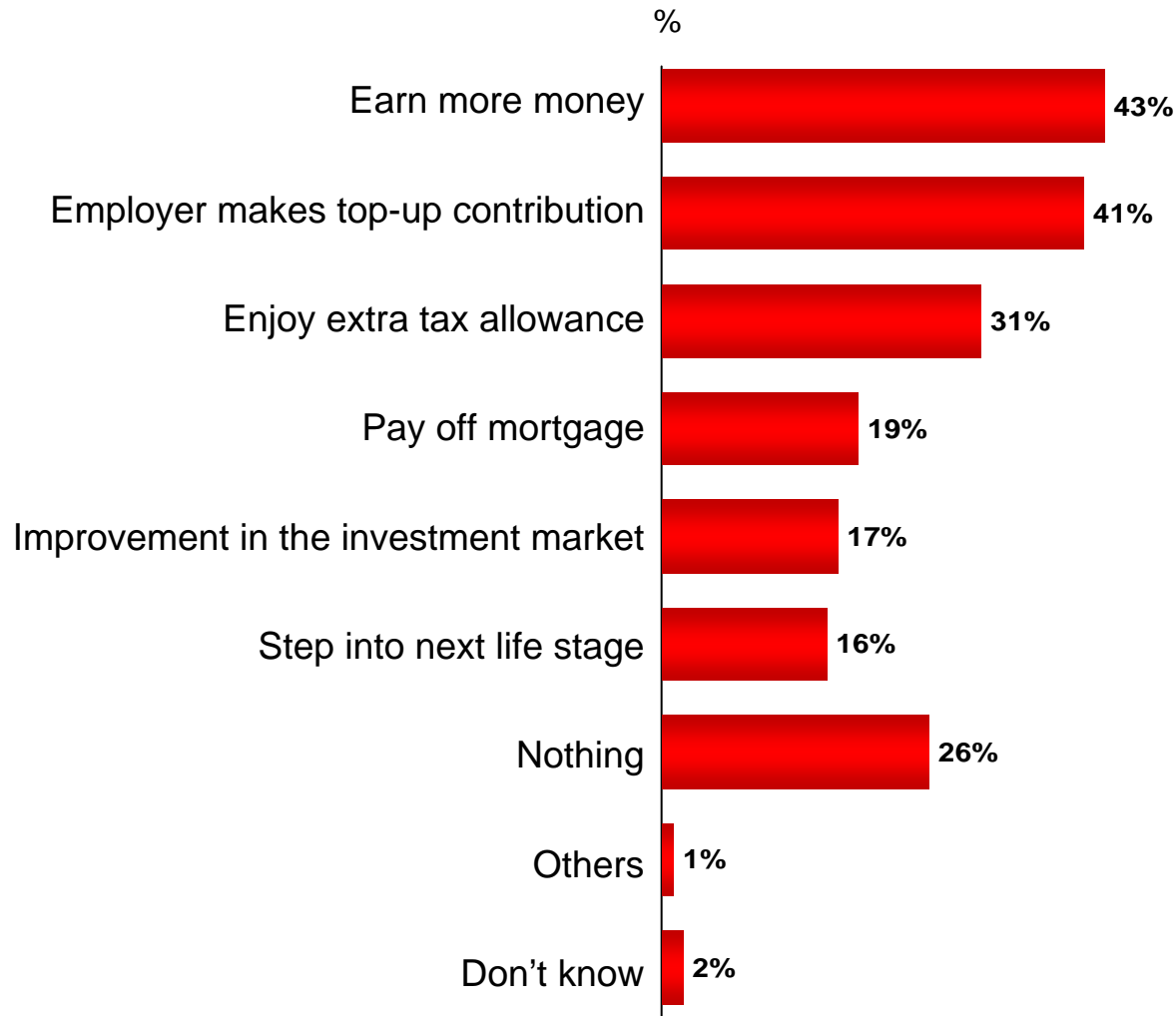
- **74%** will not make any in five years' time

Voluntary contributions



- For the 13% of respondents who make **voluntary contributions now**, they make an average payment of **HK\$1,800/month**
- For those (15%) who plan to make MPF **voluntary contributions in five years**, they will save **HK\$1,900/ month** on average

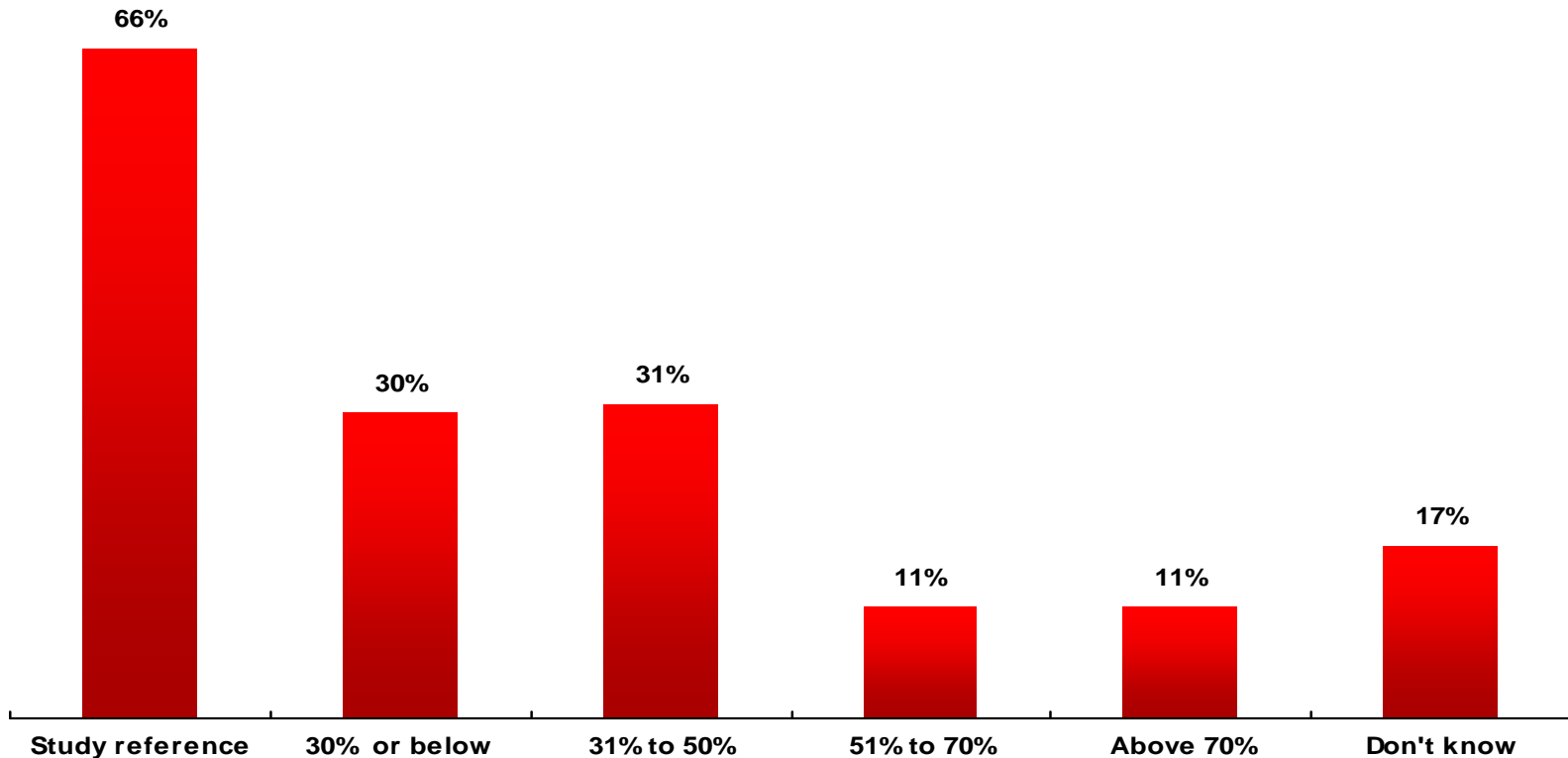
Triggers to increase MPF savings



Expected income replacement ratio less than half

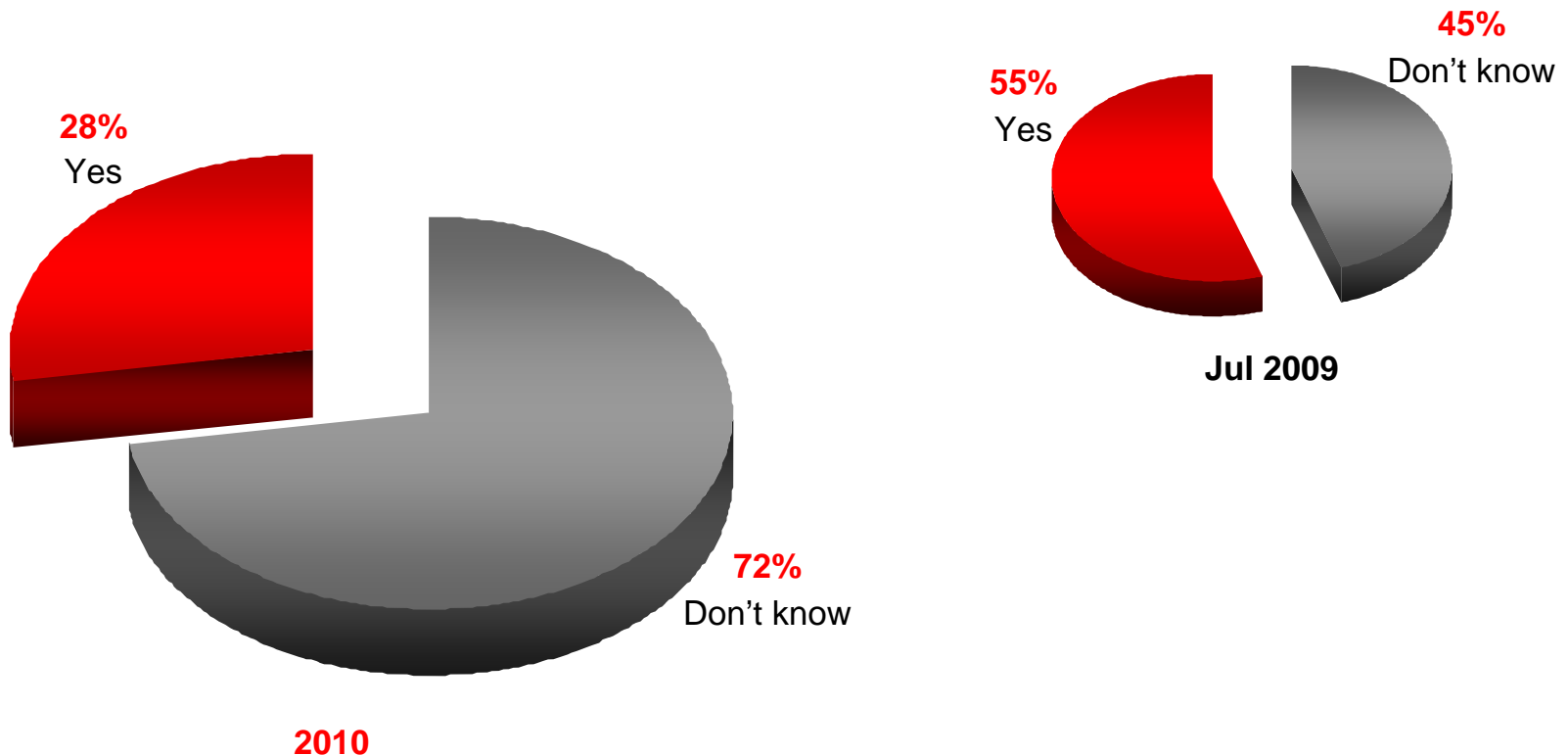
- Expected income replacement ratio of MPF members is less than half (**46%**) of monthly salary before retirement on average
- Ideal income replacement ratio at **2/3**

Percentage of current monthly income sufficient to support retirement



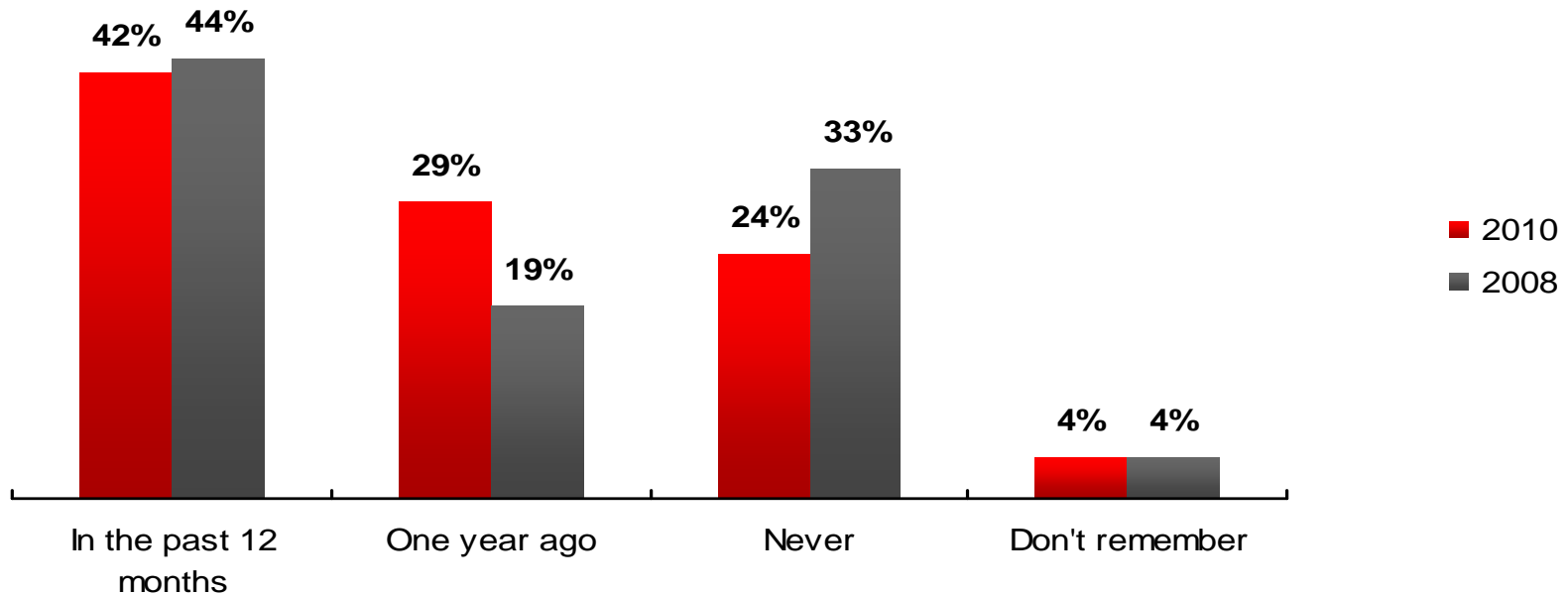
Majority still don't know what member choice is

- **72%** still **don't know** what member choice is (Jul 2009 : 45%)
- Only **15%** know how member choice works



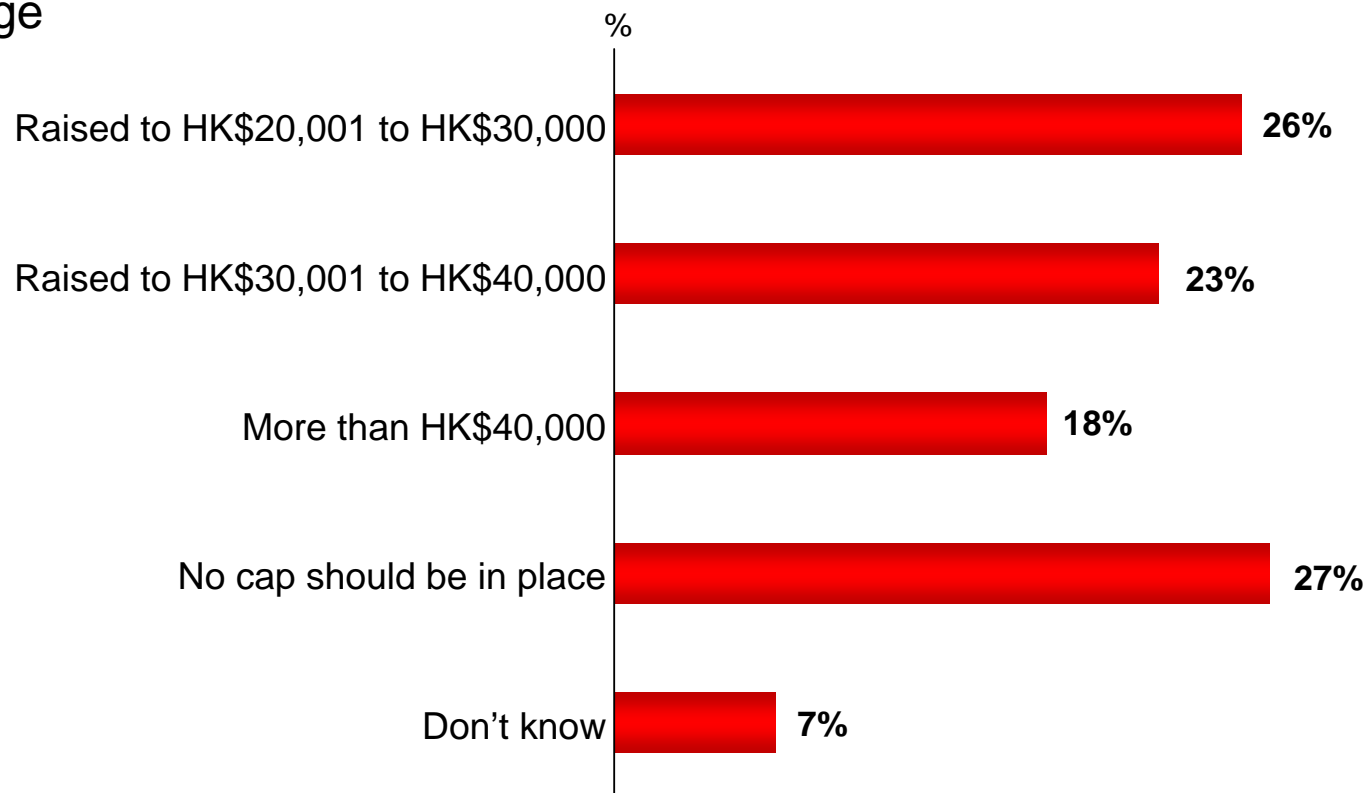
Passive MPF management despite forthcoming introduction of member choice

Last time that the MPF investment portfolio was reviewed



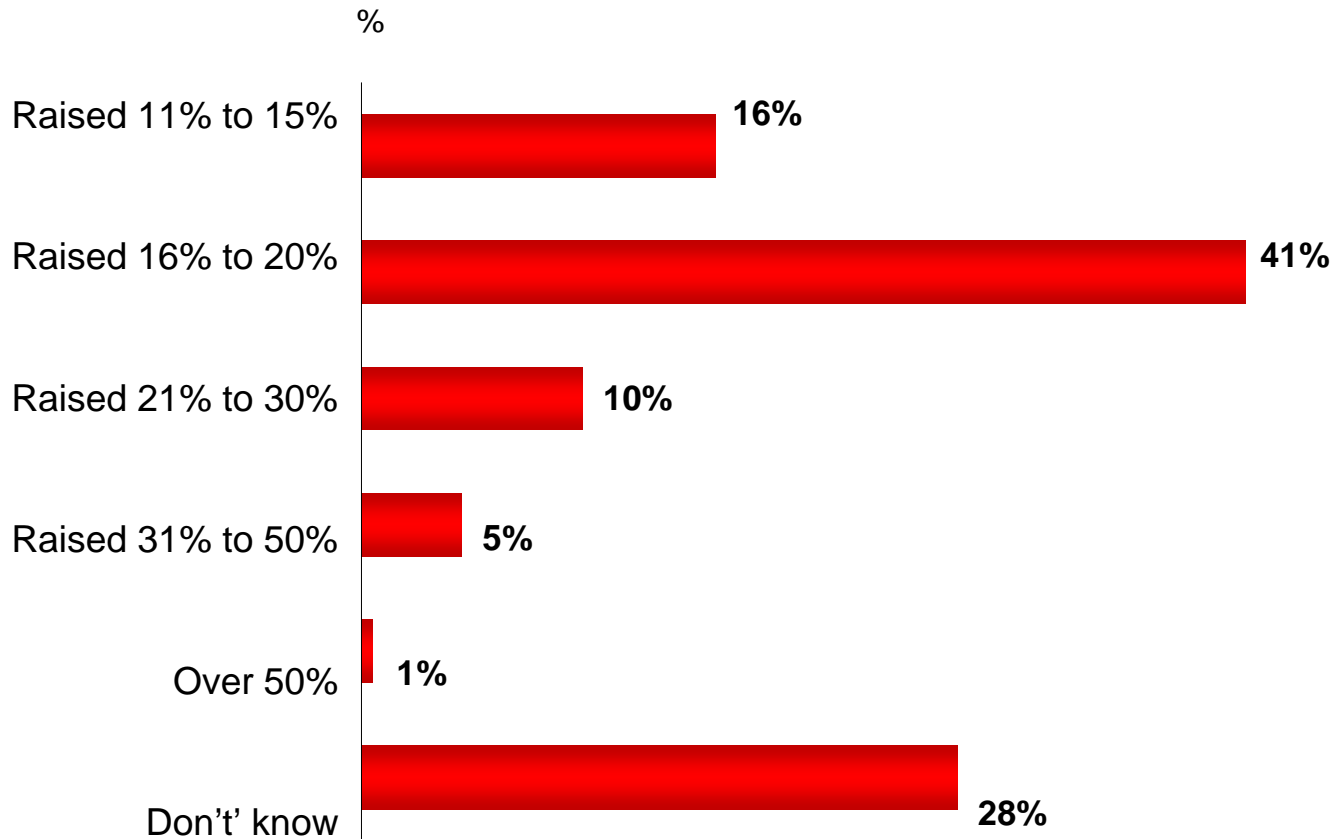
Over four in 10 think the salary cap of HK\$20,000 is insufficient

- **44%** think the salary cap of HK\$20,000 is **not sufficient** for retirement saving
- This group of respondents think it should be raised to around **HK\$33,000** on average



The majority think mandatory contribution level of 10% is insufficient

- **77%** of members think **10% contribution level** is insufficient for retirement
- Majority of this group of respondents think the level should be raised to 16%-20%



HSBC MPF –

Building a prosperous retirement future for you

- There is still an **obvious gap** in retirement preparedness among members.
- We **support members' views** of reviewing and raising the contribution level and salary cap.
- We urge members to make **voluntary contributions now** especially they think their MPF savings could last for **less than 7 years**.
- We advise them to conduct **regular reviews** of their MPF portfolios.
- HSBC MPF will launch a series of programmes to raise member awareness ahead of implementation of member choice and the 10th anniversary of MPF.

