



30 July, 2009

97% OF JAPANESE FEEL UNPREPARED FOR RETIREMENT, REVEALS NEW HSBC GLOBAL STUDY

Over nine out of ten Japanese people say they do not feel very well prepared for retirement, according to HSBC's new Future of Retirement survey on aging and post-retirement life. The largest study of its kind, the Future of Retirement survey questioned 15,000 people, aged 30-70 years, in 15 countries and territories, including 1,000 respondents in Japan.

The survey found that a "perfect storm" of demographic, individual and financial elements is poised to derail people's retirement plans unless they prepare properly now. While the study revealed interesting national differences, a theme common to all countries emerged: many people will struggle to make ends meet when they come to retire, unless they urgently review their priorities and planning.

The key findings of the study show:

- people's short-term survival strategies in the midst of recession are creating a serious long-term pensions 'downturn deficit'. Individuals are more concerned with protecting their possessions in the short-term than ensuring they can look forward to a financially secure retirement
- there is a continuing lack of pensions planning, even though people are aware that they are likely to live longer. This is being exacerbated by poor levels of financial understanding, education and access to advice
- in terms of financial behaviour and economic forecasts, compared with the global average, Japanese people are more likely to be cautious and conservative

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Principal members of HSBC in Japan are:
The Hongkong and Shanghai Banking Corporation Limited
HSBC Securities (Japan) Limited
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Summary Survey Results

Preparations for Post-Retirement are Insufficient

The Future of Retirement study has identified a ‘preparedness gap’ in people’s pensions planning across the world with nearly 9 out of 10 people not feeling fully prepared for their retirement. The study revealed:

- Only 13% of respondents feel fully prepared for their retirement
- 87% do not know what income they will receive during retirement
- In Japan, 97% of respondents do not feel very well prepared for retirement
- Only a quarter (27%) feel they fully understand their long-term finances
- Approaching half (43%) have undertaken some planning for later life, but still remain unclear about what their retirement income will look like
- 14% have done no retirement planning at all

Importance of Financial Education and Guidance

The above results show that there is a significant parallel ‘advice gap’ linking a lack of preparedness to insufficient financial education and guidance. There is a real need for people to have access to more and better financial advice and guidance to help them survive the current economic downturn while making the right financial decisions for the long-term.

- In Japan, 60% of respondents have had no form of financial education. This compares with 43% of respondents globally
- Almost half (47%) of respondents have never had any form of professional financial advice

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Economic Downturn Directly Hits Household and Retirement Plans

The Future of Retirement survey shows that, as a result of the economic downturn:

- 92% of people have changed some element of their finances, either in terms of asset allocation, investment or consumption behaviour
- 19% of respondents said they would retire as planned. However, 9% of respondents said they intend to delay their retirement
- Globally, 11% of all respondents have currently stopped saving for retirement. This compares with 2% of Japanese respondents
- 18% of respondents have used savings to pay off debt

Overall, the survey found that people are paying little attention to long-term considerations such as their likely retirement needs, but are instead focusing on purely practical short-term concerns which they better understand.

Key Differences between Japan and the Rest of the World

The study found several key differences between the results in Japan and those in the rest of the world, including:

- 56% of Japanese respondents are saving over the long-term in preparation for retirement. This is the highest national percentage recorded in the survey and is more than double the global average (23%)
- Highest among the countries and territories included in the survey, 36% of Japanese respondents said “trust” was the most important factor when selecting a person to consult with for financial advice. This exceeded the global average (26%)
- Japanese respondents hold the most bearish economic outlook toward the current financial downturn. Over half (55%) of the respondents in Japan said that they believe the economic downturn will last over two years. This is five times more than the 11% level in India and differs greatly from the global average (32%), showing the most cautious forecasts among the 15 countries surveyed

Future of Retirement Survey results/4

For further details about this year's Future of Retirement survey, please visit www.hsbc.com/retirement/future-of-retirement

Notes to editors:

1. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,527 billion at 31 December 2008, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

2. The Hongkong and Shanghai Banking Corporation Limited in Japan

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. It established its first branch in Japan in Yokohama in 1866, making it the oldest bank operating in Japan today. It has branch offices in Tokyo and Osaka, providing commercial banking, private banking and personal wealth management services.

3. HSBC Premier

Launched in 2000 and with international services starting in May 2007, HSBC Premier is the first truly global personal wealth management service offering individually tailored financial solutions for the growing number of mass affluent individuals. Globally, HSBC Premier serves over 2.6 million customers through 300 international Premier Centres in 42 countries and territories. In Japan, HSBC Premier launched in January 2008 targeting individuals with liquid financial assets exceeding JPY10 million. HSBC Premier operates seven branches in the Tokyo Metropolitan (Akasaka, Ginza, Hiroo, Ikebukuro, Marunouchi, Yokohama) and Kansai (Kobe) areas.

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