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Citibank Singapore Limited

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Citi Singapore Financial Quotient (Fin-Q) Survey 2014

***Most Singapore residents are satisfied and optimistic about their financial future
but lack a formal retirement plan***

Citi recently conducted a nationwide online survey on making smart financial decisions and having good financial habits with more than 500 Singapore residents. The Citi Fin-Q survey seeks to understand the financial intelligence of consumers covering key components such as optimism about financial future, approach to budgeting, approach to savings, insurance needs and retirement savings among others. This year, the survey has been extended to include portfolio financing and investment, two important themes that offer in-depth insights to the financial concerns of consumers in today's economy.

One of the key findings in this year's survey shows that a majority (74%) of Singapore residents are satisfied and optimistic about their financial future but lack a formal retirement plan. Only one person out of three (31%) has a formal retirement plan that is developed in consultation with a financial professional, and just a small percentage (23%) of the respondents say that they know exactly what to do with the money if they were given a lump sum to invest. Men (34%) are also found to be more likely to have a formal retirement plan than females (28%).

According to the survey, more than two-thirds (65%) of the respondents are confident with the amount of retirement savings that they have, and 32% of them know how much they will need when they retire and are on track while a further 46% report having started saving for retirement. While Singapore residents recognise the importance of retirement savings, less than a majority of them (47%) make it a habit of saving at least some of every pay, and there are still some people (11%) who rarely save.

As consumers' understanding about money management and personal finances increases, they realise that there are uncertainties that come about with life events and that relying on retirement savings alone is not enough. The survey also found that Singapore residents are starting to look to other avenues to increase their wealth and a

majority (78%) of them believe that having adequate insurance is an important part of wealth management, with health insurance identified as their most important need (ranked first by 53% of the respondents), followed by life insurance (ranked first by 41% of respondents).

With longer average life expectancy life for men and women, it is more important than ever to include wealth management in the equation when devising a viable retirement plan that will provide sufficient savings to meet the rising costs of living and increasingly more expensive medical expenses among other reasons, which is why two-thirds (65%) of the respondents think that being able to secure access to investment capital and funds plays an important role in building wealth.

Mr. Shrikant Bhat, Managing Director and Head of Wealth Management, Citibank Singapore Limited, said: “Singapore residents are becoming more sophisticated and knowledgeable on the different types of investments that are on offer to help them build up their wealth. Naturally, they would want their investment portfolios to be structured in such a way that will cater to their needs and enable them to increase their net worth and grow their assets in order to provide them with a comfortable retirement lifestyle that is similar to what they are currently enjoying.”

When it comes to portfolio financing, half of the Singapore residents (50%) would consider borrowing up to as much as 50% of their net worth in order to grow their wealth, while two-thirds (62%) of respondents say that they would pledge some of their assets to purchase insurance if they could be shown how this would help to increase their overall wealth. Financial institution (52% top 3 ranking) tops Singapore residents’ preference for obtaining investment news and advice, followed by online media (48% top 3 ranking) and independent financial planners (48% top 3 ranking).

“While retirement planning has become a requisite consideration for everyone, what is more important is to anticipate other reasons that may have an impact on the pool of retirement funds such as inflation and the investment rate of return. Singapore residents should ensure that their money is well-invested to achieve the growth necessary to counter systematic risks and unexpected expenses, and that’s when informed decisions and reliable investment advice from a trusted financial advisor are beneficial,” says Shrikant.

Other findings from the survey are available in the Appendix.

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About Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

About Citi Fin-Q Survey 2014

Citi commissioned the Fin-Q Survey with independent research firm JLR of Sydney Australia, who conducted online interviews from October 8 to 19, 2014 with 524 Singapore residents, randomly invited from across age and income groups and split 50/50 by gender. To qualify to participate, all respondents had to be over 18 years of age and have either a bank account or own a major credit card.

As part of the survey, respondents had to answer a questionnaire that consisted of over 70 questions covering a range of topics related to making smart financial decisions and having good financial habits. Respondents were awarded points depending on their answers, with 100 as the maximum number of points achievable.

The average Citi Fin-Q score for Singapore residents was 59.9 out of a possible total score of 100, which was up slightly in the past year setting a new high watermark.

The demographic data shows that males outscored females and that the average Fin-Q score tended to increase according to the individual's age, income and retirement savings.

Press Contacts

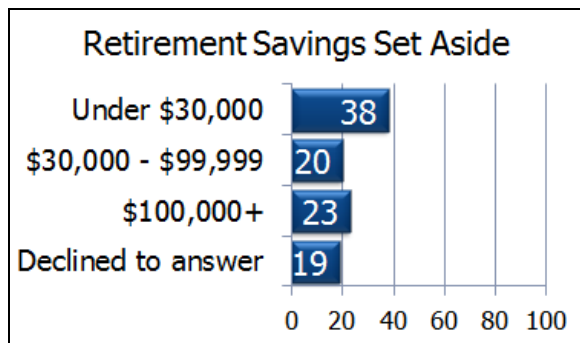
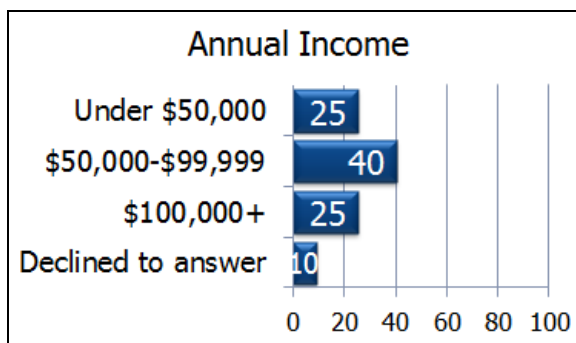
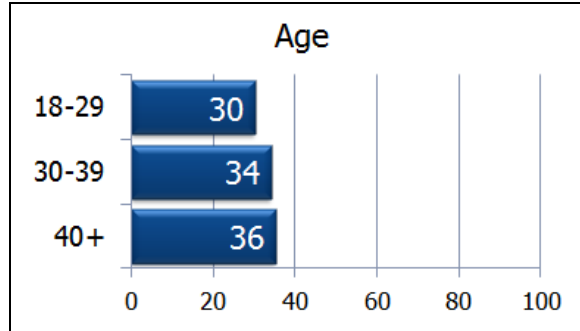
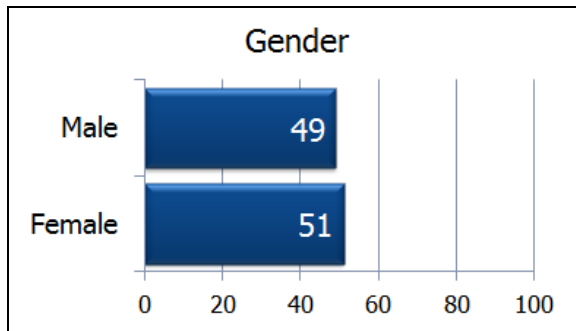
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APPENDIX

Sample demographics



Individual Fin-Q score component results

Satisfaction with current quality of life

- The strong majority of Singapore residents (78%) report being “very satisfied” or “satisfied” with their overall quality of life and one-in-five (22%) are “not satisfied”.
- The demographic data shows that satisfaction increases with:
 - income level
 - regular savings patterns
 - current retirement savings
 - optimism about one’s financial future
 - confidence that their retirement savings will lead to a comfortable life

Optimism regarding financial future

- Seven-in-ten Singapore residents (74%) say that they are “very optimistic” or “optimistic” about their financial future.
- At the same time however, one-in-four (26%) are worried about their financial future.
- The trend data shows optimism increases with:
 - level of annual income
 - the amount of retirement savings currently set aside
 - regular savings patterns
 - confidence that their retirement savings will lead to a comfortable life

Current approach to budgeting

- 35% of Singapore residents actually stick to the budgets they make on a monthly basis.
- At the same time, another 49% of Singapore residents report making a monthly budget but not always sticking to it.
- The gender data found males (38%) to be significantly more likely than females (30%) to stick to a monthly budget.
- The demographic data shows that sticking to a budget increases with the amount of retirement savings currently set aside but not necessarily income.
- Regular savers, those very satisfied with their quality of life or very optimistic about their financial futures were significantly more likely to stick to a monthly budget.

Current approach to savings

- Less than a majority of Singapore residents (47%) make it a habit of saving at least some of every pay.
- A further 42% say that they try and set some money aside when they can.
- The likelihood of saving at least some of every pay increases with income and retirement savings.
- Among the attitudinal groups significantly more likely to be regular savers were:
 - Those very optimistic about their financial future
 - Those very satisfied with their quality of life
 - Those confident in their retirement savings

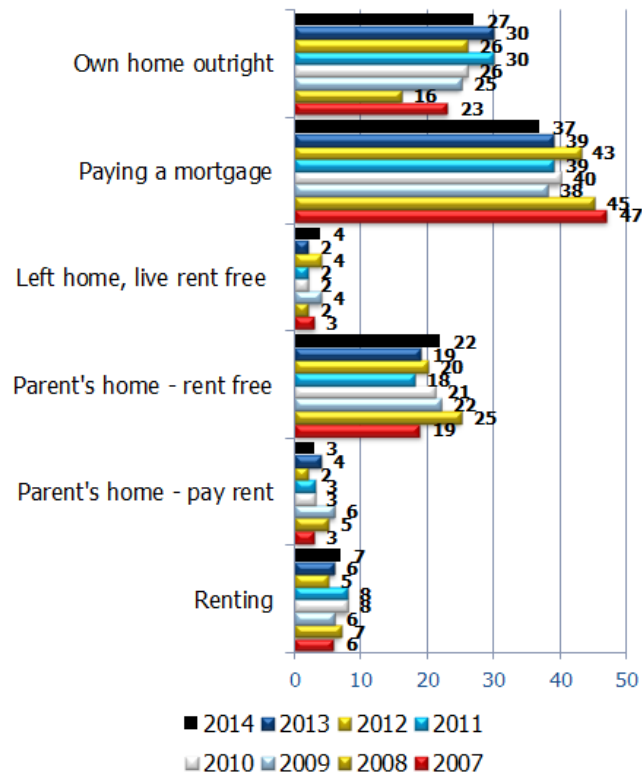
Credit card payment pattern

- Three-in-four Singapore residents (76%) report that they pay off the full outstanding balance on their credit card every month.
- At the same time, 19% report making more than the minimum payment and carrying a balance and 6% say they make only the minimum payment each month.
- Among the sub-groups significantly more likely to pay off their card balance on a monthly basis including:
 - Regular savers
 - Those earning over \$100,000 or with over \$100,000 in retirement savings currently set aside

Current Home Ownership Status

- More than one-in-four Singapore residents (27%) currently own their own home outright.
- At the same time, 37% are paying a mortgage but only 7% rent.

- Among those more likely to be paying down a mortgage are high income earners (46%) and 30-39 year olds (44%).



Insurance status

- A strong majority of Singapore residents (69%) believe that they have enough insurance to protect them/their families.
- There is clear evidence that the “have enough” numbers increases with age, income and retirement savings.
- The more satisfied, optimistic, or confident in one’s retirement savings, the more likely they were to think they have enough insurance.

Retirement savings status

- When asked about the current state of their retirement savings, 32% felt they knew how much they would need and were on track while another 46% were not sure how much they’d need but had started saving.
- Males (37%) are significantly more likely than females (24%) to feel that they know how much they would need and are on track.
- The demographic data shows that one’s current state of retirement savings improves with age, income and the amount of retirement savings they have already set aside.

Knowledge about investing

- The strong majority of Singapore residents (81%) indicate that they would “know exactly” (23%) or have a “good idea” (58%) what to do if they were given six months’ salary to invest.
- Males (31%) are significantly more likely than their female counterparts (20%) to indicate they would know exactly what to do in terms of investing.
- As with retirement savings status, self-perceived knowledge levels regarding investing increased with age, income and current retirement savings set aside.
- Regular savers, those very satisfied with their current quality of life and those more optimistic about their financial futures also reported higher levels of knowledge about investing.

Have a formal retirement plan

- One-in-three Singapore residents (31%) reported that they have a formal retirement plan that had been developed in consultation with a financial professional.
- The gender results reveal that men (34%) are significantly more likely to report having a formal retirement plan than females (28%).
- Other sub-groups significantly more likely to report having a formal retirement plan are:
 - those with incomes over \$100,000
 - those with current retirement savings in excess of \$100,000
 - those more satisfied with their current quality of life
 - those more optimistic about their financial futures, and
 - those confident in their retirement savings.

Have an up-to-date will

- Roughly one-in-five Singapore residents (21%) indicated that they currently had an up-to-date will.
- The demographic data shows that the likelihood of having an up-to-date will increase significantly with both income and current retirement savings set aside.
- The attitudinal data shows that regular savers, those more satisfied with their current quality of life, more optimistic about their financial futures and confident in their retirement savings were also significantly more likely to have an up-to-date will.

Financial Attitudes and Opinions

Overall level of understanding about money management and personal finance

- 49% of Singapore residents feel they had a “good” or “very good” understanding about money management and personal finances.
- The gender data shows that males have significantly higher perceptions of their understanding of money management and personal finance than females.

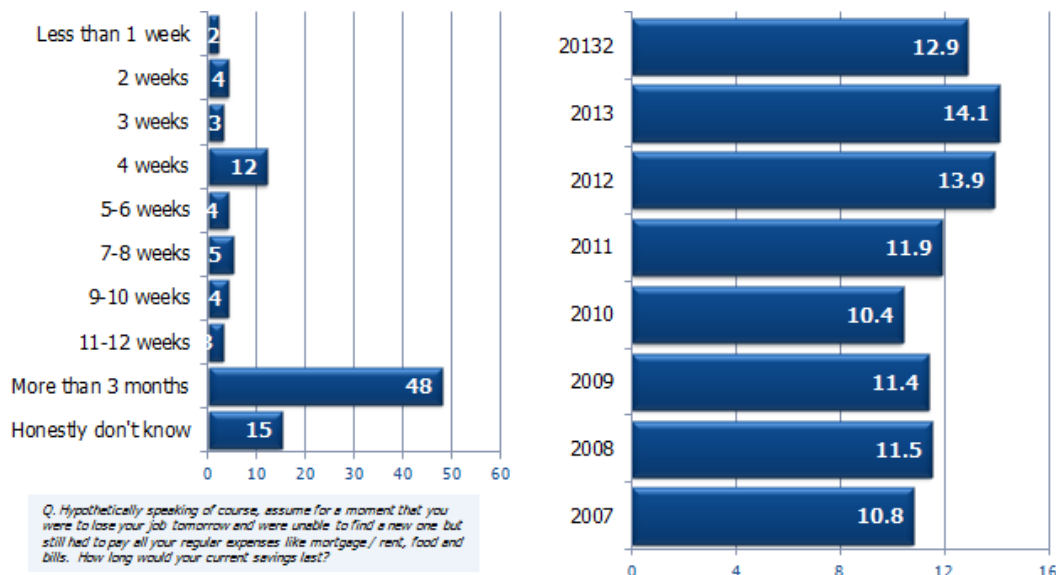
- At the same time, the demographic data shows that perceived understanding increases with both income and retirement savings currently set aside.

Confidence that retirement savings will lead to comfortable life in retirement

- 65% of Singapore residents express confidence with their retirement savings vs. 34% who say they are not confident.
- The gender results reveal a significant disparity between males and females showing males significantly more confident than females (69% confident vs. 62% confident).
- Not surprisingly, confidence increases with age, income and retirement savings.
- Those less satisfied with their current quality of life, less optimistic about their financial futures or feeling less secure in their current jobs are significantly less confident.

How long would savings last if job is lost

- While 48% of Singapore residents think their savings would last more than three months if they lost their job, 21% say their savings would last no more than one month.
- Singapore residents report an average of 12.9 weeks of savings.

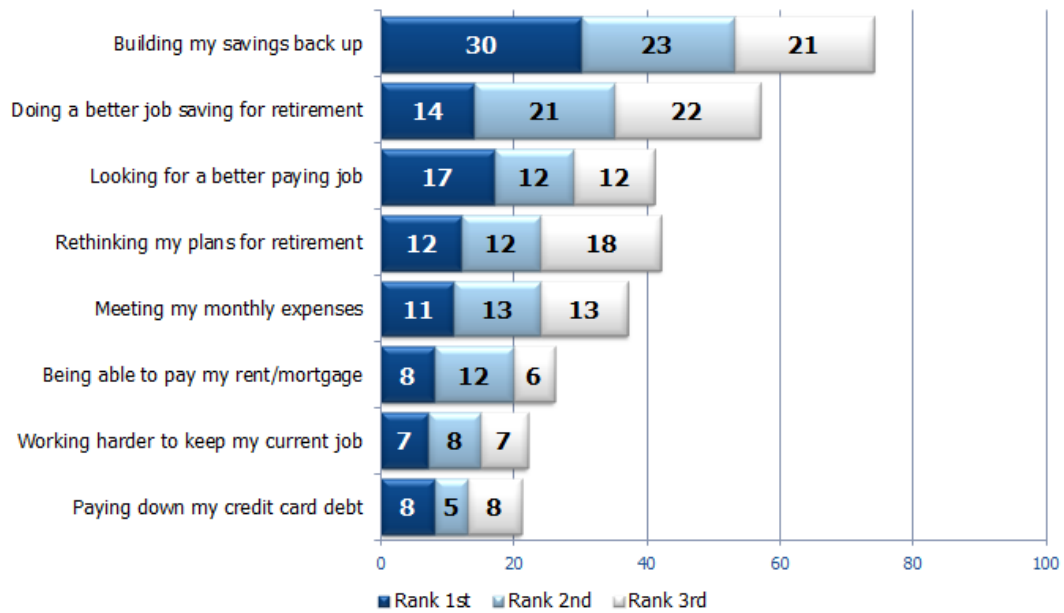


Personal financial situation compared to one year ago

- Two-in-five Singapore residents (39%) say they are somewhat better / much better off now than they were one year ago.
- A further 40% report that their situation has not changed compared to last year and 21% think they are somewhat / much worse off.
- The trend data shows that as income increased, the likelihood one felt they were somewhat better / much better off now than they were one year ago increased.

Top three financial concerns at the moment

- The top three financial concerns of Singapore residents are “building my savings back up”, “doing a better job saving for retirement” and “looking for a better paying job”.

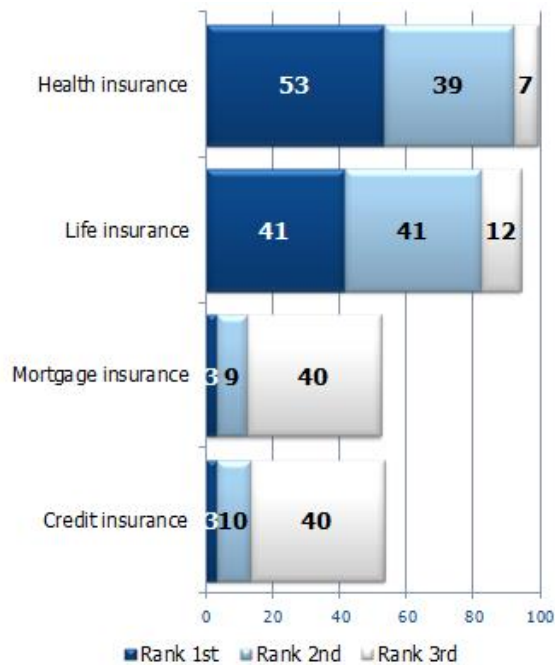


Complexity of current finances

- A majority of Singapore residents (50%) describe their personal finances as “simple” or “very simple” (41% and 9% respectively).
- 6% describe their finances as “complex/very complex”.

Top three insurance needs at the moment

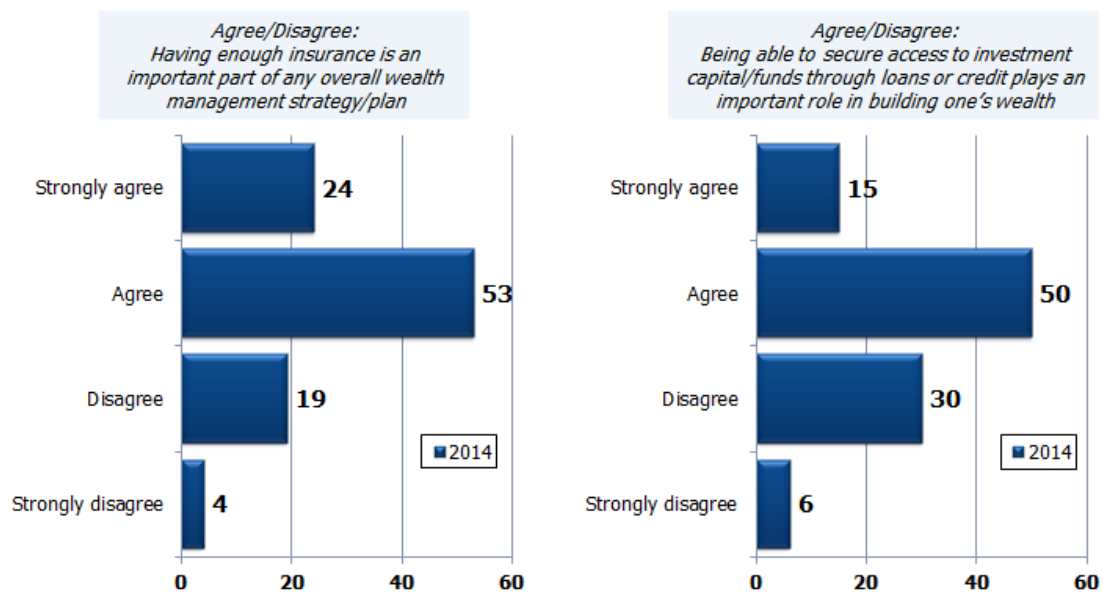
- A majority of Singapore residents (53% rank it in 1st place) identify health insurance as their top insurance need at the moment.
- At the same time, life insurance is seen as the next most pressing insurance need (41% rank it in 1st place).



Attitudes towards insurance

Importance of insurance and access to capital

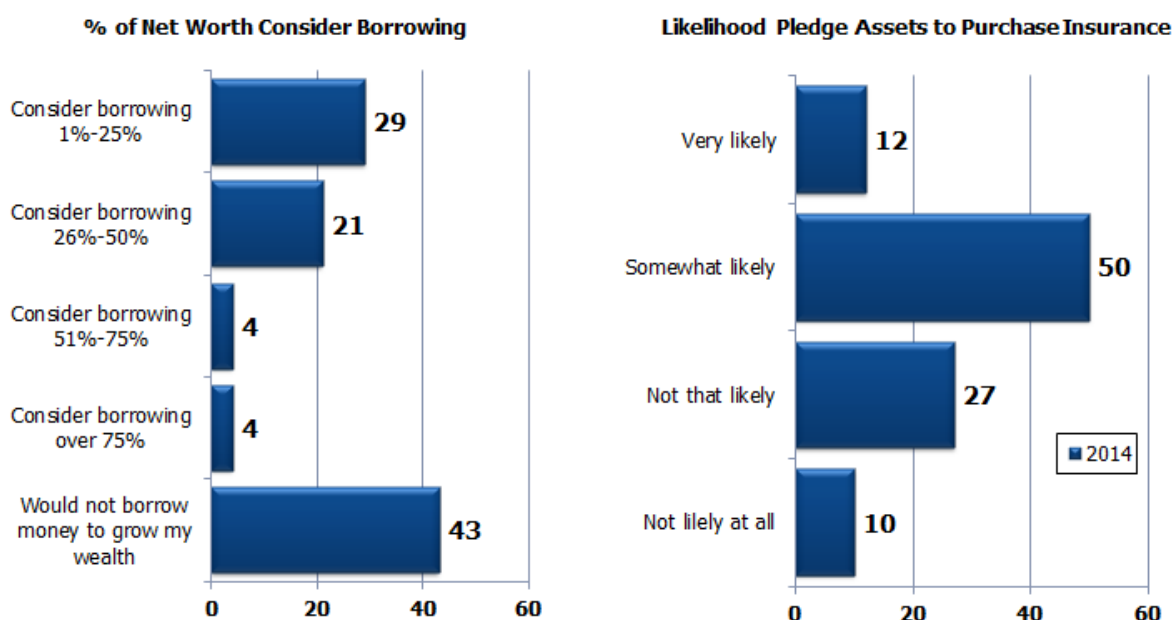
- A strong majority of Singaporeans (78%) believe that having enough insurance is an important part of wealth management.
- At the same time, two-thirds (65%) think being able to secure access to investment capital plays an important role in building wealth.



Portfolio financing and investment

Portfolio financing and likelihood of pledging assets to purchase insurance

- A majority of Singaporeans (50%) would consider borrowing up to 50% of their net worth in order to grow their wealth.
- At the same time, almost two-thirds (62%) say they would pledge some of their current assets to purchase insurance if they could be shown how this would help increase their overall wealth.



Expected changes in investment holdings over the next year

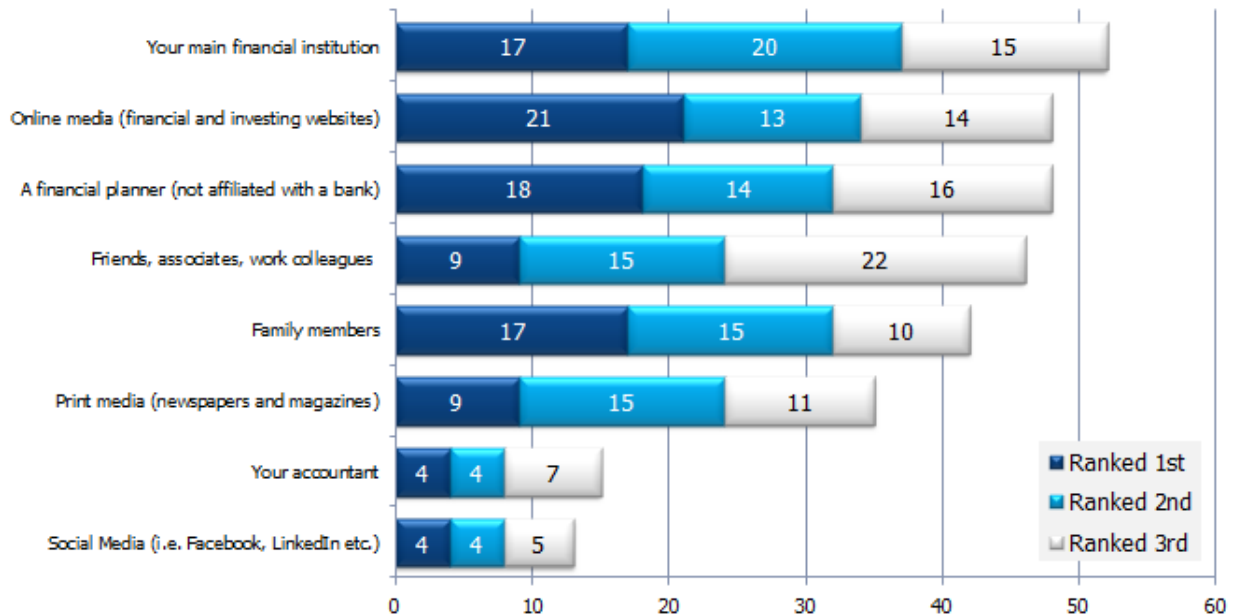
Investment Class	% who hold investment				Change expected in next 12 months		
	2011	2012	2013	2014	Will decrease	No change	Will increase
Cash	74	74	67	64	10	43	47
Insurance	69	68	63	59	6	65	29
Equities	42	31	37	29 ↓	9	70	20
Real estate	29	27	34	19 ↓	10	65	26
Stocks with high dividend payouts	35	39	32	21 ↓	7	62	31
Foreign currency	27	24	28	17 ↓	12	66	22
Bonds	26	23	25	20	7	75	17
Gold	20	25	23	17	10	67	24
REITS and business trusts	19	21	16	15	6	74	20
Commodities	11	13	10	6	7	79	14
ETF's	7	8	10	9	7	80	13

Significant difference ↓ ↑ Note: Percentages may not add to 100% due to rounding

Digitisation

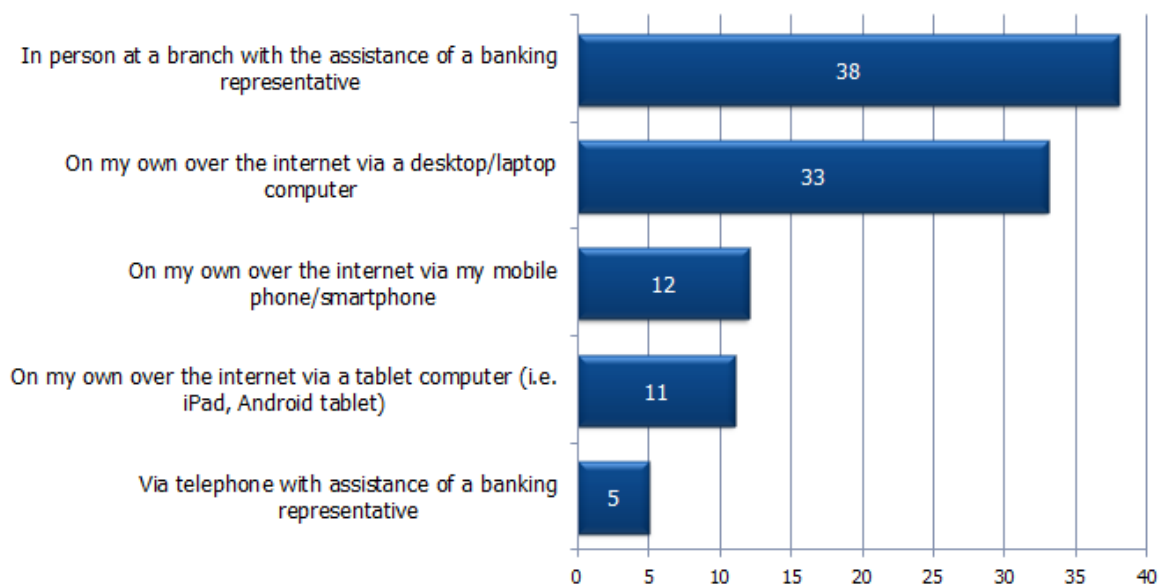
Top three sources of investment news and advice

- The top three sources of investment news and advice for Singapore residents are their main financial institution (52% top 3 ranking), online media (48% top 3 ranking) and independent financial planners (48% top 3 ranking).



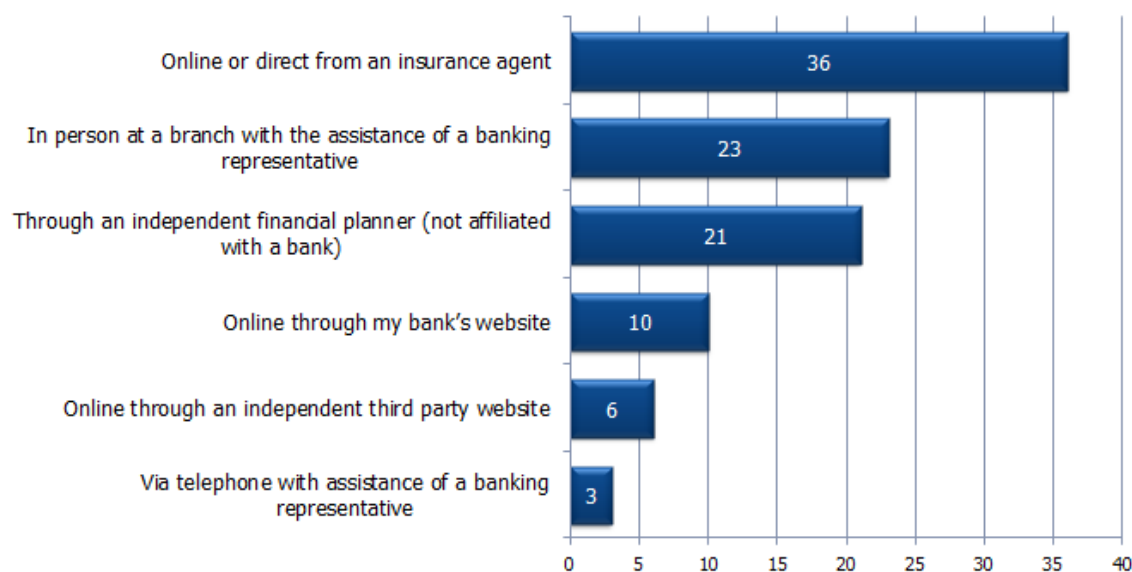
Preferred channel to carry out investment-related transactions

- Given a choice, the preferred way for Singapore residents to carry out investment-related transactions is “in person at a branch” (38%), followed by “over the internet via computer” (33%).



Preferred channel to purchase insurance

- Given a choice, the preferred way for Singapore residents to purchase insurance is “online or direct from an insurance agent” (36%) with “in person at a branch” (23%) or “through an independent financial planner” (21%) essentially tied in second place.



Financial concerns / topics most interested in hearing more about from your bank

- The three financial concerns / topics that Singapore residents would be interested in hearing more about from their bank are “planning for retirement” (20%), “investment advice / planning” (18%) and “developing a wealth management plan” (15%).

Topic	Total %	Males %	Females %
Planning for retirement	20	19	22
Investment advice/planning	18	19	17
Developing a wealth management plan	15	15	15
How to provide for my family's financial needs (i.e. parents, spouse, children)	11	9	13
How to set/reach personal financial goals	10	12	8
How to use insurance to build wealth Investment advice/planning	10	11	9
How to provide for future health/medical needs	7	7	8
Borrowing to increase/grow wealth	6	6	6

Preferred frequency of updates

- One-third suggested monthly meetings (32%) and another third (33%) suggested quarterly sessions (33%) with respect to the preferred frequency of updates on their formal wealth management plans.

