

ILLNESS, DIVORCE AND REDUNDANCY HIT THE POCKET HARDEST

New report uncovers the most common financial disasters in people's lives.

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 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%)

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.

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.”

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

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.

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Notes to editors:

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, mainland 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.

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