

# press release

## **Singapore's emerging affluent: missing out on a potential 52 per cent uplift in savings, more than the Asian average**

*By changing the way they manage their savings, this rising consumer group could regain their confidence and achieve their financial priorities sooner*

**24 April 2017, Singapore** – Emerging affluent consumers in Singapore could boost their reserves at a higher rate than the Asian average if they move from a basic savings approach to a low-risk wealth management strategy, a new Standard Chartered study shows.

By adopting a more advanced approach to saving – taking calculated risks – the emerging affluent in Singapore could increase their savings by 52 per cent over a 10-year period. This compares with an average of a 42 per cent gain in the same period for their counterparts in countries including Taiwan, Korea and China. Those polled in the study are consumers who are earning enough to start saving and investing.

The *Emerging Affluent Report – The Race to Save* reveals how this rising consumer class in Asia and Africa are losing out on savings as a result of an overly simplistic approach to their personal finances. In Singapore, while the emerging affluent are 'active' savers, with three in four (74 per cent) putting money aside every month, more than half (53 per cent) are using basic savings accounts to reach their financial goals. One in five engages in a regular deposit savings plan (21 per cent) and the same proportion uses time deposits (20 per cent).

It is not surprising then that almost half (47 per cent) of those surveyed in Singapore say they are far from arriving at their main savings priority. Only 22 per cent share that they are close to achieving their goals. Compared with the last study done in 2015, the confidence of Singapore's emerging affluent in achieving their top savings priorities has also fallen.

Confidence dropped 15 percentage points in 2016, highlighting the importance of a suitable savings plan to reach their goals sooner than they could with their current strategy.

The study of 8,000 emerging affluent consumers across eight markets in Asia and Africa also finds that home ownership and children's education are top savings priorities for most individuals – ahead of retirement. For the 1,000 polled in Singapore, retirement (45 per cent) and children's education (42 per cent) rank higher than emergencies (37 per cent). However, confidence in saving enough and in time for retirement is low in Singapore; only 7 per cent say they are 'very confident'. Less than two in 10 in Singapore feel that they are close to achieving their savings targets for their children's education.

Andrew Chia, Head of Retail Banking, Standard Chartered Bank Singapore, said:

"Given the relatively high cost of living in Singapore and as life expectancy increases, financial planning for the future requires a holistic strategy encompassing savings, investment, and insurance to grow and protect one's wealth.

Many of our affluent and emerging affluent clients are concerned about wealth accumulation and retirement planning, and we have seen good growth in the take-up of life insurance products among our clients over the last five years. Unit trusts and equities have also proven to be popular.

It is important that emerging affluent customers empower themselves with the right information and tools to access wealth management solutions that suit their needs and support the achievement of their financial goals."

Other findings from the study, now in its third year, include:

#### Fewer are digitally-savvy when it comes to wealth management

Fewer individuals polled in Singapore (14 per cent) say they use digital tools and services frequently, compared with the global average of 23 per cent. One of the reasons why the rising affluent group surveyed in Singapore don't engage as much digitally is because they are not familiar enough with the technology and need advice on how and when to use it (19 per cent). The figure is significantly lower than the Bank's clients' digital banking practices; more than 40 per cent of Standard Chartered's affluent and emerging affluent clients are active digital banking users.

More Singapore millennials say owning a home tops their savings priorities

The millennial (25-34 year-old) age bracket view home ownership as the most popular savings priority in Singapore. More than a quarter (26 per cent) of this emerging affluent group in Singapore say their top savings goal is to buy a home, compared with an average of 22 per cent who have the same aim.

View the report at <https://www.sc.com/emerging-affluent-savings-habits/> for more details.

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**Note to Editors**

- Standard Chartered partnered with GlobeScan, an independent research agency to conduct the study
- Basic savings versus low-risk wealth management percentage was calculated by Standard Chartered's Wealth Management team

## **About Standard Chartered**

Standard Chartered Bank in Singapore is part of an international banking group with over 80,000 employees and a 150-year history in some of the world's most dynamic markets.

We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered Bank has a history of 158 years in Singapore, with its first branch here opened in 1859. In October 1999, it was among the first international banks to receive a Qualifying Full Bank (QFB) license, an endorsement of the Group's long-standing commitment to its business in the country.

The Bank transferred its Singapore Retail and SME business to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL") on 7 October 2013. After the transfer, all banking services offered to retail and SME clients, particularly deposit taking, wealth management services, overdrafts, personal loans, credit cards, auto financing, and mortgages, have been offered by SCBSL. SCBSL is rated one of the highest banks globally: Aa3 by Moody's and A by Fitch Ratings.

Standard Chartered offers corporate and institutional clients services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance. The Bank also provides private banking services through its private banking division. The Bank employs more than 8,000 people in Singapore and has a network of 17 branches, 5 Priority Banking centres and 31 ATMs.

The Bank's global business is managed out of Singapore, as is its global Technology & Operations function.