

Empowering  
*aspirations*

# Financial Preparedness in Asia

Explores how building a personal financial safety net is enabling individuals to live more fulfilling lives, by gathering insights into saving trends, insurance adoption and aspirations for a more secure future.







“

Safety nets can enable people to live happier, healthier and fuller lives.”

## Introduction

The last few years have changed the way we work, live and socialise. And some of the biggest worries that people have faced have been related to health and financial wellbeing. From unemployment to being unable to work due to prolonged illness, the pandemic has brought financial security into sharper focus.

That’s why insurance and savings couldn’t be more important. They act as a financial safety net – for individuals, couples, families and future generations. Giving people the protection they need to plan and prepare for life’s uncertainties.

This formed the basis of our **“Empowering Aspirations”** study. We spoke to 5,000 residents across five Asian markets: Hong Kong, Indonesia, Malaysia, Singapore and Thailand, about why they save, and why they buy insurance. Exploring how “safety nets” are for every life, for every future - enabling people to live happier, healthier and fuller lives.

Whether that’s starting their own business, investing in their education, planning for retirement, providing financial security for their parents, children and grandchildren, or travelling the world – with financial security, individuals’ dreams and aspirations can come true.



We’ve divided our study into four key themes:



# Saving for life’s uncertainties

People in Asia are worried about their financial future. More than 60 % of people surveyed are putting away substantial sums of money for health and income-related emergencies.

01

PAGE 4 →



# The importance of insurance for financial stability

Insurance is seen as a crucial financial lifeline – especially amongst those with children. Close to 80 % of people surveyed have health insurance and 46 % have income protection insurance.

02

PAGE 8 →



# Financial goals

People would like to use their savings to follow their dreams and pursue their passions. If they didn’t have to put money aside for emergencies, almost half of respondents (49 %) would save more for retirement.

03

PAGE 10 →



# Enabling fulfilling lives

Through our solutions and services, we can help people realise their aspirations and live happier lives.

04

PAGE 15 →





# Saving for life's uncertainties

## The importance of safety nets: How Izzati Izan's father taught her the true value of money and financial education.

Izzati Izan was 18 years old when she went to college to study for a diploma. It was then that she first realised her family was struggling financially. She recalls: "My dad found it hard. I was the eldest of three siblings and he didn't realise how expensive sending a child to college was. It wasn't until I started studying that I realised they were finding it hard to pay the bills and feed our family on a day-to-day basis." This realisation made Izzati want to try and support her family in any way she could. She managed to secure a scholarship for a diploma in Malaysia, and continue her degree in the UK. She also took a part-time job to try and improve their financial wellbeing.

But what really taught Izzati about the value of money was her father. "He sat me down and showed me a financial spreadsheet. It contained everything - from how much the family was spending on food, to bills and transport. It was all there in black and white. And it really made our financial situation hit home." Izzati's father helped her build her own spreadsheet so she could track her spending and ensure she had enough savings should something unexpected happen. And she's used it every day since. Izzati got married in 2017 and also experienced devastating family loss, which used up nearly all of her savings. "It was an extremely difficult time," she says. "I had to use my savings to support my family. But I'm determined to get it back up again." Izzati now has a little boy to look after, which has highlighted the importance of savings even more. "I want my son to have a good education. And I want to clear all our debts.



Looking at my spreadsheet we spend 60 % on bills and financing, 25 % on my son's daily needs, babysitter fees and savings for his education, and 10 % on food and transportation. That means I only have 5 % for personal savings, which I've invested in a fixed savings account."

The loss Izzati has experienced has given her clarity, and as the eldest child she sees her role in life as supporting her family.

"In Malaysia, we don't have any formal financial education, so it's been hard to teach my family the value of money. They get money, they spend it. They only think about the day-to-day, because that's all they've known. But if you really want to see where your money goes, you have to write it down."

In Izzati's current role she has company health insurance, and it's given her more financial stability. "Because my friends and family don't really understand why you need insurance, and how it works, they think it's wasteful. But it's not for today, it's for the rainy days. And not a lot of people can see that logic. Having a financial safety net gives me confidence. But I still worry about the future.

You never know what's around the corner. I've been through some tough setbacks, but having savings and supporting my loved ones – for me, that's **celebrating life.**"

Izzati Izan, Malaysia



“

Because my friends and family don't really understand why you need insurance, and how it works, they think it's wasteful. But it's not for today, it's for the rainy days. And not a lot of people can see that logic... You never know what's around the corner.”





The insurance protection gap in Asia stands at an estimated **US\$1.8 trillion.\***

Even though the majority of people we spoke to have insurance, the insurance protection gap in Asia stands at an estimated US\$1.8 trillion. Markets in Asia are expanding their social health protection programmes to try to improve the quality of life for its citizens, but increased demand, intensified by the pandemic, has exacerbated the gaps in coverage.

It's therefore unsurprising that close to two-thirds (64 %) of people surveyed are worried about how they will provide for their future if something bad happens, with more than 60 % putting away substantial amounts of money for health and income related emergencies. 61 % of respondents say the social and economic impact of the pandemic has also increased the amount they save and it's interesting to note the difference in emergency savings across generations.

## How emergency savings differ across generations

The percentage of people putting money aside, by generation:



Millennials: **74%**  
Generation Y, born 1981-1996



Generation Z: **49%**  
born 1997-2012



Generation X: **62%**  
born 1965-1980

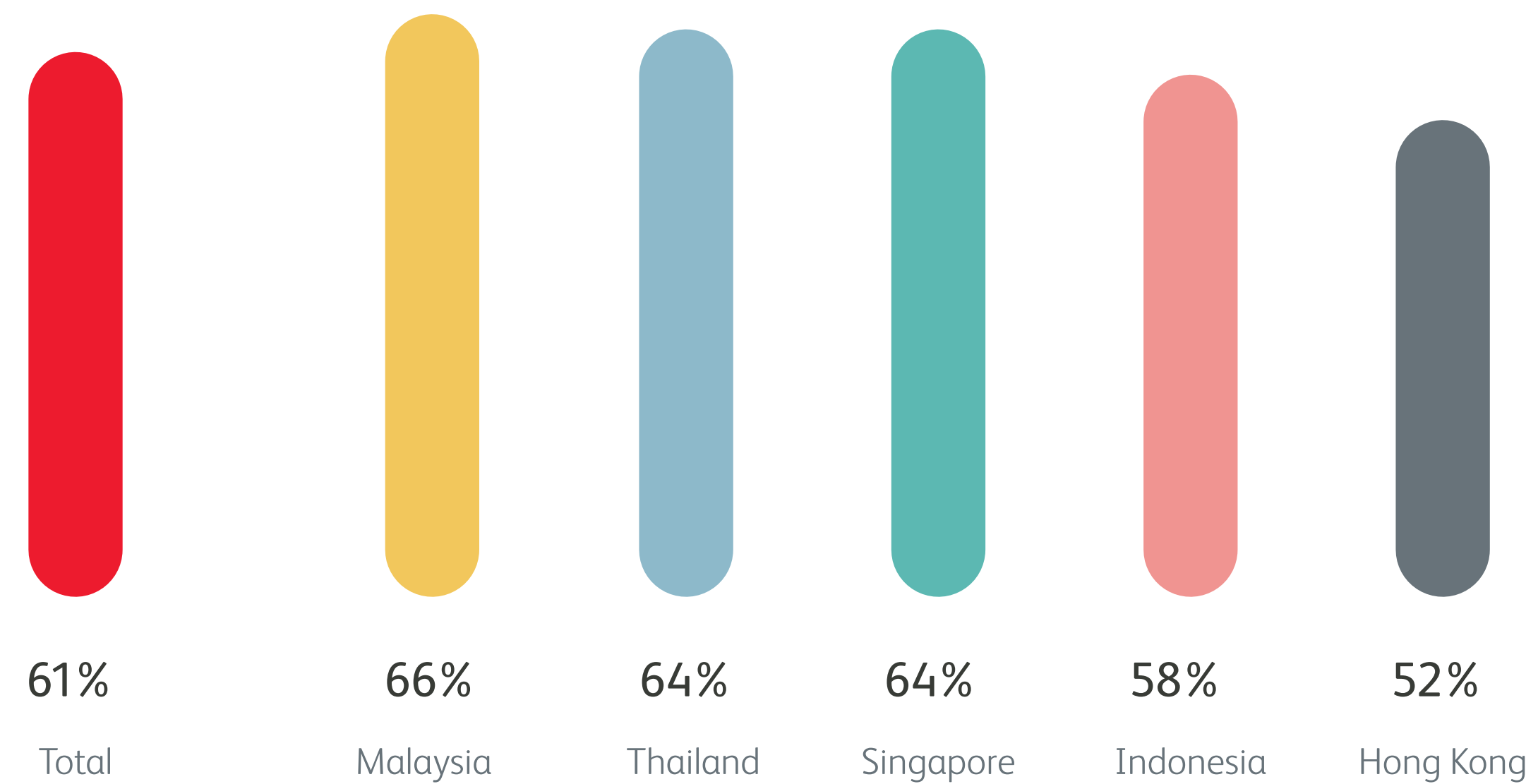


Baby Boomers: **49%**  
born 1948-1964

\*Source: Swiss Re. The health protection gap in Asia: A modelled exposure of USD 1.8 trillion, October 2018.

# Those that currently save for emergencies

The number of people that save for emergencies differs across the markets they live in, with Malaysia having the highest numbers of emergency savers (66 %), compared to Hong Kong (52 %).



Reducing health and income-related emergency risks empowers individuals to worry less about what might happen, and instead, imagine what could happen – like financial aspirations, business goals and life ambitions. Giving people the freedom to **celebrate life** – whether that’s investing in skills and professional development, or travelling more.



**Close to two-thirds (64 %)** of people worry about how they’ll provide for their future if something bad happens.



# Celebrating a second chance at life

## The road to recovery: How a near-fatal car accident left Kenneth Chiew fighting for his life, and his family.

Kenneth Chiew was a strong, independent man. He loved spending time outdoors with his family, teaching his boys how to swim and cycle. He felt in control of his future, when suddenly everything changed. Kenneth was involved in a near-fatal car crash, colliding with a coach, and turning his world upside down. Recounting that terrifying day, he says, “I couldn’t speak. It felt like all the air had been knocked out of me. When the police arrived at the scene, they told me I was lucky to be alive.”

But Kenneth felt anything but lucky. He was left with very severe injuries to his spine, causing intense pain and leaving him unable to walk. In the months that followed, Kenneth was consumed by depression.

“My boys had lost a father. All they were left with was a shadow of his former self,” he says. But the accident didn’t just affect Kenneth’s relationship with his children, but also his marriage. Luckily, thanks to his wife, Zinc Goh, the family was able to move forward. She continued to work and was a pillar of strength for the family. Getting not just Kenneth, but all of the family back on their feet. Kenneth’s medical bills amounted to around half a million Singapore dollars. And without Prudential’s insurance covering the huge costs, Zinc doesn’t know how they would have found the money, or even the mental strength to bounce back as a family. Kenneth is now getting his life back on track, and is enjoying spending time with his family and doing the things they love. “Every day that I don’t have to go to hospital and can play with my boys, is a miracle for me,” says Kenneth. He’s now not only mentally stronger but recovering physically, too. Rebuilding his relationship with his family, and **celebrating life** once more.

Kenneth Chiew, Singapore



“

Every day that I don’t have to go to hospital and can play with my boys is a miracle for me.”



Among those surveyed, close to 80 % have health insurance and 46 % have income protection insurance. Those with insurance were more likely to save, while out of the people surveyed who didn't have insurance, only 39 % save.

## There were a number of reasons why people have insurance:



**76%** of people say insurance provides an important safety net



**62%**

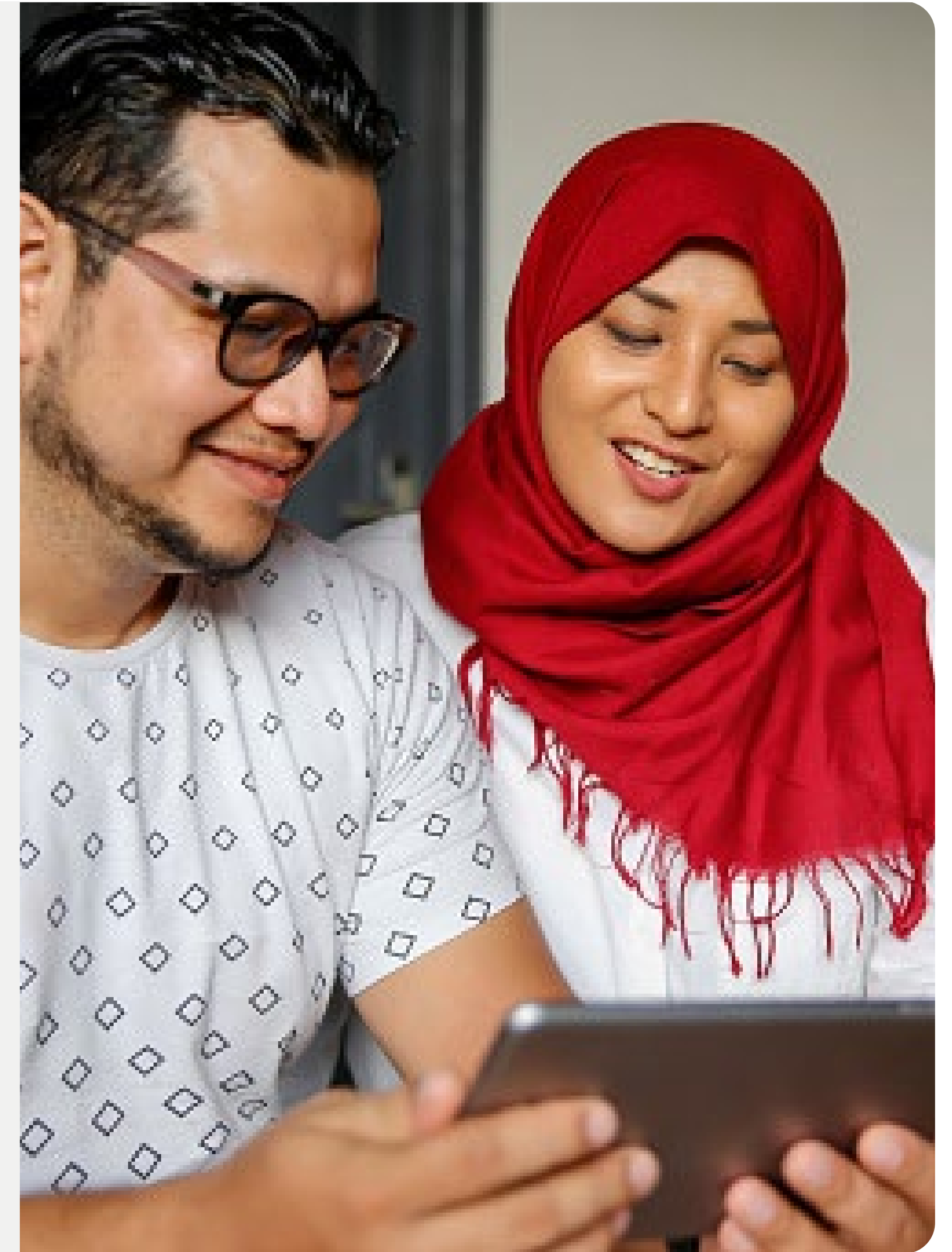
say it helps to protect them against well-known infectious diseases within their market



**49%**

say it helps to protect them from genetic conditions

Unsurprisingly, people with children and dependents, are more likely to have insurance – 1 in 2 respondents with children under the age of 18 have insurance. While 58 % who have a dependent, other than a child, have insurance.







# Financial goals

## How having a financial safety net has empowered Wanvarang to live life to the fullest

Wanvarang Pimolsri has always had big ambitions. She recalls, “Being one of four siblings, I’d always dreamed of having a bigger home with a room of my own from a young age. My mum taught us the value of money, and how to spend it wisely. She’s always been a big role model for me.”

Wanvarang went on to graduate with a degree in Actuarial Sciences, Statistics from Chulalongkorn University in Thailand, one of only eight people in her year to achieve such an accolade. She then furthered her education with a Masters. “I think it’s very important to push yourself,” says Wanvarang. “Staying curious and continuously learning helps you to grow and improves your wellbeing.”

And it’s that lifelong learning, along with her mother’s strong influence, that reinforced the importance of saving. “I remember receiving my first red envelope from my parents for Chinese New Year. The small red packet containing money symbolises good luck, fortune and happiness. Good luck happens to people who work hard. So I’ve always strived to build a good future for myself and my family. And that’s why I’ve saved since childhood.”

It’s those savings that allowed Wanvarang to buy personal insurance at just 22 years old. “Life insurance premiums are cheaper when you buy your policy at a younger age”, she says. “Good health equals lower premiums, and because I started early, it’s stayed cheaper over my life.”

Wanvarang is the main breadwinner in her family and wants her two daughters to have the same financial freedom and smart approach to savings as she does.



“There’s definitely a generation gap,” she says.

“My youngest is 20 years old and she spends a lot. She now has a job and I’m trying to teach her the importance of saving for the future, so she doesn’t spend her new earnings. Meanwhile, I continue to save, and have invested in several mutual funds to ensure my family’s financial security, and my children’s education.”

Smart financial planning and having insurance has given Wanvarang the confidence to do the things she enjoys with her family, without having to worry about potential risks and unexpected events. “My family loves outdoor adventures,” she says. “Having insurance gives us the financial freedom to **celebrate life**. If I was to get sick and didn’t have insurance, it would negatively impact their future. We go on at least two big holidays a year. My daughter and I go scuba diving, I love running, and I’m taking part in a white water rafting event soon, too. I firmly believe that the best way to preserve financial security and live life to the fullest, is to keep healthy. Wealth and health are the best gifts in life.”

Wanvarang Pimolsri, Thailand

“

I firmly believe that the best way to preserve financial security and live life to the fullest, is to keep healthy. Wealth and health are the best gifts in life.”





## Work hard, dream big: How financial planning helped FRIENDO NG pursue his passion to set up his own company

FRIENDO NG has always followed his dreams. He graduated with an associate degree in social work, but even though he likes to help people, deep down he knows his true passion is art and design. In light of this, he decided to obtain higher qualifications in fashion and image design. This led FRIENDO to work for a media company as a lifestyle journalist, but he didn't like the working environment. "I've always believed if you truly want something, you'll find a way to get it," says FRIENDO. "That's why I quit my job in media. I wanted to follow my dreams and set up my own company."

But to set up your own business, you need capital. And FRIENDO wasn't earning enough to get his new venture off the ground. He recalls: "I was a freelance photographer by day and bartender by night.

Through my photography jobs I gained experience and knowledge of post-production, and that's when I decided that was the career path I wanted to pursue. But I didn't know where to start. At that time I had neither savings, nor any concept of savings."

In the early stages of setting up his production company, FRIENDO was mixing business savings with personal savings, not realising that would put his personal bank account and assets at risk. Luckily, he had clients in the financial sector who he could seek advice from, as well as a good friend who worked in insurance.

"It wasn't until I started setting up my own business that I paid any attention to financial planning. I'd always just got by. But as my business grew, the importance of savings and emergency savings really hit home. I had to pay monthly salaries, so it wasn't just about me anymore. And I also needed savings to be able to invest in new filming equipment." That's when FRIENDO decided he had to get his finances in order. He reorganised his business balance sheets and tracked everything he was spending.



And he successfully got his finances back on track.

“The business is doing well now,” says Friendo. “But in order to grow, I’m going to have to save more and invest wisely. Then I’ll be able to get a bigger studio, hire more people and upgrade my equipment. I’m already setting more money aside for emergencies, and closely monitoring my income and expenses. I want to be able to reward my employees for their hard work, too, offering benefits like health insurance and a workplace pension scheme. I hope I’ll soon get to a point in my career where I can really **celebrate life**, and follow more of my dreams and ambitions. I want to become a director one day, so I can film an inspirational movie through my artistic lens, to give people hope and courage, echoing my early ambition to become a social worker.”

Friendo Ng, Hong Kong



“ It wasn’t until I started setting up my own business that I paid any attention to financial planning. I’d always just got by. But as my business grew, the importance of savings and emergency savings really hit home.”



People would like to save money to pursue their passions and realise their ambitions. Having a financial safety net can help those dreams become a reality. From changing careers to taking a sabbatical or supporting local charities, with financial stability – anything is possible.

If our respondents didn't have to save for emergencies:



**31%**  
would  
travel  
more



**49%** would save  
more for retirement

**29%** would invest in their own skills,  
or professional development

**28%** would pay for better education  
for their children

**27%** would start their own business,  
or invest in their own business

**26%** would invest in property,  
or their current home

**25%** would buy new technology (like a  
new mobile, tablet or computer)

**20%** would support local causes or  
charities that are important to them



# Enabling fulfilling lives

We're here for every life, for every future. We've been providing simple and accessible financial and health solutions for more than 175 years, including 100 years in Asia. Today, our business is focused on the protection needs of more than 18 million customers in 24 markets across Asia and Africa.

Access to social health protection is essential, not just for employment and economic growth and recovery, but also for ensuring long-term social cohesion.

We're helping to close the existing insurance protection gap and ease financial stress by providing a safety net through our inclusive health and life protection solutions.



## Health innovation

Our growing portfolio of bite-sized insurance products proves that by designing plans with the right features at the right price, and distributing them digitally, we can meet the needs of underserved, and first-time customers.

Singapore's **PRUSafe Dengue** health protection plan covers customers for dengue fever – one of the most prevalent diseases in Southeast Asia. With affordable premiums, it helps people get back on their feet quickly.

## Strengthening our strategic partnerships to offer access to life-saving treatments

Healthcare costs are increasing, and the financial burden of cancer treatment can be overwhelming for patients and their families. Our partnership with **Bangkok Dusit Medical Services** (BDMS) enables our customers to access affordable, high-quality breast cancer treatment, ensuring they don't have to pay more than the agreed maximum amount. Helping to fight the disease and reduce financial challenges.



# Inclusive offerings

## Made for Every Family

We recognise that all families are unique and believe everyone deserves equal access to financial protection. That's why we offer innovative and targeted solutions relevant to the lifestyle needs of every type of family. In Asia, where families are supporting multiple generations in a household, we cover extended family members. For example, Prudential Hong Kong's life customers can nominate a more diverse range of family members as their beneficiaries, including grandparents, cousins, and step-children.

## PRUKasih Aman

Malaysia's **PRUKasih Aman** is an affordable protection plan for underserved families who are financially vulnerable to income disruptions. The plan includes coverage for daily hospitalisation allowance, funeral expenses, and both death benefits and extra accidental death pay.



## Sharia-based solutions

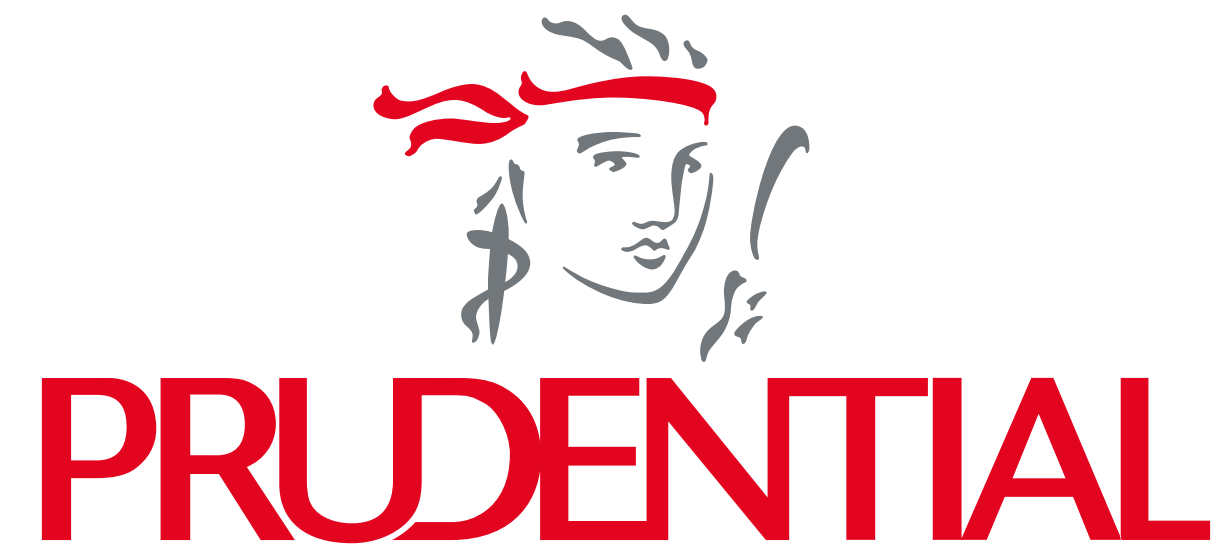
We're committed to playing a leading role in driving the development of Islamic finance (takaful/sharia) in Malaysia and Indonesia.

Our dedicated businesses in these markets are focused on serving the health and welfare needs of the Muslim population, offering a wide range of solutions that are based on 'Sharia for All' principles – which embrace the concept that Sharia values are universal, inclusive, and relevant to all.

## Underserved communities

Approximately 4.8 million people live with diabetes in Thailand\* and the International Diabetes Federation projects that this will rise to 5.3 million in 2040. Prudential Thailand's insurance plan, **"PRUNO Worries Diabetes"**, offers coverage specifically for pre-diabetics and people diagnosed with type 2 diabetes, an underserved segment when it comes to medical treatment and protection. Showing our commitment to making life insurance more accessible, more affordable and inclusive.





For Every *Life*, For Every *Future*

Visit [prudentialplc.com](https://prudentialplc.com)

to learn more about how we're empowering  
our customers to realise their aspirations.