

Financing retirement: an international challenge

AXA's second Retirement Scope



vivre confiant

Contents

- 1: Retirement around the world: **figures**, perceptions
- 2: **AXA Retirement Scope: Gfk's methodology**
- 3: Retirement around the world: **similarities**
- 4: Retirement around the world: **disparities**
- 5: **11 countries** up close
- 6: AXA's positioning regarding retirement



Retirement around the world

■ Figures

- In **2050**, a **third of the population** in industrialized countries will be **60 years of age or older**
- The age at which individuals begin to prepare for their retirement is falling substantially and quickly: **35** in 2005 versus 41 in 2004

■ Perceptions

- Approach is calm among population segments with a good **grasp of the financial aspects of retirement**
- A new phenomenon: one of every two active workers today plans to hold **a paying job** after retirement



GfK's methodology

Sample

- 11 countries worldwide
- 6,915 individuals
- Active and retired workers
- All socioeconomic backgrounds

Survey

- Situation
- Habits
- **Consumption**
- **Financial plans** in the area of health and leisure and recreational pursuits



Retirement around the world

Similarities

- **80%** of those surveyed think that their **retirement income** will be well **below their working wage**
- **70%** of respondents expect a **reduction in the basic public pension pay-out** and a longer contribution pay-in period
- People are beginning to prepare for their retirement earlier and earlier: as of age **35** on average, led by the UK and the US, where the age is 28 and 30, respectively
- All opinions converge on a dual system: **pay-as-you-go plus funded private pensions**



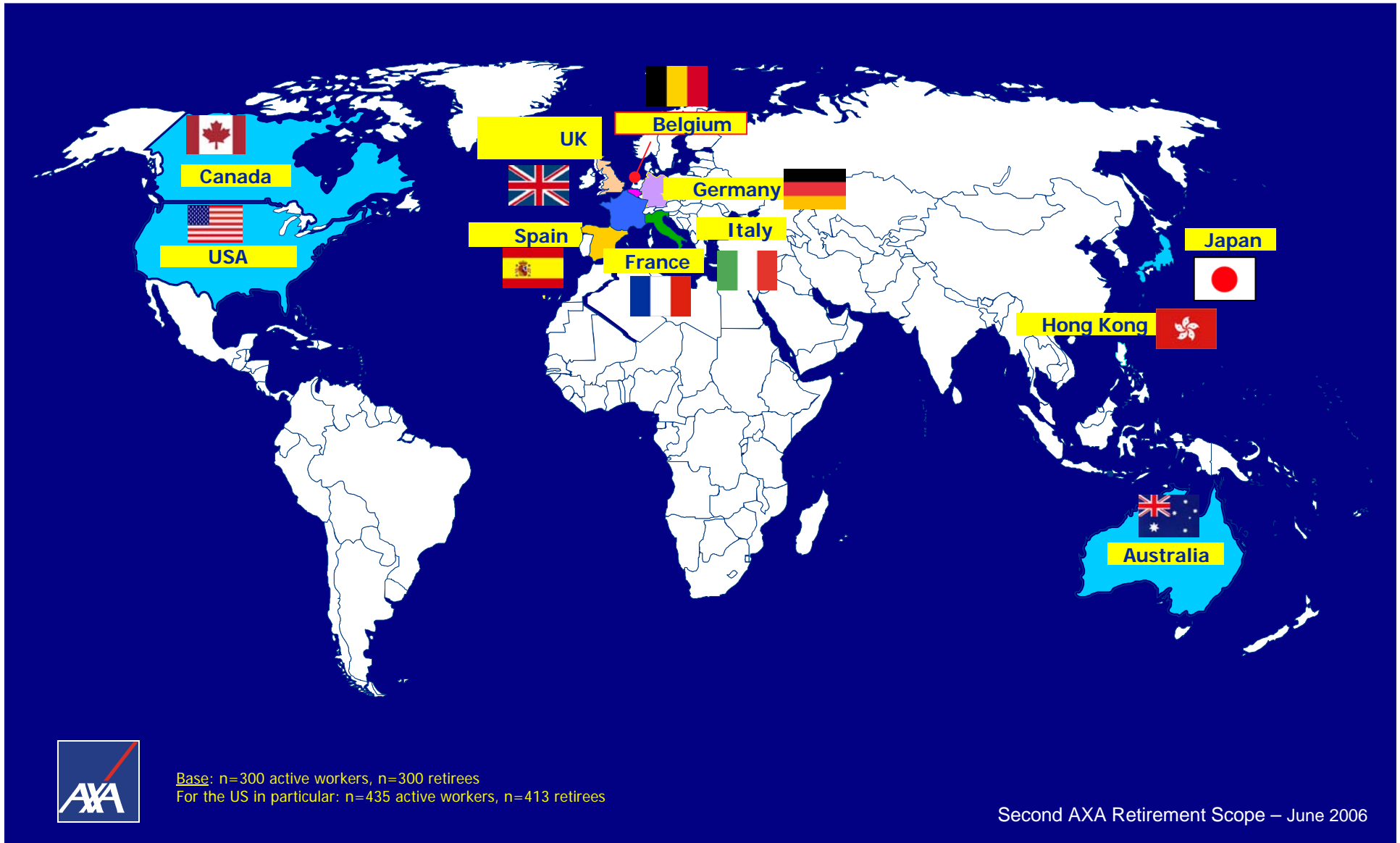
Retirement around the world

Disparities

- Travel, home repair and decoration, gardening, sports, volunteer work, the family: **the activities of retired people differ** from one country to the next
- **Optimism versus pessimism**: the image that retirement has is linked first and foremost to the culture of the country
- **The actual age of retirement** varies from one country to the next, including the case of voluntary departure
- Individuals do not necessarily know **how much they will be receiving after retirement**



11 countries up close



Germany

Retirement: be prepared



Legal retirement age: 65

Preparation begins: 31

Amount of retirement savings:
€227

Preferred product: life insurance

Specific to Germany

44% know how much they will be entitled to a retirement (ranked 1st worldwide)



Australia

Retirement: self reliance



Legal retirement age: 62.5 and 65

Preparation begins: 33

Amount of retirement savings
€376 = AUD 594

Preferred product: pension fund

Specific to Australia

90% think that it is up to the individual first and foremost to finance retirement (ranked first among countries surveyed)



Belgium

Measured optimism



Legal retirement age: 63 and 65

Preparation begins: 32

Amount of retirement savings
€266

Preferred product: life insurance

Specific to Belgium

One out of two active workers expects to continue working for pay after retirement





Legal retirement age: 65

Preparation begins: 30

Amount of retirement savings
€418 = CAD 586

Preferred product: life insurance

Specific to Canada

Number three in retirement savings, today's workers are more optimistic about the amount of their future retirement pension—62% say it will be more than adequate or adequate



Spain

Wait and see attitude



Legal retirement age: 65

Preparation begins: 34

Amount of retirement savings
€171

Preferred product: pension fund

Specific to Spain

Less than 40% of today's active workers are preparing financially for retirement (versus 60% in the countries surveyed)



United States

Retirement under control



Legal retirement age: 65.5

Preparation begins: 30

Amount of retirement savings
€1 040 = USD 1 253

Preferred product: stock market
investments

Specific to the US

Four-figure monthly
retirement income: the
highest in the world



France

Ensure the golden years and pass something on



Legal retirement age: 60

Preparation begins: 32

Amount of retirement savings
€371

Preferred product: life insurance

Specific to France

Retirement savings products are proliferating to offset the expected decline in income



Hong Kong

Attitudes are evolving



Legal retirement age: none

Preparation begins: 32

Amount of retirement savings
€485 = HKD 4 525

Preferred product: life insurance

Specific to Hong Kong

Hong Kong is number 2 worldwide in amount of savings set aside for retirement



Italy

Retirement: a collective responsibility



Legal retirement age: 65

Preparation begins: 32

Amount of retirement savings
€10

Preferred product: life insurance

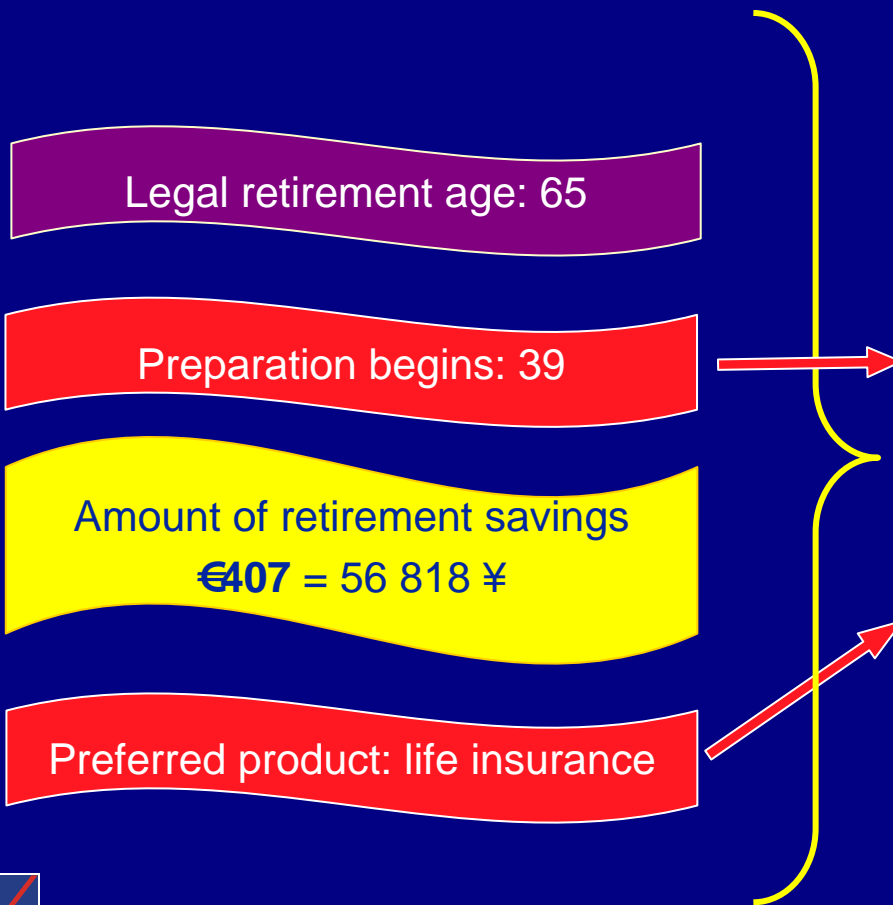
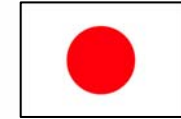
Specific to Italy

72% think that funding retirement is a collective responsibility (compared with 32% for the survey as a whole)



Japan

A culture where work predominates



Specific to Japan

40% of retirees have a job

8 out of 10 Japanese have a life insurance policy



The UK

Prepared and thriving



Legal retirement age: 60 and 65

Preparation begins: 28

Amount of retirement savings
€365 = £249

Preferred product: pension fund

Specific to the UK

Individuals begin preparing for retirement earlier than in any other country



AXA's positioning

AXA Retirement Scope



At Retirement SM



Retirement coaching



Anticipate to
**provide more
effective support**
as population segments
prepare for retirement



End page



vivre confiant

June 2006