



For Immediate Release
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Citibank Announces Results of “Hong Kong Affluent Study 2021”

Hong Kong's multimillionaire wealth remains stable

Median total net assets worth HK\$15.7 million

Effective asset allocation enhances the ability to cope with adversity

Hong Kong – Citibank today announced the results of its “Hong Kong Affluent Study 2021” (a.k.a. Multimillionaire Survey). Based on data collected between October 2021 and January 2022¹, there are 434,000 multimillionaires² in Hong Kong, accounting for around 7.4% of the corresponding population³ in Hong Kong. This means that there is one multimillionaire in 13 of the corresponding population in Hong Kong. Calculating the total net asset value of multimillionaires in 2021, the median is HK\$15.7 million.

According to the study, it was estimated that the population of multimillionaires in Hong Kong would be at least 434,000 by the end of 2021, a decrease of about 15% compared with the estimated 515,000 in the 2020 report. The median total net assets of multimillionaires was HK\$15.7 million, a slight increase from the HK\$15.5 million stated in the 2020 Report; and the median liquid assets had also increased from HK\$3.5 million to HK\$4 million. Among the multimillionaire population, stocks remained the investment tool with the highest penetration over the past three months at 80%, followed by foreign currencies (62%), funds (52%) and bonds (34%).

At the investment portfolio level, the survey reveals that most multimillionaires have nearly half of their liquid assets in cash, nearly 30% in stocks, and more than 20% in funds and bonds. The total net assets of multimillionaires are distributed mainly in property (71%), which is similar to 2020. Despite two years into the pandemic, more than 70% of multimillionaires said their total assets had returned to their pre-pandemic levels, including 24% who said their assets had even increased compared to pre-pandemic levels. More than one-third of the multimillionaires surveyed said that the pandemic had made their investment stance more conservative than the previous year, and this has manifested itself in ways such as holding more cash, lowering holdings of stocks, reducing new investments, and shifting to invest in low-risk products.

Looking forward to 2022, there was a significant increase in the number of multimillionaires who believe that the economy will grow slightly or be similar to 2021, and nearly 80% of multimillionaires said they were not worried about inflation or stagflation. They would continue to invest primarily in stocks, property and funds.

For property, the number of multimillionaires who were optimistic about property market prospects over the next 12 months increased significantly from 15% to 24%. 8% of the respondents expressed interest in buying property in Hong Kong, and nearly 60% took a neutral attitude towards whether it was a good or bad time to buy property. In addition, the number of multimillionaires who expressed interest in selling existing property was about the same as in 2020, and they were as assertive as in the previous year about considering the selling price.

¹ The survey results covered in-depth interviews conducted in late March 2022 to collect multimillionaire views on individual areas.

² In this survey, multimillionaires are defined as those with total net assets of HK\$10 million or more and liquid assets of at least HK\$1 million.

³ Corresponding population refers to all people aged 21 to 79 in Hong Kong.



Regarding investing in the Greater Bay Area (GBA), the survey report shows that about one in every five multimillionaires is confident about investing in the GBA, and particularly about investing in residential property, accounting for 9%; followed by commercial real estate and running businesses, accounting for 4% and 5% respectively.

Josephine Lee, Head of Retail Bank at Citibank Hong Kong, said, "The latest *Hong Kong Affluent Study* released today shows that while the estimated population of Hong Kong's multimillionaires has decreased slightly, their total net assets have continued to increase despite the two years into the pandemic. This shows that the affluent in Hong Kong continue to allocate their wealth with diversified and global investment strategies, pulling themselves out of adversity while gradually shaking loose the shadow cast by the pandemic. Citibank Hong Kong is the core of the Group's Global Wealth Management Strategy, and this year marks our 120th year in Hong Kong. Through the Group's Strategy, we will continue to leverage the advantages of a team with extensive wealth management business experience. Based in Hong Kong and with a strong worldwide focus, we help clients seize opportunities in the global market. In line with the development of our wealth management strategy, we plan to open a new Wealth Management Center at K11 MUSEA in the third quarter of this year to offer clients of Citi Private Bank and Citigold Private Client with a brand new wealth management experience."

Regarding the affluent's confidence in investing in the GBA, she continued, "The development of the GBA is still in its infancy and has been impacted by the pandemic. Nonetheless, the GBA's development potential will become huge as public understanding towards the area deepens. We anticipate that the resumption of quarantine-free travel, along with the optimization of the trial implementation of the Cross-boundary Wealth Management Connect Scheme, will see more wealth management product choices and investment quotas being made available. By then, more people are likely to find it interesting."

Other key findings from the survey are:

- Male multimillionaires are keener on investing than their female counterparts, with 24% and 20% respectively.
- Female multimillionaires are more satisfied with what they have than their male counterparts across income, material goods, net worth and resources to meet financial emergencies.
- Bonds and funds made the biggest gain in popularity among multimillionaires; and
- Over one-third of multimillionaires consider Hong Kong property a good choice for long-term investment.

The "Hong Kong Affluent Study 2021" was conducted between October 2021 and January 2022. In total, nearly 3,800 Hong Kong residents aged 21-79 were interviewed via telephone at random. Conducted by Citibank, the survey aims to understand, among other things, wealth allocation, views on the property market and lives of the affluent class, in particular multimillionaires, in Hong Kong. The "Hong Kong Affluent Study 2021" is the 19th edition of Citibank's surveys of the affluent, and this marks the eighth time that the Bank has released a report on multimillionaires.

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