

News Release

26 November 2012

Friends Provident International report shows that UAE investors are building property into their portfolio

- 49% of UAE investors expect property to perform strongly over the next five years
- Most investors hold a low risk or balanced investment portfolio
- 27% consider preservation of capital fundamental to their investment planning

The latest Friends Provident International (FPI) Investor Attitudes report has revealed that UAE investors now consider property second only to gold as their preferred asset class. Almost half (49%) of respondents expect the property market to perform strongly over the next five years and a further 11% expect 'very strong' growth over the same period. Just 10% of respondents expect to see some weakness in the property market in the next five years.

The report, compiled from a survey of wealthy, UAE-based expatriate respondents, shows that - on balance - investors believe the investment market has improved over the last six months, and that there is strong sentiment that markets will continue to improve over the next six months.

The Friends Investor Attitudes Index for the UAE now stands at 17 points – an increase of two points on the previous wave of research which was based on a nationally representative demographic sample, conducted in June 2012.

This is the first edition of the revised Investor Attitudes Report and follows eight previous waves of research, covering a period of more than two years. The surveys are conducted simultaneously in FPI's three principal markets, Hong Kong, Singapore and the UAE. The survey has been changed slightly from previous waves, in order to focus on wealthier investors in these markets. In the UAE, wealthier investors are defined as having USD4,000 per month disposable income and/or a lump sum of USD100,000 to invest.

Looking more closely at the survey results, the most popular investment strategies for UAE based investors are to either take a low risk approach to investing (29%) or to hold a balanced investment portfolio (34%).

Matthew Waterfield, FPI's General Manager, Middle East and Africa said:-

"The revised income levels and demographics of the respondents for the latest FPI Investor Attitudes Report show some interesting results. The increased preference for investing in property is not surprising as the UAE continues to recover from the financial downturn. This is a sign of confidence returning to the local market."

Of the three regions surveyed, UAE investors consider preservation of their capital a fundamental aspect of their investment planning, with 27% of respondents unlikely to invest in anything other a guaranteed product. Just 1% of Hong Kong investors and 12% in Singapore would adopt a similar approach.

Matthew Waterfield commented:-

"The reduction in the number of respondents holding cash is probably because we are now surveying wealthier investors, who tend to adopt a more sophisticated approach to their investments. Considering 68% of UAE respondents are Non-resident Indian, it is not surprising that the survey shows that UAE investors overall adopt a more cautious and considered approach to their financial planning than their counterparts in Hong Kong and Singapore, who appear more willing to take a speculative approach to investing."

To view or download a copy of the Friends Provident International Investor Attitudes report, please visit www.fpinternational.com

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Journalists requiring further information should contact:

Adnan Abdel-Razzak Hill +Knowlton Strategies +9714 3344930
adnan.abdel-razzak@hkstrategies.com

Tim Hughes Friends Provident International +9714 4362883
tim.hughes@fpinternational.com

Conor Sweeney Head of Communications (t) +352 34 61 91 516
International Division (m) +352 621 33 00 74
Friends Life

Ref: MI010

Notes to Editors

About the Survey

The survey has been conducted by Ignition House, a specialist financial services market research agency and SKOPOS, a multi-country market research consultancy, specialising in the digital space.

Online/ phone to web interviews were conducted in the same period for all three countries – 15th October to 30th October 2012 - to ensure that respondents were answering the questions in a similar financial market environment.

The total sample size for edition one was just over 1500 to ensure the collection of robust data.

The breakdown for each country was:

- Hong Kong – 515 interviews
- Singapore – 518 interviews
- UAE – 508 interviews.

Identifying The More Wealthy Respondents

The more wealthy respondents for each region have been identified based on their total investable assets (inclusive of all financial assets including cash, bonds, equities, pensions - except for the CPF in Singapore - but excluding primary residences, collectables and consumer durables).

To be included in the survey, respondents must meet the following criteria:

Region	Aspiring Affluent	Affluent
Hong Kong	HKD 500,000 – 999,999	Investable assets of HKD1m
Singapore	SGD80,000 – SGD199,999	Investable assets of SGD200,000 – SGD1m
UAE	N/A	Affluent global expats with USD4,000 per month disposable income or a lump sum of USD100,000 (or equivalent) to invest.

About Friends Provident International:

Friends Provident International provides competitive life assurance, pensions and investment products for Asia, Middle East, Europe, UK and other selected markets, and is part of the Friends Life group.

Friends Provident International benefits from a strong relationship with the Friends Life group, sharing a heritage that dates back over 200 years, a reputation of trust, commitment and integrity in providing financial solutions to customers throughout their lives.

We have more than 30 years of international experience, offices in the United Arab Emirates, Hong Kong, Singapore and the Isle of Man, and more than 400 staff worldwide.

See www.fpinternational.com for further information on Friends Provident International.

IMPORTANT INFORMATION

Friends Provident International Limited. Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA.

Telephone: +44 (0)1624 821 212 Fax: +44 (0)1624 824 405 Incorporated company limited by shares.

Registered in the Isle of Man No. 11494. Authorised by the Isle of Man Insurance and Pensions Authority.

Provider of life assurance and investment products.

United Arab Emirates

Friends Provident International Limited's branch office:

Friends Provident International Limited

Emaar Square, Building 6, Floor 5, PO Box 215113, Dubai, United Arab Emirates

Telephone: +9714 436 2800 Fax: +9714 438 0144

Email: dubaiservicing@fpinternational.com

Website: www.fpinternational.com/me

Registered in the United Arab Emirates as an insurance company (Registration No.76) and as a foreign company (Registration No. 2013).

Authorised by the United Arab Emirates Insurance Authority to conduct life insurance and savings business.

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