

News Release

13 November 2013

Friends Provident International survey shows pensions are not a top priority for UAE expats

- Just 6% of expats would invest a windfall for their retirement
- Friends Investor Attitudes Index remains steady at 28 points
- Significant fall in preference for investing in property

The latest Friends Provident International Investor Attitudes survey has revealed that almost twice as many UAE investors would prefer to spend an unexpected windfall on gold and jewellery than save it towards a pension.

The latest survey, released today, shows that if respondents received a windfall of AED300,000 (USD81,682) tomorrow, they would spend it in a variety of ways. From the options available, the highest proportion (17%) say they would use the money as a deposit for a property. Another 15% said they would invest in a balanced portfolio of stocks and shares and 11% would buy gold and jewellery as an investment. Just 6% would invest the money in a pension or retirement plan, although this figure does increase to 10% among 45 to 64 year olds.

Matthew Waterfield, Friends Provident International's General Manager, Middle East and Africa said: -

"While I appreciate that some respondents may view investing in assets such as gold and jewellery as part of their retirement planning, it is surprising that saving specifically for a retirement pension features so low on our younger respondents' list of priorities. It's less surprising that the percentage increases for older respondents, as they seem to have realised late in the day there is a need for them to take action to secure a comfortable retirement.

It's never too early to start saving for retirement, and I would encourage anyone who is not taking steps to secure their financial future to speak with a financial adviser sooner rather than later, to ensure they start to make specific and appropriate provision for what could be a lengthy retirement.

The earlier people start to save for their retirement, the less costly it will be in the long run. Friends Provident International offers a range of wealth management products that can be structured specifically to help with retirement planning."

The third edition of the Friends Provident International Investor Attitudes report was compiled from a survey of 525 wealthy, UAE-based expatriate respondents and shows that the Friends Provident International Investor Attitudes Index – a measure of investment confidence – remains at 28 points for the UAE, unchanged from the last edition of the research published in April 2013.

Research is conducted simultaneously in Friends Provident International's three principal markets, Hong Kong, Singapore and the UAE. The survey focuses 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.

An unexpected finding in the latest survey was the reduced preference for investing in property as an asset class. The percentage of respondents who said that now was a good or very good time to invest in property fell from 58% in April 2013 to 53% in October, perhaps indicating a perception that property has become over-valued, and the recent surge in prices will not be maintained.

Matthew Waterfield, commented: -

"It is interesting to see a fall in confidence for property as an asset class. This could indicate that recent initiatives introduced by the Central Bank to cool the property market are proving to be effective.

However, if Dubai is successful in securing Expo 2020, the likelihood is that property will once again prove extremely popular as an asset class and its preference among investors will increase in the next Friends Provident International Investor Attitudes survey".

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

- Ends -

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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 – 4th to 18th October 2013 - to ensure that respondents were answering the questions in a similar financial market environment.

The total sample size for edition two was 1607 to ensure the collection of robust data.

The breakdown for each country was:

- Hong Kong – 512 interviews
- Singapore – 570 interviews
- UAE – 525 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

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

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