

News Release

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Friends Provident International survey shows investor confidence higher in UAE than Hong Kong and Singapore

- Friends Investor Attitudes Index for UAE now higher than Hong Kong and Singapore
- Significant increase in confidence across all asset classes, apart from collectables
- Property now more attractive than gold for UAE investors

The latest Friends Provident International (FPI) Investor Attitudes report has revealed that UAE investors are now more confident in their local investment market than their counterparts in Hong Kong and Singapore.

The Friends Investor Attitudes Index for the UAE has jumped a huge 11 points and now stands at 28, up from 17 points in the last edition of the research conducted in Q4 2012. The indices for Hong Kong and Singapore now stand at 27 (38) and 25 (28) respectively.

The report shows a significant increase in the preference for property investing. Property is now the preferred asset class for UAE respondents – more so than gold, which has also seen improved sentiment. Other asset classes to show a similar marked increase in preference are equities and bonds. The report also shows an improvement in confidence for investing in cash and money/currency markets, with only collectibles falling in popularity since the last edition of the report.

Overall, as in Hong Kong and Singapore, UAE investors adopt a balanced approach to investing (41%). However, regardless of income, UAE investors are almost twice as likely to follow a capital preservation strategy (36%) than Hong Kong (18%) and Singapore investors (19%).

This is the second edition of the revised Investor Attitudes Report and follows nine previous waves of research, covering a period of almost three years. The surveys are conducted simultaneously in FPI'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.

Looking at the survey results in more detail, the report shows that UAE investors are more than twice as likely to diversify their investments by asset class (35%) rather than geographically (16%). However, most respondents diversify their investments both by asset type and geographically.

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

"The fact that UAE investors are now more confident in their local investment market than their counterparts in Hong Kong and Singapore resonates with recent stories in the media concerning improved consumer confidence in the country.

It is interesting – although not entirely surprising - to see the much improved preference for investing in property, which has been building over the last few editions of the report. Sentiment towards property investment is a fairly reliable barometer of the level of confidence in the local investment market."

The report, compiled from a survey of wealthy, UAE-based expatriate respondents, shows that more than three-quarters (76%) of investors believe the investment market has improved over the last six months, and the same number believe that markets will continue to improve over the next six months.

Worryingly, despite improved investor confidence, the report shows that even among the more affluent respondents, for the most part, investors have no clear idea of how much they need to save for their retirement. The most common response (31%) thought they would need a maximum of AED2.4 million. Only 8% of respondents have worked with an adviser to determine how much they are likely to need to secure a comfortable retirement.

Perhaps even more worryingly, the survey revealed that 22% of respondents have no life insurance, and 27% don't have any critical illness cover. Of those respondents with life insurance 41% have cover of less than AED500,000 and 45% of respondents with a critical illness plan have less than AED500,000 cover.

Matthew Waterfield commented:-

"It's great to see improved confidence in the current and future markets, but a little disturbing that people don't seem to be planning for the long term and in particular for their retirement. In addition, the number of people without any life and/or critical illness cover is a cause for concern, as is the number of people with a relatively low level of cover.

I strongly recommend that anyone who needs help to determine the amount they need to save for a comfortable retirement - or to determine the amount of life and/or critical illness cover they need to protect the things that matter to them most - seek independent financial advice to make sure their money is working as hard as possible, and their families and businesses are sufficiently protected."

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

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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 – 25th February to 8th March 2013 - to ensure that respondents were answering the questions in a similar financial market environment.

The total sample size for edition two was 1562 to ensure the collection of robust data.

The breakdown for each country was:

- Hong Kong – 504 interviews
- Singapore – 556 interviews
- UAE – 502 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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