TABLES: credit cards, personal/auto loans, mortgages and insurance across the Gulf

The Gulf region's first personal finance and investment magazine

MONEY works

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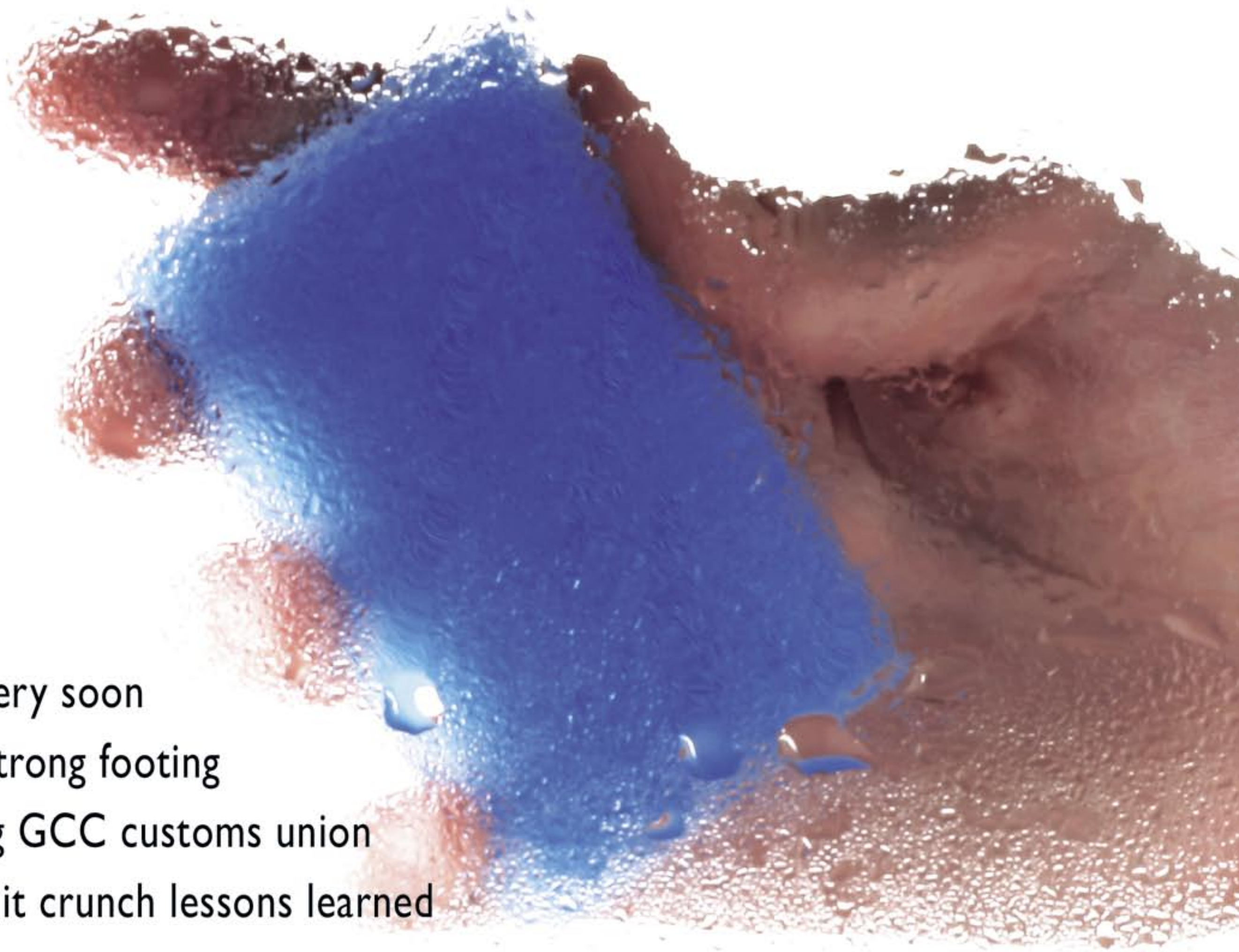
June 2009 Issue 127

DERIVATIVES

Will the call for transparency clear the OTC market?



US recovery soon

STC on strong footing

Activating GCC customs union

Gulf: credit crunch lessons learned

Bahrain - BHD1.0 Kuwait - KWD1.0
Oman - OMR1.0 Qatar - QAR10
Saudi Arabia - SAR10 UAE - AED10

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ISLAMIC FINANCE:

BNP Paribas sharpens its focus

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It was a dramatic last month with the UAE officially pulling out of the GCC common currency. While there wasn't much in the way of official explanation forthcoming from the UAE's federal government on the decision, it is understood that the location of the GCC central bank had an important role to play. So now the question is - where does the project go from here? Is it dead? Or, will there be a move to bring all parties to the table, including Oman, and negotiate a deal that is acceptable to everybody?

Hitches and glitches are very much part of any deal that is negotiated cross-border; and to have been able to close one as sensitive and important as a regional currency without as much as a hiccup was too much to expect. It will be interesting, however, to hear the next announcement about the initiative. Negotiating parties also need to keep in mind that without key nations participating in the regional currency project, it will no longer be a GCC common currency.

The above development is certainly not a happy one, and does not leave much to talk about, except that the GCC countries need to strengthen some of their existing common institutions, and do some PR around these to get people to appreciate what has been achieved so far rather than just feel negative.

The month also had some things to cheer about with equity markets coming back. Investors are getting slightly anxious now, especially those that have been out of the market for a while, after having taken a hit. Small investors are likely to wait and watch for a little longer to ascertain if the markets have finally turned, before they decide to get in.

One good development for the region has been the oil price finding its feet again. The price is up nearly eighty per cent since its lows in January. It is still too early to cheer about it, but with the way Opec has gone about its business, it looks like the oil price is heading towards some stability now. If it continues to remain that way, countries in the Middle East, and particularly those in the GCC, will be on course again. Of course, this time around, with lessons learnt from the financial crisis, one would expect them to put emphasis on a growth strategy that is more sustainable and inclusive.

Utpal Bhattacharya
Editor

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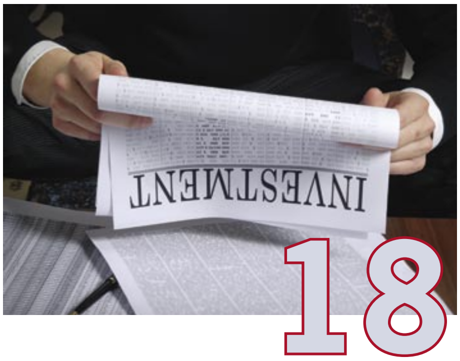

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BNP's increasing focus on Islamic finance

French bank BNP Paribas sets a stiff target for growth in GCC, focusing on a few key areas like investment banking, wealth management, Islamic finance and helping the region to develop debt capital market. A MONEYworks report from Manama.

BNP Paribas, in an endeavour to show its long term commitment towards the Middle East region, has set a three year development plan, and is undertaking a number of growth initiatives.

The bank, operating in the Gulf countries for the last 35 years, is enhancing its presence in the regional debt capital market, including arranging bonds and loans. It is also strengthening its core activities in areas like project finance, structured trade transactions, wealth management and Islamic banking.

Jean Christophe Durand, managing director, BNP Paribas, GCC, said: "BNP is a bank with a long-term vision and we will continue to grow above target in the GCC with our different initiatives and focused approach."

"BNP is a bank with a long-term vision and we will continue to grow above target in the GCC with our different initiatives and focused approach." *Jean Christophe Durand*

He added that apart from supporting regional governments to develop a debt capital market in the GCC, and raising finance for institutional investors, the bank will also introduce sophisticated Islamic finance products, while focusing on the SME segment by strengthening its trade finance division and expanding its network of commercial branches.

BNP is active in Qatar and Bahrain with the issuance of some of the proposed bonds in those countries, according to the bank's managing director.

Durand also added that the bank is constantly upgrading its product portfolio and expanding its client base.

In line with its regional strategy, Bank Paribas launched its first private equity fund outside Europe in the Gulf last year. The US$300 million close ended fund, in which the bank is committed to invest US$75 million, will be targeting mid-cap companies in the MENA region. Aiming at an annual return of 18 to 19 per cent, the fund will consider investment in four main areas: education, healthcare, oil and gas and real estate.

"We currently have not yet decided a ceiling for the funds, as we expect the market to grow over the coming few years." *Tariq Al-Samahiji*

Among other initiatives, in March this year, BNP Paribas Investment Partners (BNPP IP) announced the Hilal fund, an open ended Islamic fund targeting investments in sukuks. Also, only last month BNPP IP launched a private placement fund for qualified investors. Domiciled in Ireland, this open ended Shari'ah-complaint fund aims to invest in sukuks and US dollar denominated murabaha structures. "We have not yet decided a ceiling for the funds, as we expect the market to grow in the next few years," said Tariq Al-Samahiji, CEO of BNPP IP - Middle East.

Al-Samahiji also said that BNPP IP's commitment to Islamic investments has been further strengthened with the inception of BNP Paribas Islamic Asset Management in Malaysia and a joint venture in the Kingdom of Saudi Arabia with SAIB BNP Paribas Asset Management. BNPP IP has picked up a 25 per cent stake in SAIB Asset Management Company, a subsidiary of Saudi Investment Bank.

"We are keen to develop our Islamic offering and expand the distribution of our products globally, especially in the Middle East and in South East Asia where we have already seen strong interest. Thus, we will continue to build our Islamic asset management offerings, adding both conventional and alternative strategies," explained Samahiji.

BNP Najmah, BNP Paribas' Islamic banking division, has mandates for issuing a number of sukuks by the end of 2009 or early next year. In fact, Islamic banking, which accounts for one tenth of the bank's total revenue, will be one of the thrust areas of BNP Paribas in the year ahead, focusing on markets in MENA, South East Asia, Turkey and Europe.

Both BNPP IP and BNP Paribas Najmah will be focusing on the development of Islamic products and finance across different segments. The latter indeed, was established in Bahrain in 2003 to consolidate the group's global offer of Islamic investment solutions across the GCC countries. MW

Tariq Al-Samahiji

Investors to allocate more US$ to the US

Global investors have been underweight in the US for a very long time. According to Grant Bowers, a fund manager at Franklin Templeton, investors are now increasingly talking about raising their exposure to US equities.

Grant Bowers

The US is likely to see an increase in capital flows to its equity markets. Bowers is confident that the US equities will find more favour from international investors in the months ahead, as the investment climate changes for better in the largest economy.

Bowers, who is vice president and portfolio manager of Franklin Global Advisors, and manages Franklin Growth Opportunities Fund and FTIF Franklin US Opportunities Fund (SICAV), told **MONEY***works* that even at the height of volatility in the markets, his funds hardly saw any redemption pressure and very little outflow. But more than that, he felt positive that the US is waiting for more funds to come to its capital market in the very near future.

"Investors have been underweight in the US for a long time. And lately they have been concerned about being underweight in the largest global economy. I have heard a lot of discussions about allocating more dollars to the US," he claimed.

The recent spurt in the global capital markets could be a trigger for investors to allocate more money towards global equities, and especially to the US. But Bowers is more specific as to where one should be investing in the US. Technology stocks are on the top of his shopping list.

"Our largest weight now is technology, as there is a tremendous growth opportunity in that sector," he said.

He explained that technology or tech purchases tend to drive improvement of cost savings for companies. It takes away some of the cost pressures from inflated commodity price. So, technology is a very attractive long-term area, he added.

Talking about Franklin's US opportunities fund, Bowers said that the fund is currently around five per cent in cash, which is slightly on the higher side, as it typically runs on average at around three per cent. But he also explained that since the market has been extremely volatile, cash in hand allowed buying at good valuations.

"There are a number of managers who are 20 per cent in cash, and have backed away from the market. People were investing with us want to be invested in US equities," he said.

Significantly, the US opportunities fund is underweight in the consumer staple sector. Bowers attributed it to the defensive nature of this sector. He explained that the US opportunities fund is a growth fund, and while there are very high quality companies in the consumer staple sector, they enjoy only moderate "GDP type" growth. The fund targets more aggressive growth comparatively.

Franklin's US opportunities fund is also underweight financials, as Bowers is of the view that it is too early to make a call on these companies. He felt that not many people have much idea as to what is going on in the balance sheets of these financial services companies.

"We see more capital raising happening for some of these financial companies, and this would further dilute shareholder capital. We also do not see a solution to their credit problems and their balance sheet issues," he said.

Bowers is no different from a whole host of analysts and fund managers about how the US could end up in 2009. According to him, 2009 will be a challenging year for the country, which will continue to suffer from housing issues and large credit issues in the market. He is among the backers of the fiscal stimulus and liquidity injections by the US government, and said that it is already having a positive impact on the market.

Also against that backdrop, he felt that equities are still very attractive and offer good buying opportunities.

"The stage is set for what is a challenging year in 2009, followed by some very decent growth showing up in 2010. The market is likely to anticipate the economic recovery six months plus ahead of the actual recovery," he said. MW

See also page 32.

"Investors have been underweight in the US for a long time. And lately they have been concerned about being underweight in the largest global economy. I have heard a lot of discussion about allocating more dollars to the US." *Grant Bowers*

The Road to Nowhere

Much has been made of late of the perils of being a major car manufacturer. ***Allen Quaye*** *asks, "Is there money in motors?"*

I'm no petrol-head, but car-wise what's interested me lately, aside from the extortionate price of a replacement car battery last month, is Porsche's financial market success.

Porsche is a renowned financial markets operator - as a well as a premium car manufacturer. It's estimated that last year it made six times as much from its stock market investment strategies than from its cars. Porsche is often, half-jokingly, referred to as, "a hedge fund with a carmaker attached."

And Porsche has ambition. The company makes no bones about its hot pursuit of Volkswagen. Historically, the two brands are inextricably linked. Ferdinand Porsche designed the original Volkswagen Beetle in the 1930s before founding his own company.

Volkswagen is a true motoring giant, 14 times bigger than Porsche. It owns a number of car brands: Seat, Audi, Lamborghini, Bugatti and Bentley, for example. And has R&D, production facilities and technology that is the stuff of dreams.

I can't pretend to fully understand the complexities of Porsche's market success, but here's a brief history.

In 1993, Wendelin Wiedeking was appointed chief executive. And, with CFO Holger Haerter, Porsche changed forever. Production costs were slashed and Porsche's cash enabled market speculation.

Weideking's financial industry background developed Porsche's "mastery of the markets" initially through currency hedging. And its financial market successes eventually allowed Porsche to turn its attention to its ultimate goal; owning Volkswagen.

In 2005, Porsche quietly began to up its Volkswagen stake. By September 2008 it had 35.14 per cent of Volkswagen shares. And on Sunday October 26, 2008, Porsche announced it had increased its stake to 42.6 per cent.

Plus, that it held cash settled options – which basically give a buyer the option to buy shares at a competitive price at a future fixed date - on a further 31.5 per cent. Positions, therefore, on up to 74.1 per cent of all VW shares.

Take the UK market as an example, where any increase in share holdings over 30 per cent must be disclosed. In Germany, however, an increase in share holdings need not be declared – which means that Porsche was able to build its position in secret.

Investors and hedge funds were all the while short selling VW shares, betting that the shares could not remain so high indefinitely.

Short selling essentially means borrowing shares off a third party in the expectation that the price will fall so they can be bought back cheaper later, and pocketing the difference. This made sense, if you remember the state of auto shares late last year.

But VW shares didn't drop, of course.

When Porsche let the cat out of the bag history was made, the value of Volkswagen stock skyrocketed and, for a moment, Volkswagen became the most valuable company on earth. It's believed that hedge funds, who'd gambled that the value of VW shares would fall, lost between 10 and 40 billion euros.

Investors and hedge funds are still upset. And the German financial regulator, BaFin, is investigating what it calls, "suspected market abuse."

Porsche says its strategy is the ultimate takeover of Volkswagen, not a speculative profit drive and that it has invested the profits into purchasing more VW shares outright.

There is one more obstacle, the so-called 'VW Law', which essentially protects Volkswagen from hostile takeover. The law means that an 80 per cent majority is needed to make "significant decisions" at annual meetings. And, since the local state government of Lower Saxony owns 20.1 per cent of the shares, significant decisions are blocked.

Porsche is pressing both the EU and the German government to overturn the law.

It's intriguing isn't it? I suppose that, whatever the outcome, what this tale tells us is that the automobile is going nowhere. Cars are here to stay.

If you have a gripe you'd like to air, a view you'd like to share or even a bug you'd like to bear, get in touch via info@moneyworks.ae, marking your mail, 'The Soapbox'. Every email published will receive a limited edition MONEYworks money clip in return. To blog online, just look for the 'Topic of the Month' at www.moneyworks.ae.

News in Brief - Banking & Finance

BNP Paribas completes the acquisition of Fortis Bank

The board of directors of BNP Paribas, chaired by Michel Pebereau, approved the transfer by SFPI, a wholly Belgian state-owned company, of 54.55 per cent of shares and voting rights of Fortis Bank to BNP Paribas. Furthermore, Fortis Bank purchased 25 per cent of the share capital of Fortis Insurance Belgium for EUR1,375 million.

BNP Paribas has also acquired a 12 per cent equity stake in Royal Park Investment, a company 45 per cent-owned by Fortis Holding and 43 per cent-owned by the Belgian state.

Commenting on this transaction, Baudouin Prot, CEO of BNP Paribas said: "BNP Paribas is fully aware of its responsibilities towards all Fortis's private, corporate and institutional customers and towards all employees and the economies of both countries. The project of tying up with Fortis Bank will be strongly value creative for all stake holders."

Emirates NBD inaugurates new banking centre

Emirates NBD has announced the opening of a new business banking centre in its Satwa branch to meet the needs and requirements of its SME customers. This business banking centre aims to accommodate SME clients' needs and will provide dedicated and personalised services allowing customers to meet privately with Emirates NBD's relationship managers.

Emirates NBD plans to open seven more business banking centres across the UAE by the end of 2009.

Emirates NBD officials at the ribbon cutting ceremony

The board of Panmure Gordon has announced that, following a detailed review of all proposals received, the company has conditionally raised approximately GDP23 million before expenses in a placing with Qatar-based investment bank QInvest LLC of 67,514,813 new ordinary shares in the Company at a price of 34 pence per ordinary share. The deal will give Panmure Gordon the financial strength to grow into new business areas and new geographies.

Islamic finance grow by 50 per cent says Central Bank of Bahrain

The total value of Bahraini banks' Islamic financial assets increased by 50 per cent in 2008 to US$24.6 billion, according to figures issued by the Central Bank of Bahrain (CBB).

CBB believes that this increase confirms the ongoing success and resilience of the Islamic bank system.

CBB has approved more than 33 licences for Islamic finance institutions since 2005. Bahrain is widely recognised as a global leader in Islamic finance, playing host to the largest concentration of Islamic financial institutions in the world. At present, there are 36 specialist Islamic banks operating in the kingdom, while many conventional banks, recognising the growing importance of Islamic banking, have successfully integrated Islamic windows within their operations. Khalid Hamad, executive director-banking supervision, CBB, said: "Whilst the underlying principles of Islamic finance have safeguarded it against the worst of the economic downturn, it is Bahrain's tried and trusted world-class regulatory standards that have helped attract institutions to the country and led to the rapid growth of Islamic finance assets."

Mashreq opens Doha head office

Mashreq Qatar entered a new era of customer service with the opening of its new country head office in Doha. John Iossifidis, head of international banking hosted the opening of the new head office in Amwal Tower in Doha's West Bay. Iossifidis' role is to guide Mashreq's growth in the region and the international markets, with Qatar figuring prominently in the bank's ambitions.

"Qatar is a very important market in the Middle East; it is therefore very important to our plans. With the third largest gas reserves in the world, significant infrastructure spending, increasing demand for real estate and a growing population, it presents an attractive banking market. Our vision is to become MENA's own leading regional bank. In this regard, we want to continue to expand in promising emerging GCC markets such as Qatar," Iossifidis pointed out. Country head Howard Kitson declared: "As Mashreq is one of largest and most innovative banks in the region, we are confident that we will continue to provide every day banking solutions, no matter where we operate." The opening of a new head office paves the ground to consolidate Mashreq's position in Qatar. The company is committed to further develop its presence in the Gulf, hoping to become the leading international bank in the Middle East and Africa region.

National Bank of Abu Dhabi (NBAD) has announced that it has received the approval of the Hong Kong Monetary Authority to open a new branch in Hong Kong.

"This step comes in line with the Bank's strategy to expand to regions that offer attractive opportunities for the banking industry" said Qamber Ali Al Mulla, senior general manager of NBAD's international banking division.

"NBAD will open its branch during the second half of 2009 and this is just the beginning of our strategic initiative for the Far East, where we intend to expand further with Hong Kong becoming the regional headquarters," Al Mulla added.

He went on saying that Hong Kong's NBAD branch will play a vital role in boosting the trade between UAE and Far East.

Standard Chartered Bank UAE has partnered with SALAMA-Islamic Arab Insurance Company to distribute SALAMA's range of Takaful solutions. Following the agreement, Standard Chartered will offer Shari'ah-compliant insurance plans catering to a diverse range of financial needs including children's education, retirement and regular savings plans. Afaq Khan, CEO Standard Chartered Saadiq said: "This is an exciting opportunity for Standard Chartered to broaden the core range of products we provide to our customers which allows us to participate in the future growth of the country's Takaful market."

Saxo Bank lands at Dubai International Financial Centre

Online trading and investment specialist Saxo Bank has established a regional office in Dubai International Financial Centre (DIFC). It is the first time that a Danish bank has established its presence in the Gulf Corporation Council region. Founded in 1992, Copenhagen-based online specialist Saxo Bank has received regulatory approval to operate a regional office in the DIFC. Dr Omar Bin Sulaiman, governor of DIFC said: "As a pioneer in its industry and a globally recognised financial institution, I am delighted to welcome Saxo Bank to DIFC, the first Danish financial institution to establish a presence here. There is huge demand for the state-of-the-art online investment trading services offered by Saxo Bank, and the GCC's significant investor base will undoubtedly benefit from their operation in the region."

Dr Omar Bin Sulaiman with the officials from Saxo Bank

Recession is making it easier to start a business, says Frost & Sullivan. "Some of today's top corporations started in the middle of a recession," explained Frost & Sullivan's chief economist Vinnie Aggarwal. "Times of recession offer unique opportunities to start a successful business," Aggarwal said. "Recessions change the way in which businesses operate, clients consume, and competitors compete, all of which can be advantageous to a new business."

According to the research house, a critical quality of a recession is that it disrupts the economy's normal rhythm, presenting a unique opportunity for new businesses to take advantage.

There is an urgent need for new ideas and solution to address critical requirements in the marketplace. As companies cut back, there is increased demand for low-price alternatives, especially as clients loosen their brand loyalties in the search for cheaper alternatives. Potential competitors are also likely to be weakened by the recession, presenting an opportunity for new companies to expand into their fields. In these environments companies also reflect more seriously about the basic business essentials.

In boom times when credit is loose, it may be easier to obtain funding for an "off-the-wall idea", but in an economic downturn, entrepreneurs must refine their thinking and develop more solid business plans for the future. "There is also a wider pool of applicants to choose from, as many of today's top talents are being let go," Aggarwal added. "Moreover, startup companies are also more likely to have a more committed startup team to work with, as employees are more committed to their success."

Additionally, while starting a business in a time of boom may mean quitting a secure and lucrative job, there is less risk when one is unemployed. "Starting a business is hard, regardless of the economic circumstances," Aggarwal said. "However, starting a business in a recession is no more difficult and offers its own set of unique opportunities, allowing one to stay one step ahead when the boom times return."

Morgan Stanley positive on Middle East equities

Michael Wang

Morgan Stanley has revised its recommendation on the MSCI Arabian Markets Index, recommending investors to begin increasing their exposure to Middle Eastern stocks as valuations are more attractive now than at any time in the past two years.

Since advising investors to reduce their exposure to the region in October 2008, the region has underperformed other emerging markets and Morgan Stanley's latest report, "MSCI Arabian Markets: economically resilient and valuations appealing again-start increasing exposure," states that the timing is now right to begin increasing exposure in regional equity markets, highlighting Saudi Arabia as a particularly attractive market for investors along with Qatar and Egypt.

In the report, Michael Wang, a global emerging market strategist at Morgan Stanley, said: "Saudi Arabia is in one of the strongest positions to weather the global crisis due to the fact it possesses one of the largest pools of FX savings and accumulated fiscal surpluses in the world, a sound banking system and minimal real estate exposure. The prospect for further liberalisation of equity markets in the country to foreign investors provides an additional incentive to increase positions."

Wang also believes the Middle East region will be economically resilient. "Despite a sharp cyclical contraction in GDP growth this year due to falling oil revenues, we think the region will be more resilient to the global downturn due to favourable underlying domestic demand trends, strong fiscal stabilisers, monetary easing in the short term and low external debt relative to FX reserves," he pointed out.

Despite these positive views, Wang also warned investors against adopting an aggressive attitude: "Several headwinds in the short term prevent us from recommending a more aggressive position. Regional banks' exposure to falling property prices is a concern, as is the reliance in some banking systems on wholesale funding. Another potential worry is the exodus of foreign capital from the region in late 2008 which has been a key source of vulnerability."

MENA M&A activity down by 66 per cent

Mergers & Acquisitions (M&A) deals in the Middle East and North Africa region went down by 66 per cent in the first quarter of 2009 compared to the same period last year. This was revealed in Ernst & Young's quarterly Middle East M&A, which compiles publicly available deals and values across the region.

The update revealed that M&A activity had fallen both in terms of number of deals and disclosed values. A total of 140 deals were announced in the first quarter of 2008 against 47 in the first quarter of 2009. Within these, outbound deals fell from 48 deals in Q1 08 to 11 deals in Q1 09, a drop of 77 per cent, and the number of inbound deals also fell from 20 in Q1 of last year to five in Q1 09, reflecting a drop of 75 per cent. Domestic deals fell 57 per cent, from 72 to 31 in Q1 08 and Q1 09 respectively.

QFC Authority signs deal with Paris-based EUROPLACE

The Qatar Financial Centre (QFC) Authority and Paris EUROPLACE have signed an MoU setting out areas of co-operation between both organisations to help develop the growth of financial services in their countries. The agreement was signed by Stuart Pearce, CEO and director general of the QFC Authority, and by Arnaud de Bresson, MD, Paris EUROPLACE. The agreement was signed during the visit of the French minister of economy, industry and employment, Christine Lagarde.

Stuart Pearce, CEO and director general of the QFC Authority, said: "The MoU with Paris EUROPLACE represents an important framework within which Qatar and France can work to generate new business for their respective financial sectors."

The MoU covers several areas such as co-operation in mutual marketing and promotional activities, the establishment of strong business relationships between the two organisations and the promotion of the economic development of both countries.

Arnaud de Bresson, MD, Paris EUROPLACE, said: "The Paris financial centre has been more resilient in the financial crisis than many other financial centres. This agreement underlines our common will to work closely together, strengthening our ties and developing cooperation in promising sectors. We wish to offer opportunities in the short and long term such as asset management, environmental finance, insurance, real estate and stock markets. The Paris marketplace welcomes the establishment of Islamic finance players and businesses in France."

UAE pulls out of GCC monetary agreement

The UAE has decided not to take part in the proposed monetary union agreement of the Gulf Cooperation Council (GCC) countries, Emirates News Agency WAM reported. According to an official source at the foreign ministry, the General Secretariat of the GCC has been officially notified of the UAE's decision."The UAE extends its best wishes for success to those GCC member states which will join the monetary union agreement," the source said.

ING IM Middle East bolsters fixed income assets segment

ING Investment Management (ING IM) Middle East, the Dubai branch of the international investment management firm, is looking at the fixed income assets segment to boost company's growth.

This is why the firm has set up a Fixed Income Team aimed at offering fixed income conventional and Islamic products on a customised basis. The team is led by Nish Popat, head of fixed income, who joined the firm in September 2008 with nearly fifteen years experience working in the fixed income market, including five years focusing on the MENA debt market.

"Regional fixed income has historically been a challenging environment. We now believe the time and depth of the market has changed to a point where fixed income funds will be at the forefront of institutional demand," Popat said.

Popat is confident that ING IM's global expertise in fixed income and international standards, its transparency, experience in assessing risks and its global distribution network will attract institutional as well as private investors. Growing demand for fixed income products in the GCC markets is being driven by a better understanding of this type of investment, which until recently wasn't considered profitable enough.

Nish Popat

Standard & Poor's Ratings Services said that it placed its 'A' long-term counterparty credit and insurer financial strength ratings on Dubai-based non-life insurer Arab Orient Insurance Co. (PSC) on CreditWatch with negative implications.

"The CreditWatch placement reflects our concerns that Arab Orient's parent, the Al-Futtaim Group, is heavily exposed to the deteriorating operating environment in Dubai," said S& P's credit analyst Nigel Bond.

The ratings on Arab Orient reflect the company's strong capitalisation and consistently very strong and stable earnings, accompanied by prudential asset management with very strong liquidity. Management is a positive rating factor through its prudential risk discipline. These factors are partially offset by Arab Orient's high use of reinsurance and the concentration risk from banking counterparties.

"In our view, it is likely that the resolution of the CreditWatch placements on the corporates and banks mentioned above will heavily influence the resolution of the CreditWatch on Arab Orient," Bond observed. Resolution is therefore expected within the next 90 days, and may result in a downgrade of one notch, at the most.

April PMI figures show that domestic demand in India is on the road to recovery. In its latest equity strategy report, Bank Sarasin & Co Ltd noted that the Indian economy will further benefit as global demand gains traction. Despite a recent 70 per cent rally, valuations remain attractive and the market has significant upside potential.

Saudi Arabia needs one million homes by 2014

One million new homes will be needed in Saudi Arabia over the next five years as the kingdom takes the leading regional role in real estate development and investment, the organisers of Cityscape Saudi Arabia say.

The unique potential of the Saudi Arabian market comes under the spotlight at Cityscape Saudi Arabia, a networking exhibition and conference focusing on all aspects of the development cycle, from June 14 - 16, 2009 at the Jeddah Centre for Forums and Events.

The two-day conference will feature a series of panel discussions on the impact of the global financial crisis on real estate investment and development in the kingdom; updates on the regulatory system, legislation and mortgage law; Shari'ah and conventional opportunities in real estate investment; and the residential needs of the kingdom.

"Anyone who doubts the potential for continued high levels of real estate investment and development in Saudi Arabia only has to examine some of the statistics," said Deep Marwaha, event director of Cityscape Saudi Arabia.

"With a population of 25 million people growing at 2.5 per cent a year, Saudi Arabia is set to double its population in 28 years. In addition, 40 per cent of Saudi nationals are under the age of 20 and 70 per cent under 30. If that is not enough, 65 per cent of families currently don't own a home."

In addition, a new law, which will eventually allow mortgages for the first time, will come into force later this year.

Dubai Properties LLC, a subsidiary of Dubai Properties Group (DPG), has announced several financial institutions will offer exclusive funding options to prospective buyers and investors of residential or commercial units in Dubai Properties' projects. Although potential financing will be available for all projects, there will be a special focus on projects that are due for handover, The Executive Towers, Al Waha Villas and The Villa Phase 1 & 2.

A spokesperson for Dubai Properties, said: "In our commitment to offer our clients top scale properties and services, we have invited leading financial institutions to the sales centre at the Dubai Properties' headquarters to meet and explain the modalities of financing. The banks will seek to streamline the financing options for our current and potential clients. This is also part of our endeavour to ensure our buyers and investors receive customised, timely and accurate propositions."

Dubai Properties' projects consist of a range of residential, commercial and mixed-use developments such as Business Bay, The Villa, Jumeirah Beach Residence, Al Waha Villas, The Villa and Culture Village.

Emaar is offering an opportunity to live in serviced residences located centrally in the Holy City of Makkah. The Emaar Residences at the Fairmont Makkah are located directly on the Haram Plaza offering residents views of the Holy Kaaba and Haram.

Abu Dhabi Finance teams up with Profile Group Properties

Abu Dhabi Finance has extended its reach with the signature of a partnership agreement with one of Abu Dhabi's private developers, Profile Group Properties.

The agreement means Abu Dhabi Finance will offer mortgages of up to 85 per cent loan-to-value on apartments in Profile Group's residential developments on Reem Island.

The deal applies to the 234 apartments in 'Marina Heights I' and 470 apartments in 'Marina Heights II', both within Marina Square.

Philip Ward, CEO of Abu Dhabi Finance, said: "Marina Heights is an excellent development, with some fantastic apartments coming onto the market by the end of this year. These apartments are perfectly suited to long term investors and owner occupiers alike. We are delighted to be able to partner with Profile Group Properties, extending our reach within Abu Dhabi."

Abu Dhabi Finance formed and launched in 2008 with a capital of AED500 million, offers mortgages with a wide range of benefits, including loan-to-value ratios of up to 85 per cent, loan terms of between three and thirty years, flexible repayment methods and debt service ratios of up to 55 per cent.

Philip Ward, CEO of Abu Dhabi Finance and Guy Alan Sadler, CEO of Profile Group Properties

Sherwoods Independent Property Consultants has announced the opening of its regional office in New Delhi in July 2009, offering Middle East-based investors and non resident Indian and persons of Indian origin buyers an opportunity to invest in one of the most exciting property markets in the world. In India's national capital region or the area around the capital New Delhi alone, there is a shortfall in supply of approximately four million residential units, which has increased demand for investments in real estate development projects.

The UAE ministry of finance and NBAD to launch G2 E-Dirham

The UAE ministry of finance and National Bank of Abu Dhabi (NBAD) have signed an MoU to launch the second generation of E-dirham (G2 E-Dirham).

G2 E-Dirham, an expansion of the current system, provides a range of additional services, adopting the latest technologies and offering a wide range of payments and collection methods. It is also connected to other international payment networks.

"Signing this memorandum of understanding with NBAD to launch G2 E-Dirham comes as a part of our continuous efforts to upgrade the e-services to the public dealing with the government sector," said Younis Haji Al Khoori, the undersecretary of MOF.

The system provides new payment and collection services such as payment and collection of government and non-government services fees, payment of bills and fines, e-commerce and internet payment, and mobile phone payment.

It also offers a top up facility through different accredited channels such as NBAD ATMs, direct debit and mobile phone.

"This agreement further demonstrates NBAD's continuous efforts to provide the best banking services and products to its customers," said Saif Al Shehhi, senior general manager, domestic banking division, NBAD.

"G2 E-Dirham is a step forward towards reaching our goals. The various cards will meet the needs of various market segments. Also, offering a variety of channels will simplify the electronic payment process and positively enforce the aim to improve electronic services." Al Khoori confirmed.

Younis Haji Al Khoori, undersecretary of MOF (right) and Saif Al Shehhi, senior general manager, domestic banking division, NBAD

NBAD has selected STS, a regional e-payment provider, as a partner for the implementation and administration of the G2 E-Dirham.

NBAD will provide its customers with credit cards that combine the features and functionalities of both credit cards and E-Dirham cards, all in one card.

Along with plastic cards, the G2 E-Dirham system will provide one-use electronic vouchers with limited validity (maximum of 24 hours from issuance) and with limited amounts up to a maximum of AED2,500.

For more on this, go to www.moneyworks.ae and search 'G2 E-Dirham'

Dubai First and du to launch NFC-based mobile payments

Dubai First, a Dubai Group company and du, the UAE's integrated telecom services provider, have announced a joint partnership for the launch of the first Near Field Communication (NFC)-based pilot programme for mobile payments in the Middle East and North Africa region.

Near Field Communication is a next-generation wireless technology that allows transmission of small packets of data via radio frequency identification transponders such as mobile phones for contact-less payment transactions.

NFC technology holds potential use in mobile phone devices whereby du customers can use their mobile phones to make purchases instead of using cash and traditional plastic payment cards. This technology has a variety of applications including transportation, person-to-person payments, identity documentation and mobile commerce.

Sakana to launch mortgage master class

Bahrain-based Sakana Holistic Housing Solutions, an Islamic mortgage finance provider, announced that they will be conducting the first GCC mortgage master class, a two-day session, in association with UK-based Mungo Dunnett Associates (MDA), a mortgage consultancy with operations in the UK, Central Europe and the Middle East. The master class will be held on June 21 and 22 in the Kingdom of Bahrain.

HSBC Bank has launched Islamic banking products for its Mauritius business customers.

The bank is introducing two products under the HSBC Amanah brand: a current account and a term investment account.

With this launch, HSBC Bank Mauritius becomes the first bank in Mauritius to offer Shari'ah-compliant banking services.

"I am delighted that HSBC is leading the growth of Islamic banking in Mauritius," said Mukhtar Hussain, global CEO of HSBC Amanah.

"Our experience in other parts of the world is that business banking customers have demanded banking services that comply with Shari'ah, and Mauritius, with its strong connections to the Middle East and the Indian subcontinent, is no different. This is a customer-driven business, and HSBC Amanah is one of the world's most trusted Islamic financial brands."

CAPIVEST has announced the launch of the CAPIVEST Shari'ah Index, linked to the S&P Europe 350 Shari'ah Index. The CAPIVEST Shari'ah Index offering of US$50 million was officially launched at the end of April 2009.

The product is designed to meet the growing demand for Islamic investment products and to provide investors with a direct exposure to the S&P Europe 350 Shari'ah Index at a time when prices are at the lowest witnessed in many years, without any risk to initial capital.

This investment opportunity has a four year maturity, provides investors with 100 per cent capital protection and 70 per cent participation in the average quarterly performance of the Index at maturity.

Emirates NBD has announced the inauguration of its main private banking centre at the Office Tower, Dubai Festival City. Private banking provides exclusive personalised banking and investment services to individuals helping them grow, safeguard and diversify their wealth.

EFG-Hermes and Bank Audi launch money market mutual fund

Investment bank EFG-Hermes has launched a new mutual fund in partnership with Bank Audi sae, a member of Audi Saradar Group with operations across the MENA region.

The open-ended Bank Audi Money Market Fund will target institutional as well as retail investors looking to preserve and grow their capital in these challenging times by investing in Egyptian fixed-income securities including treasury bills, treasury bonds, bank deposits and corporate bonds.

"This product is highly suitable for the current economic environment," said Hashem Montasser, head of asset management at EFG-Hermes. "By investing in Egyptian fixed income securities, our investors would remain confident that their funds are being placed into lower risk and liquid fixed-income instruments."

"We are delighted to be launching our first Money Market Fund," said Bank Audi sae deputy treasurer, Amr Gamali. "Investors can invest into the Bank Audi Money Market Fund at any of our branches across the country knowing they are buying a well-managed product that will harness Egypt's economic growth and stability."

Clients can invest in the Bank Audi Money Market Fund with a minimum investment of 100 certificates at a face value of EGP10 each. As an open-ended fund, investors can purchase or redeem certificates in the Bank Audi Money Market Fund at any time.

Barclays Bank UAE has internally selected five of its female employees to participate to its first class of the Women's Leadership Programme (WLP).

The five women selected for the WLP will be assigned a series of projects in different departments to increase their exposure to other business units and enhance their managerial skills. Coursework and on the job training will all be used to further develop their skills.

Majid Al Futtaim launches its first Elite MENA equity fund

Iyad Malas, CEO of Majid Al Futtaim Asset Management

Majid Al Futtaim Asset Management, the asset management arm of the Majid Al Futtaim Group, has announced the launch of its first MENA equity product, the Elite MENA Equity Fund.

The Majid Al Futtaim family office has seeded the fund with US$150 million, making it one of the largest MENA equity funds available to investors.

Focused on the Middle East and North Africa (MENA) region, the open-ended fund, located in Luxembourg, aims to achieve long term asset growth and capital preservation through a tried and tested 'risk-managed growth' approach to MENA investments.

According to the company, this approach has enjoyed strong relative performance over the past seven years. Iyad Malas, CEO of Majid Al Futtaim Asset Management, said: "Investors deserve to have the best home for their money in both turbulent and stable investment environments. By opening the doors to the services of the portfolio management team responsible for Majid Al Futtaim's family office, we offer investors a tried and tested place to invest. The fund offers investors an opportunity to invest with a team whose performance speaks for itself." He added: "Increasing market liberalisation, attractive valuations, and low currency risk offer good opportunities for investors, especially those who currently have limited exposure to the MENA region."

The key objectives of "risk-managed growth" are the preservation of wealth alongside the achievement of long-term growth.

This approach is based on actively managing portfolios by focusing on economic and fundamental factors combined with rigorous diligence and risk management processes.

DPG and Dubai First to launch Platinum credit card

Dubai Properties Group (DPG), a member of Dubai Holding, and Dubai First, a Dubai Group company, have partnered to launch the first co-branded Platinum credit card in the Middle East and North Africa region for a residential community.

Launched in association with MasterCard Worldwide, the credit card is aimed at residents in Jumeirah Beach Residence (JBR) and neighbouring communities.

It offers a range of community privileges including retail discounts and offers at shops located in The Walk at JBR.

Card holders will have access to an exclusive loyalty program that features instant redemption of points for use within The Walk.

The card also provides concierge services, reduced rates on the facility management services by IDAMA and easy payment options on annual property maintenance fees.

Ibrahim Al Ansari, CEO, Dubai First, and Mohamed Binbrek, Group CEO, DPG

Mohamed Binbrek, Group CEO of Dubai Properties Group, said: "Our partnership with Dubai First reiterates our commitment to delivering value added offers and innovative services. The new co-branded Platinum credit card will bring immense benefits such as exclusive offers and concierge services to JBR residents and the neighbouring communities. Effectively, the card will accentuate the 'lifestyle of a lifetime' advantage that JBR and The Walk have to offer."

The Platinum card will initially be available to residents of Jumeirah Beach Residence. It will later be rolled out in phases across surrounding communities. Card holders will be supported by a dedicated Dubai First branch located at Jumeirah Beach Residence.

For more on this go to www.moneyworks.ae and search 'Platinum credit card'

Visa extends Premium Programme

Visa has extended its exclusive Visa Premium Privileges Programme designed to reward its select community of Visa Premium cardholders with travel, leisure, retail and entertainment discounts with addition of 163 new rewards.

The Visa Premium Privileges Programme is available exclusively to Visa Gold, Visa Platinum and Visa Infinite cardholders across the Middle East and offers a range of offers and rewards through preferred merchant partners, which can be viewed on the Visa website: www.visamiddleeast.com.

Norliza Kassim, head of regional marketing for the Middle East and North Africa, said: "Visa continuously strives to enhance customers' experiences by offering added value promotions to our growing premium cardholder base. The programme was developed in response to the growing need for tailored premium products that cater to high net worth individuals in this region."

Visa Premium cardholders are offered an extensive array of benefits.

Dubai Islamic Bank (DIB) announced the launch of Al Islami Takaful Programme, its Shari'ah-compliant savings plan with takaful benefits, designed to meet the unique needs of customers looking for Islamic financial planning solutions. Highlighting the advantages of the new product, Dr. Adnan Chilwan, chief of retail and business banking, Dubai Islamic Bank, said: "The launch of the Al Islami Takaful Programme is a key milestone in the execution of our retail banking growth strategy, as it signifies the introduction of another Islamic retail product offering savings, investment and protection to the bank's customers."

Appointments - May 2009


Saad Zaman


Rabi' Sweidan

Dubai Islamic Bank (DIB) has appointed **Saad Zaman** as the CEO of DIB Capital, a full service investment bank offering capital market, syndications, advisory, asset management and private equity products/ services based in the Dubai International Financial Centre.

JWT Dubai has appointed **Rabi' Sweidan** as its new managing director.

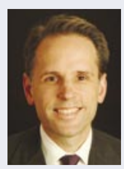

Sajith Kumar P K


Andy Taylor

The board of directors of JRG Metals & Commodities DMCC has appointed **Sajith Kumar P K** as the CEO and director of the company.

Stenham, the global investment management group, has appointed **Andy Taylor** as head of UK Property.

Putnam Investments has appointed **Paul Harrison** as senior vice president.


John Vitalo

Barclays has announced the appointment of **John Vitalo** as CEO of investment banking and investment management for the Middle East.

EFG-Hermes has appointed **Philip H. Southwell** as CEO for the firm's operations in the GCC countries (excluding-Saudi Arabia).

Citi has appointed **Richard Street** as head of securities and fund services, Middle East and **Jason James** as product head of issuer services in the Middle East and North Africa.

The effects of the financial crisis measurable

Just like other GCC countries, the current global economic crisis has also dented in Bahrain's banking sector and economy, but the magnitude of the effect is measurable, according to senior officials from the economic department and Central Bank of Bahrain. A MONEYworks report from Manama.

The global economic turmoil has definitely touched the shores of Bahrain, affecting the overall growth of the country, but it hasn't been able to overwhelm businesses nor has it scared the economy.

The financial health of the economy is sound and the effect of the economic crisis is comparatively low and measurable. The economy is still growing, the employment scenario has improved in the first quarter of the current financial year and the banking industry is comparatively less hit as there is no bailout or major capital injection in this sector.

"Bahrain is expected to grow two-three per cent this year despite the crisis, though the rate of growth is lower than in previous years," according to Shaikh Mohammed Bin Essa Al Khalifa, chief executive, Bahrain Economic Development Board.

"It is due to our no boom and bust approach," he explains.

"The effect is comparatively less due to the gradual and steady approach towards financial and economic development, keeping fundamentals strong, markets well regulated and lastly, due to the existence of forward-looking regulations from the Central Bank of Bahrain (CBB) in partnership with the industry," he adds.

Shaikh Mohammed Bin Essa Al Khalifa

In fact, Al Khalifa feels certain proactive measures combined with the constant monitoring of the financial and economic sectors have gone a long way in staving off what could have been a concern. The government in association with the CBB has been able to contain the effect of the economic crisis to the bare minimum and take remedial measures wherever necessary, he adds.

Measures taken

Valuation of property projects and banks' exposure to the real estate sector has been one of the most intriguing issues of the current crisis in some of the GCC countries. However, in Bahrain there has been continuous forward-looking valuation of the real estate projects due to the initiative of the regulator. Back in December 2007, the CBB had issued a consultative paper on banks' exposure to the real estate sector to assess the current situation. The Kingdom's rules on real estate funding are based on both qualitative and quantitative criteria. Banks operating in the country were allowed to allocate only 30 per cent of their credit portfolio to the real estate sector. All these had helped achieving the objective of containing risk in this sector.

Also, due to CBB's well regulated regime, banks in Bahrain are well capitalised. In 2006, wholesale banks in the Bahrain were asked to increase capital by a minimum of BHD100 million.

Interestingly, CBB stipulates that banks operating in Bahrain should maintain a capital adequacy ratio of 12 per cent. Last year, banks in Bahrain averaged 19 per cent. This compares very well with the required capital adequacy ratio as per Basel II of eight per cent for banks.

Bahrain hasn't taken any drastic remedial measures during the current crisis. There have been hardly any cases of bailouts or massive capital infusion in the financial system barring a few exceptions among investment banks.

Khalid Hamad, executive director, banking supervision, CBB, puts the Bahraini scene into perspective, when he says: "It is wrong to say that we are not affected, but the magnitude is different and Bahrain's banking sector is quite resilient to that extent."

Out of a total of 410 licensed financial organisations (which includes banks, financial institutions, insurance companies, investment banks, etc. Bahrain has not reported a single bank failure during the crisis, according to Hamad.

A handful of banks that reported losses during the crisis and had exposure to toxic assets have already been taken care of. The CBB has so far injected just US$150 million into the banking system. This compares favourably with some of the larger amounts injected by other regional central banks and governments into their respective banking systems.

According to Hamad, certain criteria adopted by the CBB have helped the Bahraini financial sector to better weather the economic storm. The already existing regulatory framework, 35 years of proactive role by the CBB, regular inspection and assessment of the banks by the CBB are some of the important ones, he notes. In addition to these, a number of different measures have

been adopted, such as recruitment of consultancy firms to assess local banks' risk management frameworks, focused compliance process with regular follow up, corporate governance run by rules rather than by codes, etc., have ensured the smooth functioning of the banking sector, he adds.

Another reason for Bahrain's resilience to the crisis is due to its strong focus on Islamic finance, a sector where the country has played a central role for the Gulf region since 1978.

"Islamic finance has benefited from this crisis, as it is ethical and we have seen a 15 to16 fold increase in assets in the Islamic finance industry during the past decade," adds Al Khalifa.

CBB is actively involved in the development of Islamic finance in collaboration with other renowned Islamic organisations. It is promoting Islamic capital and financial markets, while on the other hand, it is working towards promoting the standardisation of Shari'ah laws.

In collaboration with the New York-based International Swap and Derivative Association, CBB plans to soon launch a master agreement of commodity murabaha and the instruments of hedging and risk management within a Shari'ah-compliant framework.

"The two most important growth areas in Bahrain are Islamic finance and investment business," notes Hamad.

Maintaining a healthy balance between the private and public sector has also been instrumental to Bahrain's growth, according to him.

"Bahrain is all about partnership and balance," adds Al Khalifa. By allowing the private sector to become the engine of economic growth and by focusing on transparency and visibility, the country has been able to achieve investors' confidence, he says. This has benefited it over the years, helping it to improve quality standards. In fact, the financial sector alone contributes to one third of the country's GDP.

The government is, however, aware that, along with growth in the financial sector, investment in human capital is equally important. Guided by this philosophy, more than 70 per cent of the people working in the financial sector are Bahrainis.

Khalid Hamad

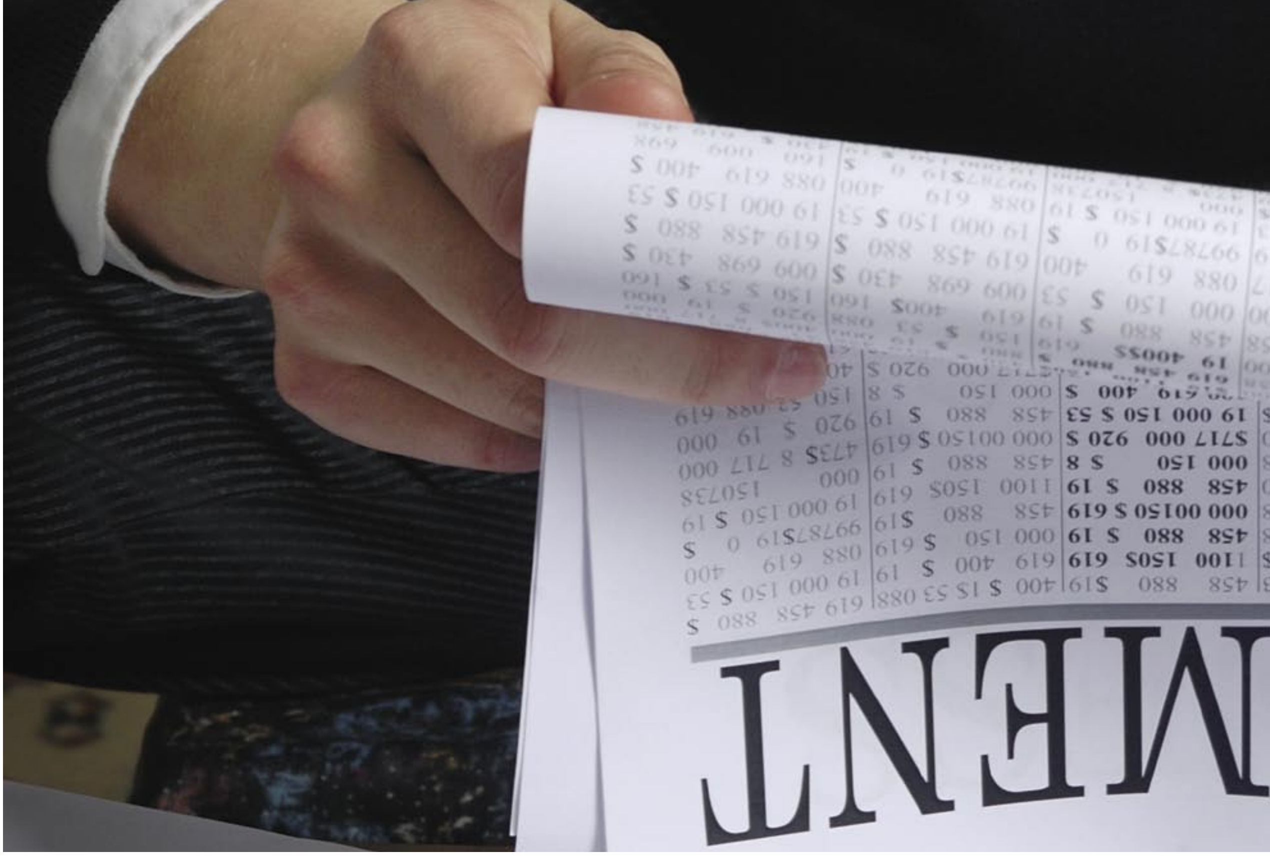
"It is equally important to develop human capital along with the development in other sectors, as growth is all about improving life," Al Khalifa points out.

He also adds: "Growth is welcome, but it must have a purpose. It has to be demand-driven, not supply-led. And because of that Bahrain is not about being one of the biggest, or glamorous or attractive countries. We believe in steady growth, investment in human capital and this is why we have the lowest inflation rate in this region."

Does it mean that Bahrain is complacent about its growth strategy and not really concerned about the increasing financial and economic competition from the other neighbouring countries? The Bahraini authorities have a different view on the subject.

According to them, the GCC region is a large enough place for everyone to grow and to have more than one financial centre. They believe that by further developing the financial services sector, there will be increased overall development in this region.

"We have become mature and grown enough to sustain local demand. Our ambition is to grow our economy and play an important role in that. As a region we want to grow the pie," emphasises Al Khalifa.



More derivatives in the offing for investors

Derivatives triggered the global financial crisis, but **Utpal Bhattacharya** finds out how investors, in the future, could have more of these instruments in their portfolios.

"Green shoots" of recovery is a phrase that's almost becoming a cliché. Yet there is no harm in writing once more that perhaps we have seen the worst, and there are in fact some "green shoots," if not many, although many would still argue that the spurt in the recent market activities is not backed by fundamentals, as there's a lot of cleaning up of financial mess that still needs to be done. So at worst, the current rally in the market could end up to be a typical bear rally. And that's what small investors need to be wary of.

In the GCC, the scenario is no different, and while we are talking much less negatively these days, investors are still waiting for a trigger to get into the market. The memories of the losses of last summer are too painful for many of them, and for sure, it will take some egging before they come back to the market.

In the meantime, however, regional equities are picking up, while two of the region's derivative exchanges are also doing brisk business these days. Both the Dubai Gold & Commodities Exchange (DGCX) and Dubai Mercantile Exchange have been reporting substantial increases in volumes this year compared to similar periods in the previous year. In fact volumes on the DGCX crossed a total of three million contracts last month since the exchange's inception three years ago.

There have been also a few quiet developments in the region in the recent months while everybody was busy licking their wounds from their losses. Exchanges and authorities have been busy looking at new areas and products. Both the Dubai and Abu Dhabi securities exchanges are now expected to list exchange traded funds (ETFs) as regulations are drafted and other types of derivatives, while Nasdaq Dubai has already set up a sophisticated platform for trading derivatives.

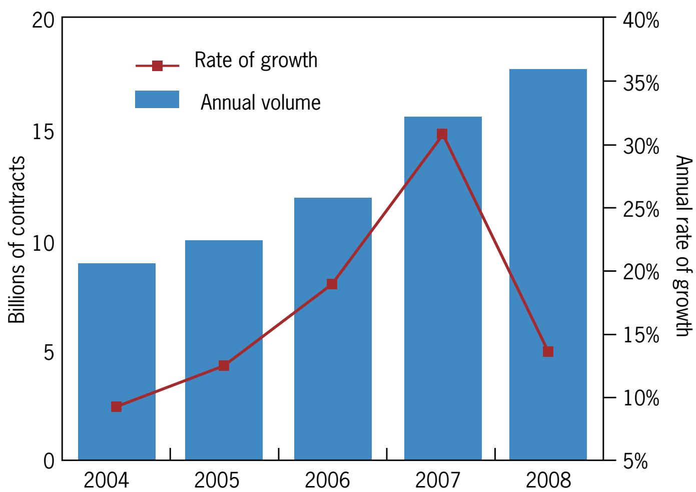
In Bahrain, a whole new exchange that will trade in multiple asset classes on the same electronic platform is coming up. Arshad Khan, director of Financial Technologies (FT), which owns 100 per cent of the Bahrain Financial Exchange (BFX), says

that the global downturn triggered by derivatives, is likely to be a boon for the exchange business globally. He says that a lot of over the counter (OTC) trading on derivatives has already begun moving into exchanges.

Derivatives are age old financial instruments and traders have been using them for hundreds of years to hedge their future bets. Today's financial and business world cannot do without these instruments either, as these protect traders from future risks resulting from business decisions that they take now. But transactions in derivatives will be more regulated in future, as countries led by the US draft regulations to bring more transparency to how these instruments are traded.

The US Treasury has already made moves to regulate derivatives by proposing an electronic system to monitor their buying and selling in the market. According to US treasury secretary Timothy Geithner, firms trading in derivatives in future will need enough capital to take care of any eventualities against defaults. There will be also tough reporting requirements.

Global listed derivatives volume



Source: FIA and Newedge

Derivative volumes

The world of unlisted derivatives has continued to expand even through the current financial and economic crisis. According to a Bank for International Settlements (BIS) report, the notional amounts outstanding of the OTC derivatives continued to rise through the first half of 2008, with all types of OTC contracts estimated at nearly US$684 trillion at the end of June, 2008. This is a 15 per cent increase over the previous six months.

The BIS was expected to issue statistics on OTC derivatives covering the second half of 2008 late last month, and which at the time of this edition going to print was not yet available.

Continues on 22

Trading derivatives: fundamental analysis a must

The moment derivatives are mentioned, people think these are complex instruments that triggered the global meltdown. **David Morrison** gives a rundown on what these instruments are all about.

Forward trading contracts — the precursors to the huge and complex derivatives markets we have today — have been around for thousands of years. They were used primarily as a method for a buyer and seller to set a price for an agreed amount of a specific commodity of a particular quality for delivery on a fixed date in the future.

Such an agreement was an obligation on both parties and of particular use to farmers and merchants, whereby a degree of certainty over the price of a crop could be established. The farmer enjoyed reduced price uncertainty, while the merchant reduced his uncertainty of availability.

As land cultivation increased, communities developed and trade flourished. The increase in commerce brought a proliferation of forward contracts. Agreements between parties for basic necessities such as grains and olive oil broadened to cover other foodstuffs, livestock and cotton.

Early exchanges

However, while people appreciated the value of these forward contracts, it was nevertheless common for one side of the agreement to back out if the price moved against him. To combat this, officials formed legally recognised and properly organised exchanges, with the Dojima Rice Exchange in Osaka, Japan in 1710 as the earliest known.

Advances continued, but derivatives really came of age in the US in the early 19th century. Due to its location, Chicago was a major centre for the transportation, distribution and trading of numerous agricultural and livestock products. As an important trading hub, farmers and merchants saw the value in creating a marketplace where contracts between parties would be upheld in law. A number of formalised exchanges were set up where standardised contracts could be bought and sold, including the Chicago Board of Trade in 1848.

New products

As markets matured, many more commodities became available for trade and speculators began to play an increasing role, providing liquidity and improving the price discovery mechanism. In the 1960s and 1970s other classes of instrument were added, such as currency pairs and financial futures. The number of derivatives grew, developing to cover all manner of products — many no longer backed by a physical commodity. Many financial products could be cash-settled and increasingly this change rolled out across other markets. Now even some commodity futures are cash-settled, as is the case with many energy contracts today.

OTC markets

Despite the huge growth and popularity of exchange-traded derivatives, the over-the-counter (OTC) market is now even bigger. In 2008, the Bank for International Settlements estimated that the outstanding notional value of OTC derivatives was in excess of US$680 trillion, making it about twice the size in value terms as all the products traded on exchange-based markets.

Unlike standardised exchange-based products, OTC derivatives are agreements privately negotiated between two parties and the market is largely unregulated. Unlike regulated exchanges, there is greater counterparty risk, and for the most part the OTC market is made up of banks, hedge funds and other sophisticated parties. OTC instruments include collateralised debt obligations (CDO) and credit default swaps (CDS), as well as foreign exchange (FX or forex) and contracts for difference (CFDs).

Retail investors

Retail investors, much like their professional financial sector counterparts, have experienced dramatic changes, both in product innovation and the methods used to trade new financial instruments. Thirty years ago direct investment in company shares by private individuals outside the US was rare. However, during the 1980s, deregulation (notably the UK's "Big Bang") and multiple privatisations led to a greater public awareness of the investment opportunities available.

Consequently, the number of private individuals buying and selling company shares directly increased dramatically. The development of CFDs (and in the UK, spread betting) meant that they were no longer limited to buying stocks, but now had a relatively inexpensive and easy method of going short as well – something previously only available to professional traders.

Going online

The private investor then realised that there were opportunities to speculate on foreign exchange and commodities. Growth in these areas built up steadily until retail interest and trading volumes exploded with the technology revolution in the late 1990s.

The development of the internet and the improved affordability of the personal computer meant that retail investors no longer had to rely on a broker to execute their trades. At the same time, traders were able to trade a vast number of different financial instruments at the click of a mouse. The costs of trading fell substantially, as did the speed and ease of dealing. Furthermore, the private investor could now enjoy pricing transparency and benefit from seeing one's trading account valued in real-time. Finally, charts, online trading tools and access to news and information feeds (previously only available to market professionals) also became democratised – affordable, and finally available to all.

The popularity of CFDs

CFDs have grown substantially over the past few years. By definition, a CFD is an agreement between a customer and a provider to exchange the difference between the opening and closing prices of a particular financial instrument. Rather than buying and selling the underlying security, a trader is simply speculating on the price.

CFDs offer some advantages that make them attractive to many investors, but they are not necessarily suitable for all. They are invariably liquid and relatively easy to deal in, either over the telephone or, more commonly, online. They are available on a wide range of markets, including individual equities, as well as global stock indices, commodities, currencies, interest rates and bonds.

CFDs are a margined product, which means investors need only to put up a small percentage of the contract's value as an initial outlay for holding the position. While this leverage means that profits are magnified as a percentage of the initial investment in good times, it also means that losses are correspondingly greater if markets move against one's position. This means that speculators can lose more than their initial deposit requirement.

However, by understanding the essence of leverage, and calculating the potential loss in a "worst-case" scenario, CFD investors can tailor their risk strategies accordingly. This enables them to trade fast-moving and volatile CFDs with less risk for substantial losses.

Getting started

Before making a trade, the most important task is to prepare carefully, produce a trading plan and stick to it. Fundamental analysis should be the starting point for any trader, as it is important to understand the underlying drivers for a particular market. This analysis should highlight the factors currently influencing supply and demand, and how these factors are likely to change in the future.

But fundamental analysis is not enough on its own. Technical analysis is also a crucial weapon in the trader's armoury. There are many different approaches to technical analysis: some traders consider it far more important than fundamentals and ignore everything but charts. Some traders follow a particular type of analysis to the exclusion of all others. It is important to find the right balance of fundamental and technical analysis that fits one's own trading strategy.

Technical analysis is a huge discipline and can be quite daunting at first. New entrants would do well to do a bit of homework and experimenting with some basic techniques which will help them establish trend lines and levels of support and resistance. Fibonacci retracements and Andrews' Pitchfork are both straightforward, relatively easy to interpret and widely followed by traders.

Technical analysis should be used to establish both the entry and exit levels for a trade, whether setting a limit to take a profit or choosing a stop to cut a loss. One doesn't need to be an expert, but a basic knowledge which enables one to establish areas of price support and resistance, and show what other traders are looking at, can hugely improve the chances of trading success.

Some final advice: mental capital is just as important as real capital, and one should always try to preserve both. If someone is worried about a position losing money, then he is probably taking on too much risk. It is always prudent to use stop losses when someone has an open trade, and never risk money that one can't afford to lose.

Also, if an investor has a view on an individual equity, stock index, interest rate, bond, commodity or currency pair, it has never been easier to back his view through CFDs. It is now possible to get a professional-standard trading package simply by opening an account. This will give the investor access to thousands of different markets together with real-time charts, technical analysis and other trading tools. Here's wishing all investors every trading success. MW

David Morrison is a derivatives market strategist at GFT.

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Global listed derivatives volume 2003-2008

Number of futures and options contracts traded and/or cleared on exchanges

	2003	2004	2005	2006	2007	2008
Domestic US	2,172,516,430	2,795,211,945	3,525,151,683	4,573,288,354	6,091,010,548	6,954,106,904
Outside US	5,940,203,225	6,069,499,103	6,448,671,825	7,288,924,671	9,435,621,556	10,698,596,717
Total	8,112,719,655	8,864,711,048	9,973,823,508	11,862,213,025	15,526,632,104	17,652,703,621
% change yoy		9.3%	12.5%	18.9%	30.9%	13.7%
% change yoy US only		28.7%	26.1%	29.7%	33.2%	14.2%

Source: FIA and Newedge

The statistic compiled by BIS covers notional amounts and gross market values outstanding of the global consolidated OTC derivatives exposure of major banks and dealers in the G10 countries.

Significantly, as Khan points out, more derivatives have also now started trading on exchanges transparently. The trend has been very positive in the past few years, according to experts. They also say that the emphasis of major global powers led by the US to leash and regulate the OTC market is resulting in more derivative listings on global exchanges.

According to the Futures Industry Association statistics and data compiled and presented by Will Acworth, editor of Futures Industry, and Galen Burghardt, director of research at Newedge, the year-on-year global rate of growth of contract volumes of listed derivatives has been double-digit since 2005. In 2004, the rate of growth was 9.3 per cent over the previous year, while in 2005 there was a spurt at 12.5 per cent over the previous year and there has been no looking back since. The rate of growth peaked at 30.9 per cent in 2007 over 2006.

Arshad Khan

Says Khan: "In 2008, we saw a 14 per cent growth in derivative trading on global exchanges over the previous year. The OTC market is huge, and derivatives trading over the counter are moving into the exchange market. Imagine what an impact it will make on the exchange market, when this transition really picks up speed?"

Khan adds that products like credit default swaps (CDS), which were trading on the OTC until recently, have moved into exchanges. These are now trading on many exchanges in Europe and the US.

"What has happened with this global crisis is that investors, both globally and locally, are more inclined to use safer mechanisms to make their investments. When you trade on an exchange, the counterparty risk is taken by the exchange, thus mitigating risks of default. Exchanges also make available proper risk management tools to investors," he explains.

And that's what convinces Khan that exchanges, both regionally and globally, will list many more derivative products, while increasingly investors will move from OTC markets to these exchanges to transact derivatives.

New regional concepts

There are reasons for Khan to be delighted at the turn of events that has seen, or, is seeing the transition in derivatives trading, as his company, FT, is in the process of setting up the newest exchange in the GCC with the BFX.

FT has also stakes in other exchanges in the region and India.

The difference with the BFX is that it is positioning itself as a multi asset trading market rather than the standard positioning of most of the other markets in the GCC.

Khan reasons that there are a number of exchanges in the region; but for those investors who are increasingly looking for a one-stop-shop when it comes to regional asset allocation, they do not have options. These investors have to go through individual exchanges in the GCC, and which means many different parties and interfaces and time lag. And that's where the BFX will offer an international platform, where investors would be able to trade all asset classes on the same electronic platform, he adds.

The BFX is licensed by the Central Bank of Bahrain (CBB) as an exchange that can list any product, including equities and bonds, derivatives, commodities and currencies, etc. And more importantly, it can also trade Islamic products.

Khan says that in the last six to seven months people have realised that Islamic finance offers much more convenience and risk management mechanisms in terms of good principles that already exist in that type of investing.

"There are no markets in the region that offer innovation in Islamic finance products. We will come in that space," notes Khan.

BFX will become operational in the first quarter of 2010. And when it launches, the exchange will have four product streams. These four streams will be: all equities and bonds; derivatives like index futures, stock futures, ETFs and REITs, commodities and currencies and Islamic products.

The FT director also discloses that among others, BFX is working on developing crude and LNG contracts for the derivative stream, while the Islamic market will see the launch of commodity murabaha type of solutions. There are also talks of listing sukuk repo products.

According to Khan, sukuks have had an active primary market in the region, but there is hardly any activity in the secondary market, as institutions subscribing to sukuks tend to hold them for a number of reasons, primarily because they want to be seen as having portfolios that are Shari'ah compliant. BFX will bring about a change in that space by creating products that add depth to the secondary market in Islamic products, including sukuks, he adds.

"The sukuk repo products will primarily target institutions and high net worth individuals to trade on them, but going forward, I don't see why we cannot list products that will target small investors," says Khan.

Global listed derivatives volume by category

Number of futures and options contracts traded and/or cleared on exchanges

Category	2008	2007	% Change
Equity index	6,488,620,434	5,499,833,555	18.0%
Individual equity	5,511,194,380	4,400,437,854	25.2%
Interest rates	3,204,838,617	3,745,176,350	-14.4%
Agricultural	888,828,194	640,683,907	38.7%
Energy	580,404,789	496,770,566	16.8%
Currency	577,156,982	459,752,816	25.5%
Precious metals	180,370,074	150,976,113	19.5%
Non-precious metals	175,788,341	106,859,969	64.5%
Other	45,501,810	26,140,974	74.1%
Total	17,652,703,621	15,526,632,104	13.7%

Note: Based on the number of futures and options traded and/or cleared by 69 exchanges worldwide.
Source: FIA and Newedge

The way forward

One of the dilemmas that the GCC region faces is the enormous capital outflows from the region. Corporates, financial institutions and individuals have always blamed the region's lack of assets and regulations for that. Although cross-border capital flows are just normal in a globalised world, many like Khan think if investors get the right environment in the region, these outflows from the region can be considerably slowed down in future.

For example, Bahrain alone saw investments of US$5.31 billion outside the country in 2008 compared to US$68 billion inside the country in the same year. It is the same with deposits, with US$6.1 billion being kept outside the country compared to US$2 billion inside Bahrain in the same year, according to CBB figures.

Khan says that BFX with its multi asset platform will increasingly target this liquidity that leaves the country. He feels confident that if the international exchange is able to offer the right products, there is no reason why some of this liquidity will not remain onshore.

While BFX is "another" international exchange to set up in the GCC in the last five years, it will not be a surprise if a couple of more pop up in the next few years. However, what remains to be seen is how much liquidity these exchanges can together garner to make them competitive globally. Also, if that has to happen, mere equities will not be able to take them there. Derivatives will have to play an increasingly important role. But again, for that to happen, all key stakeholders, and especially exchanges, issuers and intermediaries will have to make lots of efforts to create and spread awareness about derivatives in the region, so that retail investors get involved in the domestic markets.

What can also help is that the many exchanges in the GCC cooperate more with each other and come up with a solid integrated investment proposition, making it a more seamless experience for investors to move liquidity from one market to the other in the region. In other words, help investors by looking at ways to reduce bureaucracy and costs of doing business regionally. It is true, the GCC is finding it difficult to agree on various aspects on the issue of a monetary union; but that does not mean that constituents have given up trying. Similarly, the region's financial markets should make efforts to find ways to work together and come up with a GCC offering for both international and regional investors and not just make it a local experience in an individual exchange as it happens today, so that the cake is bigger, and everybody gets a larger piece than what is available today.

A passion turned into a profitable business

For the UAE's book lovers, Magrudy's needs no introduction. Here Isobel Abulhoul, founder and managing director of Magrudy Enterprises, tells **Ritwika Chaudhuri** about her passion for reading and love for children's toys that ultimately turned her into a successful entrepreneur.

What prompted you to set up Magrudy's and when? Also, why a bookshop? Does it have to do with your love for reading and quest for knowledge?

Magrudy's was set up 34 years ago, back in 1975. It was born as a family-run business with me, my husband and son running the show. In those days we had a young family and it was very difficult to find children's toys.

Initially we set up an educational toy shop, and along with that, we used to sell children's books. Eventually, mothers visiting the shop started asking about different types of books like mother and child books or cook books. So overnight, the types of books started multiplying.

I had a large library at home, and I am an avid reader. As a consumer and reader, books were an area I was familiar with, and that is something very important when you decide to set up a business. If you are passionate about something and enjoy doing it, then it becomes easier to turn your hobby into a successful business.

I also love children's toys, as it gives me immense pleasure to choose good toys that children enjoy playing with.

What does Magrudy mean?

It is just an Arabic name, however, it does have a meaning -'fated'.

How were the initial years, as you were setting up a new business, arranging finance and marketing the concept?

I did not have a business background and neither did my husband. I was a teacher before I had children. But Dubai is the kind of place which is very forgiving of mistakes. It was a stiff learning curve, though.

One needs to be cautious in business. Since business is all about taking risks and you cannot avoid that, it is prudent to take risks that are manageable and not huge. I was cautious in the beginning because I had no experience. That is why, when we made mistakes, they were not too big. We never had huge stocks, which could not be sold.

Magrudy's grew organically over the years. We did not take a loan. We started small with our own finance. We did not market ourselves. It was pretty much word of mouth. We had things in our shop that were not available in the market and that was good for us.

You said you started small. What was the initial capital?

Honestly, I don't remember. It was just what was needed to start a small venture and my husband provided for that. It was on going like that until three to four years later when we were able to finance ourselves and the business. Usually in a typical business plan one should be able to break even or pay back one's capital within three to four years, depending on the type of business and the capital one puts in.

When did you come to Dubai?

It was in 1968. My husband is from Dubai.

Where are you from?

I am from Cambridge, England.

Along with your passion for books, is it also the lack of such facilities at that time which prompted you to set up such a shop here?

As I said, there were no book and toy shops in those days in Dubai. But like books lots of other things were also not available at that time. However, it used to be an enjoyable challenge to be innovative using whatever means available to us.

I am left-handed and most left-handed people have their own ways to do things to make their place in the right-handed world. We are a minority, but we have an edge and look at things with a different view point. Left-handed people are creative. I am not creative artistically, but I do believe I am creative and that was helpful when I set up Magrudy's.

Magrudy's has been recognised as the leading employer in this region by Hewitt. What do you have to do to make an enterprise successful, respected and trend-setter?

"I love what I do and I am passionate about my work. So, it is not a job for me, rather it is more joy and hope. We are very lucky to have a multicultural team here in Magrudy's. The publishing industry is fascinating."

Isobel Abulhoul

I was absolutely delighted and thrilled as we never expected to be awarded when we entered the contest. Apart from my family, this has made a big difference for my employees as this creates a perception about the company.

Looking after its employees is extremely important for any company. But then, no one can sit back and say they are perfect, and hence, we have a long way to go.

I think mostly people get influenced by what is happening around them. They cannot help but recognise excellence in other companies. However, I always avoided trying to copy others as it was never necessary. Also, we are doing a few things here which are not done by others and that way you can set your own standards.

I do not think being successful is difficult but it is a case of believing in yourself, and choosing the right thing, looking at the right kind of business you want to do. It is also important to think like a customer: what you would like to buy, what can please or irritate you. By the way, I am a difficult customer.

I love what I do and I am passionate about my work. So, it is not a job for me, rather it is more joy and hope. We are very lucky to have a multicultural team here in Magrudy's and the publishing industry is fascinating.

How many employees do you have now?

We have 270 employees at the moment.

What according to you is Magrudy's area of strength?

Magrudy's, being a family business, one of our greatest strengths is that we treat people who join us as part of a big family. We want to make them feel at home, feel proud of what we do and we also take great care to make sure that customers get the best service. We always try to run the business with honesty.

For example, if something goes wrong we try to apologise and admit our mistakes rather than ignore them. When you are in business, you cannot have everything hundred per cent right, but you should be honest and ready to admit these mistakes.

Being in the family business we have old-fashioned ethics and accordingly, we choose products selectively.

What is old-fashioned ethics?

We try not to use gimmicks as these are, in a way, dishonesty. You see wonderful offers and discounts, but there is always a fine print below. I personally do not like that approach. So we don't practice it in Magrudy's.

Regarding the choice of merchandise, we never sold toys that link to violence. We would like parents to feel comfortable when they buy from our shop.

Since Magrudy's is in the business of knowledge, what do you have to say about the country's drive towards a knowledge-based economy?

Reading and being literate is essential particularly in your mother tongue.

Hence I think, though it is good to know English as it is a global language, one needs not to be totally reliant on it at the cost of one's mother tongue, which is Arabic here. So I look at the drive towards a knowledge-based economy in a different way.

It is fine to embrace new ideas or skills, but don't lose the skills that made your country proud, like for example poetry, folklores, handicrafts which are some of the treasures of this country. I believe in today's busy life you need to focus on life skills or skills in a wider sense. Some skills are acquired in life, but some are special skills, not very common, but important at the same time.

What do you think about reading habits in the country?

The recent trend in book discussions and book festivals is really good and shows people's appetite to take part in lively debates. We are so lucky to have so many festivals back to back like poetry, arts, books etc. Dubai is in the forefront of regional cultural events.

Who are your main customers?

We have a broad mix of customers from all nationalities. I am always very touched to see the second generations visiting Magrudy's talking about their experience of coming here as children and that is wonderful to know as a founding partner.

Children are my main focus and if they enjoy going to a particular place or shop, therein lies the success of it.

What is your future plan regarding further expansion?

We have 10 branches at present, eight in Dubai, one in Abu Dhabi and one in Al Ain. You have to decide what you want to be and work towards it.

"We are so lucky to have so many festivals back to back like poetry, arts, books etc. Dubai is in the forefront of regional cultural events." *Isobel Abulhoul*

We are not in enormous rush to expand too fast. Our growth is driven mainly by customers. We will continue to grow in the same fashion, while protecting our integrity and retaining our core values.

Our future plan includes taking Magrudy's regionally within the next five to 10 years. It might happen sooner or later depending on a number of factors including finances, availability of shop spaces within the target countries and getting the right partners.

We are in detailed discussions with a number of organisations in the region that want Magrudy's to be in their countries. We will be cautious when we go into unknown territories.

I do not want to try new things; rather I would focus on core products like books, toys, stationary, cards and a small number of gifts.

How do you view competition?

Competition is a fact of life; it makes you better in the field you are in, and keeps you sharp. People are not realistic if there is no competition. More bookshops mean more readers and more opportunities.

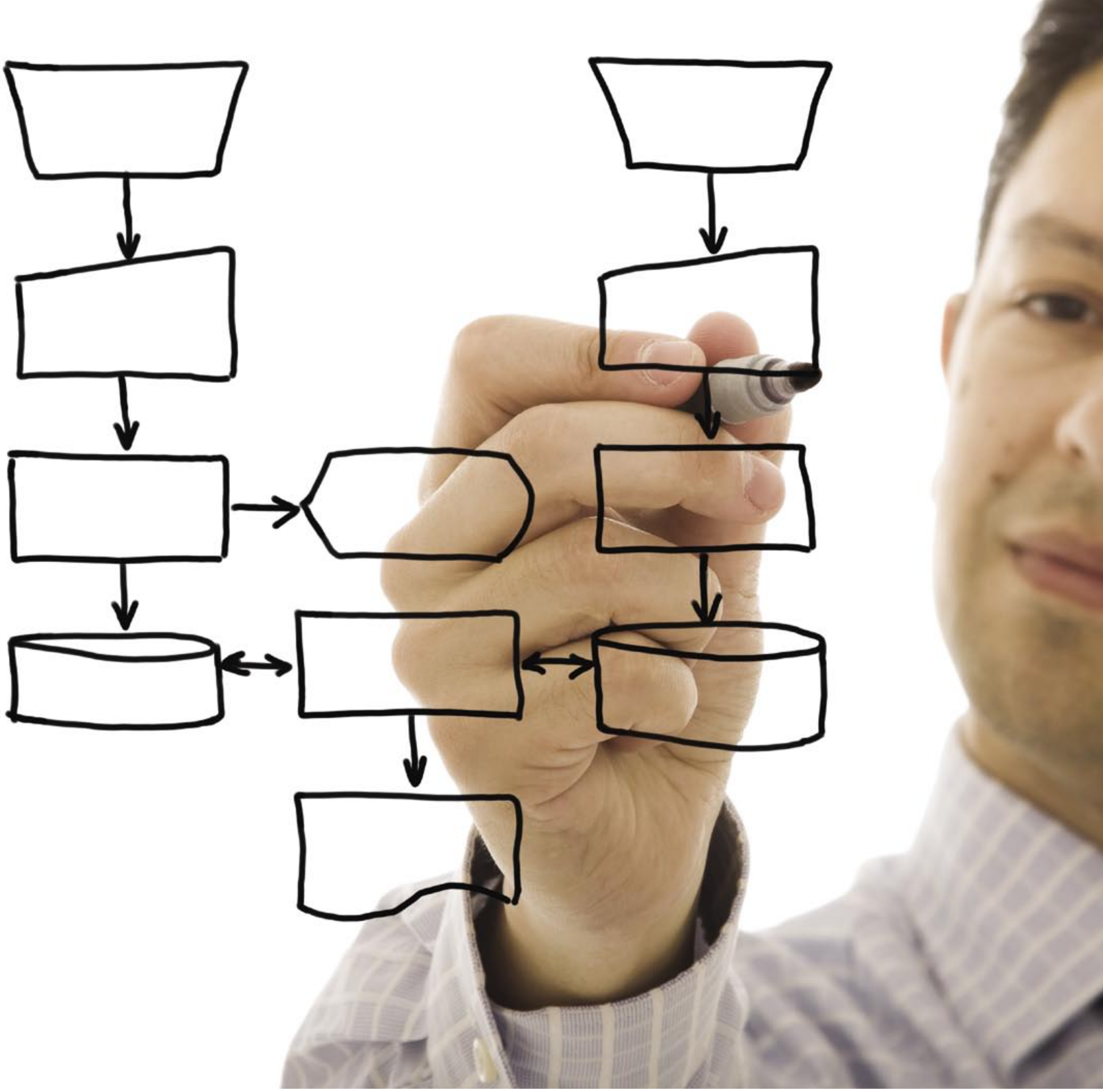
Tell us some of Magrudy's initiatives towards corporate social responsibility.

Magrudy's is active in encouraging reading among UAE residents, setting up book clubs for adults and children, inviting authors for book-signings and workshops and working closely with local schools and charities to promote reading as a path to knowledge. Magrudy's was one of the first retailers in the UAE to introduce jute carrier bags.

We have employees with special needs. It is important that companies try and accommodate adults with special needs within our community. Margrudy's Educational and Resource Centre (MERC) focuses on supplies to schools and colleges in this region and also runs professional courses for teachers and educators.

Any particular message you want to convey?

Yes, it is towards the parents. However busy they are, they must set aside at least 15 minutes to read to their young children giving them exclusive time and making them feel important. That way parents can initiate the habit of reading in the younger generation early in life.



IndusInd Bank's restructuring plan on stream

If all goes well, the Indian banking fraternity will see a new avatar of the IndusInd Bank - an Indian private bank with presence in the region - in a couple of years. Romesh Sobti, CEO and managing director of the bank, speaks to **MONEY***works* about the progress of IndusInd's mega restructuring plan.

Romesh Sobti, CEO and managing director of the India-based IndusInd Bank, is smiling despite the global downturn. His bank, unlike many of its global peers, managed to reach its financial target by doubling the bank's profitability for the financial year ended March 2009. The bank also managed a reasonable increase in return on equity and return on asset.

The IndusInd Bank, which belongs to the business stable of the Hinduja group, enters into the second year of a three year (March 2008 to March 2011) restructuring plan. The plan was initiated by Sobti after he joined the bank in February 2008.

IndusInd, which has a representative

office in Dubai, reported a 98 per cent increase in its net profit to INR148.34 crore (US$30.08 million) for the year ended March 2009. The net profit for the same period in the previous year was INR75.05 crore (US$15.22 million). The bank's revenues have also risen 53 per cent in this period from INR598.38 crore (US$121.35 million) in March 2008 to INR915.28 crore (US$185.61 million). Deposits and advances were up 16 and 23 per cent respectively for the same period. Also, while return on asset has gone up from 0.34 per cent to 0.51 per cent, return on equity is up to 9.71 per cent from 6.76 per cent.

Sobti claims: "We have no aspirations of market share. We ideally want to refocus on balance sheet, pricing and tenor (asset-liability management). Our aim is to become one of the top three private banks in India, and in three main areas: productivity, profitability and efficiency."

IndusInd has identified six crucial parameters for that purpose. And these focus areas are net interest margin, cost-to-revenue ratio, return on asset, net-performing asset, return on equity and revenue per employee. The bank has also set targets across all these individual parameters in line with the best in practice parameters in the Indian banking industry. And Sobti is a happy man as in virtually all the set parameters, the bank has already improved substantially from where it started (see table on page 30).

Surviving the early years

IndusInd bank was incorporated in April 1994. The vision of the founders at that time was for the bank to acquire deposits from the global non-resident Indian (NRI) community and use it towards India's social and economic development. But that did not happen as the bank could not make its mark in the Indian private banking sector compared to some of its peers, which came into existence around the same time, but grew into giants.

Incidentally, of the nine private banks that received banking licences during 1994, when India was opening its banking industry, only five survive today. The rest of them went belly-up in the late '90s with significant bad debt, as their corporate books imploded.

Interestingly, of the five private banks dominating the Indian banking sector today, IndusInd Bank is the only non-institutional bank.

Significantly, although IndusInd Bank survived an earlier credit crisis, the bank continued to suffer from lack of focus, low productivity and suboptimal profits for a number of years. In addition to that, in these years the bank did not use any measurement criteria to evaluate performance of its employees. And last but not least, because of its merger with its sister company, Ashok Leyland Finance - primarily a non banking financial company - following the merger commercial vehicle financing became one of the bank's main activities.

In fact, Sobti regards the IndusInd's merger with Ashok Leyland Finance as the primary reason for the bank's poor performance.

"The merger could not be integrated properly with two conflicting financial structures: a bank and a non-banking financial institution," he explains.

However, he also adds, not all turned out to be bad, as, despite its other weaknesses, the bank was at least able to build a robust technology platform.

The restructuring programme

The restructuring of the bank seemed imminent for some time. When Sobti joined IndusInd in February 2008, quitting his position as head of ABN-Amro India, he brought along five new executives to create his own team. But the idea was not to completely overthrow the existing system and management. "Let me assure you that it is neither whitewashing, nor throwing away everything old," emphasises Sobti.

"Of the management team's 11 members, only five are new. The rest of them have started working for the bank before me," he adds.

With regard to its three-year restructuring plan, the bank has now been recapitalised with a fresh issuance of GDR (global depository receipt) of US$51 million (including premium) in June 2008. This represented 10 per cent dilution of the bank's equity.

The bank also raised tier II capital through an INR100 crore (US$20.27 million) subordinated debt issue in March 2009. It also tapped the GDR market in March 2007, raising INR147 crore (US$29.81 million).

Sobti says that while recapitalisation is part of the bank's restructuring programme, other initiatives include refocusing the business, rescaling the workforce and improving profitability.

Over the past year IndusInd Bank has added 1,500 new employees, bringing the total number to 4,200. The bank also made a clear distinction between its corporate and retail clients.

Within the retail banking segment, new initiatives which have being carried out during the current financial year include improved services for NRIs, boosting an emerging corporate business, improving the quality of service and productivity of retail managers and image makeover or branding.

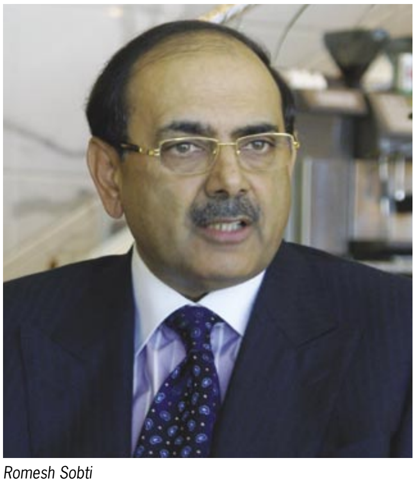
Sobti explains that for retail consumers, apart from different schemes in the liability side, the bank will be offering various types of lending products, mortgage loans and third party investment (funds and insurance) products.

This year, the bank's corporate banking initiatives include rolling out full scope online banking, improved trade finance, introducing exchange traded currency futures, and improving remittance management.

With big corporates, the bank's main thrust area will be treasury and transaction banking. The bank will also have facilities for small and medium enterprises.

IndusInd is also in the process of contracting a brand consultancy and has started working on new customer propositions. It has also started the process of client segmentation with different channels addressing different clients.

"We want to be a universal bank providing all products and all services to chosen clients like the mass affluent," Sobti notes. "Perception is caused by experience and we are here to change the old perception," he adds.



Romesh Sobti

Key banking parameters: Promise vs. delivery

Parameters	*Industry best in class (Indian banks)*	*Where the bank started (year end March 2008)*	*Where it is now (year end March 2009)*	*What it targets after restructuring is complete in 3 years (year end March 2011)*
Return on asset (in %)	1.54	0.34	0.58	Above 1
Cost to revenue ratio (in %)	49.19	67.21	59.77	50
Net interest margin (in %)	4.35	1.53	1.96	3.5
Non performing asset (in %)	0.09	2.27	1.14	0.9
Revenue per employee (in INR lakhs)	25	21	22	33
Return on equity (in %)	21	6.76	10.38	19

Source: IndusInd Bank

IndusInd Bank boasts over two-million customers, 180 branches, 356 ATMs and 410 marketing offices spread in 147 locations across India. As part of the restructuring programme, the bank also plans to extend its retail network and improve its operational delivery.

It has already obtained licences for 30 new branches and 50 offsite ATMs.

Apparently, the restructuring initiative also includes rechristening the bank. However, Sobti is neither ready to talk about the possible new name nor the tentative timeframe for when the bank is expected to be rechristened. All he says is: "We will not change the name before changing internally."

So in all probability, the banking fraternity has to wait until the first quarter of 2011 to see the new avatar of IndusInd Bank.

While in India the bank is undergoing a total overhaul, Sobti is consolidating IndusInd's presence abroad with better product offering for NRIs. At present, the bank has two representative offices overseas: Dubai and London.

The bank has recently announced the launch of its enhanced NRI banking service offerings for NRI account holders based in the GCC and Middle East.

IndusInd has also launched a new NRE premium savings account (with gold debit card, internet banking, mobile alert, utility bill payment and doorstep banking facility) for an initial amount of INR50,000 (US$1014) only and tatkal service (instant account opening across the table). The NRI banking service comes with two unique and powerful propositions of Indus Assist and Indus NEAT (NRI enquiry assistance tracker). Indus Assist service has been introduced to assist IndusInd Bank's customers with filing their tax returns, processing permanent account number applications and paying income and property tax.

"With a large base of NRI customers in the Middle East, we strongly believe in providing value-added services to our customers that go beyond the basic banking transactions," says Sobti.

Indus NEAT is an online query resolution service, which will assist IndusInd Bank customers in solving their banking, taxation and finance related queries within 72 hours.

IndusInd Bank offers a suite of other products and services for NRIs in the Middle East, including different deposit products, remittance products, sale of mutual funds and other banking-related third-party products and services. It also offers a special remittance product for funds transfer from the Middle East called the Indus Speed Remit, in a tie-up with 22 exchange houses in the UAE, Oman, Kuwait, Qatar and Bahrain. The bank also has strategic alliances with Doha Bank, Qatar and Union National Bank, Abu Dhabi, for reciprocity of business flows, promotion and marketing. MW

A US recovery imminent

Lessons from mistakes in the past have been forgotten, and hence, the world economy is once again passing through a similar depression to the 1930s.The only difference now is that the US government has acted faster and the policy prescriptions are on the right track. So, a right mixture of monetary and fiscal policy along with measures to reduce toxic assets can lead the economy to a quick path of recovery, says **Ilian Mihov**, professor of Economics at INSEAD.

It might not sound absurd and impractical that the US economy will start recovering more towards the middle of 2009 if we are to listen to Prof Ilian Mihov's, critical analysis of the policy measures taken by the Fed and his suggestions towards the road to recovery.

Though there might be a couple of bad months ahead and the evolution of the economy will depend very much on what policy-makers do, Mihov is of the opinion that "If there is an aggressive fiscal stimulus, if regulators deal with toxic assets promptly and if monetary policy continues to be expansionary, then the economy most likely will start recovering towards the middle of this year." He further adds: "Since a good policy in the US is good for the entire world, as the US economy starts recovering, the emerging markets will be on track."

To establish his belief, he draws an analogy to the dynamics of the current global crisis in historical perspective. Over the past 130 years US income per capita (adjusted for inflation) has increased by an average of 1.85 per cent per year and as the evidence shows, apart from the Great Depression of 1929-1933, recessions are short and the US economy has so far always returned to the trend of 1.85 per cent growth in per capita income (Refer graph).

The US economy reverted back to a growth level of eight to 10 per cent after the Great Depression with four pronged policy intervention by Franklin Delano Roosevelt, the 32nd president of the US which recommended broad based fiscal expansion, change in the regulatory environment, reconstruction of the financial sector and allowing Fed to use monetary policy to increase liquidity aggressively.

Cause of the crisis

The crisis originated from the bubble in the housing market and then other factors – like sub-prime lending, securitisation, leverage and opacity of the financial instruments that magnified the problems resulting from the decline in housing prices. But Mihov is of the opinion that along with the above mentioned problems, the sophisticated signalling mechanism that was supposed to warn policy makers about any possible deep imbalances that are in the process of developing, have failed. Besides, low short term interest rates, regulatory inconsistency (while commercial banks were regulated and supervised closely, other investment banks and financial institutions were let loose), and lastly financial complexity and mispricing of risk added fuel to the fire.

Mihov feels the cause of the crisis to a great extent resembles to that of Great Depression in terms of shocks and amplification mechanism. "In general, it is correct to say that there are many resemblances between the Great Depression and the current crisis because both events have a very strong interaction between the collapse of the financial sector and the real economy. However, we are very far from the magnitude of the Great Depression when output losses were around -10 per cent per year. In the current crisis, this year output loss is expected to be around minus one per cent."

Despite the difference in magnitude, due to similar nature of the crisis, the policy measures, according to Mihov, should be in the same direction.

Policy measures

Mihov feels that a lot has been done in monetary policy and policy makers have tried to rescue the financial sector. The Fed started with a rather standard response to the crisis by lowering interest rates in 2007-2008. The collapse of Lehman Brothers completely changed the game.

The massive injections of capital in the US and other advanced economies did not generate the necessary revitalisation of the lending process; hence, the Fed opened its lending window directly to non-financial institutions in the commercial paper market. This helped firms to pay suppliers and workers at a much lower rate than that from commercial banks.

However, lending of commercial papers is only one of the few lending facilities opened by Fed during the past 12 months. Measures like reductions in interest rates and intervention by the Fed in the credit market by providing credit directly to financial and non-financial institutions are expected to reduce substantially deflationary pressures.

Still, according to Mihov, two urgent components are missing from the policy measures taken so far. The government has to deal with toxic assets, and thus intervene in the financial sector. And also create a new regulatory framework that will have to address the asymmetry between the importance of investment banks in liquidity provision (through securitisation) and their status by and large as unregulated entities.

And secondly, there is no fiscal policy action yet which is usually done via changes in tax rates and government spending. By cutting taxes or increasing spending, the government can prop up demand in the economy and stop the vicious circle. "There is little doubt in my mind that a well-designed fiscal package can shorten the recession dramatically and make it much shallower than a recession without a fiscal stimulus. Unfortunately no major fiscal policy measures have been taken mainly due to the transition in the leadership," Mihov points out.

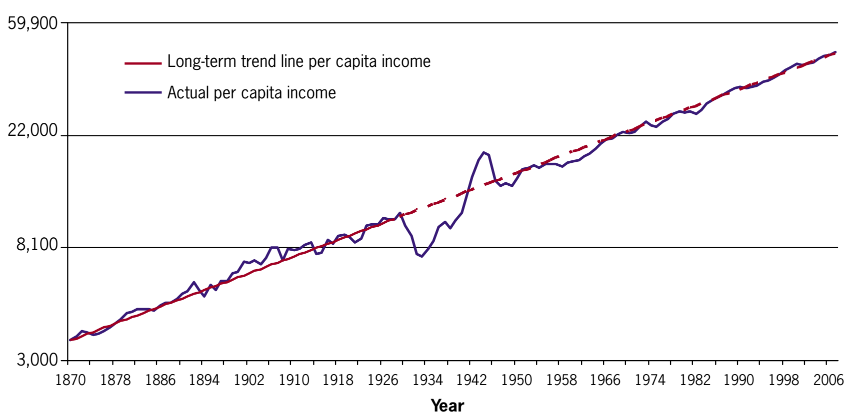
Ilian Mihov

Whether too much injection can fuel inflation, Mihov feels that, in the current context, that possibility is ruled out as the liquidity created by the Fed is stored in the vaults of commercial banks as excess reserve and there is almost no increase in broader measures of money. Also if the Fed feels a threat of inflation, it can easily mop up excess liquidity either by closing down lending facilities or by increasing interest rates, according to him.

He also rules out the possibility of inflationary pressures due to increase in government debt as central banks in developed economies do not ordinarily finance deficits by printing money, rather the spending programs of governments are financed by issuing government securities, i.e. by borrowing.

Mihov stresses the need for aggressive intervention by the US government as he believes: "Without aggressive intervention the economy will go down into a vicious circle. A decisive action in early 2009 will help the economy avoid a bigger bailout in the future. After all, the current financial crisis has a levelling effect on global imbalances."

Graph 1 **A perspective: US income over 130 years and the great depression**



Lessons for the Gulf from the credit crunch

The credit crunch resulting from the global financial crisis has a few hard lessons for the GCC's financial markets. **Matein Khalid** emphasises the need to learn from the mistakes made.

The sheer scale of the 2008 - 2009 financial crash has exposed the deep flaws in the business models and operating templates of the Gulf's banks, money managers, sovereign wealth funds, Islamic finance houses, investment banks, insurers and stock brokers. The entire constellation of GCC finance will be transformed by the trauma of the crash and the social, regulatory and even cultural forces that it has unleashed. There will be some winners and many losers in the Gulf money game as even the rules of the game change. Fortunes will be lost, as I anticipate at least another US$300 billion in bank capital write offs, bankrupt brokers, capital deficient insurers, a default wave in property developers (who, sadly, includes commercial banks in the Gulf), restructured sukuk issues, credit downgrades and stock exchange losses. Gulf finance faces a leaner, harsher financial zeitgeist.

Take banking, for instance. Banking systems with loan to deposit ratios above 100, such as the UAE and Qatar, will be forced to contract. GCC banks will no longer be able to compensate for sluggish deposit growth by borrowing in the wholesale Eurobond market to finance local asset books. Consumer lending, the cash cow of Gulf banking, faces a secular shock as expat populations decline, borrowers "skip" from their debt to escape debtor's prison (in the absence of credible bankruptcy and foreclosure laws) and usurious credit card rates choke retail sales.

The role of the Gulf's sovereign debt agencies in domestic economic development and global markets will clearly be transformed beyond recognition as the region heals from the wounds of 2008 - 2009.

There are critical lessons to be learnt from the behaviour of Gulf SWF's during the crash. One is that highly leveraged, aggressive funds that invested wildly in Europe and America with no competitive advantage lost billions of dollars. Was there any real point in the bidding war for the London Stock Exchange between Qatar and Dubai funds when the price of the LSE eventually lost two thirds of its value? Did it make any sense to take passive stakes in international banks with borrowed money at the peak of history's greatest credit bubble, let alone issue press releases boasting about the fact? Was it sensible for Gulf sovereign funds to contribute to local inflation by investing in domestic, overheated real estate markets at the peak of the property bubble? Is not the whole idea of sovereign funds investing an attempt to diversify risk, not amplify it?

We have learnt the hard way that intelligent, successful Gulf sovereign wealth funds do not just focus on generating the highest possible returns, regardless of risk or political consequences. They recognise that they have multiple roles and an impact that goes beyond financial markets. Mubadala, for instance, has realised that transparency is the new name of the game in international finance. In fact, the era of secretive black boxes is truly over, and that's the reason Mubadala published that its US$3 billion loss in 2008, its write offs on Pearl Energy, the size of its funding from the Abu Dhabi government and details about its balance sheet.

Debt market to change

The Gulf's funds can no longer borrow unlimited cash from international banking syndicates, as in the past. It is now necessary to access the public debt markets to engage in active deal making and capital structure management, as Mubadala and Temasek have done. It is

also never a good idea to beseech Gulf sovereign wealth funds to buy shares in local stock exchanges in free fall, as happened in Qatar and Kuwait. After all, the Kuwaitis lost more than US$100 billion in the past in Souk–Al Manakh, the London KIO's property speculation in Spain and the bailout of the banking system after the Iraqi invasion. Will Kuwait's KIO now be used to revive dozens of local, bankrupt investment companies, the new zombies of Gulf finance? Hopefully not, though it often seems to me that the enduring lesson of Gulf finance is that, since we do not learn the lessons of the past, we continue to relive it again and again.

Hopefully, the West will learn to have a more nuanced view of Gulf sovereign fund deal making, after the hysteria over DP World's American ports and Qatar's accumulation of a stake in Sainsbury, a deal which caused outrage in the City of London when the QIA aborted it due to a spike in borrowing costs. The scramble for equity by international banks led Wall Street's Masters of the Universe to coax investments from the Gulf, even though ADIA- Citigroup, Kuwait- Merrill and Saudi-UBS all proved financial debacles. I envisage Gulf sovereign issuers to be more active in the Eurobond market, as the US$1.5 billion Mubadala issue demonstrates. Moreover, it is inevitable that the cash rich UAE will take advantage of depressed valuations to buy trophy stakes in western companies, as recent Gulf investments in Porsche, Daimler Benz, General Electric and Credit Suisse demonstrate.

Cash is king

Gulf funds will eschew leverage and refocus on liquidity. Real estate and private equity investments made in 2006 or 2007 may well cost the Gulf sovereign funds more than US$50 billion in additional write offs. In a world where leverage is the kiss of death, Gulf funds will need to scale down their return expectations to single digits and grasp that cash is king, queen and emperor amid global recession. Norway's sovereign fund, a model of transparency, governance and ethical consciousness, is an ideal template for the Gulf's sovereign funds.

Islamic financiers have pointed to the credit crunch to vindicate their own model of allegedly prudent, low leverage finance. Yet the Islamic finance model has not escaped unscathed from the crash. In fact, its structural flows and financial architecture deficiencies have been all too exposed in the harsh spotlight of the bear markets. Why did the sukuk new issue market disappear just as the Eurobond market froze if Islamic finance was an alternative and not a complement to conventional banking? How come Islamic banks got hit by the same spike in funding costs as conventional banks? Moreover, Islamic banks still have no real lender of the last resort. What will be the endgame of the property crash in the Gulf, where Islamic banks are extraordinarily overexposed? There are no deep, liquid Islamic debt markets to act as shock absorbers when equity capital markets shut down. This is a lesson that will prove painful, if not fatal, to dozens of Islamic banks in the decade ahead.

The Gulf's money managers have been exposed as classic beta chasers by the crash. Not one major Gulf-based hedge fund made a fortune shorting the market before the crash. Diversification proved an illusion as coefficients of correlation among GCC markets soared to one when the stock exchanges were in free fall. Disclosure, transparency, exchange regulation, insider trading laws, market making, IPO issuance in the Gulf is still archaic, nowhere near international norms. Several Gulf investment banks that rushed headlong into proprietary trading because it was so much more profitable then agency stock broking, during the bull market, now face Armageddon on mark to market losses. With Stone Age risk controls, many independent Gulf investment banks and money managers will not survive the protracted bear market. The Gulf's insurance companies never learnt the lessons of the successive 1990's stock market crashes, when so much of their capital was wiped out. Investment banking, fund management and stock broking firms in the Gulf face a Darwinian shakeout in the regional financial ecosystem.

Banking balance sheets will shrink. The cost of corporate credit will soar as banks learn the bitter lesson that name lending in the GCC is as toxic to their bottom line as the most risky CDO or lethal derivative. Money markets in the GCC will see banks hoard cash and obsessively monitor counterparty risks, even if it means acting on bazaar rumours. The home mortgage finance market in the Gulf, embryonic and fragile, has been hit by a financial neutron bomb by the property crash and the loss of any access to the international mortgage securitisation funding markets. Confidence in home mortgage financiers will not be easily restored, even if bankrupt lenders are merged or granted access to banking licenses.

The financial markets and banking systems of the Gulf are not at all "decoupled" from the global financial markets. Correlations with Wall Street indices, crude oil prices, the vagaries of hot money, credit spreads in the Eurobond market, volatility in the dollar- Euro foreign exchange rate are only some of the myriad indicators that regional investors simply cannot ignore. This is perhaps the ultimate lesson of 2008. MW

How real is the rally?

Global markets are witnessing some euphoria, as stocks rally across geographies. **Rehan Syed**, however, urges caution, as in the past bear markets have experienced multiple false rallies.

An enervating 18 months have expended since the not-so-great "Great Recession" started. How much longer will this bear growl? And what is the gestation period for a bear to sire a bull? Is the recent market rally, which has boosted developed equity markets about 30 per cent and emerging markets 45 per cent above recent March lows, a reliable precursor to recession's end? Hold the fizzy, not so soon.

When will the real rally reveal?

Typical bear markets experience multiple false rallies or "head fakes", ranging from 10 per cent to 20 per cent magnitude and two to three months duration, often only to retrace gains or worse. The recent rollicking rally might well exhaust soon because there is too much optimism based on too few "green shoots" and fluffed-up Q1 bank earnings. Could the market go up another 10-15 per cent toward theoretical fair value targets of S&P just above 1,000 before fizzling? Yes, if the recent shoots sprout taller - if for example the ISM index, a leading indicator of economic health, moves quickly up toward the magic mark of 50. But worse scenarios have significant probabilities.

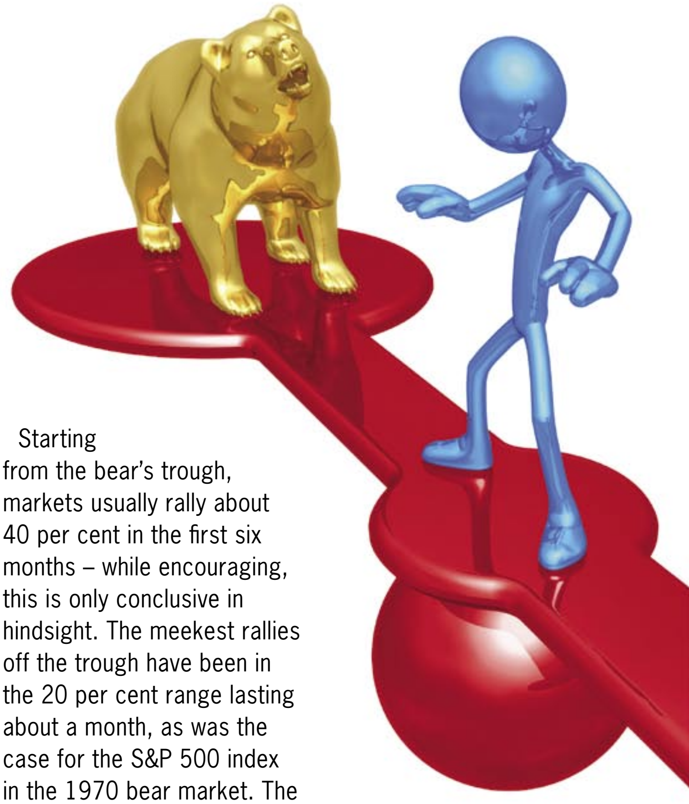
In context, a typical equity bear market lasts for about 18 months and experiences a 35 per cent loss in value from start to finish. This bear has lasted almost exactly that long thus far and is down 45 per cent. The average bear market retraces about 70 per cent of the gains of the prior bull. A typical bull lasts about three years and sees through an approximate doubling of equity value, as was also the case in 2002-07.

The global stock markets hit their first recent low in November 2008 with the MSCI World index a tad below 800; in early March 2009 it struck a lower low of just below 700. Could a retest of lows recur? While it is unlikely we break the March lows, since back then the market jury was deeply skeptical about the stimulus plan's viability, a partial retracement of recent gains is highly likely. Hence we are underweight equities and would take advantage of the recent run to book some profit and rebalance toward the still-attractive high-grade corporate bond market or switch into an absolute-return based protected equity strategy.

Recessions are rife with rallies

A typical bear market sees at least three tests of the lows over an average period of six months before a durable bull phase occurs. Call it a minimal gestation period if you will.

In the 2000-03 recession, there were nine failed attempts to defeat the bear. Of these, there were five major rallies averaging over 15 per cent of average duration just under two months. In the final eight months there were three tests of the MSCI World index with lows in the 700 to 750 range, before the eventual rally that pushed it to its all time high of 1,675 in late 2007. Similarly, there were six rallies in the 1990-92 recession averaging about 10 per cent, and lasting on average about a month and a half. Why should this time be easier?



Starting from the bear's trough, markets usually rally about 40 per cent in the first six months – while encouraging, this is only conclusive in hindsight. The meekest rallies off the trough have been in the 20 per cent range lasting about a month, as was the case for the S&P 500 index in the 1970 bear market. The strongest rally without at least a 10 per cent correction was in 1990 when the S&P index breathlessly tripled in six years; but, alas, that was a halcyon rate-cutting, pro-leverage era unlikely to repeat soon. A more meaningful optimistic reference point is 1982 when we saw a 70 per cent rally over about nine months, but again too much to hope for since it was preceded by a long consolidation phase over a decade when equities were range bound.

Finally, looking back to the distant Great Depression era, there were seven rallies of more than 20 per cent in 1929-34, including five powerful ones that exceeded 30 per cent. A lot of spark yet no fire - the end result remained a market which was 75 per cent lower in 1934 and which did not recover to its peak levels nearly two decades later in 1953. In an eastern parallel, Japan's Nikkei index peaked in 1989 at 39,000 and despite over a dozen significant attempts to rally remains about 75 per cent lower today. As an aside, while markets lacked, humanity gained by unlearning hubris and discovering old fashioned values of patience and fortitude.

Closer to home in the Middle East, the largest market in this volatile region, Saudi Arabia's Tadawul, is still down over 70 per cent from its March 2006 high of near 20,000, but in the intervening three years has attempted five forceful yet failed rallies ranging between 20 and 50 per cent each and an additional five fizzled rallies ranging between 10 and 20 per cent. Similarly, the broader MSCI Arabia index, now trading at 435, is up 33 per cent from its March lows, abetted by a 70 per cent rise in oil, but remains 53 per cent below its recent January 2008 peak despite three strong attempts to rally; also, it is trading 60 per cent below its February 2006 all-time peak.

Could positive data push the market up?

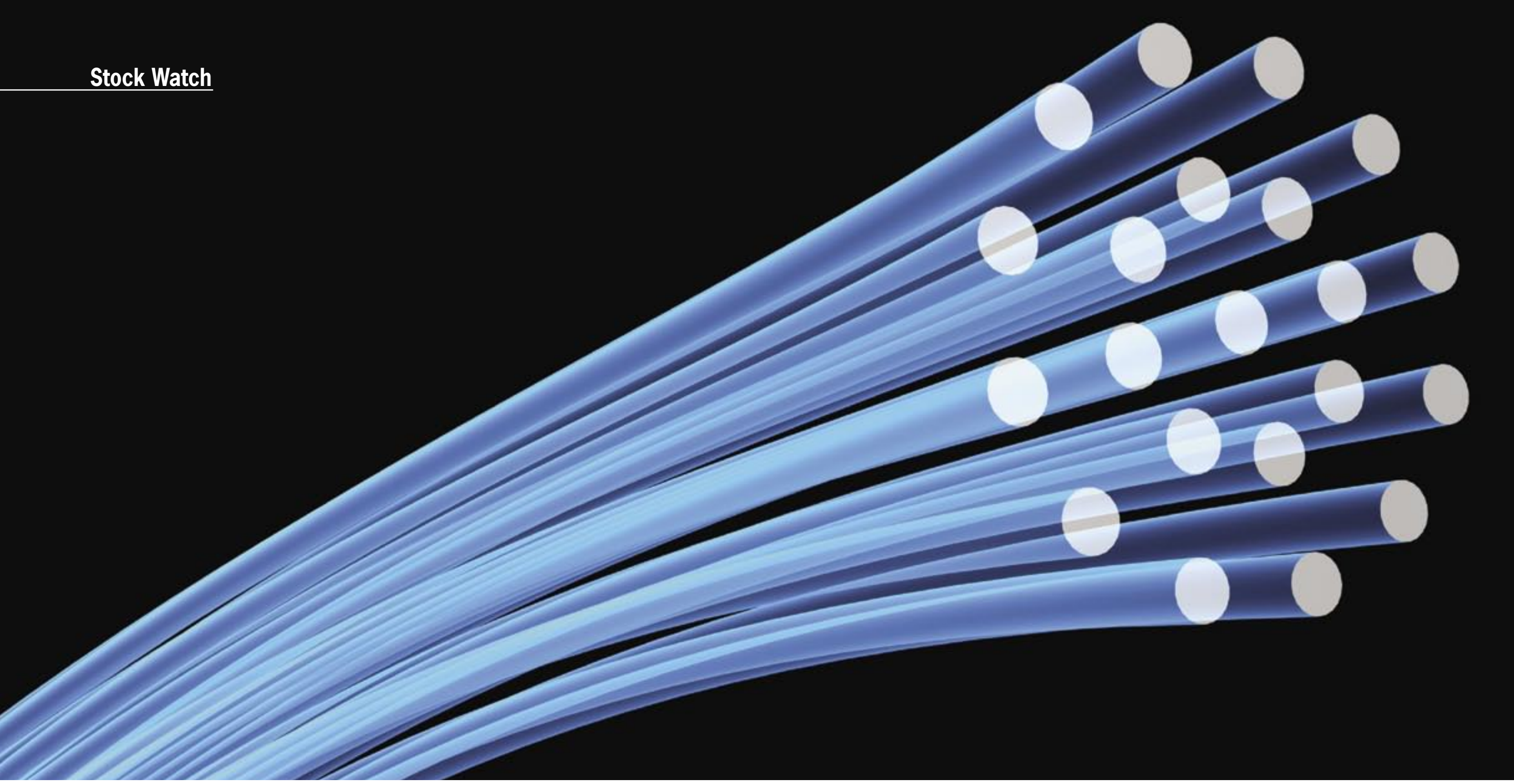
Could markets rally as long as incremental positive fundamental data keeps rolling in? Yes, but be mindful of what forward looking markets are quickly pricing in. The ISM index rose from 32 at start of year to 40 today, and the market is extrapolating that trend towards 50 which is the approximate pre-Lehman level and generally considered recession's boundary. Looking at past recessions, on average it has taken just under a year for the ISM to fall from the cycle peak to 50 and about just under five months to ascend from trough to 50, meaning it rises faster than it falls. Equities tend to perform substantially better during the trough to 50 recovery phase, averaging about 22 per cent return, than from the 50 to next peak phase, averaging about 13 per cent return, echoing George Soros' famous quote, "the big money is made when things go from God-awful to just plain awful".

Discipline delivers and patience pays

With the above facts as a backdrop, and mindful that statistics can often misguide and history never exactly repeats, I think it is too early to call an end to the bear market. Having said that, the worst of the economic carnage is over since the most desperate phases of indiscriminate selling of good and bad assets alike is behind us, especially if governments continue to aggressively prime the fiscal pump and keep policy errors like protectionism at bay. The latter is vital since the emerging markets are key to recovery and are highly dependent on favourable trade terms they have managed to extract from the developed world in the past decade, and a roll back of which would severely dent confidence.

I expect the optics of a middling recovery will be in place by end of the year with the shove of stimulus programmes and the benefit of easy comparisons. With markets on average bottoming about six months before recession's end, an attractive entry point will present itself later this year and those who average into the market patiently will be able to scrape the bottom and seize the bull. So, the best approach going forward is prudently stepping into risky assets within the limits of our individual risk profile, always using a disciplined value-based cost averaging methodology. MW

Rehan Syed is the Head of Portfolio Management at the ABN AMRO Private Bank in Dubai.



STC on strong footing

The Saudi Telecom Company (STC) is facing increasing competition in its home market. But that does not deter **Global Investment House Research** from giving the stock thumbs up.

Saudi Telecom (STC), which was established in 1998, provides services under four main brands: "Al Jawal" for mobile services, "Al Hatif" for fixed line services, "Saudi Data" and "Saudi Net" for data and internet services.

The company had a full monopoly over the kingdom's telecom market until 2003 when the VSAT market was liberalised. Subsequently, STC's monopoly in the mobile market ended when a second mobile licence was granted in 2004 to Etihad Etisalat Company (Mobily). In March 2007, a consortium led by Zain of Kuwait won the third mobile licence with a bid of US$6.1 billion, and launched its services in 2008.

The fixed market was liberalised when three consortia- led by Bahrain Telecommunications (Batelco), Hong Kong's PCCW and US based Verizon Communications, won three fixed line licences in April 2007, bringing the total number of fixed line licences in the kingdom to four. This ended STC's monopoly over fixed lines.

Effects of competition

Increasing competition at a domestic level has forced STC to start expanding outside its home market.

Its first international operation was the Maxis deal in 2007 which gave STC foothold in Malaysia (Maxis), India (Aircell), and Indonesia (NTS).

At present, STC holds a 25 per cent

SWOT Analysis

Strengths

- The company is the Kingdom's leading telecom operator with presence in the mobile, fixed, and internet segments.
- Extended WiMAX services to the country's major cities.
- Continuous expansion outside its home market.
- Strong balance sheet and cash flows will enable the company to seek potential acquisitions to boost its top line.
- Stable dividend policy.

Opportunities

- Expanding outside its home market gave STC foothold in high growth markets such as Malaysia, India, and Indonesia.
- The Saudi market still holds potential given the size of the market, and favourable demography with around 32 per cent of the population in the age group of 10 to 24.
- The expansion of 3G services should enable STC to offer value added services which will help ease the pressure on ARPUs.

Weaknesses

- Increasing competition in its home market is expected to put pressure on the company's ARPUs and margins.

Threats

- Increasing competition.
- Expanding outside its home market means that the company is subject to foreign exchange risk.
- Economic slowdown.

effective stake in Maxis and a 51 per cent direct stake in NTS, Maxis' subsidiary in Indonesia.

In January 2009, STC won the bid for a 26 per cent stake in Kuwait's third mobile operator, launching its operation under the brand name "VIVA" in September 2008. In 2008, STC also acquired a 35 per cent stake in Oger Telecom, which extended its presence to other markets such as Turkey and South Africa.

The company won Bahrain's third mobile license for BHD86.7 million (US$230 million) in January 2009.

Although the GCC operations (Kuwait and Bahrain) are expected to have minimal impact on STC's valuation given the small size of the market and the high penetration rates, they have enabled the company to report a significant presence outside its home market.

In August 2008 Kuwait's Zain has entered the Saudi market as the third mobile operator, while Atheeb led by Batelco is expected to start its fixed-line operations by the end of the year.

STC is listed on the Tadawul Stock Exchange, and based on the current market price of US$12.83, the stock is trading at 7.1x 2009E earnings and 2.4x 2009E book value. Global recommends a buy on the stock with a target price of US$17.83.

Outlook

Global expects STC's mobile market share in its home market to shrink further as other operators enter the Saudi market.

Furthermore, STC's fixed line segment is expected to be impacted when the three awarded companies, Batelco-Atheeb, Hong Kong's (PCCW), and MCI International-Verizon begin their commercial operations.

However, despite an increase in competition in STC's local market, which is affecting the company's market share and pricing strategies, the Saudi market continues to offer attractive investment opportunities for the company.

Thirty-two per cent of the kingdom's population is between the age of 10 and 24. This coupled with Saudi Arabia's relatively low mobile penetration rate, and even lower penetration rate in the broadband and data segments results in a very attractive market for potential investors.

Despite the intense competition in its home market, Global expects STC's performance to improve thanks to the telecom's aggressive international expansion strategy.

The research house believes that STC's expansion strategy will pay off in the near future.

The company's Oger Telecom deal is expected to boost STC's fixed line revenue through Turkey's fixed line operator, Turk Telecom. Through its recent acquisitions, STC gained presence in the mobile segment of Malaysia, Indonesia, and India through Maxis, as well as Turkey, and South Africa through Oger Telecom.

Profitability

Profitability Ratios (%)	2006	2007	2008
Gross profit margin	56.9	55.6	57.9
Operating profit margin	39.0	36.6	29.3
Net profit margin	39.5	34.9	23.3
Return on average equity	38.2	34.3	30.0
Return on average assets	28.2	20.9	13.1

ROAE and ROAA declined from 34.3 per cent, and 20.9 per cent in 2007 to 30.0 per cent, and 13.1 per cent in 2008 respectively.

Valuation and Multiples

	2009 (E)
Operating income (US$ bn)	4.01
Net profit (US$ bn)	3.61
EPS (US$)	1.8
PE (x)	7.1
PBV (x)	2.4

PE and PBV based on CMP

Peer Comparison

	Mobily
Balance sheet size (US$ bn)*	8.0
Net Profit (US$ mn)*	650.2
EPS (US$)	0.936
PE (x)	10.9
PBV (x)	2.3

Based on current market price. 2009 (E)*

The peer group consists of the second and third mobile operators in the kingdom, Etihad Etisalat Company (Mobily), and Mobile Telecommunications Company Saudi Arabia (Zain Saudi Arabia). Zain launched its commercial services in the kingdom in August 2008.

Financial Analysis

Amount in US$ bn	2006	2007	2008
Revenues	8.7	9.2	12.7
Operating profits	3.4	3.4	3.7
Net profit	3.4	3.2	3.0
Net Fixed Assets	8.1	9.2	11.9
Intangible Assets	0.2	3.7	8.5
Asset size	12.3	18.4	26.7
Shareholders' equity	9.1	9.6	11.4

The company reported top line revenues of SAR47.4 billion (US$12.7 billion) from both wireline and wireless segments for the financial year ending December 31, 2008.

The company's top line witnessed a significant jump from SAR34.5billion (US$9.22 billion) reported in 2007, registering a y-o-y increase of 37.8 per cent.

The wireless segment's revenues increased by 25 per cent, reaching SAR31.5 billion (US$8.42billion) in 2008.

Revenues from the wireline segment, on the other hand, increased significantly by 71 per cent to reach SAR15.9 billion (US$4.25 billion).

According to the company, around 21 per cent of STC's revenues came from international operations.

Despite the improvement in operating performance, STC's net profit for 2008 declined by 8.2 per cent, amounting to SAR11.0 billion (US$2.94 billion) compared to SAR12.0 billion (US$3.20 billion) reported in 2007.

The drop was mainly due to SAR2 billion foreign exchange losses recorded by Oger Telecom Company, the depreciation of the Turkish Lira, and the South African rand during the last quarter of 2008.

The EPS stood at 1.47 cents per share in FY08 compared to an EPS of 1.60 cents per share recorded in FY07.

In Q4 '08 STC started to fully consolidate its operations in Kuwait, whereas, from Q2 '08 it focused on strengthening Oger Telecom's position. Total assets increased by 45 per cent to reach SAR99.8 billion (US$26.6 billion) in 2008 compared to SAR68.8 billion (US$18.4 billion) in 2007. STC's intangible assets accounted for 32 per cent of total assets in 2008 and increased from SAR13.8 billion (US$3.68 billion) in 2007 to SAR31.7 billion (US$8.47 billion) in 2008, as a result of the goodwill generated by the 35 per cent stake acquired in Oger Telecom.

GCC, Regional and World Benchmarks - Conventional

As of May 15, 2009

All data courtesy of MSCI Barra, correct as of date indicated.

MSCI data on these pages have been selected to show comparative returns in the GCC for the financial/telecoms and real estate sectors against the overall GCC countries index.

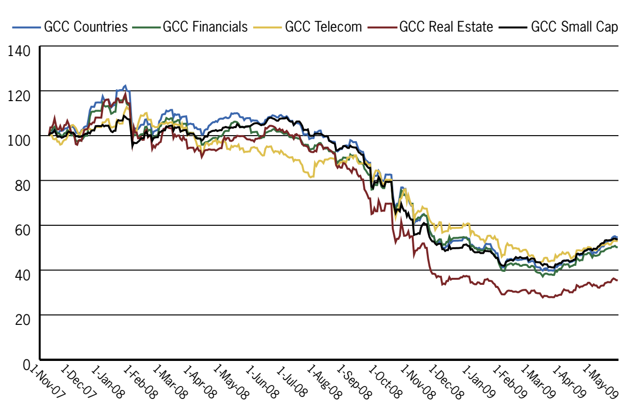
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

The Performance Values table takes into account eight regional/international and sector-specific indices to show month, quarter and year-to-date performance levels.

GCC: Comparative Returns

Comparative returns for four MSCI GCC indices

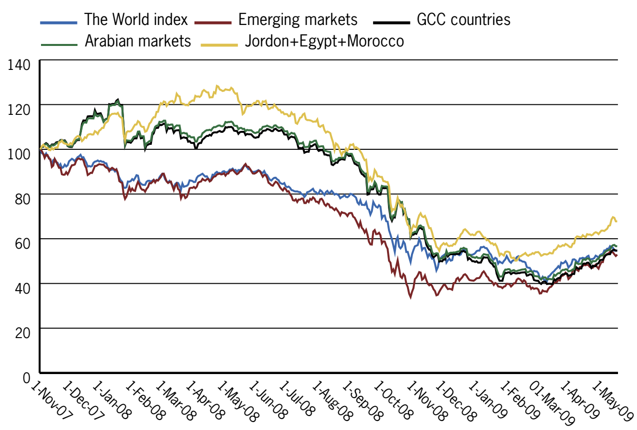
(Period: October 31, 2007 to May 15, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

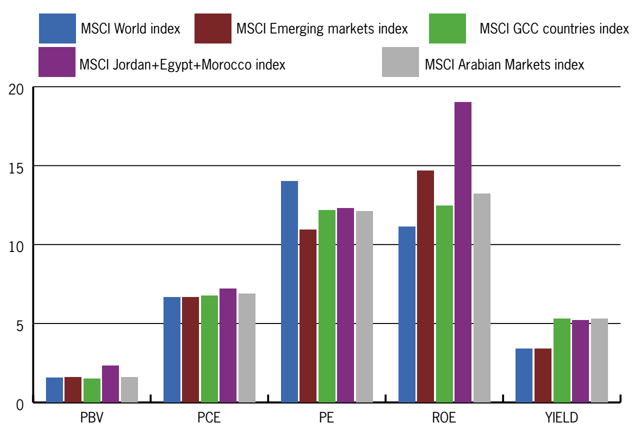
(Period: October 31, 2007 to May 15, 2009 rebased to 100 on October 31, 2007)



Valuation Ratios

November month-end valuation ratios

(Five MSCI indices PBV, PCE, PE, ROE and YIELD)



Performance Values

QTD, MTD, YTD performance in US$

(Eight indices as of May 15, 2009)

Index	*Performance in % US$ (MTD) this month*	*3 month performance in % US$ (3M)*	*Performance in % US$ (YTD)*
MSCI Arabian Markets Index	7.938	22.250	10.268
MSCI Emerging Markets Index	6.820	33.689	24.846
MSCI GCC Countries Index	8.192	21.661	10.867
MSCI GCC Financials Index	3.919	17.004	3.027
MSCI GCC Real Estate Index	7.223	14.428	4.815
MSCI GCC Telecom Services Index	3.544	3.621	-1.278
MSCI Jordan+ Egypt +Morocco Index	6.472	24.779	7.25
MSCI World Index	3.115	9.778	0.067

This information is now available, updated daily, at www.moneyworks.ae

GCC, Regional and World Benchmarks - Islamic

As of May 15, 2009

All data courtesy of MSCI Barra, correct as of date indicated.

MSCI data on these pages have been selected to show comparative returns in the GCC for the financial/telecoms and real estate sectors against the overall GCC countries index.

World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

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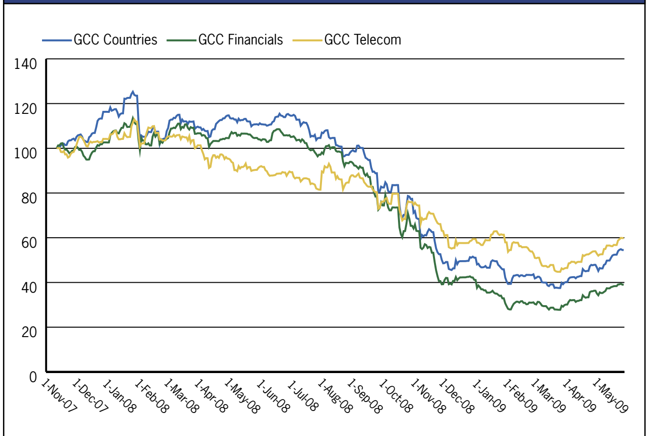

WORLD: Comparative Returns

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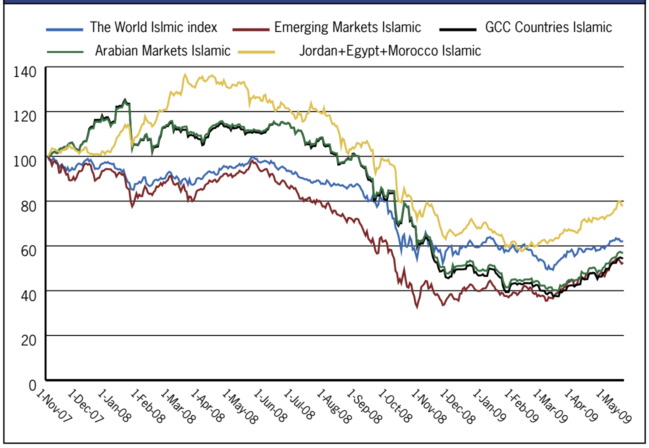

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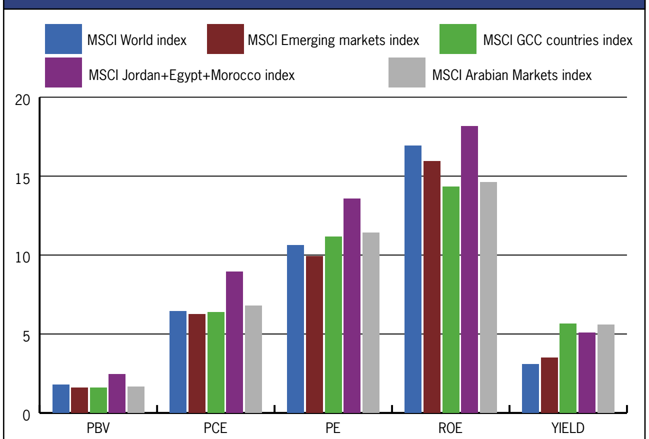


Performance Values

QTD, MTD, YTD performance in US$

(Eight indices as of May 15, 2009)

Index	*Performance in % US$ (MTD) this month*	*3 month performance in % US$ (3M)*	*Performance in % US$ (YTD)*
MSCI Arabian Markets Islamic Index	9.117	26.332	16.260
MSCI Emerging Markets Islamic Index	7.050	34.875	28.099
MSCI GCC Countries Islamic Index	9.453	25.836	16.998
MSCI GCC Islamic Financials Index	4.491	24.339	10.051
MSCI GCC Islamic Telecom Services Index	5.902	3.584	1.701
MSCI Jordan+ Egypt +Morocco Islamic Index	6.022	27.269	10.736
MSCI World Islamic Index	3.11	7.106	0.507

This information is now available, updated daily, at www.moneyworks.ae

To buy now or not to sell now

The change in the mood has caught many investors almost off-guard. **Snehdeep Fulzele** thinks the markets might have seen their worst off.

Investors are damned if they buy and they are also damned if they sell. The previous seven months, until March, investors sold on every rally, as their adventurous buying drastically eroded net worth. Just when they thought that the lesson was learnt, market changed the course.

Politics and economics are the biggest movers and shakers of the market sentiments. The GCC region has stable governments that facilitate consistency of policies. As a result, these economies are able to thrive and investors are able to take a long term view. The largest impediment to the growth of the region's economy has been its dependence on oil.

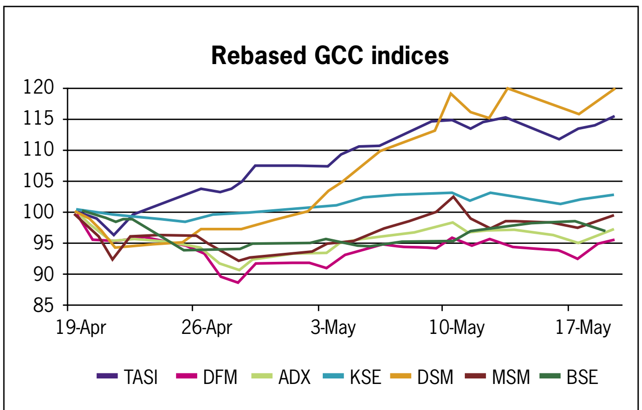
Therefore, investor sentiments tend to play around oil prices. Although, no direct correlation is observed between oil prices and benchmark indices of the seven GCC markets, oil has been one of the major drivers of the sentiments.

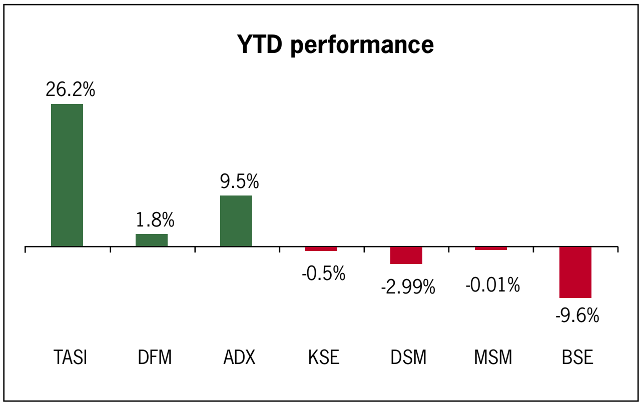
After rising to the high US$140s per barrel, the crude oil price crashed to the low US$30 per barrel, and that caused investors to flee the regional markets. Fortunately, the oil price has recovered to US$60 per barrel.

In recent weeks the oil price has definitely played its role in the improvement of sentiments. However, the bigger comfort came from the recovery in financial fortunes of the region's corporates. Compared to a dramatic drop in net profits in the fourth quarter of 2008, first quarter results, this year, of listed companies were much better.

In Saudi Arabia combined losses of SAR23.5 billion were reported in the fourth quarter of 2008, while the first quarter of 2009 witnessed a comparable profit of SAR10.3 billion. Year-on-year results of the first quarter were down 51 per cent.

In the midst of the financial crisis that engulfed the whole world, visibility on future performance was very poor. With the latest quarterly results, lots of questions have been answered. There is better clarity on demand and supply, while the high cost of inventories has come down to reasonable levels and commodity prices have recovered.





Signals emerging from local and global markets indicate a lesser likelihood of indices sinking to recent lows. Three of the seven GCC markets have turned positive with the Tadawul All Share Index of the Saudi stock market rising more than 26 per cent for the year. However, four market indices are still negative. The Bahraini market is down close to 10 per cent.

The question facing investors now is how far this rally will last?

The largest listed company in the Middle East, SABIC is a classic example of financial crisis plaguing the world and its impact on investor sentiments.

The company declared losses of SAR974 million for the first three months of the year as against SAR6.9 billion profit for the first quarter of last year. Despite this huge loss, part of which was the result of impairment of goodwill related to its acquisition of GE Plastics in 2007, investors have heavily bought on the counter to take the stock price up to SAR68 from the recent low of SAR34.

Given the gravity of the crisis in the world, big global companies will continue to face sizeable challenges for at least a couple of quarters. SABIC sold more quantity during the last quarter than the first quarter of 2008. At some point, the reality of delays in corporate recovery is bound to dawn on investors.

In the last issue we suggested investors will do well to cue from the largest economy in the Arab world. Markets have further rallied since the last column. After being substantially down untill a month ago, the Doha Securities Market has clocked major gains. There is no point in being aggressive at this point. An occasional profit booking is probably the right approach.

The writer is head of research at FALCOM Financial Services.

The mood is getting better

The markets are showing signs of increasing activity. **Sachin Patki** thinks the siege mentality is over, and people are keener to explore, an indication that recovery has begun.

What a difference a few weeks can make. The year 2009 began with bearish views of the global economy with markets around the world continuing to wither under the barrage of news from corporations and releases of government statistics. However, a few good corporate quarterly results, some sporadic signs of resilience from consumers, and some strong measures by the US President on the economy have made all the difference. We have seen some rallies in the emerging markets, renewed interest in fund manager contribution to equities and convertibles, aside from lower interest rates and signs of banks lending again, though not in the same quantum as earlier.

The US dollar and gold have received the safe haven funds amidst the global uncertainty and as this fear begins to wane, funds are being relocated to risk products yet again. Globally, funds that were sitting in cash, largely in US dollars are now coming back into local currencies, local instruments and especially into local equities. The spring rally may not necessarily be the recovery rally globally, but at least it has played an important role in shifting the mindset of retail investors from a siege mentality to that of exploration, a key shift needed for the recovery to be sustained.

Also, we have spots of economic figures in the US that indicate consumers are feeling comfortable with the measures taken by President Obama and his team along with the Fed chairman. They, probably, feel that recovery will be faster now.

Unemployment continues to rise as the industrial capacity utilisation has enough slack to absorb any uptake in demand; the situation is expected to continue to worsen, though it may not rise above the 10 per cent mark. We are also getting into the summer period which may see more consumer spending and short term employment prospects for laid off workers, reducing the amount of people applying for unemployment benefits.

The measures of stress testing balance sheets of financial institutions has also given confidence to the financial sector, where counterparty credit risk was hampering trade volumes in FX and money market. We may see some more surprises in the Euro-zone corporate results, given that the latest rate cut by the European Central Bank will take time to impact the markets. The printing of money by various central banks to shore up budget deficits and to jump start economies will have a long-term inflationary impact, which will be reflected in the need to raise interest rates, or to have the yield on long term bonds rise to control it.

The Euro has been rising higher from its base in the 1.3010 region and it needs to stay above this level to break the next barrier in the 1.3740, 1.3860, 1.4230 & 1.4600 levels. The Euro/Yen cross remains below its critical break out level of 143.40 on a weekly closing basis and unless this is broken, we may see the 126.50-135.00 range hold it, with a risk on the downside towards 120.10.

UK economic conditions continue to be indifferent to a firm economic recovery and any rallies will be pulled lower with uncertainty over the timing of the recovery. The sterling has recovered to the early 1.5150 levels, but it needs to clearly break the 1.5340 level on a weekly close basis for this rally to

be confirmed. Any reversal from this region would indicate that the base has yet to form for a clear upward trajectory towards 1.5870 & 1.6430; failure to close above 1.5340 would see the Stg come lower towards 1.4970, 1.4470, & 1.4010. GBP/Euro cross has formed a floor near the 1.1020 levels and the rally towards 1.1500 has been met with resistance, and the recent range trading in the 1.10-1.1370 range indicates the upside only possible with a break above 1.1830; otherwise, the GBP/Euro will remain in a tighter range.

The recovery in some of the commodity prices has raised the value of some of the currencies like AUD and CAD which are linked to the value of their exports. The CAD has recovered from the lows near 1.3000 towards the 1.1600 level and any reversal of this trend above the 1.1825 on a weekly closing would imply the currency does not have further steam to strengthen. The AUD has also rallied fom the low of 0.6000 towards the 0.7550 area and we need to have this rally stay clearly above the 0.7340, and 0.7250 levels to continue. A correction below these would imply that it has more sideways trading to go before the rally can resume. Supports remain at 0.6750 & 0.6255 & 0.6030.

The author is head of Mashreq Gold & Investments with Mashreq.

Views expressed are the author's and not necessarily those of Mashreq. Data and comments are as of May 14, 2009.

Signs of decoupling again

Lower debts of certain emerging markets will lead to their recovery faster than some of the global leaders, argues **Stefan Hofer**.

The idea of emerging markets having the wherewithal to ride out the financial and economic crisis had broad appeal during 2007 and early 2008. This view was based on the idea that, as home to sub-prime mortgages, US was the epicentre of a financial shock that would have little impact on most emerging markets, such as the BRIC block, which demonstrated impressive growth momentum and had addressed macro vulnerabilities in recent years.

This belief proved to be incorrect, in particular in the wake of the bankruptcy of Lehman Brothers that saw tensions in financial market skyrocket to alarming levels. Despite aggressive monetary easing by major central banks, credit conditions tightened sharply, leading to a credit crunch in many advanced and some emerging markets. Now as 2009 progresses, the economic news flow is pointing to "green shoots of recovery".

The question to ask at this juncture is whether the recovery will also be synchronised, or will some countries recover faster, thereby decoupling from the rest? As a first step, it should be recognised that recessions are part and parcel of the economic cycle. Indeed, in the April World Economic Outlook (WEO), the International Monetary Fund (IMF) has calculated that advanced economies have experienced 122 recessions since 1960. They point out that synchronised recessions, where at least 10 major economies go through a contraction, are fairly rare at only three occurrences: 1975, 1980 and 1992.

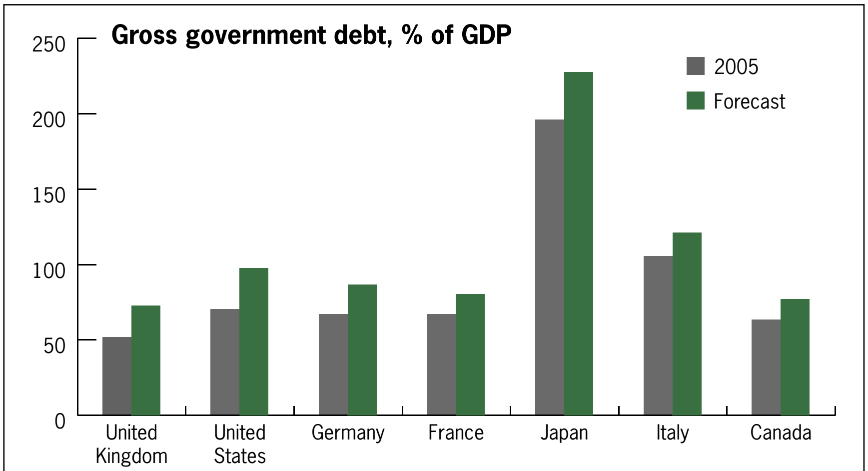
It is also important to recognise that recessions are caused by a number of different shocks. Categorising recessions by the type of shocks that precede a slowdown is useful because it gives an indication of how long and deep a recession itself will be. Using the same IMF sample, data show that recessions prompted by financial shocks tend to last the longest and have the largest output drops. Further, credit, house prices, private consumption and investment, and interest rates all normalise at a slower rate compared to other recession types in the sample.

Why are financial shock-driven recessions so bad? Part of the answer lies in the behaviour witnessed prior to the shock. Typically, it has been seen that before financial shock recession hits, house prices, nominal wages and consumption, credit and labour market indicators are all stronger than in the periods that precede other recession types.

The severity of the current global slowdown has mobilised policy makers virtually everywhere to respond with monetary and fiscal easing. On a GDP-weighted basis, global nominal interest rates are in extreme lows; excluding emerging markets, which tend to have structurally higher interest rates, aggregated rates are close to zero. Governments around the world have enacted recession-fighting measures whose total size is not far from the IMF's call for US$2 trillion dollars. This raises an immediate question: which country is likely to see the greatest desired impact of these measures?

The main message on this front is that where governments already have high debt levels, the resilience of the economic recovery following fiscal stimulus is diminished, according to IMF. Given government borrowing plans as they stand today, G7 member states will likely see their government gross debt–to-GDP ratios rise between 10 and 73 per cent in 2010 from 2005 levels. Japan is forecast by IMF to see its debt level rise to well above 200 per cent of GDP, even from current highly-elevated levels. As a percentage change increase, the UK stands out with a 73 per cent increase from 2005 levels. Emerging markets, by comparison, have seen their overall external sovereign debt stock decline in recent years, although significant regional variations exist.

The key conclusion is that emerging markets overall are facing a cyclical slow down that does not have an endogenous financial shock at its core. Therefore, while weak external demand from advanced economies will likely generate further headwinds, lower debt levels for some emerging markets (in particular in Latin America and Asia) bodes well for a more rapid recovery. This would suggest that while the global recession has been synchronous, there is scope for decoupling of selected emerging markets in the recovery phase.



Source: IMF WEO April 2009

The writer is a research analyst at Bank Julius Baer.

What will lead to recovery?

The recent spurt in the market activity makes **Peter Hensman** wonder if the market has finally turned. Or, is it another bear rally?

Equity markets have rallied strongly since the March 9 lows. Based on Bloomberg data the MSCI world index rose by more than 40 per cent from this nadir to the May 8 close. The scale and speed of this turn around has wrong footed many investors, fatigued by the onslaught of negative news and policy hyperactivity over the prior six months. Is this simply a bear market rally, or the start of a more prolonged rising trend?

There is little doubt that the economic backdrop remains extremely challenging, and although some data have improved, supportive figures are few and far between. Some highlight that the "second derivative" of activity has turned. Given that part of the positive for markets has been that sentiment became extremely depressed and hence the scope for upside surprises increased, without extrapolating the improvement in economic conditions, this is unlikely to be an ongoing support for the market. Nor does the "leaked" report that Citigroup had made operating profits in the first two months of 2009, that coincided with the market lows, seem a sufficient reason to expect a continued lift to market sentiment.

What is more credible as a driver of a continued improvement in market conditions is that the combined efforts of the world's authorities to stem the implosion of the global financial system have finally started to gain traction.

Improved market conditions should contribute to better economic conditions, as this turn in events is likely to mean that the risk of business failure and individual bankruptcies diminishes. Where businesses and individuals that hit hard times around the turn of the year could expect little assistance from financial markets or banks, the return of issuance in the high yield bond market and positively received rights issues means the risk of an economically disruptive failure is much reduced. As business and individual sentiment recovers, so should economic activity.

With valuations of risk assets still attractive, even allowing for probable earnings disappointments and dividend cuts, there is the potential for further improvement in market conditions as what was a vicious spiral turns virtuous.

What is unlikely to have changed is the desire of (and the imperative that will be placed on) the financial sector to reduce its level of gearing. The efforts of the developed world's financial and household sectors to repair their balance sheets are likely to mean that the underlying rate of recovery is relatively subdued.

What the authorities are likely to have achieved is the stretching of this process over a number of years, rather than the headlong descent that threatened following the collapse of Lehman Brothers (Whether it is desirable to prevent the adjustment process by encouraging greater indebtedness is a separate issue.)

Recent months have also encouraged the belief that the emerging world will be relatively less impacted by the legacy of this credit crunch. Perhaps much in the way that the Anglo-Saxon consumer experienced little disruption from the currency crises of the late 90's and instead benefited from the fall in global price levels and interest rates that followed, it is probable that the economies that were forced to make difficult adjustments at the turn of the Millennium will gain most from the efforts to prevent a deflationary collapse of the Western economies.

Not only should the developing world benefit from what in many cases are the lowest interest rates in a generation. As the credit crunch eases, these economies should also be boosted by the return of the supportive currency trends witnessed for much of the 2002-2007 period. During this time improving economic fundamentals attracted capital inflows that contributed to currency appreciation.

The stronger currency reduced the upward pressure on domestic interest rates and helped underpin economic trends, thus creating a positive feedback loop of better economic and current trends. What the strong decoupling argument underemphasised was the importance of the continuation of these capital inflows and the importance of the weakening US dollar to the virtuous cycle underpinning the expansion in the developing world.

As the global financial system undergoes the current healing process, the constraints on the availability of US dollars should ease. Indeed, the dollar trade weighted index (DXY) appears to have peaked in February.

Continuation of the weakening dollar trend should help the positive feedback effects re-establish, further underpinning the growth of domestic demand in emerging economies. Although some of the stronger held views on the ability of the developing economies to decouple from the developed world cycle clearly didn't stand up to the extreme events of 2008; and so, it is not unreasonable to believe that it will be a more domestic focused emerging market to lead to global growth that will become apparent.

The writer is director of investment management, global strategy, at Newton Investment Management.

Market data key to price rise

Although markets have seen a spurt in recent weeks, for commodities to sustain any growth momentum, it will be vital that economic data improve, according to an **MF Global** report.

A wave of improved economic sentiment has swept the markets across the globe in the background of a sharp rally in equities. But this wave has also sort of swept away the concerns over the outbreak of swine flu after initial negative reaction. Following a rally in global equities, commodities have been gaining on expectations that a revival in global economic activity and demand is just around the corner. However, murmurs about how the global consumption scene could get a whole lot worse, if not for some support from Chinese buying is making rounds as well.

On to precious metals, gold continues to remain in an uptrend, though it is difficult to pinpoint a particular reason for it. At times it has been supported by a weaker US dollar and on other occasions, concerns over inflation, given the massive government spending in the process. Many fear that most government balance sheets are going to look a lot worse in the months to come as a result of such spending and could trigger ratings change, causing sell-off in respective currencies as well as equities. This could stay supportive of gold in the months to come.

On demand side, reports that China had doubled its gold reserve to nearly 1054 tonnes in the past five years translated little in actual price move. For the month, gold (Comex, near month futures) was up four per cent to US$926.50/ounce. Meanwhile, there have been talks that the Central Bank Gold Sales Agreement (CBGA), which runs out in September this year, may be renewed and could weigh on gold. Under CBGA, European central banks agreed to limit their total sales to 2500 tonnes and not more than 500 tonnes a year.

Silver gained at a faster pace by nearly 10 per cent to US$14.02/ounce, supported by both gains in gold and base metals complex.

In the base metals complex, the Chinese stockpiling spree continues to support metals like copper, zinc, iron ore, etc. China has been steadily stockpiling metals and energy resources as prices dropped to multi-year lows in February-March.

While China has suffered from an export drop, it has increasingly focused on improving domestic consumption through increased investments in factories and realty development. Various government projects so far have invested US$543.20 billion.

Governments drive growth

The Chinese government has sought to encourage the growth of domestic markets for durable goods by offering various incentives.

Auto sales are a case in point. Monthly sales have hit a new record in April and risen by nine per cent in the first four months in China. Government incentives like cutting purchase taxes on cars and subsidies to farmers seemed to have helped.

In India too, there has been an increase in car sales, albeit at a moderate pace of growth of around three per cent on month in the past four months, fuelled by improved lending facilities mainly from public sector banks and rural demand.

But the overall outlook on base metals consumption remains weak, until auto sales, industrial and industrial activity starts to pick pace in the EU and the US.

In the European Union, car sales dropped nearly 16 per cent in the first four months of this year, while in the US sales have been languishing at near 30-year lows. In the US, durable goods inventories declined by 2.4 per cent in March, mostly weighed down by a sharp slump in auto, metals and electrical inventories. The Euro-zone industrial output also fell sharply by two per cent in February on month, dropping 20.2 per cent on year.

On the month, copper, (LME 3-month forwards) declined five per cent on month to US$4445 per tonne. In the case of nickel, production delays (Vale's Onca Puma project in Brazil) as well as shortfalls (Finland's Talvivaara) as well as mine closures (BHP Billiton's Australian mine Rocky's Reward) have had more impact on price than the slump in demand for stainless steel products in OECD. About 61 per cent of nickel output is utilised in the production of stainless steel. Nickel was up six per cent to US$12550/tonne on month.

Tin has gained 23 per cent on the month to US$13600/tonne, supported by falling exports from Indonesia and declining stocks on LME.

In the energy space, natural gas gained 16 per cent on the month to US$4.28 mmBtu, mostly on short covering for June contract expiry on NYMEX and partly because of talks of an increased buying in the exchange traded fund called US Natural Gas Fund. Crude oil has topped US$60/barrel. The concerns over the nationalisation of the oil services industry in Venezuela, militant attacks in Nigeria and equities rally have helped.

Market participants will continue to keep a close watch on the economic data in terms of capacity utilisation, inventory usage, durable goods sales, industrial output and employment, among others. Unless an improvement is seen in these numbers month after month and on more than two quarters, view on commodity consumption may not improve.

The information in this column is provided by MF Global. For further details, write to: contactdubai@mfglobal.ae or call +971 4 332 5052. ***Source:*** *MF Global Commodities India Pvt Ltd, Bloomberg.*

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	$5,000	1.50%	Yly
Skipton (Guernsey)	01481 727374	International US Dollar	None	$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	$50,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	$50,000	0.50%*	Yly
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	2.75%	Yly
Skipton (Guernsey)	01481 727374	International Euro	None	€25,000	2.00%	fiYly
Irish Permanent International	01624 641641	Instant Access	None	€500	1.00%	Yly
Nationwide International	01624 696000	Tracker Premium	None	€5,000	1.30%*	Yly
Halifax International	halifaxinternational.com	International Web Server	None (W)	€1,000	0.90%	Yly
No Notice Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	3.10%	fiYly
Alliance & Leicester International	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	2.76%	Yly
Bradford & Bingley International	01624 695000	Easy Saver	None	£5,000	2.50%	Yly
Alliance & Leicester International	01624 614188	Select International 1	None	£15,000	2.50%	Yly
Nationwide International	01624 696000	Base Rate Tracker Premium	None	£25,000	2.50%*	Yly
Notice Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 30 II	30 Day	£5,000	3.50%	Yly
Alliance & Leicester International	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	3.00%	Yly
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	2.97%	Qly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.75%	Yly
Alliance & Leicester International	www.alil.co.im	Select 50 International 1	50 Day	£25,000	2.75%	Yly
Monthly Interest						
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	2.96%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.72%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	£25,000	2.72%	Mly
Bradford & Bingley International	01624 695000	Easy Saver	None	£5,000	2.47%	Mly
Irish Permanent International	01624 641641	International 30	30 Day	£10,000	2.47%	Mly
Fixed Rates						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	6 month Bond	£5,000	4.30% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	3 month Bond	£5,000	4.25% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	12 month Bond	£5,000	4.05% F	OM
Clydesdale Bank International	01481 711102	Term Deposit	36 month Bond	£10,000	3.85%	Yly
Clydesdale Bank International	01481 711102	Term Deposit	60 month Bond	£10,000	3.75%	Yly
Current Accounts						
Abbey International	01534 885000	Offshore Gold	None	£100,000	0.30%	OM
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	£50,000	0.25%	Mly
Royal Bank of Canadad (CI)	01534 283000	Executive Plus	None	£100,000	0.12%	Mly
Clydesdale Bank International	01481 711102	Current	None	£2,500	0.10%	Mly
Fairbrain Private Bank	01624 645000	Reserve	None	£5,000	0.10%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	2.50%	Yly
Abbey International	01534 885000	Base Rate Tracker 10	05-05-10	£10,000	0.80%	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	0.65%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£25,000	0.05%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£25,000	0.05%	Mly

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post
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OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	0.00	0.00	0.00	0.00	0.30	0.50	0.50	0.50	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.00i 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	0.00 0.00e	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	0.10 - 0.10	0.10 - 0.10	0.10 - 0.10	0.10 0.00 0.10	0.10 0.25 0.10	0.10 0.50 0.10	0.10 0.65 0.10	0.10 0.65 0.10	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.00	0.00	0.05	0.05	0.05	0.05	0.05	0.05	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	0.06	0.12	0.305	0.305	0.305	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	0.05k	0.05	0.05	0.05	0.05	0.05	0.05	0.05	Qly	Yes

k = Rate applies from £3K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: May 01, 2009 Source: Moneyfacts

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	The Monthly Offshore Saver Offshore Euro Call Offshore Gold	10.00 0.00 -	10.00 0.00 0.00	10.00 0.00 0.00	- 0.00 0.00	- 0.00 0.00	- 0.00 0.00	OM Yly Qly	No No Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	1.00	1.00	1.00	1.00	1.00	1.00	Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	0.65	0.65	0.65	0.65	0.65	0.65	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve International Savings	- 0.01	- 0.01	- 0.01	1.50h 0.03	1.50 0.05	1.50 0.05	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.00 -	0.00 -	0.00 0.10e	0.00 0.10	0.00 0.25a	0.00 0.75b	Qly Qly	No No
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	- 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 0.88 -	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	Yly Mly Mly	No No No
Fairbairn Private Bank	 01624 645000	Accumulation High Interest Accumulation Reserve	- - -	0.10 - 0.10	0.10 - 0.10	0.10 - 0.10	0.10 1.00a 0.10	0.10 1.25b 0.10	On closure On closure Qly	Yes No Yes
Halifax International	01534 846501	International Web Saver	1.35	1.35	1.45	1.45	1.45	1.45	Yly	No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.10 - 0.10 - 0.10 0.10	0.10 0.64j 0.10 1.08j 0.10 0.10	0.10 0.64 0.10 1.08 0.26 0.10	0.10 0.64 0.10 1.08 0.26 0.10	0.10 0.64 0.10 1.08 0.66 0.16	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.10	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	1.40 1.39	1.40 1.39	1.40 1.39	1.40 1.39	1.75 1.74	1.75 1.74	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.00	0.00	0.00	0.05	0.05	0.10	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings Euro Tracker Premium	0.25 1.55	0.25 1.55	0.30 1.55	0.30 1.60	0.30 1.60	0.35 1.60	Yly Yly	No
NatWest Offshore	01534 282300	Advantage International	0.10	0.10	0.10	0.15	0.35	0.50	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.03	0.08c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	0.10	0.10	0.10	0.15	0.35	0.50	Qly	No
Skipton (Guensey)	01481 727374	International Euro	-	-	2.00	2.00	2.00	2.00	Yly	No
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	0.15 0.05 -	0.15 0.05 -	0.15 0.05 -	0.15 0.05 1.00	0.15 0.05 1.00	0.15 0.05 1.00	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	0.10j	0.10	0.10	0.10	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward Call	1.50 0.00	1.50 0.00	1.50 0.00	1.50 0.00	1.50 0.00	1.50 0.00	Yly Qly	No No

a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. h = Rate applies from €35K. j = Rate applies from €20K.

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US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	The monthly Offshore Saver Offshore US$ Call Offshore Gold	6.00 0.00 -	6.00 0.00 0.00	6.00 0.00 0.00	6.00 0.00 0.00	- 0.00 0.00	- 0.00 0.10x	OM Yly Qly	No No Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	0.25	0.25	0.25	0.25	0.25	0.25	Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	0.10	0.10	0.10	0.10	0.10	0.10	Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker International Savings	- 0.00	- 0.00	- 0.00	0.25 0.00	0.25 0.01	0.25 0.01	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.00 -	0.00 -	0.00 0.00u	0.00 0.00	0.00 0.10	0.00 0.10	Qly Qly	No No
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	- 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 0.00 -	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	Yly Mly Mly	Yes Yes Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	- - -	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 0.00 0.00	0.00 0.00 0.00	On Closure On Closure Qly	Yes No Yes
Halifax International	01534 846501	International Web Saver	0.00	0.00	0.90	0.90	0.90	0.90	Yly	No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	- - - - -	0.00 - 0.00 - 0.00 0.00	0.00 0.00u 0.00 0.00u 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.05	0.05	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	0.25 0.25	0.25 0.25	0.25 0.25	0.75 0.75	0.75 0.75	0.75 0.75	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.05	0.05	0.05	0.05	0.05	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings US Dollar Tracker Premium	0.10h 0.30	0.10 0.30	0.15 0.30	0.20 0.50	0.25 0.50	0.25 0.50	Yly Yly	No No
NatWest	01534 282300	Advantage International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.07	0.09x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Skipton (Guernsey)	01481 727374	International US Dollar	-	-	1.00	1.00	1.00	1.00	Yly	No
Standard Bank	01534 881188 / 01624 643643	Offshore Reserve Optimum Offshore Moneymarket Call	0.15 0.05 -	0.15 0.05 -	0.15 0.05 -	0.15 0.05 0.25	0.15 0.05 0.25	0.15 0.05 0.25	Half Yly Qly Mly	No No No
Woolwich Guernsey)	01481 715735	US$ International Gross	-	-	0.00u	0.00	0.00	0.00	Qly	No
Zurich Bank International Ltd	01624 671666	Zurich US Dollar Reward Easy Access Deposit	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	Qly	No

h = Rate applies from $1K. u = Rate applies from $20K. v = Rate applies from $75K. x = Rate applies from $200K.

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EXPATRIATE MORTGAGE TERMS - JUNE 2009

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland Intl.	Bank base +2.89%	70	1%	GBP100,000 minimum. Early Redemption Charge 3% - 36 months
BM Solutions	4.15% 2 year tracker 5.19% 3 year fixed	60 60	3.50% 2.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
Cheltenham & Gloucester	4.29% 2 year fix 4.69% 3 year fix 5.29% 5 year fix 3.79% 3 year tracker	75 75 75 75	995 895 995 995	Limited offers via IMP Every case has to be agreed with an underwriter before submission. Will not lend to Self employed expat applicants. Employed applicants need to work for large companies. Available for main UK residence only. Free property valuation and low cost legal fees for remortgages. Different terms available for loans between £1 million and £5 million No other UK mortgaged properties permitted.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
Fortis Bank Group	Sterling mortgage LIBOR + 1% Foreign currency mortgage Cost of funds +1.25%	70 70	GBP500 GBP500	Minimum Loan £150,000 - 75% owner/family occupation. Loans to offshore companies and trusts.
Halifax PLC	5.09% 2 Year Fix Max GBP500K 3.19% 5 Year tracker Max GBP500K	75 75	GBP999 GBP999	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 2 year period. 6 months bank statements required. Redemption Penalties Fixed rate 2% in first 3 years
HSBC	Under review	70 Repayment basis only 65% Interest only	Varies	Many existing expat HSBC bank customers come to us after being told that they will not have a problem obtaining an expat mortgage for a UK property with the bank and then find that the bank is unable to lend to them. The London office can only deal with "FSA regulated loans" where a family member will be resident in the property. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
Ipswich Building Society	4.49% two year discounted rate	75	GBP695	IMP exclusive expatriate buy to let scheme No early repayment penalties at anytime Will only lend on houses including new build
Irish Permanent (Isle of Man)	Temporarily withdrawn	75	1%	Loans to offshore companies and trusts.
Natwest Bank	Base rate + 2.79	60	1%	New build flats maximum 55% loan to value.
Royal Bank of Scotland International	Base + 2.79% 2 year tracker Base + 2.99% 2 year tracker	60 65	1% 1%	Minimum GBP100,000

This table is supplied by IMP, for information purposes only, and is not to be viewed as a recommendation.
Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms.
A usual penalty is six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of 0.25 per cent subject to a minimum of GBP250 and a maximum of £700 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 4/4.5%. Bank rate @ 09/04/09 - 0.50% 3 month LIBOR 1.36%, 11/05/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver/Gold/Laki for Women/Qassit - 275 Mini Visa - 100 Internet card - Free	Nil for purchases 18.5% on cash withdrawals from the bank, otherwise 27.5%	45 days for Visa/ MasterCard (Silver, Gold) Laki for Women and Internet card. Qassit card - 5% or SAR100 whichever is higher then the amount due with no increse or profit.	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 2% on purchases, SAR75 on cash withdrawals Amanah card: 2% on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Al Rajhi Bank	National Programme for Personal Finance	Up to 16 times of salary	5,000	Up to 60 months for Nationals, 48 months for expats		800 124 1222 www.alrajhibank.com.sa
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	Up to 16 times of salary for Nationals Up to 50,000 for expats	2,300	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	Up to 16-17 times of salary	3,000 for Nationals 5,000 foe expats	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	Up to 15-17 times of salary	3,000 for nationals, 4,000 for expatriates	Up to 60 months	Both schemes are Shari'ah approved. Possible top-up finance. Supplier price discounts for goods.	800 244 1005 www.ncb.com.sa
Riyad Bank	Murabaha or Tawaruq	Up to 15 times of salary	2,500	Up to 60 months	Murabaha and Tawaruq schemes are Shari'ah compliant. Remaining installments waived in case of death.	800 124 2020 www.riyadbank.com
SABB	MAL (Islamic Personal Finance)	1,500,000 for Nationals, 350,000 for expats	2,500 for nationals, 5,000 for expatriates. At least 3-5 months service	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	3,000 for Nationals 4,000 for expats	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	Up to 15-16 times of salary	5,000	Up to 48 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Finance Car Lease	3.99 - 5.49% 10.5%	Up to 60 months Up to 60 months	10% None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,000.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Auto Lease	7-9.30%	Up to 60 months	10%	Minimum salary SAR3,000. At least three months service with the current employer and minimum 20 years old.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha or Tawarruq	9-11%	Up to 60 months	15%	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	9.15% 6% for Murabaha 3.15% for Insurance	Up to 60 months	10%	Minimum salary: 3,000 for Nationals. Three months service with current employer.	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 5.5% yearly	Up to 60 months	10%	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Murabaha	4.99% for Nationals in public sector; 6.49% for expats; 5.99-6.49% for companies	Up to 48 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8%	Up to 68 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 120-180 months for nationals, up to 24 months for expats	250	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	Up to 75,000 for nationals, up to 50,000 for expats	Up to 72 months for nationals, up to 24 months for expats	300	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	8%	Up to 40,000 for nationals, up to 20,000 for expats	Up to 84 months for nationals, up to 60 months for expats	500 for Nationals 700 for expats	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8%	Up to 68 times salary for public sector Up to 54 times for private sector	Up to 180 months for public sector and 120 months for private	200 for public 300 for private	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	8%	Up to 50 times salary for nationals, depends on end of service benefits for expats	Up to 108 months for nationals, up to 36 months for expats	150 for public 200 for private	247 06 265 www.omanab.com
Oman International Bank	Basma Personal Loan Scheme	8%	Up to 50 times salary for nationals, depends on salary for expats, up to 24 months salary	Up to 72 months	200	246 85252 (Head office) www.oiboman.com

Credit Cards — OMAN

PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	MIN. SALARY (OMR)	INTEREST RATE	INTEREST FREE CREDIT	CONTACT
Bank Dhofar	Visa (Classic, Gold) MasterCard (Standard, Gold, Platinum) Al Noor Interest Free Credit Card Ecomcard	Visa: Classic - 30, Gold - 50 MasterCard: Standard - 30, Gold - 50, Platinum - 70	Classic/Standard: 250, Gold: 500, Platinum: 1,500	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 www.bankdhofar.com
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum)	Classic: Free for life Gold: 15	Classic: 200-300 Gold: 500 Platinum: Invitation only	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 www.bankmuscat.com
HSBC	Visa/MasterCard (Classic, Gold, Platinum) In-Site Virtual Card	Classic: 30, Gold: 50 In-Site: 10	Classic/Gold: 700	Purchases: Classic - 2.2%, Gold - 2%, 3%+OMR1 on cash withdrawals	56 days	800 7 4722 www.oman.hsbc.com
National Bank of Oman	NBO Visa/MasterCard (Silver, Gold); Al Amiyal MasterCard (Silver, Gold); NBO-Oman Air Card (Silver, Gold); NBO Webshopper Card	NBO Visa/MasterCard (Silver: 30, Gold: 50) Al Amiyal (Silver: 35, Gold: 55) NBO-Oman Air card (Silver: 15, Gold: 30) NBO Webshopper card: 10	Silver cards: 200 Gold cards: 350 for nationals, 500 for expats	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 77077 www.nbo.co.om
Oman Arab Bank	Visa (Classic, Gold, Platinum)	Classic: 30, Gold and Platinum: 50	Classic: 200, Gold: 700, Platinum: 1,500	1.5% on purchases, 3%+OMR1 on cash withdrawals	40 days	797 432 www.omanab.com
Oman International Bank	MasterCard (Classic, Gold) Visa (Classic, Gold, Platinum, Business Card, Cyber Card)	Classic: 30 Gold: 50 Platinum: 70 (By invitation only) Business: 25 Cyber: 10	Classic/Cyber cards: 300 Gold cards: 700 Platinum: 1,400	1.5% on purchases, 3%+OMR1 on cash withdrawals	45 days Business - 37 days	246 85252 (Head office) www.oiboman.com

Personal Loans — QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 10.25% 8% for nationals if salary more than 7,000	Up to 47 times monthly salary Up to 33 times monthly salary	3,000 5,000	Up to 18 years Up to 84 months	4324327 www.ahlibank.com.qa
Arab Bank *Note: Temporarily suspended all new loans*	Personal Loan	10.99% fixed rate	Up to 18 times monthly salary	20,000	Up to 84 months for national Up to 48 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.75-11.99% Depends on salary	Up to 2 million for Nationals Up to 20,000 for expats	Expats: 4,000-10,000 Nationals: 4,000	Up to 84 months for nationals Up to 72 months for expats	4490000 www.cbq.com.qa
Doha Bank *Note: Temporarily suspended all new loans*	Personal Loan	Fixed rate: 7.5%	Up to 16 times monthly salary	3,000	Up to 48 months for expats, up to 72 months for nationals	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.99-10.49%, depends on the loan tenor	Up to 20,000	10,000 for Nationals 20,000 for expats	Up to 60 months for nationals, up to 48 months for expats	4382100 www.qatar.hsbc.com
Mashreqbank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 8.5-11.5% 8.75-11.50% (Depends on the company)	Up to 1 million for Nationals Up to 350,000 for expats	3,000	12-72 months	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 11.50%	Up to 2.5 million for Nationals Up to 250,000 for expats	10,000	Up to 84 months for nationals and 60 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	2,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

Credit cards — QATAR

PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for the first year	3,000	1.75% on purchases, 2% on cash withdrawals	45 days	4324327
Arab Bank *Note: Temporarily suspended all new loans*	Visa (Silver, Gold), Internet Shopping Card	Silver – 200, Gold – 300	Silver/Gold - 20,000	Nil on purchases, 2% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa WOW, Visa/MasterCard Classic, Visa/MasterCard Diners Club (Gold Plus, Platinum)	WOW – free for life, Other cards free for the first year	WOW/Classic/Gold Plus - 1,500, Diners club - 7,500 Platinum - 15,000	2.25% on purchases, 4% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard (Classic, Gold, Platinum), Internet Card	Depends on company	Classic - 10,000, Gold - 15,000, Platinum - 20,000	Nil on purchases, 3% on cash withdrawals	55 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 350, Platinum – 450, In-site – 50	Classic and In-site - 10,000, Gold - 15,000, Platinum - 20,000	Classic 2.5%, Gold 2.25%, Platinum 1.9%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic – 50, Gold - 100	Classic/Gold - 2,500	2.25%, on purchases, 2.5% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Silver - 200, Gold - 300 Platinum - 450,Qatar Airways Co-branded MasterCard Silver - 300, Gold - 400, Platinum - 500	2,000 for Nationals, 10,000 for expats	2% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic - 200, Gold - 400 MasterCard Standard – 250, Gold – 500	3,000 (Salary must be transferred)	2.25% on purchases, 4.5% on cash withdrawals	50 days	4658555

Home Contents Insurance — QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 www.axa-gulf.com
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	250	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR5,000	+974 428 2222 qgirc-tec@qatar.net.qa
Qatar Insurance Company HomeCare Household Insurance	500 650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft ; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 www.qatarinsurance.com onestop@qic.com.qa
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 www.qiic.net

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during May 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QR)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA Insurance *In reference to ages 0-10, cheaper premium for ages 11-20 by up to 500 depending on plan	**Global Area 1:** From 10,801 (ages 11-21) to 29,098 up to age 65. **Global Area 2:** From 3,638 (ages 11-21) to 9,541 up to age 65. **Regional Plus:** From 2,078 (ages 11-21) to 5,433 up to age 65. **Regional:** From 1,787 (ages 11-21) to 4,673 up to age 65		**Global Area 1:** QAR5 million **Global Area 2:** QAR2.5 million **Regional Plus:** QAR1 million **Regional:** QAR500,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland **Regional Plus:** Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan **Regional: AGCC:** Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Qatar General Insurance and Reinsurance Company Interglobal Healthcare Plan MedicalCare Health Insurance Plan	**Interglobal Healthcare Plan** **Ultracare Plus:** From 3,298 (child) to 107,663 up to ages 70-74 **Ultracare Comprehensive:** From 2,565 (child) to 87,710 up to ages 70-74 **Ultracare Select:** From 2,341 (child) to 79,599 up to ages 70-74 **Ultracare Standard:** From 1,616 (child) to 55,211 up to ages 70-74 **MedicalCare Health Insurance Plan** (up to 65 years old only) In-patient treatment: 399, In-patient and out-patient treatment: 899	**Interglobal Healthcare Plan** Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500 **MedicalCare Health Insurance Plan** In-patient treatment: 10% of claim amount for each and every claim Out-patient treatment: QAR25 per visit	**Interglobal Healthcare Plan** **Ultracare Plus:** US$3.4 million Ultracare **Comprehensive:** US$1.7 million **Ultracare Select:** US$1,275,000 **Ultracare Standard:** US$850,000 **MedicalCare Health Insurance Plan** In-patient: QAR100,000 Out-patient: QAR50,000	**Interglobal Healthcare Plan** *With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide. **Ultracare Plus:** Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage. **Ultracare Comprehensive:** In and out-patient benefits, 45 days emergency coverage outside of chosen area. **Ultracare Select:** In-patient benefits. **Ultracare Standard:** Limited out-patient benefits, 30 days emergency coverage outside of chosen area **MedicalCare Health Insurance Plan** (selected hospitals and clinics in Qatar) **In-patient treatment:** Hospital accommodation, surgical, medical and nursing, services and supplies, private room and board, ambulance services. **Out-patient treatment:** Consultation (general medicine, pediatric, obstetrics and gynecology, ophthalmology and dermatology), lab tests, x-ray and ECG diagnostics, prescribed drugs and medicines. **Optional:** Worldwide coverage in case of emergency excluding Canada and USA while on trip not exceeding 30 days and treatment in home country excluding Canada and USA up to QAR25,000	+974 428 2222
Qatar Islamic Insurance Company	**Balsam Gold:** From 3,826 (child) to 7,699 up to age 60. **Balsam Silver:** From 2,114 (child) to 4,199 up to age 60. **Ordinary Balsam:** From 1,067 (child) to 2,118 up to age 60	50 per out-patient consultation	**Ordinary Balsam:** QAR100,000 **Balsam Silver:** QAR300,000 **Balsam Gold:** QAR500,000	**Ordinary Balsam:** Qatar **Balsam Silver:** Worldwide excluding Europe, USA and Canada **Balsam Gold:** Worldwide excluding USA and Canada	+974 4413 413 www.qiic.net qiic@qatar.net.qa

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information. These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during May 2009. Information contained in these tables is subject to confirmation and is provided for information only.

Personal Loans — BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 8.5-9%	Depends on salary	350 for Nationals, 1,000 for expats	Up to 84 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000, minimum 1,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary) Fixed rate: 5.5%	Up to 40,000	1,000	Up to 36 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9-10%	Up to 50,000	200	Up to 84 months	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for Nationals 11% for expats	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 7.25-15%. Depends on company status	Up to 60,000 for nationals, up to 20,000 for expats	500	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	7.85%	Up to 30 times monthly salary	200 for Nationals 300 for expats	Up to 84 months	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 3.99% (Depends on the salary and the loan amount)	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards — BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold, Platinum)	Standard - 10, Gold/Platinum - 25	Standard - 500 for expats, 300 Nationals Gold - 1,000 for Nationals and expats Platinum - 2,500 for Nationals and expats	Standard - 2.5% and Gold – 1.75%, Platinum - 1.5% on purchases, 4% on cash withdrawals	52 days	17221999
Bahrain Islamic Bank	Classic, Gold, Platinum	Free for life	Classic-300, Gold-2,000, Platinum-3,000	Nil on purchases, 4% on cash withdrawals	25 days	17515151
Bahraini Saudi Bank	Visa (Silver, Gold)	Free for life	1,000	1.62% on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold, Platinum)	Free for life	Classic - 300, Gold - 800, Platinum - 2,000	Nil on purchases, 4% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold, Platinum) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Platinum - 200, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800, Platinum - 1,500, Emirates-Citibank card - 800	Silver/Gold/Platinum 2.59% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic 300, Gold- 1,500, In-site - 50-300	Classic – 2.25%; Gold – 2%; In-site – 2%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200 for Nationals 350 for expats	1.84% on purchases. 4% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance — BAHRAIN

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 www.axa-gulf.com
Arabia Insurance Householders Insurance	23-25	250 per claim	5,000	Full value of household goods and personal effects excluding valuables such as jewelry, furs, cameras and accessories; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 www.arabiainsurance.com aicbn@batelco.com.bh
Bahrain Kuwait Insurance Company Homeowners Insurance	Minimum 35	250 per condition	5,000	Cover against fire, domestic explosion, aircraft, earthquake or volcanic eruption, storm and tempest, flood, escape of water from any tank, apparatus or pipes, impact by any road vehicle or animal, theft, breakage of fixed glass and sanitary fixtures; can be taken only if you are a tenant in a building or an apartment, extra charge for jewellery, which should be kept in a safe.	+973 17 875 021 www.bkic.com info@bkic.com
Bahrain National Insurance	25	250 for each and every loss	5,000	Cover against fire, special perils and theft for furniture, electrical appliances, electronic equipment, decorative items, personal belongings, watches and jewelry as long as kept in a locked safe	+973 1758 7333 www.bnhgroup.com bnl@bnhgroup.com
Protection Insurance Services W.L.L .	30	50	5,000	Cover against fire, theft, water; Insured jewelry should be in a safe	+973 1721 1700 www.alhimaya.com
Royal & Sun Alliance Insurance Homeshield Insurance	Minimum 25-35, depends on policy	50-100	5,000	Contents while in your home only including fire, theft, (by forcible means), flood, storm/hail, leakage of any water apparatus, impact damage; excludes riot, strike, malicious damage, sabotage and terrorism; extra damage cover includes sum insured excluding valuables, valuables (gold, silver, jewelry, works of art, carpets/rugs, coin/stamp or medal collections, curios), landlords furnishings; optional covers include personal possessions while outside your home in Bahrain and/or worldwide (loss or damage by fire or theft and accidental loss or damage to personal belongings such as jewelry, watches, cameras, binoculars and musical/sports equipment etc.) and small boats (accidental loss or damage to your boat and third party liability up to BHD50,000)	+973 17 581 661 www.royalsunalliance.com
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture – 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377
Takaful Insurance Home Owners / Householders Takaful Scheme	Minimum 20	100	5,000	Cover against losses due to fire and perils such as storm, theft, flood, earthquakes, escape of water from fixed tanks, apparatus or pipes, impact damage, accidental damages to certain specified household items (TV, fixed glass, sanitary fittings etc); Jewelry in locked safe and personal effects have extra charge	+973 1756 5656 www.takafulweb.com

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Medical Insurance — BAHRAIN

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	**Almas:** From 275 (child) to 1,042 up to age 65 **Dana:** From 148 (child) to 582 up to age 65 **Delmon:** From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	**Almas:** Worldwide Excluding USA and Canada, travel worldwide **Dana:** Bahrain, Arab countries, Southeast Asia, travel worldwide **Delmon:** Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium **Hospital Plan:** From 847 (ages 10-25) to 1,631 up to age 60+	None, US$400, US$1,600, US$5,000 or US$10,000	Hospital Plan: US$1.8 million	**Hospital Plan:** comprehensive inpatient cover (hospitalisation expenses such as hospital ser vices, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US$35,000), medicine and appliances (US$2,500), medical evacuation and repatriation, dental (US$5,000) and optical (US$7,500) covers	+973 1727 5000 www.fakhro.com www.ihi.com
Interglobal Healthcare Plan	**Ultracare Plus:** From 332 (child) to 10,825 up to ages 70-74 **Ultracare Comprehensive:** From 258 (child) to 8,819 up to ages 70-74 **Ultracare Select:** From 235 (child) to 8,003 up to ages 70-74 **Ultracare Standard:** From 162 (child) to 5,551 up to ages 70-74	Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500	**Ultracare Plus:** US$3.4 million Ultracare **Comprehensive:** US$1.7 million **Ultracare Select:** US$1,275,000 **Ultracare Standard:** US$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide **Ultracare Plus:** Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage **Ultracare Comprehensive:** In and out-patient benefits, 45 days emergency coverage outside of chosen area **Ultracare Select:** In-patient benefits **Ultracare Standard:** Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L . +973 1721 1700 www.alhimaya.com www.interglobalpmi.com **Bahrain National Life** +973 1758 7333 www.bnhgroup.com bnl@bnhgroup.com
AXA Insurance	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan **Global Area 1:** From 1,080 (ages 11-21) to 2,909 up to ages 60-65 **Global Area 2:** From 363 (ages 11-21) to 954 up to ages 60-65 **Regional Plus:** From 207 (ages 11-21) to 543 up to ages 60-65 **Regional:** From 179 (ages 11-21) to 467 up to ages 60-65		**Global Area 1:** BHD500,000 **Global Area 2:** BHD250,000 **Regional Plus:** BHD100,000 **Regional:** BHD50,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland **Regional Plus:** Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan **Regional:** AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Bahrain Kuwait Insurance Company	**Shefa'a Gold:** From 520 (child) to 1,636 up to ages 60-65 **Shefa'a Max:** From 305 (child) to 957 up to ages 60-65 **Shefa'a Plus:** From 190 (child) to 598 up to ages 60-65 **Shefa'a:** From 44 (child) to 141 up to ages 60-65		Shefa'a Gold: BHD50,000 Shefa'a Max: BHD35,000 Shefa'a Plus: BHD10,000 Shefa'a: BHD10,000	**Shefa'a Gold:** In-patient and out-patient treatment, family doctor treatment, prescription medication , home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA **Shefa'a Max:** Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA **Shefa'a Plus:** In-patient and daycare treatment as well as out-patient consultations in Bahrain **Shefa'a:** In-patient and daycare treatment in Bahrain	+973 1753 1555 www.bkic.com info@bkic.com

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US$ are converted to BHD using the 0.37 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	6.75%	Up to 70,000 for Nationals Depends on salary and years of service for expats.	300 Nationals 1,000 for expats	60 to 72 months	1812000
Burgan Bank	Consumer Loan	6.50%	Up to 70,000 for Nationals Up to 10 times monthly salary for expats	400	Up to 12-180 months	1804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.50%	Up to 70,000 for Nationals Up to 10 times salary for expats	350	Up to 180 months	1888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	6.50%	Up to 70,000 for Nationals Up to 22,000 for expats	350 for nationals 400 for expats	Up to 60 months Up to 180 months	1805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.50%	Up to 70,000 for Nationals Up to 15,000 for expats (Depends on salary)	400	Up to 60 months	1801801 www.nbk.com

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 20, Gold 50, Platinum 75, CyberSmart 5	250	Nil on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	1812000
Burgan Bank	Visa/MasterCard (Classic, Gold, Platinum)	Classic 30, Gold 60, Platinum 100	Classic/Gold - 400 Platinum - 1,200	Nil on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	1804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic/Gold/Platinum - 20, Infinite card - 100	350	Nil on purchases, 4% on cash withdrawals, 5% on other banks card	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	1888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, Visa Infinite, Visa Internet	Free for the first year, thereafter, Classic - 25, Gold - 40, Platinum - 100, Visa Infinite - 100 Visa Internet - 5	600 for Nationals 1,250 for expats	1.30% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3-5% discount of monthly mobile bills and Free International roaming service	1805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum, Titanium), Visa Internet Shopping card, DinersClub card, Visa pre-paid, Master Lucky Titanum, Black Visa	Free for first year. Classic - 30, Gold - 40, Platinum - 50 Internet Shopping Card - 5, DinersClub - 40, Visa pre-paid - 5, Master Lucky Titanum - 50, Black Visa (By inviation)	Classic - 250 Gold - 600 Platinum - 1,000 DinersClub - 600 Master Lucky Titanum and Black Visa (Up on request)	1% on purchases, 5% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	1801801

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during May 2009 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance — UAE

PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	**Global Area 1:** From 14,869 (0-10) to 50,576 up to ages 61-65, **Global Area 2:** From 4815 (ages 0-10) to 14,789 up to ages 61-65, **Regional 1:** From 3962 (ages 0-10) to 10,866 up to ages 61-65, **Regional 2:** From 2905 (ages 0-10) to 7878 up to ages 61-65		**Global Area1:** AED5million **Global Area2:** AED2.5 million **Regional 1:** AED1 million **Regional 2:** AED500,000	**Global Area 1:** Worldwide excluding US **Global Area 2:** Worldwide including US **Regional 1:** Middle East, Indian subcontinent, North Africa and South Asia **Regional 2:** Middle East, Indian subcontinent, North Africa and South Asia * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles **Global Area 1:** From 4,561 (ages 0-17) to 18,428 up to age 65 **Global Area 2:** From 3,071 (0-17) to 12,270 up to ages 61-65 **Global Area 3:** From 2,048 (0-17) to 7,045 up to ages 61-65 **Regional Plus:** From 1,782 (0-17) to 6,675 up to ages 61-65 **Regional:** From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: **Global Area 1:** AED200/150, **Global Area 2:** AED200/150/100, **Global Area 3:** AED150/100/75, **Regional Plus and Regional:** AED150/100/75/50	**Global Area 1:** AED1 million **Global Area 2:** AED1 million **Global Area 3:** AED1 million **Regional Plus:** VIP: AED1 million A: AED500,000, B: AED250,000 **Regional:** VIP: AED300,000 A: AED150,000, B: AED75,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA and Canada **Global Area 3:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional Plus:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional:** UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	**Essential:** From 2,598 (ages 0-15) to 33,650 up to age 82-120, **Classic:** From 3,743 (ages 0-15) to 46,707 up to age 82-120, **Gold:** From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US$160/US$400/US$800/US$1,600	**Essential:** US$900,000 **Classic:** US$1.2 million **Gold:** US$1.6 million	**Essential:** Hospital treatment as in/day-care patient **Classic:** Plus specialist medical treatment **Gold:** Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Expat Services GmBH	**Individual Policies** **Expat Executive:** From 1,530 (ages 0-18 years) to 5,210 up to age 65, **Expat Superior:** From 1,750 (ages 0-18) to 8,490 up to age 65 **Group Policies** - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	**Standard:** AED100,000 p.a. **Executive:** AED1,835,000 p.a. Superior: Unlimited	**Standard Group:** Covers Arab countries, Indian subcontinent, Philippines **Executive and Superior (Group and Individual):** Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae
Goodhealth Worldwide	**Major Medical Plan:** From 1,921 (ages 0-17) to 11,298 up to age 64 **Foundation Plan:** From 4,037 (ages 0-17) to 23,673 up to age 64 **Lifestyle Plan:** From 4,663 (ages 0-17) to 29,634 up to age 64 **Lifestyle Plus Plan:** From 5,892 (ages 0-17) to 34,577 up to age 64	**Major**: Nil, 1,000/5,000 **Foundation**: Nil, 50/100/250/500/1,000/2,000/5,000 **Lifestyle**: Nil, 50/100/250 **Lifestyle Plus**: Nil, 50/100/250	**Major Medical Plan:** US$1.6 million **Foundation Plan:** US$1.6 million **Lifestyle Plan:** US$1.6 million **Lifestyle Plus Plan:** US$1.6 million	**Major Medical Plan:** Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing **Foundation Plan:** Plus traditional Chinese medicine, hormone replacement therapy **Lifestyle Plan:** Plus evacuation extension to the country of your choice **Lifestyle Plus Plan:** Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand **Plus:** From 3,298 (Child) to 107,662 up to ages 70-74 **Comprehensive:** From 2,565 (Child) to 87,709 up to ages 70-74 **Select:** From 2,340 (Child) to 79,598 up to ages 70-74 **Standard:** From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500	**Plus:** US$3.4 million **Comprehensive:** US$1.7 million **Select:** US$1,275,000 **Standard:** US$850,000	**Plus:** Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover **Comprehensive:** Compassionate emergency visit **Select:** Compassionate emergency visit, emergency medical treatment outside area of cover **Standard:** In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalpmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate **Emirates Plan:** From 1,603 (1-16) to 3,018 up to age 55 **Emirates Plus Plan:** From 1,775 (1-16) to 3,353 up to age 55 **International Plan:** From 1,978 (1-16) to 5,780 up to age 55 **Global Plan:** From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	**Emirates Plan:** AED100,000 **Emirates Plus Plan:** AED250,000 **International Plan:** AED1 million **Global Plan:** AED2 million	**Emirates Plan:** UAE **Emirates Plus Plan:** UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia **International Plan:** UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean **Global Plan:** UAE and up to 60 days p.a. while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	**Basic (Abu Dhabi Plan):** For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): **UAE:** from 1,400 (ages 1-15) to 8,000 up to ages 66-99; **Regional:** from 1,700 (ages1-15) to 9,500 up to ages 66-99; **International:** from 2,200 (ages 1-15) to 13,000 up to ages 66-99; **Global:** from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		**Abu Dhabi Plan In & Out-Patient:** AED250,000 **UAE Plan In & Out-Patient:**AED250,000 **Regional Plan:** AED500,000 **International Plan:** AED2.5 million **Global Plan:** AED5 million	**Abu Dhabi Plan In & Out- Patient:** Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only **UAE Plan In & Out- Patient:** Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) **Regional Plan:** UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **International Plan:** UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **Global Plan:** Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan **Plan 1:** From 1,470 (14 days-45 years) to 2,980 up to age 60 **Plan 2:** From 2,170 (14 days-45 years) to 4,380 up to age 60 **Plan 3:** From 2,350 (14 days-45 years) to 4,730 up to age 60 **Plan 4:** From 3,630 (14 days-45 years) to 7,290 up to age 60 **Plan 5:** From 4,180 (14 days-45 years) to 8,400 up to age 60 **Plan 6:** From 3,800 (14 days-45 years) to 7,650 up to age 60 **Plan 7:** From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	**Plan 1:** AED50,000 **Plan 2:** AED100,000 **Plan 3:** AED100,000 **Plan 4:** AED200,000 **Plan 5:** AED200,000 **Plan 6:** AED300,000 **Plan 7:** AED300,000	**Plan 1:** UAE, **Plan 2:** UAE, **Plan 3:** UAE, Arab countries, Indian sub-continent, Philippines **Plan 4:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada **Plan 5:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada **Plan 6:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada **Plan 7:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 oicem@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan **Visit www.fasterquote.ae for personalised quote. **Columbus:** From 2,727 (ages 0-20) to 14,879 up to age 99 **Ulysses:** From 2,353 (ages 0-20) to 12,631 up to age 99 **Marco Polo:** From 2,040 (ages 0-20) to 10,756 up to age 99 **Local Health:** From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	**Columbus:** AED1 million **Ulysses:** AED500,000 **Marco Polo:** AED300,000 **Local Health:** AED100,000	**Columbus:** Worldwide **Ulysses:** Worldwide exc. USA and Canada **Marco Polo:** UAE, Arab Countries, South East Asia, Iran and Afghanistan **Local Health:** UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karaoglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. ***Tip:*** Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. ***Notes:*** These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during May 2009. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list, Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Home Contents Insurance — UAE

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
Abu Dhabi National Insurance Company – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewelry and money	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householder's contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, Impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewelry; contents temporarily removed from the building while in any bank safe deposit or private dwellings where the insured or members of his family are residing or employed are covered; reasonable costs of the alternative accommodation in the event of building being rendered uninhabitable; standard policy may be extended to cover legal liability to landlord and third parties	02 672 1444 www.aldhafrainsurance.com
Al Ittihad Al Watani General Insurance Company – Householders Comprehensive Insurance	1,500-2,000	250	50,000	Cover against fire and perils. 10,000 limit on money are jewellery	04 282 3266 www.unic.ae
Arab Orient Insurance Company – Home Contents Insurance	750 minimum	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewellery (2,500 for each item), excluding cash	04 209 3705 www.insuranceuae.com
AXA / Norwich Union Insurance (Gulf) BSC(c) – Home Comfort Insurance	800	250	200,000	Home contents (0.4 per cent), personal belongings (1.4 per cent) lap top (2.5 per cent) plus tenants and legal liabilities, alternative accommodation, new for old, unexpected events and natural calamities, while you are away, Theft of keys AED1,000, frozen food AED2,500, contents in the open AED2,500, household removals; optional coverage includes domestic helpers, against loss of important documents, money and credit cards, accidental damage	Toll Free 800 4560 (HSBC) www.axa-gulf.com
Lebanese Insurance Company – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 www.lebaneseinsurance.com
Dubai Islamic Insurance & Reinsurance Company (AMAN) – Householders Comprehensive Insurance	1,500 and up to 2,000 if including all options	1,000 of each and every loss	1 million	Anything insurable in the house against material damage. Can be extended to people living in the house against personal accidents, third party liability, loss of accommodation. Also includes clothes, jewelry and other items, safe in the house, gold as long as kept in a safe.	04 319 3111 www.aman-diir.ae
Gargash Insurance – Home Contents Insurance	200	250	50,000	Cover against accidental damage, fire, and theft; everything inside the house such as furniture, landlord's fittings, permanent fixtures and fittings, interior decors, safety locks up to AED1,000, jewelry up to AED2,500, servants with extra charge (AED150 per person)	Dubai – 04 337 9800 Sharjah – 06 572 3434 www.gargashinsurance.com
National General Insurance – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 www.ngi.ae
Oman Insurance Company – Home Umbrella	200 minimum	250	50,000	Household contents covered against fire and allied perils, escape of water, theft or attempted theft, riot, strike and civil commotion, storm, flood and malicious damage, etc.; contents temporarily removed up to 10 per cent of contents sum insured within the geographic limit not exceeding 30 consecutive days; audio/video equipments, home computers, mirrors and glasses against accidental damage occurring in the private dwelling; loss or damage to goods contained in a deep freezer maximum of AED1,500; cost of alternate accommodation/loss of rent up to 50 per cent of contents sum insured for maximum period of six months; legal liability towards domestic servants maximum AED150,000, public liability maximum AED1 million, and tenant's legal liability for material damages caused to property of the landlord maximum AED200,000; personal accident (death) caused by fire or thieves for the insured and spouse max AED50,000 per person; all risks cover for jewelry, valuables and laptops is optional	Toll Free 800 4746 www.tameen.ae
Oriental Insurance Company LTD – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
Qatar Insurance Company – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
Royal & Sun Alliance Insurance Group – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 www.royalsunalliance.ae www.fasterquote.ae
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: **(1) Standard** – against loss or damage caused by fire/smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TV's/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and **(2) Extra damage option** – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during May 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards — BY INTEREST/PROFIT RATE — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic and Gold), World MasterCard e-Tijari Web Card, MasterCard (Gold), INFINITY	Classic-200, Gold-400, e-Tijari Web Card-100, MasterCard Gold - 400, World MasterCard - 600, INFINITY - 900	2% on purchases, 3% on cash withdrawals and 2.5% for e-Tijari Web Card for both	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International. *Note: Temporarily stopped credit cards*	MasterCard (Silver,Gold) (Card issuance stopped temporarily)	Silver-150, Gold-250	1.5% on purchases, 2.99% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Gold, Platinum)	Free for life	1.5% on purchases and on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fee: Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A on purchases and AED30 for cash withdrawals	50 days	04 609 2222 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Gold, Gold Plus, Platinum, Platinum Plus) Skyward Credit Card (Gold, Gold Plus, Platinum, Platinum Plus)	Gold-200, Gold Plus - 250 Platinum-300, Platinum Plus-350, Skyward Credit Card Gold - 300, Gold Plus - 375, Platinum - 400, Platinum Plus - 450	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	25 days	04 316 0234 www.emiratesislamicbank.ae
LloydsTSB	Visa (Classic, Gold)	Free for life	1.25% per month on purchases and cash withdrawals	55 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	2.15% on purchases for MasterCard cards, 2.25% for Visa cards; 2.25% on cash withdrawals for all cards; Géant card - 0% interest for first three months	25 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Platinum, Titanium)	Silver: free for life; Gold and Titanium - 300, Platinum - 500	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
Union National Bank	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold), International Travel card, Egypt Air Visa co-branded card	Visa Classic - 150, Gold - 250, Platinum - 1,000 MasterCard Classic - 150, Gold - 250, International Travel card, Egypt Air Visa co-branded card are free for life	2.19% on purchases and 2.39% on cash withdrawals	50 days	Toll-free: 800 2600 www.unb.co.ae

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Platinum-800, rest of the cards are free for life	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, Gold Rainbow	DDF-175, AMEX Blue -250, AMEX Gold-295, SmartGold-395, Charge Cards: Green- US$120, Gold-US$175, Platinum-US$750, Gold Rainbow - US$395	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Priority option (available on all cards): 400; Prestige option (available on platinum cards): 650 Classic/Gold/Titanium-300, Platinum-550 Depends on bundle	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Emirates-Citibank Credit Cards (Ultima/ Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver), Basic Silver	Emirates-Citibank Credit Cards - 3,000/ 1,000/500/300, Basic Silver - 50 Citi Travel Pass - 400 Citibank Credit Cards - Dh 1,000/ 500/250 5 Supplementary Cards - Free, (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards.Double miles with Miles Accelerator.Upto 15% airticket discounts.Special offers across UAE and Citibank World Privileges worldwide at over 40,000 establishments.Loans as low as 0.91%.Exclusively for Ultima/ Ultimate customers-25000 signup Skywards Miles(Ultima),free Priority Pass Membership,International Concierge, upto 3 Free nights stay in Marriott Paris/ME&A, and much more.	04-311 4000 www.citibank.ae
Dubai First ***NOTE* Temporarily suspended credit cards.*	Visa (Silver, Gold) MasterCard (Classic, Gold) Royale MasterCard	Visa: Silver – 200, Gold – 400 MasterCard: Classic – 200, Gold – 400 Royale MasterCard – Invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubaifirst.com
Dunia Finance	Silver, Gold, Platinum	From 150-300	1% cash back on Silver card, 1.5% on Gold and 2% on Platinum. 15-20% discount on dining promotion, 15% discount at Aramex for Gold and Platinum cardholders. 5% discount at MMI travel for all cardholders. Reward points can be exchanged at Jumbo Electronics. 15-20% discount on health and leisure promotion.	04-423 8642 www.dunia.ae
Emirates-NBD	**EBI cards:** Visa, MasterCard (Silver, Gold), MasterCard Visa meUNI, Infinite Credit card	**EBI cards:** meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, Emirates IPAY - 50. Silver and Gold cards are free for first year, Infinite - 1,500	**EBI cards:** Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book.	04-3160316 www.me.ae
	NBD cards: Visa (Silver, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard	**NBD cards:** Silver - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50	**NBD cards:** Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts, 2% cash back on all retail purchases.	Toll-free: 800 4444 www.nbd.com
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com
RBS	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard, RBS Weekend Card & RBS Williams Platinum Card	Free for life Platinum - 650	All cards: Free Wild Wadi, Ski Dubai and Cinema; chip card for enhanced security; purchase protection; access to utility bill payment, smart cash loan. Visa Classic & Gold: dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveler Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameera: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 www.rbsbank.ae

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Car Loans — Some of the deals available now

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	New cars: 5.5% Used cars: 5.95%	Depends on type of car	Depends on type of car	60 months	5,000	No
Al Hilal Bank	Murabaha	News cars: 4.99% Used cars: 6.5%	Up to AED500,000	Nil on Japanese cars. 10-20% for sports cars	News cars: 72 months with salary transfer, otherwise 60 months Used cars: 48 months	8,000	No
Arab Bank	Car Loan	News cars: 4.5% Used cars: 5.5%	Depends on type of car	Nil for new cars Used cars: 15%	New cars: up to 60 months Used cars: up to 40 months	20,000	Yes
Dubai Bank	Markaba Auto Finance	4.5% for new cars (Depends on the dealer)	Up to 250,000	Depends on car	Up to 60 months	8,000+	No
Commercial Bank International	Car Loan	News cars only. 4.75% with salary transfer otherwise 5.00%	Up to 750,000	5%	Up to 72 months	15,000	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.8%, otherwise 5.35% Used cars: with salary transfer 5.5%, otherwise 5.75%	Up to 250,000	New cars: with salary transfer - Nil, otherwise 20% Used cars: with salary transfer - 10%, otherwise 25%	Up to 48 months	With salary transfer - 7,500 otherwise 10,000	No
Emirates-NBD							
Emirates Bank Int.	Car Loan	New cars: 5.25% Used cars: 5.60%	Up to 250,000	10%	72 months	With salary transfer - 6,000 otherwise 10,000	No
National Bank of Dubai	Car Loan	New cars: 5.25% with salary transfer, otherwise 5.50% Used cars: 5.60% with salary transfer, otherwise 6.0%	Up to 10 times of monthly salary	10%	60 months		
National Bank of Abu Dhabi	Motori	New cars: 4.75-5% Used cars: 4.75-5.5%	Up to AED350,000 for account holders, otherwise AED200,000	10-15%	New cars: up to 84 months Used cars: up to 48 months	7,000 for account holders, otherwise 10,000	No
Noor Islamic Bank	Noor Drive	News cars: 5.5% Used cars: 6%	Up to 250,000	New cars 15% Used cars 10%	Up to 60 months	5,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to 250,000	Nil. Sports cars - 30%	Up to 60 months	5,000	No

Personal Loans — Some of the deals available now

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6.25% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 72 months	4,000	Yes
Al Hilal Bank	Goods Finance	Profit rate: 8.99%	Up to AED250,000	No	Up to 48 months	8,000	No
Arab Bank	Personal Loan	8.5%	Up to AED5 million	No	Up to 300 months	20,000	No
Dubai Bank	Sanad Personal Finance	7.00%	Up to AED150,000	No	Depends on salary and years of service	8,000	Yes
Dubai Islamic Bank	Goods Finance	Profit rate: 5%	Up to 125,000	Yes	Up to 6 months	6,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7%	AED150,000	Yes	Up to 48 months	5,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 7.35% for listed (different packages) 10% for not listed companies (subject to bank approval)	Up to AED250,000	Yes	Up to 60 months	20,000	Yes
Noor Islamic Bank	Goods Finance	Profit rate: 6.75%	Up to AED250,000	No	Up to 60 months	7,000 for account holders, otherwise 10,000	No
Sharjah Islamic Bank	Goods Murabaha	Profit rate: 10% for Ijara 8% for Goods	Up to AED250,000	Yes	Up to 48 months	12,000	Yes
Standard Chartered	Personal Loan	8.8%	Up to AED250,000	Yes	Up to 48 months	8,000	Yes

Note: Many banks operating in the UAE require you be an account holder before approving loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2002 model or newer	Yes	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must not be older than 10 years.		Nil			Toll-free: 800 666666 www.alhilalbank.ae
Used cars must be 2005 model or newer	Yes	2% of outstanding loan, 5% for bank buyout	Free credit card for the first year	AED100 charged as processing fee	Toll-free: 800 27224 www.arabbank.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
	No	2% of total outstanding loan		No processing fee	Toll-free: 800 224 www.www.cbiuae.com
Post dated cheques required along with usual documents. Used cars must be 10 years old or newer	No	Nil	Free EIB account	AED500 charged as processing fee, if salary is not tranfered, otherwise no fees	04 316 0101 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed. Used car must be at least 4 years old	No	4% of total outstanding loan		No processing fee AED300 charged as processing fee	04-3160316 www.ebi.ae Toll-free: 800-4444 www.nbd.com
Used cars must not be older than 4 years. Loan only applies to Japanese cars	No	3% outstanding value of the loan for cash, 5% for bank buyout		0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
Used cars must not be older than 4 years.	No	None			Toll-free: 800 NOOR www.noorbank.com
	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	No processing fee	04 213 000 www.rakbank.ae

Criteria: Interest/profit rate less than 5.5% on new cars

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and original passport. The applicant should be atleast 21 years old.	None		No processing fee	Toll-free: 800 666666 www.alhilalbank.ae
Approved companies only. Need to provide salary certificate, bank statement and original passport.	2% of outstanding loan, 5% for bank buyout	Free credit card for the first year	No processing fee	Toll-free: 800 27224 www.arabbank.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa. Minimum age - 25 years	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		No processing fee	04 609 2424 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED2,500	Toll-free: 800 4792 www.hsbcamanah.com
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		AED150 processing fee	Toll-free: 800 6667 www.noorbank.com
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Need to provide salary certificate, bank statement and original passport. The applicant should be atleast 21 years old.	5% of outstanding loan	None	1% processing fee of the loan amount	04 352 0455 www.standardchartered.com/ae

Criteria: Interest/profit rate less than 10%

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during May 2009 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Mortgages

PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	8.7% with salary transfer, otherwise 9%	Minimum AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	Up to 15% (depending on the property)
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	8.5 to 9%	Up to 85%	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
Amlak (Shari'ah compliant) *****NOTE***** ***On November 20, 2008 Amlak froze all new mortgage lending.***	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on eligibity and criteria	10-20%	Minimum 10%
According to recent newspaper reports (April 18th 2009), the Amlak/Tamweel merger is going ahead and the merged entity will be trading soon.							
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.0% reducing balance rate	Up to AED5 million LTV: up to 85%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	70% for completed properties, 60% incompleted properties
Bank of Baroda *****NOTE***** ***Temporarily stopped new mortgage lending.***	UAE nationals, expats	Up to 15 years	65 years	10%	Up to AED3 million	Up to 50% of gross monthly income	50%
Barclays Bank *****NOTE***** ***Temporarily stopped new mortgage lending.***	UAE residents and non-residents	Up to 25 years	70 years	8.50%	Minimum is AED500,000 and maximum is AED10 million LTV: up to 90% of market value for villas and 80% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	8.65%	Up to 80%	Depends on the salary	15-20%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	6.5%	Up to AED2.5 million	Depends on the loan amount and salary	10% with salary transfer, otherwise 20%. Depends on property
Emirates-NBD	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	8-9%	Up to AED10 milliion	Residents: Up to 60% Non-residents: Up to 50%	15%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	With salary transfer - 8.25% Without salary transfer - 9%	Up to AED4.5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8.5% on reducing balance basis	Up to AED1.8 million	Maximum 60%	20%
Habib Bank AG Zurich *****NOTE***** ***Temporarily stopped new mortgage lending.***	UAE nationals and expats	Up to 15 years	60 years	6.5-7%	Up to 50% of the property value (Depends on income and liabilities)	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 year period or up to the age of 65 years, whichever comes first	65 years	8.5-9.5%	Up to AED10 million	60% overall debt on all regular commitments	Villas 35% Apartments 30%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	Financing available for VILLAS ONLY 8.5%	50%		50%
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	8.5 to 9%	Up to AED10 milion for villas, up to AED8 million for apartments	55% including all loans	30% - completed properties, 35% - Incomplete properties
Mawarid Finance *****NOTE***** ***Temporarily suspended all new mortgage lending.***	UAE residents and non-residents	Up to 25 years	60-65 years	7.5-8.5%	AED100,000 to AED10 million Financing available only for completed properties. LTV: 80%	Depends on salary	5-20%
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals; Up to 50 years for investors in Abu Dhabi	65 years	8.05-9.0%	Up to AED8 million	Up to 50% of monthly salary for expats	Primary properties up to 25% in Abu Dhabi and other emirates 50%
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	7.99-9.5% Abu Dhabi properties: 7.99-9.5%	Up to AED8 million LTV: Upto 85% Abu Dhabi properties: Up to 90%	60% of monthly salary for salaried individuals	Up to 25% depending on property
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	Profit rate: 10% on reducing balance basis	Up to AED3-4 million	50%	45%
Standard Chartered	UAE nationals, expats	25 years	65 years	6.25-7.25%	Up to AED5 million	Depends on the salary	Minimum 25%
Tamweel (Shari'ah compliant) *****NOTE***** ***Temporarily suspended all new mortgage lending.***	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	8.9%	Up to AED5 million LTV: Up to 90%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	9.5% on a reducing balance basis	Up to AED4 million for villas Up to AED3 million for apartments	Up to 65% of monthly salary	20%
United Bank Limited 'Baitna' *****NOTE***** ***Temporarily suspended all new mortgage lending.***	UAE residents and non-residents	Up to 20 years	65 years	8%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

NOTE: Some more UAE banks are actively lending in the market, although mortgage finance products are yet to be officially launched. It's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. ***Documentation requirements*** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khulasat Qaid (ID card), salary certificate, six months salary bank account statements, other income documents, copy of sale/purchase agreement, proof of downpayments, cheque for loan processing fee and application form. For business owners/directors - trade licence & audited company financials. Please check with your chosen mortgage provider for more details.

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	10,000	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	**Abu Dhabi:** ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya **Dubai:** Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 1% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	ALDAR, Sorouh, TDIC, Capitala and many more to come	Yes	Yes	Toll-free: 800 ADF (233) www.adf.ae
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	**Abu Dhabi:** Sourouh, ETS, Manazel, Emirates Financial Towers **Dubai:** Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	20,000	Yes	Yes	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 313 6666 www.bankofbarodauae.ae
Life and building insurance	15,000	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	15,000	Yes	No	Info not available	No Abu Dhabi properties financed **Dubai:** 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	04 609 2424 www.alislami.ae
Life and property insurance	National - 8,000 to 20,000 Expats - 10,000 to 25,000	No	Yes	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	**Abu Dhabi:** ALDAR, Sorouh **Dubai:** Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	25,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	**Abu Dhabi:** Manazel, Al Reef **Dubai:** Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	12,000 for Nationals 20,000 for expats	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	Yes	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 366 9052 www.uae.hsbc.com
Life and building insurance	12,000	No	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	No	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	9,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 424 4444 www.mashreqbank.com
Property and life insurance	25,000	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	20,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	10,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	**Abu Dhabi:** Al Raha Beach, Yas Island, Shams **Dubai:** Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	30,000	Yes	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000 for account holders, otherwise 15,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	15,000	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre- payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	**Abu Dhabi:** Al Raha, Manazel and Al Reef **Dubai:** JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/ developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	With salary transfer 15,000 otherwise 20,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	04 608 5302

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during May 2009 for MONEY*works* magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Independent Financial Advisers — UAE

Licence: The UAE Central Bank

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsael.com
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 58032, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	info@synergyfinancial.ae	www.synergyfinancial.ae
Union National Financial Consultancy LLC	11th Floor, UNB Head Office Building, Salam Street, Abu Dhabi, UAE.	+971-2-678-2822	+971-2-678-2825	unc@emirates.net.ae	www.unfc.ae/

Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com
Globaleye	P O Box 24592, Dubai	+971-4-3489330	+971-4-3489331	admin@globaleye.com	www.globaleye.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
Joie De Vivre International Insurance Brokerage LLC	M 03, Al Abbas Building, Khalid bin Waleed road, Dubai, UAE	+971 4 352 3351	+971 4 352 7884	mgmt1@jdvinsurance.ae	www.jdvinsurance.ae
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	+971-2-626 6669 +971-4-397 7779	+971-2-626 3322 +971-4-397 4422		www.nexusadvice.com
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	info@pioneerwealth.a	www.pioneer-wealth.com

Licence: DED (Dubai Department of Economic Development)

Name	Address	Telephone	Fax	E-mail	Website
Citco Dubai	P O Box 58066, Dubai, UAE	+971-4-3432666	+971-4-3436613	fdsouza@citco.ae	www.citco.com
Prosperity Offshore Investment Consultants	P O Box 24459, Dubai	+971-4-3124334	+971-4-3124335	enquiries@prosperity-uae.com	www.prosperity-uae.com
Rasmala Investments	P O Box 31145, Dubai	+971-4-3301041	+971-4-3635635		www.rasmala.com

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

Name	Address	Telephone	Fax	E-mail	Website
Candour Consultancy	P O Box 9168, Dubai	+971-4-3124410	+971-4-3124411	info@candourconsultancy.com	www.candourconsultancy.com

Others

Name	Address	Telephone	Fax	E-mail	Website
OFS	P O Box 49388, Dubai, UAE	+971-4-3291614	+971-4-3291619	info@ofsdubai.com	www.ofsdubai.com

Notes: The following organisations are also listed on the UAE Central Bank website (as at September 30, 2002) but contact/further details were unavailable when this information was updated (June 12, 2007), despite repeated attempts to contact each organisation.

1. Inter Capital LLC - P O Box 14424, Dubai, Tel: 2940045, Fax: 2940048
2. Landmark International Consulting Services; 3. Network Corporate Services L.L.C
4. Regent Investment Consultants - P.O.Box 28472, Dubai. Tel: 3552055, Fax: 3552088

Licensed Financial Intermediaries — UAE

Note: Financial intermediaries are licensed to undertake brokerage in currencies, commodities and to deal with money market transactions, as per licence from the Central Bank. Main activities at present are brokerage in foreign exchange, futures, options and Contracts for Difference (CFDs) in global stock indices, major stocks, treasury notes and commodities.

Name	Address	Telephone	Fax	E-mail	Website
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	+971-4-351 6112	+971-4-355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	+971-4-228 3003	+971-4-223 7237	eastrust@emirates.net.ae	www.easterntrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	+971-4-268 6844	info@lmedubai.com	www.lmedubai.com
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	+971-4-351 4900	+971-4-352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	+971-4-221 3949	+971-4-224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	+971-4-359 8882	+971-4-359 9030	info@world-index.com	www.world-index.com

Disclaimer: *This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during May 2009. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae. (Source: UAE Central Bank Website, last updated March 31, 2003)*

Related Services — UAE

Name	Address	Telephone	Fax	E-mail	Website
Just Wills LLC	P O Box 75671, Dubai, UAE	+971-4-3116592	+971-4-3328810	mohammad@just-wills.net	www.just-wills.net

Letter of the Month

*Write to **MONEYworks** - Reader's letters. All correspondence MUST carry a daytime telephone number (a mobile phone number will not suffice), there must be an address and the letter should be signed by the author. We cannot publish every letter, and those that are may be edited or excerpted.*
Post to: *PO Box 10656, Dubai, UAE, Fax to: 00971 4 391 2173.* ***Email to:*** *editor@moneyworks.ae.*
*Make the subject 'Readers' and don't forget that telephone number. Letter of the month wins a complimentary annual subscription to **MONEYworks**.*

Dear Editor,

Your article on credit cards, last month, was very apt. Both I and my wife had multiple credit cards, which we used heavily to maintain a certain lifestyle during the peak of inflation in the UAE. Both of us were modestly indebted, but were very conscious of the fact that we had to draw a line somewhere so that we were able to manage our payables, at the end of the day. But then came the recession, and most of our credit lines were withdrawn, leaving us with hardly any room to manoeuvre. It has been quite an uphill task these last few months to pay our dues and get out of our debts.

Luckily, we've no children or major obligations. And that's why we've been able to manage our lives even under the stress that we have been under.

One big lesson we have learnt from this financial crisis is that we should always cut our coat according to our cloth. Otherwise, it is big trouble and lots of stress. One good thing that has happened to me and my wife because of all these is that we have now deliberately cancelled most of our credit cards after having paid our dues. We manage our money much better today.

(N.S. Dubai)

Once bitten, twice shy is an old English proverb that goes with your experience. It is a good decision that you have taken to finally start managing your money properly. I wish you all the best in your new endeavour.

Advice to readers: *Information given here is checked for accuracy, but we strongly recommend that you make enquiries and, if necessary, take professional advice before entering any transactions. The value of many investments can go down as well as up and you may not get back the amount originally invested.*

To invest or not to invest?

James Thomas ponders another age old question and asks if now is the right time to dip into the market.

I have just landed a job in the UAE and I find stock prices quite cheap here. Since all my investments are in international currency investments in mutual funds and real estate, do you think an exposure to regional securities is a good idea?

Firstly congratulations on your new job! While I am not a stock broker, and so not able to comment on individual companies that are quoted on the regional markets, I am happy to give my views as to whether it is a good idea to consider investing in them or not. Based on a number of factors that I will discuss, I would say that an exposure to regional securities could be a good idea, and I am sure that there are some great opportunities to benefit from.

There are a number of markets in the region, with all of the GCC countries having their own stock markets, and the UAE actually having three markets within 150km of each other. They are all governed by different rules, and obviously are denominated in different currencies. Certain companies also have rules regarding the amount of stock non-nationals are able to own.

The regional markets have experienced a roller coaster ride over the past few years. Most of the bourses are quite new, and have relatively low level of trades on the markets. For example, the Dubai Financial Market opened to trading in March 2000, and it now has approximately 65 companies listed on the market. But when compared to some international markets, the total amount of trades that occur in a day here, would only take a few minutes elsewhere.

This small level of trading on certain markets can lead to a high amount of volatility as it can prove difficult to sell particular shares as and when you would like to, and to actually sell the holding, the price may have to be reduced significantly. Indeed some shares on certain markets can experience little or no trades for days or even weeks. This obviously needs to be considered before buying any holding to make sure you can actually secure a holding and then be able to sell it again.

The regional markets have experienced a roller coaster ride, even more so than other more established markets around the world, and again using the DFM as an example, it has risen to a high of over 8,000 points, and has now dropped to around 1,600 points, and has been around this level for a few months. As with the upturn the world's markets have experienced over the past couple of months, the regional markets have also picked up, but it is a brave call to say where markets are going next.

Risk related issues

It is worth discussing the area of risk. The last year or so has brought risk sharply back into focus, as most assets have retreated from record highs. From my perspective as a financial consultant, direct shares would be at the very top of the risk spectrum, which means that although they can produce high returns the potential for loss is also greater. However, if you were to talk to a stockbroker, I am sure they would use a different risk scale, and blue chip companies that are quoted on the FTSE100 or Dow Jones 30 would be classed as lower risk than a company quoted on a regional market here.

Another factor to consider is how you are planning to buy your shares. Are you looking to invest a lump sum or do you wish to invest regularly? Are you looking to day trade or to hold the stocks for a length of time? This may well have a bearing on the stocks that you wish to hold, and how you wish to invest into them.

How much of your total portfolio are you considering to invest into these equities? I would normally recommend to clients that if they wish to invest into direct securities, that it should be around 10 per cent of their total portfolio, unless they are completely comfortable with the risks involved.

The amount that you are looking to invest, and how many different shares you wish to purchase may have a bearing on the best way to invest, as there are mutual funds available that invest into all of the regional markets, and can offer a level of diversification that would be virtually impossible as an individual investor.

In summary, if you do your research, are fully aware of what you are investing into, can spend the time following the markets, and are happy to ride the peaks and troughs, then the regional markets can offer some great opportunities. MW

James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae. This article is provided for information purposes only and should not be regarded as financial advice. Always remember that investments can go down as well as up.

Time to activate the customs union

Sultan Sooud Al Qassemi on what the Gulf countries should do now that the common currency project has come to a grinding halt with the UAE pulling out.

Last month, the UAE pulled out of the Gulf Cooperation Council common currency project, not too long after the Saudi Arabian capital Riyadh was chosen as the headquarters of the union's proposed central bank. Many pundits had argued that the UAE would have been an ideal location because of its large economic size and openness. Saudi Arabia's backers stated that Riyadh was chosen mainly because of the economic clout of the kingdom as the region's largest economy and cited the fact that King Abdullah, the Saudi monarch, was the only Arab representative in the G20 meetings in London earlier this year. The UAE's expressed reservations may be due to the fact that it does not host any GCC body even though it is the second largest economy in the Arab world after Saudi Arabia.

There is no doubt that without the UAE in the currency, the project will never take off. Each of Saudi Arabia's three remaining partners has issues that merit consideration. Kuwait's economic policy track record in the past few years shows that the one thing you can count on is that you can't count on anything. For instance, they have pulled out of the basket of currencies and aligned themselves with other GCC states only to return to an independent policy two years later. Bahrain, while it enjoys impressive governance and economic policies, is simply too small to make a difference to the Saudi Arabian economy, in addition to irking Saudi Arabia after it signed with the US a bilateral free trade agreement. Finally, Qatar also had a seesawing political relation with Saudi Arabia in the past affecting the peninsular state's economic goals. Qatar's negotiations with Kuwait to extend a gas pipeline, earlier in the decade, faltered as Saudi Arabia accused Qatar-based Al Jazeera channel, of deliberately targeting the kingdom by repeatedly hosting unfriendly guests on the satellite TV channel. As Al Jazeera's policies haven't changed and Qatar's political relations with Iran and Syria continue to strengthen to the chagrin of Saudi Arabia, it is unlikely that Qatar will accept outsourcing its monetary policy to a country with which it has yet to decide whether it wants to be friendly or not.

So now that the GCC single currency is dead and buried, it is time for the region to strengthen the entities that they have

launched in the first place. The frozen customs union needs to be activated and the related laws and regulations have to be finally passed and implemented on the ground by all six-member states. Once that is done free trade agreements will no longer be negotiated separately because the economic integration of the Gulf States will finally be tangible. Additionally, past press reports throughout the GCC highlighted incidents where a specific Gulf state has not allowed free access of imported goods from one member state to another as the Gulf common market laws stipulate. This can partially be attributed to psychological reasons of some people who have yet to see tangible elements of a Gulf union as many still view the common economic agreements as not being worth the paper they're written on and rather more a public relations exercise between the rulers of the Gulf. Human beings generally rely on proof to ascertain their beliefs and until the rulers of the Gulf states literally show them the money they will continue to have doubts if this economic union is and can be a reality. Another issue that merits attention is that of the joint tourist visa that could be implemented relatively fast. The GCC can follow the European Schengen visa policy, in which only some EU states are signatories. For instance the UAE, Oman, Qatar and Bahrain can introduce it together, while the other two Gulf states can then join in.

Finally, and in order not to lose hope, Gulf nationals can remind themselves that they have previously used a single currency, which is still in existence today. The Indian rupee was the accepted legal tender from Basra to Muscat and throughout the sheikhdoms of the Gulf.

Ultimately, someone must point out to the elephant in the room, the GCC states already have a single currency to which they are all linked and is uniformly traded throughout the region, which means that a common monetary policy already exists. This currency is called the US dollar. It has worked for three decades; it will work for another three.

Sultan Saud Al Qassemi is the chairman of Barjeel Securities. He can be reached at www.sultansq.blogspot.com. Opinions expressed in this article are those of the author and do not necessarily represent those of the MONEYworks group of magazines. This article should not be misconstrued as financial advice.