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

The Gulf region's first personal finance and investment magazine

MONEY*works*

www.moneyworks.ae

February 2009 Issue 123

THE ONLY WAY IS UP

How much more financial turmoil can we take?

US$1200 gold

Kuwait hots up

Global real estate

MONEY*works* magazine
P O Box 10656, Dubai, UAE
Telephone: +971 4 391 2160, Fax: +971 4 391 2173
Email: info@moneyworks.ae

Published by
Rasalmal Financial Publishing FZ-LLC
A Dubai Media City Company
Telephone: +971 4 391 2160, Fax: +971 4 391 2173
Email: info@moneyworks.ae

Board of Directors
Saud A. Al Amri - chairman
Abdulaziz Al Mashal
Greg Hunt

General Manager
Don Taylor

Distribution
Dar Al Hikma, Dubai, UAE, Tel: +971 4 266 7384
Jashanmal, Abu Dhabi, UAE, Tel: +971 2 673 2327

Printing
Nabeel Printing Press LLC, Ajman, UAE, Tel: +971 6 743 4445

Cover Image
Dreamstime

Editor
Utpal Bhattacharya

Deputy Editor
Ehab Heyassat

Assistant Editor
Ritwika Chaudhuri

Sub Editor
Kara Sensoli

Editorial Assistants
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Sonia Landoulsi

Administration
Sessie Fernandes
Rolla Daniel

Sales & Marketing
Zarko Ackovik, Ali Jaber, Nick Watson, Arshad Iqbal

Advertising Enquiries:
Tel. +971 4 391 2163, Email: sales@moneyworks.ae

Audited by:
BPA WORLDWIDE CONSUMER

History was made last month when Barack Hussein Obama became the 44th president of the United States of America. It took the US this long to have its first president of mixed roots. But better late than never, and it was democracy that won in the end. The event has also shown that the flat economic world of Thomas Friedman is finally beginning to offer a level playing field in the world of politics. Obama's rise to the presidency not only once again positions the US as the champion of the free world, but also gives the Third World the message that aspiration and positive actions can take one to the top.

President Obama also takes office amidst tremendous expectations from people across the globe. How much he is actually able to deliver, though, will only be seen in the months ahead. Obama is no magician and cannot be expected to wish away the financial crisis that has befallen the world. There is no way we can come out of the financial crisis without hitting the bottom first. But only time will tell how hard we will be hit or how low markets will go before turning around.

It is interesting that experts are talking of different scenarios going forward. While there is a strong opinion that the US economy is headed towards significant indebtedness as it continues to pump money to shore up bad assets, there is also the belief that we could possibly see a hyperinflationary environment in the future. Although it is still too early to make any predictions, it is becoming increasingly obvious that investors will have to start looking for safe haven destinations in the not-too-distant future. Gold will become an even more important play under these circumstances. And in an inflationary environment, oil and commodity prices could see a rally once again.

At home, the news has been both good and bad. Rents seem to be stabilising in Dubai, with the emirate's Real Estate Regulatory Agency making efforts to organise the market. That's a good beginning. The bad news is the GEMS Group raising school fees almost one hundred per cent at a time when people are finding it difficult to keep their jobs. Regionally, banks are still not lending. They have little choice after all the excesses of the boom time.

Now is the time to practice austerity and hope for the best. It is also the time to save and invest judiciously and take expert opinion seriously, as any wrong move could result in losses.

Utpal Bhattacharya
Editor

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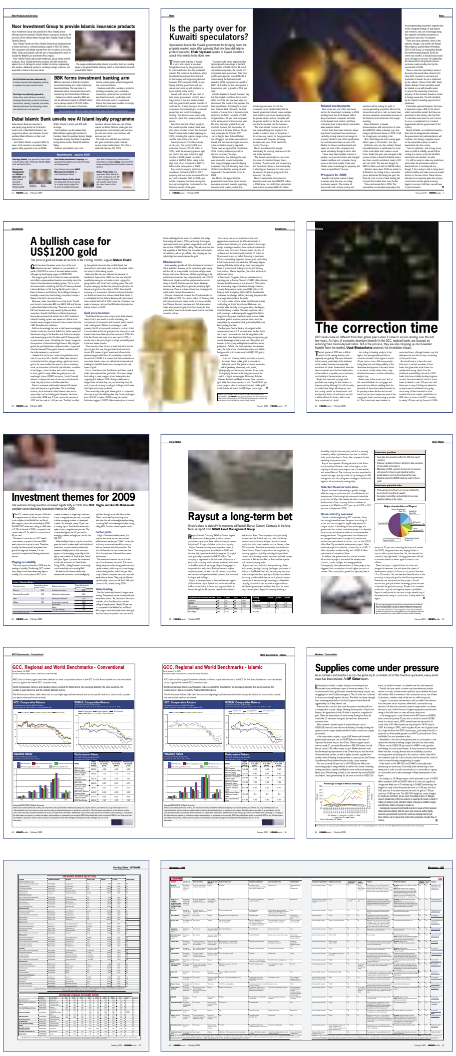
Like all investments, real estate investing requires following certain signs in the market. While analysing the sector globally and in the GCC, Rehan Syed urges caution and going back to the basics



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Is the party over for Kuwaiti speculators?

Speculators blame the Kuwaiti government for bringing down the property market, even after agreeing that new laws did help to protect investors. **Ehab Heyassat** speaks to Kuwaiti investors about what needs to be done now.

The real estate industry in Kuwait is up in arms about a so-called thoughtless move by the government to curb investments into the residential market. The cream of the industry, which benefited tremendously from the lack of land supply and burgeoning demand between 2003 and early 2008, is now hoping that the government will see reason and come up with solutions to boost activity in the sector.

Kuwait, with almost 95 per cent of land under government control, saw a huge boom in the real estate market until the government passed Law No. 8 and Law No. 9 early last year to prevent companies from investing in residential properties and restrict mortgage lending. The decision was supposedly made to check the runaway real estate prices.

Apart from the lack of land supply in the private tradable market, there were also a host of other factors that boosted Kuwait's real estate market beginning in 2003, including the regime change in Iraq and the spike in the price of oil.

Kuwait produces 2.5 million barrels of oil a day. The country's GDP was estimated to be at US$120 billion in 2007, while the economy grew at eight per cent in that year. In the first eight months of 2008, Kuwait recorded a surplus of KWD9.8 billion owing to the high price of oil, compared to KWD7.4 billion in the same period in 2007.

The country's property sector is a major contributor to Kuwait's GDP. In 2007, property and real estate accounted for six per cent of Kuwait's GDP. In 2008, real estate companies had been among the best-performing listed companies for the first nine months of the year.

The real estate sector registered the highest growth in earnings in the first nine months of 2008. Out of 34 listed real estate companies, the results of 11 companies were announced. Their total profits were reported to be KWD181.6 million during the first nine-month period of 2008, compared to a profit of KWD113.8 million for the same period in the previous year, a growth of 59.6 per cent.

Industry leaders in Kuwait, however, say that the market could have had a much better run if the two new laws were not introduced. The result of the two laws has been quantifiable. According to a report from National Bank of Kuwait, the total number of transactions in the real estate sector for the first 11 months of 2008 dropped almost 35 per cent compared to the same period in the previous year. The drop has been gradual from one month to the next, but the number of transactions in October fell over 56 per cent, compared to October 2007.

According to Saud Sahood Mutairi, one of biggest real estate speculators in Kuwait, the two laws destroyed investors in the residential property segment. "These laws are against the constitution of the country and were passed for election purposes," he says.

Mutairi admits that although the laws were passed to prevent companies from using mortgage loans for flipping properties, they did ultimately save some of them from disaster, looking at what happened in the real estate sector in 2008.

But Mutairi still argues that the government should have taken a more innovative approach towards regulating the real estate market, rather than introducing measures to stall the residential sector. Mutairi feels that the Kuwaiti government should make available more land for real estate development by the private sector and not compete with the private sector for the five per cent of land that is available now for business.

"The state should conduct auctions of new land and bring new supply to the market in order to ease up the prices. I do not see any reason for the government to continue with the policy of having the state own most of the land in the country," he says.

Mutairi also blames the Kuwaiti municipality for causing hindrances in the real estate business.

"The Kuwaiti municipality is a sick man. It is more of a hurdles thrower than a facilitator. The obstacles and bureaucracy that the industry faces in the municipality is affecting our business. It is also one of the reasons for prices going up for the end-users," he notes.

Mutairi's real estate transactions in Kuwait exceed more than KWD300 million. In 2008 alone, his profits from real estate transactions exceeded KWD100 million.

income-generating properties segment due to the changing strategy of speculators and investors, who are increasingly eying this segment of finished properties as opposed to land now," he explains.

There are some optimistic views in the industry, though. Last month, the Kuwait News Agency quoted Adnan Al-Haddad, CEO of Gulf Group, as saying that despite the market having dropped 30-40 per cent in two months, it should bounce back once oil begins to recover. He added that the rebound from the global economic recession could possibly start by the second half of 2009.

There is now also reportedly a move in the works that would allow citizens from other GCC countries to own land and properties in Kuwait. As per a statement by the cabinet, citizens of the UAE, Saudi Arabia, Bahrain, Oman and Qatar would be treated on par with Kuwaitis when it came to the ownership of land and property. At the moment, Kuwait is closed to foreign ownership. The bill submitted by the cabinet is awaiting approval from parliament

If and when approval happens, the move is expected to give a fillip to the oil-rich state's real estate market. But there are pessimists in the industry who feel that it could take some time for such a move to occur, as parliament is in constant loggerheads with the government of the country.

Nasser Al Nafisi, an institutional investor, feels that the disagreements between the government and parliamentarians will continue, thus having a negative impact on the real estate market, as well as investments into the country.

"I am not optimistic, and as long as we have no political stability, we will still be circling in a vicious cycle that will affect investments into Kuwait," he adds.

It is still too early to make any predictions about when the real estate market in Kuwait will turn. It certainly will turn, though, if the country is able to bring about political stability and make more pro-market reforms in the near future. These reforms will only be accentuated when the oil price comes back and the global economy begins to recover. Until then, we will have to wait and watch.

Related developments

Real estate was one of the safe haven sectors for investment companies in 2008, totalling more than 90 in Kuwait. Half of these investment companies are listed on the Kuwait stock market, and these companies tried to diversify into real estate when equities tanked.

In fact, there have been instances where investment companies have raised new capital by issuing shares in exchange for property. Mutairi is one of the beneficiaries. He currently owns three per cent of Al Madina for Finance and Investment and seven per cent of the company's real estate subsidiary through a barter deal.

"I have never been tempted to invest in equities, but in recent months, with changed market conditions and companies facing losses in the stock market, I have been offered shares in exchange for property, and I have accepted them," he says.

Prospects for 2009

Kuwait's real estate market is likely to remain quiet this year, according to industry experts. The number of transactions will continue to drop and investors will be looking for yield- or income-generating properties. Most of the transactions will be in cash, as banks have become extremely conservative because of the financial crisis and losses from equity investing.

Reem Al Ghanim, a Kuwaiti businesswoman with transactions of more than KWD250 million in Kuwait, says that margins will become thinner in 2009. It will be a tough year, according to her.

"But I think things will start moving again within a year or 18 months," she says.

Al Ghanim, who runs her mother's (Suaad Humaidi) business, is well known for some of the smart deals she's made in recent times. Earlier this year, she managed to flip a piece of land in Kuwait's Al Badaa area in less than a month and almost made a 100 per cent profit. The land was bought for KWD15 million and sold for KWD28 million.

Mutairi's views about 2009 are similar to Al Ghanim's. According to him, real estate prices will remain flat during the year; the financial crisis or lack of bank funding will not push the market down much further.

"Prices will remain flat in 2009. This trend will be accentuated especially in the

When we said get in touch with your banking gripes, we just weren't prepared for the reaction. ***Allen Quaye's*** *still sorting through a sack bigger than Santa's.*

Here's another story of woe from a disgruntled credit card customer. I've left out some of the more colourful language in the interests of decency, but it goes something like this.

"Some four and a half years ago, I received a pre-approved application from a major international bank. All they asked for with the application for this pre-approved card was a passport copy. No other documentation. I had no history with this bank, nor did I have an account. I filled in the form and sent it in, really just to see if they'd send me a card. Amazingly, a couple of weeks later, a card arrived. I still use it occasionally.

A year and a half ago, I had a call from the same major international bank offering me a platinum card for AED700 per year...free the first year. I declined, since I already had the pre-approved card from the same bank. I said I simply didn't need a platinum card and had no wish to cough up AED700 a year to receive a list of benefits that were of no real benefit to me.

Having heard that I didn't want the card, the salesperson changed tack and offered double salary as the credit limit. No thank you, I replied. I was then offered a gold card for AED400 a year... free for a year. I declined. The salesperson was persistent and pointed out the 'benefits' once again. I was so interested that I still can't remember what they were.

Anyway, I thought to myself, let's see what happens if I say yes. So I said OK. That seemed to please the salesperson.

And no documentation was required. Remember, they had only an old, out-of-date passport copy, with an out-of-date visa page.

A couple of weeks later the card arrived.

Eleven and a half months later, I cancelled the card. I didn't need it and had never used or activated it. When I called and enquired about the cancellation procedure, I was assured that it was fine and it would be done automatically. I asked if they needed a fax to confirm. I was assured there was no need.

The next month, I received a bill for AED400 for the annual fee. So, I called to enquire if my cancellation had been logged in the system. No, was the answer. So I cancelled it again. And was assured, again, that there was no need for a cancellation fax.

Just over a month later, I got a call from Credit Control asking me to pay the annual fee plus the interest. I informed them of the cancellation. Rather curtly I was told to call the concerned department to arrange. I informed Credit Control that I would be only too happy to call the concerned department.

The department assured me it would this time be cancelled. Then I got a bill for annual fee plus interest, which I ignored, since I guessed that, this time, it would actually be cancelled.

How naive I can be.

After another month, I got another call asking me to pay the annual fee, plus interest, plus late payment charge. I called again to cancel and was told that my complaints were logged in the system. However, the customer service agent was at a loss to explain as to why the cancellation hadn't happened. But he assured me that it would now be cancelled Then, a few weeks later, I got another bill for the annual fee – plus, plus.

So I called again, ready for the mother of all showdowns. However, I was able to remain civil and was assured that this was the final computer generated advice and that another computer generated advice of the reversal of the charge would follow on January 11.

It's now January 15 and I've still not had my final notice. But I live in hope."

There's just nothing to add, is there? Is it any wonder we're in such a global financial mess?

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 e-mail published will receive a limited edition MONEYworks money clip in return. For a more immediate way to let off steam, why not blog online at www.moneyworks.ae...just look for 'Topic of the Month'. It's way cheaper than therapy.

News in Brief - Banking & Finance

SGAM to sell London-based asset management subsidiary

Société Générale Asset Management (SGAM) has reached an agreement to sell its London-based asset management subsidiary (SGAM UK) to GLG Partners.

SGAM UK managed US$8.2 billion of assets as of November 30, 2008, or around 2.5 per cent of the overall assets managed by SGAM.

The transaction is expected to be finalised during the first half of this year, subject to regulatory approval.

Through the acquisition, GLG intends to increase its traditional investment offering to clients and strengthen its activity in the UK. GLG said it will ensure the continuity of the funds and mandates delegated to SGAM UK.

GLG had over US$17 billion in assets under management as of September 30, 2008.

Moody's: Negative credit outlook for UAE banking sector

The fundamental credit outlook for the UAE banking sector is negative, says Moody's Investors Service in a new UAE banking system outlook.

The negative outlook reflects growing pressures on the operating environment, which Moody's believes will weaken the financial fundamentals of UAE banks going forward.

Key factors underlying this outlook include the growing potential for deterioration in asset quality in light of the property market correction, which began having an impact in the fourth quarter of 2008.

"Moody's is mainly concerned about the loans to opportunistic developers that have been extended over the past four to five years, following Dubai's decision to allow freehold ownership for foreigners in 2003," explains John Tofarides, Moody's analyst and author of the report.

According to Tofarides, another negative factor is the liquidity constraints observed in the second half of 2008, which Moody's expects to have severe consequences for future asset growth and profitability.

Other negative factors include the equity price collapse in 2008, which has affected fourth quarter financials (although Moody's expects its effect to stabilise in 2009), and the sharp decline in oil prices and subsequent oil production cuts, which Moody's predicts will significantly weaken the UAE's fiscal surplus and real economic growth in 2009.

For more on this story, go to www.moneyworks.ae and search 'credit outlook'

FGB inks finance deal with Mubadala

First Gulf Bank (FGB), along with five other regional and international banks, has signed a US$323 million syndicated loan with Mubadala Development Company.

The twenty-year loan will be used to finance the new campus of Paris Sorbonne University Abu Dhabi.

FGB will act as the mandated lead arranger, providing 25 per cent of the total project value. It will also act as the onshore security agent and as the onshore accounts bank.

Joining FGB as mandated lead arrangers are Bank of Tokyo-Mitsubishi UFJ Ltd, BNP Paribas, Calyon (also the facility agent and offshore security agent), Royal Bank of Scotland and Sumitomo Mitsui Banking Corporation.

Paris Sorbonne University Abu Dhabi

Credit Suisse has signed an agreement to sell part of its Global Investors (GI) traditional asset management business in return for up to 24.9 per cent of the enlarged share capital of Aberdeen Asset Management.

The stake was valued at approximately CHF381 million as of December 30, 2008. The sale comprises CHF75 billion of assets under management and includes the majority of the GI business in Europe, the US and Asia Pacific.

As part of the transaction, Credit Suisse will have a seat on the board of Aberdeen. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2009.

In Switzerland, Credit Suisse will maintain its asset management franchise, while the management of a small number of Swiss-domiciled funds will transfer to Aberdeen.

Credit Suisse will continue to operate its GI business in Brazil and through its various joint ventures across the globe.

StanChart provides loan facility to Lamnalco

Standard Chartered Bank, together with Rabobank and ING Wholesale Banking, has provided a US$125 million loan facility to Sharjah-based Lamnalco Group.

Standard Chartered Bank acted as structuring bank for the facility, which was lead arranged by the three banks.

Lamnalco Group is a global provider of solutions to the marine terminal towage and associated marine service needs of the global oil and gas industry. It is jointly owned by Royal Boskalis Westminster NV, a dredging and maritime infrastructure development company, and Rezayat Group, a privately-owned engineering and trading conglomerate.

The loan facility will support Lamnalco Group's new vessel acquisition programme by arranging the refinancing of a number of vessels in Lamnalco's existing fleet.

Financial results

Finance House reported a net profit of AED248.8 million for 2008, a 23 per cent rise over the 2007 figure of AED202.8 million. The board has recommended a cash dividend distribution of 50 per cent.

Gulf General Investment Company reported a consolidated net profit of AED590 million for 2008, compared to AED555 million for the previous year. The company's directors proposed 35 per cent bonus shares and the issue of a mandatory convertible bond of AED500 million.

Economy to recover only in 2010, says economics professor

The current credit crunch is expected to persist because of the impaired financial system, leading to a very weak economic recovery only in 2010, according to Nouriel Roubini, professor of economics and international business at New York University's Stern School of Business.

Professor Roubini says that other repercussions of the present global economic downturn, including the sharp fall in oil and energy prices, will have greater ramifications on regional oil exporting countries.

The global economy is expected to contract by 0.4 per cent in 2009 – the first such shrinkage since the Second World War. The latest Economist Intelligence Unit reports indicate that the UAE economy's growth will slow down from a projected 7.7 per cent in 2008 to 1.5 per cent in 2009.

"This is the worst financial crisis since the Great Depression and the global economy will experience its worst recession in decades in 2009," says Professor Roubini. "Even emerging market economies will experience a sharp slowdown of growth that will be the equivalent of a hard landing."

According to Professor Roubini, only very aggressive fiscal, monetary and financial policy response in the US and other countries would lead to an economic recovery in 2010.

Professor Nouriel Roubini

For more on this, go to www.moneyworks.ae and search 'Professor Roubini'

Despite a dramatic decline in volumes in 2008, the long-term perspectives for global sukuk issuance are still good, said Standard & Poor's Ratings Service in a report published last month.

According to Standard & Poor's credit analyst Mohamed Damak, the decline in sukuk issuance in 2008 was the result of global market turmoil, the drying up of liquidity, the widening of credit spreads and investors' wait-and-see attitudes.

More than 45 per cent of sukuk issued in 2008 were ijara (lease financing), most probably as a direct consequence of the debate about Shari'ah compliance among some scholars.

Compared to 2007, the value of sukuk issued in 2008 dropped by more than 56 per cent to US$14.9 billion. "We do not expect the market to start reviving before the second half of 2009 or early 2010," says Damak.

Long-term prospects for the sukuk market remain strong, the report notes. Although volumes dropped dramatically in 2008, the sukuk market attracted about the same number of issuers. Conservative estimates of the pipeline of sukuk that have been talked about or announced are in excess of US$45 billion.

SHUAA Capital de-lists shares from KSE

SHUAA Capital confirmed that its shares have been de-listed from the Kuwait Stock Exchange (KSE). All of the shares will now be traded on the Dubai Financial Market (DFM).

"SHUAA decided to de-list its shares from the KSE due to inconsistencies in regulations between the DFM and the KSE, making it difficult for dual-listed companies to comply with the regulations of both exchanges," said Oliver Schutzmann, head of investor relations and corporate communications at SHUAA Capital.

According to Schutzmann, the company expects an improvement of liquidity and trading volumes of SHUAA Capital shares on the DFM as a result of the de-listing.

New businesses still being set up in Dubai

Despite the challenging financial conditions globally, Mohamed Alabbar, chairman of the Dubai government's advisory council, said last month that the emirate was continuing to witness net growth in the establishment of new businesses and increased airline passenger arrivals.

Mohamed Alabbar

In November and December of 2008, the Dubai government issued 1285 new business licences per month, up from 1045 per month for the same period in 2007.

During the same months, the Dubai government cancelled 148 licences per month, in comparison to 131 licenses cancelled per month during the same period in 2007.

Airline passenger arrivals into Dubai have grown an average five per cent in the past two months, Alabbar said. The number of passenger arrivals, not including transit passengers, was an average of over 1.5 million per month in the last two months of 2008.

Ernst & Young: IPO activity noticeably declining in Middle East

IPO activity in the Middle East declined noticeably near the end of 2008, mirroring investor sentiment and the global economic downturn, says Ernst & Young.

According to the firm's year-end update, regional IPOs in October and November of 2008 raised a total of US$22.4 million from three IPOs, compared to US$6 billion raised from 10 IPOs in the same period the previous year.

During 2008, Saudi Arabia, the UAE and Egypt were the top three markets in terms of capital raised, accounting for 78 per cent, 10.3 per cent and 4.7 per cent respectively.

"Issuers are not willing accept current market valuations and therefore scheduled IPOs coming to the markets are being delayed," says Phil Gandier, partner of transaction advisory services at Ernst & Young Middle East.

Global IPO activity has more than halved since 2007. During the first 11 months of 2008, a total of 745 IPOs worldwide raised US$95.3 billion in capital, compared to 1790 IPOs over the same period in 2007 that raised US$256.9 billion in capital.

For more on this story, go to www.moneyworks.ae and search 'IPO activity'

Consumer confidence lower for 2009

Consumer confidence in the UAE is lower for the first half of 2009, according to the latest MasterCard Worldwide Index of Consumer Confidence, with the lowest index score for employment since 2004.

In the UAE, the current consumer confidence score is 75.4, a drop from a period ago (85.4) and a year ago (78.5). It is also below the market historical average (83.5).

Consumers, however, remain optimistic about regular income (91.6), the economy (83.2) and quality of life (76.7). They are somewhat more optimistic about the stock market (68.3) than they were a period ago (65.2) and year ago (73.4).

Consumer outlook on employment (57.0), though still positive, has seen a significant drop from a period ago (95.8) and a year ago (85.6).

Consumer confidence in Saudi Arabia (72.4) and Qatar (76.2) remains fairly to very optimistic. But current consumer sentiments are lower than a period ago and a year ago.

Kuwait, on the other hand, has hit a new high (96.6), surpassing all previous records.

Middle Eastern art market gains increasing significance

International art galleries are increasingly turning to the Middle East and neighbouring markets for new opportunities in the contemporary art market, according to a recent survey.

Almost 60 galleries surveyed expressed the need to reach new collectors in new markets, with an overwhelming majority agreeing that Dubai has the potential to be the most important contemporary art hub in the Middle East.

More than two-thirds of galleries questioned identified the Middle East as a significant player in the international contemporary art market.

Una Lumino, 2008, Anmopispl avearium cirrpedia Uram

A new survey of 828 senior managers across the globe has found that companies, whether financially weak or strong, are struggling to make the right moves in the current economic environment.

Conducted in December 2008 by Booz & Company, the survey also shows that many companies are wavering in their confidence of leadership's ability to navigate the crisis.

According to the survey, 40 per cent of senior managers doubt that their leadership has a credible plan to address the economic crisis, while an even greater number – 46 per cent – are not sure that their leadership could carry out the plan, credible or not.

Additionally, one-third of all CEO-level respondents do not have confidence in the plans that they presumably wrote themselves. A high number of hard-hit companies – 65 per cent – are not doing enough to ensure their own survival, such as accelerating efforts to dispose of assets or secure external funding.

Among companies that state they are financially strong, one-quarter are not taking advantage of opportunities to improve their position in the crisis.

The Dubai Mercantile Exchange Limited (DME) said that a total of 6484 contracts were traded on the exchange on January 13, 2009. This figure marks a new DME record for the volume of contracts traded on the exchange on a given day. It is up 35 per cent over the previous high of 4819 reached on November 18, 2008.

Burj Dubai now over 780 metres and climbing, says Emaar

Burj Dubai, currently the world's tallest building, has reached a height of 780 metres (2559 feet), according to developer Emaar Properties.

On course to open this year, Burj Dubai now has over 160 storeys – the largest number of floors in any building in the world.

Burj Dubai became the world's tallest structure in 2008, surpassing the KVLY-TV mast (628.8 metres; 2063 feet) in North Dakota, US.

The tower is already taller than the Taipei 101 in Taiwan, which at 508 metres (1667 feet) has held the tallest-building-in-the-world title since it opened in 2004.

Burj Dubai has also surpassed the 31-year-old record of the CN Tower, which at 553.33 metres (1815.5 feet) has been the world's tallest free-standing structure on land since 1976.

A mixed-use tower, Burj Dubai will have residences and commercial spaces, recreational facilities and entertainment venues.

When completed, Burj Dubai will meet all four criteria listed by the Council on Tall Buildings and Urban Habitat, which classifies the world's tallest structures.

It is believed that Burj Dubai's final height will be 818 metres, once a beacon has been installed to the top of the spire that was erected in December. According to one of the project contractors: "We have been shown the final blue-print for our installation work and it states the height to be 818 metres."

Burj Dubai

House prices in Dubai dropped by an average of eight per cent between October 2008 and December 2008, according to global real estate consultancy Colliers International.

Despite the drop in prices, Colliers' house price index for the fourth quarter of 2008 indicates a year-on-year price growth of 59 per cent between the fourth quarter of 2007 and the fourth quarter of 2008.

The index shows that the overall average price level is now similar to that recorded at the beginning of the second quarter of 2008.

Colliers' analysis attributes a combination of tighter liquidity and negative sentiment as the key factors for the price drop.

According to the report, the fourth quarter of 2008 saw many lending institutions reduce their loan-to-value ratios available to mortgage seekers and adopt a more selective view towards applicants. International exchange rates also played a role, as the decline in the value of major currencies made dirham-denominated assets more expensive and discouraged some international investors.

Negative sentiment precipitated by the global economic crisis, the postponement of developments by large government-backed developers and concerns over job security further deterred potential property investors.

Rent freeze for 2008 tenancy contracts

A new decree was issued last month regarding rents for residential and non-residential properties in Dubai this year.

The decree states that there will be a rent freeze for any tenancy contracts signed or renewed in 2008. But 2008 rents that were more than 25 per cent below the average rent in the RERA index for properties of similar specification will be allowed to increase.

Beyond the 25 per cent cushion, landlords will be able to increase rents by five per cent for every 10 percentile difference to a maximum cap of 20 per cent.

In other words, if the rent value in 2008 was less than the average rent of properties of similar specifications by 26-35 per cent, then the maximum increase is five per cent of the rent value. If the rent value was less by 36-45 per cent, then the maximum increase is 10 per cent. If the rent was less by 46-55 per cent, then the maximum increase is 15 per cent. And if the rent value in 2008 was less by 56 per cent, then the maximum increase is 20 per cent.

Waitrose store opens in Dubai Marina Mall

The Dubai Marina's largest supermarket, Waitrose, opened in the Dubai Marina Mall last month.

Waitrose had entered into a licensing agreement with Fine Fare Food Market to open a store in Dubai Marina Mall. The first debut for a Waitrose store in the UAE and outside of the UK was at the Dubai Mall in November 2008.

Lloyds TSB launching chip and pin

Lloyds TSB Middle East launched its chip and pin offering last month. The bank has also invested in an intelligent fraud monitoring system designed to monitor transactional activity in customer accounts.

The system is able to report any deviation from usual spending patterns. The bank will be alerted to contact the customer to verify whether a transaction is authentic.

Cards will be issued to existing customers on a renewal basis. Lloyds TSB Middle East will contact customers when their cards are ready for issue to arrange a delivery time.

Abbey offers updated interest rates

Abbey International has new interest rates on its limited offer fixed-rate contracts, which are now paying up to four per cent AER.

Aimed at new funds with a minimum balance of GBP30,000, the accounts offer a choice of fixed interest rate options over three, six and 12 months.

Over 12 months, all deposits will earn a guaranteed rate of four per cent gross/AER, two per cent above the UK Base Rate.

Deposits held for three months will currently earn 3.25 per cent gross/3.29 per cent AER, while those held for six months will currently earn 3.45 per cent gross/3.48 per cent AER.

Interest is paid on maturity and is linked to the UK Bank of England Base Rate, plus a bonus depending on contract term and balance. Current bonus rates are two per cent for 12-month contracts and 1.25 per cent and 1.45 per cent respectively for three- and six-month contracts.

RBS introduces 'weekend' credit card

The Royal Bank of Scotland (RBS) has introduced a new 'weekend' credit card. The card provides double cash back on weekend purchases, as well as discounts and offers redeemable throughout the weekend at clubs, discos, amusement parks, adventure activities and restaurants in the UAE.

"We conducted extensive research and handpicked partner outlets that we know the weekend crowd truly enjoys," said Karim Beg, head of consumer finance and marketing at RBS UAE.

Some of the partner outlets include Trader Vic's, Da Gama, Lucianos, Its Mirchi, St Maxim's, Ushna, Wild Wadi and Ski Dubai.

Deutsche Bank launches new platform

Deutsche Bank has launched a new platform aimed at facilitating the issuance of Shari'ah-compliant securities.

The platform is Luxembourg domiciled and was developed by Deutsche Bank, with Luxembourg Financial Group acting as the Shari'ah investment manager.

The certificates issued on the platform will be tradable Islamic securities, as they represent ownership in tangible Islamic assets.

The platform also allows for the issuance of tradable Islamic money market products settling with short settlement cycles (T+0), enabling the issuance of overnight products or other short-dated money market instruments.

Investment and advisory group Agilis has opened its new office in the Dubai International Financial Centre. According to Stuart Price, CEO of Agilis, the company has continued to see demand for advice across a range of alternate investments within the property, hotels, tourism, agribusiness and environmental sectors.

Citi's global transaction services business in Europe, the Middle East and Africa will be providing direct custody and clearing (DCC) services to clients investing in the UAE.

Citi is now open to service at all three UAE exchanges – the Abu Dhabi Securities Exchange, the Dubai Financial Market and NASDAQ Dubai.

Citi's proprietary network makes up 57 markets globally, 31 of which are in Europe, the Middle East and Africa.

DCC provides the clearing and settlement services required for broker dealers and global custodians to support trading and investing activities around the world.

Allianz Global Investors has taken over Cominvest from Commerzbank AG. Cominvest group companies now operate as legally independent entities under the umbrella of Allianz Global Investors Deutschland GmbH.

Together with Cominvest, Allianz manages assets totalling over EUR300 billion for both private and institutional investors. Customers will now have access to a wider product range.

The new legal constellation of the company has no direct impact on existing customer relations or funds managed by the two companies.

Ahli United Bank of Kuwait has opened a branch in Abu Dhabi as part of its plan to expand regionally. The new branch will initially cater to its corporate clients. It will be involved in trade financing and major projects in Abu Dhabi and the UAE. It will also explore such possibilities as wealth management, asset management and syndication.

Noor Investment Group to provide Islamic insurance products

Noor Investment Group has launched its Noor Takaful brand offering Shari'ah-compliant Takaful (Islamic insurance) products. All services will be offered either through Noor Takaful Family or Noor Takaful General.

Noor Takaful Family and Noor Takaful General are headquartered in Dubai and have a combined paid-up capital of AED150 million. The companies will initially operate from four locations across Abu Dhabi, Dubai and Sharjah, with the aim of expanding their reach to include the Middle East and North Africa region.

Noor Takaful Family will provide healthcare, group family and life products. Noor Takaful General's products will offer protection against loss of damage to assets related to marine, engineering and aviation. Additional products, including savings schemes, are expected to follow in the near future.

Noor Takaful press conference

The newly established entity intends to position itself as a leading player in the global Takaful industry, which is estimated to be worth around US$2 billion.

First Gulf Bank has been authorised by the Qatar Financial Centre Regulatory Authority to operate in the Qatar Financial Centre.

DLA Piper has officially opened its Oman office, which will focus on sectors including infrastructure, projects and finance, construction, banking, corporate, real estate, telecommunications and technology, media and entertainment and regulatory.

BBK forms investment banking arm

BBK has launched a Shari'ah-compliant investment banking arm called Capinnova Investment Bank. The new bank is a wholesale Islamic investment bank and is licensed by the Central Bank of Bahrain.

Capinnova is wholly owned by BBK and has an authorised capital of US$500 million and a paid-up capital of US$125 million.

Capinnova's core areas of business include private equity, asset management and corporate finance.

Capinnova will offer a variety of products including murabaha, ijara, mudaraba, musharaka, restricted and unrestricted investment accounts, syndications and other structures used in conventional finance that have been modified to comply with Shari'ah principles.

Dubai Islamic Bank unveils new Al Islami loyalty programme

Dubai Islamic Bank has launched a new loyalty programme for its Al Islami credit cards. Called Wala'a Dirhams, the programme allows card members to earn unlimited Wala'a Dirhams on their card transactions.

Each Wala'a Dirham is equal to AED1 in value. Card members can redeem them against utility payments such as DEWA, SEWA, Etisalat, E-vision and RTA Salik recharge.

Card members can also redeem their Wala'a Dirhams against gift vouchers for Carrefour, Union Co-operative Society, Sharjah Cooperative Society, Abu Dhabi Cooperative Society, Home Centre, Sharaf DG and Paris Gallery.

Platinum and platinum plus card members will earn three per cent of their spends as Wala'a Dirhams, while gold and gold premium card members will earn two per cent and classic card members will earn one per cent.

The bank also said that any customer who gets an Al Islami credit card will receive a free mobile phone. This offer is valid until February 28, 2009.

Appointments - January 2009

Barclays Wealth has appointed Steve Fedor as front office COO of Barclays Wealth Middle East and North Africa.

Narayanan Rajagopalan and Ahmed Badreldin have been named executive directors of **Abraaj Capital**.

Narayanan Rajagopalan

Ahmed Badreldin

Abu Dhabi Investment Company has appointed Sian Warlow as head of training and development.

Chris Purdon has joined **AREIT Management Limited** as chief investment officer.

National Bank of Abu Dhabi has appointed Ali Soner Guney as a senior equity analyst for its asset management group.

Ali Soner Guney

Jean Marc Paufique has joined business information company **Zawya** as head of the newly-created professional investor services division.

Hydra Properties has appointed Nabil Mubarak as the company's new VIP sales manager. His tasks will include supervising the sales team in Abu Dhabi.

Nabil Mubarak

New FALCOM Islamic index

FALCOM has launched the first licensed Islamic index in the Saudi Securities Market with a feature that enables pre-market indication.

The FALCOM Shari'ah Index allows investors to review the market position before the market opens. It carries out an independent screening of each current and prospective company within the index to ensure Shari'ah compliance. The FALCOM Shari'ah Index will also be periodically reviewed for changes in constituent free float.

The index is the first index of its kind representing 112 companies (nearly 78 per cent of the Tadawul All-Share Index) that are carefully handpicked by the Shari'ah department and approved by Shari'ah scholars.

It is also the largest licensed index in the GCC region. The index is calculated in real-time and published in Saudi riyals. Over time, it is expected to be used as the basis of index-linked funds, ETFs and over-the-counter products.

Al Rajhi Bank installs chip card ATMs across Saudi

Al Rajhi Bank said it is installing advanced ATMs across the Kingdom of Saudi Arabia that will accept chip cards.

Visa has provided technical and consultancy support for the installation, which will enable all Visa chip card transactions to take place using the chip on the card, rather than the less secure magnetic stripe, at any of Al Rajhi Bank's ATMs.

The new ATMs will be situated at malls, streets, petrol stations, hospitals, airports and hotels. They will still be able to accept cards without a chip.

Al Rajhi Bank has also partnered with Visa to provide customers with Visa corporate cards by March 2009. The cards will replace petty cash and are aimed at helping companies manage, monitor and analyse the business and entertainment travel expenses of the cardholders.

The Al Rajhi service allows companies to limit credit amounts for their employees according to position and job description.

Alpen Capital introduces equity research services

Alpen Capital (ME) Limited has introduced equity research services to complement its existing corporate advisory services including capital markets, debt syndication, mergers and acquisitions and project advisory.

Regulated by the Dubai Financial Services Authority, Alpen Capital is the associate and investment banking arm of Bank Sarasin-Alpen (ME) Limited, a subsidiary of the Swiss private bank Sarasin & Co Limited.

Talaat Fareed Wafa, one of the instrumental figures in launching Saudi **MONEY***works**, died last month (on January 5) in Riyadh. He had been undergoing treatment for malignancy in the US for over a year.

Wafa, 53, was a veteran Saudi journalist, a former editor-in-chief of the now-defunct English-language newspaper *Riyadh Daily* and the adviser to the editor-in-chief of the Arabic newspaper *Al-Riyadh*.

Wafa, both respected and well-liked among his friends and peers, was described as a warm, amiable and gentle man. It was this congenial nature that won him so many friends and admirers in diplomatic, government and media circles.

Vinod Menon, a former journalist colleague at *Riyadh Daily* and a former Saudi correspondent with Saudi **MONEY***works*, said: "I have worked with many editors-in-chief, but Talaat Wafa was different. He was truly a kind-hearted human being. He would never speak ill of anyone."

Arab News editor-in-chief Khaled Almaeena stressed that "the vacuum created by his demise would be difficult to fill", describing Wafa as a journalist of repute both at home and abroad.

"He was a good friend who helped me when I left *Arab News* for some time. He made me write a column for his daily, which gave me a morale boost in those days," said Almaeena.

Wafa graduated in mass communications from King Saud University in Riyadh and held a master's degree in political communications from the American University in Washington D.C. He joined *Al-Riyadh* in 1976 as a journalist and soon became managing editor at its Washington Bureau. He became editor-in-chief of the English language *Riyadh Daily* in 1989 and became adviser to the editor-in-chief of *Al-Riyadh* in January 2004. As a journalist, Wafa was active until the very end. His last article published in *Al-Riyadh* was on US president-elect Barack Obama and his future policies.

Wafa was buried at the Ummul Hammam Cemetery following funeral prayers at King Khaled Mosque.

In tribute to his contribution to media in Saudi Arabia, Crown Prince Sultan, deputy premier and minister of defence and aviation, met the full costs of Wafa's treatment both in the US and in the Kingdom.

Wafa is survived by his wife, Dr. Faten Zamil, a lecturer at King Saud University, and two daughters: Taala, a microbiologist currently studying for her master's degree in Houston, and Lana, a secondary school student. His brother, Hani Wafa, is the political editor of *Al-Riyadh*.

Saudi **MONEYworks was launched in Riyadh in December 2002 and ran for over four years, until **MONEY**works launched GCC-wide in 2007 as the Gulf's first personal finance and investment magazine.*

Source: MONEY*works* Archives, Arab News

The correction time

GCC banks were no different from their global peers when it came to excess lending over the last few years. As fears of economic downturn intensify in the GCC, regional banks are focused on reducing their loan-to-deposit ratios. But in the process, they are also mopping up much-needed liquidity from the market. **Utpal Bhattacharya** analyses the immediate impact.

The last quarter of 2008 was a difficult period for the banking industry, both regionally and globally. The loans disbursed in that quarter, particularly at the retail end of the market, have become especially worrisome for banks. Governments have also been concerned about the fast deterioration of the health of companies across the board, most notably in the real estate sector.

Banks that have built up large retail portfolios are praying for the situation to improve quickly. Although it is still too early to predict how things will shape up over the coming months on the economic and employment fronts, all indications are that it will be difficult for banks, which could face impairment of capital.

According to banking analysts in the region, the average retail portfolio of commercial banks in the region is around 30 per cent or more. With many people losing their jobs and being unlikely to find alternative employment in the near future as economic activity slows down, many individual borrowers could turn defaulters, analysts say.

Banks have, in the recent past, lent to the same individuals for mortgage and personal loans without verifying what the proceeds of these loans were intended for. As property values decline and second-hand cars become cheaper because of the supply glut, banks are becoming a worried lot. The scene looks even bleaker for unsecured loans, although bankers say that delinquencies are still not very concerning at this point in time.

We should look at a few ratios and indicators to remind ourselves of how banks that grew their asset books too quickly went wrong. Apart from the traditional asset-liability mismatch of GCC banks (short-term liability funding long-term assets), the loan-to-deposit ratios of some banks rocketed to over 100 per cent. And there was no way of finding out where the money loaned to individuals was going, since many of them invested in stock markets that took market capitalisation to GDP ratios of some of the GCC countries to nearly 150 per cent by the end of 2006.

None of the GCC countries were able to do anything about the inflationary pressures on assets because of excess liquidity in the system. Policymakers did nothing when the going was good, and as the pace of unwinding has intensified in recent months, their silence has only increased – probably from the numbness of a shock rendered by vanishing wealth in books.

According to M.R. Raghu, senior vice president of research at Markaz, the overall GCC loan growth rate of GCC banks was at a 28 per cent CAGR between 2003 and 2008, while the CAGR of deposits for the same period was 23 per cent. In other words, asset growth outpaced liabilities during those years, leading to a spike in the loan-to-deposit ratio (from 56 per cent to 78 per cent). Private sector credit as a percentage of non-hydrocarbon GDP rose from 55 per cent in 2000 to 95 per cent in 2008.

Raghu added that credit expansion was more by project finance and the corporate sector than by retail. But some banking analysts are more concerned about retail banking loans. Corporate loans are easier to track, they say, unless there are suddenly a large number of bankruptcies on that side of the portfolio – something that is unlikely.

It must be noted that GCC banks had a positive year for most of 2008. Fundamentally, these banks are probably sounder than some of the international banks that had to be rescued by taxpayers' money. To their advantage, GCC banks are not highly leveraged compared to their western peers. While banks in the west have been geared as high as 25 times or more (and up to 50 times in at least one case), the leverage on average has been around 10 times in the GCC.

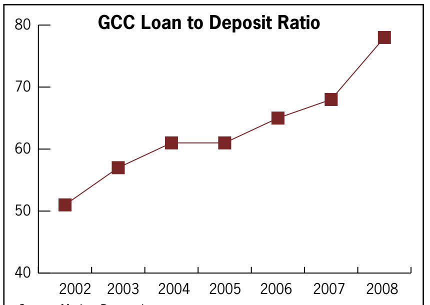
The capital adequacy ratio is also 10-12 per cent on average, although large non-performing loans (NPL) could have a negative impact and wipe out significant capital from banks if the economies continue to slide and oil prices do not firm up.

Analysts say that the average NPL of banks at this point in time differ in different countries in the GCC. While the average NPL is between 0.7 per cent and 1.5 per cent in Qatar, it is about two per cent in the UAE.

"These ratios could change very fast if the state of the economy does not improve and we are faced with large defaults from both retail and corporate borrowers. The financial results of banks for the first half of this year will be very crucial for sentiments," cautioned an analyst of a large regional bank who requested not to be named.

The liquidity story

GCC banks traditionally relied on domestic funding, with very little support from offshore funding. But in recent years with deposits being unable to cope with the rapid acceleration of credit, banks, especially in the UAE, started aggressively tapping offshore markets for funding, mostly through EMTNs. Although the move did enable banks to reduce their asset-liability mismatch, it was not enough. In fact, the stock of foreign liabilities of commercial banks more than tripled in the GCC from the end of 2005 to the end of June 2008, rising from US$53 billion to US$172 billion.



Source: Markaz Research

Banks also acquired international assets quickly during this period. According to UAE central bank figures, foreign assets held by UAE banks as of June 2008 totalled AED231 billion. The foreign liability in the same period was to the tune of AED294 billion. But only about AED91 billion were liquid assets, while the rest were made of securities. In a number of instances, the value of the securities held as assets in these banks fell and will impact the bottom line for 2008. Banks have also lost heavily on their regional investments, as markets have fallen across the region.

The question often asked by the business is where all the money has gone. The answer is not simple. Most of the offshore funding market has closed for regional banks, as international banks are themselves recapitalising and are risk-averse at this point in time. A large chunk of domestic liquidity is blocked into assets that are either not that liquid or have devalued significantly.

A bank's business, however, is to lend. If a bank is not lending, then it will be out of business. And that's why banks will

Banking Data Summary

Growth	31-Dec-03	31-Dec-04	31-Dec-05	31-Dec-06	31-Dec-07	31-Dec-08	CAGR (2003 - 2008)
Equity	16%	21%	41%	30%	30%	14%	25%
Assets	13%	10%	25%	33%	40%	17%	23%
Loans	18%	12%	28%	33%	41%	36%	28%
Deposits	11%	8%	21%	29%	38%	19%	21%
Interest income	-2%	17%	55%	50%	28%	16%	26%
Non-interest income	5%	29%	42%	34%	17%	34%	26%
Net profits	21%	49%	65%	27%	9%	-5%	26%
RoA	2%	2%	2%	3%	3%	2%	
RoE	16%	16%	20%	23%	23%	19%	

Source: Markaz Research

have to come back to business in the not-too-distant future after their books have corrected the loan-to-deposit ratio to more sustainable levels.

At this point in time, the focus of regional banks has shifted from asset booking to beefing up the liabilities side. In the UAE, there are instances of both local and international banks chasing depositors with as high as seven per cent per annum for a term deposit of one year. And these offers are coming despite the UAE dirham pegged to the US dollar. The Fed fund rate is near zero per cent and in an ideal world, the UAE and the GCC should also be functioning in a low-interest environment. But as liquidity continues to elude the banking system in the region, banks are ready to pay a high cost for it.

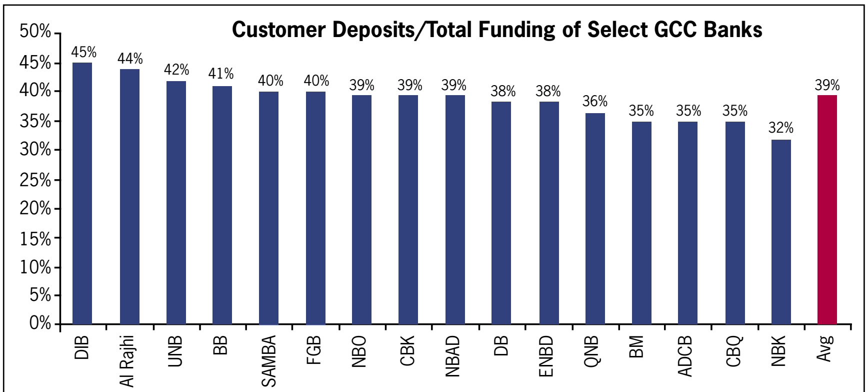
When banks pay a high cost for their deposits, they also lend money at a much higher rate. These circumstances require careful monitoring by authorities and regulators, as it can wreck havoc in any economy. It could become unsustainable for businesses to function in a high-interest environment for a long time.

It is also important to understand that high interest rates offered by banks to depositors are now sucking more free liquidity out of the market. At a crunch time, when there should ideally be more stimulus to spend, this move by banks could further aggravate investment sentiment for equities and properties in the region in the short to medium term.

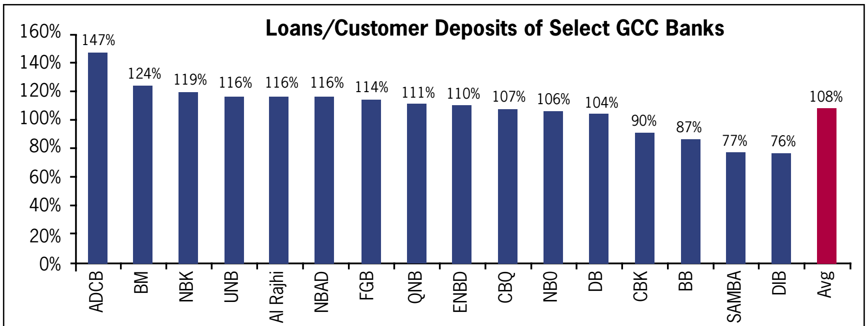
How does the future look?

As indicated before, banks have very little room to manoeuvre now that some of the vital ratios have gone haywire. They can only stop or slow down lending and try to roll over as much external funding as possible. The good thing about regional banking is that GCC governments are supporting the industry with funding, which means that in the very near future, the stability of the GCC banking system will be maintained.

Over the next few months, banks will continue to strengthen their deposit business in the region. They will also be assisted by the prevailing sense of uncertainty as the "cash is king" theory becomes more popular with their



Source: Bank results. All data is from 9M08 financials.



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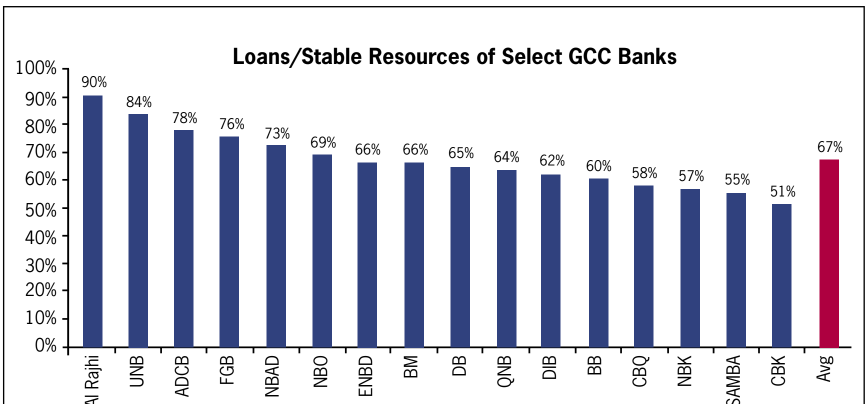

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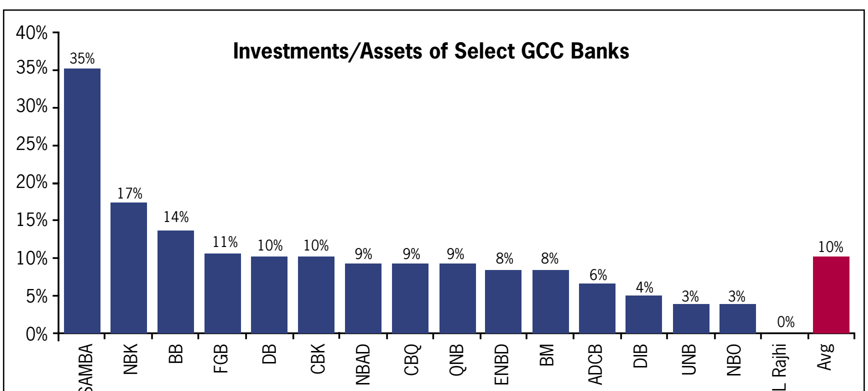

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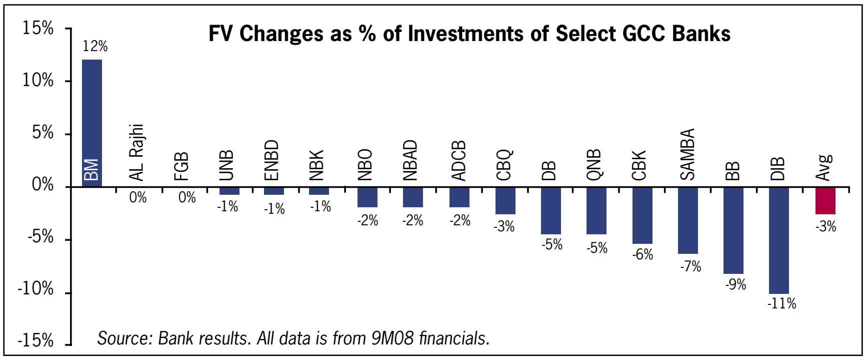
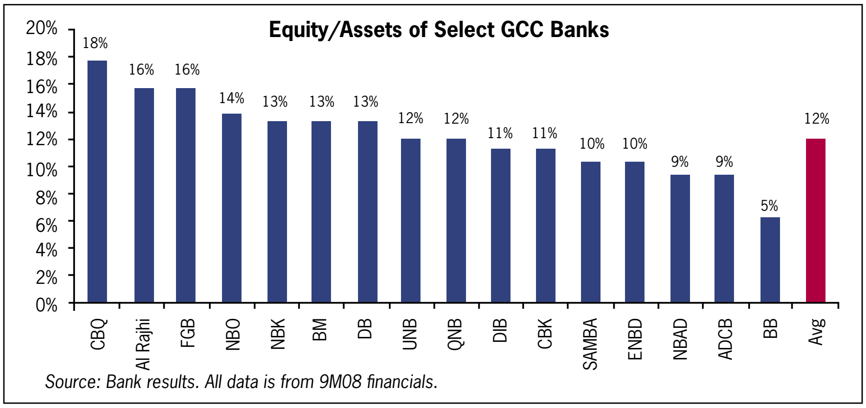
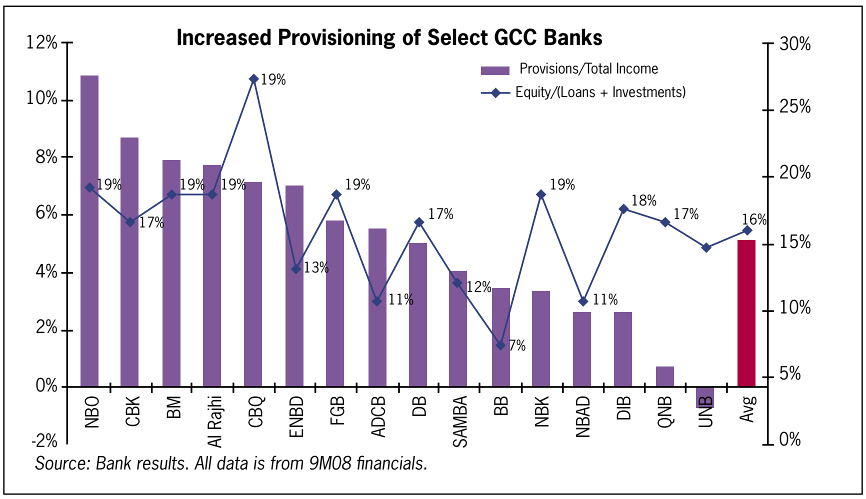
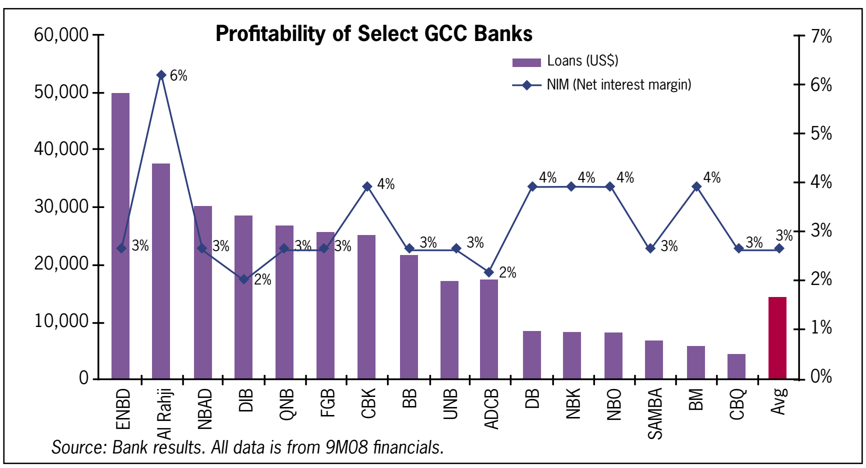








customers. But this approach has other problems, as the loan books will inevitably shrink and revenues from interest income will drop in 2009.

"Due to risk aversion to lend and due to client preference to stay in cash, liabilities growth will far outpace asset growth post-2008. A conservative call for the loan-to-deposit ratio is to revert to its 2002 level of 55 per cent. In this way, it also automatically reduces the dependence of regional banks on offshore funding, even though this may not solve the asset-liability mismatch," said Raghu.

Going forward, the next six to eight months will be vital for the banking industry. If the economic downturn continues and there are large defaults, banks will remain vulnerable and there will be forced mergers. The inability to repay debt maturing in the next six months to one year by corporates or a large number of retail customers could mean that asset duration for banks would get elongated or would turn into more NPLs. If the former occurs, then it will accentuate the asset-liability mismatch further. If the latter occurs, it will impact profitability, a situation that would not make banks happy.

In short, it is difficult to predict when the lending environment will improve. It will probably not get much better in the immediate future unless banks first make sure that their outstanding loans in the market are being serviced in the next six months. Until then, we will have to practice austerity and hope that markets bottom out and liquidity starts flowing into the system.

From where we stand now, we still have some months to go before we are sure what direction markets will take. One thing is for sure, though – the loosening of the credit market will happen in time. We can already discern some thaw happening in the international credit market with the government-led funding taking place. If the lag effect of that takes six months to hit the GCC, we will have to wait out that period before we can begin to enjoy the bounty of fresh liquidity leaking into our markets. Whether that will start another inflationary spiral in the months to come is a subject better left for another article.

Global real estate recovery unlikely before 2011

Like all investments, real estate investing requires following certain signs in the market. While analysing the sector globally and in the GCC, **Rehan Syed** urges caution and going back to the basics.

With global real estate having taken it on the chin in the past year, should we rush in to buy at a discount? Could this be the opportunity of a lifetime, as some brokers tease? Or, as the lyric suggests, is it a case of fools rush in where professionals fear to tread?

We believe the global real estate market will, if we are very lucky, hit bottom in 2009, but there is a fair chance it might not until 2010. And when it does, we expect it to scrape along the bottom for a couple more years before a robust recovery takes hold. Of course, this is a coarse generalisation and real estate is a highly localised business, so the outlook for offices in Ohio will markedly differ from the outlook for retail in Russia.

The key to bottom formation is central banks' success in thawing frozen debt markets and stimulatory spending. With the GCC economy braking from above six per cent in an ebullient 2007 to possibly below three per cent in 2009 – which is a softer landing than world GDP slowing from near five per cent to 1.6 per cent in the same period – we expect GCC real estate to return to favour sooner than in the developed world, especially if oil reverts above US$50 per barrel. US$50 is the price at which surplus liquidity kicks in.

Within the GCC, distinctions abound. Regions like Saudi Arabia, which have unsated endogenous demand and low leverage, will hold up better than those

regions dependent on exogenous factors like immigration and tourism.

Debt market to pace recovery

The professional real estate game is all about leverage. For a sustained real estate recovery, debt markets have to unfreeze, resulting in the lowering of elevated spreads. In general, the spread for high grade corporate bonds widened in 2008 from about 180 basis points (bps) to 550 bps in the US and from 80 bps to 250 bps in Europe. High-yield debt spiked from 600 bps to 1800 bps in the US and from 500 bps to 2000 bps in Europe, the highest since the 1980s.

In both developed and emerging markets, the spreads for financing real estate projects have jumped substantially. For example, clients who could have financed core deals in developed markets at 80 per cent loan-to-value (LTV) ratios and 50 bps spreads in mid-2007 are now being quoted 60 per cent LTV and 200 bps spreads. The increasing spreads and LTV are depressing property valuations substantially. In some GCC markets, housing loan spreads have more than doubled from 150-200 bps to 400-450 bps.

As is widely known, the mega-boom was fuelled by the collateralised mortgage-backed securities (CMBS) market, which ballooned from a few tens of billions of dollars in the late 1990s to over US$300 billion at the peak of issuance in 2007. It has since collapsed, with 2008 volumes only about a twentieth of the prior year's volumes. The 2009 volumes are also likely to remain anaemic. CMBS spreads widened in 2008 from 80 bps to over 1000 bps in the US and from 130 bps to over 650 bps in Europe. Property financing volumes will not pick up until CMBS spreads revert to below 250 bps.

Although the market is expected to return eventually, it will have size and characteristics similar to those it had prior to the 2003-2007 boom, which means that volumes will be dramatically lower and structures will be simpler. Unwilling to chase the heated market, certain classes of cash-rich investors, such as conservative life insurance companies, had stepped back and are now likely to return as property yields climb to attractive levels. But their size is too small to offset the pull back in the bank debt and CMBS markets.

Unemployment and defaults

The most critical macroeconomic variable that will lead any real estate recovery is the unemployment rate. As long as it continues to rise, it is hard to envision a real estate recovery. We expect it will surge from about 6.5 per cent in the US at the end of 2008 to about 8.5 per cent or nine per cent by the end of 2009, with consequent pressure on consumer and business confidence indices. Unlike stock markets, which on average bottom six to nine months before the macroeconomic bottom, real estate will lag by six months or more.

Another variable to watch is the corporate default rate, a lagging indicator for bond markets but coincident for commercial real estate. Commercial real estate has been quite healthy thus far, but it is likely to weaken substantially in the months ahead.

A leading indicator of a recovery will be the bid-ask spread for private transactions. It is very wide at the moment, having expanded from two per cent three years ago to 20 per cent in many markets today. It should narrow as the debt market unfreezes and transaction volumes pick up. In other words, we expect distress sales to markedly decrease by the end of the year, especially in core markets.

A deep crater

In the US, the epicentre of the credit crisis, housing is likely to remain in an extended multiyear slump and will continue to pressure the global securitised mortgage markets, despite the prolific reflationary efforts of the government. These efforts include pulling down 30-year fixed mortgage rates to record lows of 4.5 per cent.

The home ownership rate, which hovered in the low 60 per cent range for much of the 1980s and 1990s before soaring to almost 70 per cent in the past half decade, is likely to mean-revert to its long-term trend of pressuring new demand, as confirmed by the recent Harvard State of Housing Survey.

One silver lining in the housing market is affordable multiunit apartment buildings, which benefit from the shift to rent versus buy.

In the fast worsening commercial market, chastened by long memories of a difficult early 1990s, there has been less overbuilding in the recent upcycle. With healthier demand-supply equilibrium, it is likely we will avoid the exceptionally high vacancy rates of the 1991-1992 recession, as validated by an Urban Land Institute survey.

Nevertheless, a substantial correction is underway. Transaction deal volumes in 2008 are only 20 per cent of 2007 levels. Pricing, as reported by various price indices, is only down 10-12 per cent, while a more accurate forward-looking demand index composed by the MIT Centre for Real Estate shows it down 20 per cent from the mid-2007 cycle peak. Before we bottom, we would not be surprised to see a precipitous total drop of 30-35 per cent off-peak levels for the index and 40 per cent or more for lower quality assets.

US commercial capitalisation rates, or cap rates, went from an attractive nine per cent in the mid 1990s to a paltry six per cent at the 2007 peak. It is likely that they will have to move back up 200-250 bps on average before investors bite, even then critically assuming the elevated debt spreads revert to more reasonable levels.

For always-favoured Class A and trophy properties in 24-hour coastal cities like London, New York and Washington D.C., cap rates might only increase 50-75 bps, versus 250-350 bps for B and C properties. The worst positioned sector in the US is retail – especially suburban – since unlike the business-led 2001-2002 recession, this one is consumer-led. The only portions of the retail sector likely to hold up are those focusing on needs rather than wants, such as discount stores and drug stores.

Europe and Asia lagging

The pressure on European real estate started about six to nine months after the US peak and is now in full swing, especially in worst-off UK. The UK faces a triple whammy of weakening fundamentals, weakening currency and, most importantly, overvaluation, since assets like London West End office yields had dipped to exceptionally low levels of below four per cent at the peak.

Continental Europe is less hard hit, with Germany still showing strength late into 2008. It will fall in 2009, though, as the economy weakens and valuations revert from six to seven per cent cap rates to more traditional levels of eight to nine per cent. Eastern Europe is relatively stronger given faster growing economies, limited stock and still compressing cap rates.

Overall, a steep 25-30 per cent fall in commercial capital values is looking likely across Europe, less so for core properties in downtown areas and more so for opportunistic properties and suburban markets.

In the major markets of London and Paris, pricing of prime office space has fallen substantially and is now yielding 150-200 bps more than at the late 2007 cycle peak, according to research by CB Richard Ellis.

Despite pressures on capital values, office rents in major cities in both Europe and Asia were holding firm through the third quarter of 2008, but fell off in the fourth quarter. Retail was holding up better, but is likely to come under pressure in 2009.

Asia's growth miracle is on hold and the real estate sector reflects it. High growth markets like Beijing, Singapore and Hong Kong have visibly weakened, especially in the luxury housing sector and to a lesser degree in the office. With the megacities having much more exposure to the financial services sector than in the last cycle, office rents are swooning and vacancies, which are still low at around five per cent, are bound to rise as layoffs occur.

Tokyo office rents, which finally shifted up after a decade of drifting downwards a couple of years ago, were the first to buckle and trended down for most of 2008. Beijing witnessed a particularly strong retail sector leading into the Olympics; elsewhere, retail has been most insulated and might be the last shoe to drop.

Strong core demand in Saudi

Saudi Arabia has enduring opportunity given the large population, which stands at 75 per cent of the Arabian peninsula. The county also has vast untapped oil wealth, estimated at 25 per cent of global confirmed reserves, and exceptional demographics, with 45 per cent below the age of 20. Major stimulants are a new mortgage law and the ongoing creation of six special economic cities that will eventually and optimistically account for 30 per cent of the economy, house four to five million people and generate over one million direct jobs.

In the past few years, Saudi has overcome persistent investor scepticism by enacting major reforms, which include an aggressive 2004 corporate tax cut from 45 per cent to 20 per cent in most sectors. The cut resulted in a ten-fold increase in FDI, substantially improving the country's score in the World Bank ease of doing business survey and partially opening up the stock market to non-GCC players by permitting trades through swap contracts.

Such advances increased the confidence that the government would push through with its mega-commitments of new cities, major railway links and overdue airport expansions, although some moderation is inevitable if oil falls below the US$40 per barrel price at which the government budget breaks even, since oil accounts for over 70 per cent of state revenues and over 90 per cent of export earnings.

At present, there is a substantial shortage of both housing and commercial stock. Residential stock, which has strong initial yields of eight to nine per cent, is estimated at about four million units, which is 500,000 short of what is required, according to Colliers. Recently announced projects will deliver about 100,000 units per year between 2009 and 2012. However, evolving demographics, including an average household size – which will decline from about 5.6 to 5.2 in the same period – will result in demand for almost one million more units, exacerbating the shortfall.

On the commercial front, the demand-supply is less out of whack. There are now 18 million square metres of space, which will likely grow to 30 million by 2012. Out of that, about seven million square metres make up office space, which will likely grow to 11 million by 2012 – about half of which is concentrated in Riyadh. If oil remains depressed for an extended period, there is more risk in the commercial market than in residential.

Abu Dhabi to soften

The wealthy capital city will experience a moderate correction, but will achieve a soft landing, since it is cushioned by 10 per cent of the world's confirmed oil reserves. Its population of one million is targeted to grow to over three million by 2030 by adding about 100,000 new residents per year, although this target might be scaled back given economic conditions.

Additional demand creation comes from a shrinking household size, which has fallen from 7.5 in 1980 to about five today and will fall to about 3.5 in the next decade, compared to a size of 6.5 for Pakistan at the high end and a size of 2.1 for Sweden at the low end.

Housing is estimated to be undersupplied by about 50,000 units, and at the recent market peak, plans were being made to supply 140,000 units over the next five years. While a substantial portion of those units will now be deferred or cancelled, there is still enough core demand, macroeconomic confidence and infrastructural expansion to drive the market long term, but only after a short-term correction.

On the commercial side, there is office space of 1.4 million square metres (msqm) at initial yields of eight to nine per cent, but only about 460,000 square metres (sqm) of which is prime quality, according to Jones Lang LaSalle. An additional 385,000 sqm is expected to come on the line in 2009, but is likely to be absorbed by excess demand.

On the retail front, there is 810,000 sqm of gross leasable area (GLA) projected to grow to 1.4 msqm by 2010; high by global standards, but less than the 1.7 msqm in tourist magnet Dubai. Whether the retail expansion makes sense depends on whether the city is successful in executing its business plan of boosting tourist visits from about two million in 2008 to three million in 2015 and shifting the leisure/corporate tourism blend from 25/75 to 60/40, which would still be substantially different from Dubai's current 70/30 blend.

Hard landing for Dubai

The flamboyant twin city to Abu Dhabi has come off a stellar boom with a potential hard landing, unless it can quickly engineer a service and repayment plan for its almost US$80 billion in debt. Although the credit default swap market – where the three-year Dubai credit default swap trades at 1000 bps – signals elevated creditor scepticism, insiders express confidence owing to the extensive support expected from Abu Dhabi.

Sustainable demand is difficult to predict, since much depends on immigration, tourism and second-home buying. The population of about 1.7 million was expected to grow by about 200,000 per year to 2.2 million by 2010 before the recent economic contraction, but that target is likely to be revised down to two million or less, which would represent a compounded growth rate of less than half the eight per cent achieved in 2003-2007.

Abundant excess capacity is being created in all sub-sectors with immigrants, tourists and overseas second-home buyers optimistically expected to soak it up. This ploy is a risky one, given the global downturn, and is best exemplified by the retail sector.

By 2010, Dubai is expected to have built 2.35 sqm of retail GLA per capita, which is two-thirds higher than Abu Dhabi's target, double Doha's target and triple that of major cities in Saudi Arabia. This target falls to only 1.1 sqm per capita if the goal of doubling the tourist count over the next few years from current levels of seven million per year is achieved. But since every prior global recession has resulted in a steep fall in tourism, abundant caution behooves.

Where will opportunities arise?

Long-term investors should hold a mix of private and publicly-listed real estate. At this point in time, the many headwinds in the real estate markets have been more effectively priced into publicly-listed entities like REITs and open-ended real estate funds that are down 40-50 per cent in most geographies – double the downside of private real estate in comparable markets – and are trading at 30 per cent or more discount to net asset value (NAV) figures.

Of course, there is an appraisal lag in the stated NAV figures, given the wide bid-ask spreads in private markets. Even so, they trade at abnormal discounts and are clearly in at least a value and perhaps deep-value zone. While still cautious and underweight on real estate as a sector, we are most positive on REITs in the US, given that the US market was the first to go down, will be the first to bounce, suffers from the least appraisal lag and has the most liquid public real estate capital markets.

Private real estate market investors should foremost target emerging market cities with strong demographics and major structural reforms underway. Or, they should selectively enter developed market opportunities like prime property in 24-hour global cities, inner-city, mixed-use projects that benefit from shifting demographics and energy conservation trends or alternatives like self storage, nursing homes and retirement communities.

While there is much discussion about green real estate, it is unclear whether the additional three to five per cent investment required to turn a property green would result in a justifiably higher yield. With investors prudently focusing on cash-on-cash return measures like FFO and dividend payout ratio, versus the bull market cap rate compression mentality of yesteryear, it pays to stick to tried and true traditional real estate valuation methods until the dust settles.

Rehan Syed is the head of portfolio management at ABN AMRO Private Bank in Dubai.

A bullish case for US$1200 gold

The price of gold will break all records in the coming months, argues **Matein Khalid**.

Gold has been the winner asset class of the post millennium decade. I believe it is not unrealistic to predict US$1200 an ounce in the next twelve months, although my ideal buying range is US$760-780.

The surge in gold since October has been remarkable and reflects unprecedented investor uncertainty about the future of the international banking system. This is not at all unreasonable considering that the US Treasury allowed Lehman Brothers to fail, forcing Merrill Lynch's sale to Bank of America and Goldman Sachs/Morgan Stanley to hurriedly convert into bank holding companies to keep a lifeline to the Fed's discount window.

Moreover, banks have failed across the world. The UK was forced to nationalise RBS and HBOS. IKB and Sachen Landes Bank failed in Germany. There was a run on India's ICICI and disaster was only averted by Reserve Bank swap lines. Kuwait's Gulf Bank and Global Investment House demonstrated the default risk in GCC institutions. Iceland's banking system was wiped out. Global stock markets were savaged in the worst bear market since the 1997 Asian/Russian meltdown.

Gold has increasingly become a safe haven in emerging market currencies, from the Turkish lira, Indian rupee and Vietnamese dong to the Brazilian real. Gold rose despite safe haven buying in the US dollar and US Treasury debt on pure investor panic. Something has clearly changed in the equations of international high finance. Why did gold ignore the post-September collapse in silver, copper and industrial demand? Does gold's inverse correlation with the dollar weaken in a recession?

I believe that two factors caused the gold-silver price ratio to soar from 50 to the 80s. While silver demand is industrial and thus plunges during a global recession, gold is far more resilient because it is also a monetary asset, an instrument of financial specialisation, a medium of exchange, a store of value and a unit of reserve. In short, gold is money. While the gold price is a bit overbought above US$850 an ounce, I doubt if we will witness a collapse because of one macro fundamental trade: the policy U-turn in the Bernanke Fed.

There is an inverse relationship between US interest rates and the price of gold bullion. This is intuitively obvious, since short-term dollar interest rates are an opportunity cost for holding gold. However, the three-month dollar LIBOR was 5.5 per cent in the summer of 2007 and has sunk to 1.40 per cent. The Fed, horrified by the systemic financial risks on Wall Street, has reverted to its primordial, basic role as the lender of the last resort to the banking system.

Helicopter Ben has also followed the example of the Bank of Japan in the 1990s and has now adopted quantitative easing as a monetary credo – jargon for going ballistic with Uncle Sam's printing press. The shift to quant easing by the Fed has profound implications for the price of gold and the dollar in 2009. Since the US economy is in a recession, Detroit is in financial distress and American banks face balance sheet Black Death, it is unthinkable that the Federal Reserve will raise interest rates until the first half of 2010, when the US jobless rate peaks at nine per cent and the ISM industrial production indices bottom at 32-35.

Gold price boosters

The Federal Reserve does not just want dollar interest rates to fall; it also wants to boost risk taking, the compression of corporate credit spreads and increased bank credit growth. Without a narrowing of credit spreads, the US economy will continue to contract. I find it no coincidence that the gold price has risen just as real interest rates have fallen since the summer of 2006. But if the Fed Funds rate stays at or near zero in 2009, a secular rise in the price of gold is a high probability event in the next twelve months.

There are also other factors at work that will boost the price of gold. For one, the gold index fund now holds almost 800 tonnes of gold. Investment inflows in the gold-exchange-traded firms all consistently rose in the second half of 2008. It is obvious that the combination of zero dollar interest rates and default risk in international banking has led Wall Street smart money into the safe haven of gold.

It is no coincidence that the German and Swiss central banks have reduced their gold sales. Of course, hedge fund selling to meet margin call and redemption also capped gold's valley in 2008. During market panics, hedge funds sell what they can, not what they must. As such, it was all too easy to sell gold holdings, which were both liquid and mostly profitable.

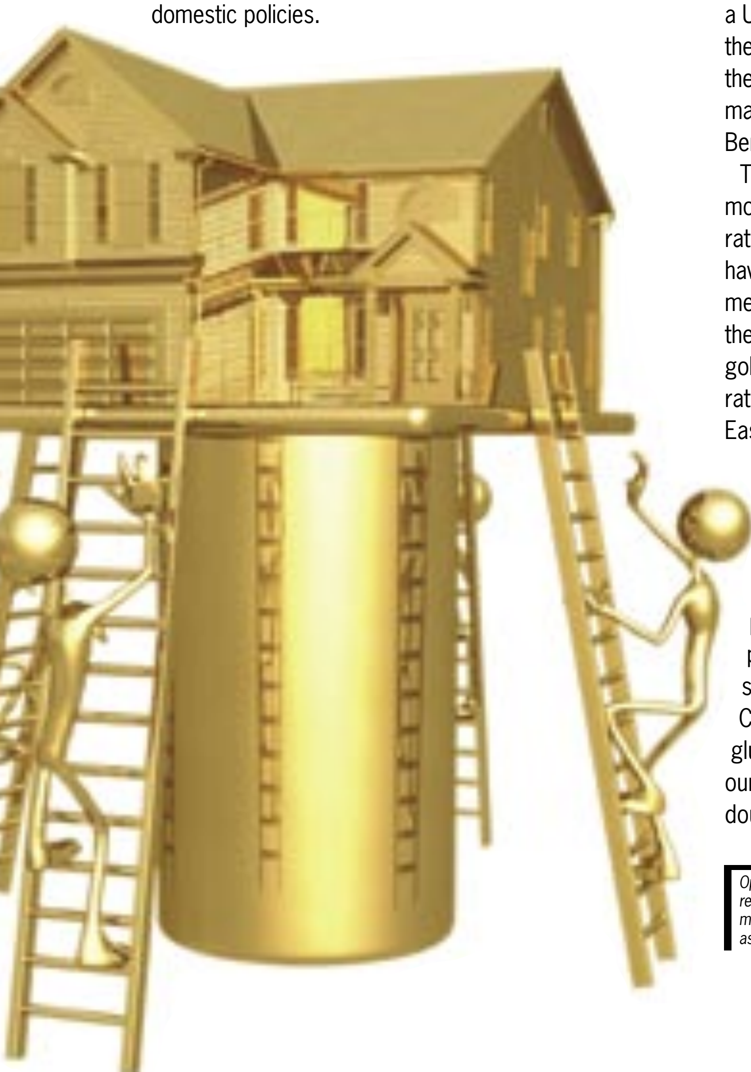
The commodity index gold, where gold is a component, also saw an epic bloodletting after July. Crude oil plunged from US$147 to below US$40 in only six months. Estimates suggest US$500 billion redemptions in mutual

funds and hedge funds alone. It is doubtful that hedge fund selling will ease in 2009, particularly if managers open sales restrictions (gates). Hedge funds could well see another US$200 billion selling. This will mean that the risk appetites of Wall Street, the proverbial animal spirits of capitalism, will not go ballistic, thus capping any real rally in high beta asset classes like gold.

Obamanomics

Asian jewellery growth will be hit by the financial distress in China and India. However, at the same time, gold supply will also fall, as many smaller companies simply cannot finance new mines. Moreover, inflation psychology in the world financial markets has collapsed due to the US$100 fall in crude oil prices and the synchronised economic slump in the US, the Eurozone and Japan. However, investors, like elderly French generals, invariably fight the last war. There is a financial hurricane brewing in the world and its name is Obamanomics.

Obama's stimulus will increase the US national debt to US$2 trillion in 2009. Yet, almost half of US Treasury debt will mature in the next twelve moths. It is inconceivable that Chinese, Russian, Japanese and Gulf Arab central banks will continue to give Uncle Sam money for free, particularly if their fiscal stimulus needs to kick start their domestic policies.



In essence, we are on the brink of the most aggressive expansion of the US national debt in modern financial history at a time when its four major foreign sovereign creditors have minimal incentive to roll over their short-term Treasury notes. A crisis of confidence in the bond market and the US dollar as Obamanomics revs up deficit financing is inevitable. This is a compelling argument to own gold, particularly if Fed Funds remain zero while the CPI creeps higher, meaning US dollar rates will go even more negative. There is a time bomb ticking on in the US Treasury bond market. When it explodes, the dollar will lose its safe haven status.

A Democratic Congress does not plan tax rises or spending cuts to finance Obama's US$860 billion stimulus because the US economy is in a recession. This means that a borrowing binge is inevitable. Foreign investors, primarily Asian central banks, own US$3 trillion in US Treasury debt. If oil prices fall to US$30, Saudi Arabia could even face budget deficits, removing the petrodollar recycling trade into Uncle Sam debt.

It is only a matter of time before the US loses its AAA credit rating as Social Security and Medicare costs escalate while the baby boom generation – the largest, richest in history – retires. This debt spiral and risk of a US sovereign credit downgrade suggest that faith in the global dollar paper standard cannot survive. Unlike the dollar, gold is a currency whose value cannot be manipulated by any central bank, particularly Helicopter Ben's printing machine.

The European Central Bank is intransigent and its money market rate is 2.5 per cent when the Fed Funds rate is zero. I am convinced that the long dollar, safe haven trade since September (the bring money home, get me out deleverage trade) is now over. Geopolitics and the wars in Gaza, Iraq and Afghanistan will also anchor gold prices. Deficits, the debt explosion, zero interest rates, the dollar's loss of safe haven status and Middle East geopolitics all convince me that US$1200 gold is inevitable.

I am not, however, bullish about the prospects for silver. Silver, unlike gold, is primarily an industrial metal. The global economic recession will hit jewellery, silverware, coin, metal, photography and aerospace demand. In any case, photography demand is declining because of the switch in digital technologies. Moreover, Bolivian, Chilean, Russian and Mexican mines have created a glut, while fabrication demand is soft. The AUD9-12 per ounce range in silver is my base forecast. Unlike gold, I doubt if silver will retest its US$20 per ounce high. MW

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Turning inefficiencies into opportunities

Derivative specialist Reech AiM has perfected the art of finding inefficiencies in the market and turning them into advantages. Christophe Reech, chairman and CEO of the firm, tells **Ritwika Chaudhuri** how Reech AiM's funds can outperform their peers in a period of downturn.

For derivative specialist Reech AiM, alternative investment management means turning market inefficiencies into opportunities. And with markets dislocated at present, the firm has been able to uncover enormous inefficiencies.

"This is an era of a new way to manage money and invest in a new asset class. Give me money and I will show you performance," declares Christophe Reech, chairman and CEO of Reech AiM.

According to Reech, performance and absolute return are the key drivers of the firm's investment strategy.

"Hedging and arbitraging over inequalities and inefficiencies of the market can be a tremendous opportunity," he says. "At the same time, an investment manager needs to know how to manage risk properly, taking into account the probability of events in any financial market or system."

Reech AiM's success thus far has been evident in the performance of the funds it has launched. In May 2007, just a month before the subprime crisis arose, the firm jointly introduced its first real estate hedge fund with CB Richard Ellis. Today, the fund is giving a 37 per cent return.

The real estate hedge fund, known as the Iceberg fund, was opened with US$160 million to exploit relative value differences between different markets in over-the-counter property index derivatives, property shares and property offshore funds. It generated a 4.1 per cent net return in the first four months of its launch and steadily continued its growth, offering a 29 per cent net return in its first year.

At its launch, the Iceberg fund targeted an annual return of 15 per cent above the London Interbank Offered Rate (LIBOR). At the moment, the Iceberg fund has total assets under management of US$350 million. It can raise up to a maximum of US$1 billion, though, as it is an open-ended fund.

According to Reech, the Iceberg fund is a pure alpha real estate fund and the first true hedge fund offering the opportunity to invest in a new asset class. In fact, Reech AiM was inspired to launch the fund because of the positive response to the derivatives application of real estate.

Reech says that the idea behind the Iceberg fund was to pursue trading strategies that enabled investors to radically reallocate or ramp up their real estate holdings, rather than seek to exploit price anomalies between different types of property investment vehicles.

The Iceberg fund tapped into growing investor interest in the UK's pioneering property derivatives market, which posted record trades of GBP2.9 billion in the first quarter of 2007 and provided a template for similar but more embryonic markets in mainland Europe, Asia and the US. Although the fund has started to attract capital from mainland Europe, it is still heavily weighted towards the UK, where trading in property derivatives is most established and where comparative valuation data is most readily available.

Reech says that derivatives are powerful risk management tools and are in no way speculative instruments. "People who use derivatives as speculative tools are likely to burn their fingers, as they have an effect on returns that can be dramatic," he cautions.

Investment strategy

The concept of derivatives is based on probability. Markets are dependent on probabilities – in other words, events that are not planned. Markets all over the world do not follow the theory of linearity, but rather the theory of convexity, which is closely related to the probability of occurrence. As such, Reech AiM's strategy of managing risk is to take into account the probability of occurrences of any irregularities in the market and incorporate relevant parameters into the portfolio to reduce the effect of eventualities in the market.

Unarguably, derivatives can be used as an excellent tool to protect risk. "Our way of managing risk is to incorporate convexity in our portfolio to make sure that if things happen, we are ready for them," explains Reech. "Unfortunately, 99 per cent of the investment management business on the contrary depends on linear behaviour of the market."

Taking into account the potential high returns from derivative products in the real estate market, Reech AiM and CB Richard Ellis are planning to jointly launch six property hedge funds worth US$4.79 billion. One of the funds will focus on the Middle East. These funds will offer different levels of risk or will vary real estate exposure by region or sector, tracking the emergence of property derivative markets in Asia and the US. Without providing an exact time frame, Reech mentions that at least three of these funds will be launched in 2009.

"The funds will be launched when we feel the time is appropriate. They will not be launched by coincidence," he says.

Reech is richly experienced in managing risk. The chairman and CEO was awarded risk technologist of the year in 2002 by Risk magazine and has been in investment banking and derivatives financing for 20 years.

"Risk management is all about making money while taking risk. There is no free lunch in this world and you do not make money if you do not take risk," he points out. "Also remember that if you are not managing risk, then you are not making money."

Reech defines and manages risk in a different way. According to him, traditional fund managers are not practicing "risk management", but rather "risk measurement" or "risk control". Normally, Reech says, fund managers assess the performance of a fund and calculate return after an event has happened. But risk has to be assessed and managed before the event happens.

This principle applies to all of Reech's clients and to all of the funds he manages. Reech AiM is not only interested in real estate; the firm has an interest in natural resources and the global financial market, with some other unique products already under its umbrella. True to the firm's strategy of finding opportunities in times of turmoil, one of the products has already been launched. The others are waiting in the queue for the appropriate time.

New products

The product that was already introduced is a crude oil fund known as the Volcano fund. Launched last July, the fund was giving a two per cent return as of November – a period when the price of crude had begun to plunge south.

"This is possible because the fund is non-directional, neutral to oil prices and does not really depend on trends in the crude oil market. The strategy is based on arbitraging inefficiencies in the oil market without following the direction of the oil market movement."

The Volcano fund is an open-ended fund and can take up to US$1-1.2 billion.

Reech AiM will also be offering a credit fund to be known as the Chromium fund sometime during the first quarter of the current year. The fund will seek to take advantage of the interest and equity differentials in the market.

"This fund has a massive defense strategy and will be based on multi-strategy, rather than the usual mono-strategy adopted by a number of other credit funds, so that we can balance from one market to the other. To my mind, people lost money in the credit [CDS] market mainly because of the faulty structure of hedging in the credit area," says Reech.

In a bull market, such a fund might perform less than two per cent from its peers. In a bear market, though, it can give a return of up to 16 per cent, notes Reech.

Apart from credit, Reech sees tremendous opportunity in the refinancing of the corporate sector. He is also interested in investing in the energy sector – for example, electricity and climate derivatives.

In all of Reech's funds, there is a pattern – taking into account market inefficiencies and finding a way of managing the risk in order to deliver return. Reech's way of strategising investment is also different.

"We are not starting from the given strategy or asset class; rather, we are starting from what is called 'pay off of the fund'. We devise an investment strategy based on what the client wants, given all the parameters available to them. We educate them about the volatility of the fund, its correlation with the different markets and the fact that the maximum drawdown of the fund can be one to 1.2 per cent. So, in a way, we have reversed the investment strategy," says Reech.

"There is no free lunch in this world and you do not make money if you do not take risk. Also remember that if you are not managing risk, then you are not making money." Christophe Reech

Reech adds that it is extremely important for people to know what they are investing in and what the parameters are. But the return side is Reech AiM's responsibility, he points out, because that is what the firm is paid for.

"It is important for the investors to know where they are investing and who they are investing with, as the worst performers are the big names. Though most of the asset classes have dramatically been hammered and everything is available cheap, one needs to be aware of the 'bad cheap' and 'good cheap', hence making an investment decision accordingly," Reech says.

Thinking of purchasing US property? Think taxes too

The steep decline in US property prices has captured the interest of many investors. But **Virginia La Torre Jeker, J.D**. cautions that US property tax laws are complex and should be fully understood before investors decide to purchase US property.

The recent bargain basement prices in the US real estate market have attracted increased interest from foreign investors. But the US tax system is extremely complex, and the property acquisition structure will mean US tax consequences for foreign investors. Those interested in purchasing US property should be aware of some important tax considerations and strategies.

Operating income from the US property (e.g. rent) will be subject to US income tax. Investors must also be aware of the Foreign Investment in Real Property Tax Act (FIRPTA) designed to impose a tax on capital gains earned by foreign persons from their dispositions of US real properties. FIRPTA generally mandates that the buyer withhold 10 per cent on the gross proceeds paid upon purchase of the property from the foreign investor. This withholding tax is not the amount of tax actually due; it is an advance payment to the US tax authorities toward the foreign seller's ultimate income tax obligation arising from sale of the property.

FIRPTA rules apply to US Real Property Interests (USRPI), including apartments, farms, buildings and raw land, as well as shares in certain US corporations that primarily hold US real property (referred to in the tax law as a 'US real property holding company' or a 'USRPHC', the sale of which is taxed under FIRPTA).

What is the best ownership structure for a foreigner wishing to buy into the US property market, taking into account US tax ramifications? There is no bright line rule. The determination is subject to the facts of each case. For example, is the property being used as a personal residence, making it eligible for exclusion of certain amounts of gain on sale? Or is the property being rented? Are there any other properties owned in the US? Investors should be aware of the most frequently considered structures.

Direct ownership by foreigner

This structure is by far the simplest structure for an individual investor in US real property, having both advantages and disadvantages. A significant advantage of individual ownership, in addition to simplicity, is only one level of tax on repatriated earnings. Furthermore, favourable long-term capital gain (LTCG) tax rates apply on an individual's capital gain income from sale of the property if it has been held for over one year.

The current maximum LTCG rate is generally 15 per cent. If a foreign person owns more than one property, losses from unprofitable properties can generally offset rents from the profitable holdings. Moreover, a direct ownership structure is not subject to dividend withholding tax or Branch Profits Tax (BPT), since those taxes apply only to corporations.

Filing of income tax returns by the individual would be required. Many foreigners are reluctant to do this, even if the alternative means paying higher US taxes. Even more troublesome is exposure to US gift and estate taxes when the foreign individual owns the property directly. For these purposes, an interest in US real property would be included in the foreign individual's US estate at the time of death. It would also be subject to US gift tax if gifted during the investor's lifetime.

The estate and gift taxes are imposed at a current 45 per cent maximum rate on the fair market value of the property (at death or at the time of the gift). Direct ownership also leaves an individual investor personally liable for creditors' claims (e.g. injuries to a tenant). While it is possible to mitigate this exposure by purchasing insurance, the risk can still be quite great.

Corporate ownership

There are two possibilities with corporate ownership of the real property: a non-US (foreign) corporation or a US (domestic) corporation.

Let's look at foreign corporations first. Due to the potential for application of the so-called BPT, such a structure is generally unattractive. The BPT is a special tax imposed in addition to the corporate income tax on the US branch operations of a foreign corporation. It is generally imposed at a 30 per cent rate on the earnings of a foreign corporation that are not treated as having been reinvested in the US (i.e. repatriated earnings). Due to operation of the US tax rules, this means that the BPT can effectively result in double taxation of earnings from a rental business or on the sale of one of several properties owned by the corporation if the earnings are not treated under the law as reinvested in the US business.

On the positive side, use of a foreign corporation gives the foreign investor the shield of limited liability, as well as greater anonymity (e.g. the foreign shareholder will not have to file a US tax return, since this would be filed by the corporation if it is engaged in a US trade or business or upon its sale of the property). Furthermore, if a foreign corporation owns the property, neither the real property nor the foreign corporation stock will be subject to US estate tax at the death of the foreign individual owner.

Upon sale of the foreign corporation's stock by the foreign investor, any gain on the sale will not be subject to FIRPTA. However, finding a buyer for the foreign corporation's stock will be difficult. Most potential investors in US real estate owned by a foreign corporation will want to purchase the real estate itself, rather than the foreign corporation's stock. Sale by the foreign corporation of the property would result in tax under FIRPTA. Accordingly, a smart buyer will discount the price he is willing to pay for the shares by this inherent tax liability.

In the case of a US domestic corporation owned by a foreign person, it will provide limited liability protection. If the foreign investor plans to purchase multiple properties, however, ownership through a single US corporation would not be very advisable, since holding all of the properties in a single corporation exposes each property to the claims of creditors of the other properties.

A single domestic corporation could be a very good structure, however, if the investment is to be made in a single property that has the potential for significant appreciation in value. Due to the interplay of certain tax rules, there would be only one level of FIRPTA tax at the corporate level when the property is sold and the corporation would be able to later distribute the sales proceeds tax-free to the investor in a liquidating distribution.

It should be noted that there would be a loss of the benefit of favourable capital gains rate with such a structure. If the US corporation sells the property, the maximum corporate tax rate is 35 per cent. Compare this rate to the more favourable individual LTCG rates.

Another advantage with this structure is that the corporation will be treated as a separate taxpayer, eliminating the necessity for the individual to file annual tax returns. The BPT problem is also eliminated, since it applies only to a branch of a foreign corporation. The corporation, however, will likely be characterised as a USRPHC, and the sale of its stock will be taxable under FIRPTA.

Some significant disadvantages arise for the foreign investor using a domestic corporation as the investment vehicle of choice for making investments in US property. Stock of a US corporation held at the death of an individual investor would be subject to US estate tax, as discussed above. Furthermore, repatriation of operating income will result in double taxation. First, the US corporation, as a separate taxpayer, will pay regular US income tax on its income. Second, a 30 per cent withholding tax on items such as dividends or interest will be imposed when those earnings are repatriated to the foreign investor.

Ownership through US LLC

A limited liability company (LLC) is an unincorporated entity organised under the provisions of state law (usually formed in the state where the property is located). The LLC provides limited liability to its members in the same manner as a corporation does for its shareholders.

The LLC is a very popular investment vehicle because it offers both limited liability and the possibility for US income tax treatment as a 'flow through' entity, which means only one level of tax is assessed (unlike the corporate structure, where the corporation pays income tax and then tax is paid again by the shareholder upon receipt of a dividend). Generally, with an LLC, there is a pass-through of all items of income, deduction and loss from the entity directly to its owner(s), which means that there is only a single level of tax imposed at the member level.

A foreign person deciding to invest in a single property can organise an LLC to hold the property, thereby avoiding some pitfalls such as unlimited liability and the potential double taxation of income. With multiple properties, the investor can create a US corporation to own various LLCs (one for each US real property to be purchased).

Under the flow-through taxation rules, the various LLCs are treated as divisions, rather than as separate taxpaying entities, and the losses from one property in an LLC can offset gains from the other more profitable properties in other LLCs. These single-member LLCs would not have to file US tax returns. Only one tax return would need to be filed by the top-level US corporation covering income, losses, etc. of all of the LLC divisions.

Nonetheless, each LLC has the advantage of limited liability – any creditors of the particular LLC can attack only the assets in that particular LLC and not the assets in the other LLCs. When multiple properties are involved, this type of structure permits the foreign investor to enjoy the tax benefits available to an affiliated group without being subject to the complications of so-called consolidated tax return filings, thereby significantly diminishing administrative burdens. Again, however, direct ownership by the foreign investor of the US top-level entity raises US estate and gift tax concerns.

Foreign/domestic structure

A foreign person can create a foreign corporation that in turn holds as its only asset all of the stock of a US corporation (or multiple US corporations if more than one property is to be purchased). The US corporation would own the US real property. This structure provides limited liability against creditor claims, eliminates the need for the individual to file a US tax return, renders inapplicable the BPT (which will not apply because the real property operating assets are held in a domestic corporation) and renders inapplicable the US estate and gift taxes (which will not apply because the foreign investor owns the stock of a foreign corporation on which those taxes are not triggered).

Furthermore, once the domestic corporation sells all the property and pays tax, there is the possibility that the company can be liquidated tax-free, with the cash being paid out to the foreign parent corporation free of any US withholding tax. This dual structure is complex and expensive to create and maintain, but in the case of significant property holdings, it may be worth the costs given the overall benefits.

The tax implications of any holding structure must be carefully considered with a qualified tax professional. All of the facts must be taken into account. A change in fact patterns often dictates different structuring techniques.

Disclaimer: Virginia La Torre Jeker, J.D. is a Dubai-based American attorney specialising in US taxation and international taxation planning, as well as international commercial transactions. She can be reached at vjeker@eim.ae. The information provided does not constitute tax or legal advice and is of a general nature only.

Serving appetite from the heart

The husband and wife team of Manar Al Jayouchi (MJ) and Suzi Croft (SC) has turned a simple idea into a roaring success. Their catering company, Appetite, won the Lloyds TSB Small Business Awards in the UAE last December. Here they tell **Utpal Bhattacharya** how they put their hearts into the business and built it on the sheer belief that they were right.

What was the inspiration behind starting a food business?

SC: I very much grew up in an environment of hotels and restaurants. My parents met at a catering college in the UK. It's been in the family. Manar's family had a restaurant business. I think it is in the blood.

But we were both in totally different professions before we started Appetite. We also had no formal training to start up a food business. It happened to be that we were in the US, saw this bagel shop and thought, why not start something like this in Dubai? This was five years ago. We put our money where our mouths were and started the idea with a friend, who then became our partner. The bagel idea evolved, talking about it for a few months. Finally, it developed into opening a catering company. We decided to set up a company and make sandwiches. We knew what a decent sandwich was, and we decided to make them. It was simple and sort of naïve, but at that time, nobody seemed to be doing it here.

What were you both doing before you started the company?

SC: I was in administration, while Manar was a consultant. I left my job and started this full time.

We started in July 2005 with two people. Manar would come in from his consultancy, work a few hours in the afternoon and come back again in the evening, when I would go home to look after the kids. The business just took off. We got contracts from Enoc and Eppco to supply them with sandwiches and salads. In the beginning, they weren't sure if it was going to work, but it was the best launch of fresh food that they did. And from there, we started to visit a few offices with a sales girl and sell direct to offices. After that came a few groceries. And then it was just word of mouth.

We almost could not keep up with the growth from day one, as the business just escalated too quickly. We had to hire more people and keep the kitchen open longer. And then we signed the contract with Spinneys, and we kept growing and growing.

Did you start with a proper business plan and proper licensing?

MJ: We did. We started with the concept of a coffee shop first. A coffee shop is a service operation and not a limited liability company (LLC). But then we evolved into a model of supplying to retail outlets, so we had to structure our business as a proper catering company. For a catering company, you need to be an LLC company, meaning you need a local sponsor, minimum capital and space, etc.

The coffee concept was on paper, but when we started from a little rented facility in Qusais, we had proper licences. Our kitchen was ready much ahead of the beginning of sales.

Suzi, why do you feel it was simple and naïve to start the business the way you did?

SC: We had put all our savings into the business from day one. We believed that our business would be successful. But if the idea did not work, the consequences would have been really grave. And we both would have had to look for jobs and start from nothing.

We just went with our belief that we had a good idea and that it would work. We thought if you made good, honest sandwiches and used special ingredients, then how could it not work? No one seemed to be doing it then. And it did work; it grew from day one. We started with two people, and within a year we had 20 people. We realised that we had people knocking on our door for business. We were finding it hard to supply and we were struggling with our space. Today we are 28 sales people.

MJ: The only thing that I would want to add here is that we did go for the cheaper options when it came to equipment at the beginning. For example, we could not get the German or English refrigerators, but used the local ones instead to make do. And we had the Chinese ovens that needed changing every two odd months.

And gradually you bought more sophisticated equipment?

SC: At the beginning, we thought we had all the equipment we needed, but then we evolved responding to customer requirements. Almost every day, we found ourselves jumping into our cars and driving to buy, for example, new plates, as we never seemed to have enough of them. And we were always looking for money to do that.

We did live hand to mouth for quite a while. The first year was a struggle like that because we were growing fast, but we had difficulty in funding that growth. Our partner would help us with money once in while to tide over our immediate requirements as loans.

Then we came to the point of making it or breaking it. We had such a successful business, but we had no more room to expand because we couldn't fit in any more customers. We worked so hard in building the business; we worked almost 18 hours a day, and we had so much success, but we felt stranded.

MJ: We did the sandwich first and did the cost later. We did not approach it from a business point of view, but from a very personal point of view. It may have been naïve, but we made what we would want to buy and eat ourselves. We may have taken some short-term losses, but that was our approach.

In this business, there are ratios in terms of what should be the cost of ingredients, etc. We never looked into that aspect, as we always put our efforts into making sandwiches that we would like to eat ourselves. We are improving on those ratios now, but we will never compromise on the quality, as we do this business from the heart. Our recipes come from our moms and grandmoms, and not necessarily from five-star hotels.

And that continues to be the case?

MJ: Yes, it does. But now we have hired a head chef. Up until April last year, we were the ones with our concoctions and ideas. But our business has now grown to that point with so many customers. Also, we can afford to hire a head chef now.

"In this business, there are ratios in terms of what should be the cost of ingredients, etc. We never looked into that aspect, as we always put our efforts into making sandwiches that we would like to eat ourselves. We are improving on those ratios now, but we will never compromise on the quality, as we do this business from the heart." *Manar Al Jayouchi*

You mentioned a point of making it or breaking it. What happened?

SC: Manar and I had a few serious discussions about what to do with Appetite. We also approached banks, but they were not really interested, since we were negative in the first year and it was a new business.

We ended up approaching a couple of friends, who were very interested in buying into the business. We sold 10 per cent each to two friends.

How did you value your company to be selling a 20 per cent stake?

MJ: There were no accountings or anything like that. These were our friends. We said this is what we need, and if you are interested, put in the money. Of course they believed in us and the business, and we got the money. If fact, lots of people believed in us. We owe our success to these friends and these people who have both believed in and supported us from day one. We never had money for marketing, advertising or even packaging. The business very much grew by word of

"We had put all our savings into the business from day one. We believed that our business would be successful. But if the idea did not work, the consequences would have been really grave. And we both would have had to look for jobs and start from nothing." Suzi Croft

mouth and customers and friends recommending us.

What sort of margin do you have in this business?

MJ: Theoretically, food cost in this business should account for 33 per cent. Another 33 per cent is fixed cost and the last 33 per cent is the margin.

We wish that were all true for us. In the first year, we had negative five per cent to our bottom line, but now we are playing with a margin of positive five to eight per cent. We are hoping that we will be able to push it up to 17 per cent this year. We're not really sure if that will happen, though.

What sort of competition do you have?

SC: There are a couple of companies that have opened up since we started doing similar things. The main competition, I suppose, comes from coffee shops. And this is the next step for us. The current competition that we have now is a coffee shop that goes under the concept of catering. People move from the coffee shop concept to catering without having proper documentation for it or proper licensing.

Do you want to set up a coffee shop business?

SC: Not a coffee shop exactly, but we are going to open up our own sandwich shop. We will have our sandwiches and salads, and we are going to have our ready meals and cakes in that shop. It will be food, food and food, and yes, you can also have your coffee. And, of course, it will be good coffee. You will not go to this shop to buy your coffee, but your sandwich or lunch, or what you want to take home for dinner.

How will you fund the sandwich shop?

MJ: We are trying to avoid selling more shares in the company. After all, we are still a small business and we do not want too many people, so we are trying to generate some cash from our reserves. We will also try to approach banks in the near future.

SC: If we can do it ourselves, we will take that approach. The shop will be in Dubai.

How many types of food do you make now?

SC: It is difficult to say. Every day, we try to make two or three new concoctions. It must be coming up to a hundred now. We make so many different types of sandwiches, salads and ready meals; we also have catering, smoothies and fruit salads, and then we always come up with new things for catering, finger foods and canapés. The list is endless. It is ever evolving.

Is the downturn affecting your business?

SC: We're not feeling it right now.

MJ: We are also not yet in a position to assess, as the bad news started coming out only in the last quarter of last year. Also, December is traditionally a slow month for us, as it is vacation time and holidays. We are business-driven and not party-driven. We will need to wait until mid-February to see how much we have been affected by the downturn.

From what I have seen in the past few days, business is usual for us. There could be a slight dip, but I think there is still a lot of solidity in the economy.

Why did you enter the Lloyds TSB Small Business Awards competition? Was there any particular reason?

SC: It is specifically for small businesses, and it is very prestigious, we think. Winning the award adds lots of credibility to our business. Maybe we were beginning to be known and recognised, but the award gives us more credibility. A number of our customers called and congratulated us after we were announced winners.

MJ: It also helps us to measures ourselves against what else is happening in the market. It helps to judge ourselves against a benchmark and endorses that we are doing something right.

Investment themes for 2009

Risk aversion among investors increased significantly in 2008. Now **M.R. Raghu and Amrith Mukkamala** consider some interesting investment themes for 2009.

The GCC markets ended the year 2008 with a negative return of 56 per cent. Price-to-book multiples in the Middle East and North Africa region contracted substantially in 2008. The MSCI GCC Index was trading at a PB value of 3.73x at the end of 2008, compared to the current value of 1.3x, which is a contraction of 63 per cent.

The level of contraction at a GCC level is more severe compared to the overall EM level contraction in price to book. Therefore, broadly, the theme would be equities (both global and regional). However, it is also important to explore the following investment themes.

Playing on volatility

The most important feature of 2008 was the peaking of volatility. Traditionally, GCC markets have always found themselves very high on volatility. It is commonplace in GCC stock markets to witness a single day movement of plus or negative two per cent, compared to either emerging markets or developed markets. For example, nearly 22 per cent of trading days in Saudi Arabia witnessed a spike of plus or negative two per cent. The comparative figures are 10 per cent for emerging markets and eight per cent for the S&P 500.

While volatility is here to stay for some time, given the lack of market depth and institutional investment, a curious inverse relationship between volatility (read as risk) and return appears to be emerging, especially for the high octane markets of Saudi Arabia, Dubai and Qatar. Figure 1 provides the movement of both risk and return for Saudi Arabia. During 2008, a falling Tadawul can be easily corroborated with an increasing MVX.

We feel that this inverse relationship between risk and return can be intelligently exploited through asset allocation models. Clients can do well by structuring asset allocation that will underweight equities during increasing MVX and overweight equities during falling MVX. Our tests reveal superior results.

Table 1: **Sector Picks**

Favored sectors	Expected earnings growth (2009)	Disfavoured sectors	Expected earnings growth (2009)
Telecom	21%	Investment services	-25%
Chemicals-Commodity	10%	Industrial conglomerates	-11%
Steel	10%	Marine port services	-10%
Utilities	10%	Construction materials	-10%
		Real estate	-9%
		Banks	-6%
		Oil & gas refining	2%

Source: Markaz Research

Sector picks

In light of the latest developments, it is obvious that some sectors are favoured, while the rest are dumped. Table 1 shows the bottom-up assessment we did to come up with our favoured and disfavoured list. The list of disfavoured sectors outnumbers the list of favoured ones in line with the current environment.

The investment services sector is at the top of our disfavoured sector list. This sector heavily depends on the strong performance of capital markets, which may not come through, at least during the first half of the year. Also, many of these companies are small caps with weak balance sheets. They may be affected by the liquidity crunch and will find it difficult to come out of it, at least during 2009.

Value hunting

Our third investment theme is bargain value hunting. The present market situation indicates tremendous stress. Yet, because of the macro scenario, a lot of quality stocks are also selling at bargain prices. Nearly 35 per cent of companies in the Middle East and North Africa region trade below their book value (p/b less than one), compared to zero per cent at the start of 2008. Although financial services and real estate took the brunt (for the right reasons), opportunities have emerged in other non-distressed sectors.

Our research process concentrated on index stocks that are reasonably sized, in stable sectors and have listing history and liquidity. We then examined this list for cash flow, interest cover, profitability, valuation and dividend parameters. We believe this list will be low risk with limited downside, given the ability to withstand such rigorous scrutiny (see Table 2).

Capital protection

The year 2008 can easily be classified as a year of risk, meaning that risk aversion among investors has increased enormously. Having realised losses ranging from 30 per cent to 70 per cent of their investment value, clients will hesitate to take new risks as they enter 2009. Hence, strategies that can protect capital or at least minimise losses will be favoured as an investment theme for 2009.

Such capital-protected themes have been marketed for a long time for global market products, but they are few and far between for regional market exposure. This circumstance can be attributed primarily to a lack of avenues to execute such a strategy. For example, global managers use derivatives (options especially) to achieve their capital-protected status. In the absence of derivatives markets (only a limited market exists in Kuwait), managers have shied away from offering capital protected ideas to clients.

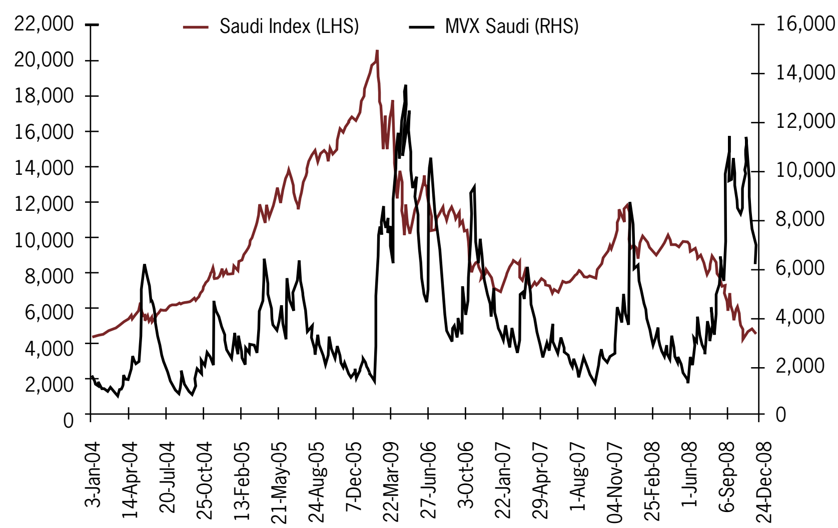
We believe, however, that the use of dynamic asset allocation strategies can achieve this objective, albeit not completely. We favour adopting the constant portfolio proportion insurance technique to pre-define loss limits (say 10 per cent or 20 per cent) and position asset allocation (between equities and cash) in order to drastically minimise risk. Our lab tests show phenomenal results.

Consolidation opportunities

Our final idea rests on mergers and acquisitions. The global financial crisis has been gaining in weight and intensity on a daily basis. More than providing necessary liquidity to the financial system, governments all over the world are now worried about enabling companies to stay solvent. In spite of such wishful thinking, the number of companies going bust will certainly be on the rise during 2009, globally and regionally.

Portfolio strategies that can identify possible takeover/merger targets in distressed sectors can do well in this environment. Although it has been predicted to be a slow year for mergers and acquisitions globally (owing to an absence of cash to pursue), the GCC's case may not be similar. So far, the region has not experienced any major or severe corporate busts. This time around, though, a number of small and medium-sized companies will be threatened out of existence because of weaker economic conditions, the tight liquidity situation and poor positioning from a corporate governance point of view. Rapid consolidation in various sectors will leave the strong stronger and the weak weaker.

Figure 1: **Saudi Arabia Index and MVX Saudi Arabia Trend**



Source: Markaz Research

Table 2: Comprehensive Bargain List – GCC

Rank	Name	Country	Sector	M.Cap (US$ Mn)
1	Sabic	Saudi Arabia	Chemicals	36,474
2	Safco	Saudi Arabia	Chemicals	4,833
3	Saudi Telecom	Saudi Arabia	Telecom	23,836
4	Industries Qatar	Qatar	Mineral Resources	10,894
5	Abu Dhabi National Energy	UAE	Utilities	2,102
6	Sidi Kerir Petro	Egypt	Chemicals	942
7	Ezz Steel Rebars	Egypt	Mineral Resources	1,161
8	Saudi Electric	Saudi Arabia	Utilities	9,998
9	Agility	Kuwait	Transportation	2,619
10	Etihad Etisalat	Saudi Arabia	Telecom	4,349
11	Orascom Telecom	Egypt	Telecom	4,488
12	Zain	Kuwait	Telecom	17,005
13	Emirates Telecommunications	UAE	Telecom	19,733
14	Telecom Egypt	Egypt	Telecom	4,661
15	Yansab	Saudi Arabia	Chemicals	2,212
16	Dana Gas	UAE	Energy	1,078
17	Savola Group	Saudi Arabia	Industrial Conglomerates	2,833
18	S. Valley Cement	Egypt	Mineral Resources	493
19	Emirates Integrated Telecom	UAE	Telecommunications Services	2,658
20	Qatar Gas Transport (NAKILAT)	Qatar	Transportation	2,998
21	Almarai	Saudi Arabia	Food & Beverages	3,429

Source: Reuters 3000 Xtra, Zawya Investor, Markaz Research

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. Don't forget that investments can go down as well as up and you may not get back the amount originally invested.

Raysut a long-term bet

Oman's plans to diversify its economy will benefit Raysut Cement Company in the long term. A report from **NBAD Asset Management Group**.

Raysut Cement Company SAOG is Oman's largest cement and clinker producer with a cement production capacity of three million tonnes per annum (mtpa) and 2.6 mtpa of clinker production capacity.

Raysut Cement has only one competitor based in Oman. The company was established in 1981 and became fully operational within three years. Its capital base gradually increased to OMR20 million. The company is registered in the Sultanate of Oman as a joint stock company and its shares are listed and traded on the Muscat stock exchange. Raysut is engaged in the production and sale of Portland cement, sulphur resistant cement, oil well class 'G' cement, pozzolana well cement and special-blended cements that are used in oil/gas well drillings.

Raysut is headquartered in the southwestern region of Oman in the city of Salalah and has branch offices in Muscat and Sohar in Oman and regional offices in Yemen through its 49 per cent owned subsidiaries in Mukalla and Aden. The company's factory is ideally located near the Salalah sea port, which facilitates low-cost export of about 40 per cent of its annual production to its main markets such as Yemen, a few GCC countries, East African countries and the Indian Ocean islands. Raysut's operations are supported by a strong logistics capability including six specialised cement silos, floating cement terminals and bulk cement terminals at Mukalla and Muscat Port and five special bulk cement-carrying ships.

Raysut has four production lines producing clinker and cement, placing it among the largest producers of its kind in the Middle East. Yet, the company has plans to increase production capacity to further consolidate its strong position within the sector. It plans to expand operations in Yemen through investing in a Greenfield capacity, for which it has secured an approval from the Yemeni government and land allocation for a two mtpa cement plant. Raysut is currently finalising a

Key financials in millions of OMR	2005	2006	2007	CAGR
Revenues	28	48	63	50%
EBITDA	14	27	37	65%
Net income	10	21	30	72%
EBITDA margin	49%	56%	59%	
Net margin	36%	43%	48%	

Trading multiples	2007A	2008E	2009E
PE	7.1	5.1	4.4
EV/EBITDA	5.1	3.9	3.6
EV/Capacity (RO/ton)		6.3	

feasibility study for the new plant, which it is planning to develop within a joint-venture structure. In addition to its production lines in Oman, the company is further exploring its expansion plan.

Raysut also opened a floating terminal at the Sohar port in northern Oman to cater to the region, as the majority of infrastructure projects are concentrated in and around Muscat. The company has also expanded its cement storage capacity in Muscat by setting up its fifth storage silo and has a long-term strategy to reinforce its logistics infrastructure by owning ships.

Selected financial indicators

Raysut has been implementing a growth strategy while focusing on production and cost efficiencies via development of technologically advanced state-of-the-art production facilities. We believe this effort has fed into the financials of the company and has achieved an increase in its ROAA from 28.7 per cent in 2007 to 30.7 per cent in September 2008.

Oman industry overview

Similar to other neighbouring GCC countries, Oman has strongly benefited over the years from rising oil prices and has managed to significantly expand its budget surplus. Capitalising on this advantage, the government has started to evaluate projects to diversify its economy and decrease reliance on non-renewable energy resources. The government has initiated and encouraged investments in projects for real estate, tourism and petro-chemical sectors, such as the US$20 billion Blue City residential development project. Other landmark projects include the construction of a US$1.7 billion aluminium smelter facility and a US$1.6 billion petrochemical complex in Sohar.

In addition, the government has started sizeable infrastructure projects that entail the development of roads, canals, bridges and energy pipelines. Consequently, the implementation of these projects has triggered the consumption of much higher amounts of cement. The consumption growth has typically been in excess of 15 per cent, enforcing the import of cement. Until 2005, the government was levying duties to imports with a protective motive. Yet, the demand has soared to very high levels, forcing government officials to abandon these tax levies again in order to curb inflation.

Given the impact of global financial crises and plunged oil revenues, we anticipate the speed of development projects in Oman to cut pace in the next 12 to 18 months. Yet, we view the diversification of the economy as very vital goal for the Omani government. Therefore, we anticipate that the projects should resume and gain pace when the energy prices recover in line with the global economy. Thanks to its sizeable production capacity and regional export capabilities, Raysut is well placed to become a major beneficiary of the eventual recovery in construction activity within the region.

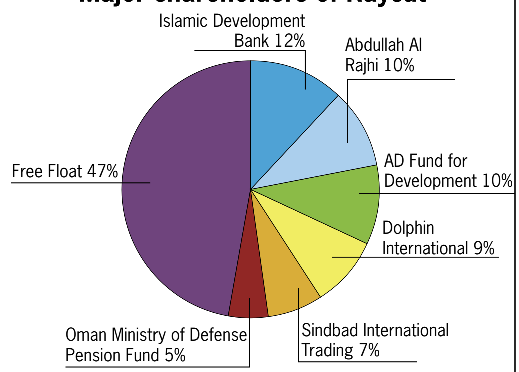
Investment positives

- Favorable demographics within the GCC and export countries
- Relaxing regulations that are starting to allow purchase of real estate by foreigners
- Motivation of GCC countries to diversify oil revenues with projects in tourism and industrial sectors
- Liquid balance sheet and low financial leverage
- Dividend payments (2009E dividend yield: 9.35 per cent)

Investment potential risks

- Prolonged period of lower oil revenues limiting the government's investment capacity
- Increasing competition and potential of excessive capacity build-up in the region

Major shareholders of Raysut



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GCC, Regional and World Benchmarks - Conventional

As at January 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.

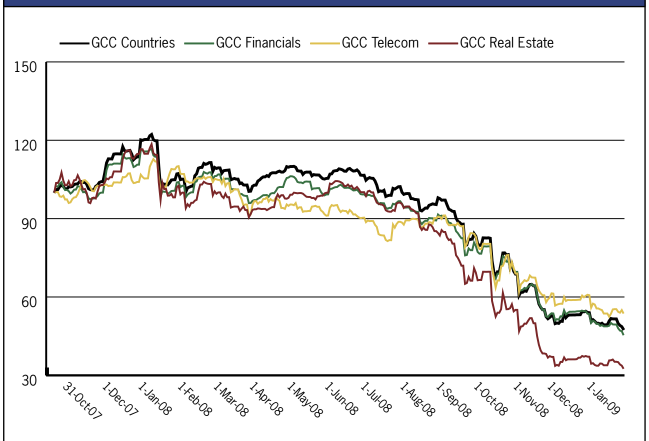
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

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

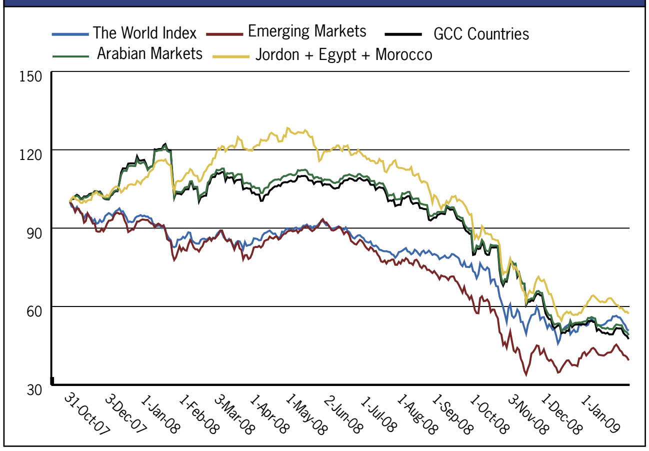
(Period: October 31, 2007 to January 15, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

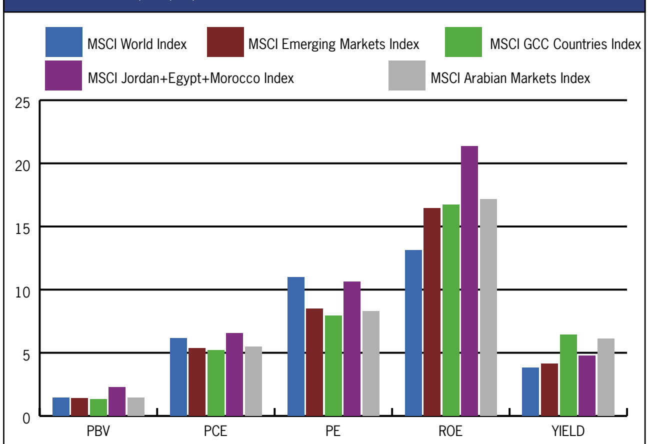
(Period: October 31, 2007 to January 15, 2008 rebased to 100 on October 31, 2007)



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 January 15, 2009)

Index	Index in US$ (today)	Performance in % US$ (QTD)	Performance in % US$ (MTD)	Performance in % US$ (YTD)
MSCI Arabian Markets Index	383.01	-4.58	-4.58	-4.58
MSCI Emerging Markets Index	626.64	-7.12	-7.12	-7.12
MSCI GCC Countries Index	332.79	-3.67	-3.67	-3.67
MSCI GCC Financials Index	363.04	-6.97	-6.97	-6.97
MSCI GCC Real Estate Index	187.61	-4.01	-4.01	-4.01
MSCI GCC Telecom Services Index	450.87	-0.03	-0.03	-0.03
MSCI Jordan+ Egypt +Morocco Index	917.53	-9.42	-9.42	-9.42
MSCI World Index	853.34	-7.27	-7.27	-7.27

GCC, Regional and World Benchmarks - Islamic

As at January 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.

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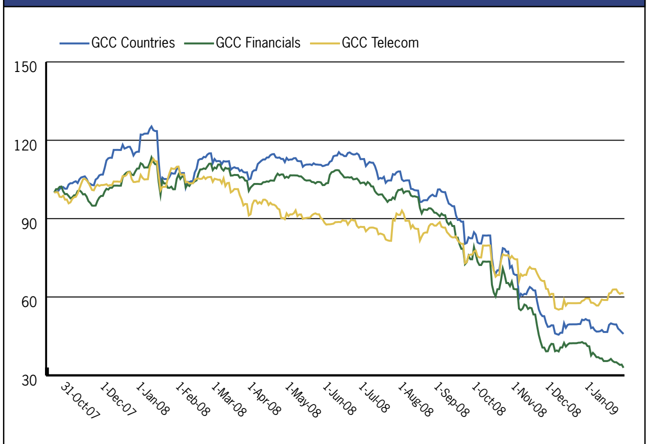
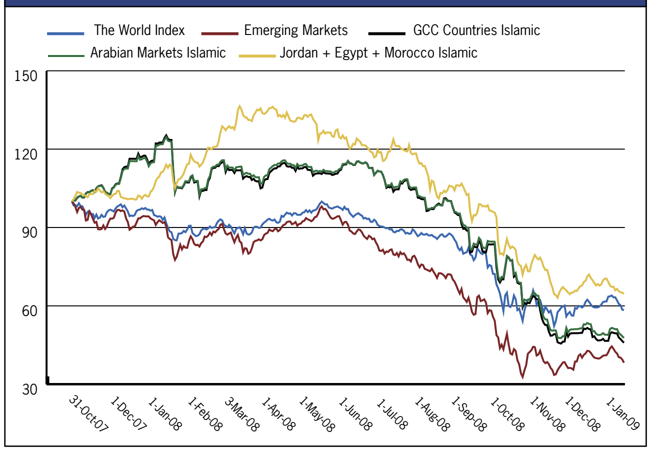


WORLD: Comparative Returns

Comparative returns for five MSCI indices

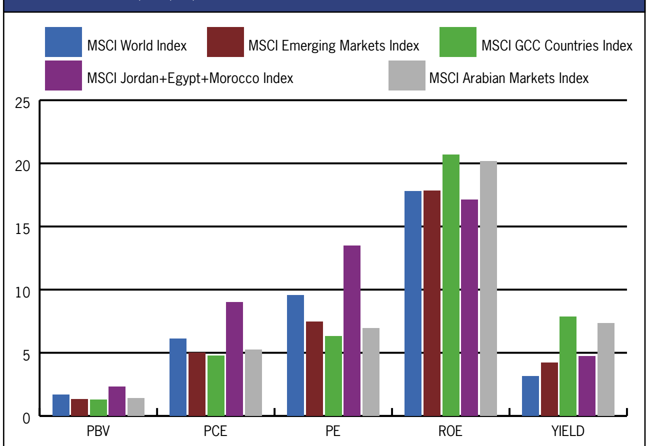
(Period: October 31, 2007 to January 15, 2008 rebased to 100 on October 31, 2007)



Valuation Ratios

November month-end valuation ratios

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



Performance Values

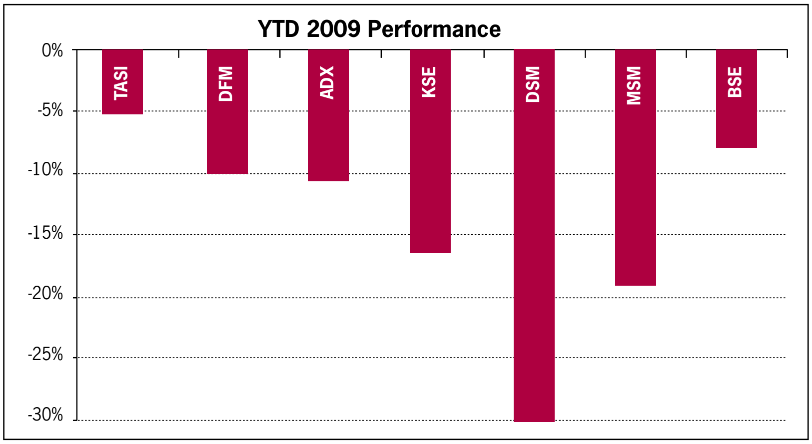
QTD, MTD, YTD performance in US$

(Eight indices as of January 15, 2009)

Index	Index in US$ (today)	Performance in % US$ (QTD)	Performance in % US$ (MTD)	Performance in % US$ (YTD)
MSCI Arabian Markets Islamic Index	540.14	-2.52	-2.52	-2.52
MSCI Emerging Markets Islamic Index	525.01	-6.87	-6.87	-6.87
MSCI GCC Countries Islamic Index	520.55	-1.54	-1.54	-1.54
MSCI GCC Islamic Financials Index	375.87	-7.25	-7.25	-7.25
MSCI GCC Islamic Telecom Services Index	601.88	4.26	4.26	4.26
MSCI Jordan+ Egypt +Morocco Islamic Index	704.77	-8.3	-8.3	-8.3
MSCI World Islamic Index	624.93	-5.36	-5.36	-5.36

Value investing important

As the bear market deepens its grip on regional markets, **Snehdeep Fulzele** urges investors to take shelter in defensive sectors like food and health care.



The year 2008 was disappointing for investors all over the world, and GCC investors were no exception. The talk of the last half decade's oil surpluses keeping the GCC economies on the growth track for the next few years proved overly-optimistic as both local and global investors sold on worsening oil prices and the global economic scenario.

The Dubai Financial Market, dominated by the pressured banking sector and crumbling real estate sector, ranked at the bottom with a more than 72 per cent drop in the market index in 2008. The largest regional market of Saudi Arabia clocked its second loss of over 50 per cent in three years. It had lost 52.5 per cent in 2006, gained 39 per cent in 2007 and again lost 56.5 per cent in 2008. Qatar's Doha Securities Market, down 28.5 per cent, lost the least among seven GCC markets.

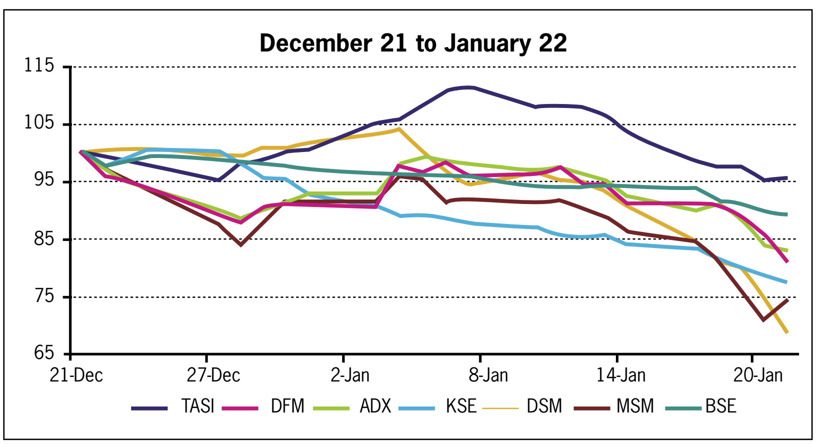
The last month has been the most important for the future direction of the GCC economies and as a reflection of the region's stock markets. Announcing their budgets for 2009, regional governments addressed the concerns of businessmen, workers and investors by committing to spend heavily on infrastructure development.

The Saudi government announced SAR475 billion of spending, relying on a surplus of SAR1.4 trillion from the previous six years. Dubai will boost government spending by 42 per cent in 2009, with a budget deficit of AED4.2 billion – its first ever to buoy an economy by four to six per cent. Infrastructure investment is expected to rise by 33 per cent in 2009.

The largest regional company by market value, SABIC, announced a profit of SAR311 million in the last quarter, compared to SAR6.87 billion in the last three months of 2007. The year-on-year drop of over 95 per cent stunned investors. If global woes and a precipitous fall in commodities hurt SABIC, currency fluctuations led to Saudi Telecom Company (STC) announcing a profit of SAR1.17 billion for the October to December period, compared to SAR3.06 billion over the same period in 2007. STC is the largest telecom provider in the Arab world by market value.

Consumers have gone on the defensive and business confidence is falling. The region is not immune to the worldwide phenomenon of job losses. SABIC has announced suspension of its steel operations in Saudi Arabia and lay-offs are expected. Kuwait cancelled a petrochemicals joint venture with the largest US chemicals firm, Dow Chemicals. Jobs losses are reported from Dubai, while oil prices are down to US$42 per barrel from their high of US$147 per barrel in July last year.

Increased competition, a sudden drop in demand and sinking commodity prices have caught businesses off guard. They will take time to adjust to the new reality. A FALCOM research report had further warned investors that fourth quarter results would raise more questions than answers. It may be premature to commit one's hard earned money on the premise of eventual recovery, as market indices keep falling. But bear markets welcome value investors, while bulls close the door on them.



Investors can take shelter in sectors that will sustain in current challenging times, such as food and health care. Recent growth sectors like cables, pipes, construction and commodities can be given a pass. For the adventurous, these sectors may look attractive based on their high valuations not so long ago, but investors should have realised the meaning of "the higher the returns, the higher the risk" by now. Bears demand a shift in focus from return to risk.

The writer is the head of research at FALCOM Financial Services.

Global whiplash to continue

The year 2008 was bad for investors, and its negative impact will continue to be felt for most of 2009, according to **Sachin Patki**.

The year 2008 ended in throes of agony around the world, with the financial markets leaving most asset classes of most portfolios lower than where they had begun the year. For many, the end of 2008 hinted at a fresh start in 2009, but the year has begun with a lot of negative news globally and locally. The residue effect is now being felt in the Gulf region, where businesses are looking to readjust their business plans and resources to cope with the changes in consumer spending.

A lot of action has been taking place globally to stabilise the financial system. Along with financial interventions, we have seen a sharp drop in interest rates around the globe, with US interest rates now close to zero. The Bank of England has dropped its interest rates to historically low levels that have not been seen since it began operations in 1694. Nevertheless, we may need to see further stimuli to push the economies forward, such as tax cuts, mandatory asset/liability ratios for banks and reduction in banks' cash reserve ratios.

The European Central Bank is the latest to undergo further cuts, but the decision may not be enough to staunch the bleeding. Industrial output in Germany fell 3.1 per cent in November from a seasonally-adjusted October – the worst drop on record in unified Germany.

US non-farm payrolls dropped as expected in December by 524,000 – after a drop of 584,000 in November. The unemployment rate rose to a 15-year high of 7.2 per cent in December from 6.8 per cent in November. With the swearing in of President Barack Obama in the US, we are seeing more concrete actions being taken by his administration. But even Obama has been making statements regarding a delay in some of the actions promised during his election campaign.

The US dollar has been moving around in a range, depending on market views of the interest rate differentials with other currencies. The expectations of interest rates in different countries have been shifting, as different measures by central banks are impacting the views on the currency and the economies of those countries.

Currencies usually classified as commodity currencies, like the Canadian dollar and the Australian dollar, saw a retreat in the US dollar rally in December, but moved back mid-way in January. The Canadian dollar has risen from the 1.2970 level last seen in December to the 1.1500-1.2380 range in recent weeks. A clear break of 1.1500 would see it move back towards 1.0930. A failure to break 1.1500 on a weekly close would see the Canadian dollar weaken again towards 1.2670, but the chances of that happening will depend on the price of oil, industrial metals and precious metals.

The Australian dollar has attempted highs near 0.7110 and is now trading within the 0.6920-0.6460 range, with the potential to re-test lows near 0.6010.

The euro has been a busy currency, with its ranges now widened. The direction of the economy and interest rates are largely dictating the general trend, while corporate news is driving topical short-term direction. The recent highs of 1.4580 seen in December look far away from the recent range of 1.3300. A clear weekly close below 1.3200 indicates a test of the lows below 1.3000 and potentially up to 1.2890, 1.2740 and 1.2520. Failure to close below 1.3200 will indicate that the currency still has some upside strength and can rally back to the 1.3750 resistance, with a break opening up at 1.4160.

In recent weeks, the yen has shown strength on the back of repayment of carry trades. The currency looks to test the lows of 87.15 last seen in December, despite being overbought against the US dollar and the euro. The US dollar/yen looks to trade within the 95.80-87.15 range, with a break above the 97.80 level indicating a reversal of the recent yen strength. The euro/yen is aiming to test its lows of 113.70 and on a break of 110.50. A rally for this currency would be on a break above the 123.00 level, with the next key area being 127.00.

The sterling has seen a lot of bad news on the economic front, with interest rates at unprecedented low levels. The measures taken to rescue corporates, as well as financial measures to support banks and consumer credit institutions, have not really helped. Most institutions are providing credit at costs most consumers cannot afford now. Additionally, many consumers cannot put their balance sheets at risk as they look to clear their bad debts. Mortgage penetration in the market is also not helping new buyers.

The sterling remains under risk and can see a break of 1.4350 for a test of 1.4135 and 1.4010. At those levels, though, we may see some investors show buying interest. On the upside, look for 1.4960 as the level to watch for, with a break of 1.5235, 1.5450 and 1.5670. The big level of 1.5960 would confirm a reversal of the downtrend.

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

Views expressed are his own and not necessarily those of Mashreq. Data and comments are as of January 14, 2009.

Confidence the key for 2009

Dr. Oliver Stönner-Venkatarama on why some of the emerging market constituents continue to be good investment plays in 2009.

Investors weighing opportunities across markets and asset classes have been faced with a constant flow of negative economic news from both mature and emerging markets. All three mature economic areas – the US, Europe and Japan – are passing through a recession in 2009. Real GDP growth of the emerging economies may be nearly half of the 2007 level. Nevertheless, an average GDP growth of about 3.5 per cent for emerging markets and higher rates for some economies still provide attractive investment opportunities.

China and India remain at the top of the global growth hit list, despite severe economic slowdowns. As in countries such as Brazil, Turkey and Indonesia, the domestic economic growth momentum in China and India may provide support for the overall economies. This support implies investment opportunities related to public investments in infrastructure, education and energy efficiency. Additional investment incentives may arise from governmental support packages for industries, which are vital for the longer-term growth of an economy. In other words, there may be investment opportunities beyond private consumption and public investments. For instance, industrial companies in China and India, which could successfully re-focus from exports towards domestic needs, might be a fruitful investment.

All in all, there are investment strategies that investors could follow in 2009. The problem, however, is confidence. The start-of-the-year rebound in global equity markets was probably driven by the bottom fishing of some investors who regained confidence on the backdrop of global counter-cyclical fiscal and monetary measures. But a less volatile and more solid upward momentum of the stock markets, particularly in the emerging markets, would require private investors around the world to become less risk averse.

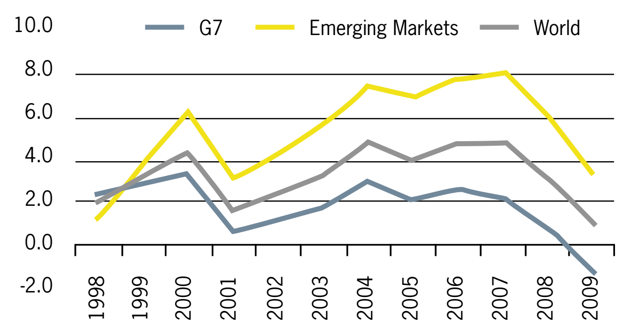
Institutional investors' need for cash during the course of the crisis and the increase in risk aversion have been key factors for strong capital outflows from the emerging financial markets. Reflecting still fragile market conditions, recent surveys show that private investors remain very cautious regarding the stock market outlook for the whole year. As a result, global equity markets need to follow a positive trend for quite some time before more private investors regain the confidence to re-enter the stock market.

Confidence is also the key for the effectiveness of global governmental stimulus packages. In order to induce private investments in the current environment, corporates need to be confident that the global economy may start to turn around later in 2009. At the same time, private household decisions to consume or buy a house need to assume confidence, particularly in the labour market. As such, governments around the world are keen to reassure determination to counter global economic headwinds.

There are four main conclusions investors might draw from these thoughts. First, there is no need to rush back into stock markets. The process of re-building confidence among private investors will take some time and will certainly require improving economic fundamentals.

Global economic trends 2009:
Emerging markets outpace G7 countries

Real GDP, % change year-on-year



Second, investment decisions should be based on longer-term, personal convictions. Structural changes and structural shortages should provide a solid fundament for these convictions, even if markets retreat because of lingering uncertainty. Consequently, investors should focus on successfully changing economies such as China, India and Brazil. These countries will benefit from a stronger domestic economy.

Third, the main structural shortage in the world economy relates to energy and several commodities. Therefore, the recent correction of energy- and commodity-related stocks may provide an attractive opportunity to include this investment topic in the portfolio.

Fourth, investors should gradually add more risky positions to their portfolios when the economic news flow from the US economy improves. In this case, markets with a close linkage to the US (e.g. Mexico) and more export-dependent economies (e.g. South Korea and Taiwan) will become attractive again for investors. Turkey, a particularly risk-sensitive market, will benefit from receding global economic clouds on the horizon.

The writer is an emerging markets investment strategist with Cominvest.

Worst of liquidity crunch over

Although economic data continues to paint a grim picture, the worst of the liquidity crunch seems to be over, writes **Peter Hensman**.

The economic data providing a glimpse of the difficult backdrop for companies in the fourth quarter has continued to paint a grim picture. This picture is not restricted to the US, where the ISM manufacturing new orders index fell to a new record low (a data series that was first published in 1948).

The downturn is truly global in scale. For example, factory orders in Germany fell 27 per cent year on year in November, a worse decline than was experienced in 1993 as the post-reunification boom turned to bust. In Japan, the lead indicator (a composite index that is intended to provide a guide to the likely rate of change in future activity) is falling at its fastest rate since the recession of 1974. Nor are the emerging markets immune.

Data in some parts of Asia is deteriorating more quickly than following the currency crises of the late 1990s. Set against this sort of weakness in demand, it is little wonder that there are now reportedly more than 80 million barrels of oil being stored in floating storage in various places around the world.[1]

Nevertheless, the fourth quarter of 2008 – while perhaps the most difficult period of economic and market activity that most investors have experienced – is now history. Although the current company reporting season and ongoing round of economic data releases will continue to show how challenging it was, this information will do little to indicate where economies and markets are likely to head.

There are some reasons for (cautious) optimism. First, there is the indication that the worst of the liquidity crisis has eased. This sign is most clearly indicated in the interbank markets, where the extra spread (interest cost) demanded has dropped back to a level near that prior to the collapse of Lehman Brothers. Furthermore, interest rates on commercial paper have fallen sharply, even for lower-grade issuers that are not covered by the Federal Reserve's Commercial Paper Funding Facility.

Arguably, most significant has been the success of the Fed in reducing mortgage rates. According to the Mortgage Bankers Association, the cost of a 30-year mortgage fell to 4.9 per cent in the week ending January 9, the lowest level on record. This figure compares to a rate of 6.5 per cent just three months earlier. In addition, lower oil (and commodity costs more broadly) offer a very direct boost to the discretionary spending power of most consumers and businesses.

These positives are also before the widely anticipated fiscal stimulus that will come from the Obama administration. Market expectations are that the package will be of the order of US$825 billion – of sufficient scale to fend off criticism from some quarters that the original proposals of US$500-775 billion were insufficient, but staying away from the US$1 trillion mark that (combined with the projection from the Congressional Budget Office of a US$1.2 trillion deficit in 2009) could raise concerns about the sustainability of US government finances.

Despite the scale of policy stimulus and attempt at economic reflation that has emerged worldwide and the early indications of success in easing credit constraints, it seems premature to seek to adopt a more risky positioning within portfolios. First, the scale of the crisis has been consistently underestimated by the authorities. At the time of writing, Citigroup shares had once again fallen below US$5 owing to investor fears of the need for a further capital injection (on top of the US$25 billion received on October 14 and US$20 billion on November 21). Given the increase in leverage globally in recent years, there is little reason to believe that there are not more institutions that face increasing difficulties.

Second, with unemployment and corporate defaults rising sharply, there seems significant potential for further problems in the financial sector. It seems unlikely that government bond markets will be troubled by the scale of issuance until it is clear that economic activity and corporate earnings are improving. Until this time, risk aversion is likely to dictate that investors will seek to hoard cash in assets of more certain capital value.

Focusing on companies that are expected to deliver earnings that are relatively insensitive to the economic cycle and have low levels of debt is likely to continue to offer the best potential for investors. There is some attraction in the valuation of corporate bonds and the greater capital protection offered by investing further up the capital structure of a company. But given that the strongest companies will be those that did not need or seek financing in the bond market, a high degree of selectivity seems appropriate for those that do look to add credit risk.

Buying well-covered, high-yielding equities may well offer a risk reward just as good, despite the widespread agreement that corporate credit is the most appropriate way to increase the potential return in portfolios.

The writer is director of investment management, Global Strategy at Newton Investment Management.

Supplies come under pressure

As economies and investors across the globe try to scramble out of the downturn quicksand, every asset class has been bruised. An **MF Global** report.

In the precious metals complex, the price move whipsaw has dissuaded many safe-haven buyers in the recent weeks. On a month-on-month basis, gold futures have declined nearly one per cent, struggling from the US dollar resurgence. The US dollar has continued to draw more strength against the euro. The dollar has drawn strength from increasing expectations that the European Central Bank will aggressively cut its key interest rate.

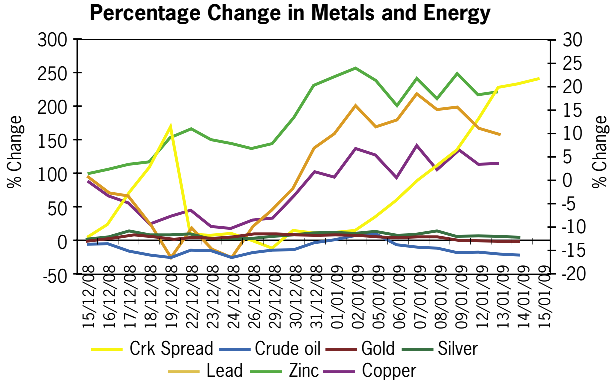
There are also concerns that more European economies will face a downgrade in country ratings, following the examples of Spain and Greece. An appreciation in the US dollar is viewed as a negative for gold. There are expectations of more money flowing into financial assets like US treasuries than gold, the next best alternative in uncertain times.

Silver, however, showed a gain of nearly three per cent to US$10.58/ounce (Comex near-month futures), primarily tracking the upward move in copper (nearly one-third of silver comes from copper production).

In the base metals complex, copper (LME three-month forwards) gained nearly seven per cent to US$3279/tonne on the news of improved December imports from China. Chinese copper imports were up nearly 31 per cent in December to 286,576 tonnes, but fell five per cent to 2.64 million tonnes on year. Market observers said that the temporary improvement in the Chinese imports was the result of bunched order arrivals, as well as tighter domestic supplies from smelters there. Following an improvement in copper prices, the Chinese State Reserve Board shelved the plan to build copper reserves.

Zinc was up nearly 18 per cent to US$1265/tonne. With more new mining projects being shelved, as well as the closure of existing mining operations, supplies are likely to come under more pressure. News about China looking to build its zinc reserves by around 59,000 also helped. Lead gained nearly 10 per cent on month to US$1120/tonne, as decline in reused car batteries was less than expected.

Percentage Change in Metals and Energy



Source: Bloomberg, MF Global

Overall, the base metals complex may have witnessed positive returns on month, but few remain optimistic about whether this trend will continue. With a slowdown in the construction sector, the off-take of aluminium, stainless steel, nickel and zinc will be impacted.

Copper's consumption deceleration could be stalled if the demand from the power sector improves, while lead's consumption may resume a fall after the seasonal increase in replacement car battery demand is over. A fall in the use of original equipment manufacturers owing to the fall in new car sales will impact lead more.

In the energy space, crude oil (near-month WTI futures on NYMEX) have corrected by nearly 20 per cent on month to around US$36/barrel. In a recent report, OPEC revised lower the demand for its crude oil by 1.40 million barrels per day (mbpd) to 29.50 mbpd in 2009. According to OPEC, which supplies 40 per cent of global crude oil, a huge decline in the OECD consumption, particularly in the US, is expected to offset weaker growth in non-OECD, primarily from China, the Middle East and elsewhere in Asia.

Meanwhile, in the midst of the gloomy view on consumption, crack spread (the theoretical refining margins indicator) has risen nearly 238 per cent to US$16.28 per barrel for NYMEX crude, gasoline and heating oil crack spread futures. A sharp increase in the spread either indicates a strong demand and low availability of product stocks (gasoline and heating oil in this case) or a rather sharp fall in raw material (crude oil). It also indicates that the demand for crude oil could increase following strengthening of margins.

A few words on the S&P GSCI and DJ-AIGCI commodity index rebalancing are necessary. Commodity index rebalancing is done every year in order to avoid concentration in a commodity or a group of commodities and to take advantage of likely developments in the future.

According to a J.P. Morgan report, which estimated a sum of US$50 billion invested in S&P and US$25 billion in DJ, the most significant change was likely due to DJ rebalancing. In DJ-AIGCI rebalancing, the weight for crude oil had increased the most to 13.80 per cent from 9.60 per cent. It has been reduced the most for gold to 7.90 per cent from 10.80 per cent. The S&P GSCI weight for crude changed to 33.80 per cent from 32 per cent. According to the J.P. Morgan report, rebalancing of the two indices is expected to result in US$877 million of selling in gold, US$699 million of buying in COMEX copper and US$523 million of buying in crude oil.

Increasingly seasoned commodity investors speak of their beloved ideas with uncertainty. With the save and conserve button tightly pressed, governments across the world are striving hard to get their citizens out to spend and restore the productive circular flow of money.

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	2.00%	fiYly
Nationwide International	01624 696000	Tracker Premium	None	$50,000	2.50%*	Yly
Irish Permanent International	01624 641641	Instant Access	None	$100,000	1.10%	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
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	3.50%	fiYly
Zurich Bank International Limited	01624 671666	Zurich Euro Reward A/C	None	€5,000	3.50%	Yly
Skipton (Guernsey)	01481 727374	International Euro	None	€25,000	3.25%	Yly
Nationwide International	01624 696000	Euro Tracker Premium	None	€50,000	2.80%*	Yly
Bank of Scotland International	05134 613500	Base Rate Tracker	None	€35,000	2.75%	Yly
No Notice Accounts						
Alliance & Leicester International	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	4.30%	Yly
Irish Nationawide (IOM)	01624 673373	Instant Quarterly	None	£25,000	4.25%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	3.75%	fiYly
Skipton (Guernsey)	01481 727374	Sterling Access Plus	None	£25,000	3.65%	Yly
Skipton (Guernsey)	01481 727374	Sterling Access	None	£105,000	3.00%	Yly
Notice Accounts						
Alliance & Leicester International	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	4.45%	Yly
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	4.38%	Qly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 90	90 Day	£25,000	4.35%	Yly
Skipton (Guernsey)	01481 727374	Sterling Island Ninety	90 Day	£10,000	4.25%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 90	90 Day	£5,000	4.00%	Yly
Monthly Interest						
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	4.36%	Mly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 90	90 Day	£25,000	4.15%	Mly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Income II	7 Day	£5,000	3.75%	Mly
Irish Permanent International	01624 641641	International 30	30 Day	£10,000	3.30%	Mly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 28	28 Day	£25,000	3.05%	Mly
Fixed Rates						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	12 month Bond	£5,000	4.60% F	OM
Irish Permanent International	01624 641641	Fixed rate bond	1 Yr Bond	£10,000	4.50% F	OM
Irish Nationwide (IOM)	01624 673373	3 Month Fixed Rate Bond	3 month Bond	£50,000	4.50% F	OM
Irish Nationwide (IOM)	01624 673373	6 Month Fixed Rate Bond	6 month Bond	£50,000	4.30% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	3 month Bond	£5,000	4.25% F	OM
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	1.47%	Mly
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	£10,000	1.25%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	0.25%	Qly
Standard Bank	01534 881188	Optimum	None	£3,000	0.10%	Qly
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	4.00%	Yly
Abbey International	01534 885000	Tracker Term 8	05-05-09	£10,000	2.00%*	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	1.10%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£50,000	1.00%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£50,000	0.90%	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
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: January 15, 2009 Source: Moneyfacts

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	0.25	0.85	0.90	0.90	1.10	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	0.30 0.30	0.60 0.60	0.60 0.60	0.60 0.60	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 1.00 0.10	0.10 1.25 0.10	0.10 1.50 0.10	0.10 1.65 0.10	0.10 1.75 0.10	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	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	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.10	0.10	0.10	0.15	0.65	0.85	0.85	0.85	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	0.245	0.495	1.245	1.245	1.245	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	0.10k	0.10	0.10	0.10	0.20	0.20	0.20	0.20	Qly	Yes

k = Rate applies from £3K. w = Rate applies from £20K. 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: January 02, 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 0.50 0.00	- 0.50 0.00	- 0.75a 0.00	- 1.00 0.00	OM Yly Qly	No No Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	2.43	2.43	2.43	2.43	2.43	2.43	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.70	3.70	3.70	3.70	3.70	3.70	Half Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	1.65	1.65	1.65	1.65	1.65	1.65	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve International Savings	- 0.25	- 0.30	- 0.35	2.75h 0.40	2.75 0.60	2.75 0.60	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.00 -	0.00 -	0.00 0.95e	0.00 0.95	0.00 1.250a	0.00 1.75b	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	0.40 0.40	Mly Mly	No No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 2.37 -	3.40 2.37 3.35	3.40 2.37 3.35	3.40 2.37 3.35	3.40 2.37 3.35	3.40 2.37 3.35	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 1.50a 0.10	0.10 1.50a 0.10	On closure On closure Qly	Yes No Yes
Halifax International	01534 846501	International Web Saver	2.60	2.60	2.70	2.70	2.70	2.70	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 - 0.86 0.36	0.10 1.89j 0.10 2.33j 0.86 0.36	0.10 1.89 0.10 2.33 1.51 1.01	0.10 1.89 0.10 2.33 1.51 1.01	0.10 1.89 0.10 2.33 1.91 1.41	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	0.10b	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	1.90 1.88	1.90 1.88	1.90 1.88	1.90 1.88	2.25 2.23	2.25 2.23	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.10	0.10	0.20	0.30	0.30	0.60	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings Euro Tracker Premium	1.75 3.40	1.75 3.40	1.80 3.40	1.80 3.70	1.80 3.70	1.85 3.70	Yly Yly	No
NatWest	01534 282300	Advantage International	0.70	0.80	0.90	1.10	1.35	1.50	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.07	1.12c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	0.70	0.80	0.90	1.10	1.35	1.50	Qly	No
Skipton (Guensey)	01481 727374	International Euro	-	-	3.25	3.25	3.25	3.25	Yly	No
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	0.62 0.10 -	0.62 0.10 -	0.62 0.10 -	1.12 0.15 2.00	1.37 0.25 2.10	1.62 0.40 2.10	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	0.10j	0.10	0.10	0.60	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward Call	3.50 2.00	3.50 2.00	3.50 2.00	3.50 2.00	3.50 2.00	3.50 2.00	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 0.00	OM Yly Qly	No No Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	0.50	0.50	0.50	0.50	0.60	0.60	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	2.00	2.00	2.00	2.00	2.00	2.00	fi Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	0.50	0.50	0.50	0.50	0.50	0.50	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 0.30	0.00 0.50x	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	- 1.05 -	1.95 1.05 1.93	1.95 1.05 1.93	1.95 1.05 1.93	1.95 1.05 1.93	1.95 1.05 1.93	Yly Mly Mly	Yes Yes Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	- 1 -	0.10 - 0.10	0.10 - 0.10	0.10 - 0.10	0.10 0.10v 0.10	0.10 0.25x 0.10	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	- - - - - 	0.10 - 0.10 - 0.15 0.10	0.10 0.48u 0.10 0.88u 0.20 0.15	0.10 0.48 0.10 0.88 0.25 0.20	0.10 0.48 0.10 0.88 0.30 0.25	0.10 0.48 0.10 0.88 0.45 0.30	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	0.50 0.50	0.50 0.50	0.50 0.50	1.00 1.00	1.10 1.09	1.10 1.09	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.05	0.10	0.10	0.15	0.25	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings US Dollar Tracker Premium	0.35h 1.70	0.35 1.70	0.40 1.70	0.45 2.00	0.75 2.00	0.75 2.00	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	-	-	-	-	0.09	0.15x	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 0.10 -	0.15 0.10 -	0.15 0.10 -	0.20 0.10 0.25	0.25 0.10 0.25	0.30 0.10 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	Call	0.00	0.00	0.00	0.50	0.75	1.0	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 - FEBRUARY 2009

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Bank base +1.5%	70	1%	GBP250,000 minimum.
BM Solutions	5.99% Lifetime tracker 5.19% 2 year tracker	75 60	0 1.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
Cheltenham & Gloucester	4.49% 2 year fix 4.79% 3 year fix 5.09% 5 year fix Lifetime tracker 4.15%	75 75 75 75	995 995 995 995	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
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	70	0.5%	Currency Switching. Minimum Loan £100,000. Life assurance required. Min earned income £75,000. Currency loan minimum income £100,000 Other discounts, special terms £400K +
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	4.49% 2 Year Fix	75	GBP1499	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	4.99% two year discounted rate	80	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	6.50% 2 year fix	70%	1%	Expats salary must be being paid to UK bank account
Royal Bank of Scotland International	Base + 2.29% 2 year tracker Base + 2.49% 2 year tracker	60 70	1%	Minimum GBP100,000
Stroud & Swindon	Withdrawn	75	GBP695	

This table is 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 6 months interest in the first 5 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 @ 10/01/09 - 1.5% 3 month LIBOR 2%. 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 – 300 Gold - 300 Laki for Women - 300 Qassit - 300 Mini Visa - 100 Internet card - Free	Nil for purchases SAR15 for cash withdrawals	45 days	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
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	Up to 16 times of salary	2,500-6,000	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 times of salary	3,000	Up to 36 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 16 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	Depends on salary	2,000	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	3,000 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	2,500	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 16 times of salary	5,000	Up to 60 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	3.5% 8.5%	Up to 60 months Up to 60 months	10% None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Auto Lease	9.55%	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	3.5%	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	6%	Up to 60 months	None	Minimum salary: 3,000 for Nationals. Three months service with current employer. 4,000 for expats with one year service	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 private sector; 6.49% for expats; 5.99-6.49% for companies	Up to 60 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 71 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 107 months for nationals, up to 60 months for expats	120	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	Up to 54 times salary for nationals, up to six times salary for expats	Up to 132 months for nationals, up to 24 months for expats	Nationals – 150 Expats - 250	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	8%	Depends on salary	Up to 96 months for nationals, up to 72 months for expats	300	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8%	Up to 51 times salary	Up to 132 months for nationals	250	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	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	Free for the first year	Classic/Standard: 250, Gold: 800, Platinum: 2,000	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 www.bdof.org
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum) Sultan Qaboos University (SQU) Card	Classic: 30 Gold: 50 SQU Card: 10	Classic: 200 Gold: 500 Platinum: Invitation only	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 www.bankmuscat.com
HSBC	Visa/MasterCard (Classic, Gold) In-Site Virtual Card	Classic: 30 Gold: 50 In-Site: 10	Classic: 400 Gold: 700	1.5% on purchases, 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	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	4,000	Up to 86 months for national Up to 60 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 20 times monthly salary Up to 2.5 million	1,500	Up to 84 months	4490000 www.cbq.com.qa
Doha Bank	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	9.24-10.24%, depends on the loan tenor	Depends on salary	3,000	Up to 96 months for nationals, up to 72 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%	Up to 63 times monthly salary Up to 250,000	4,000 3,000	72 months for expats 200 months for nationals	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 9.99-10.74%	Up to 350,000	2,000	Up to 84 months for nationals and 72 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	Visa (Silver, Gold), Internet Shopping Card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	2% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa WOW, Visa/MasterCard Classic, Visa/MasterCard Diners Club (Gold, Platinum)	WOW – free for life, Other cards free for the first year	WOW/Classic - 1,500, Gold - 7,500, Platinum-10,000	2% on purchases, 4.5% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard Dream credit card (Classic, Platinum)	Free for life	Classic - 3,000, Platinum - 25,000	1.75% on purchases, 4.5% on cash withdrawals	55 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49%, on purchases, 2.75% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Free for first year	Standard 2,000 for account holders otherwise 5,000, Gold - 6,000, Platinum - 12,000 -	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	200	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 QAR4,000	+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 January 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.

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%	Up to 22 times monthly salary	250	Up to 72 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)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: for national 9%, for expats 9.5%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for locals 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: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	APR - 9.87 to 11.46%	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200	Up to 84 months for nationals, up to 60 months for expats	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)	Free for the first year	Standard - 300, Gold - 400	Standard - 2.5% and Gold – 1.75% on purchases, 4% on cash withdrawals	52 days	17221999
Bahrain Islamic Bank	Classic, Gold, Platinum	Classic-600, Gold-1200, Platinum - 2,400	Classic-300, Gold-800, Platinum-3000	Nil	25 days	17515151
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800 Emirates-Citibank card - 800	Visa/MasterCard – 2.5% Emirates-Citibank card – 2.5% 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 without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; 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	1.84% on purchases. 3% 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
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
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
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
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
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
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
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

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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%	For nationals: up to 45 times of monthly salary For expats: depends on salary and end of service benefits	500	60 to 72 months	1812000
Burgan Bank	Consumer Loan	6.75%	For nationals: up to 43 times of monthly salary For expats: depends on salary and end of service benefits	400	Up to 12-60 months	1804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.75%	Up to 70,000 for Nationals Up to 15,000 or 15 times salary for expats	350	Up to 24-180 months	1888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	6.75%	Depends on salary	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	6.75%	Up to 70,000 for Nationals Up to 50,000 for expats	400. At least five years service with the company	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 25, Gold 40, Platinum 75, CyberSmart 5	Classic - 250 Gold - 1,000 Platinum - 1,000+	1.18% 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)	Free for first year, afterwards Classic 20, Gold 40, Platinum 60	Classic - 150, Gold 1,000 Platinum - 1,000+	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 – 20, Gold – 40, Infinite card - 100	350	Nil on purchases, 4% on cash withdrawals	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, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 100	350 for Nationals on all cards and 400 for expats	Nil 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), Visa Internet Shopping card	Free for first year. Classic 30, Gold 50, Platinum 50 Internet Shopping Card 5	200	Nil 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 January 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)	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan **Global Area 1:** From 10,801 (11-21) to 29,098 up to ages 60-65, **Global Area 2:** From 3,638 (ages 11-21) to 9,541 up to ages 60-65, **Regional Plus:** From 2,078 (ages 11-21) to 5,433 up to ages 60-65, **Regional:** From 1,787 (ages 11-21) to 4,673 up to ages 60-65		**Global Area1:** AED5million **Global Area2:** AED2.5 million **Regional Plus:** AED1 million **Regional:** AED500,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland **Regional Plus:** AGCC countries, major trading nations of the Indian subcontinent and South East Asia **Regional:** Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * 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 January 2009. All information included tables is subject to confirmation and is provided as an overview 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. 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 January 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, Gold and Silver) e-Tijari Web Card	Classic-200, Gold-400, Silver - 200 e-Tijari Web Card-100	Nil on purchases, 3% on cash withdrawals and 1.5% for e-Tijari Web Card for both	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold) (Card issuance stopped temporarily)	Free for life	1.5% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Gold, Platinum)	Free for life	0% profit rate for first three months. Afterwards, 1.5% on purchases and 3% or AED25 (whichever is higher) 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 AED60 for cash withdrawals	50 days	04 609 2222 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Gold, Gold Plus, Platinum, Platinum Plus)	Gold-200, Gold Plus - 250 Platinum-300, Platinum Plus-350	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535, www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Depends on payments	0.99% per month or 11.9% per annum	55 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards; 2.25% on cash withdrawals; Géant card - 0% interest for first three months	56 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years, afterwards 200	1.6% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	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	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200, Platinum MasterCard-650	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-800	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' collcted. 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, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	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. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum) British Airways Barclaycard (Priority & Prestige)	Preferred option (available on classic and gold cards): No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	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	Visa, MasterCard (Silver, Gold, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate, Citi Travel Pass	Silver-250-300, Gold-500-550, Eppco-Citibank card-250, Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000, Citi Travel Pass-400	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate. Citi Travel Pass points can be redeemed for flight vouchers.	04-311 4653 www.citibank.ae
Dubai First	Visa (Silver, Gold) MasterCard (Classic, Gold) Visa Business Card Royale MasterCard	Visa: Silver – 200, Gold – 400 MasterCard: Classic – 200, Gold – 400 Business Card – 1% of credit limit 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
Emirates-NBD	**EBI cards:** Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	**EBI cards:** meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards 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 (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	**NBD cards**: Classic - 100, Gold - 300, Platinum - 700, NBD-Dnata MasterCard - Classic-250, 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, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, 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

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 bank/provider; listings are simply in alphabetical order and updated during January 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 below is freely available and was obtained directly from bank/provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider/bank direct for further information.

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Car Loans

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 starting at 4.25%, used cars staring at 4.99% (Showroom charges are not included)	Up to 75,000 (Depends on salary)	Nil downpayment option for new cars, min. 10% for used cars	60 months	5,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 4.5% for new cars, 5.5% for used cars	Up to 400,000 with salary transfer, up to 350,000 otherwise	Nil	Up to 84 months	3,000 for account holders; otherwise 4,000	No
Bank of Baroda	Car Loan	4.75% flat rate	New cars: up to AED500,000 Used cars: up to AED50,000	10 - 30%	Up to 48 months	5,000	No
Dubai Bank	Markaba Auto Finance	4.75% for new cars, 5 to 5.25% for used cars	Up to 250,000	Nil	Up to 60 months	8,000+	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 72 months	With salary transfer - 7,500 otherwise 10,000	No
Emirates-NBD	Car Loan	New cars: with salary transfer 5.25%, otherwise 5.5% Used cars: with salary transfer 5.6%, otherwise 6%	12 times monthly salary	New cars/Listed companies: Nil Used cars/Unlisted companies: 10%	New cars: with salary transfer 72 months, otherwise 60 months Used cars: 24 to 60 months (depending on age of car)	With salary transfer - 5,000 otherwise 6,000	No
Mashreqbank	Mashreq Auto loan	New cars: 4.99 - 5.25% Used cars: 5.60 to 5.75%	Up to 250,000	Nil downpayment option.	12 - 60 months	8,000	No
National Bank of Abu Dhabi	Sayyarati	New cars: 5.5% Used cars: 6%	Up to 200,000	10-15%	Up to 60 months	10,000	No
RAKBANK	Auto Loan	4.99%	Up to 250,000	Nil	Up to 72 months	2,500 for account holders, otherwise 5,000	No
Noor Islamic Bank	Noor Drive	5.5% Finance available for new cars only.	Up to 500,000	10%	Up to 60 months	7,000	No

Personal Loans

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: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 60 months	3,000	Yes
Barclays	Personal Loan	Depends on salary and length of service	Without salary transfer: 100,000 otherwise company listing	No	With salary transfer up to 72 months, otherwise 60 months	12,000 for non-listed companies, otherwise 8,000	No
Dubai Bank	Sanad Personal Finance	7.00%	Depends on company listing	Yes	With slary transfer up to 48 months, otherwise depends on salary	8,000	Yes
Emirates NBD	Personal Loan	9.9%	250,000	Yes	Up to 156 months	7,500 for Nationals, 10,000 for expats	Yes
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7 - 7.5%	AED150,000 - AED250,000	Yes	Up to 12 to 36 months for expats Nationals 72 months	10,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 6.9% for listed (different packages) 8.84% for not listed companies (subject to bank approval)	Up to AED250,000	Yes	Up to 84 months	20,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan		Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	20,000	Yes
Sharjah Islamic Bank	Goods Murabaha	5% profit rate	Up to AED250,000	Yes	Up to 60 months	12,000	Yes
United Arab Bank	Consumer Loan	10% onwards	Up to AED250,000	Yes	Up to 84 months	3,000	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 2000 model or newer	No	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 be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
Post dated cheques required along with usual documents	No	Nil	Free EIB account	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed	No	4% of the outstanding loan amount.	100% finance for the first year. Fully comprehensive auto insurance (3.95%)	1% processing fee	Toll-free: 800-4444 www.nbd.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED250 charged as processing fee	04 424 4444 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	No processing fee	04 213 000 www.rakbank.ae
	No	None			Toll-free: 800 NOOR www.noorbank.com

Criteria: Interest rate of 6 per cent or less

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
Passport copy, three months bank statement and salary certificate are required.	2%	Top-up loan benefit and personal finance advisor available	AED750.00 processing fee	Toll-free: 800 22725297 www.barclays.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.	5%	Credit Life Insurance offered	1% processing fee	Toll-free: 800 4444 www.nbd.com
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 AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.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. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae

Criteria: Interest rate of 10 per cent or less on a fixed rate basis

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 January 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	7.25-8.25%	Up to AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	Completed property-20% Incomplete-25%
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	7.75% reducing balance rate	LTV: up to 90% - depending on aligibity and criteria	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.5% 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	15%
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starting from 8% reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	8.5% for new properties 7.5% for old properties	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	Starts from 7.5% fixed rate	Up to AED1 million	Depends on the salary	10%
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 loan amount and the 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	With salary transfer - 3.75% for 6 months Without salary transfer - 4% for 6 months	AED250,000 to AED10 million	Residents: up to 60% Non-residents: up to 50%	Completed property:20% Incomplete property: 25%
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	7.75%	Maximum up to AED4.5 million	Not more than 50% of the salary	15%
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	2.5 - 3.75% based on criteria	Up to 90%	Maximum 60%	10-20%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	8.5%	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	EIBOR base rate + loan to value (LTV) 6.25-7.25%	Up to 70% of purchase price	60% overall debt on all regular commitments	Min. 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	Fixed rate - 3.99% + 6-month EIBOR onwards	Up to AED250,000 if salary is transferred otherwise up to AED150,000	55% including all loans	10% - completed properties, 20% - Incomplete properties
Mawarid Finance	UAE residents and non-residents	Up to 25 years	60-65 years	8.5 - 9.5% on reducing balance	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	Depends on payment terms	For Abu Dhabi - AED250,000 to AED800 million. Other emirates AED500,000 to AED5 million	Up to 50% of monthly salary for expats	Primary properties up to 20% in Abu Dhabi and Dubai Secondary properties up to 10% in Abu Dhabi and 20% in Dubai
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	8.3 - 8.8%	Up to AED100,000 to AED8 million LTV: Upto 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: 11%	Up to AED5 million	50%	50%
Standard Chartered	UAE nationals, expats	25 years	65 years	3.5%	Up to AED10 million	Depends on the salary	Minimum 25%
Tamweel (Shari'ah compliant)	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	8.4%	Up to AED10 million LTV: Up to 75%	55% of salary	25%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	7.5 - 8.5%	Up to AED10 million for villas Up to AED7.5 million for apartments	Up to 65% of monthly salary	5-10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + 2% for residents, +2.5% for non-residents	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
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	10,000	Yes	No	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	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	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	7,000 - 10,000	No	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	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	National - 20,000 Expats - 25,000	Yes	No	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	10,000; depends on the price of the property	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	15,000	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	No, but interest rate will be 0.15% less with transfer	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	04 329 6209 www.uae.hsbc.com
Life and building insurance	20,000 (depends on EMI)	Yes	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	Yes	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	04 217 4800 www.mashreqbank.com
Property and life insurance	10,000	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:** Aldar and Sorouh **Dubai:** Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	12,000	No	No	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	10,000	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	10,000	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	12,000 - 40,000 for nationals with atleast 12 month service 26,000 - 40,000 for residents with atleast 18 month service	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	Toll-free: 800 4847

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 January 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	pwealth@eim.ae	

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

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.

We are holding a studio flat in Dubai. Since we are based in Riyadh, we don't really have the proper management to take care of the property day to day when it comes to increasing rent. Can you enlighten us as to the changes in the rent law over the last two years? Our current tenants are renting the studio at an old rent. We have sent them a notice to vacate the studio, but the tenants responded as though they owned the property. What can we do in this instance to settle the issue? Plus, what would the rent values be for this area?

N.A.S., Riyadh, KSA

First of all, it's really up to you to manage your property day to day. That's the reality of property ownership. As for how much to increase rent, that's far harder to define. But it's always a good practice to focus on good service if you have to increase rents. Service that is not great for too high a price is generally not a strong long-term play.

Let me give you the example of one of my colleagues in our office. He owns a small flat just outside of London. He rents the property at a reasonable price and the price has not changed in almost ten years. The value of the property has grown considerably, however.

What is clear is that decent landlords who demand a reasonable rent will usually find their properties rented, their tenants happy and their bank balances growing steadily.

For your rental disputes, contact Dubai's Real Estate Regulatory Authority (RERA) and they will help.

You can find the various rental averages for specific areas at the RERA website...it's far from perfect, but it does give some idea of rental prices. See www.rpdubai.ae for more details.

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.*

Where should you put your money?

James Thomas on what alternative investments are available to consider in the current financial crisis.

The current financial crisis does not appear to be going away, and after a brief period of New Year optimism, the stream of bad news has started again, with the world's stock markets experiencing further falls in value.

With the recent inauguration of President Barack Obama, the initial belief and optimism that his influence would have a positive effect on the US stock market seems to be misplaced. It is going to take some time for Obama's new policies to take effect and for the results to be seen.

In the meantime, the banking sector continues to deliver more bad news. In the UK, the Royal Bank of Scotland continues to lurch from one disaster to another, with the bank about to claim the dubious record of the UK's largest annual loss of around US$41 billion. Without the assistance and protection of the British government, there is every chance that the bank will go bust.

To try and limit the effect of the recession and to encourage the general public to start spending again, the world's central banks have been drastically cutting interest rates. The US now has an effective rate of zero. The UK is at a 350-year low at 1.5 per cent, while the Eurozone is down to two per cent. Around the world, rates are considerably lower than a year ago.

In 'normal' times, this would be great for borrowers, as it would mean that mortgages and loans would be extremely cheap. We are not, however, in normal times. Even with these historic low rates, potential borrowers are finding it very hard to actually get banks to lend to them. In addition, low interest rates mean that savers are receiving much less interest on their bank deposits.

The reduction in interest rates and the decline of other investment classes have led a number of clients to ask me what alternative investments are available to consider investing into. As always, there are a number of factors that need to be considered before making any investments, such as your attitude to risk, the time scale that you wish to invest over and what your requirements are, be it income, growth or a combination of the two.

The current crisis has almost been unique in the sense that every major investment sector has been hit: property, both commercial and residential, equities, commodities and, to a lesser extent, bonds.

So what options are there? The first sector I would consider is the commodity sector. In particular, gold is traditionally a safe haven and has seemed to be offering a reasonable rate of return over the last three months or so.

Oil is another area that I would consider investing into as an alternative investment. With the dramatic fall in the price of oil from the height of US$147 to around US$40, the oil majors will have cut exploration budgets and reduced the production and refinery projects. As and when the markets do recover, there will again be a shortage of supply and prices will rise accordingly, perhaps even above the recent highs.

I believe emerging markets remain a strong long-term position. Countries such as India and China have around a third of the world's population. The requirement for raw materials, infrastructure, information technology and consumer goods (to name only four sectors) are enormous and will continue to grow at a far greater pace than the developed world.

More specialist products that could be considered are hedge funds. If you have the appetite to invest into hedge funds and are able to select the right ones, returns are still available. I have been sent fund literature claiming 60 per cent returns over the past year, but I must confess that I personally would be wary of investing into such funds. As the saying goes, if it seems too good to be true, then it probably is.

There are also a small number of funds that specialise in very niche sectors such as recycling and alternative energy. These funds have been able to produce positive returns over the past year.

But with all the options that I have mentioned, you would seriously need to consider the viability and thoroughly research the investment before committing to it. You may also need to adjust your attitude to risk, as generally alternative investments are higher risk. You need to understand and be comfortable with this.

As with all aspects of your financial affairs, you should regularly review your financial situation to make sure it continues to reflect your wishes and requirements.

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.

Kuwait’s eluding political stability

Sheikh Sultan bin Saud Al Qassemi on why Kuwait needs political stability to boost its economic prospects.

As Kuwait prepared to host the Arab Economic Summit last month, it was clear that this once venerable investor haven was screaming for its very own economic summit.

The bad news keeps rolling out from the investment corners of this otherwise impressive country. For where freedom of the press flourishes, democracy blooms and wealth abounds, it is sad to see that the investment climate lags behind.

For example, while the world has been busy with the global financial crisis, Kuwait has been busy with its very own crisis – a vendetta between successive elected parliaments and appointed cabinets that manifests itself economically.

Late last December, Kuwait cancelled a deal to form a US$17.4 billion petrochemical joint venture with US firm Dow Chemical after parliamentarians objected to the deal, despite it being months in the works. The deal would have seen Kuwait investing several billion dollars to build a manufacturing plant specialising in plastic bottles, compact disks, computers and agricultural compounds in Midland, Michigan. This in a country where up to 50 per cent of citizens employed in the public sector are effectively subsidised by the government as a means of oil dividends distribution that Kuwaiti economist Jassem Saadun calls “masked unemployment”.[1]

The Kuwaiti parliament may have acted right in applying pressure on the government to terminate the contract, although doing so at such a late stage affected the Kuwaiti government’s credibility when signing future contracts. However, the Kuwaiti parliament is largely to blame for much of the economic woes that have plagued the country.[2]

Since the late 1990s, successive parliaments in Kuwait have stalled discussions and approval of Project Kuwait, the government proposal to increase oil production in the northern parts of the country to boost Kuwait’s stagnant oil production that would have benefited from the rise in oil prices in the past few years.[3] The parliament objected to what it saw as high foreign ownership levels and lower tax incentives to foreign oil firms without presenting viable alternatives. The repeated objections caused the loss of valuable opportunities for the country, while its sister GCC countries expanded oil and gas production and output. Stalling Project Kuwait, which would have created real employment opportunities for the younger generation, may have even encouraged the government to turn its attention to investing abroad in order to secure a revenue stream for the future.

The parliament constantly occupies itself with socio-political issues that result in the government tendering its resignation several times, only to re-form pretty much as it was, sans one or two ministers. The Emir is then prompted to dissolve the parliament and call for re-elections that have to approve the new cabinet. This cat and mouse game has been going on in light of global challenges that require a steadfast and stable government in place, if only to deal with the issues that face the country. For how can it be possible that in 2009, the country with what is perhaps the most mature stock market owing to its large investor base, diversified equities and relatively transparent nature in the region still has no official stock market regulatory authority?

Syria, where no stock market existed at the time of going to press, actually has a stock market regulator. Kuwait does not, despite stock market activities going back decades. The resulting lapses in stock market regulation have resulted in investment firms operating as banks and offering investment banking services such as corporate finance, in addition to real estate firms operating as investment banks by lending money without fulfilling minimum reserve requirements.[4] This laissez-faire attitude has contributed to the collapse of Gulf Bank, the GCC’s first victim of the global financial crisis, whose demise was only offset by a generous government bailout.

Ironically, barely a week before Kuwait was due to host the Arab Economic Summit, the country had no approved government due to the cabinet and parliament not agreeing on the post of the audit bureau chairman. The deputy parliament speaker Roudhan Al-Roudhan commented that Kuwait “has to gain political stability before the Arab Economic Summit”.[5]

I say Kuwait has to gain political stability, period. The perpetual disagreements between the successive parliament and the cabinet resulting in the procrastination of establishing a stock market regulator prompted Kuwaiti investors to take matters into their own hands as they saw several days of large declines last autumn. For example, a court order brought forward by investors resulted in the stock market suspending its activities for several days.[6]

Kuwait’s parliament and cabinet must learn to focus on their country’s well being and probably convene their very own internal economic summit to fast track the country’s development. Projects have been delayed, companies have gone bust, unemployment continues to rise and credibility has been lost. And no generous bailout package can fix that problem. MW

(Footnotes)

1 http://www.dailytimes.com.pk/default.asp?page=2008\04\09\story_9-4-2008_pg5_36
2http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/middleeast/2008/April/middleeast_April83.xml&section=middleeast
3 http://www.gulfnews.com/gnqfr/gnqfr42007/companiessectors/10219998.html
4 http://www.asharq-e.com/news.asp?section=6&id=15295
5 http://www.arabtimesonline.com/client/pagesdetails.asp?nid=26841&ccid=9
6 http://www.reuters.com/article/bondsNews/idUSLD22392620081113?sp=true

Sheikh Sultan bin 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.*