

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

The Gulf region's first personal finance and investment magazine

# MONEY *works*

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July 2009 Issue 128

LTSB summer savings  
Portfolio planning  
Combo cards

Employee benefits  
Ducont's success  
Maan Al Sanea

## GREEN SHOOTS

The emergence of GCC bond markets



Abu Dhabi - 5471 2    Ras Al Khaimah - 5471 2  
Ajman - 5471 2    Dubai - 5471 2  
Sharjah - 5471 2    Umm Al-Qaiwain - 5471 2



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We continue to be in the midst of some very difficult times for businesses and people in the region, as jobs and salaries are still being cut. I am, however, prepared to put my neck out now and say that we are probably near the bottom of the crisis. There is a possibility of further correction in the property sector, but again, we are nearly at the bottom. Most of the destruction that was supposed to happen has come to pass. But that does not mean that the summer will be smooth without any problems. There could be hiccups, but I would explain them as remnants of the massive financial crisis that we have just lived through.

For those of us who have read about the Great Depression and have compared it to the present financial and economic crisis, it seems strange to think that we might be getting out of it so soon. We are not. It will still take us some time to get sorted – forget going back to the pre-crisis situation. We are not even sure how long economies will take to clean up all the rubble on the street from the economic mayhem. But, unlike a few months ago, we are not just talking about bad news, closures and bankruptcies today. That seems more like history. Detroit has been saved and so have some of the largest and oldest institutions on Wall Street. Nearer to home, there is much more confidence among banks, while property companies are also getting some interest back. Of course, there will be write-offs, but they won't change things much, as there is enough liquidity in the region to cover those losses. It's not the end of the world, and the attitude should change now to getting back to business.

In the months ahead, we will have to prepare for some interesting changes in regulations – from accounting to selling. In that context, the UAE's move to enact a public debt law to limit the country's total public debt to a maximum of 45 per cent of the GDP is a step in the right direction.

It is also interesting that the UAE and a couple of other GCC countries are most likely to be beneficiaries from all the pressure that the US is putting on Switzerland and many tax havens to disclose more. Many companies and individuals that use Switzerland to save on tax payments or discretion are headed to this region. I can see some green shoots straightaway, for when these companies come, they don't come alone. Their service providers follow them.

Utpal Bhattacharya  
Editor



**50:50?** When it comes to investing, don't just flip a coin.

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## Debt capital market

Experts have long emphasised the importance of developing a full-scale debt capital market in the GCC for the past few years, but the current global crisis has given the cause a boost. Ritwika Chaudhuri reveals what's happening in the region's debt capital market



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Dr. Abdul Aziz Bin Naif Al Orayer

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**“Entering late in the market has its own advantages, as one learns from others’ mistakes.”**

Dr. Abdul Aziz Bin Naif Al Orayer

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## T'azur considers regional acquisitions

T'azur, a new Takaful operator in Bahrain, is planning regional and global expansion through strategic acquisitions, joint ventures or buying stakes in existing Islamic insurance companies. A **MONEYworks** report.

**T'**azur, a new Takaful entrant headquartered in Bahrain, is planning to expand in the GCC by acquiring companies and setting up joint ventures with chosen partners.

The company is licensed by the Central Bank of Bahrain to operate both general and family Takaful.

According to Dr. Abdul Aziz Bin Naif Al Orayer, chairman of T'azur's board of directors, the operator is targeting Saudi Arabia as its primary market for expansion.

Promoted by Unicorn Investment Bank, T'azur was established in November 2007 with an authorised capital of US\$500 million. The company was created to capitalise on the untapped opportunities and immense growth potential across the international insurance sector.

T'azur benefits from a shareholding base consisting of seven well-known Islamic institutional investors from across the GCC. The shareholders are Unicorn Investment Bank, Emaar Al Bayader (Dar al Arkan), Al Imtiaz Investment, Al Aman Investment Company, The Securities House, The First Investor Company and Qatar's General Retirement and Pension Authority.

T'azur began its operations in Kuwait and Bahrain in 2008. Operations in Qatar and the UAE will follow in the next few months. The company is now in the process of obtaining a non-life licence in Qatar, as well as life and non-life licences in Egypt. It is also looking to expand into other markets along with local distribution partners.

T'azur has already started negotiating for product distribution and licensing in Saudi Arabia. Once the world's economic conditions improve, the company will consider expanding into Pakistan and Turkey. It is also eyeing partnerships with different banks to provide bancassurance, the chairman said.

The global Takaful industry grew from US\$1.4 billion in 2004 to over US\$3.4

billion in 2007, according to Ernst & Young's World Takaful Report 2009.

Of the total 179 Takaful operators worldwide, 72 are from the GCC. The cumulative average growth rate of the Takaful sector between 2005 and 2007 was 29 per cent.

With industry experts projecting a US\$11 billion market for Takaful by 2015, Dr. Al Orayer said that his organisation's ability to innovate will allow it to reach its long-term objective.

“We have set out a bold and ambitious programme to achieve our long-term objectives in both the family and general Takaful segments,” he said. “We have also made considerable investments in information technology to bring innovative products that will differentiate us from the offering of others and meet the broad array of protection needs of policyholders.”

Dr. Al Orayer said he is not worried about increasing competition in the Takaful market, as competition is always healthy. “Entering late in the market has its own advantages, as one learns from others' mistakes,” he added.

Al Orayer attributes T'azur's launch to the favourable economic trends in the Middle East and the growing popularity of Islamic finance. The negligible insurance penetration in the region emphasises the urgency for risk protection and savings products targeting individuals, families and businesses, he said.

The Takaful industry is witnessing some interesting shifts in the regional markets. While motor, property and accident insurance used to take the lion's share of total MENA Takaful contribution in the past, the market has seen some marked changes in the last few years. In 2007, the share of family and medical insurance increased from four per cent to 38 per cent over the previous year. T'azur will only benefit from these changes, said the chairman.

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# Lloyds TSB plans a summer of saving

Lloyds TSB is making an effort to reach out to both its customers and non-customers during the summer with a host of initiatives. A **MONEYworks** report.

It looks like banks in the UAE are finally waking up to the fact that the global financial and economic crisis is not the end of the world. Even as the region is entering summer, which is believed to be the traditional low point of activity in the GCC, regional banks have begun to roll out campaigns, some of which are quite innovative.

Lloyds TSB's 'Save on Sunday' campaign launched last month will likely draw attention from customers and non-customers. Richard Musty, Middle East consumer banking director of Lloyds TSB, said that the campaign is working with all participating organisations and encouraging them to offer discounts to everyone, not just Lloyds TSB customers.

"During this campaign, we will be encouraging retailers and restaurants to offer discounts during the summer as a gesture of support to the public, given the difficult times everybody is facing in this economic downturn," he said.

The interesting part of this campaign is that Lloyds TSB is not subsidising the participating organisations, but rather arranging for them to give these discounts, added Musty.

Some of the participating outlets include the Organic Foods Café, Akaru Spa, Logsdail London, Juice Master and Planet Nutrition.

Musty said there are also plans to introduce current and savings account products during the summer. The bank has even introduced a micro website to help customers plan their personal finances.

"It is important that people look at their finances in these difficult times, so there is a lot of emphasis on savings. We are working on new products, including a bonus savers account to encourage people to save on a regular basis," he said.

Musty pointed out that Lloyds TSB, being a niche market operator in the region, has been fairly conservative about lending money. There has been no change in the policy of lending for the bank during the

crisis. There has, however, been a fall in the demand for finance from individuals, he said.

Speaking about the bank's mortgage business, Musty noted that volumes have certainly been affected, as not many transactions are happening in the market today.

"We have seen a declining demand for finances from individual customers, as the property market has slowed down. But we continue to lend, making sure that we are looking after our existing customers properly, as well as those who come to bank with us for the first time," he said.

When asked if the bank has lost customers during the downturn, Musty said there are people who are leaving the country. But the numbers are not massive. There are also instances of businesses closing down, but again, these numbers are not large, he added.

"These are extremely difficult business circumstances, but one should not forget that there are businesses too that are doing very well and those that are doing just fine," said Musty.

Musty also pointed out that Lloyds TSB has not been faced with high defaults in recent months.

"Defaults are much lower than I was expecting, but most of that can be attributed to the fact that we know our customers well and spend time with them," he said.

Musty explained that the bank sits down regularly with customers that are faced with financial troubles resulting from the financial crisis to come up with solutions.

Given the market conditions, the bank has also undergone some restructuring in terms of staffing by redeploying its mortgage team into other areas.

In addition, the bank is currently involved in replacing its magnetic stripe credit cards with chip cards. Lloyds TSB rolled out its chip and pin programme last January, said Musty. The bank has also invested in a fraud monitoring system on cards, he added.



Richard Musty

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**"Defaults are much lower than I was expecting, but most of that can be attributed to the fact that we know our customers well and spend time with them."** Richard Musty

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## Hinduja Bank talks of expanding its presence in the region

Swiss private bank Hinduja Bank, part of the Hinduja Group that owns IndusInd Bank, plans to acquire a category one licence in the Dubai International Financial Centre. A **MONEYworks** report.

**A**t a time when most banks were cutting costs and reducing the number of their employees, Hinduja Bank was busy setting up in the Dubai International Financial Centre (DIFC). The boutique Swiss private bank, formerly known as Amas Bank, is now in the region for the long haul, according to chief executive Ivan Schouker.

Schouker, who was in Dubai last month, said that Hinduja Bank has a category three licence to operate in the DIFC. But plans are already afoot to convert it into a category one licence for the bank to engage in full-fledged banking in the financial centre.

“Our mission is to be a long-term player in the DIFC. We plan to combine our strength as a Swiss bank with that of our presence in South Asia, the Middle East and the Gulf region to our advantage,” said Schouker.

The chief executive also described Dubai as a core market for the bank, both in terms of investment management and strategy for the region. The Middle Eastern operations of the bank cover the entire GCC, Iran and Pakistan. Some other important countries in the region will also be covered, Schouker added.

Schouker said that despite the challenging times, the bank’s regional operations have already executed a couple of deals this year. Last March, Hinduja Bank was the exclusive lead manager for the Vishal Information Technologies GDR, which was successfully issued on the Luxembourg Stock Exchange. A few more deals are in the pipeline and are likely to hit the market this quarter, according to Schouker.



Ivan Schouker

The private bank is also in talks with European companies specifically in the telecom and pharmaceutical sectors that are looking to raise capital from the Middle East.

Schouker said that Hinduja Bank, unlike some of the other private banks, does not act as a third-party distributor of products. It mainly focuses on relationship banking. The bank’s wealth management business is individual-focused, solution-driven and open-architecture, the chief executive explained. The bank is also into trade finance and corporate finance.

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**“We plan to combine our strength as a Swiss bank with that of our presence in South Asia, the Middle East and the Gulf region to our advantage.”** Ivan Schouker

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“We are currently helping a number of corporations to restructure their balance sheets. We have got mandates from business process outsourcing and pharmaceutical sectors to acquire companies. We are also identifying investors – mostly in Europe, the Middle East and India – to invest in these sectors. These mandates have been given to us mainly by cash-rich Indian companies that launched IPOs just before the market crash,” said Schouker.

Schouker added that investors in the Middle East and the Indian subcontinent are seriously considering shifting some of their investment priorities from western markets where they have lost heavily during the recent financial market crash. There will be a lot of focus in the region going forward, he noted.

Speaking about the choice of Dubai for the bank’s regional office, the chief executive said that Dubai has all the attributes of an international centre, similar to the likes of Hong Kong and Singapore.

“Dubai has, in knowledge terms, similar characteristics of Hong Kong. The infrastructure, rule of law, international open-mindedness, communication and logistics are all in favour of the emirate,” he observed.

Asked why the bank changed its name from Amas Bank to Hinduja Bank, Schouker said the decision was in line with the global branding strategy of the group. But it also shows the commitment of the shareholders to the business by giving their name to it, he added.

The Hinduja Group is one of Asia’s premier trans-national conglomerates. It has a presence in 32 countries and 10 business sectors including banking and finance, automotive, energy and chemicals, media and entertainment, business process outsourcing and healthcare.

### Tell me no secrets

Surely we've seen out the worst of the storm? **Allen Quaye** asks if the question now is much more than a mere matter of confidence.

Who should we believe? Who has the answers? Who's going to hand back my confidence, preferably on a shiny silver platter, as my personal finances are going from bad to worse?

There is almost confusion amongst experts as they vie with one another to make statements about the state of the global economy. But really there aren't any answers just now.

Is part of the global confidence problem at the moment because of an overload of information, and in so many different forms? Is information overload directly proportional to falling confidence? There's TV, radio, news websites, bloggers, friends and idle chitchat.

The simple truth, probably, is that there had to be a crash. We grew too fast, consumed too much and have become the victims of our so-called success. Where there's a winner, there's always, in the end, a loser. That's nature's way, isn't it? Surely, this is simply a period of natural selection.

Apparently, we all now know this. The overriding topic du jour among business acquaintances, work colleagues, friends and family, taxi drivers and barbers is that they were all waiting for this to happen. And that they knew all along.

I suspect we all did, but were enjoying the ride too much to care a great deal.

The fun (if that's the right word) just now is trying to figure out whether the recession is in decline and whether the fabled 'green shoots' are starting to appear. So we asked a few people at a recent function we held.

The overwhelming feeling was that while the recession is still around - and there were a few who felt like it was behind us - most seemed to believe that things had bottomed out and were on the up. What was interesting was that most people we asked seemed to think that green shoots were beginning to appear. Confidence, it appears, is peeking over the parapet.

The World Bank expects the economic growth of developing countries to slow this year. It expects the GDP in developing countries to grow by just 1.2 per cent this year, compared with 5.9 per cent in 2008 and 8.1 per cent in 2007. Its annual Global Development Finance report warns of possible joblessness and poverty in developing nations. Next year looks better, though.

According to the Organisation for Economic Co-operation and Development (OECD), the pace of decline of the world's major economies is slowing. The composite leading indicators index for the 30 countries in the OECD rose 0.5 points in April, but was still 8.3 points lower than April 2008.

The OECD did state that it was too early to assess whether it's a "temporary or more durable turning point". We await the next set of figures.

Across the world, stock markets have recovered from their lows in March on hopes for a global recovery, based mainly on survey data revealing rising consumer and business confidence. In reality, how much worse could it have been? Surely the only way was up?

And oil was still hovering around the US\$67 mark at the time of going to press.

I researched for mere moments to find the data above and use it just to reinforce my rather clumsy points. Who's right, what does all this really mean and are we really through the worst?

The long and the short of it is that much like a hungry hound with a tasty bone, gnawing away for months to get to the marrow, my money's on the recession continuing to bite. But I'd love to be wrong!

*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](mailto:info@moneyworks.ae), marking your mail, 'The Soapbox'. Every email published will receive a limited edition **MONEY**works money clip in return. To blog online, just look for the 'Topic of the Month' at [www.moneyworks.ae](http://www.moneyworks.ae).*

### UAE leads GCC remittance sector growth

Foreign workers in the UAE transfer more than US\$10 billion per annum to their home markets, making the UAE the second highest performer in the GCC in fund remittance, according to Money Transfer International (MTI).

MTI predicts that the GCC has the potential to drive growth in the remittance sector even though the global economy is in slowdown.

"The GCC region is one of the top five performers of the global remittance industry, which is pegged at US\$550 billion in 2008," said Premal Patel, MTI's regional director.

Patel added that recent estimates from the International Monetary Fund are that the remittance volume in the UAE is expected to lead the increase and will be up by five per cent this year.

According to MTI data, Saudi Arabia, the UAE and Kuwait are the GCC's best performers, with the UAE slated as the third largest sender of remittances worldwide.

In 2008, remittances to the Philippines from the UAE reached more than US\$584 million. During March 2009 alone, the volume of remittance from the UAE to Pakistan topped US\$174 million.



MTI's board of directors

### GCC-based Almarai to acquire 100 per cent of Beyti

GCC dairy and juice producer Almarai has entered into an agreement to acquire 100 per cent of the International Company for Agro-Industrial Projects, known as 'Beyti'.

Beyti is a producer and distributor for a wide variety of dairy and juice products. The agreement is for a total consideration of EGP645 million. The deal is due to close by the end of August.

HC Securities & Investment acted as Almarai's exclusive financial advisor on the transaction, which took more than a year of due diligence, structuring and negotiations.

Almarai reported a net profit of SAR910 million in 2008. The company owns production facilities in Saudi Arabia, where it is based, and exports its products across the region.

The UAE cabinet has now approved the establishment of Emirates Development Bank with a capital of AED10 billion. During the cabinet meeting, it was decided that AED5 billion of the capital will be paid completely by the UAE government.

## GCC banks should prepare for mergers and acquisitions, says recent A.T. Kearney regional study

A.T. Kearney is predicting a wave of mergers and acquisitions in the GCC banking industry. A recent study from the consulting firm examining GCC banks points to opportunities resulting from changing conditions in the global and regional financial markets.

Banks in the Middle East have seen unprecedented growth over recent years and many still reported profits in 2008. From 2002 to 2007, banks in the UAE saw a 39 per cent increase in net profits and a 34 per cent increase in total banking assets. Banking assets in relation to GDP are also still comparatively low in most GCC countries, leaving room for growth for the banking industry and its players.

At the same time, the banking market in the GCC is largely fragmented. Even though

several domestic markets already have a consolidated banking sector, the picture changes on a regional level, as no single bank stands out in the region as a whole. Regionally, the top three banks account for just 14 per cent of market share.

"GCC banks are still small compared to the big international banks and eventually will need to grow externally to compete," says Dr. Alexander von Pock, senior manager of the financial institutions group at A.T. Kearney Middle East.

According to Dr. Dirk Buchta, managing director of A.T. Kearney Middle East, the declining market capitalisation of regional banks in the wake of the financial crisis has created favourable conditions for acquisitions. The large proportion of public ownership in some of the banks may also facilitate takeovers, he says.



Dr. Dirk Buchta

## Dina Farms secures EGP200 million loan agreement

Dina for Agricultural Investments (Dina Farms) has signed an EGP200 million loan agreement with three Egyptian banks.

Dina Farms is the agricultural arm of Gozour, the integrated regional multi-category consumer foods platform established by MENA private equity firm Citadel Capital and regional co-investors.

Citadel Capital arranged a four-year loan with favourable facilities on behalf of Dina Farms. Ahli United Bank acted as the lead arranger on the syndicated loan with the Egyptian Arab Land Bank and United Bank. The EGP200 million is mainly intended to finance the expansion of Dina Farms' dairy operation.

**National Bank of Kuwait** won the "Best Bank for 2009" at the Euromoney Awards for Excellence 2009 Middle East held in Doha. George Nasra, managing director of International Bank of Qatar (an associate of the NBK group), received the award on behalf of the bank.

**Dunia Finance** won the Banker Middle East Industry Awards 2009 'Best Use of Technology' award in Bahrain last month.

Rajeev Kakar, CEO of Dunia, said: "From the very outset, we built Dunia's business model with excruciating detail and a unique customer-centric focus. We made significant investments in the right technology to ensure that we realise our ambition of creating a unique financial services brand."

Advert



### The upturn in global investor sentiment

has withstood the recent large sell-off in bonds, according to Merrill Lynch's survey of fund managers for June.

Despite fears that the sell-off would damage sentiment, investors have expressed confidence in both global economic recovery and, broadly, the equity markets. Between the May and June surveys, the yield on 10-year US Treasuries rose from 3.09 per cent to 3.85 per cent. A net 62 per cent of respondents believe that the world economy will improve in the next 12 months, an increase of five percentage points since May. For the first time since December 2007, the majority of asset allocators responding to the survey are overweight in equities. Just seven per cent of the panel believes that the world will go through a recession in the coming year, down from 38 per cent in May and 70 per cent in April.

### The world's largest National Oil Companies

(NOCs) and supermajors are planning on delivering in excess of US\$375 billion of ambitious investments through the down cycle despite ongoing concerns around oil demand, according to a new analysis from Ernst & Young. The report calculates that the largest NOCs are on course to invest over US\$275 billion in the development of their businesses at home and abroad in 2009 – with almost 70 per cent of total investment coming from NOCs in Asia and South America.

## Global Investment House clarifies halting of Al Salam Bank share auction

The director of the Bahrain Stock Exchange (BSE) last month issued a decision for the year 2009 to halt the public auction arranged for the sale of Al Salam Bank's shares held by the Global Investment House consortium, which had announced its intention to sell its entire stake in a public auction through the BSE on June 11.

Global clarified that the BSE's decision was issued following a claim made by

a third party that had previously shown interest in buying the shares, alleging that it had a priority to buy the mentioned shares. Global noted that the allegations had no actual or legal grounds.

Global further noted that although preliminary negotiations were conducted with the third party last April, no agreement to sell the shares was reached, as the parties had failed to reach an agreement towards the deal's terms.

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## Hedge funds show their best since 2000

Hedge funds posted the strongest gains in nearly a decade in May, with the HFRI Fund Weighted Composite Index climbing over 5.2 per cent, according to data released by Hedge Fund Research last month.

May was the biggest single-month jump since February 2000 and the index is up over nine per cent year-to-date. Recent gains follow volatile performance from 2008, a year in which the broad-based composite declined more than 19 per cent.

While the HFRI Fund Weighted Composite was lifted by a broad equity market rally during the month, strategies focused on energy and emerging markets posted the

strongest gains. The HFRI Equity Hedge (Total) Index gained over seven per cent (also the strongest gain since February 2000), while the HFRI EH: Energy/Basic Materials Index gained 9.64 per cent and the HFRI Emerging Markets (Total) Index gained 9.74 per cent. All strategy areas tracked by HFR produced gains in May.

"After historical lows in 2008, risk appetite has quickly returned over the last eight weeks, suggesting that hedge fund investors are again looking past month-to-month volatility and focusing on the longer-term performance merits of the industry," said Kenneth Heinz, president of HFR.

## International tourism remains resilient

Despite the challenging economic environment, international tourism remains resilient, according to a new tourism report from Visa.

The report indicates that US visitors to the UAE were strong contributors to the national tourism economy last year, contributing US\$733 million to tourism revenues in 2008, up 85 per cent from 2007. The average purchase amount for travelers from the US while visiting the UAE was US\$139.69.

At the same time, Emirati travelers spent US\$262 million on their Visa branded payment cards while visiting the US in 2008, a 49 per cent increase over 2007.

The report also looks at traveller attitudes and intentions based on a survey of 11 key source markets for international tourism. Key findings conclude that international travellers are fairly resilient. Only one in four is less willing to travel now compared to one year ago due to the socio-economic climate. And 23 per cent are more likely to travel internationally.



## MSCI to introduce new annual market reclassification review

MSCI has reached its final conclusions regarding the recent consultation discussions with the worldwide investment community on several market reclassification proposals.

MSCI is introducing an Annual Market Classification Review and is releasing its first Global Market Accessibility Review for each of the markets it covers.

During the Annual Market Classification

Review, MSCI will analyse and seek feedback on those markets it has placed under review for potential market reclassification. Every June, MSCI will communicate its conclusions from the discussions with the investment community on the list of countries under review and announce the new list of countries, if any, under review for potential market reclassification in the upcoming cycle.

For the current cycle starting immediately, MSCI will review the market classification of the MSCI Korea and MSCI Taiwan Indices for a potential reclassification to Developed Markets and of the MSCI Qatar and MSCI UAE Indices for a potential reclassification to Emerging Markets and will communicate its decisions resulting from the Annual Market Classification Review in June 2010.

## UAE traders confident of quarterly growth

The UAE's small and mid-market businesses that engage in export and import have identified the Middle East as the most promising region for growth in the next three months, according to the new HSBC Trade Confidence Index. Fifty-seven per cent of survey respondents in the UAE cite the Middle East as the region with the best growth prospects, compared to only seven per cent and six per cent of UAE respondents respectively who expect growth from Greater China and Western Europe (including the UK).

The index also shows that UAE traders are the most confident on trade activity growth over the next three months, while traders in Hong Kong and Singapore are the most bearish. The UAE scored 115.2 points on

the trade confidence index, the highest of any other country surveyed, compared to Hong Kong at 93.1 and Singapore at 99.9.

"Developing economies such as the UAE are reporting brighter prospects for trade business because in many cases their economies are not as heavily reliant on western markets as some of the other countries covered in the survey," said Simon Cooper, deputy chairman and CEO of HSBC Bank Middle East.

Cooper added that in the UAE, government measures to stimulate the domestic economy are also buoying business confidence. The UAE and the wider Middle East are expected to recover faster from the downturn and continue to grow in 2010.

### The Capital Markets Authority has

granted approval to Al Alamiya's IPO file and has announced that the IPO will take place from October 3, 2009 to October 9, 2009.

Al Alamiya will launch its IPO by floating 30 per cent of its equity capital on the Saudi Stock Exchange. Al Alamiya has signed Riyadh Capital as the lead manager and the sole underwriter and Morgan Stanley Saudi Arabia as the financial advisor for its IPO launch. Six million shares will be floated and priced at SAR10 per share.

Al Alamiya Insurance is part of the RSA Group, one of the world's leading insurance groups. The company has been operating in Saudi Arabia since 1976.

For GCC personal finance and investment news go to [www.moneyworks.ae](http://www.moneyworks.ae)

## DGCX sets new 2009 monthly volume record

Total volume on the Dubai Gold and Commodities Exchange (DGCX) reached a record 158,074 contracts in May – the highest monthly volume achieved so far in 2009.

With an underlying value of US\$7.5 billion, May volumes reflect a year-on-year increase of 77 per cent. The volume exceeded the previous high of 101,215 contracts achieved in March and was mainly driven by renewed interest in DGCX Gold, WTI and Indian rupee/dollar futures contracts. The year-on-year growth in average daily volume was 85 per cent.

Gold futures volumes rose to 67,752 contracts in May, up 31 per cent on the same period last year, while Indian rupee and WTI crude oil futures achieved record monthly volumes of 10,649 and 55,253 contracts in May. The higher volume in May is evidence of a growing number of local participants favouring the commodity and currency sectors as alternative asset classes and the transparent, secure trading environment of the DGCX, said Malcolm Wall Morris, CEO of the DGCX.



## Cityscape Saudi Arabia hosts 5,000 participants over three days

Cityscape Saudi Arabia, the largest real estate investment and development event in the Kingdom, took place last month at the Jeddah Centre for Forums and Events. The showcase hosted over 100 companies and saw more than 5,000 participants over three days.

A report from research house Proleads suggests that of 812 active projects in the Kingdom's real estate, leisure and entertainment and infrastructure sectors with a total budget of US\$543 billion, only four per cent by value have been put on hold or cancelled.

Of the 812 projects studied by Proleads, 460 of them with a total budget of close to US\$289 billion are already in construction. Most of the rest are either in the active planning, study, design or bidding stage. A further 30 projects (one per cent by value) have been cancelled and only 25 (three per cent by value) are on hold.

Estimates suggest that only 35 per cent of Saudis own their



HRH Prince Misha'al bin Majed bin Abdulaziz, governor of the Jeddah Province, at Cityscape Saudi Arabia

own homes. According to the study, 1.5 million new housing units will be needed in the coming five years to meet the demands of a large and young population.

For GCC personal finance and investment news go to [www.moneyworks.ae](http://www.moneyworks.ae)

### Amlak Finance reported a net loss of

AED69 million for the first quarter of 2009. According to the real estate financier, the quarter's loss was mainly due to "prudent general provisioning on the under-construction mortgage portfolio, where property values saw a hard decline during the period".

Revenue from retail mortgage activity was steady over the first quarter of 2009, Amlak said. The quarter marked a growth of 45 per cent at AED208 million, compared to AED143 million for the same period last year.

There was no income from real estate investments activity, compared to AED106 million in the first quarter of 2008.

### Ajman One, the emirate's first fully

integrated complex, will be completed on schedule, project developer Aqaar has confirmed. Phase one, the residential component of the project, has been 30 per cent completed. Handover of units to investors will take place during the first quarter of 2011, said Aqaar. Ten of the AED2.7 billion development's 12 residential towers have been sold out. Comprising 72,000 square metres, the complex consists of residential, business and hotel facilities.

Aqaar previously signed an agreement with Abu Dhabi Commercial Bank for an AED600 million fixed-term loan.

## New pan-GCC real estate development company launched

US-based real estate firm Related Companies and alternative asset management firm Gulf Capital have launched a new regional real estate development venture.

The new pan-GCC company, known as 'Gulf Related', will be based in Abu Dhabi and will focus primarily on high-end, mixed-use real estate destination developments in the Gulf. It will initially target opportunities in Abu Dhabi and Saudi Arabia, followed by a Middle East and North Africa regional expansion at a later stage.

Gulf Related's initial capitalisation is AED180 million and is expected to rise to over AED1 billion by 2012.



Dr. Karim El Solh

"Our entry into the regional real estate market is a timely one given the considerable drop in both land prices and construction costs, as well as the surging demand in select areas of the GCC," said Dr. Karim El Solh, CEO of Gulf Capital.

## Al-Futtaim Capital to develop major project

Al-Futtaim Capital is in the final stages of acquiring a seven-million-square-metre plot of land in Morocco to develop a master-planned community. Once the plan is finalised, the company will seek the relevant governmental approvals before launching the project next year.

The new community will encompass a mix of residential, retail and leisure facilities. The investment will be the

second investment forming part of the Al-Futtaim MENA Real Estate Development Fund.

Al-Futtaim said that Morocco is on track to achieve a GDP growth rate above five per cent for 2009, one of the highest in the world. According to the ministry of housing, Morocco has an undersupply of homes of more than one million. Each year, over 100,000 new families enter the market.

## IBQ launches credit card range with five per cent cash back

IBQ has introduced a new range of payment solutions, all of which offer five per cent cash back on purchases made using the new IBQ gold MasterCard, the IBQ platinum Visa card or the IBQ Infinite Visa.

The five per cent cash back will be offered instantly at the time of the purchase made by the cardholder. It is valid for all retail and online purchases, locally or across the world.

Each of the new cards offers free travel insurance and purchase protection, free supplementary cards for life, no annual fees for the first year, SMS notification for every transaction, online account access, 24-hour service through the bank's call centre and worldwide acceptance across millions of establishments and ATMs.

For more on this, go to [www.moneyworks.ae](http://www.moneyworks.ae) and search 'IBQ'

## Nomura joins Qatar Financial Centre

Nomura has been authorised by the Qatar Financial Centre Regulatory Authority to provide investment banking and capital markets services from the Qatar Financial

Centre. Nomura's office there will offer corporate finance and capital markets advisory. The bank provides access to major markets worldwide.

## Citi extends global banking programme

Citibank has launched its 'Citigold Global Banking' programme, a global recognition relationship for Citigold customers who are travelling or permanently relocating to another country.

After discussing travel plans with their relationship managers, Citigold customers can have their banking relationships

transferred to any of the 500 Citigold centres in 34 countries.

The new programme offers transferable credit history, pre-arrival account opening, a choice of credit cards, international emergency service while abroad, worldwide Citigold status recognition and relationship managers.

## ENBD launches Skywards Visa credit card

In partnership with Skywards and Visa, Emirates NBD has launched the Emirates Bank Skywards Infinite credit card.

The new card offers 75,000 introductory bonus miles, the ability to earn up to three Skywards miles for every US\$1 spent on the card, complimentary Skywards silver membership and a complimentary two nights/three days holiday in partnership with Marriott Properties.

Other value-added services include automatic and free SMS alerts to provide enhanced security, airport lounge access, concierge service, complimentary rounds of golf, emergency road assistance and travel insurance.

The card is also available in platinum, which rewards the customer with 1.5 Skywards miles for every US\$1 spent, in addition to 25,000 introductory bonus miles.

### Credit Suisse has expanded its presence

in Qatar by rolling out its complete range of integrated banking solutions in Qatar. Credit Suisse will now offer investment banking and asset management, in addition to private banking services to clients in Qatar.

### Standard & Poor's has introduced a

Shari'ah-compliant version of the S&P/TSX 60. The S&P/TSX 60 Shari'ah Index is highly correlated to the S&P/TSX 60 Index, providing a comparable investment portfolio while adopting explicit selection criteria defined by Islamic law.

The S&P/TSX 60 Shari'ah Index excludes businesses that offer products and services that are considered unacceptable according to Shari'ah law. All index constituents are evaluated on an ongoing basis to ensure that the index maintains strict Shari'ah compliance.

### Bahrain-based Tharawat Investment

House has launched its first investment product, the Tharawat Sukuk Fund. The fund is an open-ended, Shari'ah-compliant investment fund domiciled in Bahrain. It will invest around 70 per cent of its assets in government and corporate sukuk in the GCC and MENA areas.

The fund aims to preserve capital and achieve a high return for investors through purchasing sukuk in primary and secondary markets. It offers investors the choice to receive the fund's distributions in cash or through issuance of additional units.

The fund targets accredited investors from individuals and organisations that are looking for investments that generate higher returns than low- and moderate-risk bank deposits.



The Emirates NBD Infinite card launch

## Al Rajhi Bank to launch Visa-Microsoft co-branded credit card

Visa, Al Rajhi Bank and Microsoft have entered into a strategic agreement to provide financial solutions for small and medium enterprises (SMEs) that are adopting advanced technology into their business operations.

Under the agreement, Al Rajhi will introduce a Visa-Microsoft "Aamal" credit card, which will become the first Visa-Microsoft co-branded credit card in Saudi Arabia. Saudi-based IT and communications solution provider Al-Falak Electronic Equipment & Supplies will provide the Microsoft programmes required for the new service.

Saeed Al Ghamdi, deputy CEO of Al Rajhi Bank, explained that the bank is issuing the card in order to enhance the operations of SMEs by enabling them to adopt advanced technologies that will help them to keep pace with the rapid growth of the Saudi IT sector.

The Visa-Microsoft "Aamal" credit card will aim to help SMEs manage their cash flow while being involved in building infrastructure, improving efficiencies, enhancing employee



The Visa-Microsoft "Aamal" credit card launch

productivity and reducing the total cost of ownership. The card also represents a lower risk tool for SMEs compared to cheques and reduces dependency on petty cash.

For more on this go to [www.moneyworks.ae](http://www.moneyworks.ae) and search 'Visa-Microsoft'

### Noor Islamic Bank has formed an alliance

with UAE Exchange to offer an additional card payment option for its card customers in the UAE. Customers of Noor Islamic Bank cards will now be able to make their monthly payments at any of the 77 branches of UAE Exchange located across the country.

### Saqr Ghobash, UAE minister of labour,

and Sultan Bin Nasser Al Suwaidi, central bank governor, have launched the Wages Protection System (WPS) – an initiative to safeguard workers' wage payments via transfers through selected state financial institutions.

The federal order was to be implemented from January 2008, but some companies have cited difficulties in finding banks that are willing to open accounts for low-income workers as the reason for the delay.

To fully implement WPS, the minister of labour created a dedicated WPS office, linked directly to the executive director of inspection affairs, in October 2008. The objectives of the WPS office are to set up and implement a comprehensive system to ensure that wages are paid on time, guarantee that legitimate working hours are adhered to and implement the wages transfer project through banks and other financial institutions.

## HSBC Amanah launches four-year fixed sukuk fund for UAE investors

HSBC has launched the HSBC Amanah Sukuk Fund for investors in the UAE.

Managed by HSBC Global Asset Management, the fund aims to deliver returns from a select number of regional and international sukuk.

The HSBC Amanah Sukuk Fund provides investors with the income potential of a portfolio of sukuk within an HSBC mutual fund wrapper.

The fund will be structured as a fixed-term investment over four years, at which point capital is returned to investors.

Income will be paid quarterly over the life of the fund.

The fund will invest in sukuk issued primarily by sovereigns, quasi-sovereigns and corporates in the GCC region. Each sukuk within the fund will be screened and approved by the HSBC Amanah Shari'ah Central Committee.

The fund is available via HSBC bank branches in the UAE, with a minimum subscription of US\$10,000. An annual management charge of one per cent is charged on the fund.

## Gulf Capital launches private equity fund

Gulf Capital has received capital commitments for its latest private equity fund, GC Equity Partners II, of approximately AED1.75 billion. This fund is the first-ever regional private equity fund to derive the majority of its investors (more than two-thirds) from international markets including the US, Europe, Asia and the GCC.

The fundraising of Gulf Capital's latest buy-out flagship fund has a target of AED2

billion. Gulf Capital has committed more than AED550 million to the fund. A high subscription rate has been recorded three months ahead of the fund expected to close at the end of July 2009, with 85 per cent of the capital committed to date.

The fund, launched in conjunction with Credit Suisse Alternative Investments, will target oil and gas, power and water, healthcare, education, logistics and other services.

## Dubai Bank launches “Amirah” for ladies

Dubai Bank has launched a new service for its female customers. “Amirah” (which means “princess” in Arabic) is the bank’s new ladies banking service aimed at providing women with a more targeted and personalised service.

As part of the new service, the bank has created exclusive areas within some of its branches, enabling women to carry out banking transactions with greater comfort and privacy.

Amirah has initially been launched in the Ras Al Khaimah branch of Dubai Bank, with plans to expand to six other locations

across the UAE over the course of the year. The bank also plans to establish eight to ten “Ladies Only” sections and branches by the end of 2010.

“Over the past few years, the number of Dubai Bank’s female customers has risen significantly. Women are playing an increasingly active role in financial transactions for themselves, their families and businesses,” said Mohammad Amiri, head of retail banking at Dubai Bank.

The bank will support its Amirah customers with a team of female banking



Mohamed Amiri

professionals, who will provide operational assistance as well as advisory services relating to personal wealth management and commercial ventures.

For more on this go to [www.moneyworks.ae](http://www.moneyworks.ae) and search ‘Amirah’

## Skipton offers new fixed rate bond range

Skipton Guernsey Limited, the Channel-Island-based expatriate savings organisation, has launched a range of guaranteed fixed-rate sterling accounts paying up to three per cent gross/AER.

On deposits of GBP100,000 or more, rates of three per cent gross/AER are available over two years, while rates of 2.75 per cent gross/AER are available over 12 months. On deposits of GBP25,000 to GBP99,999, the two-year

bond pays 2.75 per cent gross/AER, while over one year, the account pays 2.5 per cent gross/AER.

The one-year bond matures on June 30, 2010, while the two-year bond matures on June 30, 2011. No withdrawals are allowed during the fixed-rate term. Both bonds are limited issue offers. The maximum deposit is GBP1 million, but larger sums may be accepted, subject to negotiation.

### Thomson Reuters said that EFG-Hermes

has joined its order routing network, expanding the breadth of its exchange trade offering throughout the region.

Financial market professionals using Reuters Trading for Exchanges can now route orders to EFG-Hermes for execution. Any firm connected to the Thomson Reuters order routing network, both inside and outside the region, can access liquidity from the largest markets in the Middle East and North Africa region.

## Appointments - June 2009



Jeff Fallon

National Bank of Abu Dhabi has appointed **Jeff Fallon** as head of trade finance for Europe.

Bahrain-based Tharawat Investment House has appointed **Dr. Salah Al-Majdoub** as chief operating officer.



Abdulelah Al Kindy

**Abdulelah Al Kindy** has become Emirates NBD’s head of retail banking for Abu Dhabi and Al Ain region.



David King

Financial Dynamics International, the financial and corporate communications consultancy, has appointed **David King** as chairman, Gulf region.



James Lewis

**James Lewis**, director of investments and leasing and a partner within Knight Frank’s UK investment team, has relocated to Knight Frank Middle East’s new Bahrain office.



Saleem Rashid Al Noaimi

Waha Capital PJSC has appointed **Saleem Rashid Al Noaimi** as its CEO. Al Noaimi previously served as deputy CEO of the company and CEO of Waha Leasing, a wholly-owned subsidiary of Waha Capital.

Bank of America Securities-Merrill Lynch Research has added two strategists to its global commodities research team. **Michael Widmer** joins to lead the research coverage effort in metals markets and **Tanapoom Damraks** joins as a commodities strategist.



Ali al Shihabi

Rasmala Investments has announced the appointment of **Ali al Shihabi** as the executive chairman of the board. Al Shihabi, the founder of Rasmala, has held the post of CEO since the inception of Rasmala. **Tamer Bazzari** has been appointed as CEO and **David Woods** as chief operating officer of Rasmala.



Tamer Bazzari



David Woods

Arab Banking Corporation announced the appointment of **Roy Gardner** to the position of group CFO.

RBC Wealth Management has hired **Vineet Arora** as senior banker, based at the Dubai office.



# The combo card is coming

As the GCC gradually migrates to chip-based technology, expect a number of new solutions to hit the market, including a combo card. **MONEYworks** finds out what's in store.

**A**fter a spate of fraud, the GCC looks ready to migrate to chip-based technology sooner rather than later. Although different countries in the region are pacing their progress as per the demand of the situation, regulators are playing an increasingly important role in giving a fillip to the cause, according to experts.

Countries in Europe have already seen the advantage of migrating to chip, and the UK has witnessed a significant drop in fraud with the advent of the technology. In fact, Europe is now aiming to complete its migration to smart cards by January 2011.



Gary Byrne

Gary Byrne, MasterCard vice president of distributed product management, chip products, notes that regulators in the Middle East are indeed playing a more important role in migration as they become aware of the greater security that chip technology brings to the table.

"Many banks in the Middle East have embraced the technology to migrate to chip-enabled cards, as there is increased understanding of the benefits of greater security and a platform for multiple applications that the process brings to work," he says.

Qatar was one of the first GCC countries to fully migrate to chip cards. By the end of 2007, all point of sale (POS) terminals and ATMs in the country were compliant with EMV (acronym for Europay, MasterCard and Visa), as directed by the Qatar Central Bank.

Several chip-based programmes have already been implemented in the region, while many others are underway. A number of markets are experiencing

significant growth in EMV chip cards, based primarily on EMV acceptance infrastructure deployment and the opportunity to provide a differentiated product value proposition and regulatory intervention.

The Central Bank of Bahrain has set a mandate for EMV chip migration in Bahrain to be completed by July 2009, while there has already been significant penetration of smart cards in Kuwait. In Saudi Arabia, most banks have initiated EMV projects for both issuance and acquiring, and many of them have made significant progress. Oman is in the discussion stage and will take some time to initiate the actual migration.

Last February, the Central Bank of the UAE said in an e-mailed statement to Bloomberg that it would continue to ask all banks in the country to introduce chip and pin technology for credit cards.

"While no timeframe has been set for the implementation of EMV chip card technology, the UAE market continues to be on the first track," says Byrne.

Although these are still early days for chip cards, volumes were up quite sharply on POS machines in 2008 compared to the previous year, albeit from a small base. It is also important to remember

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*"Many banks in the Middle East have embraced the technology to migrate to chip-enabled cards."* Gary Byrne

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that all EMV chip-enabled cards in the Middle East and Levant are hybrids, featuring traditional magnetic stripes in order for authorisation of payments to be documented with a signature or pin number for cardholders' convenience.

## Advantages of the technology

A smart card is very much like the cards already in use, except that it has a chip embedded in it that can store much more information than a magnetic stripe card. Since the information is held in an encrypted form, it cannot be easily accessed. As such, smart cards are considered to be highly secure.

Smart cards are based on an EMV standard that was initiated by industry experts in 1994. EMV enables all merchants to use one terminal at the POS to support any smart card, regardless of the issuer or brand. The industry standard also enables interoperability and interchange for debit and credit card types. Because of its interoperability and because much of the information needed for a transaction is stored on the card itself, buying things with a smart card is usually much faster.

"The main feature of smart cards is their heightened security. However, the primary driver of migration is different in different countries, depending on a number of factors. In Europe, for instance, fraud prevention and operational efficiency are the two most important drivers," says Christophe Zehnacker, MasterCard vice president and head of global distributed products.

From a consumer's point of view, some of the biggest advantages of smart cards are their increased memory, fast processing, security, attractive features and ability to combine many cards into one. A combo smart card is a single card that includes the functions of a credit card, a debit card, an ATM card and stored value cards.

Apart from fraud prevention, which is the most important advantage of a smart card, the huge data storage capacity of a chip card also enables the hosting of financial and non-financial multi-applications. This feature is simply not possible on a magnetic stripe card.

*"The main feature of smart cards is their heightened security."* Christophe Zehnacker

A chip card is also a new platform for issuing banks to develop more differentiated products and more value-added services. In the short term, however, a significant investment is needed to make the chip migration, and in some instances it is difficult to justify the cost on the basis of fraud prevention alone. Still, the cost of a chip card has come down substantially over the years, from US\$5-6 in 1997 to US\$1 now. The cost of equipping merchants with the latest technology is also proving to be a cost-effective investment for both banks and merchants. Smart card terminals allow payment transactions to be authorised offline, eliminating the need for frequent and costly online data transmission.

## Worldwide scenario

While the first trials of smart cards happened as early as 1982, payment organisations like MasterCard have been pioneering chip design since the late 1980s. As of the fourth quarter of 2008, there were 2,650 completed and active projects supported by MasterCard globally and 11.2 million EMV POS terminals that accepted MasterCard EMV cards. As of May 2009, there were 117 markets in which the EMV chip had been rolled out and 1,599 customer banks that were

### Benefits of Smart Cards

Enhanced security and ability to mitigate increasing fraud

Faster transactions

Can be used as electronic wallet

Platform for new competitive strategies and more differentiated services

Serve premium customers with tailored packages

Potential to design new generation of loyalty programmes

Long-lasting cards compared to the 2-3 years assigned to magnetic stripe

Enable consumers to add or remove programmes as desired



Christophe Zehnacker

supported on EMV chip deployment globally by MasterCard. Based on EMV figures, there were 730 million EMV chip cards across all payment systems globally at the end of 2008.

The UK was the first country in the world that migrated to the EMV standard, followed by France. In North America, Mexico is on its way, while in Southeast Asia, Indonesia is likely to complete migration by the end of 2009. Europe is aiming to complete migration by 2011, while Canada is targeting 2012. In Europe, about 50 per cent of cards have migrated to EMV chip cards, while 67 per cent of POS terminals and 54 per cent of ATMs are EMV-compliant today.

Malaysia is another Southeast Asian country that is well on its way to migrating to chip cards and EMV standards. The US, however, is still in the discussion process and has no clear mandate to migrate towards EMV-based chip cards, mainly due to the fragmented and complicated market situation in the country.

Combo chip cards have already been introduced in France, Finland, Taiwan and Brazil. And MasterCard is now planning to introduce combo cards in three more locations, one each in the Middle East, Africa and South Asia. Although the timeframe is still unclear, a large number of people in the Middle East will undoubtedly welcome the solution when it arrives. After all, multiple cards not only damage wallets and make management a complicated affair, but also increase the chance of a card being misplaced or stolen.





# BONDS

## Stepping it up in the region

Experts have long emphasised the importance of developing a full-scale debt capital market in the GCC for the past few years, but the current global crisis has given the cause a boost. As bank lending tightened and stock markets bombed, the need for a debt market became urgent. **Ritwika Chaudhuri** reveals what's happening in the region's debt capital market.

**I**f the recent issuances of bonds in Abu Dhabi, Qatar and Dubai are any indications to go by, the development of a healthy debt capital market in the GCC is gaining momentum. Regional sovereign and corporate issuers announced bond issues totalling approximately US\$30 billion in the first half of the current year. Around US\$7 billion was issued in the second quarter alone.

Although the majority of the issuers have been sovereign, a Moody's January report predicted that corporate bond issuances in the GCC could reach US\$50 billion over the next 12 to 18 months, up from US\$23.7 billion in 2007.

The figures do look encouraging, but experts emphasise that the region has much to accomplish in order to establish a matured

debt securities market in terms of issuance, size, tenor and setting a benchmark.

Compared to some of the western markets, the GCC's debt market is nascent at best. Dealogic, a provider of global investment banking analysis and systems, reported the total issuance of global investment grade bonds to be at US\$210



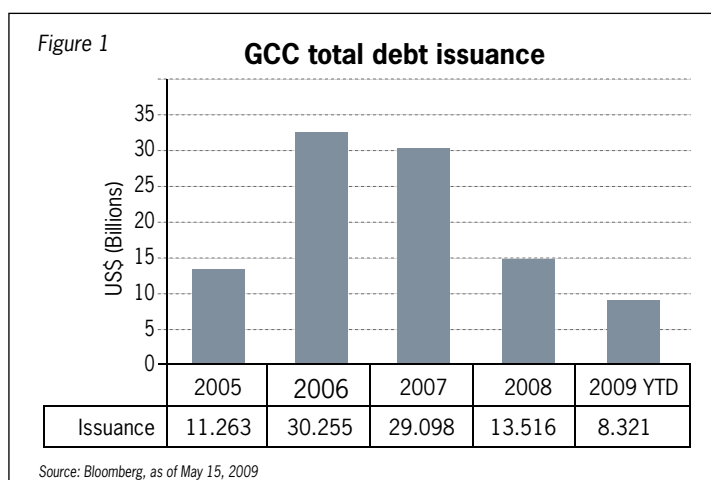
billion as of June 2009, up from US\$159 billion in 2008 and US\$66 billion in 2007. According to data available from Bloomberg, the total debt issuance in the GCC was US\$8.32 billion as of mid-

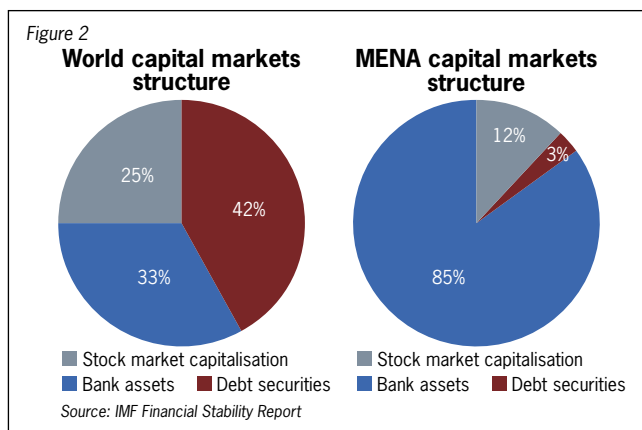
May 2009. In 2008, it was only US\$13.57 billion (Figure 1).

According to an International Monetary Fund financial markets stability report, debt securities constitute only three per cent of

the financial markets in the Middle East and North Africa, compared to 42 per cent of the global financial market (which includes banks, equity and debt markets, see figure 2). In the developed western securities markets, 90 per cent of the turnover is attributable to interest-rate-related securities and only 10 per cent is attributable to stocks, whilst it is the other way around in the GCC.

The series of recent sovereign issuances in the GCC region, however, is a positive development for the regional debt market. Experts say that regional governments are generating a momentum in the GCC fixed-income market by issuing bonds that will ultimately create a yield curve, or a benchmark price structure, that





stable liquidity of the market, makes this asset class increasingly attractive to investors seeking exposure to a relatively more secure investment opportunity,” says Nish Popat, head of fixed income at ING IM Middle East.

At a time when people have lost heavily asset-wise, because of over-concentration in equity and real estate, the introduction of fixed income in a portfolio is now making sense to them. This attitude is a change from the recent past, when people just wouldn't look at anything offering modest returns.

### Current trends

The size of the outstanding GCC bond market debt is approximately US\$115 billion, combining both sovereign and corporate debt, according to the Financial Times.

The Gulf markets have typically been characterised by a lack of benchmarks, a limited number of issuers and low liquidity. Moreover, longer maturity issues have been virtually absent in the market. Prior to the US\$3.5 million convertible bonds from DP World, the GCC bond market was dominated by mid-sized, short maturity bonds, which were mainly issued by regional banks. According to Abdul Kadir Hussain, CEO of Mashreq Capital, it

corporates in the region can follow when issuing their own bonds. What could be a better time for this to happen than now, when banks are reluctant to lend?

“The fact that fixed-income assets guarantee a coupon or interest-bearing element and the return of the original investment (as long as the bond does not default), as well as the more

## Corporate debt market coming soon

Mark Waters, head of debt capital markets for the Middle East at BNP Paribas, tells **MONEYworks** that the debt market is in the process of opening up for corporates in the GCC.

### Why has the debt capital market not developed in this region so far?

Historically, GCC-based corporates have tended to rely on their core banks to support their ongoing financing needs. This has been achieved through bilateral lines but, more importantly, through syndicated loans.

The reliance on the syndicated loan market is also a function of only a limited number of GCC corporates having external ratings, which is a pre-requisite for tapping the debt capital markets.

This will, however, change as a result of the moving market dynamics, which have so far witnessed significantly reduced levels of liquidity within the GCC syndicated loan market on the back of ongoing capital constraints and higher funding costs facing financial institutions in the region.

The consequence of this will mean more and more companies looking to attain external ratings in order to diversify

existing funding sources to facilitate an approach to the bond market.

### Is a relatively lower rate of return the main reason for the debt market not to develop?

Prior to the financial crisis, investors clearly had other potential investment opportunities. However, this is no longer the case with investors finding the equities market far too volatile while cash investments are generating negligible returns.

As such, investors are now focusing purely on the bond market, which is driving the level of record issuance.

### Is the current economic crisis instrumental for concerted efforts by different governments to develop debt capital and a fixed-income market?

This is particularly evident in the US and Europe, where government guarantees, for instance, have been provided to assist



Mark Waters

financial institutions with medium-term bond issuances. The proceeds have been used by banks to support their funding needs and improve their liquidity positions.

To date, this has not been the case in the GCC, as the various governments across the region have been using alternative methods to improve the financial condition of the banking sector. Such measures have included direct equity injections, conversion of state deposits into capital, removal of certain asset types including investments and providing additional liquidity into the banking systems as and when required.

**Bonds issued in the UAE since 1999\***

Currency/ Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
US\$	x	NA	x	NA	x	1.63 billion	4.32 billion	8.8 billion	13.65 billion	1.66 billion	23 billion**
AED	750 million	NA	1.5 billion	NA	1.5 billion	500 million	x	4.52 billion	10.25 billion	24.25 billion	x
EURO	x	NA	x	NA	x	x	x	1.25 billion	825 million	25 million	x

Source: Mashreq Capital & NBAD, compiled by: MONEYworks, \*inclusive of sukuks, \*\* inclusive of US\$20 billion Dubai government bond announced

was only after early 2006 that the regional bond market started developing in terms of size, types of issuers, length of maturities, structure of bonds and different currency denominations.

“With the spate of new issuances from regional governments and institutions like Qatar Telecom and Aldar, the liquidity in the bond market has improved remarkably,” notes Hussain.

Some of the recent issuances include the March announcement of the US\$20 billion Dubai government bond programme to ease tight liquidity conditions in the emirate. The UAE central bank subscribed to half of that issue. A second US\$10 billion tranche will be issued as, and when, needed.

The UAE also announced its plans to launch its first sovereign bond fund last month. Though the size and timeframe of the bond

issue are yet to be determined, the bond issue is in the process of being rated. A new public debt law to govern the distribution of funding from the bond sale is also in the offing.

Apart from Dubai, the two biggest GCC bond issues have been the sovereign transactions for Abu Dhabi and Qatar.

The Abu Dhabi government launched two Abu Dhabi sovereign bonds with maturities of five years and 10 years, priced to yield about 5.65 per cent and 6.85 per cent respectively. Issued in April, these bonds will raise as much as US\$3 billion for the emirate.

On April 29, the state-owned Mubadala Development Company sold five-year bonds totalling US\$1.25 billion that were priced to yield six per cent. This occurrence was followed by the issuance

The approach of the regional governments has been more focused on direct sovereign issuances to facilitate subsequent corporate bond issues.

### **What should governments do to develop a debt capital market? What is your opinion about the initiatives taken by Qatar and Abu Dhabi?**

The recent bond issuances by both Abu Dhabi and Qatar were strategically important for their respective states, as the key objective was to facilitate subsequent corporate issuances.

This has already been witnessed in Abu Dhabi with bond issues having already been launched for Mubadala and Aldar.

The same pattern has now emerged for Qatar. The sovereign bond issue has now been followed by US\$1.5 billion dual tranche five- and 10-year issuances for Qatar Telecom, in which BNP Paribas acted as joint lead manager and book-runner. The Qtel transaction was a huge success, having amassed an order book in excess of US\$13 billion.

### **Is there any indication that the current round of sovereign bonds will be followed by quasi-government and corporate bonds?**

We expect to see an imminent bond issue for the Bahrain sovereign. Thereafter, there is no real clarity on other sovereign bond issuances.

There is definitely an order of issuance within the GCC, which is most definitely required in order to raise the international profile of the Gulf region on a global basis.

The initial push has been with the sovereign bond issues, followed by the state-owned corporate issuance – a plan that has worked well for both Abu Dhabi and Qatar

The market will ultimately open up for private sector issuance within the GCC.

### **Are the current pricing and maturities of the sovereigns attractive enough to be a reference point for corporates?**

Reference points in terms of pricing have been set by the recent sovereign transactions, and subsequent corporate issues would need to be priced off these deals in terms of the required additional risk premium.

Of key benefit to GCC corporates will be the performance of the sovereign bonds in secondary, which has tightened by approximately 100 basis points from the launch levels. As such, new corporate issuance would be priced off the

secondary price, which is clearly a major positive factor for corporates looking to tap the bond market.

With regard to maturities, GCC issues have tended to be a dual tranche of five and 10 years, which represents an optimal structure in terms of satisfying investor interest. We would expect to see similar maturities for future issuances.

### **In the absence of a GCC benchmark for bonds, how would you recommend creating one?**

Benchmarks, or reference points, for potential issuance would include credit default swap levels and secondary pricing levels of outstanding bonds. These would be key indicators when pricing any new bond issuance.

### **Are sukuk a better alternative?**

Sukuk represent a key part of debt capital market issuance in the GCC. Islamic bonds are not necessarily a better alternative, but more of a complimentary fit in terms of assisting sovereigns and corporates with a different source of investor base.

It is important for GCC issuers to maximise all sources of investor interest, which will include Islamic and conventional investors.



Nish Popat

of a US\$1.25 billion bond by Aldar Properties. The five-year notes were priced at face value to yield 8.75 per cent, according to Bloomberg.

Following the move by Abu Dhabi, Qatar issued bonds totalling US\$3 billion. The issue was split into two tranches: a US\$2 billion tranche maturing in 2014 and a US\$1 billion tranche maturing in 2019. The government stated that the proceeds from these bonds would be used for general funding purposes, including the provision of contingency funding to entities owned or controlled by the government.

Qatar Telecommunication Company said last month that it planned to issue up to US\$5 billion in bonds, partly to help refinance debts.

The market is also expecting a bond issue for the Bahrain sovereign. According to published reports, Bahrain plans to launch a US\$663.3 million three-year

sovereign bond over and above a US\$500 million sukuk issue.

In another important development, the Saudi stock market regulator approved the set-up of a market for debt securities last month, responding to the demand for diversified sources of funding from the market. The Saudi stock exchange – Tadawul – will trade bonds and sukuks through licensed intermediaries, according to the Capital Market Authority.

Experts predict significant growth in the size and depth of the GCC debt market, more specifically the fixed-income market. They expect the growth of the GCC fixed-income market to be driven by a number of factors, including a heightened awareness about fixed income among Middle East investors, who previously ignored the asset class for riskier and more profitable assets.

It was disclosed in a regulators' conference in Dubai last March that regional financial players were planning to set up a professional bond market association. This association will represent the industry on regulatory and legislative issues and initiatives and will convey ideas to regulators and central banks concerning issues such as ways of enforcing bond contracts and protecting bondholders.

### Case for a bond market

The case for a regional bond market has been argued for quite some time, but the current economic situation, as a consequence of the global



economic meltdown, has probably strongly reinforced its necessity. The subject will become even more topical, as some of the regional governments may have to resort to deficit financing for the first time.

At that very same meeting of regulators in Dubai last March, financial market participants admitted that the effects of the credit squeeze could be alleviated substantially with a functioning bond market. Tom Healy, CEO of the Abu Dhabi Securities Exchange, said in a recent press statement that the only real source of liquidity in the UAE was the stock market. He felt that the country needed a vibrant bond market to ensure that enough liquidity remained in the system despite the global crisis.

In 2006, Francesco V. Garzarelli of Goldman Sachs said in a presentation about the case for a local bond market in the UAE: "A bond may represent a spare tyre at a time of banks' distress, avoiding a credit crunch."

When banks in the UAE stopped lending amidst the credit crunch,

### Selected regional issues

Security name	Currency	Maturity	Coupon	Indicative yield	Rating
Kuwait Projects	US\$	12/04/2011	2.25	16.91	BBB+
Ras Laffan Gas	US\$	30/09/2016	5.832	7.045	A
SABIC	EUR	28/11/2013	4.50	7.912	A
Nakheel	US\$	14/12/2009	3.17	47.06	Not Rated
ALDAR	US\$	10/11/2011	5.77	11.55	Not Rated
JAFZA	AED	27/11/2012	5.68	23.54	A+

Source: Mashreq Capital



UAE companies did not have the spare tyre and thus suffered the consequences.

There are some clear advantages of borrowing from the market over bank loans, experts argue. While bank borrowing involves lower refinance risk and fewer disclosures to the public market, there is a larger scope for tactical debt management and less demanding covenants in the case of market borrowing. Bank borrowing comes with managerial counselling or interference, which is missing in the case of market borrowing. Overall, debt instruments facilitate the creation

of financial assets that can complete the market.

Bonds, especially short-term government bonds, pose a reasonably strong case for investment because of their yields. According to a Global Investment House study, regional government bonds that are set to mature within a year give better or similar yields compared to dividend yields in general. The exception is Kuwait, which offers good dividend yields over government bonds. In Bahrain and Oman, dividend yields at current prices are slightly better. The difference is negligible, though, hence reinforcing the importance of bonds (Table 1).

“Bonds are offering better value at present globally. The asset class does not have any downside like equity and one gets paid for waiting,” says Hussain. “But one needs to do one’s homework about the time horizon of bonds, coupon rates and which bonds offer what types of yield.”

### Still miles to go

Despite the flow of issuances in the last couple of years, the GCC bond market is still underdeveloped in comparison to traditional bank and equity financing. There are several reasons why a debt capital or bond market did not develop in this part of the world. In fact, prior to the global crisis, issuing sovereign bond funds was not a high priority for GCC governments, as most were flush with liquidity from high oil prices. Banks were also flush with funds and borrowing and lending was easy, while stock markets could be tapped at any time.

Benoit Anne, emerging market debt and FX strategist at Bank

Table 1

Yield comparison: Dividend vs. Bond			
Country	Dividend yield	Govt bond yield*	Difference
South Arabia	3.91%	3.92%	-0.01%
Dubai	3.41%	4.25%	-0.84%
Kuwait	4.90%	1.88%	3.03%
Qatar	3.25%	5.00%	-1.75%
Bahrain	5.00%	4.50%	0.50%
Oman	5.60%	4.50%	1.10%

Source: Bloomberg

\*Yield on government bond maturing after one year except for Dubai

of America Securities and Merrill Lynch says, "Historically, a bond market has not been a necessity in the GCC as it has been in Latin America and Asia. In the GCC, governments did not have to resort to deficit financing through bonds. Banks played a big role in lending. It is only recently that the need for developing corporate and sovereign bonds was felt as ambitious projects were announced."

Banks that were flush with capital were not interested in the tier II source of capital. Investors were also riding high with the uptrend in the stock market and the unprecedented growth in the property market. Returns were high, so investors did not consider investment instruments offering modest returns.

"Bonds as an asset class have not developed much, as there was no natural demand base due to lack of institutions. Besides, demand has primarily come from institutions, followed by retail investors," Hussain argues.

The other crucial factor has been the supply side, which lacked fixed income. Hussain says that bond or sukuk instruments are still not well understood in this region and that there is a dearth of expertise, even today.

While the necessity of a debt market is being felt strongly and the recent issuances have set a tempo, there still remains an enormous amount of work to be done.

"It has to be a GCC effort as a whole to develop a proper regional bond market. It is also necessary



Benoit Anne

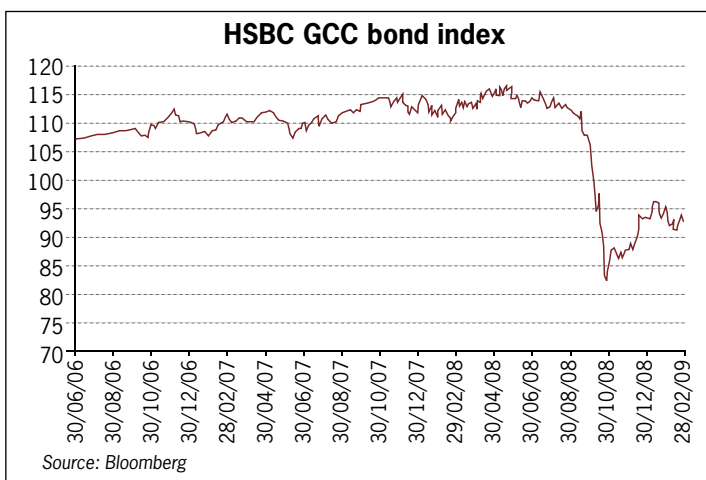
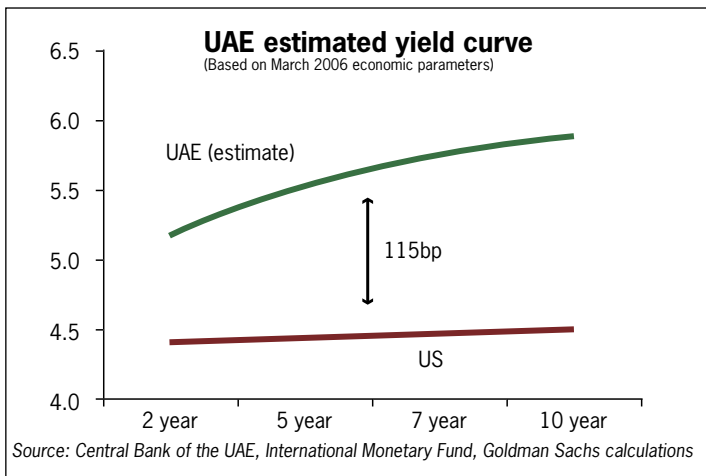
to build confidence from the authorities not only with issuances from governments, but also setting up proper regulations to this effect," Hussain says.

The authorities need to ensure supply through issuances, while demand should come from both institutions and retail customers. Today, apart from a few pension fund-type institutions in the region, there are hardly any ready and regular buyers of bonds/sukuk, Hussain points out.

Anne further emphasizes that the development has to be from both sides. "There has to be demand for such products. And at the same time, governments need to ensure an investor-friendly environment and encourage the supply of such instruments," he says.

In most developed bond markets, demand comes from pension funds, insurance companies, mutual funds, corporate treasuries and, needless to say, retail investors. In the GCC, pension funds are still relatively small and primarily equity-based. In addition, corporate treasuries normally limit their investments to time deposits. Insurance companies lack the regulation and expertise that would enable them to actively invest in these markets.

The good thing is that the meltdown has resulted in





Abdul Kadir Hussain

many retail investors looking to diversify their investments. Now the region, which hardly had any supply of fixed-income funds, is beginning to see a steady increase in its supply. This

trend is one that is expected to continue, says Popat.

“There are retail bond mutual funds in the region. In fact, we run one ourselves, and it’s just that these products are not popular with retail investors because the bond product is not very well understood by most retail investors,” notes Hussain. “The biggest thing required for retail participation is education about the value of investing in bonds and information about the bond mutual fund products available in the market.”

While it is essential that the GCC countries need a yield curve to develop a deep financial market in the region, many issues need to be addressed by the governments, including corporate governance

and a strong legal framework. Once the number of issuances grows, an index or indexes will follow. Some of that work has already begun, but much more needs to be done in terms of creating depth in the secondary market.

Today, in the GCC, it is only institutions that buy these bonds and hold them until maturity. Unless the secondary market becomes active, the volume of investors and the interest will remain low. If such a situation continues, the region will not be able to afford competing with the rest of the world for liquidity and finances in the future. As Garzarelli pointed out, a spare tyre is a must, especially when the ambition is to compete successfully globally.

## A little about bonds

A bond is like a loan. The owner of a bond gives the issuer (which can be a corporation, government or agency) a sum of money that can be used for a certain purpose. In exchange, the issuer will pay the bondholder certain interest over a period of time and eventually return the initial amount loaned. Because it is basically a loan, bonds are also known as a ‘debt security’. Since the income to be earned from the bond is fixed after a fixed tenor, it is also known as a ‘fixed income security’.

The need and usefulness of a bond market for the growth of a country’s financial market and economy requires no new introduction. Bonds are less flamboyant than stocks, but fulfil an extremely important function for the economy. For companies and states, they offer long-term financing. For investors, they are an important alternative to stocks.

Bonds serve different purposes for different entities involved – investors, the government, banks and corporates.

As the companies in any country become globally competitive, relying on bank funding over time might become scarce and expensive. Furthermore, raising equity eventually entails dilution of rights, so they need an alternative source of funding. Debt financing works as an effective alternative, and the debt equity balance usually works towards improving return on equity.

It is beneficial from a bank’s perspective as well. While tier I capital is expensive, banks need a source of tier II capital (as subordinated debts). Banks also need term debt to mismatch their typical strategy of lending long and borrowing short.

In any country, sovereign issuance usually creates a further tool for monetary policy, control

of money supply and brake on inflation.

From an investor’s point of view, asset diversification is always welcome. As bonds are often negatively correlated with the stock market – they move up when the latter moves down, and the other way around – they also play an important role in balancing the portfolios of private households and institutional investors like pension funds. For pension funds and insurance companies, it is important to match long-term liabilities with safe assets like fixed-income instruments, which are less volatile and offer a more predictable flow of income.

Moreover, in the case of equity finance, investors have to take a risk, since holders of an equity stake share in return with losses truncated to the downside. On the contrary, debt finance is risk-averse, since debt holders do not share on the upside.



# Employee benefits on the rise

Employee benefits are emerging as one of the most important factors in attracting and retaining talent in companies. **Ritwika Chaudhuri** investigates the latest trends in the GCC market.

**T**he best employers are those that provide good benefits and make employees feel valued. In fact, these are two of the six key parameters in determining the best employers, according to a survey conducted by Hewitt Associate, a global provider of HR outsourcing and consulting services.

In times like these, when many companies are finding it difficult to pay salaries on time, it is probably best for employers to add benefits to the emolument packages of employees they value, rather than find other ways of retaining or rewarding them. Unfortunately, a large number of regional companies have yet to consider this option.

The upside is that many multinationals operating in the region do offer benefits to their employees. There is also a sizeable community of private and regional companies in the Middle East that offer benefits. Much needs to be done, however, as the region is evolving into a global market. Certain benefits are gradually being considered a “must-have”, rather than “nice to have”. These benefits will become absolutely necessary to retain talent in a few years, according to experts.



Robin Ali

“Employee benefit packages are all about the three R’s: recruitment, retention and risk,” says Robin Ali, head of sales and marketing for medical and financial services at Lifecare International. “A good package that includes medical insurance, life cover and maybe even a retirement savings scheme will assist employers in recruiting talented staff, as well as keeping them. Insuring contractual liabilities such as death benefits also covers the employer’s risk.”

According to international HR consultancy and insurance companies, the most common benefit given to employees in the GCC is medical insurance. Other benefits such as life endowment schemes are available in certain sectors of employment and depend on the number of employees in an organisation.

According to global consulting firm Watson Wyatt, 20 per cent of the multinational companies operating in the region offer savings plans similar to those prevalent in their countries of origin. Some offer tailor-made plans for their regional employees. Big local and regional private companies are also increasingly realising how important benefits are when it comes to attracting new talent and retaining existing employees.

Companies in certain sectors like pharmaceutical, oil and energy, finance and engineering are thought to be setting a trend in the region by offering pension schemes to their employees. Local airlines and telecom companies are also closely looking at such schemes, according to industry sources.

“Other benefits in emolument packages work as a communication tool between

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*“Employee benefit packages are all about the three R’s: recruitment, retention and risk.” Robin Ali*

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a company and its staff,” says Graham Morrall, regional head of distribution at Zurich International Life. “Of course, it all depends on the affordability and the objective of the company. First, it is very important for companies to understand what they want to achieve and then design these schemes to meet those objectives, rather than just purchase them off the shelf.”

## Health insurance benefits

According to a Mercer study, 85 per cent of companies in the UAE provide health insurance. Of those companies, 95 per cent cover spouses and dependants.

The GCC countries are in different stages of development where healthcare and medical insurance provisions are concerned, according to players in the health insurance sector. In the UAE, Abu Dhabi has made it compulsory to have medical insurance for all expatriates and their dependents holding an Abu Dhabi employment visa. A law to this effect is also expected in Dubai soon, but how and when health will be covered in the emirate has not been clarified. The proposed scheme by the Dubai Health Authority is seen by the medical insurance industry as unworkable.

There is already a healthcare scheme in Saudi Arabia. In Kuwait, the healthcare mandate that was available for expatriates is supposed to be extended to nationals very soon. National health systems already exist in Oman and Bahrain, but they are undergoing changes to include expatriates, as well as regional coverage. In Qatar, a proposed health insurance scheme for expatriates is still under discussion. Employers are expected to be involved in mandatory health insurance being planned for expatriates in Qatar. But even to the local insurance industry, it is unclear when the scheme will take effect.

International law firm Clyde & Co

estimates that new compulsory health insurance schemes for expatriates and their dependants could conservatively cost employers up to AED4 billion across the UAE and over AED1.5 billion in Dubai alone, assuming a similar compulsory health insurance scheme to that in Abu Dhabi is introduced in the emirate.

Today, governments are facing pressure from the mounting costs of healthcare provided for expatriate workers in government hospitals. While the pressure on employers to fund some of these costs is only likely to increase, owners and management of companies are also realising that health is wealth. By providing health insurance, employers are able to buy the peace of mind of their employees and ensure their longer-term loyalty.

Companies are also realising that the practice of replacing sick workers (which is prevalent in many firms) is rather expensive. As such, they are increasingly helping sick employees recover quickly in order to have them back at work, thereby avoiding additional costs of recruiting replacements. Also, because the cost for group insurance is much lower than individual insurance (as insurance companies can spread their risk), an employer can buy medical insurance for employees at a lower price.

“Following the global trend, with medical premiums increasing by 10 to 15 per cent annually, companies are showing increasing interest in managing the rise in premium,” notes Callum Burns-Green, principal at Mercer. “Hence they are



Graham Morrall

*“Following the global trend, with medical premiums increasing by 10 to 15 per cent annually, companies are showing increasing interest in managing the rise in premium.”* Callum Burns-Green

enquiring about cost sharing with the employees or thinking about providing a wellness package so that medical coverage is less.”

### Life endowment benefits

A number of insurers in the region provide life coverage on a group basis. Both local and international insurers like Alico, Aviva, Zurich International Life, Oman Insurance and William Russell are active. Usually multinational companies, private and international banks, financial firms and oil and gas companies offer group insurance benefits to their white-collar employees. Large international insurance companies are now making attempts to promote these group life insurance schemes for employees in some of the hitherto untouched sectors. While there was previously a lack of interest from employers, a change in attitude has been noticeable as pressures build from mounting labour costs and attrition.

“Instead of struggling to increase salaries, one of the ways to attract talent is by offering insurance-based benefits, which have low outlay and can provide significant benefits without employers having to provide such benefits from their own resources,” notes Ali.

Various companies have different approaches to benefits. Most multinationals operating in the region offer employees that have been transferred benefits similar to their home countries. However, they employ a different set of standards for employees recruited in the local market.

*“It is very important for companies to understand what they want to achieve and then design these schemes to meet those objectives, rather than just purchase them off the shelf.”* Graham Morrall



Callum Burns-Green

The general practice in most cases is to offer a Middle Eastern emolument package to the local recruits, generally a few notches lower in terms of benefits.

“While some give more salary instead of policies, others offer these schemes as a motivator, and there are even those who would offer emoluments comparable to overseas packages,” says Morrall.

Packages also vary among sectors. Private and international banks pay five times towards group life and disability benefits, while the standard is four times in the oil and gas sector. The minimum standard anywhere is two times the existing basic salary.

Packages also vary among junior, middle and senior management in cases where life endowment benefits are given across the board. Although life endowment generally covers death due to accident or diseases, insurance coverage due to disability is seen less in the region and needs to catch up with the western world, according to Burns-Green. Most companies in the GCC pay short-term disability insurance, but only 41 per cent pay for long-term disability, he says.

It is clear that despite significant improvements in employment benefits, the GCC still lags behind considerably. For some of the aspiring international markets in the region, more has to happen at the company level before these centres are able to attract and retain highly skilled and talented employees. It is expected that regional governments will increase their focus on some of these issues going forward.



# Programmed to succeed

Ivan Fernandez, managing director of Ducont, a top wireless application provider in the GCC, is an example of what people can achieve with determination and perseverance. The son of a driver, his rise to prominence is exemplary. Here he speaks to **Utpal Bhattacharya** about his aspirations and ambitions.

## What brought you to the GCC?

I used to work as a scientist in the Bhabha Atomic Research Centre (BARC) in India. My specialisation in BARC was image processing. I used to write complex algorithms for detecting flaws in nuclear rods.

I came to the Gulf in 1988 as a result of a newspaper article. It said that banks in the GCC were looking for automated signature systems and that these were not available. Since I was into image processing, I knew that it was possible to create a system, so I called the editor of the newspaper, got the contact details of the writer and took up the challenge to come and join a start-up in Bahrain.

## Were you not happy at BARC?

It was a very secure job at BARC. In my very first year, I was awarded one of the best scientists for developing an online image grabber mechanism. I was around 23-24 years old then. I am one who is always looking for challenges, so I grabbed the first opportunity that offered me the challenge I was looking for.

## Which Bahraini company was it?

It was a start-up and they were more into Arabisation, so I started developing a proprietary solution for automated signatures when I landed in Bahrain. Our first customer was the Saudi American Bank. Within a year, we went live with signature verification for the bank. Then word started spreading and we started getting calls without even marketing the system.

## What happened next?

One of the banks we went to in order to implement our system was Saudi Arabia's United Saudi Commercial Bank. We found that the bank's system had inadequate memory for our product, so we could not implement our system and they asked us to go.

But I took up the challenge. I re-wrote their whole banking system, created enough memory and implemented our system. The bank was very impressed. I was then invited to meet the chairman, Prince Walid bin Talal. And they offered me a job to re-write their entire banking system.

At that time, I was also being offered a job at IBM's R&D department. I looked at the two and came to the conclusion that joining the bank would mean a lot of learning for me, as I was an electronics and communication engineer with no idea of banking. At IBM, I would be one among many.

***"Success is all about reaching the goal that one sets for oneself. If you achieve that goal, money and everything else will come to you."***

Ivan Fernandez

## When did you venture out on your own?

In 1995, I left the bank to set up Synectics in Bangalore. Today, everybody accepts Indian software. But India was opening up at that time and I wanted to see if the western world would accept a good Indian product.

## What did you do at Synectics?

We started developing branch automation systems on personal computers (PCs). Until then, banks would not touch PCs for mission critical applications, as they felt that mainframes were more secure than PCs. I was, of course, warned against getting into this venture, as not only were we an unknown brand, but also we were trying

to introduce a new technology to run a mission critical application.

I went ahead starting the operations in a garage in Bangalore. Those were difficult days, as banks wouldn't give us appointments. It took us until the end of 1996 for private banks in India to start listening to us. They gave us opportunities to pilot. Once we did the pilots, they started seeing the difference between apples and oranges. Finally, the Centurion Bank, the Times Bank and the IndusInd Bank tied up with us.

Around that same time, Arab Bank in Jordan was looking for branch automation. We bid for the project and gave them an entire workflow environment. Even here we faced scepticism. Of course, we were successful. That was in 1997.

## You must have been competing with some of the bigwigs.

We were with the likes of Misys and Unisys. By then, we had also signed up with Logica for international distribution.

## What happened with Synectics?

In 1998, we won Hatton National Bank in Sri Lanka. That was Misys' third loss against us, so they called me suggesting that we collaborate. Misys had 400 clients, and for me, collaboration with them was like a bonus. We agreed, but their CEO told me that they would want to acquire us. It was a shock at first, as we were yet to break even as a business.

After talking to my partner, we agreed. But we still had a hurdle, as we had a first refusal agreement with Logica. We were their international distributors. To cut a long story short, both bid. We went with Logica, though, as their offer was more interesting. They were giving us full authority to drive the market and an earn-out period of two years, compared to five years for Misys.

### **Who was your partner at Synectics?**

I started Synectics alone. Six months down the line, my ex-boss from United Saudi Commercial Bank called me to ask if he could join me. He was a British national and was exceptionally skilled when it came to marketing and packaging. I knew him well, having worked under him, so I said if he was fine with coming and working in India, he was welcome. He agreed.

### **Do you think it was a good decision to sell?**

At that time, people said it was not a good decision. But two years later, when the dotcom bust happened, everybody said it was the best decision we could have taken. Had it not been for our exit, our growth would have been challenged.

Besides, that's what brought me to Dubai to head Logica's business in the Middle East. It was 1998 and it was also then that I started thinking about my next step.

### **Was Ducont the next step?**

Mobile phones were used for their voice service then by everybody. But I felt that these could have great data capability. That's when I wrote a comprehensive business plan. Initially, I wanted to do it in Logica, but large companies normally do not encourage small scale innovations, as they want big things to hit their top line immediately.

I started Ducont in Dubai Internet City (DIC) with the business plan, which was also a finalist of the e-biz challenge instituted by DIC. In fact, before the e-biz challenge, a number of venture capital (VC) firms wanted me to do this project in Silicon Valley. But my family refused to go there. They wanted to stay in Dubai, so I had to settle down here.

### **Did you start big from day one?**

My initial capital was US\$2 million when I started in 2000. I started with a huge office. We had a seating capacity of 72 people. But then the dotcom boom bust and we had to cut costs drastically to survive.

### **It was all your own capital at the beginning?**

Yes, fortunately, I had the exit money from Logica. But I soon realised that the capital was vanishing quickly, so our three offices became one and our development centre moved to Bangalore. We had to shrink to survive. Of course, from 2004, it was a completely different story.

### **You raised external funding in 2002?**

Yes, Injazat Capital invested US\$2 million for a 25 per cent stake in Ducont in 2002. That investment



***"I started Ducont in Dubai Internet City (DIC) with the business plan, which was also a finalist of the e-biz challenge instituted by DIC." Ivan Fernandez***

helped me to sustain the business during the really turbulent times of 2002 and 2003.

### **Did Injazat bring only money, or did it bring other values like VCs are supposed to?**

They did promise to bring a lot of value other than money, as the fund itself had investors like Islamic Development Bank, Gulf Finance House and Dubai Islamic Bank. To be honest, we got none of those clients.

### **Don't you feel that you should have gotten more from your VC partner?**

It is a very complex question to answer. If they had told me that they could only offer us money, then I would not have agreed to it. However, it is also not easy to get people committed in writing to what they are supposed to do. It was verbal assurances from them.

It is very easy to say that I will put you in touch with somebody in some organisation, but business does not happen like that. Our partners did give us the phone numbers and names of people and we went to them. I personally also went to these meetings for two years, but then I found out that we were wasting our time and also theirs.

We ended up going the professional route of selling and were much more successful. Today we are all very happy, as all of our businesses have come because of our competence and not our relationships.

### **When did you get your big break?**

In 2002, the Dubai government announced its e-government initiative, mostly targeting the internet. We went and told them that we could replicate that with mobile phones. Dubai Police give us our first opportunity and then recommended us to other departments. When Dubai's e-government committee was formed, they told us to run all their mobile initiatives for them. Today, we are happily running the entire mobile initiative of the Dubai government on our platform, right from the municipality to Salik.

We also work with nearly 40 banks in the Gulf, whereas our nearest competitor might work with five banks.

Today, Ducont is a well-known regional brand working with most telecom operators including du, whose entire campaign ran on our platform when they started.

### **Injazat exited last December?**

Yes. They were closing the fund. But it also gave us the option to look for a partner that had a presence in other parts of the world. That's how

we signed up with Zylog Systems. It is a publicly-listed company in India with offices in the US, the UK and the Far East, but not in the Middle East.

Since Zylog insisted on a 51 per cent stake in the company, I agreed to dilute some of my ownership as well, along with Injazat's. Within a month of Zylog becoming the majority shareholder of Ducont, we won Indian Overseas Bank as our first Indian bank customer.

### Did Injazat make good money from investing in Ducont?

Good money to me is a multiple of three to four times of what you invest. Anything less is not great money. They were there with us for five years, so if they made twice their investment, then I might say it is fine.

### Did they get an IRR of, say, 15 per cent?

Normally in private equity you set a target of 25-30 per cent. That sort of return they could not get out of it. But they were happy, as we were a company that gave them the least of headaches.

### Where does the cash generated from the dilution you made to your equity go?

It does not go back into the company, but to the shareholders.

### So now Ducont is owned by Zylog and your family?

Yes, that's right.

### What's next from Ducont?

I believe that mobility has huge potential. We have achieved significant success in the Gulf. Now we want to replicate our achievements in developing countries like India, Argentina, Chile and Africa, where there are a number of phones, but not enough applications. Our immediate focus now is India. But in the long term, we aim to be a global brand.

### You have enough cash now for these expansion plans?

Yes. After the last time I went for funding in 2002, we have not looked at raising any more money.

### How has this financial crisis affected your business?

In the first quarter, our top line achieved our target for the first five months. This was the result of our diversification last year. In 2005, we started some work in radio-frequency identification, payments and specialised automation. Last year,



**"Today, we are happily running the entire mobile initiative of the Dubai government on our platform, right from the municipality to the Salik."** *Ivan Fernandez*

we also looked at some aspects of technology outsourcing and suddenly saw that with the downtrend, banks were looking to get into technology outsourcing.

Our product business is also 40 per cent higher than the first quarter of last year. We are booking orders from as far as Afghanistan without having to go there.

Yes, we have our own challenges, but our expansion plans have helped us in mitigating the risks that are there in the current market.

### Are you still hiring?

We are not hiring, but we are getting people from Zylog and exchanging teams. We also have similar arrangements with other partners like HCL.

### Do you still get involved in the everyday operations of the company?

No, I don't. I have a CEO who runs sales and a CTO who is in charge of the technical side. The other good thing is that most of my staff has stuck to me from the very beginning.

### What made them stick to you?

I have ensured that they were part of the company's success. Most of my staff also has stock options. I did the same in Synectics. Some of my employees are entrepreneurs in their own right today.

### You do a lot of work in promoting new entrepreneurs?

Yes. I come from a very poor background. My father was a driver and never believed I could ever become an engineer. When I turned 18, he told me to take a heavy driving licence and come to the Gulf, where he was driving in those days.

But I pursued my dream and got a seat in engineering in a government college. It was a tough journey and I could study electronics and communications only because I did not have to pay any fees, which were covered by my scholarship.

I feel that talent should be encouraged. And that's what I do with entrepreneurs. I am involved with TIE. I am also very attached to a western Indian entrepreneurs association for the Canara region.

I believe that obstacles do not matter if you pursue your dreams doggedly. I also believe that success is not just making money. Success is all about reaching the goal that one sets for oneself. If you achieve that goal, money and everything else will come to you.



# How to get the right portfolio

A portfolio plan should be designed around time frames that are longer than a business cycle. **Professor Arindam Banerjee** argues that while balance and diversity are important for a portfolio, overdoing it can lead to problems.

In February 2009, global investment bank Credit Suisse published a comprehensive survey of 17 major global stock exchanges roughly constituting 90 per cent of global market capitalisation. The study, entitled "Global Investment Returns Yearbook 2009", spans the last 109 years and comes with some fascinating findings.

After the current crisis started in late 2007, the global equity markets (represented by the MSCI World Index) lost 55 per cent of their value and declined by one-third in 2008. Major regional domestic markets, namely the Dubai Financial Market, have lost

around 70 per cent of their value in the last year. The Abu Dhabi Securities Exchange has lost half of its index value in the same period. Given the fact that equity as an asset class provides far superior returns compared to all other asset classes and comprises the major share in a typical high net worth portfolio, such findings raise serious concerns about equity investments, at least in the near term. After all, the global economic recovery is not going to be a perfect 'V'.

A typical high net worth portfolio comprises mainly equities, mutual funds, fixed-income securities and alternative

investments (including real assets) in order of preference. The order follows the risks associated with each asset class and the potential returns generated by them. Managing such traditional portfolios has never been as difficult as it is at the present time. The equity markets recently crashed to their all-time lows, while fixed-income securities outperformed equities for the first time. Alternative investments also remain volatile. In such turbulent times, it is critical to understand how one can rebuild one's portfolio and detoxify toxic components that have led to some of the significant capital erosion that we see today.



or overvalued. All these tasks are easier said than done, as these involve both investment skills and remaining loyal to investment discipline even in turbulent times.

### Equity

According to the Wall Street proverb, the time to buy equity is when there's blood in the streets. However, the equity markets presently provide an extremely divided opinion. Some consider the rally a dead cat bounce, meaning it will not recover in the near future, whereas others feel that the worst is over and that the market is readying itself for a new upswing. Since there isn't any school yet that teaches how to time markets, probing into some of the previous bear phases may provide some insights.

Post-1987 crash, the global markets got back to their previous highs after two years. During 1973–74, when the UK markets fell by 73 per cent in real terms, it took eight years for the All-Share Index to reach its previous high. It was not until 1949 that US markets rose to their previous pre-crash highs of 1929 in real, total return terms.

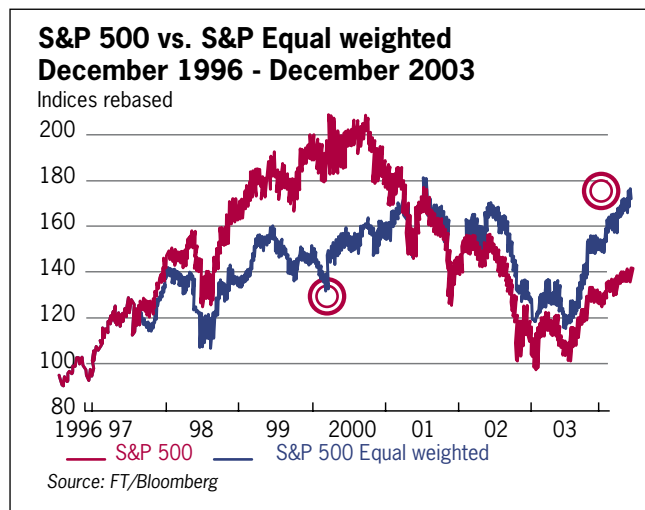
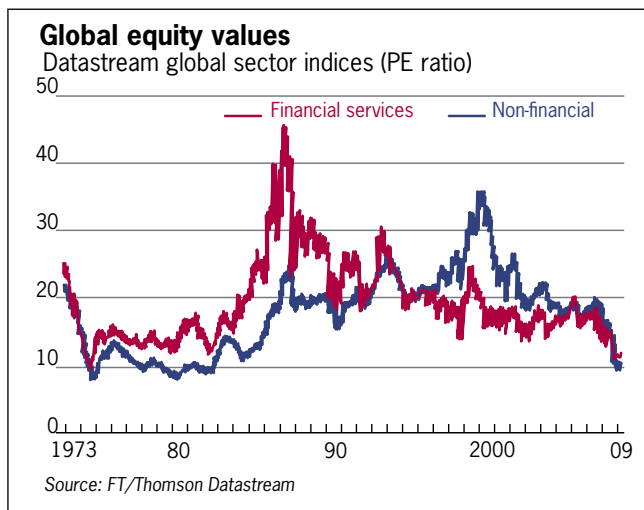
The Japanese markets, after their 1989 high twenty years ago, have since fallen 67 per cent and a recovery is not to be seen. These historical trends provide ample evidence that recovery of global equity markets to their previous levels is not foreseeable in the near future.

The obvious question, of course, is whether the equity markets offer any opportunity now. The answer is yes. The Credit Suisse report mentioned earlier reveals that since 1900, the global markets have generated a positive annualised real return in the range of three to six per cent. So, in the long run, equities are still the preferred avenue.

When markets bottom out, they provide plenty of opportunities for long-term investors to lay hands on stocks that are selling at a discount to their intrinsic value. These stocks are unfairly discounted by markets, rather than by a company's individual performance. The skill in identifying such stocks lies in seeking value. Stocks with sound fundamentals, sound business prospects, sustainable cash flows and low P/E multiples compared to industry P/E, low P/B ratios (stocks trading at a discount simply due to the systematic risk and not due to their performance), low enterprise multiples (EV/EBITDA), consistent records of high yields (your own basket of dogs of the Dow) and strong liquid positions offer good bargains.

One word of caution: all that trades at dirt cheap prices may never recover and may remain penny stocks, so one needs to take a closer look at a company's history and its financials before investing. One should avoid speculating and making quick money. One also needs to remember the old saying: "It is never wise to catch a falling knife."

Managing a portfolio typically involves taking three critical decisions. First, one decides on the long-term asset allocation. Second, one focuses on short- and medium-term deviations from the long-term asset allocations by identifying mispriced asset classes. Third, one looks for securities that are either undervalued





If stocks do offer value investments in recessionary times, the next intriguing question is where to invest and in which markets. Sectors such as healthcare and pharmaceuticals are traditionally considered recession-proof (or at least resilient), whereas utilities and FMCG sectors are considered defensive (sometimes due to comparatively high dividend yields). As such, these sectors provide good bargains during market downturns.

The emerging markets have the potential to rebound much faster than the developed ones, so keeping an eye on China and India may be a good idea. Some of the global picks could be Coca-Cola, Exxon Mobil, McDonald's, Procter & Gamble and Wal-Mart. Asian stocks such as Toyota Motor Corp. and Panasonic Corp. are value picks. By the same definition, DP World, Aramex, Air Arabia, Gulf Navigation and Taqa are value bargains on the domestic front.

If one observes the negative correlation between the dollar and the oil price, as well as the negative long-term sentiments on the dollar as a weakening currency, oil looks likely to close on a high by the end of the year. Holding a few oil stocks should therefore boost portfolio returns.

### Fixed-income securities

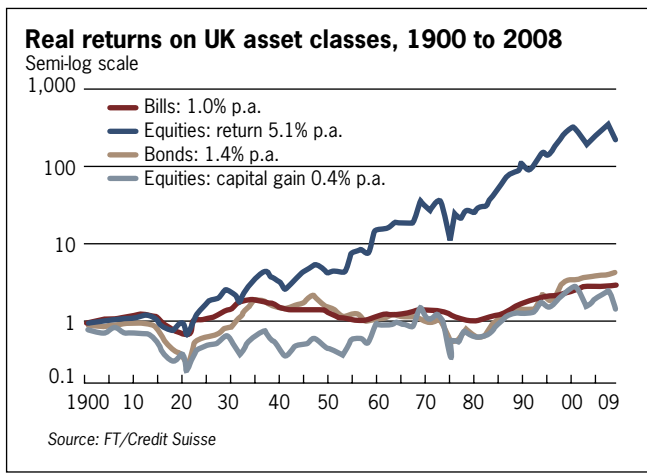
Fixed-income securities add much-needed safety to a portfolio and help capital preservation, which is the need of the hour. Bonds outperformed stocks in 2008 and remain a favoured asset class in these trying times. Plain vanilla bonds offer steady returns in a volatile market. For those seeking adventure, some hybrids can still become an integral part of a portfolio. The top of the list would be principal protected notes that provide capital protection and market-linked returns (if at all any).

Inflation-protected securities are another variant that offer inflation-adjusted capital protection. Treasury inflation protected securities are the most popular in this category. The only drawback with these securities is the lower coupon payments they offer. Emerging markets such as India even offer capital protection mutual funds that provide similar benefits to a retail investor. In essence, during a recession, credit risk increases. As such, fixed-income securities become an important asset class, thanks in many cases to their sovereign backing.

### Gold still a hot commodity

In the alternative asset class, everyone is upbeat about gold and there is every rational reason to be so. Historically, gold has proven to be the only asset class that has provided a significant hedge against inflation. In the present context, gold continues to rise, mainly due to fundamental factors that make it more attractive. The advent of gold ETFs and gold futures has made investment more accessible to the small investor. But is this the right time to buy gold? Yes. The supply of gold has not increased in recent times, while demand keeps on rising. The 2009 World Gold Council Report indicates that the Americans, Canadians, Swiss and Chinese are buying a lot more. Furthermore, not much is heard on new explorations.

Hedge funds are among the other alternatives. If not totally dead, hedge funds are seeking a breather in the intensive care unit. For now, let's not consider it a serious portfolio candidate. Private equity



exits have become a near impossibility these days because of the sudden fall in market valuation, but recessionary times provide good vintage years for new ventures. If one finds exciting ideas with great business potential at a discounted value (mainly due to the market conditions), investing in them would not be a bad idea.

Real estate investing is simply based on demand supply logic. But it will be mere foolishness to buy another Manhattan in Dubai. In other words, investment in real estate with the Dubai model in the backdrop would only make us lose money at the end of the day.

### Balance is important

We all admit that market bottoms cannot be predicted, so it is important to remain firm to an investment strategy. Equities are a volatile asset class. One has to realise that the probability of losing money is equal to the probability of gaining from the strategy. However, regular investment in a diversified portfolio helps in building wealth over time. Adding safety to a portfolio through purchasing bonds helps in capital preservation.

On the commodities front, we can all foresee prices of tangible commodities rising in their value, resulting from a fall in the US dollar value as predicted by global economists like Nouriel Roubini and George Soros. This circumstance works in favour of oil and gold. It is also necessary to keep a component of cash as contingency, but one should not allocate too much cash in the portfolio just going by the market sentiment "cash is king".

Finally, one should not simply churn the portfolio because of a downturn, recession or stock market hitting an all-time low, assuming that the bottom has arrived. A portfolio plan should be designed around time frames that are longer than a business cycle. It should be designed around the basic strategy based on balance and diversity, strictly following the investment discipline. Having a well-diversified portfolio is always advisable, but one should focus on numbers. As Warren Buffett observes: "If you have a harem of 40 women, you never get to know any of them very well." It simply becomes unmanageable.

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# Batting for liquidity risk management

It is important for banks to demonstrate an enhanced ability to distinguish different risk profiles, balance risk appetite and capacity. **Zaid Kamhawi** emphasises the importance of a credit bureau and data pooling for managing liquidity risk efficiently.

The global financial meltdown has escalated a specific kind of financial risk among the banking industry: liquidity risk. This risk arises from the difference in payment maturities. In other words, banks typically accept deposits that can be withdrawn at any time, while they may lend money to borrowers for longer tenors. This nature of a bank's lending business is likely to lead to a mismatch between assets (loans) and liabilities (funding), resulting in liquidity risk.

Typically, banks mitigate and manage risk by relying on tools available via the financial infrastructure of a country, whether it is interbank lending networks, payment networks or laws and regulations. The current financial crisis has, however, significantly highlighted the need for setting the right infrastructure into place. A robust information sharing network made available by credit bureaus is one such element and represents an integral part of the financial system infrastructure of countries.

The objective of credit bureaus is to facilitate the flow of credit information and enhance risk management practices at financial institutions. They play an important role in allowing banks to better manage and control asset repayments that help better assess a borrower's capability and improve the overall accuracy of decision-making.

Credit bureaus can greatly support banks in managing liquidity risk, in addition to helping them manage credit risk. Banks are conscious of the fact that the ideal way to control liquidity risk is by better managing repayments, defaults and collection of funds. This correlation between credit risk management and liquidity risk management

is twofold. The first is on the liability side and the second is on the asset side of a bank's balance sheet.

## The asset side

The current crisis has resulted in banks facing deteriorating loan portfolios as a result of a steep decline in the real estate market, job losses and the general slowdown in the economy. Banks manage credit risk based on certain assumptions made on the ability of borrowers to repay their loans. Any sudden change to these assumptions triggers a mismatch between the expected time of repayment and the actual time of repayment, putting serious strains on a bank's expected cash flow.

Funds from loan repayments represent one of the main sources of cash inflows for banks. This dependency has called on banks to predict more accurately the probability of repayment from potential and existing customers in order to control the risk associated with late payments or defaults. Controlling credit risk and improving the management of lending requires high degrees of accuracy in underwriting decisions. Such accuracy is only possible by relying on comprehensive and accurate credit information that could help determine the exact risk profile, creditworthiness and repayment probability of a potential borrower.

In early 2008, the UAE continued to experience a huge inflow of hot money into its banks on the back of speculation that the UAE dirham was to be de-pegged from the dollar. Unable to distinguish such speculative deposits from regular deposits, several banks continued to lend without assessing the inherent risk, partly due to the abundance of liquidity

that dissolved any urgent need to focus on matching maturities in the short term. In the second half of 2008, this speculative hot money suddenly began to be withdrawn out of the region as the revaluation possibility became remote. This change resulted in a situation where bank loans exceeded deposits.

The prevalent loan-to-deposit ratio has forced banks to curtail further lending until ratios stabilise. However, banks are fully aware that before even considering extending further credit, they need to size up their current loan portfolios to determine the status of current expected inflows. By monitoring how current customers will perform on their loans, banks can make their cash flow projections more accurately and realign their projections, budgets and strategic plans based on market realities.

To combat the challenges faced by banks from liquidity shortages, the UAE government introduced two support packages totalling AED120 billion. The Dubai government's US\$20 billion bond issue was another positive step in that direction. The need for such injections emphasises the scarcity of liquidity and adds additional pressure on banks to be prudent in managing their lending practices when



dispersing such funds back into the system going forward, highlighting the growing need for tools that can help banks determine and maintain the quality of lending.

### The liability side

When it comes to funding their liquidity needs, banks tap into a portfolio of sources including deposits, interbank loans, bonds, commercial papers and securitisation. In the normal course of business, they have to carefully balance the portfolio of funding sources to avoid liquidity drying up as a result of isolated events. Each one of these funding sources is, in fact, a loan to the bank, provided by different market participants. Like any other lending transaction, the loan is granted based on certain assumptions made on the ability of the bank to repay the loan.

Similar to any assessment process, a particular bank's decision to lend is built upon comprehensive and accurate information about the bank's risk exposure, in order to establish an element of trust. This trust is a by-product of the amount of information provided by the bank on its current operation and its overall level of transparency. In reality, the lack of liquidity witnessed recently in the global marketplace was a consequence

driven primarily by the lack of trust and transparency in the market and a general lack of understanding of the risks taken by banks.


It is important for banks to demonstrate an enhanced ability to discriminate different risk profiles, balance risk appetite and capacity. By being able to measure the total risk on their books through ratings and others such as Probability of Default and Loss Given Default promulgated by Basel II, banks can significantly improve their risk reporting capabilities and deliver a higher degree of transparency. In turn, banks will have easier and cheaper access to any of the portfolio sources they rely on.

A more-informed risk management approach, backed by credit information services, will have a positive impact on the quality of banks' loan books and their risk transparency levels. This approach will also be beneficial in improving banks' international ratings and reducing the direct cost of funds, enabling them to run a liquidity buffer without facing significant competitive disadvantages.

### Banks must return to lending

Banks are in the business of lending money, and credit is the engine of

economic growth. It is necessary for banks to engage in steady growth through prudent lending supported by information analytics provided by credit bureaus. Through an in-depth perspective on their customers' risk profiles, banks are empowered to make more prudent and profitable lending decisions.

If banks are able to manage a healthy credit expansion and credit risk strategy, better assessed through more comprehensive risk assessment tools and services, they will be able to strengthen customer confidence in the banking system and reduce the likelihood of defaults and added provisions. By upgrading their internal polices and embedding insights received from pooled data into each and every critical business decision, banks can be more effective in matching their assets with their future liabilities and also be better protected from liquidity shocks in the future. 

*The writer is the chief business officer at Emcredit.*

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# Nakilat a long-term safe play

As the use of liquefied natural gas is only going to increase, Nakilat looks like a solid long-term bet, notes **Kelly Yanjuan Huang**.

**E**stablished in 2004, the Qatar Gas Transport Company, commonly referred to as Nakilat (meaning “transport” in Arabic), is a Liquefied Natural Gas (LNG) transportation company. It is 50 per cent owned by prominent founding shareholders in Qatar including Qatar Petroleum, Qatar Shipping Company and Qatar Navigation.

Since its inception, the company’s mission has been to transport LNG produced from Qatar’s North Field, the world’s largest non-associated gas field, to major global gas consuming markets. Nakilat is now building a large fleet of vessels.

## Abundant natural gas reserves

Qatar has rich hydrocarbon resources. Its North Field, which has approximately 900 trillion cubic feet of proven natural

gas reserves and 23 billion barrels of condensate reserves, is the world’s largest non-associated gas field. According to BP statistics, Qatar accounts for 14 per cent of the world’s total natural gas reserves.

As of 2006, Qatar had seven LNG trains under operation. Its 2008 LNG production was 35 million tonnes per annum. This number is expected to more than double when all 14 gas trains start to operate

by 2012. The Qatari government is fully committed to the gas development strategy and plans to invest a total of US\$69.3 billion between 2006 and 2010, which is almost the same size as Qatar’s 2007 nominal GDP (US\$70.1 billion). Revenue derived through sales of LNG is expected to account for approximately 30 per cent of Qatar’s GDP by 2010.

## Promising future use of LNG

As natural gas burns more cleanly than other fossil fuels (such as oil and coal) and produces less carbon dioxide per unit energy released, it has always been regarded as clean energy and has a brighter future use. LNG is a natural gas that has been cooled down to its liquid state (approximately -256 degrees Fahrenheit) and is a colourless, odorless, non-corrosive and non-toxic energy

Natural gas reserve by country		
Country	Natural gas reserve (trillions of cubic feet)	Percentage of World reserve
Russia	1,576.8	25.2
Iran	981.7	15.7
Qatar	904.1	14.4
KSA	253.0	4.0
UAE	215.1	3.4

Source: EIA, BP

source. In liquid form, it is approximately 610 times more compact than its gaseous equivalent, making long distance transportation feasible.

### Nakilat's unique position

Unlike some of its global peers as independent LNG shipping companies, Nakilat is an essential part of Qatar's integrated LNG strategy, providing a vital link that connects the upstream activities with gas consuming markets all over the world. All of its vessels are chartered to the state-owned upstream companies RasGas and QatarGas.

### State-of-the-art vessels

From a fleet of 12 vessels at the end of 2007, Nakilat is expected to own a total of 54 vessels by mid-2010. So far, 42 vessels have been delivered to their charterers. The vessels Nakilat owns can be divided into two kinds: joint ventures and fully-owned ships.

Nakilat has ownership in joint-venture vessels ranging from 20 per cent to 60 per cent and operates these vessels through its partners, including some big industry names such as MOL, OSG, NYK Line and Teekay Shipping. The wholly-owned vessels are all state-of-the-art. They are larger-sized LNG vessels (commonly called Q-Flex and Q-Max), which deploy cutting-edge technology not typically available in more conventionally-sized vessels. Economies of scale achieved in these new vessels allow them to save transport costs by around 30 per cent.

### Contractual strategy

Nakilat has signed 25-year time-charter contracts for all of its vessels and has the potential to renew for another five years when the contracts expire.

Qatar natural gas development project					
Development	RasGas2	RasGas3	QatarGas1	QatarGas3	QatarGas4
Start up	2004-2006	2008-2009	2008	2009	2010
Sponsors	QP	QP	QP	QP	QP
Trains/Total size	ExxonMobil 3/14.1mta	ExxonMobil 2/15.6mta	ExxonMobil 2/15.6mta	ConocoPhillips 1/7.8mta	Shell 1/7.8mta
Source: Nakilat, QatarGas, RasGas					

Simultaneously, it has entered into fixed-price shipbuilding contracts for each of its vessels. The back-to-back contracts signed enable Nakilat to achieve a high degree of revenue cost match and minimise the exposure to global shipping rate volatility.

### Contract with Shell

As a newly-formed company with little operating experience in the shipping industry, Nakilat will initially rely on its strategic partners to assist in operating and managing the LNG vessels. The management contracts have been awarded to Shell International Trading and Shipping Company (STASCO) for an initial period of approximately 25 years. STASCO is a global leader in LNG shipping and has a 40-year track record in the LNG shipping business without any major incident.

### Financing plan

LNG shipping is a capital-intensive industry. The construction cost for a modern Q-flex/Q-Max vessel varies from US\$230 million to US\$280 million, depending on the vessel size. The total financing requirement for Nakilat's 25 fully-owned vessels is around US\$7.5 billion. The first phase was a US\$2.2 billion financing facility arranged in December 2006, while the second phase was a US\$1.5 billion facility agreed upon in July 2008. The recent US\$940 million facility will be the third phase of financing,

and news indicates that it has been oversubscribed.

In 2008, rating agency Standard & Poors reaffirmed the company's long-term senior debt credit rating of A+ with a stable outlook.

### Investment opportunities

Nakilat is the only listed equity on the Doha Stock Exchange through which one can directly invest in the Qatar LNG value-chain. In our view, it is a long-term safe bet on the Qatar gas story. The company's business model is sound, with long-term, back-to-back vessels contracts signed to ensure the high visibility of future income.

Even though the company's operating history is short, Nakilat is able to leverage industry resources by awarding vessel management contracts to Shell. All the vessels delivered so far have been on schedule. The company is also expected to own 54 LNG vessels by mid-2010, making it one of the largest LNG ship owners in the world.

The company's growth prospects are not limited to the LNG shipping segment. Nakilat plans to build a ship repair yard in Ras Laffan to service LNG and other large ships. The yard also plans to undertake shipbuilding in the future. However, as Nakilat's financial performance completely relies on the ability of its charterers to successfully produce and market LNG, it is subject to a number of risk factors such as global gas demand/supply dynamics, hydrocarbon products prices and both upstream and downstream construction delays.



The writer is an analyst with National Bank of Abu Dhabi's asset management group.

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# GCC, Regional and World Benchmarks - Conventional

As of June 15, 2009

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

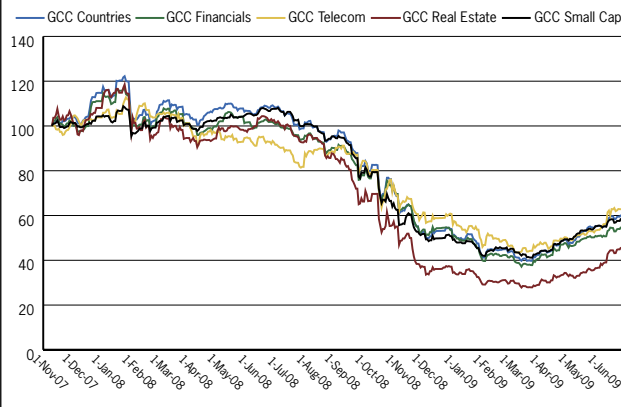
MSCI data on these pages have been selected to show comparative returns in the GCC for the financial/telecoms and real estate sectors against the overall GCC countries index.

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.

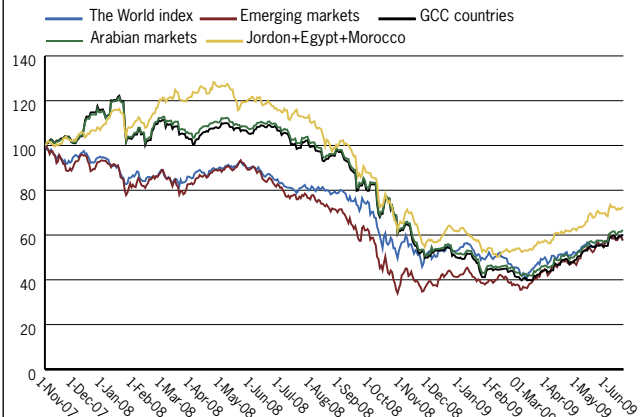
## GCC: Comparative Returns

Comparative returns for four MSCI GCC indices  
(Period: October 31, 2007 to June 15, 2009, rebased to 100)



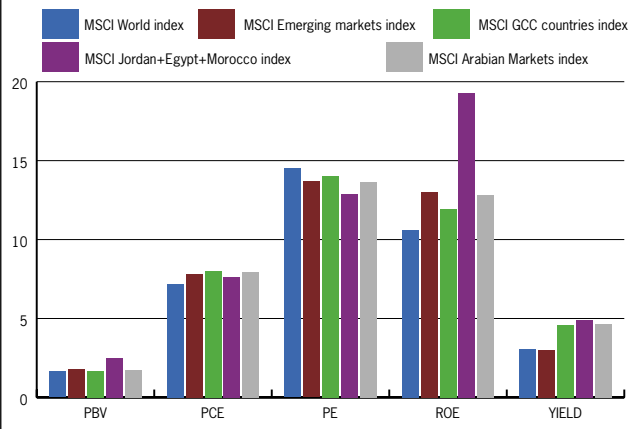
## WORLD: Comparative Returns

Comparative returns for five MSCI indices  
(Period: October 31, 2007 to June 15, 2009 rebased to 100 on October 31, 2007)



## Valuation Ratios

November month-end valuation ratios  
(Five MSCI indices PBV, PCE, PE, ROE and YIELD)



## Performance Values

QTD, MTD, YTD performance in US\$  
(Eight indices as of June 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
MSCI Arabian Markets Index	7.980	44.262	21.197
MSCI Emerging Markets Index	-0.412	54.202	35.781
MSCI GCC Countries Index	9.242	46.400	22.196
MSCI GCC Financials Index	8.207	41.476	12.608
MSCI GCC Real Estate Index	17.313	54.441	35.243
MSCI GCC Telecom Services Index	11.609	44.550	17.042
MSCI Jordan+ Egypt +Morocco Index	6.313	34.440	15.006
MSCI World Index	-0.156	28.984	5.245

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# GCC, Regional and World Benchmarks - Islamic

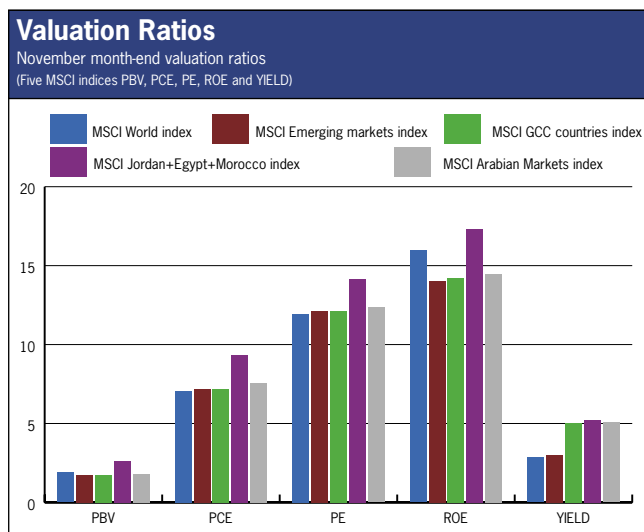
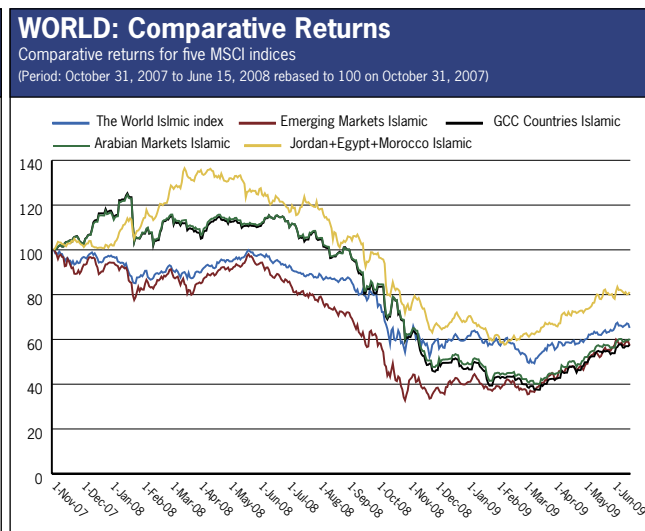
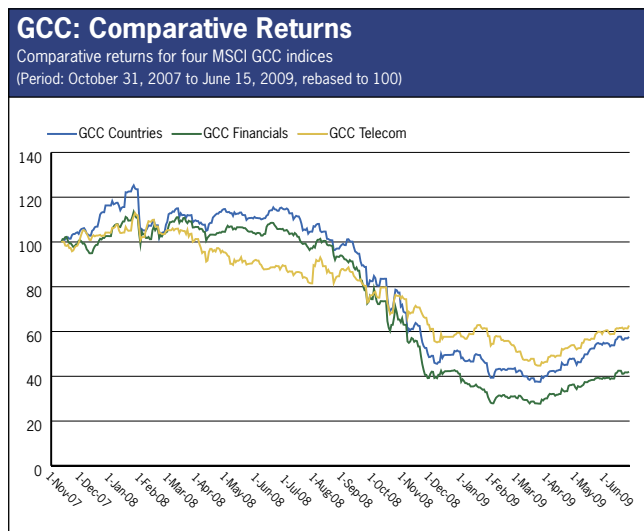
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### Performance Values

QTD, MTD, YTD performance in US\$  
(Eight indices as of June 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
MSCI Arabian Markets Islamic Index	7.010	42.496	23.091
MSCI Emerging Markets Islamic Index	-0.430	53.900	39.679
MSCI GCC Countries Islamic Index	7.07	44.135	23.704
MSCI GCC Islamic Financials Index	7.848	43.018	18.562
MSCI GCC Islamic Telecom Services Index	6.388	32.343	6.534
MSCI Jordan+ Egypt +Morocco Islamic Index	3.872	29.336	15.244
MSCI World Islamic Index	-0.126	24.153	5.614

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# Scars of the financial crisis

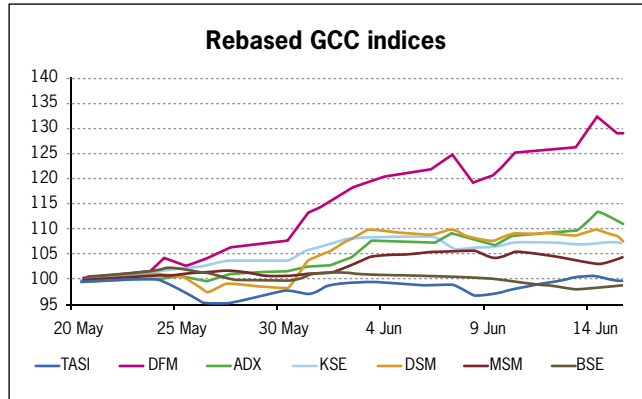
The global financial and economic downturn has finally caught up with some of the GCC's well-known businesses. **Snehdeep Fulzele** hopes that financial distress will not become a trend going forward.

Every crisis hides an opportunity. In today's world, it is also true that every crisis brings out many bankruptcies and also some major scandals. Until now, the GCC region had shown no great signs of distress from the tornado that hit financial markets all over the world. Now that the world economy is slowly inching out of depressing numbers, the GCC is slowly revealing its bruises.

Two big families from Saudi Arabia, Maan Al-Sanea (Saad Group) and Algosaiabi, suffered heavy financial casualties from tightened credit and declining asset prices, which paralysed debt repayment plans of their group entities. Early last month, the Saudi central bank froze the bank accounts of Al Sanea, one of the Kingdom's most powerful tycoons with interests in finance and construction. Sanea, who ranked number 62 on Forbes Magazine's billionaires list in March with a fortune estimated at US\$7 billion, has made large investments in international financial institutions including HSBC, Citigroup and the Bank of China. Algosaiabi, on the other hand, is a well-established Saudi group. The debt difficulties first came to light last month when The International Banking Corporation, a Bahrain-based affiliate of Saudi Arabia's AH Algosaiabi & Brothers, was unable to meet payments on its debt.

Reeling under a commodity prices crash and sandwiched between deteriorating financial assets, many investors have suffered the pain of moving from riches to rags. Terrifying tales of daily losses were just behind us when this news hit GCC bankers. Both the aforementioned groups have substantial borrowings from regional banks. Surprisingly, stock markets have taken the news stoically.

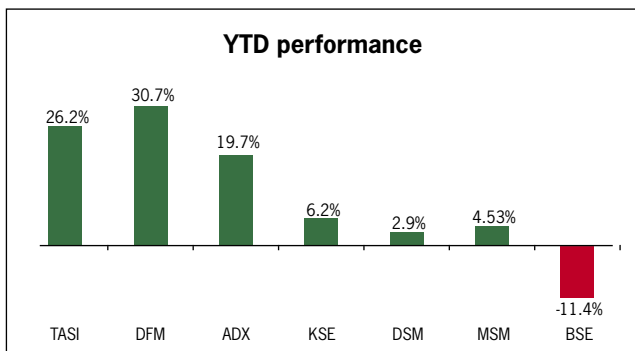
Most regional markets have maintained a sideways movement in the period from May 20 to the present. However, the Dubai Financial Market has suddenly moved up with almost a 30 per cent spurt over the period. Coming in the backdrop of the UAE government's decision to withdraw from the GCC Monetary Union over not getting to host the headquarters, this rally is remarkable and shows pent-up demand for stocks. Going forward, worries over impact from struggling big businesses in the GCC and damaged sentiments in UAE real estate are unlikely to support buying.



Kuwait, Oman and the UAE have so far acknowledged that the lending of local banks to Saad Group and Ahmad Hamad Al Gosaibi & Brothers Company is a worry. Let us also not forget the problems at Global Investment House and Investment Dar in Kuwait. Both companies are trying to reschedule debt and tide over difficult times. In yet another sign of trouble, Gulf International Bank in Bahrain laid off 59 employees towards the end of May, and there is talk of more retrenchments to follow. The GCC has a large population of expatriates. A recent survey shows that more than half of the expatriates staying in the UAE and Bahrain have serious concerns over jobs.

Such developments erode the confidence of the masses, and the immediate reaction of consumers is to save for the rainy day. This reaction further hampers quick recovery and instead pulls economies into a cycle of deflation. The Saudi Arabian Monetary Agency cut the reverse repo rate that it pays to banks on their deposits with it. On June 13, in a major move, Saudi Arabia launched a bonds market.

So far, the financial distress in the GCC has been limited to a few groups and has not become a trend. But given the secrecy shrouding the troubles, it would not be a surprise if such skeletons kept falling out of the cupboards at regular intervals. One can only hope that banks do not become more risk-averse and the measures taken by various central banks lead to more lending, spurring economic activity. There are also worries over swine flu. Few cases have been detected in the region. On the other hand, oil has steadied at around US\$70 per barrel. This is predominantly bearish news in a sideways market. Investors would do well to once again exercise caution, especially since second quarter results are around the corner.



The writer is head of research at FALCOM Financial Services in Saudi Arabia.

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# No more lunching for free

It is time to pay the bill for the costs that governments incurred while rescuing global economies from the economic and financial downturn, notes **Sachin Patki**.

**W**e have seen some unprecedented moves by central banks around the globe to shore up their economies, with some dipping into reserves and others just printing more money. With recent data in some economies showing that consumers are more resilient than expected and that the economy may have made a turn for the better, it is now time to face the bill for the costs.

For many overextended budgets, the moves may cost a lot in terms of increased costs of borrowing, which taxpayers will have to bear over a long period of time. These costs may come in the form of lower spending in key areas like medical insurance, unemployment benefits, education and infrastructure.

The US corporate news has seen some large institutions like General Motors and Chrysler file for bankruptcy, which will have a short-term impact on unemployment that may get mitigated by temporary summer employment. But the numbers are likely to continue to rise into the fourth quarter of this year. The consumer confidence index rose from its lows of 23 in February 2009 to around 54.90 in May 2009, an indication that consumers feel that the economy will get better sooner rather than later.

This change will have a huge impact on the GDP, as around two-thirds of the GDP in the US is based on consumer spending. A positive flip in consumer spending will have a pivotal impact on the economy.

At the moment, inflation continues to be low. It will begin to get higher, though, given the low interest rate environment in the US. The rise in medium-term and long-term yields indicates that the market is pricing in this impact, with the US Treasury having no other option but to continue to borrow further to fund the budget and trade deficits.

The recent meeting of the G-8 officials (ahead of the big meet scheduled in L'Aquila, Italy from July 8-10) saw reluctance by the Eurozone bankers to undertake stress tests of their balance sheets in their regions, as they feared further negative impact on prospects of recovery. It is suspected that many institutions continue to carry hidden overvalued assets on their balance sheets along with bad debts in the region that could cost up to EUR750 billion.

This speculation has seen the euro give up some of its recent gains and correct lower from 1.4250 towards 1.3800 and 1.3635, with clear support only in the region of 1.3110. A break of this level would yield the older range of 1.2200-1.2890, while a reversal from the support at 1.3110 indicates some buying interest and a potential to recover up to 1.3800.

The sterling has been gaining on the back of a defensive US dollar, but its economic fundamentals do not support the sharp rally from 1.4000 to 1.6470. The rise in US bond swaps puts

the sterling interest rates into a more defensive mode, and for the rest of the year, the sterling may get supported partly from long sterling/short euro positions.

Economic figures for the UK are still abysmal and consumer confidence levels are still at very low levels. Inflation is also still too high and may climb even higher. The Bank of England may make a move on its easier monetary policy as economic conditions improve, though the longer-term cost of funding will continue to rise to accommodate higher inflation now built into the financial corporate model in the UK.

The sterling looks to hold the upside near 1.6570/1.6635 as it tests the downside near 1.6050, 1.5870, 1.5580, 1.5365 and 1.5300. A clear break of 1.6570 would yield a richer range of 1.7330-1.6400 for the near term. The sterling/euro cross looks very well bid as it breaks the near-term resistance of 1.1750 and rallies higher to 1.2010, 1.2320, 1.2435 and 1.2640. Support is at 1.1340, 1.1000, 1.0870, 1.0655 and 1.0580.

The Bank of Japan has maintained its status quo as expected on monetary policy as the economy shows few signs of recovery. It continues to use such measures as buy-back of treasuries and funding of corporations, but in recent weeks, we have not seen too many takers for these funds. The key factor for the Japanese economy is that its overseas export markets are still facing low demand and need to recover enough to provide business to the export-based industries. The yen continues to be directionless, partly due to the global low interest environment, which otherwise uses the low cost yen funding channel, usually known as a carry trade. The recent break above 96.80 seems to have been reversed with a break of the same in a move to 96.25, 95.65 and 93.40.

The recovery in prices of some of the commodities has indicated that price pressures are going to build up as the global recovery builds up momentum. These prices are reflective of the supply demand dynamics, the spare capacity, the lead time to upstream changes to production for soft commodities and the demand for some key items like gasoline, which will impact the pace of the economic recovery.

This rally will benefit the economies of the countries that export these commodities, while the importing countries will get interest rate pressure from imported inflation and defensive currencies. Either way, we are going to see some periods of relief, as the key economies around the world are on the mend. We may see some with positive GDP growth in the month-on-month periods.

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

Views expressed are the author's and not necessarily those of Mashreq. Data and comments are as of June 16, 2009.

# Markets stage a comeback

The performance of emerging markets has been impressive in recent weeks. **Stefan Hofer** explains the positive performance as a reaction to the severe sell-offs seen last year.

The strength of the emerging market equity rally has been such that investors should be prepared for a consolidation phase ahead. To a large extent, the asset class is living up to its “high beta” reputation by outperforming developed world stocks in a rally, just as emerging markets under-performed during the equity sell-off last year. But there are other factors to consider as well, such as investor flows, macroeconomic outlook, corporate earnings trends and valuation.

Looking across emerging markets, equity performance year-to-date (up to June 10) reveals an impressive array of results. Russian equities have nearly doubled since their February lows. Brazil, China (H-shares) and Taiwan have generated over 35 per cent returns since January, while Indian stocks are up 65 per cent. The Korean market, having risen only 27 per cent year-to-date, is an under-performer in an emerging context, but is still substantially ahead of the developed world average return of eight per cent for 2009.

Similar strength can be seen in other emerging market assets. For example, the South African rand and the Brazilian real have surged 16 per cent against the US dollar, while the Mexican peso and the

Turkish lira have regained the ground lost in the first quarter. In terms of emerging market bonds, total returns for hard currency sovereign debt (as measured by the JP Morgan EMBI Index) are 13 per cent year-to-date.

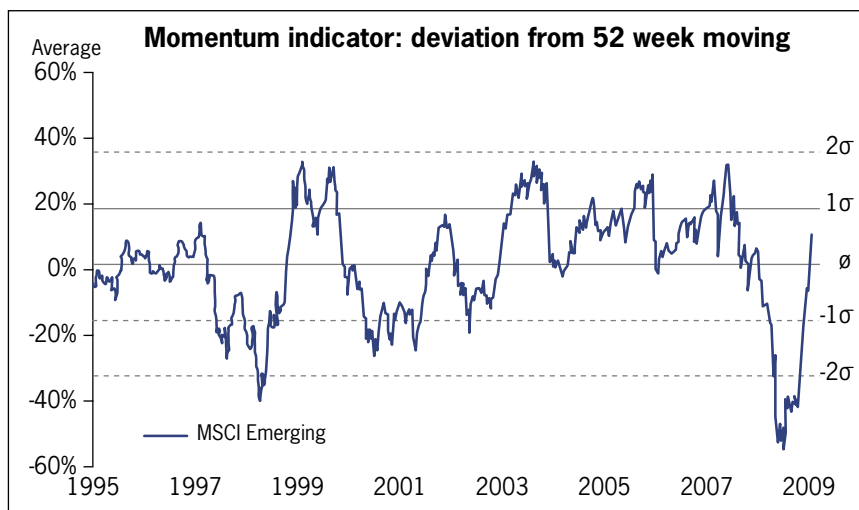
To some extent, the positive performance is a reaction to the severe sell-offs seen last year. Momentum indicators, which measure how fast a stock changes in price, gave strong signals in late 2008 that emerging markets were overdue for a recovery. At the same time, according to fund flow data, investors had exited emerging markets in favour of lower risk assets over the course of last year. As risk aversion has begun to normalise and investor confidence has picked up, money has moved back into the asset class, reviving demand for stocks.

In terms of earnings, data suggests that for emerging markets overall, the fall in reported company profits may soon abate. There are tentative signals that the earnings decline in Emerging Asia has hit bottom, whereas Emerging Europe has yet to show a recovery in trailing profits. Latin America is in between, with slight signals of improvement. It is interesting to note that Russian equities, in aggregate,

have not reported a rebound in earnings, and yet the stock market has been among the best performers. Indeed, forecasts of future profitability are lacklustre. What this situation may reinforce is the idea that the emerging markets rally has been driven largely by a normalisation away from deeply oversold levels, as opposed to a fundamental improvement in more traditional factors such as earnings outlook. This is in line with the outcome that Russia, which has seen a very sharp deterioration in its growth outlook, has paradoxically also shown some of the strongest equity performance.

Emerging Asia is showing the strongest marginal improvements in economic news flow. The rebounding industrial production numbers in China, South Korea and Taiwan have most recently illustrated this. Brazil, too, has surprised on the positive side, most notably because of the first quarter GDP release that now suggests that the recession there has ended up being much shorter than feared at first. Emerging Europe, on the other hand, is showing continued strains, as evidenced by the concerns of a Latvian devaluation and the risk of substantial non-performing loans in Russia.

With this in mind, investors should take the current optimism supporting emerging markets with some caution. While positive factors clearly exist, the cyclical challenges facing most emerging markets have not disappeared. Namely, final demand for emerging market exports in the developed world remains very weak. Risk aversion has abated, but remains at elevated levels. It seems prudent to consider that, for the most part, investors are at the tail end of a financial crisis that has begun to show signs of containment – hardly a moment to declare that heightened systemic risks are a distant memory.



The writer is a research analyst at Bank Julius Baer.

# Global equities worth a look

Market sentiment has swung considerably since the darkest days of early March. There is a definite argument in favour of equities at this point, notes **Peter Hensman**.

The change in market thinking has been such that the prospect of a US interest rate increase was priced into the Fed funds futures market for the tail end of 2009. In equity markets, sentiment is stuck between the irreconcilable concerns that monetary policy might be tightened, while there are few genuine signs that the underlying economy has done anything other than stop declining as rapidly as it had been. Given that the rate of contraction in activity was possibly the fastest since the Great Depression, it is hardly a noteworthy achievement to have succeeded in slowing the rate of descent.

There has been some continuation of the improvements in economic data from earlier this year. In the US, the manufacturing sector survey from the Institute of Supply Management for May rose to a level consistent with positive growth, the highest level on this index since December 2007. Similar surveys in economies such as China and India suggest that rather than having simply managed to return to sluggish growth, these countries are expanding robustly.

Yet, most data remain patchy at best. The health of the US employment market, as reflected in the non-farm payroll data, is questionable. It was the release of the employment figures for May that was the immediate catalyst for the bond market moving to price in the prospect of interest rate increases before the end of 2009. The data were, however, anything but strong. The report showed that "only" 345,000 jobs were lost in May. This figure was lower than the consensus expectation of 520,000 redundancies and the average decline in employment of 640,000 in the prior six months, but was still worse than the 325,000 peak for job losses in 2001. Furthermore, this low point in the 2001 downturn came in the uncertain backdrop of the October following 9/11 attacks.

This less-than-impressive improvement

in economic data is evident across most sectors and economies. German factory orders rose 3.7 per cent in March and April combined, following a near 40 per cent decline in the preceding six months. As with the US employment data, this is hardly evidence of a significant upturn in fortunes. Chinese data offer some indication of a greater improvement, as domestic investment spending continues to grow rapidly. Fixed asset urban investment is reported to have increased 33 per cent year on year in the year to May, the strongest in five years, and many cite the sharp acceleration in bank lending as an indication of how successfully the Chinese approach enables the authorities to have much greater control over the rate of expansion.


Yet, even in China, the case that the economy has resumed its past growth path is not clear. Electricity production in the year to May reportedly declined by three per cent. This decline may indicate a shift in the sectors that are leading economic activity away from those that are more power intensive. It equally raises some doubts about the quality of other real economy data. Certainly, the evidence of the squeeze on China from the external environment is evident in the trade numbers that show that the value of Chinese exports fell 26 per cent in the 12 months to May.

What is clear is that market conditions have improved. Even the high-yield bond market in Europe, which was lagging behind other markets, has seen issuance return. Rights issues have almost become commonplace in the equity markets. Not all are aimed at balance sheet repair; some are now raising cash on a speculative basis to take advantage of acquisition opportunities/distressed asset prices that have arisen during the earlier market turmoil. One example of the turn in sentiment is the unexpectedly convincing election result for

the Congress Party in India, which is likely to set in train a raft of IPOs and fundraisings as companies take advantage of market conditions and the enthusiasm of investors for a strong fundamental investment story.

This leaves open the question of what is next for markets that appear to have run well ahead of any improvement in economic data, especially as the divergence in performance between the more economically sensitive sectors and those that typically produce more stable earnings has been even more exaggerated than the rise in the broader indexes suggests.

Certainly, the strength and rapidity of the rally leaves some scope for a setback in markets. However, given that much of the worst of the market travails was the result of illiquid conditions and that the authorities are clearly more cognisant of the risk of liquidity deteriorating once again, a quick return to the lows from the early part of the year seems unlikely. Equally, the rise in US long bond yields is now reaching the point where mortgage rates are being forced higher, threatening to undermine the tentative signs of stabilisation in the housing market.

In addition, the June/July period is likely to show some very weak CPI-measured inflation figures, based on the y-o-y comparison to the peak of the oil price in 2008 and the general absence of pricing power that emerges when labour markets are weak. The prospect of some further policy easing in the US, on the grounds that there remains a significant deflation threat and that the policy could be targeted to underpin the housing market, seems real. With equity valuations still reasonable even after the recent rally and the authorities likely to respond swiftly to any significant threat to continued market/economic improvement, the risk reward balance for equities still looks favourable. 

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# Commodities looking up

Commodities are moving up as imports increase and trade activities pick up. **An MF Global report.**

**A**cross the globe, equity markets continue to do well as the general consensus that the global economic recession may have hit the bottom builds up. This has, of course, slowly improved the view of the demand prospects of commodities, base metals and energy.

Base metals were up first. A surge has been apparent in the prices of some components of the base metals complex, such as copper. In some other cases like aluminium, it has confounded market players.

Bellwether copper's price (LME three-month forwards) has gained over 11 per cent to US\$4980/tonne, supported by a



gradual draw down in warehouse stocks, as well as China's continued record high imports. China's imports in May were up 5.7 per cent on month to 422,666 tonnes, setting a new high for the fourth consecutive time.

Nickel has jumped 21 per cent over the month to US\$15,100/tonne. China's nickel imports increased 16 per cent in the January-April period to 53,535 tonnes. Reports indicate that Chinese

steel makers are now operating at over 90 per cent of their production capacity, a development that could further improve nickel imports. Nearly 61 per cent of global nickel output is used in the production of stainless steel. But there are concerns as well, and a sharp uptrend in prices could lead to more nickel pig iron producers starting their operations in China. Nickel pig iron is a cheaper substitute to nickel.

Lead (mainly used in car batteries) has gained nearly 11 per cent on month to around US\$1650/tonne on hopes of increased consumption from China, where automobile sales have seen a sharp increase. There are expectations of increased lead imports, as auto demand is expected to climb in China in the summer. A cutback in the output of zinc has also impacted the availability of lead.

Zinc has ended firm, largely tracking other base metals and gaining five per cent to US\$1569/tonne. The view on Chinese zinc imports remains sluggish owing to an oversupply of sulfuric acid there. Sulfuric acid is formed as a by-product in refining metals, particularly zinc. Although there have been production cuts for zinc in China as well, the supplies of sulfuric acid have shot up due to cheaper import prices.

Tin has gained 12 per cent to US\$15,375/tonne. It has been getting support on expectations of declining stocks in China. Tin is expected to be limited, as exports from the world's largest exporter, Indonesia, shot up sharply in May (rising 62 per cent to 9873 tonnes) after dropping 45 per cent in April.

It is aluminium that has baffled the market players. Aluminium stocks continue to remain at record highs at LME warehouse stocks. Aluminium has

risen by six per cent to US\$1610/tonne over the month. Some attribute this rise to higher crude oil required in the processing of this energy intensive metal, as well as the transportation cost of bauxite. Reserves of bauxite, a chief source of aluminium, are concentrated in Latin America, Australia and Africa, although the users lie in Asian, European and North American countries. A rally in dry freight rates (as global trade starts to pick up pace) and higher crude oil prices could result in higher shipping costs. Another factor being referred to aluminium's rise has been a spurt buying interest following favorable indications on price charts.

In the energy space, crude oil has firmed up over US\$72, gaining 22.50 per cent on month.

OPEC, which supplies 40 per cent of global oil, remains cautiously upbeat on the consumption trend and kept its daily quota unchanged at 24.84 million barrels a day in May. Many members of the consortium have voiced their opinion that an increase in quota could be considered if oil breaches US\$100 again.

In the precious metals complex, gold continued to give false starts about a sharp rally, which is widely being anticipated. Concerns continue on massive government and central bank spending (in the US particularly), which could lead to value erosion of the US dollar due to excess supply. Such excess supplies are expected to fuel inflation and hence the interest in gold, considered an inflation hedge. Besides, with an increasingly weaker view on the US dollar, gold (a hedge against a weak US dollar) is expected to attract more buying interest.

On the geopolitical front, investors have not paid any heed to North Korea's missile tests or its threats of proceeding with its uranium enrichment programme.

The information in this column is provided by MF Global. For further details, write to: [customercaresubai@mfglobal.com](mailto:customercaresubai@mfglobal.com) or call +971 4 332 5052, +971 4 332 8894. **Source:** MF Global Commodities India Pvt Ltd, Bloomberg.

## OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
<b>No Notice US Dollar Accounts</b>						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	\$5,000	1.50%	Yly
Skippton (Guernsey)	01481 727374	International US Dollar	None	\$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	\$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$50,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	\$50,000	0.50%*	Yly
<b>No Notice Euro Accounts</b>						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	2.75%	Yly
Lloyds TSB Offshore Banking	01624 641825	International Bonus Saver	None	€5,000	2.00%*	Mly
Skippton (Guernsey)	01481 727374	International Euro	None	€25,000	1.75%	fYly
Halifax International	halifaxinternational.com	International Web Server	None (W)	€1,000	1.25%	Yly
Zurich Bank International	01624 671666	Euro Reward	None	€5,000	1.25%	Yly
<b>No Notice Accounts</b>						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	€5,000	3.10%	fYly
Lloyds TSB Offshore Banking	01624 641825	International Bonus Saver	None	€5,000	3.00%*	Mly
Alliance & Leicester International	www.all.co.im	eSaver Offshore 2	None (w)	€15,000	2.76%	Yly
Bradford & Bingley International	01624 695000	Easy Saver	None	€5,000	2.50%	Yly
Alliance & Leicester International	01624 614188	Select International 1	None	€15,000	2.50%	Yly
<b>Notice Accounts</b>						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 30 II	30 Day	€5,000	3.50%	Yly
Alliance & Leicester International	www.all.co.im	eSaver Offshore Notice 50	50 Day (w)	€25,000	3.00%	Yly
Alliance & Leicester International	www.all.co.im	eSaver Flexible Income 1	60 Day (w)	€25,000	2.97%	Qly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	€5,000	2.75%	Yly
Alliance & Leicester International	www.all.co.im	Select 50 International 1	50 Day	€25,000	2.75%	Yly
<b>Monthly Interest</b>						
Lloyds TSB Offshore Banking	01624 641825	International Bonus Saver	None	€5,000	3.00%*	Mly
Alliance & Leicester International	www.all.co.im	eSaver Flexible Income 1	60 Day (w)	€25,000	2.96%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	€5,000	2.72%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	€25,000	2.72%	Mly
Bradford & Bingley International	01624 695000	Easy Saver	None	€5,000	2.47%	Mly
<b>Fixed Rates</b>						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	6 month Bond	€5,000	4.30% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	3 month Bond	€5,000	4.25% F	OM
Clydesdale Bank International	01481 711102	Term Deposit	60 month Bond	€10,000	4.25%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	12 month Bond	€5,000	4.05% F	OM
Clydesdale Bank International	01481 711102	Term Deposit	36 month Bond	€10,000	4.00%	Yly
<b>Current Accounts</b>						
Abbey International	01534 885000	Offshore Gold	None	€100,000	0.30%	OM
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	€50,000	0.25%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	€100,000	0.12%	Mly
Clydesdale Bank International	01481 711102	Current	None	€2,500	0.10%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	€5,000	0.10%	Qly
<b>Accounts for Non UK Residents</b>						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	€1,000	2.50%	Yly
Abbey International	01534 885000	Base Rate Tracker 10	05-05-10	€10,000	0.80%	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	€10,000	0.65%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	€25,000	0.05%	Mly
HSBC International	01534 616000	Offshore Bank	None	€5,000	0.00%	Mly

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

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

k = Rate applies from £3k. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: June 05, 2009 Source: Moneyfacts

**EURO 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	10.00	10.00	10.00	-	-	-	OM	No
		Offshore Euro Call	0.00	0.00	0.00	0.00	0.00	0.00	Yly	No
		Offshore Gold	-	0.00	0.00	0.00	0.00	0.00	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	0.50	0.50	0.50	0.50	0.50	Yly	No	
Anglo Irish Bank (Corporation) International	01624 698000	Private Access	2.75	2.75	2.75	2.75	2.75	Yly	No	
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker	-	-	-	1.25h	1.25	1.25	Yly	No
		International Savings	0.01	0.01	0.01	0.03	0.05	0.05	Yly	No
Barclays	01534 880550	International Bank	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
		International Tracker	-	-	0.10e	0.10	0.10	0.25b	Qly	No
Close Wealth Management Group	01481 746333 01624 643270	Advantage	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Advantage Plus	0.00	0.00	0.00	0.00	0.00	0.00	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	1.15	1.15	1.15	1.15	1.15	Yly	No
		Current	0.15	0.15	0.15	0.15	0.15	0.15	Mly	No
		Instant Savings	-	1.14	1.14	1.14	1.14	1.14	Mly	No
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.10	On closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	1.00a	1.25b	On closure	No
Halifax International	01534 846501	International Web Saver	1.35	1.35	1.45	1.45	1.45	1.45	Yly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.10	0.10	0.10	0.10	0.10	Mly	No
		Online Saver	-	-	0.39j	0.39	0.39	0.39	Mly	No
		Premier Offshore Bank	-	0.10	0.10	0.10	0.10	0.10	Mly	No
		Premier Online Saver	-	-	0.83j	0.83	0.83	0.83	Mly	No
		Premier Serious Saver	-	0.10	0.10	0.10	0.10	0.10	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.10	Qly	No
Irish Permanent International	01624 641641	Instant Access	1.40	1.40	1.40	1.40	1.75	1.75	Yly	No
		Instant Access	1.39	1.39	1.39	1.39	1.74	1.74	Mly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.00	0.00	0.00	0.05	0.05	0.05	Half Yly	No
		International Bonus Saver	2.00	2.00	2.00	2.00	2.00	2.00	Mly	No
Nationwide International Ltd	01624 696000	Euro Savings	0.15	0.15	0.20	0.20	0.20	0.25	Yly	No
		Euro Tracker Premium	1.05	1.05	1.05	1.05	1.05	1.10	Yly	No
NatWest Offshore	01534 282300	Advantage International	0.10	0.10	0.10	0.15	0.35	0.50	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.03	0.08c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalities International	0.10	0.10	0.10	0.15	0.35	0.50	Qly	No
Skipton (Guernsey)	01481 727374	International Euro	-	-	1.75	1.75	1.75	1.75	Yly	No
Standard Bank	01624 643643 01534 881188	Offshore Reserve	0.15	0.15	0.15	0.15	0.15	0.15	Half Yly	No
		Optimum	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
		Offshore MoneyMarket Call	-	-	-	0.50	0.60	0.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	0.10j	0.10	0.10	0.10	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward Call	1.25	1.25	1.25	1.25	1.25	1.25	Yly	No
			0.00	0.00	0.00	0.00	0.00	0.00	Qly	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. 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: June 05, 2009 Source: Moneyfacts

**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	6.00	6.00	6.00	6.00	0.00	-	OM	No
		Offshore US\$ Call	0.00	0.00	0.00	0.00	0.00	0.00	Yly	No
		Offshore Gold	-	0.00	0.00	0.00	0.00	0.10x	Qly	Yes
Alliance & Leicester International Ltd	01624 663566	USS Savings	0.25	0.25	0.25	0.25	0.25	0.25	Yly	No
Anglo Irish Bank Corporation (International)	01624 641888	Privilege Access	1.50	1.50	1.50	1.50	1.50	1.50	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker	-	-	-	0.25	0.25	0.25	Yly	No
		International Savings	0.00	0.00	0.00	0.00	0.01	0.01	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
		International Tracker	-	-	0.00u	0.00	0.10	0.10	Qly	No
Close Wealth Management Group	01481 746333 01624 643270	Advantage	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Advantage Plus	0.00	0.00	0.00	0.00	0.00	0.00	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	0.10	0.10	0.10	0.10	0.10	Yly	Yes
		Current	0.00	0.00	0.00	0.00	0.00	0.00	Mly	Yes
		Instant Savings	-	0.10	0.10	0.10	0.10	0.10	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.00	0.00	0.00	0.00	0.00	On Closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	0.00	0.00	On Closure	No
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	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Online Saver	-	-	0.00u	0.00	0.00	0.00	Mly	No
		Premier Offshore Bank	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Premier Online Saver	-	-	0.00u	0.00	0.00	0.00	Mly	No
		Premier Serious Saver	-	0.00	0.00	0.00	0.00	0.00	Mly	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	0.25	0.25	0.25	0.75	0.75	0.75	Yly	No
		Instant Access	0.25	0.25	0.25	0.75	0.75	0.75	Mly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.05	0.05	0.05	0.05	0.05	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	0.10h	0.10	0.15	0.20	0.25	0.25	Yly	No
		US Dollar Tracker Premium	0.30	0.30	0.30	0.50	0.50	0.50	Yly	No
NatWest	01534 282300	Advantage International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.07	0.09x	Mly	No
Royal Bank of Scotland Intl Ltd	01534 286850	Royalities 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	0.10	0.10	0.10	0.10	0.10	0.10	Half Yly	No
		Optimum	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
		Offshore MoneyMarket Call	-	-	-	0.15	0.15	0.15	Mly	No
Woolwich Guernsey	01481 715735	USS International Gross	-	-	0.00u	0.00	0.00	0.00	Qly	No
Zurich Bank International Ltd	01624 671666	Zurich US Dollar Reward	0.25	0.25	0.25	0.25	0.25	0.25	Yly	No
		Easy Access Deposit	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No

h = Rate applies from \$1K. u = Rate applies from \$20K. v = Rate applies from \$75K. x = Rate applies from \$200K. 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: June 05, 2009 Source: Moneyfacts

For more information visit  Moneyfacts<sup>SM</sup>

**EXPATRIATE MORTGAGE TERMS - JULY 2009**

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
<b>Bank of Scotland Intl.</b>	Bank base +2.89%	70	1%	GBP100,000 minimum. Early Redemption Charge 3% - 36 months
<b>BM Solutions</b>	4.25% 2 year tracker 5.40% 3 year fixed	60 60	3.00% 2.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
<b>Cheltenham &amp; Gloucester</b>	4.29% 2 year fix 4.69% 3 year fix 5.29% 5 year fix 3.79% 3 year tracker	75 75 75 75	995 895 995 995	Limited offers via IMP Every case has to be agreed with an underwriter before submission. Will not lend to Self employed expat applicants. Employed applicants need to work for large companies. Available for main UK residence only. Free property valuation and low cost legal fees for remortgages. Different terms available for loans between £1 million and £5 million No other UK mortgaged properties permitted.
<b>Dresdner Kleinwort Benson</b>	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
<b>Fortis Bank Group</b>	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.
<b>Halifax PLC</b>	5.29% 2 Year Fix Max GBP500K  3.79% 5 Year tracker Max GBP500K	Purchase 75  Purchase 75	GBP999  GBP999	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 2 year period. 6 months bank statements required.  Redemption Penalties Fixed rate 2% in first 3 years
<b>HSBC</b>	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
<b>Ipswich Building Society</b>	4.49% two year discounted rate	75	GBP695	IMP exclusive expatriate buy to let scheme No early repayment penalties at anytime Will only lend on houses including new build
<b>Irish Permanent (Isle of Man)</b>	Temporarily withdrawn	75	1%	Loans to offshore companies and trusts.
<b>Natwest Bank</b>	Base rate + 2.79	60	1%	New build flats maximum 55% loan to value.
<b>Royal Bank of Scotland International</b>	Base + 2.79% 2 year tracker  Base + 2.99% 2 year tracker	60  65	1%  1%	Minimum GBP100,000

This table is supplied by IMP, for information purposes only, and is not to be viewed as a recommendation.

**Notes:** Some Lenders have onerous redemption penalties for fixed and discounted terms.

A usual penalty is six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1 per 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 @ 04/06/09 - 0.50% 3 month LIBOR 1.252%, 15/06/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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Credit Cards						SAUDI ARABIA
PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
<b>Al Rajhi Bank</b>	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver/Gold/Laki for Women/Qassit - 275 Mini Visa - 100 Internet card - Free	Nil for purchases 18.5% on cash withdrawals from the bank, otherwise 27.5%	45 days for Visa/MasterCard (Silver, Gold) Laki for Women and Internet card. Qassit card - 5% or SAR100 whichever is higher than the amount due with no increase or profit.	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 <a href="http://www.alrajhibank.com.sa">www.alrajhibank.com.sa</a>
<b>AMEX</b>	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 <a href="http://www.americanexpress.com.sa">www.americanexpress.com.sa</a>
<b>Arab National Bank</b>	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 <a href="http://www.anb.com.sa">www.anb.com.sa</a>
<b>Bank Aljazira</b>	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	<a href="http://www.baj.com.sa">www.baj.com.sa</a>
<b>Banque Saudi Fransi</b>	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 <a href="http://www.alfransi.com.sa">www.alfransi.com.sa</a>
<b>National Commercial Bank</b>	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 <a href="http://www.ncb.com.sa">www.ncb.com.sa</a>
<b>Riyad Bank</b>	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 215, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.95% on purchases, 3.0% 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 <a href="http://www.riyadbank.com">www.riyadbank.com</a>
<b>SABB</b>	Visa/MasterCard (Silver, Gold, Amanah and Conventional), Visa (Platinum), MasterCard - Premier,	Silver – 225, Gold – 350, Amanah Silver - 225, Amanah Gold - 350, Visa Platinum - 475, MasterCard Premier complimentary for SABB Premier customers	Silver and Gold cards: 2.22% on cash and retail purchases, 2% on purchases and cash withdrawals for Platinum and Premier	25 days	ICSABB rewards, Premier privileges and discounts at over 19,000 outlets in over 160 countries, complimentary road side assistance, air port pick and drop and priority pass for Platinum, local KSA discounts on all cards, cash advance up to 50% of credit limit, free supplementary cards, purchase protection, travel insurance & optional credit shield	800 124 8888 <a href="http://www.sabb.com">www.sabb.com</a>
<b>SAMBA</b>	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 <a href="http://www.samba.com">www.samba.com</a>
<b>Saudi Hollandi Bank</b>	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 <a href="http://www.shb.com.sa">www.shb.com.sa</a>

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



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

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

Credit Cards						OMAN
PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	MIN. SALARY (OMR)	INTEREST RATE	INTEREST FREE CREDIT	CONTACT
Bank Dhofar	Visa (Classic, Gold) MasterCard (Standard, Gold, Platinum) Al Noor Interest Free Credit Card Ecomcard	Visa: Classic - 30, Gold - 50 MasterCard: Standard - 30, Gold - 50, Platinum - 70	Classic/Standard: 250, Gold: 500, Platinum: 1,500	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 <a href="http://www.bankdhofar.com">www.bankdhofar.com</a>
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum)	Classic: Free for life Gold: 15	Classic: 200-300 Gold: 500 Platinum: Invitation only	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 <a href="http://www.bankmuscat.com">www.bankmuscat.com</a>
HSBC	Visa/MasterCard (Classic, Gold, Platinum) In-Site Virtual Card	Classic: 30, Gold: 50 In-Site: 10	Classic/Gold: 700	Purchases: Classic - 2.2%, Gold - 2%, 3%+OMR1 on cash withdrawals	56 days	800 7 4722 <a href="http://www.oman.hsbc.com">www.oman.hsbc.com</a>
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 <a href="http://www.nbo.co.om">www.nbo.co.om</a>
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 <a href="http://www.omanab.com">www.omanab.com</a>
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) <a href="http://www.oiboman.com">www.oiboman.com</a>

Personal Loans						QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan	Fixed rate: 10.00%	Up to 2 million for Nationals and up to 24 times monthly salary for expats	5,000 for Nationals 10,000 for expats	36-60 months	4324327 <a href="http://www.ahlibank.com.qa">www.ahlibank.com.qa</a>
Arab Bank <i>Note: Temporarily suspended all new loans</i>	Personal Loan	10.99% fixed rate	Up to 18 times monthly salary	20,000	Up to 84 months for national Up to 48 months for expats	4387777 <a href="http://www.arabbank.com.qa">www.arabbank.com.qa</a>
Commercial Bank of Qatar	Personal Loan	Starting from 9.75-11.99% Depends on salary	Up to 2 million for Nationals Up to 20,000 for expats	Nationals: 4,000 Expats: 10,000	Up to 84 months for nationals Up to 60 months for expats	4490000 <a href="http://www.cbq.com.qa">www.cbq.com.qa</a>
Doha Bank	Personal Loan	Fixed rate: 9.49%	Depends on salary	10,000	Up to 72 months	4456000 <a href="http://www.dohabank.com.qa">www.dohabank.com.qa</a>
HSBC Bank Middle East	Personal Loan	9.99-10.49%, depends on the loan tenor	Up to 20,000	10,000 for Nationals 20,000 for expats	Up to 60 months for nationals, up to 48 months for expats	4382100 <a href="http://www.qatar.hsbc.com">www.qatar.hsbc.com</a>
Mashreqbank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 8.5-11.5% 8.75-11.50% (Depends on the company)	Up to 1 million for Nationals Up to 250,000 for expats	5,000	12-72 months	4418880 <a href="http://www.mashreqbank.com">www.mashreqbank.com</a>
Qatar National Bank	Personal Loan	Fixed rate: 11.50%	Up to 2.5 million for Nationals Up to 250,000 for expats	2,000 for Nationals 10,000 for expats	Up to 84 months for nationals and 60 months for expats	4407777 <a href="http://www.qnb.com.qa">www.qnb.com.qa</a>
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 <a href="http://www.standardchartered.com/qa">www.standardchartered.com/qa</a>

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)	Classic - 200, Gold - 400	5,000	1.75% on purchases, 2% on cash withdrawals	45 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping Card	Silver - 200, Gold - 300	Silver - 20,000, Gold - 35,000	0.25% on purchases, 2.49% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard Classic, Visa/MasterCard Diners Club (Gold Plus, Platinum)	Classic - 200, Diners - 400, Platinum - 400	Classic - 5,000, Gold Plus 8,000 Platinum - 15,000 Diners club - 7,500	Nil on purchases, 4.25% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard (Dream, Platinum)	Dream - Free for life, Platinum - 500	Dream - 3,500, Platinum - 35,000	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 - 350, Platinum - 450, In-site - 50	Classic - 200, Gold - 10,000, Gold - 15,000, Platinum - 20,000	Classic 2.5%, Gold 2.25%, Platinum 1.9%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic - 50, Gold - 100	Classic/Gold - 2,500	2.25% on purchases, 2.5% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard Silver - 300, Gold - 400, Platinum - 500, e-card - 50	Silver - 300, Gold - 400, Platinum - 500, Qatar Airways Co-branded MasterCard Silver - 300, Gold - 400, Platinum - 500, e-card - 50	2,000 for Nationals, 10,000 for expats	2% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic - 200, Gold - 400 MasterCard Standard - 250, Gold - 500	3,000 (Salary must be transferred)	2.25% on purchases, 4.5% on cash withdrawals	50 days	4658555

Home Contents Insurance						QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS	
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>	
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	250	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR5,000	+974 428 2222 <a href="http://gqirc-tec@qatar.net.qa">gqirc-tec@qatar.net.qa</a>	
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 <a href="http://www.qatarinsurance.com">www.qatarinsurance.com</a> <a href="mailto:onestop@qic.com.qa">onestop@qic.com.qa</a>	
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 <a href="http://www.qiic.net">www.qiic.net</a>	

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

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

Personal Loans						BAHRAIN
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 8.5-9%	Depends on salary	350 for Nationals, 1,000 for expats	Up to 84 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000, minimum 1,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary) Fixed rate: 5.5%	Up to 40,000	1,000	Up to 36 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9-10%	Up to 50,000	200	Up to 84 months	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for Nationals 11% for expats	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 7.25-15%. Depends on company status	Up to 60,000 for nationals, up to 20,000 for expats	500	Up to 84 months for nationals Up to 60 months for expats	17569999
National Bank of Bahrain	Personal Loan	7.85%	Up to 30 times monthly salary	200 for Nationals 300 for expats	Up to 84 months	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 3.99% (Depends on the salary and the loan amount)	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

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

Home Contents Insurance						BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS	
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>	
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 <a href="http://www.arabiansurance.com">www.arabiansurance.com</a> <a href="mailto:aicbn@batelco.com.bh">aicbn@batelco.com.bh</a>	
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 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>	
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 <a href="http://www.bnhgroup.com">www.bnhgroup.com</a> <a href="mailto:bnl@bnhgroup.com">bnl@bnhgroup.com</a>	
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 <a href="http://www.alhimaya.com">www.alhimaya.com</a>	
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 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a>	
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture - 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377	
Takaful Insurance Home Owners / Householders Takaful Scheme	Minimum 20	100	5,000	Cover against losses due to fire and perils such as storm, theft, flood, earthquakes, escape of water from fixed tanks, apparatus or pipes, impact damage, accidental damages to certain specified household items (TV, fixed glass, sanitary fittings etc); Jewelry in locked safe and personal effects have extra charge	+973 1756 5656 <a href="http://www.takafulweb.com">www.takafulweb.com</a>	

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Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
<b>Royal &amp; Sun Alliance Insurance</b>	<b>Almas:</b> From 275 (child) to 1,042 up to age 65 <b>Dana:</b> From 148 (child) to 582 up to age 65 <b>Delmon:</b> From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	<b>Almas:</b> Worldwide Excluding USA and Canada, travel worldwide <b>Dana:</b> Bahrain, Arab countries, Southeast Asia, travel worldwide <b>Delmon:</b> Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a> *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
<b>Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)</b>	*Ages 0-9 has no premium <b>Hospital Plan:</b> 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	<b>Hospital Plan:</b> comprehensive inpatient cover (hospitalisation expenses such as hospital services, 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 <a href="http://www.fakhro.com">www.fakhro.com</a> <a href="http://www.ihl.com">www.ihl.com</a>
<b>Interglobal Healthcare Plan</b>	<b>Ultracare Plus:</b> From 332 (child) to 10,825 up to ages 70-74 <b>Ultracare Comprehensive:</b> From 258 (child) to 8,819 up to ages 70-74 <b>Ultracare Select:</b> From 235 (child) to 8,003 up to ages 70-74 <b>Ultracare Standard:</b> 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	<b>Ultracare Plus:</b> US\$3.4 million <b>Ultracare Comprehensive:</b> US\$1.7 million <b>Ultracare Select:</b> US\$1,275,000 <b>Ultracare Standard:</b> US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide <b>Ultracare Plus:</b> Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage <b>Ultracare Comprehensive:</b> In and out-patient benefits, 45 days emergency coverage outside of chosen area <b>Ultracare Select:</b> In-patient benefits <b>Ultracare Standard:</b> Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 <a href="http://www.alhimaya.com">www.alhimaya.com</a> <a href="http://www.interglobalipmi.com">www.interglobalipmi.com</a> <b>Bahrain National Life</b> +973 1758 7333 <a href="http://www.bnbgroupp.com">www.bnbgroupp.com</a> <a href="mailto:bnl@bnhgroupp.com">bnl@bnhgroupp.com</a>
<b>AXA Insurance</b>	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan <b>Global Area 1:</b> From 1,080 (ages 11-21) to 2,909 up to ages 60-65 <b>Global Area 2:</b> From 363 (ages 11-21) to 954 up to ages 60-65 <b>Regional Plus:</b> From 207 (ages 11-21) to 543 up to ages 60-65 <b>Regional:</b> From 179 (ages 11-21) to 467 up to ages 60-65		<b>Global Area 1:</b> BHD500,000 <b>Global Area 2:</b> BHD250,000 <b>Regional Plus:</b> BHD100,000 <b>Regional:</b> BHD50,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide excluding USA, Singapore, Japan, Hong Kong & Switzerland <b>Regional Plus:</b> Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan <b>Regional:</b> AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Bahrain Kuwait Insurance Company</b>	<b>Shefa'a Gold:</b> From 520 (child) to 1,636 up to ages 60-65 <b>Shefa'a Max:</b> From 305 (child) to 957 up to ages 60-65 <b>Shefa'a Plus:</b> From 190 (child) to 598 up to ages 60-65 <b>Shefa'a:</b> 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	<b>Shefa'a Gold:</b> 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 <b>Shefa'a Max:</b> Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA <b>Shefa'a Plus:</b> In-patient and daycare treatment as well as out-patient consultations in Bahrain <b>Shefa'a:</b> In-patient and daycare treatment in Bahrain	+973 1753 1555 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>

**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
<b>Bank of Kuwait and Middle East</b>	Consumer Loan	6.75%	Up to 70,000 for Nationals Depends on salary and years of service for expats.	300 Nationals 1,000 for expats	60 to 72 months	1812000
<b>Burgan Bank</b>	Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 1.5 times monthly salary for expats	400	Up to 60 months	1804080 <a href="http://www.burgan.com">www.burgan.com</a>
<b>Commercial Bank of Kuwait</b>	Personal Loan for nationals only Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 10 times salary for expats	350	Up to 180 months	1888225 <a href="http://www.cbk.com">www.cbk.com</a>
<b>Gulf Bank</b>	Consumer Loan Al Afdal Loan for Nationals	6.00%	Up to 70,000 for Nationals Up to 22,000 for expats	350 for nationals 400 for expats	Up to 60 months Up to 180 months	1805805 <a href="http://www.e-gulfbank.com">www.e-gulfbank.com</a>
<b>National Bank of Kuwait</b>	Consumer Loan Expatriate Loan	6.00%	Up to 70,000 for Nationals Up to 15,000 for expats (Depends on salary)	400	Up to 60 months	1801801 <a href="http://www.nbk.com">www.nbk.com</a>

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

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during June 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](mailto: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
<b>AXA/Norwich Union Insurance (Gulf) BSC(c)</b>	<b>Global Area 1:</b> From 14,869 (0-10) to 50,576 up to ages 61-65. <b>Global Area 2:</b> From 4815 (ages 0-10) to 14,789 up to ages 61-65. <b>Regional 1:</b> From 3962 (ages 0-10) to 10,866 up to ages 61-65. <b>Regional 2:</b> From 2905 (ages 0-10) to 7878 up to ages 61-65. <b>Local:</b> From 2,177 (0-10), 6,309 (61-65)		<b>Global Area1:</b> AED5million <b>Global Area2:</b> AED2.5 million <b>Regional 1:</b> AED1 million <b>Regional 2:</b> AED500,000 <b>Local:</b> AED300,000	<b>Global Area 1 &amp; 2:</b> Worldwide excluding US <b>Regional 1:</b> Middle East, Indian subcontinent, North Africa and South Asia <b>Regional 2:</b> Middle East, Indian subcontinent, North Africa and South Asia <b>Local:</b> Any of the GCC countries * Additional benefits for Global and Regional Plans	Toll free: 800 4845 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Alliance Insurance (P.S.C.)</b>	*With deductibles <b>Universal Plan:</b> From 3,704 (ages 0-17) to 13,806 up to age 65 <b>Universal Plus Plan:</b> From 5,501 (0-17) to 21,578 up to ages 61-65 <b>International Plan:</b> From 2,469 (0-17) to 7,317 up to ages 61-65 <b>Basic Plan:</b> From 2,151 (0-17) to 6,273 up to ages 61-65 <b>Local Plan:</b> From 2,114 (0-17) to 6,017 up to ages 61-65	Deductibles of: <b>Universal Plan:</b> AED200/150/100, <b>Universal Plus Plan:</b> AED200/150, <b>International Plan:</b> AED150/100/75, <b>Basic &amp; Local Plan:</b> AED150/100/75/50	<b>Universal Plan,</b> <b>Universal Plus Plan and</b> <b>International Plan:</b> AED1 million <b>Basic:</b> AED500,000, <b>Local:</b> AED150,000	<b>Universal Plus Plan:</b> Worldwide <b>Universal Plan:</b> Worldwide exc. USA and Canada <b>International Plan:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Basic:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Local:</b> UAE	04 605 1111 <a href="mailto:alliance@alliance-uae.com">alliance@alliance-uae.com</a> <a href="http://www.alliance-uae.com">www.alliance-uae.com</a>
<b>BUPA International</b>	<b>Essential:</b> From 2,598 (ages 0-15) to 33,650 up to age 82-120, <b>Classic:</b> From 3,743 (ages 0-15) to 46,707 up to age 82-120, <b>Gold:</b> 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	<b>Essential:</b> US\$900,000 <b>Classic:</b> US\$1.2 million <b>Gold:</b> US\$1.6 million	<b>Essential:</b> Hospital treatment as in/day-care patient <b>Classic:</b> Plus specialist medical treatment <b>Gold:</b> Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 <a href="mailto:info@bupa-intl.com">info@bupa-intl.com</a> <a href="http://www.bupa-intl.com">www.bupa-intl.com</a>
<b>Expat Services GmbH</b>	<b>Individual Policies</b> <b>Expat Executive:</b> From 1,530 (ages 0-18 years) to 5,210 up to age 65, <b>Expat Superior:</b> From 1,750 (ages 0-18) to 8,490 up to age 65 <b>Group Policies</b> - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	<b>Standard:</b> AED100,000 p.a. <b>Executive:</b> AED1,835,000 p.a. Superior: Unlimited	<b>Standard Group:</b> Covers Arab countries, Indian subcontinent, Philippines <b>Executive and Superior (Group and Individual):</b> 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 <a href="mailto:info@expatservices.ae">info@expatservices.ae</a> <a href="http://www.expatservice.ae">www.expatservice.ae</a>
<b>Aetna Global Benefits (ME) LLC</b>	<b>Major Medical:</b> From 1,696 (ages 0-17) to 9,965 up to age 64 <b>Foundation:</b> From 1,741 (ages 0-17) to 10,219 up to age 64 <b>Lifestyle:</b> From 3,680 (ages 0-17) to 23,383 up to age 64 <b>Lifestyle Plus:</b> From 5,126 (ages 0-17) to 30,084 up to age 64	<b>Major:</b> Nil, US\$1,000/5,000 <b>Foundation:</b> Nil, US\$50/100/250/500/1,000/2,000/5,000 <b>Lifestyle:</b> Nil, US\$50/100/250 <b>Lifestyle Plus:</b> Nil, US\$50/100/250	<b>Major Medical:</b> US\$1.6 million <b>Foundation:</b> US\$1.6 million <b>Lifestyle:</b> US\$1.6 million <b>Lifestyle Plus:</b> US\$1.6 million	<b>Major Medical:</b> Treatment as an in patient and day patient, oncology treatment, CT and MRI scans, outpatient surgery and organ transplants <b>Foundation:</b> Includes all coverage provided by Major Medical, with the addition of full outpatient benefits, including primary care consultations, alternative medicines and outpatient psychiatric treatment <b>Lifestyle:</b> Includes all coverage provided by Foundation with the additional of routine management of a chronic condition and evacuation extension to the country of your choice <b>Lifestyle Plus:</b> Includes all coverage provided by Lifestyle with the addition of routine pregnancy and childbirth, routine and major restorative dental	04 04 438 7500 <a href="mailto:MiddleEastSales@aetna.com">MiddleEastSales@aetna.com</a> <a href="http://www.goodhealthworldwide.com">www.goodhealthworldwide.com</a>
<b>InterGlobal Limited (Middle East)</b>	*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 US, Australia and New Zealand <b>Plus:</b> From 1,331 (Child) to 14,768 up to ages 70-74 <b>Comprehensive:</b> From 1,036 (Child) to 12,007 up to ages 70-74 <b>Select:</b> From 945 (Child) to 10,897 up to ages 70-74 <b>Standard:</b> From 653 (Child) to 7,571 up to ages 70-74	<b>Standard:</b> US\$850, US\$1,700, US\$4,250, US\$8,500 <b>Plus/ Comprehensive/ Select:</b> US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	<b>Plus:</b> US\$3.4 million <b>Comprehensive:</b> US\$1.7 million <b>Select:</b> US\$1,275,000 <b>Standard:</b> US\$850,000	Area 1: Europe, Area 2: Worldwide excluding US, Area 3: Worldwide including US, Area 4: Australia and New Zealand	04 272 5505 <a href="mailto:info@interglobal.ae">info@interglobal.ae</a> <a href="http://www.interglobalpmi.com">www.interglobalpmi.com</a>
<b>National General Insurance Co. PSC</b>	*Higher premium for females than males except for ages 1-16, which have same rate <b>Emirates Plan:</b> From 1,603 (1-16) to 3,018 up to age 55 <b>Emirates Plus Plan:</b> From 1,775 (1-16) to 3,353 up to age 55 <b>International Plan:</b> From 1,978 (1-16) to 5,780 up to age 55 <b>Global Plan:</b> From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	<b>Emirates Plan:</b> AED100,000 <b>Emirates Plus Plan:</b> AED250,000 <b>International Plan:</b> AED1 million <b>Global Plan:</b> AED2 million	<b>Emirates Plan:</b> UAE <b>Emirates Plus Plan:</b> UAE and up to 90 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia <b>International Plan:</b> Worldwide exc. USA, Canada and the Caribbean <b>Global Plan:</b> Worldwide *Additional benefits for International and Global plans	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>National Health Insurance Company – Daman</b>	<b>Basic (Abu Dhabi Plan):</b> For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): <b>UAE:</b> From 1,400 (ages 1-15) to 8,000 up to ages 66-99; <b>Regional:</b> From 1,700 (ages 1-15) to 9,500 up to ages 66-99; <b>International:</b> From 2,200 (ages 1-15) to 13,000 up to ages 66-99; <b>Global:</b> 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.)		<b>Abu Dhabi Plan In &amp; Out-Patient:</b> AED250,000 <b>UAE Plan In &amp; Out-Patient:</b> AED250,000 <b>Regional Plan:</b> AED1 million <b>International Plan:</b> AED2.5 million <b>Global Plan:</b> AED5 million	<b>Abu Dhabi Plan In &amp; Out- Patient:</b> Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only <b>UAE Plan In &amp; Out- Patient:</b> Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) <b>Regional Plan:</b> UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>International Plan:</b> UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>Global Plan:</b> Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) <a href="http://www.damanhealth.ae">www.damanhealth.ae</a>
<b>Oman Insurance Company</b>	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan <b>Plan 1:</b> From 1,765 (14 days-17 years) to 3,575 (56 - 60 years) <b>Plan 2:</b> From 2,600 (14 days-17 years) to 5,250 (56 - 60 years) <b>Plan 3:</b> From 2,820 (14 days-17 years) to 5,672 (56 - 60 years) <b>Plan 4:</b> From 4,350 (14 days-17 years) to 8,750 (56 - 60 years) <b>Plan 5:</b> From 5,020 (14 days-17 years) to 10,100 (56 - 60 years) <b>Plan 6:</b> From 4,560 (14 days-17 years) to 9,200 (56 - 60 years) <b>Plan 7:</b> From 5,270 (14 days-17 years) to 10,575 (56 - 60 years)	AED25 deductible on out-patient consultation fees	<b>Plan 1:</b> AED50,000 <b>Plan 2:</b> AED100,000 <b>Plan 3:</b> AED100,000 <b>Plan 4:</b> AED200,000 <b>Plan 5:</b> AED200,000 <b>Plan 6:</b> AED300,000 <b>Plan 7:</b> AED300,000	<b>Plan 1:</b> UAE, <b>Plan 2:</b> UAE, <b>Plan 3:</b> UAE, Arab countries, South East Asia excluding Singapore and Hongkong <b>Plan 4:</b> UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide exc. US, Canada <b>Plan 5:</b> UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada <b>Plan 6:</b> UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada <b>Plan 7:</b> UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada	Toll Free: 800 4746 <a href="mailto:ocicm@tarnen.ae">ocicm@tarnen.ae</a> <a href="http://www.tarnen.ae">www.tarnen.ae</a>
<b>Royal &amp; SunAlliance UAE</b>	*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 <a href="http://www.fasterquote.ae">www.fasterquote.ae</a> for personalised quote. <b>Columbus:</b> From 2,727 (ages 0-20) to 14,879 up to age 99 <b>Ulysses:</b> From 2,353 (ages 0-20) to 12,631 up to age 99 <b>Marco Polo:</b> From 2,040 (ages 0-20) to 10,756 up to age 99 <b>Local Health:</b> From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	<b>Columbus:</b> AED1 million <b>Ulysses:</b> AED500,000 <b>Marco Polo:</b> AED300,000 <b>Local Health:</b> AED100,000	<b>Columbus:</b> Worldwide <b>Ulysses:</b> Worldwide exc. USA and Canada <b>Marco Polo:</b> UAE, Arab Countries, South East Asia, Iran and Afghanistan <b>Local Health:</b> UAE, South East Asia, Iran and Afghanistan	04 334 4474 <a href="mailto:fasterquote@notes.royalsun.com">fasterquote@notes.royalsun.com</a> <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<p><b>Disclaimer:</b> All medical insurance policies include the standard inpatient 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 Nisco Karagiolan Dubai have plans offered by Royal &amp; 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. <b>Tip:</b> 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. <b>Notes:</b> 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 June 2009. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions <b>MONEYworks</b> 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 <a href="mailto:info@moneyworks.ae">info@moneyworks.ae</a>. 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.</p>					

Home Contents Insurance					UAE
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
<b>Abu Dhabi National Insurance Company</b> – 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 jewellery and money	02 626 4000 <a href="http://www.adnic.ae">www.adnic.ae</a>
<b>Al Dhafra Insurance</b> – Householders 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 jewellery; 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 <a href="http://www.aldhafrainsurance.com">www.aldhafrainsurance.com</a>
<b>Al Ittihad Al Watani General Insurance Company</b> – 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 <a href="http://www.unic.ae">www.unic.ae</a>
<b>Arab Orient Insurance Company</b> – 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 <a href="http://www.insuranceuae.com">www.insuranceuae.com</a>
<b>AXA / Norwich Union Insurance (Gulf) BSC(c)</b> – 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) <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Lebanese Insurance Company</b> – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 <a href="http://www.lebaneseinsurance.com">www.lebaneseinsurance.com</a>
<b>Dubai Islamic Insurance &amp; Reinsurance Company (AMAN)</b> – 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 <a href="http://www.aman-diir.ae">www.aman-diir.ae</a>
<b>Gargash Insurance</b> – 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 <a href="http://www.gargashinsurance.com">www.gargashinsurance.com</a>
<b>National General Insurance</b> – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>Oman Insurance Company</b> – 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 <a href="http://www.tameen.ae">www.tameen.ae</a>
<b>Oriental Insurance Company LTD</b> – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
<b>Qatar Insurance Company</b> – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
<b>Royal &amp; Sun Alliance Insurance Group</b> – 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 <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<b>Wehbe Insurance Services</b> - 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: <b>(1) Standard</b> – 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 TVs/Hi-Fis/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 <b>(2) Extra damage option</b> – 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 <a href="http://www.wisgroup.com">www.wisgroup.com</a>

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 June 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards		BY INTEREST/PROFIT RATE				UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT	
Commercial Bank of Dubai	Visa (Classic and Gold), World MasterCard e-Tijari Web Card, MasterCard (Gold), INFINITY	Classic-200, Gold-400, e-Tijari Web Card-100, MasterCard Gold - 400, World MasterCard - 600, INFINITY - 900	2% on purchases, 3% on cash withdrawals and 2.0% for e-Tijari Web Card for both	55 days	Toll-free: 800 223 <a href="http://www.cbd.ae">www.cbd.ae</a>	
Commercial Bank International.	MasterCard (Silver,Gold) (Card issuance stopped temporarily) <i>Note: Temporarily stopped credit cards</i>	Silver-150, Gold-250	2.99% on purchases, 3.0% on cash withdrawals	45 days	Toll-free: 800 224 <a href="http://www.cbuae.com">www.cbuae.com</a>	
Dubai Bank	Visa Covered Cards (Gold, Platinum)	Free for life	2.5% on purchases and on cash withdrawals	51 days	Toll-free: 800 5555 <a href="http://www.dubaibank.ae">www.dubaibank.ae</a>	
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 <a href="http://www.alislami.ae">www.alislami.ae</a>	
Emirates Islamic Bank	Visa Islamic Credit Cards (Gold, Gold Plus, Platinum, Platinum Plus) Skyward Credit Card (Gold, Gold Plus, Platinum, Platinum Plus)	Gold-200, Gold Plus - 250 Platinum-300, Platinum Plus-350, Skyward Credit Card Gold - 300, Gold Plus - 375, Platinum - 400, Platinum Plus - 450	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>	
LloydsTSB	Visa (Classic, Gold)	Free for life	1.25% per month on purchases and cash withdrawals	55 days	04 342 2000, <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	2.15% on purchases for MasterCard cards, 2.25% for Visa cards; 2.25% on cash withdrawals for all cards; Géant card - 0% interest for first three months	25 days	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>	
SAMBA	Visa-Master card (Silver, Gold, Platinum, Titanium)	Silver: free for life; Gold and Titanium - 300, Platinum - 500	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA	
Union National Bank	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold), International Travel card, Egypt Air Visa co-branded card, Extra Credit Card	Visa Classic - 150, Gold - 250, Platinum - 500 MasterCard Classic - 150, Gold - 250, International Travel card - free for first two years for new customers otherwise free for life , Egypt Air Visa co-branded card are free for first year, Extra Credit card - free for life	2.19% on purchases and 2.39% on cash withdrawals	50 days	Toll-free: 800 2600 <a href="http://www.unb.co.ae">www.unb.co.ae</a>	

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Platinum-500, rest of the cards are free for life	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, SmartGold, Dollar Credit Card, Gold Rainbow, Charge Cards: Green, Gold, Platinum and Black	DDF-175, AMEX Blue -250, AMEX Gold-395, SmartGold-395, Gold Rainbow - USS395, Charge Cards: Green-USS395, Gold-USS175, Platinum-USS750, Black card - up on invitation only.	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millennium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Emergency card replacement and membership rewards programme.	Toll-free - 800 4931 <a href="http://www.americanexpress.co.ae">www.americanexpress.co.ae</a>	
Barclays Bank	Barclaycard (Gold, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Priority option (available on all cards): 400; Prestige option (available on platinum cards): 650 Gold/Titanium-300, Platinum-550 Depends on bundle	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 2275297 <a href="http://www.barclaycard.ae">www.barclaycard.ae</a>	
Citibank	Emirates-Citibank Credit Cards (Ultima/Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver), Basic Silver	Emirates-Citibank Credit Cards - 3,000/1,000/500/300, Basic Silver - 50 Citi Travel Pass - 400 Citibank Credit Cards - Dh 1,000/ 500/250 5 Supplementary Cards - Free, (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards.Double miles with Miles Accelerator.Upto 15% airticket discounts.Special offers across UAE and Citibank World Privileges worldwide at over 40,000 establishments.Loans as low as 0.91%. Exclusively for Ultima/Ultimate customers-25000 sign up Skywards Miles(Ultima), free Priority Pass Membership,International Concierge, upto 3 Free nights stay in Marriott Paris/ME&A, Travel insurance for Ultima cardholders.	04-311 4000 <a href="http://www.citibank.ae">www.citibank.ae</a>	
Dubai First	Visa (Silver, Gold) MasterCard (Classic, Gold) Royale MasterCard <i>**NOTE* Temporarily suspended credit cards.</i>	Visa: Silver - 200, Gold - 400 MasterCard: Classic - 200, Gold - 400 Royale MasterCard - Invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 <a href="http://www.dubalfirst.com">www.dubalfirst.com</a>	
Dunia Finance	Silver, Gold, Platinum	From 150-300	1% cash back on Silver card, 1.5% on Gold and 2% on Platinum. 15-20% discount on dining promotion, 15% discount at Aramex for Gold and Platinum cardholders. 5% discount at MMI travel for all cardholders. Reward points can be exchanged at Jumbo Electronics. 15-20% discount on health and leisure promotion.	04-423 8642 <a href="http://www.dunia.ae">www.dunia.ae</a>	
Emirates-NBD	<b>EBI cards:</b> Visa, MasterCard (Silver, Gold), MasterCard Infinite Credit card and MasterCard Platinum for Shaheen customers  <b>NBD cards:</b> Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard	<b>EBI cards:</b> Silver - 150, Gold-400, Silver and Gold cards are free for first year, Infinite - 2,500  <b>NBD cards:</b> Classic - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50	<b>EBI cards:</b> 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.  <b>NBD cards:</b> 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, 1% cash back on all retail purchases.	04-3160316 <a href="http://www.me.ae">www.me.ae</a>  Toll-free: 800 4444 <a href="http://www.nbd.com">www.nbd.com</a>	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Ethnad co-branded card (Classic, Privilege, Exclusive)	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Ethnad Classic-150, Privilege-400, Exclusive-750	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. Ethnad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accommodation, shopping rewards, etc.	Toll-free: 800 4440 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 50 for accountholders, otherwise 50, Dubai E-government Prepaid Card - 50	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 <a href="http://www.nbad.com">www.nbad.com</a>	
RBS	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameerah Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard, RBS Weekend Card & RBS Williams Platinum Card	Free for life	All cards: Free Wild Wadi, Ski Dubai and Cinema; chip card for enhanced security, purchase protection; access to utility bill payment, smart cash loan. Visa Classic & Gold: dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveler Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameerah: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 <a href="http://www.rbsbank.ae">www.rbsbank.ae</a>	

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Know of a better offer? We'd like to hear from you. Fax us on 00971 4 391 2173 or email [info@moneyworks.ae](mailto:info@moneyworks.ae)

Car Loans		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	New cars: 5.5% Used cars: 5.95%	Up to AED500,000	Depends on type of car	60 months	5,000	No
Al Hilal Bank	Murabaha	News cars: 4.99% Used cars: 6.5%	Up to AED500,000	Used cars: 30% New cars: 10%	60 months	8,000	No
Arab Bank	Car Loan	News cars: 4.5% Used cars: 5.5%	Up to AED150,000	Nil for new cars Used cars: 10%	60 months	20,000	Yes
Dubai Bank	Markaba Auto Finance	5.25% for new cars (Depends on the dealer) Used cars: 5.95%	Up to AED250,000 for Nationals Up to AED125,000 for expats	Depends on car	New cars: 60 months Used cars: 48 months	8,000+	No
Commercial Bank International	Car Loan	News cars only. 4.75% with salary transfer otherwise 5.00%	Up to AED500,000 (Depends on the car)	5%	Up to 72 months	15,000	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.8%, otherwise 5.35% Used cars: with salary transfer 5.5%, otherwise 5.75%	Up to 250,000	New cars: with salary transfer - Nil, otherwise 20% Used cars: with salary transfer - 10%, otherwise 25%	Up to 48 months	With salary transfer - 7,500 otherwise 10,000	No
Emirates-NBD							
Emirates Bank Int.	Car Loan	New cars: 5.50% Used cars: 6.60%	Up to 12 times of monthly salary	10%	New cars: 60 months Used cars : 48 months	With salary transfer - 7,000 otherwise 10,000	No
National Bank of Dubai	Car Loan	New cars: 5.25% with salary transfer, otherwise 5.50% Used cars: 5.60% with salary transfer, otherwise 6.0%	Up to 8 times of monthly salary or up to AED250,000	10%	60 months		
National Bank of Abu Dhabi	Motori	New cars: 4.75-5.5% Used cars: 4.75-6.0%	Up to AED350,000 for account holders, otherwise AED200,000	New cars: Nil with salary transfer, otherwise 10% Used cars: 15%	New cars: up to 60 months Used cars: up to 48 months	7,000 for account holders, otherwise 10,000	No
Noor Islamic Bank	Noor Drive	News cars: 5.5% Used cars: 6%	Up to AED450,000	New cars - Nil Used cars 10%	Up to 60 months	5,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to AED250,000	Depends on car	New cars: 60 months Used cars : 48 months	5,000 for new cars 15,000 for used cars	No

Personal Loans		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank		9.25% - 10.25%	Up to AED250,000 for listed companies with salary transfer Up to 8 times of monthly salary or up to AED150,000 for non-listed companies without salary transfer	No	Up to 60 months	3,000	No
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6.25% fixed rate	Up to 20 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 72 months	4,000	Yes
Al Hilal Bank	Goods Finance	Profit rate: 8.99%	Up to AED250,000	No	Up to 96 months	8,000	No
Arab Bank	Personal Loan	10.5% on reducing balance basis	Up to AED250,000	Yes	Up to 36-60 months	20,000	Yes
Dubai Bank	Sanad Personal Finance	5.50%	Up to AED250,000 for Nationals Up to AED125,000 for expats	Yes	Up to 60 months	8,000	Yes
Dubai Islamic Bank	Goods Finance	Profit rate: 5%	Up to 125,000	No	6 - 60 months	6,000	No
Emirates Islamic Bank	Imtalik Goods Finance	Profit rate: 7.5% (with salary transfer) otherwise 8%	For Nationals: 25 times of monthly salary otherwise 12-15 times	Yes	Up to 12 months Up to 60 months	7,500	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 7.35% for listed (different packages) 10% for not listed companies (subject to bank approval)	Up to AED250,000	Yes	Up to 60 months	10,000 for listed companies, otherwise 20,000	Yes
Noor Islamic Bank	Goods Finance	Profit rate: 6.75%	Up to AED250,000	Yes	Up to 60 months	5,000 for account holders, otherwise 7,000	Yes
Sharjah Islamic Bank	Goods Murabaha	Profit rate: 8%	Up to AED250,000	Yes	Up to 60 months	12,000	Yes

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



UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2002 model or newer	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 AED500 charged as processing fee	Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>
Used cars must not be older than 10 years.	No	Nil			Toll-free: 800 666666 <a href="http://www.alhijabank.ae">www.alhijabank.ae</a>
Used cars must be 2005 model or newer	Yes	2% of outstanding loan, 5% for bank buyout	Free credit card for the first year	No processing fee	Toll-free: 800 27224 <a href="http://www.arabbank.ae">www.arabbank.ae</a>
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 <a href="http://www.dubabank.ae">www.dubabank.ae</a>
	No	2% of total outstanding loan		No processing fee	Toll-free: 800 224 <a href="http://www.cbiuae.com">www.cbiuae.com</a>
Post dated cheques required along with usual documents. Used cars must be 10 years old or newer	No	Nil	Free EIB account	AED500 charged as processing fee, if salary is not transferred, otherwise no fees	04 316 0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Depends on the model of the car and the company should be listed. Used car must be at least 4 years old	No	4% of total outstanding loan		Processing fee: for news cars AED300, used cars: AED500  AED300 charged as processing fee	04-3160316 <a href="http://www.ebi.ae">www.ebi.ae</a>  Toll-free: 800-4444 <a href="http://www.nbd.com">www.nbd.com</a>
Used cars must not be older than 4 years. Loan only applies to Japanese cars	No	3% outstanding value of the loan for cash, 5% for bank buyout		1% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 <a href="http://www.nbad.com">www.nbad.com</a>
Used cars must not be older than 4 years.	No	None			Toll-free: 800 NOOR <a href="http://www.noorbank.com">www.noorbank.com</a>
	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	1% processing fee	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Need to provide security cheque, salary certificate, bank statement and original passport.				Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>
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 <a href="http://www.adib.ae">www.adib.ae</a>
Approved companies only. Need to provide salary certificate, bank statement and original passport. The applicant should be atleast 21 years old.	None		No processing fee	Toll-free: 800 666666 <a href="http://www.alhijabank.ae">www.alhijabank.ae</a>
Approved companies only. Need to provide security cheque, salary certificate, bank statement and original passport.	2% of outstanding loan, 5% for bank buyout	Free credit card for the first year	1% processing fee	Toll-free: 800 27224 <a href="http://www.arabbank.ae">www.arabbank.ae</a>
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 <a href="http://www.dubabank.ae">www.dubabank.ae</a>
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		No processing fee	04 609 2424 <a href="http://www.alislami.ae">www.alislami.ae</a>
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 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED2,500	Toll-free: 800 4792 <a href="http://www.hsbcamanah.com">www.hsbcamanah.com</a>
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		AED150 processing fee	Toll-free: 800 6667 <a href="http://www.noorbank.com">www.noorbank.com</a>
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		AED350 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 <a href="http://www.sib.ae">www.sib.ae</a>

Criteria: Interest/profit rate less than 10.5%

**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 June 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](mailto: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	7.75%	Minimum AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	Up to 15% (depending on the property)
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	For Sorouh properties - 7.24% to 7.9%  Other developers - 8.25% to 9%	Up to 85%	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
<b>Amlak</b> (Shar'ah compliant) <b>**NOTE**</b> <b>On November 20, 2008 Amlak froze all new mortgage lending.</b>	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on eligibility and criteria	10-20%	Minimum 10%
<b>According to recent newspaper reports (April 18th 2009), the Amlak/Tamweel merger is going ahead and the merged entity will be trading soon.</b>							
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	10.5% to 11.5% on reducing balance rate	Up to AED250,000 LTV: up to 85%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	85%
Bank of Baroda <b>**NOTE**</b> <b>Temporarily stopped new mortgage lending.</b>	UAE nationals, expats	Up to 15 years	65 years	9.5% on reducing balance rate	Up to 48 times of monthly salary or 50% of the property price, whichever is lower	Up to 50% of gross monthly income	50%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	8.50%	Minimum is AED500,000 and maximum is AED10 million LTV: up to 90% of market value for villas and 80% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	9.5%	Up to AED4 - 6 million	Depends on the salary	25%
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 AED5 million	Depends on the loan amount and salary	10% with salary transfer, otherwise 20%. Depends on property
Emirates-NBD	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	7.5%	Up to AED10 million	Residents: Up to 60% Non-residents: Up to 50%	25-30%
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	3 month EIBOR + 3.5%	Up to AED4.5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8.5% on reducing balance basis	Up to AED5 million	Maximum 60%	10%
Habib Bank AG Zurich <b>**NOTE**</b> <b>Temporarily stopped new mortgage lending.</b>	UAE nationals and expats	Up to 15 years	60 years	9.5%	Up to 70%	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	7 - 9%	Up to 75%	60% overall debt on all regular commitments	25%
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 20 years	65 years for salaried 70 years for self-employed	7.5% + 1.25% margin prime rate	Up to AED8 million	55% including all loans	30% - completed properties, 35% - incomplete properties
Mawarid Finance	UAE residents and non-residents	Up to 15-20 years	60-65 years	8.5%	AED5 million LTV: 80%	Depends on salary	5-20% (Only for completed properties)
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	9% - 14% on reducing balance basis	Up to AED5 million	Up to 50% of monthly salary for expats	50% for Dubai properties and 70% for other emirates
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	10%  Abu Dhabi properties: 10%	Up to AED8 million LTV: Upto 85% Abu Dhabi properties: Up to 90%	60% of monthly salary for salaried individuals	10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	Profit rate: 10%	Up to AED250,000	50%	50%
Standard Chartered	UAE nationals, expats	25 years	65 years	8% on reducing balance basis	Up to AED10 million In Asset Back Lending (ABL) scheme: upto 40%; Standard Mortgage Product (SMP) scheme: 75%. ABL and SMP are offered just for Emaar Properties that are to be delivered in nine months	Depends on the salary	20%
Tamweel (Shar'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	8.9%	Up to AED5 million LTV: Up to 90%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	9.5% on a reducing balance basis	Up to AED4 million for villas Up to AED3 million for apartments	Up to 65% of monthly salary	20%
United Bank Limited 'Baitna' <b>**NOTE**</b> <b>Temporarily suspended all new mortgage lending.</b>	UAE residents and non-residents	Up to 20 years	65 years	8%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

**NOTE:** Some more UAE banks are actively lending in the market, although mortgage finance products are yet to be officially launched. It's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. **Documentation requirements** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khasasat 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.	<b>Abu Dhabi:</b> ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya <b>Dubai:</b> 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 <a href="http://www.adcb.com">www.adcb.com</a>
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 1% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	ALDAR, Sorouh, TDIC, Capitala and many more to come	Yes	Yes	Toll-free: 800 ADF (233) <a href="http://www.adf.ae">www.adf.ae</a>
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	<b>Abu Dhabi:</b> Sourouh, ETS, Manazel, Emirates Financial Towers <b>Dubai:</b> Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Looat, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 <a href="http://www.amlakfinance.com">www.amlakfinance.com</a>
Life and property insurance	20,000	Yes	Yes	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Israqua	Yes	Yes	Toll-free: 800 27224 <a href="http://www.arabank.ae">www.arabank.ae</a>
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount in case of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 313 6666 <a href="http://www.bankofbaroduae.ae">www.bankofbaroduae.ae</a>
Life and building insurance	15,000	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) <a href="http://www.barclays.ae">www.barclays.ae</a>
Life and property insurance	20,000	Yes	Yes	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 <a href="http://www.dubai.bank.ae">www.dubai.bank.ae</a>
Life and property insurance	15,000	No	No	Info not available	No Abu Dhabi properties financed <b>Dubai:</b> 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	04 609 2424 <a href="http://www.alislami.ae">www.alislami.ae</a>
Life and property insurance	National - 8,000 to 20,000 Expats - 10,000 to 25,000	No	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	<b>Abu Dhabi:</b> ALDAR, Sorouh <b>Dubai:</b> Emaar, Nakheel and Dubai Properties	No	Yes	04 316 0316 <a href="http://www.nbd.com">www.nbd.com</a>
Life and property insurance	25,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	<b>Abu Dhabi:</b> Manazel, Al Reef <b>Dubai:</b> Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Life and property insurance	12,000 for Nationals 20,000 for expats	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoon 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 <a href="http://www.firstguibank.ae">www.firstguibank.ae</a>
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 <a href="http://www.habibbank.com">www.habibbank.com</a>
Life and property insurance	20,000	Yes	Yes	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 366 9052 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>
Life and building insurance	25,000	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 Miraf), Nakheel	No	Yes	04 342 2000 <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>
Life and property insurance (Approved companies only)	9,000	No	No	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 424 4444 <a href="http://www.mashreqbank.com">www.mashreqbank.com</a>
Property and life insurance	15,000	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 <a href="http://www.mawarid.ae">www.mawarid.ae</a>
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 <a href="http://www.nbad.com">www.nbad.com</a>
Life and property insurance	10,000	No	No	Loan processing fee of 1% on loan amount. 1.5% early settlement fee	<b>Abu Dhabi:</b> Al Raha Beach, Yas Island, Shams <b>Dubai:</b> Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>
Life and property insurance	30,000	Yes	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 <a href="http://www.sib.ae">www.sib.ae</a>
Life and property insurance	10,000 for Nationals and 20,000 for expats	Yes	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 <a href="http://www.standardchartered.com/ae">www.standardchartered.com/ae</a>
Life and property insurance	15,000	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	<b>Abu Dhabi:</b> Surouh (Golf Gardens), Manazel (Al Reef Downtown) <b>Dubai:</b> Nakheel (Marina Residence, Jumeirah Village), Tamweel (Tamweel Tower)	Yes	Yes	Toll-free: 800 4354 <a href="http://www.tamweel.ae">www.tamweel.ae</a>
Life and property insurance	With salary transfer 15,000 otherwise 20,000 to 40,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 <a href="http://www.unb.com">www.unb.com</a>
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	04 608 5302

**Disclaimer:** This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during June 2009 for MONEYworks 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 fingerprint 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@moneymoneyworks.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.

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Licence: The UAE Central Bank						
Name	Address	Telephone	Fax	E-mail	Website	
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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.alsahel.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@jdvisurance.ae	www.jdvisurance.ae	
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com	
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	+971-2-626 6669 +971-4-397 7779	+971-2-626 3322 +971-4-397 4422		www.nexusadvice.com	
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	info@pioneerwealth.a	www.pioneer-wealth.com	

Licence: DED (Dubai Department of Economic Development)						
Name	Address	Telephone	Fax	E-mail	Website	
Citico Dubai	P O Box 58066, Dubai, UAE	+971-4-3432666	+971-4-3436613	fdsouza@citico.ae	www.citico.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
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	easttrust@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@medubai.com	www.lmedubai.com	
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	+971-4-351 4900	+971-4-352 4996	info@orientfinance.com	www.orientfinance.com	
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	+971-4-221 3949	+971-4-224 3271	info@sfbme.com	www.sfbme.com	
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	+971-4-359 8882	+971-4-359 9030	info@world-index.com	www.world-index.com	

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

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

## Letter of the Month

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

Dear Editor,  
 I have a large sum of money – the result of selling a property in Dubai. For the last six months, it's just sat in the bank. I've not got round to investing or doing anything with it, plus I don't feel confident investing at the moment. What would be the best type of savings account to put the money in?  
**TSJ, Dubai**

There are many savings accounts in the market, as well as a number of investment products, that might be suitable for you.

**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.

You'll find some of the best offshore account deals available in these pages (please see pages 47-48), but I'd also suggest that it would be good for you to sit with an appropriately licensed, qualified independent financial adviser to go over some options. There's a list of financial advisers at the top of the page.

The right account for you will depend on access requirements and how often you need to withdraw your money. If you are the disciplined type and don't wish to make many (if any) withdrawals, then a fixed-rate account will probably offer you more interest. If you think you would like regular access to your money, then consider an easy access account.



# Could the worst be behind us?

Although there are many hurdles to overcome before the world fully recovers from the global financial crisis, now is a good time to be investing, writes **James Thomas**.

**“Everybody is saying that after the summer, the market is going to come back. I am a small investor. How should I be prepared for this turnaround, if at all it happens?”**

As we all know, the past few months have been very difficult for all of the world markets, including the local Gulf markets. Asset values have been hit hard, and while some have been showing signs of recovery in the past couple of months, they still have a long way to go to reach their previous heights.

I'm not sure everyone believes that the markets will recover after the summer, but there is belief that generally the worst might be behind us and that we should be able to look forward to growth. The effects of the bailout money and other government strategies are now being felt, which is also having a positive effect on market sentiment. However, as a word of caution, there remain many hurdles to overcome before the world recovers fully from this situation.

Generally, I believe that now is a good time to be investing. If you believe this, too, then go ahead and invest. It is no good sitting on the sidelines waiting for the right time to invest, as nine times out of ten you will miss the boat and not benefit fully from any market rise. There have already been some large gains seen in various markets. As of mid-June, the Dow Jones had risen 30 per cent since March, while the Sensex was up over 70 per cent.

While I might not have recommended the following course of action (and still would not) simply because the strategy is high risk and I do not advise on direct equities,

I do know of somebody who had a hunch that the UK banks were undervalued back in February and invested into shares of three banks. He has already doubled his investment.

The phrase 'it is time in the market and not market timing' has never been truer. If you believe in markets and think there are opportunities out there, then go for it.



Preparation is the key to taking full advantage of any recovery. Work out how much you are going to invest. Are you planning to invest a lump sum or regularly? Are you planning to buy direct shares or via a mutual fund? Each option may well have a different strategy, and this needs to be established to take full advantage of your investment.

Carry out your research and due diligence on the shares or funds that you are interested in investing into. Get involved in the investment process, know

what it is you are investing in and be aware of the risk factors that you may be exposed to.

As I have stated, timing is not as important as time in the market. While there are short-term opportunities to take advantage of, my advice would be to take a longer-term view of at least five years when investing, as it significantly increases the potential for positive returns.

What level of risk are you prepared to take? Would you be prepared to invest into a stock like the UK bank example? While in this instance the client has benefited significantly, at the time there was a strong chance of one of the banks being nationalised, so he could have lost his whole investment. How would you feel about this?

You mentioned that you are a “small” investor. Different people have different understandings of what this actually means, but more importantly, what does it mean to you? Is it a small amount that you can afford to lose, or is it a large part of your savings? Dependent upon the answer, I would suggest that you take an appropriate investment strategy.

The length of time you invest for will also effectively reduce the overall risk that your investment is exposed to as the highs and lows of investment cycles become less pronounced and the performance tracks closer to the average return of the sector you have invested into.

In summary, I think now is a good time to invest. As always, though, do your research, know what you are getting into and, as with all aspects of your financial affairs, regularly review your financial situation to make sure it continues to reflect your wishes and requirements.



# Maan Al Sanea: What went wrong?

**Sultan Sooud Al Qassemi** on what should be learned from Maan Al Sanea's story of over-leverage and frozen assets.

**S**audi investor Maan Al Sanea's story will be told for many years to come. It is the story of a man who worked diligently all his life and recently made a series of mistakes that caused him to have his assets frozen and his company's reputation shaken.

Al Sanea was previously known as a conservative businessman who won lucrative government tenders working in infrastructure projects in Jeddah in the 1980s.

Lately, Al Sanea's empire has grown so fast that he now has an "office locator" on his website. His offices exist in the Cayman Islands, London, Manama, Riyadh, Jeddah, Geneva, Dubai and multiple locations in Al Khobar for what is essentially an investment holding company. Compare Al Sanea with Warren Buffett, who has one single office in Omaha, Nebraska. Although having over half a dozen office locations in global cities may seem prestigious to some, it is ultimately counterproductive, as the owner can lose focus.

The Kuwait-born businessman is known to be a major philanthropist and is possibly among the most publicly generous individuals in the region. He founded the Centre for Communication Disorders in Al Khobar, which helps 500 children who have speech, auditory, mental and motor challenges. The Saad Benevolent Fund, an educational and medical endowment, offers healthcare, graduate grants and postgraduate grants to aspiring youth.<sup>1</sup>

Al Sanea was generally thought of as a conservative investor throughout the 1980s and 1990s, as he preferred "a small profit every day to volatility". Recently, however, there was a strategic shift in his investment strategy. The amounts invested grew bigger and more concentrated.

In the early 1990s, Al Sanea employed

Christopher C. Hart. The former US army captain and veteran banker from London eventually became general manager of Saad Investments.<sup>2</sup> Hart is a firm believer in the capitalist system. He backed a proposal by the London-based Berkeley Group (in which Saad Group owned a 12.6 per cent stake) to offer management hundreds of millions of British pounds if they were able to deliver hefty returns "to make it tasty". Hart, in an interview with *The Times* in 2004, called critics of the proposal "anti-capitalist and against entrepreneurship", saying that such an idea "would never be an issue in America".<sup>3</sup> In fact, Hart was right, and this was precisely what brought the American investment and banking sectors to their knees.

In the past few weeks, due to such a risky strategy, the Saudi central bank has ordered banks to freeze Saad Group assets.<sup>4</sup> Moody's has downgraded the group to junk<sup>5</sup> and the Kuwait and UAE central banks have ordered a halt to loans to the firm.<sup>6</sup>

The other issue that Al Sanea could have avoided was over-leveraging. Investors in the Gulf would do well to remember the wise words of US comedian W.C. Fields, who said when asked about borrowing money: "I'll see what my lawyer says and if he says yes, I'll get another lawyer."

Keep in mind that banks are all too happy to offer you money, especially when you can show collateral. The worst thing one can do is to borrow money to invest in the stock market.

Al Sanea's biggest mistake was investing so heavily in HSBC stocks in 2007, just before the global financial crisis and possibly at the height of the banking sector bubble. To finance the GBP3.3 billion purchase of HSBC, he literally borrowed left, right and centre. Kuwaiti banks' total

exposure to his portfolio is in the hundreds of millions of dollars.<sup>7</sup> He also owes Omani banks half a billion Saudi riyals along with his Saudi in-laws, the Ahmad Algosabi Group, which is also facing serious financial difficulties and defaulted on a US\$1 billion debt<sup>8</sup> just a few days before Al Sanea's troubles.<sup>9</sup>

We may never know what prompted a man who employed over 10,000 staff members and whose fortune was estimated to be around US\$15 billion in 2007 (although I do not believe any of these wealth estimates in the Gulf and resort to a simple formula of halving the declared wealth and doubling the declared loan exposures of all Gulf based "PR billionaires") to borrow to finance most of his US\$6.6 billion HSBC purchase.<sup>10</sup> This investment came about despite the fact that HSBC announced just weeks before that it had taken a US\$10 billion hit because of what it called subprime loan problems.<sup>11</sup> In this case, the writing was literally on the wall.

Indeed, there are lessons to be learnt from Al Sanea's story. Consolidate your offices. Don't borrow and invest. Don't encourage managers of firms you invest in to take more risks. And finally, read the papers. You never know if a bank you like just declared a US\$10 billion loss.

## [Footnotes]

1 <http://www.saadgroup.com/main/site/DisplayInfo.aspx?pid=25&lang=en>

2 [http://www.zoominfo.com/people/Hart\\_Christopher\\_345113651.aspx](http://www.zoominfo.com/people/Hart_Christopher_345113651.aspx)

3 <http://business.timesonline.co.uk/tol/business/article4711102.ece>

4 [http://www.zawya.com/story.cfm/sidAWA200906077075047ZMMW78/5http://business.maktoob.com/2009000004493/Saad\\_Group\\_downgraded\\_to\\_junk\\_status/Article.htm](http://www.zawya.com/story.cfm/sidAWA200906077075047ZMMW78/5http://business.maktoob.com/2009000004493/Saad_Group_downgraded_to_junk_status/Article.htm)

6 <http://www.zawya.com/story.cfm/sidZW20090611000002>

7 <http://www.zawya.com/story.cfm/sidZAWYA20090608050917>

8 <http://www.zawya.com/story.cfm/sidZW20090524000033>

9 <http://www.zawya.com/story.cfm/sidZAWYA20090613043000>

10 <http://www.telegraph.co.uk/finance/2807678/Business-profile-From-Kuwait-to-Canary-Wharf.html>

11 [http://www.usatoday.com/money/economy/housing/2007-03-05-hsbc-newcentury\\_N.htm](http://www.usatoday.com/money/economy/housing/2007-03-05-hsbc-newcentury_N.htm)

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