

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

The Gulf region's first personal finance and investment magazine

MONEY *works*

www.moneyworks.ae

November 2009 Issue 132

OOPS!

Why it's always worth reading the fine print in your insurance policy



What's next for the global economy?

Al Barari eyes regional expansion
Where's Cityscape Dubai headed?
Abu Dhabi boosting private sector

Dubai - DHD1.0 Kuwait - KWG1.0
Oman - OMR1.0 Qatar - QAR1.0
Saudi Arabia - SAR1.0 UAE - AED1.0



MONEYworks magazine

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Published by

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Global markets have come up quite nicely as investors' risk appetite continues to rise. Several debt programmes that are being subscribed have also been announced in the region. Banks and financial institutions are now increasingly open to giving loans, compared to a couple of quarters ago.

But there's still uncertainty and unease among financiers and the industry, as most aren't sure what might happen when governments start withdrawing stimuli. Many are beginning to fear that the pressure on governments to withdraw stimuli will increase, especially after China announced nearly nine per cent GDP growth last month for the third quarter compared to a year ago. If that happens, global economies may find it difficult to maintain the steady growth that we have seen since the beginning of the year.

Globally, markets are pricing in the positive impact of economic stimuli. Arguably, it may not be easy for many governments to decide to withdraw them overnight, and if they do, it could lead to negative sentiments and plunging markets. But China's high GDP growth figures have markets worried. They have also given rise to inflation worries. It will be interesting to watch what central banks and governments do in the months ahead.

The rise of the equity markets has had a positive impact on commodities as well, while oil continues to remain steady at around US\$80, a development that bodes well for our region.

At **MONEYworks**, we are getting ready for our first Bronze and Art Exhibition. The exhibition will be quite unique and will display original works of art from nearly 30 global artists, including Pablo Picasso, Constantin Brancusi and Jasper Johns. The exhibition will be held for a month from November 15 to December 15 at the Emperor Hall in the Dubai International Financial Centre. It will be open to all during the day, while art workshops will be held on certain days. We will announce more details on the event in the days ahead. Do keep checking www.moneyworks.ae regularly.

Before I sign off, I must also mention that our first summit on payments and loyalty was held last month in Dubai. Details of the discussions at the summit will be published in a white paper document, which will be distributed with **MONEYworks** next month.

Utpal Bhattacharya
Editor



50:50?

When it comes to investing, don't just flip a coin.

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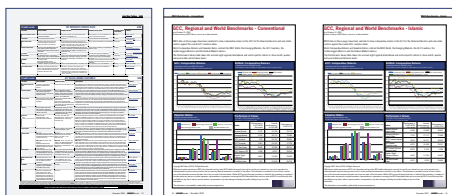
Since 1998

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Small print: Friend or Foe?

Insurance provides protection from unfortunate events, hence promising peace of mind. But smallprint often comes between insurers and the insured, resulting in mistrust on both sides. Ritwika Chaudhuri digs deeper



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Al Barari eyes Oman, Qatar and Abu Dhabi

Al Barari is getting ready to hand over completed villas to owners after a delay of more than a year. The luxury developer is planning similar projects in Abu Dhabi, while Oman and Qatar are also being considered. A **MONEYworks** report.



Mohammad Zaal

Developer Al Barari said during Cityscape Dubai 2009 last month that it was ready to hand over the first group of completed villas in the US\$6.4 billion Al Barari project, spread across 14.2 million square feet in the heart of Dubailand.

By now, 30-35 villas should have been handed over to their owners, while another 33 villas will be handed over within the next few weeks. After that, five to 10 villas will be handed over to owners every week, according to Mohammad Zaal, chief operating officer of Al Barari. A total of 287 villas is scheduled to be developed during phase one of the project.

Like many other mega projects in Dubai, Al Barari has been affected by delays. The scheduled delivery for phase one was August 2008. Zaal is hopeful that all 287 villas will be ready for handover by April 2010.

Zaal said that the Al Barari project did not suffer from any payment defaults or debt-related issues, as most of the funding for the development was generated by the project owners. And the project catered to the super-affluent, who were comfortable paying in cash. Of the total number of units, only seven units were mortgaged, Zaal disclosed.

Zaal added that as the project had a construction-based payment

plan, there was very little chance of default. The project has sold nearly 75 per cent of phase one. The rest has been deliberately kept aside for selling later.

Zaal said that the minimum price of a villa, even in today's market conditions, starts at AED10 million.

"Of course, everybody has been affected due to the crisis. We have also faced prices coming down to a certain extent," Zaal admitted.

Al Barari was founded by Zaal Mohamed Zaal in 2005 to develop luxury homes in the UAE that offer a unique living experience in the midst of lush manmade greenery. Eighty-eight per cent of the project funding came through equity from the family. The rest, around 12 per cent, was contributed by three banks: Abu Dhabi Islamic Bank, Abu Dhabi Commercial Bank and Oman Emirates Bank, each having only a minority stake.

The Al Barari luxury villas sport four distinct architectural styles: Acacia, Bromellia, Camellia and Dahlia. Though the original plan was to construct 330 super-luxurious five- to seven-bedroom villas, the number of villas was scaled down to 287 because of the downturn in the real estate sector. The average size of the villas ranges between 12,000 and 35,000 square feet.

True to the meaning of the word Al Barari, which means 'wilderness' in Arabic, the most important

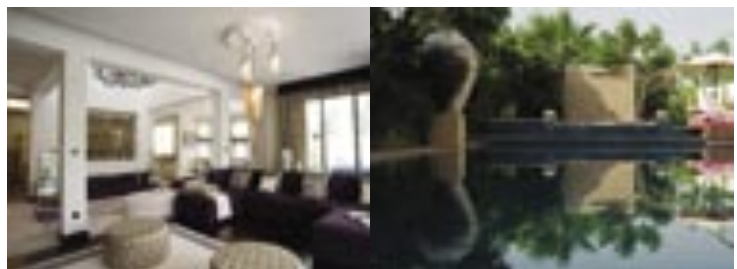
feature of Al Barari is greenery.

The total development will have 34 landscaped, themed gardens and will host one of the region's largest plant nurseries once completed. Zaal boasted of 800 species of plants and flowers from 20 different countries across six continents.

To ensure that each villa is maintained to the satisfaction of the owners, Al Barari has established its own property servicing company, Wojood. The company will be responsible for providing fully integrated management services for all the facilities within the community.

Al Barari has secured another two sites for projects of a similar nature in Abu Dhabi, one occupying a waterfront location and another placed in a strategically located, exclusive plot, according to published reports. When asked about the location for next project, Zaal replied that places close to nature are the first choice. Oman and Qatar are being seriously considered, he added.

Zaal said that phase two of the project will see a mixed development comprising apartments, boutique hotels, a wellness spa, restaurants, amphitheatres, art galleries, boutique offices and retail outlets. However, for the time being, the focus will be to complete phase one. Details about phase two will be announced by the end of this year, he added.



No point waiting for high prices

The economic downturn has meant that business is down but not out for the art market. Last month's Bonhams auction had quite a few takers. A **MONEYworks** report.

Bonhams' fourth international fine arts auction in Dubai on October 12, which was also the second this year, achieved total sales of over US\$1.8 million.

Matthew Girling, chief executive of Bonhams for the UK and Europe, said: "Earlier, we sold seven, eight and even nine times more than our estimations, but now I will be happy to sell all our paintings. There is no point waiting for high prices, which are less likely to come at this time."

The sales of US\$1.8 million last month were in line with Bonhams' estimations, Girling added. Over 70 per cent of the paintings comprising modern and contemporary Middle Eastern and South Asian art were sold. Most of the paintings that went under the hammer were moderately valued compared to some of the previous high value auctions – a reflection of the difficult times.

"I am very encouraged by the turnout at the sale. It is an indication of the return of confidence in the art market, and in particular the Dubai market. The region has seemingly weathered the downturn in the economic market and collectors were notably enthusiastic to bid for the works of art we had on offer. I am optimistic

that in 2010, we shall see the Dubai art market firmly back on the road to recovery," Girling said.

Two of the highest selling items at the auction were from Iran, one by Mohammed Ehsai (lot 32, untitled, oil on canvas) selling at US\$132,000 and the other by Afshin Pirhashemi (lot 65, BMW series 7, oil on canvas) at US\$126,000. There were also a few items that were sold at seven to eight times more than their estimated prices.

The value of last month's auction was, however, slightly less than the first auction Bonhams held this year on May 11. In the May auction Bonhams managed to achieve a 78 per cent sale of rare oriental paintings and works of art. The total sale value in that auction was US\$2.25 million and the most expensive sale of the night was *The Carpet Seller* by Rudolph Swoboda. The 1895 painting went for US\$826,000. In fact, the majority of the art sold at the May auction was bought by private collectors from the Middle East, outbidding international competition.

Bonhams' two auctions last year were also quite impressive. While its November 2008 auction raked in US\$2.34 million in total sales



Matthew Girling

value, the inaugural auction in May 2008 was an astounding success, achieving total sales of over US\$13 million, almost three times the expected outcome, with 94 per cent of the lots sold.

Christie's also did brisk business last year. Its October 2008 auction sold US\$16.9 million of paintings and jewellery in a two-day sale in Dubai. Christie's sold 70 per cent of the lots offered in October, compared to 84 per cent in the April 2008 auction. Sales were slightly down this year, as expected.

Like all global art markets, Dubai's burgeoning art market has been affected by the global meltdown. Many rich bankers and financiers who were major patrons of art in the region were made redundant by the meltdown, which in turn impacted the local art market negatively.

Girling said the Middle East has done quite well despite the economic downturn. There is a lot of interest building up for Middle Eastern art, which augurs well for the market.

"The art market in this region is a fledgling market. It needs proper nursing to make it healthier and stronger over time. In a few years, the art market here will be more matured and vibrant, offering immense potential for connoisseurs, collectors and traders of art," he added.



Out - December 01, 2009
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MONEYworks **SUMMITS**

PAYMENT SOLUTIONS AND LOYALTY SUMMIT 2009

DEBATE AND DISCUSSION

As GCC residents seek financial solutions to meet their lifestyle aspirations, regional financial organisations are now offering innovative retail finance solutions including EMV, chip cards and contactless payments.

In times such as these, with many more retail banks offering credit cards to consumers, the value of customer retention and data on spending habits becomes a primary focus for financial institutions. And, as card usage rapidly increases, the value of a point of reference for the industry on Payment Solutions and Loyalty is paramount.

The first **MONEYworks** Payment Solutions and Loyalty Summit, which was held on October 29, 2009, aimed to provide this point of reference on issues that will affect the GCC payments industry in the long term.

Read more about the outcomes and conclusions of the Summit in a high level research document which will be available with next month's issue of MONEYworks magazine.

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NETWORK



Cityscape Dubai to build on fundamentals

Cityscape Dubai 2009 was a damp squib compared to 2008, but it also summed up the sullen mood of realtors and the property sector as a whole. A **MONEYworks** report.

The number of participants at Cityscape Dubai 2009, held last month, fell back nearly to 2006 levels, and a few developers grumbled that the event was not promoted aggressively enough.

Not true was the response from IRR, the organisers of the event. Responding to questions from **MONEYworks**, Rohan Marwaha, managing director of Cityscape, said that they were not aware of any unhappy exhibitors at the event, especially when it came to promoting and marketing the event.

“Looking at the feedback we have received both by way of conversations and from official and audited surveys, exhibitors are generally pleased with our efforts. Despite a reduction in floor space, the marketing campaign value increased by 17 per cent [in 2009 over 2008] and the majority of exhibitors

felt the event exceeded their expectations given the current climate,” he said.

The total marketing campaign value of the exhibition's 2008 edition was valued at over US\$7 million by the organisers last year.

Cityscape Dubai has been a success story since its first edition in 2003, when the exhibition was attended by just 1918 visitors. As Dubai's real estate market expanded rapidly in the subsequent years, Cityscape Dubai grew bigger and broader, peaking with over 81,000 visitors from 156 countries in 2008. It was expected that the event would take a hit following the property market crash in the emirate and the rest of the world in 2009.

Marwaha said: “We saw a shift back to market fundamentals at Cityscape Dubai this year. The speculators and other amateur

investors were conspicuous by their absence, as were any hints of unrealistic or dazzling developments. The mood was sober and professional. However, compared with other real estate events in Europe and Asia, Cityscape by comparison was very well supported.”

The exhibition was smaller by a third in 2009 over the previous year, while the number of exhibitors dropped from 340 to 218 in the same period. There were also rumours about the organisers offering discounts to large Dubai-based developers at the exhibition to the chagrin of competition. Marwaha, however, quashed these rumours and said: “No discounts were offered.”

Asked about Cityscape 2010, Marwaha said that the event will be shaped by the industry and will aim to address the current challenges and changing market dynamics. He said that the event must evolve to deliver value. It will reflect a resurgent transparent industry built on strong fundamentals, he added.

Marwaha also said that initial responses from participants do not indicate a smaller event next year compared to the 2009 edition. **MONEYworks**

Cityscape history sheet

Year	Number of participants	Countries represented
2003	1918	41
2004	10,358	78
2005	23,552	85
2006	32,442	107
2007	51,855	136
2008	81,162	156
2009	38,000	N/A

It's the end of the world as we know it. And I feel fine.

Allen Quaye ponders the state of the free market, managed capitalism and Scottish music venues.

Fed up with pondering the state of the market and the global financial crisis, I recently spent an evening surfing the web for offbeat financial news in the hope of something sparking an idea for this month's column.

What emerged after around an hour of browsing was that it's amazing how homogenised news on the web really is. It quickly becomes clear that most news is sourced from a handful of the larger, popular news gathering organisations. There's just not as much originality, analysis or truly different view being expressed as you'd expect from an international network the size of the Internet.

I am a real fan of news sites that make an issue of feedback. And I enjoy reading people's comments. Of course, it's generally gossip, sport and movies that generate the greatest debate...rather than the burning issues of the day, but I still enjoy reading what people think. There's always a surprise there.

Consider this example. A friend of mine recently sent me a link from Glasgow's Evening Times that was a story about one of the city's smaller music venues in the West End and its efforts to appease residents in the area by installing soundproofing. The venue, The Halt Bar, is something of an institution for live music fans. It's tiny, old and not remotely pretty or fashionable. But it's great, all the same. And, after 40 years of live music, residents have apparently decided that there's just too much noise these days.

What was interesting was the feedback at the end of the article. Intelligent, amusing, erudite and supportive, it struck me once again that what we think matters and that it's now comparatively easy to make ourselves heard. Or, at least, to have our say.

So I typed, "What do you think of the state of the world's finances" into Google to test my theory.

As I suspected, no direct answers to the question popped up, but I did come across a blog site called www.state-of-the-world.com, written by Dan Smith. As far I can tell, Dan is independent and just wants to make his views on current events and global trends heard. He's also secretary general of International Alert, the London-based international peace-building organisation.

There's a piece there called "The big shake-up, the market and managed capitalism", written on November 12, 2008. In a nutshell, the article compares the current state of the free market with the world during the great depression and ponders managed capitalism.

Ultimately, the author comes to the reluctant conclusion that managed capitalism is unlikely to work. However, he pushes for safeguards and regulations and argues that we have to do something to NOT let things get out of hand. The piece ends with the following paragraph:

"In all sorts of areas of life we wouldn't accept the operation of unconstrained greed and we daily accept and appreciate regulation. For example, taxi drivers shouldn't drive dangerously even though they'll make more money if they get their fares to their destinations quicker. Kitchen goods come with strict safety standards. In any public service, even when it is provided through a market, we want rules and we want constraints. Banking is a public service – it's just that too many bankers forgot."

It's a fair point.

By the way. The Halt lives, slightly less noisily, to book another band.

You can read what Dan Smith has to say at www.state-of-the-world.com/ or at www.dansmithsblog.com. To get in touch, email info@moneyworks.ae, marking your mail 'The Soapbox'. Every email published will receive a limited edition **MONEYworks** money clip in return. To blog online, just look for the 'Topic of the Month' at www.moneyworks.ae.

Banque Saudi Fransi posts SAR714 million net income

Banque Saudi Fransi has reported a net income of SAR714 million for the third quarter of 2009 compared to a net income of SAR692 million for the second quarter of 2009, an increase of 3.2 per cent. The third quarter 2009 net income did, however, see a 1.9 per cent decrease from the SAR728 million net income reported for the third quarter of 2008.

The bank recorded a net profit of SAR2,147 million for the first nine months of 2009 compared to a net profit of SAR2,234 million for the same period last year, a decrease of 3.9 per cent. Earnings per share reached SAR2.97 for the first nine months of 2009, compared to SAR3.09 for the same period last year.

StanChart to double number of relationship managers

Standard Chartered UAE is planning to double the number of its priority banking relationship managers by the end of 2010.

The statement was made shortly after the bank said it would hire a total of 850 relationship managers globally to support its new and improved priority banking service.

"Standard Chartered is continuing to expand its business in the UAE by investing heavily for future growth. Priority banking is a key segment that is growing rapidly, exceeding the industry average," said Deanna Othman, general manager of premium banking at Standard Chartered UAE.

The new priority banking launch in the UAE is part of Standard Chartered's global roll out in key markets including China, Hong Kong, Singapore, India, Taiwan, Korea and Malaysia.

Despite the economic environment, there continues to be a rise in the sector of affluent individuals in the Middle East, tipped as the second-fastest growing segment in the world after Asia, said the bank. Research shows that the affluent segment in the Middle East is growing at an eight per cent CAGR, at multiples of the rate of some of the western markets.



Deanna Othman

Investor risk appetite at highest point in more than three years

Investors' risk appetite has reached its highest point in more than three years amid continued optimism about the prospects for a global economic recovery and rising corporate profits, according to the BofA Merrill Lynch Survey of Fund Managers for October.

Investors are increasingly confident that the threat of a double-dip recession is waning. A net 65 per cent of respondents believe a global recession is unlikely in the next 12 months, up from 47 per cent a month earlier. A net 72 per cent

of respondents believe the outlook for corporate profits will improve in the next year, up from 68 per cent a month earlier.

The survey also shows asset allocators shifting out of cash and into equities as risk appetite grows. Their cash positions are at their lowest level since January 2004. A net seven per cent of respondents were overweight cash in October, compared to a net 10 per cent overweight a month earlier. A net 38 per cent of panellists were

overweight equities, up from 27 per cent in September. Technology, energy, materials and industrials were the favoured sectors for asset allocators in October with investors still shying away from financial stocks.

Asset allocators are showing a growing conviction that global corporate profits will post double-digit earnings growth, the survey shows. A net 39 per cent of panellists think profits will rise by at least 10 per cent in the next 12 months, up from just 25 per cent in September.

Combined wealth of Asia Pacific's high net worth individuals drops 22.3 per cent

Asia Pacific's population of high net worth individuals (HNWIs) fell 14.2 per cent to 2.4 million in 2008 amid the economic downturn, according to the Asia Pacific Wealth Report released by Merrill Lynch Global Wealth Management and Capgemini.

The combined wealth of the region's HNWIs dropped 22.3 per cent to US\$7.4 trillion. Ultra-HNWIs, or individuals with investable assets of at least US\$30 million, witnessed steeper wealth erosion than the HNWI population in the region. The number of ultra-HNWIs in Asia Pacific fell 29.6 per cent to 14,300 and their total wealth shrank 35.1 per cent.

Japan and China continue to host a large percentage of the Asia Pacific HNWI population and its wealth. Last year, the two markets were home to 71.9 per cent of the region's HNWIs and 65.8 per cent of total wealth, up from 68.8 per cent and 62.4 per cent respectively in the previous year.

The number of HNWIs in Japan fell 9.9 per cent to 1.37 million and their wealth shrank 16.7 per cent to US\$3.2 trillion. The decline was milder than in other markets, as Japan already witnessed slower economic growth in 2007 and the country's HNWIs are typically more conservative in their asset allocations.

Despite steep market capitalisation losses, China avoided the larger losses in HNWI numbers seen in other markets due to the closed nature of its markets combined with robust macroeconomic growth. The number of HNWIs in China fell 11.8 per cent to 364,000 and their combined wealth dropped 20.7 per cent to US\$1.7 trillion.

Hong Kong's HNWI population had the biggest percentage decline, falling 61.3 per cent to 37,000. But the average net worth of Hong Kong's HNWIs remained at US\$4.9 million, considerably higher than the regional average net worth of Asia Pacific HNWIs, which stood at US\$3.1 million.

Dubai Gold Securities have recorded an aggregate six-month volume of 27,691 shares, reflecting a fourfold increase since the end of March.

"Although investment demand in the second quarter of 2009 was down from the levels seen in the preceding three quarters, it was still strong," said Grant Collins, senior managing director of Dubai Commodity Asset Management.

Collins added that the trading volume of Dubai Gold Securities, which stood at 6865 securities in March, peaked in May to touch 12,855 securities. He further noted that trading levels in September were very encouraging.

Global investment in gold rose to 222 metric tonnes, up 46 per cent year-on-year in the second quarter of 2009, mainly led by gold exchange-traded funds, according to research published by the World Gold Council. Total inflows into gold exchange-traded funds rose by 46 tonnes and 459 tonnes in the second and first quarters respectively, taking the total gold held in funds to 1694 tonnes worth US\$50.8 billion.

Bahrain finance minister to chair development committee

Shaikh Ahmed bin Mohammed Al Khalifa, Bahrain's minister of finance, has been appointed as the new chairman of the World Bank/International Monetary Fund development committee.

The role is central to the facilitation of intergovernmental consensus-building on critical issues, including the financial resources required to promote economic development in developing countries.

The announcement came during the annual meetings of the World Bank Group and the International Monetary Fund in Istanbul, Turkey last month, where Shaikh Ahmed was named Finance Minister of the Year for the Middle East and North Africa region.



Shaikh Ahmed

BFX sets up product development working group for asset classes

The Bahrain Financial Exchange (BFX), set to launch in the first quarter of 2010, has set up its product development working group (PDWG) for Islamic and conventional asset classes.

Two distinct PDWGs have been launched: PDWG Islamic and PDWG conventional. The PDWG conventional working group has a cross section of representatives with a high degree of expertise from the financial services industry in the GCC region.

Similarly, the PDWG Islamic working group has been selected with a focus on satisfying the specific market requirements of the industry.

"The groups consist of experts drawn with the relevant

background to ensure a robust process of product development and continual improvement in the BFX products, which will ultimately result in greater participation and increased liquidity," said Arshad Khan, board director at BFX.

Khan added that the PDWG's primary function is to provide input, guidance and feedback on the requirements of market participants in the development of products and the suitability of the products in satisfying that demand.

The BFX will be the first multi-asset exchange in the Middle East and North Africa region.

For more on this, go to www.moneyworks.ae and search 'Bahrain Financial Exchange'

The Dubai Multi Commodities Centre

Authority (DMCCA) has appointed Malcolm Wall Morris, formerly CEO of the Dubai Gold & Commodities Exchange (DGCX), as the new CEO of the DMCCA. Morris replaces Dr. David Rutledge, who is retiring after more than six years of service at the DMCCA, including the previous five as CEO. Dr. Rutledge has made an enormous contribution to the sustained growth of both the DMCCA and the DGCX and will be missed, said DMCCA officials. As the CEO of the DMCCA, the majority shareholder of the DGCX, Morris will continue to play a key role in the development initiatives of the exchange. A commodities expert with over 15 years of professional experience, Morris has led the DGCX into the next stage in its strategic growth.

Global index provider FTSE finalised its

annual review of country classification for the FTSE Global Equity Index Series last month. The group confirmed that the UAE is to be promoted to a secondary emerging market. FTSE officials described the UAE's inclusion as a "great achievement".

Middle East luxury market to see modest growth this year

Although the global luxury market is expected to continue its downturn, the Middle East luxury market is expected to grow a modest two per cent this year, defying the worldwide slowdown.

The predicted growth for the Middle East, based on the Luxury Goods Worldwide Market Study recently released by Bain & Company, provides a glimmer of hope for luxury brands and a reality check for a sector that has largely been perceived as insulated from the global economic crisis.

Discussing survival tactics and growth strategies for the luxury market will be highlights of the forthcoming Leaders in Luxury Middle East conference scheduled for November 2-5 in Dubai, which has invited luxury sector leaders from all over the world.

Desiree Tung, executive director of Leaders in Luxury Middle East, said that although the Bain & Company study shows that luxury companies will face increased pressures in 2009, it also points to a long-term trend of continued growth in the number of luxury customers coming from "newly affluent consumers in emerging markets, men who are more willing to pamper themselves, younger generations with new tastes and styles and the continued growth in the number of high net worth individuals".

Philippe Charriol, president and CEO of Swiss-based luxury jeweller and watchmaker Philippe Charriol Group,



Philippe Charriol

believes the greater challenge is to remain visible in each market and to grasp the opportunity to rebound as soon as the crisis evaporates.

"The potential of the Middle East for luxury brands is among the highest in the world and will remain so, as affluent customers have a lot of time, space and money to indulge themselves in luxury items," he said.

According to the study, apparel will be the hardest hit among the major luxury product categories, with sales declining by 15 per cent. Apparel will be followed by jewellery and watches by 12 per cent and leather goods, shoes and accessories by 10 per cent. The bright spots will come from the luxury cosmetics and fragrances categories, with worldwide sales expected to reach AED128 billion and AED96 billion respectively.

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Online poll results
October 2009

Q: Where is Dubai real estate headed?

Up!	: 0%
Nowhere	: 50%
Down	: 36%
The Dumps	: 14%

Go to www.moneyworks.ae now to give your opinion on whether the second wave of recession is coming.

UAE residential prices unpredictable in third quarter, says report

Real estate markets in Dubai and Abu Dhabi were active in the third quarter of 2009, with some unusual trends developing in both cities. According to a report by Landmark Advisory, residential prices in the UAE were more unpredictable than in previous quarters.

In Dubai, villas accounted for 60 per cent of Q3 2009 residential sales, with prices increasing eight per cent. The report noted that projected villa supply and current sales inventories were relatively stable, leading Landmark Advisory to predict that villa prices were likely to remain stable in the short term.

The report also found that apartment prices in Dubai fell only three per cent in

the third quarter of 2009, in comparison to falling 17 per cent during the second quarter. Apartment inventories remain stable because of the majority of sellers holding prices and because many distressed sales that were available over the past three to six months are no longer available, said the report.

The report added that despite regaining some stability, overall supply dynamics do not support a general, short-term price recovery for Dubai apartments.

Leasing rates for villas in Dubai increased six per cent. But while rents went up in the majority of developments, they remained stagnant in a few villa communities. Unlike the villa segment,

Dubai apartment rents dropped 17 per cent during the third quarter of 2009.

Dubai's office market continues to suffer from weak demand, which brought office prices down another 10 per cent in the third quarter of 2009. Office rents, however, declined only four per cent over the last quarter, said the report.

Sixty-one per cent of consumers who bought property in the last two years are dissatisfied with the performance of the real estate agents who brokered their purchases, according to a recent study conducted by Harbor Real Estate.

The study interviewed 178 property owners over a four-month period in a series of face-to-face interviews. Participants evaluated property brokers according to knowledge and skills, ethics and behavior, consultative ability and empathy. The respondents were asked to rate their individual experiences on a five-point scale ranging from excellent to very poor. Of those interviewed, 61 per cent of respondents rated their brokers as either poor or very poor.

Of those interviewed, 73 per cent had purchased their property prior to the recession – set as October 2008 – while the remainder had purchased post-recession. About 23 per cent of those interviewed purchased within the last four months.

About 12 per cent of consumers who made their purchase prior to the recession stated that their experience was excellent or good. In the post-recession period, that number fell to about 11 per cent. In the post-recession market, 58 per cent of respondents rated their experience as poor or very poor. The main causes of buyer dissatisfaction were in the areas of knowledge, consultative ability and empathy.

Burj Dubai's exterior reaches completion

Exterior cladding for Burj Dubai, the world's tallest building being developed by Emaar Properties, was completed last month.

The tower accomplished a world record for the highest installation of an aluminum and glass façade. The total weight of aluminium used on Burj Dubai was equivalent to that of five A380 aircraft and the total length of stainless steel bull nose fins was 293 times the height of the Eiffel Tower in Paris. The last cladding panel was placed at a height of over 662 metres.

Currently standing at over 800 metres, Burj Dubai is on course to be completed later this year, with work on interiors progressing simultaneously. The final height of the tower will be revealed when Burj Dubai opens.



For GCC personal finance and investment news go to www.moneyworks.ae

Colliers International assesses pulse of Dubai real estate

Colliers International commissioned three surveys last month covering Cityscape Dubai 2009 exhibitors, financial institutions and commercial property occupancy.

According to the Cityscape 2009 survey, which recorded the responses of 28 developers, 71 per cent of respondents believed that the Dubai property market had yet to bottom out. Only 18 per cent of

respondents confessed to suspending sales until the market had recovered sufficiently.

The banking survey included responses from 13 institutions, 10 local and three international. Lenders reported a hardening of loan criteria for both residential and commercial property loans. Loan-to-value ratios have been lowered to 50-85 per cent from last year's peak rate of

around 95 per cent, while 80 per cent of institutions are reluctant to lend against properties in developments that are not yet completed or at least close to completion.

The Dubai office occupancy survey indicated a market beset with falling demand and oversupply evidenced through increasing vacancy levels and falling take-up rates.

Veris Delta International Limited (VDI)

has opened its flagship office in the Dubai International Financial Centre (DIFC).

VDI has been granted approval by the Dubai Financial Services Authority to operate as an ancillary service provider from the DIFC.

VDI consists of an integrated team of accountants, engineers and construction specialists. The consultancy covers the disciplines of accounting, forensic engineering, construction management, litigation and expert witness services, as well as internal audit and risk management services.

The company's flagship office in Dubai will aim to provide a comprehensive range of consulting services to companies within the DIFC and throughout the Middle East. VDI has relocated its managing director, Vishal Mehta, from the US to Dubai where he will be responsible for the development of VDI's Middle East operations.

Bahrain-based investment banking

institution Capital Management House (CMH) has been upgraded from a category one investment business firm to a wholesale investment bank by the Bahrain central bank.

The wholesale Islamic investment banking licence will enable CMH to offer a wider range of wholesale banking products and services to its shareholders and client base, as well as to receive banks' and clients' deposits.

CMH is planning to expand its range of investment and financial products and services and offer its shareholders and clients a wider range of investment choices. The expansion of its products and services will be backed by an ongoing programme of investment into extensive product and service developments.

"We will now be able to take our unique approach to investment to a larger market, supporting our value creation strategy," said Khalid M. Najibi, vice chairman and managing director of CMH.

National Bonds has launched a new

promotion aimed at giving new and existing bondholders an opportunity to triple their chances of winning. The promotion will run until December 31.

NBAD and DVB Bank to launch aviation investment fund

National Bank of Abu Dhabi (NBAD) and DVB Bank have signed an agreement to launch a new aviation investment fund. The fund will invest in aviation assets, principally aircraft and engines on lease to international airlines.

NBAD and DVB will act as 50-50 joint venture partners in establishing and managing the fund. As sponsors, NBAD and DVB will also proportionately invest in the fund alongside the investor base, primarily from the UAE and other GCC countries.

It is expected that the fund will acquire approximately US\$1 billion in assets over the next two years. The fund represents the first major cooperation between NBAD and DVB.



Mark Yassin, senior general manager of NBAD's corporate and investment banking division, and Bertrand Grabowski, member of DVB's board of managing directors

NBAD currently operates across 13 countries on four continents. DVB Bank is a global specialist in international transport finance. It offers integrated financing solutions and advisory services in aviation, shipping and land transport.

Visa partners with e-commerce company

Visa Inc has partnered with Borderlinx, the international cross-border e-commerce solutions company, to enable UAE Visa cardholders to shop online and more easily purchase from thousands of US-based retail stores.

By providing a US address and shipping services, Borderlinx will allow UAE shoppers to make purchases from American retailers that only deliver within the US. Visa cardholders can benefit from free registration to the Borderlinx service, as well as a 15 per cent savings on Borderlinx shipping costs until December 31.

The UAE will be one of the first countries

worldwide to benefit from the agreement between Visa and Borderlinx. According to Visa's mobile services and e-commerce usage and attitudes survey conducted in 2008, 74 per cent of UAE Internet users spent on average two hours or more per week looking for and/or purchasing goods online.

"Visa research into Internet usage in the UAE has revealed that approximately 63 per cent of people surveyed have Internet access at home and spend an average of 16 hours per week online. Increased browsing has led to increased demand for online shopping," said Kamran Siddiqi, general manager of Visa Inc MENA.

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

Dunia introduces diamond credit card

Abu-Dhabi-based Dunia Finance has introduced a new exclusive diamond credit card targeting affluent consumers.

The diamond credit card offers such benefits as complimentary golf club and beach club access, access at health clubs, discounts at spas and healthy dining areas, travel discounts, complimentary lounge access and shopping discounts.

"We hope to keep adding value to our

customers by adding more benefits to our Dunia diamond credit card to match their lifestyle and making the customer realise the real value they are getting," said Rajeev Kakar, executive director and CEO of Dunia Finance.

Cardholders will also receive Dunia Crystals, redeemable for travel benefits, shopping vouchers, talk time and charitable donations.

StoneCross Capital's Shari-ah-compliant, longevity-linked platform debuts

StoneCross Capital has been approved as the first US-based asset management company that creates and customises Shari'ah-compliant, insurance-linked longevity products and provides advisory services to global financial institutions with longevity product initiatives directed to Islamic investors.

In meeting Shari'ah legal guidelines, StoneCross Capital has sought to create an opportunity for institutions in the Islamic community to diversify their holdings and satisfy future product

demands using an alternative asset class that is not correlated to any other asset class in the market.

StoneCross Capital's Shari'ah-compliant platform will enable investors to customise a financial structure that will couple an existing or newly acquired Shari'ah-compliant asset with longevity assets. The percentage of longevity assets will over-collateralise the entire structure and will ensure repayment of the principal and profit of the certificates without relying on the performance of the underlying assets, said company officials.

For GCC personal finance and investment news go to www.moneyworks.ae

Tadhamon Capital, a new Islamic

investment company, has officially launched its new corporate GCC headquarters in Bahrain.

Tadhamon Capital is the first investment company in Bahrain to be fully owned by Yemeni shareholders. It holds a category one licence from the Bahrain central bank.

The company will provide its clients with a diverse range of Shari'ah-compliant products and services across asset management, real estate, private equity, treasury and wealth management. Tadhamon Capital is a 100 per cent owned subsidiary of Tadhamon International Islamic Bank, the largest bank in Yemen, which is itself majority owned by Yemeni conglomerate Hayel Saeed Anam & Co Group. Qatar Islamic Bank is also a prominent shareholder.

Gulfmena unveils new directional absolute return hedge fund

Gulfmena Investments has unveiled its Gulfmena Arab Opportunities Fund. The fund is the first directional absolute return hedge fund focusing specifically on the Middle East and North Africa (MENA) equity markets to be managed by a GCC-based asset management business.

The fund will offer a multifaceted strategy for investing in MENA public equities. The strategy is designed to take advantage of current short-term market inefficiencies while being able to capitalise on long-term directional opportunities.

The fund will be offered on a private placement basis and

is suitable only for professional clients who are qualified high net worth individuals and institutional investors, said Gulfmena officials.

Gulfmena Alternative Investments is the asset manager of the fund.

The fund will target annual returns in excess of 15 per cent and will aim not to exceed an annual volatility of seven per cent. The fund will also observe strict liquidity criteria and capacity over-ride rules that are built into the strategy to ensure high liquidity levels that allow it to be open-ended and offer weekly liquidity.

Appointments - October 2009



Steve Donovan

Citi's global transaction services division has named **Steve Donovan** head of global transaction services for the Middle East and Pakistan. He will be based in Dubai.



Eng. Jamal Salem Al Dhaheri

Abu Dhabi Basic Industries Corporation has appointed **Eng. Jamal Salem Al Dhaheri** as the company's new CEO.



Husam Kutaifan

National Bonds Corporation has appointed UAE national **Raja Mohammed Al Mazrouei** as head of information technology.

Husam Kutaifan has joined Rasmala as head of corporate finance. **Michael Kidd** has joined as head of private equity.



Abdul Aziz Al-Yaqout

DLA Piper has appointed **Abdul Aziz Al-Yaqout** as regional managing partner for the Middle East.



Rainer Sommer

Zurich Insurance Company has appointed **Rainer Sommer** as chief operating officer for Middle East general insurance, a newly created position.

Hisham Ashour has become the new CEO of Damas International Limited.



Patrick Heuze

Patrick Heuze has taken over as the chief operating officer of Emaar Hospitality Group.

Citadel Capital has hired **Hassan Massoud** to head the firm's East African office as it pursues growth opportunities across the Horn of Africa.



Kaveh Samie

Kaveh Samie has joined HSBC as managing director, head of equities, for the Middle East, a new position.



Alan Durrant

National Bank of Abu Dhabi has appointed **Alan Durrant** as chief investment officer of its asset management group.

Ernest Law Shee-



Ernest Law Shee-Wing

Wing has also been named regional manager in Hong Kong.

Brad Robbins has joined Abu-Dhabi-based Khidmah as services division director. **Tamer Hashem** has been appointed as security services manager.



What next: A plateau or a gorge?

Financial markets across the world have begun to discount a full-fledged global recovery. Is the rally sustainable, or is another dip coming? **Utpal Bhattacharya** seeks answers from experts.

As financial markets continue their upward surge across the world, many questions are being asked, including why money is not available for businesses when an abundance of it is chasing listed securities. Other questions include why jobs are still being made redundant, when consumption is going to pick up and what sort of a lag period one should expect between the recovery of the financial markets and the real economy.

There are no straight answers, of course. The world is not recovering from a normal flu, but rather from one of the worst crises in the last 70 years.

In fact, the International Monetary Fund (IMF) has reduced its estimate of the

losses from the financial crisis in the last three years to 2010 to US\$3.4 trillion. Its estimate was higher at US\$4 trillion at the beginning of summer.

During the last two years of financial mayhem, the balance sheets of major lenders in the world have been damaged beyond recognition, while experts are yet to fathom how badly household finances have been hit. According to the IMF, while US banks have recognised nearly 60 per cent of anticipated write-downs, banks in continental Europe and Britain have hardly recognised 40 per cent of their likely losses, indicating that there is much more to unfold in the coming months.

Yet, policymakers around the world have been able to work together to avert a more serious crisis post-collapse of Lehman Brothers. A year later after the behemoth filed for bankruptcy, we find ourselves at the levels of pre-collapse of Lehman Brothers in stock markets and such areas as credit spreads.

Khuram Chaudhry, chief European quantitative strategist at BofA Merrill Lynch Global Research, explains that there have been two economic cycles taking place at the same time in the world. The first one started in 2007 as liquidity started contracting that year. That cycle is still continuing and that downward trend is still on, he says.

The second cycle occurred with the collapse of Lehman Brothers, leading to a sharp down-leg. Chaudhry points out that the massive monetary and fiscal stimuli from governments helped a recovery in this cycle.

John Greenwood, chief economist at Invesco, has similar views, but is dramatic in his explanations when he says that if recessions were like valleys, then the post-Lehman shock was equivalent to discovering that there was a canyon at the bottom of the valley.

“The resurgence in asset prices and the initial bounce-back in trade and manufacturing activity represents emergence from the canyon, but economic activity is still at the bottom of the valley,” he notes.

There is a raging debate still going on about whether Lehman Brothers should have been allowed to fail when the US government helped other banks survive. There are substantially valid arguments on both sides of the table, but one thing is for sure. The cost of bringing the world back to some sort of even keel post-Lehman collapse has been enormous. It will take a long time to pay back the debt governments around the world have incurred as a result.

The market bounce-back

The shock at the demise of Lehman Brothers last year was so powerful that it stopped global lenders in their tracks. There was a tremendous loss of trust among financiers and they stopped

lending to each other, while manufacturers dropped production and people reduced consumption. Initially, there were large inventories, but since demand does not fully die away, the warehouses gradually started to empty. That’s when new orders started to come through, supply began to



John Greenwood

build up and analysts started projecting quarter-on-quarter growth. Financial markets saw the opportunity and the bounce-back happened as indices rose all through summer.

It is interesting, however, how economists and fund managers sometimes look at the same scenario from

different perspectives. A Bank of America Merrill Lynch survey of fund managers last month found them increasingly confident about the threat of a double-dip recession waning. The survey not only found risk appetite at the highest point since April 2006, but also showed asset allocators shifting out of cash and into equities due to growing conviction that global corporate profits would post double-digit earnings growth. A net 72 per cent of respondents to the survey believed that corporate profits would improve next year, up from 68 per cent a month earlier.

The survey questioned 229 fund managers, managing a total of US\$616 billion.

Greenwood is more sceptical. According to him, prospects for a continuation of

the six-month V-shaped recovery in risk assets is now increasingly doubtful, while the prospects for a V-shaped recovery in economic activity are also somewhat tenuous.

Chaudhry backs Greenwood’s arguments and further points to the excess supply of goods and services, which translates to a lower pricing power for most companies globally and hence subdued bottom lines.

Chaudhry also makes a few interesting observations about whether markets will continue to rise in the short term. He says that one of the strong indicators in favour of the stock markets back in February 2009 was the aggressive buying of their own stocks by company directors. This trend has not reversed, but has slowed down considerably.

“Around February, we noticed company directors buying 20 of their own stocks for each they were selling. This was one of the strongest indicators in the history of our indications since 1986. The number of buys has now reduced to one for each

one they are selling. This certainly is not a sell signal as opposed to a buy signal, but it is also not a bullish signal,” Chaudhry notes.

There were actually two entry points in the global stock market recovery. The first was around November 2008, when the Chinese stimulus was announced



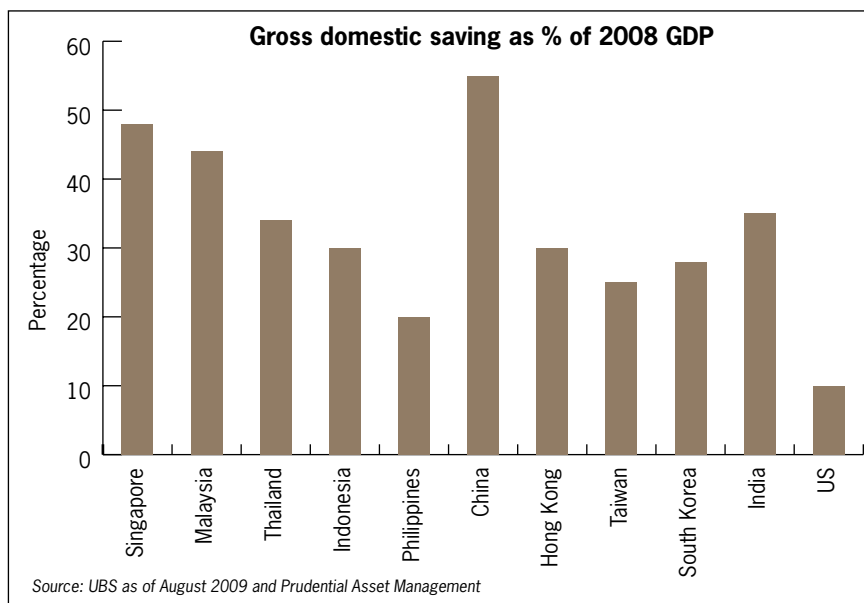
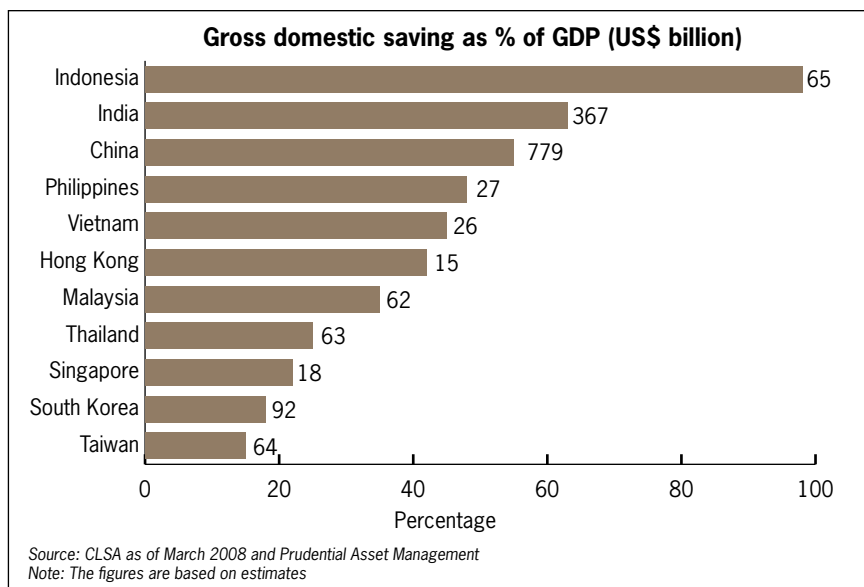
Khuram Chaudhry

and the Chinese stock markets started to rally, including value and small cap stocks. Company directors were more likely reacting to these indicators and they started investing, despite depressed sentiments. By December 2008, sentiments were moving more towards fundamentals. By March 2009, developed markets started to pick up. Around that time, company earnings were also beginning to look much rosier globally after seeing drastic downgrades a few months ago, further helping the markets to rally.

Today, in the US, Asia, Japan and the emerging markets, there are more earnings upgrades than downgrades. In Europe, the pace of downgrades has slowed down considerably. The macro

Global borrowers and lenders					
Rank	Country	Debt-External (US\$ billion)	Rank	Country	Reserve of foreign exchange and gold (US\$ billion)
1	United States	12,250	1	China	2,033
2	United Kingdom	10,450	2	Japan	954
3	France	5,370	3	Russia	435
4	Germany	4,489	4	Taiwan	296
5	Spain	2,478	5	India	250
6	Netherlands	2,277	6	France	204
7	Ireland	1,841	7	South Korea	201
8	Japan	1,492	8	Brazil	197
9	Switzerland	1,340	9	Singapore	168
10	Belgium	1,313	10	Hong Kong	165

Source: CIA World Factbook, July 2009 and Prudential Asset Management



profit data looks strong for November and December, simply because it was so bad last year, says Chaudhry.

Many investors are considering this to be a bullish signal, although it is more likely that the markets have already discounted the earnings growth.

Going forward, it is highly unlikely that companies will be able to keep the growth momentum, as the real economy continues to be weak, while valuations have started to look rather stretched.

“The earnings upgrade that we have seen recently globally is the biggest change we have seen in the history of data in the last 20 years. So, my point is, would we be

able to match these numbers month on month? If the profit data goes sideways, that’s time to unwind,” Chaudhry cautions.

State of the global economy

Bloomberg reported in the middle of last month that policymakers at the Federal Reserve have begun to doubt the durability of the recovery and have, for the first time, shown inclinations toward further boosting purchases of mortgage bonds to prop up the housing market. Cautious consumer



Dr. Gijas Gokkent

spending, business investment and hiring were clearly areas of concern.

US indebtedness has become a major issue for the world. With nearly US\$12 trillion of outstanding public debt, the per capita debt in the US is nearly US\$39,000. And this in turn translates to an unwillingness to spend or borrow more. With the US GDP being nearly a quarter of the global GDP, the damage incurred in the balance sheet of the household sector will remain a major challenge for the recovery story for some time to come.

Greenwood argues that the most important thing that is needed to come out of the recession is a pick-up in spending. But as of now, despite all of the quantitative easing, the rapid central bank money is not translating to rapid growth of broad money, as banks are unwilling to lend or add their holdings of securities and firms and households are unwilling to borrow. Greenwood believes that the acceleration of broad money will not happen until balance sheets are repaired, which could lead to deflationary pressure.

Notwithstanding balance sheet repair of the household sector in the western world led by the US, Greenwood sees the major headwinds to consumer and investment spending coming from the ongoing losses and recapitalisation in the banking system. This also translates to continued slow money and credit growth. Add to this the reluctance of firms to rebuild their inventories until sales substantially pick up, the prospects of gradual withdrawal of fiscal stimuli and a slowing rate of earnings growth in the months ahead.

Dr. Gijas Gokkent, chief economist at National Bank of Abu Dhabi, has the same line of argument when he says that international banks continue to be highly leveraged. The asset-to-equity ratios of some banks continue to be more than

30 times, something that will continue to be a drag on credit growth in the near term.

Dr. Gokkent adds that the substantial slack in capacity utilisation and the relatively high unemployment will keep inflation in check, if that is a concern given the new money coming into the system.

Some economists are not considering the immediate impact of unemployment, treating it as a lagging indicator. But with unemployment as high as 10 per cent in the US, nearly 15 million people of the largest consuming country in the world will continue to buy much less. The more time they remain out of work or indebted, the more difficult it will be for the global economic recovery.

Chaudhry sums up aptly: "US consumers still have a lot of debt to repay and the Chinese consumer is not large enough to offset that. So, in all likelihood, we will have a recovery that is far more muted than some expect."



Ashish Goyal

The emerging markets

It is interesting that a number of commentators in the past had given statements that the emerging markets led by China and India would lead the world out of recession. Although it has not happened yet, there is no denying that as the world looks at rebalancing its balance sheet, the importance of the emerging markets will be boosted by their capacity to invest. On their own, the emerging markets and the less developed countries are not indebted as the more developed world is right now. There is a striking contrast in the balance sheets between the two worlds.

Singapore-based Ashish Goyal, chief investment officer at Prudential Asset Management, pointed out during a presentation in Dubai that while the US leads the world with external debts of over US\$12 trillion, followed by the UK at US\$10.45 trillion and France at US\$5.3 trillion, some of the biggest reserves of foreign exchange come from the emerging markets, Asia and the Gulf. China leads the pack with a reserve of US\$2.03 trillion. And these countries have huge infrastructure spending planned. Asia alone is likely to have invested US\$1.5 trillion between 2007 and 2010.

Undoubtedly, the emerging economies, including the Gulf states, have been hit hard by the global meltdown, but the situations and the books of these two contrasting worlds differ vastly in terms of content.

Greenwood notes that the growth outlook of the developed economies remains dependent on government and central support. In the case of emerging and less developed economies, the key factor enabling them to take the lead is the financial condition of their households and the financial sectors, which have not been damaged by the credit boom that contaminated the western economies.

In fact, emerging economy governments can administer monetary and fiscal stimuli that can gain traction more rapidly than in the developed economies, he adds.

"However, with only a few exceptions, these [emerging] economies are not leading in the sense of providing sufficient locomotive power to their developed

counterparts to pull them out of recession," concedes Greenwood.

That's also the reason, he argues, why the developed economies will be largely reliant on their own stimulus policies combined with the restoration of financial health in problem sectors to achieve a full recovery in 2010 and beyond.

As markets across the world price in a global recovery, it will be interesting to see how investors differentiate between global and emerging markets and make the best of both opportunities. At this point in time, valuations are no longer cheap and sentiments are quite buoyant, along with strong profit data and some positive macro data across markets. These all augur well, but valuations will have to be constantly watched, as will the next move on stimuli or interest rates. Bear in mind that there could be surprises like the one that came from the Australian central bank early last month.

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GCC equities: KSA is attractive

Saudi Arabia clearly stands out as the market to bet on among the GCC markets. But there are others as well, and a careful, disciplined stock picking approach will pay ample dividends, writes **Matein Khalid**.

There is no shortage of macro-momentum factors to explain the recent rally in GCC equities. One, crude oil prices have more than doubled from US\$32 last winter to US\$75. Two, the dollar has plunged by more than 15 points on the US Dollar Index as risk appetites have soared. Three, capital flows into emerging markets have resumed with a vengeance after the post-Lehman fund manager exodus. Four, the sovereign credit default swaps of GCC states, which priced in worst case default scenarios only six months ago, have plummeted. Five, the capital markets now price in global growth, not another Great Depression. Six, GCC public finance (budget surpluses) and current account balances have improved

due to conservative spending. Seven, the Saad Group and Nakheel debt shocks seem closer to resolution. Eight, the sukuk/Eurobond new issue market has unfrozen. And nine, GCC valuations are cheap in a global context.

The market to bet on

Saudi Arabia offers the best macro metrics and long-term value in the GCC. The Saudi government boasts US\$400 billion in accumulated foreign exchange reserves, even though the Kingdom has borne the brunt of the OPEC supply cuts and has lost market share to Russia, now the world's largest oil producer. While Saudi Arabia's dependence on oil exports and its status as the swing producer in

OPEC means that the Kingdom's GDP is hostage to the mood swings in black gold, I believe 2010 will offer a windfall macroeconomic prize to Riyadh as crude oil trades above US\$80.

The Saudi government also injected a fiscal stimulus as high as seven per cent of GDP, higher on a relative basis than both the American and German stimuli, to offset the Saudi private sector from the draconian falls in bank credit and frozen capital markets. The news that Saudi banks have restructured Saad/Al Gosaibi debt obligations may also lead to a pick-up in bank credit growth, particularly as oil prices rise and the Eurobond/sukuk market opens to new borrowers.



WAY

In essence, the Tadawul index was the victim of the Saad Group debt shock in May 2009 and Saudi equities naturally lagged the rally in global emerging markets as Saudi bank shares tanked. Samba, for instance, lost one-third of its market value in June 2009, but the bellwether Saudi bank's share price soared by 30 per cent with the recent resolution of the Kingdom's most high profile corporate debt default since the 1970s. The relief rally in Saudi bank shares and US\$76 crude oil are unquestionably positive for the Tadawul. Yet, I am reluctant to invest new money at 6300 Tadawul in the Kingdom. It would make far more sense to wait for a correction and buy Saudi banks or consumer shares such as Almarai or Savola in a correction, preferably at 5800 Tadawul.

Saudi valuations are, however, not excessive. Despite its meteoric post-Saad surge, Samba still trades at a reasonable 12 times earnings. At SAR48, I consider Saudi Telecom to be one of the most

undervalued telecoms in the world, with a growth kicker due to its holdings in Turkey, Indonesia, Malaysia and India. Yet, Saudi Telecom trades at only seven times earnings, while its historic valuation multiples have been double its current metric. I believe Saudi Telecom is worth SAR65/75.


I am not bullish about Kuwaiti equities because the political gridlock between parliament and the government leads to populist policies that inhibit foreign direct investment and encourage capital flight. While Kuwait clearly benefited from the Iraqi reconstruction boom and the fall in systemic risk after the overthrow of the Saddam Hussein regime, the corporate governance crisis and debt default at Global Investment House, one of the largest, most swashbuckling independent investment banks in the GCC, has hit international and even Kuwaiti investor confidence in the Kuwait Stock Exchange (KSE), where several listed investment companies are de facto financial zombies, massacred by the crash in the regional property and stock market bubbles. Yet, it is ironic that while sentiment on the KSE remains skeptical, the Kuwaiti current account surplus could soar above 30 per cent of GDP if crude oil prices trade above US\$80 for a protracted period. The resolution of the convoluted merger bids for Kuwaiti telecom Zain by an Indian-Chinese consortium and systemic distress in several distressed investment companies makes me reluctant to cherry pick value on the KSE.

Time for discipline

It is an axiom of GCC investing that Oman is the ultimate petrocurrency market, with the MSM index highly correlated to oil prices. I believe Oman is a long-term macro turnaround story in the GCC, as decades of falling crude oil production and mediocre success in the LNG export plan is reversed by the Omani government's US\$10 billion investment plan to increase oil and gas recovery. In fact, oil production, declining since 2002, has actually risen in 2009 by a respectable seven per cent. Oman's gross external debt is US\$16 billion, or one-fifth of the GDP, but the Omani central bank

currency reserves are now an impressive US\$25 billion. Bank Muscat dominates Omani banking and is a pure play on the growth of retail banking, capital markets, project finance and home mortgages in the sultanate. Galfar is one of the GCC's largest contractors and engineering firms, with a multibillion-dollar pipeline of projects from the Omani government and the national oil company (PDO where Shell has a strategic stake).

The UAE stock market has soared, as have the credit default swaps of Dubai plummeted on optimism that Nakheel will refinance its sukuk in November 2009. However, with the DFM dominated almost completely by property and banking stocks, I am reluctant to aggressively buy shares at current levels, as I expect bank non-performing loan ratios to rise and property prices to fall in the next 12 months. It is a dangerous illusion to assume that the current market euphoria means that the macro-storm clouds are no longer an issue. It is therefore dangerous to buy shares off the DFM at 50 times current earnings or 48 times enterprise value/EBITDA, making it the most expensive listed stock exchange in the world. I prefer low-beta telecom Etisalat, albeit at lower levels.

I am also cautious on Qatar at current levels, although I am bullish in the long term. LNG exports will double in the next four years, making Qatar the richest, fastest-growing country in the Middle East. A clear proxy for Qatar's economic transformation is its largest commercial bank Qatar National Bank (QNB), which is a proxy on domestic consumer growth and whose government ownership, ample capital base and cheap funding costs make it the lowest-risk bank stock in Doha. QNB shares, though, are a buy only at QAR120 for a QAR170-180 target. The proxy for Qatar's LNG potential is clearly Nakilat (Qatar Gas Transport Co), the world's largest operator of an LNG tanker fleet. The easy money in the GCC rally has been made and now it is time for careful, disciplined stock picking. 

Opinions expressed in this article are those of the author and do not necessarily represent those of the MONEYworks group of magazines. This article should not be misconstrued as financial advice. Don't forget that investments can go down as well as up and you may not get back the amount originally invested.

Abu Dhabi: Better rules for the private sector soon

Abu Dhabi is shortly coming out with its own regulations to make it easier for the private sector to own and operate companies in the emirate. The importance of the private sector's contribution to the GDP of the emirate will rise manifolds in the coming years, writes **Ritwika Chaudhuri**.

Abu Dhabi is making significant efforts to create a business-friendly environment for the private sector as part of the emirate's plans and ambition to associate with the top 20 economies in the world. Based on a recently published report by the World Bank on the comprehensive assessment of the business environment in the emirate, the government has taken several initiatives to improve the current business environment. Licensing is a key element.

Speaking to **MONEYworks**, Mohamed Omar Abdulla, undersecretary of the Abu Dhabi department of economic development, said: "We are continuing to adopt best practices in regulating trade licences. We are giving utmost attention to the importance of speeding up the licensing process and reducing the cost (time and money) associated with it. This is a vital part of our efforts to achieve an efficient, transparent and investor-friendly business environment in the emirate."

Focusing on strategic growth sectors, encouraging increased participation of the private sector, reducing dependence on oil and creating a competitive business environment to attract increased flow of international capital are some of the key

elements identified to help achieve the Abu Dhabi Economic Vision 2030.

Abu Dhabi's current and short- to medium-term investment plans have been announced accordingly by the relevant 'national champions', which are leading the focus sectors identified in the economic vision.

Technology, civil aerospace, basic industries, ICT, media, renewable energy, transportation and logistics and petrochemical, along with other emerging and traditional sectors, have been identified as highly promising sectors.

Abdulla said that there are significant investment initiatives being undertaken currently, while others are in the pipeline. He added that the focus on a number of sectors will help to diversify the emirate's economy.

"The diversification will contribute to the broader transformation and aspirations of the emirate's policy agenda and vision by attracting strategic foreign direct investments, increasing export and enhancing the knowledge-based orientation of the economy," he explained.

Abdulla also said there have been no major changes in the original Abu Dhabi Economic Vision 2030 plan, nor has the

government scaled down its economic agenda despite the global economic downturn.

"The economic development agenda for 2030 is a long-term road map. Therefore, it has not been impacted by the short-lived global financial crisis. The government is keen on maintaining the original plan," he said.

"A number of changes are being made in liberalising investment norms, licensing procedures and company-related laws in Abu Dhabi. These should be announced in a few months." Mohamed Omar Abdulla

However, as part of the emirate's medium-term planning efforts, more specifically during the just-concluded five-year economic strategy exercise, the department of economic development worked very closely with the leaders of different sectors to ensure that the emirate's regional and global macroeconomic assumptions for the period of 2008-2012 took into consideration the new conditions arising from the economic crisis.

"We believe that all investment plans [in the emirate] have been properly updated in light of the new economic circumstances and given the potential uncertainties and shifts posed by a dynamic world economy," added Abdulla.

Strong GDP growth

The undersecretary said that the Abu Dhabi government is confident of a sustainable growth of 6.7 to seven per cent per annum in the next few years. He added that the government has realised that in

Key economic variables - Abu Dhabi

Economic variables	2007*	2008*	2009**	2008-2009 %
Population (000)	2145.00	2307.00	2460.00	6.60
Workers (000)	1116.00	1205.00	1306.00	8.80
Gross domestic product (at constant 2005 prices)	337.20	361.70	388.60	7.40
Gross domestic product (exc oil sector)	148.60	160.40	175.00	9.10
Gross fixed capital formation	59.70	68.90	85.80	24.50
Total commodity exports	276.90	318.30	400.00	25.70
Total commodity imports	63.30	75.00	89.30	19.00
Compensation of employees	58.40	66.40	73.00	9.90
General consumer price index number (2005=100)%	125.90	139.30	154.00	10.60
Per capita GDP (constant prices) (thou AED)	165.70	165.50	158.00	-0.40

Source: Information and decision support centre, ADCCI *Adjusted **Estimated

order to maintain sustainable economic growth of that scale, the private sector has to play a major role and at least needs to grow at the same rate of six to eight per cent a year. The Abu Dhabi government has now taken into account that the non-oil sector is a major enabler and needs to contribute not less than 60 per cent towards GDP by 2030, Abdulla noted.

As business environment and related policy measures are foremost in all the changes planned and happening in Abu Dhabi, the emirate's government is working on new methods of doing business and bringing in necessary reforms in rules and policies to meet the challenges that lie ahead, he said.

A number of changes are being made in liberalising investment norms, licensing procedures and company-related laws. These should be announced in a few months, Abdulla disclosed.

"It is very important that we enhance our financial tools and mechanisms to improve the business environment. Also, at the same time, our educational system needs to be well equipped to complement the changing business environment. In this respect, we have done a good job as of now, but we need to do more," he added.

To enable smooth business operations, the government is working on creating a specialised business centre under the Abu Dhabi department of economic development, which will eliminate the number of steps for setting up businesses. The changes in the majority of rules related to establishing, operating and closing down companies have already been finalised and are likely to be announced by the first quarter of 2010, the undersecretary disclosed.

Venture and project capital

Special attention is also being given to the development of venture capital, debt finance and project financing.

"We expect that significant project finance will be required in the coming three years, as the anticipated capital expenditure for the focus sectors in Abu Dhabi is in the range of US\$100-120 billion. Almost half of this is likely to come in the form debt, 60 per cent of which will need to be sourced internationally," Abdulla said.

While the anticipated growth strategies will ensure significant business opportunities for the domestic and regional project financiers with varying specialisations and interests, the development of the local debt market will also help in the overall expansion of the entire financial sector in the emirate, according to Abdulla. However, there are challenges in mobilising international finance.

Abdulla said: "The main challenge will be in how best Abu Dhabi is able to source the necessary financing in the aftermath of the global financial crisis and come up with an optimal financing strategy. This is a very important issue and all relevant entities are working collaboratively to address it in a satisfactory manner."

The other important area to get the attention of the Abu Dhabi government is the SME segment. The development of the SME sector and increased private sector participation are considered to be key priorities within the overall development agenda of the Abu Dhabi government. Significant initiatives have been taken by various government entities like the Khalifa Fund, the Abu Dhabi department of economic development and the Abu Dhabi council of economic development to promote SMEs and the private sector.

"There are more initiatives planned for the sector, especially within the focus economic areas of the emirate. These will primarily aim at supporting SME growth, entrepreneurship, arranging loans and training facilities," said Abdulla.

The government is also planning a comprehensive strategy for the SME sector, he added.

Challenges

The Abu Dhabi government is confident in pursuing its Abu Dhabi Economic Vision 2030. One of the primary challenges for the emirate, according to Abdulla, is how it is able to manage its social and environmental development goals. Human development is also an important area.

"We need to maintain our identity, bring up our small population, reduce the imbalance between men and women within the national workforce and encourage more participation by women," he said. "Of course, the rapid pace of change and accomplishing a huge developmental



Mohamed Omar Abdulla

goal in a short period of time is a bigger challenge."

Is competition with other emirates of the federation a challenge, as all of them are vying for international capital to boost growth? Abdulla thinks otherwise. He said that Abu Dhabi and the other emirates in the UAE complement each other's efforts and together drive the vision of the UAE government. All the emirates work under the same federal government, while each has its own development agenda that supports the broader ambition of the country.

On Abu Dhabi, Abdulla reiterated that the government is focused on strategic foreign direct investment, as it would add significantly to the competitiveness of the emirate's industries on the global stage. Therefore, the leaders of the focus sectors will always consider in their projects a strategic alliance with foreign partners. The government entities that are responsible for shaping the business environment are giving a great deal of attention to make Abu Dhabi a perfect destination for foreign investors, he added.

Abdulla said that improving the enforcement of contracts and increasing investors' protection are the two key priorities along with other agenda to further improve the way of 'doing business' in Abu Dhabi. The Abu Dhabi department of economic development is also intensifying its promotional efforts in order to better educate the international community about the investment opportunities in the emirate, he added.



Terms and
Conditions

Small print: Friend or Foe?

Insurance provides protection from unfortunate events, hence promising peace of mind. But miscommunication, technical wordings, exclusions and smallprint often comes between insurers and the insured, resulting in mistrust on both sides. **Ritwika Chaudhuri** digs deeper.

Ahmed's family was unable to avail of his insurance cover after his death, as he had not disclosed a chronic health problem he was suffering from at the time of taking his policy. Ahmed had no idea how important disclosure was, nor did the agent explain it to him at the time of the sale.

Tom had a difficult time filing his insurance claim after some unpleasant incidents led to financial loss during his holiday, as he was not aware of some of the typical exclusions in travel insurance.

Lata Singhania failed to understand why her insurance company refused to reimburse the theft of her AED1 million Rolex watch, despite paying a hefty home contents insurance premium. The insurer refused her claim on the grounds that prized possessions were not declared when taking the policy for valuable belongings.

Anne was surprised when she was told that her car insurer would not pay for her BMW's broken windshield because damaged windshields (if not by a genuine accident) are not usually covered under car insurance.

The above incidents are just a glimpse of hundreds of disputes that regularly occur between insurers and the insured. A lack of communication between policyholders, insurers and insurance brokers and a lack of awareness among customers are mainly to blame for such problems. But they also occur due to the use of technical terminologies in documentations that customers fail to understand or misinterpret. A number of insurers and brokers are also irresponsible or poor at explaining these terminologies.

In addition, there are those

customers who refuse to read the small print closely out of sheer ennui or laziness. And then there are those who do not even know their requirements when purchasing an insurance policy, even though that is one of the most important boxes to tick in the checklist for buying coverage.

Says Jonathan Jane, regional retail manager at Axa Insurance (Gulf): "Insurance is the financial equivalent of an airbag in a car."

The analogy is apt. Insurance means

protecting one's future against potential risks, just as an airbag protects a driver against future risks from accidents. But imagine that the airbag had a technical glitch and did not work during an accident. The extra money paid for the protection of the driver would then go to waste. The same principle holds



Jonathan Jane

true when purchasing an insurance policy. The premium one pays to the insurer is to protect oneself against the future risk of loss. But not to ensure that everything in the policy document is what one has been assured of by the insurance agent is a mistake. Such an approach not only negates the very principle of insurance, but also increases the probability of disappointments and financial loss for the insured.

Small prints on policies

When it comes to insurance, small prints differ from one type of policy to another. Conditions and exclusions are not exceptions, but rather the norm in this part of the world. As such, most experts advise customers to read policy manuals from beginning to end and ask questions.

“One must remember that each policy has its own unique/bespoke terms and conditions and there is no blanket coverage in any policy,” explains Samantha Lloyd du Plessis, team leader for general insurance at Nexus Insurance Brokers.

Even for life insurance, which seems very straightforward (one pays a premium while alive and the beneficiaries receive the proceeds after the death of the policyholder), going through the policy manual is essential.

Areas that one should look at include the premium payment grace period information. If a policyholder neglected to pay a premium on time, his beneficiaries may not receive any proceeds after his death, as the life insurance policy is likely to have lapsed due to non-payment.

Other fine print issues also need examination, such as the level premium payment term (how long the premium remains at the current level), guaranteed renewability, exclusions from proceeds payments (sky diving, auto racing, hazardous sports) and the ability to reinstate coverage after a policy lapse.

Even in the case of company-provided life coverage, one needs to be aware of provisions and conditions. This is true for general insurance policies like health, motor, home and travel insurance as well.



Samantha Lloyd du Plessis

In the case of health insurance plans, fine prints more often than not describe the coverage limitations. For example, what is covered and what is excluded, like lifetime limits/coverage caps and deductible terms. The insured should be aware of what he is expected to pay and what he is covered for.

Insurance brokers also insist that, while evaluating a health insurance policy, a customer must check on the network of providers that the policy will give him access to. It is also important to check out excluded benefits, whether the policy requires pre-authorisation for hospital admission or other services, the annual limits on payouts, what services are covered and what services are not covered.

Another example is travel insurance. A good comprehensive travel insurance policy is likely to cover lost or stolen baggage and pay all medical expenses. At the expensive end, it will compensate missed flights or serious delays, trip cancellation or interruption, accidental death or dismemberment. It likewise allows additional coverage on rental car protection and so on.

Cheap policies do not often come with a lot of frills. Even if there is a provision of extra coverage, it comes with excess payment for every extra single item covered. For travel insurance, different players charge differently and one needs to carefully go through the fine print. Many players have created various sub-limits to avoid big losses on claims.

Most travel insurance in India, for example, does not cover accompanying gadgets like cameras or iPods, loss of cash, hazardous sports or even medical emergencies abroad. In a number of instances, travel insurance does not cover epidemic or pandemic situations.

Home insurance can also be complex. People often believe that home insurance will cover them for accidental damage, but this is rarely the case. Most insurers will offer additional cover against accidental damage for a small premium. Along with theft and fire, natural disasters are also covered by

Sharing responsibility

Responsibilities of advisers/agents:

- Make clear that insurance provides protection, but does not provide blanket protection and has its limitations
- Conduct proper fact finding on the lifestyle, priority, need and budget of the client
- Provide written confirmation of fact findings and clear doubts related to hypothetical situations
- Provide proper explanations of the policy and highlight entitlements and exclusions
- Explain the cool-off period, exit route and consequences due to pre-mature exit
- Constantly monitor changes in the lifestyles of clients and consequently suggest changes in policies
- Help in recovering claims in case of unfortunate events
- Provide assistance and advice if dispute arises

Responsibilities of clients/policyholders:

- Read the small print; the only way to get real peace of mind is to read and understand every sentence in a policy
- Realise that not reading the small print may cause you to pay thousands of dollars for a worthless policy, as every claim turned down is in some way due to “the small print”
- Know that although insurers are more customer-friendly than in the past, some are still criticised for excessive zeal in seeking to avoid payouts
- Recognise that if a policyholder does not read the small print, it is as much the policyholder’s fault as the insurance company’s if a claim is denied
- Understand that insurers use different terminology
- If you do not understand what something means or the effect it might have on you, clarify it either with your financial adviser or with your insurance company

home contents insurance. But one needs to be aware that covers vary from one provider to another, as does the definition of what constitutes a natural disaster.

The semantics of it all can be confusing and contradictory, as well as a trap for the unwary, say independent consultants. While one insurer may cover an earthquake in a region that is not prone to frequent quakes, another insurer might not cover an earthquake in a region where quakes are a regular phenomenon. In yet another variation, the dictionary definition of a natural disaster may not match a particular insurer’s description. In other words, the purchaser has to ensure that he knows what he is getting into when buying an insurance policy.

A young market

The UAE market, and also to some extent the regional market, suffer from mistrust between insurers and the insured. And most of it stems from a lack

Good to know

- Illustration should give account value, term, premium, ICP, maturity value, charges of the plan, illustrated values and early surrender value in case of life insurance
- The cool-off period is usually 14-30 days; if the policy is not suitable, the customer can decide to cancel the policy and insurance company
- Initial contribution period (ICP) and implications of premium delay during and after ICP
- Consequences of premature surrender of policy or early surrender penalty
- Vanishing premium term (i.e. how many years the premium has to be paid)
- Nil allocation period in case of pure endowment or endowment plus protection policy
- Redemption values
- Premium frequency (i.e. whether monthly, quarterly, half-yearly or annual premium is to be paid)
- Flexibility in the policy in terms of change in premium amount, frequency and initial term of premium
- Periodic comparison with the actual value of policy with the initial illustration in case of endowment policy
- Management charges
- Death claims ideally should be settled within 90 days; otherwise, the insurance companies are liable to pay interest
- For protection plan, yearly premium involves less cost while for savings plan there is no difference
- The set-up cost of policy is deducted from the initial period of policy; there are also management charges that must be paid by policyholders

of communication and understanding of the policy or policies that people buy into, resulting in disputes at the most crucial time of claims.

In the majority of disputes, both parties are equally responsible, mainly resulting from miscommunication, lack of attention or ignorance.

That's why experts insist that customers need to be aware of entitlements and exceptions when purchasing an insurance policy. They also add that insurers and insurance brokers should go the extra mile to explain all the little bits in the manual.

Using trusted, credible independent financial advisers (IFAs) often helps. It is always advisable to use IFAs, as it is part of their job to explain the true meaning of words in policy manuals.

"A good financial adviser will always advise a client on the dos and don'ts, explaining the coverage of the policy and highlighting the exclusions. But it is



Dev Raj Kanchan

also the responsibility of the policyholders to read through the policy documents carefully and, accordingly, ask questions if things are not clear," suggests Dev Raj Kanchan, compliance officer at Nexus Insurance Brokers.

But Abdul Muttalib M. Al Jaidi, CEO of Oman Insurance Company, believes that the onus lies more with the seller. He says that customers cannot be expected to be insurance literate and that a true insurance professional is expected to explain the inclusions, as well as the exclusions, properly.

Jane puts a lot more responsibility on customers. He says that customers should ask questions and clear doubts. In the case of certain insurance companies, a customer can cancel a policy during the cool-off period without having to bear any penalty if the policy is not up to his expectations, adds a consultant.

Jane also feels that insurance companies have to be careful about misleading

Insurance is all about selling promise

Abdul Muttalib M. Al Jaidi, CEO of Oman Insurance, tells **MONEYworks** why the onus lies on the insurer when it comes to communication about the product to the customer.

Mistrust of insurers is something very common in our market. Why?

Selling insurance is very different from selling normal goods and services. Insurers do not sell tangible products. They sell promises. Insurance is not about just making profits, but also about compensating for losses that are not in anybody's control.

Insurance is peace of mind. It offers solutions to people and, at the same time, serves business needs. But for peace of mind, customers should know what they require, while a consultant's job is to come up with the best possible policy based on those requirements. An insurance agent should see to it that the policy being sold is affordable for the customer. Otherwise, it will add to the latter's worries instead of peace of mind.

While premium income is important, an insurer's focus has to be on winning a

customer's trust through committed, transparent and efficient servicing.

There are problems with some insurers in our market, as they deviate from the core philosophy of insurance practice. There is mistrust, too, as you have pointed out. But suspicion is on both the sides: the buyers suspect the sellers and vice versa. It is not a good practice and that's why we come across court cases and disputes with so many companies.

At Oman Insurance, we give customers' needs the utmost importance, along with service. That's why we have been able to grow our business. We are in the business of service, and if we do not provide proper and good service to the customer, we will not have a business. What service can we provide if we do not have customers? So we are keen on not having problems with our customers.



Isn't an agent equally responsible when it comes to understanding what a customer's requirements are? Why do miscommunications happen?

Improper communication is at the root of most problems. Responsibility has to be shared by both parties to both protect capital and customer interest and avoid future disputes.

An insurance representative should be loyal to the company he works for, but also truthful to his customers. He should offer proper consultation

Why disputes occur

- Lack of clear and proper documentation
- Policy is sold incorrectly either by financial adviser or agent
- Improper disclosure by policyholder
- Customer not looking at policy properly, hence misunderstanding entitlements
- Language is not clear or too technical

information coming from customers, while being wary of fraud.

In a market like the GCC, problems are not always the same as they are in the developed west. GCC customers may not know some of the most basic terms the industry uses. They also may not be aware of things like management charges and the consequences of redemptions, which are taken for granted in developed markets. For some insurers, this is an opportunity to increase underwriting profits in the short term and sell products that are profitable. In the long run, they run the risk of being exposed. But much of that is yet to happen in the region, which is only now beginning to see the pace of penetration starting to quicken.

to customers, free of charge, while behaving in a responsible and professional manner in understanding client requirements. We cannot expect each customer to be insurance literate, so it is the duty of an insurance agent to tell his customers what is to be done and what is not to be done in a transparent manner.

It is also important for him to not have prejudices against a customer about the latter not telling the truth.

Insurance products are usually of a longer tenure. Other than marine insurance, in most cases, the minimum tenure is for one year. An agent is expected to stay committed to his customer for this whole period.

The aim of all companies should be to provide continuous protection to customers. And for that, they need reliable partners. While proper advisory is important, it is also equally important to ensure that promises made are kept in terms of both deliverables and service. This becomes even more important in the case of life insurance, where the onus is on insurance agents to follow up with customers regularly if everything is alright.

There are occasions when customers do ask for things they are not entitled for. The responsibility lies with insurance agents to clarify with these

In addition, with the region being price sensitive, a number of cheap products are increasingly available. With the insurance market picking up the pace of growth, many customers in the region are buying into these inexpensive products without understanding what they are getting into for whatever premium they are paying.

“Naturally, a cheap policy promises limited benefits with fewer options and is susceptible and vulnerable to more exclusions and omissions,” explains Lloyd du Plessis.

The absence of proper regulation in the market, unlike in the developed west, is also not helping anyone. As a result, different insurers have different wordings for similar policies. Though products like car and health insurance have more standardised wordings due to popularity and demand for such products, the same is not true for other less-marketed products.

Some insurers and brokers can also take advantage of the lack of knowledge and lack of standardisation in the market to make a quick buck. These parties

clients what they are entitled for and what they are not.

Some say that because of the lack of proper regulations in the local market, there is no standardisation and hence a lack of clarity in the wordings of documents. Is that true?

Every business suffers from a lack of clarity in some way.

It is important to clarify the rights and limitations in order to avoid misunderstanding, disputes and mismatch. There have to be proper regulations and controls and implementation of regulations in order to secure the rights and obligations of the customers, insurance companies and the beneficiaries.

If each insurance company shows keenness on improving, collectively the market will improve.

Has the downturn affected Oman Insurance?

Insurance is the second most important sector after banks. And there is no denying that the industry has been affected.

At Oman Insurance, however, we believe that every crisis has its challenges and opportunities. We have not stopped growing because of the crisis, although the pace of growth has slowed

should act in good faith and promise and assess the needs and requirements of the customer prior to recommending products.

“Due to the absence of a proper regulated insurance market in the region, it is difficult to resolve complaints and provide an efficient and independent service to policyholders and others in response to disputes arising from insurance policies and claims. Customers have little recourse in these situations,” rues Lloyd du Plessis.

It is high time that leaders in the industry create a coordinated action plan to develop personal insurance into a more serious business in the UAE and in the region. It will be important for them to work with governments closely to develop better regulations and ensure more transparency in the business. More importantly, they need to function as an industry on certain agreed principles and codes of conduct, rather than as individual players, thus serving happier customers and creating more depth in the business in the long term.

down to 10-15 per cent this year from 30-40 per cent in the years before.

How are you coping with the slowing rate of growth?

Oman insurance has been the market leader with a 14 per cent share of the UAE market. Even during the crisis, our endeavour is not only to retain our leadership, but also to increase our share.

We are promoting certain lines of business, especially the individual personal line, as there is potential. We are also in the process of changing our business model, making it more responsive to the changing needs to give us an edge over others.

In our region, lots of insurable interests are not covered. We are looking at those opportunities. The UAE insurance market, for example, has grown from AED4.7 billion in the mid 1990s to AED18 billion today. There is significant potential to grow.

What about expansion outside the UAE?

We had two new offices, one in Muscat and the other in Qatar, set up at the beginning of 2009. We will wait for the right time to expand to other markets.



The shine gets brighter

Liali Jewellery has emerged as a leading retailer of branded and custom-made jewellery in the last 10 years. Raed Ahmad Baker, the company's chairman, always wanted to be in the retail business. He started the company in June 1999 and has never looked back. Here he tells **Amir Elalfy** how Liali Jewellery is riding the difficult market conditions.

What got you into investing in jewellery?

After graduating from college, I had a strong desire to start a retail project. I did not have a clear idea in my head at that time and I had a lot of work to do. But I finally got my breakthrough in 1998, and with the help of Anuraag Sinha, I entered the world of gold and jewellery trade that year.

You have built quite a good presence outside of the UAE.

We are celebrating our 10th year of establishing Liali. The group has achieved substantial growth. We now have 18 stores spread across the UAE and overseas. There is a branch in Bahrain and we also have two branches in Barcelona. We are also present in the Dubai International Airport Free Zone and other free zones in a couple of other countries. We believe in continuous and steady expansion and you will see us growing into a number of other branches in the years to come.

Jewellery trade needs special skills. Do you invest in your employees to enhance their skill levels?

We constantly try to attract skilled and trained personnel that are qualified in the trade and selling of jewellery. It is a continuous process and Liali currently employs nearly 140 people. Providing training to the existing staff is our number one priority. Without effective training courses, we wouldn't have got to where we are today. You will be able to sense the high efficiency of our salesmen and saleswomen by visiting any of our stores in the country. It will also help you familiarise yourself with our products and experience our integrated customer service, which has a wide acceptance with our customers.

I would like to emphasise that we hold training courses for our staff on a regular basis and usually focus on sales techniques. We are also keen for the team to be fully computer literate. At a time when e-commerce is spreading and gaining importance, use of information

technology is not only considered useful, but also essential. It can be a differentiating factor with competition. In fact, we have now signed up for an Enterprise Resource Planning System, which is worth millions of dollars, in order to automate various business processes and be able to get the flow of information across the company.

What major brands are you marketing at the moment?

Liali Jewellery is one of the leading jewellery brands that primarily specialise in diamonds. Today, Liali owns six of the most famous diamond trademarks. We not only own them, but also we have created these trademarks. Some of these are well known international names such as K-Dion, which is a Japanese brand. Vivienne Westwood and Memories are among some of our most selling labels, and they are modelled for large luxurious classic diamonds that retain glamorous shine for a long time and are of great beauty.

We offer Memories as a pioneer and

luxury trade mark, and it was accepted and praised by fans for good taste.

What are the other brands?

We have a unique collection, which is dedicated to admirers of precious stones who know very well how and where to spend their money. The collection is called Petite diamonds. It is one of the most appreciated collections by our customers, despite the current difficult economic conditions. It is suitable for those with limited budgets. As for trademark of pearl jewellery, we have Sakura, which is characterised by quality and luxury, for they are drafted from the Pearl Kimono. We sell a number of gems under the famous trademark of Lassale.

You had been working on the idea of manufacturing jewellery upon request. What made you come up with that option?

The idea of making jewellery upon request is quite prevalent in Italy, Spain and the Far East, just like what many jewellers do in Dubai. We must bear in mind that each region has its own culture that runs across industries and products, from food to fashion and jewellery. We started offering this option because we wanted to offer more choice to our customers. They can now come to Liali and request for designs to fit their taste.

So it is a value-added offer?

It has been a strong value-add, if I may say so. We offer competent and skilled designers to deliver a touch of modernity and sparkle to ancient and classical jewellery pieces, so that they become more modern and contemporary for our customers.

Every year, in summer, we launch a campaign to polish and repair jewellery for our usual customers, and it's completely free of charge through the campaign known as 'Fix-n-Shine'.

What about competition? Is it fierce?

Dubai is the city of gold. The emirate has about 800 jewellery shops. Competition is, of course, fierce. But it also compels us to provide what's best for our customers. Liali has a broad client base comprising permanent residents and tourists visiting the emirate regularly. We also have many customers that simply visit our website and start the purchasing process from wherever they are.

How has modern technology affected the gold and jewellery industry?

There is no doubt that the jewellery sector, like any other sector, has been impacted by the

"There is no doubt that the jewellery sector, like any other sector, has been impacted by the introduction of new technologies. Technology helps in adding a lot of value to both form and final design of products. But technology is only a means to the end, while the skill of the jewellery designer remains the key factor in creating or bringing new intricate and upmarket products to the market."



introduction of new technologies. Technology helps in adding a lot of value to both form and final design of products. But technology is only a means to the end, while the skill of the jewellery designer remains the key factor in creating or bringing new intricate and upmarket products to the market.

How has the jewellery industry and its sales been affected by the global crisis?

The crisis has affected all sectors and we had our share as well. Our volume of sales has been affected, but we are in a much better shape than many other sectors hit by the crisis.

We took into account the global economic crisis and the recession and came up with solutions by offering our clients higher value products in order to encourage them to buy more and exchange gifts.

Do you think gold's demand as a safe haven asset is helping the sales of gold jewellery here?

We are not in the bullion trade. We are jewellery retailers, but in spite of that, I can tell you that for many customers, jewellery has become a safe investment, especially at a time when global markets look so uncertain.

What measures have you adopted to sustain your business in such difficult times?

We took several measures, including proper auditing and keeping a constant tab on the company's assets. We reviewed all plans, including those relating to expansion, while developing new strategies to strengthen our business. We also ensured that our employees were able to implement the strategies and plans that we set for the company.

Another important initiative has been our endeavour to offer jewellery at affordable prices to our customers due to the global financial crisis. For example, we have offered clients the 1010 jewellery collection, marking 10 years since the establishment of Liali Jewellery, at a price of AED1010 only. The 1010 jewellery collection uses diamonds and 18-carat gold and coloured stones and pearls.

You have plans to expand. How will you fund your expansion? Will you raise money from the public?

We do not have IPO plans at the moment. We want to first increase the size of our business, both at the global and local levels.

Emoluments headed south

The economic downturn has not only led to redundancies regionally in the GCC, but is also forcing compensation levels south, including in banking and finance. **Manjula Menon** investigates.

At the onset of the financial crisis last year, companies resorted to massive layoffs in order to quickly adapt to slowing business. Now, the focus of cost containment has shifted to careful, selective hiring and staffing processes, with package offerings more in line with current market conditions. In light of reduced profit expectations for the year, HR departments are also taking a more differentiated view of cost sources, with such sources as international travel budgets, hiring freezes, reduction of salaries, increased budgets and performance-based rewards taking the top spots on the cost-cutting target list, according to a survey by Watson Wyatt Middle East in June 2009.

Gulf macroeconomics

A July report by regional recruitment portal GulfTalent.com states that economic growth in the GCC has taken an extraordinary plunge from about 6.2 per cent GDP growth in 2008 to a forecast of 0.2 per cent this year, largely owing to a reversal in the oil price. This in turn has had severe consequences for the region's recruitment landscape. With expat bankers being among the top earners in the region, as Bayt stated in its January salary survey, they have also been hardest hit by job cuts, increased work pressure and compensation adjustments.

In some countries of the GCC, as GulfTalent.com observes, governments took measures to minimise the effect of redundancies on nationals by urging companies to focus on expatriates first when it came to cost-cutting measures. On the other side, there is rising unemployment in the domestic markets of expatriates in the financial services sector, which attracts more professionals to the Gulf as a preferred location to work and thus adds to the current oversupply of talent in the regional labour market. The

report concludes that the slowdown in the regional economy coupled with lower levels of inflation and the steady supply of talent will keep salary increases to a minimum until summer 2010.

Jonathan Gould, a consultant on the financial services team at Gulf recruitment agency IQ Selection, thinks that there have been cutbacks on the compensation front, with some candidates taking salary cuts. The Middle East used to be characterised by employees frequently changing companies for higher packages. According to Gould, this trait of job-hopping seems to have disappeared from the market. Salaries will remain at similar levels in 2010 with little increases, while candidate supply will outstrip demand.

Gould expects the post-Ramadan season to usher in some tentative hiring for the rest of 2009, with significantly more rigorous due diligence on the qualification of the candidates. Companies burnt by the financial crisis will still shy away from any massive recruitment activity. In 2010, hiring will be steady with a careful rather than aggressive approach, he says. There is also a good supply of high-profile candidates with experiences in blue-chip companies in the market. These candidates stand a better chance to be re-hired in the short-term, according to Gould.

Current salary levels

It is interesting that the same positions have different packages coming from different agencies. However, there are high similarities in the salary ranges. While Robert Half's UAE Salary Guide 2009-2010 indicates the base plus housing allowance package for chief financial officers with around 15 years of experience at around US\$250,000-400,000 per annum, a job advertisement for a comparable role through recruitment agency Charterhouse Partnership offers

US\$300-350,000 per annum base salary, plus benefits and allowances. Similarly, for a managing director's role in investment banking in the UAE, Robert Half estimates between US\$300,000 and US\$350,000 plus for the compensation package (base plus housing allowance), while Charterhouse Partnership advertises a comparable role in Doha for US\$250,000-350,000 per annum base salary. Overall, there seems to be only slight variations in the range, which might be traced back to the job locations.



Typically, expat pay structures in financial services are split into a base salary, bonus and various types of allowances, of which the housing allowance makes up the major part. Now, with inflation and rent levels receding in particular, the accommodation component of total compensation packages is being subsequently adjusted downwards.

Peter Greaves, head of financial markets at McArthur Murray Executive Search, expects that salary reductions in local companies are imminent partly because their pay structures were inflated due to expensive hires and supply and demand imbalances, which is typical of any bull market. He says that the current base salary for a CEO is at about US\$350,000-500,000 per annum and that of a managing director is US\$300,000-350,000. For a director,

it is US\$250,000-300,000. Greaves says that in general, bonus expectations are subdued across all sectors. Those in asset gathering roles such as asset management, placement and private wealth management have had a tough year so far.

Greaves believes that the market will remain weak for the rest of the year, while the fourth quarter might bring some clarity about the direction of 2010. However, in the first quarter of next year, companies will continue to cautiously monitor profitability. Many are expecting further damage from global markets. Greaves is convinced that banks will be conspicuous in their drive to reduce costs further. Of course, this is not the best approach, as it would mean losing highly skilled personnel to competition. Select companies with winning strategies will use this time to upgrade the quality of their staff.

Ray of hope

Not all is doom and gloom, as there is a silver lining in the horizon. The latest World Bank report (2009 Economic Development & Prospects) predicts the GCC countries to have a real GDP growth of 4.2 per cent in 2010. In such an economic scenario, recruitment activity is likely to pick up starting next year, as reflected by studies of various recruitment agencies. As early as July, Mercer's GCC Snapshot Survey predicted that 42 per cent of companies were planning an increase in headcount in 2009, while 60 per cent of organisations were looking at hiring in 2010. The September report by Robert Half holds a similarly optimistic view on the stabilisation of salary levels in the financial services sector, in particular for finance and accounting roles. They argue that particularly in light of excessive consolidation and streamlining at the start of the year, companies will start to catch up again. However, salary increases are not set to follow subsequently, and especially not to pre-crisis levels, when expat compensation in the financial sector was highly inflated. Hence, expectations are that salary levels will finally be corrected to adequately reflect a new market environment and be sustainable for businesses.

The prevailing view is that salary levels will be tightly linked to overall economic outlook in general, the oil price for Gulf countries in particular and the financial health of the company, eventually leading to renewed re-hiring and gradual review of compensation packages.

With Gulf and overseas companies currently setting up and intending to expand their operations in the main regional hubs of Dubai and Doha, recruitment activity, not just as a result of internal reshuffling or replacement hires, will eventually pick up the pace, say industry sources.

Some industry analysts and consultants forecast a 20 per cent surge in employment in the financial sector in the current quarter compared to the third quarter of 2009. They also expect international companies in particular to allocate higher budgets for recruitment and training in their 2010 budgets. According to NaukriGulf.com, 60 per cent of respondents in their survey have already started hiring. In any case, compensation and recruitment will be more strictly aligned to revenue-generating employees and their performance, as well as candidates who have long tenures with previous employers and regional experience.

Greed or fear?

Despite the encouraging early indicators and a recent increase in business confidence in London, which could point to stronger commitment in existing overseas operations as well, there is still a strong sense of hesitation and an urge to keep an eye on a prolonged market recovery. Once the financial sector rebounds sustainably, employment activity and compensation levels alike are likely to herald a shift in the balance of power towards the employee.

For the time being, despite the departure of a number of qualified expatriates, there still is an oversupply of talent from which employers can cherry pick. The mood continues to be dominated by a risk-averse atmosphere. Greed, both at corporate and individual levels, will thus be kept at bay for a little longer, while fear will continue to dictate expectations.



Shopping for revenues abroad

Drake and Scull, which has an order backlog of over AED3 billion, is focusing on geographical diversification of its revenues. **Sajeer Babu** expects the company to benefit from its strong cash reserves, expansion plans and healthy order backlog.

Drake and Scull International (DSI) is a contracting company that provides mechanical electrical and plumbing (MEP), infrastructure, water and power (IWP) and civil contracting in the region. The company's expertise in MEP and contracting spans from providing complete solutions through design and build to engineering procurement and construction and civil contracting services across Dubai and Abu Dhabi, as well as maintenance and operations of district cooling plants across the MENA region. The shares of DSI were listed on the Dubai Financial Market in March 2009 after it sold 55 per cent of its ownership through an IPO in July 2008. The public offer was oversubscribed by more than 100 times.

Ever since DSI established its operations in the UAE in 1966, the company has undertaken a significant amount of work in the country and in the region. In 2007, the company expanded its operations to civil contracts through an 80 per cent acquisition of Gulf Technical Construction Company in the UAE. Today, the company has an order backlog of over AED3 billion that spans across the UAE, Bahrain, Saudi Arabia, Thailand and Sudan. DSI currently employs over 12,000 employees. This number is expected to increase after planned acquisitions in Saudi Arabia, Kuwait and Qatar.

Focus on new markets

DSI is currently focusing on expanding its business to Thailand, Jordan, Libya, Oman, Qatar and Saudi Arabia. The company was recently awarded its first MEP contract worth AED130 million in Thailand. DSI hopes to secure a couple of other projects in Thailand. The recently formed DSI Thailand will be deployed to bid for civil works projects in Vietnam, India, Pakistan and Hong Kong. In the first quarter of 2009, DSI shareholders approved the company's plan to open offices in Libya and Jordan to tap potential opportunities in these markets. Additionally,

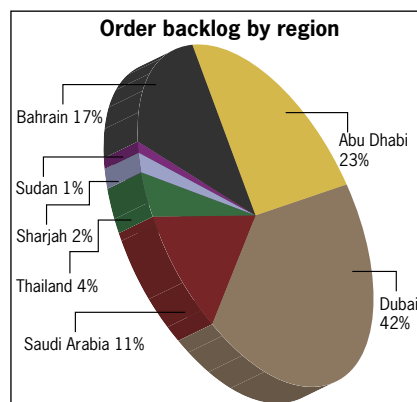
the company is planning small to medium-sized acquisitions in the region, mainly in Saudi Arabia, Kuwait and Qatar, which will be funded from its strong cash reserves.

DSI currently generates more than 90 per cent of its revenue from the UAE. The share of the UAE to total revenues is expected to go down significantly as the company pursues geographic expansion. In 2008, the company won its biggest IWP project worth of AED598 million (Duarrat Al Bahrain in Bahrain) and an AED130 million project in Thailand in 2009.

As mentioned, according to recent data, DSI has an order backlog of over AED3 billion, including recently awarded projects in Abu Dhabi and Thailand. We expect more project wins over the coming years, due to a pick-up in construction activities and the company's aggressive expansion plans (both organic and inorganic). The recent project wins outside of the Dubai market are expected to help DSI diversify its revenue stream and also diversify its risk.

Healthy financial position

DSI has a healthy balance sheet with a net cash position of AED1039 million and a current asset ratio of 2.22x at the end of H1 2009, giving more cushion to undertake large civil contracts and make small to medium-sized acquisitions. DSI also operates on shorter contract receivable days (162 days at the end of H1 2009) compared to its peers.



Despite higher commodity prices, DSI used to operate at a high margin up to mid-2008 on the back of a strong construction boom coupled with favourable UAE macro-economic dynamics. Despite a fall in commodity prices since its peak in September 2009, the uncertainty in the construction sector and the availability of a number of contractors in the market have reduced construction margins significantly in the last couple of quarters. We see less potential for DSI to secure high margin contracts in the near future and assume the gross profit margin to come down in the range of 15-16 per cent from its all-time peak of 19.38 per cent in 2008 (January 1, 2008 to November 17, 2008).

Share buyback programme

In June 2009, DSI was granted approval by Emirates Securities and Commodities Authority to buy back up to 10 per cent of its shares. The decision by the management to buy back its own shares came after the stock started trading below its offer price. The share buyback program has given positive momentum to the stock performance. We suggest that the programme be viewed as a one-time event, as the company needs cash for funding expansion.

Outlook

While the global economic crisis continues to impact the construction sector in the UAE and the region, DSI is expected to benefit from its strong cash reserves, healthy order backlog and aggressive geographic expansion plans. We expect the company's aggressive geographic plans to help DSI diversify its revenue stream and also diversify its risk. On a valuation basis, DSI is trading at a discount to its 2010 expected price to earnings ratio multiple of 9.9x compared to its international peer group average multiple of 10.9x.

The writer is an analyst with National Bank of Abu Dhabi's research department.

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GCC, Regional and World Benchmarks - Conventional

As of October 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.

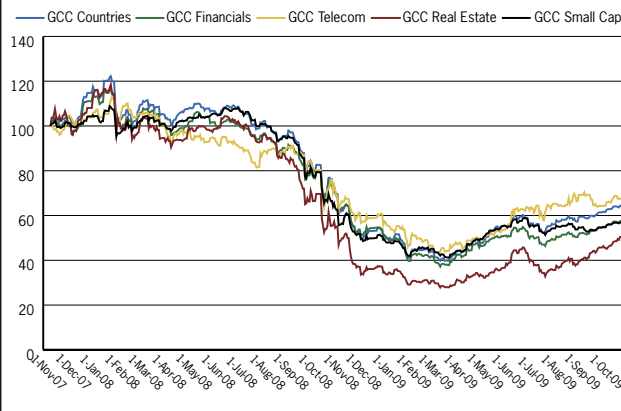
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

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

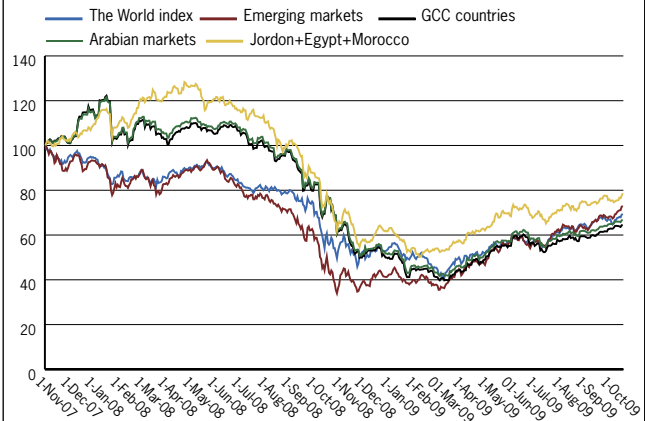
(Period: October 31, 2007 to October 15, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

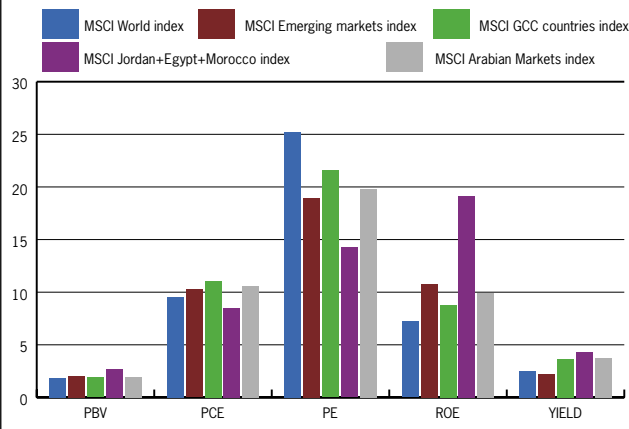
(Period: October 31, 2007 to October 15, 2009 rebased to 100 on October 31, 2007)



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 October 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
Arabian Markets	2.679	15.224	29.716
Emerging Markets	6.755	28.175	72.085
GCC countries	2.29	15.742	30.401
GCC Financials	2.381	15.337	17.720
GCC Real Estate	8.948	32.696	48.713
GCC Telecom SVC	1.998	8.012	25.910
Jordan+ Egypt +Morocco	4.563	13.455	24.504
The World index	3.52	21.016	26.779

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GCC, Regional and World Benchmarks - Islamic

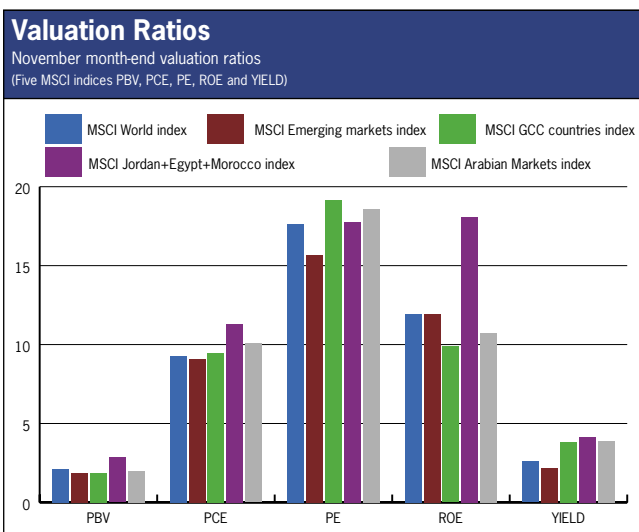
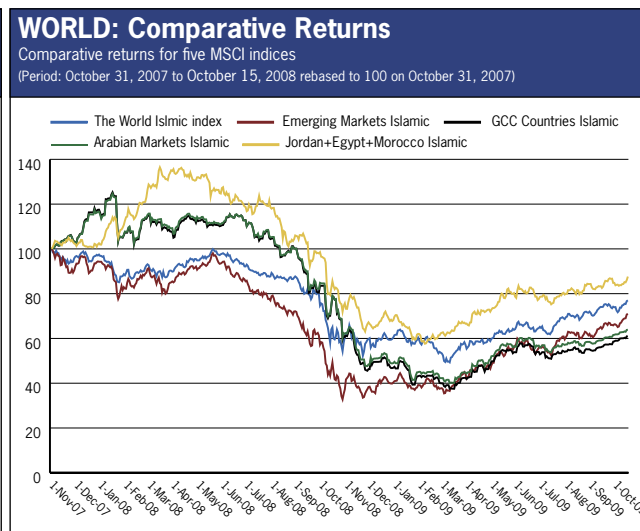
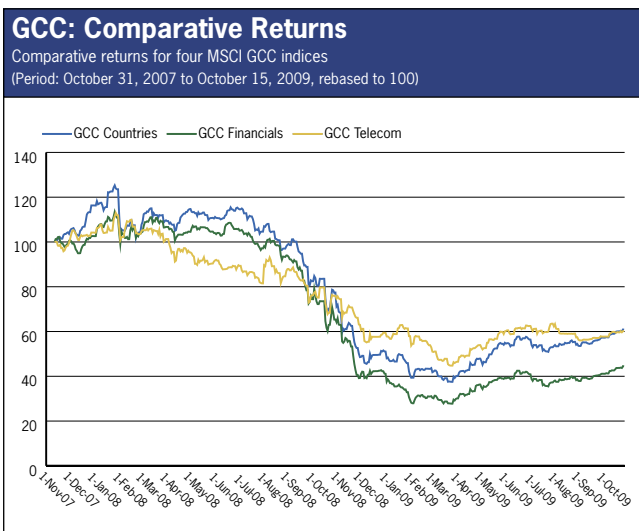
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Performance Values

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

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
Arabian Markets Islamic Index	3.336	13.483	30.491
Emerging Markets Islamic Index	7.176	27.177	72.988
GCC Countries Islamic Index	3.074	14.217	30.503
GCC Islamic Financials Index	4.073	16.960	25.167
GCC Islamic Telecom Services Index	0.975	0.379	2.390
Jordan+ Egypt +Morocco Islamic Index	4.652	11.329	24.447
The World Islamic Index	4.072	19.05	24.894

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Valuations begin to look stretched

Directionally, both emerging markets and the GCC markets are showcasing strong momentum in returns. But valuations are beginning to look stretched. A **Markaz** report.

On a YTD basis, the GCC Total Return Investable Index is up by 31 per cent. Comparatively, this is far lower than the emerging market YTD returns at 68 per cent. Even on a monthly basis, the GCC markets have outperformed the emerging market returns only in two of the last nine months of the current year. In September, even though GCC returns were robust at six per cent, this was an underperformance compared to the emerging markets return at nine per cent.

Directionally, both emerging markets and the GCC markets are showcasing strong momentum in returns. September marked the seventh consecutive month-on-month gain in the GCC markets. The bulk of returns in September can be attributed to Saudi Arabia. Saudi Arabian markets gained 10 per cent and provided 5.1 per cent of the total 5.4 per cent returns in that month. The returns were also led by large caps with six per cent and financial stocks with eight per cent.

In terms of valuation and risk, the GCC markets continue to be a 50:50 story. GCC markets at the end of September were trading at a PE of 25x last twelve month

earnings, compared to a 20x PE multiple for the emerging markets. Eighty-three per cent of the GCC market cap is trading at above 15x earnings. Due to the earning losses in Kuwait, the PE multiples are currently at above 100x. The UAE at 14x and Qatar at 11x are the only two countries with PEs less than 15x.

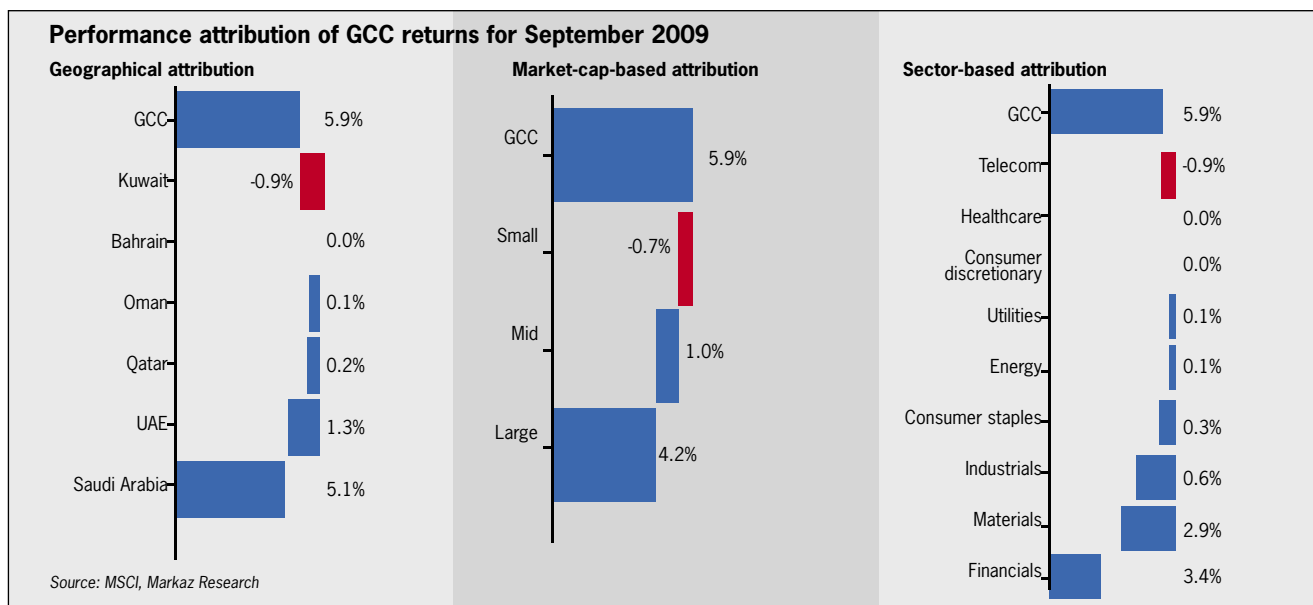
As for risk, there has been a decline in equity market risk levels across the board. The GCC and emerging markets risk levels have witnessed an equal percentage drop from their peaks in October 2008. The risk levels as measured by the Markaz Volatility Index (MVX) indicate an 85 per cent drop from the peak. Currently, the risk levels in the GCC markets are below their historical averages.

From a longer-term perspective, the GCC Total Return Investable Net Index has given a return of -11 per cent in the last 4.3 years. The risk as measured by the annualised standard deviation of monthly returns is at 31 per cent, making it one of the highly volatile markets in the world. This can also be inferred from the comparable MVX levels, wherein the width of the band between the

high and the low is higher than emerging markets, India, China and the S&P 500. This has led to a low Sharpe ratio of -0.52 (taking a constant average Rf of 4.5 per cent).

For the month of September, the volume traded was flat at 22 billion, while value traded declined 18 per cent to US\$30 billion due to a 21 per cent decline in value traded on the Saudi Tadawul. Among the macro developments, the Bahraini central bank reduced its repo rate from 0.75 per cent to 0.50 per cent in September. In the UAE, consumer prices fell 0.15 per cent in August, driven by declining food, clothing and rental cost. Inflation for the first eight months of 2009 stood at 2.56 per cent.

The recently released figures in Saudi Arabia show an inflation growth of 4.1 per cent in August, while a recent report from the Institute of International Finance projects that Saudi inflation will close out the year at 3.4 per cent. Also in August, Saudi money supply fell for the fourth consecutive month to US\$265 billion, while loans to the private sector posted the strongest month-on-month increase in at least a year.



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Emerging markets signal confidence

Corrections in the emerging markets might well present a buying opportunity for investors in the months ahead, notes **Stefan Hofer**.

Every autumn, the board of governors of the IMF and World Bank convene meetings with various stakeholders across emerging and developed markets to discuss a range of policy issues and the global economic outlook. This year, policymakers met in Istanbul and provided investors with insights on how the environment for emerging markets had changed in the wake of the global recession and financial crisis. Topping the list of issues was the timing of the so-called exit strategies that central banks and governments around the world arguably need to carry out as economies return to more solid footing.

The sentiment in Istanbul was that central banks, including the Federal Reserve and European Central Bank, will tighten policy only when conditions that are consistent with their respective mandates warrant action. In other words, while fora such as the G-20 will continue to call for unified action on many fronts, the case for a synchronised exit is less compelling than synchronised stimulus. In early October, the Reserve Bank of Australia's surprising 25-basis-point hike added to the argument that exit strategies are a national, and not an international or regionally-coordinated, exercise.

On fiscal policy, the IMF's view was that the premature removal of fiscal stimulus was one of the greatest risks facing the global economy. As such, the acute budgetary pressures confronting (mostly developed) economies are a challenge to be dealt with once the global recovery appears more pronounced. Experts on US fiscal policy discussed the idea that taxes will indeed need to rise in 2010. This rise may include the introduction of a value-added tax. Further, the fiscal costs related to the aging population in advanced economies was raised again, highlighting that even without the financial system bailout, major reforms are needed for the longer term.

That said, the IMF's fear of a sudden reversal of fiscal stimulus was partly predicated on the idea that emerging markets have not decoupled from advanced-economy demand for their exports. Therefore, disappointing growth in the G3 over 2010-2011 would undermine the G-20's overall recovery. The IMF also conceded that the US consumer's role in the global economy has probably suffered a



permanent shock, thus sustaining the reliance on fiscal support for some time. Rather than the heavy focus on China as an engine of consumption in the future, the IMF also argued that the US should derive more growth from net exports.

The widespread enthusiasm among investors for Brazil was reinforced at the IMF meetings. Expert speakers on Brazil highlighted the longer-term policy accomplishments and the relatively resilient performance throughout the global recession. Overall, emerging market policymakers came across with a new sense of confidence that, despite having suffered sharp contractions in recent quarters, strong V-shaped recoveries had taken hold, especially in emerging Asia. On China, some experts raised the idea that reforms were needed to boost disposable income (i.e. lower taxes) and nurture domestic demand, which would contribute to addressing the global imbalances. At the same time, though, China's healthy government finances leave policymakers there in a position to boost spending should growth decelerate again in the months ahead.

So where does this leave investors? One possible message from the annual meetings is that the global fiscal and monetary environment may remain fairly benign for risky assets, emerging markets included, for some time to come. Given the strong performance of emerging market assets this year, the prospect for shorter-term profit taking remains very real. That said, the medium-term outlook remains robust, as evidenced by the speed of the ongoing recoveries taking hold across emerging markets, and corrections in asset prices may well be attractive buying opportunities.

HSW

The writer is a research analyst at Bank Julius Baer.

Depressed dollar to drive US growth

The weakness of the US dollar is expected to continue, which may give some of the other majors some ground to continue their recent rallies, writes **Sachin Patki**.

US president Barack Obama may have won the Nobel Peace Prize, but do not expect him to be awarded for improving the economy. His plummeting popularity ratings have indicated that his measures on health and social reform may have not found a positive resonance within the larger population. The rising unemployment rate, the renewed slump in retail sales and consumer sentiment all indicate that optimism for the future is not yet on the rise. Globally, we are seeing a mere handful of countries indicating that 2009 will end with positive GDPs, with most countries seeing varying degrees of social costs due to a collapse in financial systems and economic opportunities.

The first round of stimulus packages was designed to hold the economy back from the brink of collapse and anarchy in the corporate sector. The intervention by the US administration in participating by assuming risk as a provider of capital to private enterprises was the first such move in a capitalist economy. Short-term high visibility campaigns like cash for clunkers were meant more for raising the visibility of the administration than for damage control, as we can see from the drop in car sales in September after the end of this programme.

The US government spent around US\$490 billion during the 2009 fiscal year bailing out financial and car industries and taking over mortgage lenders like Fannie Mae and Freddie Mac. This has left the government with a deficit of US\$1.4 trillion, the highest since 1945. This figure is around 9.9 per cent of the GDP, thrice that of 2008. The fall in income is also seen in the drop of 17 per cent in income tax, with a drop of 20 per cent in corporate taxes. Now we are hearing talk of another round of stimulus packages to ensure that the pick up in the economic trajectory continues in the same vein. The Federal Reserve has

begun to register its sense of discomfort with the current low interest rates leading up to long-term inflationary pressures, which may be difficult to contain. The market has started seeing this in the sharper slopes of the US treasuries yield curve, which indicates that higher inflation is expected. We may see the Fed being driven to raise interest rates, though it may hurt the economy in the short term.

The higher yields in the medium- to longer-term bonds and improved returns from US equities may attract some capital to the US. The current lip service from the US Treasury secretary on wanting a strong dollar seems to have very little action to bear it out. The markets continue to see the interest rates in other markets carry a higher spread, especially in Australia and Canada, making these currencies strong against the US dollar. Also, with the rising prices of gold and other industrial commodities, we may see these currencies rise further. To curb potential inflation from growth in these countries, the central banks in both countries are expected to tighten monetary policy ahead of the Fed.

The euro has been rising on the pure interest rate differential play, and we see this also coming through in the yen's rise. The recent comments from European Central Bank president Jean Claude Trichet support the view that the economies across the common zone may not have such a deep dip as earlier estimated, as the economy is seen to be stabilising. This was seen in economic data releases like the German industrial output, which expanded 1.7 per cent in August after a 0.9 per cent drop in July. The better-than-estimated results from some corporations like Alcoa and from the commodity sector indicate an uptake on commodities, a precursor to an eventual lift in all major economies. This time, we may see an earlier pick up

in some of the emerging market regions like Southeast Asia and South America, where consumer demand may give corporations a natural base on which to grow overseas.

The weakness of the US dollar is expected to continue, which may give some of the other majors some ground to continue their recent rallies. The euro looks to rally further towards 1.4880, which on a clear break yields 1.5330, 1.5415, 1.5665 and 1.5780, with the potential to touch the previous high of 1.6030. Only a weekly close below 1.4500 gives us 1.4220, 1.4110, 1.3860, 1.3745 and 1.3500.

The sterling has seen some peaking in its recent rally, and we can look for this currency to correct down to 1.5540, 1.5325, and 1.5110, which should see some buying come in. On the upside, look for 1.6430, 1.6050, 1.6680 and 1.6740. The sterling/euro cross looks to continue on the downside with a break of 1.0580, giving us 1.0500 and 1.0415. Potential exists in the momentum to see the previous low of 1.0200.

The commodity currencies have broken their recent consolidation and the rally still looks ready to continue as the commodity prices continue to be on a bullish trend. The Australian dollar has rallied from 0.8500 to 0.9130 and has the previous high of 0.9850 in its sights, with resistance around 0.9245 and 0.9500. Parity is possible, though we may see some profit taking coming from the Australian dollar long positions. Near-term supports are in the region of 0.8870 and 0.8650, and only on a clear break below could we see 0.8200 and 0.8010. The commodity prices would really set the trend, which in turn are depending on the global GDP growth. HMM

The writer 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 October 13, 2009.

Lower income countries attractive

Lower income economies will offer an opportunity in the months ahead as the developed world struggles with recovery, writes **Peter Hensman**.

The debate surrounding the exit strategy from the extraordinary monetary stimulus that has followed the collapse of Lehman Brothers continues to build, while the first interest rate increase of the cycle from Israel at the end of August could easily be dismissed as having relatively limited implications for markets and economies more broadly. That the Reserve Bank in Australia chose to raise interest rates on October 6 did catch market attention.

Despite the analyses of Federal Reserve speak hinting at a move toward tightening monetary policy in the US, as Fed chairman Ben Bernanke shifts his language from believing in the need for extremely low interest rates to an environment in which only accommodative policies remain appropriate for an extended period, the lead from Australia is unlikely to be quickly followed in the major economies.

Australia has had a remarkably good credit crunch. At the headline level, there has not been a technical recession in terms of back-to-back quarters of falling GDP. Furthermore, house prices and home credit have responded well to the sharp reduction in interest rates and unemployment remains at historically low levels. Hence, although the unemployment rate has risen from a low of four per cent to 5.7 per cent, this compares to a 2001 peak of seven per cent and a level that approached 11 per cent in the early 1990s. With the latest labour market report showing a 40,000 month-on-month increase in the number of employees compared to a consensus expectation for 10,000 jobs being lost, and with the six-month change in employment turning positive, conditions are very different from those in the US. There the non-farm

pay roll report for September showed a worse-than-expected 265,000 decline in the number of jobs. With the Federal Reserve mandated to maintain the maximum level of employment consistent with stable prices and long-term bond yields, it is difficult to envisage the Fed being able to justify a rate increase anytime soon.

The focus of the FOMC on the level of activity compared to potential output was reiterated in the speech given by Federal Reserve vice chairman Donald Kohn in an address to the National Association of Business Economists on October 13. The return of growth to the economy is not a sufficient condition to cause the Fed to raise rates.¹

Interest rates

Arguably, as the market reaction to the rate increase in Australia demonstrates, this pressure on the US to maintain low interest rates creates a dilemma for the rest of the world. Expectations for further rate rises in Australia contributed to further appreciation of the Australian dollar. Economies that have been less adversely affected by the credit crunch, where emergency interest rate levels are perhaps no longer appropriate, face the prospect of strong currency gains and a commensurate loss of export competitiveness as the indication of healthier local attracts global capital flows. Yet, for many, the prospect of allowing stronger domestic demand growth at the expense of export performance represents something of anathema. Hence, closely following the decision to raise rates in Australia, the Bank of Korea sought to quash expectations that a rate increase was imminent there. The bank's governor went so far as to indicate that he had

not intended to signal an imminent rate increase after the meeting in September and that the Bank of Korea would likely need to see fourth quarter GDP statistics before any move to raise interest rates could be made.

Absent an unexpectedly strong and prolonged recovery in US demand that contributes to a significant reduction in US unemployment, there seems little that will derail the rebalancing of global demand. Where several developed economies are credit constrained, the JPMorgan emerging market bond yield has declined to a yield of 6.3 per cent, matching the 2007 low. This is helping car sales in Brazil, India and China (but not Russia) to rise strongly. In the former three, car sales are already at new record highs. In the US, the end of the cash for clunkers programme has contributed to a slump in US auto sales to a 9.3 million annualised rate in September. This compares to a 27-year low of 9.1 million in February. Hence, it is now Hong Kong where luxury apartment prices have just surpassed their 1997 high for the first time and where new wine auction price records are being set. This is very much the reverse of the environment created by the currency crises of the late 1990s. Then it was the demand destruction in the developing world that created the space and backdrop for the NASDAQ surge and the subsequent housing bubble.

Now it is likely that it will be the sluggish recovery and loose policy stance in the developed world that will allow there to be the room for the developing world to expand. In a world struggling to find growth opportunities, the expansion of lower income economies that is confirmed by the early moves to raise interest rates remains an attractive investment opportunity.²



Footnotes: 1 Datastream, October 2009, 2 Bloomberg, October 2009. This article is issued by BNY Mellon Asset Management International Limited to members of the financial press and media. This article is the view of Richard B. Hoey, chief economist at The Bank of New York Mellon Corporation. This document should not be construed as investment advice. Registered Office: BNY Mellon Asset Management International Limited, Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Services Authority. BNY Mellon Asset Management International Limited is a wholly owned subsidiary of The Bank of New York Mellon Corporation. www.bnymellon.com

Outlook improves for commodities

Government stimulus and business re-stocking are boosting the consumption of commodities across global markets. An **MF Global** report.

The optimistic trend of global economic data releases seems to indicate that the downturn in the business cycle may have reached the bottom. Demand driven by government stimulus and business re-stocking has improved outlook on the commodities consumption.

Gold is considered a favourite during times of economic or political stress. It is also considered a hedge against inflation and an alternative to US-dollar-denominated financial assets. Gold (active futures contract on Comex) touched a new high at US\$1072 per ounce. After a brief correction, it was back trading near the US\$1067 level.

Ironically, a surge to an all-time high has sent festival-related demand in countries like India south. A gradual increase in the exchange-traded products' gold holdings seems to point to a steady but rather sedate investment demand. Holdings at the largest gold ETF, SPDR gold shares, have increased by around 11 tonnes to 1109 tonnes since the start of October, when the sharp uptrend began in gold.

So what's driving gold higher? Some say that gold has increasingly become a currency play as the US dollar plummets. Also, with no official statements or actions seen to contain the euro's strength against the US dollar, market participants seem to sense that governments will not seek to intervene against the US dollar's weakness. As a result, speculative interest in gold has shot up.

According to US CFTC data, the net long non-commercial positions for gold have reached an all-time high at 253,000 contracts. Silver has also benefited from gold's surge, rising by four per cent on month to US\$17.54 per ounce.

In the base metals complex, growing optimism of economic recovery combined with the weakening dollar has helped prices rally.

Zinc and nickel have gained the most on month. Reports of likely strikes in Peru, as well as improved import data from the world's largest base metals consumer, China, have helped.

However, the International Lead and Zinc Study Group warns that the global zinc supply will remain in surplus of 380,000 tonnes, as demand will decline 5.6 per cent in 2009 to 10.76 million tonnes. Zinc gained eight per cent to US\$2112 per tonne. Nickel has benefited from the supply disruptions due to strikes at Vale's Sudbury and the Voisey's Bay and Port Colborne mines that together contribute nearly 10 per cent of global output. Nickel's primary market is stainless steel. Signs of improved stainless steel demand in the second quarter of 2009 have helped nickel.

Global expectations


According to the International Stainless Steel Forum, all regions, except Eastern Europe and the Americas, showed increased production volumes during the second quarter. In Asia and China, the increase was almost 30 per cent over the first quarter production. Western Europe and Africa reported a 20 per cent increase in the same period. According to the International Nickel Study Group, global production will drop 0.10 million tonnes to 1.28 million in 2009. Demand will decline to 1.21 million tonnes from 1.29 million tonnes. Nickel has risen by nine per cent to US\$19,275 per tonne.

Bellwether copper has been choppy. Bullish import data from China seems to point to improved domestic demand.

China's September copper imports jumped 23 per cent on month to 399,052 tonnes. Ongoing production hiccups due to an ongoing strike at Chile's Spence mine helped. However, copper has not been able to hold on to gains following bullish data and ended up gaining one per cent to US\$6,470 per tonne.

Global miners and smelters that had rapidly cut production in response to the crisis in 2008 are expected to be cautiously optimistic on global demand during the rest of 2009 and 2010. However, this optimism and a surge in base metals prices are also likely to attract higher wage compensation demand from mine workers that are increasingly seen resorting to strikes as a means of getting their demands met.

In the energy complex, natural gas jumped nearly 42 per cent on week to US\$4.92 per million British thermal units. Forecasts of a cold wave across the key gas-consuming regions of the mid-west and northeast US have prompted increased buying interest. Crude oil has risen nearly 10 per cent to US\$79.85 per barrel. US crude oil inventories data showed a sharp drawdown in stocks by 254,000 barrels in the week of October 2 at the delivery centre for NYMEX crude oil futures in Cushing, Oklahoma. This sparked strong buying interest.

According to OPEC, China, Latin America, the Middle East and India will drive demand growth. It also expects some sort of demand recovery as the US economy limps back to recovery. The US is the largest consumer of crude oil and presently its demand is near historic lows. In its recent meet, OPEC revised lower the demand contraction to 1.40 mbpd from 1.56 mbpd, with total demand now seen at 84.24 mbpd. 

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	\$5,000	1.51%	Yly
Skipton International Ltd	01481 727374	International US Dollar	None	\$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	\$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$50,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	\$50,000	0.50%*	Yly
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	2.26%	Yly
Skipton International Ltd	01481 727374	International Euro	None	€25,000	1.75%	Yly
Irish Permanent International	01624 696000	Instant Access	None	€100,000	1.50%	Yly
Halifax International	halifaxinternational.com	International Web Server	None (W)	€25,000	1.45%	Yly
Zurich Bank International	01624 671666	Euro Reward	None	€5,000	1.25%	Yly
No Notice Accounts						
Halifax International	01534 846555	International Bonus Server	None	£2,500	3.04%*	Mly
Skipton International Ltd	01481 727374	International Bonus Iss 2	None	£100,000	3.00%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	2.82%	fYly
Alliance & Leicester International	www.alli.co.im	eSaver Offshore 2	None (w)	£15,000	2.76%	Yly
Bank of Scotland International	01534 613500	International Bonus Saver	None	£5,000	2.53%	Mly
Notice Accounts						
Alliance & Leicester International	www.alli.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	3.00%	Yly
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.00%	Qly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 30 II	30 Day	£5,000	2.75%	Yly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.75%	Yly
Alliance & Leicester International	01624 641888	Select 50 International 1	50 Day	£25,000	2.75%	Yly
Monthly Interest						
Halifax International	01534 846555	International Bonus Saver	None	£2,500	3.04%*	Mly
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.00%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.75%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	£25,000	2.75%	Mly
Yorkshire (Guernsey)	01481 724353	Global 90	90 Day	£100,000	2.60%	Mly
Fixed Rates						
Clydesdale Bank International	01481 711102	Term Deposit	60 month Bond	£10,000	5.10% F	Yly
Yorkshire (Guernsey)	01481 724353	5 Year Fixed Rate	30.09.14	£10,000	4.80%F	Yly
The Co-operative Bank	01481 710527	Fixed Term Deposit	36 month Bond	£5,000	4.50% F	OM
Halifax International	www.halifaxinternational.com	International Web Server	36 month Bond (H)	£1,000	4.25%F	Yly
Clydesdale Bank International	01481 711102	Term Deposit	36 month Bond	£10,000	4.25% F	Yly
Current Accounts						
Abbey International	01534 885000	Offshore Gold	None	£100,000	1.50%	Qly
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	£5,000	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
Standard Bank	01534 881188	Optimum	None	£3,000	0.05%	Qly
Accounts for Non UK Residents						
Lloyds TSB Offshore Banking	01624 638000	International Bonus Saver	None	£5,000	2.53%*	Mly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	2.50%	Yly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	2.50%	Mly
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

All rates are shown gross. * = Introductory variable rate for limited period. A = £9 fee per month F = Fixed Rate. H = Operated by Internet, Post or Telephone OM = On Maturity. W = Operated by Internet
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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	Gold	0.00	0.00	0.00	0.00	1.49	1.75	1.75	1.75	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	On Closure	Yes
		High Interest Accumulation Reserve	-	-	-	0.00	0.00	0.00	0.15	0.25	0.25	On Closure
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 Offshore	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

e = Rate applies from £1 i = Rate applies from £2K 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: October 1, 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	0.30b	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	2.25	2.25	2.25	2.25	2.25	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	-	0.90	0.90	0.90	0.90	0.90	Yly	No
		Current	0.00	0.00	0.00	0.00	0.00	0.00	Mly	No
		Instant Savings	-	0.90	0.90	0.90	0.90	0.90	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	-	-	-	0.10a	0.10	0.25b	On closure	Yes
Halifax International	01534 846501	International Web Saver	1.35	1.35	1.45	1.45	1.45	1.45	Yly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.00	0.00	0.00	0.00	0.00	Mly	No
		Premier Offshore Bank	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Premier Serious Saver	-	0.10	0.10	0.10	0.10	0.10	Mly	No
		Serious Saver	-	0.05	0.05	0.05	0.05	0.05	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	1.15	1.15	1.15	1.15	1.50	1.50	Yly	No
		Instant Access	1.14	1.14	1.14	1.14	1.49	1.49	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	0.10	0.10	0.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.03	0.08c	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	0.10	0.10	0.10	0.10	0.10	0.25	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	0.10	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	-	-	-	0.50	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.
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US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	The monthly Offshore Saver	6.00	6.00	6.00	6.00	-	-	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	US\$ Savings	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	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	Yly	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	Yes
Halifax International	01534 846501	International Web Saver	0.00	0.00	0.90	0.90	0.90	0.90	Yly	No
HSBC International	01534 616000	Offshore Bank	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Premier Offshore Bank	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		Premier Serious Saver	-	0.00	0.00	0.00	0.00	0.00	Mly	No
		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 Offshore	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	Royalties International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Skipton (Guernsey)	01481 727374	International US Dollar	-	-	1.00	1.00	1.00	1.00	Yly	No
Standard Bank	01534 881188 / 01624 643643	Offshore Reserve	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	US\$ 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. 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: October 01, 2009 Source: Moneyfacts

For more information visit  Moneyfacts

EXPATRIATE MORTGAGE TERMS - NOVEMBER 2009

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland Intl.	Bank base +2.89%	70	1%	GBP100,000 minimum. Early Redemption Charge 3% - 36 months. Six months mortgage payments to be held on deposit by the bank for the life of the mortgage.
BM Solutions	4.10% 2 year tracker 5.40% 2 year fixed	60 75	3.00% 2.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
Cheltenham & Gloucester	4.59% 2 year fix 5.09% 3 year fix 5.99% 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. No other UK mortgaged properties permitted.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
Fortis Bank Group	Sterling mortgage LIBOR + 1% Foreign currency mortgage Cost of funds +1.25%	70 70	GBP500 GBP500	Minimum Loan £150,000 - 75% owner/family occupation. Loans to offshore companies and trusts.
Halifax PLC	4.74% 2 Year Fix Max GBP500K 3.79% 5 Year tracker Max GBP500K	Purchase 75 Purchase 75	GBP999 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 2 year period. 6 months bank statements required. Redemption Penalties Fixed rate 2% in first 3 years
HSBC	Rates on request	60	Varies	Applications accepted from HSBC Premier Customers only. Minimum savings investments £60,000.
Ipswich Building Society	3.95% base tracker	75	GBP499	Base + 3.45% to 01/02/2012 IMP exclusive expatriate residential scheme No early repayment penalties at on 50% of the advance. Booking fee GBP150.00. Free basic valuation. Legal fees paid on remortgages.
Irish Permanent (Isle of Man)	2.75 - 3.00% over base	70	1%	Minimum property value is GBP100,000. Loans to offshore companies and trusts.
Natwest Bank	Base rate + 2.89	60	1%	New build flats maximum 55% loan to value.
Royal Bank of Scotland International	Base + 2.89% 2 year tracker Base + 3.09% 2 year tracker	60 65	1% 1%	Minimum GBP100,000 New build flats maximum 55% loan.

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

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

A usual penalty is six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of 0.25 per cent subject to a minimum of GBP250 and a maximum of £500 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 @ 08/10/09 - 0.50% 3 month LIBOR 0.28%, 14/10/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

Telephone: 44 (0) 1932 830660, Fax: 44 (0) 1932 829603, www.international-mortgage-plans.com.

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Credit Cards						SAUDI ARABIA
PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver/Gold/Laki for Women/Qassit - 275 Mini Visa - 100 Internet card - Free	Nil for purchases 18.5% on cash withdrawals from the bank, otherwise 27.5%	45 days for Visa/MasterCard (Silver, Gold) Laki for Women and Internet card. Qassit card - 5% or SAR100 whichever is higher 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 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, Alfursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with Alfursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 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 www.riyadbank.com
SABB	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 www.sabb.com
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

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

Auto Finance						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 www.alrajhibank.com.sa
	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 www.anb.com.sa
Banque Saudi Fransi	Murabaha or Tawarruq	9-11%	Up to 60 months	15%	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	9.15% 6% for Murabaha 3.15% for Insurance	Up to 60 months	10%	Minimum salary: 3,000 for Nationals. Three months service with current employer.	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 5.5% yearly	Up to 60 months	10%	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Murabaha	4.99% for Nationals in public sector; 6.49% for expats; 5.99-6.49% for companies	Up to 48 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

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

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

Personal Finance						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 200,000	5,000 for Nationals 10,000 for expats	36-84 months	4324327 www.ahlibank.com.qa
Arab Bank <small>Note: Temporarily suspended all new loans</small>	Personal Loan	10.99% fixed rate	Up to 18 times monthly salary	20,000	Up to 84 months for national Up to 48 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.75% Depends on salary	Up to 200,000	7,000	Up to 84 months for nationals Up to 60 months for expats	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 8.99% for Nationals 9.49% for expats	Depends on salary	Nationals : 3,000 Expats : 7,500	Up to 84 months for nationals Up to 60 months for expats	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.99-10.49%, depends on the loan tenor	Up to 20,000	10,000 for Nationals 20,000 for expats	Up to 60 months for nationals, up to 48 months for expats	4382100 www.qatar.hsbc.com
Mashreqbank	Al Hal Loan for nationals Personal Loan for expats	8.5 - 11.5% for Nationals 9.74% for expats	Up to 1 million for Nationals Up to 350,000 for expats	5,000	12-72 months	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 11.50%	Up to 2.5 million for Nationals Up to 250,000 for expats	2,000 for Nationals 10,000 for expats	Up to 84 months for nationals and 60 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	2,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

Credit cards						QATAR
PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for the first year, thereafter Classic - 200, Gold - 400	5,000	1.75% on purchases, 4.5% on cash withdrawals	45 days	4324327
Arab Bank <small>Note: Temporarily suspended all new cards.</small>	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), Q-miles	Classic - 200, Diners - 500, Platinum - 500, Gold Plus - 400	Classic - 5,000, Gold Plus 8,000 Platinum - 15,000 Diners club - 7,500	Nil on purchases, 4.0% 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 and In-site - 10,000, Gold - 15,000, Platinum - 20,000	Classic 2.5%, Gold 2.25%, Platinum 1.9%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic - 50, Gold - 100	Classic/Gold - 2,500	2.25% on purchases, 2.5% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Silver - 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 www.axa-gulf.com	
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	250	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR5,000	+974 428 2222 gqic-tec@qatar.net.qa	
Qatar Insurance Company HomeCare Household Insurance	500 650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft ; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 www.qatarinsurance.com onestop@qic.com.qa	
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 www.qiic.net	

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. **Disclaimer:** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during October 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.

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

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simplified 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 October 2009. Information contained in these tables is subject to confirmation and is provided for information only.

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

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. **Disclaimer:** These listings are NOT meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during October 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.

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

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

Personal Finance						KUWAIT
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East <small>Note: Temporarily stopped Personal loans</small>	Consumer Loan	6.75%	Up to 70,000 for Nationals Depends on salary and years of service for expats.	300 Nationals 1,000 for expats	60 to 72 months	1812000
Burgan Bank	Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 15 times monthly salary for expats	400	Up to 60 months	1804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 15 times salary for expats	350	Up to 180 months	1888225 www.cbk.com
Gulf Bank	Al Afdal Loan for Nationals Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 22,000 for expats	350 for nationals 1,000 for expats	Up to 180 months Up to 12-36 months	1805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.00%	Up to 70,000 for Nationals Up to 50,000 for expats (Depends on salary)	400	Up to 84 months Up to 60 months	1801801 www.nbk.com

Credit cards							KUWAIT
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 20, Gold 40, Platinum 75, CyberSmart 5	250	0.9% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	1812000
Burgan Bank	Visa/MasterCard (Classic, Gold, Platinum)	Classic 20, Gold 30, Platinum 100	Classic/Gold - 400 Platinum - 1,200	Nil on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	1804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic - 20, Gold - 40, Platinum - 60, 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
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, Visa Infinite, Visa Internet	Free for the first year, thereafter, Classic - 25, Gold - 40, Platinum - 100, Visa Infinite - 100, Visa Internet - 5	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
National Bank of Kuwait	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 - 750 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 October 2009 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you to 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.

UAE

Medical Insurance						UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT	
AXA/Norwich Union Insurance (Gulf) BSC(c)	Global Area 1: From 14,869 (0-10) to 50,576 up to ages 61-65. Global Area 2: From 4815 (ages 0-10) to 14,789 up to ages 61-65. Regional 1: From 3962 (ages 0-10) to 10,866 up to ages 61-65. Regional 2: From 2905 (ages 0-10) to 7878 up to ages 61-65. Local: From 2,177 (0-10), 6,309 (61-65)		Global Area1: AED5million Global Area2: AED2.5 million Regional 1: AED1 million Regional 2: AED500,000 Local: AED300,000	Global Area 1 & 2: Worldwide excluding US Regional 1: Middle East, Indian subcontinent, North Africa and South Asia Regional 2: Middle East, Indian subcontinent, North Africa and South Asia Local: Any of the GCC countries * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com	
Alliance Insurance (P.S.C.)	*With deductibles Universal Plan: From 3,704 (ages 0-17) to 13,806 up to age 65 Universal Plus Plan: From 5,501 (0-17) to 21,578 up to ages 61-65 International Plan: From 2,469 (0-17) to 7,317 up to ages 61-65 Basic Plan: From 2,151 (0-17) to 6,273 up to ages 61-65 Local Plan: From 2,114 (0-17) to 6,017 up to ages 61-65	Deductibles of: Universal Plan: AED200/150/100, Universal Plus Plan: AED200/150, International Plan: AED150/100/75, Basic & Local Plan: AED150/100/75/50	Universal Plan, Universal Plus Plan and International Plan: AED1 million Basic: AED500,000, Local: AED150,000	Universal Plus Plan: Worldwide Universal Plan: Worldwide exc. USA and Canada International Plan: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Basic: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Local: UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com	
BUPA International	Essential: From 2,598 (ages 0-15) to 33,650 up to age 82-120, Classic: From 3,743 (ages 0-15) to 46,707 up to age 82-120, Gold: From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US\$160/ US\$400/US\$800/ US\$1,600	Essential: US\$900,000 Classic: US\$1.2 million Gold: US\$1.6 million	Essential: Hospital treatment as in/day-care patient Classic: Plus specialist medical treatment Gold: Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com	
Expat Services GmbH	Individual Policies Expat Executive: From 1,530 (ages 0-18 years) to 5,210 up to age 65, Expat Superior: From 1,750 (ages 0-18) to 8,490 up to age 65 Group Policies - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	Standard: AED100,000 p.a. Executive: AED1,835,000 p.a. Superior: Unlimited	Standard Group: Covers Arab countries, Indian subcontinent, Philippines Executive and Superior (Group and Individual): Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae	
Aetna Global Benefits (ME) LLC	Major Medical: From 1,696 (ages 0-17) to 9,965 up to age 64 Foundation: From 1,741 (ages 0-17) to 10,219 up to age 64 Lifestyle: From 3,680 (ages 0-17) to 23,383 up to age 64 Lifestyle Plus: From 5,126 (ages 0-17) to 30,084 up to age 64	Major: Nil, US\$1,000/5,000 Foundation: Nil, US\$50/100/250/ 500/1,000/2,000/ 5,000 Lifestyle: Nil, US\$50/100/250 Lifestyle Plus: Nil, US\$50/100/250	Major Medical: US\$1.6 million Foundation: US\$1.6 million Lifestyle: US\$1.6 million Lifestyle Plus: US\$1.6 million	Major Medical: Treatment as an in patient and day patient, oncology treatment, CT and MRI scans, outpatient surgery and organ transplants Foundation: Includes all coverage provided by Major Medical, with the addition of full outpatient benefits, including primary care consultations, alternative medicines and outpatient psychiatric treatment Lifestyle: 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 Lifestyle Plus: Includes all coverage provided by Lifestyle with the addition of routine pregnancy and childbirth, routine and major restorative dental	04 04 438 7500 MiddleEastSales@aetna.com www.goodhealthworldwide.com	
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including US, Australia and New Zealand Plus: From 1,331 (Child) to 14,768 up to ages 70-74 Comprehensive: From 1,036 (Child) to 12,007 up to ages 70-74 Select: From 945 (Child) to 10,897 up to ages 70-74 Standard: From 653 (Child) to 7,571 up to ages 70-74	Standard: US\$850, US\$1,700, US\$4,250, US\$8,500 Plus/ Comprehensive/ Select: US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Plus: US\$3.4 million Comprehensive: US\$1.7 million Select: US\$1,275,000 Standard: US\$850,000	Area 1: Europe, Area 2: Worldwide excluding US, Area 3: Worldwide including US, Area 4: Australia and New Zealand	04 272 5505 info@interglobal.ae www.interglobalpmi.com	
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate Emirates Plan: From 1,603 (1-16) to 3,018 up to age 55 Emirates Plus Plan: From 1,775 (1-16) to 3,353 up to age 55 International Plan: From 1,978 (1-16) to 5,780 up to age 55 Global Plan: From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	Emirates Plan: AED100,000 Emirates Plus Plan: AED250,000 International Plan: AED1 million Global Plan: AED2 million	Emirates Plan: UAE Emirates Plus Plan: UAE and up to 90 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia International Plan: Worldwide exc. USA, Canada and the Caribbean Global Plan: Worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae	
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: From 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: From 1,700 (ages 1-15) to 9,500 up to ages 66-99; International: From 2,200 (ages 1-15) to 13,000 up to ages 66-99; Global: From 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		Abu Dhabi Plan In & Out-Patient: AED250,000 UAE Plan In & Out-Patient: AED250,000 Regional Plan: AED1 million International Plan: AED2.5 million Global Plan: AED5 million	Abu Dhabi Plan In & Out-Patient: Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only UAE Plan In & Out-Patient: Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) Regional Plan: UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide International Plan: UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide Global Plan: Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae	
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan Plan 1: From 1,765 (14 days-17 years) to 3,575 (56 - 60 years) Plan 2: From 2,600 (14 days-17 years) to 5,250 (56 - 60 years) Plan 3: From 2,820 (14 days-17 years) to 5,672 (56 - 60 years) Plan 4: From 4,350 (14 days-17 years) to 8,750 (56 - 60 years) Plan 5: From 5,020 (14 days-17 years) to 10,100 (56 - 60 years) Plan 6: From 4,560 (14 days-17 years) to 9,200 (56 - 60 years) Plan 7: From 5,270 (14 days-17 years) to 10,575 (56 - 60 years)	AED25 deductible on out-patient consultation fees	Plan 1: AED50,000 Plan 2: AED100,000 Plan 3: AED100,000 Plan 4: AED200,000 Plan 5: AED200,000 Plan 6: AED300,000 Plan 7: AED300,000	Plan 1: UAE, Plan 2: UAE, Plan 3: UAE, Arab countries, South East Asia excluding Singapore and Hongkong Plan 4: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide exc. US, Canada Plan 5: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada Plan 6: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada Plan 7: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada	Toll Free: 800 4746 ocicm@tameen.ae www.tameen.ae	
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan **Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalson.com www.royalsonalliance.ae www.fasterquote.ae	
<p>Disclaimer: 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 Nasco Karakogian Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US\$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. Tip: Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. Notes: These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during October 2009. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYWORKS recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list, Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.</p>						

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

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. **Disclaimer:** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during October 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, INFINITY	Classic-200, Gold-400, e-Tijari Web Card-200, 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 www.cbd.ae
Dubai Bank	Visa Covered Cards (Gold, Platinum)	Free for life	2.5% on purchases and cash withdrawals	51 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum, Platinum Plus) Charge cards (Classic, Gold, Platinum)	Fixed monthly fee for Visa Islamic cards: Classic-75, Gold-150, Gold Premium-300, Platinum/Platinum Plus-500 Annual fee for Charge cards: Classic - 200, Gold - 400, Platinum - free for VIP customers otherwise 1,000	N/A on purchases and AED60 for cash withdrawals	40-45 days	04 609 2222 www.aalislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards/Mother Brand cards (Gold, Gold Plus, Platinum, Platinum Plus) Skyward Credit Card (Gold, Gold Plus, Platinum, Platinum Plus)	Visa Islamic Credit Cards/Mother Brand cards: 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 - 3,000	25 days	04 316 0234 www.emiratesislamicbank.ae
LloydsTSB	Visa (Classic, Gold)	Free for life	Nil on purchases and 2.5% cash withdrawals	50 days	04 342 2000, www.lloydstsb.ae
Mashreqbank	Visa, MasterCard (Classic, Gold, Platinum), Etisalat mashreq credit card, Mahreq Millionaire card, Grand entertainment card (Titanium), VIP	Classic, Gold, Etisalat mashreq credit card and Mahreq Millionaire card - No annual fee, Platinum - 650, Grand entertainment card (Titanium) - 300, VIP-200	On purchases: Classic/Gold/Titanium - 2.74%, Platinum - 2.49%, 2.99% on cash withdrawals for all cards	30-55 days	04 424 4444 www.mashreqbank.com
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Titanium) Co-branded card (Géant La Carte, NMC)	Free for life	0% interest on retail purchases for first three months, after that 2.35% on retail purchases; 2.75% on cash withdrawals	25 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Platinum, Titanium)	Silver: free for life; Gold and Titanium - 300, Platinum - 500	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
Union National Bank	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold), International Travel card, Egypt Air Visa co-branded card, Extra Credit Card, Cash Back card (Classic, Gold)	Visa Classic - 250, Gold - 350, Platinum - 600 MasterCard Classic - 250, Gold - 350, International Travel card - free for first two years for new customers otherwise free for life, Egypt Air Visa co-branded card - 250, Extra Credit card - free for life, Cash Back card - Classic, Gold - 250	2.39% on purchases and cash withdrawals	55 days	Toll-free: 800 2600 www.umb.co.ae

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Gold: free for life, Platinum - 500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, UAE Gold, Gold Rainbow, Charge Cards: Green, Gold, Platinum and Black Centurian	DDF-175, AMEX Blue -250, AMEX Gold-350, UAE Gold-395, Gold Rainbow - AED350, Charge Cards: Green-US\$95, Gold-US\$175, Platinum-US\$750, Black Centurian - 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 www.americanexpress.co.ae	
Barclays Bank	Barclaycard (Gold, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Preferred option: Visa/Master (Classic & Gold) free for life Priority option: Visa (Classic/Gold/Platinum): 300, MasterCard (Classic/Gold) - 300; Prestige option: Visa (Platinum) 550, MasterCard Titanium-300	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 22725297 www.barclaycard.ae	
Citibank	Emirates-Citibank Credit Cards (Ultima/Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver)	Emirates-Citibank Credit Cards - 3,000/- 1,000/550/300, Citi Travel Pass - 400, Citibank Credit Cards - 1,000/ 550/300; 5 Supplementary Cards - Free, (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards. Double miles with Miles Accelerator. Up to 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, up to 3 Free nights stay in Marriott Paris/MEA, Travel insurance for Ultima cardholders.	04-311 4000 www.citibank.ae	
Dubai First *NOTE* Temporarily suspended credit cards.	Visa (Silver, Gold) MasterCard (Classic, Gold) Royale MasterCard, SecureCard	Visa: Silver - 200, Gold - 400 MasterCard: Classic - 200, Gold - 400 Royale MasterCard - Invitation only, SecureCard - Free	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubairfirst.com	
Dunia Finance	Silver, Gold, Platinum, Diamond	Silver-100, Gold-150 to 400, Platinum - 200 to 400, Diamond - 1,500	1% cash back on Silver card, 1.5% on Gold and 2% on Platinum. 15-20% discount on dining promotion, 15% discount at Aramex for Gold and Platinum cardholders. 5% discount at MMI travel for all cardholders. Reward points can be exchanged at Jumbo Electronics. 15-20% discount on health and leisure promotion.	04-423 8642 www.dunia.ae	
Emirates-NBD	EBI cards: Visa, MasterCard (Silver, Gold), MasterCard Infinite Credit card and MasterCard Platinum for Shaheen customers, Diners club NBD cards: Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard, Skyward (Infinity, Platinum)	EBI cards: Silver - 150, Gold-400, Silver and Gold cards are free for first year, Platinum - 700, Infinite - 1,500 Diners club - 200 NBD cards: Classic - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50, Skyward Infinity - 1,500, Platinum - 700	EBI cards: Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US\$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. NBD cards: Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts, 1% cash back on all retail purchases.	04-316 0316 www.me.ae Toll-free: 600 540000 www.nbd.com	
Mashreqbank	Visa, MasterCard (Classic, Gold, Platinum), Etisalat mashreq credit card, Mahreq Millionaire card, Grand entertainment card (Titanium), VIP	Classic, Gold, Etisalat mashreq credit card and Mahreq Millionaire card - No annual fee, Platinum - 650, Grand entertainment card (Titanium) - 300, VIP - 200	5% cash back on all international spends; 0% easy payment plans, International spends - Campaign, win 1 million points everyday, 5% cash back on Utility Bill payments, Grand entertainment Card - 50% off on cinema tickets across all grand cinemas in the UAE. Grand prizes: Chance to win a jearneau luxury boat, a Harley Davidson motorcycle, a trip to Universal Studios or 6 day stay at the exclusive lost chambers suite at Atlantis every month. Enjoy up to 50% discount on adventure sports, golf, spas and more. Complimentary airport lounge access at all Marhaba lounges in the UAE	04 424 4444 www.mashreqbank.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, Dubai E-government Prepaid Card - 50	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Gold class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Titanium) Co-branded Cards (NMC, Géant La Carte)	Free for life	0% interest on retail purchases for first three months; 5% cashback on international spends; up to 3% cashback on domestic spends; win millions on RAKBANK MasterCard; Titanium lifestyle privileges offers from more than 80 premium branded outlets across categories; RAKeast Dining Discount Programme; special monthly usage offers; Convenience of credit card cheques and attractive balance transfer facility	04 213 0000 www.rakbank.ae	
RBS	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard, RBS Weekend Card & RBS Williams Platinum Card	Free for life	All cards: Free Wild Wadi, Ski Dubai and Cinema; chip card for enhanced security, purchase protection; access to utility bill payment, smart cash loan, Visa Classic & Gold; dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveler Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameera: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 www.rbsbank.ae	

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Auto Finance		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	In Dubai : New cars: 4.25%, used cars: 4.99% In Abu Dhabi and Al Ain : New cars: 4.25%, used cars: 4.99%	Up to AED500,000	New cars: Nil Used cars: 10%	60 months for news cars, 48 months for used cars	5,000	No
Abu Dhabi Islamic Bank	Car Finance	New Cars: 4.50% with salary transfer, otherwise 4.95% Used cars: 5.50% with salary transfer, otherwise 5.95%	Up to AED400,000 with salary transfer, otherwise AED350,000	Depends on type of car	New cars: 60 months Used cars: 48 months	5,000	No
Al Hilal Bank	Murabaha	New cars: 4.99% Used cars: 6.5% Special rate of 4.50% for Nissan on selected outlets	Up to AED500,000	New cars: Nil Used cars: 20%	New cars: 60 months Used cars: 48 months (Depends on the car)	8,000	No
Arab Bank	Car Loan	New cars: 4.5% Used cars: 5.5%	Depends on salary	New cars: Nil Used cars: 15%	New cars: up to 60 months Used cars: up to 48 months	20,000	Yes
Dubai Bank	Markaba Auto Finance	5.25% for new cars (Depends on the dealer) Used cars: 5.95%	Up to AED500,000 for Nationals Up to AED150,000 for expats	New cars: Nil Used cars: 10%	New cars: 48 to 60 months	8,000+	No
Dubai Islamic Bank	Auto Loan	New cars: 4.5% Used cars: 4.5 - 6% (Depends on model of the car)	Up to AED250,000	Depends on the salary	Up to 60 months	With salary transfer - 5,000 otherwise 8,000	No
Commercial Bank International	Car Loan	New cars only, 4.75% with salary transfer otherwise 5.00%	Up to AED350,000 (Depends on the car)	5%	Up to 72 months	15,000	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.50%, otherwise 5.35% Used cars: with salary transfer 5.25%, otherwise 5.75%	Up to 250,000	15%	Up to 60 months	10,000	No
Emirates-NBD							
Emirates Bank Int.	Car Loan	New cars: 4.75% with salary transfer, otherwise 5.50% Used cars: 5.60% with salary transfer, otherwise 6%	Up to 10 times of monthly salary	10%	New cars: 60 months Used cars: 36 to 48 months	With salary transfer - 7,000 otherwise 10,000	No
National Bank of Dubai	Car Loan	New cars: 4.75% with salary transfer, otherwise 5.50% Used cars: 5.60% with salary transfer, otherwise 6.0%	Depends on monthly salary	10%	New cars: 60 months Used cars: Depends on model of the car		No
National Bank of Abu Dhabi	Motori	New cars: 4.5% with salary transfer, otherwise 5.50% Used cars: 4.75% with salary transfer, otherwise 6%	Up to AED300,000 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	New cars: 4.99% Used cars: 5.5%	Up to AED250,000	New cars - 10% Used cars 15 - 20%	Up to 60 months	5,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to AED250,000	New cars - Nil Used cars - 10%	New cars: up to 84 months Used cars: 72 months	5,000 for new cars 15,000 for used cars	No

Personal Finance		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	Personal Loan	9.25% on reducing balance basis	Up to AED250,000	Yes	Up to 60 months	5,000	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6.25% fixed rate	Up to 15 times of monthly salary	Yes	Up to 60 months	5,000	Yes
Al Hilal Bank	Goods Finance only for Nationals	Profit rate: 8.99%	Up to AED150,000	No	Up to 48 months	8,000	No
Arab Bank	Personal Loan	10.50% on reducing balance basis	Up to AED250,000	Yes	Up to 60-72 months	20,000	Yes
Dubai Bank	Sanad Personal Finance	5.50%	Up to AED250,000 for Nationals Up to AED150,000 for expats	Yes	Up to 48 months	Nationals: 12,000 Expats: 8,000	Yes
Dubai Islamic Bank	Goods Finance	Profit rate: 6.3% with salary transfer, without 8 - 9%	Up to 125,000	No	84 months with salary transfer, otherwise 6 - 60 months	4,000 with salary transfer, otherwise 6,000	No
Emirates Islamic Bank	Imtalk	Profit rate: 6.5%	Up to AED250,000	Yes	Up to 60 months	7,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 7.35%	Up to AED250,000	Yes	Up to 60 months	20,000	Yes
Noor Islamic Bank	Goods Finance	Profit rate: 5.99 - 6.25%	Up to AED250,000	No	Up to 60 months	7,000 for account holders, otherwise 10,000	No
Sharjah Islamic Bank	Goods Murabaha	Profit rate: 8%	Up to AED250,000	Yes	Up to 48 months	20,000	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 www.adcb.com
Used cars must be (German -10 years, American/ European - 8 years, Korean - 6 years) or newer	No	Rewarded for early redemption	Free postponement for salary transfer, Free Islamic Visa card	Islamic products, No processing fees	Toll-free: 800 2288 www.adib.ae
Used cars must not be older than 10 years.	No	Nil		No processing fee	Toll-free: 800 666666 www.alhailbank.ae
Used cars must be 2005 model or newer	Yes	1% of outstanding loan, 5% for bank buyout	Free credit card for the first year	1% processing fee	Toll-free: 800 27224 www.arabbank.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
Used cars must be 2000 model or newer	No		Free credit card	AED400 processing fee	04-609 2424 www.alislami.ae
	No	2% of total outstanding loan		No processing fee	Toll-free: 800 224 www.cbuae.com
Post dated cheques required along with usual documents. Used cars must be 3 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 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed. Used car must be at least 7 years old	No	4% of total outstanding loan		Processing fee: New cars AED300, used cars: AED500 Processing fee: New cars AED300, used cars: AED500	04-3160316 www.ebi.ae Toll-free: 800 540000 www.nbd.com
Used cars must not be older than 4 years. Loan only applies to Japanese cars	No	3% outstanding value of the loan		No processing fee for new cars. For used cars 1% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
Used cars must not be older than 5 years.	No	None		AED300 - 500 processing fee	Toll-free: 800 NOOR www.noorbank.com
Used cars must not be older than 4 years.	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	1% processing fee	04-213 0000 www.rakbank.ae

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.			1.5% processing fee of the loan amount	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and original passport. The applicant should be atleast 21 years old.	None		No processing fee	Toll-free: 800 666666 www.alhailbank.ae
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 www.arabbank.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa. Minimum age - 25 years	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Need to provide salary certificate, bank statement, quotation, cheque book and original passport.	None		AED400 as processing fee	04 609 2424 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED2,500	Toll-free: 800 4792 www.hsbcamanah.com
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		1% processing fee	Toll-free: 800 6667 www.noorbank.com
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned			Toll-free: 800 742 www.sib.ae

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 October 2009 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Home Finance							
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 to 8.75% with salary transfer 8 to 9% without salary transfer	Minimum AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	15%
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	8.5 - 9%	Minimum AED250,000 and maximum depends on the salary	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
Amlak (Shar'ah compliant) **NOTE** On November 20, 2008 Amlak froze all new mortgage lending.	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on eligibility and criteria	10-20%	Minimum 10%
According to recent newspaper reports (April 18th 2009), the Amlak/Tamweel merger is going ahead and the merged entity will be trading soon.							
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.50% on reducing balance rate	Up to AED5 million LTV: up to 80%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	20%
Bank of Baroda **NOTE** Temporarily stopped new mortgage lending.	UAE nationals, expats	Up to 15 years	65 years	7.5% on reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	8.50% Currently special promotional rate of 7.15% is applicable for all properties	Up to AED10 million LTV: up to 75% of market value for villas and 70% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	25%
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 25 years	65 years for nationals 60 years for expats	9.15 to 9.50%	Up to AED6 million for Nationals Up to AED4 million for expats	Depends on the salary	20% for ready properties
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	8.75%	Up to AED5 million	Depends on the loan amount and salary	20%
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 to 8% on reducing balance rate	Up to AED10 million	Residents: Up to 60% Non-residents: Up to 50%	20% for ready properties, otherwise 15%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	10% with salary transfer, 11% without	Up to AED4.5 million	Not more than 50% of the salary	10%
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 AED20 million	Maximum 60%	10%
Habib Bank AG Zurich **NOTE** Temporarily stopped new mortgage lending.	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	7.5 - 8.5%	Up to AED10 million LTV for Flexi and EIBOR: up to 75% LTV for Amanah Home finance up to 65%	60% overall debt on all regular commitments	25% for ready villas 30% for ready apartments 50% for under construction
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	Financing available for VILLAS ONLY 8.5%	50%		50%
Mashreq	UAE residents and non-residents	Up to 20 years	65 years for salaried 70 years for self-employed	7.5% + 1% margin (Reducing balance basis and depending on salary)	Up to AED5 million	55% including all loans	10%
Mawarid Finance **NOTE** Temporarily stopped new mortgage lending.	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	8.6%	Up to AED8 million Up to 75% for Abu Dhabi properties and 50% for other emirates	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	6%	Up to AED5 million LTV: Upto 85% Abu Dhabi/Al Ain properties: AED8 million	60% of monthly salary for salaried individuals	10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 10 years	65 years for UAE nationals, 60 years for others	Profit rate: 11% on reducing balance basis	Up to AED2 million	50%	50%
Standard Chartered	UAE nationals, expats	20 to 25 years	65 years	6.75% 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	25%
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% on reducing balance basis	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	8 - 9.5% Financing for ready properties only.	Up to AED4 million for villas Up to AED3 million for apartments	Up to 65% of monthly salary	20%
United Bank Limited 'Baitna' **NOTE** Temporarily suspended all new mortgage lending.	UAE residents and non-residents	Up to 20 years	65 years	8%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	8,000 for Nationals 10,000 for expats	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	Abu Dhabi: ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya Dubai: Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 1% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	ALDAR, Sorouh, TDC, Capitala, Profile Group and many more to come	Yes	Yes	Toll-free: 800 ADF (233) www.adf.ae
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	Abu Dhabi: Sourouh, ETS, Manazel, Emirates Financial Towers Dubai: Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amiakfinance.com
Life and property insurance	20,000	Yes	Yes	Processing fee is AED3,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	Yes	Yes	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 313 6666 www.bankofbaroduae.ae
Life and building insurance	Depends on liabilities	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 AED5,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	15,000	No	No	Processing fee is AED400.00	No Abu Dhabi properties financed Dubai: 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	04 609 2424 www.alislami.ae
Life and property insurance	National - 20,000 Expats - 50,000	Yes	Yes	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Abu Dhabi: ALDAR, Sorouh Dubai: Emaar, Nakheel and Dubai Properties	No	Yes	04 316 0316 www.nbd.com
Life and property insurance	25,000	No	No	Processing fee is 1.3% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Abu Dhabi: Manazel, Al Reef Dubai: Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	15,000	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	Yes	1% of the loan amount is levied as arrangement fee for the mortgage or a minimum of AED5,000. 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 Omnyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 366 9052 www.hsbc.ae
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED5,000 mortgage registration; AED2,500 valuation fee; AED1,000 non-refundable commitment fee; AED1,000 discharge fee	Emaar, Dubai Properties (Jumeirah Beach Residence) Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	No	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	9,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 424 4444 www.mashreqbank.com
Property and life insurance	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 www.mawarid.ae
Property and life insurance	20,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: 0.5% of the loan amount. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout.	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000	No	No	No processing fee or early settlement fee	Abu Dhabi: Al Raha Beach, Yas Island, Shams Dubai: Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	30,000	Yes	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 2% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	Yes	Yes	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	600 522288 www.standardchartered.com/ae
Life and property insurance	15,000	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	Abu Dhabi: Surouh (Golf Gardens), Manazel (Al Reef Downtown) Dubai: Nakheel (Marina Residence), Tamweel (Tamweel Tower)	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	20,000	No	Yes	Processing fee of 1%, min. of AED5,000. A non-refundable application fee of AED3,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.urb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	04 608 5302

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during October 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 fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391 2173, or by email to info@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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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 October 2009. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae. (Source: UAE Central Bank Website, last updated March 31, 2003)

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



Letter of the Month

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

Dear Editor,
In your last edition, you talked about rising confidence in the retail market. One thing I have noticed, though, is that prices of a number of products are down compared to a year ago. Edibles are certainly much cheaper and also lifestyle and fashion products. But a decline in price means a lower margin for retailers and hence lower profitability. How does that help confidence?
SS, Dubai

Lower prices do not necessarily mean lower margins. Retailers in Dubai are already benefiting from falling costs of procurement and declining overhead

costs. Of course, prices of goods have come down at major retail outlets, although it now seems that price levels are reaching some sort of stability. You are probably right in saying that there has been a squeeze in the margin of retailers, but sales are rising again, as buyers are becoming more confident to spend. The confidence is coming from a job market that looks increasingly stable, while business prospects are getting better. At the end of the day, bad times will not remain forever. They are inevitably followed by better times.

Of course, one has to keep on reminding oneself that life is a mix of both good and bad times. More importantly, when it comes to money, do not spend everything during the good times. Always keep something aside to make the best of the bad times as well.

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.



Saving for your children's future

James Thomas explains why combining children's education planning with your retirement planning can be more efficient than saving for each individually.

"My wife is pregnant and I'm considering a savings plan for my child. What can you best advise?"

The arrival of a child is one of the most important events that will occur in your life, and while the joy and happiness that accompanies the arrival is completely understandable, the child is also likely to be one of your largest financial commitments. As such, you need to plan to make sure that your child has the best start in life.



Before even considering saving for the child's future, I would always recommend reviewing your life insurance. It is vital to have the safety nets in place to protect your family from all eventualities. Do you have any cover in place? If so, how much and is it enough? This is an individual matter, as everyone will need different levels of cover.

Also, make sure your child is added to your medical insurance. Most insurers will offer cover for a child for the first 30 days of his or

her life, but the child then needs to be added to the policy to be protected.

Once these areas have been reviewed and the appropriate actions have been taken, we can then look at savings options. There are a number of issues to consider regarding how best to plan for your child's future. What are you looking to plan for? Is it primary, secondary or tertiary education, or a combination? Each level of education has a different age horizon, from five to eleven to eighteen years.

Each level of education generally costs more than the previous level, and trying to gauge the cost can be difficult. From a quick poll of a few colleagues, though, primary education seems to cost from AED20,000 to AED40,000 per annum, while secondary can cost up to AED80,000 per annum. University costs are harder still to project, as it depends on the course, institution or country. However, having looked up my own university, the University of London, courses range from AED50,000 to AED100,000 per annum, with living costs on top of that. It is also worth noting that education costs generally increase at a faster rate than inflation, so this needs to be taken into account.

The majority of clients that I have discussed this with prefer to start planning for secondary or tertiary education simply because it is further in the future and they have time to start building a suitable fund.

The most popular way of planning is to save on a monthly basis, in a similar way that you might do for your retirement planning. It can be more efficient to combine your children's education planning with your retirement planning to reduce the fees involved in having multiple policies.

As part of a financial review, we would establish how much you can afford and wish

to contribute to your child's education. As I previously mentioned, this is usually by way of a regular monthly contribution, but it could also include a lump sum.

The next stage would be to select a provider that offers the most suitable product. The selection criteria would include a number of factors, including fees, fund choice, access to funds to pay for the education, financial strength, flexibility of the contract and competitiveness of the contract compared to its peers.

Once a suitable provider has been selected, the next stage would be to carry out a risk analysis to help design the mix of funds that the contributions would be invested into. Generally, with medium- to long-term investments, the best returns are achieved by investing into a basket of mutual funds, as in the past they have produced better returns. However, with any investments, the better the return that the fund achieves, then generally the higher the risk you have to take. By investing into a wide range of funds, you can diversify your investment to reduce the overall risk.

This approach will not completely remove the risk, but I would always advise continuing to invest when markets are falling as well as rising, as the overall effects of both situations will balance each other out. By way of example, investing through the past year or so has seen large swings in investment values, but by investing regularly, most portfolios have largely recovered from the depths of the lows seen late last year and earlier this year.

In summary, the earlier you start saving, the better. By taking appropriate advice, your child will have the best chance of going to his or her preferred university, with most or all of the fees paid by your savings plan.

HW



If you aren't successful, move on

Sultan Sooud Al-Qassemi on why failures are part of life and should not be looked down upon in the GCC.

One of the main factors that discourage entrepreneurs from starting their own businesses in the Gulf is the taboo of failure. Young men and women worry that if their projects are not a success, they will be forever labelled as failures, rather than as pioneers who tried their best. But the taboo of failure does not just run in the young. It exists largely because it is not tolerated at the highest levels.

I always believe that each person should be encouraged to do their best. If they aren't successful in a particular task, they should move on and treasure the valuable lessons they gained from their experience.

In the Gulf, it is no secret that many investment firms, real estate developers and banks have messed up. These companies overstretched their arms so far that they actually missed their targets and ended up in heavy debt. In some cases, these firms had to resort to government bailouts – a term that was never used in the Gulf's dictionary.

So why are these institutions safeguarded from failure? Over 100 financial institutions have been allowed to fail in the US, including some of the most prominent ones, such as Lehman Brothers and Bear Sterns. In the UK, Northern Rock and HBOS are also examples. The same phenomenon can be seen all over the world, but rarely in the Gulf.

We must keep in mind one rule of life that will never be changed: taking high risks to secure high returns also has a downside. No government in the world will be able to reverse that rule. When Gulf Bank in Kuwait took unnecessary risks by venturing into the derivatives and options markets – even though one board member who later became the bank's chairman admitted

that he had no idea what derivatives were – the bank failed miserably and had to be bailed out to the tune of KWD375 million.¹ Rather than allow the bank to go under or be bought by another financial institution, the chairman stood down in favour of his brother, who, as a board member, was witness to the risk taking.²

In the UAE, one government-owned developer is responsible for most of the owner's debt and yet no changes have been made at the top. Also, banks across the Gulf have irresponsibly lent over US\$10 billion to Maan Al Sanea's Saad



Group. This issue is so sensitive that a war of words broke out between the governors of the central banks of the Gulf via the Arabic media. Each one blamed the others for lack of supervision. Frankly, they are all responsible, but no one is willing to admit failure because that word does not exist in our dictionary.

In another case, one Kuwaiti businessman committed suicide after allegations that he misappropriated several million dollars.³ Compare this with Bernard Madoff, who is responsible for a US\$65 billion fraud scheme. The latter went about his life casually until his sentencing. In the Gulf, you see, failure is taboo.

When a person is at the helm of a job, he may try his best and err. He should be replaced, but, ultimately, life goes on. There is no need to borrow billions of dollars to invest into bailing out failed individuals or the foreign firms they invested in to avoid labelling these investments as failures. After all, investment is a part of life; you can't win all battles. Bailing out these banks and investment institutions actually sends out the wrong message in some instances. That message is: "You can be irresponsible with the public's money, but expect the government to jump right in and save you." The message instead should be: "Try your best, but if you aren't successful, move on with life."

Governments will never be able to secure jobs for all of the region's youth in the public sector. Expanding the private sector and encouraging entrepreneurship are the only ways that we will be able to accommodate the aspiring youth of the region and secure the growth that we aspire to. In that process, failure is not uncommon.

Not every new business that is started will be a success. By maintaining the taboo of failure, however, we are discouraging people from starting businesses, and that is the real failure of our societies.

How do we in the Gulf expect young and hesitant entrepreneurs to take risks and start their own businesses when our governments frown upon failure?

Footnotes

- [1 http://gulfnws.com/business/banking/kuwait-s-gulf-bank-sees-first-quarter-profit-after-bailout-1.63655](http://gulfnws.com/business/banking/kuwait-s-gulf-bank-sees-first-quarter-profit-after-bailout-1.63655)
- [2 http://www.kuwaittimes.net/read_news.php?newsid=0Tg5NTA2Njg2](http://www.kuwaittimes.net/read_news.php?newsid=0Tg5NTA2Njg2)
- [3 http://gulfnws.com/news/gulf/kuwait/kuwaiti-businessman-charged-with-fraud-in-us-commits-suicide-1.502719](http://gulfnws.com/news/gulf/kuwait/kuwaiti-businessman-charged-with-fraud-in-us-commits-suicide-1.502719)

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