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

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All asset classes suffered terrible losses last month. Those who thought they could make money bottom fishing were wounded once again as bears roughed them up. As we move into the next month, there are no signs yet that the worst is over. People are not in rational mode, even after assurances from world leaders. The feeling is similar to one of watching a Greek tragedy where hubris is punished. The once unassailable commodities markets lie in shambles, and even gold has found no respite. Neither has oil, which dropped US$5 after OPEC announced cutting production by 1.5 million barrels a day. Emerging markets like India that were supposed to provide a cushion to the rest of the world as it headed into a recession seem to be paralysed and are now joining the bandwagon of losers. Even a 10 per cent drop in key indices from developed to emerging markets does not surprise anyone anymore.

The current situation reminds me of the age-old adage: "What goes up must come down." I think the old saying implies that what goes up too quickly comes down quicker. The adage has been proven correct once more. The skyrocketing commodities prices did not help the world, as they fuelled inflation and destroyed demand on one side, while greedy bankers forgot the basics of lending and investors bought what they did not understand, ultimately bringing doom upon themselves.

I have always argued that when it comes to investing, what's illogical and irrational will be exposed. There are no alternatives to fundamentally sound investment principles, and one of them is: "Stick to what you understand." Obviously, many of us did what our relationship managers told us to do. We believed what they said without questioning their knowledge and thus dearly paid for it. There is no one we can blame now for our lack of knowledge or for our lack of enterprise to find out more about what we were buying into.

But is this the end of the road? Of course not. The Phoenix legend is an appropriate analogy here, as markets will soar again when we bottom out and enter the next phase of the cycle. This time around, however, one needs to be a bit more enlightened when getting into the act of investing.

It is only apt that we give our readers something to whet their investing knowledge this month, and so we offer you a timely, free guide with this edition on how to manage your money in turbulent times. Happy reading.

Utpal Bhattacharya
Editor

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What to build next?

Investors in the regional market – especially in Dubai's property market – have been concerned about the slowing pace of growth for some time. Utpal Bhattacharya urges builders to attract end-user professionals as their next wave of customers.

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Regional Best Buy Tables

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Wong Heang Fine

CapitaLand plans four new projects

Singapore-based CapitaLand, one of Asia's biggest developers, launched retail apartment sales for its Raffles City Bahrain development during Cityscape Dubai. A MONEYworks report on this lifestyle brand.

VIPs and high net worth individuals of the GCC region will soon have the opportunity to acquire their own addresses in Bahrain's Raffles City, which is being developed jointly by Singapore-based CapitaLand, one of Asia's largest property developers, and Bahrain-based investment bank Arcapita.

Built on 43,000 square metres of land, the US$800 million integrated waterfront development located in the prime Bahrain Bay area will have three residential towers with over 600 units comprising one-, two- and three-bedroom apartments and four-bedroom penthouses, 50 landscaped sky villas, 200 five-star serviced apartments and 92,000 square metres of retail space. The project is due for phased completion in the fourth quarter of 2010.

Raffles City Bahrain is CapitaLand's first integrated development project in the GCC and its first Raffles City development outside of Asia. CapitaLand's Raffles City integrated developments are designed to be urban icons within business or cultural districts in global gateway cities. Incidentally, this is the third venture of CapitaLand with Arcapita. The previous two ventures were the ARC-CapitaLand Residences in Japan and an information technology park and office development in Navi Mumbai, India.

"CapitaLand's entry into the GCC region is a part of our strategy to balance our investments in the fast-growing economies in Asia." *Wong Heang Fine*

CapitaLand chose to develop the Raffles City brand in Manama, due to Bahrain's attractive investment climate, strong economic diversification and burgeoning hospitality industry. The company also manages the Shari'ah-compliant equity sukuk fund that is likely to finance Raffles City Bahrain.

The first Raffles City was officially opened in Singapore in 1986. At present, CapitaLand has four other Raffles City integrated developments across China. The one in Shanghai has already been opened, while those in Beijing, Chengdu and Hangzhou are under development. CapitaLand is also planning four more developments across the world in the near future, although Wong Heang Fine, CEO of CapitaLand and GCC Holdings, is not ready to name the locations.

With SGD42 billion in managed assets, CapitaLand is one of Asia's largest real estate companies. The multinational company's real estate and hospitality portfolio spans 120 cities in 20 countries. The listed subsidiaries and associates of CapitaLand include Australand, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and CapitaRetail China Trust.

"CapitaLand's entry into the GCC region is a part of our strategy to balance our investments in the fast-growing economies in Asia," said Heang Fine. "This has paid off for us, as the overall GCC real estate market remains healthy despite global uncertainties. This is reflected in the success of our private sales of residential apartments in Raffles City Bahrain earlier this year."

According to Heang Fine, private sales of the residential apartments in Raffles City Bahrain enjoyed a very strong response last June. About 80 per cent, or 101 units, of the total 124 available units for sale was booked within three weeks of the private sales launch.

"The average sale price had touched an unprecedented level for the Kingdom at BHD1,750 (US$4,640) per square metre against the market price of BHD1,350," added Heang Fine.

Capitala, CapitaLand's 49-per-cent-owned associated company (51 per cent is owned by Abu-Dhabi-based business development and investment company Mubadala), is also developing a residential project in Abu Dhabi. Rihan Heights, officially launched on October 6, will be part of the US$5-6 billion Arzanah integrated development located on a 1.4-million-square-metre waterfront site surrounding Zayed Stadium in Abu Dhabi.

Rihan Heights – which is already under construction and is due to be handed over to its owners in the first quarter of 2011 – consists of five residential towers with 854 apartments and 14 exclusive villas.

Raffles City

Najib Fayyad

Unicorn targets Turkey & Central Europe

Unicorn Investment Bank is targeting a number of funds in 2009. The company also plans to expand the geographical reach of its investment activities during the year. **Ehab Heyassat** spoke to senior management of the company.

Regional asset management companies are increasingly eyeing international assets as prices decline with the unwinding of global financial markets. Opportunities are being seen across North America, Europe and Asia. For Bahrain's Unicorn Investment Bank (Unicorn), immediate plans are to launch both real estate private equity and investment funds targeting real estate and capital market opportunities in 2009.

According to Najib Fayyad, managing director of Unicorn's asset management business, Turkey and some of the Central European countries are looking good. Fayyad, who is also the country manager for the Islamic investment banking company's Turkey business, said that countries like Poland, Romania and Bulgaria in Central Europe offer some interesting real estate investing opportunities right now. He added that Unicorn is currently structuring a real estate investment opportunity that will target investing between US$200-250 million in those countries. The investment is planned for launch in 2009.

Fayyad also said that Unicorn views Turkey as a very important centre for its asset management business. In 2009, plans are afoot to launch a US$100 million syndicated equity issue in line with its earlier investment vehicle, Turquoise Coast Investment Company, which targeted investing in vacation homes in Turkey.

Capitalised at US$40 million, Turquoise Coast Investment Company is a special purpose vehicle established to provide investors with an opportunity to benefit from the thriving vacation homes market on Turkey's Aegean Coast. The company invests in vacation home developments in the Bodrum Peninsula with a local partner. The total project size is US$120 million.

Unicorn also plans to launch an investment fund targeted at the capital markets of the Middle East and North Africa, including Turkey. The target capitalisation of the fund at the launch will be around US$50-70 million. It will have a mutual fund open-ended structure and will invest in all listed securities.

While Turkey continues to be an important destination for Unicorn because of the size of its economy, the Bahraini company is also exploring investment opportunities in other parts of the world, including Africa, India and Western Europe.

Fayyad said that all Unicorn products are currently for the wholesale market, targeted towards high net worth individuals and institutions. However, the company is open to white labelling at some point, he added.

Unicorn products are currently for the wholesale market, targeted towards high net worth individuals and institutions. However, the company is open to white labelling at some point.

Unicorn exited from the KSA Real Estate Fund 1 last year with an internal rate of return of 15.5 per cent. The US$52.5 million fund, which closed in July 25, 2005, invested in the Ishbeliyah project, a residential real estate development comprising 324 villas constructed over a total land area of 144,030 square metres in a northern suburb of Riyadh. The project's developer, Dar Al Arkan Real Estate Development Company, is one of the largest residential real estate developers in Saudi Arabia. Fayyad said that although the tenor of the fund was three to four years, the exit happened within two-and-a-half years.

Similarly, Unicorn's Gulf Springs Real Estate Fund, a GCC opportunistic fund that raised US$45 million, exited last year with an internal rate of return of 18 per cent. Fayyad said Gulf Springs had targeted US$100 million, but fell far short of the target, although the returns turned out to be strong.

Marco Mauri, head of public equities at Unicorn's asset management division, said that the global slowdown will offer tremendous opportunities for Islamic equity products and investment banking entities in the region.

ARCH secures 48 per cent stake in Financial Partners Group

London-based investment management firm ARCH Group has secured a 48 per cent stake in Financial Partners Group (FPG) to drive its expansion into the Middle East and Far East.

The new shareholding structure, together with the introduction of additional capital and strategic investment, is aimed at strengthening the FPG capital base.

FPG's strategy involves franchising, mergers and acquisition of like-minded IFA firms in areas in which it is already established, including Australia, Hong Kong, India, Indonesia, Japan, Malaysia and the UAE.

Robin Farrell, CEO of ARCH, and Sean Kelleher

Sean Kelleher, chairman of FPG, said that banks are targeting either the retail market or the high net worth market, which has left an untapped area of opportunities in three distinct niches: the growing expatriate segment, upwardly mobile individuals and the growing breed of small and medium enterprises.

Kelleher also said an academy would be opened soon to train and nurture financial advisory staff.

For more on this go to www.moneyworks.ae and search 'ARCH Group'

Abraaj Capital has entered into an agreement to acquire a stake in the biggest shareholder of Karachi Electric Supply Company (KESC), the city's sole power provider.

Abraaj, which manages US$5 billion of funds across the region, will buy new shares in KES Power Limited, giving it a 50 per cent stake in and management control of KES Power. KES Power, in turn, owns 71.5 per cent of KESC.

The capital injection will be used to finance new equipment at KESC's aging facilities, boost generating capacity and bring in management expertise.

Saudi Arabia's Al Jomaih Group and Kuwait's National Industries Holding – KES Power's existing owners – will remain shareholders.

Global Investment House has concluded the acquisition of 11.11 per cent of MAPE Advisory Group, one of India's leading investment banks.

MAPE was founded in 2001 as a boutique investment bank focused on mergers, acquisitions and private equity fundraising advisory services. The company has, over the years, diversified into institutional broking, debt syndication and cross-border advisory and has closed over 60 transactions across sectors, totalling a deal size of over US$1.9 billion.

Investcorp takes stake in Redington Gulf

Asset management firm Investcorp has agreed to make a US$98 million investment in Redington Gulf, a distributor and service provider of IT and telecom products in the Middle East and Africa.

Investcorp will become a minority shareholder in Redington Gulf and will make the investment through its US$1.1 billion Gulf Opportunity Fund I. The capital increase will be used to support Redington Gulf's growth in the region and enable it to fund add-on acquisitions to expand its footprint.

This transaction represents the first investment by the Gulf Opportunity Fund I, Investcorp's US$1.1 billion private equity fund for the Middle East and North Africa region.

Redington Gulf is a wholly-owned subsidiary of Redington India, the IT distributor listed in India and operating in India, South Asia, the Middle East and Africa. The company, headquartered in Dubai, saw total revenues exceed US$1 billion for the last financial year.

Dubai Group purchases stake in Citigold

Dubai Group has acquired an 18 per cent stake in Australian gold mining company Citigold. The investment has been made through Dubai Ventures Group, Dubai Group's subsidiary.

Abdulhakeem Kamkar

Citigold Corporation Limited, listed on the Australian Stock Exchange and on the Dubai International Financial Exchange, has an estimated 10 million ounces in ore deposits in the Charters Towers goldfield in northeastern Australia.

The capital injection is expected to add significant strength to Citigold's production capabilities, thereby boosting future gold production.

"This transaction reflects our long-term view on gold and Citigold's ability to enhance shareholder value by ramping up production to 250,000 ounces per annum by 2011," said Abdulhakeem Kamkar, CEO of Dubai Ventures Group. The deal is Dubai Ventures Group's first in Australia.

Deloitte: Organisations lack financial management capabilities

Forty-eight per cent of public officials around the world believe their organisations lack adequate financial management capabilities, according to a new Deloitte study.

The study looks at the world of finance in more than 200 government departments from 28 countries, including Jordan and the UAE. Responses from surveyed government finance officials indicate that despite progress in streamlining transactional efficiency over the past decade, significant financial management constraints continue to face governments around the world, says Deloitte.

Risk management is highlighted as one of a myriad of challenges finance officials face within their organisations. For example, more than half of the officials who participated in the study reported that their organisation's ability to audit its own financial accounts falls at or below an accepted baseline for the finance field industry benchmark.

Only 29 per cent of the government finance officials surveyed described their organisation's capabilities as having moved beyond a baseline level in risk management.

Bahrain-based United International Bank has acquired UK-based BWA Water Additives, a leading water treatment solution provider from Close Brothers Private Equity.

BWA has been operating for over 35 years with laboratories in the UK and the US. Financing for the transaction was provided by Royal Bank of Scotland, HSBC, the Royal Bank of Scotland Equity Fund and King & Spalding.

Bank of Baroda's business volumes doubled from AED6 billion in 2007 to AED12 billion in September 2008 and are expected to touch AED24 billion by September 2009, according to M.D. Mallya, global chairman and managing director of the bank.

Mallya, who was in Dubai recently, attributed the rapid growth to new initiatives undertaken by the bank. Globally, the bank has created three verticals: wholesale, SME and retail. In India, agri-banking is an additional vertical. Mallya said that for each segment, there is a central hub managing the business.

Regarding the bank's position amidst the global financial crisis, Mallya said: "Our bank is well capitalised and not at all affected by the global meltdown, since it did not have any exposure to subprime mortgage assets or any other toxic assets and is experiencing a compound annual growth of 27-28 per cent."

Having been in the UAE for the last 34 years, Bank of Baroda is the first Indian bank to have started operations in the UAE and the only Indian bank offering an entire range of products and services. With a special focus on the GCC, the bank is also present in Oman and Bahrain and plans to start operations in Kuwait, Qatar and Saudi Arabia soon.

GBCORP signs MoU with ADCO Thailand

Bahrain-based Global Banking Corporation (GBCORP) has signed an MoU with Asia Development Company (ADCO) Thailand.

According to Thavatvong Thanasumitra, director of ADCO, the company is paving the way for GBCORP to build its investment portfolio in Thailand and take advantage of the synergy between both countries to bridge the investment opportunities that exist in the Far East and the Middle East regions.

Ahmed Al Khan, head of investment banking at GBCORP, added that Thailand stands on the threshold of emerging nations offering investors strategic investment opportunities in key sectors such as financial markets, energy, medical tourism, infrastructure and real estate development.

Thavatvong Thanasumitra and Ahmed Al Khan

MUFG makes investment in Morgan Stanley

Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and the world's second largest bank holding company with US$1.1 trillion in bank deposits, has closed on a US$9 billion equity investment in global financial services firm Morgan Stanley.

The investment gives MUFG a 21 per cent ownership interest in Morgan Stanley on a fully diluted basis and is part of a previously announced global strategic alliance.

Under the revised terms of the transaction, MUFG has acquired US$7.8 billion of perpetual noncumulative convertible preferred stock with a 10 per cent dividend and a conversion price of US$25.25 per share and US$1.2 billion of perpetual non-cumulative non-convertible preferred stock with a 10 percent dividend.

MUFG and Morgan Stanley have identified numerous areas of potential collaboration for their global strategic alliance, including corporate and investment banking, certain areas of retail banking and asset management and lending activities such as corporate- and project-related loans.

United Gulf Bank Bahrain recorded a net profit of US$348.8 million for the first nine months of 2008, a 78.9 per cent increase over the US$195 million figure posted in the same period last year.

National Bank of Abu Dhabi has reported net profits of AED651 million for the third quarter of 2008, a 13 per cent increase compared to AED576 million for the third quarter of 2007.

Investors are waiting for the right conditions to return to equity markets amid the most pessimistic outlook yet recorded, according to Merrill Lynch's survey of fund managers for October.

The survey, completed as global equity markets fell in value by 18.7 per cent, shows that almost seven out of 10 respondents (69 per cent) believe that the global economy has entered a recession, up sharply from 44 per cent one month ago.

The proportion of investors who believe that monetary policy is too restrictive has reached a net 59 per cent, representing a new high for the survey.

But low risk appetite and a belief that equities are undervalued could provide the foundation for a rally. Growing risk aversion has led to a record 49 per cent of respondents who are overweight on cash. The number of respondents who believe equities are undervalued has reached a 10-year high at 43 per cent.

"Fund managers are waiting for the triggers that will give them the confidence to buy," said Gary Baker, head of EMEA equity strategy at Merrill Lynch. "What they are looking for is a loosening of monetary conditions and for third quarter earnings to clarify where problems and opportunities lie across equity markets."

Al Mazaya Holding said that it plans to purchase its own shares from the market in order to benefit the firm's revenues.

According to the real estate company, the step is aimed at boosting the market value of Al Mazaya shares, due to correctional movements in the financial markets.

The decision to go ahead with the repurchase follows the introduction of a law that allows companies to repurchase a maximum of 10 per cent of their total shares.

"We know that exchange prices for Al Mazaya shares don't reflect their true value, particularly since the company's profits are active revenues resulting from profitable investments and the development of major projects," said Khalid Esbaitah, managing director and CEO of Al Mazaya Holding.

Al Mazaya Holding is listed on the Kuwait Stock Exchange and on the Dubai Financial Market.

J.P. Morgan takes equity stake in DME

The Dubai Mercantile Exchange (DME) said that J.P. Morgan has taken an equity stake in the exchange, joining a number of other global financial institutions and energy trading firms.

The firms include Goldman Sachs, Morgan Stanley, Vitol, Concord Energy, Casa Energy Trading and a Shell Group company, all of which were named strategic investors in the DME in early August.

The DME's board of directors approved the issuance of an equity stake of up to 20 per cent to strategic investors, with core shareholders the New York Mercantile Exchange, Tatweer and the Oman Investment Fund collectively holding a 75 per cent equity stake in the exchange. The terms of the sale of this equity have not been disclosed.

According to Ahmad Sharaf, chairman of the DME, continued interest from the most highly respected global financial institutions and energy trading firms underscores the success of the exchange to date.

Ahmad Sharaf

For more on this go to www.moneyworks.ae and search 'J.P. Morgan'

Gulf salaries see 11.4 per cent increase

Private sector salaries in the Gulf region have increased at an average rate of 11.4 per cent over the last year, according to figures recently released by online recruitment firm GulfTalent.com.

In its fourth annual survey of salary trends in the region, the firm highlighted the following increases in basic salary by country over the twelve-month period to August 2008: 13.6 per cent for the UAE, 12.7 per cent for Qatar, 12.1 per cent for Oman, 10.5 per cent for Bahrain, 10.1 per cent for Kuwait and 9.8 per cent for Saudi Arabia.

All six markets saw pay increases accelerate relative to last year, said the firm. The majority of those increases, however, are still below the forecast rates of inflation for 2008, suggesting diminishing net disposable incomes as pay rises fail to keep up with rising costs of living.

According to the study, pay rises were driven by a continued shortage of talent across most sectors, as well as the spiralling cost of living, particularly in residential rents. Following global trends, food prices have also soared this year, said the study, helping to bring double-digit inflation to virtually all the Gulf states.

Other contributing factors highlighted in the report included large pay hikes awarded to government employees, rising salaries in India – the Gulf's main source of expatriate professionals – and the weakness of the US currency until a few months ago.

The Dubai Gold and Commodities Exchange (DGCX) said that it completed its largest-ever physical settlement of gold and steel rebar futures contracts, valued at US$25.20 million, by the Dubai Commodities Clearing Corporation.

The settlement involved the delivery of 908 kilograms of gold and 40 MT of steel rebar for October 2008. The transaction saw participation by prominent banks and industry players of the physical market. The DGCX also said that its year-to-date volume has, for the first time, crossed a record-breaking one million contracts, up 52 per cent on last year.

SWFs expected to invest US$725 billion in property markets

Sovereign wealth funds (SWFs) are expected to become one of the most significant investors in the world's commercial property markets, potentially investing as much as US$725 billion over the next seven years, according to a recent global report from CB Richard Ellis Group.

Although more than half of the SWFs are believed to already hold direct commercial real estate investments, allocations to the sector are expected to rise substantially. The potential impact on the global real estate market is also expected to be significant.

Middle Eastern SWFs account for four out of the top six commodity-based funds with an estimated value of US$1.74 trillion, according to the Sovereign Wealth Fund Institute.

"More investment will flow from key Gulf SWFs as a consequence of high inflows of capital. Typical safe havens will include central London, but other trophy real estate targets will figure, such as the Abu Dhabi Investment Council's acquisition of New York's Chrysler Building earlier in the year," said Nick Maclean, CB Richard Ellis's managing director for the Middle East and North Africa region.

In order to achieve target allocations, SWFs will need to diversify future investment widely across geographies, sectors and investment vehicles, added the report. Thus far, SWF property investments have been largely concentrated in the US and the Middle East.

Nick Maclean

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The unfolding drama in global markets, specifically in the global banking system, led to a panic sell-off of shares in September 2008 that continued into the first half of October, according to a report from regional investment banking firm Rasmala.

Investor sentiment led to indiscriminate selling with little attention paid to valuations, profit growth or the presence of foreign investors, said the report.

"Various measures and verbal assurances from central banks around the region have so far failed to reassure the regional investment community that the banking and financial system in our region is relatively sheltered from the worst problems plaguing the global system," said Khaled Masri, partner, asset management, Rasmala.

China-based CSR lists shares on DIFX

China Security & Surveillance Technology (CSR) has listed its ordinary shares on the Dubai International Financial Exchange (DIFX) in a secondary listing.

CSR is the first company based in China to list on the DIFX. The company's primary listing is on the New York Stock Exchange (NYSE).

Shares purchased on either the DIFX or the NYSE may be sold on either exchange through a share registry link.

CSR is a leading provider of digital surveillance technology in China. Dubai-based investment bank MAC Capital Limited advised CSR on its listing.

Peter Fitzgerald, COO of the DIFX, and Guoshen Tu, chairman and chief executive of CSR

Middle Eastern real estate markets to outperform other regions

The real estate markets of the Middle East will outperform all other regions, according to a recent survey of real estate professionals' market views conducted by Jones Lang LaSalle.

The survey, which pooled the views of over 350 developers, sovereign wealth funds and high net worth investors, reported that almost half of all respondents believe the UAE will offer the best-performing real estate market in the Middle East over the next year or two. Respondents believe that Saudi Arabia will be the next-best performer.

The investors surveyed were least positive towards Western European markets, with only three per cent expecting this region to demonstrate the strongest performance. Most Middle Eastern investors surveyed did not believe the US and European markets would witness a major improvement in performance in the short term.

The Middle East was also expected to be one of the regions least affected by current global economic conditions, the survey reported. Almost half of all respondents said that Middle Eastern investors stood to benefit the most through their ability to export capital.

Property TV, the region's first international 24/7 property channel with a footprint covering the Middle East, the Indian Subcontinent, Southeast Asia, Australia, Europe, Russia and Africa, has started broadcasting to the Gulf.

Property TV has also set up a production and editorial team in Dubai to do Gulf-specific programming. The programme mix will include a one-hour 'Gulf Live' show highlighting property projects in the region and a 'WaterFront programme' focusing on waterside properties in Dubai, Abu Dhabi, Ras Al Khaimah, Ajman, Umm Al Quwain, Qatar, Oman, Saudi Arabia and other parts of the region and the world.

Investors in Abu Dhabi property are seriously eyeing all available options, with one and two bedrooms accounting for most purchases, according to a new report released by Burooj Properties and AME Info.

The report, entitled "Buying Property in Abu Dhabi", gives recommendations on Abu Dhabi's realty markets and highlights results from 1,358 questionnaires.

The report shows that projected investments in Abu Dhabi between now and 2030 are estimated at AED600 billion in giant developments located in Al Lulu Island, Al Reem Island, Al Raha Beach, Yas Island, Khalifa City, Saadiyat Island and the Mussafah Area.

With the sharp demand for rental jumping from 9,000 units in 2007 into 20,000 this year, the report also says that around 66 per cent of people who bought homes in Abu Dhabi have also purchased units in other emirates, mainly in Dubai.

Over 50 UAE-based developers will participate at the first International Property Show Moscow 2008, an international investment exhibition in the Russian capital.

Slated to run from November 10-12, the exhibition will be held at the Crocus Expo International Exhibition Centre in Moscow.

Developers who have confirmed their participation include Damac Properties, Sobha Real Estate, Go Wealthy, Lootah Network Real Estate and Azizi Investments.

These developers will be showcasing their UAE-based projects with the aim of drawing in Russian-based investors to the emirates.

Amlak, Tamweel merger in the pipeline

Real estate finance providers Amlak Finance and Tamweel said that they have begun discussions for a possible merger of their operations.

Amlak Finance has the largest balance sheet of any company in the sector, while Tamweel is the largest provider of real estate finance in the country by market share.

According to Nasser Bin Hassan Al-Shaikh, director-general of the Dubai Department of Finance and chairman of Amlak Finance, the resultant entity would have a combined balance sheet of AED27 billion.

Subject to negotiations and agreement of terms between the respective boards of directors, the merger is expected to close in early 2009. Both Amlak and Tamweel plan to call extraordinary general meetings to seek approval from their respective shareholders. Goldman Sachs International has been asked to act as financial adviser.

Zabeel Properties' island project progresses

Zabeel Properties has created an artist's impression of its new island development being built off the crescent of the Palm Jumeirah. The leaf-shaped Dubawi Island Resorts & Spa will include a luxury hotel and residences in the form of waterfront villas. All will be constructed in a tropical island setting.

The Dubai-based boutique developer says it will unveil full details of the project before the end of the year. The project is due for completion in 2010.

For more on this, go to www.moneyworks.ae and search key word 'Zabeel'

Cityscape Dubai attracts 70,000 visitors

The organisers of Cityscape Dubai 2008 said that the real estate investment and development event saw more than 70,000 visitors over four days.

Over 1,000 exhibitors from more than 150 countries participated at Cityscape Dubai 2008. By the second day of the event, there had been over 40,000 visitors – more than the total for the three days of last year's event. By the end of the third day, visitor numbers had surpassed 56,000.

His Highness Sheikh Mohammed bin Rashid Al Maktoum, vice president and prime minister of the UAE and ruler of Dubai, visited the event on its fourth day.

Cityscape Dubai 2008 was held at the Dubai International Convention and Exhibition Centre from October 6-9 and was organised by IIR Middle East.

His Highness Sheikh Mohammed bin Rashid Al Maktoum at Cityscape Dubai 2008

New registration and mortgage laws to help curb speculation

The recent introduction of new interim registration and mortgage laws will provide greater regulation within the real estate market to protect buyers and will curb speculation in the market, according to a legal consultant.

Speaking at the Dubai Property Society's monthly networking event, Lynette Brown, partner at Al-Tamimi & Company, argued that the new laws, which were published on August 31 and will fully come into effect this month, would slow down speculation and stop some investors from buying a property in Dubai and flipping it to resale before completion, thus inflating market prices.

The interim registration law includes provision for the transfer of registration of off-plan sales from developers to the Dubai Land Department and provides a mechanism for buyers and banks to register their interests as buyer and mortgagee at the Dubai Land Department, even during the construction phase.

The mortgage law includes all procedures concerning a mortgage and its legal effects on the concerned bodies, as well as execution procedures for the mortgaged property and proper conduct between the mortgagee bank and the borrower.

According to a recent survey, the mortgage market in the UAE is currently worth AED20 billon and is likely to triple to AED64 billion during the next three years, with more than 71 per cent of UAE investors requiring a mortgage to finance their property purchase.

Lynette Brown (left) with Tariq Ajaz, senior vice president of corporate services at Amlak Finance

For more on this, go to www.moneyworks.ae and search key phrase 'Dubai Property Society'

The real estate industry in the Middle East is progressively pursuing sustainability, which will lead to substantial benefits in terms of cost, value and quality of real estate, according to Stephen Oehme, regional director of value management and sustainability at Hyder Consulting Middle East.

Oehme points out that while sustainability, specifically green building, has truly emerged in the region, what has been seen so far is only the beginning.

"Green building being viewed as an additional cost and hurdle is now changing in the region. Since real estate in the Middle East is currently on a high growth curve, the region is strategically placed to promote and revolutionise the concept of sustainability," he says.

Oehme adds that developments that do not pay close attention to sustainability will be exposing themselves to dire financial consequences.

"Such developments not only result in unnecessary costs and lesser quality, but also lose out in terms of value when compared with sustainable buildings. Sustainability is the best approach to access real quality and value, reduce appropriate costs and provide a hedge against the effects of the global financial crisis," he maintains.

DWTC plans large-scale destinations

The Dubai World Trade Centre said that it will expand Dubai's infrastructural capabilities through a multi-billion-dollar venture to create two large-scale commercial destinations: the Dubai Trade Centre Jebel Ali and the Dubai Trade Centre District.

The Dubai Trade Centre Jebel Ali will be anchored by the Dubai Exhibition Centre (DBX). Adjacent to the upcoming Al Maktoum International Airport, estimated to be the largest passenger and cargo airport in the world, the DBX will have 120,000 square metres of exhibition space at its launch, growing to 300,000 square metres by its final phase.

The Dubai Trade Centre District will be positioned at the core of Dubai's business and financial district, encompassing the current exhibition centre and surrounding areas and stretching along Sheikh Zayed Road to Emirates Towers. The district will provide office space, high-end retail and lifestyle outlets, luxury and business hotels and serviced apartments.

Emaar Properties posted revenue and net operating profits of AED12.520 billion and AED5.573 billion respectively for the first nine months of 2008. The revenue is similar to the first nine months 2007 revenue of AED12.727 billion. The net operating profit is higher by 15 per cent, compared to the net operating profit of AED4.839 billion for the same period of 2007.

Dubai Bank plans for sukuk issuance

Dubai Bank has established its medium-term notes programme to issue Shari'ah-compliant bonds, more commonly known as sukuk.

The US$5 billion sukuk represent Dubai Bank's strategy to put in place a more efficient capital structure through broadening and diversifying its funding streams.

According to Salaam Al Shaksy, Dubai Bank's CEO, the bank is preparing to fund an aggressive plan for growth and expansion in retail and corporate Shari'ah-compliant banking services across the region and beyond.

Dubai Bank has appointed UBS and Standard Chartered as arrangers for the programme, which will be listed on both the London Stock Exchange and the Dubai International Financial Exchange.

In other news, the bank has also implemented its new automated trade finance system offering an online platform to process requests relating to trade services, such as letters of credit or guarantee facilities.

The new system, called Trade Innovation, aims to speed up transaction and turnaround times for trade finance customers and provides them with real-time verification and up-to-date information regarding the progress of their requests.

Salaam Al Shaksy

HSBC Insurance Brokers has established a branch office and has received regulatory approval from the Qatar Financial Centre Authority to provide insurance broking services to corporate customers within Qatar. The new branch is the latest in HSBC Insurance Brokers' expansion plans within the Middle East region. HSBC Insurance Brokers has offices in Saudi Arabia and the UAE.

New online trading facility for non-resident Indians

ICICIdirect.com, the online trading platform in India, has launched its online futures and options trading facility for non-resident Indians. The facility will offer transactions through its fully-integrated trading site. According to the trading platform, the facility will act as an effective tool for risk management and hedging by reducing potential downsides.

"The present strength of the Indian community in the UAE is around 1.4 million. It is estimated that about 33 per cent of the total population and over 50 per cent of the work force in the UAE are Indians," said Anup Bagchi, executive director of ICICI Securities. "This provides the right platform for us to launch this type of product and focus on the GCC."

NIB opens airport branch

Noor Islamic Bank will offer complete banking services through its branch at the newly-opened Terminal 3 of Dubai International Airport.

The new branch is located in departure area T3-08, which is expected to handle over 60 million passengers annually. Operational round the clock seven days a week, the location will offer services to passengers, retailers and airport staff.

Visitors to the airport will be able to open an account and apply for auto finance, personal finance, credit cards and other services. Passengers can also use the bank's self-service facilities such as internet banking, phone banking and cash and cheque deposit machines.

New personal finance company launched as joint venture

Tamio Takakura, president and CEO of JCB, Ahmed Bin Brek, Yukio Yanase, representative executive officer, president and COO of ORIX and Rasool Hujair

Majid Al Futtaim JCB Finance, a new personal finance company, has been launched as a joint venture by retail and entertainment company Majid Al Futtaim Group, Japan-based financial services group ORIX Corporation and Japanese credit card brand JCB International.

"The coming together of these three great companies will enable us to deliver a new approach to personal finance in the region. Our first product – the Najm JCB shopper's card – will give customers a new way to pay for goods and services and provide them with the best value for money," said Ahmed Bin Brek, chairman of Majid Al Futtaim JCB Finance.

Bin Brek pointed out that the UAE is a growth market that has remained resilient and strong in the face of past downturns. He added that the country's leadership has sent strong signals that will go a long way to support the industry.

Speaking about discounts offered by the new Najm JCB shopper's card, Rasoon Hujair, CEO of Majid Al Futtaim JCB Finance, said that there are offers of up to 50 per cent off on all purchases at Carrefour, up to 25 per cent off at certain fashion stores, 25 per cent off on entry tickets to Ski Dubai, 20 per cent off at the Kempinski Hotel in Mall of the Emirates and numerous other benefits.

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

Industrial and Commercial Bank of China (ICBC) Middle East has launched its operations in the Middle East and North Africa region. ICBC Middle East, located in the Dubai International Financial Centre, is the first wholly-owned subsidiary bank established in the Middle East by any Chinese bank.

Meraas Holding, a new real estate investment company, has been launched in Dubai. The company will operate through a number of subsidiaries including Dubai-based planner and developer Meraas Development. Other subsidiaries to be launched are Meraas Capital, a real-estate-focused private equity firm, Meraas Estate Management, a real estate sales and marketing company, Meraas Malls & Hospitality and Meraas Healthcare & Education.

Real estate consultancy Colliers International has added investment services to its UAE business operations with the launch of its Capital Investment Division. The new division's aim is to identify direct and indirect investment solutions that can meet investors' target returns and risk profiles.

Investcorp introduces new credit vehicle

Investcorp has introduced the Investcorp Real Estate Credit Fund, a US$1 billion credit investment vehicle formed to acquire whole loans, mezzanine loans and commercial mortgage-backed securities collateralised by well-performing commercial and residential real estate assets throughout the US.

A sovereign wealth fund from the Gulf region has committed US$850 million to the vehicle, while Investcorp has committed a further US$150 million. Investcorp and its partners will evaluate opportunities to leverage their total equity investment to create some US$2-3 billion of total investment capital.

StanChart signs agreement with ALDAR

Standard Chartered Bank has signed an agreement with ALDAR Properties to offer mortgage solutions for ALDAR's property developments in Abu Dhabi.

ALDAR is the first Abu-Dhabi-based property developer the bank has signed an agreement with. The move follows Standard Chartered's expansion plans in Abu Dhabi.

Emirates NBD offers 'Twin Invest' product

Emirates NBD has introduced a new investment product that combines a high-return fixed deposit with the growth potential of a long-term mutual fund investment.

Twin Invest offers interest of up to six per cent for a one-year fixed deposit. One half of the investor's money is placed in the fixed deposit, while the balance is invested in the customer's choice of conventional and Shari'ah-compliant mutual funds from Emirates Investment Services and the Universal Investment Plan from Old Mutual.

The new product also offers the investor no minimum balance charges on the bank account used for investment-related transactions, free access to online banking and free phone banking and SMS alert services.

Amara Holdings makes first investment

Newhaven Investments House has launched Amara Holdings, a Shari'ah-compliant investment company focusing on pre-IPO, private equity and private placement opportunities predominantly in China, as well as in the Middle East and North Africa region and India.

The company will invest into sectors that are fundamental to the domestic economies and growth of the target regions, such as agriculture, consumer staples, utilities, industrial, real estate and service-related businesses.

Amara has already made its first investment into China with its key strategic partner, Pan China Construction Group. Other strategic partnerships within the target regions are also in place.

GCC investors including Khalid Al-Mukairin Group (KSA), Al Sorayai Group (KSA) and Ahmed Alkhemeiri (UAE) have committed significant capital to Amara. Two further GCC investors, Mohammed Alkhalil (KSA) and Ahmad Al Omani (Kuwait), are also Amara board members.

According to Dr. Musab Jassim, executive chairman of Amara Holdings, the company will aim to consistently provide investors with private equity returns, regardless of market cycles.

Amara was to raise up to US$200 million last month, principally from investors in the Gulf region. The company is also planning to list on London's Alternative Investment Market shortly after closing.

Dr. Musab Jassim

Newhaven Investments House was formed specifically to manage Amara. It is a collaboration of two leading firms, Newhaven Merchant Bankers and Investments House.

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

Citibank has launched its 100,000 Skywards Miles Programme targeting Citigold profile clients with US$100,000 in investable assets. Those customers who avail of a Citigold or Ultimate card can obtain 100,000 Skywards miles.

Friends Provident International (FPI) has opened its new Middle East office in the Burj Dubai Business Hub. The launch of the office in Dubai is part of the company's move to expand business in the region.

DIFC Investments to launch real estate fund

DIFC Investments, the investment arm of the Dubai International Financial Centre (DIFC), plans to launch a real estate fund that will invest in Dubai and the UAE's real estate sector.

The real estate sector was the biggest contributor to the UAE's economy last year. According to DIFC Investments, the sector accounted for eight per cent of the country's GDP and looks set to grow.

"Historically, this sector has netted high returns for investors, and there is a lot of room for growth and a lot of untapped potential in this sector, both in the short and longer term," said Dr. Omar bin Suleiman, governor of the DIFC and chairman of DIFC Investments.

The investment arm announced that it will announce major investments in various real estate projects over the next few months.

Appointments - October 2008


Hadeel Al Treiki

National Bank of Abu Dhabi has appointed **Hadeel Al Treiki** as regional manager for the bank's representative office in Libya.


Abdulelah Al Kindly

Emirates NBD has appointed **Abdulelah Al Kindly** as assistant general manager of retail sales, **Mohamed Al Falasi** as head of alternative channels and **Ahmed Al Marzouqi** as head of mass retail - business management.

Hamad Abdulla Al Shamsi will succeed Khalil Foulathi as chairman of **Essdar Capital Holdings Limited** and its two operating subsidiaries in the Dubai International Financial Centre.


Jayant Rikhye

Jayant Rikhye has become head of **HSBC Securities Services Middle East and North Africa. Arindam Das** has become deputy head of the company, while **Glyn Gibbs** has been appointed head of business development.


Mohamed Shukri Ghanem

First Energy Bank has named **Mohamed Shukri Ghanem** deputy CEO – chief investment and business development officer. **Mohammed Al Nusuf** has been named deputy CEO – chief placement officer.

Former Pakistan trade and industry minister **Razak Dawood** has joined **HBG Holdings** as advisory director.


Ahmed Beydoun

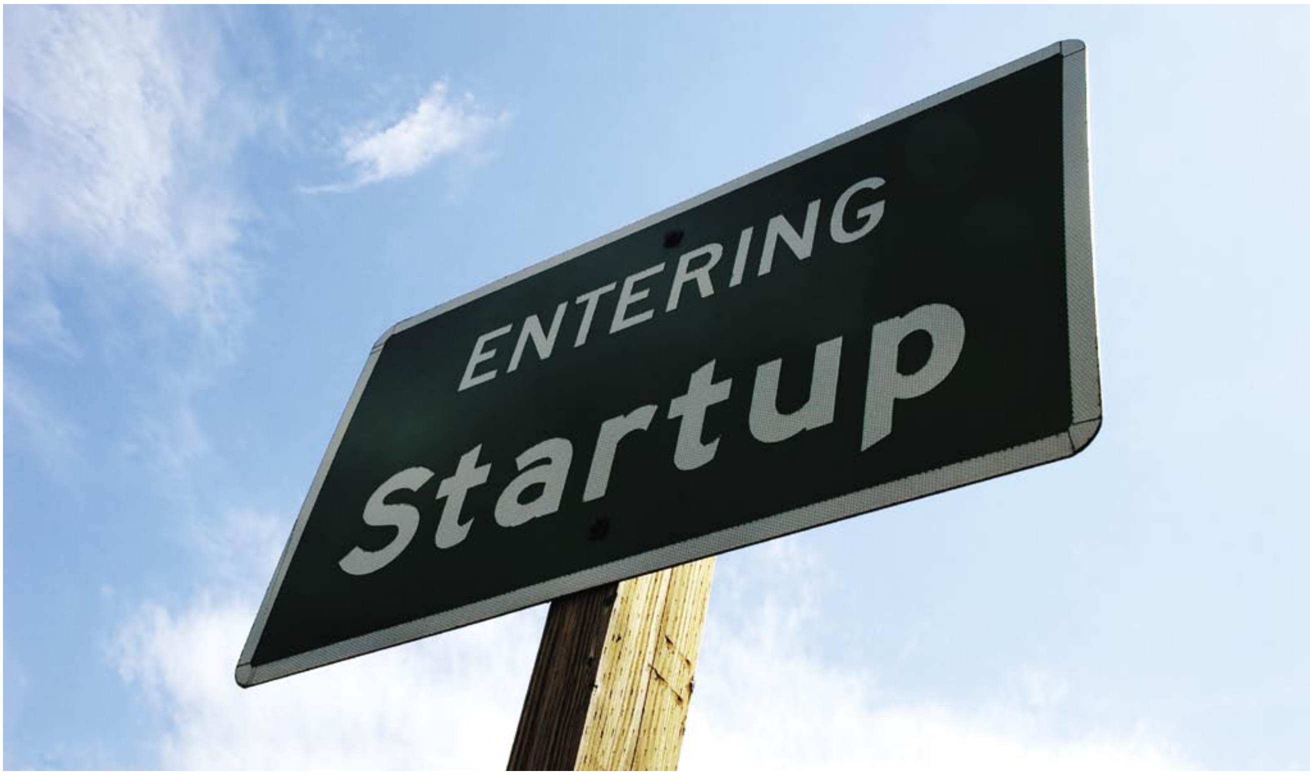
Deutsche Bank has named **Ahmed Beydoun** head of equities for the Middle East and North Africa (MENA). **Michael Majdalany** has also become director of the MENA equities team.

MasterCard Worldwide has appointed **Magdy Hassan** as country manager for MasterCard Worldwide in Egypt.

ALDAR Properties has made current COO **John Bullough** its CEO, while current CEO **Ronald Barrott** has become an advisor to the chairman.

Deyaar Development has appointed **S. Krishnamurthy** as the company's group CFO.

The **Dubai Mercantile Exchange** has appointed **Jackie Bullimore** as chief of customer relations.



VC funding picks up speed

The attitude towards venture capital, which has long been considered an unpopular asset class, is gradually changing along with altering perceptions of risk in the Middle East. **Ritwika Chaudhuri** investigates.

Venture capital (VC) in the Middle East is still in its nascent stage compared to the status its big brother, private equity (PE) investing, enjoys. But there is ample evidence that more wealth is poised to enter this segment of the industry to fund start-up ventures. Companies like Zawya and Emerging Technologies are successful results of venture capital funding in the region in this decade. More importantly, though, there are now many more companies that can access start-up capital at home as risk appetite changes among big investors.

It is also significant that venture capital exponents describe the global meltdown as an opportunity for the VC industry to get activated in the region. They say that while such an amount of liquidity has been flowing into the realty sector during the past few years, the credit crisis is likely to encourage private wealth to enter asset classes like VC that fund core businesses like manufacturing or information technology in the medium to long term.

Fred K. Korangy, CEO of New Enterprises East Investment (NEEI), a UAE-based venture capital firm, says: "With the lack of liquidity in the real estate sector and its value going down, the present scenario will encourage people to have a diversified portfolio like technology that has been able to do much better than some of the other industries."

It should be noted, however, that the Middle East has not been a destination for international venture capital in the past. In fact, both European and US venture capital do not have the Middle East on their radar screens at all, while only two per cent of the Asia Pacific respondents to a Deloitte Touché survey in 2007 showed some interest in the Middle East. That leaves the field open for local venture capital funds to exploit the opportunities coming out of the region.

NEEI is now in the process of raising a US$150 million technology fund (the Gulf Venture Capital Fund I). The target is to raise US$40 million at the first closing this year.

Korangy is confident that Middle Eastern investors will allocate more money towards venture capital in the medium to long term, as perception of regional risk has been changing fast. There is also a significant pipeline of innovative ideas. In fact, according to Korangy, NEEI now gets one request per day.

Defining venture capital

VC has been defined in a number of ways. VC means money and resources made available to start-up firms and small businesses with exceptional growth potential. VC is a method of financing companies that are unable to raise funds from public equity or debt markets, usually because of perceived high risk associated with their business operations. These investments tend to be longer term, illiquid and high risk with commensurate returns, which are mainly realised once the investee company is sold.

Typically, these investments are described as "hockey stick return models" where internal rate of returns can go up 38-40 per cent, depending on the scope of the business, its management team and its long-term prospects. However, as past trends have shown, the average return on VC investments over the last 10 years has been around 20 per cent in their country of origin, the US.

It's estimated that seven per cent of the US capital market is dedicated to VC. Estimates also say that around US$26 billion was raised during 2007.

Most VC money comes from an organised group of wealthy investors. An investment company that invests its shareholders' money in start-ups and other risky but potentially profitable ventures is known as a VC firm. Typically, VC funds pool and manage money from investors seeking private equity stakes in small and medium-sized enterprises with strong growth potential.

Far from being simply passive financiers, VC firms foster growth in companies through their hands-on involvement in the management, strategic marketing and planning of their portfolio companies. Venture capitalists are entrepreneurs first and then financiers.

The Middle East scenario

A Global Entrepreneurship Monitor's study in 2006 shows that of the total business in the UAE, nascent entrepreneurial activity constituted only 1.5 per cent, while new business owners constituted 2.2 per cent, early stage entrepreneurial activity made up 3.7 per cent and established business owners accounted for another 1.4 per cent.

According to the Gulf Venture Capital Association – which was created to foster the growth of the VC and private equity industries in the GCC, Middle East and North Africa region – the total of PE funds under management in 2004 was US$3 billion. This total rose to US$13 billion in 2006. However, VC deals did not materialise in the region with that kind of gusto, so of the US$4.8 billion of PE raised in 2006, only nine per cent went to the VC industry.

"With the lack of liquidity in the real estate sector and its value going down, the present scenario will encourage people to have a diversified portfolio like technology that has been able to do much better than some of the other industries." Fred K. Korangy

Experts attribute this lack of interest in the VC industry to significant opportunities in the region's real estate, stock markets and buy-out opportunities. But there are other reasons as well that have discouraged venture capital in the Middle East. One of the most important factors is the lack of exit opportunities, as public equity markets are still developing in many countries in the region. In fact, one of the most significant hurdles for VC thus far has been the lack of demand, not the lack of funds, say experts.

Experts also feel that the huge pool of international and local liquidity in the Middle East is itself an opportunity for VC funding. Unlike in the past, when the region was dominated by a few family-held companies and government enterprises, recent years have seen a mushrooming of small and medium enterprises. The push for economic diversification is giving birth to lots of new ideas that do need capital, and venture capital is the answer, experts point out.

Experts also note that the region has a good pool of technical knowledge and a population that is young. This scenario is ideal for a VC funding environment, they add.

At a forum on venture capital in New York last May, Amal Alayan, co-founder and managing member of Ibtikar Venture Partners – an early partner of Arabia Online – stressed the wealth of talent in the Arab community, both within the Middle East and beyond. At the same event, Ennis Rimawai, CEO and president of One World Software – a software outsourcing firm with programmers on ground in Jordan and other countries – pointed out that most of his employees are local in origin, but have experience abroad. Avi Bhojani of Dubai Ideas Oasis also mentioned the increasing availability of western-educated local talent in the region.

New initiatives

The VC story of the region would not be complete if we did not mention the initiative of Sheikh Mohammed bin Rashid Al Maktoum, vice president and prime minister of the UAE and ruler of Dubai. His Mohammed Bin Rashid Establishment for Young Business Leaders has set the tone for VC funding in the region. Today, six years down the line, entrepreneurial start-ups funded by established VC funds in the region are no longer news, as they are happening regularly.

Some of the VC funds actively investing in the region include International Investor in Kuwait, which established a B2B trading vehicle together with Commerce One. In the UAE, Hewlett Packard and Chescor Capital have established Ebticar, an e-venture funding programme. The Injazat Technology Fund is another similar fund created by Gulf Finance House and the Islamic Corporation for the Development of the Private Sector (an affiliate of the Islamic Development Bank). Yet another example is the Rasmala Fund, which was set up to invest in companies in the financial sector in the GCC countries, Egypt, Lebanon and Jordan.

Governments in the region are also encouraging entrepreneurial ventures by providing support and creating an environment for new ideas and activities. For example, Dubai Internet City is reportedly planning to offer physical as well as legal infrastructure to host internet-related ventures. The Kuwait Investment Authority recently set up the Kuwaiti Company with US$330 million to promote small projects at the start-up stage.

The demand for VC funding has had such a boost in recent times that NEEI – which, apart from Abu Dhabi, has a presence in both Silicon Valley and Washington D.C. – reportedly reviewed 137 companies and shortlisted 47 last August. NEEI is now about to recommend six to eight companies out of the shortlisted ones to its investment committee.

The shortlisted companies focus on energy and clean-tech technologies in solar, water, new building materials and hydrogen generators, IT and enterprise technologies working in secure SMS, CRM and voice recognition. Some of these companies will develop solutions for mobile communications and media, including content delivery and content development.

Korangy explains the investing logic behind these companies, saying that these start-ups have lower costs, enable new services, improve productivity, allow for better operations or decrease carbon footprint and energy consumption in a green field environment. In addition, they will provide knowledge transfer and create jobs, he adds.

Opportunities ahead

"With the number of mega infrastructural, real estate projects being announced, the industry is looking for efficiency and better technology at a cheaper cost. VC can bridge the gap by pumping in finance and creating efficient technologies, which can serve the growing demand of the industry," Korangy points out.

NEEI is now in the process of raising a US$150 million technology fund (the Gulf Venture Capital Fund I). The target is to raise US$40 million at the first closing this year. Primarily targeting local entrepreneurs, this US$40 million fund is expected to be raised from GCC-based investors. The fund has an eight-year term, with the possibility of an extension

There continues to be an equity gap in regional capital markets, particularly in fulfilling the financial demands of early stage businesses that provide opportunities for economic diversification and job creation. Entrepreneurs have the potential to be the greatest source of innovation and growth in an emerging economy." Walid Hanna

of three years. Its investment focus will be on IP-rich InfoTech enterprises that create products, services or industrial processes for the real estate, hospitality, energy and communications, green/clean-tech, banking and financial services, media and mobile sectors. While 10 per cent of the fund is dedicated to start-up ventures, another 90 per cent will be dedicated to early stage development.

Korangy says that the average size of capital that start-ups need in the region varies between US$2 and US$15 million, with 20-55 employees on board. The exit period is between three and five years.

The other firm that is also arranging finance for new potential entrepreneurs is ABAN. ABAN was conceived by the Young Arab Leaders and Dubai Holding during the Clinton initiative in September 2005, with Dubai International Capital as its founder and lead angel investor. It acts as a vehicle to promote entrepreneurship and build a community of investors across the Arab world. ABAN invests through its angels' network and manages two funds: a US$10 million seed capital fund and a US$5 million fund for women-led ventures. ABAN has recently announced its first three investments in the Middle East, while there are three more in the pipeline.

Walid Hanna, CEO of ABAN, says: "There continues to be an equity gap in regional capital markets, particularly in fulfilling the financial demands of early stage businesses that provide opportunities for economic diversification and job creation. Entrepreneurs have the potential to be the greatest source of innovation and growth in an emerging economy."

Last June, Microsoft Gulf signed an MoU with ABAN spanning the Middle East and North Africa region to increase the success rate of new entrepreneurial ventures in the region by encouraging innovative business ideas and providing seed funding.

As per the agreement, ABAN now works with Microsoft to identify and foster innovative technology ventures in the region.

Significantly, at the time of signing the MoU, ABAN and Microsoft gathered four budding entrepreneurs who presented their business ideas to over 70 potential investors. The business projects included Dia Diwan, an online portal that offers the latest news on lifestyle and entertainment in the region, including an e-commerce shopping facility for fashion items. Another project was WeNear, a mobile platform for location-based services and applications. The other two projects were Cash Trash, an innovation aimed at recycling to reduce pollution problems, and PolluMap, an automatic pollution mapping system to track city pollution levels.

There is no doubt that the global financial crisis will dampen the spirits of VC funding in the region as well, no matter what some venture capital exponents might say. But it will also provide an opportunity, as the cost of doing business will come down. Besides, there are many more skilled people in the Arab world now with innovative ideas, unlike in the late 1970s and early 1980s when oil stopped fetching much and there was not much left to do.

VCs will have an opportunity to pick and choose fund developments and exit when the markets go up once again in a few years. Financial markets in the region will have also become much more vibrant by then.

What to build next?

Investors in the regional market – especially in Dubai's property market – have been concerned about the slowing pace of growth for some time. The global credit crisis and the local liquidity crunch have not helped to alleviate their fears. **Utpal Bhattacharya** urges builders to keep an ear to the ground to attract end-user professionals as their next wave of customers.

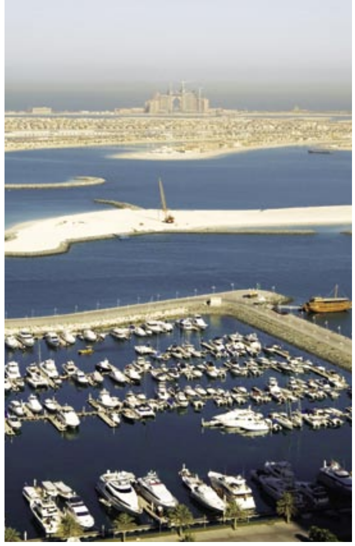
Major announcements in the UAE last month brought some colour back into the country's real estate and equity markets. The guarantee on depositors' money with most banks in the UAE, the decision by the highest leadership of the country to transfer AED70 billion into the banking system and the AED50 billion injected by the UAE Central Bank have certainly made a difference in the financial market's overall mood. Additionally, all the liquidity being pumped into the international and regional banking systems has further buoyed up investor sentiment, satisfying the belief that the liquidity crisis is being sorted out in earnest.

But it was a rough ride most of last month. Markets were extremely volatile, as fears of a US recession weighed in heavily on most investors. Towards the end of the month, losses of local companies resulting from the global crisis also started coming to the fore, dampening the mood.

The region's equity market has been underperforming for more than two years and has reached very attractive levels, but investors continue to shy away, as they are unsure about how equities will react to further bad news in the near future. The region's real estate sector, led by Dubai, has also come under tremendous pressure from the liquidity crunch, as banks are refusing to lend money. In addition, the regional economies are generating wealth at a much slower rate compared to a few months ago, given the quick decline in the price of oil.

Standard & Poor's (S&P) said last month that the UAE is only tangentially related to the global credit crunch and is being driven mainly by a host of country-specific factors, including speculative investor activity surrounding the UAE dirham's peg to the US dollar, rapid domestic growth in recent years and concerns about the real estate sector. The report also noted that while the financing environment will become more challenging, it will not have much impact on the credit worthiness of rated entities. It added that the refinancing risks of those entities will be contained. In the same report, however, S&P cautioned that if the credit scenario continues to be challenging, it will impact the economic growth of the country.

The report suggested that a cooling in growth would not necessarily be a bad thing, as it would possibly alleviate



infrastructure and resource bottlenecks that have been stoking inflationary pressures, as well as reduce the risk of a significant oversupply in the real estate market.

The S&P analysis of the ground realities seems to be spot on, as the region's real estate market has fuelled tremendous inflation into the system in the past few years. During those years, both rental and property prices skyrocketed across the GCC, mainly in the UAE and Qatar. Consequently, it is now probably time for a reality check and is likely an opportunity for investors to go back to their drawing boards and wait for the right value to come back to the market.

Cityscape 2008

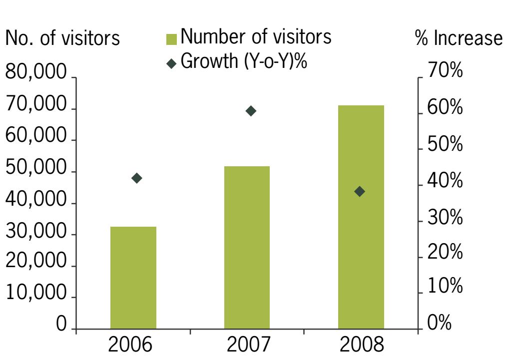
This year's Cityscape Dubai provided good feedback on what investors were up to. While the mood was one of caution and was nowhere near the frenzy of the previous year, select developer outlets still saw brisk activity, led by Abu Dhabi companies. A number of projects, and a few mega projects, were also announced, although it remains to be seen whether these projects will take off in the next six months to one year, given the way the credit market has shaped up in the past few weeks with credit default swaps of some of the leading regional institutions at default levels.

An EFG-Hermes flash note on Cityscape Dubai 2008 concluded from anecdotal evidence that sales activity and volumes this year were slower than previous years. However, preliminary transaction figures suggested a less dismal picture than one might have expected. According to data compiled by the Dubai Land Department, there was a growth of 20 per cent in terms of total value of transactions at this year's Cityscape over the previous year. Of course, the growth in 2007 over 2006 was one of over 200 per cent, according to the note.

While these figures were preliminary, as some of the transactions had yet to be registered with the Land Department, this is evidence enough to indicate that activities have slowed down.

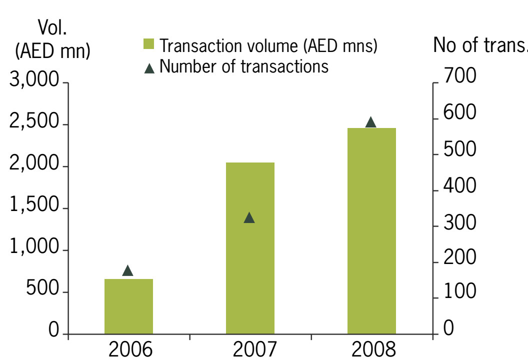
It should be noted that Dubai's

Cityscape attendance on the rise



Source: Cityscape

Volumes still strong, growth moderates



Source: Dubai Land Department

Real Estate Regulatory Authority had stipulated against actual sales at Cityscape this year, although this stipulation did not impact Abu Dhabi exhibitors. Nonetheless, according to EFG-Hermes, registration took place during the running of the event and companies continued to suggest that buyers could put down a deposit at the exhibition.

The EFG-Hermes report also observed that Abu Dhabi's Sorouh, which released 230 units within its Gate district at Cityscape 2008, sold 170 units on day one itself, with the remaining units sold on day three. Other developments of the emirate, including Reem Island and Al Qudra Real Estate's projects, sold well at the event.

"The strong pace and volume of sales activity reflects the positive sentiment directed towards the Abu Dhabi real estate sector, which is at an earlier stage of development with further room for growth," the report stated.

Experts have now differentiated between the Dubai, Abu Dhabi and Qatari markets by describing the former as a supply-driven market and the latter two as demand-driven. That's one of the reasons EFG-Hermes continues to be slightly bearish on the Dubai market in the medium term as more supply comes into the emirate.

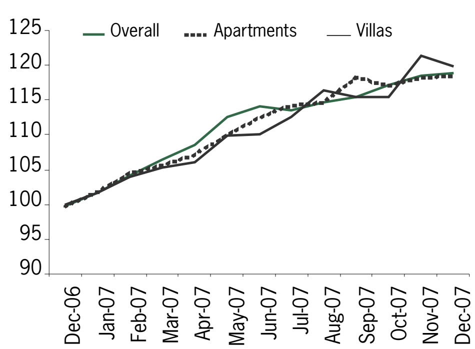
"While we believe that the UAE real estate market continues to offer opportunity for capital appreciation in the short term, with legal improvements and information transparency helping to bolster investor confidence, we also highlight our concerns that the Dubai market could witness a decline of 15-20 per cent by the end of 2011," the report said.

Views from the market

As early as August, Morgan Stanley came out with a Middle East and North Africa property report that was bullish on the regional market. The report said that the regional market would be driven by different factors in the short to medium term. According to the report, Qatar and Abu Dhabi will remain undersupplied through 2012, while Dubai will be hit by oversupply in 2009, although this should not affect the sentiments in the other regional markets, unless it is a hard landing. The report also said that Dubai, Abu Dhabi and Qatar should each grow their population by 0.5 million over the next five years, while Saudi Arabia will see a rising middle class.

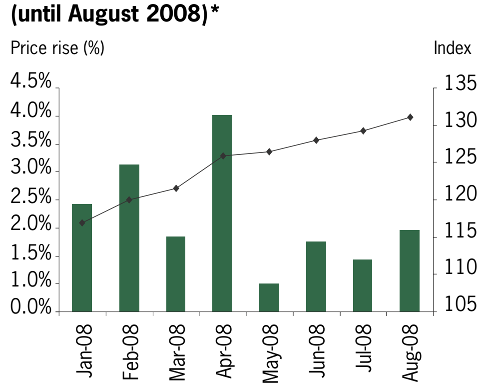
Dubai Marina

EFG-Hermes Dubai price index: 2007*



Source: Data (Better Homes Property listings), EFG-Hermes

Monthly price movements YTD (until August 2008)*



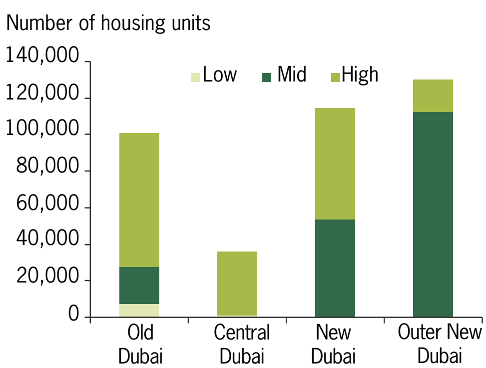
Source: Data (Better Homes Property listings), EFG-Hermes

**Note: The index, which tracks asking prices, has an inherent bias: the use of asking prices as opposed to transacted prices in most cases places an upward bias on price increases.*

"We expect price increases of 25 per cent for Abu Dhabi in 2008-10 and 15 per cent in Qatar. For Dubai, we forecast a 10 per cent decline," noted the report.

It is important to understand that some of the above assumptions were based on the economic environment prevailing just before the global credit crisis and the resulting damage to demand across the world. But post near-collapse of the global markets, the situation has changed quite dramatically. The regional markets excluding Saudi Arabia, coupled with the rest of the world, have not been left out of the crisis. Even in Saudi Arabia, large family businesses have lost a lot of money and the stock market has been bear-hammered heavily.

High-end segment predominates supply



Source: Developers, EFG-Hermes

While it is easy to quantify how much equities in the region have lost in the past few weeks, as these are traded on transparent markets, for real estate the depth in the secondary market is still very shallow, as investors continue to dominate most of the proceedings. But private financiers point out that some of the properties in Dubai are already 30 per cent off their peak from June, as investors stuck for cash are ready to offer large discounts on their portfolios to get a hand on liquidity.

Tim Rose, senior fund manager of the US$600 million Emirates Real Estate Fund that invests in the UAE real estate market, said that the number of transactions has reduced during the last few weeks in Dubai, mainly because buyers are now forced to place larger equity proportions of between 30 and 35 per cent of the property value, compared to 10-20 per cent a few months ago. But Rose is also of the view that with liquidity coming to the market via governmental funding, some of the tight credit situation in the market should be eased, getting things moving again.

The demand for higher equity from investors in Dubai is also part of the process of the emirate's maturing


An artisitic impression of Al Raha Beach developments - Abu Dhabi

as a real estate market. This move has been encouraged by the Dubai government, along with a host of other initiatives that could make life difficult for many in the short term. In the long term, though, the initiatives should help to build a more robust and sustainable real estate business in the emirate.

What about mortgages?

There are no two views about the fact that the Dubai property market has slowed down the pace of its growth. A recent e-mail from a Better Homes sales consultant to prospective clients highlighted this fact. The email stated: “Many people with property investments in Dubai have panicked as they have very limited knowledge of the real estate market in the UAE. For all investors, this is the best time to buy. You can turn this panicking to your advantage, as the panics have displayed unbelievable opportunities with absolute minimal premiums or even no premiums in many cases.”

Arup Mukhopadhyay, executive vice president and group head of retail banking at Abu Dhabi Commercial Bank (ADCB), admitted that although the UAE is fundamentally in a strong economic position, it has not been entirely isolated from the global financial crisis. He said that the global financial meltdown has had a detrimental impact on customer sentiment. It has impacted the stock market and drained liquidity from the system. And these circumstances have led to a wait-and-watch approach from consumers, he added.

“We hope that the confidence-building measures undertaken by the leadership of the UAE and governments around the world will instil some degree of confidence in the market,” said Mukhopadhyay.

In the meantime, the mortgage market is likely to slow down at a more realistic level going forward as the supply side increasingly becomes cautious. The head of retail of another leading bank in the country, speaking off the record, confirmed that volumes in the mortgage business dropped around 25 per cent through the summer. Of course, apart from the business environment, one of the other important reasons is that banks are increasingly demanding more equity, while loan-to-value ratios are going up to around 70 per cent from 90 per cent a few months ago.

ADCB is no different. Mukhopadhyay said: “We witnessed growth in our mortgage business every quarter over the past few quarters. However, we expect the rate of growth to be slower and at more realistic levels.”

Developing market trends

It is interesting that global real estate consultancy Colliers International, in its regional real estate report last month, described the next two years to be years of “returning to fundamentals” for the market. It said that henceforth, there will be differentiation between properties, and they will be judged by the market on fundamentals.

Ian Albert, Colliers regional director, explained: “Across the regional property markets, we have seen a case of ‘bandwagon investment’ where secondary-tier developers seek to replicate the success of first movers by building similar products en masse. In the current climate, market segmentation and product differentiation will be the key.”

Albert added that going forward, only those who deliver quality products will outperform their competitors.

The coming of these trends is also an indication that there is more awareness in the market, as an increasing number of end-users are entering the real estate space. The Dubai market, however, continues to be skewed towards the higher end, thus forcing many salaried prospective homebuyers to stay out of the market.

EFG-Hermes points to a clear disconnect between supply and demand in the market. This is also the reason the higher end of the Dubai apartment market will experience the full extent of the correction when it happens, as there will be no actual demand for these units. If there were more supply targeting low- and middle-income housing, things could have been different.

What to expect

Even the most astute analysts have gone wrong while making predictions about markets. But it can safely be said that liquidity has no loyalty and will move where there is the best potential for high returns at permissible levels of risk. Rami Tawfiq, research manager at Colliers International, said that the only big risk for the region is losing some of the capital that could have been invested locally. With property prices dropping significantly in the US and in some of the other western markets, wealthy regional investors could shift some of their liquidity to international markets, he added.

At the time this article went to print, the Dubai real estate market for finished properties was holding its own, although off-plan sales were reportedly hit as investors expected prices to correct, resulting from the global meltdown that had already brought down prices of building materials. It could be some time before the market starts to move again, as sentiments are down and liquidity is tight. In the immediate future, there is no reason to expect that the local market will behave differently from the global markets. In the long run, though, when the global economy finds its footing once again, the regional property markets, including Dubai, will be much better poised for growth, given the lessons these markets will have learnt from the current crisis.

Meanwhile, for developers, it could be a good time to focus more on attracting end-users that have been waiting on the sidelines to purchase properties by launching more affordable properties. Regulations coming out recently in Dubai will help to keep speculators out, but will also require imagination from builders to come out with developments that increasingly meet market demand, rather than what they want to sell.

The availability of affordable housing could form the backbone of regional economies that are trying to quickly increase their populations by attracting skilled expatriate employees. For expatriate employees, the option of buying their own houses that are priced within their means will not only make the region more attractive, but also will see to it that they spend more time in the GCC, passing on their knowledge to the local markets. It will also mean much more end-user participation than we see today and will add depth to the market, making it more resilient and causing it to reflect the true strength of the region.

Matein Khalid

Investing in chaotic times

Even as the financial world has descended into chaos, **Matein Khalid** looks for investing themes that are likely to bring profits once markets stabilise.

The Jazz Age ended with the Great Crash in 1929, while the Roaring Eighties ended on Black Monday in October 1987. Are we doomed to a protracted global recession as a price for the easy money banking excesses of the past decade? Bottom fishing in a bear market is downright dangerous. Falling knives can be caught, but only after hands and fingers are blooded by their blade.

The financial markets have been hit by the mother of all neutron bombs, with the first ten days of October 2008 a replay of Black Monday or even the Great Crash in 1929. Yet it is critical to remember that in 1987, the Fed was tightening monetary policy, the Treasury bond yield was 10 per cent, the dollar was slammed against the Deutschemark and the Dow Jones traded above 20 times earnings.

That is definitely not the case in the current crisis. Led by the Bernanke Fed and the Trichet ECB, global cultural banks have slashed base rates even though the international money markets are still frozen. The Federal Reserve has bought commercial paper and unsecured short-term corporate IOUs, and the US Treasury will even take equity stakes in banks, over and above Paulson's Troubled Asset Relief Program (TARP) programme. Yet, it is ominous that the three-month LIBOR has now spiralled higher to 4.75 per cent, triggering an intercontinental credit squeeze. The debt capital markets and interbank money markets have now shut down. Leverage is the kiss of death in such a milieu because bank funding costs have soared, making it impossible for them to increase their loan books or accommodate corporate borrowers. The madness in global equities only reflects the ice age in banking and credit markets.

It is premature to call a low in the stock market, as so many uncertainties haunt the world financial markets. However, when defensive blue chips like Microsoft, Johnny Johnny and Procter & Gamble all plunged five to seven per cent in a single session, it is obvious that investors have sold what they can and not what they must. This manic, indiscriminate selling suggests that redemptions and margin calls forced the sale of even the safest, bluest of blue chips, meaning that a market bottom is near. Just as market tops happen amid euphoria, bottoms are also formed in despair. Psychology, not macroeconomics, rules the markets during both tops and bottoms.

This is not to suggest that the fear that has gripped the financial markets is not justified.

After all, a US, European and Japanese recession is now inevitable. Strangely, the onset of recessions actually marks the bottom of a post-bubble meltdown. A contraction in international trade, accentuated by the seizure in banking and money markets, will hit export economies worldwide. Cyclical industries like energy, metals, auto, chemicals and shipping are all about to see waves of earnings downgrades. It is all too easy to envisage an eight per cent jobless rate in the US, a global recession in 2009, additional banking losses of US$500 billion and a debt deflation wave that will lead to an epic crash in property markets worldwide.

Themes to look for

A global recession began this summer, and commodities are the kiss of death in a global recession. I was shocked by the latest MasterCard data that suggested that gasoline demand has not only softened, but also has tanked (no pun intended!) down 10 per cent in the last month. It is no wonder that West Texas/Brent crude oil futures on the New York and London stock exchanges are in free fall, down below US$65 a barrel. It is entirely in the spirit of the times, the new financial zeitgeist, that crude ignored OPEC's call for an emergency meeting to discuss a production cut. Production cuts mean little when global demand vanishes. Dr. Copper, the fabled weathervane of economic strength, has also flashed a recession SOS, its lowest level on the LME at US$4,800 a tonne, a price last seen in 2005.

Agriculture commodities like corn, soybeans and grain have also plunged. The sheer scales of the meltdown in black gold triggered bear markets in the Gulf and Egypt. It is no coincidence that Saudi

Arabia's Tadawul, Dubai's DFM and Egypt's Hermes-CASE indices have lost more than 50 per cent of their value in the last three months, mostly since the failure of Lehman Brothers sent shock waves across the global kingdoms of finance. West Texas contracts for November trade at US$77, down an incredible 18 per cent for the week. DP World's plunge is mirrored by the plunge in the Baltic Dry Freight shipping index, which has lost 80 per cent of its peak in 2008. How low can crude oil prices go?

With the collapse of US, European, Japanese, Chinese and Indian demand, I would not be surprised to see 1999-2001 lows of US$15-20 tested in the next twelve months. The oracles of the oil super spike theory, as I have argued since 2006, will be forced to swallow crushed glass from their broker crystal balls. However, my macro call was and remains to short oil on every sign of strength. An OPEC quota cut means nothing in a market obsessed by demand, not supply. Oil prices will continue to fall and US$20 a barrel means the Gulf faces the biggest debt crisis (US$1 trillion in borrowings) ever faced by any emerging market region, worse than even Latin America's sovereign debt binge of the 1990s.

The US money centre banks are now financed and guaranteed by the US Treasury after Paulson's TARP, Bernanke's commercial paper program and the steepest global interest rate yield curve since the early 1990s. Citi, J.P. Morgan, Wells Fargo and US Bancorp now trade at a combined market cap of US$500 billion, only three times more than China's ICBC, now the world's most valuable bank. Mr. Market has, in essence, declared potential chapter 11 for America's mightiest banks. This is absolutely nuts. Even though shorting these puppies is no longer an option, I can make a credible case that the nuclear winter in banking offers historic opportunities for those with a degree of abdominal fortitude.

Silicon Valley will be hit in a global recession because more than half of its revenues are derived from outside of the US. Microsoft dominates software, Cisco dominates networking, IBM is a global IT services colossus and Apple is a growth machine. All have no real debt and all trade at valuation metrics of 13-15 times earnings. When the panic selling is over, value investors will gravitate to the crème de la crème of Silicon Valley.

There will be light at the end of the tunnel

Negative international headlines have had a tremendous impact on regular investors in recent weeks. **Ehab Heyassat** urges small investors not to panic and to keep on saving, since they will benefit from the upside when the markets go up.

So, is it all doom and gloom? How will all the bad news coming out of the western world impact our lives? Will we lose our jobs too? Should we keep on investing regularly, or should we take our money out of banks and keep it under the bed, as some say banks might have a run tomorrow?

I have been asked so many of these questions by friends and relatives. Every time, I have to say: "Hang on. This is not the first time that a financial crisis has happened, nor will it be the last time. But if all of us go into panic mode and lose faith in governments, then nobody can help out."

First thing's first, however. We are fortunate that in our region, governments have assured us that our bank deposits are safe. As such, there is no need to withdraw more money than we require. Of course, these are also not times to be spending lavishly, as the financial crisis in the west will impact our economies as well and growth will slow. The International Monetary Fund (IMF) has predicted a marginal slowdown in the GDP growth in the Middle East and Central Asia by a half percentage point in 2009 compared to 2008. Expected GDP growth in the region is 6.5 per cent for 2008, and this growth will slow to six per cent in 2009, according to the IMF.

So, the fact remains that unlike the west, which will probably go into a recession next year, we are going to keep on growing. And, as an emerging economy, our region will still have enough steam left to fend for itself. Of course, this also comes with a caveat that the oil price remains at a reasonable level and does not tank below US$40 a barrel.

According to a research report from Standard & Poor's, if the oil price averages US$79 a barrel in 2009 from an expected US$108 in 2008, Gulf finances will remain solid and most countries will continue to post surpluses. However, if the oil price goes under US$40 a barrel and remains in that range through to 2015, then the worst case scenario will be that the rest of the Gulf runs large fiscal deficits, according to the research report.

It is a fact that the price of oil has dropped, but so has the price of other commodities, and other asset classes have also suffered terribly. The oil price was hovering around the mid US$60s as we went to print.

Tariq Qaqish, a fund manager with Al Mal Capital, is confident that the GCC and the larger region of the Middle East and North Africa (MENA) will come out of this crisis as performers. His predictions are based on the fact that this region is cash rich and has the ability to fund projects as long as oil is above US$50-55 a barrel, the price set for the commodity by almost all GCC government budgets.

"Anything lower than the set price by the governments can put a brake on public spending on infrastructure, although even at US$50 a barrel, it is estimated that GCC oil exporting countries will accumulate US$4.7 trillion by 2020," he says.

Advice to small investors

Qaqish makes a very important point when he says that, despite the turbulent times, equity investing still remains a valid story for long-term investors, as equities have been the best performing asset class historically.

"If you look at the Abu Dhabi Securities Exchange from 2001 until now, the annualised returns are 26 per cent. In Kuwait, the return is 30 per cent," he adds.

Should one start investing in equities now, then? It is best to do that through professionals,

Qaqish advises. Research is a very important element of investing in equities, and that's where professionals can always make a difference.

Asset allocation is an important element of investing. And, for small investors, it is always best to get advice from professional investment houses, Qaqish emphasises.

Al Mal Capital investment funds remained mostly in cash until mid-October. In fact, 50 per cent of the asset management company's MENA Fund was in cash in that period.

"I don't think we are anywhere near the end of this crisis, but it is also very hard to figure out where we are heading. However, the best timing for making money is during a crisis, or after markets have crashed. Of course, you need courage to be able to get into the market in these times," Qaqish says.

It is not surprising that relationship managers in banks are a harried lot these days, as frantic investors are pulling out their money or refusing to invest. Even regular investors have bottled up, and some of them are terribly upset that they were led up the garden path and are now left in the wilderness. Of course, relationship managers are not to blame. If they had a clue what was coming, they would have advised accordingly.

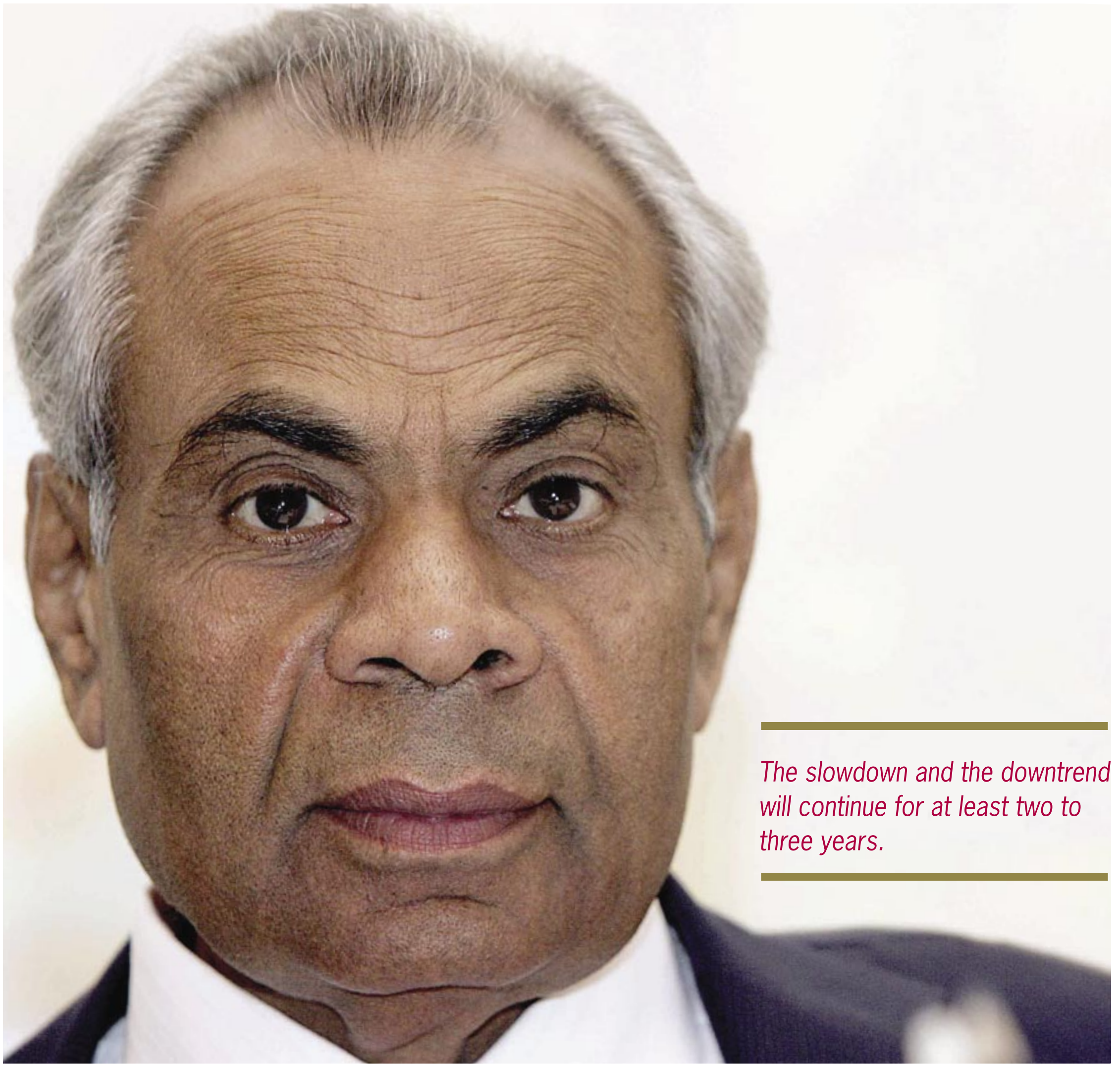
It is interesting that some relationship managers are now letting their clients stay in cash. Fixed deposits are a good option for the time being, they say. However, to more informed investors, they advise that this is exactly the wrong time to stop investing in mutual funds, as one can buy more units at a lower price. And when markets recover, as they will at some point, the upside of investing now will be worth taking the risk.

Says James Thomas, senior financial advisor at Acuma: "Some people have stopped saving as an immediate reaction, as markets are down, but I would say that the since markets are down, one should take advantage of the lower prices. You can get 50 per cent more units now compared to a year ago."

Thomas points out that saving and investment strategies require proper planning. He also recommends a global balance and having one's money spread into various markets.

"I would recommend keeping 50 per cent of savings in established market equities, another 20 per cent in emerging markets and the remaining in commodities. However, for people who are retiring in the next five years, they should be moving away from equities towards bonds. And within two years of one's retirement, one should move to cash," Thomas adds.

These are obviously sensible recommendations. For all investors, it is also important to keep the historical performances of asset classes in perspective. Any financial advisor can give the historical performance charts of equities, bonds and cash. These charts will show that dips and crashes have always been followed by markets rising. The long and the short of it is that there is always light at the end of a tunnel. And that means that at the bottom or near-bottom, there is the opportunity to make money when markets recover. If you are an equity investor, though, it would be wise to go back to the basics, analyse fundamentals and invest only in companies that have sound business models and track records, as well as high dividend yields.



The slowdown and the downtrend will continue for at least two to three years.

Recession will come: S.P. Hinduja

The Hinduja business empire, with an estimated value of US$10 billion, will be completing 100 years in 2014. The group has big plans to commemorate its century-old journey and consolidate its footprint in the global corporate world. Here S.P. Hinduja, chairman of the Hinduja Group, speaks to **Ritwika Chaudhuri** about the group's plans in India and the Middle East.

We have heard that the Hinduja Group is planning to launch its first group marketing brand and logo this year. Of course, talks about this have been going on since 2006. Yours is such an old business group…why, after so many years, have you decided to have a group logo?

We thought it was high time that we introduce something consolidated for the group as a whole to tell the world our story – the truth behind the Hindujas and their contribution to the corporate world and various other sectors.

We are planning a big launch of the group logo and are in the process of organising special events globally across all key cities in the world. But I am not at liberty to reveal to you all those details. You will have to wait until November, when the launch is actually planned.

We want to make people aware about the group's contributions, values and truth. You may ask what the truth is and what the contribution is. It will all be revealed at that time.

You also have plans to make other announcements in the Middle East in November?

That is the launch of Amas Bank in Dubai.

Amas Bank is headquartered in Geneva, with a branch in Luzern and subsidiaries in London, New York, Vienna, Mauritius and the British Virgin Islands. The bank provides a full range of services including private banking, asset management, trust and judiciary services, foreign exchange and precious metal dealings, custodian services, investment banking, structured finance, bond and equity issues, mergers and acquisitions, etc.

How is the group's other bank, IndusInd, doing?

IndusInd Bank, controlled by IndusInd International Holdings, is poised for robust growth by leveraging its strong capital base. The bank expects a 40-45 per cent rise in advances during the current fiscal year, against the average loan growth of 20 per cent by most other banks.

IndusInd Bank is now poised for rapid growth as a significantly strengthened entity. It will overtake its peers in the next three years, as measured by the criteria of productivity, profitability and efficiency. The bank's capital adequacy ratio stands at a comfortable 11.91 per cent as of March 31, 2008 – well above the regulatory minimum requirement of nine per cent.

What is the total turnover of the Hinduja Group as a whole globally?

You know we are a private group and only listed companies publish turnover. All I can tell you is that the group's turnover runs into billions of UAE dirhams.

Today, the group has six listed companies in India with a total market value of roughly US$3.5-4 billion. The revenue of our entire Indian operations (listed and unlisted) is estimated to be in the region of US$3.5 billion with assets of US$8 billion.

We have about three million square feet, or 50 acres, of land in Jebel Ali. We have already initiated three to four projects. However, these are mostly for the use of Ashok Leyland and Gulf Oil. But we do have other projects for residential and commercial purposes.

Which is the group's flagship company: Ashok Leyland, IndusInd or Gulf Oil?

We have different companies in different parts of the world. Ashok Leyland is the flagship company in India, while in other parts of the world we have other companies that are flagship. It varies from country to country, as structure changes within different companies across countries.

You are into 10 sectors. But do you have any specific thrust sectors in focus in the years ahead? Our sources say you have mega plans for India in the next seven years.

Yes, that is true. We are into different sectors starting from energy and chemicals, power and infrastructure, banking and finance, investment banking, automotive, media and entertainment, real estate, information technology and international trading. We are working out the details. We have already shared some of our plans with one India-based magazine.

Can you give us a breakdown?

By 2014, we are targeting an investment of over US$50 billion into various sectors. Around US$3 billion has been earmarked for telecom, US$20 billion for oil and gas, US$10 billion each for power, infrastructure and realty, another US$3 billion for automobiles and US$2 billion each for health care, ports and others.

The Hinduja Group at a glance

In 2014, the Hinduja Group will turn 100 years old. Out of the estimated US$10 billion worldwide revenues of the group, roughly 35 per cent comes from India.

The group activities are divided into three core areas: global investment, investment banking and international trading.

Through its global investments, the Hinduja Group is a major player in ten diversified sectors: automotive manufacturing, financial services, banking, trading, oil, media and communications, information technology, chemicals and infrastructure and project development.

In India, the flagship company of the Hindujas is Ashok Leyland, a leading manufacturer of commercial vehicles with an annual turnover exceeding US$1 billion. The other leading names under the Hinduja banner are IndusInd Bank, Encore Foundations, Gulf Oil Corporation and HTMT Global Solutions (its telecom operation). These aside, the Hindujas have a substantial presence in media and communications through their InNetwork Entertainment and IndusInd Media and Communications.

After P.D. Hinduja, the corporate dynasty is looked after by his four sons – Srichand, Gopichand, Prakash and Ashok. Srichand and Gopichand are chairman and co-chairman of the group and are based in London. Prakash is based in Geneva and Ashok is based in Mumbai.

The group's social and philanthropic activities are inspired by its founder, P.D. Hinduja, and are reflected in the Hinduja Foundation's health, education, arts and culture and social welfare initiatives.

From where are you planning to mobilise finance?

We have our own source of funding. When we plan investments on that scale, we have money to finance it. You see, our debt is quite small.

You already have a substantial presence in media and entertainment. What new TV and communication networks are you planning in India?

We are starting a world-class TV and communication network in India. It would be set up by IndusInd Media and Communications, which is among the largest cable TV companies in India with a customer base of 5.5 million households.

What about real estate investing?

We have a huge land bank in India and we can develop property on these lands as and when we want to. We are also involved in real estate development projects involving both commercial and residential property.

We are coming out with one more knowledge centre in India, which will be one of its kind in the world. It is a knowledge centre targeting the health and education sector. We also have plans to introduce the importance of corporate social responsibility there. The total area of construction will be about five million square feet.

You must be aware of the Hinduja Foundation, which is present in India, the US and the UK. The foundation's core objectives are healthcare, education, arts, culture and interfaith understanding, social welfare and sports. Our aim is to build bridges between India and the world, between the past and the present, between generations that are and generations to come.

Also, one of the recent initiatives of the group is to have mega projects in India through the formation of a property trust fund to channel investments from government agencies, overseas investors and infrastructure companies into the property and real estate market in India. This will channel the core competence of the group resource in identification, consulting, expert advice and development of prime real estate space.

During a period of recession, if you do a good buy, you do not lose the principle amount, though you might make less profit.

Do you have any real estate interests in the GCC?

We have about three million square feet, or 50 acres, of land in Jebel Ali. We have already initiated three to four projects. However, these are mostly for the use of Ashok Leyland and Gulf Oil. But we do have other projects for residential and commercial purposes.

When are you going to finalise the ONGC Hinduja deals for the two oil fields in Iran?

You see, these are long-term projects and we will keep you posted on it as we progress.

Do you think oil prices will continue to be high with so much demand from India, China and the emerging markets?

I do not know exactly. With the global slowdown, I see there will be a cash crunch. And it will be followed by a recession. So, naturally, consumption of oil will be less. And so, there will not be room for too much price appreciation. As far as crops and commodities are concerned, prices will come down and inflation too will come down gradually because of the cash crunch and recession.

What is your opinion on the business scenario in India?

India has tremendous potential. The world has now recognised India for its talent, skill and efficiency. India is moving forward and is growing economically and business and finance-wise.

But it has also slowed down with the rest of the world.

It is only to be expected that when world leaders like the US, Europe, Russia, China or the UK are in trouble, then naturally there will be some effect on India as well. The volume of business in India and its rate of growth will certainly be affected. While all the developed countries are getting affected, we cannot expect India to be untouched by the global crisis and the slowdown.

You have businesses spread across the world. What do you think of business in the Middle East and in other parts of the world?

Yes, we are in other parts of the world, but our way of operating is different from that of others. When the boom is there, we want to sell off, and when there is a recession, we want to come into the market. In that way, one takes less risk. In the boom time, while there is an opportunity of making the most of it, there are also chances of losing big, and so there is more risk. During a period of recession, if you do a good buy, you do not lose the principle amount, though you might make less profit.

What about your assessment of the corporate sector globally at this point?

The slowdown and the downtrend will continue for at least two to three years.

Islamic identity soon for Royal Bank of Scotland

The Islamic banking industry will have another constituent joining it very soon, as Royal Bank of Scotland is planning a separate Islamic banking offering. **Utpal Bhattacharya** speaks to Ravi Sankaranarayanan, the bank's Europe and Middle East head of retail and commercial banking, to find out more.

Royal Bank of Scotland (RBS) plans to launch a separate Islamic banking brand in the very near future to target the US$1 trillion industry that has been enjoying double-digit growth during the last few years. The British bank's entry into the Gulf market via the merger has certainly given it a platform to foray into Islamic banking in a big way.

Some observers in the market say that RBS' entry into Islamic banking with a separate brand is not only going to bring more value proposition to the industry, but also is going to add to the growing competition.

According to Ravi Sankaranarayanan, RBS' chief executive for retail and commercial banking in Europe and the Middle East, it is not as though RBS is going into Islamic banking without any experience. There is already expertise within the institution, especially on the investment side of Islamic banking. But it is only now that there is an understanding within the banking group that much more can be offered in this space. And that's why there has been a decision to launch a separate Islamic banking identity from RBS, Sankaranarayanan explains.

"Currently, we are determining what resources we need to set up Islamic banking. This includes understanding the legislation process and the process of setting up the Shari'ah board," he discloses.

The plans are to launch the Islamic banking brand globally and not just in the GCC. However, it is only logical for the UAE to be the hub for the bank's Islamic banking activities, Sankaranarayanan points out.

"It is only logical for us to hub our Islamic banking business in the UAE. But we will definitely launch the business across markets that have strong Islamic banking potential," he adds.

According to the Association of Islamic Banking Institutions Malaysia, the global Shari'ah finance and banking industry is expected to exceed over US$1 trillion in the next two years. The industry is likely to grow at 15 per cent per year over in the next decade and will account for 60 per cent of the savings of the 1.2 billion Muslims in the world in the same period.

While RBS' entry into Islamic banking is timely, it will be interesting to see what the British bank brings to the table and how it challenges the existing multinational players that have already entrenched themselves and set an impressive track record in Shari'ah financing in the region.

Expansion plans

RBS is not a newcomer to the GCC, as the banking group has been active in corporate and private banking. In fact, RBS Coutts has been doing brisk business in the region for some time. But the acquisition of ABN-AMRO does establish a platform for RBS' retail banking foray in the region. And Sankaranarayanan is responsible for that leg of the bank's business.

Sankaranarayanan's advantage is that he not only comes to RBS from the ABN-AMRO side, but also used to hold a similar position at the bank. Moreover, since RBS did not previously have a retail presence in the GCC, the existing ABN-AMRO retail team is not being replaced. The team will be made up of the same people driving the retail business for the bank, even when shareholders have changed hands. That certainly is an advantage for the retail banking team, as after most similar transactions, teams and people are displaced and a new infrastructure is built.

Says Sankaranarayanan: "We have already stated that the GCC, and particularly the UAE, is a focus area for RBS, which means that from an investment and capital perspective, I would expect significant flows into the region going forward."

He also notes that the GCC is much better off in terms of financial performance compared to some of the other regions that will need some strategic refocusing. The already established retail banking track record of ABN-AMRO and now RBS is in favour of the British bank, Sankaranarayanan adds.

"We are quite a significant player in the UAE's credit card market and we have been quite happy with the growth of our business in the country. Our wealth business has also performed exceptionally well this year. We hope to grow in the double digits in 2009 and beyond," he says.

At a time when economies around the world are slowing down, with the UAE as no exception, these are bold statements.

So how much capital will RBS bring into the country to support business growth? Sankaranarayanan does not have an answer. He says that capital increase is a subject that is beyond his remit and is a decision that must be taken at the executive board level.

"We have plans to continue with significant investments in the UAE, especially in our card and wealth business, while adding more focus on commercial banking as well," he adds.

The chief executive concedes that there are limitations on expanding the bank's physical reach in the UAE, as more branch licences are not forthcoming at this point in time. But, like its competition, RBS is also exploring various alternative means and ways of overcoming these constraints. The bank is currently working with the UAE regulator to examine other options of enhancing physical reach, including opening service centres. The bank has also invested heavily into channels such as internet and phone banking.

In addition, RBS has plans for regional expansion. The countries that are on the bank's radar screen include Qatar, Oman and Bahrain. "We are working with our corporate colleagues, exploring what regional markets would be our next focus," discloses Sankaranarayanan.

Ravi Sankaranarayanan

At present, RBS services all regional markets other than the UAE with suitcase bankers, primarily focusing on its wealth business. According to the chief executive's own admission, the rest of the GCC is "relatively small business for the bank" at this moment, but should be growing rapidly.

"While we will expand our suitcase banking approach in most of the region, we also are exploring the possibility of replicating the model that we have in the UAE to one or two other markets in the region in the next 12 to 16 months," he says.

Post-acquisition approach

When acquisitions occur, it always means that there are at least two cultures that come together. Usually, there are clashes between these cultures, as well as job cuts. But in the UAE, in RBS' retail business, that is not happening. As mentioned, since RBS' presence in the retail side of business in the UAE was limited prior to the merger, most of ABN-AMRO's retail banking staff has not been replaced.

Sankaranarayanan says that there is a tremendous amount of positives coming out of this merger between the two European banks. The erstwhile ABN-AMRO has been now rebranded as RBS across the UAE, while the merger has brought strengths from both sides to the table. For example, says Sankaranarayanan, while the British bank was quite well entrenched with the business of UK expatriates, the Dutch bank had a large Asian following. Post-merger, the bank retains both sets of clientele.

"From the culture point of view, I find a lot more commonality between the two institutions than I thought I would see. But one very important focus of RBS is on financial results – something that was not that much emphasised at ABN-AMRO. There is a strong feeling in the merged entity today that the interests of customers need to be put before everything else," he notes.

As to whether RBS will hire more people this year, the chief executive says the matter has not yet been decided. While the UAE has been a significant contributor to the bank's regional business, RBS' approach right now is one of looking for quality rather than quantity. In addition, the bank is cautious, given the credit crisis. Sankaranarayanan describes it as a balanced approach of the bank in the UAE and the region.

"We will take a cautious approach towards increasing costs and adding people to our regional business, including the UAE. But we do envisage doing those investments to sustain growth in this market, including people over a period of time," he adds.

Customer satisfaction

What about the customers? Are they happy with the changes resulting from the merger? In response to those questions, Sankaranarayanan says he does not foresee much change in client perception.

"So far, we have not seen any noticeable change in how clients interact with the bank. I don't think they are expecting something significantly different post-merger. Banking is a people business. We have not replaced people. It is the same people at the branches and relationship managers, so nothing changes for customers as far as their day-to-day banking goes," he explains.

Of course, a stronger and bigger RBS will now provide many more products to clients than were available in the past. There are also a host of product development plans in the wealth management and consumer finance business that will be launched in the near future. And this should not only sustain the sales growth of banks, but also improve upon what has been achieved in the past, says Sankaranarayanan.

The chief executive finds a lot of commonality among the markets that he operates – particularly between Central Europe and the Middle East – including people, systems and products. He reiterates the importance of the Middle Eastern business for RBS and describes its potential as comparable to the emerging markets of India and China.

"Of course, the market size of the UAE is very different to those of India and China. But in terms of attractiveness of retail banking, the UAE and the Gulf are right up with them. We feel we are in the region at the right time and hope to grow our business in a healthy fashion for the next decade," says Sankaranarayanan.

RBS is currently analysing the IT side of ABN-AMRO, especially the retail side, to see what investments need to be made going forward. "We do believe that retail banking is in a key position. That's what we will be focusing on in terms of process improvement and delivery to our clients while reducing costs at the same time," he adds.

RBS will continue to strengthen its relationship-based model for its wealth business, although an increasingly larger number of clients have begun to look for IT support on the internet.

"We are examining the best way of addressing these issues. In some of the developed markets in the west, we have the technology available, which we are examining to redeploy in markets like the UAE, which has been seeing a change in customer behaviour in the last few years," Sankaranarayanan explains.

The chief executive is confident that RBS will be able to sustain its momentum of growth both on the top line and bottom line this year and the next. He says that most of the region that he operates in still looks good, despite what is happening in the rest of the world. There is no reason why the bank should alter its strategy, especially when the focus is on a combination of high growth and robust risk management, he adds.

It will be interesting to see how the banking industry in the region and the UAE cope in the next few months as the global economy slows down. We will have to see if RBS fares better than some of its competition, especially at a time when a number of non-banking finance companies are also about to hit the UAE's retail market with credit cards and loan products. One thing is for sure: it will only get tougher for everybody in the short to medium term. MW

The profit of customers

GCC banks are remarkably profitable compared to their global peers, but there are serious gaps in the quality of their customer service. This MONEYworks update considers where customer service standards are in the UAE.

Liquidity, a healthy asset base, huge demand for banking services from a growing population and hence complacency have always kept customer service from being one of the top most priorities in the GCC banking sector. Although most bankers disagree and seem more eager to respond to such queries than others directed at them, a recent study by global strategic management consulting firm A.T. Kearney has concluded that there is considerable dissatisfaction among customers when it comes to service standards at retail banks.

Undoubtedly, even though GCC banks are enjoying remarkable financial performances, an attitudinal adjustment is likely to shore up their bottom lines further. "We estimate that a mid-sized GCC bank with world-class customer service could increase yearly profits by US$50 million to US$150 million," the study notes.

A.T. Kearney's findings

Growing competition in the GCC's banking sector is encouraging banks to become more customer-centric. But there's still a lot to be done, as regional banks are typically either in the traditional or emerging stages when it comes to a customer's experience. (See table on the next page.)

GCC banks have been growing in both assets and profits at double-digit rates, compared to the three to five per cent rates that are common in more developed countries. Some of the marketing campaigns of these banks are, however, misleading, as they give the impression of a modern, customer-oriented, globally-competitive industry. In reality, some of these claims are premature.

A.T. Kearney's survey reveals that there is ample room for improvement in customer service in the region's retail banking industry. While roughly half of UAE nationals consider their customer service experience neutral or negative, 90 per cent of western expatriates think that service is not up to the mark. Compare this to the US market, where only 24 per cent of consumers are negative or neutral about customer service and 76 per cent are satisfied, according to the survey.

The study also identifies four areas of concern that are the main causes of dissatisfaction among customers: lack of skilled resources and excessive red tape, lack of product transparency, lack of general responsiveness and follow up and lack of coordinated multi-channel offerings.

Typically, customer service advisors are ill-equipped with basic knowledge of products, due to inadequate training and low retention rates for banking employees. Moreover, the requirement of a salary certificate for the opening of a bank account is a clear sign of red tape, as this information in any advanced country is required for a credit application.

GCC banks are not too transparent with product information, charges, fees and hidden costs. In developed markets, however, transparent product information is often required by law, so the availability of brochures is standard, says the study. In addition, notes the study, banks in the GCC are typically unresponsive and do not follow up customer requests in a timely manner.

A key factor influencing customer satisfaction is a bank's ability to deliver appropriate multi-channel offerings. While most GCC banks have developed alternate channels, in many cases there is not enough coordination between channels. Some banks do not even provide all of their products or transactions through call centres or websites, thus referring customers to the various departments responsible for each product.

The A.T. Kearney study points out that a highly satisfied customer is not only attached to his bank, but also increasingly expects more services from it. That customer is also instrumental in bringing more customers to the bank. Keeping new customers as satisfied as existing ones expands the circle of advocacy and boosts profits in a sustainable way, says the report.

"We found that a five per cent increase in customer retention increases profitability by 20 to 80 per cent, depending on the product type," the study maintains.

"It is sort of a cycle – good customer to good bottom line. An increase in customers increases profitability. While existing customers are the most profitable ones, happy customers bring new customers, and hence word of mouth really matters." John Malouf

What GCC bankers think

All banks operating in the GCC agree that customer retention can substantially impact their bottom line positively. In some banks, like Abu Dhabi Commercial Bank (ADCB) and RAKBANK, customers' attritions are monitored constantly, as the cost of acquisition of new customers is increasing constantly.

Says John Malouf, head of retail banking at National Bank of Abu Dhabi (NBAD): "It is sort of a cycle – good customer to good bottom line. An increase in customers increases profitability. While existing customers are the most profitable ones, happy customers bring new customers, and hence word of mouth really matters."

Stages of excellence for enhancing the customer experience

Category	Traditional	Emerging	Leading	World class
Brand promise	Internal understanding of brand concept	Public articulation of brand promise	Use of customer feedback and competitive positioning to support brand promise	Brand promise as competitive differentiator
Organisational alignment	Fragmented service organisation Awareness of competitors' offerings	Alignment of service organisation with product and customer segments	Creation of centre of excellence Periodic analysis of competitive position	Customer service managers in top leadership positions Regular analysis of competitive position
Culture	Customer approach in organisational silos Low status for front-line functions	Emphasis on customer experience throughout organisation	Use of customer feedback to evaluate front-line employees	Full employee commitment Use of customer feedback to evaluate performance throughout firm
Performance metrics	Focus mainly on cost metrics Measurement of customer satisfaction	Focus on customer satisfaction metrics Measurement of key customer-experience attributes	Measurement of customer satisfaction across products, channels and segments Linking of operational and key customer-experience metrics	Overarching customer satisfaction measure Constant evaluation and continuous improvement
Process and infrastructure design	Focus on cost efficiencies Below-average performance of key metrics	Focus on balancing cost efficiencies with customer service Average performance on key metrics	Above-average performance on key metrics	Customer-friendly business processes and empowered employees
Source : A.T. Kearney		*Typical Gulf Cooperation Council Bank*	*Best practice bank*	

"As an international bank growing our reach in the Middle East, it is a challenge, as we are subject to local regulations in enhancing our network." Abdulfattah Sharaf

However, the GCC is traditionally faced with certain challenges, including lack of trained manpower. The region houses five million people and over 100 banks, which are all competing for the best staff, attitude and staff training programme. This is truer in the retail banking field, Malouf says. Recently, labour mobility has intensified within the UAE, as well as movement back to employees' home countries because of the increased cost of living. This has created an additional shortage of required eligible people, Malouf adds.

David Martin, business advisor to RAKBANK, identifies three main reasons for the poor customer service in this part of the world: financial relationship versus a relation of loyalty and trust, lack of service culture in certain banks where sales and revenue take precedence over customer care and treating customer complaints as issues and not as opportunities to turn around customer relations. There are also other problems related to the legal framework of the country, he adds.

Abdulfattah Sharaf, CEO of personal financial services at HSBC Middle East, agrees that there are regulatory constraints and says that customer service and convenience is definitely an issue in the GCC.

"As an international bank growing our reach in the Middle East, it is a challenge, as we are subject to local regulations in enhancing our network," he notes.

While they are aware that customer service is not exactly up to the standard, both local and multinational banks strongly deny that customer service is a last priority for them. On the contrary, they maintain that the importance of superior customer service is becoming increasingly important for them. Bankers are in no way complacent about their service level and are constantly working towards improving it.

Malouf says: "It is not true to say that our customer service is extremely poor. Standards vary between banks. All banks are trying to improve their customer service, as everybody realises how important it is for their business. And local banks are trying hard to improve the process and analyse problems."

Suvo Sarkar, general manager of retail banking at Emirates NBD, also vehemently rejects allegations that customer service can be described as "extremely poor" in certain banks. He concedes that while it might not be the best, all signs indicate that standards are improving in the region.

Martin agrees, adding that at RAKBANK, customers come first. But this is also a general cue from most of the top bankers.

"It is all about customers' needs. Our products, processes and turnaround times need to improve in accordance to customers' needs, and hence our staff is trained to be customer-centric," says Martin.

Barclays, a new retail bank entrant in the UAE, believes that its very survival depends on service. "Customers by and large are not loyal to any organisation, but good service standards can ensure keeping them tied with any particular organisation. That is why we believe not in numbers, but in quality. It is important to have customers, but more important and challenging is to keep them with you and happy," contends Umair Chaudhary, COO of Barclays for the UAE and the Gulf.

What are banks doing?

There is no denying that all the major players in the market have either chalked out their own strategies or are working on constantly improving their service levels. ADCB follows an integrated model for managing customer experience through an alignment of performance management strategy across the bank via the primary distribution channels – marketing, branch network and direct sales and alternative delivery channels – supported by operations and human resources.

Kate Dickens, Service Excellence Consultants, BPR Service Quality for ADCB, explains: "Delivering an exceptional customer experience necessitates an understanding of

"It is all about customers' needs. Our products, processes and turnaround times need to improve in accordance to customers' needs, and hence our staff is trained to be customer-centric." David Martin

your customers and their changing needs, together with systems, processes and a customer-centric culture that consistently strives to meet and exceed expectations. This approach, reinforced by a robust customer loyalty programme, we consider to be the formula for advocacy."

But this is not enough. "Earning a reputation for service such as ours doesn't come easily. Over the last three years, we have made significant investments in product development, process reengineering and training and development of customer-facing staff members to ensure a superior customer experience. Going forward, we intend to continue our efforts in this area, including deployment of a state-of-the-art customer relationship management system in the near future" adds Ala'a Eraiqat, deputy CEO of ADCB.

NBAD, for example, works in two ways: reactive and proactive. With a reactive approach, the bank tries to offer solutions or rectify processes following a customer complaint. Through its proactive approach, the bank regularly surveys using mystery shoppers to arrive at an objective understanding of where it stands.

"We also have customer service champions based on customer feedback and complaint resolve. We have introduced a separate eight-member quality team that deals with customer issues," says Malouf.

For Emirates NBD, the customer is one of its four core stakeholders, and out of six different values, two relate to service quality and customers. Investing in a multi-channel network, adding on functionality and a whole set of products, having more qualified people on board, improving training facilities and setting up customer expectation benchmarks and parameters are some of the main initiatives of the bank. Branch redesigning, investing in systems and technology and redesigning the process flow are some additional measures targeted towards making customers happy and tied to the bank.

"We are not there yet entirely. It will take some time to achieve what they call the 'perfect nirvana'." Suvo Sarkar

For HSBC, since credit cards are the group's most popular products, the bank strives continuously to improve the proposition of the cards to ensure that they are differentiated and provide the best value to customers. "We recognise that the one constant in providing customer service is change. For our retail banking customers, we are constantly working on making our products and services more relevant to them," says Sharaf.

Banks are increasingly using various tools to enhance customer satisfaction, including enhancing the use of the internet. Barclays, for example, uses a tool called TCF (treating customer fairly), which involves all departments of the bank. No product is launched without full TCF value. The bank also has a complaint management cell with 30 odd staff that is constantly trying to reduce the turnaround time for products and complaints.

It is thus quite evident that banks, some more than others, are putting resources into enhancing service quality. But what have they achieved so far? Have customers stayed with them?

ADCB officials point out that the bank has seen phenomenal year-on-year growth in the number of customers and business volumes since 2005. It has also exceeded its target for 2008 and is expecting the good run to continue into the next year. "Our customer base has more than doubled in the last three years," Dickens claims.

NBAD also claims to have seen 20-25 per cent growth in its customer base, while HSBC says its mass affluent customer base has grown 20 per cent a year. Emirates NBD, which presently has a customer base of one million, says it has seen its customer base expand 30 per cent a year. As for RAKBANK, Martin says that ever since the bank re-branded in 2000 and introduced its service quality culture among a number of other initiatives, the bank's customer numbers have increased by 6,000 per cent.

How much of that growth can be attributed to good service standards and how much can be attributed to customer loyalty or population growth is difficult to ascertain. While claiming a growth in market share, however, most bankers do admit that there is still room for improvement, and more so now that competition is becoming intense.

Of course, it would be unfair to local banks to say that they have not improved their standards at all. A lot more awareness is there now compared to the beginning of the decade, while there are genuine efforts to bring the level up.

Sarkar puts the situation into perspective when he says: "We are not there yet entirely. It will take some time to achieve what they call the 'perfect nirvana'."

That 'nirvana' or perfection will be achieved only when banks are able to ensure that what they promise is delivered to the client's full satisfaction.

Boutiques spice up fund management

Bigger is not always better. **Gary Potter** describes what boutique fund managers are and why investors are increasingly reaching out to them.

One of the key trends in investment management over the past few years has been the rise of the 'boutique' manager. Not so many years ago, the fund management industry's main measure of success was scale. Increasing the fee income generated by an ever-growing asset base was considered 'route one' to success, and often adverts would regularly quote the size of assets under management in marketing literature. Of course, any such figures were perhaps only relevant to the corporate executives who were targeted with such growth. This in itself is meaningless to advisers and their clients, who are far more interested in how those assets perform.

What is boutique?

When thinking about the word 'boutique', a number of general thoughts immediately come to mind: smaller, entrepreneurial, not the cheapest, high-quality products, not mass market and performance-led, among others. These same traits also apply to investment boutiques, although the actual definition of an investment boutique or an explanation about what their managers do is not always clear – perhaps because they are all so uniquely different.

Simply defining a boutique by size is not appropriate. Some boutique houses now manage relatively large sums of money while retaining all the positive attributes and benefits of a boutique business. A boutique can come in various shapes and sizes and can adopt varying approaches. But as a fund of funds team that has been successfully researching and investing in such businesses and funds over many years, we can say with certainty that "you will know one when you see it".

Boutique businesses/funds are usually established by small teams of fund managers with good long-term investment track records that have the belief and conviction in their abilities and have usually left a larger investment house. They tend to leave because they get drawn into spending too much time on non-fund-management issues and consequently not enough time on what matters most to clients – managing money.

The growing number of such firms is refreshing and healthy for the wider industry at large, and there is no doubt that, more often than not, they generally outperform their larger peers over any sensible time horizon. This is not to say it is the only way forward. Some larger investment houses have recognised this trend and are responding in varying ways, including the use of more creative reward structures for fund managers.

It is also fair to say that in these more troubled times, the pace of growth in the boutique world is slowing, but it is unlikely to stop a well-established trend. An expected consolidation in a number of bigger fund management houses might just reignite the appetite amongst the brighter investors in the investment management industry still working for larger organisations to branch out and express their undoubted capabilities.

What are boutique traits?

Although perhaps hard to define, investment boutiques normally have a number of common characteristics. For one, they are more absolute-return-minded than benchmark-driven. They are much more focused on stock picking, and the investment culture tends to be investment-centric, which encourages finding true value. Investment boutiques also do not usually cover all major asset classes. Many only focus on a limited number of areas and do not try to be "all things to all people".

Another common characteristic of investment boutiques is that they are highly motivated and performance-driven, and often with performance fees. If they don't outperform, financially they are compromised. In addition, the fund manager usually has a large and significant stake in the fund/business. As such, incentives and interests are totally aligned with clients. Investment boutiques also have the freedom to invest without committee influence. Best ideas will always feature with no dilution in the investment approach.

Investment boutiques are also style agnostic – boutique managers tend to invest where best returns are potentially available, and they are more interested in buying good businesses at cheap valuation, irrespective of sector. Moreover, there is little interference from management, as boutique managers have greater flexibility to get on with their job and sometimes are the management. Where separate management teams exist, there is usually short or quick access to company decision-makers – things get done or decisions get made quickly.

Investment boutiques can be further characterised by work in a more flexible and appropriate working environment. An environment that is largely free of politics and bureaucracy can only be a positive influence on the ability of a manager to do his or her job well. Communication from many boutique firms is also often more instantaneous. Contact with clients is often more frequent, more relevant and more detailed and to the point. Additionally, staff turnover is much lower, as people in these businesses have already proven their capabilities and have little desire to move back to the mainstream.

Lastly, investment boutiques are much more capacity-aware. Boutiques are not motivated to grow assets at any cost; they are motivated to perform. Accordingly, many boutiques will close the door to new assets much earlier than would perhaps otherwise be the case. Early involvement with these businesses can be beneficial, as many boutique funds will 'soft close'. In other words, founder investors can still invest, but many new investors will be excluded. Investment boutiques often produce superior investment results for clients. Normally this is the result over any sensible investment time period.

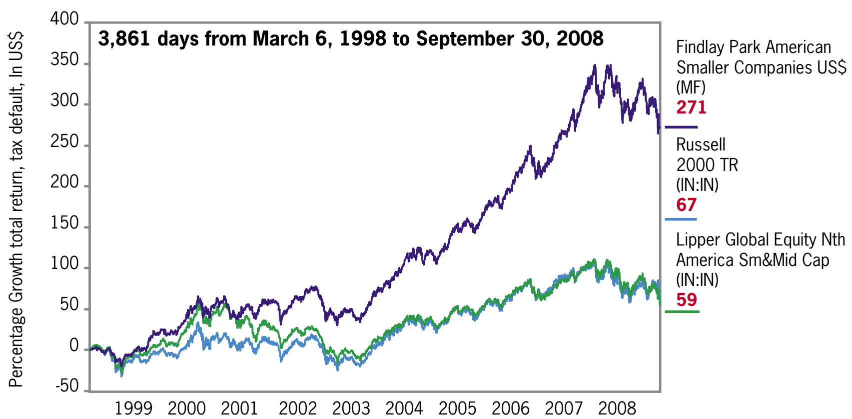
Picking up on just one of these points, we do like to invest in funds where the fund managers/teams have a substantial personal financial involvement with the funds they are managing and preferably have a personal stake in the wider business as a whole. Such financial alignment breeds a certain type of commitment and passion to perform over others where perhaps there is less at stake.

So why are boutique investment funds so interesting to investors? They embody the romantic notion that the fund manager can beat the market in a less-index-focused environment through the combination of highly motivated, confident, performance-driven managers with a closer than usual alignment of interest with the end investor. As an investor with a boutique, a far lower turnover of managers and their teams will likely be experienced, while returns will tend to be more consistent and more easily explained.

It is often the case that many boutique managers do not employ large sales and marketing teams, so they will not always be so visible. Even if they are, many will not be available on the many distribution platforms that are now often used to access funds. But this can, of course, be a good thing if these hidden gems can be discovered and strong business relationships are established.

Countless examples of successful boutique managers and funds exist today. To name a few, we would include Odey Asset Management, Findlay Park, Prusik Capital, Intrinsic Value Investors, Morant Wright, Hexam, JO Hambro Capital Management, Nevsky, Melchior, Polar Capital, Comgest, Seilern Investment Management and Craton Capital, amongst many others. In isolation, they are individually interesting, but collectively, they represent a very powerful force in the investment management industry both today and for the future.

Performance of a boutique manager against benchmark indices



Source: Lipper Hindsight

The writer is co-head of Thames River Multi-Manager Business.

Going Global: Islamic banking the Noor way

Noor Islamic Bank (NIB) aspires to be a global Islamic bank with a footprint across three continents: Africa, Asia and Europe. Hussain Al Qemzi, group chief executive of the bank, speaks to MONEY*works*.

Although NIB is only in its ninth month of operations, the bank has already amassed assets of AED18 billion. Total assets in excess of AED50 billion during the next five years seems to be an achievable goal, considering the rate at which Islamic banking is growing in this part of the world.

"It has been possible because we have had very good business since it started. As of now, everything is looking very promising and we are getting an overwhelming response for some of our products," says Hussain Al Qemzi, group chief executive of the bank. "However, how much of it is the result of the boom in the UAE market and how much is the result of our own effort is difficult to differentiate."

Launched in December 2006, NIB started operations in February 2008 with an initial capital of US$1.1 billion (AED3.7 billion). Although cashing in on the rapid growth of Islamic finance and the increasing popularity of Shari'ah-compliant products are the main reasons for many more players entering the Islamic banking arena, Qemzi makes it clear that NIB will not just be the seventh addition (with the entry of Al Hilal Bank after NIB, there are eight Islamic banks in the UAE at present) to Islamic banking in the country.

"NIB has its own road map of growth not only within the country, but also in the greater Middle East and globally. We are more interested in being recognised as an Islamic bank with global orientation," he says.

NIB has opened its first overseas office in Tunisia, from which the bank will cater to other North African markets. The bank has also established a presence in the Maldives.

Qemzi notes that entry into the other GCC countries is difficult due to political reasons and limited licensing facilities. However, he adds, the markets that NIB is targeting not only offer tremendous opportunity, but also easier entry.

The next five years will be a hectic period for NIB. Apart from Africa, the bank has Asia and Europe in its radar screen for expansion. In Asia, the bank will target Indonesia, Malaysia, India, China and Pakistan, while in Europe, the wish list includes the UK, France, Germany and Belgium.

"Though there are Islamic banks in the UK and banks like Lloyd TSB and others are offering Islamic products, the quality of the products and delivery is not that good. That is why we believe in investing in the training of the people and delivery of products. Also, services have to be much more competitive," Qemzi points out.

The group chief executive feels that Europe in particular has a lot of potential. "We consider ourselves as providers of finance beyond being just an Islamic bank. Our target audience is much wider, all customers whether Muslim or non-Muslim," he says.

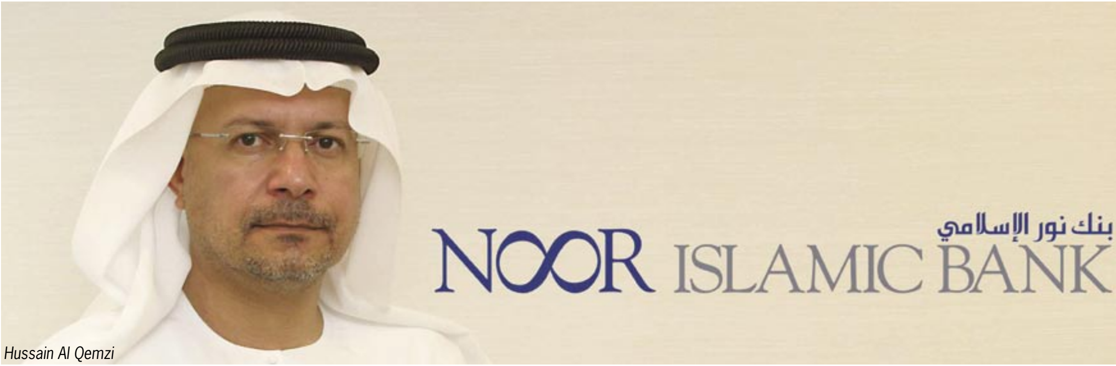
Apart from setting up its own units, NIB is also interested in strategic acquisition. Qemzi, however, does not go into detail regarding whether there is any such deal on the drawing board.

"We are actively negotiating with various banks in the UK, France, Turkey and Indonesia. There are not enough targets, though, as there are very few Islamic banks to acquire," he says.

Qemzi adds: "Moreover, it is not easy to acquire conventional banks because of the complexities of accounting. Acquisition might not be profitable enough, at least during the period when one is going through the conversion of wealth. You have to be careful about your target so that it complements your strategy."

In the domestic market, despite being a newcomer, NIB seems to be comfortable and confident about facing competition from the established players. The NIB chief executive knows that NIB

NIB shareholding	
Investment Corporation of Dubai	25%
Dubai Group (investment arm of Dubai Holding)	25%
Private individuals	15%
Noor Investment Group	35%



Hussain Al Qemzi

has to compete not only with other Islamic banks, but also with conventional banks. He is also aware that customers are no longer satisfied with whatever they are getting from a particular bank, as today they have a number of choices.

"Technology and products can be replicated easily within the banking industry, but where we can make a difference is the culture and service quality," says Qemzi. "We have new technology, good products and are ensuring good services, which will fulfil customer requirements. In Dubai and in other places where the culture is cosmopolitan, our brand will go beyond the religious paradigm."

Qemzi does not seem to see being relatively new to the UAE's Islamic banking field as a disadvantage. With the right technological set-up, trained staff, good product spread and good service orientation, newcomers can take a major share in the market.

"Even if you look at the conventional banks, there are very few as the dominant players. We are really aiming to be one of the largest players in terms of our presence, assets and our books in the Islamic banking field," Qemzi explains.

In the UAE, NIB has a comfortable mixed customer base of around 7,000. As far as assets are concerned, 60 to 70 per cent of the balance sheet accounts for the corporate banking division. The remaining percentage comes from consumer and retail banking.

Qemzi realises the importance of consumer business, as it is the source of liquidity. Over a period of time, NIB plans to roll out more products for the consumer sector. Eventually, the ratio of consumer to corporate banking will move towards an equal balance, says Qemzi.

At present, NIB has 10 branches and a staff of 700. The bank has licences for another 10 branches, which are likely to open by the middle of next year.

Other businesses

Along with regular banking, NIB has also entered into the insurance business. The life side subsidiary, where the bank and Noor Investment Group have 90 and 10 per cent stakes respectively, will be officially launched soon, even though it has been in operation for some time. The bank has also received a licence from the government for the non-life business. According to Qemzi, there is a lot of room to create an insurance culture in the UAE, as insurance has low penetration.

"The scope of growth is so much for this sector that sometimes I think insurance should grow at a faster pace than banks," he says.

Qemzi is concerned about certain challenges Islamic banking is facing globally. According to him, Islamic banking started in order to address the emotional banking needs of people. It now needs to come off the emotive agenda and create value proposition to become a global industry. It also needs to standardise its products and services.

Qemzi says the Islamic banking industry did not innovate initially, as it never faced competition in the face of overwhelming demand. But with the supply side becoming stronger, the issue of standarisation has become very important today.

The other big challenge is to adhere to the basic principles of Islamic banking, adds Qemzi. The form of Islamic banking when it started around 1974-75 was quite different from its form now. Initially, Shari'ah-compliant finance was created to help people who were typically shy about taking finance. Now, with the immense growth potential that Islamic finance promises, the current form and concept of Islamic finance and banking have undergone significant evolution and are more oriented in commercial aspects, according to Qemzi.

"Very few Islamic finance institutions follow the principles of Ibadat (worship) and Muamulad (treatment), the two basic principles of Shari'ah," he says.

The present day concept of Islamic finance is borne out of the Islamic academia. As the demand for Shari'ah-compliant finance increases, organisations are jumping into providing such finance. As such, there is a dearth of people having knowledge of Shari'ah principles, finance and legalities, says Qemzi. This situation, he adds, definitely needs to be improved.

Arabtec poised for growth

Arabtec is poised to benefit from the current market dynamics. Its geographical diversification is also a bonus, according to **Sajeer Babu**.

Arabtec Holding was established in 1975 in Dubai to offer construction services, with a focus on the growing UAE market. The company presently operates in six countries: the UAE, Russia, Jordan, Syria, Lebanon and Qatar. In August 2004, the company offloaded 55 per cent of its shares in an IPO that was oversubscribed 74 times. Arabtec's current order book stands at AED49.5 billion, including all local and international operations and joint venture projects.

UAE construction sector

The outlook of the UAE construction market is strong, thanks to the oil boom that resulted in significant economic activities in the country. Real estate has been the major driving force in the construction boom, along with increased government spending on infrastructural projects in the UAE. Since 2002, the UAE population has grown at a CAGR of more than seven per cent and is projected to grow at around five per cent over the next five years. In 2007, the construction sector contributed nearly 7.2 per cent to the country's GDP and the total construction value in the UAE (US$894.1 billon, the highest in the GCC) was 4.6 times higher than the country's 2007 GDP, compared to 1.3 in Saudi Arabia and 2.3 in Oman. According to BMI, the construction sector is estimated to grow 7.1 per cent in 2008, with the main focus on infrastructure.

On the other side, the increased number of developments in the region has resulted in many challenges in the construction industry such as shortage of skilled labour and raw materials, limited number of qualified contractors and sharp increase in raw material prices. In the first half of 2008, contracting companies witnessed a decrease in their margins due to a sharp increase in raw material prices and labour costs. Recently, raw material prices in the UAE have seen a declining trend, which we believe will somehow offset the rising labour and transportation costs going forward.

Why Arabtec?

Arabtec is the largest contracting company in the region, with an order book of AED49.5 billion, the majority of which comes from the UAE. Since its listing on the Dubai Financial Market in January 2005, Arabtec has been engaged in several commercial and infrastructural projects in the UAE. The company has been associated with Emaar Properties, the largest property developer in the UAE. The company has interests in businesses such as the manufacture and transportation of ready-mix concrete, the sale and leasing of construction equipment and electrical and plumbing contractors. The company has also established joint ventures with local and international contractors such as Besix and Max Bogal.

Strong order book

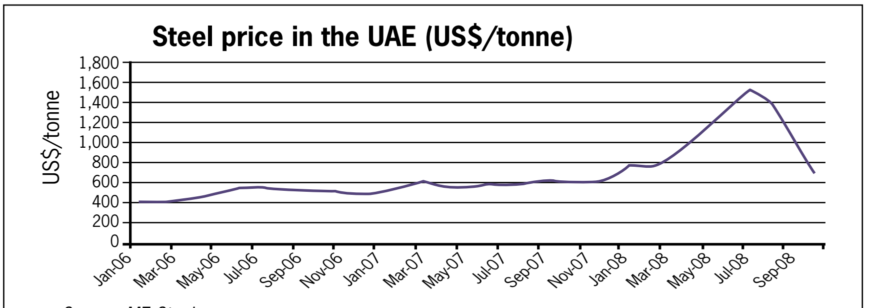
Over the past few years, Arabtec has been able to benefit from the booming construction activities in the UAE through the involvement of major developments and infrastructural projects such as Burj Dubai and Dubai International Airport. During the first nine months of 2008, Arabtec witnessed strong growth in order backlog, resulting from solid growth in construction activities in the region. As of September 2008, Arabtec's order backlog stood at AED49.5 billion, the majority of which (72 per cent) came from the UAE. In early 2008, the company was awarded an AED10 billion project in Russia for the construction of the Okhta Centre, which is jointly owned by Gazprom Neft, the oil arm of the national gas company Gazprom, and the city of St. Petersburg. This pipeline of projects gives visibility of revenue at least over the next four to five years.

Reducing concentration risk

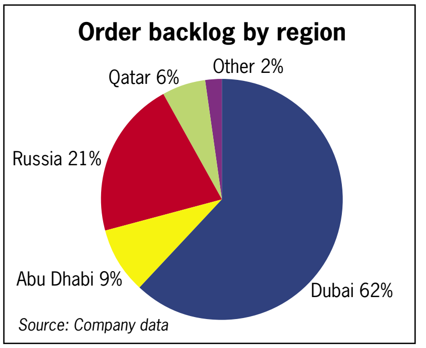
Arabtec's international project portfolio accounts for 29 per cent of its total order backlog. Arabtec's good relationship with its customers, especially with Emaar Properties, has helped the company to expand its operations abroad. Arabtec currently aims to generate 20-30 per cent of its revenue from international markets by 2010. We believe the geographic expansion makes the company less susceptible to country-specified risk, such as a slowdown in construction activities in the UAE.

Execution risk

Given the value of projects being awarded in 2008 alone, Arabtec is highly susceptible to execution risk. In mid-2007, management suggested that the company was operating



Source: ME Steel



Source: Company data

at full capacity in terms of labour and machinery and was unlikely to bid for any new projects over the next six months. In the first half of 2008, the company was involved in several acquisitions and joint ventures to deploy adequate labour and machinery to its ongoing projects. We assume that the company will sub-contract the majority of its new construction awards and will likely act as a construction manager going forward.

Aims to grow inorganically

Arabtec's principal strategy is focused on diversifying construction-related activities through organic and inorganic growth in the region. In November 2007, the company acquired 60 per cent of Target Engineering Construction Company, a company specialising in oil and gas and marine projects in the UAE and Qatar for a sum of AED432 million. This acquisition has helped the company to expand its business into new areas. Target Engineering has a current order backlog of over AED2.8 billion. Arabtec also completed acquisitions of a 55 per cent stake in Gulf Steel Industries and a 51 per cent stake in AES-WCT Contracting in the UAE during the first half of 2008. In 2007, Arabtec established two companies in Qatar with Nasser Bin Khaled Al Thani & Sons Holding Company to tap the booming construction market in Qatar.

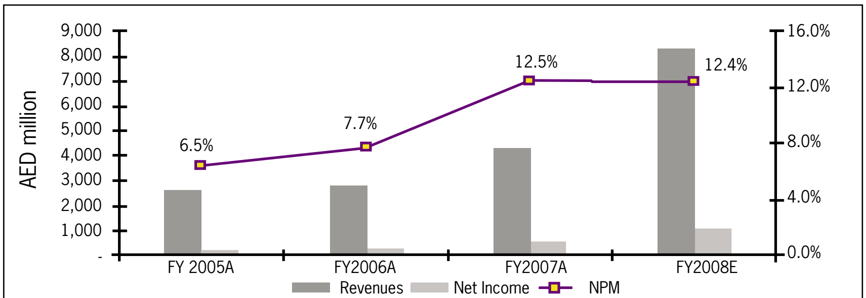
Margins to stabilise

Despite a strong increase in labour and material costs, Arabtec managed to maintain higher margins in the past due to its ability to negotiate higher margin contracts and also through advanced raw material purchases and long-term contracts with suppliers. The management of the company is currently claiming that Arabtec's good relationship with its suppliers will help the company to secure raw material prices at a reasonable rate. However, we believe Arabtec will have to engage in new contracts with raw material suppliers at a higher price due to higher-than-expected growth in order backlog. In the past, Arabtec managed to maintain huge steel inventory, which helped the company to hedge against increasing steel prices. We believe the low inventory level and large number of new projects in the pipeline will force the company to buy steel from the open market to support its ongoing projects. This circumstance, along with the international expansion, will put pressure on Arabtec's profitability for the short term.

Financials

In the first nine months of 2008, Arabtec reported a net profit of AED761 million, an increase of 122 per cent compared to AED343 million in the first nine months of 2007. This growth was mainly driven from a large order book. However, net profit margin in the first nine months of 2007 declined by 40 basis points to 11.9 per cent on a year-over basis, mainly due to a higher increase in raw materials and labour costs during the period compared to the same period last year. Arabtec estimates the fiscal year 2008 net profit margin to be between 10 and 12 per cent. It could even be one per cent higher, due to decreasing raw material prices in the UAE.

At the end of the second quarter of 2008, Arabtec had AED973 million in cash and cash equivalents and a debt of just AED816 million. We expect a positive cash flow going forward, as we assume the growth will be mainly supported by strong growth in revenue resulting from a large order book. We assume the capital expenditure to be around 7.5 per cent of total sales over the next three years.



Source: Company data and NBAD research

Steel prices in the UAE

	US$/tonnes
January-06	407.50
February-06	400.00
March-06	445.00
April-06	470.00
May-06	510.00
June-06	550.00
July-06	555.00
August-06	535.00
September-06	532.50
October-06	525.00
November-06	505.00
December-06	490.00
January-07	517.00
February-07	570.00
March-07	625.00
April-07	550.00
May-07	550.00
June-07	600.00
July-07	585.00
August-07	605.00
September-07	620.00
October-07	595.00
November-07	605.00
December-07	645.00
January-08	760.00
February-08	770.00
March-08	840.00
April-08	1,025.00
May-08	1,160.00
June-08	1,370.00
July-08	1,540.00
August-08	1,385.00
September-08	1,050.00
October-08	700.00
Source: ME Steel	

Conclusion

Over the last three years, Arabtec has achieved significant growth in revenues, net profit and margins. The company's revenue has increased at a CAGR of 29 per cent since 2005, while net profit margin expanded from 6.5 per cent in 2005 to 12.4 per cent in 2007. We believe Arabtec is well positioned in the industry to benefit from the growing construction activities in the UAE and in the Middle East and North Africa region. We also believe Arabtec's strong financial position will support its strategy for diversifying construction-related activities via organic and inorganic growth going forward.

The writer is a real estate analyst with National Bank of Abu Dhabi's research department.

Global crisis deepens local pain

The regional markets were spared as global markets went for a tailspin last month. **Snehdeep Fulzele** and **Husain Thaker** argue that there are good opportunities for long-term investors.

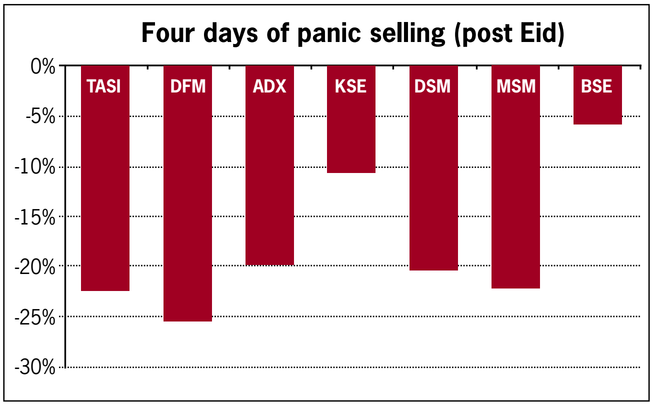
October 2008 has reserved a place in the annals of history for the panic that crippled the financial markets all over the world. Trillions of dollars in investor wealth were lost within a span of six to seven days. The crisis this time was more severe than any previous collapse, including during the Great Depression. The Dow Jones Industrial Average alone lost US$749 billion in market capitalisation in nine trading days, while stocks plunged as low as 39 per cent in a single trading session. The fear of the deepening mortgage crisis and liquidity crunch in the banking system caused the dive in global indices.

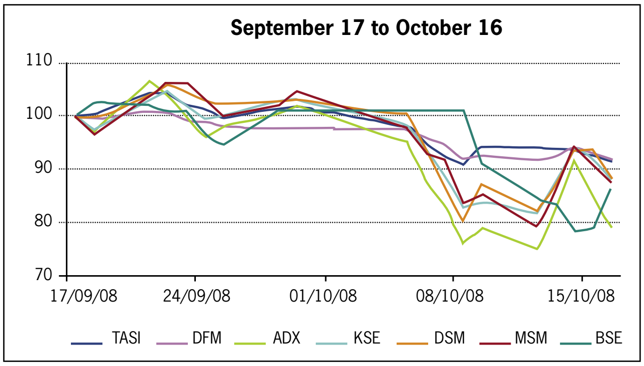
The month also saw the European Union come out with a bold package of EUR1.7 trillion to recapitalise banks and infuse liquidity into the inter-bank market. Similar measures by governments elsewhere helped recover confidence in the system and revive investor sentiments. How far these moves will go, however, is anyone's guess.

Global developments did not spare the GCC markets. Saudi Arabia, which had a low correlation to the US markets until mid-2008, reacted sharply and lost over 22 per cent of its value in four trading days. The Dubai Financial Market witnessed the heaviest selling, as foreign investors liquidated their positions and reached for safer assets. The chart below shows the blood bath that took place on the GCC bourses.

When the negative sentiments were vitiating the investment climate, HSBC Saudi Arabia bought shares worth SAR908 million (US$242 million) on the Saudi bourse for one of its clients under the SWAP agreement. The short-term outlook may look hazy, but there is no doubt that the smart money will get in, as the valuations have become extremely attractive.

Local governments are watchful. Saudi authorities reassured the markets of sufficient liquidity into the banking system, while the UAE government infused US$32.67 billion to allay fears of a financial crisis. In Qatar, the government-owned Qatar Investment Authority announced buying 10 to 20 per cent of the capital of native banks listed on the stock market. Kuwait Investment Authority in Kuwait is expected to implement similar measures.





Although the banking industry in the GCC has emerged relatively unscathed from the mortgage catastrophe in the US, GCC individuals have incurred huge losses on account of their investments outside the region.

The ongoing earnings season has not done much to restore the confidence of investors. Some of the major banks in the region, like National Commercial Bank of Saudi Arabia and National Bank of Kuwait, have shown a decline in net profits for the third quarter on the back of falling investment income. The cement sector in Saudi Arabia has also disappointed, with a number of companies reporting a fall in profits.

On the other hand, Saudi Arabian Fertiliser Company, with a 155 per cent jump in year-on-year profits, has grabbed attention in the petrochemical space. The Saudi building and construction sector continues with impressive performance. The markets now await announcements from SABIC and telecom operators in the region. The largest petrochemical company in the region is unlikely to charge up investors because of its takeover of GE Plastics last year and concerns of a global economic slowdown.

The flight of capital to safety will also slow down the IPO activity in the region as the pricing comes under pressure.

The current times are painful for the global economy. Comparatively, the region is better placed, with over US$500 billion of government projects under implementation. From a valuation perspective, the regional markets have become attractive. Day traders and short-term speculators should carefully weigh their holding period and expectations of returns to avoid further disappointment, as the recovery is likely to be choppy. But for the believer in the GCC economies, crisis holds an opportunity.

The writers represent the research team at FALCOM Financial Services.

YTD returns turn to negative

Trading activity in the GCC markets declined further in August 2008 as negative sentiments kept investors out of the market. A **Markaz** report.

The total volume of shares traded on the GCC markets in August decreased 37 per cent month on month to 13,069 million, while the value traded declined a monstrous 167 per cent to US$47,366 million. Trading volumes fell more drastically during the month, triggering a decline in the average liquidity across most markets. Oman, Bahrain and Qatar each witnessed a more than 30 per cent fall in liquidity. Low trading activity, coupled with heavy selling by foreign investors, had a negative impact on stock prices. The benchmark indices, the MSCI GCC Index and the MSCI GCC Islamic Index, lost 3.7 per cent and 6.1 per cent respectively in August 2008.

Conventional equity funds

Among conventional funds, the Meridio Arab World Fund topped the charts, gaining 0.3 per cent in August. The fund's top three holdings were Zain (0.9 per cent), Commercial Bank of Kuwait (0.5 per cent) and Public Warehousing Company (0.4 per cent). The fund had an exposure of 97.6 per cent (of total assets) to US Treasury bills. In July, the fund posted a loss of 2.4 per cent.

The Tijari GCC Equity Fund (Commercial Bank of Kuwait), which lost 3.8 per cent month on month, occupied the second position in the month of August. With this, the fund registered its fourth consecutive monthly loss. Its top holdings include Zain, Saudi Telecom, Industries Qatar, Coast Investment and Development Company and Gulf Finance House. The fund invested 38.6 per cent of its assets in Kuwait, while holding 2.5 per cent as free cash. The Gulf Gate Fund (Kuwait and Middle East Financial Investment Company) and Arab Financial Fund (Securities and Investment Company) occupied the third and fourth positions with monthly losses of 4.7 per cent and 4.8 per cent respectively.

Among conventional GCC funds, the preferred equity holdings were Saudi Basic Industries Co (SABIC), Arabtec Holding, Saudi Fertilisers, Emaar Properties and Industries Qatar. Among the top five conventional funds, only the Arab Bank MENA Fund had exposure to three of the top five holdings. In the month of August, 10 conventional funds had exposure to SABIC, while seven funds had invested in Emaar Properties.

GCC Shari'ah equity funds

Among Islamic funds, three of the top five funds outperformed the benchmark MSCI GCC Islamic Index, which posted a heavy loss of 6.1 per cent in August. Among Islamic funds, the Jadwa Arab Markets Equity Fund (Jadwa Investment) was the top performing fund, as it reported a loss of 2.4 per cent. The Jadwa GCC Fund (Jadwa Investment), with a monthly loss of 2.8 per cent, closely followed to take second place.

The Al Ahli GCC Trading Equity Fund (NCB Capital) occupied the third position with a monthly loss of five per cent. The Gulf Industrial Companies Fund (Saudi Investment Bank) took the fourth rank with losses of 6.1 per cent over the month. The Amanah GCC Equity Fund (HSBC Saudi Arabia) was in fifth position with a loss of 6.3 per cent in August.

Fund managers

The GCC fund managers reduced their exposure to equities and held free cash. Asset allocators decreased their exposure to equities to 94 per cent. The free cash held by GCC funds stood at five per cent, an increase of 115 basis points (bps). Fund managers increased their exposure to the bond market to one per cent in August, an improvement of 93 bps.

During the month of August, GCC fund managers increased their exposure to the Saudi market by 302 bps to 32 per cent, the highest in 2008. The Kuwaiti market also witnessed an improvement in confidence as asset allocators increased their exposure to the market by 117 bps to 22 per cent. However, asset allocation to the remaining GCC markets declined. Exposure to the UAE market fell 298 bps to 24 per cent, while allocation to the Omani and Qatari markets decreased 70 bps and 31 bps respectively.

Furthermore, exposure to other MENA markets decreased by five bps to four per cent. Asset allocators decided to diversify their funds to Saudi and Kuwait markets, as other GCC markets had taken a pounding in the last few months. Exposure to the Omani and Qatari markets stood at three per cent and 13 per cent respectively. Allocation to Bahrain dipped by three bps to three per cent.

Top five conventional funds by August 2008

Fund Name	Fund Manager	Inception	AUM (US$ mn)	Performance	
				Aug-08	2007
Meridio Arab World Fund	Meridio AG	Mar-07	32	0.26%	20.80%
Tijari GCC Equity Fund	Commercial Bank of Kuwait	Jan-06	33	-3.80%	39.96%
Gulf Gate Fund	Kuwait and Middle East Financial Inv. Co.	Aug-06	NA	-4.71%	24.00%
SICO Arab Financial Fund	Securities & Investment Company	Aug-07	26	-4.80%	20.72%
Arab Bank MENA Fund	Al Arabi Investment Group	Sep-05	60	-5.09%	28.88%

Top five Shari'ah-compliant funds by August 2008

Fund Name	Fund Manager	Inception	AUM (US$ mn)	Performance	
				Aug-08	2007
Jadwa Arab Markets Equity Fund	Jadwa Investment	Jun-07	18	2.42%	42.19%
Jadwa GCC Equity Fund	Jadwa Investment	Jun-07	17	2.83%	42.11%
AlAhli GCC Trading Equity Fund	NCB Capital	Oct-05	178	4.96%	58.86%
Gulf Industrial Companies Fund	Saudi Investment Bank	Apr-06	5	-6.07%	63.14%
Amanah GCC Equity Fund	HSBC Saudi Arabia	Apr-06	44	-6.26%	83.58%

Disclaimer: This is an excerpt from the research published by Kuwait Financial Center (Markaz). Please visit www.markaz.com in order to access this report and others. Queries can be addressed to M.R. Raghu, head of research, at rmandagolathur@markaz.com

Big will be beautiful again

Economies that have strong domestic markets and are less dependent on exports will fare better, while India and China will be at the forefront, notes **Dr. Oliver Stönner-Venkatarama**.

The US government's comprehensive plan to bail out banks on the one hand and support private homeowners on the other hand cannot mask the fact that the overall economic outlook is deteriorating further. In addition, recent labour market data does not raise expectations of a cyclical turnaround in the short term. As a result, investors should be prepared for ongoing economic weakness of the world economy far into next year. In other words, the economic outlook has deteriorated more than expected over the last few months.

The most obvious implication should be continuous pressure on energy and commodity prices. As such, energy- and commodity-producing countries may not provide the same cushion against global turbulences as they did during the first half of the year. The recent correction and volatility of the GCC markets underline this assessment. Instead, markets backed by a stronger domestic and less export-dependent economy should be better positioned to weather the economic consequences of global financial turbulences. Therefore, China and India will probably be refocused by international investors, despite some noticeable slowing of both economies.

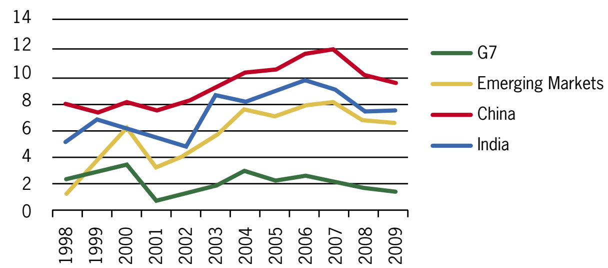
Important fundamental aspects lead to the conclusion that the weak performance of both stock markets since the beginning of the year appears overdone. First, the slowdown in economic growth occurs on a fairly high level and is projected to remain moderate. In 2009, China is still forecast to register real GDP growth of 9.3 per cent, which is only slightly less than its trend growth rate of 9.5 per cent. India may register slower GDP growth at about 7.3 per cent during the period 2008-09. In comparison, G7 economies are likely to expand merely 1.5 per cent.

This impressive difference in economic dynamics will probably provide a strong incentive for investors to re-build positions in both markets once economic fundamentals come back into focus. Due to the weakness of export demand from the US, the strength of the domestic economy will play a key role in stabilising overall economic growth. Certainly, there will be significantly slower consumption growth in China and India this year due to increased inflation and deteriorating labour market conditions, but there should be a stabilisation on this lower growth level with regard to 2009.

In China, economic policy goals to improve the quality of economic growth and reduce the gap between the booming coastal areas and the hinterland provide important fiscal stimulus to the domestic economy. In India, monetary policy and a good monsoon may be the key factors for stabilising economic growth in 2009. Receding inflationary pressure may give the central bank more flexibility to counteract economic weakness. Policy measures should be supportive of economic growth in both economies and changes at the corporate level are encouraging.

Global economic trends: Emerging markets outpace G7 countries

Real GDP, % change year-on-year



Corporates from China and India are quite successful in accessing new markets in order to become less exposed to US export demand. Furthermore, higher wage and commodity costs in conjunction with increased competitive pressure have led to strong efforts to raise productivity and move up the value chain. This is a healthy development following the economic boom of the last few years. It follows that corporates in both countries should be better prepared for currencies regaining strength. On top of that, corporates in both economies have rediscovered the attractiveness of domestic markets. As a result, corporate China and India are on the right track to benefit from local demand, as well as from a recovery of the global economy later during the course of 2009.

Investors searching for opportunities in other regions should also focus on bigger markets such as Poland or Mexico. Energy- and commodity-related countries such as Brazil and Russia will probably remain exposed to increased volatility in energy and commodity prices for quite some time. Somewhat more risk-seeking investors may focus on Turkey, which remains one of the most sensitive markets towards changes in risk appetite in the global markets.

The writer is an emerging markets investment strategist with Cominvest.

Facing the eye of the storm

The silver lining for the Middle East in the midst of such doom and gloom is the rising US dollar, which will take some of the inflation pressures off of the regional economies, according to **Sachin Patki**.

As we stand today in the centre of a financial maelstrom, the changes it will make to the global financial and consumer landscape will be felt far beyond the immediate. The impact will be on the structure of the financial markets, with the government getting into what was largely private sector preserve. Institutions that were inviolate have been shown to have very brittle foundations. The credit lines drying up in the US inter-bank money market have shown that consumers need to read a lot more of the small print while investing. However, the most significant change will be the relationship between public taxpayers' money and private capital, as the lines have been blurred and the impact will be felt across the globe for decades.

For the immediate, the US$700 billion rescue package in the US is part of a global set of efforts by different governments and central banks to shore up their financial systems from the credit grid lock. The impasse has left many governments with no choice but to use taxpayers' money to ensure that the economic slump expected is less severe. The equity markets around the world have gone into a meltdown, accompanied by the commodity markets, which see the global economic slowdown also reducing demand. Interest rates in the US, Japan, the Eurozone and the UK are expected to be cut lower to lessen the negative impact of the global crisis. However, the biggest impact will be felt on main street, not Wall Street, as corporations of all sizes have already begun to lay off staff to reduce the impact to their balance sheets from the slowdown in business.

The currency markets are feeling the pinch, including in the Middle East, where the fall in oil prices has had a negative impact on public spending and growth. The silver lining is that the resurgent US dollar has currently taken the pressure off the local currencies pegged to the greenback to look at free floating their currencies. However, the economic basis for this continues to remain valid, with the risk of higher inflation continuing to rob growth of its actual value. With the real estate market not expected to grow at the same double-digit rate next year, the correction may set up the economy for a second rally in the future, this time based on calmer sentiments and well-supported economic fundamentals.

The rally in the US dollar has been partly due to the first move made by the US government and the US Federal Reserve to address the liquidity crisis, the importance of which is felt in the way the stock markets around the globe have gone into meltdown. The proactive stance has helped the US take the lead, and the interest rate cuts coordinated with five other central banks across Europe and Asia show that the US will also remain the market leader in the resolution. The euro has corrected sharply lower to 1.3400, which may provide some cushion for the downside as the euro makes attempts to rise above 1.3750, 1.3940 and 1.4050. However, the downside pressure may persist in the consolidation phase between 1.4240 and 1.3500, and it may make another attempt at the 1.2900 level in the near term.

The UK has been getting some very unflattering economic news and poor customer level data, which shows that the lack of retail spending will lead to a possible recession, or at least a quarter of negative growth. The mortgage market is facing a meltdown along with some of the blue chip financial institutions in the UK, and a few may find themselves on the auction block as soon as they get swallowed by or merged with other institutions in a bid to stay alive. The current motto of most institutions is to survive, to develop a better balance sheet with liquidity and not to grow revenues. Look for the sterling to form a base near 1.6870 as it consolidates between 1.7820 and 1.6900. The sterling/euro has attempted below 1.2400 and we now see consolidation up to 1.2870/2920. A clear break of 1.2940 on a daily close now gives us 1.3390. MW

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

Views expressed are his own and not necessarily those of Mashreq. Data and comments are as of October 12, 2008.

Investors pull out of all markets

Investors are leaving the market in hordes as commodities decline “in the continuous negative feedback loop”. An **MF Global** report.

The ferocity with which the financial crisis has enveloped the global economy has left even the fiercest bear spellbound. While global equity markets have been torn asunder due to increased financial inter-linkages, commodities have not been spared. Almost all asset classes have abandoned their traditional correlations and have plummeted south.

Base metals and energy futures have slumped on fears that a global recession will severely curtail demand. Precious metals, gold in particular, have seen a sharp jump in physical market demand, as investors went in for defensive play following apprehensions over the financial market seizure.

On the other hand, gold futures, though higher on month, have seen sharp intra-day swings, sometimes over US$100 per ounce.

The gold and US dollar inverse relationship has seen disconnect over the past month. The US dollar has appreciated by four per cent to 1.3500 against the euro over the last month. During that period, gold (Comex futures) has risen by 11 per cent to US$846/tonne.

Demand for gold coins and bars have been at an all-time high. Sales from central banks under the Central Bank Gold Sale Agreement for 2004-09 saw a record low at 357.20 tonnes in the year to September 26, as per World Gold Council (WGC) data. According to WGC data, central bank gold sales have averaged 456 tonnes in the past three years.

Silver, considered part of the precious and industrial metals group, has languished. The benchmark silver futures were up by two per cent to US$10.99 per ounce.

The energy complex has witnessed a slump across all its constituents. Coal (ICE futures) has fallen 23 per cent to US$128 per tonne over slowing demand from the industrial sector, as well as a sharp drop in crude oil. Crude oil futures (NYMEX benchmark futures) have fallen over 27 per cent and were trading around US$72/barrel.

The prices of final products like heating oil and gasoline have corrected by over 23 per cent. A fall in product prices has contracted the US refiners’ margins sharply.

The crack-spread futures, which are theoretical indicators of crude refining margins, have narrowed sharply towards US$2.26 per barrel. On September 22, this spread became negative due to a sharp short squeeze (a situation where those with short positions are forced to cover, resulting in a sharp rise in price) in crude oil on the September series expiry.

With crude oil briefly dipping under the US$70 mark, OPEC has brought forward its mid-November meet to October 24 to discuss an output cut. Within the OPEC group, countries like Venezuela and Iran favour a deeper cut in production quota to prop up prices. But other countries in the group are apprehensive that a rally in crude oil prices could further push the global economies into a recession. This could also lead to a further cool-off in consumption, as well as a fall in investments in new oil production facilities. Such a scenario could badly hurt the exports of many group members.

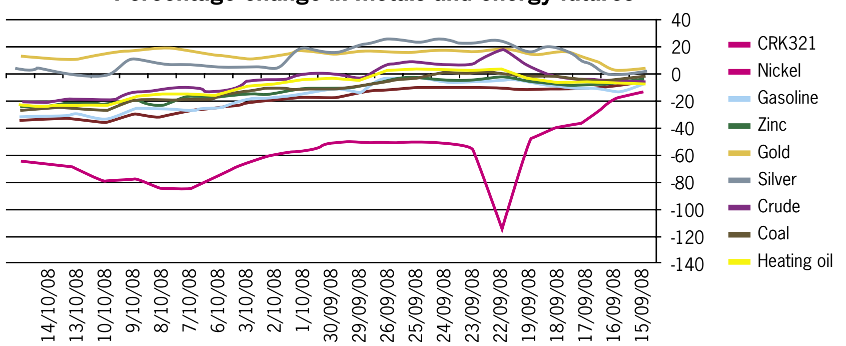
The base metals arena has been roiled by concerns over demand contraction across the globe. Among the base metals complex, London Metals Exchange three-month nickel and zinc forward prices, among other base metals, have declined the most.

Nickel futures have fallen by nearly 35 per cent to US$12,600 per tonne and were trading near their four-and-a-half-year low. Since May 2007, when nickel touched an all-time high at US$51,600, the prices have corrected nearly 76 per cent. This price scenario has caused OAO GMK Norilsk Nickel, the world’s largest nickel producer, to review its mid-term strategy. Miners are implementing production cuts across North America, Australia, Canada and other parts of the world.

Zinc is also witnessing similar developments, with many miners in China and Australia either curtailing expansion or shutting down mines. Zinc futures declined by 25 per cent to US$1,410 per tonne. The burden of surplus stocks has roiled the zinc market. According to the International Lead & Zinc Study Group, global refined zinc production will outweigh consumption to leave the market in a 330,000 tonnes surplus in 2009. The group added that world zinc output will rise by 4.8 per cent to 12.5 million tonnes in 2009, while usage will grow by 3.3 per cent to 12.18 million tonnes.

As financial markets seem to be caught in the continuous negative feedback loop, fund investors are pulling out of all markets. Commodities are no exception. One well-known economist noted: “Fund investors are pulling out. Now, they are not asking, what is the return on my money? Rather, they’re saying, return my money.”

Percentage change in metals and energy futures



Source: Bloomberg, MF Global Commodities

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

Price drops causing concern

These are difficult times for the financial markets. **Peter Hensman** advises investors to exercise patience, as the return to normal market conditions will prove rewarding.

Equity markets are in freefall. In the week to October 10, the S&P Index fell by 18.3 per cent, the largest weekly decline on record. As of October 15, the total return on the MSCI World Equity Index was -41 per cent, worse than the -32 per cent low point in the 1974 decline reached in October that year.[1] The immediate cause of the recent acceleration to the downside was the failure of Lehman Brothers. Clearly, the hope of the authorities – that counterparties had had sufficient time to prepare for the demise of a large financial institution and that the bigger threat was the "moral hazard" of not allowing Lehman to fail – was misplaced. The result has been to cause an even greater desire to hoard cash.

The unprecedented market declines have stimulated some dramatic policy responses, including the first coordinated interest rate reduction led by the US Fed. The half-point move was joined by the People's Bank of China, and Chinese rates were reduced by 27 basis points. As of yet, even the promise to make an unlimited quantity of US dollars available through the central banks and the announcement by the Federal Reserve that it will purchase commercial paper direct from any issuer that is unable to find a buyer in the market has done little, if anything, to calm sentiment. Notably, the US dollar continues to rise in value as the normal free flow of currency in the interbank market has ground to a halt.

Given that markets are being driven by forced selling and fear as the financial system deleverages, short-term forecasts as to which policy initiative will prove to be sufficient to stem the current panic are of little value. What is clear is that this is an extremely dangerous environment, and the longer it persists, the greater the risk of an extremely negative market and economic outcome.

Policymakers recognise the seriousness of the situation and have rapidly moved from dealing with financial issues on a piecemeal basis to viewing the turmoil as a systemic issue. Further and more extreme policy initiatives are likely. Monsieur Trichet observed in a speech in New York on October 15: "This is [the] time for immediate action and not for eloquent rhetoric." It would not be a surprise to have seen larger, coordinated interest rate reductions between the writing of this note and its publication.

Regardless of how quickly the authorities resolve current market concerns, the economic impact of events this year is largely baked in stone. Global growth is likely to be much weaker than it has in the last five years as the process of deleveraging in the western world continues. The hoped for decoupling of the developing world from this has been disproved. Yet, where economies such as the US and the UK are perhaps more likely to see "bath-shaped" growth profiles, the prospect for many parts of the developing world is of a more normal inventory/investment-driven "V-shaped" downturn.

Inflation fears that dogged markets earlier in 2008 are unlikely to reappear for many years. Arguably, the greater concern after a period of global growth led by investment in global infrastructure and productive capacity will be falling prices. This will be a significant positive for many economic participants/equity sectors and companies that have struggled in the last few years, as rising costs have squeezed disposable incomes and profit margins. This is likely to prove to be as important to investors as recognising that the beneficiaries of the NASDAQ collapse post 2000 were those most geared to low interest rates (while official interest rates are likely to remain low for an extended period once again, it is less clear that these rates will be transmitted to the wider economy and hence are likely to maintain downward pressure on prices).

Businesses and consumers that are not over-extended will take market share from those who are. Where in the past the easy availability of credit (and the private equity bid) lifted all participants, a tighter credit environment will likely see far greater differentiation between winners and losers. While media commentary will undoubtedly focus on the traumas of those most adversely affected by this new environment, the beneficiaries are likely to quietly continue to see conditions improve as competition diminishes (the widening interest margin available to UK banks is likely to be one example of this lower level of competition for deposits following the failure of the Icelandic banks).

Equity valuations are cheap. The 11.2x historic earnings for the Datastream non-financial, non-resources world equity index is the lowest rating since the trough in 1984. Even with a difficult economic outlook, this compensates for a high degree of earnings risk. Though there is little past experience on which to draw as to when liquidity conditions might improve, for those able to be patient, the return to more normal market conditions (even if these are very different from the norms of the last decade) should ultimately prove rewarding.

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

(Footnotes): 1 Datastream.

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	3.50%	fiYly
Halifax International	Via website	Web Server	None (W)	$25,000	3.00%	Yly
Clydesdale Bank International	01481 711102	Instant Savings	None	$10,000	2.60%	Yly
Nationwide International	01624 696000	US Dollar Tracker Premium	None	$50,000	2.50%*	Yly
Bank of Scotland International	01534 613500	Base Rate Tracker	None	$50,000	2.25%	Yly
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	4.95%	fiYly
Nationwide International	01624 696000	Euro Tracker Premium	None	€50,000	4.65%*	Yly
Northern Rock (Guernsey) wef 01.08.08	01481 728555	Offshore Euro Direct Saver	None (P)	€5,000	4.55%	Yly
Zurich Bank International Limited	01624 671666	Zurich Euro Reward A/c	None	€5,000	4.50%	Yly
Bank of Scotland International	01534 613500	Base Rate Tracker	None	€35,000	4.50%	Yly
No Notice Accounts						
Alliance & Leicester International	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	6.50%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	6.40%	fiYly
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	£25,000	6.40%	Yly
Britannia International	01624 681100	Top 5 Tracker	None	£25,000	6.40%	Yly
Halifax International	www.halifaxinternational.com	International Web Server	None	£25,000	6.30%	Yly
Notice Accounts						
Alliance & Leicester International	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	6.65%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access 30 II	30 Day	£5,000	6.60%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access 7 II	7 Day	£5,000	6.55%	Yly
Alliance & Leicester International Ltd	www.alil.co.im	eSaver Flexible Income 1	60 Day	£25,000	6.49%	Qly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 28	28 Day	£25,000	6.30%	Yly
Monthly Interest						
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	6.46%	Mly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Income II	7 Day	£5,000	6.40%	Mly
Bradford & Bingley International	01624 695000	Reward Saver	90 Day	£100,000	6.20%	Mly
Britannia International	01624 681100	Top 5 Tracker	None	£25,000	6.10%	Mly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 28	28 Day	£25,000	6.10%	Mly
Fixed Rates						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	12 month Bond	£5,000	7.21% F	OM
Irish Nationwide (IOM)	01481 724353	1 Year Fixed Rate Bond	1 Yr Bond	£50,000	7.20% F	OM
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	1 Yr Bond	£10,000	7.10% F	OM
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	2 Yr Bond	£10,000	7.10% F	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	3 Yr Bond	£10,000	7.10% F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	3.89%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.435%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	3.20%	Qly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.00%	Mly
Standard Bank	01534 881188	Optimum	None	£50,000	2.50%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	6.50%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.15%	Yly
Abbey International	01534 885000	Tracker Term 8	05-05-09	£10,000	5.10%*	OM
Lloyds TSB Offshore Banking	01534 881188	International Savings A/C	None	£50,000	2.80%	Mly
HSBC International	01534 61600	Offshore Bank	None	£50,000	1.10%	Mly

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post
All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: October 9, 2008 Source: Moneyfacts

OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	1.55	2.05	2.55w	3.20	3.95	4.00	4.00	4.20	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	0.10 0.10	0.10 0.10	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	2.50 2.50e	2.50 2.50	2.50 2.50	2.50 2.50	3.00 3.00	3.30 3.30	3.30 3.30	3.30 3.30	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	2.50 - 2.50	2.50 - 2.50	2.50 - 2.50	2.50 4.00 2.50	2.50 4.25 2.50	2.50 4.50 2.50	2.50 4.65 2.50	2.50 4.75 2.50	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.10 0.30	0.10 0.35	0.40 0.90	1.10 1.60	1.35 1.85	1.35 1.85	1.35 1.85	1.35 1.85	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	0.75	1.00	1.00	1.00	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.00	2.00	2.00	2.375	2.75	2.812	2.812	2.812	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.55	1.55	2.00	2.85	3.65	3.85	3.85	3.85	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	3.375	3.625	4.375	4.375	4.375	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	1.87k	1.87	2.62	2.87	3.12	3.37	3.37	3.37	Qly	Yes

k = Rate applies from £3K. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: October 3, 2008 Source: Moneyfacts

Best Buy Tables - OFFSHORE

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	The Monthly Offshore Saver	10.00	10.00	10.00	-	-	-	OM	No
		Offshore Euro Call	1.10	1.60w	2.25	2.25	2.50a	2.75	Yly	No
		Offshore Gold	-	0.50	1.25j	1.25	1.50	1.75	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.68	3.68	3.68	3.68	3.68	3.68	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.95	4.95	4.95	4.95	4.95	4.95	Half Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	2.90	2.90	3.00	3.10	3.25	3.55	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.50h	4.50	4.50	Yly	No
		International Savings	1.75	1.85	1.95	2.20	2.40	2.40	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	1.65e	1.65	1.40	1.65	Qly	No
		International Tracker	-	-	2.70e	2.70	3.00a	3.50b	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	2.05	2.05	2.05	2.05	2.55	Mly	No
	01624 643270	Advantage Plus	2.05	2.05	2.05	2.05	2.05	2.55	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.90	3.90	3.90	3.90	3.90	Yly	No
		Current	2.86	2.86	2.86	2.86	2.86	2.86	Mly	No
		Instant Savings	-	3.83	3.83	3.83	3.83	3.83	Mly	No
Fairbairn Private Bank		Accumulation	-	1.75	1.75	1.75	1.75	1.75	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.25a	3.50b	On closure	No
	01624 645000	Reserve	-	1.75	1.75	1.75	1.75	1.75	Qly	Yes
Halifax International	01534 846501	International Web Saver	4.35	4.35	4.45	4.45	4.45	4.45	Yly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.10	0.10	0.27	0.27	0.74	Mly	No
		Online Saver	-	-	3.64j	3.64	3.64	3.64	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	4.08j	4.08	4.08	4.08	Mly	No
		Premier Serious Saver	-	2.615	2.615	3.265	3.265	3.665	Mly	No
		Serious Saver	-	2.115	2.115	2.765	2.765	3.165	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.65	3.65	3.65	3.65	4.00	4.00	Yly	No
		Instant Access	3.59	3.59	3.59	3.59	3.93	3.93	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.50e	4.50	4.50	4.50	Yly	No
		Call	1.005r	1.00	1.00	1.50u	1.687m	2.125n	Qly	No
		Kaupthing Edge - Savings	5.00	5.00	5.00	5.00	5.00	5.00	Mly	No
Landsbanki Guernsey	04181 726885	Deferred Interest	-	-	5.00e	5.00	5.00	5.00	On closure	No
		Easy Access	-	-	5.00e	5.00	5.00	5.00	Yly	No
		Easy Access	-	-	4.89e	4.89	4.89	4.89	Mly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.70	1.55	1.55	1.80	1.80	1.80	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.75	2.75	2.80	2.80	2.80	2.85	Yly	No
		Euro Tracker Premium	4.35	4.35	4.35	4.65	4.65	4.65	Yly	
NatWest	01534 282300	Advantage International	2.45	2.55	2.65	2.85	3.10	3.25	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.55	4.55	4.55	4.55	4.55	4.55	Yly	No
		Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.48	2.53c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	2.45	2.55	2.65	2.85	3.10	3.25	Qly	No
Standard Bank	01624 643643	Offshore Reserve	1.87	1.87	1.87	2.37	2.62	2.74	Half Yly	No
	01534 881188	Optimum	1.25	1.25	1.25	2.00	2.25	2.75	Qly	No
		Offshore Moneymarket Call	-	-	-	3.75	3.85	3.85	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.34j	1.59	1.84	2.33	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward	4.50	4.50	4.50	4.50	4.50	4.50	Yly	No
		Call	3.00	3.00	3.00	3.00	3.00	3.00	Qly	No

a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K. j = Rate applies from €20K.
m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K w = Rate applies from €7.5K.

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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	0.25	0.25	0.50	1.00	1.10	Yly	No
		Offshore Gold	-	0.00	0.00	0.25	0.50	0.50	Qly	Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	2.00	2.00	2.00	2.00	2.10	2.10	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.50	3.50	3.50	3.50	3.50	3.50	fi Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	0.75	0.75	0.75	1.00	1.25	1.25	Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker	-	-	-	2.25	2.25	2.25	Yly	No
		International Savings	0.40	0.40	0.55	0.60	0.75	0.85	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
		International Tracker	-	-	0.30u	0.30	1.30	1.50x	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	-	-	-	-	0.35	Mly	No
	01624 643270	Advantage Plus	-	-	-	-	-	0.35	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	2.60	2.60	2.60	2.60	2.60	Yly	Yes
		Current	1.60	1.60	1.60	1.60	1.60	1.60	Mly	Yes
		Instant Savings	-	2.57	2.57	2.57	2.57	2.57	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.50	On Closure	Yes
		High Interest Accumulation	-	-	-	-	1.00v	1.25x	On Closure	No
		Reserve	-	0.10	0.10	0.10	0.10	0.10	Qly	Yes
Halifax International	01534 846501	International Web Saver	2.90	2.90	3.00	3.00	3.00	3.00	Yly	No
HSBC International	01534 616000	Offshore Bank	-	0.10	0.10	0.10	0.10	0.15	Mly	No
		Online Saver	-	-	1.39u	1.39	1.39	1.39	Mly	No
		Premier Offshore Bank	-	0.15	0.25	0.35	0.45	0.55	Mly	No
		Premier Online Saver	-	-	1.88u	1.88	1.88	1.88	Mly	No
		Premier Serious Saver	-	0.35	0.50	0.65	1.20	1.35	Mly	No
		Serious Saver		0.10	0.20	0.35	0.70	0.85	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	1.00	1.50	1.50	2.00	2.10	2.10	Yly	No
		Instant Access	1.00	1.49	1.49	1.98	2.08	2.08	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.25u	4.25	4.25	4.25	Yly	No
		Call	0.125k	0.125	0.125	0.125	0.125	0.25m	Qly	No
		Kaupthing Edge - Savings	4.55	4.55	4.55	4.55	4.55	4.55	Mly	No
Landsbanki Guernsey	01481 726885	Deferred interest	-	-	3.00u	3.00	3.00	3.00	On Closure	No
		Easy Access	-	-	3.00u	3.00	3.00	3.00	Yly	No
		Easy Access	-	-	2.96u	2.96	2.96	2.96	Mly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.10	0.10	0.20	0.50	0.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	1.05h	1.05	1.10	1.20	1.65	1.65	Yly	No
		US Dollar Tracker Premium	2.20	2.20	2.20	2.50	2.50	2.50	Yly	No
NatWest	01534 282300	Advantage International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.905	1.155x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Standard Bank	01534 881188	Offshore Reserve	0.20	0.20	0.20	0.40	0.70	1.00	Half Yly	No
	/01624 643643	Optimum	0.37	0.37	0.37	1.12	0.37	1.87	Qly	No
		Offshore Moneymarket Call	-	-	-	1.50	1.60	1.60	Mly	No
Zurich Bank International Ltd	01624 671666	Call	0.00	0.00	0.50	1.00	1.25	1.50	Qly	No

h = Rate applies from $1K. k = Rate applies from $3K. m = Rate applies from $150K. t = Rate applies from $15K. u = Rate applies from $20K. v = Rate applies from $75K.
x = Rate applies from $200K.

All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: October 3, 2008 Source: Moneyfacts

EXPATRIATE MORTGAGE TERMS - NOVEMBER 2008

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Bank base +1.5%	70	1%	Special schemes GBP70,000 minimum.
BM Solutions	6.59% 3 year fix	75	2.5%	Applicant must work for Govt Agency or Multi National Company. 3% early repayment charges
Cheltenham & Gloucester	5.79% 2 year Fix 5.74% 3 year Fix 5.79% 5 year fix 5.95% full term tracker bank base plus 0.95%	75 75 75	GBP995 GBP995 GBP995 GBP995	Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies. New build flats 65% maximum
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1.25% Family occupation, LIBOR + 1% Foreign currency mortgage Cost of funds +1.5-2.0%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	5.79% 3 year fix	75	GBP1499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years. Free valuation/legals on re-mortgages
HSBC	Under review	80 Repayment basis only 75% Interest only	Varies	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
Ipswich Building Society	6.24% via discount to 2 years	80	GBP695	Maximum of five properties to GBP1 million borrowing. Flexible mortgage.
Irish Permanent (Isle of Man)	Temporarily withdrawn	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Royal Bank of Scotland International	Base +1.25%	75	1%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	Temporarily withdrawn	UK Expats 85% Foreign Nationals 75%	Loans to GBP350,000 GBP595 Loans to GBP500,000 GBP795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	6.79% 2 year discount	75	GBP695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible BTL overpayments/ underpayments.
TMW	5.99% 2 year tracker	70	2.5%	No new build flats, No first time buyers Maximum loan 350,000

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

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

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .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 7%. Bank rate @ 22/10/08 - 4.5% 3 month LIBOR 6.24%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver – 300 Gold - 300 Laki for Women - 300 Qassit - 300 Mini Visa - 100 Internet card - Free	Nil for purchases SAR15 for cash withdrawals	45 days	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 2% on purchases, SAR75 on cash withdrawals Amanah card: 2% on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	1,000,000	Govt. sector: 2,300 Private Sector: 2,500 Pensioners: 1,750	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	1,200,000	3,500	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	1,500,000	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	Personal Loan Murabaha or Tawaruq	1,500,000	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 with salary transfer, 50,000 without salary transfer	3,000	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	2,500	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	1,000,000	Govt. sector: 3,000 Private sector: 4,000	Up to 60 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Finance Car Lease	3.5% 8.5%	Up to 60 months Up to 60 months	10% None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Auto Lease	From 4.7%	Up to 60 months	5%	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	Starts at 3.5% yearly	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Auto Lease	Starts at 5%	Up to 60 months	None	Minimum salary: 3,000. Three months service with current employer. 4,000 for expats with one year service	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 4.95% yearly	Up to 60 months	None	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starts at 3.99%	Up to 60 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8%	Up to 71 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 107 months for nationals, up to 60 months for expats	120	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	Up to 54 times salary for nationals, up to six times salary for expats	Up to 132 months for nationals, up to 24 months for expats	Nationals – 150 Expats - 250	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	8%	Depends on salary	Up to 96 months for nationals, up to 72 months for expats	300	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8%	Up to 51 times salary	Up to 132 months for nationals	250	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	8%	Up to 50 times salary for nationals, depends on end of service benefits for expats	Up to 108 months for nationals, up to 36 months for expats	150	247 06 265 www.omanab.com
Oman International Bank	Basma Personal Loan Scheme	8%	Up to 50 times salary for nationals, depends on salary for expats, up to 24 months salary	Up to 72 months	200	246 85252 (Head office) www.oiboman.com

Credit Cards — OMAN

PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	MIN. SALARY (OMR)	INTEREST RATE	INTEREST FREE CREDIT	CONTACT
Bank Dhofar	Visa (Classic, Gold) MasterCard (Standard, Gold, Platinum) Al Noor Interest Free Credit Card Ecomcard	Free for the first year	Classic/Standard: 250, Gold: 800, Platinum: 2,000	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 www.bdof.org
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum) Sultan Qaboos University (SQU) Card	Classic: 30 Gold: 50 SQU Card: 10	Classic: 200 Gold: 500 Platinum: Invitation only	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 www.bankmuscat.com
HSBC	Visa/MasterCard (Classic, Gold) In-Site Virtual Card	Classic: 30 Gold: 50 In-Site: 10	Classic: 400 Gold: 700	1.5% on purchases, 3%+OMR1 on cash withdrawals	56 days	800 7 4722 www.oman.hsbc.com
National Bank of Oman	NBO Visa/MasterCard (Silver, Gold); Al Amiyal MasterCard (Silver, Gold); NBO-Oman Air Card (Silver, Gold); NBO Webshopper Card	NBO Visa/MasterCard (Silver: 30, Gold: 50) Al Amiyal (Silver: 35, Gold: 55) NBO-Oman Air card (Silver: 15, Gold: 30) NBO Webshopper card: 10	Silver cards: 200 Gold cards: 350 for nationals, 500 for expats	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 77077 www.nbo.co.om
Oman Arab Bank	Visa (Classic, Gold, Platinum)	Classic: 30, Gold and Platinum: 50	Classic: 200, Gold: 700, Platinum: 1,500	1.5% on purchases, 3%+OMR1 on cash withdrawals	40 days	797 432 www.omanab.com
Oman International Bank	MasterCard (Classic, Gold) Visa (Classic, Gold, Platinum, Business Card, Cyber Card)	Classic: 30 Gold: 50 Platinum: 70 (By invitation only) Business: 25 Cyber: 10	Classic/Cyber cards: 300 Gold cards: 700 Platinum: 1,400	1.5% on purchases, 3%+OMR1 on cash withdrawals	45 days Business - 37 days	246 85252 (Head office) www.oiboman.com

Personal Loans — QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 10.25% 8% for nationals if salary more than 7,000	Up to 47 times monthly salary Up to 33 times monthly salary	3,000 5,000	Up to 18 years Up to 84 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	4,000	Up to 86 months for national Up to 60 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 20 times monthly salary Up to 2.5 million	1,500	Up to 84 months	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 7.5%	Up to 16 times monthly salary	3,000	Up to 48 months for expats, up to 72 months for nationals	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.24-10.24%, depends on the loan tenor	Depends on salary	3,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 8.5-11.5% 8.75-11.50%	Up to 63 times monthly salary Up to 250,000	4,000 3,000	72 months for expats 200 months for nationals	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 9.99-10.74%	Up to 350,000	2,000	Up to 84 months for nationals and 72 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	2,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

Credit cards — QATAR

PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for the first year	3,000	1.75% on purchases, 2% on cash withdrawals	45 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping Card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	2% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa WOW, Visa/MasterCard Classic, Visa/MasterCard Diners Club (Gold, Platinum)	WOW – free for life, Other cards free for the first year	WOW/Classic - 1,500, Gold - 7,500, Platinum-10,000	2% on purchases, 4.5% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard Dream credit card (Classic, Platinum)	Free for life	Classic - 3,000, Platinum - 25,000	1.75% on purchases, 4.5% on cash withdrawals	55 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49%, on purchases, 2.75% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Free for first year	Standard 2,000 for account holders otherwise 5,000, Gold - 6,000, Platinum - 12,000 -	2% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic - 200, Gold - 400 MasterCard Standard – 250, Gold – 500	3,000 (Salary must be transferred)	2.25% on purchases, 4.5% on cash withdrawals	50 days	4658555

Home Contents Insurance — QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 www.axa-gulf.com
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	200	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR4,000	+974 428 2222 qgirc-tec@qatar.net.qa
Qatar Insurance Company HomeCare Household Insurance	500 650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft ; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 www.qatarinsurance.com onestop@qic.com.qa
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 www.qiic.net

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during October 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — QATAR

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

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans

BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 8.5-9%	Up to 22 times monthly salary	250	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000, minimum 1,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: for national 9%, for expats 9.5%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for locals 11% for expats	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	APR - 9.87 to 11.46%	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 3.99% (Depends on the salary and the loan amount)	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards

BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 300, Gold - 400	Standard - 2.5% and Gold – 1.75% on purchases, 4% on cash withdrawals	52 days	17221999
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800 Emirates-Citibank card - 800	Visa/MasterCard – 2.5% Emirates-Citibank card – 2.5% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	1.84% on purchases. 3% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance

BAHRAIN

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

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 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — BAHRAIN

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

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

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	8.75%	Up to 15 times	250	60 to 72 months	812000
Burgan Bank	Consumer Loan	8.75%	Up to 15,000	200	Up to 12-60 months	804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	8.75%	Up to 70,000 minimum 10,001 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 24- 180 months	888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	8.75%	Up to 15,000 for Nationals Up to 10,000 for expats	200	Up to 60 months Up to 180 months	805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	8.75%	Up to 15,000	400	Up to 60 months	801801 www.nbk.com

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.18% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.33% 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	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.1% on purchases, 4% 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	801801

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 2008 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance — UAE

PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan **Global Area 1:** From 10,801 (11-21) to 29,098 up to ages 60-65, **Global Area 2:** From 3,638 (ages 11-21) to 9,541 up to ages 60-65, **Regional Plus:** From 2,078 (ages 11-21) to 5,433 up to ages 60-65, **Regional:** From 1,787 (ages 11-21) to 4,673 up to ages 60-65		**Global Area1:** AED5million **Global Area2:** AED2.5 million **Regional Plus:** AED1 million **Regional:** AED500,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland **Regional Plus:** AGCC countries, major trading nations of the Indian subcontinent and South East Asia **Regional:** Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles **Global Area 1:** From 4,561 (ages 0-17) to 18,428 up to age 65 **Global Area 2:** From 3,071 (0-17) to 12,270 up to ages 61-65 **Global Area 3:** From 2,048 (0-17) to 7,045 up to ages 61-65 **Regional Plus:** From 1,782 (0-17) to 6,675 up to ages 61-65 **Regional:** From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: **Global Area 1:** AED200/150, **Global Area 2:** AED200/150/100, **Global Area 3:** AED150/100/75, **Regional Plus and Regional:** AED150/100/75/50	**Global Area 1:** AED1 million **Global Area 2:** AED1 million **Global Area 3:** AED1 million **Regional Plus:** VIP: AED1 million A: AED500,000, B: AED250,000 **Regional:** VIP: AED300,000 A: AED150,000, B: AED75,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA and Canada **Global Area 3:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional Plus:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional:** UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	**Essential:** From 2,598 (ages 0-15) to 33,650 up to age 82-120, **Classic:** From 3,743 (ages 0-15) to 46,707 up to age 82-120, **Gold:** From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US$160/US$400/US$800/US$1,600	**Essential:** US$900,000 **Classic:** US$1.2 million **Gold:** US$1.6 million	**Essential:** Hospital treatment as in/day-care patient **Classic:** Plus specialist medical treatment **Gold:** Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Expat Services GmBH	**Individual Policies** **Expat Executive:** From 1,530 (ages 0-18 years) to 5,210 up to age 65, **Expat Superior:** From 1,750 (ages 0-18) to 8,490 up to age 65 **Group Policies** - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	**Standard:** AED100,000 p.a. **Executive:** AED1,835,000 p.a. Superior: Unlimited	**Standard Group:** Covers Arab countries, Indian subcontinent, Philippines **Executive and Superior (Group and Individual):** Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae
Goodhealth Worldwide	**Major Medical Plan:** From 1,921 (ages 0-17) to 11,298 up to age 64 **Foundation Plan:** From 4,037 (ages 0-17) to 23,673 up to age 64 **Lifestyle Plan:** From 4,663 (ages 0-17) to 29,634 up to age 64 **Lifestyle Plus Plan:** From 5,892 (ages 0-17) to 34,577 up to age 64	**Major**: Nil, 1,000/5,000 **Foundation**: Nil, 50/100/250/500/1,000/2,000/5,000 **Lifestyle**: Nil, 50/100/250 **Lifestyle Plus**: Nil, 50/100/250	**Major Medical Plan:** US$1.6 million **Foundation Plan:** US$1.6 million **Lifestyle Plan:** US$1.6 million **Lifestyle Plus Plan:** US$1.6 million	**Major Medical Plan:** Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing **Foundation Plan:** Plus traditional Chinese medicine, hormone replacement therapy **Lifestyle Plan:** Plus evacuation extension to the country of your choice **Lifestyle Plus Plan:** Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand **Plus:** From 3,298 (Child) to 107,662 up to ages 70-74 **Comprehensive:** From 2,565 (Child) to 87,709 up to ages 70-74 **Select:** From 2,340 (Child) to 79,598 up to ages 70-74 **Standard:** From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500	**Plus:** US$3.4 million **Comprehensive:** US$1.7 million **Select:** US$1,275,000 **Standard:** US$850,000	**Plus:** Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover **Comprehensive:** Compassionate emergency visit **Select:** Compassionate emergency visit, emergency medical treatment outside area of cover **Standard:** In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalpmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate **Emirates Plan:** From 1,603 (1-16) to 3,018 up to age 55 **Emirates Plus Plan:** From 1,775 (1-16) to 3,353 up to age 55 **International Plan:** From 1,978 (1-16) to 5,780 up to age 55 **Global Plan:** From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	**Emirates Plan:** AED100,000 **Emirates Plus Plan:** AED250,000 **International Plan:** AED1 million **Global Plan:** AED2 million	**Emirates Plan:** UAE **Emirates Plus Plan:** UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia **International Plan:** UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean **Global Plan:** UAE and up to 60 days p.a. while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	**Basic (Abu Dhabi Plan):** For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): **UAE:** from 1,400 (ages 1-15) to 8,000 up to ages 66-99; **Regional:** from 1,700 (ages1-15) to 9,500 up to ages 66-99; **International:** from 2,200 (ages 1-15) to 13,000 up to ages 66-99; **Global:** from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		**Abu Dhabi Plan In & Out-Patient:** AED250,000 **UAE Plan In & Out-Patient:**AED250,000 **Regional Plan:** AED500,000 **International Plan:** AED2.5 million **Global Plan:** AED5 million	**Abu Dhabi Plan In & Out- Patient:** Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only **UAE Plan In & Out- Patient:** Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) **Regional Plan:** UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **International Plan:** UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **Global Plan:** Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan **Plan 1:** From 1,470 (14 days-45 years) to 2,980 up to age 60 **Plan 2:** From 2,170 (14 days-45 years) to 4,380 up to age 60 **Plan 3:** From 2,350 (14 days-45 years) to 4,730 up to age 60 **Plan 4:** From 3,630 (14 days-45 years) to 7,290 up to age 60 **Plan 5:** From 4,180 (14 days-45 years) to 8,400 up to age 60 **Plan 6:** From 3,800 (14 days-45 years) to 7,650 up to age 60 **Plan 7:** From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	**Plan 1:** AED50,000 **Plan 2:** AED100,000 **Plan 3:** AED100,000 **Plan 4:** AED200,000 **Plan 5:** AED200,000 **Plan 6:** AED300,000 **Plan 7:** AED300,000	**Plan 1:** UAE, **Plan 2:** UAE, **Plan 3:** UAE, Arab countries, Indian sub-continent, Philippines **Plan 4:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada **Plan 5:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada **Plan 6:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada **Plan 7:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 oicem@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan **Visit www.fasterquote.ae for personalised quote. **Columbus:** From 2,727 (ages 0-20) to 14,879 up to age 99 **Ulysses:** From 2,353 (ages 0-20) to 12,631 up to age 99 **Marco Polo:** From 2,040 (ages 0-20) to 10,756 up to age 99 **Local Health:** From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	**Columbus:** AED1 million **Ulysses:** AED500,000 **Marco Polo:** AED300,000 **Local Health:** AED100,000	**Columbus:** Worldwide **Ulysses:** Worldwide exc. USA and Canada **Marco Polo:** UAE, Arab Countries, South East Asia, Iran and Afghanistan **Local Health:** UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karaoglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. ***Tip:*** Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. ***Notes:*** These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during October 2008. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEY*works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list, Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Home Contents Insurance — UAE

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

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during October 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards — BY INTEREST/PROFIT RATE — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari Web Card	Classic-200, Gold-400, e-Tijari Web Card-100	2% on purchases, 3% on cash withdrawals and 1.5% for e-Tijari Web Card for both	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.5% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Silver, Gold, Platinum)	Free for life	0% profit rate for first three months. Afterwards, 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fee: Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A on purchases and AED60 for cash withdrawals	50 days	04 609 2222 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Classic, Gold, Platinum, Infinite)	Monthly fee: Classic-100, Gold-233, Platinum-467, Infinite-700	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535, www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Free for life	0.99% per month or 11.9% per annum	55 days	04 342 2000, www.lloydstsb.ae
Majid Al Futtaim JCB Finance	Silver and Gold	Silver - 200 Gold - 400	Silver - 2.55% and Gold - 2.35%	55 days	04 269 4345
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards; 2.25% on cash withdrawals; Géant card - 0% interest for first three months	56 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200, Platinum MasterCard-650	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-800	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collcted. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Visa, MasterCard (Silver, Gold, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate, Citi Travel Pass	Silver-250-300, Gold-500-550, Eppco-Citibank card-250, Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000, Citi Travel Pass-400	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate. Citi Travel Pass points can be redeemed for flight vouchers.	04-311 4653 www.citibank.ae
Dubai First	Visa (Silver, Gold) MasterCard (Classic, Gold) Visa Business Card Royale MasterCard	Visa: Silver – 200, Gold – 400 MasterCard: Classic – 200, Gold – 400 Business Card – 1% of credit limit Royale MasterCard – Invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubaifirst.com
Emirates-NBD	**EBI cards:** Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	**EBI cards:** meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite - 1,500	**EBI cards:** Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book.	04-3160316 www.me.ae
	NBD cards: Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	**NBD cards**: Classic - 100, Gold - 300, Platinum - 700, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	**NBD cards**: Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts, 2% cash back on all retail purchases.	Toll-free: 800 4444 www.nbd.com
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com

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Car Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	New cars starting at 4.5%, used cars staring at 4.99%	Up to 500,000 (Depends on salary)	Nil downpayment option for new cars, min. 10% for used cars	New cars - 72 months Used cars - 60 months	Approved companies 2,500; otherwise 3,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 400,000 with salary transfer, up to 350,000 otherwise	Nil	Up to 84 months	3,000 for account holders; otherwise 4,000	No
Bank of Baroda	Car Loan	4.25% flat rate or 8.40% on reducing balance	New cars: up to 90% Used cars: up to 70%, subject to maximum AED500,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	4.25% for account holders otherwise 4.5%	Up to 250,000	Nil for new cars Otherwise 10-20%	Up to 60 months	3,500	No
Commercial Bank International	Sayaraty	3.99%	Up to 300,000	Nil	Up to 72 months	3,500	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars, 4.5% for used cars	Up to 500,000	Minimum 10%	Up to 48 months	3,000	Yes
Mashreqbank	Mabrook Auto loan	4.5% for new cars, 5.5% for used cars (Flat rates basis)	Up to 500,000	Nil downpayment option.	12 - 60 months	3,000	No
National Bank of Abu Dhabi	Sayyarati	3.99% for new and used cars	Up to 350,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	With salary transfer 3,000, otherwise 4,000	No
Noor Islamic Bank	Noor Drive	4.5% for new cars, 5% for used cars	Up to 500,000	10% for used cars	Up to 84 months for new cars, up to 72 months for used cars	3,000	No
Sharjah Islamic Bank	Vehicle Murabaha	News cars: 3.99%, used cars 4.25% Without salary transfer: 5% for for used cars	Up to 250,000	10-20%	Up to 72 months for new cars Up to 60 months for used cars	5,000	No

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	8-10%	Up to 250,000 (depends on salary)	Yes	Up to 72 months	With salary transfer 2,500, otherwise 4,000	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 60 months	4,000	Yes
Dubai Bank	Sanad Personal Finance	Profit rate: 6% for 10 years	Up to 25 times monthly salary, maximum 250,000	Yes	Up to 120 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: 4.55%	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 84 months, depends on goods or services required	3,000 with salary transfer, otherwise 2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7.0% with salary transfer, 7.50% without	Nationals: up to AED250,000 with salary transfer, up to AED150,000 without Expats: AED150,000 with salary tansfer, AED50,000 without	Yes	Up to 72 months for nationals, up to 60 months for expats	5,000	No
HSBC Amanah	Amanah Personal Finance	Profit rate: Depends on the company listing	Up to AED250,000	Yes	Up to 96 months for nationals, up to 72 months for expats	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan		Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate, depending on company status	Up to 63 times of the monthly salary for nationals and up to AED250,000 for expats	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for Nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% profit rate	Up to AED250,000	Yes	Up to 60 months for Nationals Up to 48 months for expats	3,000	Yes
United Arab Bank	Consumer Loan	Starts at 5%	Up to AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	9-15%	Up to AED250,000 for nationals, 150,000 for expats (Depends on salary	Yes	Up to 84 months for nationals, 48 months for expats	3,000	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Used cars must not be older than 2003 model.	No	None for cash, 3% of outstanding loan for bank buyout	Option for three yearly deferments	1% processing fee	Toll-free: 800 223 www.cbd.ae
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card, insurance finance option.	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 www.cbiuae.com
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, www.habibbank.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED100 charged as processing fee	04 217 4800 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None			Toll-free: 800 NOOR www.noorbank.com
	No	None		No processing fee	Toll-free: 800-742 www.sib.ae

Criteria: Interest rate of 4.5 per cent or less (new cars)

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to three times salary overdraft for nationals and up to two times for expats.	1% of the loan amount processing fee plus 0.5% for credit life insurance	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 passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 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 AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED2,500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

Criteria: Interest rate of less than nine per cent on a fixed rate basis

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during October 2008 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Mortgages

PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	6.75-7.5%	Up to AED10 million Loan-to-value (LTV): Up to 90% Salaried: Up to 90% of value with salary transfer, up to 85% without salary transfer	Up to 65% for all	Nil
Amlak (Shari'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	7.75% reducing balance rate	LTV: up to 90% - depending on aligibity and criteria	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	6.5% reducing balance rate	Up to AED5 million LTV: up to 85%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	Nil. AED3,000 as loan approval fee
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starting from 7.5% reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.25 - 8.55% reducing balance rate	Minimum is AED500,000 and maximum is AED10 million LTV: up to 90% of market value for apartments and villas	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Commercial Bank of Dubai	UAE residents	Up to 25 years	68 years for nationals, 65 years for expats	6.5%	AED10 million for nationals (Salary 40,000 and above) AED2.5 million for expats (Salary 20,000 and above)	55% to 65% based on income levels	15-30%
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	Starts from 8.5% fixed rate	LTV: up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	5.5%	Maximum up to AED5 million LTV: Completed properties - 95% Incomplete properties - 90%	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%. Depends on property
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	Ijara - 3 month EIBOR + 3.5% with salary transfer, + 3.75% without. Murabaha - reducing balance rate 11% with salary transfer, 11.5% without.	Maximum up to AED5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	For Nationals with salary transfer 6% for expats 7%	Up to 90%; as much as AED5 million	Maximum 60%	10-20%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	7.5%	Up to 70% of the property value (Depends on income and liabilities)	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 year period or up to the age of 65 years, whichever comes first	65 years	EIBOR base rate + loan to value (LTV) 6.25-7.25%	Up to 70% of purchase price	60% overall debt on all regular commitments	Min. 30%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	7.99% variable, straight re-payment mortgage	Up to 80% subject to terms and conditions	Should not exceed 50%	Depends on property
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	Fixed rate – 6.25% onwards Variable Rate – 3.75% + 6-month EIBOR onwards	Up to AED12 million; depends on salary and property	55% including all loans	10% - completed properties, 20% - Incomplete properties
Mawarid Finance	UAE residents and non-residents	Up to 25 years	60-65 years	7.5% on reducing balance	AED6 million for ready property AED2,000/ sq.ft.	Depends on salary	5-20%
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals Up to 50 years for investors in Abu Dhabi	65 years	Variable rate: 7.25%	Up to 80% for expats, 90% for Nationals	Up to 50% of monthly salary for expats	Primary properties up to 20% in Abu Dhabi and Dubai Secondary properties up to 10% in Abu Dhabi and 20% in Dubai
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	**Abu Dhabi:** 4.99% **Dubai:** With salary transfer, starts at 7%; afterwards, EIBOR rate + 3.5%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.5% (Also offers Offset Home Loan - allows you to fast forward repayment of your mortgage and save on interest.)	Up to AED250,000 to AED10 million Loan-to-value (LTV): Completed properties - 80% Incomplete properties - 75%	Residents: up to 60% Non-residents: up to 50%	Completed property:20% Incomplete property: 25%
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	9% (Variable and calculated on reducing balance)	Up to AED8 million for salaried LTV: Upto 80%	60% of monthly salary for salaried individuals	Up to 25% depending on property
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	Profit rate: 5.47%	Up to AED3 million depending on liabilities	50%	30%
Standard Chartered	UAE nationals, expats	25 years	65 years	Variable rate: 8.5%	Up to AED10 million	Depends on the salary	Minimum 10%
Tamweel (Shari'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	7.4% - ready properties 7.9% - under construction	LTV: Up to 80%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	Nationals 6%; Expats 6.25 - 6.75%	LTV: 90%	Up to 65% of monthly salary	10-30%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + 2% for residents, +2.5% for non-residents	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	**Abu Dhabi:** ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya **Dubai:** Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	**Abu Dhabi:** Sourouh, ETS, Manazel, Emirates Financial Towers **Dubai:** Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	6,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	Yes	No	1% processing fee on the loan amount, subject to a maximum of AED10,000	Dubai Properties, Emaar, Nakheel, Union Properties, ALDAR, IFA Hotels and Resorts, KM Properties, ETA, Al Deyaar and more	Yes	No	Toll free: 800-CBD www.cbd.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	7,000	No	No	Info not available	No Abu Dhabi properties financed **Dubai:** 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	**Abu Dhabi:** Manazel, Al Reef **Dubai:** Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	Case to case basis	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsbc.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	10,000	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	10,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 20,000 for non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	**Abu Dhabi:** ALDAR, Sorouh **Dubai:** Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	10,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	**Abu Dhabi:** Al Raha, Manazel and Al Reef **Dubai:** JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/ developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during October 2008 for MONEY*works* magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Independent Financial Advisers — UAE

Licence: The UAE Central Bank

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

Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com
Globaleye	P O Box 24592, Dubai	+971-4-3489330	+971-4-3489331	admin@globaleye.com	www.globaleye.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	+971-2-626 6669 +971-4-397 7779	+971-2-626 3322 +971-4-397 4422		www.nexusadvice.com
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	pwealth@eim.ae	

Licence: DED (Dubai Department of Economic Development)

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

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

Others

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

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

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

Licensed Financial Intermediaries — UAE

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

Name	Address	Telephone	Fax	E-mail	Website
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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 2008. 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)*

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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.*
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*Make the subject 'Readers' and don't forget that telephone number. Letter of the month wins a complimentary annual subscription to **MONEYworks**.*

Dear Editor,

My mutual fund investments are down 50 per cent or more. Suddenly, I find myself very insecure financially, as most of my investments were in commodities and equities. When do you think this mayhem will stop?
RK, Oman

First of all, I want to emphasise that you are not the only person to have lost significantly in this market downturn. In fact, I will be surprised if even one investor comes out to claim that he has not been affected by the losses in the market. I'm not sure if that makes you feel better, but what I want to stress here is that the seriousness of the ongoing financial crisis is almost unprecedented. It is probably no longer a question of when this bloodbath will stop, or even when we will reach the bottom. It is now more a question of how long we will stay at the bottom with very little or no global growth. Small investors, however, should not be overly bothered. They should continue to save and invest with a long-term objective. There are also a few fundamental investing truths that one needs to be aware of. I would advise you to regularly read the guides **MONEYworks** publishes. The current one distributed with this edition should help to clear up a few things for future investing.

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.*

What might you consider next?

James Thomas on why it's more important than ever to make considered, careful financial decisions.

This month I'm not answering any specific question, but rather will focus on the big issue of the moment – the current financial turmoil, how it is affecting investors and what advice I am giving them.

The guide that accompanies this month's issue of MONEY*works* goes into a lot more detail about the build up to the current financial situation and the possible outcome. In this article, though, I will comment on some 'real life' queries that I have received over the past few weeks, as well as on the advice I have given.

I have received numerous queries from clients, which I find encouraging, as it proves that they are showing an interest in their saving and retirement planning and are aware that the world's financial situation will have an effect on their investments.

Generally, the queries relate to what impact the current situation is having on their investments: should they be adjusting their contributions, should they be moving their money elsewhere or should they encash their savings?

The first point, the effect on their investments, has unfortunately been negative in most cases. To put some perspective on the numbers, at the time of writing this, the FTSE-100 is down around 38 per cent, the Dow Jones is down 33 per cent, the Nikkei is down 44 per cent and the Sensex is down 49 per cent. Oil has been down 53 per cent in the last five months alone, while gold is down 22 per cent from its all-time high.

Generally, I advise my clients to contribute into a well-diversified portfolio that invests into a wide variety of funds, with the general idea being that there is no excessive exposure to any one area, which should reduce the effect of any one area falling in value.

The recent market conditions could be described as the 'perfect storm' of the financial world, where virtually every sector from cash, bonds, equities and commodities has been hit by the current conditions. However, these sectors will recover at different times, and this will then show on valuations.

The second query is whether to adjust contributions up or down, or whether to stop them completely. I would never advise against increasing contributions, as long as they remain affordable. If most people are completely honest, they are probably not saving enough for their future. If clients are asking my advice as to whether to reduce or even stop their contributions, my advice is simple: don't do it.

Clients who want to stop their savings generally tell me they want to do so because the market has fallen. So you want to stop investing when the market has fallen and you are able to buy units for a reduced price? Most people usually agree that now is probably a better time to be buying and accept that while their previous contributions are showing a loss, when the market eventually recovers, which it eventually will, you will have more units to grow and improve your savings return.

If you still aren't convinced, I think it's worth quoting Warren Buffett, ranked by Forbes as the richest man in the world earlier this year and arguably the world's most successful investor: "Be fearful when others are greedy, and be greedy when others are fearful. And most certainly, fear is now widespread, gripping even seasoned investors. Businesses will indeed suffer earnings hiccups, as they always have. But most major companies will be setting new profit records five, 10 and 20 years from now."

It is often worth while re-examining why you started saving in the first place. Was it for your retirement or for your children's education? Are these events still going to happen? Generally they are, so the reason for saving is still valid. Obviously, it is never good to see the values of your investments fall, but they are only paper losses and will only become real when you actually surrender your plan and take your money out.

Finally, should investors consider any changes to where their contributions are being invested? It is always worth reviewing where your money is being invested and whether there are any better opportunities to take advantage of. At the moment, I am generally advising clients to stay invested in equities, for the reasons given above. If you redirect now into cash, for example, there is every chance you will miss a significant percentage of any market recovery.

As always, we at Acuma welcome your questions and enquiries directly, so please do not hesitate to contact us if you would like to discuss this issue or any other in more detail. James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae. This article is provided for information purposes only and should not be regarded as financial advice. Always remember that investments can go down as well as up.

Sultan bin Saud Al Qassemi

Staking a claim at Bretton Woods Two

Sheikh Sultan bin Saud Al Qassemi on why the GCC must have its place of prominence at the Bretton Woods Two talks.

In May 2007, I wrote an article entitled "The Truth about the American Free Trade Agreements" in this column. The article pointed out that the GCC states always end up at the short end of the stick when it comes to the Free Trade Agreements (FTAs) it has negotiated with the west. The western powers have always emphasised issues that have less to do with trade than with scoring points on their home turf.

For example, the US included a so-called "import relief" clause in its FTA with Oman to prevent dumping by the Sultanate, although what Oman produces that could so negatively affect the US economy was never explained.

When the Bretton Woods conferences were being held in New Hampshire in 1944 by Allied victors of World War Two, only Saudi Arabia was an independent state. That conference shaped the world for the next six decades. US President George W. Bush and British Prime Minister Gordon Brown have both called a second Bretton Woods conference to "create the right new financial architecture for the global age".[1]

The GCC must lobby the Group of Seven Industrial Nations in which it has literally invested so much to make sure that it is properly represented this time in the person of Abdul Rahman Bin Hamad Al-Attiyah, the current GCC secretary general, who should also be sent with a clear mandate from the leaders of the GCC. Al-Attiyah will be attending with the weight of a close-knit group of nations that is cementing its economic integration and a GDP (PPP) that will touch US$1 trillion by the end of 2008.[2]

Even if the GCC states are not invited, they must make sure that their legitimate concerns are taken into account.

The GDP of the GCC easily ranks it within the top 20 economies of the world, surpassing industrial giants such as South Africa, Indonesia, South Korea, Turkey and Australia. Even with the readjusted 2009 GDP growth figures (produced by Merrill Lynch for the GCC) to decline to 4.5 per cent from 6.2 per cent due to "the weakening global backdrop and lower oil prices"[3], they are still much higher than those of, say, Australia, the growth of which is forecast to range from a high of 2.2 per cent to a dreaded recession.[4]

The GCC is a strong economic region that should help in the recovery from the current global crisis. The region is expected to run a current account surplus of more than US$500 billion by the end of 2008.[5] Its proven crude oil reserves, thanks largely to Saudi Arabia, add up to more than 480 billion barrels, nearly 45 per cent of the world's oil deposits.[6]

In addition, its proven gas reserves account for over 20 per cent of the world's reserves, thanks to Qatar's huge northern oil fields.[7] The GCC will probably not have such an opportunity again in the foreseeable future to ensure that its interests are taken into consideration at the Bretton Woods Two negotiations. It must not let this opportunity pass without positively exploiting it.

So far, the Europeans and the Americans have been demanding that GCC sovereign wealth funds (SWFs) open up their books, but there has never been an instance where any GCC SWF used its holdings in leading international companies to influence management decisions within these firms. Keep in mind that the oldest of these SWFs goes back more than half a century with Kuwait's Investment Authority. In 2007, the Organisation for Economic Cooperation and Development voiced its "suspicion" and demanded that SWFs adopt disclosure standards, given that "many have reached a size where they have become potential market movers".[8] Ironically, it is the SWFs that are called upon today to rescue the world's equity markets.

For two decades, the EU has been putting off signing an FTA agreement with the GCC, the US has been negotiating on a country-by-country basis in order to give itself the best deal and the GCC has been economically dictated by the IMF, among others. It is time that the GCC stepped up to the position that its economic strength has granted it.

Bretton Woods Two is about to reengineer the world economy for the next half a century. Will the GCC stand idly by, or will it step forward and demand a seat at the economic negotiations table?

That is the one-trillion-dollar question. MW

(Footnotes)

1 http://www.reuters.com/article/americasDealsNews/idUSTRE49C2OE20081013?sp=true

2 https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html

3 http://www.business24-7.ae/articles/2008/10/pages/10192008_b66519441d50439da39855306a1f059d.aspx

4 http://www.theaustralian.news.com.au/story/0,25197,24512894-7583,00.html
http://news.theage.com.au/business/recession-by-christmas-goldman-sachs-20081019-53w4.html

5 http://www.business24-7.ae/Articles/2008/6/Pages/06082008_91551588609c4cf0be5c1d0c092efe6f.aspx

6 http://www.investorvillage.com/smbd.asp?mb=2234&mn=114030&pt=msg&mid=4973376

7 http://www.chathamhouse.org.uk/publications/papers/download/-/id/361/file/3331_bpgcc.pdf.

8 http://www.forbes.com/markets/feeds/afx/2007/12/06/afx4410778.html

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