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

The Gulf region's first personal finance and investment magazine

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DRIVING A HARD BARGAIN

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The power of golden ratios

The rush to protect what's left

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It's been another month of living in crisis and experiencing what it feels like. It's rare these days to come across someone who hasn't been touched by the negative aspects of the global downturn. There is still a lot of speculation going on about where in the cycle global markets are and about whether gold is going to touch record highs in the month to come.

There is also anxiety among many savers now that they have read articles about what the printing of money can do to their savings. While the decision-makers of the world's finances have probably been able to stave off a financial and economic catastrophe by pumping trillions of US dollars into the system, we are not sure what the after-effects of such an action will be. It depends on the flow of money – that is, how the excess of printed liquidity flows into the system and at what point it starts stoking inflation. Although a modest inflation in these circumstances could be good, nobody wants to see a repeat of the hyperinflationary era we just left behind.

Certain markets rebounded last month, but it is too early to make any calls. Bear market rallies can be most ruthless and can trap unaware investors who take their chances without knowing what they are getting into.

Financial markets are very complex, and a number of factors influence their performance. Right now, nothing much has changed on the ground, neither qualitatively nor in substance. The world is continuing to unwind, and a recovery of the highly leveraged west looks to be some distance away. As such, demand will continue to be impacted, giving no respite to suppliers of commodities, manufactured goods or outsourced services in the east.

One needs to proceed with caution if one is to take any investment decision. But, having said that, I maintain that there are some good value-picking opportunities for astute investors, as the world will see an upturn along the way. And in this part of the world, it should happen sooner than later.

Utpal Bhattacharya
Editor

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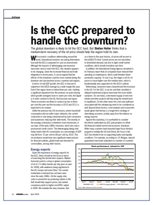
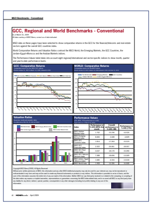
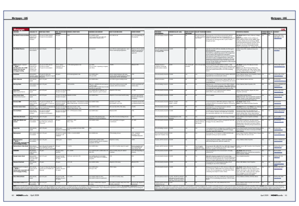
Private Equity

The private equity industry in the Middle East and North Africa region is something of an anomaly at this point, since there seems to be both doubt and optimism amidst the hope of finding opportunities in crisis. Ritwika Chaudhuri reports







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Noel D' Mello

Salama to split into two separate entities

Salama Islamic Arab Insurance Company continues to make headlines as it captures larger chunks of the market. The company is now poised to split into separate entities to manage its rapidly growing business more efficiently. **Ritwika Chaudhuri** reports.

Salama Islamic Arab Insurance Company, the oldest Takaful company in the region and the largest Takaful and re-Takaful entity in the world, is planning to split into two insurance companies. One will focus on general Takaful business, while the other will take care of family Takaful interests.

Salama, which has a paid-up capital of US$300 million (AED1.1 billion), has already approached regulatory authorities to obtain the necessary legal approvals, said senior company officials. The various details of establishing two separate companies, including capital manpower requirements, are now being worked out. Officials said the entities will most likely be called Salama General Takaful and Salama Family Takaful.

The two new entities will be operational before 2012, according to officials. Prior to becoming operational, however, the companies will be operating under two general managers responsible for growing their respective businesses under the Salama umbrella.

Salama began operations in 1979. Until 2004, nearly 90 per cent of its total earnings came from motor insurance. Starting in 2005, however, the company began to focus on other areas and entered health insurance in 2006. Group life Takaful was established the following year, with individual life (family Takaful) emerging in 2008.

"The tremendous growth in both the general and family insurance businesses of Salama has necessitated the separation of two divisions to manage business more efficiently and with a focused approach," said Noel D' Mello, general manager of family Takaful at Salama.

"The tremendous growth in both the general and family insurance businesses of Salama has necessitated the separation of two divisions to manage business more efficiently and with a focused approach." *Noel D' Mello*

At present, 58 per cent of Salama's total revenue comes from general insurance. Twenty per cent comes from health business, while another 20-22 per cent comes from the life side.

It is expected that Salama UAE will report nearly 74 per cent growth in overall premium income (gross contributions) in 2008 over 2007. The company's UAE business grew 62 per cent in 2007 over 2006.

Salama offers a full range of Shari'ah-compliant insurance products. The general insurance business includes both personal and non-personal (commercial) insurance products. These products cover all of the areas that conventional international insurance companies cover, with revenue balancing almost 50:50 from both segments. The life business offers group as well as individual products.

D' Mello said that the growth in the life business can be attributed to a number of factors, including client focus, a distribution network that ensures speedy turnaround time and the ability to match or improve upon international conventional products in terms of pricing and flexibility.

Rafiq Halani, general manager of general and health Takaful at Salama, added: "In the general segment, though big projects and mortgage-related insurance business are not doing well, we have identified a few niche areas that are not affected much by the downturn and have growth potential. Small and medium projects with a US$2-3 billion turnover are our focus now."

Both Halani and D' Mello are of the opinion that Salama's proactive approach has given the company tangible results and will continue to do so in the future. With over one billion Muslims worldwide, Salama expects the global Takaful market to develop rapidly over the next five years, from US$4-5 billion in 2007 to between US$7.5 billion and US$10 billion in the near future, making it one of the fastest expanding financial industries in the world.

According to industry estimates, despite the small size of the UAE Takaful business in comparison to the global market, the UAE accounted for a market share of 18.7 per cent of global Takaful business in 2007. By 2015, when Takaful business is estimated to reach AED17.8 billion, Saudi Arabia is expected to generate close to AED3.3 billion, followed by the UAE with AED1.75 billion and Egypt with AED1.7 billion. All three countries are key markets for Salama.

Along with Tunisia-based Best Re, the largest re-Takaful company in the world that services clients in more than 70 countries, the Salama group has six direct Takaful companies under its umbrella.

Rafiq Halani

R. Seetharaman

Doha Bank puts Indian investments on hold

The global recession has put a spanner in Doha Bank's international investment plans for 2009. The bank now plans to consolidate its regional business this year. It is also likely to introduce life Takaful. A MONEY*works* report.

"We are putting Doha Bank's plans for India on hold. We are waiting for the financial erosion to stop before proceeding further." *R. Seetharaman*

Qatar-based Doha Bank has decided to slow down its ambitious plans to enter the Indian financial services sector with large investments. The bank attributes the decision to freeze its plans to slow market conditions globally.

R. Seetharaman, CEO of Doha Bank, said that the bank would rather use this time to consolidate its regional business. It is also likely to introduce life Takaful this year, subject to necessary regulatory approvals.

Doha Bank announced last year that it was keen on picking up stakes in Indian banks and financial institutions. The bank's application for a commercial banking licence in India has been pending with India's regulator, the Reserve Bank of India, for a number of years.

"We are putting Doha Bank's plans for India on hold. We are waiting for the financial erosion to stop before proceeding further," Seetharaman told MONEY*works*.

Doha Bank had planned to build up an aggressive asset book lending heavily into the Indian retail market through Doha Brokerage and Financial Services, an Indian licensed brokerage firm that was converted into a non-banking financial company.

The Qatari bank owns 49 per cent of Doha Brokerage and Financial Services. The planned investments into the Indian market were supposed to come from a US$800 million corpus set aside by the bank for investments in global markets.

Doha Bank has reportedly already used up substantial amounts of the US$800 million corpus while lending in new markets such as Dubai and Kuwait.

Doha Bank opened a Dubai branch in 2008 and had a soft launch in Kuwait in December 2008. The Kuwaiti branch is set to start full scale operations this year.

Doha Bank also has a presence in New York and seven representative offices in Singapore, Turkey, Japan, China, Romania, South Korea and the UK. The bank has 33 branches in Qatar, including five Islamic branches.

Doha Bank launched a general insurance subsidiary last year. According to the CEO, the insurance arm has already been able to break even in its first year of operation.

Other important plans for Doha Bank over the next three years include implementation of effective risk management strategies, both locally and internationally. Seetharaman said the bank will also focus on improving its financial position by diversifying and increasing its overall assets while maintaining decent operating results and achieving sustainable growth in core earning capacity. Doha Bank will also place emphasis on diversifying its sources of income, with a particular focus on non-interest income. Optimising the cost of funds will be another key focus area, the CEO added.

Seetharaman is cautiously optimistic about the growth of Doha Bank in 2009. He said that retail and wholesale will contribute 30 per cent each to the bank's book this year, while 15 per cent is likely to come from Islamic operations. The remaining 25 per cent will be generated from e-commerce and other areas.

Doha Bank received a capital injection of five per cent (QAR367 million) from the Qatar Investment Authority last year. Another capital injection of five per cent is expected before the end of the current year. Seetharaman said the injection will take care of the core capital adequacy requirement of the bank.

In an extraordinary general meeting in December 2008, Doha Bank received shareholders' approval to increase the bank's capital by issuing new shares of up to 20 per cent of the capital (i.e. a maximum of 34,449.634 new shares to be owned by the Qatar Investment Authority).

Doha Bank's total assets rose 30 per cent in 2008 to QAR39 billion from QAR30 billion in 2007. Loans and advances were up 25 per cent in 2008, while overall customer deposits rose 16 per cent. The net profit for the year was reported to be QAR946.5 million.

A bittersweet taste

This month, ***Allen Quaye*** *asks where else we can look for inspiration in tough financial times.*

I still maintain that a major international purveyor of fine chocolate products would have done well to produce a slightly smaller version – in terms of size and price – of one of its product line and call it a 'Credit Crunchie'.

With the credit crunch saturation point reached, don't we need to look elsewhere for inspiration in tough financial times? The thing is, where?

It strikes me that with all the credit crunch specials we're now hit with, the discounts available on products that we all willingly spent 30 per cent more on just a few months ago and the fact that the credit crunch seems to have entered everyday conversation as the black sheep du jour, we're almost immune to how serious this global financial crisis (or GFC) really is.

It's just not getting any better, is it? While minor market rallies perk up columnists and become a major headline for an hour or so on 24-hour TV news channels, what is there really to cheer about? Where's the light at the end of the tunnel? Surely we just need to blame someone and move on.

But who, exactly, is to blame? Was it the fault of the Clinton administration for effectively removing legislation (the Glass-Steagall Act of 1933) that, it could be argued, effectively allowed banks more and more power to take advantage of an increasingly volatile stock market – with no ceiling? Or is it George Bush's fault because he is, well, George Bush? Or, is it greed and the fact many of us live beyond our means on credit that we didn't particularly need in the first place?

Take a recent media tirade, for example. Was the way that Jon Stewart, the host of Comedy Central's *The Daily Show*, went after CNBC's *Mad Money* presenter Jim Cramer worthwhile, or was it just entertainment?

If you don't know what I'm talking about, Jon Stewart, on a recent edition of *The Daily Show*, barracked Jim Cramer mercilessly over his and CNBC's failure to point out financial shortcomings and for not telling it like it was going to be. It made great TV, even if it was a little uncomfortable to watch.

While I understand that Jim Cramer might be US financial journalism's biggest celebrity, that CNBC is NBC's business channel and that a broadcaster has a responsibility towards its viewers, is the current GFC Jim Cramer's – or CNBC's – fault? Do serious investors really take his word and put their money where his mouth went? I'm not overly sure they do.

Like him or loathe him, there is entertainment value in Cramer's *Mad Money* show. And the fact is that he at least tries to make money, investing and the markets interesting. I mean, let's face it…money's up there with the weather when it comes to dinner party conversation.

It is probably part of Jim Cramer's remit to warn the American (and global) viewing public that all is not going swimmingly on Wall Street. Perhaps it's also a responsibility. I'm just not sure it's his fault.

Surely it's a government's job to legislate effectively to protect its people as far as it can. And the job of financial professionals is to make as little mess as possible. But isn't it also up to us a little? Is there something wrong with living within our means?

What do you think?

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

3rd annual GCC Regulators' Summit concludes

Complinet's third annual GCC Regulators' Summit, which was hosted in Dubai this year for nearly 300 delegates from the banking, financial services and compliance industries, concluded last month.

The two-day summit featured 14 panel sessions and insight from over 40 expert speakers. The summit delegates on day one deliberated the role of regulation in the financial turmoil in which the world finds itself.

Many of the speakers said that it was clear, with hindsight, to say that the regulators had failed in providing adequate oversight of the system. Much of the credit crisis stemmed from activities that were the least regulated in the US. Trillions of dollars of securitised financial instruments, such as mortgages, were bought and sold with little federal regulation or oversight.

Most of the blame for the current financial crisis has been placed on governance failures at the senior management level, on the board level and on the regulatory level. Investors are waking up to the fact, however, that corporate governance concerns were not adequately incorporated into their investment decisions and that they were not fulfilling their duties as owners in pushing for corporate governance improvements in their investee companies.

Day two of the summit began with a session on Islamic banking regulations and Shari'ah-compliant funds. Speakers berated what they said was regulators' lack of knowledge about Islamic financing and the widely prevalent practice they found in which Shari'ah-compliant banking and finance techniques are categorised under conventional finance criterion.

A dearth of willingness by regional regulators to establish separate principles to oversee Islamic finance is also frustrating the efforts of Shari'ah scholars and other experts who are devoted to establishing Islamic banking and finance worldwide.

National Bonds millionaire named

Roshni Kalati, an Indian national born and brought up in Dubai, has become National Bonds' latest millionaire in its March monthly draw. The 35th National Bonds millionaire, who has not yet decided what to do with her winnings, says she always had a feeling she would be lucky and win someday, but was in shock when it actually happened. Pictured are Roshni Kalati and Mohammed Qasim Al Ali, CEO of National Bonds.

Qatar Telecom secures support for US$1.5 billion credit facility

Qatar Telecom (Qtel) has secured a US$1.5 billion credit facility. The facility is already oversubscribed and Qtel will officially extend the opportunity to other lenders in the general syndication phase.

Prior to the launch, Qtel secured the support of its relationship banks including The Bank of Tokyo – Mitsubishi UFJ, Barclays Capital, BNP Paribas, DBS Bank and Royal Bank of Scotland. The aforementioned banks are initial mandated lead arrangers and book-runners.

Qatar National Bank is an initial mandated lead arranger and general financial adviser to Qtel. These banks were joined by other relationship banks including International Bank of Qatar, JP Morgan Chase, Arab Bank, Doha Bank and Housing Bank for Trade and Finance.

This first stage of the facility will be followed by a second general syndication phase. Executives at Qtel said the credit facility will be accessed to support re-financing of an existing credit facility due to mature in November 2009.

Sheikh Abdullah Bin Mohammad Bin Saud Al-Thani, chairman of Qtel

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

Emcredit, the UAE's first government- backed credit information services company, hailed last month the Federal National Council's approval of a draft Credit Information Law as a significant step in fostering a conducive environment for data sharing.

Ali Ibrahim, managing director of Emcredit, said that the new law will bring greater confidence to all stakeholders of the credit reporting industry, enhance the privacy of data of individuals and companies and facilitate the sharing of credit information to support credit decisions.

He said that the law creates a framework of rights and obligations for data providers, information users and, most importantly, the public at large.

Ibrahim added that the law would strengthen the UAE's economic and regulatory framework and lead to greater transparency in the financial sector.

Mashreq's annual general meeting resulted in the approved distribution of profits at 10 per cent cash dividends and 10 per cent bonus shares to shareholders.

Abdul Aziz Al Ghurair, CEO of Mashreq, said that the bank's capital adequacy stands at 14 per cent, which is above the UAE central bank requirements.

Amas Bank changes name to Hinduja Bank

Amas Bank (Middle East) Ltd has changed its name to Hinduja Bank (Middle East) Ltd, subsequent to the change of its parent name from Amas Bank (Switzerland) Ltd to Hinduja Bank (Switzerland) Ltd.

The bank belongs to the family-owned Hinduja Group, which is one of the largest diversified business groups in the world.

According to Ivan Schouker, the bank's chief executive, the change reflects the growing strength of the Hinduja name in global business and the bank's commitment to the bank in Switzerland. He added that the bank has a strong balance sheet.

"At a time when some other banks have been retrenching, we have been investing for the future by hiring new senior executives, creating a banking subsidiary in Dubai and acquiring 40 per cent of one of the oldest Indian stockbrokers, Paterson Securities Ltd," Schouker commented.

Amas Bank (Switzerland) Ltd was founded as a finance company in 1978 and became a Swiss-regulated bank in 1994. Over the years, the bank's core businesses have expanded to comprise wealth management, trade finance services and corporate advisory.

ETA Group's long-term CCR rating lowered

Standard & Poor's Ratings Services has lowered its long-term corporate credit rating on Dubai-based industrial conglomerate ETA Group to 'BB+' from 'BBB-'. The outlook is negative.

At the same time, the debt rating on the group's US$300 million senior unsecured bank loan, due in 2012, was also lowered to 'BB+' from 'BBB-'. Subsidiaries Emirates Trading Agency, ETA Star Holdings and Associated Construction and Investments Co. are the joint borrowers.

A recovery rating of '4' has been assigned to the loan, indicating the expectation of an average (30-50 per cent) recovery in the event of payment default. The ratings were removed from CreditWatch, where they were placed with negative implications on November 20, 2008.

Standard & Poor's said that the downgrade reflects its expectation of an increase in financial leverage for the year ending 2008, a weakening of the financial profile and the belief that ETA may struggle to meet financial covenants in the short term.

Drake & Scull International lists on Dubai Financial Market

Drake & Scull International (DSI), the UAE-based end-to-end service provider of mechanical, electrical and plumbing contracting services, listed on the Dubai Financial Market last month.

In July 2008, DSI offered 55 per cent of the company to the public. The shares were priced at AED1 each plus an offering cost of AED0.02 per share, with a minimum subscription of 20,000 shares.

The IPO, which was closed on July 17, was 101 times oversubscribed. Around 45,600 subscribers applied for DSI shares, investing funds of approximately AED124 billion.

"The main focus of our strategy is to expand across the MENA region with the aim of reaching out to a new customer base through acquisitions, joint ventures and organic growth," said Khaldoun Tabari, CEO and vice-chairman of DSI.

DSI is currently working on 35 projects across the region with a total value in excess of AED5 billion. The company announced two new contracts in the first quarter of 2009.

Khaldoun Tabari

For more on this story, go to www.moneyworks.ae and search 'Drake & Scull'

Family businesses are well placed to endure economic downturn, says report

The attributes of the family business model may make family businesses well placed to endure the economic downturn, according to a new report from Barclays Wealth and the Economist Intelligence Unit.

A mixture of stability and agility provide family businesses with the structure that allows a long-term strategic view of the economic and competitive environment, says the report.

When gauging prevailing motivations for creating and protecting wealth, 64 per cent of family business members rate generating regular income among the highest of their priorities. Only 53 per cent of non-family business members hold this view, suggesting shorter-term priorities.

A long-term perspective means that family businesses can exercise prudence during both upswings and downswings in the economy. They are less likely than listed companies to pursue adventurous growth strategies to satisfy short-term investors during a boom, adds the report.

Some academics have argued that family businesses are more likely to invest through a downturn, giving them a sustainable advantage over non-family businesses, for whom there are wider swings in performance and investment.

Emerging markets will continue to grow at a faster pace than developed markets in 2009, says a senior global strategist at J.P. Morgan.

"Our investment bank is looking for a GDP growth of 0.9 per cent year on year from emerging markets in 2009. This outlook is a contrast with a contraction in developed markets of -3.4 per cent year on year," notes Tom Elliott, London-based vice president of J.P. Morgan.

A key feature of recent economic growth for emerging economies has been the development of stable political systems, together with the adoption of market-friendly economic policies, says Elliott.

Another feature segregating the growth rate between emerging and developed markets is demographics. The developed world is becoming older and some countries are experiencing falling populations.

UAE gold jewellery sales reached AED13.7 billion in 2008

UAE gold jewellery sales increased by 17 per cent in 2008 to cross AED13.7 billion, according to the latest report from the World Gold Council. This figure can be compared to AED11.4 billion in 2007.

While jewellery accounted for 90 per cent of total consumer demand, net retail investment witnessed a growth of 38 per cent in the last quarter of 2008, compared to the same period of the previous year.

By the end of 2008 and the first quarter of 2009, consumers' excess demand was towards coins and bars, in addition to jewellery.

ADX signs MoU with Libyan Stock Market

Suliman Salem Alshahumy with Tom Healy, CEO of ADX

The Abu Dhabi Securities Exchange (ADX) has signed an MoU with the Libyan Stock Market (LSM). The MoU commits ADX to providing the LSM with consultancy and training services.

The two exchanges have agreed to share trading data and information about listed securities, facilitate the trading of securities listed on both exchanges and encourage and facilitate the dual-listing of companies.

"Libyan companies and investors have watched Abu Dhabi's dramatic development with great interest," commented Suliman Salem Alshahumy, chairman of the board of directors at the LSM. "This agreement will benefit all our stakeholders and hopefully lead to more cooperation between the exchanges."

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

NASDAQ Dubai has extended its trading hours on Sundays by three hours. The exchange also no longer trades on Fridays. As a result, the trading hours of the exchange are 10:00 a.m. to 5:00 p.m. from Sunday to Thursday.

The changes have enabled NASDAQ Dubai to focus on a full five-day trading week like other international and regional exchanges.

The Dubai Gold & Commodities Exchange said that volumes in February were 90 per cent higher than the previous month and maintained the upward trend despite the worsening economic climate.

Currency futures emerged as the key driver of volume for the month, taking total traded volumes to 72,904 contracts in February 2009, compared with 38,366 contracts in January 2009. The figure is, however, down from 117,442 contracts during the same month last year.

UAE healthcare to grow over 14% annually

Direct health spending in the GCC will rise by 300 per cent to US$60 billion in 2025 compared to US$15 billion in 2008, according to a new report. Viktor Hediger, Middle East healthcare leader at McKinsey & Company and author of the report, claims that the region's healthcare market is one of the fastest growing in the world.

The report says that the UAE healthcare market will grow over 14 per cent annually between 2005 and 2015, from US$3.2 billion to US$11.9 billion.

Bahrain's pharmaceutical market, which was worth an estimated US$58.3 million in 2007, is expected to reach US$83.8 million by 2012, while Saudi Arabia is planning to increase its number of hospitals from 264 to over 500 in the next seven years.

One of the most significant forces driving expansion of Gulf healthcare systems is rapid population growth, which is estimated to reach over 520 million by 2030, says the report. The expansion is also being powered by the concept of health cities and e-health initiatives by Gulf governments such as Dubai Health City and King Abdulaziz Medical City.

DME approves new clearing member

The Dubai Mercantile Exchange's membership committee has approved Jump Trading LLC as a clearing member. Jump Trading will become the 24th clearing member of the exchange.

Ahmad Sharaf, chairman of the Dubai Mercantile Exchange, said that the new membership of Jump Trading, which is at the forefront of high-frequency electronic trading, marks a milestone in the maturity of the DME Oman Crude Oil Futures Contract as it continues to build in liquidity.

Dubai pearl trade recorded over 300 per cent growth in 2008

The Dubai Pearl Exchange, a subsidiary of the Dubai Multi Commodities Centre, says that Dubai's pearl trade more than quadrupled during 2008.

Reports from the statistics department of Dubai World indicate that the value of loose pearl trade in Dubai grew from AED22 million in 2007 to over AED95 million during 2008, representing a total year-on-year growth of 324 per cent.

Import of pearls, both natural and cultured, increased in value from AED15.6 million in 2007 to AED50.1 million in 2008, while re-export increased from AED6.4 million to AED45.6 million during the same period.

Trade of natural pearls in Dubai has witnessed a monetary growth of over ten times driven by imports through Hong Kong and Switzerland, in addition to exports to new markets including Australia and the UK.

Al Maabar to develop largest-ever real estate project in Jordan

Al Maabar International Investments has launched the development of Marsa Zayed, a US$10 billion real estate investment in Aqaba, through its subsidiary, Al Maabar Jordan Real Estate Development Company.

Al Maabar will develop a mega mixed-use waterfront project, including high-rise residential towers, branded hotels and retail, recreational, entertainment, business and financial districts. Several marinas will also be added, in addition to a cruise ship terminal.

The project is the largest-ever real estate and tourism project to take palce in Jordan. It will be implemented in several phases, with phase one of the construction commencing by the first half of 2010.

In 2008, Al Maabar signed an agreement with Jordan's government whereby the company acquired 3.2 million square metres of land in Aqaba for US$500 million.

The government's handover of the land will be carried out in three phases, the first of which will take place by June of this year.

Marsa Zayed

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

Property still seen as safe haven for long-term investment

The latest figures from Zurich International Life indicate that many expats believe that the property crisis engulfing the region is less severe than generally reported. But new research shows many believe that the property market is still overvalued.

According to the latest Wealth Monitor poll conducted by Zurich International Life, half of those interviewed (48 per cent) in the UAE would spend any extra income on property, while 72 per cent would do so in Bahrain. Year on year, this figure is a 20 per cent rise for the UAE.

Over 65 per cent of those questioned in Bahrain have property down as one of their current investments.

In the UAE, 27 per cent have property down as one of their current investments. However, it appears that only 17 per cent of those living in the UAE are worried about paying their mortgage, compared to 45 per cent in Bahrain.

Meanwhile, there are some lingering concerns about the price of property, with over 50 per cent of UAE and Bahrain expats stating that property is still too expensive to buy.

Vacancies in Dubai's office market double in six months

Vacancies in Dubai's office market have doubled to around 16 per cent over the past six months, according to a report from Jones Lang LaSalle.

This figure is the highest rate ever recorded, says the report. The market has been impacted by both deteriorating demand and significant levels of new supply.

The report adds that more than 50 per cent of the announced residential and commercial projects due for completion between 2009 and 2012 have now been either put on hold or cancelled. This scenario reflects the lack of available funding and projections of a declining population, along with continuing job cuts.

The hospitality market is reporting the lowest occupancy rate in five years with an average of 79 per cent, says the report. This circumstance has been brought about by declining visitor arrivals and the release of new rooms into the market over the past six months.

The steering committee set up to assess the performances of Amlak and Tamweel in light of the changing economic climate has completed its review of the two mortgage lenders and says it will soon submit a comprehensive report to the government. The committee, which comprises experts from various ministries and regulatory bodies, will recommend several alternative strategies with respect to Amlak and Tamweel and will advise on ways to revitalise mortgage finance in the country.

Amlak and Tamweel account for the largest share of the region's mortgage finance market and have contributed substantially to its growth.

Tanmiyat, the developer of the Living Legends project in Dubailand, said that it will be suspending the collection of all payments and instalments for Living Legends until a revised payment schedule is finalised. The decision is in compliance with the directives of Dubai's Real Estate Regulatory Agency, which came into effect last month. According to the directive, new developers in Dubai will have to pay 100 per cent of the land price to start selling properties "off plan" and will have to inject a minimum of 20 per cent of the project value to commence construction. In addition, developers will have to link payments to construction status.

Dubai Gold Securities commence trading on NASDAQ Dubai

Dubai Gold Securities, an initiative of the World Gold Council and the Dubai Multi Commodities Centre, began trading on NASDAQ Dubai last month.

Dubai Gold Securities represent the first exchange-traded commodity to list on NASDAQ Dubai and the first Shari'ah-compliant gold exchange-traded commodity in the region. The product offers investors access to gold bullion without the additional costs normally associated with insuring, storing and transacting in physical gold.

Each security is 100 per cent backed by physical allocated gold held in safekeeping by an independent custodian. One share represents an initial interest of one-tenth of a fine troy ounce of allocated gold bullion.

The product can be bought and sold on NASDAQ Dubai through one of the exchange's 29 regional and international trading members or through a broker that has a relationship with a NASDAQ Dubai trading member.

Jeff Singer, chief executive of NASDAQ Dubai, Ahmed Bin Sulayem, executive chairman of the Dubai Multi Commodities Centre, and Aram Shishmanian, chief executive of the World Gold Council

Lewis Charles Securities launches Abu Dhabi property fund

London-based investment house Lewis Charles Securities has launched a new fund, the Lewis Charles Abu Dhabi Property Fund. It is a three-year, closed-ended, privately-held exempt limited liability partnership investing solely in the Abu Dhabi property market.

The fund's aim is to take advantage of the opportunities in Abu Dhabi presented by an undersupply of housing and the population boom. The fund will seek to raise US$100 million from investors with a minimum investment requirement of US$75,000 for individuals and US$250,000 for institutions. The target IRR is over 25 per cent per annum.

The fund's investment manager, Lewis Charles Securities, is authorised and regulated by the Financial Services Authority in the UK and has over US$132 million in assets under management.

The manager will focus predominantly on mid- to high-end properties that will be attractive to both end-users upon completion and investors during the off-plan stage. The fund will seek to generate capital gains by trading properties to be built over the next three years in Abu Dhabi.

Nasco opens office in Qatar

The Nasco Karaoglan Group has officially launched its office in Doha, Qatar. The group received authorisation from the Qatar Financial Centre Regulatory Authority to provide insurance broking and risk advisory services in Qatar in August 2007.

Nasco deals with all aspects of insurance and reinsurance and was the first insurance broker to be licensed in the Qatar Financial Centre and in Qatar. The group operates directly as an insurance broker, through underwriting agencies or as an insurer. It was established over 40 years ago and operates in a number of European countries, as well as in the Middle East.

Nasco's Doha office will liaise with its three other offices in the Middle East region (Dubai, Jeddah and Beirut) to enhance its insurance services for customers active in the Middle East region.

Dubai Bank partners with Department of Economic Development

Dubai Bank has formed a strategic partnership with the Dubai Department of Economic Development (DED) by opening a new branch in DED's headquarters in Deira.

Dubai Bank is the first bank to establish a presence in the DED premises. The new branch, which is Dubai Bank's tenth branch in Dubai and 21st branch in the UAE, is on the ground floor of the DED building.

Dubai Bank's DED branch will operate from 08:00 a.m. to 02:00 p.m. and will offer personal and corporate banking facilities.

Sami Ahmad Al Qamzi, director general of DED, and Salam Al Shakshy, CEO of Dubai Bank

Standard Chartered UAE enters Islamic home finance market

Standard Chartered UAE has launched a Shari'ah-compliant home finance solution under Standard Chartered Saadiq, the bank's global Islamic banking brand.

The new Saadiq home finance solution includes finance amounts of up to AED10 million, up to 75 per cent finance of the property's market value and a tenor of up to 25 years.

"The new Saadiq home finance is part of a series of product launches planned for 2009. We will continue to roll out a range of financial solutions to help our customers in their financial management planning," said Chris de Bruin, head of consumer banking at Standard Chartered.

De Bruin added that in addition to offering finance for ready-built properties, existing homeowners can refinance their existing home at competitive prices. Earlier last month, Saadiq was launched in Bahrain.

New mobile payment service

Deutsche Bank is partnering with mobile payment provider Luup to provide mobile phone payment services to its clients in 80 countries across Europe, the Middle East and Asia.

The new mobile payment service will allow clients of the bank's global transaction banking division to offer consumers instant and secure payment and money transfer services from any mobile device with any mobile network.

"Around 61 per cent of the world's population has a mobile phone and the penetration of mobile continues to increase, while the use of cash continues to decline globally," said Daniel Marovitz, global head of products at Deutsche Bank's global transaction banking division.

According to KPMG, the global mobile money transfer market is projected to reach US$21 billion by 2011.

John Charcol Dubai offers 85 per cent financing

Abu Dhabi Finance has signed an MoU with John Charcol Dubai, adding the company to its panel of approved mortgage brokers. The agreement will see John Charcol Dubai, a UAE mortgage broker, offer home financing of up to 85 per cent to clients in Abu Dhabi.

John Charcol Dubai will source mortgage clients that meet Abu Dhabi Finance's required criteria and will help prospective clients prepare their applications and compile relevant supporting documentation. The final credit decision for all mortgages will be taken by Abu Dhabi Finance.

Landmark Properties has opened a dedicated office in Abu Dhabi. The new operation, located in Al Bateen, aims to help clients find suitable properties in a housing market that is undersupplied.

Cliff Kelaita, chairman and CEO of Landmark Properties, said that 15,000 new units are likely to be delivered in Abu Dhabi over the next two years, which are expected to be quickly absorbed by growing pent-up demand.

In addition to residential leasing, Landmark Properties will provide commercial leasing, freehold property sales and property management services to customers in Abu Dhabi.

Kelaita cited research analysis by Landmark Advisory showing that demand for property in Abu Dhabi will remain strong due to supply constraints that are likely to persist for the next four to five years. In 2009 alone, the market will be under-supplied by 34,000 units, he said.

Alliance & Leicester International Limited has launched three new multi-channel savings accounts – Select International, Select 50 International and Select Income International. The accounts offer interest rates of between 2.5 per cent and 2.75 per cent AER variable.

The new Select International range allows consumers to manage their accounts via post, telephone, fax and in-branch, as well as using internet banking.

Emirates NBD opens two new branches

Emirates NBD has opened two new branches in the UAE, one in Times Square Centre and the other in Dubai Media City.

Both branches are fully equipped, housing 24-hour self-service ATMs and cash and cheque deposit machines.

The branches were officially inaugurated in the presence of Jamal Bin Ghalaita, general manager of consumer banking and wealth management at Emirates NBD.

Jamal Bin Ghalaita (2nd from right) along with senior Emirates NBD officials and branch staff

Rasmala Saudi to launch two equity funds

Rasmala Investments Saudi has received approval from the Capital Market Authority to launch two Saudi equity funds.

One of the funds, the Rasmala Saudi Equity Fund, will be managed according to the Shari'ah guidelines approved by the fund's Shari'ah committee. The other fund will be a conventional fund, said Rasmala.

Both funds will invest in companies and industries that are poised to benefit from continuing opportunities in the Saudi economy.

The fund will aim to give investors capital appreciation over the medium to long term.

Acuma receives third licence in the UAE

Acuma Insurance Brokers has been awarded a financial services licence from the Health Authority of Abu Dhabi. The licence is Acuma's third and makes it the only financial services company in the UAE to hold three licences of this kind.

The award of the licence coincides with the opening of Acuma's new Abu Dhabi office.

Six financial professionals will operate from the Abu Dhabi branch, delivering financial advice to companies and individuals in the emirate.

Appointments - March 2009

Anan Fakhreddin

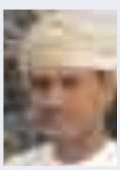
The World Gold Council has appointed Anan Fakhreddin as managing director for the Middle East and Turkey.

Thomson Reuters has hired Rushdi Siddiqui to lead its Islamic finance business.

Simon Cooper

HSBC Bank Middle East has named Simon Cooper its new CEO.

Emaar Industries & Investments has appointed Mohammad Saeed Al Raqbani as its new CEO.



Akbar Ali Habib

BMB Investment Bank has appointed Akbar Ali Habib as the bank's new CEO.

Franklin Templeton has named Vivek Kudva managing director for India and CEEMEA [Central and Eastern Europe, the Middle East and Africa].

Ahmad Bin Byat

Swiss private bank **Clariden Leu** has appointed Jimmy Lee Kong Eng as new head of Asia.

Ahmad Bin Byat has become the new CEO of **Dubai Holding**.

George Shehadeh

Amwal has appointed George Shehadeh as CEO.

RBC Wealth Management has named Philip Harris head of UK wealth management. He was previously head of UBS high net worth clients.

Abu Dhabi Investment Company has appointed Anders Ljungqvist as chief investment officer and Thierry Gimonnet as head of finance. Also, Samir Assaad Samaan has joined as head of private equity.

The rush to protect what's left

The current financial crisis has had a dramatic effect on the risk tolerance levels of private clients. **Utpal Bhattacharya** finds out why aggressive investors have taken a U-turn and are now happy with principal protection and modest returns.

With investors everywhere having lost anywhere between 15 per cent and 50 per cent of their net worth on average, affluent banking has taken a hit. Bankers who were encouraging investors to leverage several months ago are now cautioning them against its use. The warning has come a little too late, though, especially at a time when no free money is available for personal investments. But lessons have been learnt, the pain of loss has been felt and promises have been made not to repeat the follies of excess leverage.

The mood is so sombre and the shock of loss is so deep that clients are no longer asking for return on their capital, but rather for return of their capital, says Stuart Crocker, HSBC Private Bank's CEO for the UAE and Oman. Private clients are no longer sure if redemption in certain products will bring them back any money at all – forget the invested capital or any return on it.

The hype around structured products has also died down. In fact, banks' selling strategies have changed to accommodate the altered financial landscape. The whole "product approach" has become a thing of the past as bankers find themselves grappling to salvage what is left of their clients' portfolios. The new approach is one of advising clients to be prudent and shun leverage. Customers are being told to insure their lives, create trusts and save in a way that will allow their wealth to last through six generations.

What went wrong?

Despite such large losses, there aren't many blame games being played between clients and their advisors. It is obvious that both are equally to blame for indiscretion or for not adhering to some of the basic principles of investing while implementing asset allocation in their portfolios over the last few years. As investors try to cope with their new realities, they are also becoming extremely risk averse, according to bankers.

Jean-Claude Gracia, acting CEO of SG Private Banking in the Middle East, says that private clients were investing in equity markets, structured products, private equity and real estate until about six months ago. Most of them were also eager to accept risk in order to obtain better returns and were requesting leveraged solutions to maximise their returns, he notes.

Although there is no more credit left in the market, the word leverage still evokes bad memories for many. In fact, the leverage strategy has hit investors so badly that Crocker believes those who survive the present crisis will approach their leveraging strategies differently and will be much more conservative in the future.

The mistake many investors made with their leverage strategies was underestimating the asset bubble that had built up in the global market. For those in the region, the relentless northward march of the oil price escalated their confidence levels to arrogant proportions. Many felt that nothing could go wrong, and even those who advised caution suggested leverage to make hay while the sun still shone. Of course, when the rug under its feet gave away and margin calls started coming, the futility of the leverage-based investing model lay exposed.

Investing and saving strategies are now coming back to the basics. Clients are, of course, doing more due diligence regarding the quality of wealth management providers, but the trend has moved towards favouring a return to simple strategies and ensuring a mix between cash deposits and investments in low-risk products such as sovereign bonds and fixed deposits. There is also a perceptible push towards buying physical gold as concern builds up about the likely inflationary pressure on economies in the near future as a result of the enormous quantum of stimulus packages.

But some clients are still ready to consider investment possibilities such as those offered by private equity. Structured products are also beginning to come back, especially when the protection level is simple, efficient and easily understood, says Gracia.

Now that the times of high returns are gone, Gracia feels that a safer investment that protects an investor's principal will find more takers today than it would have a year ago.

"In uncertain market conditions, structured products represent particularly effective financial instruments because of the capital protection or guarantee that can be embedded. They are, for example, an excellent way to invest in the equity market, taking advantage of lower entry points in 2007 and 2008 while benefiting from a capital guarantee or protection," he says.

Stuart Crocker

HSBC Private Bank also confirms that it is involved in private equity deals in which it is matching sellers and buyers using the group's investment banking arm. Crocker says that although high net worth clients have lost money, they still have enough left to invest in projects and properties.

End of the product approach

As growth in the region slows and the oil price remains low, investors' immediate concern will be more about wealth protection than about growing their wealth. As such, Crocker feels that the product approach needs to go. There will also be a shakeout among private banks. As investors shift to quality rather than to products, some private banks will not survive these market conditions, says Crocker.

"A product-driven approach can lead to inappropriate behaviour in a global investment portfolio, but if you take a need-based solution approach and offer clients global solutions to serve their needs, that works much better," he argues.

Crocker adds that it is time to go back to the basics and look at customers' needs, objectives and risk tolerance before advising them on products and solutions.

Gracia agrees. He feels that a long-term relationship between a private bank and its key customers will become the norm and that banks will be less interested in volumes compared to the intrinsic quality of their customers.

Strong banks are also going to benefit from the trend that is emerging, with many affluent and high net worth clients who had banked with a number of different banks now looking to consolidate their relationships.

"A number of our clients are now talking to us to amalgamate the relationships that they have with a number of banks into just a few. They have been asking us to help in this regard," Crocker discloses.

Gracia adds: "It is now expected that high

Jean-Claude Gracia

net worth individuals will want to retain the services of two or three private banks at the same time."

One of the other trends emerging, according to Gracia, is the multi-family concept and its impact on private banks. SG Private Banking formed an alliance with Rockefeller & Co. to serve its ultra high net worth individual clients with this concept in mind, he says.

Crocker also points to similar trends. He says that HSBC Private Bank is closely working with families to set up family holding companies and adopt best practices in family governance. There is also demand building up for setting up trusts and foundations to ensure that wealth is protected and available to all members of families.

"Setting up family offices is not a new thing, but it has not been done at a time like this. However, people are more receptive now than a few months ago to our recommendations about these concepts, mostly driven by a need for safety," says Crocker.

It is obvious that the focus of private banking has now turned to wealth protection. There is also an emphasis on product and services enhancement, with research being an important pillar. According to bankers, advisory is also going to become more important now that clients are eager to heed advice.

It will be interesting to see how quickly the banking industry adapts to the new realities and manages to come up with efficient investment solutions to keep clients interested. Those banks that come up with better ideas will stand out against their peers.

PE: Tough times ahead

The private equity (PE) industry in the Middle East and North Africa (MENA) region is something of an anomaly at this point, since there seems to be both doubt and optimism amidst the hope of finding opportunities in crisis. **Ritwika Chaudhuri** reports.

There are definitely reasons to be optimistic about the PE industry in the MENA region. After all, the Middle East and Asia are the only two regions in the world that the International Monetary Fund expects to grow positively this year, and PE growth depends on the growth of the real economy to some extent.

The regional PE industry, which has raised US$19.6 billion in the MENA region since 2000, is yet to invest nearly US$11 billion of that capital, according to the Gulf Venture Capital Association (GVCA). And arguably, now is a great time to invest, especially since the market is strapped for credit and valuations have dropped like a stone in cold water.

A report from KPMG states: “Given the capital overhang and lower valuation dynamics, the outlook seems to be positive for 2009 vintage funds.”

Yet, MENA private equity majors are not overly excited about doing new deals right now. They say that their central focus this year will be on creating value for their existing portfolios, rather than on acquisitions.

A peek into the past

Private equity as an investment strategy and as a potential source of capital for growing companies has seen tremendous growth in the region during the last few years. Funds raised in 2008 increased to US$6.4 billion from US$5.8 billion in 2007 and US$2.9 billion in 2005, which works out to be a compound annual growth rate of 30 per cent.

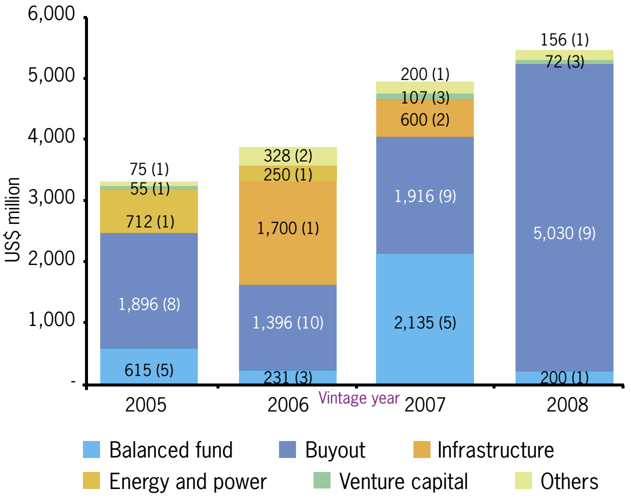
According to the GVCA, 76 per cent of the total US$19.6 billion raised since 2005 has been raised in the past three years. The average size of funds also increased during this period, rising to US$258 million in 2008 compared to US$213 million in 2007 and US$177 million in 2006.

Total private equity investments (by value) in the MENA region have increased by a CAGR of 48 per cent since 2005. Of the total investments made in the last decade, approximately 86 per cent were made in the last three years (2006-2008), with approximately 39 per cent made in 2007 and 27 per cent made in 2008.

The average size of investments, however, showed a decline after 2007. In 2008, the number of new funds decreased 22 per cent over the previous year, while the average size of investments decreased 31 per cent. The average size of investments, which went up to US$64 million in 2007 from US$48 million in 2006, declined in 2008 over the previous year to US$50 million.

One of the most interesting aspects of capital-raising has been the failure of most PE funds to raise the amount they initially announced. According to the GVCA, regional PE funds were able to raise only 16 per cent of the amount they intended to raise in 2008, compared to 65 per cent in 2005. Roughly half of

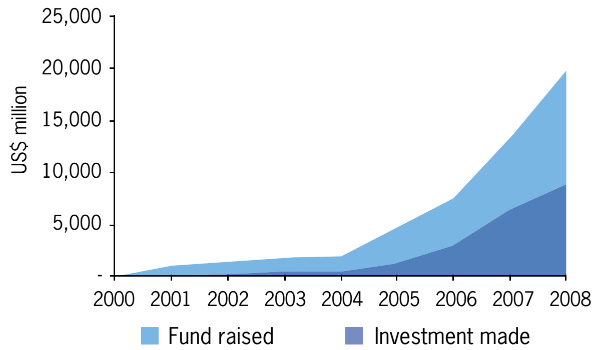
A trend towards larger buyout funds
Vintage funds by investment focus



Source: GVCA Report 2008

A significant accumulation of “dry powder”

Cumulative funds raised and investments made since 2000 (excluding liquidated funds)



Note: The graph above has the following limitations:
- Fund raised represents committed capital and does not distinguish amounts called
- It does not take into consideration any level of debt financing which, one can only assume, would widen the gap further
- It does not account for management fees, which can be in the range of 10-20% of committed capital over the life of the fund
- Investment analysis is based on information made available and is not conclusive

Source: GVCA Report 2008

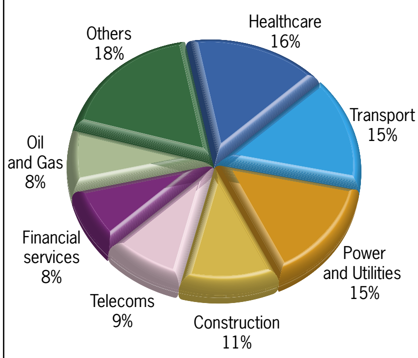
the funds announced in 2006 have not come to the market, and funds that were targeting a capitalisation of approximately US$11.7 billion from 2006-2008 are yet to announce their closing.

Although the majority of MENA funds are focused mostly on opportunities across the GCC and North Africa, fund managers are increasingly looking at an expanded region, including South Asia, Southeast Asia and Turkey.

Investments over the last four years have focused primarily on Egypt, Saudi Arabia and the UAE. Egypt has accounted for 33 per cent of total investments since 2005, while Saudi Arabia has accounted for 15 per cent and the UAE has accounted for 14 per cent. In 2008, investments in Egypt accounted for 19 per cent of total investments, while investments in Saudi Arabia accounted for 17 per cent and investments in the UAE accounted for 14 per cent. The most dominant sectors for investment in 2008 were healthcare, transport, power and utilities.

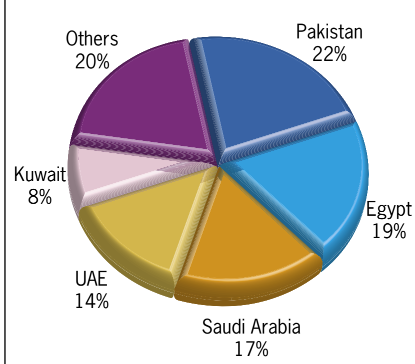
Although 2008 saw one large exit of US$2.5 billion, overall sales activity saw a declining trend. The number of exit transactions in 2008 dropped approximately 60 per cent compared to 2007. The year 2007 saw 17 exits, compared to only 11 in 2008.

Sector split of PE investments - 2008



Source: GVCA Report 2008

Regional split of PE investments - 2008



Source: GVCA Report 2008

The focus in 2009

The year 2009 has brought a lot of worry for investors across all asset classes, and private equity has been no exception. Although some expect the industry to be hit by some distress selling in the secondary market, nothing has been registered or reported so far. At the moment, industry participants do not seem overly concerned about the subdued market conditions in 2009. The mood has, however, discernibly changed to one of long-term views, compared to 2007 when assets were quickly changing hands.

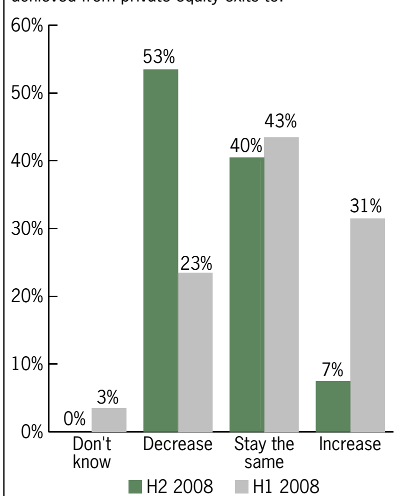
Carlos Perry, COO of the Emerging Markets Private Equity Association, concedes that there is a slowdown in the pace of activity in the industry. He notes, however, that in the long term, private equity will be critical for reigniting economic growth across the developing economies of Asia, Latin America, the Middle East and emerging Europe.

"It's also important to battle the notion that PE is only about attractive returns to investors, as PE is a major driver behind the growth of entire industries and economies," Perry adds.

Arif Naqvi, CEO of Abraaj Capital, the region's industry leader, cautions the industry against thinking short term. He says that more efforts should be made to protect investors' money, rather than

Returns

Over the next 12 months, do you expect the returns achieved from private equity exits to:

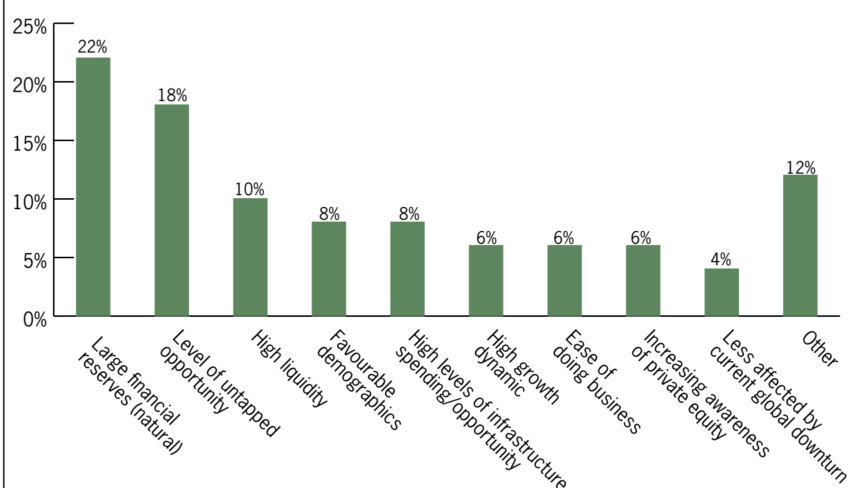


Source: Deloitte MENA PE 2nd confidence survey

Sustainability

MENA vs. other emerging markets

Factors cited as suppporting the growth opportunity for private equity in MENA vs. other emerging markets



Source: Deloitte MENA PE 2nd confidence survey

Key themes for the MENA PE industry in 2009-2010

- Accumulated capital and high liquidity in the industry as a whole
- Fundraising more difficult for smaller players
- Consolidation within players
- Reduced interest in the region from global players
- Crisis may not induce a significant decline in valuation or increase in deal flows
- Sectors like healthcare, education, infrastructure, food and agriculture with regional comparative advantage to be the main focus for 2009
- Possibility of opening new frontiers like the privatisation of mega public companies, public to private transactions or takeover of core family conglomerate
- Control buyout models gaining control
- Returns will average up because most of the investments will be made post-crisis
- Move towards trade sales and away from IPOs
- Concentrate with the existing portfolio companies and endeavor towards value creation
- More involvement of LPs in the management of the companies and increased cooperation within economic agents like government, regulators and LPs
- Focus on regional funds rather than on country-specific funds and little possibility of international investment by regional players
- Tendency towards picking up majority shares rather than minority shares by the PE players to ensure greater control with the company
- Sovereign wealth funds looking inward and starting direct investments
- Measures to ensure greater corporate governance, better disclosure and transparency and enhanced code of conduct

worrying about higher dividends. He also urges the industry to help enterprises with strategic planning in growing talents.

Regarding attractive opportunities for the industry this year, Naqvi says that defensive sectors that are resilient to a slowdown, such as education, healthcare, social infrastructure, low-cost carriers and pharmaceuticals, should be the focus of PE investing. Yield-driven opportunities also exist in the real estate sector, while another target is the small and medium enterprise segment. This segment is the region's engine of growth, notes Naqvi.

Stephen Murray, managing director of Citadel Capital's institutional fundraising, adds that certain industries that have competitive advantages in the region, such as cement, fertiliser, oil and gas, food processing, agriculture and power distribution, will be also be on PE funds' radar screens in 2009.

Returns

One thing that has differentiated PE investing in the MENA region from that in the developed markets has been the high rates of return. Some investments have had an IRR of as high as 1000 per cent. But returns are going to be under pressure in the current environment, according to a number of experts.


Arif Naqvi


Carlos Perry


Jochen Duelli

A survey from Deloitte Corporate Finance last November on MENA PE reported that 53 per cent of respondents were of the view that returns on PE exits from existing portfolios would decrease in the next 12 months. Their argument was that markets would become more efficient with the maturing of the industry and that returns would go down. The lack of leverage and delayed exits would add to the negativity, they said.

On the other hand, 40 per cent of those surveyed felt that returns would remain at the same level, while seven per cent thought that returns would go up.

The GVCA annual report on the PE industry says that returns will average up in the near future, as it expects a number of investments to be made during the crisis or post-crisis. Since most funds have made only a few investments and it is assumed that many of their pre-crisis investments were made above average valuations, it is most likely that PE funds will be able to offset their overvalued investments if they invest wisely in 2009 and 2010, argues the report.

Private equity funds, which focus on improving the performance of their portfolio companies, can still achieve their targeted returns despite the current global economic slowdown, according to Dr. Jochen Duelli, head of Bain & Company's Middle East PE practice.

"Good returns can be achieved through portfolio value creation," he says. "In the current environment, it is no longer enough to simply rely on rising valuations and dynamic economic growth."

Challenges

The Deloitte survey results show that although the MENA region is considered an attractive emerging PE destination because of the availability of surplus liquidity and a degree of untapped opportunity, there are many barriers to its development, such as inconsistent regulations and issues with governance, company laws and foreign direct investment.

"There is a lot of misperception about the emerging market in general. There is concern about volatility of the market and corporate governance," says Perry.

There are other challenges, too. Fundraising has become difficult, with even the best funds achieving just 55 per cent of their targets in the past six months. With many companies preferring to wait for the first signs of recovery before investing, the number of reported deals executed by PE funds in the GCC has plunged over 60 per cent in the past three months. In addition, exit opportunities have all but dried up. GCC stock markets have plummeted more than 60 per cent over the past 12 months, damaging the attractiveness of IPOs.

Forty-five per cent of respondents to a recent GVCA survey said that the number of deals would increase this year, while 44 per cent said there would be a decrease. The almost equal ratio between those who believe deals will increase and those who think numbers will go down is an indication of how unsure market participants are about what to expect this year.

The Deloitte survey also suggests that the industry is expecting competition for deals to increase during the year, although there is concern that this increase could be offset by rising levels of caution. It is also expected that investments will largely depend on the quality of assets.

"There are still some good assets around. Abraaj has a lot of capital available with it, and hence the capacity to invest. But it is time to work with empathetic understanding, as the days of excessive valuation are gone," says Naqvi.

Antoine Drean, chairman and CEO of Triago, a secondary advisor to the PE community, also believes that there are good opportunities in the market because valuations are low. Perry and Duelli agree.

"It is now time to take opportunity with limited risk and the possibility of having sufficient returns if the market returns. Now the entry pricing is at a better level, and there are chances of getting better control of the company," adds Murray.

We will also see activity in the distress and restructuring market this year, according to Drean. But some experts caution that distress does not always mean there is hidden value.

As these are still early days, most of the drama in the PE industry is yet to unfold. And when it does, it will be interesting to see how the market adjusts to some of the new realities. One thing is for certain: by the time the region stabilises, the nascent PE industry will undergo some major changes. And those changes could be the demise of some of the weaker players, while some of the larger ones could be challenged to live up to their reputations.

Global PE to see losses this year

Antoine Drean, chairman and CEO of Triago, which specialises in fundraising and is a secondary advisor to the PE community, tells **MONEY***works* that 2009 will be a tough year for the global PE industry.

Antoine Drean

You are of the opinion that the PE industry is going back to the basics. Can you explain how and why you think so?

From 2006 until the third quarter of 2008, the PE industry was driven by speculative deal-making and an abundance of credit facilities. Players were buying high and selling higher; deals had significant leverage and there was hardly any holding period. The universal principle in any industry of buying low and selling high was almost missing. Fund managers were less bothered about where they were investing, while over-performance pressed LPs to invest more. Risk was often misperceived or misunderstood and the due diligence process was less thorough.

But PE is all about sourcing, due diligence, value creation and exit. In the PE industry, a team of managers with specific skills (typically operational, financial and managerial) invests in non-listed firms, taking majority shareholdings and improving the management, enhancing the value, doing what is necessary to make the company grow and selling it when it is time to have a decent market value.

In the typical 10-year life cycle of a PE firm, while the investing period is two to three years, the consolidation period is another three to four years and the remaining years are for divesting.

With the world reeling under a severe financial crisis, credit drying up, valuation going down and uncertainty prevailing everywhere, the industry is now going back to the basics. I believe fund managers will again start doing their due diligence before investing, as there will be fewer auctions and less competition in the PE marketplace.

What is your expectation regarding fresh fundraising and new investments with the already available capital in 2009?

Although I believe PE as an investment strategy and as an asset class is here to stay, some analysts predict that the industry faces real challenges this year. According to a paper from the Boston Consultancy Group and business school IESE in December 2008, 50 per cent of PE-backed companies will default on their debt, 30 per cent of GPs will survive and PE will generate a loss of US$1 trillion globally.

But there is hope, as by the end of 2008, PE represented only three per cent of the assets under management worldwide. Most institutional investors either want to maintain their allocation to PE or increase it.

Of course, 2009 is not a good year for fundraising, but if somebody can raise funds at this time, it will be worth doing the exercise, since interest is low and valuations are lower. Conditions are set for a good buy, but one needs to be cautious about what is worth buying. The fact that investors and fund managers have less money means they will be cautious while investing. There will also be a tendency to do good deals based on certain basic principles like sound business models, good management, solid perspectives and sound balance sheets.

In today's perspective, as far as investment is concerned, strategy is more important than the sector. If you are buying a business that everybody else wants to buy, then the price will be quite high. But if you are planning to buy a business that nobody is interested in, it might give you better value in the future, even if it is not interesting today. Companies with high entry barriers that still have a good business model are worth considering. In a bad environment, growth capital, growth mezzanine, turnaround, small and midsized buyouts and joint ventures with strategic buyers on mergers are better strategies. Also, distress and restructuring will be the flavour of 2009.

What sort of return do you expect in today's market?

Usually, people want a 15 per cent net return from their PE portfolios. Today, two-thirds of these people will not put in any money because they do not have money. But the rest will expect 15 per cent. I suppose the expectation is still the same.

Setting the stage for venture capital funding

As economic thinking in the Arab world changes and governments become more serious about creating knowledge infrastructure, venture capital could emerge as an important investment tool to put into action some of the new ideas that come out. **Utpal Bhattacharya** investigates.

Although black gold has been the succour of the oil-rich Gulf countries, it has also been their bane. Easy wealth has made Arab investors risk averse, according to proponents of venture capital in the region. Abdullah M. Al-Subyani, president of the Bahrain-registered Gulf Venture Capital Association (GVCA) – the region's only official organisation claiming to be creating awareness about risk capital and its rewards in an economy – says that although regional investors were traditionally risk takers, the discovery of oil induced forgetfulness in them and risk-taking became alien to them.

Al-Subyani not only attributes the risk-averseness of regional liquidity to oil wealth, but also highlights it as the main reason for venture capital not flourishing in the Arab world as an organised industry today. The lack of venture capital has also meant that wealth has remained concentrated in a handful of family businesses. Although these families have been promoting new ventures in their private domains and have even supported budding entrepreneurs, a lack of transparency has ensured that no one has any idea how much start-up capital is available for new businesses in the Arab world.

Even Al-Subyani's nearly five-year-old venture capital association cannot provide much information about venture capital initiatives in the region, as data is not forthcoming from family-owned companies about their venture capital initiatives. Moreover, there are hardly any venture capital funds in the region.

"Most of what you see around today are buyout funds," notes Al-Subyani.

So why are venture capital funds absent in most of the Arab world? Al-Subyani says it is because there are no real deal flows like there are in the west, apart from the risk-averseness of Arab investors.

"I can create a venture capital fund tomorrow with fund managers and all, but then, unlike in the western countries, I will be stuck for deals in the region. And since we have a fund with a mandate, we will have to invest and we will end up investing outside of the region," he explains.

The situation is more like the chicken and the egg, but Al-Subyani argues that it is something that is quite expected. He describes the period the region is going through as a learning curve that will ultimately bear fruit in due course.

But no country can talk of real economic growth without venture capital, Al-Subyani insists. In the US, for example, the venture capital industry created 27 million new jobs between 1980 and 1995. Traditional investments do not support economic growth the way venture capital does, he adds.

"There cannot be true economic growth without a venture capital and private equity mindset. What we have today is a collateral banking mentality that does not recognise innovation," Al-Subyani points out.

At the moment, Arabs are risk averse and lenders demand 100 per cent collateral. The private equity and venture capital space are different, as financiers in these types of financing not only give money, but also offer strategic advice and open new markets. And that is what is not happening in the region, Al-Subyani notes.

The region is steeped into creating traditional balance sheets and investment evaluations. Financiers do not have much knowledge about funding or nurturing new ideas and innovations, and there is a lack of technical know-how as well, says Al-Subyani. But in developed and industrialised nations like the US, he adds, venture capital is available, and those who give funding are largely involved with the business itself.

"Traditional bank finance will give you money but will force you to sell your assets and close down if you are not making profits. They kill innovations, while venture capital grows and nurtures new ideas," Al-Subyani explains.

"Traditional bank finance will give you money but will force you to sell your assets and close down if you are not making profits. They kill innovations, while venture capital grows and nurtures new ideas." Abdullah M. Al-Subyani

The move to start an association focusing on creating awareness about venture capital came precisely from thinking there was a need to change the mindset of financiers in the region. People started talking about it way back in 2002, recalls Al-Subyani, who comes from the oil and gas industry and has spent the last 15-20 years understanding and advising on intellectual property rights issues.

The GVCA president says that by the turn of the millennium, it became obvious to a group of people and institutions that knowledge-based industries were the need of the hour in the region. But the bottleneck was finding the right investing environment, as well as tools to grow and nurture those industries. It also became obvious that in due course, venture capital could play a major role in supporting and sustaining the growth of knowledge-based economies, mainly for establishing knowledge-based start-up companies.

"The initial idea was to start a club of venture capitalists; then we thought of creating the association. We talked to institutions, created the GVCA and registered it in Bahrain," says Al-Subyani

The formation of the GVCA is an expression of the region's wish and people's willingness to kick-start the venture capital industry. The primary objective is to create an environment that encourages investing in know-how and innovation, which cannot take place without venture capital, Al-Subyani points out.

Is venture capital Islamic?

Islamic financial instruments and the principles of Islamic finance are compatible with venture capital and private equity. Islamic investments are based on the efforts of an entrepreneur and the money provided by a funding entity. Al-Subyani says that the ethos of Islamic investments and venture capital could not agree more.

"Over the last 100 years, we have forgotten about these principles and have got used to financial tools from the west, mainly collateral-based traditional banking. And this approach has killed innovation," he points out.

The fact that many Arab family names are derived from trade of professions is proof that entrepreneurs have flourished in the region, says Al-Subyani. So if there is a lull in entrepreneurial drive today, it is a temporary phase, according to the GVCA president.

"In my father's time, there were many entrepreneurs. The reason being we would do anything for a livelihood, as there was no oil. If we are not creating that many entrepreneurs now, it is an issue that needs addressing. But I also think it is a temporary phenomenon, as we are in the process of rediscovering our history and heritage using advanced financial tools to achieve growth," he notes.

Al-Subyani concedes that the most important driver required for the venture capital industry's growth is not in abundant supply in the Arab world. Although there is a realisation that the region needs to create knowledge-based economies, classic venture capital funds are still some way off. It is, however, only a matter of time before such funds are set up, says Al-Subyani.

Challenges

With the exception of Tunisia, organised venture capital funding is mostly missing in the region. The lack of ideas and knowledge needed for innovation is also not helping the cause. But this issue is being addressed, as a number of countries – including Saudi Arabia, the UAE and Jordan – are focusing on creating educational infrastructure, says Al-Subyani.

Apart from the lack of skilled human resources, one notable challenge to overcome is the lack of understanding at the governmental levels of the need for the venture capital industry to do well so that regional economies can develop sustainable economic growth rates. Al-Subyani urges governments to come up with special incentives for venture-capital-backed initiatives, giving these enterprises sops like tax breaks and other programmes that will support them in differentiation with companies that are funded through the traditional capital route.

Al-Subyani also suggests that governments create special training programmes for new entrepreneurs, offering them knowledge and expertise in diverse areas ranging from business management to packaging goods and services.

A government-led emphasis on developing venture capital will go a long way in creating many more entrepreneurs and jobs in the region, says Al-Subyani. But government incentives, human resources and the appetite for venture capitalists in the region are the ideal conditions for the industry to flourish, he adds. It will happen, declares the GVCA president.

Opportunities

Al-Subyani points to various knowledge initiatives happening across the region. For instance, the GCC is investing in education, along with some of the other Arab countries. Al-Subyani also singles out Saudi Arabia and the changes happening in that country in terms of development of knowledge infrastructure and human resources.

"Sustainable economic growth cannot

happen without education. And now we are seeing much more emphasis on education in the region. This is what is going to bring a smile into the venture capital industry in the region," he says.

While this means that regional economies are able to move away from being raw material- or oil-based, it also means that the region and its young population get the chance to compete with the rest of the world in innovation and knowledge-based developments, he adds.

But are there specific industries that offer opportunities for venture capital funding in the region? Apart from IT, healthcare and ICT are potential industries. Petrochemicals could also be a strong candidate, according to Al-Subyani. He says that Saudi Arabia has had a very successful petrochemical industry and has generated a wealth of knowledge in working professionals, some of whom are ready to venture into business. This new breed of entrepreneurs has both the experience and the know-how to launch successful businesses.

Al-Subyani emphasises the need for supporting these new potential ventures.

"There are private family businesses that are doing venture capital funding today in the petrochemical industry, but again it is happening quietly. You will not find mentions of these initiatives in our reports. And that is another problem; we as an association have no access to this information. So I have to confess that we are not always aware of what is going on," he admits.

But these are times of learning for the region, Al-Subyani adds. North Americans had to go through a similar process, although the challenge for the region remains. That challenge is finding ways of shortening the period of this phase and jumpstarting the industry, he says.

Association's achievements

Al-Subyani claims that the formation of the GVCA has been instrumental in creating significant awareness among stakeholders and governments. He says that until now, the association has organised two conferences targeted at promoting the cause of venture capital in the region. He rates these as good enough achievements for the nascent GVCA.

"The conferences have been our channels to promote venture capital through our speakers, both regional and international, to send out our key messages. I think that's good enough for the start, as you cannot expect to achieve everything from the first day," says Al-Subyani.

The GVCA president also points out that the main objective of the association for the first few years is to continue to create awareness.

"There are impediments in the way of the development of the venture capital industry. But at least we have made a beginning and are making some progress, although we have a long way to go," he acknowledges.

Venture capital has yet to find mention as an asset class in the region, and there is hardly any allocation towards it in the portfolios of large investors. But with all of the talk about boosting knowledge-based economies and businesses, there is bound to be a change in the next few years.

Like buyout private equity, which found a lot of takers by the turn of the century and has emerged as an industry in the region now, venture capital, supported by the change in the economic thinking of governments and business leaders, could be the next big thing when the economic recovery begins in the Arab world.

A prime mover

Saleh Baddad, a Jordanian engineer and the founder of Al-Ain-based Prime Engineering Projects, came to the UAE 20 years ago. Here he tells **Ehab Heyassat** how he made a success of the business of electrical engineering contracting.

When did you come to Al Ain?

I graduated as an electrical engineer in Pakistan and then directly came to the UAE in 1990.

How did you begin your stay in the UAE?

I joined a company in Al Ain and worked for it for two-and-a-half years. After that, I joined a second company, also in Al Ain, and worked there for seven years. My job profile involved setting up electrical networks, distributions and road lighting contracting.

In 1999, I decided to start my own business, as I had a disagreement with my employer. And so, I set up Prime Engineering Projects. I chose the name Prime because I wanted the company to be a prime mover in our industry. I believe we are moving in the right direction.

What drove you to set up your own company after working as an employee for almost nine years?

When you are working for a company, you go by their rules, even if you do not agree with your employers. There are times when you feel that you could do things in a much better way, and yet you are not able to do it because your employer does not agree with the idea. I could not bring my own ideas into practice in the company that I worked for. So I decided to leave and start Prime. I have been able to execute my plans since then. It has been a satisfying experience and Prime has served my ambition professionally, socially and financially.

I have to say that having my own little company has been a dream ever since I was in university, but it crystallised into an action plan only two years prior to setting up Prime. And to answer your question, the trigger was a clash with my previous employer. By the time I left him, I had already made up my mind never to be an employee again. My resignation was also my opportunity to be independent, so I took that chance and set up Prime.

How difficult was it to set up a company from nothing?

Well, I knew the market and the people. Dealing with them was quite easy, as they knew what I was capable of. They knew that I was capable of delivering what I promised. Since I was one of the leading managers in the last company that I worked, I dealt with a lot of people and gained their respect and trust.

However, when you set up a company, the rules of the game are different. You have to comply as a company to certain demands that a project entails. You need to have a track record as a company and fulfil certain other criteria to bid for projects. That was the difficult part. But, fortunately, we were able to get around these issues and managed to close a few small contracts totalling AED400,000 in the first year of Prime's operation in 1999.

It has been a modest start for you, then.

Of course; it was a start with just seven people in the entire company. We were doubling our business every year since the beginning, but it was not until 2004 that we started noticing the big difference in our volumes. In 2004, our business grew to AED10 million, and in 2008 we were beyond AED100 million. This year we will be even bigger.

I am doing the same old business today. The only difference is that we are not just doing interchanges or small bridges, but entire roads.

What is the formula for achieving success? What has yours been?

I work very closely with our employees. I urge them to be part of the project and the company. I work closely with them to maximise their strength and to help them overcome their weaknesses. I bestow all my trust in their abilities, and when you do that, you get success in return.

I am having fun working in my company and seeing it grow day after day. Nevertheless, the pressure is also growing every day. You have to understand that work is not all about money. If you are chasing money, you will stop at a certain size. In my case, I am seeking the joy of accomplishing something.

"When you are working for a company, you go by their rules, even if you do not agree with your employers. There are times when you feel that you could do things in a much better way, and yet you are not able to do it because your employer does not agree with the idea."

Saleh Baddad

Are joy and fun enough to make a successful company?

Setting up a company and making a company successful are two different things. If you love your work, then you might succeed. I also don't believe in being a workaholic; you need to have other activities and hobbies along the way.

But work should give you pleasure. The very thought of it should bring with it the feeling of joy and accomplishment. And when that happens, I think you, as an entrepreneur, are on the right path.

How do you pass your knowledge to new staff?

I believe that if you want to teach somebody to swim, you need to throw him in the water. Any new engineer who joins us finds himself in the thick of it from day one. We leave him to work alone, watching over him from a distance. That is the best way to teach people how to use their heads, skills and capabilities.

What would you do differently if you could start the company over again?

To start this journey much earlier; I think at least two years earlier. The years between 1997 and 1999 did not do much for me. I should have started in 1997.

You are mostly involved in government infrastructure projects?

That's true, as government is the biggest spender when it comes to infrastructure development. Also, while bidding for government projects, we are sure about all criteria, as there is clarity in standards and rules. Our comfort level is also much higher, as we know what is acceptable to them.

But that does not mean that we do not undertake private projects run by private companies. But more often than not, we find ourselves facing the moods of owners of private projects, and that does become a headache at times. That's been the primary reason we have mostly focused on government projects.

You have activities in Dubai and Abu Dhabi, but most of your work is in Al Ain?

We started here and we have good relations here. We also have a good track record in Al Ain. But we do want to work outside of Al Ain. Now we have projects in the western region of Abu Dhabi and we have our company in Dubai.

Don't you think you will be affected if governments cut spending?

It will certainly affect us, as it will affect everybody else. Fortunately, we have not seen anything of that until now.

But it could happen in the near future. Have you thought about diversifying?

We will continue to do what we have been doing on the government side, but I have already started thinking about diversifying the business. I intend to expand the business into high voltage cables and network jobs, as well as water networks, in the near future. I can think about diversifying now because I have qualified staff that I can trust fully. They make my life easy, and I need not spend all day taking care of the day-to-day activities of the company. Now I can find spare time to think of other activities.

Have you already started diversifying?

Not yet. The ideas are still on the drawing board. I am gathering information and talking to people. We might start this year. I also plan to expand regionally. Last year, I bought 25 per cent of a company in Dubai. This company is our entry point to Dubai's projects. We intend to expand towards Jordan, and we have ideas for Saudi and Libya too. Our expansion could be through partnerships, acquisitions or greenfield activities.

Are you looking for investors in Prime?

No. Our intention is to grow the company organically. We will definitely look for investors or co-investors in projects or in new companies that we might set up, but not in Prime.

But even when I am looking for investors in these projects, I want strategic partners who will bring technical expertise and value; not just money.

"You have to understand that work is not all about money. If you are chasing money, you will stop at a certain size. In my case, I am seeking the joy of accomplishing something." *Saleh Baddad*

What are the most important projects you have undertaken so far?

We are working on our single biggest project this year. It is a 22-kilometre ring road project in Al Ain. The total project contract size is AED42 million.

However, the project that has been very close to my heart was one that we executed some years ago. It was an AED3 million project in the Al Mubazara area. The project was very important to me, as the late Sheikh Zayed took a personal interest in the development of that area.

I would also like to say that I am very proud of our track record. In the last 10 years, we have had just one case of injury at work among our employees. And that injury had nothing to do with the electrical contracting work that we do.

Do you have children?

Yes; three boys and one girl.

Do you plan to bring them to work with you in future?

They are still young. I hope that when they grow up, they will work with me.

Do you do community service as a company?

I believe that the local community starts here in the company. I am proud to say that we are like a big family. I am always ready to back up any initiative by the government or local associations. We have offered training to Sharjah university students. We always support activities by the Jordanian Association and the Al Ain Club. I am also a member of the Jordan Engineers Association Committee.

Time to bottom fish in Japan?

Japan, the land of the rising sun, is emerging as an interesting investment destination, while India is still finding it difficult to hold its own. **Matein Khalid** explains why.

Something is dangerously wrong in the world economy when Japan, the ultimate export powerhouse, posts its first current account deficit in 13 years. The land of the rising sun, where lifetime employment at blue chips like Toshiba, Sony and Hitachi was sacrosanct, is now cutting 10,000-20,000 workers apiece, a clear index of corporate distress.

In addition, a World Bank forecast says that international trade has fallen for the first time in a generation, a disaster for Japan. The Nikkei Dow is now at a low of 7500, one-fifth of its peak high of 39,000 two decades ago. Will the world's equity market share the fate of Japan in the milieu of deflation, zombie banking systems and zero central bank interest rates? Could 2009 mark an existential paradigm shift in the human psychology of investing, borrowing and lending?

The Japanese financial malaise is not hard to understand. Exports have plunged, the yen has soared on risk aversion, corporate earnings are a disaster, LDP prime minister Taro Aso has approval ratings in the dismal 10 per cent range and recession in Japan's largest export markets (the US and Europe) has deepened. Above all, the dismal state of public finances and near-zero yen money market rates make monetary and fiscal stimulation important. However, unmistakable signs suggest that a capitulation trade is developing in the Nikkei Dow, which I expect to rise from the current 7500 to 9000 by summer. Why?

For one, the yen has begun to depreciate against the dollar from 87 a month ago to the 99-100 range now. This event is a seismic, game-changing one for Japan, as well as one of the most critical equations in international finance – a necessary, if not sufficient, condition for the possibility of a turnaround in the Japanese stock market. But why has the yen finally deteriorated after six months of relentless strength since the collapse of Lehman sent shock waves of fear across the global capital markets last September?

Hedge fund redemptions and repatriation of Japanese funds in the risk markets (e.g. Aussie/Kiwi bonds and commodities) have largely run their course. The evidence lies in the spectacular fall in long Japanese yen positions on the Chicago futures market. The Japanese current account surplus has shrunk from a persistent surplus to a deficit as exports have collapsed, meaning that a natural trade demand for yen buying has disappeared. Japanese institutional investors have begun to buy overseas assets, once again buying positive yen carry trades that necessitate yen selling in the Tokyo FX forward market. The depreciation of the yen against the dollar, the euro, the Chinese yuan and the Asian exporter currencies is obviously a bullish indicator for the Nikkei Dow.

The Japanese economy is also a clear beneficiary of the Chinese stimulus, which is now state policy given Premier Wen's GDP targets at the National People's Congress. Chinese bank credit has surged and it is

not coincidental that copper, the metal that is a lead indicator of Chinese industrial production, has risen no less than 20 per cent in a stealth bull rally. Copper producer Freeport has surged from 24 to 32-34 in the past month. Chinese PMI has also risen since December. Japanese infrastructure exports to China will clearly benefit from the world's most aggressive fiscal stimulus and bank credit growth economy.

Domestic investment trust inflows have not accelerated, but the outflows have slowed to a trickle. This circumstance means that selling pressure on the Nikkei Dow is at the point of exhaustion. The situation is all the more true since Japanese pension funds have begun to raise their allocations to equities; a necessity in the world's most rapidly aging developed society.

The Bank of Japan is no longer behind the curve in monetary policy. The Japanese central bank slashed rates to only 0.3 per cent in October and has now begun to purchase commercial paper and asset-backed debt. As the Bank of Japan accelerates its purchase of corporate bonds, corporate credit risk spreads will compress, which is a positive for corporate cash flow, EPS and Japanese equities.

Although the resignation of finance minister Nagakawa at the G-7 conclave in Rome made him the butt of Bloomberg and cyberspace jokes, the fact remains that he is the fifth LDP finance chief in the past two years. This fact is the reason Hillary Clinton met opposition leader Ichiro Ozawa. A DPJ victory over the LDP led by reformist Ozawa could win the general election, a prospect that is extraordinarily bullish for the Japanese stock market. The ideal way for a non-specialist investor to go long on Japanese equities is to buy the MSCI Japan index fund EWJ.

EWJ is traded on the NYSE and is managed by Barclays Global Fund Advisors, the world's leading index manager. However, I would only buy EWJ if it falls to the 6-6.25 range, hoping for a year-end target near eight.

While I am not primarily a technical analyst, it is obvious that EWJ has formed a classic diamond bottom on the charts. This position usually suggests a bounce from the current downtrend as prices create lower lows while the trading range gradually narrows. At 26-year lows, the Nikkei Dow is under-owned, unloved and desolate. The slightest shift in money flows and psychology will lead to significant snapbacks.

Indian shares

Indian shares have faced an annus horribilis since the 21,400 Sensex peak in January 2008. The UPA government FY2009-2010 budget was a disappointment, coupled with previous Keynesian pump priming. The Indian fiscal deficit could well trigger a sovereign credit downgrade.

The UPA government's seven per cent GDP forecasts were clearly too optimistic, as GDP growth slowed to 5.3 per cent despite the steroid shot given by US$100 crude oil. Global risk aversion continues to hit India, with FII selling on Dalal Street and an Indian rupee that has broken out of its 48-49 range to depreciate to a new 50-52 range.

Political risk in India has also risen after the Mumbai terror attacks and the upcoming Lok Sabha elections. Even the aggressive monetary easing by the RBI has not triggered international risk capital flows into India, with the Satyam horror story having triggered a fresh re-think on the abysmal corporate governance, creative accounting and balance sheet leverage that characterise so many family-sponsored Indian public companies.

While valuation metrics of the Sensex are not expensive, EPS risk means it is now prudent to focus on a new nine to 10 range on the Sensex amid a milieu of good risk aversion. There are simply no macro triggers that would suggest a higher valuation range argument. The Sensex trades at 10-times forward earnings at 8000. I believe the risk reward calculus suggests a 6800-7200 Sensex as on optimal buying risk because uncertainty is rising (e.g. politics, sovereign credit, EPS and governance risks). Above all, stock markets hate uncertainty.

The Indian Fund (IFN), a country fund listed on the NYSE, could bottom somewhere at 11-12. After all, the IFN was 45 when the Sensex peaked a year ago. Is it a bargain? Time and the Sensex will tell.

Is the GCC prepared to handle the downturn?

The global downturn is likely to hit the GCC hard. But **Stefan Hofer** thinks that a medium-term recovery of the oil price should help the region hold its own.

With economic conditions deteriorating around the world, international investors are asking themselves how well the GCC is prepared for such an environment. Although the impacts of deleveraging and recession have been slow to reach the GCC, this situation appears to be changing. Given the increased financial and trade integration in recent years, it can be argued that the effects of the slowdown could be more marked during this downturn and synchronised across countries and regions.

In terms of real GDP growth, the GCC is forecast to outperform the OECD average by a wide margin this year. Even if the region slows to below three per cent, marking a significant departure from the previous six years (during which growth averaged close to seven per cent), this figure is in stark contrast to the US, the Eurozone and Japan. These economies are likely to contract by two to three per cent this year and the recovery in 2010 and 2011 is expected to be modest.

Unlike the previous two US recessions, where household consumption did not suffer major setbacks, the current contraction is now being characterised by both consumers and businesses reducing their debt levels. The severity of the ensuing contraction is therefore most reminiscent, in our view, of the early 1980s recession, which also saw a pronounced credit crunch. The deleveraging taking hold today means that US consumption as a percentage of GDP may fall from 72 per cent to 68 per cent by 2010. This circumstance would have very significant repercussions for financial markets, global trade and demand for commodities, among other factors.

Energy exports

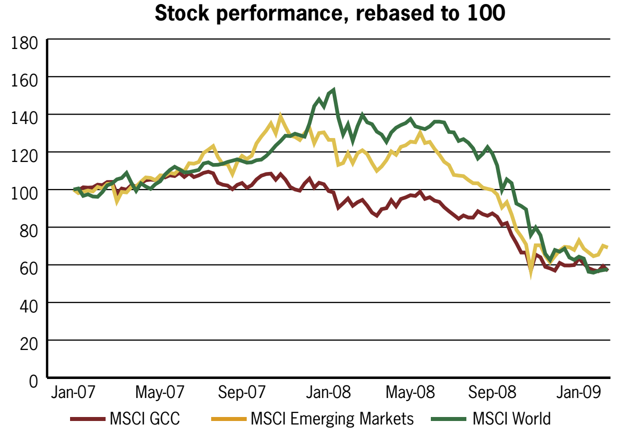
Given the importance of energy exports for the GCC, these should be the focus in terms of assessing the shorter-term impacts. Market forecasts point to a drop in global consumption of oil of 1.5 million barrels per day (year on year for 2009), with weakness being registered in the US, Europe and even China. The current moderation in demand has not been seen since the early 1980s. On the supply side, curbs in production by producing nations in the Gulf should help support prices, but market consensus points to higher non-OPEC output in 2009. We maintain the view, however, that on a three to five year horizon, oil prices will recover to the US$60-75 level. Current prices are not only linked to diminished demand, but also to tight credit market conditions, which should normalise over time.

In addition, the International Energy Agency remarked in its February report that oil companies have reduced their spending on maintenance, which could threaten future production capacity. To sum it up, the stage is set for oil prices to move higher over the medium term, which is fundamentally very supportive for the GCC's outlook.

Retrenching consumers have characterised the recession in the US. For the GCC, it can be said that cancelled or delayed investment projects have been the most visible symptom. On one hand, a decreased supply of new real estate and other projects will help bring the market back to equilibrium. On the other hand, the costs and spillovers associated with this rebalancing need to be considered as well. Beyond those factors, most analysts and economists would agree that the key is a longer-term strategy of diversifying economic activity away from the reliance on energy exports.

Against this backdrop, it is worthwhile to consider the efforts undertaken by GCC policymakers to offset the financial market turmoil and economic slowdown. While many countries have launched large fiscal stimulus programs (notably the US and China), the focus in the GCC has tended to be on supporting banks and liquidity conditions. For example, according to J.P. Morgan, deposit guarantees have been extended in a number of countries

Stock performance, rebased to 100



Source: MSCI, Datastream, Bank Julius Baer such as Saudi Arabia, the UAE, Kuwait and Bahrain. Interest rates have been lowered across the region, while other special facilities have been put into place to assist banks' capital. The recent US$20 billion bond programme announced by the Dubai government to support companies in their refinancing efforts should also be mentioned. Other steps, such as greater access to lending for lower-income citizens in the Kingdom, should provide further support.

There have been a handful of higher-profile corporate consolidations and bailouts, but these pale in comparison to the large-scale losses and turbulent restructurings seen among US and European financials.

Softening the downturn

Interestingly, the growth of Islamic banking has been especially fortuitous for the region. Moody's raised this issue in a report published late last year. The agency noted that since Islamic Financial Institutions (IFI) are structurally excluded from holding certain assets in their books, they have been able to avoid some of the toxic products that have plagued other banks. Moody's also stated that some clients would perhaps find it more comforting to transact with an IFI, given the perception that these institutions focus more on the basics of financial intermediation and are therefore less prone to excessive financial innovation. Moody's did point out, however, that real estate lending exposure for some GCC members is significant; therefore, falling real estate values will have negative repercussions.

It clearly makes sense to consider how prepared GCC governments are in terms of being able to smooth out the cycle. In aggregate, the GCC has reportedly constructed conservative budget frameworks, so it should be well prepared to partially soften the downturn. To illustrate, analysts estimate that in 2006 alone, the GCC had budget surpluses of 20 per cent of GDP, with the last deficit year being 2001. While cyclical factors have seen budget balances deteriorate for most economies in the current environment, there are marked differences in the GCC.

For example, the recently enacted US stimulus package will likely see some of the largest fiscal deficits (excluding World War II) since the 1930s. But it can be argued that without this package, the global slowdown would be far worse. Other economies with fairly high debt levels to begin with (for example, Japan) will find it more difficult to enact large stimulus packages. The GCC, however, appears to be well positioned. Its total external debt as a percentage of GDP is less than 30 per cent, according to J.P. Morgan estimates.

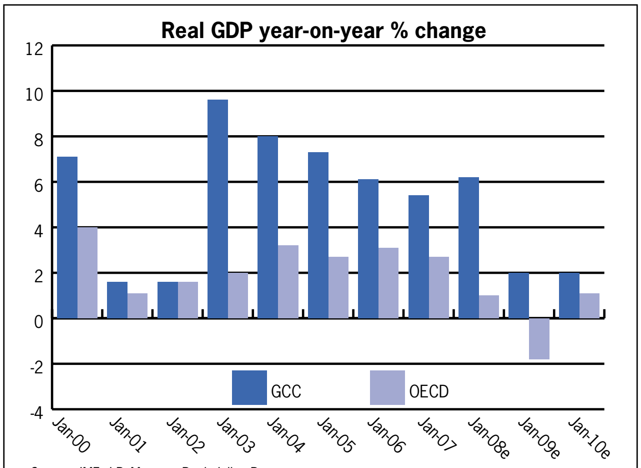
Financial market performance last year demonstrates that the GCC, while possessing relatively strong fundamentals, could not avoid the impact of global deleveraging. As such, the larger GCC bourses saw declines in 2008 comparable to global equity returns. For example, while the MSCI GCC dropped about 50 per cent, some stock markets in Europe and other emerging markets fared worse. Other than the safest category of government bonds, even large segments of traditionally lower risk credit did poorly. As such, the overriding factor last year was that risky assets were highly correlated as investors, gripped by the financial system's turmoil, sought to reduce risk to a minimum.

One positive development so far in 2009 is that national stock markets are beginning to show a greater divergence in performance. This suggests that investors are starting to draw greater distinction between differing economic and corporate outlooks, which is an important step towards the normalisation of financial markets.

GCC credit markets have not been immune. Credit default swap (CDS) spreads have risen substantially across the region, even for the strongest borrowers. According to Moody's, some traded entities even saw spreads hit 1000 basis points last quarter, a level that is generally considered distressed. But here the GCC is not alone. Russia's sovereign CDS spread exceeded 1000 basis points last year, although most observers would probably agree that the likelihood of a sovereign default, even in the face of worsening economic fundamentals, appears limited. In that sense, the rise in CDS spreads is partly a reflection of overall tensions in the credit markets and international investors' general attitude towards risk, which remains at conservative extremes.

Although the GCC is certainly feeling the effects of slower economic growth, the capacity for governments to smooth out the cycle is strong. Crucially, the medium-term outlook for energy prices, in our view, is also supportive of the fiscal frameworks for the GCC as a whole.

The author is an analyst for emerging markets strategy at Bank Julius Baer.



Source: IMF, J.P. Morgan, Bank Julius Baer

The power of golden ratios

Unlike the historical golden ratio, which is a mathematical constant, the investor's golden ratios fluctuate dramatically. But do these have predictive powers? **Rehan Syed** investigates.

The fascinating golden ratio is well-known in the spheres of art and science, oft implying an intriguing symmetry and celestial order to nature. In our equally lively world of investing, we are fascinated by "golden ratios", such as the ratio of gold prices to equity prices, gold to oil, gold to silver and more. Unlike the historical golden ratio, which is a mathematical constant, the investor's golden ratios fluctuate dramatically and often tell an interesting tale. Do they have predictive powers? Possibly yes, to the extent that you are willing to let the market do the talking, as the old trader's saying goes.

The fear factor ratio

Gold to oil is a popular ratio, partly because of the cause-effect linkage where prior inflationary periods have been triggered by high oil and gold's rapid response to inflationary signals. Also, it is a deflation fear index, since such periods see economic contraction and a low oil price.

With gold currently at about US$940 per troy ounce and oil at about US$45 per barrel, the ratio stands at 22x, owing more to the 69 per cent collapse in the oil price from US$145 than to the relatively unchanged gold price over the past year. Since 1971, when its price was deregulated, its average has been 16x. Its peak was 33x in early 1986, when the oil price collapsed 64 per cent to US$10. In a brief brush with deflation in 2002, it remained low at about 11x, since the 40 per cent fall in oil was offset by a 35 per cent rise in gold. However, towards the tail-end of the Great Depression in 1934, the ratio hit an all-time peak of about 50x, due to a surprisingly similar 64 per cent collapse in the oil price.

When the economy recovers, we expect this ratio to initially fall as oil, which is currently trading at below full-cycle replacement cost, perks up and the deflationary systemic failure currently priced into gold evaporates. In the past, oil has bounced strongly from its bottom. In 1934, it was up 50 per cent a year after the gold to oil ratio peaked. Similarly, after oil's 1986 trough, it was up about 50 per cent in less than a year. Longer term, as inflation fears kick in, the ratio (notwithstanding potentially below-trend global GDP output) is likely to appreciate, with gold appreciating faster than oil on a three to five year horizon.

A dualist dilemma

The gold to silver ratio delineates the dual role of silver as a store of value and as an industrial metal. About 55 per cent of silver demand is industrial and has fallen. Some pockets of demand such as conventional photography, which is an additional 15 per cent of demand, are collapsing with few offsets. These factors have dragged silver down 35 per cent from a 2008 high of US$20 per ounce to a relatively robust US$13, which far exceeds the 1985-2004 trading range of US$4 to US$7. The latter range is a wider range than gold, which traded between US$330 and US$430 during that period.

Silver's industrial demand factor results in a substantially higher volatility of 25-35 per cent, versus about 15-20 per cent for gold. The gold to silver ratio currently stands at 72x, which is well above its 60-year average of 48x and its post-1971 average of 56x. The all-time peak was at almost 100x in early 1991 and high values above 70x were recorded in 2002-03 and 1995-96. There is potential for this ratio to move higher if macro weakness compounds and if the consequent additional pump priming activity spooks the market on inflation, thus creating opposite forces on both the numerator and denominator of this ratio.

The premium ratio

The platinum to gold ratio is currently at 113 per cent and has almost never traded at below 100 per cent, which is to say that platinum almost always trades at a premium to gold. It is a classic bull market metal, trading at 180 per cent or higher levels than gold from late-2002 to mid-2008. It

serves a dual role as an industrial metal and as a store of value. Seventy per cent of its demand derives from industry and most of that as an autocatalyst, which is pressured by the auto industry's depression but is already factored into the price.

Since almost 70 per cent of supply originates in South Africa, supply shocks have a disproportionate impact on price. With the premium at the low end of the historical range, allocation to this metal makes sense, especially as an alternative to gold. The one relative disadvantage is volatility, which at 20-25 per cent is a fifth to a third higher than gold's. We would, however, use it as an opportunity to pick favorable entry points.

The deflation ratio

The nickel to gold ratio is sometimes dubbed the deflation ratio, since this metal has no store of value purpose and trades exclusively on the most cyclical aspect of industrial demand (i.e. steel production). The price has not surprisingly collapsed from near US$48,000 per tonne to US$10,000, and the ratio is at 11x versus a cyclical high of 70x in 2007. In prior bull markets, the cyclical highs were in the 35 to 45 range. The higher-high reflects the more steel-intensive nature of the recent bull market. The current level of 11x is below the 12x to 16x lows of prior recessions.

The steel industry is in structural overcapacity, and while there is some hope pinned on the infrastructure-rich nature of stimulus packages, especially in China, it could be a while before we see it trickle down to nickel prices. Also, steel manufactures have been slowly shifting to no-nickel steel or low-nickel steel solutions, which erode long-term demand and pressured nickel prices.

The Goldilocks ratio

The Dow to gold ratio, the optimist's "Goldilocks" ratio, currently stands at about 7x. When earnings prospects appear strong and inflation is low, equities command a valuation premium and there is diminished demand for gold, elevating the ratio. At the peak of the TMT bubble in halcyon 1999, when uber-optimists were merrily forecasting "Dow 36,000", the ratio soared past 40x. In the more recent credit bubble of 2003-2007, it traded between 20x and 25x. Its century-long average is 11x and its more meaningful average post-1971 is 13x.

With the first whiff of economic recovery, this ratio could move substantially higher, driven both by a sharp equity rally and a possible selloff in gold due to pricing out of the systemic failure risk. Longer term, if inflationary expectations take root, equities will struggle as they did in the mid- to late-1970s, while gold moves up as a currency hedge, forcing down the ratio. At the peak of the last inflationary era, the ratio hit a shockingly low bottom of 1.3x in 1979. During the decade of 1975–1985, it averaged at just 3x.

Gold's asymmetric outcome

While each of the ratios discussed have their own dynamic, the macroeconomic outcome is the common driver. We expect the global economy to bottom by the end of this year or, as is increasingly likely, early next year – if nothing else because the base effect of easy comparisons starts in the fourth quarter. Once a firm growth trend is in place, even though it will likely be anemic, central banks should start withdrawing the excess money supply created to jump start the economy lest core inflation take root, a real fear given the unprecedented degree of fiscal monetisation.

In this context, we view the current gold price of US$930 per troy ounce as supported above its currency-based fair value of approximately US$700 by short-term deflation and long-term inflation fears. We expect a possible correction in the period between when the deflation fears recede and before inflation fears fully take root, but with a floor at the marginal cost of production, which is now approximately in the US$500 range.

It is important to note there are better priced alternatives to inflation immunisation, like TIPS, derivative-based inflation swaps and publicly-listed real estate. Yet, in a non-trivial core inflation and dollar depreciation scenario, gold could vault much higher; possibly as high as US$1500 to US$2000 on a three to five year horizon, reflecting an asymmetric outcome profile.

The author is head of portfolio management at ABN AMRO Private Bank in Dubai.

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

GCC, Regional and World Benchmarks - Conventional

As of March 16, 2009

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

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

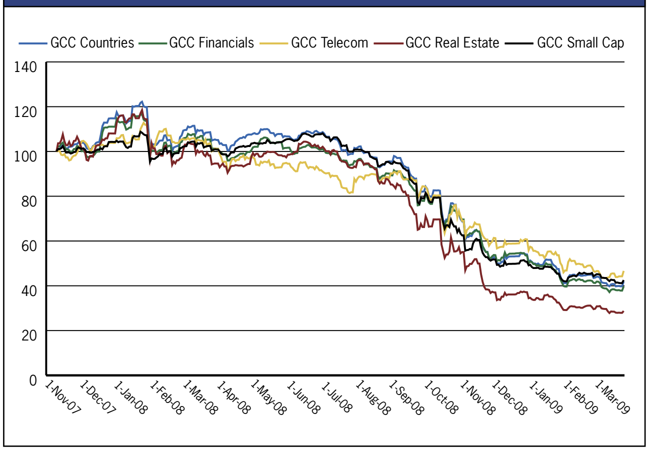
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

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

GCC: Comparative Returns

Comparative returns for four MSCI GCC indices

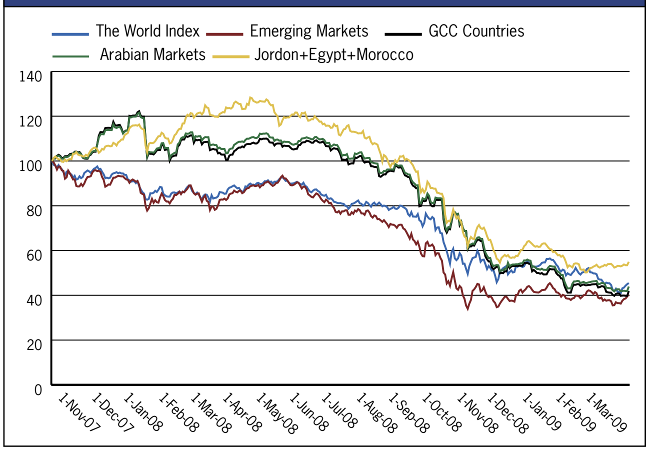
(Period: October 31, 2007 to March 16, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

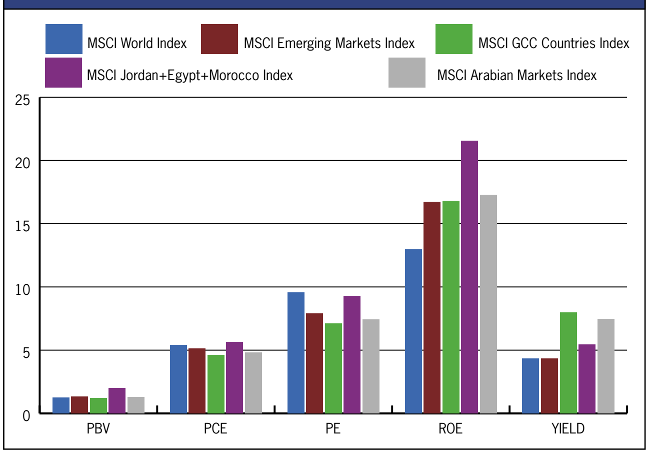
(Period: October 31, 2007 to March 16, 2009 rebased to 100 on October 31, 2007)



Valuation Ratios

November month-end valuation ratios

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



Performance Values

QTD, MTD, YTD performance in US$

(Eight indices as of March 16, 2009)

Index	Performance in % US$ (MTD) this month	3 month performance in % US$ (3M)	Performance in % US$ (YTD)
MSCI Arabian Markets Index	1.742	-15.194	-14.524
MSCI Emerging Markets Index	8.083	2.408	-4.829
MSCI GCC Countries Index	1.814	-17.263	-15.019
MSCI GCC Financials Index	2.322	-24.461	-18.557
MSCI GCC Real Estate Index	-3.037	-18.170	-15.090
MSCI GCC Telecom Services Index	7.388	-18.694	-13.049
MSCI Jordan+ Egypt +Morocco Index	1.680	-4.316	-13.018
MSCI World Index	1.908	-14.306	-16.848

GCC, Regional and World Benchmarks - Islamic

As of March 16, 2009

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

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

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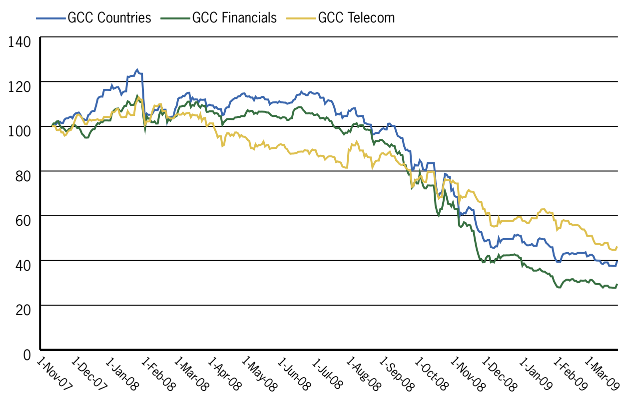
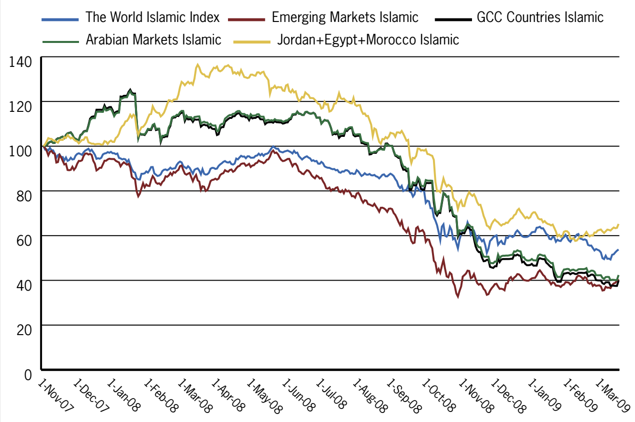


WORLD: Comparative Returns

Comparative returns for five MSCI indices

(Period: October 31, 2007 to March 16, 2008 rebased to 100 on October 31, 2007)



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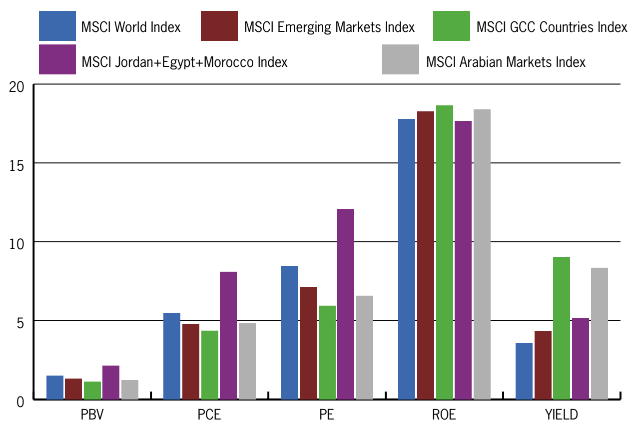


Performance Values

QTD, MTD, YTD performance in US$

(Eight indices as of March 16, 2009)

Index	Performance in % US$ (MTD) this month	3 month performance in % US$ (3M)	Performance in % US$ (YTD)
MSCI Arabian Markets Islamic Index	0.232	-12.326	-13.418
MSCI Emerging Markets Islamic Index	8.865	5.451	-1.195
MSCI GCC Countries Islamic Index	-0.299	-13.983	-14.538
MSCI GCC Islamic Financials Index	0.569	-27.266	-16.628
MSCI GCC Islamic Telecom Services Index	-2.269	-16.468	-21.327
MSCI Jordan+ Egypt +Morocco Islamic Index	3.955	-1.845	-7.371
MSCI World Islamic Index	2.583	-10.478	-12.735

Recovery not likely before Q2

The year 2009 will test the patience of GCC investors. **Snehdeep Fulzele** believes that investors will have to wait beyond the second quarter for any signs of market recovery.

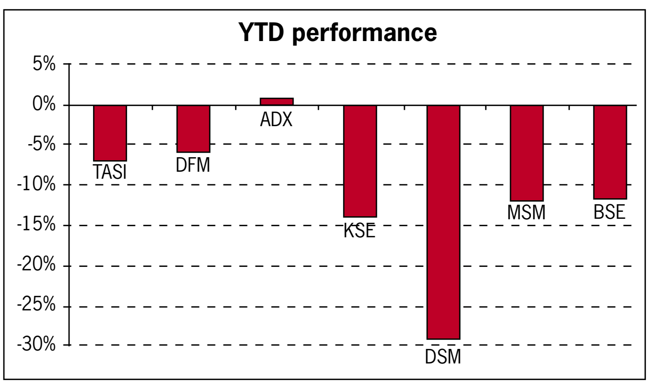
Nervous investors, deteriorating businesses and cautious bankers have marked the sentiments across GCC markets over the last month. The loss of faith in equities has also been reflected in volatile indices. Notwithstanding the recent notable recovery in oil prices, investors are concerned about the further weakening in corporate performance that has defined stock prices.

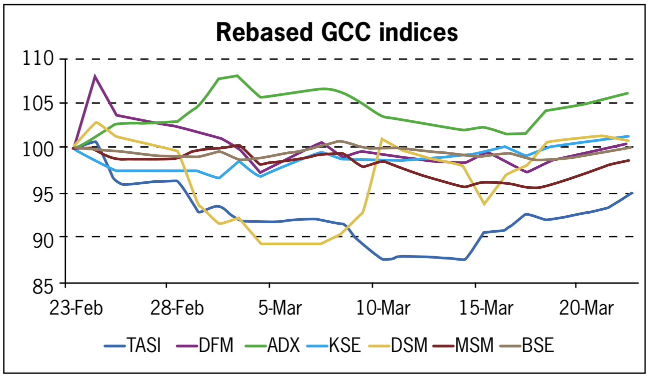
It is interesting to look at the rebased chart of market indices. For example, the Dubai Financial Market and the Doha Securities Market closed on March 22 at almost the same level as their respective values on February 22. But the variation between the two indices is markedly different. The similar divergent movements are evident across individual securities in seven GCC markets.

Big companies, especially those with substantial sales outside of the GCC, have been hugely impacted. Interaction with companies in Saudi Arabia also suggests that the concerns of investors are not without reason. The reduction in interest rates is likely to revive economic activity from the third quarter. Accounting adjustments of old inventories resulting from the sudden and sharp drop in raw material prices should be over by the end of the first quarter, which means that corporates will have cleaner balance sheets going forward.

Investors in Saudi Arabia are worried about the first quarter results of SABIC, the largest listed company in the Middle East. The company has seen dramatic erosion in demand. Its operations in North America, subsequent to the acquisition of GE Plastics, will continue to weigh down its performance, as the automobile industry – its main customer in the US – is fighting to survive. Its steel business is also under pressure.

Delays in the progress of mega projects, cautious customers and declining demand have combined to script the story in most industries. The centre of activity in the construction industry has shifted to Saudi Arabia from the UAE. The euphoria, however, has evaporated, and no one seems to be in a hurry. This situation has led to the declining of manpower charges to reasonable levels, while contractors are also available now.





First quarter results will start to trickle in during the first week of April. Companies are expected to continue the declining trend of the previous quarter, albeit with lower rates of decline. A year-on-year comparison will indicate falling sales, as selling prices have eroded substantially along with falling volumes. The bottoming out of the stock markets will not be sudden. Small trading volumes will most likely carry on into the summer.

A lot of investors are reducing equity exposure in favor of low risk assets. Commercial Bank of Qatar sold its entire equity portfolio of US$258 million to the government with a right to buy it back with certain conditions. Qatar's central bank has reportedly bought US$1.8 billion local bank investment portfolios listed on the Doha Securities Market.

The year 2009 will test the patience of GCC investors as local economies struggle to maintain their growth rates of recent years that were boosted by oil income. The UAE may see a contraction, while other countries, especially Saudi Arabia, may follow suit. Year-on-year, Saudi Arabia's non-oil exports plunged by more than 19 per cent in December because of the global financial crisis, while imports increased by a mere one per cent. In Kuwait, politics has taken the centre stage with the resignation of the Kuwaiti government.

Leading economies of the world are still showing no signs of recovery. The US, the largest economy in the world, has been in a recession since December 2007. Internationally, job losses are mounting and currencies have become more volatile. Falling inflation brings succour to consumers, but it is not enough to direct money in stocks. The GCC region has aligned more with the rest of the world since the correction in oil prices.

Markets lack near-term triggers for a change in sentiments. Investors need to wait for one more quarter for possible signs of recovery.

The writer is head of research at FALCOM Financial Services.

Searching for a new hero

The flight to safety continues. The US dollar is benefiting from it, but gravity may soon begin to exert itself, cautions **Sachin Patki**.

The US unemployment rate has risen to 8.1 per cent, the highest since 1983, with 654,000 unemployed joining the list in February. The unemployment rate is expected to climb to 9.4 per cent by the end of this year, with the economy shrinking by 2.5 per cent. Some of the larger corporations in the US, like the automakers, are currently on the brink of collapse, surviving purely on government bailout funds. Wal-Mart, whose business model is based on low costs, is one of the few corporations to show more business as consumers shift to lower-cost options in order to survive.

The lack of a savior has been seen in the flight to safe haven areas like gold and precious metals, which have risen to their near-term highs in recent months. The US dollar strength continues to be partly due to this flight to safety, although gravity may soon begin to exert itself.

The Eurozone has seen a central bank with limited options when it comes to assisting a diverse set of economies. The European Central Bank (ECB) has used a non-traditional method of deposit rates, as opposed to its benchmark refinance rate of 1.5 per cent to pump funds into the economy. The new Euro Overnight Index Average, currently at around 0.85 per cent, is the rate at which banks have been placing funds with the ECB. The interbank market has dried up amidst questions about the credit rating of the counterparty post-Lehman collapse.

Industrial production for Germany, the EU powerhouse economy, was down 7.5 per cent in January. Factory orders are down 38 per cent from a year earlier, with the economy expected to shrink by around 3.7 per cent this year – the highest post-World War II.

At some point, the huge jump in money supply in the EU will start to impact inflation, although it may not be enough to stimulate growth. The euro looks to attempt lows near 1.2470 and 1.2330, with some oversold triggers seeing a potential reversal of up to 1.2800, 1.2970 and possibly 1.3210 and 1.3350. The lack of a sharp reversal higher from the lows near 1.2470 will make the euro vulnerable again.

The euro does, however, have some potential strength against the sterling. The sterling/euro cross looks to give up some of its recent gains from the 1.0800 region to near 1.0630, 1.0455 and 1.0210 – the low seen last December. A failure to break this low may indicate a time of reversal for the cross, but a failure to get an oversold signal may mean this cross is headed south for a while.

The UK economy is even worse than the Eurozone. The sterling reflects this circumstance, but has more downside to go. Lows of 1.3500 are being broken for a test of 1.3315, 1.3250, 1.3180 and 1.2970. We may see some buying in the early 1.3010 area, but the sterling may also eventually give up ground against the US dollar and the euro.

The Japanese economy stands on the brink of yet another lost decade. The GDP shrunk by 12.1 per cent in the last quarter of 2008. Some of the export-led industries are collapsing with no business orders. Pacific Holdings Co. (real estate) has filed for bankruptcy, while Toyota Motor Corporation (Japan's largest automaker) will be cutting its production by more than half this quarter. The Bank of Japan and its related agencies have received approximately US$40 billion worth of emergency funding requests.

In the first two months of 2009, the dollar/yen saw some reversal of the yen strength seen until the end of 2008, but the 100.00 level seems to be providing a strong barrier. Any softness in the US dollar will look to take the yen back to 95.70, 94.35, 92.80 and 91.10, with the longer-term target in the region of 87.15. The euro/yen has seen a test of 125.80, and a reversal from this level may take this cross up to 121.50 and 120.25. A break of 120.25 will see the cross make another attempt of the January 2009 low of 112.15.

The author is head of Mashreq Gold & Investments.

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

Pessimism poses growing risk

Emerging markets need a stabilisation of the global financial markets and a significant recovery in risk appetite before they can expect to become attractive once more, argues **Dr. Oliver Stönner-Venkatarama**.

Recent economic data have been disappointing. The global economy appears to be at risk to register a much stronger contraction than projected, taking into account recent growth and production data from the mature as well as emerging markets.

Thus far, almost all projections for global growth envisage a recovery towards the end of this year, accelerating into 2010. But because the cyclical trough is probably deeper than expected, there is a reasonable risk that the recovery path will be flat rather than steep and will extend throughout the course of 2010.

Private households, companies and investors seem to envisage the growing risks and are gradually turning more pessimistic about their future prospects. Shoppers are staying at home and entrepreneurs have started to cut back on their investment plans, in turn raising job insecurity. Fiscal stimulus measures may dampen this vicious cycle, but seem unlikely to stop it, leading to the question: what could be the pivotal factor for starting a turnaround?

The US housing sector and its implications for the further stress level of global banks remain the core of the current global economic problems. Although masked by negative cyclical data, a stabilisation of US house prices seems to be the major requirement for pressure to recede somewhat on the global banking industry. Stabilising house prices would pave the way for more effective public support measures, as the valuation of so-called toxic assets would be slightly less complicated. On this backdrop, the implementation of bank-specific, bad-bank solutions would become easier.

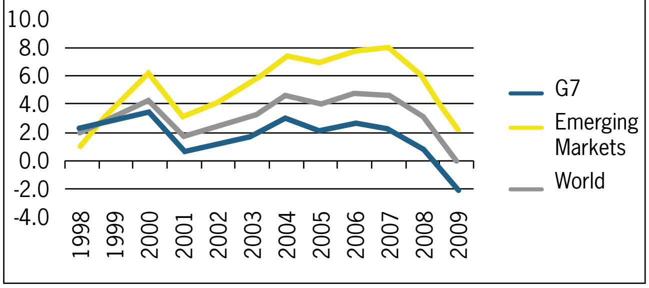
A broad-based recovery of the global economy without sufficient credit from the banking sector appears unlikely. This reasoning provides an indication with regard to the sequence of a recovery process. Starting with an improvement in the banking sector, corporates should be the first to feel an improvement in the availability of credit. Gradually, investment projects will be approached again and employees will slowly start to feel corporate restructuring processes coming to an end. As a result, the sentiment among private households and companies may change way before hard economic data reflect the turnaround.

Putting these ideas into perspective, current fiscal measures may help some companies through these very difficult times, but a more solid economic upturn based on sufficient credit may benefit other companies. What does that mean for investors?

Most importantly, investors should remain cautious in building new investment positions. Mature financial markets in the US and the EU seem to be better positioned to benefit from global investors regaining some confidence. Emerging markets not only need a stabilisation of the global financial markets, but also a significant recovery in risk appetite. This scenario appears unlikely in the short term, since most of the global stock indices have breached important downside levels in recent weeks. Therefore, investors remain fearful about market trends, particularly in the short term. Investors who have been stopped out of their positions will be very cautious about re-entering the markets.

Global economic trends 2009:
Economic pessimism deteriorates further

Real GDP, % change year-on-year



However, some speculations in the markets seem overdone. For instance, the continuing debate about a breakup of the euro currency area neglects important facts. In the global context of economic weakness, it makes no sense to bet on stimulating effects from a weaker currency. On the other hand, a depreciation of their own currencies against the euro would put a lot of companies at risk, as financing has mainly been done in euro over the last couple of years.

The integrated financial market and lower financing costs have been important drivers of economic expansion in the region. Therefore, macro-based rate convergence or recovery plays may attract more investors than dedicated country bets in the equity markets.

The writer is an emerging markets investment strategist with Cominvest.

Markets shrouded in uncertainty

Uncertainty reigns in financial markets as the grim reality of the post-credit crunch world vies with the dramatic scale of the policy response for dominance. **Peter Hensman** analyses the consequences.

Last month, positive news focused on further tentative evidence that the rate of deterioration in global economic conditions could be easing. (It is arguably too early to suggest that some sort of low has been passed – even one that is a temporary stabilisation that could result from the need to rebuild inventory positions.) Support for this view comes from the improvement in shipping rates, a rise in the copper price that has been supported by falling inventories at the London Mercantile Exchange and some stronger economic data from China, particularly the improvement in bank lending data.

Furthermore, after a poor start to March, there has been some improvement in financial market risk appetite indicators such as the Vix option volatility index, as fears surrounding the immediate outlook for the US banks have eased.

There are also reasons to believe that this improvement can continue in the coming months. First, while there has been a vast array of new initiatives announced so far this year, few have reached the point of implementation. Hence, in the next few months, the real economy impact of the various tax cuts and government spending plans should start to arrive.

Second, the plan announced by President Obama to stem foreclosures by allowing Fannie Mae and Freddie Mac to refinance mortgages with a loan-to-value ratio of up to 105 per cent (against the typical 80 per cent required to receive the best rates at present) begins in April. This plan should slow the numbers facing foreclosure as refinancing mortgages to lower interest rates becomes an option (for some) once again. One of the perils of writing any sort of outlook at present is the pace at which events are changing. On March 18, the Federal Reserve announced the intention to purchase US$300 billion of Treasury securities and increase the programme of MBS acquisitions from US$500 billion to US$1.25 trillion. If this move achieves a drop in mortgage rates, it would be a further offset to some of the challenges that are faced.

Third, the success of the Term Asset Backed Security Loan Facility (also known as the TALF) should become evident. This scheme, initially announced in November last year, is a key part of the planned approach of the "credit easing" from the Federal Reserve.

Finally, the "stress test" of the 19 large US banks is expected to be completed by the end of April 2009. Arguably, once the results are announced to the market, investors will either receive the short-term reassurance that the authorities do not consider further capital injection necessary (even against a more challenging than expected backdrop) or that those who are considered potentially at risk will see capital levels increased, reducing the danger of problems if the economy does continue to deteriorate.

However, it would be equally unusual for a financial crisis and its after-effects to pass quickly. Despite the backward-looking acceptance that 2008 was an awful year for investors, there were also periods of optimism, such as the March to May period after the rescue of Bear Stearns and the early summer period as the positive influence of the Bush tax rebates lifted activity. As highlighted by Treasury secretary Tim Geithner in his February 10 speech, the problem with policy changes under the previous administration were reactionary, rather than proactive. Arguably, little has changed in 2009, and much of the approach seems to be based on the need to support aggregate demand and encourage further bank lending. This circumstance is despite there being general acceptance that the biggest challenge the world did face was excess consumption, supported by too much debt.

What appears inevitable is that despite the exhortations from the authorities for banks to increase lending, the wide recognition of the instability that such a level of indebtedness created means it is unlikely that the world will return to anything like the environment before the credit crunch (nor should we want it to). This recognition suggests that the return of spending back to levels that are sustainable from current income (and reduction in financial sector leverage that enabled the increases in personal/corporate debt) is likely to remain in train for some time and that a generally cautious approach to investment management remains appropriate. For the time being, despite apparently attractive valuations that should support healthy longer-term returns, it seems best to take opportunities to adopt riskier investment positions, or those more exposed to cyclical swings in the economy when sentiment becomes extreme, as was perhaps seen in early March.

The moves by the Bank of England and the Federal Reserve to make direct purchases of government bonds are unlikely to prove to be the last. Although the scale of official intervention raises potential concerns about inflation in the longer term, the near-term effect is likely to see government bond yields decline even further as the authorities attempt to encourage greater risk-taking by reducing the nominal return on "safe" assets as low as possible.

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

Gold important as currency

Gold's importance as a currency is rising, while the future for metals looks weak. An **MF Global** report.

Equity markets around the world have rallied on hopes that banking giants such as Citigroup and Bank of America will return to profit in the first quarter of 2009. This rally in turn had briefly supported the commodities market.

In the precious metals complex, gold failed to convincingly breach the US$1000 per ounce mark. After a sharp fall of over US$100 on profit booking, the yellow precious metal has again regained upward momentum following the actions of Swiss National Bank. For the first time in 13 years, the Swiss central bank resorted to selling francs in an effort to weaken its currency to protect its exports. Many market participants were surprised that the Swiss central bank's action did not receive any criticism under the head of protectionism.

This circumstance has raised alarms that countries may resort to devaluing their currencies in a bid to fight off export slump. Should this beggar-thy-neighbour policy become widely prevalent, then gold's value as a medium of exchange (one of the functions of a currency) will rise.

Gold near-month futures (Comex) on month were down 1.6 per cent to US$926 per ounce, but rebounded from the month's low of US$895. Silver, with no such reason for support, declined and was down 4.5 per cent on month to US$13 per ounce.

In base metals, bellwether copper gained sharply by nearly eight per cent on month to US$3710 per tonne (LME three-month forward contracts). Copper has been drawing support on hopes of renewed demand from China and South Korea, an upswing in global equity markets and falling stockpiles. China's imports of unwrought copper and fabricated copper products reached a record 329,311 tonnes, up 42 per cent from January and 45 per cent from February.

There have been rumours that this surge in imports has been because of the China State Reserve Bureau's purchases. Reports of South Korea looking to increase its reserves of copper and aluminium also helped. While China and now South Korea have been actively stocking up, Russian Prime Minister Putin rejected a similar proposal, much to the dismay of Russian miners.

Among other base metals, zinc gained six per cent on month to US$1228 per tonne and led by equal percentage to US$1250 per tonne. Nickel was down seven per cent on month to US$9600 per tonne.

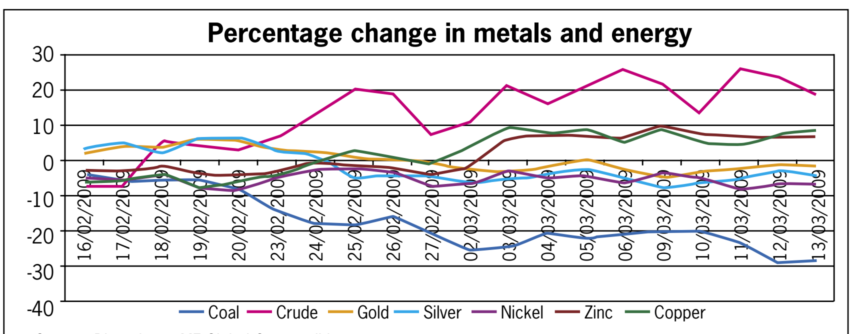
In the mergers and acquisitions space, the proposed US$19.5 billion investment by Aluminium Corp of China (Chinalco) in Rio Tinto is under intense scrutiny from Australia's foreign investment review board. The board has extended the review by 90 days after an initial 30-day review. This deal has been a concern for the Australian government, as it would give Chinalco a greater say in the running of mining giant Rio Tinto. Through its US$19.2 billion investment, Chinalco's stake will go up to 18 per cent in Rio Tinto and between 15 and 50 per cent in Rio's key assets.

Meanwhile, London-listed Vedanta has bought Asarco, the third-largest copper miner in the US, for GBP1.7 billion at a price that is 35 per cent less than its initial offer in June 2008.

In the energy space, coal (ICE near-month futures) declined by 28 per cent on month to US$51.90 per tonne. Coal prices have slumped despite some recovery in crude oil prices. The slump follows the sharp downward revision in annual contract prices for benchmark thermal coal. Australian miners have accepted a cut of nearly 43 per cent in annual contract prices in deals with Japanese steel firms. Coal annual contract prices that had reached a record US$125 in 2008 have fallen to US$70 following the global economic slump. However, many find these contracts relatively better priced, with spot prices having slid even further down to nearly US$60 per tonne.

Crude oil (near-month futures on NYMEX) gained nearly 18 per cent on month to US$44.60 per barrel. Oil has risen despite projections of a fall in global demand on expectations that OPEC would go in for another round of supply cuts. But OPEC did not announce any cut at the March 15 meeting and rather emphasised fulfilling the group's targeted production cutbacks. Currently, OPEC is bound by quota to produce 24.82 million barrels per day, but actually produces 25.72 million barrels a day. With a drop of another 900,000 barrels per day, the group will be 100 per cent compliant with its production quota, rather than 80 per cent compliant.

With a surge in the equity market in mid-March, there has been a glimmer of hope regarding global economic revival towards the end of 2009. But if one ignores the global stock market rally and looks at the global automobile and construction data, a possibility of lackluster demand for metals is likely to continue.



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.*

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	$5,000	2.00%	fiYly
Skipton (Guernsey)	01481 727374	International US Dollar	None	$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	$100,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	$50,000	0.50%*	Yly
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	3.50%	fiYly
Skipton (Guernsey)	01481 727374	International Euro	None	€25,000	2.50%	Yly
Nationwide International	01624 696000	Tracker Premium	None	€50,000	2.10%*	Yly
Clydesdale Bank International	01481 7111102	Instant Savings	None	€10,000	1.90%	Yly
Zurich Bank International Limited	01624 671666	Euro Reward	None	€5,000	1.75%	Yly
No Notice Accounts						
Irish Nationawide (IOM)	01624 673373	Instant Quarterly	None	£25,000	4.25%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	3.80%	fiYly
Alliance & Leicester International	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	3.26%	Yly
Bradford & Bingley International	01624 695000	Easy Saver	None	£5,000	2.50%	Yly
Alliance & Leicester International	www.alil.co.im	Select International 1	None	£15,000	2.50%	Yly
Notice Accounts						
Irish Nationawide (IOM)	01624 673373	International 90 Day	90 Day	£50,000	4.00%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 30 II	30 Day	£5,000	3.95%	Yly
Irish Nationawide (IOM)	01624 673373	International 30 Day	30 Day	£50,000	3.50%	Yly
Alliance & Leicester International	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	3.45%	Yly
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.41%	Qly
Monthly Interest						
Alliance & Leicester International	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.40%	Mly
Scarborough Channel Islands	04181 712004	Lifestyle Notice 90	90 Day	£25,000	2.90%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	£25,000	2.72%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.70%	Mly
Irish Permanent International	01624 641641	International 30	30 Day	£10,000	2.47%	Mly
Fixed Rates						
Irish Nationwide (IOM)	01624 673373	3 Month Fixed Rate Bond	3 month Bond	£50,000	4.50% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	12 month Bond	£5,000	4.35% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	6 month Bond	£5,000	4.30% F	OM
Irish Nationwide (IOM)	01624 673373	6 Month Fixed Rate Bond	6 month Bond	£50,000	4.30% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	3 month Bond	£5,000	4.25% F	OM
Current Accounts						
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	£10,000	0.75%	Mly
Clydesdale Bank International	01481 711102	Current	None	£2,500	0.49%	Mly
Royal Bank of Canadad (CI)	01534 283000	Executive Plus	None	£100,000	0.12%	Mly
Fairbrain Private Bank	01624 645000	Reserve	None	£5,000	0.10%	Qly
Standard Bank	01534 881188	Optimum	None	£3,000	0.05%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	3.00%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	0.65%	Yly
Abbey International	01534 885000	Tracker Term 8	05-05-09	£10,000	0.50%	OM
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£100,000	0.10%	Mly
HSBC International	01534 616000	Offshore Bank	None	£5,000	0.10%	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: March 19, 2009 Source: Moneyfacts

OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.00i 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	0.00 0.00e	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	0.10 - 0.10	0.10 - 0.10	0.10 - 0.10	0.10 0.00 0.10	0.10 0.25 0.10	0.10 0.50 0.10	0.10 0.95 0.10	0.10 0.65 0.10	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	0.10 0.10	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	Mly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.05	0.05	0.10	0.10	0.10	0.10	0.10	0.10	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	0.06	0.12	0.305	0.305	0.305	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	0.10k	0.10	0.10	0.10	0.10	0.10	0.10	0.10	Qly	Yes

k = Rate applies from £3K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 06, 2009 Source: Moneyfacts

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	The Monthly Offshore Saver Offshore Euro Call Offshore Gold	10.00 0.00 -	10.00 0.00 0.00	10.00 0.00 0.00	- 0.00 0.00	- 0.00 0.00	- 0.40 0.00	OM Yly Qly	No No Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	1.50	1.50	1.50	1.50	1.50	1.50	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.50	3.50	3.50	3.50	3.50	3.50	Half Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	1.15	1.15	1.15	1.15	1.15	1.15	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve International Savings	- 0.01	- 0.01	- 0.01	2.25h 0.05	2.25 0.10	2.25 0.10	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.00 -	0.00 -	0.00 0.45e	0.00 0.45	0.00 0.75a	0.00 1.25b	Qly Qly	No No
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	- 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 0.88 -	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	1.90 0.88 1.88	Yly Mly Mly	No No No
Fairbairn Private Bank	 01624 645000	Accumulation High Interest Accumulation Reserve	- - -	0.10 - 0.10	0.10 - 0.10	0.10 - 0.10	0.10 1.00a 0.10	0.10 1.25b 0.10	On closure On closure Qly	Yes No Yes
Halifax International	01534 846501	International Web Saver	2.10	2.10	2.20	2.20	2.20	2.20	Yly	No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.10 - 0.10 - 0.86 0.36	0.10 1.89j 0.10 2.33j 0.86 0.36	0.10 1.89 0.10 2.33 1.51 1.01	0.10 1.89 0.10 2.33 1.51 1.01	0.10 1.89 0.10 2.33 1.91 1.41	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.10	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	1.40 1.39	1.40 1.39	1.40 1.39	1.40 1.39	1.75 1.74	1.75 1.74	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.10	0.10	0.20	0.30	0.30	0.60	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings Euro Tracker Premium	0.50 2.05	0.50 2.05	0.55 2.05	0.55 2.10	0.55 2.10	0.60 2.10	Yly 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	-	-	-	-	0.38	0.43c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Skipton (Guensey)	01481 727374	International Euro	-	-	2.50	2.50	2.50	2.50	Yly	No
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	0.15 0.10 -	0.15 0.10 -	0.15 0.10 -	0.15 0.15 1.50	0.15 0.10 1.60	0.15 0.10 1.60	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	0.10j	0.10	0.10	0.10	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward Call	2.25 0.75	2.25 0.75	2.25 0.75	2.25 0.75	2.25 0.75	2.25 0.75	Yly Qly	No No

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

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US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	The monthly Offshore Saver Offshore US$ Call Offshore Gold	6.00 0.00 -	6.00 0.00 0.00	6.00 0.00 0.00	6.00 0.00 0.00	- 0.00 0.00	- 0.00 0.00	OM Yly Qly	No No Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	0.25	0.25	0.25	0.25	0.25	0.25	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	2.00	2.00	2.00	2.00	2.00	2.00	fi Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	0.10	0.10	0.10	0.10	0.10	0.10	Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker International Savings	- 0.00	- 0.00	- 0.00	0.25 0.00	0.25 0.01	0.25 0.01	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.00 -	0.00 -	0.00 0.00u	0.00 0.00	0.00 0.10	0.00 0.10	Qly Qly	No No
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	- 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 0.00 -	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	0.10 0.00 0.10	Yly Mly Mly	Yes Yes Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	- - -	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 0.00 0.00	0.00 0.00 0.00	On Closure On Closure Qly	Yes No Yes
Halifax International	01534 846501	International Web Saver	0.00	0.00	0.90	0.90	0.90	0.90	Yly	No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	- - - - - 	0.00 - 0.00 - 0.00 0.00	0.00 0.00u 0.00 0.00u 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.05	0.05	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	0.25 0.25	0.25 0.25	0.25 0.25	0.75 0.75	0.75 0.75	0.75 0.75	Yly Mly	No No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.05	0.05	0.05	0.05	0.05	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings US Dollar Tracker Premium	0.10h 0.30	0.10 0.30	0.15 0.30	0.20 0.50	0.25 0.50	0.25 0.50	Yly Yly	No No
NatWest	01534 282300	Advantage International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.07	0.09x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Skipton (Guernsey)	01481 727374	International US Dollar	-	-	1.00	1.00	1.00	1.00	Yly	No
Standard Bank	01534 881188 / 01624 643643	Offshore Reserve Optimum Offshore Moneymarket Call	0.15 0.10 -	0.15 0.10 -	0.15 0.10 -	0.15 0.10 0.25	0.15 0.10 0.25	0.15 0.10 0.25	Half Yly Qly Mly	No No No
Woolwich Guernsey)	01481 715735	US$ International Gross	-	-	0.00u	0.00	0.00	0.00	Qly	No
Zurich Bank International Ltd	01624 671666	Zurich US Dollar Reward Easy Access Deposit	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	0.25 0.00	Qly	No

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

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EXPATRIATE MORTGAGE TERMS - APRIL 2009

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland Intl.	Bank base +1.89%	70	1%	GBP100,000 minimum. Early Redemption Charge 3% - 36 months
BM Solutions	5.49% 3 year tracker 4.99% 3 year fixed	75 60	0 2.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
Cheltenham & Gloucester	4.29% 2 year fix 4.69% 3 year fix 5.29% 5 year fix 4.09% 3 year tracker	75 75 75 75	995 895 995 895	Limited offers via IMP Every case has to be agreed with an underwriter before submission. Will not lend to Self employed expat applicants. Employed applicants need to work for large companies. Available for main UK residence only. Free property valuation and low cost legal fees for remortgages. Different terms available for loans between £1 million and £5 million
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
Fortis Bank Group	Sterling mortgage LIBOR + 1% Foreign currency mortgage Cost of funds +1.25%	70 70	GBP500 GBP500	Minimum Loan £150,000 - 75% owner/family occupation. Loans to offshore companies and trusts.
Halifax PLC	5.09% 2 Year Fix Max GBP500K 4.39% 5 Year tracker Max GBP500K	75	GBP999 GBP799	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 2 year period. 6 months bank statements required. Redemption Penalties Fixed rate 2% in first 3 years
HSBC	Under review	70 Repayment basis only 65% Interest only	Varies	Many existing expat HSBC bank customers come to us after being told that they will not have a problem obtaining an expat mortgage for a UK property with the bank and then find that the bank is unable to lend to them. The London office can only deal with "FSA regulated loans" where a family member will be resident in the property. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
Ipswich Building Society	4.49% two year discounted rate	75	GBP695	IMP exclusive expatriate buy to let scheme No early repayment penalties at anytime Will only lend on houses including new build
Irish Permanent (Isle of Man)	Temporarily withdrawn	75	1%	Loans to offshore companies and trusts.
Natwest Bank	Base rate + 2.79	60	1%	New build flats maximum 80%
Royal Bank of Scotland International	Base + 2.79% 2 year tracker Base + 2.99% 2 year tracker	60 65	1% 1%	Minimum GBP100,000

This table is supplied by IMP, for information purposes only, and is not to be viewed as a recommendation.
Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms.
A usual penalty is six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of 0.25 per cent subject to a minimum of GBP250 and a maximum of £700 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 4/4.5%. Bank rate @ 05/02/09 - 1.0% 3 month LIBOR 2.071%, 19/02/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

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

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Al Rajhi Bank	National Programme for Personal Finance	Up to 15 times of salary	2,000	Up to 60 months		800 124 1222 www.alrajhibank.com.sa
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	Up to 1 million	2,000	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	Up to 16-17 times of salary	3,000	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	Up to 15 times of salary	3,000 for nationals, 4,000 for expatriates	Up to 60 months	Both schemes are Shari'ah approved. Possible top-up finance. Supplier price discounts for goods.	800 244 1005 www.ncb.com.sa
Riyad Bank	Murabaha or Tawaruq	Up to 15 times of salary	2,500	Up to 60 months	Murabaha and Tawaruq schemes are Shari'ah compliant. Remaining installments waived in case of death.	800 124 2020 www.riyadbank.com
SABB	MAL (Islamic Personal Finance)	1,500,000 for Nationals, 350,000 for expats	3,000 for nationals, 5,000 for expatriates. At least 3-5 months service	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	2,500	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	Up to 16 times of salary for Nationals and up to 100,000 for expats	5,000	Up to 48 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Finance Car Lease	5.2% 10.5%	Up to 60 months Up to 60 months	10% None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Auto Lease	4.70%	Up to 60 months	10%	Minimum salary SAR3,000. At least three months service with the current employer and minimum 20 years old.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha or Tawarruq	3.5-4.5%	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	9.15% 6% for Murabaha 3.15% for Insurance	Up to 60 months	10%	Minimum salary: 3,000 for Nationals. Three months service with current employer. 4,000 for expats with one year service	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 8.5% yearly	Up to 60 months	10%	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Murabaha	4.99% for Nationals in public sector; 6.49% for expats; 5.99-6.49% for companies	Up to 48 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8%	Up to 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 March 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — QATAR

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

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

Personal Loans — BAHRAIN

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

Credit Cards — BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 300, Gold - 400	Standard - 2.5% and Gold – 1.75% on purchases, 4% on cash withdrawals	52 days	17221999
Bahrain Islamic Bank	Classic, Gold, Platinum	Classic-600, Gold-1200, Platinum - 2,400	Classic-300, Gold-800, Platinum-3000	Nil	25 days	17515151
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800 Emirates-Citibank card - 800	Visa/MasterCard – 2.5% Emirates-Citibank card – 2.5% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	1.84% on purchases. 3% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance — BAHRAIN

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

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

Medical Insurance — BAHRAIN

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

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

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	6.75%	Depends on salary	300 for nationals 1,000 for expats	60 to 72 months	1812000
Burgan Bank	Consumer Loan	6.75%	Up to 70,000 for Nationals Up to 15,000 for expats	400	Up to 12-60 months	1804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.75%	Up to 70,000 for Nationals Up to 10 times salary for expats	350	Up to 24-180 months	1888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	6.75%	Up to 70,000 for Nationals For expats, depends on salary and end of service benefits	350 for nationals 400 for expats	Up to 60 months Up to 180 months	1805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.75%	Up to 70,000 for Nationals Up to 50,000 for expats (Depends on salary)	250	Up to 60 months	1801801 www.nbk.com

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 20, Gold 40, Platinum 75, CyberSmart 5	500	1% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	1812000
Burgan Bank	Visa/MasterCard (Classic, Gold, Platinum)	Free for first year, afterwards Classic 20, Gold 30, Platinum 100	400	Nil on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	1804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 30, Gold – 50, Platinum - 60, Infinite card - 100	350	Nil on purchases, 4% on cash withdrawals, 5% on other banks card	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	1888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold), Visa Infinite, Visa Internet	Free for the first year, thereafter, Classic - 25, Gold - 40, Platinum - 75, Visa Infinite - 75 Visa Internet - 5	350 for Nationals 400 for expats	1.32% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3-5% discount of monthly mobile bills and Free International roaming service	1805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum, Titanium), Visa Internet Shopping card	Free for first year. Classic - 30, Gold - 40, Platinum - 100 Internet Shopping Card - 5	Classic - 250 Gold - 600 Platinum - Upon request	1% on purchases, 5% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	1801801

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

Medical Insurance — UAE

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

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

Home Contents Insurance — UAE

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

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

Credit cards — BY INTEREST/PROFIT RATE — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic and Gold) e-Tijari Web Card, MasterCard (Gold)	Classic-200, Gold-400, e-Tijari Web Card-100, MasterCard Gold - 400	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) (Card issuance stopped temporarily)	Free for life	1.5% on purchases, 2.99% 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 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, Classic plus, Gold, Gold Plus, Platinum, Platinum Plus)	Classic - 100, Classic plus - 150, Gold-200, Gold Plus - 250 Platinum-300, Platinum Plus-350	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver/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
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	2.15% on purchases for MasterCard cards, 2.25% for Visa cards; 2.25% on cash withdrawals for all cards; Géant card - 0% interest for first three months	56 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years, afterwards 200	2.49 to 2.99% on purchases and 2.99 to 3.49% 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
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, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Priority option (available on all cards): 400; Prestige option (available on platinum cards): 650 Classic/Gold/Titanium-300, Platinum-550 Depends on bundle	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Emirates-Citibank Credit Cards (Ultima/ Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver), Basic Silver	Emirates-Citibank Credit Cards - 3,000/ 1,000/550/300, Basic Silver - 50 Citi Travel Pass - 400 Citibank Credit Cards - Dh 1,000/ 500/250 5 Supplementary Cards - Free (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards.Double miles with Miles Accelerator.Upto 15% airticket discounts.Special offers across UAE and Citibank World Privileges worldwide at over 40,000 establishments.Loans as low as 0.91%.Exclusively for Ultima/ Ultimate customers-25000 signup Skywards Miles(Ultima),free Priority Pass Membership,International Concierge, upto 3 Free nights stay in Marriott Paris/ME&A, and much more.	04-311 4000 www.citibank.ae
Dubai First **NOTE* Temporarily suspended credit cards.	Visa (Silver, Gold) MasterCard (Classic, Gold) 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 meNETPAY, Visa meUNI, Infinite Credit card	**EBI cards:** meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, 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 (Silver, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard	**NBD cards**: Silver - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50	**NBD cards**: Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts, 2% cash back on all retail purchases.	Toll-free: 800 4444 www.nbd.com
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADFP 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
RBS	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard, RBS Weekend Card & RBS Williams Platinum Card	Free for life	All cards: Free Wild Wadi, Ski Dubai and Cinema; chip card for enhanced security; purchase protection; access to utility bill payment, smart cash loan. Visa Classic & Gold: dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveler Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameera: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 www.rbsbank.ae

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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	4.99%	Depends on type of car	Depends on type of car	60 months	5,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 4.5% for new cars, 4.75% for used cars	Up to 350,000 (depends on salary)	Nil for new cars, used cars: 5%	New cars: up to 60 months Used cars: up to 48 months	4,000	No
Bank of Baroda	Car Loan	New/Used cars: 10%, reducing balance basis	New cars: up to 90% Used cars: up to 70%	10 - 30%	New cars: up to 48 months Used cars: up to 36 months	4,000	No
Dubai Bank	Markaba Auto Finance	4.75% for new cars, 5 to 5.25% for used cars	Up to 250,000	5%	Up to 60 months	8,000+	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.8%, otherwise 5.35% Used cars: with salary transfer 5.5%, otherwise 5.75%	Up to 250,000	New cars: with salary transfer - Nil, otherwise 20% Used cars: with salary transfer - 10%, otherwise 25%	Up to 48 months	With salary transfer - 10,000 otherwise 7,500	No
Emirates-NBD	Car Loan	New cars: 5.25% Used cars: 6.25%	Depends on salary	10%	New cars: with salary transfer 72 months, otherwise 60 months Used cars: 24 to 60 months (depending on age of car)	With salary transfer - 7,000 otherwise 10,000	No
Mashreqbank	Mashreq Auto loan	New cars: 5.49-6.25% Used cars: 5.75-5.99%	Depends on salary	Nil downpayment option.	48 - 60 months	5,000 for account holders, otherwise 7,000	No
National Bank of Abu Dhabi	Sayyarati	New cars: 5.5% Used cars: 6%	Up to AED200,000	10-15%	New cars: up to 60 months Used cars: up to 48 months	7,000 for account holders, otherwise 10,000	No
Noor Islamic Bank	Noor Drive	5.5% Finance available for new cars only.	Up to 500,000	10%	Up to 60 months	7,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to 250,000	Nil. Sports cars - 30%	Up to 60 months	4,000 for account holders, otherwise 10,000	No

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 60 months	3,000	Yes
Barclays	Personal Loan	11.13%	Without salary transfer: 150,000 With salary transfer: 250,000	No	Up to 60 months	15,000 for non-listed companies, otherwise 10,000	No
Dubai Bank	Sanad Personal Finance	7.00%	Depends on company listing	Yes	Depends on salary and years of service	8,000	Yes
Emirates NBD	Personal Loan	11%	Depends on salary	Yes	Up to 60 months	7,500 for Nationals, 10,000 for expats	Yes
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7 - 7.5%	AED50,000 - AED250,000	Yes	Up to 72 months	5,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 6.47% for listed (different packages) 8.84% for not listed companies (subject to bank approval)	Up to AED250,000	Yes	Up to 84 months	20,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	7%	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	20,000	Yes
Sharjah Islamic Bank	Goods Murabaha	10% for Ijara 8% for Goods	Up to AED250,000	Yes	Up to 48 months	12,000	Yes
United Arab Bank	Consumer Loan	10% onwards	Up to AED250,000	Yes	Up to 84 months	8,000	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2003 model or newer	Yes	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2002 model or newer for German and Japanese cars 2005 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
Post dated cheques required along with usual documents. Used cars must be 2002 model or newer	No	Nil	Free EIB account	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed	No	4% of the outstanding loan amount.	100% finance for the first year. Fully comprehensive auto insurance (3.95%)	1% processing fee	Toll-free: 800-4444 www.nbd.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED250 charged as processing fee	04 424 4444 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None			Toll-free: 800 NOOR www.noorbank.com
	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	No processing fee	04 213 000 www.rakbank.ae

Criteria: Interest rate of 6 per cent or less on new cars

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Passport copy, three months bank statement and salary certificate are required.	2%	Top-up loan benefit and personal finance advisor available	AED750.00 processing fee	Toll-free: 800 22725297 www.barclays.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa. Minimum age - 25 years	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only.	5%	Credit Life Insurance offered	1% processing fee	Toll-free: 800 4444 www.nbd.com
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae

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

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

Mortgages

PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	8-9%	Up to AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	Up to 15% (depending on the property)
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	8.5 to 9%	No maximum	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
Amlak (Shari'ah compliant) *****NOTE***** ***On November 20, 2008 Amlak froze all new mortgage lending.***	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	7.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on aligibity and criteria	10-20%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.5% reducing balance rate	Up to AED5 million LTV: up to 85%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	15%
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	10%	Up to AED3 million	Up to 50% of gross monthly income	50%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.45 to 8.55%	Minimum is AED500,000 and maximum is AED10 million LTV: up to 90% of market value for villas and 80% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	9.15%	Up to AED8 million for Nationals, for expats depends on years of service	Depends on the salary	5 - 10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	Depends on criteria	Up to AED5 million	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%. Depends on property
Emirates-NBD	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer - 3.75-4.75% for 6 months Without salary transfer - 4-5.25% for 6 months	Up to AED10 million	Residents: up to 60% Non-residents: up to 50%	Completed property:20% Incomplete property: 25%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	With salary transfer - 9.5% Without salary transfer - 10%	Up to AED4.5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	2.5 - 3.75% based on criteria	Up to AED5 million	Maximum 60%	15%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	9.5%	Up to 50% of the property value (Depends on income and liabilities)	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 year period or up to the age of 65 years, whichever comes first	65 years	Apartments - 8.5% Villas - 9.5%	Up to AED10 million	60% overall debt on all regular commitments	30 - 40%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	Financing available for VILLAS ONLY 8.5%	50%		50%
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	3.99% + 6 months EIBOR	Up to AED8 milion	55% including all loans	10% - completed properties, 20% - Incomplete properties
Mawarid Finance *****NOTE***** ***Temporarily suspended all new mortgage lending.***	UAE residents and non-residents	Up to 25 years	60-65 years	7.5-8.5%	AED100,000 to AED10 million Financing available only for completed properties. LTV: 80%	Depends on salary	5-20%
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals; Up to 50 years for investors in Abu Dhabi	65 years	7.5-8.5%	Up to AED5 million	Up to 50% of monthly salary for expats	Primary properties up to 25% in Abu Dhabi and other emirates 50%
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	8.3 - 10.06%	Up to AED100,000 to AED8 million LTV: Upto 85%	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: starts from 10%	Up to AED5 million for incomplete property, AED3 million for completed properties	50%	50%
Standard Chartered	UAE nationals, expats	25 years	65 years	3.75 - 4%	Up to AED10 million	Depends on the salary	Minimum 25%
Tamweel (Shari'ah compliant) *****NOTE***** ***Temporarily suspended all new mortgage lending.***	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	8.4%	Up to AED5 million LTV: Up to 75%	55% of salary	25%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	7.5 - 8.5%	Up to AED10 million for villas Up to AED7.5 million for apartments	Up to 65% of monthly salary	5-10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	8%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	10,000	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	**Abu Dhabi:** ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya **Dubai:** Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 1% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	ALDAR, Sorouh, TDIC, Capitala and many more to come	Yes	Yes	Toll-free: 800 ADF (233) www.adf.ae
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	**Abu Dhabi:** Sourouh, ETS, Manazel, Emirates Financial Towers **Dubai:** Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	20,000	Yes	Yes	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	15,000	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	15,000	No	No	Info not available	No Abu Dhabi properties financed **Dubai:** 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	National - 20,000 Expats - 25,000	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	**Abu Dhabi:** ALDAR, Sorouh **Dubai:** Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	25,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	**Abu Dhabi:** Manazel, Al Reef **Dubai:** Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	12,000	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	15,000 (Depends on the property)	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 Nakheel 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	25,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	9,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	25,000	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	20,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	**Abu Dhabi:** Aldar and Sorouh **Dubai:** Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	30,000	No	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	10,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	15,000	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre- payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	**Abu Dhabi:** Al Raha, Manazel and Al Reef **Dubai:** JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/ developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	12,000 - 40,000 for nationals with atleast 12 month service 26,000 - 40,000 for residents with atleast 18 month service	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

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

Independent Financial Advisers

UAE

Licence: The UAE Central Bank

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

Licence: MoE (Ministry of Economy)

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

Licence: DED (Dubai Department of Economic Development)

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

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

Others

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

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

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

Licensed Financial Intermediaries

UAE

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

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

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

Related Services

UAE

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

Letter of the Month

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

Dear Editor,

I wanted to write with a positive bank story for a change. Three months ago, I lost my job. As with many UAE residents, I had some credit card debt, along with a car loan. Nothing too unmanageable, but it was a worry, of course.

However, I had taken out Credit Shield insurance on all my credit cards. I had been revolving my balance for some time with four different cards from four different banks. All in all, my outstanding balance was around AED60,000 spread across the four cards.

I visited each bank, a number of times in some cases, but in each case, since I had genuinely lost my employment and had been paying the Credit Shield insurance, each card was effectively written off.

It cost between AED10-20 per month for the insurance. And as you can tell, it has proved well worth the money. Plus, as my wife pointed out to me, it's also a lesson learned.

Regards, TKP, Dubai

P.S. I have now been lucky enough to find another position.

All's well that ends well. Your story is indeed very positive, especially at a time when all we hear is doom and gloom. It should also serve as a lesson to those who use credit cards. Credit Shield is a good way to insure your personal credit, and everybody should take advantage of this product.

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.*

The cost of leaving the GCC

James Thomas looks at the financial implications of deciding to head back to your home country.

Following on from my last two articles, which covered some alternative investment strategies to consider in the current economic climate, I think now is the appropriate time to look at the financial implications of leaving the GCC. As the effects of the current situation become more widespread here, one of the most significant impacts on the population is the loss of their jobs.

For most people, their jobs are their primary source of income. And along with their employment, there is often a range of other benefits that they rely on to sustain their lives here.

Most employees are provided a work permit and residency visa from their employer that allows them to live and work legally in the GCC. Therefore, the first and most immediate issue if you lose your job is to find out how long the company will allow you to stay on their visa before they cancel it. Some companies have been more accommodating than others regarding the length of time they allow, with the shortest being 30 days.

That doesn't leave much time to start planning what you want to do. Would you like to find a new job here, or do you need to think about heading back to your home country or to a new location? If you are looking here, 30 days is not very long to find and secure a new position. If things do not work out here, or if you would rather move back to your home country, there are many things to consider.

There is a possibility that the bank account your salary was being paid into will be frozen if your former employer informs your bank of the loss of your employment. There is more chance of this happening if you have an outstanding loan with the bank, as they will want the loan settled before they release the account.

Do you have any outstanding loans? If you have a car or a personal loan, then these should be repaid before you leave. Various reports have suggested that you can simply leave and your debts will stay here without any recourse. However, many banks are now employing international debt collectors to track people down and recoup any outstanding loans, so you may not be able to escape that easily. Also, by leaving your debts behind, it will mean that you will probably never be able to return. That may not be a problem now, but it could be one in the future.

There are many other issues that need to be considered as well. If you are renting property, your landlord needs to be contacted and arrangements need to be made. If you own your property, what are you going to do with it? Can it be sold before you leave, or would you prefer to rent the property out?

Are you going to pack up your property and arrange shipping of your belongings, or can you sell your furniture here? If you have a maid, her visa will be cancelled when yours is, so she needs to be informed and suitable arrangements need to be made. If you have any pets, provision should also be made for them.

There is never a convenient time for redundancy to happen, but it may be possible to negotiate a suitable exit strategy so that you leave at a better time. For example, if you have children, it would be best to leave after the end of the school year, or at the very least at the end of the term, to avoid interfering with their education too much.

Also, it could be potentially advantageous for certain nationalities to head home at the beginning of the tax year (which is April in the UK, for example), as it can allow you to maximise your allowances and tax efficiency. If you have decided to head home before the end of the previous tax year, but will actually return in the new tax year, there are various tax planning decisions to be made.

For example, if you hold certain offshore investments, their structures should be checked to make sure that they are arranged in the most efficient manner. If you have made any investments such as property and they are still showing a profit, it would be better to sell them before you go back if possible.

Having all of these issues sorted will hopefully mean that one area of stress and concern has been removed from your life. It will also mean that you can leave with a clear conscience and the ability to return in the future.

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Sultan bin Saud Al Qassemi

If it ain't broke, don't fix it

Sheikh Sultan bin Saud Al Qassemi on why the younger generations of family businesses should stick to the tried and tested strategies of their elders.

In a recent interview with *The Financial Times*, I was asked about how family businesses in the Gulf are faring as a result of the global financial crisis. I would now like to take this opportunity to elaborate on my opinions.

A family business is, in my opinion, an enterprise that includes some measure of control by the younger generation of the family. There are two types of family businesses: one in which the founder or an elderly family figure retains some measure of control and one in which the younger generation has a higher degree of control.

There is a struggle within each family business regarding who calls the final shot. I believe that on the whole (although there are certainly a number of exceptions), family businesses in which the younger generation plays a bigger part are worse off as a result of the financial crisis than those businesses in which the older generation has more say.

There are many reasons for this deduction. For one, the younger generation (those 40 and under) grew up at a time of riches in the Gulf, taking such issues as food and water for granted. But for some of their parents, fruits and vegetables were a luxury – forget valuable imports from Europe and Japan.

This generation is generally less street smart than the older generation and can easily fall prey to the neuro-linguistic programming savvy banking executives who try to convince them of complicated investment products that neither seller nor buyer fully understand. I've seen them all before: derivatives, structured products, hedge funds and other so-called "opportunities of a lifetime". I've turned them all down before and will turn them all down again in the future. The elder founders of family businesses are not likely to fall so easily for a product that requires a fancy power point presentation to win over the investor. If an individual doesn't know where his money will be going even after a 20-minute show, despite the irresistible promised returns, then common sense dictates that he refrain from investing.

Typically, an elder person who has worked hard for his wealth will, indeed, refrain. But a younger person, often over-ambitious, eager to prove his prowess and armed with new ideas from his western education, will try to commit his father's hard-earned liquidity to such get rich quick schemes.

Stick to what you know

There is also an issue of core competency that must be adhered to. If your strength is, say, automobile sales, then don't venture into hotels or industrial production. That is the advice that Mohammed Abdul Jalil Al Fahim told a recent gathering I organised on family businesses. The Al Fahims sold their non-core-competency assets and concentrated on what they knew best. This is advice that all family businesses in the Gulf can make good use of.

The world is full of people who have wasted their fathers' money by taking excessive risks and venturing out of their core competency safe zones. For the sake of being politically correct, I will refer to a non-GCC example: that of Donald Trump himself.

The high-flying, so-called investment genius is a prime example of the younger generation expending its parents' money and seeking the limelight and celebrity status. Fred Trump, a name not common on all tongues, was the real person behind the wealth of his famous son. The older Trump started slow and steady with a target niche market of building for middle-income clients in New York City. By following this approach, he was able to amass a sizable wealth that was estimated to be US$300 million[1], most of which was used to bankroll his son's high profile investments such as casinos and iconic towers in Manhattan. The flashy, camera-friendly celebrity mogul Donald Trump abandoned his father's time tested approach and saw his policies lead him to declare bankruptcy on numerous occasions.

I will not be surprised if some fathers in the Gulf begin to take decision-making powers away from their sons as a direct result of this financial crisis, especially as they come to terms with the extent of what their sons have embroiled their enterprises in. Also, like Fred Trump in the early 1990s[2], some fathers in the Gulf may even have to bail out their more sophisticated sons' flamboyant ventures.

Ultimately, it may all boil down to maintaining tried and tested investment strategies that have accumulated the wealth of the older generation. There is no need to reinvent the wheel of commerce. To use a popular idiom: if it ain't broke, don't fix it. This financial crisis might prove to be the real education these kids never got in their western universities. MW

(Footnotes)
1 http://www.nytimes.com/books/00/12/03/reviews/001203.03margolt.html
2 Ibd

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