

INSIDE: The **MONEYworks** Guide to Private Banking & Wealth Management

The Gulf region's first personal finance and investment magazine

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04/2007

Issue 101

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new look for Islamic banking

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It was not a negative month at all, especially as it followed the meltdown of global equities in the last week of February and there were experts predicting doom and gloom. The global markets seem to have bounced back since then, the yen carry trade business is back on track and the emerging markets are heating back up, while the routine humdrum and the "feel good" sensation begin to permeate the brokerages and the treasuries again. But then, has anything changed at all in the fundamental make-up of the economic, financial or geopolitical influences between the end of February and now? Very little, probably, as the US sub-prime market continues to be in trouble, the stand-off between Iran and the US-led West continues, GDPs of emerging markets are continuing to do extremely well and experts continue to caution that in the short-term, something will have to give. But we are almost back to square one pre-recent meltdown, and as uncertain as in the few months before February - for the short-term course.



In our regional markets, confusion abounds as to whether the 2010 deadline will be met for the creation of the GCC Monetary Union. In the absence of a unified communication window that would regularly communicate to the media on the developments in this regard, the media has begun its own independent analysis and even speculation on whether the deadline will be met or not. Last month, a wire agency reported that Kuwait may revalue its dinar before the currency union. We will have to wait and see.

Amongst regional stocks, Emaar was in the limelight again. While shareholders were disappointed that not much came back to their pockets from Emaar's profits in 2006 and they have beaten the stock since then, building up robust investor relations seems to be the only way out if the management of the company would want to take its shareholders with them and their vision. At this time, that seems not to be the case. Shareholders do not seem to understand or care for the long-term aims. And the lack of focused communication targeted towards them from the company is not helping things, either.

Before I sign off, I must mention here that Giles Cunningham, the writer of our column "The Long and the Short of it" is moving back to the UK with higher responsibilities for his bank. And so, his place in **MONEYworks** is being taken by Sheikh Sultan bin Saud Al Qasimi from this month on. We hope you will find reading Sheikh Sultan's views just as thought provoking in these new columns. A big thank you to Giles for his contributions.

And lastly, we have a free guide on private banking this month with the magazine. Happy reading.

Utpal Bhattacharya
 Editor

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Private banking has evolved over the years, and today these banks are offering a whole range of solutions from Islamic banking to investment banking and asset management for wealthy people. **MONEYworks** finds out how financial centres like the Dubai International Financial Centre are offering these banks the ideal location to step up their business in the GCC.

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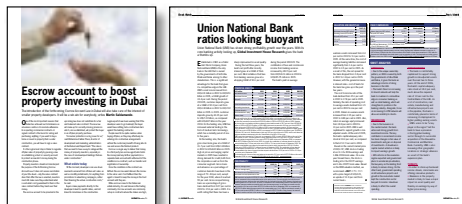
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Shayne Nelson

SCB considering new look for its Islamic banking

Standard Chartered Bank is likely to brand its Islamic banking business. Its global Islamic banking headquarters in Dubai are not speaking about it yet, but **Ehab Heyassat** tried to find out more.

Standard Chartered Bank is all set to launch its Islamic banking brand, somewhat similar to that of HSBC's Amanah, in the very near future. The international bank, with a significant presence in Asia and the Middle East, has been beefing up its Islamic banking prowess in the last couple of years, and the decision to have its own Islamic brand is part of that process. While **MONEYworks** has learned that Standard Chartered is likely to call its Islamic banking brand "Sadiq", the bank has refused to comment.

Standard Chartered's regional CEO for the Middle East and North Africa, Shayne Nelson, did not deny it, but said that the name "Sadiq" doing rounds was speculation. "It's all about speculation. We do not comment on speculation," he said. However, he quickly added: "We see Islamic banking as a growth area and we are committed to that growth. This might or might not be the brand."

Nelson explained that Standard Chartered has continued to operate both its Islamic and non-Islamic businesses under a single window, as setting up a separate subsidiary for Islamic banking would make sense only when economies of scale justify that. At this time, the balance sheets of both these business lines have been separated and the bank is still building up its Islamic banking business.

But Nelson also indicated that once Standard Chartered reaches the scales of business, it could set up a separate Islamic banking subsidiary.

"Islamic banking is growing rapidly in the world, the rate being at least double the conventional banking growth. But the issue with subsidiaries is that they make sense only when you get economies of scale to run them, as there are significant costs involved in setting up a separate subsidiary. And because our governance model is rigid, we will have to have a separate chairman for running that business. We will run it as a separate bank, and that is our model," he said.

Standard Chartered covers 60 per cent of the Islamic markets globally. It is the fifth largest foreign bank in Pakistan and the largest international bank in Bangladesh. The bank also has a strong presence in Malaysia and is now expanding to Indonesia.

"Different markets have different needs. In markets like Malaysia, our Islamic banking share of the total business that we do there is six to seven per cent, while in the UAE it is a couple of percentage points," he said.

On regional expansion plans, Nelson said that the bank is evaluating all the markets and will invest substantially in growing its operations in the future.

"We have had 26 per cent growth in income in the Middle East and North African region in the past 12 months. It is an exciting market where we want to focus and invest," he added.

Nelson also picked up Saudi Arabia and said that the bank is reviewing its options of doing business and expanding in the Kingdom, which is the biggest economy in the region.

The bank currently conducts its commercial and investment banking businesses in Saudi Arabia from its Bahrain operations.

On its Dubai International Financial Centre operations, he said that the decision to move 500 employees to the financial centre by the end of last month has been slightly delayed. But other than that, nothing has changed with the bank's plans to house most of its regional business at the financial centre.

"For us to be in the DIFC, apart from the sound legal infrastructure, there are a number of other advantages, including the incorporation of many financial institutions there. We are a bank of banks around the world. It is a big business for us and we are the sixth largest US dollar clearer in the world," he said.

Standard Chartered will launch its private banking from the DIFC and will house all its regional wholesale business in the DIFC, including its Islamic wholesale business.

"We have had 26 per cent growth in income in the Middle East and North African region in the past 12 months. It is an exciting market where we want to focus and invest." Shayne Nelson



Sandy Shipton

Retail investors can invest in DIFC funds

Retail investors can get a piece of the Dubai International Financial Centre (DIFC) pie if fund houses work out arrangements with their distributors, says a top official of the financial centre.

The Dubai International Financial Centre (DIFC) expects fund operators licensed by the financial centre to enter into white label agreements with distributors, including retail banks, to distribute their funds to a wider section of society, including the UAE.

Speaking to **MONEYworks**, Sandy Shipton, head of asset management at the DIFC, said that while retail investors are outside the remit or the scope of the DIFC, nothing stops fund operators from entering into agreements with banks and other distributors outside the financial centre to white label these products and bunch them off to small ticket investors. He also clarified that the minimum ticket size of investments in DIFC domiciled funds is the discretion of the fund issuer. It could be more than US\$1 million or less than US\$100,000, or US\$10,000 or even lesser. But for an investor to be eligible to invest in these funds, he has to show a net worth of at least US\$1 million in his books, he added.

"At the DIFC, we do not dictate how fund operators go about distributing their funds, but I believe, over a period of time, we expect that funds out of the DIFC will have their own arrangements with distributors, including banks. And we expect some of these funds to be white labelled by these distributors to be offered to their customer base, who need not have the US\$1 million net worth," explained Shipton.

The clarification from Shipton comes at a time when investment funds are increasingly looking at the DIFC to domicile their funds led by institutions like the National Bank of Dubai. However, he also explained that existing funds that are planning to redomicile to the DIFC from other jurisdictions will have to abide by DIFC laws, meaning all investors in these funds will have to have a minimum net worth of US\$1 million or above.

"For investment funds that have had investments from investors with a net worth of less than US\$1 million, they will have to create a separate vehicle, or a new fund, to redomicile in the DIFC, as DIFC laws preclude investments from investors who do not have a net worth of US\$1 million or more," he pointed out.

The Dubai Financial Services Authority, the regulatory responsible for regulation of all

DIFC operation, came out with its Collective Investment Law 2006 in the summer of last year, setting the stage for the flowering of the managed funds industry in the financial centre. Since the establishment of the new law, a total of six fund operators have registered in the DIFC, three of which are hedge funds.

"We have given an Anglo Saxon regulatory environment and we are confident of our growing reputation as the choice of domicile for financial services providers in the DIFC. The very fact that within such a short time of the announcement of the Collective Investment Law we have six fund operators registered with us is very promising," said Shipton.

He also added that the DIFC has been able to set a platform for a one-stop-shop for the funds industry, having registered fund administrators, custodians, legal firms and auditors under one roof.

"The entire support infrastructure needed to launch a fund is today available within the DIFC, a complete one-stop-shop, which many financial centres fail to provide," he pointed out.

Man Investments Middle East Limited, a DIFC registered company, is one of those global asset management houses that has already thrown its support behind the financial centre. Antoine Massad, chief executive officer of Man Investments Middle East, said that the next joint venture that Man Investment does for a fund in the Middle East, it will be domiciled at the DIFC. He did not give a time frame for the joint venture fund, but said that it will happen soon.

It is important to note that the DIFC was created as an international financial centre for wholesale institutions, while all retail and local currency businesses are regulated by the UAE Central Bank in the UAE. However, the UAE Central Bank does not have a collective investment law or any similar comprehensive law to regulate the funds industry in the country. Currently, there are efforts being made to draft a collective investment law to regulate the UAE market outside the DIFC. And once those regulations are in place, there will be much more clarity as to how DIFC domiciled funds or, for that matter, any funds - local, regional or international - are distributed within the UAE in the future.

"The entire support infrastructure needed to launch a fund is today available within the DIFC, a complete one-stop-shop, which many financial centres fail to provide." Sandy Shipton



Dr. Michael Bitzer

Daman steps into Dubai, has MENA ambition

Abu Dhabi's National Health Insurance Company (Daman) is beginning to expand its presence outside the emirate. Dr. Michael Bitzer, Daman's chief executive officer, tells **MONEYworks** of the health insurer's plans.

Daman will be taking its first step outside the emirate by the end of this month, setting up a branch in Dubai. Its first branch outside of Abu Dhabi will be set up at the Dubai Health Care City.

Bitzer said that after eight months of operations, the company has come to that stage of setting up branches outside the Abu Dhabi emirate. He said Daman already has around 2,000 members from Dubai and will be looking to add between 10,000 and 20,000 members in 2007 from the emirate, unless the rules change in Dubai for compulsory health insurance.

Daman was set up to help Abu Dhabi implement its health insurance law, which seeks to make health insurance compulsory for all residents in the emirate. The government realised that existing companies lacked the capacity to absorb the enormous demand that could be generated from such a law, and Daman was created with the objective of making this law successful by offering the capacity, Bitzer explained.

"After eight months of operations, we have 400,000 members. Most of our clients are government clients who have not used health insurance before. As a company, the support from the government did give us a push, as we are the only company allowed to offer cheap products in Abu Dhabi. But then, at the middle to higher end of the market, we compete with the rest of the industry," he said.

The CEO said that Daman's long-term plans are to become the leading health insurer in the Middle East and North Africa. This is not going to happen tomorrow, as clearly the company's immediate focus is Abu Dhabi, but Daman will evaluate other markets and opportunities to expand in the future, he added.

"There is tremendous growth in Abu Dhabi, and we have to use all of our resources to absorb this growth first. Last month alone, we had more than 20,000 new members. Our first step outside Abu Dhabi will be to set up this branch at the Dubai Health Care City,

mainly to support the 50 brokers that we work with," he said.

Daman currently employs 420 people. The numbers are likely to cross 600 by the end of the year. The company, which just signed off its first annual report, also estimates that its membership strength will rise to over 700,000 by the end of the year. Bitzer was also confident that in 2007, Daman will break even and will possibly book a small profit.

"We signed off our first annual report and, of course, we are not in the black in the first year. But this is not due to underwriting losses. It is because of the huge pre-operational costs. We aim to be profitable in 2007, and if we are not, we are sure to break even," he emphasised.

Daman currently writes 60 per cent business in the low income and government segment and 40 per cent in the middle and upper segments. In 2007, the mix will be more equal, as a number of products are at the planning stage targeting the private and upper segments of the market. One of the products to be launched soon is a VIP product that targets the very top tier of the market, according to the CEO.

Asked if Daman will set up a separate Takaful entity to cater to the demand in the Islamic market, Bitzer said there are no concrete plans at this stage, but the company will continue to evaluate the prospects, keeping in mind the demand in the market.

"We are evaluating the prospects, and at this stage are trying to find out if we really want to have a second line of business in Takaful. It is quite a complex process to set up a Takaful business, as there needs to be a whole set of changes made, including setting up a separate accounting procedure, etc. From the client side, we have not faced any resistance; we have not seen any client telling us they will not insure with us because we are not a Takaful company. So, all I can say is that we will continue to evaluate the prospects."

"We signed off our first annual report and, of course, we are not in the black in the first year. But this is not due to underwriting losses. It is because of the huge pre-operational costs. We aim to be profitable in 2007, and if we are not, we are sure to break even." Dr. Michael Bitzer

Fleming Gulf is organising two financial

events in Dubai. The first 'Information Technology in Banking and Finance' event will be held during June 5-6, 2007, in Dubai. The '2nd Annual Branding in Banking and Finance Forum', will be held during June 18-19.

Moody's Investors Service has begun

the rollout of a series of rating actions for all Moody's-rated banks in conjunction with the implementation of its joint default analysis (JDA) methodology for banks and its updated Bank Financial Strength Rating methodology. The implementation will cover more than 1,000 banks in over 90 countries. The JDA methodology for banks, which was published recently after more than a year of market feedback and evaluation, incorporates what Moody's believes will be more transparent, consistent – and in many cases, increased – recognition of the likelihood of external support either from a parent bank, regional government, cooperative or mutual banking group, or Moody's opinion about the probability of systemic support.

The last ratings action announcement is slated for Wednesday, April 11th.

Following its successful IPO, and for the

first time in the region, the trading of shares of Dubai Financial Market (DFM) began on Wednesday, March 7th. Abdullah Salem Al-Turifi, chief executive officer of Emirates Securities and Commodities Authority, rang the bell to signal the start of trading of the world's first Islamic stock market shares. The DFM is the 50th company to list its shares on the market.

Mashreq launches premier 'Gold' service

Sheikh Maktoum Bin Mohammed Bin Rashed Al Maktoum inaugurated Mashreqbank's new Gold Centre at its Dubai Internet City branch recently. Mashreq Gold is the premier banking service from Mashreqbank. At the heart of the Mashreq Gold experience are relationship managers to guide customers with financial decisions. The relationship managers are certified investment professionals from the Securities Investment Institute in the UK and will ensure that Mashreq Gold customers are provided with appropriate financial guidance.



Sheikh Maktoum Bin Mohammed Bin Rashed Al Maktoum inaugurates the Mashreq Gold Centre at DIC in the presence of AbdulAziz Al Ghurair

To become a Mashreq Gold member, one has to invest AED350K in any of the financial instruments offered by Mashreq. The DIC Mashreq Gold Centre will have a wide network of dedicated such centres and Mashreq Gold lounges inside Mashreqbank branches. Dedicated centres in Abu Dhabi and Sharjah are coming soon.

AbdulAziz Al Ghurair, speaker of the Federal National Council and CEO of Mashreqbank, noted at the opening: "The banking industry in the UAE is developing significantly to cater to the different segments of our banking population.

We are now entering a new phase of tailored financial services, products and environments. Mashreq Gold is a response to this progress and development in the market."

The ministry of economy has approved the amendment of the Articles of

Association of ALDAR Properties PJSC, permitting non-UAE nationals (including individuals, corporates, funds, authorities and companies) to own up to 40 per cent of the share capital of the company. This amendment has been filed with the Abu Dhabi Securities Market (ADSM). After the ADSM takes the necessary steps to give effect to this amendment, non-UAE nationals would be permitted to purchase shares in Aldar after they have opened investor accounts with the ADSM and comply with the applicable rules and regulations.

Citigold Corporation Limited, which owns Australia's richest goldfield, dual

listed its ordinary shares on the DIFX last month. Citigold shares are already listed on the Australian Stock Exchange.

John Foley, chairman of Citigold, said: "Our listing of ordinary shares on the DIFX makes Citigold a leader in the international capital markets, just as we are at the forefront of the Australian gold mining industry. As the region's international exchange, the DIFX is the ideal gateway for Citigold to connect with regional investors."

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Aurora Funds SPC has appointed Forsyth

Partners to manage its new Cayman domiciled Global Property Fund. The fund will be actively managed by Forsyth Partners, who will make fund selections for investment through their own fund analysis, which encompasses a blend of both qualitative and quantitative research.

The fund follows a fund of funds approach and aims to capitalise on the continuing growth of industrial, commercial and residential property around the world. It has no strong bias towards the type of property or geographical area, and investment decisions will be made from a macro level whilst utilising the expertise of underlying managers. The portfolio is also designed to have good liquidity and includes funds such as the Henderson HF European Property Fund and the Morgan Stanley SICAV Europe, Asia and US Property Funds.

The fund will trade weekly, and offers both GBP and Euro share classes with a minimum investment of GBP5,000 or 10,000 Euro and subsequent investments of GBP2,500 or 5,000 Euros. The annual management fee is 2.5 per cent.



Zack Shahin

With effect from January 2007, EPIC

Investment Partners (Guernsey) Limited, the fund manager of the EPIC Life Settlement Fund, has changed its name to EEA Fund Management (Guernsey) Limited. The name change does not affect the previous shareholding or structure of the fund manager, and the management of the EPIC Life Settlement Fund remains the same.

The new international, independent judiciary

for the Qatar Financial Centre (QFC) has now been inaugurated.

The inauguration recognises that the council of ministers of Qatar has formally appointed Lord Woolf as president of the QFC Civil and Commercial Court and William Blair QC as chairman of the QFC Regulatory Tribunal. The council of ministers has also appointed six other judges to the court and two members of the Regulatory Tribunal.

In addition, the council of ministers has appointed six other international jurists to the court and approved the appointment of two other distinguished lawyers to the regulatory tribunal.

Deyaar looking at Asian opportunities

Deyaar, the property development subsidiary of Dubai Islamic Bank, is exploring investment opportunities in countries like China, Russia and India, apart from Eastern Europe. Deyaar CEO Zack Shahin told **MONEYworks** that a number of investment initiatives outside the UAE are under consideration right now, but will have to wait until the IPO is approved by the concerned authorities.

Deyaar has applied to the UAE ministry of economy to launch an IPO in the first half of 2007, subject to all regulatory approval.

The company now has 17 towers under construction and 20 others under design stage. The company has also just initiated a project in the mountains of Lebanon and is in the advanced stages of entering Kazakhstan, while in Turkey it is all set to begin constructing condominiums. Recent land acquisitions in the UAE have raised Deyaar's total land bank to over AED3 billion. Acquisitions in the UAE now account for AED2.3 billion, with the balance being in overseas markets.

Deyaar is also evaluating opportunities in the new freehold areas in Abu Dhabi, while in the northern emirates the company is about to deliver its first tower in Sharjah. The company is also exploring opportunities in Ras Al Khaimah and Ajman.

Shahin also said that for any reason if the IPO is not approved, Deyaar will look at other channels of raising money: through sukuk, private placements or asking shareholders to raise the capital.

Deyaar also has large rental portfolio of AED11 billion under management. Its rental portfolio includes 16,000 housing units throughout the UAE. In Dubai, the company has some 5,000 housing units, while in Abu Dhabi it rents out another 4,500 housing units and in northern emirates another 5,000 units, according to Shahin.

International investors: shaken, not stirred

Investors around the world have reassessed their risk appetite in the wake of the sell-off in stock markets that started on February 27, according to Merrill Lynch's Survey of Fund managers for March.

In the first comprehensive study of investor sentiment since the market decline, global money managers have revealed the full extent of their heightened aversion to risk. Portfolio managers have increased their cash balances sharply from 3.8 per cent to 4.4 per cent, with a net 30 per cent of respondents saying they are overweight cash. Merrill Lynch's Composite Indicator for Risk Appetite fell five points last month to record one of its lowest readings of the past five years. Furthermore, the survey suggests portfolio managers have their shortest investment time horizon in four years, with an average investment time horizon among the panellists of just seven months.

The survey indicates strongly that the three per cent fall in major market indices has failed to prompt investors to rethink their global macroeconomic outlook. While they are slightly more cautious about the prospects for economic growth and corporate profits, only 10 per cent of panelists believe that a global recession is likely in the next 12 months. Merrill Lynch's Growth Expectations Composite Indicator shows a moderately bearish reading of 34, but sentiment is stronger than in the last two months of 2006.

There is also evidence that the majority of investors have not abandoned equities. A net 34 per cent of portfolio managers believe it unlikely that stock markets will be lower six months from now, up from 15 per cent in February. Having sheltered in cash, respondents plan to increase equity exposure; a net 25 per cent of asset allocators intend to raise exposure to equities over the next three months.

Dubai Multi Commodities Centre (DMCC) has announced that it will focus on the development of the steel and base metals sector, ahead of the launch of the steel futures contract to be traded on the Dubai Gold and Commodities Exchange.

John A. Short has been appointed as executive director of Steel and Base Metals to lead the development and launch of the Steel Rebar Futures Contract, which is expected in early May.

"The steel and iron industry in the Middle East has witnessed significant growth in recent years, with a 41.5 per cent increase in the production of steel between 2000 and 2005," said Dr. David Rutledge, chief executive officer, DMCC. "Driven by the establishment of huge infrastructure projects in the region, the GCC states are also among the leading consumers of steel and iron products in the world today. Individual consumption in the GCC states reaches over 378 kg of steel per person annually against the global average of 182 kg."

"Regional investment in this sector has risen considerably in the last five years, with a total of US\$2.84 billion invested in steel and iron factories across the GCC. Regional leader Saudi Arabia is currently home to 22 such factories, followed by the UAE with nine units," said Dr. Rutledge. "Exports and re-exports from the UAE have also witnessed high annual growth rates of 23 per cent and 20 per cent, respectively, in the last five years," he added.

Emaar Properties and Dubai Holding have reached an agreement in which Emaar will issue 2.364 billion new shares to Dubai Holding in lieu of land and will work towards a strategic partnership to drive further growth in Dubai and international markets.

The Middle East Business Forum (MEBF) will be held on April 25 at the Grand Hyatt, Dubai, to bring together banks, issuers and ratings agencies, all immersed intensely in the global phenomena that are Sukuk. The forum moderator, Alberto Brugnoli, who runs ASSAIF, an Islamic finance-tailoring consultancy out of Italy, will be moderating the event, which will host over 200 key institutions in from the SUKUK issuance industry. Admission is free to MEBF members only.

New UAE superbank to rise from the ashes of NBD and EBI

The latest on the upcoming superbank merger between Emirates Bank International and National Bank of Dubai is that a high level steering committee to lead the merger has been formed under the chairmanship of Shaikh Ahmed Bin Saeed Al Maktoum.

Emirates Bank is represented by chairman Ahmed Humaid Al Tayer, CEO Rick Pudner and group CFO Sanjay Uppal. National Bank of Dubai is represented by chairman Abdulla Mohammed Saleh, CEO Douglas Dowie and CFO Joyshil Mitter.

At the steering committee's first meeting last month, it was agreed that in the initial phase, the focus will be to deliver a financial closing of the merger before steps required for operational integration are commenced. Three key decisions were made:

Financial Closing Process – EBI & NBD will appoint a joint financial advisor to guide the overall financial closing process, including the valuation process. A Request for Proposal was sent to four institutions. The two banks may also appoint independent advisors to provide fairness opinion on the valuation provided by the jointly appointed financial advisor.

Due Diligence Process – Both banks have agreed to carry out a due diligence on each other in line with international best practices. EBI has appointed KPMG to carry out a due diligence on NBD which has, in turn, appointed Ernst & Young to carry out the due diligence on EBI.

Strategic Initiatives – Management of both have stressed that they each maintain focus on their business activities, noting that each is presently planning and undertaking various strategic initiatives. The steering committee has agreed that the two banks will review these initiatives to ensure that synergies can be derived in the merged entity.



Ten winners from across the region won in the first monthly draw for the 'Value Back' feature of Blue, the latest AMEX card. Each winner earned their statement balance back (including purchases and cash withdrawals) of US\$1,000 equivalent in local currency. Every purchase or cash withdrawal of BHD10, AED100, QAR100 or JOD10 gets an automatic entry into the draw. Cardmembers also receive additional draw entries when reaching a minimum statement balance.

DFSA signs MoU with New Zealand Securities Commission

The Dubai Financial Services Authority has entered into an MoU with the New Zealand Securities Commission. The signing coincided with a visit to the region by Diplock in her capacity as chair of the executive committee of the International Organisation of Securities Commissions. The signing of the MoU has put in place arrangements for cooperation and information sharing between the two regulators. It recognises that both regulators rely on the quality of regulatory standards administered in the other's jurisdiction.

Forsyth Partners has launched a new Bermuda listed fund of funds - the Forsyth Global Private Equity Fund. The new fund seeks to invest in listed private equity companies and in private equity related securities. These investments may be made directly and through open-ended funds operating in the private equity sector.

The fund is for investors seeking long term asset growth in private equity without the higher levels of risk often associated with the sector. It is traded daily and offers both US\$ and euro share classes with a minimum investment of US\$10,000, or the currency equivalent, and subsequent investments of US\$5,000. The annual management fee is 1.5 per cent.

Increasing demand for Marina West's freehold residences is "a barometer of the health of Bahrain's real estate market," according to Andrew Chambers, managing director of Asteco Property Services Company. The company, which established operations in the Kingdom late last year, attributes this appetite to the unique proposition of the residential beachfront community, as well as to the Kingdom's political, economic and social framework that has enabled the real estate sector to thrive.

"The demand for Bahrain real estate is flourishing, and this is clearly evidenced by the success of our sales effort thus far in our capacity as exclusive sales and marketing agency for Marina West. The intent and interest we are receiving from committed and prospective home owners and investors has accelerated following official groundbreaking, and we see this increasing further as our full marketing campaign gets underway," said Chambers.



Soha Nashaat

DME gets overseas regulator go ahead

The Dubai Mercantile Exchange Limited (DME) has received its first approvals from overseas regulators in Singapore and Japan. The 'no objection' letter from International Enterprise Singapore and the written confirmation of 'no restriction to provide direct access' from Japan's ministry of international trade and industry allow qualified entities established or incorporated in those jurisdictions to access the DME Direct electronic trading platform (subject to the Dubai Financial Services Authority granting the DME a licence to operate as an authorised market institution). They will also be permitted to become members of the DME, providing they meet the relevant DME membership criteria.

The DME launches officially on May 1, 2007, as the Middle East's first international energy futures exchange. The initial three contracts to be traded on the DME on launch will be the physically delivered Oman Crude Oil Futures contract and two financially settled contracts, a Brent-Oman spread contract and a WTI-Oman spread contract.

Soha Nashaat, managing director and head of Middle East, North Africa and Turkey for Barclays Wealth, won the "Women Banker of the Year" award at the sixth Middle East Businesswomen and Leaders Achievements Awards ceremony, which was held on International Women's day.

Based in Dubai, Nashaat recently joined Barclays as managing director and head of Middle East, North Africa and Turkey, Barclays Wealth. She is responsible for managing Barclays existing high net worth business in the region and driving forward Barclays' expansion in what is a key area of growth for the company.

Bahrain based Addax Investment Bank has revealed a consolidated net profit of US\$11.8 million for the year ended December 31, 2006, an increase of 265 per cent over the previous year.

Moody's Investors Service has affirmed Dubai Holding Commercial Operations Group's A1 ratings following the announcement that Dubai Holding is expected to acquire an approximate 28 per cent stake in Emaar Properties. Both companies also announced the intention to work towards a strategic partnership in both their Dubai and international property developments.

Madaares, the AED500 million private joint stock company launched by National Bonds Corporation recently to raise educational standards in the UAE and the region, is on course to establishing strategic partnerships with major property developers and international educational firms.

The company has set a target of opening 14 primary and secondary schools over the next five years and up to 20 by 2014.

New bank in the Sultanate from GMG

Gulf Merchant Group (GMG) has received initial approval for a full banking licence from the Central Bank of Oman to operate a new retail and commercial bank. Initially capitalised at a minimum of OMR50 million, the Oman Merchant Bank (OMB) will look to launch by the end of 2007, following an IPO on the Muscat Securities Market.

Al Sayyid Asaad Bin Tariq Al Said, OMB chairman, said: "We are seeing a gradual opening of the Omani economy that is creating an investment friendly environment to attract much needed FDI into Oman. OMB's focus on corporate and investment finance means that the bank will be well poised to capitalise on the opportunities created by these important developments."

According to Nabil Maaloul, GMG CEO, the bank is "considering a secondary listing on a reputable international exchange such as London or the DIFX."

President of Tameer Holding, Omar Ayesh signed a three year deal with the

Choueiri Group recently, in a move that will capitalise on the series of real estate projects currently being undertaken by Tameer. Tameer becomes one of the few property development companies to invest in TV advertising and hopes to spread the word regionally and internationally and penetrate new markets. Tameer Holding is currently developing a number of projects in the UAE, such as Al Salam City in Umm Al Quwain, the largest property development project in the world, along with the world's tallest residential tower "Princess Tower", in Dubai Marina. Tameer has also a number of international developments being undertaken including in Yemen, Madinat Al Majd in Jordan and a large mixed-use project in Libya.

Rasmala won the award for the Newcomer of the Year at the first Hedge Funds World Middle East Awards Ceremony. DIFC won the second category for which Rasmala had been nominated: Special Merit Award for Outstanding Industry Contribution.

The Qatar Financial Centre Regulatory

Authority has released a consultation paper and accompanying draft rules relating to the conduct of retail business in or from the QFC and the protection of retail customers. The rules have a particular emphasis on insurance business, although the proposed regime is intended to be the framework for any retail regulated activities conducted by firms authorised to do so by the regulatory authority.

The draft rules provide for a comprehensive but flexible regime for authorised firms conducting retail business, ranging from making financial advertisements through to the post-contractual obligations a firm has to retail customers. The proposals complement the existing regulatory framework for the protection of all clients, including retail customers, of QFC authorised firms.

The proposals spell out how the regulatory authority expects authorised firms to conduct themselves in respect of retail customers.

The QFC Regulatory Authority will receive comments on the draft proposals until April 18. The consultation paper, draft rules and details for the submission of comments can be found at the QFC Regulatory Authority website at: http://www.qfcra.com/publication/Consultation_Papers.php

The executive committee of the

King Abdullah Financial District (KAFFD) has approved the master plan for the construction of the KAFFD in Riyadh. The first excavation work is scheduled to begin within weeks, and the first building is expected to open around the end of 2008. Detailed work on the design of the infrastructure is also about to begin.

HSBC has announced a substantial

investment in its regional research and equity capabilities, with six new appointments. The Dubai-based equities team will be providing research, sales, brokerage and financing expertise to the world's most sophisticated investors, who are increasingly seeking exposure to the region's markets.

Abu Dhabi Securities Market amends the insiders' "Close Period"

ADSM has initiated, at the decree of the board of directors, to amend the insiders' "close period" from trading on the listed companies of which they are directors, officers or key employees. This ban, as per the market's requirements, will take place two weeks before the end of any financial period until the disclosure of related period financial statements. Note that this decision will be applied starting from March 18, 2007, and was formally communicated to all listed companies close to the end of 2006.

As per the old rule, the "close period" started after two weeks following the end of any financial period. The purpose of this amendment is to provide important financial information to investors before allowing insiders to trade. The amendment will urge listed companies for earlier disclosure and provide data to investors on a timely basis, thus making rational investment decisions away from the rumours or misleading information.

The Qatar Financial Centre Regulatory Authority has granted authorisation to ALICO to carry on regulated activities in the Qatar Financial Centre. ALICO has been allocated Qatar Financial Centre Licence No. 00036.

Bank employees graduate from Mawarib

Commercial Bank International (CBI), has recruited its first batch of 36 UAE nationals, fresh graduates, for 2007. The new recruits have started their first phase of training through the Mawarib induction programme.

CBI trainees will undergo training for three months and then will be assigned to CBI branches/divisions/departments as on-job trainees for another three months. On

successful completion of the six-month training programme, trainees will be confirmed in the service of the bank.

In related news, a group of 26 UAE national employees of First Gulf Bank has also graduated from a two month Mawarid Induction Programme held recently at the Emirates Institute for Banking and Financial Studies.



Commercial Bank International's 2007 Mawarib graduates

HSBC Holdings PLC has announced 2006 final results. Total operating income was up 14 per cent to US\$70,070 million (US\$61,704 million in 2005). For the year, net operating income climbed up 10 per cent to US\$54,793 million (US\$49,836 million in 2005). Group pre-tax profit was up five per cent - an increase of US\$1,120 million - to US\$22,086 million (US\$20,966 million in 2005).

Gulf Investment Corporation has announced strong performance of its flagship hedge fund of funds, the Alternative Strategies Fund. The strong returns achieved in 2006 were in the region of 10.8 per cent, outperforming many other such funds currently available on the market and started 2007 on a strong note by posting January and February performance of 2.65 per cent.

European Islamic Investment Bank plc completes two deals

European Islamic Investment Bank plc (EIIB), the first independent, Shari'ah-compliant Islamic investment bank to be authorised and regulated by the Financial Services Authority in the UK, has completed two deals which further enhance its credentials as a growing force in Islamic finance.

The first agreement, a structured trade finance facility, was signed by EIIB and CCH International plc (CCH) and its subsidiaries for a sterling denominated revolving supplier credit financing facility. Proceeds of the facility will be used to finance a UK-based supplier of steel products according to the principles of Shari'ah. The facility has been structured as a scalable financing solution and is envisaged to meet the short and medium term requirements of both the UK based supplier and CCH. In addition, the structure and security package is likely to appeal to both Islamic and non-Islamic investors in the Gulf, Europe and the UK.

This inaugural agreement with CCH complements EIIB's strategy of European origination and subsequent distribution to both Islamic and non-Islamic investors. This is the sixth structured trade finance transaction to be signed by EIIB and reflects the bank's commitment to both providing customers with tailor-made solutions and structured trade finance as an asset class.

The second agreement was signed with the Islamic Bank of Britain plc (IBB) and is for a committed standby facility. IBB is the UK's only licensed, wholly Shari'ah compliant provider of retail Islamic banking products and services. The facility is structured as an undrawn revolving commodity murabaha and is designed to assist IBB in managing its liquidity profile.

Amricon will highlight its latest SMART

technologies at Cards Asia 2007, the Asian card exhibition and executive forum being held during April 25-27 at Suntec, Singapore. As a silver sponsor of the event, Amricon will also deliver a presentation of its revolutionary SMART Cheque solution that eliminates counterfeit and bounced cheques on the second day of the event.



Mohamad Jarrar, managing director, Amricon MD

Etisalat has announced revenues of AED16.29 billion and a net profit of

AED5.86 billion, an increase of 27 per cent and 38 per cent respectively over 2005. The board also put forward a proposal to distribute bonus shares at the rate of one share for every 10 shares held by the investor.

Etisalat has seen growth in its main business areas. The number of mobile users has crossed the 5.5 million threshold, a growth of 27 per cent over 2005. Fixed line numbers increased by four per cent over 2005, with the number now totaling 1.28 million. The internet subscriber base was 660,000 at the end of 2006.

The British Virgin Islands (BVI) International Finance Centre is set to host a seminar for the business and financial community in Dubai next month.

Delegates at the seminar will hear about the growth of and opportunities in working with the BVI's offshore financial services industry, including investment business, corporate domiciliation, trusts and estate planning and captive insurance. They will be addressed by leading figures from the BVI government and financial community including chief minister, Dr.D. Orlando Smith and the BVI regulator and CEO of the BVI Financial Services Commission, Robert Mathavious.

The seminar, "The British Virgin Islands, Opportunities for Growth in Financial Services" is scheduled for Sunday, April 29 and will be held at the Burj Al Arab.

Securities & Investment Company has

released an extensive report initiating coverage on Emaar Properties with a BUY rating and target price of AED 17.10 (presenting a 40 per cent upside to its current market price). The 56-page report argues that Emaar currently represents a significantly undervalued opportunity for investors seeking to build exposure to the UAE. Open to both foreign and GCC investors, Emaar represents an accessible proxy for both the UAE and the GCC. The company has a market capitalisation in excess of US\$20 billion and a 7.1 per cent weight in the MSCI GCC Index. Its free float of 68 per cent and average daily traded volumes of US\$113 million reflects significant liquidity in its shares.

The international rating agency Standard &

Poor's (S&P) has reaffirmed its 'A' rating for the Dubai Multi Commodities Centre (DMCC). The S&P report highlights the personal involvement of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, as one of DMCC's significant strengths.

Emirates Securities, the UAE brokerage

arm of SHUAA Securities, ranked first in February amongst all other brokerage firms in the combined entities of Abu Dhabi Securities Market and Dubai Financial Market with a total traded value reaching AED2.8 billion. Emirates Securities has long been a leading light in local securities markets. In its 20 or so years of operations, the firm has captured 7.6 per cent share in the UAE market.

Dubai Multi Commodities Centre has

awarded the Dubai Good Delivery Status (DGD) status to Istanbul Gold Refinery (Istanbul Altin Rafinerisi - IAR), enabling it to become the first Turkish refinery to achieve international ranking. The listing means that IAR's one-kilo gold bars are now accepted for delivery against gold futures contracts on the Dubai Gold and Commodities Exchange.

With this award, Istanbul Gold refinery joins the ranks of 23 other international firms that have obtained DGD-listing for approved refiners of gold and silver.

Investcorp to offer investors access to leading Asian Hedge Fund Strategy

Investcorp has formed a strategic partnership with WMG, a London-based alternative investment platform founded by Mehmet Dalman, to focus on an Asian long/short equity fund.

Both Investcorp and WMG have made significant contributions to this strategic partnership. WMG has created a Hong Kong-based subsidiary, WMG Asia, from which the assets of the new partnership will be managed. Investcorp will invest proprietary capital for the launch. WMG and Investcorp will coordinate the risk management and operational oversight, as well as the marketing, through their complimentary distribution channels.

Lena Tan, a director of WMG Asia, will be the portfolio manager based in Hong Kong. Tan most recently worked at Asian hedge fund Ward Ferry and brings more than 20 years of buy and sell-side experience in Asian capital markets.

In other news, Investcorp has announced the launch of the Investcorp Early Stage Fund. Key features of the new fund include targeted returns of 12-14 per cent with annualised volatility of five to seven per cent over the medium term.

In its research report on Air Arabia, SHUAA Capital projected encouraging performance for the low cost carrier based on the company's competitive strengths, projected financial performance, and general economic and demographic conditions.

The report highlighted Air Arabia's first mover advantage, its ability to scale up, a young fleet and the high utilisation rate of its aircraft.

Revenues are projected to reach AED1.03 billion, an increase of 37 per cent from AED749 million in 2006, with net profits expected to more than double for the current year to reach AED226 million, from AED101 million for the past financial year.

4th annual Middle East Insurance Forum 2007 to focus on growth opportunities in a dynamic region. The Middle East Insurance Forum will be held during May 7-9, 2007 at the Gulf Hotel, Bahrain, under the patronage of the Central Bank of Bahrain and with the support of the Bahrain Insurance Association.

UAE national Khamis Sulaiman Antali has become the latest bond holder to see his savings in National Bonds go up by AED1 million.

Antali's bond ACL712041 won the AED1 million prize at the eleventh draw held on March 3, 2007, at the Dubai Financial Market.

National Bonds Corporation has given AED44 million in prizes through its eleven draws held so far. Draws take place on the first Saturday of every month and are broadcast live on Sama Dubai TV.

Cass Business School, part of The City University, London, is launching an Executive MBA (EMBA) programme offering three alternative specialisations: Islamic finance, energy and general management and finance. Launched in association with the Dubai International Financial Centre, the EMBA will be the world's first MBA programme offering a specialist stream in Islamic finance; students will also be able to opt for a generic Executive MBA or a specialise in energy.

The new programme will be taught over 24 months and will involve the same content as Cass's London-based Executive MBA, one of the highest ranked MBAs in the world by the Financial Times. The first intake of students is planned for September 2007.

Dubai Islamic Bank was recently awarded the Dubai Human Development Award, Gold category, for its contribution to developing human capital across the UAE.

Offshore Investment is gathering a panel of experts from across the globe to analyse key developments concerning Shari'ah compliant dispute resolution and wealth management, tax treaties, citizenship and residency. The event takes place during April 18-19 at the Grosvenor House Hotel and will be chaired by Andrew De La Rosa, Chambers of A.L. Price CBE, QC, UK.

EFG-Hermes came out with strong results for 2006, showing a 48.5 per cent increase in total revenues, compared to 2005. According to full-year figures released, net profit after tax and minority interest has increased over two-fold to reach EGP701.9 million. Net profit of the investment bank (excluding net income from Banque Audi) amounted to EGP498.6 million, an increase of 42.4 per cent compared to FY 2005.

In other news, EFG-Hermes has been placed first in the brokerage rankings conducted by Dubai Financial Market for December 2006 and second in the Q4/06 ranking.

BankMuscat SAOG recently signed an agreement with International Finance Corporation, Washington, under its Global Trade Finance Program. The agreement enables BankMuscat's customers to obtain confirmation/guarantees on Letters of Credit received by them for their exports to various emerging market countries.



National Bonds Corporation has announced that nearly 2,300 units of Skycourts were sold in just six days, when the sales centre opened its doors on December 9, 2006. The AED1.5 billion Skycourts project was open exclusively to holders of National Bonds and Dubai Bank customers, following which the sale was intended to be made open to the general public.

United Bank Limited (UBL) has opened its remodeled branch in Barsha on Sheikh Zayed Road, Dubai. Designed after the showroom concept with the UBL Real Estate Finance unit also housed in the same area. Wajahat Husain, UBL head of Middle East, explains the advantage of the Barsha branch: "We have come to the new Dubai area, which is an emerging hub both in terms of corporate and retail businesses, as we feel we have the necessary skills to service both corporate and retail customers by having a presence in this particular area. We also have the mortgage product here because this is the area where people are actually coming into and buying the properties."

Although UBL has reached its eighth branch in the UAE, the maximum number of fully-licensed branches allowed for a foreign bank to operate in the country. Atif R. Bokhari, UBL president and CEO, says: "We might be limited, as this would be our last branch here, but we still have expansion plans through open booths and kiosks, which is another way of increasing our network in the UAE." UBL has also established branches in Abu Dhabi, Sharjah and Al Ain in its almost 40 years of operations in the UAE.

As for their international expansion, he enumerates a recently opened second branch in Qatar, a second branch to be opened in Yemen, current operations in Bahrain and a new representative office in Kazakhstan, which will be UBL's base to further expand in the CIS republics.

He also reveals: "We are in the process of filing an application with the Reserve Bank of India, and we are hopeful that we will be given permission to open a branch in India."

International Mercantile Exchange Holdings

L.L.C, the promoters of the first energy exchange in Qatar – IMEX – has announced that the trading platform aims to go live and obtain the Qatar Financial Centre Regulatory Authority (QFCRA) approval by the end of this year. The company further announced that the regulatory framework for the exchange is currently being developed by the QFCRA. IMEX has Hess Energy Trading Company as its principal consultant and Clifford Chance LLP as legal consultants. IMEX will be based at the Qatar Financial Center in Doha and is expected to be moving to Energy City in Qatar in 2009.

Citibank launches Shari'ah-compliant funds

Citibank has a new distribution arrangement with DWS Investments, the global mutual fund arm of Deutsche Bank, to offer DWS investment products, which also include the Shari'ah compliant 'DWS Noor Islamic Funds'.

DWS Noor Islamic Funds are aimed at retail and institutional Islamic investors. The DWS Noor family of funds includes DWS Noor Precious Metals Securities Fund, DWS Noor Global Select Equity Fund, DWS Noor China Equity Fund, DWS Noor Japan Equity Fund and DWS Noor Asia Pacific Equity Fund.



Sanjoy Sen of Citibank (left) with Scott Jaffrey of DWS Investments

Minimum investment in DWS Noor Islamic Funds (which offer the potential to invest in all regions and sectors, including the option to participate in IPOs) is US\$5,000.

In related news, Citibank cardholders can now make cash payments on their credit cards at UAE Exchange. Payments up to AED40,000 per day can be made either through UAE Exchange tellers or kiosks, and will reflect on the card account within two working days.

Plus, the bank has recently launched a credit card usage and acquisition programme until April 30. New applicants and existing customers are eligible for two promotions. The first offers new card applicants or existing cardholders spending a minimum of AED100 on their card entries to win cruise holidays to Singapore and Greece. The second offers dining rewards when cardholders spend AED100 or more with their Citibank card.

Asia Infrastructure Fund from Invesco

Infrastructure investments in Asia are going to give strong dividends to investors, according to Maggie Lee, associate director and senior fund manager with Invesco Hong Kong Limited. Lee, who manages the Asia Infrastructure Fund from Invesco, was in Dubai last month to talk about the fund. She said that the Invesco Asia Infrastructure Fund has already delivered a return of over 20 per cent since its launch in March 2006.

Lee, however, said that the fund does not have benchmark, since there is no representative infrastructure benchmark available in the market place and that it has a focus on long-term capital growth.

Since inception, the fund lagged behind the reference index (MSCI AC Asia Pacific ex Japan) by 1.9 per cent, mainly due to the large amount of cash inflows into the portfolio during the first month of fund launch. But she added that if a month was allowed for the portfolio construction process to complete, since the end of April 2006, the fund has outperformed the reference index by 4.6 per cent.

The minimum investment in the fund, which has grown to US\$400 million in the last 11 months, is US\$2,500. The fund invests in Asia and/or companies that generate at least 50 per cent of its revenues from Asian Infrastructure related activities. The fund is presently investing in China, India, Australia, Singapore, the Philippines, Korea, Malaysia, Indonesia, Hong Kong, Taiwan, Thailand, Pakistan and New Zealand.

Dubai Bank has launched SANAD, a first of its kind personal finance (personal

loan) product. MULKI property finance, MARKABA auto finance and SOUK goods finance MARKABA and SOUK have no early settlement fees, repayment periods of up to 60 months, relaxed eligibility, affordable repayments, competitive profit rates that are fixed throughout the term of the finance and no down payment. Additionally, for extra value and convenience, the option to finance the insurance is also available.

Private equity firm to focus on SMEs

With an initial capital of AED200 million, new private equity firm Capital Industries and Investments (CII) has launched its operations in the UAE to provide equity capital and acquire controlling stakes in successful privately-held and mid-sized companies operating in the construction manufacturing industry.

This is in response to the need to capitalise on the high investment potential in construction-related industries, as the UAE's industrial manufacturing sector has become the second largest contributor to the country's GDP after oil, but has remained unexplored.

As Small and Medium Enterprises (SMEs) are the backbone of the industry, Sheikh Sultan Bin Saud Al Qasimi, CII chairman, explains that "CII's focused approach on mid-sized construction-related manufacturing businesses offers a new opportunity of portfolio diversification for investors, as well as alternative means for manufacturing companies to grow or exit the business, knowing that they have secured the long-term sustainability of their company."

He adds that the SMEs need access not only to financing, but also to many other services like expert advice, technical know-how, fair valuation, synergies with other related businesses and a network of contacts that can add value to subsidiaries' operations, such as the "one-stop-shop" that they offer.

CII will target successful mid-sized companies with an enterprise value within the average range of AED20 to 25 million and that have solid track records and excellent business prospects.

CII will also establish joint ventures that introduce proven international construction technologies into the GCC region through partnering with manufacturers from emerging and developed markets with a successful track record of establishing new technologies in their home markets. Their regional expansion plans are expected within the first two years of operation. Al Qasimi reveals that he has a soft spot for Oman.

CII's shareholders include Al Saud Investments, led by Sheikh Majid Bin Saud Al Qasimi and Sheikh Sultan Bin Saud Al Qasimi, and Alliance Capital headed by Ziad Galadari.

Munther Hilal, CII CEO and co-founder, says that they also have an advisory board consisting of various professionals in the different aspects of the construction manufacturing industry, all experts in their own fields.

Mashreq Securities opens trade on the DIFX for retail and institutional investors

Mashreq Securities is to allow individuals and institutions in the UAE and elsewhere to trade shares listed on the Dubai International Financial Exchange (DIFX), in addition to its existing brokerage activities on the DFM and the ADSM.

Mashreq Securities has designated special Mashreqbank branches for account opening enquiries. Customers will also have access to a call-in number. Mashreq Securities will route trades on the DIFX through its sister company, Mashreq Capital DIFC, which became a member of the DIFX in April last year.

In related news, Mashreq Securities LLC has launched its third VIP lounge for investors to trade in the UAE's stock markets at the Mashreqbank building in Buheira, Sharjah. The Mashreq Securities branch in Sharjah is open from 8:00am to 4:30pm, Sunday through Thursday.

National Bank of Dubai has launched NBD Office Loans, providing mortgages to individuals for purchase of commercial property in Dubai. UAE national and expatriate residents are eligible for mortgages of up to AED4 million for either off-plan or completed properties from an approved panel of developers. Customers can choose between variable and fixed rate pricing, as well as pre-approvals.

Friends Provident International has added 19 new mirror fund links to its Isle of Man fund range. The added funds consist of direct property funds, securities-based property funds and fixed interest funds.

The property funds range covers both direct 'bricks and mortar funds' and property securities. They include both UK and core globally diversified funds, with the latter being available in multi-currency options.

The fixed interest funds are managed by Invesco and Schroders, complemented by new euro share class options from existing mirror links to the Barings International Bond and Mellon Global Bond funds.

The 2i Capital Group, in conjunction with Oman-based Arnwal Investment SAOC, advisers to 2i Capital recently held an investor lunch and presentation on the US\$300 million "Indian Infrastructure Development Fund" in Dubai.

The fund will be the first Shari'ah compliant fund for investing in India. Investors not wanting to invest according to Shari'ah principles will be given an option to invest through a parallel investment vehicle that will invest in projects and companies with the fund on a pro-rata basis.

The US\$300 million fund aims to post net investor returns of 30 per cent per annum during a seven-year investment life, with first returns expected within two years. The fund is authorised and regulated by the Securities and Exchange Board of India.

Amlak Finance has launched Amlak Finance and Real Estate Investment in Egypt to offer home finance products in the Egyptian market, becoming the first company in Egypt to offer Islamic Home Finance products in accordance with Shari'ah principles.



Abu Dhabi-headquartered First Gulf Bank has launched the region's first stand-alone, unsecured Islamic Credit Card – the Makkah Credit Card – which allows holders to earn 'steps' to travel to the Holy City of Makkah.

KM Properties has tied-up with two financial institutions in the country to offer "attractive and affordable home ownership packages" including 80 per cent finance for its El Matador Tower at Jumeirah Village. The limited offer allows individuals to book an apartment by paying just five per cent of the total value. On confirmation of the booking, owners will pay 45 per cent of the cost at the rate of a five per cent installment every three months and the balance 50 per cent on completion of the project.

Dubai Islamic Bank (DIB) has launched Sharī'ah compliant four-year Capital Protected Global Real Estate Income Trust (REIT) notes. The REIT notes have a minimum investment of US\$10,000 and no management fee. According to Saeed Al Qatami, senior vice president, head of wealth management, DIB, "REIT Notes will not invest directly into specific properties, but rather through REIT investors to get exposure to the US, European and Japanese real estate markets without significant capital outlay."

New online deposit service from HSBC

HSBC Bank Middle East Limited has introduced eSaver, a new online deposit proposition, designed to target internet users and provide a zero maintaining balance account with no monthly maintenance fee, higher interest rates on savings and the flexibility to withdraw money anytime and anywhere. Aside from online account management, it also offers customers the facility to transfer funds to and from their accounts electronically.

eSaver is available in AED only and has a special launch interest rate of six per cent per annum valid until June 30, 2007. Thereafter, the rate will be determined by market forces, according to Sangeeta Pendurkar, Middle East chief marketing officer, HSBC Bank Middle East Limited. The interest is calculated daily and paid monthly. However, interest for the month is forfeited if more than one withdrawal is made in any month.

To encourage regular savings, an ATM card or a cheque book is not offered with an eSaver account. Also, cheques are accepted only as initial funding. UAE residents may apply for the eSaver account online at www.hsbc.ae with the account number issued in real time. The account is activated only when the account holder personally presents his/her signed copies of the application form and the eSaver account terms and conditions, as well as his/her original passport and a copy of it for identification at any HSBC branch in the UAE.

It's an initiative dubbed as the first innovation of its kind in the market. Lester Wynne-Jones, regional head of personal finance, HSBC Bank Middle East Limited, adds: "Our market research shows that online deposits are what customers want to do. The simplicity of this service will make them shift to internet banking."

APPOINTMENTS March 2007



Dhaheer Quraish

Dhaheer Quraish has been appointed general manager of Financial Technologies Middle East, a subsidiary of Financial Technologies (India) Ltd.



Paul Gill

Bahrain based Al Salam Bank announced that **Paul Gill** has joined the bank's senior management team as executive director and head of Real Estate Investment.



Jukichi Takahashi

Citigroup has appointed career Citibanker **Jukichi Takahashi** as head of the newly formed Japan Business Unit in Dubai.



Oscar Silva

NBK Capital has appointed **Oscar Silva** as chief executive, Investment Banking Group, and member of NBK Capital's board of directors, based in NBK Capital's offices in Kuwait.

Jason Blick has been appointed CEO of Independent financial adviser Financial Partners International. He will continue to serve as a director.



Fouad Ghanma

National Projects Holding Co., a subsidiary of the National Real Estate Co. of Kuwait, has appointed **Fouad Ghanma** as an advisor to the board.



Walid Khalfallah

Walid Khalfallah has joined HSBC Bank Middle East as head of Middle East Equity Research and head of EEMEA Financials Research, based in Dubai.



Dr. Abdullaouf M. Mannaa

The board of directors of Emaar, The Economic City (Emaar.E.C) has appointed **Dr. Abdullaouf M. Mannaa** as managing director of the company effective from April 1, 2007.

Barclays Wealth has appointed **Talal Shamel** as a managing director to its private banking team in the Middle East to support the expansion of the private client franchise for high and ultra high net worth clients.

Global private equity firm The Carlyle Group has appointed **Firas Nasir** as new Middle East and

North Africa team managing director advising on investments in the Middle East, based in Dubai.

Friends Provident International has appointed **Nigel Smith**, winner of the recent Glyn Gilbert Memorial Award, as regional technical manager, based in the Middle East sales and marketing office.

SHUAA Capital has appointed **Danny Dagher** as a senior vice president, tasked with the responsibility of leading the company's mergers and acquisitions efforts.

Niall Booker, currently deputy chairman and CEO of HSBC Bank Middle East Limited is to become chief operating officer of HSBC Finance Corporation.

Youssef Nasr will succeed Booker as CEO of HSBC Bank Middle East Limited. Nasr retains responsibility for broadening HSBC's shareholder base as group managing director, strategic investments.

DMCC has appointed **John A. Short** as executive director of Steel and Base Metals. Short will lead the development and launch of the Steel Rebar Futures Contract.



Private banking on your doorstep

Private banking has evolved over the years, and today these banks are offering a whole range of solutions from Islamic banking to investment banking and asset management for wealthy people. **MONEYworks** finds out how financial centres like the Dubai International Financial Centre are offering these banks the ideal location to step up their business in the GCC.

Private banking is one of the most profitable businesses in the Middle East, and, of course, in the GCC, where millionaires abound. There are some 300,000 millionaires in the region, with combined wealth of US\$1.2 trillion, and almost half live in the UAE and Saudi Arabia, according to the last World Wealth Report from Merrill Lynch and Capgemini. It's easy to understand why. For private banks, the oil rich GCC states have been one of the most fertile grounds globally for reaping profits over the years. In fact, as per a recent McKinsey report, of the total revenue that the GCC banking industry generates (2005 figures) as a whole, private banking accounts for 32 per cent, which is the largest share including offshore wealth management. Retail banking revenue accounts for 31 per cent, while corporate banking comes in third with a share of 22 per cent. Invest banking has the least at 15 per cent. (See pie chart)

Onshore asset booking

But it has always been the case that, unlike in other types of banking, private banking accounts have been opened in international locations for most GCC customers. Assets have been rarely booked in the region, and a whole range of different reasons have been cited in the past as to why most of the private bankers or their clients never considered the GCC as an option. But the two obvious reasons were that, until recently, the regional markets did not offer the right regulatory infrastructure and some clients were not overly-confident with the sovereign risk of some of the countries in the region. In more recent times, however, with the emergence of international centres like the Dubai International Financial Centre (DIFC) and the Qatar Financial Centre (QFC), most of these concerns have been laid to rest, and private banks like Credit Suisse have invested heavily in their local desks in these centres and even book assets locally.

And yet, there has been significant resistance or, more correctly, hesitation from regional high net worth clients to book their assets regionally. A few family owned enterprises that **MONEYworks** spoke to said that they have yet to feel comfortable in changing the status quo and begin booking international currency assets locally with the private banks. The reservation seems to

stem from the fact that the DIFC regulator Dubai Financial Services Authority (DFSA) has the right to access all the records of communication and transactions between the clients and the banks.

"There are those high net worth customers that would rather book assets in Singapore or in Switzerland than at the DIFC, as they are not comfortable with the fact that their accounts can be accessed by someone other than their banker," said one local banker, who did not want to be quoted.

"I think it is more of a case of awareness rather than the issue of disclosure or the fear of the regulator having access to accounts. Regulations are changing all over the world, banking secrecy laws are changing as well and the DIFC is no different. We, as a family holding company, are very comfortable being in the DIFC and having our assets here," argues the chief financial officer of a family holding company in Dubai who also did not want to be named.

And so the debate goes on, although what seems to cause high net worth individuals to not book assets here more than anything else seems to lean more towards the fact that the DIFC is a new international financial centre rather than anything else, at least according to the head of one international private bank who, once again, preferred to remain anonymous.

Personalised attention

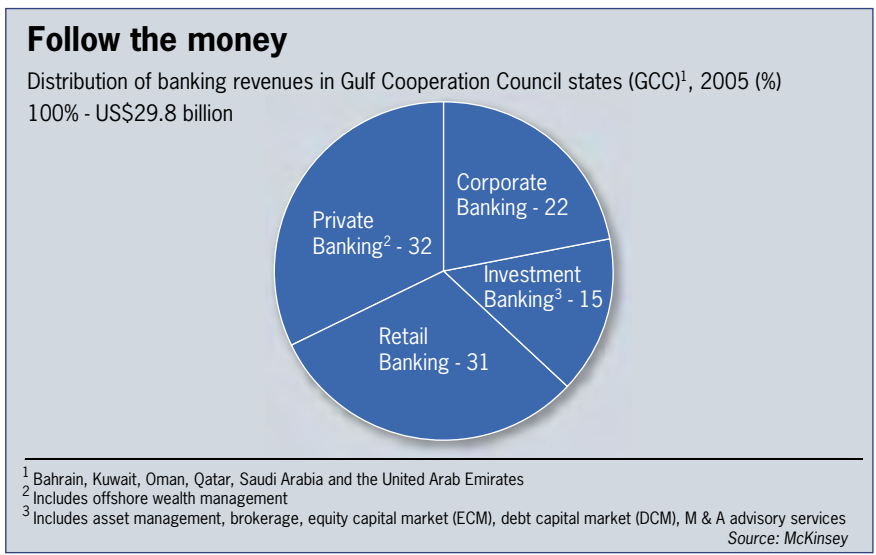
Booking or not booking assets at the financial centre, however, does not affect the private banking business model of many

international institutions that have opened up at the DIFC. In fact, institutional money has begun to come through from the region, and a few large institutional accounts are being opened.

It is just a matter of time before private banks other than the likes of Credit Suisse begin to seriously consider having their complete set up at the DIFC, including account openings. Indications today are that everybody is looking at the leader of the pack and what happens to it, Credit Suisse, before they decide whether to open their booking centres at the DIFC. Some, of course, cite cost as an issue, as opposed to individual customers' apprehension of booking assets at the financial centre, which they say is holding them back from having a fully fledged operation. But even some of the very large international private banking players indicate that in the not very far future their operations will become all inclusive, including local research and asset booking within the DIFC.

Responding to a question from **MONEYworks** on how the DIFC has made a difference to their banking experience in the region, Raj Sehgal, deputy branch manager of Credit Suisse Dubai and head of the non-resident Indian group for private banking in the Middle East and Indian Sub-Continent, describes the setting up of the Credit Suisse branch at the DIFC as a continuation of a long-term strategy for the bank in the region.

"Credit Suisse is the first bank to have received a licence to offer fully-fledged





Raj Sehgal



Sharad Nair



Mones R. Bazy

private banking services under the regulation of the DFSA, and one important aspect of the licence is the fact that it allows us to book our clients' assets onshore," Sehgal said.

And so, was it a good decision to set up a full-fledged branch at the DIFC?

"Yes, absolutely," is the answer from Sehgal. And why not, especially with the rapid accumulation of wealth in the region happening, thanks to the high oil price. Combine that with the downturn in the regional stock markets during the last year or so causing people to lose money, and it is not difficult to determine why high net worth individuals are again looking for the right advisory for their wealth, or why they find private banks to be the right destination with all the personalised care and skilled services that most of the other providers can't offer.

Growing wealth

It is estimated that the total liquid assets of high net worth individuals (those with US\$1 million in financial assets) is more than US\$780 billion in the GCC. According to McKinsey, the liquid assets of this cash-rich contingent will continue to grow at 10 per cent annually for the next three years. And, unlike in the past when the GCC's high net worth invested most of their financial assets outside of the region, development of regional markets and asset classes are seeing investors moving substantial assets into domestic investing.

On average, according to McKinsey, 25 to 30 per cent of the portfolios of the regional high net worth investors account for domestic opportunities today, and most of these individuals require the services of banks. Also, increasingly high net worth customers are looking for expertise that will serve them across all their investing

requirements, including the domestic expertise. There are also those ultra high net worth investors who are asking from their banks, apart from just wealth management, the investment banking expertise, as well for mergers and acquisition and private equity type investments, regionally and internationally. And the DIFC offers the right platform for both the supply and demand sides. Besides, while international banks can find local partners being in the DIFC to serve their local information needs and enhance market entry potentials, for local players, they can get new investment technology right at their doorstep.

Mones R. Bazy, executive director, Global Private Client, Merrill Lynch, feels that it was the right decision to set up Merrill Lynch's business at the DIFC, given the kind of demand that is there from clients in the region.

"It was a very good decision to set up in the DIFC," he says. "We have been active in the region for more than 40 years, and are thus able to provide our clients with an unparalleled degree of knowledge and understanding, combining an international outlook and expertise with local sensitivity. The new GMI, the Global Market and Investment Banking Group, will give us the opportunity to expand our presence in Dubai and allow us to have new services that cater to the region."

Like Credit Suisse, which is combining its investment banking, private banking and asset management activities to offer its clients the full range of financial services, solutions and products, including Islamic, Merrill Lynch also aims to have a similar reach with its combined presence in the DIFC and outside to offer the full gamut of financial services and solutions.

"The GMI Global Market and Investment Banking Group will focus on its core businesses, offering its domestic and global

clients a full suite of global markets and investment banking products, including M&A advisory, structured finance and wealth management services. The new DIFC branch will enable Merrill Lynch to grow its Islamic Finance capability across the region, while working with its already established Shari'ah compliant trading business in London," explained Bazy.

Catering to demand

For most of the international and domestic banks, competition is intense for the wealth of people with net worth of US\$10 million or higher, but the number of new millionaires and half-millionaires is growing thick and fast in the region, and this is where there will be significant focus from many new players that are now joining the party. For these new players, the DIFC or the QFC offer ideal locations to obtain licenses and operate independently. Says Sharad Nair, executive director of Bank Sarasin-Alpen (ME) Limited, a relatively new entrant in the region's private banking environment: "The geographical advantage that the DIFC provides to a business operation such as ours cannot be denied. Dubai-centred operations mean that we save on both time and costs."

But it is not just geographical location that is the main attraction, as centres like the DIFC or the QFC provide the right regulatory environment, and then there are an increasing number of wealthy people who are looking for good service and the right advisory to help preserve and grow their wealth that justifies the business itself.

"Our growth has been phenomenal in the last three years, and it would be totally apt to say that, to a large extent, we owe our success to the DIFC and its policies. The Dubai Financial Services Authority ensures that the DIFC is one of the best regulated financial centres in the world, and we enjoy the buoyancy of the regulatory framework that DFSA provides," says Nair.

And that is one refrain that runs along all the providers that have come to do business in the DIFC. For regional clients, it is good news that they will gradually get used to and in time, begin to feel more comfortable in doing business right at their doorstep, rather than having to track everything offshore all year.

QFC attracting private banks

The Qatar Financial Centre (QFC) has made a number of announcements in the last year. **MONEYworks** finds out from **Philip Thorpe**, chairman and CEO of the Qatar Financial Centre Regulatory Authority and Des Holmes, managing director of business development - banking, Qatar Financial Centre Authority, about the private banking initiatives of the financial centre.

What initiatives have been taken by the QFC to attract private banks to set up operations at the QFC?

DH: A wide range of business can be undertaken in the QFC. But the main commercial focus is to encourage institutions that can help to develop new revenue streams and bring new services and products to Qatar, as well as to create value for those institutions and to bring complementary assets and skills to Qatar and to the region. Specifically, we have our sights set on banks and other financial and non-financial service providers with expertise in areas such as project finance, as well as commercial banking, investment banking, private equity, IPOs and structured finance, insurance, asset management and Islamic financial services. We offer a rich menu of opportunities for international and regional banks and financial institutions. There is a lot of business to be won in the Qatari market and in the region using the QFC as a base.

Qatar is growing up along the wealth curve. Do you foresee a lot of interest from private banks to set up at the QFC?

DH: As you will see from the list of companies so far licensed, private banks are following up the opportunity the QFC provides to allow them access to the Qatari market and to the regional markets as well. Ansbacher was our first licensed company, and Credit Suisse and Union Bancaire Privée are also among the institutions providing services to HNWI customers through the QFC.

Will private banks operating from the QFC be able to open local accounts for private clients in Doha?

DH: Yes, as long as they do not engage in retail banking business.

Will the process of licensing for private banks become easier at the

QFC if banks applying for licences are already licensed by international financial centres in the GCC?

DH: The actual time it takes the QFC Regulatory Authority to process an application will depend largely on the nature, scale and complexity of the business of the applicants, as well as the timely submission of information by applicants and any responses to requests for further information or clarification. The application process is interactive and may involve correspondence, meetings, reports from third parties and on-site reviews or inspections. The fact that an applicant may have been through a similar process in obtaining a license in another centre may help to accelerate the process.

Does the QFC Regulatory Authority have the right to access account information of private clients of private banks incorporated in the QFC? Or does it provide an environment more discreet than that?

In short, there are no banking secrecy laws in the QFC, which means that the QFCRA has rights to access records of banks (and other firms) for the purpose of carrying out its regulatory functions, consistent with its regulatory objectives.

PT: It is one question that we are asked in various forms often by banks, and it usually requires quite a bit of explanation. For that reason, we have included an explanation of our approach to this issue on page five of the guide to our regulatory approach (published on the website).

In short, there are no banking secrecy laws in the QFC, which means that the QFCRA has rights to access records of banks (and other firms) for the purpose of carrying out its regulatory functions, consistent with its regulatory objectives.





A rich man's privilege

The considerable growth of wealth in Saudi Arabia has led to more local and foreign banks focusing on affluent customers in the past few years. There is a better understanding today in the Kingdom of the various investment options available, which in turn has resulted in a surge in demand for services and advisory. A report from our **MONEYworks** correspondent in Riyadh.

Pivate banking is the sole privilege of millionaires – the honoured lot of customers whom the banks simply love to pamper. With Saudi Arabia home to over 80,000 millionaires (as per the World Wealth Report from Merrill Lynch and Capgemini), there is little wonder that a growing number of financial institutions are taking an active interest in offering private banking services.

Take the case of SABB, formerly the Saudi British Bank. It cashes in on its global partnership with HSBC, which has an international network of nearly

10,000 offices in over 75 countries across the planet. With this global reach, it has developed a range of private banking accounts and services. Drawing from this global network strength, it provides a comprehensive range of services including personal financial services, investment banking, markets trading and other activities that need an international spread.

HSBC itself provides private banking and trustee services to high net worth individuals and their families through 70 locations in different parts of the world including the Middle East, where Islamic banking is the current rage. Islamic banking for high net worth individuals includes asset and portfolio management, financial advisory, underwriting, syndication and private and public placement services. In the Gulf region, HSBC's private banking services are available in the UAE and in Saudi Arabia through SABB.

Banks have been quick to capitalise on the growing popularity of Islamic banking in the region. Islamic banking now no longer merely caters to individuals who seek Shari'ah compliant investment instruments. It now involves sophisticated transactions, attracting the wealthy who seek exclusivity and discretion in their investments in the comfort of private banks.

Al-Rajhi is seen as the leader in Islamic banking. Moreover, its range of products in traditional retail banking has enough variety to maximise returns on investment for its high net worth individuals. "We are seen as a truly Islamic bank. Most other banks merely have Islamic windows – that is, Islamic banking windows. We have a Shari'ah board to oversee Islamic banking and Shari'ah compliant auditing to ensure that all our banking activities and procedures conform to Islamic law. This is what is sought by our customers, including our high net worth customers," says a spokesman for the bank.

The rising number of investment funds has only helped in spurring private banking. By the middle of last year, there were 209 investment funds in the Kingdom, according to the Saudi Arabian Monetary Agency (SAMA) with assets of SAR109 billion provided by 580,000 subscribers. At the end of the first quarter of the year, although there were fewer funds, total asset value was SAR138 billion and there were 663,000 subscribers.

Banque Saudi Fransi has appropriately named its private banking wing High Net Worth Banking. The bank's high net worth clients can avail of a fully operational banking branch which provides a range of banking services.

Not to be left behind is the Samba Financial Group, which has its own exclusive spread for its elite clientele. It touts London as the ideal place for business to its exclusive customers. From its offices close to the Saudi Embassy in central London, it offers special services to its customers who wish to conduct business in the British capital. It even offers guidance in UK regulations and legislations to ensure safety to customer assets.

Banking secrecy

Working with high net worth individuals and families, banks are forever seeking to develop innovative solutions for management,

preservation and development of wealth for the customers through generations to come.

But what about secrecy, which is the main aspect of private banking? Says a banker: "There is always the fear that customised advice could be leaked out by erring banking employees. But we know that total confidentiality is the backbone of the business. And we are all committed to keep it that way by ensuring discretion to the fullest."

There are banks that even have checks on their employees to ensure secrecy of their customers. The National Commercial Bank (NCB), for instance, has procedures that limit employee access to personally identifiable information. The winner of the Best Private Bank award from Euromoney, the bank educates its employees on the importance of confidentiality and customer privacy through standard operating procedures and policies. It also takes appropriate disciplinary measures to enforce employee privacy responsibilities.

The NCB even has exclusive 'VIP dealing services' for its female customers. Only women with a minimum of SAR1 million in their portfolios can avail of the service, which, according to Nour Al-Nowisser, manager of the VIP dealing services centre, provides personalised services with a variety of resources at its centre. "Given that the number of Saudi females who trade in the stock market has significantly increased, we wanted to create a centre where they could trade in a comfortable atmosphere utilising the latest technology," Al-Nowisser says.

Beware of suitcase bankers

Despite so many banks catering to the special private needs of well-heeled customers, a large number of 'briefcase bankers' can still be seen making their rounds in the Kingdom. They hover around high net worth individuals, sweet talking their way with 'professional'

"I was made to sign hundreds of papers by them, only to realise at the end of the day that I've not benefited from what I've paid. I would advise all to keep off these tricksters and rely only on the banks that offer highly reliable private banking services." *A disgruntled customer*

advice, with seemingly attractive investment schemes as bait. Just how reliable are they? The founder and chief executive officer of an agricultural company relates his experience. "I was made to sign hundreds of papers by them, only to realise at the end of the day that I've not benefited from what I've paid. I would advise all to keep off these tricksters and rely only on the banks that offer highly reliable private banking services."

And reliability and quality are indeed the catchwords as quality of service and skills of advisors are enhanced. In fact, with the deregulation of 21 banks that have been licensed by SAMA, competition has stiffened, leading to better services. Many new products and services that are being launched today are being designed with an eye on the high net worth individuals to ultimately keep them from investing outside the Kingdom.

As Mohammed Al-Omran, an investment specialist, says: "Some of the banks might even lower the entry level and criteria for private banking in the future to cater to increasingly rich customers in Saudi Arabia. It is also logical for these banks to try and maximise the cross selling ratio in order to retain clients, while increasingly offering the range, including Islamic banking and other value-added products. Hedge funds, leverage buyout, venture capital and real estate products are already being offered, and others will follow suit. And, to top it off, the quality of bank services, including private banking, is surely set to improve, all directed towards retaining and attracting customers to bank with them in Saudi Arabia."



Escrow account to boost property investing in Dubai

The introduction of the forthcoming Escrow Account Law in Dubai will also take care of the interest of smaller property developers. It will be a win-win for everybody, writes **Martin Saldamando**.

One of the most important reasons that Dubai has achieved such dominance as a business centre is its resolute adherence to respecting commercial contracts. A signed contract is the basis for selling and purchasing anything. If you want to buy a home or invest in property that is under construction, you will have to sign a sales contract.

It is the logical next step in Dubai to regulate off-plan sales of property by passing a law on establishing a trust or security account to protect an investor's money during the construction phase.

Property investors should not misinterpret the purpose of the forthcoming Escrow Account Law. It does not secure registration of your title deed – only the sales contract does that. After the law is enacted, investors must still make sure they understand what is and what is not guaranteed to them in the sales contract before they hand over their money.

The escrow account to be provided in the

upcoming law does not substitute for a fair and balanced sales contract. The new law will make up for currently missing provisions which, once established, will protect the buyer in an off-plan property purchase.

“Consumer protection is a big issue for us,” said Mohammad Sultan Thani, director of development and marketing administration at the Dubai Land Department. “The idea is that we need to have a way to safeguard the money of property investors, especially in the case of non-developed buildings that are under construction.”

What exists today

“At the moment, developers can use down payments acquired from off-plan unit sales, as well as monthly installments, for anything from promotions to advertising campaigns, rather than financing the actual construction costs,” he said.

Buyers make payments directly to the developer linked to specific dates, and not linked to milestones in the construction.

Legal experts have been warning that if the developer were to go bankrupt, the buyer would have nothing but a contractual claim against the building contractor.

People need to be quite cautious when buying off-plan, as they may effectively be entering into contractual arrangements without the customary benefit of being able to see and assess the finished product.

Escrow is a legal way to deliver that money to a third party (an escrow agent) who holds the money (and any further payments) in a separate bank account until settlement of the conditions in a contract, such as transfer and registration of ownership.

Once the conditions in the contract are fulfilled, the escrow agent delivers the money to the seller, and, if not fulfilled, then the agent is bound to keep the money in the trust account until they are.

While escrow is new to the Dubai real estate industry, it is well known in the trading community. Escrow accounts are commonly set up in contracts where the stakes are high,

for example transactions involving the multi-million dollar sale and purchase of businesses and technology.

In the US, escrows are used in the completion of person-to-person remote auctions such as eBay. Business portals (like alibaba.com) use escrow accounts to facilitate international trade between companies sourcing and selling commodities for shipment worldwide. Mortgage companies establish escrow accounts to pay property tax and insurance during the term of a mortgage.

Lawyers are regularly appointed as escrow agents in contracts to secure high net worth transactions, and in the UAE, any law firm will set up an escrow account as one of the provisions of a commercial contract if instructed to do so by their client.

According to Ahmed Abdul Raheem Mahmoud, legal consultant at Emirates Advocates, "The UAE is a multi-cultural commercial market, and there are diverse tolerances to risk. Some buyers want the added protection for their money, and some sellers insist on working through an escrow account to provide guarantees to their clients."

"Acting as an escrow agent, our role is to facilitate the purchasing process. We verify that the steps are made as per the agreement between the buyer and seller, translate documents, review them and inform the parties. When all is completed as per the schedule, then we transfer the monies to the seller. We charge two fees – one for banking charges and one for our professional services," he said.

Regarding who pays, he said: "Sometimes the buyer pays and sometimes the seller pays; it depends. If the buyer approaches us for protection, then we charge the buyer. In the case of a property developer who may be advertising the opening of an escrow account on behalf of their buyers, it is the developer who would pay the fees."

Another lawyer, Bachir Nawar at Habib Al Mulla & Company in Dubai, said: "We regularly draft escrow agreements into plot sale and purchase agreements for developers who are purchasing plots of land. The major reason for having an escrow agent is to ensure that cash is always handled by intermediaries."

Having a lawyer involved adds another value, which is their ability to review the contract, make changes to it later on and give advice. Such advice is very useful in pointing

out restrictive clauses in contracts. Of course, this advice may only benefit the party paying the lawyer's fees.

According to Walter Hart, director of project sales and marketing at Better Homes: "Typically, in my experience in South Africa and in other countries, the escrow account is set up by the property seller for, and on behalf of, the buyer. The costs are normally carried by the seller because typically they see the advantage to selling their property in having the escrow account set up."

"In most countries, the Escrow account is actually held by a bank (and this would be a well-established reputable bank), but in South Africa, for example, lawyers would be responsible for holding the funds in a 'Trust Account', which is a similar vehicle and is protected by law," he said.

Protecting investors

From the information available so far from the Dubai Land Department, it is clear that the forthcoming Escrow Account Law will be primarily concerned only with protecting investors who purchase property off-plan.

The new law will specifically set up an escrow account, which will be a bank account under the management of the Dubai Government.

Funds will be released to the developer from that escrow account, depending on the stage of completion of the project. Developers will have to satisfy certain conditions in order to get the money.

Originally, it was first reported that the monies would only be released to the developer upon final completion of all of the construction, and also only once the registration of the property is made in the name of the buyer.

"The downside for developers would be that they would no longer be able to rely on using initial sales deposits and early payments from buyers to fund the construction of the building. Many developers in Dubai in the last three years have only been able to build by using the buyers' initial payments, as they have not been able to raise construction finance, or did not wish to do so to save on interest charges," said Hart.

However, it now seems the law will be adapted from this original approach, taking

into consideration the feedback given to the Dubai Land Department by smaller property developers.

"Small developers have told us that the law will deny them the money they need to get projects underway, and will significantly slow their construction progress," said Thani.

"We recognise that this will severely hinder market growth, so we are considering a system where funds would be released in stages according to the progress of the building," he added.

Regardless of the final form the law will take, what investors need to understand is that title ownership passes to them by way of a valid contract as the main factor. In recent court cases involving property transactions, the main factor the UAE courts used to determine the title ownership of a disputed property was the existence of a valid contract between buyer and seller.

"The whole purpose of establishing escrow accounts is to focus on building confidence and to build long-term relationships, and not on guaranteeing the end result," explained Nawar.

An escrow account provides buyers and sellers a comprehensive way to evaluate business partners, build relationships and transact. It does not substitute for the validity of a fair and balanced contract, especially in the unlikely event that there is a dispute.

Once the law is passed, buyers should still examine and negotiate the terms of their sales contracts carefully. They should understand the nature of what they are signing. Buyers who are not sure should get legal advice.

For example, consideration should be given to whether there are any penalties for withdrawing from the contract.

Other questions one might need to ask could be:

- Can I make changes to the finishes in the kitchen and bathroom?
- Can I select appliances such as stoves and dishwashers and items such as floor and wall tiles?
- Can I visit the site during construction?
- If the building is finished earlier than expected, has finance been suitably arranged?

The benefit to having a lawyer involved is that they can check the conditions of the contract and give legal advice on the benefits or restrictions provided by the terms of the contract.

An IFA grows to a bank

Sean Kelleher, chairman of Financial Partners International, started his career as a businessman in Dubai. Here he tells **Utpal Bhattacharya** how he rose from an advisor to become the chairman of a company, of which he is the largest shareholder today.

What brought you to Dubai?

There is a relation between my coming to the UAE and the game of rugby. I played rugby for England schoolboys and at a professional level. Then I got injured, which made me reflect on what I could do next.

At that time, I was working for the UK's Midland Bank as a manager. So, I went to my regional director and asked him: "What can I do now? I've got a serious problem." He replied: "Surely you didn't join the bank to make any money." And that's also when I realised that if you were a bank manager, there was little else that you could do. I decided to sell financial services, as that was the only thing that I'd learned to do. I didn't want to do that in the UK. So, I set out for Kenya but stopped off in Dubai, and since then have never moved.

Which year was that?

That was in 1989.

And you joined Mondial that year?

Yes. At that time, it was only a couple of people. Today, it has grown to be the biggest IFA in Dubai. During 2002, Mondial merged with IFAs in Tokyo, Jakarta, Bangkok, Hong Kong and Kuala Lumpur under the Financial Partners International (FPI) umbrella.



What were your first years with Mondial like?

I joined Mondial as an advisor and became manager during the Gulf War when the only other two people in the company left. Since then, we now have 20 IFA wealth managers here. Three of them are new and joined us in the last 18 months. But one of the things I am proud of is that, of the other 17, the next junior advisor has been here for six years. Our turnaround is exceptionally slow. We want to recruit people who want to do this for their career and not just sell products to

make more money for people for a longer period of time.

How were the initial years? There must have been many challenges?

I think I was lucky to come to Dubai at a time when financial planning was maturing and was beginning to take a professional direction. It's like what is happening to us today; we're currently having one of the most fascinating experiences working with the financial planning supervisory board in India and have become the first independent member of the board. And I can see where that market is going to go, as it has in the

US, UK and Australia. India will become one of the better regulated environments. And I can take that back to 1989 when I first came here. It was sort of a Wild West territory with no rules.

The opportunity was obviously there, as people were becoming aware of the need for financial planning. That opportunity allowed us to get into the ground floor, at the starting point of something that was beginning to happen around the world. Without regulation, there is an opportunity, but there is also a threat. The opportunity was that there was no restriction on what we could or could not sell. So, that allowed us to talk about all forms of investments. When you look at our executive summary, you can see that liberalisation of thinking. But our biggest story is about building a multi-discipline practice team, having accountants, lawyers, tax specialists, financial planners and wealth managers all in the same team to provide the genuine one-stop-shop solutions to people.

However, because there was no regulation at that time, a lot of the competition was just questionable, whereas, to be honest, we hired some excellent professionals. But then, the industry gets tarred with the same brush.

Even today there is not much regulation. How does the industry manage in the absence of regulations?

It boils down to self-regulation. In our case, we have licences in Australia, Tokyo, etc., and we could lose our licence in some of these jurisdictions if the advisors here in the UAE are doing something wrong. So we have no option but to regulate ourselves heavily. We have a joint venture with an Indian law firm called Quest, which does a one hundred per cent check on our clients as a third party regulator looking at every single piece of business. In fact, we are not on a level playing field, as a number of IFAs have absolutely no standards.

I must also add here that the Dubai International Financial Centre has got some fantastic regulations, copying best practices around the world, but it comes from a top down basis. Millionaires are protected by these regulations, while there is no thought for the retail sector. I feel there needs to be much more compliance that needs to be



In a nutshell, our business started by collecting school teachers and staying with them. On our way, we found the odd entrepreneur, and as those entrepreneurs became wealthy over time, they gave us good leads and referrals to high and ultra high net worth individuals.

introduced in the UAE to protect consumers. Major financial centres in the world are all bottom up regulated, and there is no reason why it should be the other way here.

Do you see some positive signs in recent times?

Yes, indeed. There are movements toward stronger regulation. So, maybe it is starting to happen now.

Obviously, you didn't start off in 1989 with millionaire clients. When did you get your first millionaire client?

What makes us unique is that we have been a bottom up company. We started off with school teachers as our clients. My first millionaire client was a person I met when he had GBP20,000 in the bank. He later became a millionaire, but, of course, it was not because of me. It was because his business was doing well and he could afford to save a lot of money. By the time he was a millionaire, he had three or four properties,

a number of different savings accounts, a portfolio, etc., and I was running his balance sheet. He was happy with our holistic approach, and so did not see any reason for going to another advisor. That experience also made me realise how important it was to build technology because of the enormous time I put in to write his balance sheet.

However, to answer your question, this client introduced me to my first real millionaire, who gave me his first million dollars. There is a saying in sales that if you target milkmen as your clients, you will get milkmen as your clients. Similarly, if you target millionaires as your clients and keep them happy, you will end up with millionaires as your clients. So, it took a long time to break through in that sense. Back in 1995-96, if there was a millionaire client, I made sure that I was at the meeting. That used to be a couple of times in a year those days. Today, it is a couple of times a week. But with technology being there, and with professionals who are qualified, I don't need to be at these meetings any longer.

In a nutshell, our business started by collecting school teachers and staying with them. On our way, we found the odd entrepreneur, and as those entrepreneurs became wealthy over time, they gave us good leads and referrals to high and ultra high net worth individuals.

How has merging with FPI helped your business?

It gave us the scale. Besides, it is not a bad pressure to have, to be regulated by different international regulators. It forces you to become more professional and ethical. And it pays dividends. Our business today has grown from meeting individuals, one from business to consumer, to a lot more business to business channels. We are now doing business with the school and not just the school teacher. There are a number of business channels that we are now opening up.

What is the structure of Mondial Dubai and FPI?

Mondial Dubai is owned by me and our sponsor. I gave some shares away to guys who have worked with us for a long time.

But ultimately, I am the principle shareholder of Mondial Dubai. I am also the biggest shareholder in FPI and the chairman. FPI has over a hundred plus shareholders, and we have a share option scheme as well.

Where are the headquarters of FPI?

It is a bit virtual now. We are a BVI company; our accounts are in Hong Kong because of the strong regulations there, and operations are in Jakarta as it is cheaper there. From that sense, we have signed a JV with a stock broker in India, and we might outsource that admin to India. Jakarta is cheaper, but we are looking at a slightly higher standard of service, and India could be the choice.

How many branches does FPI have?

Shanghai, Tokyo, Hong Kong, Jakarta, Kuala Lumpur, Bangkok, Dubai and Mumbai. We also have offices in Bali and Bangalore and a licence in Australia.

You are now becoming a bank?

Yes. But that does not mean we are closing down the retail sector. What we did during the last year was look at where our money was coming from at FPI. There were three sources of revenue.

In the olden days, you had salespeople focused on selling and not servicing. We were very conscious since day one of our merger that we wanted to deliver a holistic balance sheet to a client and get paid for servicing and not for selling. But that also meant that there weren't enough assets around that paid you on a regular basis. So, we increasingly started a strategy that led to lower commission income at the front end for advisors. The pressure on the advisors today is to keep the client, because if they lose the client, you lose bits and pieces of your recurrent income. But this model helps everyone to win. The advisors are not under less pressure to sell, but are more under pressure to provide service. This is beneficial to the clients. This model is our number one pillar.

The central pillar is being built around our private client division. That's the area where we see our multi-discipline practice taking off. Now that we see income coming into that area, we want to add legal skills, tax skills, accountancy skills, etc., to get to



Back in 1995-96, if there was a millionaire client, I made sure that I was at the meeting. That used to be a couple of times in a year those days. Today, it is a couple of times a week.

the point where we can genuinely provide the so called "trusted advisor" proposition to clients. The higher the net worth of the client, the more they are looking for the trusted advisor proposition.

And within that central pillar we are looking for assets that will pay us on an ongoing basis rather than commissions upfront. To do that, we set up our asset management division and now have our own set of funds. We don't push them, of course, as we are more focused on pushing our business risk systems.

Then we have the corporate sales division, which was created as we found out that some of the higher net worth individuals wanted more interesting solutions, and we ended up doing private equity investments. We now have developed that end of our business. We also have our own real estate investments in Sports City in Dubai. We now have something like US\$80 million due to us over the next three years from the sales of developments there. And that's the story of how we are changing into a bank over the next month or so.

Where have you applied for the bank licence?

Vanuatu. In due course, we will climb up the ladder of jurisdictions.

Do you advise assets over US\$1 billion now?

We do a lot more than that if you take into consideration property, etc., but in terms of assets that we can switch, it is over US\$1 billion.

You seem to be putting together quite a unique model, something that seems to have emerged from your business needs as you have grown.

Absolutely so. To sum it all up, we moved with the wealth of our clients. We did not have capital in the first place, but the good news is that we also haven't borrowed any money. We have had to work with our clients to develop it. We worked with our brains and not our budgets because we never had enough budgets. We had to grow out of our own pockets. That might change now, as we are big enough to take significant loans.

You will be touching US\$100 million in revenues soon?

Yes. If not in 2007, then certainly by 2008.

Do you still play rugby?

No. I am 49 years old and I had my hip operated on a couple of years ago. But someone said that I do business because, like rugby, it's a contact sport.

How do you balance your time between your work and family?

It has not always been easy, but my wife has been very supportive. Also, over a period of years, we have been able to acquire some good brains, which has been a huge relief to me. So my wife is seeing more of me and I have been able to balance my life and family a lot more.

Do you intend to make Dubai your home for a long time, or go back to London?

I probably don't have a very good answer for you. But what I can say is that when England plays rugby or soccer, I care a lot about the results. I don't feel so strongly about anything else with the way the world is globalising.

After Goldilocks: Is the fairy tale over?

There are indications that liquidity is finally going to go out of the system, and that could mean a contagion of bubble bursting, writes **Matein Khalid**.

"Liquidity is like a cab on a rainy night. It disappears when you need it the most." International banking legend J.P. Morgan's wistful rumination about liquidity, the oxygen of the capital markets, holds as true today as it did in the Wall Street of the Jazz Age.

As we discovered yet again, the "butterfly effect" in chaos theory is an apt metaphor for the trillion dollar daisy chains of leveraged hot money that turn into financial neutron bombs the moment market psychology shifts in response to a discrete event – a Shanghai stock market plunge in 2007, as it was the collapse of the Internet bubble in 2000, the Russian rouble default and the death spiral of the Connecticut hedge fund LTCM in 1999, the Asian currency meltdown in 1997, the bankruptcy of Mexico in 1994 and the Iraqi invasion of Kuwait in 1990. Liquidity mirages sandbagged fund managers and leveraged speculators who made the fatal error in believing that they could escape the bear's hug because the Greater Fool Theory meant there was always a dumb and dumber Joe on the bid if they needed to bail out of a toxic trade.

The horror story I outlined in my Cassandra column only last month played itself out with a surreal symphony from sunrise in Shanghai to sunset in Manhattan. Shanghai's plunge triggered a dollar swoon against the Japanese yen, the unwinding of the carry trade wrecked havoc on high yield and high risk financial assets in the dark alleys of the planet's bourses, the

Chicago Volatility Index doubled in a single session, gold plunged US\$50 an ounce, Wall Street investment banking shares went into freefall and emerging markets, Europe and the Dow Jones went into mini-meltdowns reminiscent of 9/11 and Black Monday.

The crash of 2007 made global headlines, but is it time to call for a requiem for Goldilocks, for a world where economic growth is not too cold, inflation is not too hot and borrowed money is the high octane fuel for equity investors everywhere from Wall Street and Bishopsgate to Dubai's own Sheikh Zayed Road and Deira Gold Souk who gorge on easy money porridge? No, not yet. Goldilocks was mauled by the bears in March, but she is alive and kicking for now. There will be no systemic collapse in the financial markets, no monetary Armageddon, barring a geopolitical bombshell from the White House in the skies above Iran.

The credit market

The positive aspect of the March swoon in global equity indices was that it highlighted the fragility, interconnectedness and stress points in the world money markets. The world's consumer of the last resort is the US, and if the fallout from the credit crunch in the subprime mortgage lending markets means recession in America, a one-third probability in the monetary calculus of Dr. Alan Greenspan, all bets are off in Asia and the emerging markets. After all, with China leading the Asian

juggernaut across the Pacific, the old Wall Street axiom that the Asian stock markets are little more than a growth warrant on the American consumer never held truer. When the American consumer catches cold, Pacific Rim stock markets suffer instant influenza; but I doubt if Goldilocks is ready to shiver and sneeze to death just yet. Subprime lending was one fifth of all outstanding mortgage, but it is surely not curtains for a megaeconomy where corporate balance sheets, industrial demand, capex, bank credit, retail sales and overall macroeconomic prospects are still robust. In fact, core inflation is still the Achilles heel of Goldilocks, and tight labour markets hardly suggest the onset of recession, as does the Bernanke Fed's hawkish comments and persistent refusal to cut the Fed Funds rate in the last two FOMC conclaves.

Moreover, unlike the endgame of the NASDAQ tech bubble, American shares hardly command inflated valuations at 15 times earnings on the SP500 index, far below China or India, the two biggest Asian emerging markets. American large cap equities are one standard deviation lower than their average multiple in the past decade, at a time when the yield on the bellweather ten year US Treasury note is only 4.6 per cent. The real bubble, ironically, lies in the credit markets, where yield spreads on high yield and sovereign junk debt (below BBB ratings) is now so low that default risk has literally been



mispriced out of existence on Wall Street. A blowup in the credit, not stock, market haunts my ursine nightmares.

As long as credit spreads remain compressed at historic lows, the possibility of another contagion pandemic triggered by event risk, the horror stories of 1994 and 1998, cannot be dismissed.

The credit derivatives market is an opaque, complex and non-transparent debt carnival, a proverbial trillion dollar black hole of the Euromarkets. It has magnified the leverage and risk mispricing in the global capital markets. The value of credit derivatives on corporate debt is ten times the value of corporate debt outstanding, an index of systemic risk. Why? While credit derivatives enabled banks to hedge and repackage lending risk, even a minor corporate default could have a disproportion impact on the capital markets and act like a financial cruise missile with a global payload, reminiscent of Mexico 1994, Russia 1997 and LTCM in 1998.

It is simply no longer possible to invest in the stock markets without a sophisticated understanding of the nuances of the corporate debt and credit derivatives markets, the real money gushers of the Euromarkets.

I see all the ingredients of another credit collapse in the global capital markets. High yield debt spreads imply default rates for the next five years will be the lowest since the 1960s.

This is absurd. The real danger of the American real estate bubble is that it encouraged an epic borrowing spree, meaning Americans from LBO kings on Wall Street to Joe and Jane citizens on Wall Street are leveraged up to their eyeballs. Adjustable rate mortgages could be Wall Street's next sword of Damocles if interest rates and default rates rise.

In a credit crunch, markets not only ration credit, they make it unavailable at any price. This is why the high debt market collapsed in 1991 after junk bond legend Michael Milken was indicted for insider trading in 1991, Drexel Burnham Lambert went bankrupt and major junk bond financed Wall Street buyout deals unraveled in unison.

Anxious to cool

The auguries are not good in 2007. Two dozen subprime lenders have gone bust and such mortgages, two per cent above LIBOR three months ago, now cost a loan shark's 1,400 spread over the interbank rate! Economic good times have always led to debt manias, reckless lending, mispriced risk and suicidal leverage ratios. Goldilocks in this millennium was no different. So I worry about the credit crunch in the subprime mortgage debt market, not the Shanghai stock casino. When lenders refuse to lend at any price, even creditworthy borrowers face down. That is the moment when Wall Street's leveraged chickens will really come home to roost and history's next global bear market will be born.

Central banks controlled liquidity even as recently as the 1990s, via either directly setting the price of

money or setting interest rates. Commercial banks oiled as the liquidity transmission process to the real economy via their loan rates. Even by these standards, the Bank of Japan's epic money pump, due to the yen carry trade, has drained liquidity from the Tokyo money market with the end of quantitative easing. The Eurozone M3 is growing faster than at anytime since 1991, and the central banks of China, South Korea, Taiwan and India have all raised interest rates to combat inflation and cool overheated economies. With US\$2 trillion in reserves, it is no wonder Asian central banks are anxious to cool the liquidity cauldron.

The sudden drop in oil prices means Russia and the Arab Gulf states will have less petrodollars to invest in the world markets. Above all, the Federal Reserve Board has tightened credit at 17 successive FOMC conclaves since 2004. But in New Age finance, the ultimate creators of global liquidity are no longer just central banks, but also the wizards of derivatives in the Euromarkets. In the US alone, US\$900 billion of CDOs were created in the past three years, an amount greater than the GNP of Saudi Arabia, Kuwait and the UAE. Structured derivatives make traditional bank monetary policy impossible because credit is created outside the banking system and spreads compress to levels that nowhere near compensate lenders for default risk.

When benign credit cycles turn nasty, this means central banks and Wall Street's best and brightest are powerless to prevent an overnight credit crunch and market mayhem. This is the moment Goldilocks dies and the fairy tale ends.

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NEW YORK



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Attractions of an AIM listing

Exchanges in the world have their own advantages, but for smaller companies and Islamic securities in the Middle East that seek to attract sophisticated capital, **Hiren Patel** and **Robert Varley** of Walkers feel that AIM could be a good answer.

Stock exchanges across the globe are having mixed experiences. The US exchanges are suffering from a decline in the number of listings due to Sarbanes-Oxley regulations, whilst the UK and the GCC exchanges are seeing a marked rise in activity. On the GCC exchanges, the capital values that are being invested, coupled with the creation of Islamic investments being tracked by international indices in diverse stock exchanges from London to Singapore, indicate the appeal of "ethical investing".

The benefits in AIM

AIM, the London Stock Exchange's international market for smaller growing companies, currently proclaims itself the leading European exchange for new listings. AIM's popularity is driven by European investors seeing advantages in investing on a regional exchange that has a geographically diverse spread of companies in which to invest. UK investors on AIM vary from pension funds, hedge funds and financial advisers to wealth managers and day traders. UK tax breaks also assist with UK investor appetite, as long as investors comply with certain restrictions. AIM has currently raised more than US\$75 billion since its inception in 1995, with 1,759 companies currently quoted and 400 million shares traded daily.

For non-UK investors, such as businesses and investors in the GCC, the ability to access the London capital markets is an attractive prospect, as it provides a high profile for business, liquidity, exposure to market makers and sophisticated electronic trading systems.

AIM offers numerous opportunities for GCC-based businesses to use the liquidity of AIM to access a Western-centric investor base and promote business via London market makers and analysts. For example, the Islamic Bank of Britain, the Bank of Muscat and Shariah Capital Inc, a US company aiming to create Shari'ah-compliant investment products for an American client base, have all listed on AIM. Tejoori, a British Virgin Islands (BVI) company headquartered in Dubai, listed on AIM in March 2006. I-Mate plc (formally Carrier Devises ME) is also listed on AIM. The company explored doing a dual listing on AIM and the DIFX in September 2005. At the time, the DIFX rules required placement of a minimum of 55 per cent of the company, and since AIM does not have such a requirement, I-Mate chose to list solely on AIM.

There are many opportunities to use the benefits of GCC exchanges combined with European exchanges by way of dual listing to penetrate both liquid markets and investor pools. A dual listing also

makes sense for offshore vehicle in the IPO market, where greater access to liquidity is the objective. A dual listing on the DIFX and AIM, for example, might be used to raise profile within and outside the GCC. Also, some key markets have a track record of requirements, which may be reduced if the security is already listed on another recognised exchange. For example, there may be some demand for listings on the Cayman Islands Stock Exchange in order to facilitate listings elsewhere.

Other advantages of dual listings include the ability to access liquidity in Europe. If a company uses an offshore structure, such as a Cayman, BVI or Jersey holding company, the UK investors get tax breaks, the company has tax neutral status and non-UK investors do not have a UK tax footprint. Dual listings also give access to a market sector that is not tracked on GCC exchanges. AIM has numerous managed sectors and access to analysts who can make a market in the company. There are a number of market makers in the city of London that can introduce hedge funds, pension funds, etc., that would normally not be available to the GCC exchanges.

Other benefits include gaining an international valuation for the company, increasing the diversity of the



TOKYO



SYDNEY

shareholder base and, for AIM and the London Stock Exchange (LSE) listings specifically, getting recognition in London with an entry in the Financial Times, an international bulletin board ticker symbol and access to Bloomberg.

Investcom LLC, a telecommunications company, and Hikma Pharmaceuticals (via Global Depository Receipts) are both Middle East companies that have dual-listed on DIFX and the LSE. Investcom has since been delisted after it was acquired by MTN.

Sukuk, or Islamic bonds, can also benefit from AIM listings. Often sukuk are oversubscribed because either: (a) too few offerings are being made available, (b) pricing is too low or (c) there is excessive investor demand due to insufficient diversity in the investments available. A dual listing on the DIFX and AIM would allow more securities to be issued. Sukuk have been listed on DIFX, Luxembourg and the official list of the London Stock Exchange. The LSE provides potential liquidity, and as soon as the number of products in the market supports sukuk arbitrage, there will be a drive to create derivatives beyond the simple current "buy and hold" approach. Since official listing on the LSE is available, it is hard to say whether or not AIM will prove attractive for sukuk. On the other hand, AIM clearly has attractions for IPOs; it is high profile, well regulated and provides real access to liquidity. It would not be surprising to see sukuk listed on AIM next year.

Listing Islamic products on AIM also gives access to Western investors. Many Islamic banks could have their issuers take advantage of a listing in

order to access capital that is otherwise off limits. This has been a feature of the conventional hedge funds market for many years. There is perhaps less incentive to do this with Islamic products given the ease with which capital has been raised in the GCC over recent years, but as the market matures and new market entrants compete for investors, this

will provide a competitive advantage to any GCC bank or fund manager that is looking to tap into significant institutional investors from outside the GCC.

Sophisticated investors in the West also want a blended investment portfolio and are open to Islamic finance opportunities. If an investor can get the same returns on an ethical one and a non-ethical one, he will logically choose the one that is ethical. Times are changing and ethical investments, be it in Islamic funds or environmental businesses, are gaining popularity.

Listing process

Part of the appeal of AIM is that it has a fundamentally different philosophy from other exchanges. It promotes its "light touch" regime, which is primarily disclosure-based. The process by which an Islamic bank would list on AIM is straightforward. First, the bank's holding company would be the legal entity that issues securities by way of a public offering. The company would appoint a Nominated Adviser (Nomad), a firm of financiers, who must be licensed and regulated by the Financial Services Authority in the UK (the main regulator in the UK) and approved by the LSE.

The Nomad will conduct due diligence on the company and confirm that the company is suitably qualified to list its securities on AIM. The Nomad also has a continuing obligation to the LSE to ensure the company remains compliant with the AIM rules whilst the company's securities are admitted to the exchange.

The Nomad signs off on suitability of companies to be listed and has a combined role of regulatory guardian and

financial adviser to the listed company he or she approves. There is no limit on the size of the offering and no need for a three-year track record.

The company also needs to appoint a broker. The broker is a securities house that is a member of the LSE and is usually the same firm as the Nomad. The broker is responsible for dealings in the company's securities.

No restrictions

The securities that are admitted to AIM must be freely transferable. There are transparency and disclosure rules that apply (for anti-money laundering, compliance and securities regulation), but, on the whole, there should be no restrictions to transferring the securities.

The company will have its securities admitted via an admission document, which requires specific information to be disclosed to the public, to whom the securities will be made available. The information required includes data assets and liabilities, competition, historical financial record, 12-month availability of sufficient working capital, corporate governance, pending or prospective litigation and several other key factors.

The Financial Services Authority chairman, Sir Callum McCarthy, stated last year at the Muslim Council of Britain Islamic Finance and Trade Conference that UK regulators will continue to develop Islamic finance products in the UK. This was validated earlier this year when Deutsche Bank announced that it will be adopting investment structures for Shari'ah-compliant securities. Other finance houses, as well as merchant and retail banks, will likely follow this lead. Jersey's home regulator recently signed an MoU and statements of co-operation with the Dubai Financial Services Authority and the Qatar Financial Centre Regulatory Authority. With regulators, investors, liquidity and opportunity at hand, offshore centres such as Jersey, Cayman and the British Virgin Islands can expect to see many more dual listings for Shari'ah compliant offshore structures. 

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Onwards and upwards: The BankMuscat story

Oman's BankMuscat could improve its rating if it is able to further diversify its revenues while maintaining asset quality. **Tara Asok** reports.

The largest bank in the Sultanate of Oman and the only one in the GCC to be listed on the London Stock Exchange, BankMuscat SAOG, is riding high on a profitability wave that has further strengthened its key fundamentals. The US\$7.7 billion bank that registered a remarkable profit to the tune of OMR60.4 million in 2006 is all poised to become one of the foremost banks in the GCC by the turn of the decade with an aggressive thrust on international expansion, which is seen as one of the bank's key engines of growth.

BankMuscat was recently awarded a long-term counterparty credit rating of BBB+ from BBB by Standard & Poor's, which declared a stable outlook for the bank. The ratings reflect the bank's dominant commercial position in the Sultanate of Oman (A-/Stable/A-2), as well as its adequate financial performance and asset quality. Although rapid asset growth and international expansion have put pressure on capitalisation, the bank plans to raise new capital in 2007. Therefore, capitalisation is expected to return to adequate levels, according to Standard & Poor's. Capitalisation was initially boosted in October 2005, after the issue of US\$163 million of GDRs.

Standard & Poor's expects BankMuscat to retain its leading commercial position in Oman, as well as its adequate financial profile, with no major change in its shareholding structure.

The Royal Court Affairs (RCA) owns 20.058 per cent of the bank, while HSBC Account, The Bank of

New York NOMI, holds 9.972 per cent and the Ministry of Defence Pension Fund has a 7.601 per cent holding, making them among the major shareholders.

The future direction of the ratings will depend on the macroeconomic trends in Oman, as well as the bank's asset quality and capital policy. Ratings could improve if the bank is able to further diversify its revenues while maintaining adequate asset quality and capitalisation. If capital ratios fall in the medium term or asset quality deteriorates, Standard & Poor's opines that ratings would be pressured downward. The rating agency will closely monitor the bank's overseas expansion and its ability to effectively control risks.

However, according to BankMuscat sources, the bank is well capitalised. Its equity shares are listed on the Muscat Securities Market, Bahrain Stock Exchange and London Stock Exchange (LSE). The capital adequacy of the bank is well supported by Tier I and Tier II capital base. BankMuscat was the first bank in the GCC region to have its global depository receipts listed in LSE.

BankMuscat's largest international investment is a 21.95 per cent stake in India's Centurion Bank of Punjab (CBOP). This also makes the bank the largest shareholder in CBOP.

Financially, as of December 31, 2006, total assets of CBOP grew 56.9 per cent on a year on year basis to reach INR159.3 billion (OMR1.38 billion). Net profit improved 84.1 per cent to reach

INR119.4 million in 2006 (OMR10.4 million). The Central Bank of Oman has granted approval to BankMuscat to acquire 95 million additional shares in CBOP with an investment of up to OMR20.3 million. The quoted market value of the bank's investment stood at OMR86.4 million, which is not accounted for in the bank's balance sheet. Rather, this investment is accounted under the equity method.



To further strengthen its presence in the Indian financial markets, BankMuscat has recently entered into an agreement to acquire a 43 per cent stake in the Mangal Keshav group, one of the oldest (operating for 70 years) and most

respected security houses in India. The security house operates with 20 branches and 220 franchises across 70 locations in India. BankMuscat has become the first bank from the GCC region to take a stake in the Indian securities sector.

BankMuscat International (BMI) in Bahrain is the second largest overseas associate of BankMuscat. The bank owns 49 per cent of BMI. The RCA, Oman, owns 11 per cent in BMI, aggregating to total Omani ownership of 60 per cent. In 2006, the bank demonstrated strong performance, with its net profit growing 24.7 per cent to OMR5.24 million. Total assets of the bank stood at OMR371.3 million as of December 31, 2006 – a growth of 45.3 per cent over the previous year.

The Dubai representative office is the bank's marketing arm in the UAE. The Dubai office has been providing strategic value to BankMuscat and its various business groups over the past 11 years. During 2006, the Dubai office has accelerated its business development initiatives amongst the non-resident Indian community by capitalising on the expertise and support of CBOP, its partner from India. The bank continues to await a license from the UAE Central Bank to further its operations in the country.

BankMuscat achieved a net profit of OMR60.4 million for the year ended December 31, 2006, as against a net profit of OMR45.4 million for the year ended December 31, 2005, an increase of 33 per cent.

Net interest income increased 27.5 per cent from OMR78.1 million in 2005 to OMR99.5 million in 2006. Non-interest income grew from OMR23.3 million in 2005 to OMR31.1 million in 2006, an increase of 33.5 per cent. Operating profit of OMR77.3 million in 2006 is 34.9 per cent higher

KEY FINANCIALS

The bank declared a net profit of OMR60.4 million (US\$157 million) for the year ended December 31, 2006, as against a net profit of OMR45.4 million for the corresponding period in the previous year, thereby registering an increase of 33 per cent.

	Quantifiable Business Data	FY 2006		FY 2005
		Total (US\$ m)	YoY % growth	
1	Net interest income	258	27.47%	203
2	Total operating income	339	28.94%	263
3	Net profit for the year	157	32.98%	118
4	Cost-income ratios	40.82%	-2.63%	43.45%
5	Total assets	7,675	48.20%	5,179
6	Total equity	320	11.86%	286
7	Total customer deposits	4,720	40.73%	3,354
8	Total loans	4,765	33.73%	3,563
9	Non-performing assets/Gross loans	4.78%	-1.74%	6.52%
10	Non-performing assets/Total assets	3.16%	-1.69%	4.85%
11	Total provision/Non-performing assets	127%	13.15%	113.68%
12	Total return on assets	2.44%	0.11%	2.33%
13	Total return on equity	21.95%	1.77%	20.18%
14	Capital adequacy ratio	15.51%		17.82%

than the OMR57.3 million achieved in 2005. Operating expenses of OMR53.3 million in 2006 are higher by 21 per cent than OMR44.0 million incurred in 2005. The cost to income ratio for the year was at 40.8 per cent, as compared to 43.5 per cent in 2005.

The return on average assets improved from 2.3 per cent in 2005 to 2.4 per cent in 2006. The return on average equity improved from 20.2 per cent in 2005 to 21.9 per cent in 2006. The basic earnings per share increased from OMR0.058 in 2005 to OMR0.073 in 2006, which works out to be a return of 73 per cent on a nominal value of a share.

The bank's net loans and advances portfolio grew by OMR463 million, or 33.7 per cent, to OMR1,835 million on December 31, 2006, compared to OMR1,372 million during the same period in 2005. Customer deposits increased by OMR526 million, or 40.7 per cent, to OMR1,817 million in December 2006, compared to OMR1,291 million as of December 31, 2005. Savings deposits increased by 26 per cent from OMR338 million in December

31, 2005 to OMR426 million in December 2006.

BankMuscat enjoys a market share of 42 per cent in terms of total assets, and the bank's share of total savings deposits was 41.1 per cent at the end of 2006. The bank's associates contributed OMR 4.1 million as share of profits during the year 2006, as against OMR3.7 million of 2005. The board of directors has also recommended a cash dividend of 35 per cent and a stock dividend of 10 per cent for the year 2006, subject to due approval by the shareholders.

With real estate in the Sultanate witnessing a boom, BankMuscat has signed an MoU with Al Madina Real Estate Company, the first real estate company in Oman to provide its suite of Baituna home finance to the purchasers of residential units at various Al Madina developments across the country. The current arrangement between the two organisations will start with the Rihab Al Mawaleh Project, followed by the Tial Al Khuwair Project. BankMuscat will be a provider of home finance to all forthcoming Al Madina Real Estate Company developments.

Union National Bank ratios looking buoyant

Union National Bank (UNB) has shown strong profitability growth over the years. With its core banking activity looking up, **Global Investment House Research** gives the bank a thumbs up.

Established in 1982 as a Public Joint Stock Company, Union National Bank (UNB) is the only bank in the UAE that is owned by the governments of both Abu Dhabi and Dubai among its other stakeholders. This is a significant advantage for the bank that gives it a competitive edge in the UAE. UNB's asset size increased from US\$4.01 billion in 2002 to US\$9.51 billion in 2005, a CAGR growth of 33.4 per cent. During the period 2002-05, customer deposits grew at a CAGR of 30.2 per cent from US\$3.18 billion in 2002 to US\$7.02 billion in 2005. In 2005, customer deposits grew by 44.15 per cent to US\$7.02 billion, as compared with US\$4.87 billion in the year 2004. On the funding side, UNB has increased external funding in the form of medium term borrowings, which has a maturity period of one to five years.

On the lending side, the bank's gross loan book grew at a CAGR of 31.7 per cent from US\$2.34 billion in 2002 to US\$4.65 billion in 2005. High oil prices and surging capital markets in 2005 have resulted in strong demand for credit, both from the corporate as well as from the consumer segment. Gross loans and advances as a percentage of customer deposits have been in the range of 79 - 83 per cent, except for the year 2004, where it reached 95 per cent. Gross non-performing loans as a percentage of gross loans declined from 9.27 per cent in 2002 to 2.53 per cent in 2005. It is worth noting that there has been a

sharp improvement in asset quality.

During the last three years, the bank's net profit after minority interest grew at a CAGR of 56.6 per cent. Most notable is that fees from banking services grew at a whopping CAGR of 90.1 per cent

during the period 2002-05. The contribution of fees and commission income from banking services increased by 242.5 per cent from US\$54.23 million in 2004 to US\$185.75 million in 2005.

The bank's yield on average

FINANCIAL ANALYSIS

US\$ million	2003	2004	2005	9M2006
Net interest income	127,298	145,132	188,039	175,613
Non-interest income	54,851	83,579	273,220	146,536
Net profit	102,384	123,251	313,977	226,966
Loans and advances (net)	2,667,947	4,396,984	5,636,514	6,994,385
Non-trading investments	291,534	408,124	347,812	369,278
Customer deposits	3,516,014	4,870,904	7,020,606	7,011,051
Total shareholders' equity	541,984	603,355	1,424,588	1,566,473
Balance sheet	4,661,978	6,686,722	9,510,545	9,815,491

The net profit for the full year 2006 reached US\$274.85 million, as compared to US\$314.19 million in the previous year. The drop in the net profit is attributed to the drop in the capital market activities, which reduced the fees and commission income from US\$193.24 million in 2005 to US\$153.22 million in 2006. However, the income from core banking activities continued to show healthy growth of 28.7 per cent, from US\$188.04 million in 2005 to US\$241.93 million in 2006. UNB's total assets increased by 18.9 per cent, from US\$9.51 billion at the end of 2005 to US\$11.31 billion in 2006. Loans and advances grew by 32.8 per cent from US\$5.64 billion in 2005 to US\$7.49 billion at the end of 2006. Customer deposits registered a healthy growth of 16.3 per cent to US\$8.18 billion in 2006, as compared to US\$7.02 billion in the previous year. The ROAE in 2006 was 18.1 per cent. Capital adequacy ratio was 18.2 per cent at the end of 2006, which is well above the minimum regulatory requirement set by the Central Bank of the UAE of 10 per cent.

UNB's asset size increased by 3.2 per cent, as compared to 2005, to reach US\$9.82 billion at the end of the third quarter of 2006. The bank reported a strong sequential growth of 6.6 per cent in 3Q-2006. Customer deposits declined marginally by 0.1 per cent to US\$7.01 billion at the end of September 2006, as compared with US\$7.02 billion at the end of year 2005. As a result, the contribution of customer deposits to the total assets declined from 73.8 per cent at the end of 2005 to 71.4 per cent at the end of September 2006. The growth in total liabilities was driven by the growth due to banks, which increased from US\$114.10 million at the end of 2005 to US\$220.71 million at the end of September 2006. The contribution of time deposits to total deposits increased from 76.7 per cent in 2005 to 80.71 per cent at the end of September 2006. Correspondingly, the share of current and other deposits declined from 22.30 per cent in 2005 to 15.18 per cent at the end of September 2006.

On the lending side, the gross loans and advances increased by 23.1 per cent to US\$7.22 billion at the end of September 2006, as compared with US\$5.86 billion at the end of 2005.

PROFITABILITY

	2003 (%)	2004 (%)	2005 (%)
Return on average assets	2.4	2.2	3.9
Return on average equity	20.4	21.5	31.0
Net interest income/Operational income	69.9	63.5	40.8
Non-interest income/Operational income	29.9	35.4	47.8

UNB reported a net profit of US\$226.97 million at the end of September 2006, reporting a decline of nine per cent as compared to the corresponding period of the previous year. This was primarily due to the fees and commission income, which was the main driving force for the bank in the year 2005. However, the bank saw a reduced growth of 47.6 per cent in 3Q-2006, as compared to the corresponding quarter of the previous year. However, UNB has continued to perform well in the core banking section, as the bank's net interest income has grown by 41.6 per cent to reach US\$175.61 million at the end of September 2006, as compared with US\$124.01 million during the same period in the corresponding year. Q-o-Q, UNB has registered a growth of 22.2 per cent to reach US\$58.17 million, as compared with US\$47.59 million. Going forward, the bank will continue to perform well due to the growing demand in the market.

VALUATION AND MULTIPLES	
	2007 (E)
Net interest income (US\$ million)	289,948
Operating income (US\$ million)	523,515
Net profit (US\$ million)	364,236
EPS (US\$)	0.32
P/E (x)	6.19
P/BV (x)	1.61

earnings assets increased from 4.4 per cent in 2002 to 5.3 per cent in 2005. At the same time, the cost of average bearing liabilities increased significantly from 1.6 per cent in 2002 to 3.5 per cent in 2005. As a result of this, the net spread for the bank dropped from 2.8 per cent in 2002 to 1.8 per cent in 2005. However, with the general increase in interest rates, cost of funds for the bank has gone up in the past few years.

The cost to income ratio of the bank declined from 35.1 per cent in 2002 to 17.8 per cent in 2005. Similarly, the ratio of operating cost to average assets declined from 1.5 per cent in 2002 to one per cent in 2005. Return on average assets increased from 2.15 per cent in 2002 to 3.88 per cent in 2005. Also, return on average equity increased from 18.9 per cent in 2002 to 31 per cent in 2005. UNB is well capitalised to support growth in risk-adjusted assets. At the end of 2005, the bank's capital adequacy ratio stood at 24.3 per cent, as compared to that of 12.7 per cent in 2002.

Based on the current market price of US\$1.97, UNB stock is trading at an 11.12x 2006 earnings and 1.88x 2006 book value. On a one year forward basis, the stock is trading at 6.19x 2007F earnings and 1.61x 2007F book value. Based on the DDM valuation method, we recommend a **BUY** on the stock with a price target of US\$2.20, an upside of 11.9 per cent from current levels.

PEER COMPARISON			
	UNB	Mashreqbank	UTI Bank
Balance sheet size (US\$ million)	12,222.7	16,096.90	14,348.90
Net profit (US\$ million)	364.30	481.9	142.7
EPS (\$)	0.3	5.5	0.5
P/E (x)	6.2	13.4	20.6
P/BV (x)	1.6	2.9	3.8
For UNB and Mashreqbank, CY07E and UTI Bank FY07E P/E and P/BV based on CMP			
<i>UNB was established in 1982 as a Public Joint Stock Company and is headquartered in Abu Dhabi. Mashreqbank is the second oldest commercial bank in the UAE, having originally been established as Bank of Oman Ltd. in 1967 in Dubai. UTI Bank is the first of the new private sector banks to have begun operations in 1994, after the Government of India allowed new private banks to set up operations in India. The three banks are similar in terms of balance sheet size. UNB is trading at a lower P/E and P/BV multiple compared to Mashreqbank and UTI Bank.</i>			

SWOT ANALYSIS

STRENGTHS

- Due to the unique ownership pattern, as UNB is owned by both the governments of Abu Dhabi and Dubai, it gives the bank an advantage in terms of doing business in the UAE.
- The bank's thrust on increasing its branch network will help the bank to maintain its competitive edge in consumer banking as well as retail banking, which will strengthen its position in the banking industry. Alongside, focus on increasing its ATM network will allow accessibility to clients.

WEAKNESSES

- Due to the buoyancy in the capital market, the bank witnessed strong growth from investment income. The key contributor in non-interest income has been changes in fair value of investments and gain on disposal of investments. A slowdown in capital market activities is likely to impact earnings growth.
- With reforms in the regulatory regime expected and government plans to accelerate privatisation, the buoyancy on the lending front is likely to remain strong. On the other hand, government spending on infrastructure projects and growth in the real estate market kept the construction sector buoyant. Economic slowdown is likely to affect the overall spending.

OPPORTUNITIES

- The bank is comfortably capitalised to support strong growth in risk-adjusted assets over the next two to three years. At the end of 2006, the bank's capital adequacy ratio stood at 18.2 per cent, much above the required rate of 10 per cent by the Central Bank of the UAE. As a lot of construction, real estate, manufacturing and infrastructure projects are in the pipeline, the bank is comfortably placed in terms of increasing its deployment to higher yielding earning assets.
- UNB's vision to be "a key player in the region" led the bank to have a presence in the Egyptian banking sector through its successful acquisition of the Alexandria Commercial and Maritime Bank. Currently, UNB is also reviewing other geographic locations or strategic alliances as a part of the bank's expansion plan.

THREATS

- In order to shore up fee-based income stream, more banks are offering innovative products.
- Weakness in the property market is likely to have a major impact on asset quality and thereby on earnings by way of higher provisioning.

Information carried in **MONEYworks** is checked for accuracy, but we recommend that you make enquires and, if necessary, take appropriate advice before entering into any transactions. Never forget investments can go down as well as up and you may get back less than you originally invested.

Uncorrelated performance

The performances of regional markets have been much uncorrelated last month. **Fahd Iqbal** takes a quick overview of the various currents making waves.

This past month has been a mixed one on many fronts. GCC stock markets have shown a substantial diversion of performance, serving as a simple reminder of how the largely domestic investor base helps drive an uncorrelated performance between the markets.

The Saudi market has seen the strongest boost at eight per cent, perhaps led by comments from Prince Al Waleed bin Talal that he planned to plough just over US\$2.5 billion into the Saudi market, half of which had already been invested. This compares to the market cap of the Saudi bourse of around US\$330 billion. While the immediate impact was limited, we have begun to see some momentum being gained over the course of the month. As pointed out previously, the Saudi market still remains expensive compared to other markets in the GCC, and there still seems to be further downside risk to go. The injection of substantial flows could easily offset this in the short-term, though longer-term movements will of course be determined by fundamentals.

At the other end of the spectrum is the substantial weakness seen in the Dubai Financial Market, which has fallen 11 per cent in a month, driven largely by two announcements from Emaar. The first was

the company's decision to reduce dividends relative to last year, which was met with an aggressive disappointment from shareholders. Given the kind of expansion plan that Emaar has in mind – the company has ambitions of being one of the largest 100 companies globally – paying out any dividends at all is a mistake. Those monies would be better spent fuelling internal growth. However, retail investors in the UAE had their own short-term agendas to deal with, namely covering current losses.

Emaar's second announcement was the land for equity deal with Dubai Holding. This has been met with uncertainty and mixed reactions overall, which will only be mitigated by the release of further information at the EGM. While details are still sparse, the negative corporate governance implications could be profound over the longer-term, given the material interest in the UAE market coming from foreign investors, particularly Western institutions. Both of these events have resulted in the unusual but expected divergence of the Dubai and Abu Dhabi indices, the latter of which has only fallen by one per cent over the month.

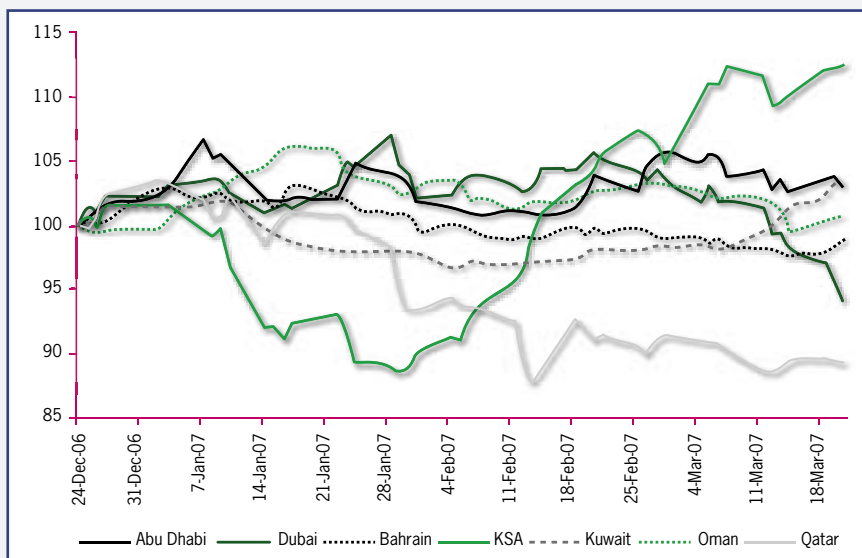
On a broader topic, one of the issues that has taken a back seat is concerns over excess liquidity and risk appetite within global

markets. It is worth addressing this now, since much of the volatility that accompanied the correction in Chinese markets a few weeks ago has since died down and many emerging markets have recovered much of the losses since then. Indeed, news agencies have begun reporting how the carry trade is coming back again.

While such news may be comforting, the reality is that the risk is still very much there. High yield levels are still at historic lows, reflecting the abnormally low levels that the market is pricing risk at. At the same time, derivative instruments, such as credit default swaps, are allowing investors to trade billions of dollars of risk, yet the ultimate bearers of these risks still remains unknown. The coupling of this mispriced risk and the superabundance of liquidity has led to an unprecedented bull market in a variety of asset classes.

But what does this mean for the Middle East region? Countries like Egypt see heavy international flows and are more susceptible to a "flight to quality". The rest of the GCC has historically not seen flows from international investors, and this partly explains why the GCC markets remain uncorrelated with the rest of the world. The oil-driven nature of these economies is the other major cause. The immediate impact of a correction in global markets therefore should be a sentiment driven one. Within this context, a correction in the housing market is of particular concern, given the state of the property market in Dubai.

Right now, a correction in the US housing market is underway, with the usual symptoms of mortgage defaults and loan agency bankruptcies, though it is still in its early stages. While a sentiment impact on the stock market is conceivable, the risk of a US housing correction fundamentally derailing the Dubai property market is minimal, given the dissimilar demand-supply metrics in and structural differences between the two markets.



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A strong rebound to come

The recent market corrections have more to do with the problems of sub-prime lenders in the US than with the overnight drop of 8.8 per cent of the Shanghai A-Share index, as many have suggested. **Peter Hensman** writes that markets that are not affected by the woes of over-leverage and the US should look up in the longer term.

Market volatility ramped higher at the end of February. On February 27, the MSCI World index saw its biggest one-day decline in nearly four years after a period of remarkably stable advance. Many lay the blame on an overnight drop of – 8.8 per cent in the level of the Shanghai A-Share index*. While this decline may have been a factor in reminding investors of the risks of equity investments, it seems unlikely to be the major driver behind the increase in investors concerns.

Another factor that was feared by investors was the raising of interest rates by the Bank of Japan (BoJ). Where the consensus had been surprised by the absence of a rate rise in January (leading to accusations by some of political interference), there was no such disappointment in February as the BoJ used the excuse of a rebound in consumer spending in the fourth quarter GDP data as reason enough to increase rates to 0.5 per cent, the highest level since 1998. Yet markets by and large ignored this policy tightening, despite the concerns that such a move would undermine the yen carry trade. Arguably, this worry was misplaced. Even with Japanese interest rates at nine-year highs, the interest rate advantage available elsewhere remains sufficiently large for a yen carry position to continue to be an attractive option.

For the time being, the correction looks very much like the downturns witnessed in each of the last three years. In terms of timescale, the correction in 2004 lasted the longest. The MSCI world equity index took more than three months to reach a trough after peaking in February. By scale of decline, the May-June sell off last year was the largest. Yet in terms of dollar returns, from six months before until six months after the corrections, equities had

advanced by between 12 and 16 per cent (without considering dividend payments that would have been received on top).


What is slightly more disconcerting about this correction is that, unlike the earlier downturns, policy conditions in the US are now tight. The yield curve has been inverted for more than six months (although some – including the US Federal Reserve – still contend that while the yield curve has been a powerful indicator, the distortions to pricing caused by the pension fund and Asian central bank buying means that it has lost its relevance). Rather than looking to China or Japan, the probable cause of the downturn in global equity markets is the turmoil in the US sub-prime mortgage sector that has been rumbling since the turn of the year. Seemingly, the true extent of the problems caused by reckless lending appears to worsen every day. As of March 14th, 36 sub-prime lenders have hit major financial difficulties since late 2006, either requiring a further injection of capital or filing for bankruptcy. Not only is the turmoil being seen likely to undermine the availability of finance to mortgage borrowers, but also it is being reinforced by (somewhat late) action by the authorities to tighten lending standards.

Aggressive lending

The biggest concern for investors must be that the downturn spreads into other areas of the market and economy. The consensus view remains that this is an isolated event. Yet the aggressive lending behind sub-prime mortgages opened a new wave of potential homebuyers. In 1994, sub-prime borrowers represented just five per cent of the US mortgage market. Now they are 10 per cent, fully accounting for the increase in home ownership rates from 64 per cent to 69

per cent of the US population.** Hence, sub-prime homebuyers have typically been the marginal (and hence price setting) transaction in the US housing market. Surely the loss of this important source of buying will have a knock-on effect through the housing market. Equally, if fewer people are moving to new homes, this is likely to mean less demand for the other new products that typically are purchased with a home transaction.

Beyond this is the impact on other financial markets. To date, the contagion effects from the deterioration in sub-prime are relatively limited. Were spreads on other credit to widen, this could have broader implications. Could the next big leveraged buyout be pulled if a widening of corporate bond spreads reduces the price that a private equity or management buyout team is able/willing to pay? If so, what does this mean for equities that are underpinned by bid speculation?

As in the corrections witnessed in recent years, and somewhat disappointingly given the major issue that the world faces at the moment is a collapse in the availability of US mortgage credit, emerging market equities are once again being treated as a high risk asset. Hence, these markets are suffering at least as much, and in some cases by more, than the US/other developed equity markets. While it is possible that this knee-jerk reaction could see this trend continue, even if the end result of the current turmoil is slower world growth in the near-term and a reduction in global interest rates (as the Federal Reserve attempts to bail out US households), ultimately this could be expected to lead a much more rapid, and likely stronger, rebound in activity in those parts of the world away from the US that are unencumbered by overleverage. 

Prospects of water investing

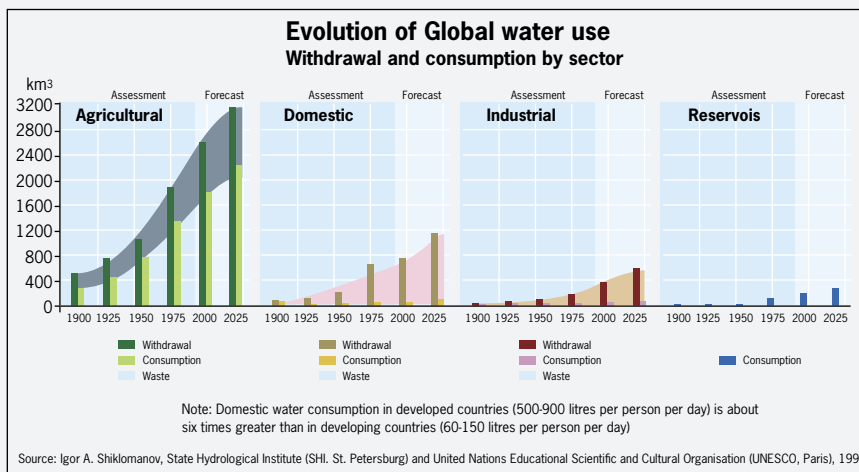
Water investing will pay long-term dividends, writes **Otto Spork**.

Last month we started writing about water as an investment theme that we see as having long-term solid value creation. Why? The answer, of course, is that water needs are mounting as global consumption is rising with expansion in the world's population, while water supply is predicted to fall back sharply on a per capita basis.

Some of the mega trends impacting both the supply and demand for water include global warming, industrialisation and pollution, as fertiliser runoff and gasoline additives are polluting water sources. Urbanisation is another important trend, and it is expected that in 2020, six per cent of the world population will be urban. This also brings us to the issue of outdated or nonexistent infrastructure in most large cities. In Europe, 41 million people lack access to safe drinking water and 85 million lack basic drainage and sewage facilities. This situation is exacerbated by the roughly 40 per cent of water lost through leakage and illegal tapping.

Public sector domination of water services is another issue, as they are very inefficient and only seven per cent of water services are run by the private sector, according to Suez Environment. However, one of the mega trends that we see is the growing importance of outsourcing of these services. Outsourcing with public-to-private-partnerships is a US\$250 billion market, growing at the rate of seven per cent per annum. Services include industrial water and wastewater treatment facilities for managing on-site water needs, which produces savings.

Significantly, water consumption has risen steadily over the last century, with more rapid increases in demand over the last 70 years. But today, one billion people are without access to clean drinking water. Further, there are 2.6 billion people without adequate sanitation. By 2025, one-third



of the world's population will not have adequate access to drinking water (UN projection).

It must be noted that demand for water increases twice as fast as the world's population. And according to the United Nations Environmental Program, there will be an increased demand for agricultural products and a trend towards using more water-intensive foods. Also, due to the under pricing of water compared with its full social and environmental costs, demand for water will continue to increase. For example, consumption of bottled water in China nearly quadrupled in the period between 1997 and 2002. China also reported that two-thirds of its 600 large cities did not have sufficient water supply. And this summer, potentially severe water shortages loom for not only Africa, but also for much of Europe.

As I wrote in my last article, the supply of water is limited with over 97 per cent of the Earth's water being saltwater, which is unfit for human use. But the balance of demand and supply has not yet fed into water in the same way as it has for other commodities. So, prospects for growth in the water

sector look good right across the board, and we see investment opportunities ahead in pure drinking water, filtration (chemical, membrane) nanotechnology, desalination, piping, metering and water infrastructure. As the water scarcity escalates, water intense sectors, such as mining, beverages and farming for certain crops (e.g. cotton) will become heavily affected and there will be reduced productivity in these sectors.

Increased water supply will come via more intense sewage treatment, as more waste water is treated for safe redeployment for industrial or agricultural uses.

Desalination of sea water is another technical option for increasing the supply of fresh water. This is still very expensive. Filtration techniques include the use of light, chemicals, and membrane technologies. Transportation needs are also a growth area in the water sector, as is metering, valves and technology. Shipping companies, pipeline companies and private municipal service providers will all benefit.

So water needs to be in the portfolio, and selecting combinations of uncorrelated assets will improve risk and risk-adjusted return profiles in a well diversified portfolio.

Otto Spork is founder and president of Sextant Capital Management Inc. The information contained herein may not be reproduced, quoted, published, displayed or transmitted without the prior written consent of Sextant Capital Management Inc. ("SCM"). The opinions expressed are solely those of the author. They are based on information obtained from sources believed to be reliable, but it is not guaranteed as being accurate. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without any notice and SCM is not under any obligation to update or keep current the information contained herein. SCM accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any parts of this report. SCM is the investment manager of the Sextant Strategic Opportunities Hedge Fund LP. Important information about this fund, including management fees, other charges and expenses is contained in its offering memorandum. Please read it carefully before investing. Hedge funds are not guaranteed; their unit values and investment returns will fluctuate. Performance data represents past performance and is not indicative of future performance. Performance comparisons are drawn from sources believed to be accurate. This is not a solicitation. Sextant Capital has launched the "Sextant Strategic Global Water Fund", which invests in water growth sectors as well as companies that have had the foresight to source long-term rights to bulk fresh drinking water. For further details, kindly see our website at: www.sextantcapital.com

JP¥ primed. US\$ subprimed!

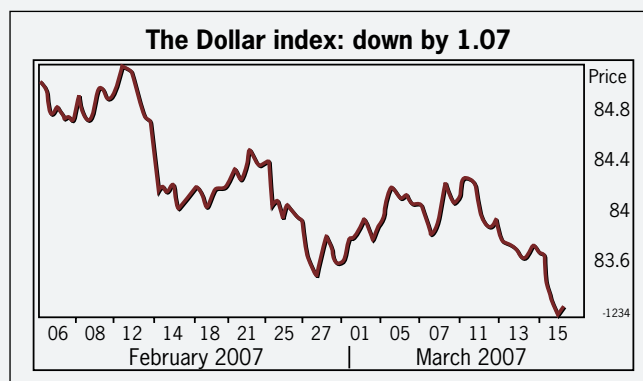
Risk aversion and dollar weakness are both set to continue, writes **Philip John**.

A nine per cent slump in the Chinese stock market on a single day during the last week of February seems to have rung the closing bell on the yen carry trade party. My word of caution last month did not come too soon. An unwinding of the carry trades – where investors borrow in the low-yielding yen to invest in higher-yielding assets – has boosted the value and the volatility of the Japanese yen. The yen has strengthened by more than two per cent against the dollar in the last month. The one-week dollar-yen implied volatility hit nearly 13 per cent last week, its highest level since May 2004. A combination of the unwinding of markets leveraged short position in the yen, and the growing crisis in the US subprime mortgage market is leading to an increasing aversion to risk, a flight to safety, nervous times for regulators and a weaker dollar.

So where do we go from here? There is a good chance that we will be seeing more dollar weakness in the coming days. Demand from investors and corporates have soared in the past couple of weeks for strategies and products that will cushion them from effects of a falling dollar. This has been especially true in the case of the dollar-yen. Risk reversals – an indicator of market sentiment towards the direction of one currency against another – show a preference for yen calls and dollar puts or, simply, expectations for a weaker dollar against the yen. Dollar-yen one-month risk reversals are now at 1.85 per cent compared to 1.40 per cent a month ago.

Closer to home, the GCC is still working to introduce a single currency by 2010, but according to the Saudi Arabian central bank governor, this deadline is tight. According to him, efforts are on to rope in Oman, which last December said that it was pulling out of the 2010 deadline. He also said that all options on the nature of

Performance against the Dollar: Past 30 days			
	16 Feb 07	16 Mar 07	Change%
Euro	1.3139	1.3311	+1.31
British Pound	1.9503	1.9411	-0.47
Japanese Yen	119.13	116.68	+2.08
Swiss Franc	1.2346	1.2069	-2.24
Australian Dollar	0.7869	0.7956	+1.11
Canadian Dollar	1.1625	1.1757	+1.14
Indian Rupee	43.87	43.95	-1.08



the peg or the basket of currencies, if any, are open. The market is waiting for a clearer direction to the issue when the Gulf central bankers meet in April.

The Risk-Reversal Primer

Most currency options trade consists of trading in at-the-money options where the strike price equals the forward rate. Quotes are also available for two types of combinations of out-of-the-money (OTM) options: the 25-delta 'risk reversal' and the 25-delta 'strangle'. The 'delta' of an option is the rate of change of its price with respect to changes in the underlying spot exchange rate. Instead of quoting exercise prices directly, the convention in the foreign exchange options market is to quote prices for options with particular deltas. The rationale for this is to allow comparison of quotes without needing to take into account changes in the underlying exchange rate. The more OTM that an option is, the lower is the delta. When referring to the delta of options, market participants also drop the sign and the decimal point of the delta. So, for example, an OTM put option with a delta of -0.25 is referred to as a 25-delta put. The

25-delta risk reversal quote is a combination of a long position in a 25-delta call option and a short position in a 25-delta put option. It is usually quoted as the difference in the implied volatilities of the two options. For example, the 25-delta JPY call option is presently being quoted at 10.89 per cent and the 25-delta put option at 9.04 per cent. The risk reversal is thus quoted at 1.85 per cent. When the risk reversal is positive, it means that an OTM call is more expensive than an equally OTM put. The risk reversal can be used to assess how the market sees the balance of risks between a large appreciation and a large depreciation in the exchange rate. When the risk reversal is large and positive, it suggests that higher probabilities are attached to a large appreciation, and when it is large and negative, it indicates expectations skewed in favour of a large depreciation

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	fYly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$5,000	5.00%	Yly
Nationwide International Ltd	01624 696000	US Dollar Savings	None	\$1,000	4.30%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$500	4.25%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	None	\$3,000	4.125%	Yly
No Notice Euro Accounts						
Bank of Scotland International Ltd.	01534 613500	Halifax G'teed Saver	None	€35,000	3.75%	Yly
Alliance & Leicester Int Ltd	01624 663566	Euro Savings	None	€5,000	3.61%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	3.60%	fYly
Irish Permanent International	01624 641641	Instant Access	None	€500	2.90%	Yly
Nationwide International Ltd	01624 696000	Euro Savings	None	€1,000	2.50%	Yly
No Notice Accounts						
Alliance & Leicester Int Ltd	01624 663566	Base Tracker III	None	£15,000	5.60%	Yly
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	£25,000	5.60%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	£5,000	5.55%	fYly
Zurich Bank International Ltd	01624 671666	Zurich Reward Account	None	£5,000	5.50%*	Yly
Alliance & Leicester Int Ltd	01624 663566	Island Easy Access	None	£10,000	5.50%	Yly
Notice Accounts						
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	5.71%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	5.70%	Yly
Alliance & Leicester Int Ltd	01624 663566	Offshore 120 Plus	120 Day	£10,000	5.70%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 30	30 Day	£5,000	5.65%	Yly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.61%	Yly
Monthly Interest						
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.47%	Mly
Derbyshire Offshore	01624 663432	Income 60 Tracker	60 Day	£10,000	5.40%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	5.40%	Mly
Bradford & Bingley Int Ltd	01624 695000	Income 180	180 Day (P)	£25,000	5.40%	Mly
C&G Channel Islands Ltd	01481 715422	Guernsey 60	60 Day	£10,000	5.37%	Yly
Fixed Rates						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	1 Yr Bnd	£5,000	6.00% F	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	2 Yr Bnd	£5,000	6.00% F	Yly
Northern Rock (Guernsey)	01481 714600	Offshore Fixed 167	01.03.10	£10,000	6.00% F	Yly
Derbyshire Offshore	01624 663432	Manx Bond Issue 51	31.03.11	£2,500	5.60% F	Yly
Derbyshire Offshore	01624 663432	Manx Bond Issue 51	31.03.12	£2,500	5.55% F	Yly
Accounts with Cheque Book Facility						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.25%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	£5,000	3.00%	Qly
Abbey International	01534 885100	Offshore Gold	None	£10,000	2.50%	Qly
Barclays Bank	01534 880550	International Cheque	None	£10,000	2.25%	Qly
Standard Bank	01534 881188	Optimum	Instant	£3,000	1.81%	Qly
Expatriate Only Accounts						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None	£1,000	5.85%*	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.40%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Sterling Banking	None	£25,000	2.70%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£25,000	2.65%	Mly
HSBC International Ltd	01534 616000	Offshore Bank	None	£25,000	1.42%	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 15, 2007 Source: Moneyfacts

OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£1K	£2.5K	£5K	£10K	£25K	£50K	£100K	£250K	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	-	-	2.00	2.50	3.00w	3.50	4.25	4.30	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	-	-	4.25	4.25	4.25	4.25	4.25	4.25	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	-	0.10i	0.10	2.25	2.25	2.25	2.25	2.25	Qly	Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	-	-	3.00	3.00	3.00	3.00	3.00	3.00	On Closure On Closure	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	-	-	0.12 0.37	0.62 0.87	1.42 1.67	2.12 2.37	2.37 2.62	2.37 2.62	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	-	0.05	0.10	1.25	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	-	-	1.625	1.75	1.812	2.625	3.00	3.062	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	0.10t	0.10	1.45	2.35	2.70	3.45	4.35	4.50	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	-	3.245	3.495	4.245	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	-	4.187	4.187	4.437	4.687	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	-	1.81	1.81k	1.81	2.56	2.81	3.06	3.31	Qly	Yes
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	-	0.25	0.25	0.25	0.25	0.25	Qly	Yes

e = i = Rate applies from £1. i = Rate applies from £2K. k = Rate applies from £3K. t = Rate applies from £100. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 1, 2007 Source: Moneyfacts



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EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.75	1.25w	1.75	1.75	2.00a	2.25	Yly	No
		Offshore Gold	-	0.50	0.75j	0.75	0.75	1.25	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.15	3.15	3.15	3.15	3.15	3.15	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.60	3.60	3.60	3.60	3.60	3.60	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	3.50h	3.50	3.50	Yly	No
		International Savings	1.25	1.35	1.45	1.70	1.90	1.90	Yly	No
Barclays	01534 880550	International Cheque	0.35	0.35	0.65e	1.00	1.00	1.50b	Qly	No
		International Tracker	-	-	1.95e	1.95	2.25a	2.75b	Qly	No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.40	2.50	2.60	2.75	3.05	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation	-	1.25	1.25	1.25	1.25	1.25	On closure	1.25
		High Interest Accumulation Reserve	-	-	-	-	2.25a	2.50b	On closure	1.25
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand	-	2.40	2.45	2.50	2.55	2.55	Yly	No
		Offshore Demand	-	2.37	2.42	2.47	2.52	2.52	Mly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	3.10	3.10	3.10	3.10	3.10	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	3.35	3.35	3.35	3.35	3.35	Mly	No
		Premier Serious Saver	-	1.865	1.865	2.515	2.515	2.915	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	2.90	2.90	2.90	2.90	3.15	3.15	Yly	No
		Instant Access	2.86	2.86	2.86	2.86	3.11	3.11	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	1.625r	1.625	1.625	1.75u	1.812m	2.375n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expat rates only)	0.25	1.00	1.25	1.45	1.70	2.20	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	2.50	2.55	2.55	2.55	2.60	Yly	No
NatWest	01534 282300	Advantage International	1.70	1.80	1.90	2.10	2.35	2.50	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.155	2.405c	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	1.70	1.80	1.90	2.10	2.35	2.50	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.437u	2.437	2.687b	Mly	Yes
Standard Bank	01624 643643 01534 881188	Offshore Reserve	1.06	1.06	1.06	1.56	1.81	1.93	Half Yly	No
		Optimum	0.12	0.12	0.12	0.87	1.12	1.62	Qly	No
Standard Chartered (Jersey) Ltd	01534 704000	Offshore Moneymarket Call	-	-	-	3.00	3.10	3.10	Mly	No
		International Access	-	-	0.25e	0.25	0.25	0.25	Qly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.38	1.62	1.87	2.35	Qly	No
Zurich International Ltd	01624 671666	Call	2.25	2.25	2.25	2.25	2.25	2.25	Qly	No

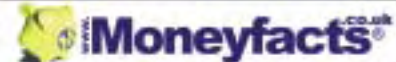
a = Rate applies from €75k. b = Rate applies from €150k. c = Rate applies from €200k. e = Rate applies from €15k. g = Rate applies from €37.5k. j = Rate applies from €20k. m = Rate applies from €80k. n = Rate applies from €160k. r = Rate applies from €3k. u = Rate applies from €40k. w = Rate applies from €7.5k. 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 1, 2007 Source: Moneyfacts

US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore USS Call	2.50	3.75	3.75	4.00	4.25	4.50	Yly	No
		Offshore Gold	-	2.00	2.25u	2.75	3.25	3.50	Qly	No
Alliance & Leicester International Ltd	01624 663566	USS Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	5.25	5.25	5.25	Yly	No
		International Savings	1.75	1.75	2.25	3.75	4.15	4.35	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	2.41u	2.41	2.82	3.17x	Qly	No
Bristol & West International Ltd	01624 644333	International Tracker	-	-	3.55u	3.55	4.55	4.75x	Qly	No
		Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	4.25v	4.50x	4.80y	On Closure
HSBC International	01534 616000	Offshore Bank	0.00	1.48	1.90	2.45	2.96	3.07	Mly	No
		Online Saver	-	4.85	4.85	4.85	4.85	4.85	Mly	No
		Premier Offshore Bank	-	1.73	2.15	2.70	3.21	3.32	Mly	No
		Premier Online Saver	-	5.10	5.10	5.10	5.10	5.10	Mly	No
		Premier Serious Saver	-	2.225	2.795	3.075	4.495	4.615	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access	4.25	4.75	4.75	4.95	5.00	5.00	Yly	No
		Instant Access	4.17	4.65	4.65	4.84	4.89	4.89	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	4.125k	4.125	4.375t	4.375	4.437v	4.437	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc. (Expat rates only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Intl Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.156	4.406	4.406	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve	2.50	2.50	2.50	2.75	3.12	3.37	Half Yly	No
		Optimum	1.75	1.75	1.75	2.25	2.75	3.00	Qly	No
Woolwich Guernsey	01481 715735	Offshore Moneymarket Call	-	-	-	4.75	4.85	4.85	Mly	No
		USS International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from \$1k. k = Rate applies from \$3k. m = Rate applies from \$150k. t = Rate applies from \$15k. u = Rate applies from \$20k. v = Rate applies from \$75k. x = Rate applies from \$200k. All rates 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 1, 2007 Source: Moneyfacts

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EXPATRIATE MORTGAGE TERMS - APRIL 2007

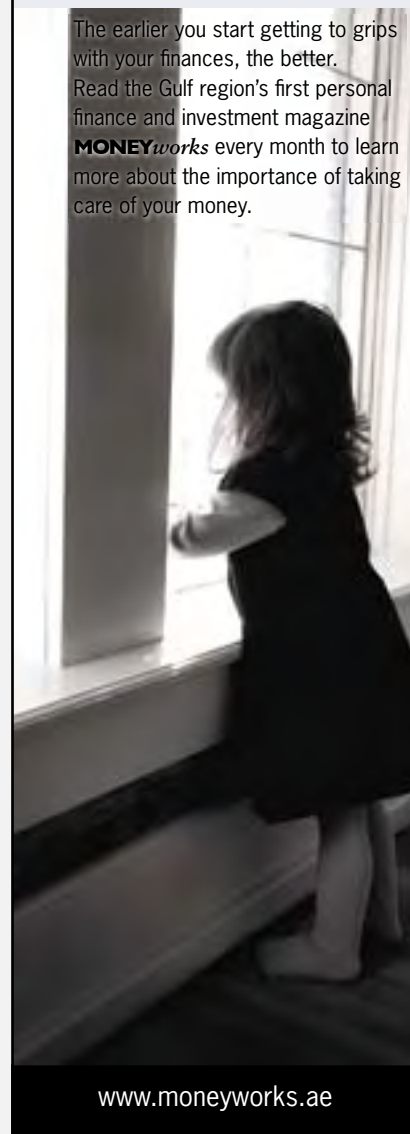
LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.54% 2 year tracker 5.75 3 year fix	85	1.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	4.49% 2 year Fix 5.49% 2 year Fix 5.49% 5 year fix 4.94% two year flexible tracker Base minus 0.31% 5.74% full term tracker bank base plus 0.49%	85	2.5% of loan amount £999 £999 £499	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies. Minimum loan for these terms £25,000
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	5.99% 3 Year Fix 5.74% 3 year tracker base rate+ 0.74%	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	5.35% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	Rates under review	80%-90% Repayment basis only 75% Interest only	GBP399	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Drs, Dentists, Solicitors or Accountants
Irish Permanent (Isle of Man)	Base +0.65% - 1.25%	85	1	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Natwest Bank	5.99% via 5 year fix	85	GBP295	Expats salary must be being paid to UK bank account.
Portman B S Family occupation only	4.84% 2 year fix 5.13% 3 year fix 5.99% 5 year fix rate 5.04% 2 year tracker base rate minus 0.21%	90 90	1.5% of Loan Nil £299	Tracker Mortgage No Repayment Penalties daily interest. Portman Schemes only available for Owner occupation where a spouse will be residing in the property. All schemes to 90% for family occupation.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	5.99% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to GBP350,000 GBP595 Loans to GBP500,000 GBP795	Maximum holding £1.5 million. Up to three buy to let properties.
Stroud & Swindon	5.49% 2.3% discount until 28/5/10	75	GBP395	No repayment penalties at any time. Up to 3 buy to let properties. Totally flexible overpayments/underpayments.
TMW	4.44% 2 year fix 5.48% 2 year fix 5.58% 3 year fix 5.58% 5 year fix	80 80 80 80	2 year fix 0.5% 2/3/5 year fix 1.5%	2 year fix 5/5/5/4/3/2% early redemption. 3/5 Year Fix 5% during fix rate period only. Arrangement fees can be added to the loan.

This table is for information purposes only and is not to be viewed as a recommendation.
Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms.
 A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees**
 - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%- 7.25%. Bank rate @ 05/03/07 - 5.25% 3 month LIBOR 5.33%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 504524.

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Credit Cards							
PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	INTEREST RATES	INTEREST FREE CREDIT	CHIP	SUPPLEMENTARY CARDS	MIN. SALARY (OMR)
Bank Dhofar	Visa (Classic, Premium), MasterCard (Gold, Platinum), EcomCard	Free for first year, thereafter, Visa (Classic – 30, Premium – 50), MasterCard (Gold – 50 and Platinum – 100), EcomCard - 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa (Classic – 20, Premium – 35), MasterCard – (Gold – 35, Platinum – 75)	Visa (Classic – 250, Premium – 800), MasterCard – (Gold – 800, Platinum – 1,200)
Bank Muscat	MasterCard Platinum, MasterCard Gold, Visa Premier, MasterCard and Visa Classic, BankMuscat Diners Club co-branded credit and charge card, Visa Sultan Qaboos University Cards (SQU)	Classic – 30, Gold and Premier – 50, Platinum – by invitation only, BankMuscat Diners Club co-branded credit and charge card – free for Platinum cardholders, SQU Card – 10 (depends on branch)	1.5% on purchases 3% on cash withdrawals	40 days	No	Classic - 20, Gold - 35	Classic – 200, Gold and Premier – 500, Platinum – N/A
HSBC	Visa, MasterCard (Classic, Gold), In-Site Virtual Credit Card	Visa, MasterCard (Classic – 30, Gold – 50), In-Site Virtual credit card – 5	1.5% on purchases 3% on cash withdrawals	56 days	No	Two free for life	Visa, MasterCard (Classic – 400, Gold – 700)
National Bank of Oman	Visa, MasterCard, NBO Oman Air co-branded card, Al Amiyal (Silver, Gold), NBO Webshopper Card	Visa, MasterCard (Silver – 20, Gold – 30), NBO Oman Air co-branded card (Silver – 10, Gold – 20), Al Amiyal (Silver – 35, Gold – 55), NBO Webshopper Card – 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa, MasterCard (Silver – 20, Gold – 30)	Nationals: Visa, MasterCard (Silver – 200, Gold – 350), Expats: Visa, MasterCard (Silver – 200, Gold – 500)
Oman Arab Bank (Visa Centre)	Visa (Classic, Gold, Platinum), Internet Shopping Card, Prepaid cards – Smart Card for individuals and companies	Visa (Classic – 30, Gold and Platinum – 50), Internet Shopping Card – 2, Smart Card for individuals – 3, Smart Card for companies – 5	1.5% on purchases 3% on cash withdrawals	40 days, NA for Smart Card	Yes, no for Smart Card	Visa (Classic – 15, Gold and Platinum – 25)	Classic – 200, Gold – 700, Platinum – 1,500
Oman International Bank	Visa (Classic, Gold, Platinum, Business Card, Cyber Card/ Al Mubashar), MasterCard (Classic, Gold)	Classic – 30, Gold – 50, Platinum – 70 (by invitation only), Business Card – 25, Cyber Card/Al Mubashar – 10, MasterCard Gold - free for life	1.5% on purchases 3% on cash withdrawals	45 days	Yes	Classic – 20, Gold – 40, Platinum – 60	Classic, Cyber Card/ Al Mubashar – 300, Gold – 700, Platinum – 1,400

Car Loan							
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (OMR)	SALARY TRANSFER
Bank Dhofar	No specific car loan – Consumer/Personal Loan	9%	Nationals – up to 42 times the salary, Expats – 75% of end of service benefits	NA	Up to 108 months	120	Yes
Bank Muscat	Loan for purchase of a car	4.5%	Nationals – up to 52 times the salary, Expats – up to six times the salary plus end of service benefits	None	Up to 60 months	Nationals – 150, expats – 250	Yes
HSBC	Car Loan	9%	100% (Depends on salary)	None	Nationals – Up to 96 months, expats – Up to 72 months	300	Yes
National Bank of Oman	No specific car loan – Personal Loan	9%	Maximum of end of service benefits for expats, up to 48 times of the salary without waiver, otherwise up to 51 times	NA	Nationals – up to 132 months for more than 300 salary, otherwise up to 108 months, expats – depends on loan tenure and end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250	Yes
Oman Arab Bank	No specific car loan – Personal Loan	9%	Nationals – up to 32 times the salary, Expats – depends on end of service benefits	NA	Nationals – up to 108 months, expats – up to 36 months	150	Yes
Oman International Bank	No specific car loan – Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	NA	Nationals – up to 96 months, expats – up to 48 months	150	Yes

Personal Loan							
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (OMR)	
Bank Dhofar	Consumer/Personal Loan	9%	Nationals – up to 42 times the salary, expats – 75% of end of service benefits	Yes	Up to 108 months for nationals, up to 60 months for expats	120 for public sector	
Bank Muscat	Flexi Loan, loans for nationals and expatriates working in the government and private sectors, short term consumer loans for nationals, special loans for nationals in certain ministries	Less than OMR500 salary – 9%, otherwise, 8.75%	Depends on current salary and employer: Nationals without waiver – up to 51 times the salary, otherwise, up to 45 times only, Expats – up to 6 times the salary or 80% of end of service benefits	Yes	Nationals without waiver – up to 132 months, otherwise, up to 108 months only, expats working in the government – up to 36 months and in the private sector – up to 24 months if loan taken is six times the salary and up to 60 months if taken against end of service, short term consumer loans for nationals – up to 6 months	Nationals – 150, Expats – 250	
HSBC	Personal Loan	9%	Nationals - up to 50,000 Expats - up to 15,000	Yes	Up to 60 months	Nationals – 400 or 350+ HSBC credit card Expats – 500	
National Bank of Oman	Personal Loan	9%	Nationals – up to 48 times the salary without waiver, otherwise up to 51 times, expats – maximum of end of service benefits	Yes	Nationals – up to 132 months for more than OMR300 salary, otherwise up to 108 months, expats – depends on end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250	
Oman Arab Bank	Personal Loan	9%	Nationals – up to 32 times the salary, expats – depends on end of service benefits	Yes	Nationals – up to 108 months, expats – up to 36 months	150	
Oman International Bank	Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	Yes	Nationals – up to 96 months, expats – up to 48 months	150	

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan/car loan or credit card provider. The table was thoroughly checked for accuracy with each provider called individually for information during March 2007 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.

OMAN

SALARY TRANSFER	MINIMUM REPAYMENT	MINIMUM AGE	CREDIT LIMIT	VALUE ADDED FEATURES	OTHER	CONTACT
Yes	5%	18	Depends on salary and branch, minimum one time salary	Free Visa cards for Al Adhhal account-holders, year-round benefits in tune with individual lifestyles, 24-hour emergency assistance, free travel insurance for cardholder and family for purchased air tickets, emergency card replacement for Gold cardholders, free insurance coverage on accident, baggage loss, delayed flights and cancellations, photo-card, revolving credit facility		Call Centre 800 76666 or 24 787 437 in Muscat www.bdofo.org
Yes	5%	18	Salary less than OMR250 – one time to 3 times the salary, otherwise, 3 times the salary	basmaRewards programme, global emergency service, free travel insurance cover, worldwide acceptance, revolving credit facility, cash advance facility, photo card, MasterCard Platinum - personal concierge services	SQU Cards – exclusive to SQU students and employees	2479 5555 www.bankmuscat.com
Yes	5%	18	Depends on salary, minimum for Classic is OMR350 and OMR2,000 for Gold	Travel benefits, payment of utility bills, free purchase protection, free travel and accident insurance, free family protection scheme for Gold cardholders, access of HSBC current, savings and credit card accounts through HSBC ATMs worldwide, 24-hour customer service, free Auto Pay service, 100% of credit limit cash advance	HSBC offers from other countries can be availed by all HSBC cardholders, e.g. hotel discounts etc.	Call Centre 800 7 4722 (HSBC) www.oman.hsbc.com
Yes	5%	18	Silver - 2 times, Gold - 3 times (depends on salary)	NBO Money back loyalty programme, worldwide acceptance, up to 100% cash advance facility, accident insurance up to US\$500,000 for Gold cardholders, flexible payment plan, up to three months temporary credit line increase, card replacement, limited liability coverage to OMR40 for misuse on lost card, photo card, 24-hour call centre, discount offers on hotels, airlines and electronics, NBO Oman Air co-branded card – travel benefits, Al Amiyal – free Oman Air tickets, annual subscription of Times of Oman or Al Shabiba, Sindband Frequent Flyer Program		Call Centre 800 77077 www.nbo.co.om
Yes, No for Smart Card	5%, Cash for Smart Card	18	Classic – 2,000 and below, Gold – 2,000 – 4,000, Platinum – 4,000 and above (salary below OMR600 – 2 times the salary, otherwise, 3 times the salary)	Worldwide acceptance, special annual draws, discounts at certain establishments, Smart Card for companies can be assigned to be used only in specific establishments		Visa Centre – 24 817 707 Smart Card Centre – 24 793 010 www.omanab.com
	5%, BankMuscat Diners Club co-branded credit card – 10% and charge card – full	18	Twice the salary, Platinum – minimum US\$10,000 or OMR3,850	Purchase protection, revolving credit facility, photo card, free accident insurance up to US\$1 million, medical and legal referral services, insurance cover against cancellation, curtailment and rearrangement of travel plans, flight and baggage delay, Business Card offers convenience and control to concentrate on real aspects of running your business, corporate liability waiver for businessmen up to US\$25,000/cardholder and up to US\$1,650,000/company annually, emergency evacuation, repatriation service up to US\$1 million, personal accident cover up to US\$250,000, branch and phone banking, two cards for the price of one		www.ioboman.com

OMAN

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Guarantor from ministry required, Approved companies only	Yes	None			Wisal 800 766 66, www.bdofo.org
Approved companies and car dealers only	Yes	1% of outstanding balance for cash and bank buy-out	No post-dated cheques requirement	OMR10 processing fee	2479 5555 www.bankmuscat.com
Approved companies only	Yes	None	Comprehensive insurance package, no guarantor required, option to avail finance for first year's insurance	No loan arrangement fees, 30% to 40% of salary should not exceed the loan installments	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077, www.nbo.co.om
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year	Insurance charge depending on loan amount	www.ioboman.com

OMAN

SALARY TRANSFER	CONDITIONS/ RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Yes	Guarantor from ministry required if salary less than 500, approved companies only	None			Wisal 800 766 66 www.bdofo.org
Yes	Approved companies only	1% of outstanding balance, minimum OMR25, for cash and bank buy-out	Loans for Omani nationals working in the government and private sectors - increased tenor, deferrals during Eid festivals, free call centre, kiosk/ online banking facilities	OMR10 processing fee plus insurance, flexi Loan - starts with a low installment that gradually increases every year, in line with the customers' annual increase in income	2479 5555 www.bankmuscat.com
Yes	Approved companies only	None	Pre-approved credit card, no processing fee, simple application, fast approval, ability to make first payment anytime up to 45 days from application	25% discount on personal loan insurance for STATUS and premier accountholders	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Yes	Approved companies only	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077 www.nbo.co.om
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year, no processing fee for first time loan-takers	Insurance charge depending on loan amount	www.ioboman.com

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. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Personal Loans						QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahl Bank	Personal Loan Expat Loan	Fixed rate: 9% promotional for nationals, 9.5% for expats	Up to 80 times monthly salary for nationals, up to 32 times monthly salary for expats	3,500 for nationals, 4,000 for expats	Up to 18 years for nationals, up to 84 months for expats	4324327
Arab Bank	Personal Loan	9.99% fixed rate	Depends on salary, employer and length of service	3,500	Up to 60 months for expats and 260 months for nationals	4387777
Commercial Bank of Qatar	Personal Loan	Starting from 9.5% for 3 years, otherwise 11.25%	Up to 1.5 million for nationals and 350,000 for expats	2,500	Up to 60 months for expats and 180 months for nationals	4490000
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	1,500	Up to 72 months	4456000
HSBC Bank Middle East	Personal Loan Special loan for nationals	9.75%, depends on the company	Depends on salary	3,000 15,000	Up to 96 months for nationals, up to 72 months for expats special loan: 180 months	4382100
MashreqBank	Personal Loan	From 5%, depends on company and category	Up to 250,000	3,000	Up to 60 months for expats 180 months for nationals	4418880
Qatar National Bank	Personal loan	Fixed rate: 10.99% for expats 9.99% for nationals	Up to 350,000	2,000	Up to 240 months for nationals and 60 months for expats	4407777
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	3,000	Up to 84 months for nationals, up to 48 months for expats	4658555

Credit cards						QATAR
PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahl Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for life	2,500	1.75% on purchases, 4.75% on cash withdrawals	30 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver - 200, Gold - 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW - free, Classic - 200, Gold - 400, Platinum - 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000
Doha Bank	Visa (Classic, Platinum) MasterCard (Standard, Gold)	Free for life	Classic and Standard - 2,000, Gold 7,500 - Platinum 20,000	1.5% on purchases, 4.5% on cash withdrawals	28 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/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 3,000, Gold - 6,000, Platinum - 12,000 -	1.75% 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	Classic with account - 2,500, Classic without account - 3,000, Gold with account - 5,000, Gold without account - 7,000	2% on purchases, 3.5% 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	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	2,000	5,000 to 10,000	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 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance						QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS	COVER	COVER INCLUDES	CONTACT	
AXA Insurance *In reference to ages 0-10, cheaper premium for ages 11-20 by up to 500 depending on plan	Global Area 1: From 10,801 (ages 11-21) to 29,098 up to age 65. Global Area 2: From 3,638 (ages 11-21) to 9,541 up to age 65. Regional Plus: From 2,078 (ages 11-21) to 5,433 up to age 65. Regional: From 1,787 (ages 11-21) to 4,673 up to age 65		Global Area 1: QAR5 million Global Area 2: QAR2.5 million Regional Plus: QAR1 million Regional: QAR500,000	Global Area 1: Worldwide Global Area 2: Worldwide excluding USA, Singapore, Japan, Hong Kong & Switzerland. Regional Plus: Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan Regional: AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com	
Qatar General Insurance and Reinsurance Company Interglobal Healthcare Plan MedicalCare Health Insurance Plan	Interglobal Healthcare Plan Ultracare Plus: From 3,298 (child) to 107,663 up to ages 70-74 Ultracare Comprehensive: From 2,565 (child) to 87,710 up to ages 70-74 Ultracare Select: From 2,341 (child) to 79,599 up to ages 70-74 Ultracare Standard: From 1,616 (child) to 55,211 up to ages 70-74 MedicalCare Health Insurance Plan (up to 65 years old only) In-patient treatment: 399, In-patient and out-patient treatment: 899	Interglobal Healthcare Plan Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500 MedicalCare Health Insurance Plan In-patient treatment: 10% of claim amount for each and every claim Out-patient treatment: QAR25 per visit	Interglobal Healthcare Plan Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000 MedicalCare Health Insurance Plan In-patient: QAR100,000 Out-patient: QAR50,000	Interglobal Healthcare Plan *With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide. Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage. Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area. Ultracare Select: In-patient benefits. Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area MedicalCare Health Insurance Plan (selected hospitals and clinics in Qatar) In-patient treatment: Hospital accommodation, surgical, medical and nursing, services and supplies, private room and board, ambulance services. Out-patient treatment: Consultation (general medicine, pediatric, obstetrics and gynecology, ophthalmology and dermatology), lab tests, x-ray and ECG diagnostics, prescribed drugs and medicines. Optional: Worldwide coverage in case of emergency excluding Canada and USA while on trip not exceeding 30 days and treatment in home country excluding Canada and USA up to QAR25,000	+974 428 2222	
Qatar Islamic Insurance Company	Balsam Gold: From 3,826 (child) to 7,699 up to age 60. Balsam Silver: From 2,114 (child) to 4,199 up to age 60. Ordinary Balsam: From 1,067 (child) to 2,118 up to age 60	50 per out-patient consultation	Ordinary Balsam: QAR100,000 Balsam Silver: QAR300,000 Balsam Gold: QAR500,000	Ordinary Balsam: Qatar Balsam Silver: Worldwide excluding Europe, USA and Canada Balsam Gold: Worldwide excluding USA and Canada	+974 4413 413 www.qiic.net 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 5500. 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: 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)	350	Up to 84 months	17787225
Bahraini Saudi Bank	Personal Loan	Reducing balance rate 9.5%	Up to 40,000	250	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9.75%, internet application 8.5%	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: 15%, for PIL 24%, Fixed rate 13.7% for up to 48 months, otherwise 8%	Up to 15,000, depends on salary	200 300	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	250	Up to 84 months	17569999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for 1-7 years for nationals, 9.5% for 4 years and 10% for 5-7 years for expats	Up to 10 times monthly salary	200	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: 4.75%	Up to 40,000	250	Up to 84 months	17878777
Standard Chartered	Personal Loan	Flat rate: 4.5%	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)	Standard - 10 , Gold - 25	Standard - 250, Gold - 400	Standard/Gold – 2.5% on purchases, 4% on cash withdrawals	45 days	17221999	
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.62% with account, 2.74% 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	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% 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 life	200	1.67% on purchases. 4% on cash withdrawals	21 days	17214433	
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777	
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802	

Home Contents Insurance						BAHRAIN
INSURER / PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS	
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 17 210 778 www.axa-gulf.com info@bkic.com	
Arabia Insurance Householders Insurance	Minimum 50	100	5,000	Full value of household goods and personal effects including valuables such as jewelry, furs, cameras and accessories as long as inside a safe; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 www.arabiansurance.com aicbn@batelco.com.bh	
Royal & Sun Alliance Insurance Homeshield Insurance	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		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	+973 1753 1555 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 .	40-50	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.bnihgroup.com bn@bnihgroup.com	

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Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 www.fakhro.com www.ihl.com
Interglobal Healthcare Plan	Ultracare Plus: From 332 (child) to 10,825 up to ages 70-74 Ultracare Comprehensive: From 258 (child) to 8,819 up to ages 70-74 Ultracare Select: From 235 (child) to 8,003 up to ages 70-74 Ultracare Standard: From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42,50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area Ultracare Select: In-patient benefits Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 www.alhimaya.com www.interglobalalmi.com Bahrain National Life +973 1758 7333 www.bnlgrou.com bnl@bnlgrou.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 age 65 Global Area 2: From 363 (ages 11-21) to 954 up to age 65 Regional Plus: From 207 (ages 11-21) to 543 up to age 65 Regional: From 179 (ages 11-21) to 467 up to age 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 age 65 Shefa'a Max: From 305 (child) to 957 up to age 65 Shefa'a Plus: From 190 (child) to 598 up to age 65 Shefa'a: From 44 (child) to 141 up to age 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 inpatient 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	Personal Loan Consumer Loan for nationals	10.25% for nationals, 9.75% for expats Consumer Loan 6.25%	Up to 46 times salary for nationals Up to 18 times salary for expats	300 300	Up to 180 months Up to 60 months Up to 60 months	812000
Burgan Bank	Consumer Loan	6.25%	Up to 15,000	350	Up to 60 months	804080
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	10.25% 6.25%	Up to 70,000 minimum 10,000 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 180 months Up to 60 months	888225
Gulf Bank	Consumer Loan Al Afdal Loan for nationals only	6.25% 10.25%	Up to 15 times salary maximum 15,000 Up to 50 Times salary maximum 70,000	350 350	Up to 60 months Up to 180 months	805805
National Bank of Kuwait	Consumer Loan Expatriate Family Loan	6.25% 10.25%	15,000 25,000	250 for nationals, 600 for expatriates for less than 5 years of service with same company, otherwise 400	Up to 60 months Up to 180 months	801801

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, thereafter Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer Standard - 250, otherwise 300, Gold - 700, otherwise 750, Platinum - 1,000	1.2% 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, CyberSmart Card for internet shopping. 0% APR for first three months	812000
Burgan Bank	MasterCard/Visa (Classic, Gold)	Free for first year, thereafter, Classic - 20, Gold - 30	Classic - 200, Gold - 500	8.33% on purchases, 4% on cash withdrawals	35 days	Can accumulate points to be exchanged for Kuwait Airways Miles; every KD1 spent entitles you to 2 miles, Photosign Card, online Banking	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic - 15, Gold - 25, Platinum - 35, StarNet Card 10	Classic - 200, Gold - 550, Platinum - 750, StarNet card 150	1.21% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, Travel benefits, STAR assist Insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic - 350, Gold - 1,000, Platinum - 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3.5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Free for first year, thereafter, Classic 30, Gold 40, Internet Shopping Card 5	Classic - 250, Gold - 600, Platinum - invitation only	1.229% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and get them free for first year, and in the second year, pay full fee for first Card and half fee on second Card	801801

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during March 2007 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you to be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance					UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
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
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 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: AED5million Global Area 2: 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 Universal Plus: From 4,427 (ages 0-17) to 17,948 up to age 65 Universal: From 2,975 (0-17) to 11,994 up to age 65 International: From 1,977 (0-17) to 6,849 up to age 65 Basic: From 1,738 (0-17) to 6,509 up to age 65 Local: From 1,708 (0-17) to 6,302 up to age 65	Deductibles of: Universal Plus: AED200/150, Universal: AED200/150/100, International: AED150/100/75, Basic and Local: AED150/100/75/50	Universal Plus: AED2.5 million Universal: AED2.5 million International: AED2.5 million Basic: VIP: AED1 million A: AED500,000, B: AED250,000 Local: VIP: AED300,000 A: AED150,000, B: AED75,000	Universal Plus: Worldwide Universal: Worldwide exc. USA and Canada International: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Basic: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Local: UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
Dubai National Insurance & Reinsurance (PSC)	*Higher premium for females than males Local: Ranges from 1,708 to 4,236 up to age 50 International: Ranges from 2,349 to 6,075 up to age 50	Out-patient deductible AED50 per consultation fee	Local: AED100,000 International: AED1 million	Local: UAE, South East Asia, Middle East International: Worldwide	04 269 1300 www.dnirc.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		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 per annum while traveling worldwide * Additional benefits for International and Global plans	04 222 2772 www.ngi.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 oiem@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 AED800 depending on plan **Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalson.com www.royalsonalliance.ae www.fasterquote.ae
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): 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
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and your home country if you require the option of returning to and 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
Goodhealth Worldwide	Major Medical Plan: From 1,829 (ages 0-17) to 7,935 up to age 59 Foundation Plan: From 3,846 (ages 0-17) to 16,634 up to age 59 Lifestyle Plan: From 4,442 (ages 0-17) to 20,822 up to age 59 Lifestyle Plus Plan: From 5,612 (ages 0-17) to 24,281 up to age 59	US\$50 excess per condition	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
<p>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 Karagozlan 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 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneymarkets.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.</p>					

Home Contents Insurance					UAE
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
Abu Dhabi National Insurance Company – Home Contents Insurance	200	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; including jewelry stored in 50 kg safe	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householder's contents policy	500 minimum	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 – Home Contents Insurance	500 minimum	250	50,000	Cover against fire and perils	04 282 3266 www.unic.ae
Arab Orient Insurance Company – Home Contents Insurance	750	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewelry	04 295 3425 www.insuranceuae.com
Arya Insurance Brokerage Company – Home Contents Insurance	500 minimum	250	50,000	Furniture, fixtures, kitchen equipment; optional - jewellery and other valuables	04 221 2838 www.aryainsurance.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
Compagnie Libanaise D'Assurances – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323
Dubai Islamic Insurance & Reinsurance Company (AMAN) – House Holder Insurance	1,000	1,000 of each and every loss	50,000	Cover against fire, lightning, explosion, thunder bolt, earthquake, volcanic eruption, subterranean fire, aircraft or articles dropped there from, bursting of pipes or overflowing of water tanks, burglary, housebreaking, larceny, impact damage, storm, tempest, and flood. Also includes clothes, jewelry and other items, safe in the house	04 319 3111 www.aman-diir.ae
Gargash Insurance – Home Contents Insurance	Special offer: 250 minimum	250 minimum	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	500	50,000	Home contents against fire, principal perils, theft	04 222 2772 www.ngi.ae
Oman Insurance Company – Home Umbrella	200 minimum	50-100	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	200 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: (1) Standard – against loss or damage caused by fire/ smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TVs/Hi-Fis/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and (2) Extra damage option – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. **Disclaimer:** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during March 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards		BY INTEREST RATE			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold), World MasterCard, e-tijari Web Card	Free for first year, thereafter, Visa Classic-200, Gold-400, World MasterCard-free for VIP, e-tijari Web card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.25% on purchases and 3% on cash withdrawals	45 days	Toll-free: 800 4844 www.cbuae.com
Dubai Islamic Bank	Visa (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals per transaction	50 days	Toll-free: 800 4008 www.alisjami.co.ae
Emirates Bank/meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI	meUNI - free for students and staff of approved universities, Silver - Free for the first year, thereafter 300 (Emirates Bank cards only), Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50	Visa/MasterCard Silver 2.25%, Gold 1.99%, MasterCard Foreign Currency Silver, Gold 1.75% on purchases and 3% on cash withdrawals	55 days	04-3160316 www.me.ae
Emirates Islamic Bank	Visa (Blue, Gold, Platinum)	Blue-250, Gold-600, Platinum-1,200 (every 3 months)	N/A, Cash advance/withdrawal flat fee - AED90 per transaction	55 days	04 316 0234 www.emiratesislamicbank.ae
First Gulf Bank	Visa Makkah (Classic, Gold, Platinum)	Fixed monthly fees. Classic - 85, Gold - 200, Platinum - 400	N/A on purchases, AED60 on cash withdrawals	N/A	800 4400
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa/MasterCard (Classic, Gold) MasterCard (Classic, Gold, NMC, Titanium)	Free for life	Visa -1.9%, MasterCard-1.5% 2.25% on cash withdrawals	55 days	04 213 0000 www.rakbank.ae
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2 % on cash withdrawals	55 days	Toll-free - 800 4847

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card	Visa Classic-200, Visa Gold-400, MasterCard Classic-200, MasterCard Gold-500, MasterCard Al Ameera-300	Chip Card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, Credit shield, Smart Points/Flyer, Purchase Protection, Dining card, Travel benefits and discounts in certain Cinemas and Wild Wadi. Al Ameera card provides discounts in many retail outlets. Minimum application documentation/hassle-simply apply with three months bank statement, access to utility bills payment, payment deferral for one month, MasterCard Traveller Gold - 10% cash back on air tickets. Free travel inconvenience insurance. Free Samsung products, double rewards for gold card holders.	04 308 0000 www.abnamro.ae	
Abu Dhabi Commercial Bank	Chip cards. Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free unlimited number of supplementary cards, ADCB Pearls rewards programme, balance transfer facility at 5.99% for first six months, Travel benefits, Photo-Card, Roadside Assistance, Airport benefits, free travel insurance, credit shield, 90 day purchase protection. Points scheme redeemed against cash. 5% discount on flights booked through ADCB listed travel agents and free ticket delivery. Platinum card - world wide assistance. No service charge for payment by cash or cheque through selected ATMs. Cash back on purchases. Extended warranty up to 24 months on retail products. Protection against permanent disability, critical illness, loss of employment or death, Free audio visual products upon card application until April 30	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-500	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	
Citibank	Visa, MasterCard (Silver, Gold, Eppco-Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard), Citibank/Emirates Ultima Card, Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, Photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning book, Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate	04-311 4000 www.citibank.com/uae	
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI	meUNI - free for students and staff of approved universities, Silver - Free for the first year, thereafter 300 (Emirates Bank cards only), Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50	Students benefits for meUNI cards, photo-card and signature, Discounts & privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US\$75,000 & 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 instalments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. Chance to win air tickets to international destinations until April 15, 2007 for Emirates Bank cards, OPTIONS only. Free Gold credit card for first year for transfer over AED8,000	04-3160316 www.me.ae	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard-Ethiad 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, In-site -50, Ethiad Classic-150, Privilege-400, Exclusive-750	Airmiles Rewards programme, free travel & accident insurance, purchase/family protection. Special discounts at selected dining and retail outlets. Credit shield up to 10,000, Dial-a-Gift feature for a wide range of gift vouchers, 24 hours road side assistance. For Ethiad, Ethiad guest miles, free priority pass membership, e-gate card, 0% interest on balance transfer for first three months. 0% flexi installment plans in Damas Jewellery.	Toll-free: 800 4440 www.uae.hsbc.com	
MashreqBank (All cards are "WOW" cards)	Visa/MasterCard, Classic, Gold, Platinum, MashreqMillionaire MasterCard (Classic, Gold), Mashreqbank VIP card (Virgin co-brand)	Classic-150, Gold-400, Platinum-550 MashreqMillionaire MasterCard - Classic-100, Gold-200, Virgin - 200	Mont Blanc voucher, photo-card. Mashreq points loyalty programme at over 2,000 outlets for flights/gifts, etc. AAA m/ship, balance transfers possible as low as 0.89% with gifts, easy payment plan up to 18 months instalments at 0% interest, dining club card, personal accident/travel insurance, travel benefits, 90 day purchase protection, credit shield. Accident insurance up to 150,000, exclusive benefits for platinum card holders.	04 217 4800 www.mashreqbank.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders otherwise -50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer. Photo-Card, Purchase protection, Personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility and free gifts, NBAD points programme, Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com	
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Classic, Gold), NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard 50	Free for first year, thereafter, Classic - 100, Gold - 300, Platinum - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard 50	Post card millionaire on every 1,500 spent, Photo-card, travel inconvenience insurance, Travel express service, Free mobile service, Dial a cheque service, roadside assistance, free emergency legal/medical referral service, Global Savers card, WebShopper MasterCard-securely while shopping online, personal insurance, free calling account service, free online banking. Credit shield facility, exclusive personal service assistance for Platinum cardholders. Free Creative MP3 player for NBD-Dnata cards until April 30.	Toll-free: 800 4767 or 800 4444 www.nbd.com	
RAKBANK	Visa (Classic, Gold) MasterCard (Classic, Gold, NMC, Titanium)	Free for life	Up to 2% cash back anywhere, worldwide privileges on Titanium cards. Purchase protection, credit shield, travel inconvenience insurance, RAKleast dining privileges, low interest or balance transfer and retail transactions. Quarterly Million dirham draws on all MasterCard products, cash advance up to 95% of credit limit. Complimentary gift vouchers, credit card cheque facility, travel benefits, document-free balance transfer as low as 1% per month, discounts at New Medical Centre. Free supplementary cards	04 213 0000 www.rakbank.ae	

These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. Disclaimer: These listings are NOT meant as a recommendation of a particular bank/provider; listings are simply in alphabetical order and updated during March 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained below is freely available and was obtained directly from bank/provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider/bank direct for further information.

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Car Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	Without downpayment 4.25% for new cars, with 10% downpayment 4.10% Promo for used cars 4.75% otherwise 5%	Up to 500,000 (Salary dependent)	N/A	New cars - 72 months Used cars - 60 months	4,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 250,000	Nil for new cars, otherwise minimum 10%	New cars - up to 72 months Used cars - up to 60 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car loan	New cars only - 3.85%	Up to 90% of the car price	10%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel car finance scheme	4.25% for new cars Used cars (only for account holders) - 5.75%, not older than 2003	UAE Nationals - up to AED 250,000, Expats - AED 150,000. Or up to 15 times salary	Nil for news cars 10% for used cars	Up to 60 months	3,000	No
Commercial Bank International	Sayaraty	New cars- 3.99%, used cars - from 4.25-5.5% (depends on payment term)	Up to 250,000 for nationals Up to 200,000 for expats	Nil for new cars, up to 30% depending on the car model for used cars	Up to 72 months for new cars, 60 for used cars	3,500	No
Dubai Bank	Auto Finance	4.5% - new cars for less than 4 years payment term otherwise 5%, 5% - used cars	Depends on salary and car price	Nil for new cars, up to 30% (depending on salary) for used cars	Up to 60 months for new cars Up to 48 months for used cars	3,000	No
Dubai Islamic Bank	Al Islami Auto Finance	Fixed profit is charged of 4.5% for new cars, 5% for used cars less than 2 years old, 5.25% less than 12 years old with salary transfer, otherwise 4.75% for new and 5.25% for used cars less than 2 years old and 5.5% less than 10 years	Up to 250,000	Minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No
	Al Islami Flexi Drive	For new cars only, profit rate subject to bank's discretion	Depends on salary and the car price	Nil	Up to 60 months	7,000	Yes
Emirates Islamic Bank	Vehicle Murabaha	New cars - 4.1%, Used cars - 4.5% with salary transfer otherwise new cars 4.25%, used cars 4.60%	Up to 250,000	N/A, if salary is transferred, otherwise 10%	Up to 60 months with salary transfer, otherwise up to 48 months	3,000 with salary transfer, otherwise 3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars Up to 30% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	2,800	No
Habib Bank AG Zurich	HBZAuto loan	4.25% new cars, used cars depends on bank's discretion	Up to 250,000	Nil	Up to 48 months	5,000	No
MashreqBank	Mabrook Auto loan	New cars - from 4.25%, Used cars-from 5.25%	Up to 500,000	Based on customer profile	60 months for new cars 48 months for used cars	3,000	No
meBANK	meDrive	New 4.25-4.75% depending on the salary, Used 4.75-5.25% depending on the salary	Up to 250,000	Depends on make and model	New cars - up to 72 months, Used cars - up to 60 months (for approved companies)	3,000	No
National Bank of Abu Dhabi	Sayyarati	On going promotion 3.99% for new and used cars (depends on down payment and payment terms), otherwise 4.5 - 5% for new cars and 5.25 - 5.75% for used cars	Up to 250,000	None	Up to 72 months - new cars, up to 48 months - used cars (for account holders only)	3,000, with salary transfer and approved companies, otherwise 5,000	No
United Arab Bank	Auto Finance	New cars - 4.25%, used cars - 4.5%	Up to 250,000	N/A	New cars - up to 48 months Used cars - up to 36 months	3,000	Yes

Personal Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Personal Loan: Reducing balance: 6 to 24 months - 8.5% - 25-48 months - 9.5%, 49-60 months 10%, 61-72 months - 10.5% for 'A' category companies, otherwise +.50%. Smart Loan: Reducing balance rate: from 18-22%, 6 to 24 months - 20% - 25-48 months - 22%.	Personal Loan: Up to 50,000-250,000 Smart Loan: Up to 5,000-75,000 150,000 for self employed	Personal Loan: Yes Smart Loan: No	Personal Loan: Up to 132 months for UAE nationals, 60 months for expatriates, For Smart Loan: Up to 48 months for all	Personal Loan: AED2,500 for all Smart Loan: AED2,500 for all	Personal Loan: Yes Smart Loan: No
	Smart Loan						
Abu Dhabi Islamic Bank	Personal Financing "Goods Finance"	Fixed at 5% per annum depends on loan tenure	Up to 40 times monthly salary for locals and 10 times for expats, up to AED250,000 subject to source of income	Yes	Up to 72 months for UAE nationals, 60 months for expatriates	AED3,000 for all	Yes
Dubai Bank	Sanad Personal Finance	5-5.95% profit rate (depends on company)	Depends on salary and the company status	Yes	Up to 120 months for nationals Up to 72 months for expats	AED5,000 for all	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55%, depends on the company	Up to AED250,000 with salary transfer, otherwise AED100,000 for all, min. AED10,000	No	6 to 72 months for DIB's account holders, 6 to 48 months for others	AED3,000 for all	No
Emirates Islamic Bank	Goods Murabaha or Goods Finance	Profit rate: starts from 5.5 - 5.79 - 7.26 %, depends on the company and the category.	Up to AED250,000	Yes	Up to 72 months for nationals and up to 48 months for expats	AED2,500 for all	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 4.95 - 7.99%, depends on the company's package	Up to AED250,000	Yes	Up to 120 months	AED5,000	Yes
HSBC Bank Middle East Ltd.	Conventional Personal Loan	8.75 - 14.25% on reducing balance basis	Up to AED250,000	Yes	Up to 120 months	AED5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-10.5%, depending on loan term and company status.	Up to AED250,000 depends on the salary	Yes	Up to 200 months for nationals Up to 72 months for expats	AED4,000 for nationals AED3,000 for expats	Yes
Sharjah Islamic Bank	Murabaha Goods	Fixed rate: 6%	Up to AED250,000 for all, depends on salary	Yes	Up to 60 months for all	AED4,000	Yes
United Arab Bank	Personal Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	Up to 28 times of monthly salary, as much as AED250,000	Yes	Up to 84 months for all (depends on the company and length of service)	AED2,500	Yes
United Bank Limited	Personal Loan Assistance	Fixed rate: from 8-12%, depends on the company status	Up to AED250,000 for UAE national and 150,000 for expats	Yes	Up to 84 months for UAE nationals, 48 months for expats	AED3,000	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
Salary transfer required for used cash not bought from approved showrooms. Car model should not be older than 9 years at the time of loan maturity	No	3% of outstanding loan for cash and 5% for bank transfer	Insurance for brand new cars can be financed	AED350 charged as processing fee	Tollfree: 800-2030 www.adcb.com
1999 model onwards only for German and Japanese cars otherwise 2002 model onwards	No	In some circumstances money will be refunded	Islamic insurance can be financed. Free family welfare insurance	First installment starts after three months, with no profit rate charged for first three months.	Tollfree: 800 2288 www.adib.ae
Car should be purchased from the dealer	No	1% of outstanding loan		1% processing fee	04 353 1955
At least one year service with the current employer	No	None for cash, 3% of outstanding loan for bank buyout		1% processing fee	Tollfree: 800 223 www.cbd.ae
Cars must not be older than 4 years. Used cars must be purchased from specific showrooms	No	2% for cash, 5% for bank transfer of the outstanding loan		AED250.00 charged as processing fee, first installment starts after three months	Tollfree: 800 4844 www.cbuae.com
Used cars must not be older than 8 years at the time of loan maturity	No	None	Special insurance rates	No processing fee	Tollfree: 800 5555 www.dubaiabank.ae
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only	No	In some circumstances money will be refunded	Preferential insurance deal with Oman Insurance Company, free AAA membership	As DIB says "choose your car and inform the bank." They will then make "a transparent offer in accordance with Sharia'h" that will include the price of the car, the profit that DIB will make and the method in which you can make your repayments"	Tollfree: 800 4008 800 4766 www.alislami.co.ae
Listed companies only, cars must cost minimum 50,000	Yes		Insurance can be financed	Different interest rates if extended to two more years. Loan amount can be paid at lumpsum after three years	
Used cars must not be older than four years	No		Payments deferred for first three months	Insurance can be financed	04 316 0101 www.emiratesislamicbank.ae
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Tollfree: 800 3434 www.fh.ae
Used cars must not be five years old	No	2% of outstanding value of the loan	Free HBZweb and HBZmobile banking service	AED100 as processing fee	04 221 4535, www.habbank.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	Credit card - free for first year, attractive insurance deals	Mashreqbank/Osool Finance also finance semi commercial and heavy vehicles. 1% of the loan amount as processing fee. Zero balance current account, pre approved over draft	04 217 4800 www.mshreqbank.com
Used cars must be 1999 model or newer	No	2% of the outstanding amount for cash and 5% for bank transfer		Defer first installment up to 60 days. Special interest rates are available for certain makes and models from specific garages. Chance to win Caribbean cruise for minimum loan amount of AED30,000	04 316 0316 www.me.ae
Used cars must be 2000 model or newer	No	2% outstanding value of the loan for cash, 5% for bank buyout. Minimum AED1,000	100% insurance financed, 60 days grace period, if necessary	0.50% of loan amount of minimum AED300 for processing fee	Tollfree: 800-2211 www.nbad.com
For account holders only, 2003 models and newer	Yes	2% of outstanding for cash payment and 5% for a bank buyout		AED500 charged as processing fee	04 332 2032 www.uab.ae

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
For both loans: Salary certificate, passport copy, three months bank statement and the company you work for needs to be on bank's approved list	3% for cash and 5% for bank transfer for both loans	N/A for Personal Loan. For Smart Loan, monthly installments are as low as AED294 per AED10,000. Smart Loan agents can visit you at your convenience	1% of the loan amount processing fee plus 0.5% for the credit life insurance and is mandatory for both the loans. 18-20% interest for customers who have more than AED4,000 salary for Smart Loans	Toll-free: 800-2030 www.adcb.com
Company you work for needs to be on bank's approved list. Need to provide at least six months bank statement, original passport, salary certificate and quotation of goods which needs financing	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	Shar'ah compliant and Murabaha structure. Maximum loan amount varies upon salary, length of service and the company you work for. Min. loan is AED10,000. No processing fees and hidden charges.	Toll-free: 800-2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement, passport copy with valid residence visa	None	Exclusive 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. Gift vouchers for electronics up to AED1,000 for above AED25,000 loan amount, air ticket up to AED4,000 for loans AED250,000 and above, valid until May 3.	1% processing fee of the loan amount or minimum AED250 Dubai Bank consultants will visit your home or office to discuss requirements	Toll-free: 800-5555 www.dubaiabank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy. Guarantor and post dated cheques.	Rewarded for early redemption	Payment postponement	No processing fee. Loan applicant does not have any other liability more than 55% of the salary. Al Islami Personal finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800-4008 www.alislami.co.ae
Approved companies only. At least 6 months service with the current employer. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy	N/A	Free Islamic account with zero balance	No processing fee.	04-316-0101 www.emiratesislamicbank.ae
Salary should be transferred to HSBC	Rebate/Gifts are offered	Special deals are available for certain companies, such as free credit card, zero balance account	Amanah personal finance is a cash loan. Processing fee: 1% of the loan amount for both the loans	Toll-free:800-4792 www.hsbcamanah.com Toll-free:800-4440 www.uae.hsbc.com
Approved companies only, salary certificate, passport copies and bank statement should be provided	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	If company is not in approved list, loan can be arranged with Osool Finance Company. 1 % processing fee, minimum AED250 maximum AED500. Insurance 0.465% of loan amount	04-217 4800 www.mashreqbank.com/uae
Passport copy, three months bank statement and salary certificate required	Profit returned		AED400 processing fee, minimum loan amount AED7,000	Toll-free-800-6667 www.nbs.ae
Approved companies only. Must supply copy of passport, salary certificate, three months bank statement and a no liability certificate	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 2 installments in one year, ATM card, free credit card for the first year	Processing fee: 1 % of the loan amount, minimum AED250 and maximum AED750.	04-332-2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash/bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250, 0.38% for insurance	Toll-free: 800-4847 www.ubl.com.pk

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

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during March 2007 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 Nationals, Expats	25 years for UAE residents 10 years for non residents	65 years for all	Retail base rate (RBR) is 5.5% Salaried residents: RBR plus 2.75%; Self employed residents: RBR plus 3%; Non residents: RBR plus 3%	As much as 90% finance offered with salary transfer otherwise 85% or up to AED3.5 million. Self employed residents up to 75%, salary non-resident up to 70%, self employed non-resident up to 60%	Up to 65% for all	Minimum 10% (with salary transfer), 15% (without salary transfer). Self-employed 30%
Amlak (Shari'ah compliant)	UAE nationals, GCC residents, UAE residents and non-UAE residents	25 years for UAE nationals 20 years for residents 15 years for non residents	60 if salaried, 65 if self-employed	Variable rate (residents): 8.5% Variable rate (non-residents): +1% more of residents; Fixed rate is 11% for residents for five years and thereafter 14% and +1% for non-residents	Depends on salary; 90% maximum	Up to 50%	Minimum 10%
Arab Bank	UAE, GCC nationals, expats and non residents	25 years for villas and apartments	60 years	Starting from 2% plus EIBOR (reducing rate)	AED5 million, up to 95% of the property market value	With salary transfer: Salaried expats and nationals 65% Without salary transfer: salaried expats and nationals 60%, Self employed nationals and expats 55%	5% of the property market value
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	AED - Owner-Occupier is 8.25%, Offplan is 8.25%, and Buy-to-Let is 9.05% USD - Owner-Occupier is 8.25%, Offplan is 8.25%, and Buy-to-Let is 9.05%; GBP - Owner-Occupier is 7.60%, Offplan is 7.60%, and Buy-to-Let is 8.40%; EUR - Owner-Occupier is 5.99%, Offplan is 5.99%, and Buy-to-Let is 6.79%	Up to 80% of market value for apartments, 90% for villas, minimum is AED500,000 and maximum is AED10 million	UAE residents 45% of gross income, Non-residents 40%	20% for apartments and 10% for villas
Dubai Bank	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Murabaha - fixed 1 year - 4.5 - 5%, 1 - 3 years - 4.75 - 5.25%, 3 - 6 years - 5 - 5.5%, 6 - 8 years - 5.25 - 5.75% (depends on company and salary transfer) Ijara - variable rate: 8.15 - 9.15%	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available.	Up to 90% of the property value as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 20 years for Ijara Up to 15 years for Murabaha	65 years for nationals 60 years for expats	N/A, profit rates apply Murabaha - reducing balance 5yrs - 8.25%, flat rate - 4.45% Murabaha - reducing balance 10yrs - 9.00%, flat rate - 4.86% Murabaha - reducing balance 15yrs - 10.25%, flat rate - 5.54% Ijara - 3 months EIBOR plus 2.50% rental rate	Up to 90%, minimum AED150,000 up to AED2.5 million maximum	Not more than 50% of the salary	25-30% for self-employed, 10-20% for salaried
First Gulf Bank	UAE Nationals, residents and non residents	25 years for nationals 20 years for expats 15 years for non residents	65 years for nationals 60 years for expats	8-9.75% on reducing balance basis	Up to 90% as much as AED5 million	Maximum 60%	10%
Habib Bank AG Zurich	UAE nationals & UAE residents	Up to 15 years	60 years	3% above 6 months EIBOR, minimum 7% per annum	Up to AED3,500,000	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE and Non-UAE residents	25 years	65 years	7.25 - 7.75% flat	Up to 90% of original value	60% overall debt on all regular commitments	10%
Lloyds TSB	UAE residents, non residents (UK expatriates only)	Up to 20 years for villas and low rise apartments with certain developments	65 years	8.5% variable	Up to 70% for apartments and 80% for villas, subject to terms and conditions	Should not exceed 30%	From 20%, subject to terms and conditions
Mashreqbank	Residents & non-residents	Up to 25 years	60 years for salaried, 65 years businessmen	Fixed rate: from 7.49%, Variable rate: from 3.29% + EIBOR	Up to AED5 million. Depends on salary and property	55% including all loans	10%, depending on the value of the property
National Bank of Abu Dhabi	UAE Nationals, Expats only in Abu Dhabi/Dubai emirates	Up to 25 years for nationals Up to 20 years for expats	65 years for all	From 6% depends on the branch	Approved companies only. Up to 80% finance as much as AED5 million, depends on the salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai, and 30% for other emirates
National Bank of Dubai	UAE nationals, expats, UAE residents and Non-residents	25 years for UAE Nationals, 20 years for Expats, 12 years for non-residents	65 years for UAE nationals, 60 years for non-residents and expats	With salary transfer 6.49% with 20% down payment, otherwise, starts from 6.99% floating rate for first six months	Up to 85% as much as AED5 million	Residents: up to 60% Non-residents: up to 50%	Min. 15% depend on the property
Rakbank	UAE Nationals, Expats and Non-residents.	25 years for UAE Nationals, 20 years for expats	65 years	7.25 - 9.25% on a reducing balance basis	Depends on individual financial status - usually up to AED8-10 million	60% of monthly salary for salaried individuals, subject to department approval.	Min 10% for new properties, 15-20% for resale
Sharjah Islamic Bank	UAE and GCC nationals, expats (Dubai properties only)	15 years	65 years for UAE nationals and 60 for others	Profit rate: 1 to 5 years 4.92%; 6 to 10 years 5.19%; 11 to 15 years 5.47%, Reducing balance rate: 1-5 years 9%, 6-10 years 9.5%, 11-15 years 10%	AED100,000 to AED2 million; Depends on salary and liability	50%	30%
Standard Chartered	UAE nationals, residents, expats	20 years	65 years	EIBOR rate+2-3%	75 - 80% of the market value. Up to AED3.5 million for apartments and AED5 million for villas	Depends on the salary	20-25%
Tamweel (Shari'ah compliant)	UAE and non-UAE residents	25 years	65 years nationals and self employed 60 years for expats	Depends on scheme. Floating Rate, which applies to loan tenors of 5-25 years - 7.9% (changes every six months). Fixed Rate, from- 9.5% for five years, 10.5% for 10 years, 10.8% for 15 years. (Also offers 'Yusr' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to 90% (selected properties), otherwise up to 80% as much as AED5 million. Depends on salary and tenor, but varies from one product to another and from property to property.	55% of salary	From 10%, Depends on property
Union National Bank (Dream Home Loan)	UAE Nationals, Expats	Up to 20 years	UAE Nationals - 65 years, Expats - 60 years	For down payment 10% - 4.5%; 20% - 4.25%, 30% - 4% plus 3 months DIBOR or ADIBOR.	Up to 90% as much as AED5 million	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Batina'	UAE and non-UAE residents	Up to 20 years	60 years for salaried, 65 years for non-salaried	2.5% + 6 months EIBOR for non-residents 2% + 6 months EIBOR for residents	Up to 90% as much as AED3 million	Up to 60% of monthly salary minus other monthly installments	10%

NOTE: Emirates Islamic Bank (04213 1680) has recently signed an agreement to offer three different types of home financing (fixed and floating rate and refinancing) for Emaar properties. They also offer financing for Tameer properties. The EIB mortgage details above apply to UAE and GCC nationals, a specific mortgage product aimed at expatriates is expected soon. More details will follow on this. Some other UAE banks are actively lending in the market (for example, Standard Chartered, Abu Dhabi Islamic Bank), 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, Khulasaat 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.

Advert

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non residents	Yes, for maximum downpayment of 10%	Yes, for max. down payment of 10%	Processing fee of 1% or 20,000, Repayment-up to 6 months no repayment allowed, more than 6 months to 5 years 2%, Non-buyout: up to 3 years 2%, more than 3-5 years 1%, more than 5 years 0%, Buyout: up to 3 years N/A, 3-5 years 3%, more than 5 years 3% of principal loan amount outstanding on cash	Nakheel, Damac, Emaar, Union Properties, Dubai Properties, Al Dar, ETA Star, Trident International Holdings, Ilyas & Mustafa Galadari group, Dheeraj & East Coast Group, V3 - Jumeirah Lake Towers, Rose Homes Investments, Falcon City	Yes	No	800-2030 or 800-56267 www.adcb.com
Life insurance is not compulsory, can provide Islamic insurance solutions. Property insurance is compulsory	8,000	With any bank. If finance is above 81 per cent a salary transfer to Dubai Bank is required	No	1% processing fee, min. AED7,500 for residents and 1.25%, min. AED7,500 for non-residents; Valuation fee up to AED3,000; Early settlement and repayment charges; Partial payment AED3,000 charge; Full payment minimum AED15,000 or 2% of the outstanding balance	Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Mufafk, One Business Bay, Fortune Group	Yes	Yes	'Connect to Amlak' 800-26525 www.amlakfinance.com
Life and Property insurance	8,000	No	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800-27224 www.arabbank.ae
Life and buildings insurance is mandatory	N/A	No	No	Application fee is 0.5% of the loan amount on successful application, otherwise, a third up to AED3,000; Early settlement fee is 1% of lump sum in the first 24 months; Valuation fee is AED3,000	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS 22725297 www.barclays.ae
Life and Property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	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	800 5555
Life and Property insurance	15,000 for individuals and 10,000 for joint	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	800 4766 www.alislami.ae
Life and Property insurance (Approved companies only)	8,000 for account holders, others 10,000	No	Yes if salary less than 10,000	Processing fee is 1% of financed amount, minimum AED5,000; pre approval fee is AED1,500; Early settlement profit subject to bank approval. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar and Falcon City	Yes	Yes	04-316-0101 www.emiratesislamicbank.ae
Life and Property insurance	10,000, depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%, for full settlement 3%	Jumeirah Lake Shore Tower, Burj Al Nujoon and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	800-2700 www.firstgulfbank.ae
Property & Life Insurance policies	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. Processing fee 1%, or min. AED5,000	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331-3999 www.habibbank.com
Mortgage protection policy & Buildings Insurance required	20,000	Yes	No, less 0.15% on interest rate if transferred	Details can be viewed on www.uae.hsbc.com . 1% of the loan amount is levied as arrangement fee for the mortgage	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	800-404442 www.uae.hsbc.com
Life and property insurance is mandatory	12,000	Yes	Yes	1% Arrangement Fee; 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 & LPTOWN Mirafid) and Nakheel	Yes	Yes	04-342-2000 www.lloydstsb.ae
Life and Property Insurance mandatory	8,000	Yes	Yes	Fixed rate: 1% or Max. AED12,000 as processing fee Variable rate: 1% or Max. AED15,000 as processing fee (No early redemption, buyout options available)	Emaar, Dubai properties, Nakheel, Damac and Deyaar, ETA Star, GIGA, JPIL and lot more.	No	Yes	MashreqDirect 04-217-4800 www.mashreqbank.com
Property and life insurance	10,000	Yes	Yes	Processing fee of AED1,500 min. and max. AED5,000, Repayment penalty of 1% of outstanding, maximum AED 15,000 - whichever is greater for cash and 5% for bank buyout	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	800-2211 www.nbad.com
Life and Property Insurance mandatory.	8,000 UAE Nationals, 10,000 Expats, 25,000 Non-residents	Yes	No	1% processing fee, or AED5,000 whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties etc. Check with provider for more details.	No	Yes	24/7 Call Centre 04-310-0222 www.nbd.com
Life and Property Insurance mandatory.	12,000 for single name ownership. 12,000 for joint name (second borrower must have min. AED8,000)	No	No	Loan processing fee of 1% on loan amount. Early repayment penalty 5% of outstanding balance for cash and bank buy out	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel.	Yes	Yes	RAKdirect 04-213-0000 www.rakbank.ae
Life and property insurance	8,000	No, better interest rates for account holders	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000; 1.5% of loan amount registration fee or minimum AED3,000 whichever is higher; 0.5% of loan amount administration fee	Only completed properties	Yes	Yes	06-568-1000 Toll free: 800-6667 www.nbs.ae
Life is at 0.4% p.a and property is at 0.75% p.a.	8,000	No	Depends on the company	Processing fee of 1%, Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR and Union Properties	Yes	Yes	04-352-0455
"Property Takaful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%, minimum of AED3,500 up to a maximum of AED15,000. Pre payment charge up to 50%, 2% of outstanding loan, more than 50%, 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos...and many more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	800-4354 www.tamweel.ae
Property 0.045% and life insurance 0.45% of the loan amount included in the loan	8,000 for individuals 6,000 for joint	Yes	Yes	Processing fee of 1%, Min. of AED5,000 Early repayment penalty of 1% of outstanding, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star	No	Yes	800-2600 www.unib.com
Property and life insurance included in the loan	7,000	No, better interest rates if salary transferred	No	Processing fee of 1%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	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 2007 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.

Advert

Independent Financial Advisers

UAE

Licence: The UAE Central Bank

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	04-3353433	04-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	04-3551587	04-3551606		www.elfina-invest.com (under construction)
Financial Consultancy Services Company	P O Box 7825, Dubai	04-2663313, 04-2972222	04-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 62658, Dubai	02-6221121 04-3431300	02-6221120 04-3431373	info@synergyfinancial.ae	www.synergyfinancial.ae
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	04-3310524	04-3314817	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	04-3433878 02-6765588	04-3433644	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com

Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma-international.com	www.acuma.ae
GlobalEye	P O Box 24592, Dubai	04-3979550, 800-4558	04-3979551	admin@globaleyegroup.com	www.globaleyegroup.com
Holborn Assets	P O Box 333851, Dubai	04-3369880	04-3369961		www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	04-3318688	04-3327399	info@lifecareinternational.com	www.lifecareinternational.com

Licence: DED (Dubai Department of Economic Development)

Name	Address	Telephone	Fax	E-mail	Website
Belgravia Intervest Group	P O Box 31303, Dubai	04-3197851	04-3303365	info@bigoffshore.com	www.bigoffshore.com
Citco Dubai	P O Box 58066, Dubai, UAE	04-3432666	04-3436613	lwilson@citco.com	www.citco.com
Prosperity Offshore Investment Consultants	P O Box 24459, Dubai	04-3124334	04-3124335	enquiries@prosperity-uae.com	www.prosperity-uae.com
Rasmala Investments	P O Box 31145, Dubai	04-3303433	04-3303438		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	04-3124410	04-3124411	admin@candourconsultancy.com	www.candourconsultancy.com

Others

Name	Address	Telephone	Fax	E-mail	Website
OFS	P O Box 49388, Dubai			info@ofsdubai.com	www.ofsdubai.com

Notes: The following organisations are also listed as licensed on the UAE Central Bank website but contact/further details were unavailable when this information was compiled, despite repeated attempts to contact each organisation.

1. Al Sahel Financial Advisory East
2. Inter Capital LLC - P O Box 14424, Dubai, Tel: 2940045, Fax: 2940048
3. Landmark International Consulting Services

4. Network Corporate Services L.L.C
5. 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	04 351 6112	04 355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	04 228 3003	04 223 7237	easttrust@emirates.net.ae	www.easterntrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800- 4446/04 269 2848	04 268 6844	info@lmedubai.com	www.lmedubai.com
Nexus Insurance Brokers LLC	P.O. Box 124422, Dubai, U.A.E	04 397 7779	04 397 4422		
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	04 351 4900	04 352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	04 221 3949	04 224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	04 359 8882	04 359 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 2007. 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)



Letter of the Month

Email: editor@moneyworks.aeLetter of the month wins a complimentary annual subscription to **MONEYworks**.

Dear Editor,

I found your "100 ways to get your money working" a clever write-up. However, I was surprised to find the cover story on the last page. Is there any particular reason why you did it that way? I also feel that there could have been brief explanations on some of the recommendations. (V.J.T. Dubai)

Firstly, thank you for your suggestions, as they are genuinely apt.

Thanks for your letter. The reason for the article to be at the back of the magazine was really that we wanted people to search all the way through the magazine to find our cover story! Seriously, we just didn't have space at the front of the magazine; it was a very busy month, which was also why we didn't have room for explanations of each item. Plus, the back page is as good a position as any for something less weighty than most of our usual **MONEYworks** fare!

Also, we didn't want to go on too much about the fact that it was our hundredth issue. It was – and we're very proud of the fact – but we have other things to consider, and our lead story on investments and the smaller investor had been planned for some time. So, we elected to try to cover our hundredth issue with a slightly lighthearted, less serious, financial piece. The piece does make a serious point, however. There are many, many ways to save money, and not all of them are hard!

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.

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 Column



James Thomas

How to minimise risks

James Thomas advises on the best course of action to take if you think you're dealing with a financial adviser who's got it wrong, or who may not have your best interests at heart.

QUESTION:

"I have developed a relationship with an IFA here in Dubai over the years, but I've now found out that they're not licensed properly in this country. I have a very strong feeling that I have been mis-sold some of the products that I have bought. It seems as though the advice I have received was more for high commissions for the salesperson, rather than for my own good.

The company in question is licensed outside of this country. What is the procedure for suing them in the UAE, is this at all possible, and how do I go about this? Or is it better to bring a case in the country in which they are officially licensed?

Any help you can give would be welcomed."

It is disappointing to hear that you feel you have received poor advice and have not been able to resolve this with your advisor. I would suggest that the first action would be to meet with a qualified and licensed advisor to examine your financial situation. They should be able to review the product implemented with your original advisor and give you an unbiased opinion as to whether they feel you have been given poor advice or if a poor choice of product was recommended for the commission that it generated rather than for your best interests.

Once this has been established, you will be in a much better position to decide what action to take. You will be clear as to what

the issue is; it could be the product itself or the length of term recommended, it could be the underlying funds that were selected or it could be a combination of these factors.

I would suggest that the next step would be to have a meeting with your original advisor if he is still in the UAE, raise your concerns with him based on the issues that you have now established and obtain his explanation as to why he gave the advice he did, and his responses to your concerns.

If you are still not satisfied, you may wish to consult with a solicitor and to consider other options. Here in the UAE, there are only limited actions available to you. As I explained a couple of months ago, the UAE's regulators, the Central Bank or ministry of economy, will only assist with complaints against companies or advisors that are regulated by them. In this case, the advisor is not regulated in the UAE, so there will be no assistance available from them.

The next option would be to try and take the case to the country where the advisor was licensed. However, this may not be successful either. For example, if you took advice here in the UAE from an advisor who was regulated by the UK Financial Services Authority, you would not be protected, as the FSA only has power over advice given in the UK. Any advice given elsewhere in the world is not within their jurisdiction and so you would not have any recourse.

Another course of action would be to consult a local solicitor to establish

whether you have a case you could register with the police. However, it may be very difficult to explain your grievance to the police and then build a case against the individual.

This is a timely reminder to make sure that the advisor you use has internationally recognised qualifications and can prove this by showing you his certificates if you ask to see them. You should also check that they work for a company that is licensed by the Central Bank of the UAE so that if you have any cause for concern, you will be protected.

Most importantly, when talking with an advisor, make sure you understand exactly what it is you are agreeing to. The advisor should do the following to aid your understanding:

- Provide you with a written summary of the issues you discussed
- Ask you to read and sign a copy of the document, usually referred to as a 'fact find', that they have recorded all your information on
- Provide you with key features documents regarding the products recommended
- Give you the original policy documents once the plan is in force

If you are not provided with the above, ask for it to be provided. If you completely understand what you are committing yourself to, there should be no cause for complaint. However, if a concern does arise in the future, you will have the relevant documents to refer to and have the protection of the regulator if there is an issue to address.

HMW

James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae

Sultan bin Saud Al Qassimi



The long and the short of it

Break the peg before it breaks us

Sheikh Sultan bin Saud Al Qasimi on why GCC currencies need to stand up for themselves.

Over the past few years there have been numerous articles discussing the GCC currencies' peg with the US greenback. It seems unlikely that this Catholic marriage of a relationship will ever be broken. At least not from our side. The bad news here is that unlike the GCC Common Market agreement, we have no external pressure from the EU to get our act together and reach a collective accord. It all comes down to simple mathematics. We in the GCC do most of our trade with Europe and Asia, and yet we insist on giving them a leg up by artificially pegging our currencies to the weak and declining dollar. So they get to buy more from us for less money, and we have to pay more to buy less. Does that sound fair?

To be just, one must explore the positive aspects of this polygamous marriage (six currencies married to one Mr. Greenback). One factor is the lowering of currency risk. Second, the US, as the sole superpower, certainly appreciates this gesture from their oil producing allies, especially at a time when their budget deficit is going from bad to worse and at a time when they're facing two wars with no end. If there was a currency divorce, then there is a big chance that oil would just end up costing consumers more to consume, something neither the Republicans nor the Democrats would appreciate.

We all have seen how the US (rightly) reacts to countries that artificially peg their currencies to the US dollar when the tables are turned to their disadvantage. In China's case, angry US senators and congressmen have demanded quicker action to de-peg the yuan from the dollar¹, and the US government has even threatened to resort to the WTO to plead their case². A senior US finance official said that an inflexible Yuan "complicates the use of monetary policy"

in bringing about a slowdown to China's "booming economy"³. The message to China is that it should break the currency peg and allow the Yuan to appreciate, therefore making it more expensive for Americans and the rest of the world to purchase Chinese goods and less expensive for the Chinese traders to buy from abroad than from their domestic market, ultimately making the US happy.

Even the US based IMF has called upon the GCC to reconsider the peg⁴ that they have accused as being a factor contributing to the rising inflation in the GCC⁵, saying that sticking to this policy will actually result in the GCC countries "importing inflation" (as opposed to the homegrown sort). According to independent studies⁶, the rate of inflation in the UAE was 15 per cent in 2006, triple the ministry of economy's estimate. Anyone who rents a flat or sends their children to school in the UAE can easily tell you that 15 per cent is a very conservative figure.

A study commissioned by the Saudi Commerce and Economic Review⁷ estimated that between January 2002 and December 2003, the US currency depreciated by a staggering 41.5 per cent against the euro and more than 22 per cent against the yen and sterling. And then the trip downhill (aka Iraq War) starts with the ever widening US budget deficit that leads to more government borrowing, which leads to more pressure on the US dollar, which leads to weaker GCC currencies.

The Kuwaitis, who were the last ones to be hoodwinked into this seemingly unbreakable relationship, had it right all along. Their dinar was smartly attached to a basket of currencies that reflected their major trading partners' currencies including the yen, euro and the US dollar. Their mistake came in January 2003, when they emigrated completely to a dollar peg. Talk about bad timing.

In 2006, the dinar (and by extension all other GCC currencies) fell by 22 per cent compared to the euro, meaning if someone delayed purchasing a Mercedes Benz for KWD30,000 in 2005, she would have to fork out an additional 6,600 (AED84,000) for the very same car the following year. When the Central Bank of Kuwait allowed their currency just one percentage point flexibility in 2006, it appreciated to its highest level against the dollar since January 1992, stating that the move was in response to inflation⁸. A recent Deutsche Bank report indicated that should the de-pegging become a reality, the GCC currencies will appreciate anywhere between 10 and 30 per cent against the dollar⁹.

What GCC nationals are not informed about is the secret behind this artificial peg that world bodies have called on to be annulled, in addition to businessmen and downright common sense.

This is something that we will most probably never know. What we do know is that, as our American friends say, we got the short end of the stick.

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(Footnotes)

- 1 http://news.yahoo.com/s/nm/20070131/pl_nm/usa_china_paulson_dc_3
- 2 <http://www.packaging-online.com/paperboardpackaging/article/articleDetail.jsp?id=403604>
- 3 <http://www.bloomberg.com/apps/news?pid=20601080&sid=aTq0LvhSkZDw>
- 4 <http://www.zawya.com/story.cfm/sidZAWYA20030816101411/?query=gcc%20currency%20dollar%20peg%20>
- 5 <http://archive.gulfnews.com/articles/06/10/28/10078009.html>
- 6 <http://archive.gulfnews.com/articles/07/02/13/10103774.html>
- 7 <http://www.zawya.com/story.cfm/sidZAWYA20040211100114/?query=gcc%20currency%20dollar%20peg%20>
- 8 <http://www.zawya.com/story.cfm/sidZAWYA20060613112318/?query=gcc%20currency%20dollar%20peg%20>
- 9 <http://www.alaswaq.net/articles/2007/03/02/6369.html>