

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

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This month
The **MONEY**works
Guide to Abu Dhabi
Property

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May 2009 Issue 126

OUT OF REACH

Why classic credit cards are harder to get



Signs of a sukuk
market revival

Sensex: What's next ?

The silver lining
on Dubai's property

Gratuity funding:
Luxury or necessity?

Bahrain - BHD1.0 Kuwait - KWD1.0
Oman - OMR1.0 Qatar - QAR10
Saudi Arabia - SAR10 UAE - AED10



The Credit Card Issue
Deposit Schemes
Employee Benefits
Market Analysis
Stock Watch - Qatar National Bank
Global Markets
Regional and Offshore Best Buy Tables
News

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There is a buzz of optimism now that some top policy makers are talking about green shoots of recovery. Of course, cynics will laugh, while many investors would want to cling on to Ben Bernanke's statement indicating that some markets are seeing signs of fluttering again. But then, markets have their own dynamics. They just won't listen to anybody and at best are unpredictable, even more so at times like this.



Having said that, we're, undoubtedly much better off now, rather than six months ago, in terms of volatility. In fact, there are indications that data is improving in certain markets, although some of that has reversed again. What's most important to note is that indices are no longer have a one way ticket, heading south. There's a lot of two-way action going on which is, probably, the first sign that we might be past the worst. This does not, however, mean that we are headed up again, as there's the likelihood of more corrections than not in the next few months on whatever gains markets might make in the very short term. Financial markets are complex, very complex. And unless one has money to lose, one should be extremely risk averse now more than any other time, and only commit to safe investments.

In our home markets, there isn't much to report about, except that indices have remained steady and are slightly up, while the oil price has continued to move sideways. Global recovery will be key to the recovery of the oil price, and that should hold the key for the region's macroeconomics and some of the property prices. Various experts are predicting where the Dubai property market is finally going to find its bottom. But I feel it is best left to market forces, as these predictions hardly ever find their mark, and also generally come a tad too late. For those planning to buy dwelling units for their own use, any time is a good time to buy after the massive corrections that have already happened.

This month, we have produced an Abu Dhabi property guide, as the UAE's capital city tries to meet the demand for housing in the emirate. The supplement has been a bold step from our stable, especially at a time when there is so much negativity around. It is also a good read, as it gives an insight into what's happening in the Abu Dhabi property market. Preparations are on for the next upturn.

Utpal Bhattacharya
 Editor



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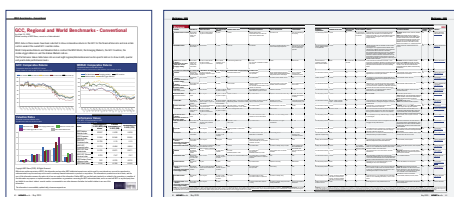
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Credit Cards

After a hectic growth period, the UAE credit card industry is pausing for breath. It's also looking away from the lower end of the market, focusing more on relationships and the higher end of the market. Utpal Bhattacharya finds out why

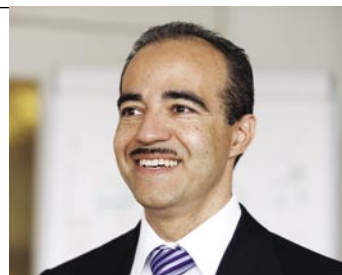


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Pip McCrostie

The signs of a sukuk market revival: Expert

The year 2009 could see innovative deal structures coming to the market. There will be also challenges for sukuk issuers while valuing collaterals, according to Pip McCrostie, the global vice chair, transaction advisory services at Ernst & Young. A **MONEYworks** report.

There are encouraging signs of a sukuk market recovery in 2009, but valuation of assets that back these securities will be questioned, according to Pip McCrostie, Ernst & Young's global vice-chair of transaction advisory services.

The Middle Eastern debt markets have been largely dormant since the second quarter of 2008, and the sukuk market was at its lowest last year in the past three years. There are encouraging signs now of a recovery for the second half of 2009, said McCrostie. She said that regional companies are planning bond/sukuk issues for the latter half of the year, although not at levels seen in the past few years.

McCrostie also said that while there has been little commercial bank debt activity in 2009 to date, prospects of liquidity injections in the regional banking system could fund some large infrastructure deals.

However, she cautioned that the issue of the valuation of security undertaking will have to be tackled, especially for Islamic banks that have traditionally used either real estate or regional stocks as collateral.

"In the current market, the thinly traded real estate markets and volatile stock markets will challenge banks to rethink historical loan to value limits," she noted.

She also said that the market is likely to witness a significant increase in the divestment activity given the need for cash for businesses. Innovative deal structures will be tabled given all cash sales may be difficult to achieve in these times, she pointed out.

"We anticipate a real change in the complexity and variety of deal structures and processes. We are in unprecedented times, but we will see significant strategic transactions right across globe as economic turbulence brings many assets to market that would not otherwise be available," she said.

Speaking about the likely role of regional sovereign wealth funds (SWFs) given the current crisis, she said that the low price of oil will have an impact on them, and they might focus more on domestic economies rather than overseas.

But that does not take away from the SWFs their large investments in the world's capital markets. The portfolio of some of these SWFs covers over 100 cities employing tens of thousands of people internationally, she pointed out.

"Our experience with SWFs suggests that they are adopting a cautious approach in the current market. There is also particular caution in relation to distressed companies not least because many of the investments made by SWFs in the financial services sector over the past 18 months have fallen in value," she said.

McCrostie said that the global downturn has created cash flow pressures for many businesses, including those in the Middle East. But there are significant funds in the region with SWFs, private equity companies and wealthy individuals looking to invest. However, investors are now expected to be highly selective in their investments, while their expectations on return on investments have also risen. And she believes that this means that equity funding will only become costlier.

"We have already seen this in recent transactions where price-to-earnings multiples are consistently lower than in recent years," she added.

She also felt that the private equity industry will need to adapt and change to take into account the changes in the market. She said that fund raising for start-ups and first time funds will be extremely tough.

In the Middle East and North Africa region, 65 per cent of the funds announced in 2008 are yet to be raised.

"However, there are a number of houses with significant dry funds, and as valuations become more attractive and the level of uncertainty decreases, we expect to see private equity firms become more active," McCrostie said.

She said that she expects the first move to be made into the defensive sectors of health care, education, food and drink, and infrastructure.

"The formula for success is the same whatever the business - PEs that adapt to take advantage of the opportunities that a downturn may offer, are more likely to succeed," she said.

"The formula for success is the same whatever the business—the PEs that adapts to take advantage of the opportunities that a downturn may offer, will more likely succeed." Pip McCrostie

There's a riot goin' on

It's been a busy month, particularly in the real estate sector.

Allen Quaye asks whether signs of recovery are starting to show?

The property market in the UAE was buzzing last month with some hot news, and that despite the market being supposedly down and out, bereft of any demand at all.

CityScape Abu Dhabi was the star, of course. It felt good once again, as we had some big announcements coming through.

Take the launch of AlMarkaz in Abu Dhabi, for example - a major announcement, it's a six square kilometre, AED4 billion mega-project with warehouses and storage, light industry companies, plus accommodation for 32,000 workers.

Whilst we're on mega-projects, consider the announcement from Saudi Arabia that pharmaceutical major Sanofi-aventis is to establish a significant presence in King Abdullah Economic City, the single largest private sector development in the region.

Or, consider the fact that Abu Dhabi's Sorouh have put in place a new customer plan for alghadeer, its mixed use community midway between Abu Dhabi and Dubai - the result, says Sorouh, of "extensive analysis of current and future market conditions". In effect it means better prices, more value for money and rescheduled payments. A cynic might say there's little choice in times such as these, but of course, it will help those who wish to buy. And that's good news.

There's still so much happening but, whilst we're all trying hard to keep our chins up, to build confidence and to keep plugging away, there is still a palpable sense of uncertainty in the air.

And it's a feeling summed up by two reports this month, both from respected international real estate consultants.

The first said: "While many pundits have written off 2009 completely, market participants cannot share the luxury of inactivity, and will look to make best use of the market insight that professional investors' requirements now need to be satisfied and addressed in order to stimulate activity in the short-term."

And, "Whilst we believe 2010 could see a levelling period and the hopeful matching of sellers and buyers expectations, in the absence of any strong underlying global indicators, this is at best optimistic."

So, there's a long way to go before we get back to normal, then.

The day after this research arrived, another report dropped into the editor's mailbox.

Only this time apparently, there were early signs of renewed confidence in the property market. According to this research report, "for both Abu Dhabi and Dubai, positive signs of early recovery are emerging."

Now, I'm not questioning who's right or who's wrong. Nor am I trying to point out the absurdity of trying to predict how a real estate market might move. Both reports consider different aspects of real estate and it's, probably, unfair to single out a few simple quotations.

But that's not my point. It's the confusion that's getting to me and the fact that it's hard to know where to turn at times like these. It's hard to make an informed decision, to know what to do with our money. Is it a good time to buy a house or should we all be hiding our money under the bed? Just in case.

I mean, if experts don't know, what chance do I have? I want to believe that things are improving, but age and experience say, 'Get Real'.

I also had a moment of clarity, a dawning realisation, this month. I have to keep plugging away, live within my means and try to use a little common sense.

And I realised that I knew that all along.

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

World's largest Islamic bank to launch this year

In an interview with CNBC Arabiya, Adnan Yousef, CEO of Al Baraka Banking Group, said that Sheikh Saleh Kamel, chairman of Al Baraka Banking Group, is heading an alliance to launch the world's biggest Islamic bank before the end of this year, with an initial public offering of US\$3 billion.

Youssef, who is also the chairman of the Union of Arab Banks said: "We have already completed the necessary research for launching the Islamic bank and there are currently discussions between Sheikh Saleh Kamel and investors to prepare for the public offering."

The 'mega bank' announced last year will have an initial capital of US\$10 billion through a number of initial public offerings and private stock options.

BankMuscat subordinated bond issue offers eight per cent

BankMuscat has launched a subordinated bond issue carrying eight per cent annual yield. The bond issue targeting to raise OMR60 million will be open for subscription for a month until May 7.

The face value of the bond is OMR1.000 each with the issue price pegged at OMR1.010, including 10 baisa towards issue expenses. Investors can apply for a minimum of 100 bonds and in multiples of 100 thereafter.

The bond will have a maturity of seven years from the allotment date with returns of eight per cent per annum. The interest will be payable semi-annually in arrears.



BankMuscat officials announcing the bond issue

Qatar sovereign bonds rated

Moody's Investors Service has assigned foreign currency ratings of Aa2 to the dollar-denominated senior unsecured bonds issued by the government of Qatar. The ratings are in line with the government of Qatar's existing issuer ratings, which are also Aa2 with a stable outlook.

The total size of the bond issuance was US\$3 billion, which is split into two tranches: a US\$2 billion tranche maturing in 2014 and a US\$1 billion tranche maturing in 2019.

Doha Bank sells equity portfolio to government

Doha Bank has completed the necessary formalities towards the sale of the identified DSM equity portfolio to the government in a US\$147 million deal.

The deal is part of the government's measure to infuse liquidity into the market to support the ongoing developments of Qatar and the related financing needs.

"In this regard, the government has paid US\$66 million in cash and US\$81 million by way of issue of a five-year government bond carrying a fixed coupon of 5.5 per cent annually," said R. Seetharaman, CEO of Doha Bank.



R. Seetharaman

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AXA Cooperative IPO held in Saudi Arabia

AXA Cooperative Insurance Company (AXA Cooperative), a Saudi joint stock company (under formation), appointed Morgan Stanley Saudi Arabia as underwriters and Aljazira Capital as the lead manager for AXA Cooperative's initial public offering (the Offering).

The offering consisted of eight million shares in AXA Cooperative, representing 40 per cent of its share capital. Priced at

SAR10 per share, the offering was open to all Saudi nationals for subscription from April 18, 2009 until April 27, 2009. Divorced or widowed Saudi national women with children from a non-Saudi husband can also subscribe on behalf of their children. The minimum subscription was for 50 shares and the maximum was 100,000 shares.

AXA Gulf is the largest shareholder of AXA Cooperative with a 32 per cent shareholding.

Heritage, the captive management and insurance services provider, has received a DFSA licence to establish an insurance management company. Heritage Insurance Management (Dubai) Ltd, is the first independent captive manager to set up in Dubai. The company will provide risk management and insurance solutions to both the public and private sector. Heritage Insurance Management (Bahrain) W.L.L. was established in Manama, Bahrain in November 2008.

HSBC to offer 75 per cent mortgages

HSBC Bank Middle East Limited announced in the UAE last month that loan-to value (LTV) ratios have been increased to 75 per cent on its Flexi-Loan and EIBOR based mortgages as well as on HSBC Amanah Home Finance.

HSBC's EIBOR "Tracker" mortgage offers customers 100 per cent transparency on pricing methodology and is benchmarked against the three months EIBOR plus a fixed margin depending on LTV. The bank guarantees a rate review every quarter on January 1, April 1, July 1, October 1 and the rate will be automatically re-set in line with the actual current three month EIBOR rate.

HSBC Flexi-Home Loan also offers a variable interest mortgage rate - the adjustment is based on the discretion of the bank and market conditions. This rate is also reviewed every quarter.

HSBC mortgages are available to expatriates and nationals with loan terms of up to 25 years or until the age of 65, whichever comes first. LTVs vary across the bank's approved developers. The list can be viewed at www.hsbc.ae

In other mortgage news, in the UAE Amlak and Tamweel will be back lending soon. Watch this space.

Société Générale Asset Management, (SGAM), has sold its London-based asset management subsidiary, (SGAM UK), to GLG Partners Inc. (GLG). GLG will ensure the continuity of the funds and mandates previously delegated to SGAM UK.

Lloyds TSB Middle East has partnered with Network International, to act as the bank's new card processing and services provider.

All Lloyds TSB Middle East credit and debit card processing, operational support and ATM acquiring has migrated to Network International. Network will provide Lloyds TSB Middle East with smart chip certified solutions, plus Lloyds TSB Middle East customers will also be able to use Emirates NBD and Emirates Islamic Bank ATMs for free. The bank will now issue Chip and PIN debit and credit cards to existing customers on a renewal basis and to all new customers.

Mashreq's Makaseb Emirates

Opportunities Fund (MEOF), won the Lipper Fund Award 2009, for the best fund over three years in the Equity United Arab Emirates category. The distinction is based on consistent risk-adjusted performance in the United Arab Emirates Equity category relative to its peers.

Payments and compliance solutions

provider, EastNets has now received its DIFC licence.

Global Investment House has made a

cash distribution of eight per cent to its investors in the Global Mena Ijarah Real Estate Fund, the second dividend distribution that the fund has made to its investors. An earlier distribution was made in January 2009.

Man has launched a new investment

management business with transparent access to hedge fund investing through fund of fund portfolios and customised solutions for both institutional and private investors.

RESULTS ROUND UP

Arab Banking Corporation's

consolidated group results for Q1 2009 has sprung back to a profit of US\$32 million, compared to net loss of US\$28 million recorded for the previous quarter.

National Bank of Fujairah has returned to profitability with net profit of AED30.3 million in Q1, 2009.

Commercialbank of Qatar announced Q1, 2009 net profits of QAR610 million, up 40 per cent compared to the QAR436 million for the first quarter of 2008. The figure includes QAR165 million profit on sale of property assets.

Dubai Islamic Bank reported an AED1.73 billion net profit for the year, 2008.

Al Rajhi Bank has announced SAR1,732 million in net profit compared to last year's SAR1,424 million - up 21.6 per cent.

Dubai Bank reports net profit for 2008 of AED226.1 million, up 7.26 per cent over 2007.

Doha Bank net profit for the first quarter of 2009 increased by over 20 per cent to QAR330 million, compared to QAR274 million for the same period in 2008.

Saxo Bank, has announced an increase in operating income of 61 per cent, and a net profit increase of 23 per cent for 2008 - which proved a record year for the Copenhagen-based online specialist.

Citigroup Inc. has reported net income of US\$1.6 billion for the first quarter of 2009 and a loss per share of US\$0.18, based on 5,385 million shares outstanding.

National Bank of Abu Dhabi reports net attributable profit of AED770 million in the first quarter of 2009, 57 per cent up on the fourth quarter of 2008.

Global Investment House (Global) has announced an overall loss for 2008. As a result, Global reported a profit of KWD45.2 million from asset management, investment banking and brokerage lines of business and an overall net loss for the year of KWD257.6 million (KWD0.225 per share), down from 2007 profit of KWD91.4 million.

For full details go to www.moneyworks.ae and search 'Global Investment House'.

NASDAQ DUBAI Q1 trading volumes up 62 per cent

NASDAQ Dubai's equities trading volumes increased to 1.04 billion in Q1 09, a rise of 62 per cent from the first quarter of 2008 (640 million) and of 27 per cent from the fourth quarter of 2008 (817 million).

Trading in equity derivatives has also increased "satisfactorily" since they were listed on the exchange in November 2008. In March, 6,816 equity futures contracts traded, up from 386 in February and 90 in January.

A total of 6,865 Dubai Gold Securities (DGS) traded in March since they listed on March 2, 2009. DGS are designed to track the spot price of gold and are Shari'ah-compliant. The DGS listing was the first on any stock exchange in the GCC in 2009.

The exchange plans to expand its



Jeff Singer, CEO, NASDAQ Dubai

derivatives market by listing options on equity indices and individual equities.

Since introduction in November 2008, equity trading volumes reached 15.1 million on Sundays in March, a 308 per cent rise from 3.7 million on Sundays in February.

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Can Qatar ride out the financial storm?

As the Gulf contemplates contraction or low growth in the civil construction sector, the pace of projects in Qatar continues a strong upward trend, according to a study.

"While the Qatar economy is not immune to the global economic slowdown, it is expected to continue a reasonable rate of growth this year driven by the benefits from a long-term strategy to export liquefied natural gas from its vast gas field," said Emil Rademeyer, director of Proleads Global, authors of 'Insight Qatar'.

'Insight Qatar' finds that the industry, at the end of March 2009, has 191 major projects with a total value of US\$82.5 billion.

In spite of the global credit crunch, all major Qatar projects are still operating. Analysis of completed projects finds that more than 82 per cent of all projects are late but that delays do not affect budgetary spend.

A previous Proleads Insight investigation, published in February 2009, found that more than half of all civil construction projects across the same sectors in the UAE were on hold.

Rademeyer said: "The Qatar industry is showing good growth as a whole. Only the leisure and entertainment sector may see a slight decline from December 2008 to December 2009."

Moody's revises Dubai ratings outlook

Moody's concluded its review of the ratings of six government-related issuers (GRI's) in Dubai and took multiple rating actions resulting in confirmations of four companies, and downgrades on two companies. The outlook on all ratings is negative.

Companies whose ratings were confirmed are DP World (rated A1), Dubai Electricity

& Water Authority (DEWA, rated A1), Jebel Ali Free Zone (Jafz, rated A1) and DIFC Investments (DIFCI, rated A1). The outlook on all ratings is negative.

Dubai Holding Commercial Operations Group was downgraded to A2 from A1, and Emaar Properties, was downgraded to Baa1 from A3. The outlook on both ratings is also negative.

Managing liquidity risk is crucial for long-term stability

At a forum titled "Liquidity Risk Management in UAE," held in Dubai last month, critical financial issues were examined regarding risks that arose from the changes in global economic conditions and its impact on the UAE.

Experts from the financial risk management industry cited reining in liquidity risk as crucial to the long term stability of UAE banks.

The forum, organised by the Global Association for Risk Professionals (GARP) and FRSGlobal, a Belgium-based provider of enterprise-wide risk management solutions, was hosted in partnership with Emcredit, the UAE government-backed credit bureau. This high-level roundtable was attended by financial and technological risk experts, with sessions moderated by Dr. Nasser Saidi, chief economist, DIFC,



Attendees at the recent forum listening to EmCredit's Zaid Kamhawi

and Jaidev Iyer, managing director of GARP.

Dr. Saidi pointed out that the ongoing credit crisis gripping banks and financial institutions happened despite stringent liquidity norms laid down by Basel and in spite of regulation by domestic central banks. "Such a scenario has prompted the need for new liquidity management

norms, both internally and industry-wide. Banks need to internally have effective and good governance and risk management practices as well as transparency, and checks and balances so that any aberrations in liquidity risk management are visible immediately to management for prompt action.

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Rasmala lists fund on Irish exchange

Rasmala Investments has listed its award winning Rasmala MENA Equity Opportunity Fund on the Irish Stock Exchange. It's the first publicly-listed Fund of Funds to offer international investors access to the MENA region including Saudi Arabia, UAE, Kuwait, Oman, Qatar, Bahrain and Egypt.

S&P Shari'ah indices lose ground in Q1

Standard & Poor's global benchmark index of Shari'ah-compliant companies lost further ground over Q109, declining more than six per cent as ongoing financial market disruptions, the liquidity crunch and slowing world

economies continued to hamper market performance. However, Standard & Poor's latest quarterly review confirmed Islamic investors continued to benefit from their lack of exposure to the underperforming financial sector.

Currency futures look like the most attractive alternative asset class in the UAE so far in 2009, led by continued price volatility and a focus on currency risk hedging strategies, says Malcolm Wall Morris, CEO of the Dubai Gold & Commodities Exchange. Ongoing volatility, he believes, in the currency markets will continue to encourage market participants to hedge exposure to foreign currencies.

Risk appetite makes a comeback: Survey

According to the Merrill Lynch Survey of Fund Managers for April, global economic optimism is at its highest since 2004 and risk appetite has started to pick up. A net 26 per cent of respondents say the global economy will strengthen in the next 12 months,

up sharply from negative 24 per cent in January.

In contrast to March, investors are starting to act on the improving outlook and are unwinding previously-entrenched, bearish positions. Investor pessimism on bank stocks has begun to recede.

Standard & Poor's has affirmed its 'BBB+' long-term counterparty credit rating on Bahrain's Gulf International Bank B.S.C. (GIB) and removed it from CreditWatch negative where it was initially placed on February 10. The rating action reflects the recent sale (effective as at December 31, 2008) of a significant portion of GIB's investment securities portfolio to its shareholders.

Moody's assigned a foreign currency rating of Aa2 with a stable outlook to the upcoming US\$10 billion dollar-denominated global medium-term note programme issued by the Abu Dhabi government. Standard & Poor's has assigned an 'AA' long-term senior unsecured debt rating.

Dubai Gold & Commodities Exchange reported record volumes in March 2009. Total volume on DGCX grew 39 per cent over February reaching 101,215 contracts. Volume growth was driven by increased currency futures volume, especially in Euro-Dollar and Sterling-Dollar, up by 37 per cent and 136 per cent respectively. DGCX Indian Rupee-Dollar, Gold and WTI futures also recorded higher activity during March over February.

UAE property market starting to stabilise: Landmark Advisory

Landmark Advisory has launched its new Q2, 09 Dubai & Abu Dhabi Real Estate Report, which highlights the early signs of renewed confidence in the property market.

"For both Abu Dhabi and Dubai, positive signs of early recovery are emerging. Property listings are drying up as owners increasingly prefer to hold their properties for the medium to long-term, instead of discounting prices further just to attract immediate buyers. Meanwhile, more owners are choosing to lease their properties as a cash-generating alternative to selling," said Jesse Downs, director of research and advisory services, Landmark Advisory.

According to Landmark, average prices in Dubai during Q1, 09 decreased 23 per cent for apartments and 32 per cent for villas, compared to Q4, 08. Prices for four-bedroom villas suffered the heaviest declines, at 16 per cent. Average leasing rates for apartments decreased four per cent in Q1,09, with one-bedroom apartments declining the most, at 11 per cent. Average villa rents declined by 17 per cent, but the number of villa rentals increased by 26 per cent.

Overall, residents are favoring moves to higher quality developments in Dubai.

"The leasing market in Dubai is still strong, showing continued interest from internal relocations and excess demand from Abu Dhabi. The future of sale prices and transaction volumes will depend largely on the evolution of lending policies and demographic changes over the next four months. In terms of population, additional outflows are likely to coincide with the end of the school year," said Downs.

Turning to Abu Dhabi, sale price declines accelerated during Q1, 09, after falling by 5-15 per cent in Q4, 08. Secondary market listing prices fell 15-20 per cent for apartments and 25-30 per cent for villas. However, by the beginning of Q2,09, sale prices started to stabilise as sellers slowed the pace of price-cutting.

Abu Dhabi's rental market has also stabilised. After sky-rocketing in 2008, some rents have begun to show signs of a marginal correction. On average, asked rents for apartments remained stable during Q1, 09. Villa rents, however, decreased 10-15 per



Jesse Downs

cent, with listed rents on four-bedroom units falling the most, at 20 per cent.

"Abu Dhabi's sale prices are starting to stabilise, indicating improved market confidence. The buyer-profile is changing: end-users are replacing investors as the predominant owners of freehold property. End-users are particularly interested in developments that are close to completion. Investors, on the other hand, are waiting for a price floor to emerge in order to reduce risk and maximise future returns," said Downs.

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

Sorouh Real Estate PJSC is introducing

a new customer plan for alghadeer, the mixed use community midway between Abu Dhabi and Dubai. The initiative, the result of "extensive analysis of current and future market conditions", includes a reduced selling price, revised built-up areas to maximise equity value and re-scheduled payment plans with financial support through lending partners.

More than AED750 million worth

of property from across the world was showcased by Chesterton UAE at Cityscape, Abu Dhabi, in celebration of the company's new Abu Dhabi office, its first in the UAE.

The company's new Abu Dhabi office, opposite the main entrance to Al Reem Island, is the head office for Chesterton in the UAE and the company's regional hub. Chesterton is planning expansion in the GCC and North Africa, and is set to open its second office in the region in Libya before the end of 2009.

RAKBANK promotes Abu Dhabi mortgage

Buyers of Abu Dhabi property, who sign up for a mortgage deal with RAKBANK before end of June, can get home loans with interest rates at 7.49 per cent, down from the previous rate of 8.3 per cent, depending on type of employment and loan amount.

The promotion began last month during Cityscape Abu Dhabi and applies to UAE nationals, residents and non-residents

purchasing existing and upcoming residential freehold projects, including those on Al Raha Beach and Yas Island by Aldar, and the Shams project on Reem Island by Sorouh.

The bank offers up to 90 per cent mortgage finance, up to a 25 year loan tenure, and requires a minimum salary of AED10,000.

Turn to page 60 for the latest **MONEYworks'** UAE mortgage table.

RERA endorses Mizin's escrow account

Mizin, the real estate property developer and a member of Tatweer, announced that the Real Estate Regulatory Agency (RERA) has endorsed its existing escrow account for the REMRAAM community.

While an internal escrow account for its REMRAAM community had been in place for some time, Mizin has fast-tracked the independent endorsement of this account

by RERA to safeguard its customers' investment.

The endorsement follows Mizin's announcement that its REMRAAM development was amongst the first projects to have completed the mandatory registration of all units with the Land Department within the specified timeframes in full compliance with Dubai Law Number 13 of 2008.

Emirates NBD launches Emirates Investment Services in Riyadh

Emirates NBD has launched Emirates Investment Services in Riyadh (EIS - KSA). A subsidiary company of Emirates NBD, EIS has opened up in the heart of the business area at Al Tahlia. Licensed and approved by the Saudi Capital Markets Authority, EIS will provide brokerage, asset management, corporate finance advisory, investment advisory and custody services to Kingdom's market. Further plans are in place to open additional offices in other cities in the future.



Khalid Kalban, EIS chairman, cuts the ribbon

For more on this, go to www.moneyworks.ae and search 'Emirates Investment Services'

IndusInd Bank offers enhanced NRI banking services in the GCC

IndusInd Bank has launched enhanced NRI banking service offering for its non-resident Indian (NRI) account holders based in the UAE and GCC region.

The NRI banking service comes with Indus Assist and Indus NEAT (NRI Enquiry Assistance Tracker). Indus Assist service has been introduced to assist IndusInd Bank's customers in filing their taxes, undergo Permanent Account Number (PAN) application

processing and pay income and property tax. Indus NEAT is an online query resolution service which will assist IndusInd Bank customers in solving their banking, taxation and finance related queries. Customers can visit IndusInd Bank's website - www.indusind.com and post their queries under the section Indus NEAT. IndusInd Bank will get a response to the query from an expert within 72 hours.

Mashreq teams with PayMate

Mashreq, has partnered with PayMate, India's leading mobile commerce company to launch mobile payments in the UAE. Offerings will include paying for over-the-counter shopping, utility bills, online purchases via mobile as well as mobile applications enabling purchase of movie and flight tickets.

While making payments customers can either punch their card details on the mobile application or simply enter the PayMate PIN. To use PayMate's free mobile payment service, customers need to make a one-time registration to link the Mashreq account to their mobile number, after which they can transact at accredited merchants. Each payment will be authorised by a 4-digit PIN to ensure complete transaction control and security. The amount will be charged directly to the customer's credit card or bank account (in the case of PayMate registered users).

The new service uses an SMS based platform and works across all telecom operators. Enhanced security and risk-control is ensured through a two-factor PIN authentication and banking grade data security (PCI-DSS 1.2 certified).

Omniyat Property Services ties up with Independent Finance

Omniyat Property Services (OPS) has partnered with Dubai-based Independent Finance for financing solutions to owners and tenants of Omniyat projects. OPS can now help investors deal with financing for fit-out and financing for the 15 per cent payment.



Acuma announces collaboration with new Dubai-based website

Acuma has announced its partnership with MyMoveDubai.com, a new website dedicated to providing essential information to those relocating to, and living in, Dubai.

Following on from sponsorship of the UAE Professional Golfers' Association, this collaboration is the latest in a series of strategic links which are designed to promote Acuma amongst an audience of professionals who will benefit from the expert financial planning services that Acuma provides.

Cormac Sheedy, co-founder of My Move Dubai, said, "We are very excited about our tie-up with Acuma. At My Move Dubai we associate with well-established partners. For people arriving in, or even leaving Dubai, getting sound, professional financial advice is crucial, and we believe Acuma are really well-positioned to help these people."

2009 is already proving to be successful for Acuma. It continues to buck financial trends and has recorded a 37 per cent increase in business year to date compared to the same period last year, whilst its latest recruitment drive has brought its team of qualified consultants to more than 50.

For more information about Acuma, call +971 4 332 8582, email info@acuma.ae or visit www.acuma.ae





Emaar, The Economic City, the developer of the 168 million square metre King Abdullah Economic City mega-project, has re-launched its website, www.kaec.net.

iShares has launched its first ETF product with underlying assets in the GCC, ex-Saudi Arabia. The IGCC will track the MSCI GCC Countries ex-Saudi Arabia index. It's not an 'oil fund' and is primarily focussed on the services and banking sectors. The IGCC ETF is listed on the London Stock Exchange and has begun trading in US dollars.

Emirates NBD has launched the Emirates MENA High Income Fund, which will be managed by Emirates Investment Services Ltd. The fund will buy equities and fixed income securities issued by companies based in the Middle East and North Africa or who derive a significant portion of their earnings from the region. The fund targets annualised distributions of US\$ Libor, plus 300–500 basis points. Minimum investment is US\$25,000 for individuals and US\$1,000,000 for institutions.

Rakeen, the real estate development arm of the Ras Al Khaimah Government, has signed an agreement with Bank of Baroda to offer mortgage financing to investors and property buyers of the development. Rakeen's finance department has also set up a dedicated team to assist customers with the financing programme.

Visa Inc and Emirates NBD have signed a long term strategic partnership, to expand the bank's debit offerings, in a partnership aimed at growing the debit card business in the UAE and improve the card payment experience for customers. As part of the partnership Visa will support Emirates NBD in developing the bank's debit portfolio.

HSBC eases personal loan requirements

HSBC Bank Middle East has reduced the minimum salary requirement for personal and auto loans to AED10,000 in the UAE.

Personal finance is available from AED50,000 to a maximum of AED250,000 up to a maximum tenure of 60 months. Customers must now have an account with HSBC and can take loans for new as well as used cars, up to a maximum tenure of 60 months.

The bank is still taking a cautious approach, however. Abdulfattah Sharaf, CEO of personal financial services, HSBC Bank Middle East said; "Although we have relaxed salary levels for personal and auto finance, we will adapt a cautious approach to assess customer's credit worthiness and offer loan amounts based on repayment capacity."

For regular product updates go to www.moneyworks.ae

Emirates NBD launches special finance scheme for UAE Nationals

UAE nationals can now get personal loans up to AED2.5 million at a 9.99 per cent from Emirates Bank or NBD branches. The deal features enhanced credit life insurance up to a maximum sum insured on any one borrower up to AED2.5 million that guarantees repayment too, a first of its kind in the region.

"The UAE special finance scheme is available to eligible UAE nationals with a regular source of income. The minimum interest rate of 9.99 per cent is available to select set of customers for limited



Saif Al Mansoori, head of marketing CWM at ENBD

period only," said Saif Al Mansoori, head of marketing consumer banking & wealth management (CWM) at ENBD.

Low fares airline Jazeera Airways has launched a Happy Hour on its website, offering a different special offer daily on selected routes, from 1.00pm – 2.00pm Kuwait time, seven days a week for the next year. Go to www.jazeeraairways.com

New Turkish Euro mortgage service launched

A new Euro based mortgage service is available from Offshoreonline.org, the specialist overseas mortgage broker. Loans of up to 70 per cent of a property's value are being offered on a capital and interest basis only. Loans can be structured over

terms between seven to 20 years, with a minimum loan size of euro 50,000.

Interest rates are linked to the European Central Bank's reference rate, Euribor. Currently buyers can secure funding at rates from 4.95 per cent.



Nexus has become the first insurance intermediary to advise retail customers in and from the Qatar Financial Centre (QFC). From its new office at QFC it will provide insurance and investment advice to businesses and private customers.

Madania instigates property auctions

Madania Real Estate has launched a property auction programme that will allow real estate sales between vendors and buyers in an effort to ensure that the price paid is a true reflection of the property's market value. The first event has been set for May 19, 2009 in Dubai. Raymond Kuceli, chief executive officer, Madania, said: "As the downturn in the global economy impacts the real estate sector in the region we continue to see negative sentiment affecting the behaviour of vendors and buyers. As a consequence, the level of transaction activities is significantly reduced as both vendors and buyers struggle to determine a true value for a given property."

Kuceli believes the benefits to vendors and buyers makes it popular: "The auctioneering sales method puts the product before price and gives vendors the opportunity to achieve the absolute maximum, which may be above their expectations, and most definitely ensures they don't under-sell. Vendors are also always in control, they can target cash buyers and create urgency in the buyer as the auction date sets a conclusion time. The buyer benefits from a competitive buying environment and a true value for the property, while all parties have the advantage of transacting in a process with optimal transparency and integrity."

For more on this go to www.moneyworks.ae and search 'Madania property'

Emirates NBD's new private banking centre near the Burj Al Arab was officially opened last month by Jamal Bin Ghalaita, general manager consumer banking and wealth management at Emirates NBD and the new general manager of private banking, Robbert Jan Voogt. Emirates NBD also opened new branches at the Burjuman Business Tower and Al Barsha.

Emirates NBD's new private banking centre near the Burj Al Arab was officially opened last month by Jamal Bin Ghalaita, general manager consumer banking and wealth management at Emirates NBD and the new general manager of private banking, Robbert Jan Voogt. Emirates NBD also opened new branches at the Burjuman Business Tower and Al Barsha.

Arabian Automobiles has teamed up with Al Hilal Bank for Islamic car finance deals that feature on-the-spot approval. Customers with a minimum salary of AED6,000 per month and above can get a zero per cent down payment option and a 4.5 per cent profit rate over four years. For a longer contract term, over four years, the profit rate is 4.75 per cent. Customers with a minimum salary of AED5,000 per month have to put down at least 10 per cent - and get a 4.5 per cent profit rate for four years and 4.75 per cent for longer terms.

Appointments - April 2009

Abu Dhabi Investment Company (ADIC) has hired Alex Carr de Malberg as head of investment banking to lead its advisory business for M&A and capital-raising from Rothschild to build a team to give advice on cross-border investment.



Dr. Armen V. Papazian

UBS has appointed Dr. Armen V. Papazian as head of Islamic finance based in the firm's Dubai International Financial Centre branch in the UAE.



Mohammed Abdul Karim

American Express Middle East and North Africa has appointed Mohammed Abdul Karim as UAE director to spearhead its growing operations in the UAE.

The Board of **Qatar Insurance Services (QIS)** has announced the appointment of James Sutherland as chief executive officer of QIS.



James Sutherland

Mashreqbank has appointed John Iossifidis as executive vice president and head of international banking.



Mounir Hussein

Deutsche Bank has appointed Mounir Hussein as its chief country officer for the UAE and general manager of its branch at DIFC. He will also continue to hold his current position as Deutsche Bank's chief country officer for Qatar and general manager of its branch at the QFC. The bank has also appointed Joe Barchini as chief operating officer for the UAE and Qatar. Barchini will report to Mounir Hussein and Alexander Schuetz, chief operating officer for the Middle East and North Africa region.



Joe Barchini



Jason Toussaint

World Gold Council (WGC) has appointed Jason Toussaint as managing director of exchange traded gold, the WGC's global initiative designed to promote and develop the gold exchange traded fund and exchange traded commodity market.



Robbert Jan Voogt

Emirates NBD has appointed Robbert Jan Voogt as the general manager of private banking.



Vahan Zanoian

Bahrain-based **First Energy Bank (FEB)**, the world's first Islamic investment bank focused exclusively on the energy sector has appointed Vahan Zanoian as CEO.



Dr. Dwayne Banks

Dr. Dwayne Banks, dean of the **School of Business Administration** at the American University in Dubai, has been elected to a two-year term on the board for the International Assembly for Collegiate Business Education (IACBE). He will serve as the representative for the IACBE's Asian region.

Bahrain's **Tharawat Investment House** has been joined by three Bahraini directors as part of its Bahrainisation drive. Abdul Raouf Al Mehza'a, Abdul Rahman Al Awadhi who join as placement directors and Anwar Ahmed Ali who joins as finance director.



Abdul Raouf Al Mehza'a



Abdul Rahman Al Awadhi



Anwar Ahmed Ali



Credit Cards: Time to take a breath

After a hectic growth period, the UAE credit card industry is pausing for breath. It's also looking away from the lower end of the market, focusing more on relationship and the higher end of the market. **Utpal Bhattacharya** finds out why.

Even until early this year, there were all sorts of credit card salesmen pushing their wares without exception to whomever would pay for them. In the UAE, the quest for market share reached fever pitch last year, and the mass market was flooded with credit cards of all hues and makes. Those were the days of the “Wild West”—the gold rush to Dubai had touched the farthest corners of the society.

Even **MONEYworks'** staff received phone calls for credit cards!

There were even instances of sales executives pleading for help, as they had to complete their quota for the month. Were they unable to meet their sales targets, they would not be entitled to certain levels of commissions.

In one classic instance, this writer remembers, one young sales executive, saying: “Sir, if you have

many credit cards, I am sure you won't have any problem to add another one. Just don't use it when you get it. But you'll have really helped me if you apply for our card.”

And the banks claim that they are constantly training their sales teams! Although it's not fair to point fingers at the whole industry, there are undoubtedly enough instances that can be cited when a lack of ethics had become quite conspicuous

Historically, on average, delinquency levels in credit card portfolios in the UAE have been around four per cent at the lower end to nine per cent at the higher end. Most banks have seen an increase in these levels between 60 and 100 per cent.

Perera, HSBC's regional head of cards, says: "The mass market is not gone. It is very much there. Maybe, the measure by which you ascertain the mass market, has gone up. Maybe we were offering cards at AED2,500-3,000 monthly salary. That may have changed now."

R.Sivaram, Emirates NBD's head of cards, is more forthcoming. He admits that the card market below the AED7,000 monthly salary levels is not there in the UAE any more, as banks have become risk averse.

According to industry sources, the UAE market has a total of three and half million credit cards in circulation, and 75 per cent of these cards are in the low end, which is the AED7,000 and below level. The spending on cards is much higher in the premium segment, as between gold and platinum cardholders, they contribute about 50 per cent of the spend, while the rest of the half comes from lower end of the market.

Stress in the portfolio

With the economic downturn hitting the economy, it is obvious that there have been job and financial

losses, and which has built up significant stress levels in credit card portfolios. Whilst different GCC countries have had varied levels of stress to cope with, nothing has come near to Dubai, according to bankers. Dubai, of course, was on a hyper growth trajectory and has been affected the most when the unwinding began late last year.

But, surprisingly again, bankers say that the real levels of damage are much less than many people have talked about. William Keliehor, Citibank's cards division head for Middle East, Africa and Pakistan, says that both revolve rates and credit losses have increased only slightly, just a few percentage points each over what existed before - not too much of a cause for worry.

The average revolve rate in the UAE credit card portfolio is about 70 per cent, according to bankers. The increase in the rate has been about five to six per cent on the existing rate, they say.

"Besides, not all markets in the region are showing the same patterns in stress. For example, Bahrain did not have the stress the UAE has. This could be predominantly because Bahrain is

with hard pressed sales executives, whose only aim it seemed, was to meet targets.

However, those days are gone, and with that the mass market for cards has also seen its demise. Bankers are uneasy discussing the subject of the mass market. Thimal



R.Sivaram



William Keliehor



Thimal Perera

a smaller place, and I think it was a bit insulated from a lot of hyper growth of the UAE,” explains Keliehor.

There are also some differences in opinion among the leading banks in the UAE on how the downturn has affected the spending on cards. HSBC, which is the market leader, does not see a big drop in spend as of now. Also, Perera feels that he would be in a much better position to analyse and give a proper picture in a few months from now. Keliehor talks of a five per cent drop across the portfolio in terms of spend, while Sivaram says that there has been a decline of 15-20 per cent in spends across portfolios.

“Card spends have dropped 15 to 20 per cent, most of it in luxury. There is also some drop in the day to day expenses. The impulse buying is perhaps no longer there,” says Sivaram.

Adds Keliehor: “We see a shift away from spend on luxury items to more basic items. We also see a shift on international spend to more GCC spend. So, people are taking shorter trips.”

Sivaram agrees, but also adds that the industry will be in a better position to gauge the drop in leisure travel once summer vacation for schools start later this year.

However, card spend on business travel, including hotel, ticketing, and other travel and entertainment expenses, is down almost 25 per cent, according to him.

“It is also important to understand that the volumes in units of transactions may not have fallen that much; but, since prices have come down quite drastically, it is reflecting as a large decline in spend,” he explains.

Bankers also agree that the rate of delinquency on credit card portfolios is also going up, as a number of expatriates are forced to leave the country. Bankers also agree that there has been an increase in the numbers of skip cases.

Historically, on average, delinquency levels in credit card portfolios in the UAE were around four per cent at the lower end to nine per cent at the higher end. Most banks have seen an

increase in these levels between 60 and 100 per cent.

“The way delinquency levels have gone up, it would need a big book for banks to absorb losses,” admits Sivaram.

What are banks doing?

Banks in the UAE had betted on the population growth that the market was expecting 12 months back. The bet went awry as global markets turned turtle. But the same banks have now become over cautious. They have gone to the other extreme, and are denying credit cards to those who do not earn high salaries. The whole focus of the UAE’s retail banking is now on the upper end of the market, which constitutes about 25 per cent of the total credit cardholders in the market. Banks are also focusing a lot more on risk management and are selling credit cards to customers that already bank with them, or are insisting on salary

transfers. There is also less focus on sales, and more effort on consolidating and boosting systems and processes. This also means increasing redundancies in the sales departments of banks or their direct sales agents.

There is also a strong emphasis on collections. And most banks are talking to customers facing difficulty in repaying. On a case to case



basis, banks are working with customers to create new payment schedules, so as to make it easy for all parties.

“We are setting up special units to help customers who are having genuine difficulty repaying their loans. We have set up hotlines. When customers come and talk to us, we can come up with solutions for them,” points out Perera.

Keliehor and Sivaram are working with their customers in the same way in their respective banks.

It is also not surprising to hear that most banks do not have plans to launch new credit card products in the next few months. HSBC plans to launch its debit card in the UAE market shortly, while Citibank is set to re-launch some of its existing credit card products with significantly larger benefits. Both Citibank and Emirates NBD are working on beefing up their loyalty programmes, and both of them are working closely with merchants to come up with exclusive offers.

“We have always had successful programmes with merchants. But now, when footfall has fallen, merchants are keener to work with us,” notes Sivaram.

Adds Keliehor: “A downturn is the right time to commit yourself to customers. It is the right time to entrench yourself in building up loyalty, invest in card platforms and systems, sales technologies, etc.”

So, in other words, banks are taking a breather after hectic growth in the past few years. It is likely that this phase of pause will be extended to the next few months before rumours and fears of large numbers of expatriates leaving the country are put to rest. There are some fears that June end could see some serious numbers of people leaving the country. Although there is no basis for targeting June as the month for people to leave, bankers will still wait to find out more at the end of that month. And, until then, activity is expected to remain subdued in the credit cards sales market. In fact, some feel that the market could take a further dip in summer, and then stabilise in the later part of the year, and begin to come back in 2010. One just hopes that newcomers to the UAE, earning less than AED7,000, will not need to wait that long to get their first credit cards once they are here to take up their new jobs. 

More technology initiatives coming: Visa

Kamran Siddiqi, general manager, Middle East, Visa Inc. tells **MONEYworks** that Visa is working on a number of technology initiatives to enable efficient electronic payment.

Banks are cutting credit lines to customers due to the economic downturn. Please comment.

Our role is to enable financial institutions, and they in turn provide people with products. We have a range of products, from pre-paid cards to debit cards, to credit cards, to commercial cards to corporate cards.

Visa's basic role has not changed. If anything, we have become more focused on protecting cardholders and financial institutions on the risk management side. Visa is a key player in the Payment Card Industry Data Security Standard.

Who to lend and when to lend, etc., is a decision of banks. We do not get involved.

Credit cards are a very important offering among your products. If banks are not promoting credit cards, then isn't it hurting Visa?

What's most important for Visa is the secular shift from cash to electronic payments. We are in the business of driving and being part of this secular shift. If you look at our business in the Middle East, more than half of our volumes come from debit cards. It was a very small percentage some years ago.

To speak about products, has contactless technology failed?

It is too early to say if that technology has worked or not. Contactless is still in its infancy. If you look at the history of debit card as a product, it has been around for a long time, but it did not attain the critical mass until much later when circumstances came together for a value proposition that worked for all the parties to make it a success.

For contactless to work, it is no different to the debit or the credit card. You got to have clear benefits for a card holder to change his behaviour. It has also to be technologically possible for merchants, acquiring banks and issuing banks. It has to also provide the right level of economics to all the parties. But that only comes through launching the product and



Kamran Siddiqi

allowing it to evolve, just like debit or prepaid cards.

We are working with banks to at least get the technology right, and then get all parties together and make an economic case for it. Cardholder acceptance of the technology is vital for the product's success after we launch it.

Any new technology initiatives planned in the region?

We did a couple of things. One of these was using SMS messaging to people that came to the Dubai Shopping Festival this year. When they switched on their mobile phones in Dubai, they received text messages from Visa telling them where they could shop. We are beginning to look at working with some of the mobile and telecom companies in the region for messaging. People have their mobile phones switched on all the time. We are looking at doing some communication in that space.

We are also doing a couple of pilots, but I cannot disclose them now.

Any work on small denomination electronic payments?

The short answer is yes. The long answer is I cannot talk about it now, as we are right in the middle of something that we cannot disclose.

What sort of dialogue are you having with your customers now, given the economic downturn?

Our fundamental role has not changed. Other than our products, we bring in a lot of global best practices and experiences to our customers. We have also set up late last year a very senior level forum in the CMEA region called the Visa Advisory Council. It is a group of dozen and half banks from the CMEA region. There are issuing banks, acquiring banks and merchants on it, too.



Deposit rates hit the roof

UAE bank depositors are feeling much better now that their local currency deposits are paying them good rates of returns. A **MONEYworks** report.

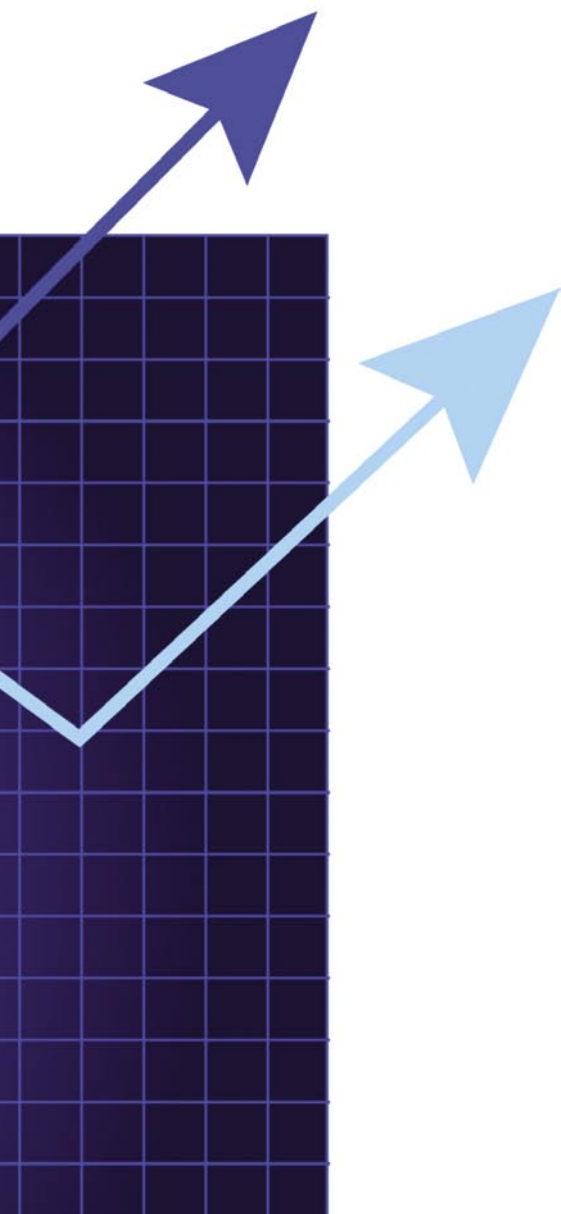
Ben had always complained that his local currency deposits with his local bank hardly fetched him any return, while his investments were going great guns. He complained, being an aware investor, and he knew the risks of investing in 2007. But he had very little choice at the time since inflation was rampant in the local market that year and, to protect his wealth, he had

to invest in instruments that returned more than seven to eight per cent a year.

But Ben was prudent enough not to put all his money in one basket. He invested in mutual funds, but also kept a good part of his money in cash, and a significant part of that in local currency. When the market took a drubbing, Ben was much better off than many of his

colleagues and friends. And today he still doesn't complain. His local bank deposits are fetching him substantial returns in the UAE, between four and seven per cent an annum, and his deposits have a sovereign guarantee.

It's interesting how banks that over lent during the boom time, were forced to come to a market that was devoid of liquidity



some months back to raise deposits. The asset liability mismatch of local banks was accentuated by the fact that their source of funding had dried up. This forced them to offer very high rates of interests to attract deposits to shore up their liabilities side on their books. In fact, a number of them were forced to recapitalise.

“Banks in general depend on external wholesale funding, in addition to customer deposits to fund asset growth. The global credit crunch had a detrimental effect on external wholesale borrowing of banks, as supply tightened and cost of funding went up significantly. This increased the focus and competition in garnering customer

deposits,” explains Arup Mukhopadhyay, executive vice president and group head, retail banking, ADCB.

Sanjay Sen, country business manager, global consumer group UAE and consumer banking head, Gulf region, Citibank, adds: “Banks have been faced with various challenges like deleveraging default, difficult funding situations, lower lending demand, and higher deposit to asset ratios in recent months.”

“What is most important in this period of downturn is to restore the crisis of confidence with customers and hence trying to rebuild trust with them,” he says.

Banks are trying to attract customers with higher rates in order to maintain healthy asset-deposit ratios, he says. They are attracting both short and long term deposits, offering depositors variety of features through innovative products apart from high rates of return, much higher than the inter-bank borrowing rate in the UAE.

Says Karim Beg, head of finance and consumer banking, RBS,UAE: “Banks are introducing new savings and deposit schemes that clients find truly beneficial, like high interest rates coupled with innovative types of products that offer added attractions like raffle promotions, gifts and reward programs that one might normally expect to see associated with credit cards.”

Schemes on offer

The range of liability products to choose from in the UAE market has increased considerably today compared to a year ago.

“In these trying times, customers look for peace of mind, flexibility and guaranteed returns on their hard earned money,” says Suvo Sarkar, general manager, retail banking, Emirates NBD.

Emirates NBD is offering a range of deposit and account products providing customers with good returns, enhanced value and flexibility, claims Sarkar.

Customers can open fixed deposits that offer high returns across a range of one week to five year tenors, and in most major currencies at Emirates NBD. In addition, customers can also open packaged current and savings accounts offering interest, insurance, free card, value added offers

and a range of other benefits to maximize returns and convenience.

HSBC has made some of its existing schemes more attractive for depositors. Some of these schemes are: HSBC eSaver account, Time Deposit Account and Recurring Deposit.

“We adopt our business model to deal with market changes and offer the customer relevant options,” says Abdulfattah Sharaf, CEO of personal finance services, HSBC Middle East.

“HSBC deposit rates are linked to interbank money market rates, and the bank does not differentiate between tenors of deposits. Currently, longer tenors above six months yield slightly less than tenors of six months or less due to the market scenario (inverted yield curve),” he adds.

In the first half of the current year, the bank launched HSBC Amanah savings account and HSBC Amanah term investment, both with lucrative savings and investments propositions.

In fact, every other bank in the country claims to have come up with some sort of uniqueness in their deposits schemes. RBS Interest First, for example, offers up to five per cent interest and tenors ranging from one month to six months with benefit of interest being paid up front on day one.

“We are looking at providing our customers with solutions, which are tailored to their needs,” notes Omar Asghar, senior vice president and head, wealth management, Mashreq.”

“In light of the challenging economic environment we have redesigned the iconic Mashreq Millionaire product by introducing weekly draws, In addition to making dreams come true, we also have our innovative savings solution called the ‘Easy Saver’,” he adds.

Mashreq is also offering fixed income products that meet customer requirements for periodic income from their savings. Capital growth and capital protection schemes are also being offered.

In the first quarter of 2009, ADCB launched Maxima Plus deposit, which offers customer a return of seven per cent per annum on a one year fixed deposit. The attention to interest rates was flanked with two other fixed deposit

A select range of liabilities products in the UAE market		
Banks	When introduced	Liabilities products
RBS	February '09	Interest First Fixed Deposit: It pays five per cent interest on day one to the customer with a tenure option of one, three and six months to principal amount on a minimum deposit of AED25,000.
	October'08	Golden Opportunity: The account offers rate of return of up to six per cent starting from four per cent depending on deposit amount and the tenor and a gold coin, e.g a deposit of AED400,000 for four months will have four per cent interest and a four gram gold coin.
Mashreq	Introduced earlier but redesigned to suit current need	Easy Saver: This account reward customers 5.5 per cent interest on AED account and three per cent on US\$ account with no minimum balance stipulation. The tenor of deposit starts from one week up to three years.
ADCB	First quarter 2009	Maxima Plus: It offers the customer a return of seven per cent per annum on a one year fixed deposit. Million Dollar Dreams (Series 4): Here the customer can earn a guaranteed interest of two per cent per annum on a one year fixed deposit and one out of 5000 customers stands to win US\$1 million. The Touchpoint FD: One year fixed deposit with a minimum deposit of 50,000 gives two per cent interest and 200,000 touchpoints and every additional AED10,000 gives 40,000 more touch points.
Citibank	Introduced earlier but redesigned to suit current need	Citibest Account- Tiered current account offering increased rates based on average account balances, up to 4.5 per cent return per annum. Interest rate accrued on daily outstanding amount and paid monthly.
HSBC	Introduced earlier but redesigned to suit current need	eSaver Account: With no minimum balance, 5.3 per cent interest rates offered, withdrawal can be made at any time, only interest fee will be forfeited for the month if more than one withdrawal per month. This facility is available for online only account management.
	First quarter 2009	HSBC Amanah Savings Account- Based on a Mudarabah structure of profit sharing, it offers customers profit credited to their account monthly. Profit is calculated on the monthly balance rather than minimum balance with unrestricted access to deposits and withdrawal. HSBC Amanah Term Investment- With this multiple currency investment, minimum investment is AED10,000. The product offers tenors of one, two, three, six, nine and 12 months, with profit rates varying from 2+ to 5+ per cent (depending on the tenor). Profit is paid upon maturity.

Source: Respective banks

products – Million Dollar Dreams (MMD-Series 4) and TouchPoints Fixed Deposit.

Higher cost of funds

Innovative and attractive deposit schemes are definitely beneficial for the beleaguered customers suffering from lower savings and erosion in value of their investments. For banks, however, attracting liquidity offering a high rate of interest is adding to their costs.

Asghar explains that high interest rates are a reflection of the demand and supply forces in the market place. “We have and will continue to price our deposit rates in

line with the local and regional markets, along with our commercial requirements playing a role,” he says.

Sarkar also has similar views. “Fixed deposit rates are linked generically to money market rates; accordingly, higher money market rates would translate to higher cost of funds, and in some ways to also a higher lending rate as a result.”

But bankers like Mukhopadhyay argue that the issue of increasing cost of funds is relative and must be viewed in light of the present context. He finds it more appropriate to compare the cost of customer deposits with the opportunity

cost of funding rather than the historical cost of funding.

Of course, depositors are not bothered about the cost of funding for banks. Nonetheless, the rates for deposits seem to have already passed their peaks, and are on their way down. There are signs of inter-bank lending rates starting to ease, stemming from ongoing UAE central bank’s support through liquidity injection and, in due course, this will also reflect more on the deposit rates for customers. So depositors make money when there is still some time. Or, in other words, make hay while the sun shines.



Abdulfattah Sharaf



Arup Mukhopadhyay



Karim Beg



Omar Asghar



Suvo Sarkar

What goes down, comes up: Damac CEO

Damac Properties has been at the receiving end of the rumour mill. **Utpal Bhattacharya** speaks to Peter Riddoch, CEO of Damac Properties, to find out what plans the company has to come out of the difficult times.

In this climate of doom and gloom, when all that you hear is projects being shelved or postponed, or, cheques that have bounced, or, people who have lost their jobs, we tend to lose sight of the many who are braving it out, and those that remain committed to delivering what they promised. While it's instinctive and natural for people to react negatively when they don't get what was promised to them on time, in times like today perhaps it's time to try to accommodate and take into consideration new realities.

The real estate sector, which is the hardest hit industry in the Gulf, and more specifically in Dubai, has been cutting back on employment at the same speed that it had gone about hiring people. This boom and bust has caused upheavals in the lives of individuals and their families alike, especially those expatriates that were forced to displace more than once at short intervals, thus creating tremendous difficulties for the education of children and secondary income earners.

But these are also extraordinary times, and even the strongest of whingers is likely to think twice before pointing any fingers at his employer for asking him to go. It's plain to see that the stream of money that dried up some time ago is still only trickling, despite measures taken by governments. The velocity of money has slowed down so fast that it has caught businesses off guard. Going forward, one can only envisage further slowdown in the short-term. Of course, when it comes to the medium or long-term, it is not easy to make any call at all.

What is however interesting is that even in these hours of despondency there are business leaders who are

ready to don a positive mantle and argue that markets are more dynamic and not unidirectional and that what goes down, will come up.

Peter Riddoch, CEO of Damac Properties, is one such professional. He says: "When the market goes up, people think the rally will never end, and unfortunately, when it starts moving down, people think the same way that it will never stop. But they are always proved wrong in the end."

Damac has been at the receiving end of a rumour ridden market in the Gulf, although the company has been able to hold its own. That does not mean that the property developer has not made some of its employees redundant. Every company is looking at ways of reducing costs and Damac is no exception.

Riddoch notes that no one is immune to what is happening. He considers the current recession to be the deepest recession in the lives of the vast majority of people that live in the world today. But then, he adds quickly, there are some positive things to talk about. He believes that those who have large portfolios in Dubai will benefit from the goodwill of Dubai as an asset class when the upturn begins.

Dubai has some of the finest iconic buildings in the world that will be always coveted. Besides, the Damac CEO believes that the global recovery will begin from the East and not from the West, and Dubai is right there in an advantageous position to benefit from it.

"The property sector will recover, and as soon as the economy starts to turn people will start coming back to Dubai in large numbers again. And once that happens, people will again have to stay

somewhere, work some place and shop," he notes.

Carrying on with it

Riddoch says that those who want to be well placed for the next upturn must be prepared to renegotiate and talk about terms and conditions with their suppliers now. They must do it taking into consideration the reality of today and not the joy of yesterday, he adds.

Damac Properties has described 2008 as the 'year of construction', during which the company aggressively focused on construction and contract delivery to trusted and quality contractors. The company also handed over 2,300 homes to customers during the year. Damac is also expected to handover approximately



7,100 units in 2009-2010 across the GCC region.

In 2009, Damac is going to start a number of projects that have been sold earlier to customers.

According to Riddoch, the total number of Damac projects in the UAE on which work is likely to begin this year is 10. The total estimated cost to build these projects is approximately AED2.5 billion.

"All these projects are well sold, and we expect to start putting contractors on sight towards the back end of summer and some of them towards the end of the year," the Damac CEO says.

In 2008, more than 18 million man hours were worked across Damac Properties' major sites in Dubai, and currently the company has over 11,500 units under construction in the GCC region. This year the company's focus will be on timely completion and delivery of projects and units.

"It is a fact that we live in very challenging times, but we also believe that we have taken lots of decisions necessary to place us well going forward," notes Riddoch.

He also says that Damac's projects are well funded, as there are escrow accounts for these projects on which work is going



Ocean Heights

to start this year. And he believes that this gives confidence to contractors and consultants to work with the company, according to him.

"Damac is well positioned to complete all its projects. We believe that the range of projects we have, and the locations that they are in, make them attractive for both investors and home buyers," he adds.

"We will continue to award contracts at all of our key sites and will work with a broad range of respectable and reputed companies. We believe that allowing for the vagaries of the markets we will be able to deliver within the parameters that we committed," he says.

But what about the problems of payment defaults and bouncing cheques? The CEO wouldn't give a definite answer to that question. He, however, says that the company is working very closely with those customers that might have difficulties in fulfilling payment obligations.

Lack of liquidity

While Damac will not be launching any new projects this year, as there are no many buyers out in the market, the CEO is hoping that the mortgage market in the UAE start loosening up in the very near future. He does, however, disclose that a significant majority of Damac's buyers are cash buyers, and even those who want to pay with a mortgage, are first screened by the property developer's mortgage cell before passing them on to banks or other financiers.

In current market conditions, when liquidity is an issue and credit is hard to come by, to have a significant number of cash buyers is a good position for any company to be in. But the question is who these buyers are. And to that question, Riddoch says that some of the major markets that have been affected by the current downturn are Europe, the UK and the US. He says buyers from these markets are not buying in the UAE market anymore. However, all the other markets are still active and buyers from these markets are on the lookout for good deals.

"Buyers from markets, other than the US or Europe are still around. Although it is fair to say that it does take a lot more work to close a deal today," he adds.



"The property sector will recover, and as soon as the economy starts to turn people will start coming back to Dubai in large numbers again. And once that happens, people will again have to stay somewhere, work some place and shop." Peter Riddoch

Damac has a geographically diversified portfolio. Although the bulk of the company's projects are in Dubai, the property developer has launched projects in Abu Dhabi, Qatar, Saudi Arabia, Jordan and Egypt. Riddoch says that the company is not pursuing any more projects right now outside of Dubai given the current market conditions, but those projects that have been already launched are now going through the master planning phase.

"We are not actively pursuing new business opportunities overseas at this point in time. We think it is important for us to concentrate on what we have got now," points out the Damac CEO.

Damac also does not have any plans of entering the leasing space at this point in time. The company will continue to offer off-plan property development and do facilities management on behalf of homeowners in the buildings that it builds, and above all, try to keep the ship on an even keel and ride out the very bad times. HW



Pressure increases to fund employee gratuity

The current downturn is making regional companies rethink their employee benefit strategies. **Ritwika Chaudhuri** finds out that companies are much keener today to look at funding their gratuity obligations towards employees.

These days, discussions during weekend dinner gatherings mainly revolve around uncertainty, job losses, and people being forced to relocate without an alternative employment opportunity.

Though layoffs are usually packaged with perhaps a few months of advanced salary, end of service benefits, gratuity payments etc., imagine a situation where employers have no money to even pay the dues! And it's impossible to rule out this possibility in the present circumstances.

Traditionally, companies operating in the region have been cash rich, and they managed their liabilities, especially end of service benefits drawing from their working

capital or from revenue earnings. However, with the current downturn being quite sharp and severe, companies are witnessing a slowdown in revenue earnings, squeezed margins and reduced cash flows. Add to that tremendous pressure to reduce costs, and one of the heads to get the chop has been manpower.

"If a company has a corporate group saving plan that can take care of its gratuity provision, employers will have the peace of mind while cutting back on human capital, and at the same time employees can be confident of the availability of legal end of service dues in the absence of regular income," points out Philip Story, head

of employee benefit, Friend's Provident International (FPI).

Michael Brough, senior international consultant, Watson Wyatt Worldwide, adds that at some point of time, for big companies gratuity will become a problem as very few companies are funding liability in the region.

"Liability is building up in this region, and hence, governments need to introduce some forced funding norms. As of now no regulations or legislations are being implemented with regard to gratuity funding," says Brough.

Story, however, thinks that a number of companies are gradually realising the importance of segregating assets from



liabilities. While for the newer and smaller companies liabilities are not huge and hence manageable, for big companies, liabilities are larger and, hence, it is important for them to segregate the book, and to make sure that money due to employees is always there, he suggests.

Callum Burns-Green, principle at Mercer, agrees, and adds: "Though there is no tidal change in the gratuity funding area as of now, we can see there is growing interest in this area. Companies are taking actuarial help to appropriately account the end of service amount, and trying to identify the nature of these liabilities, and hence, making sure that they have the necessary provision for that."

Current market trends

James Thomas, associate director at Acuma Wealth Management, estimates that 80 per cent of the regional companies are still making gratuity payments from their regular cash flows. He says that in the current situation which is forcing significant redundancies, all at the same time, senior management in many companies are being forced to sit up and think.

"The issue of gratuity funding is very clearly highlighted, more so when many companies do not have adequate money," he adds.

Graham Morrall, regional head of distribution, Zurich International Life Limited, has similar views. He says that even until a few months back employers were not faced with a situation when they had to let go of a significant number of their employees, all at the same time. In the past, they were very comfortable funding their gratuities from cash flow, as they had been cash rich. Now, as cash is becoming scarce, large outlay has become an issue, he adds.

There are other reasons too for gratuity funding not being a popular practice in the region. Robin Ali, head of sales and marketing, medical and financial services-Lifecare International, points out that returns from core business for most companies in the region have been as high as 20-25 per cent. So, it is to be expected that these companies preferred that their money remained invested in their core business, while they funded the end of service benefits from revenues and earnings.

Lack of awareness is also one of the primary reasons, according to Morrall. In the past, there were not many schemes around, and there was a lack of advisory expertise as well, while unavailability of third party products too was an issue, he adds.

There is a discernible change now in that



Graham Morrall

trend, and while specialised consultancy firms like Mercer, Watson Wyatt and insurance companies are succoring the market for new business, clients like the Al Hathboor Group, which introduced a gratuity funding scheme for their employees, is increasingly the new face of best practices.

In fact, according to Story, FPI is meeting four new companies every week on an average to advice on this issue.

"As long as companies can see the benefit of such schemes, even if there are additional costs, they are eager to go for such packages which will serve dual purpose of retaining people as well as meeting corporate obligations," Story points out.

Today, employers have the choice of investing in investment schemes that

Box 1

Existing gratuity rules in UAE

A gratuity is a lump sum set aside to be paid as end of service benefits when an employee retires or leaves a company. Historically, companies in the UAE have provided gratuity schemes for employees rather than traditional pension schemes.

While most companies, and even free zones like Dubai Airport Free Zone or Jebel Ali Free Zone come under the UAE Labour Law, the Dubai International Financial Centre (DIFC) has its own labour law.

The UAE Labour Law and the DIFC Law both contain gratuity provisions, whereby, employees are entitled to a lump sum payment benefit upon termination of their employment, calculated on the number of years of service with an employer, subject to the completion of at least one year of service. The basis of the calculation for both laws is 21 days' basic salary for the first five years of service and 30 days' basic salary for any period of service over the five years of service.

However, the laws differ slightly with respect to the reductions in the gratuity payment where an employee resigns from his or her position. The UAE Labour Law states that in such event, an employee's gratuity is reduced by two-thirds where their period of service is between one and three years and by one-third where their period of service is between three and five years. For any period of service over five years there is no reduction in the gratuity entitlement. The DIFC Law has no such corresponding provisions, and therefore, an employee is entitled to their full gratuity entitlement irrespective of whether they resign or are terminated.



James Thomas

Box 2

Employee benefits given by MNCs and select regional companies in the UAE

- 81 per cent provides death benefit through insurance and often with riders covering accident and disability benefit.
- 41 per cent provide long term disability benefit
- 85 per cent MNCs provide private medical insurance policy
- 41 per cent provide short term sickness benefit
- 59 per cent provide permanent and total disability
- 85 per cent provides defined benefit-style end of service plan
- 8 per cent provides supplementary pension plan in addition to end of service plan
- 10 per cent provide funded end of service benefit outside the company
- 59 per cent provide company car benefit
- 63 per cent provides travel insurance

Source:

Mercer Middle East Survey - UAE (2007-2008), survey sample= 27 companies



Philip Story

allow putting aside both lump sums and regular amounts of money to fund their gratuity liabilities. Generally, these monies are invested in low risk funds or assets returning may be four to five per cent per annum.

Companies can also start their own funds and use a combination of cash, bond and equity to ensure low risk. At a later stage, even the employees can be involved by allowing them to pay.

“Since gratuity payment depends on final basic pay, companies need to be aware of what to set aside, and based on that decide whether to allow employees to add their own money,” explains Morrall.

The other option is to take advice from the firms having expertise in employees’ benefit schemes and invest capital in different structured insurance schemes and international funds managed by investment houses or consultants.

International insurance companies such as FPI and Zurich International Life offer flexible plans for gratuity funding. FPI has recently launched a group savings scheme called Optus which is designed to allow companies to make provisions for employees’ gratuity liability with the option of providing additional occupational benefits for employees.

Schemes like Optus and many of these plans are also flexible enough to be used for employee savings schemes and retirement provision. Importantly, they can be written in trust so that, in the event of a business collapsing, the funds are protected from creditors.

A packaged deal

While talking about end of service dues, it’s hard to differentiate between gratuity funding and pension schemes since, in most of the developed economics, for big companies, they are interlinked and driven by a company’s perspective, brand image and requirement. Besides, specialists point out that it is always a good idea to build the gratuity funding element around a long-term saving/pension scheme, as that is done with less additional cost.

Burns-Green says that “provision of benefit” is still a developing area in this region. He says that though retirement saving is becoming a subject of increasing



Callum Burns-Green

interest in countries like UAE, Qatar and Saudi Arabia where introduction of state benefit schemes or compulsory provision of retirement benefit schemes are under consideration, there is no hard legislation so far in this area.

A survey conducted by Mercer around end of 2007 gives an insight into this aspect (See Box 2). Interestingly, it finds that, while the majority of multinationals provide minimum benefits to employees and try to match the package they offer in their home countries, few large local companies have similar funding arrangements so far end of service savings scheme is concerned. The survey also highlights that life endowment, disability and medical benefits are common with private companies, but now a number of companies are showing interest in providing supplementary retirement savings plan in order to provide a stable expatriate working environment and sustaining them longer term in this region.

The Gulf region is no longer being considered just as a stopover for few years to earn tax free incomes, but more people are considering staying here longer, some even planning their retirement.

Unlike earlier days when typical employers expected turnover of staff every two to three years and handful of employees leaving at a particular time, now, as people plan to stay longer, it is high time that companies start adapting to the new realities. It is vital that they introduce pension linked savings schemes and also ensure larger sums to take care of end of service benefit and gratuity payment to attract and retain talent and loyalty.



Only hard work works

'Made in Switzerland' has its own brand value. This extends to financial market place as everyone in today's financial world is aware of the age old Swiss banking system due to its efficiency, sophistication and secrecy. Avaloq banking system, an innovative banking software system conceived in Switzerland, has captured a leading market share. It will find its own place in the greater financial world as well, believes founder and CEO Francisco Fernandez. He shared his experience of turning into an entrepreneur from software professional with **Ritwika Chaudhuri**.

Tell us what exactly the Avaloq banking system is and what are its strengths?

Avaloq banking system is an innovative and integrated information technology (IT) platform, which embraces the modern banking system. While addressing all of the main segments of typical banking activity - retail banking, private banking, commercial banking and asset management - our modular and open architecture provides complete functionality covering a variety of banking products and enables the optimisation and breakdown of the value system.

Avaloq is the undisputed market leader in Switzerland with a 42 per cent market share (users at customers' side).

You opened your office in Dubai this year. How do you feel about this market and what are your expectations?

The Middle East is spending huge sums of money on building infrastructure; this region is traditionally rich and has enough money. Over and above, they are willing to invest. Also, there is a vibrant banking and financial sector in Dubai, UAE and the greater Middle East, too.

There are already a number of established players in the banking software field. What makes you think that people will go for an Avaloq solution?

As we all know Switzerland is well-known for centuries for its

banking system, which is still considered one of the most developed, sophisticated and trusted financial systems in the world. Swiss watches demand premium in the watch sector because of their precision, innovation, quality and branding. 'Switzerland is a very saleable brand'. So I believe 'Made in Switzerland' has its own saleability and market.

Our software provides a complete and consolidated banking solution with standard features necessary for all sorts of banking operations. It also helps in optimising processes and has the ability to replace other existing softwares in all divisions.

How, and when, was the concept of Avaloq banking system born?

To know the birth of Avaloq, I will have to tell you the background against which Avaloq was conceived.

In 1989, after graduating with computer science and economics I started working with the information division of Bank Zurich (BZ). It used to be known as BZ Informatics, the information department was actually a standalone sister company of BZ. There were only three employees, including me.

Standard and specialised software for banking was not available off the shelf in those days as it is now. Every bank used to write its own internal software system. I was asked to evaluate the existing system in BZ and whether there was room for improvement. I started searching for a suitable modern system, looked around Europe, but most of the available systems were old and neither comprehensive nor futuristic at all. After a lot of searching, I finally decided on a Dutch system with a relational database system. You will be amazed to know that the database was actually developed from the McDonnell Douglas aircraft.

It was then that the idea of writing a modern, standardised software for a banking system occurred to me. After working for two years in BZ Informatics, in 1991, there was a management

"Our software provides a complete and consolidated banking solution with standard features necessary for all sorts of banking operations. It also helps in optimising processes and has the ability to replace other existing softwares in all divisions."

Francisco Fernandez

buyout of the company where three of us were approached to put in 30 per cent stake (10 each from three of us). That was the prelude for Avaloq banking system.

That's interesting. So what was your startup capital and what has it grown to now?

When the owner of BZ Informatics asked to pay 10 per cent of the CHF200,000 as equity towards the company, it was a huge sum for me, much more than my salary at that time. I was given just a week end to make up my mind. Two of my colleagues were also offered 10 per cent each, so between three of us (the only three employees of the company) we were supposed to pick up 30 per cent stake.

BZ (Bank Zurich) obviously laughed at us when we ask for a loan for that purpose. We managed to raise that money from another bank and today we have revenues of CHF175 million (US\$130 million). Avaloq is a private limited company and I own the majority shareholding.

What about employees? How have they grown over these years?

Oh, when we started, there were only five engineers, including me. Now we are a total of 600 employees.

Is the Avaloq system an improvement on the Dutch system you bought?

No. Though I subsequently sold the Dutch system a few times to finance Avaloq, actually in 1994 five engineers started writing the Avaloq banking system from scratch. Whereas on an average it takes 1,500 man-years of work to write a proper comprehensive banking system, we did it with only five engineers in two years. We did our pilot project (Avaloq version 1.0) with Bank Sal. Oppenheim Jr & Cie.AG, a leading bank in Germany.

Once the basic system was developed, we went about marketing the product. It was also at that time I learnt to write a business plan.



Who were your targets in the early days?

We realised that if we could sell the software to a nationalised bank - the most difficult customer - other banks were likely to be convinced about the quality of the product. We eventually managed to sell the Avaloq banking system to the Swiss National Bank, and subsequently, made a list of prospective banks that could be interested. And within six months we got five additional customers and started working with them on project basis.

We also soon realised that it was becoming mission impossible, as usually every project required 10 to 20 man-years, whereas I had only five engineers for five projects. So we started outsourcing project work and our first partner was Pricewaterhouse Coopers, which was famous for SAP implementation. Our second project partner was Swisscom.

We concentrated within Switzerland till 2004. In 2005 we decided to look outside the country.

Apart from Switzerland where else do you have branches?

As I said, once we established our foothold in the Swiss banking system, we decided to make strategic moves outside the domestic market in 2005. But it has been not so much westward. We have looked more eastward towards the Middle East and Far East. However, we always had the dream of becoming a leading software house in Europe. So our first market abroad was Luxemburg - followed by Singapore.

This year we have plans to enter Germany, Austria (Vienna) and Russia. We are already in

“To become successful you need only five per cent talent and 95 per cent hard work.”


Francisco Fernandez

Dubai now. Subsequently, we will add three locations per year. At present 35 clients use our solutions with a total number of installations touching 63 covering Switzerland, Liechtenstein, Luxemburg, Singapore, BVI and various other countries. This year we will add another eight new clients. Currently the Avaloq banking system is live in 20 countries having 35,000 licensed users.

Every successful businessman has his own recipe of success! What is yours?

I remember what my father used to say: “To become successful you need only five per cent talent and 95 per cent hard work.” Also, I feel taking opportunity at the right time matters a lot. Having said that it is also true that there is no ideal time to start business, if one waits for the tomorrow to come and then decides, that tomorrow might never come. But one must remember that being too conservative will be a hindrance to making it big. So while it is important that you must take a risk but not only taking a risk is enough, you need to know how to manage it. To achieve something, one must go out of one’s comfort zone and explore possibilities.

Was your father also an entrepreneur? Where are you originally from?

No, he was not. I am Spanish and my parents emigrated from Spain to Switzerland. Probably, that might be the reason behind what I am today: change of circumstances, being in the right place at the right time, the knack to identify opportunity and spending sleepless nights to pursue my dream. 



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What's next for the Sensex?

The Indian capital market has its own dynamics. **Matein Khalid** makes a call on the Sensex and select Indian stocks.

India has experienced a swift bear market rally with the Sensex up 32 per cent since early March. The rally on Dalal Street was triggered by an improvement in global risk appetite metrics. The dollar yen exchange rate moved from 88 to 101 as the Japanese yen lost its role as a safe haven. The Chicago Volatility Index, the barometer of fear and greed on Wall Street, plummeted from 80 last November to 35-38 now. The Treasury Eurodollar (TED) spread, a proxy for international banking credit risk, has fallen from 460 basis points last October to 95 now, its pre Lehman Brothers failure level.

The London G-20 conclave tripled IMF loan funding to US\$750 billion, leading to a compression in sovereign credit default spreads. High beta Asian markets like South Korea, Hong Kong and India surged as emerging markets fund managers increased their allocations to the region

that offers the best growth/value calculus in the developing world.

However, the rally in Indian equities has strong country specific components too. Foreign investors (the FII's who sold US\$13 billion in the 2008 Indian equities carnage) have finally purchased net shares on Dalal Street, with FII inflows followed by almost a Pavlovian surge in local bank and life insurance institutional investor buying. It is only natural that aggressive short sellers in the Nifty derivatives markets scrambled to cover before they were wiped out. Moreover, most global fund managers were underweight India after the Mumbai terrorist assault, pre-election campaigning risk, the Satyam scandal, the offshore money market run on ICICI Bank and the concerns about the fiscal deficit/sovereign debt downgrade. So when Sensex rose above 9,000, underweight fund managers scrambled to increase their exposure

to large cap Indian equities. For fund managers with a value paradigm, it was easy to allocate to India as Dalal Street no longer commanded a growth premium to Asian emerging markets. This is the first time the growth premium has vanished since 2003.

Downside risks

Another trigger for the rally was that Sensex earnings expectations, which had been revised downwards since early 2008, began to exhibit a modest uptick in March. In essence, at Sensex 8,000, Armageddon was priced into Indian economic data and earnings risk at a time when the lagged impact of five Reserve Bank of India repo cuts finally began to lead to a higher credit flow and lower rupee money market rate. The immediate impact of monetary easing was a modest revival in auto sales, though industrial production, exports, capex,



private consumption, tourism and FDI are still in bearish mode. Global data optimism that turbo charged the India bulls were the Federal Reserve's quant easing in the March FOMC and the Japanese/Chinese stimulus, which ignited a rally in base metals, with Dr.Copper (the proverbial weatherwave of the global business cycle) up almost 40 per cent in 2009 on the London Metal exchange (LME).

Investors should also not underestimate the impact of the start of Reliance's Krishna Godavari basin gas production on the prospects for the Indian macroeconomy. This could well add 100 basis points to the Indian GDP in fiscal 2010 with its production of electricity and fertilizers as well as its contribution to import substitution. Economics, valuations, money flow, interest rates may determine the pulse of the stock market but it is imprudent to ignore the technical charts. After all, the Nifty has now convincingly moved above its 50 day moving average for the first time since January 2008, a bullish signal for systemic traders. This is all the more significant since volume and volatility both bottomed in February, a traditional prerequisite for a bull run in

Indian equities. The oil price fall since last summer and the fall in dollar and sterling LIBOR money market rates were also a boost to the input/borrowing costs of corporate India.

However, the spectacular move on the Sensex leaves it both overbought and vulnerable to economic/political and earnings shock. Earnings growth could contract as the Indian economy contracts as metrics as diverse as tourism revenue, exports and rail freight (a proxy for domestic manufacturing), all in free fall. The Indian rupee's weakness at 50 to the dollar demonstrates weak exporter demand, modest portfolio inflows, a weak FDI and increasing concerns about the general election, the fiscal deficit and the monetization of debt.

I envisage a myriad of risks that will derail the bullish momentum on the Sensex next month. One, polls suggest neither the Congress nor the BJP will be able to command more than 150 seats in the Lok Sabha.

This will mean coalitions with regional parties are inevitable, a negative for economic reform, as the Congress-Left Front coalition proved since 2004. Two, the Indian rupee is vulnerable to crisis of confidence on the fiscal deficit, a widening current account deficit as remittances from the Indian diaspora fall, risk aversion on Wall Street and the political risks of a weak coalition government.

Ideal entry point

It was reckless, if politically convenient, for Dr. Manmohan Singh and the Congress to waive farmer loans, increase salaries of government bureaucrats and slash service/CAT taxes as a populist, pre-election pump priming strategy. Indian public finances are a recipe for disaster as the fiscal deficit will be double digit, making a downgrade in India's (S&P) BB minus sovereign credit rating inevitable. These events could mean 53-54 on the Indian rupee even if Congress wins the election, particularly since software/IT exports and remittances will continue to fall. It is also possible that steel/cement consumption and bank credit growth were driven by pre-election pump priming and will clearly reverse in the summer, with potential for GDP estimate

downgrades. Tourism has not recovered from the Mumbai terrorist carnage and excise tax collections continue to fall.

The Sensex is not expensive at 12 times current earnings, far below its own historic five year average at 18X earnings valuation metrics. If inflation falls, the RBI could cut interest rates, making the market valuation more compelling. However, political risk, the rupee, macro weakness, the twin deficits, the sovereign downgrades and Wall Street risk aversion mean that the Sensex could have a 10 per cent sell off in the next three months. So an ideal entry point on the Sensex would be in the 9,000/9,500 range.

The ideal sectors to overweight include telecommunications and health care, which are not hostage to the global business cycle. I can envisage a range of 9,000 – 13,000 for the Sensex in the next twelve months. However, investors will face opportunities to buy on dips as elections, earnings, sovereign debt downgrade and global risk mood swings could easily trigger 1000 Sensex point profit taking. Favourite short? Hindalco, as aluminium prices on the LME are in a free fall. Favourite long? Bharti Airtel, but only below INR450 for a INR750 target.

Infosys is India's bellwether IT services share and trades as an ADR on the New York Stock Exchange under the symbol INFY. The shares have risen from 21 to 29 in the current rally. However, revenue guidance for 2010 will be sober and could well mute the optimism in current prices. The shares are not expensive at 13 times current earnings, but almost all of the company's revenues are dependent on US and European clients. Naturally, INFY benefits from the depreciation of the rupee against the dollar, Euro and the British pound sterling. However, this benefit is offset by pricing pressure as its financial clients merge or shrink. It is significant that INFY fired 2500 employees in India, an indicator that senior management does not expect a quick growth snapback. I believe that Infosys will trade in a 25 – 32 range in the next twelve months.

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GCC equity investment outlook Q2, 09

The recent spurt in the equity markets has brought some hope for investors. **M.R.Raghu** and **Amrith Mukkamala** analyses the GCC equity investment outlook for the year.

After a bloodbath in Q4-08, it is time to get a sense of what can be expected for the ensuing quarter. The consensus opinion is that the, "worst is behind us". However, this does not imply moving from a negative scale all the way to a positive scale. The transition will likely be gradual with many potholes in between. For equities, the view is neutral for Q2-09. This is because the earnings weakness is expected to continue further into 1Q09 along with weak liquidity. However, the good thing to note is that volatility has cooled off significantly, while there are signs of macroeconomic

stability, especially where inflation is concerned.

Earnings

GCC earnings growth came to a halt in Q4-08. The overall earnings for the GCC for Q4-08 were a loss of US\$13 billion compared to profits of US\$14 billion on a YoY basis. For the full year 2008, the numbers indicate a negative growth of 39 per cent. Among the six GCC countries, the worst affected in 2008 was Kuwait with a decline in earnings of 96 per cent (Table: 1) and there are still around 10 investment companies that are yet to declare

their results. This is most likely expected to result in the earnings declining further. Saudi Arabia, which forms 35 per cent of the GCC earnings, has seen its 2008 profits slump by 45 per cent. The only positive growth was in Qatar with the full year earnings growth rate coming in at 31 per cent. The factors that are affecting the overall earnings growth are a steep decline in earnings in the financial services segment due to massive write downs and mark to market losses. Real estate is also suffering due to price and demand decline, while commodities are down as price and volume fall.

Going forward, Qatar is expected to post some revival in earnings on a QoQ basis as majority of the earnings are from commodity driven companies and there has been a modest turnaround in commodity prices as compared to the December 08 quarter. Saudi Arabia is rated negative on earnings. The commodity related story in Saudi Arabia is continuing to witness significant weakness. Sabc's Q1-09 numbers were worse than expectations. The Q1-09 loss was at US\$0.26 billion with the operating profit declining by 96 per cent on a YoY basis. The decline in core earnings apart from the goodwill write-off shows continuing weakness in Sabc's business. The banking, real estate and the rest of the financial sector will continue to be pressurised. On an overall basis, GCC earnings growth will continue to be negative in Q1-09.

Investment outlook summary						
	Earnings	Liquidity	Valuation	Risk	Macro economic	Overall
Saudi Arabia	Negative	Negative	Neutral	Positive	Positive	Neutral
Kuwait	Negative	Neutral	Negative	Neutral	Neutral	Neutral
UAE	Negative	Negative	Positive	Positive	Neutral	Neutral
Qatar	Positive	Neutral	Positive	Neutral	Neutral	Neutral
Bahrain	Negative	Negative	Negative	Positive	Positive	Negative
Oman	Negative	Negative	Positive	Positive	Neutral	Neutral
GCC	Negative	Negative	Positive	Positive	Neutral	Neutral

Table: 1 – Earnings Trend – GCC						
US\$ Mn	Q4-07	Q4-08	YoY	2007	2008	YoY
Saudi Arabia	5022	-6316	NA	22,533	12,449	-45
Kuwait	2544	-7826	NA	13,320	560	-96
UAE	4293	193	-95	13,551	13,483	0
Qatar	1663	1169	-30	5767	7544	31
Bahrain	537	-271	NA	2444	872	-64
Oman	506	15	-97	1551	1307	-16
GCC	14,566	-13,036	NA	59,165	36,215	-39

Source: Company filings, Zawya Investor, Markaz Research

Table: 2 – Value Traded trend

Value Traded (US\$ Bn)	Q109	QoQ %	YoY %
Saudi Arabia	81	-6	-57
Kuwait	12	-48	-73
UAE	10	-33	-81
Qatar	5	-53	-53
Bahrain	0.07	-87	-92
Oman	0.87	2	-64
GCC	109	-20	-63

Source: Respective stock markets, Zawya Investor, Markaz Research

Table: 3 – Valuation snapshot – GCC markets

Country	Market Cap (US\$ Bn)	PE (x)	PB (x)	Dividend Yield %	% Change YTD
Saudi Arabia	237	12.61	1.92	4.84	-2
Kuwait	89	10.19	2.08	7.91	-12
UAE	93	8.60	1.72	4.70	NA
Qatar	40	7.25	1.65	8.73	-29
Bahrain	17	18.07	1.28	5.92	-10.75
Oman	10	9.02	2.27	7.00	-12

Source: Reuters 3000xtra, Markaz research

Liquidity

The liquidity levels, which indicate investor sentiment, have witnessed significant declines across the GCC region. The aggregate value traded level has seen a 20 per cent decline on a QoQ basis in Q1-09 and a YoY decline of 63 per cent (Table – 2). Liquidity levels are rated negative across the region for Q2-09, as clients continue to face difficulty in obtaining leverage to trade.

Valuation

Valuation levels across GCC have witnessed significant declines. At the current prices, most of the banks in the region are trading either at their book values or at a discount. The price to earnings, taking the trailing twelve month earnings into consideration, looks comparable with emerging market peers for most of the GCC markets.

Due to the decline in price levels, the dividend yield of the markets is

also looking attractive at an average 6.52 per cent for the GCC markets. Except for Kuwait and Bahrain, the rest of the GCC markets are rates positive on the valuation levels. Saudi Arabia is rated neutral (Table: 3).

Risk

Risk levels as characterised Markaz Volatility Index (MVX - proprietary index built by Markaz for gauging risk) shows significant reductions as compared to its historic highs witnessed in October. At a GCC level, the MVX has witnessed a decline of 60 per cent from its peak in Oct 08. On a QoQ basis too, all the GCC markets ex-Qatar have witnessed a reduction in risk levels with Oman and Bahrain leading the pack.

We are positive on all GCC markets ex-Qatar and Kuwait in terms of risk. Kuwait and Qatar have been rated neutral mainly due to the smaller deviation these markets

have seen as compared to their trend lines (Table: 4).

Macro economic

Macro economic situation is gauged by taking several factors such as – GDP growth, inflation rates, money supply and bail out packages announced into consideration. Most of the markets are expected to witness significantly lower GDP growth rates as compared to 2008. However, there has been a significant decline in inflation rates too. Also, all the central banks in the region ex-Qatar have slashed their interest rates to provide a boost to their respective economies. A slow down in GDP growth has already been priced into the valuations. The recent efforts of the regional central bankers and sovereign wealth funds like Kuwait, Qatar, UAE and Saudi Arabia by cutting interest rates, announcing fiscal stimulus packages, buying stakes of banks in the secondary markets provide a cushion to the fall in the economic growth. All the GCC economies Ex-Saudi Arabia and Bahrain are rated as neutral. Saudi Arabia is rated positive and Bahrain is rated negative for macro economic scenario.

Table: 4 – Markaz Volatility Index Trend

	Current MVX level	% Change QoQ	% Deviation from Last 12M High	Last 12M High date
Saudi Arabia	3842	-37.73	-66.25	14-Oct-08
Kuwait	1954	-49.49	-55.19	26-Oct-08
Abu Dhabi	3666	-29.06	-60.16	14-Oct-08
Dubai	4515	-34.20	-68.54	16-Oct-08
Qatar	8039	91.29	-37.64	14-Oct-08
Bahrain	954	-58.23	-70.53	30-Oct-08
Oman	2621	-66.84	-77.66	14-Oct-08
GCC	2663	0.82	-60.85	14-Oct-08

Source: Markaz Research

M.R.Raghu is senior vice president – Research & Amrith Mukkamala is a senior analyst with Kuwait Financial Centre S.A.K “Markaz”.

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QNB's book multiple attractive

Qatar National Bank's (QNB) balance sheet is heavily dominated by the government of Qatar on both the sides. **Engy Kiwan** and **Abhishek Shukla** believe at the current book multiple QNB should attract attention.

Qatar remains one of the fastest growing economies in the world. Qatar also stands as one of the richest economies of the world with average per capita GDP of US\$66,832. Among GCC countries Qatar is the fourth largest economy with around GDP of US\$102.3 billion in 2008.

During the past five years the average nominal GDP grew by 34 per cent. The main drivers for this growth was coming from increase in production and export of oil, LNG, petrochemicals products and partially attributable to past increase in product prices. Apart from this, Qatar's initiatives to increase the contribution from non-oil GDP are leading to higher economic growth. The contribution of non-oil GDP is increasing gradually; however, GDP from hydrocarbon sector still

forms large part of the aggregate GDP of Qatar. Even in the current environment Qatar GDP growth is expected to remain strong. Currently many billions of dollars worth of projects are in pipeline which are expected to be completed during the next three to four years. Overall Qatar remains a strong growth story.

Qatar banking sector

Qatar's banking sector replicated strong economic growth, as the country's banking assets grew at a CAGR of 36 per cent over last five years. There are 17 financial institutions in Qatar – six commercial banks, three Islamic banks, seven foreign banks and one specialised bank. Total banking assets stood at US\$94 billion in

2008. Loans grew at CAGR of 46 per cent during last four years. The profitability of the banking sector remained quite strong with an average Return on Equity (RoE) of 26.5 per cent and an average Return on Assets (RoA) of 3.40 per cent. However, going forward we think that this strong growth rate is going to slow down, primarily due to the impact of the recent financial crisis and also due to the higher base in the previous year.

QNB's special attributes

QNB is the largest bank in Qatar by market capitalisation and total assets. The bank has close to 45 per cent market share in total assets, loans and a 48.2 per cent market share in deposits (end September 2008). QNB has the largest domestic



network with 53 branches and a presence in 23 countries. QNB has one of the highest ratings among the regional banks with Moody's ratings-long term foreign deposit ratings of Aa3. Qatar Investment Authority holds the largest stake in QNB. The bank has a strong franchise and holds strong relationships with the government and government related entities. Fifty-four per cent of aggregate deposits of QNB are from the government and government related entities. Among the MENA banks QNB stood third place in terms of net profit in 2008.

QNB's business strategy

The commercial banking segment accounts for the largest chunk of QNB's 2008 net income accounting for 37.4 per cent; treasury accounts for 19.8 per cent, Islamic banking 9.1 per cent (one of the fastest growing segments), investment banking 8.3 per cent, retail eight per cent and others 11.3 per cent. On both sides of the balance sheet the government presence dominates.

QNB's growth strategy

QNB's growth strategy is a mix of both organic and inorganic. In

Qatar, the bank opened seven new branches in 2008 and increased its ATM network to 150. Outside Qatar, QNB acquired 24 per cent of UAE-based Commercial Bank International (August 2008). The bank also acquired 50 per cent of Tunisian-Qatari Bank, in March 2008. QNB increased its stake in Jordan's Housing Bank for Trade and Finance to 33 per cent. The Qatari bank also formed QNB Capital. Among the various businesses QNB is expanding and capitalising on its Islamic banking arm (QNB Al Islami), which remains one of the potential areas of future growth; the segment's profit has increased exponentially over the last three years.

Peer group analysis

Among its peers QNB continues to dominate the government related businesses. QNB's profitability measured in terms of RoE stood at 24.2 per cent in 2008 as against an industry average of 26.5 per cent. Similarly, RoA of QNB stood at 2.4 per cent as against industry average of 3.4 per cent. QNB's asset quality remains better than the industry with NPL ratio of 0.7 per cent. However on the margins side, QNB has lower net interest margins of around two per cent as against an industry average of around four per cent.

Recent developments

Qatar's government recently announced that it will buy Qatari banks' available for sale (AFS) category of equity portfolio partial/complete at the impaired value of portfolio end of 2008. Fifty per cent of this amount will be repaid in cash and another 50 per cent will be given as a government bond carrying an interest of 5.5 per cent. These banks have the right to buy back this portfolio from the government during the next five years. We view this as a positive development for QNB and Qatari banks, as they had large

equity portfolios and due to falling markets, marking assets to market would have been negative. Due to this move, market movement risk for QNB will be reduced. This will also help QNB to strengthen its capital adequacy ratio as the bank had negative revaluation reserves at the end of 2008.

Challenges

Although Qatar's economy remains on a strong footing, the recent global financial turmoil and economic downturn did not leave Qatar unscathed. In Q4 2008, QNB increased its provisioning; the bank's NPLs went up sharply, although coming from a low base. There are growing concerns over the asset quality of Qatari banks given the fact that previously the economic boom in the country has fueled strong credit growth and these portfolios are yet to be tested against the downturn. Qatar as a country remains still small with population of 1.54 million, thus banks need to look outside of Qatar to expand and grow in the future. We think that markets abroad might be more competitive for banks like QNB in comparison to its domestic market. On the other hand we also think QNB is well placed to capture expected growth in Qatar.

Valuations

QNB is currently trading at price to book multiple of 1.9x based on 2008 book value. We think that these are very attractive multiples given the future growth opportunities for QNB.

The writers are analysts at the Research Department of National Bank of Abu Dhabi.

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GCC, Regional and World Benchmarks - Conventional

As of April 15, 2009

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

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

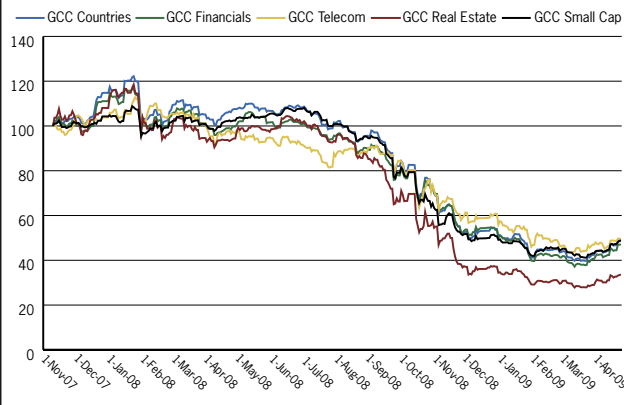
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

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

GCC: Comparative Returns

Comparative returns for four MSCI GCC indices

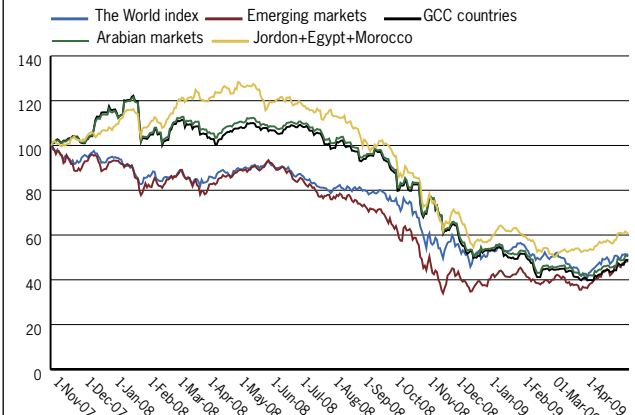
(Period: October 31, 2007 to April 15, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

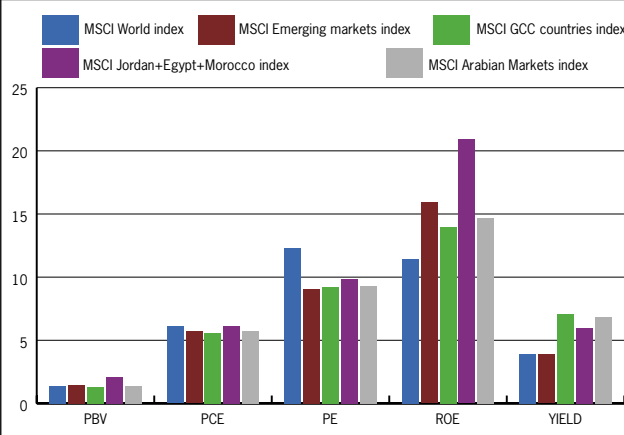
(Period: October 31, 2007 to April 15, 2009 rebased to 100 on October 31, 2007)



Valuation Ratios

November month-end valuation ratios

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



Performance Values

QTD, MTD, YTD performance in US\$

(Eight indices as of April 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
MSCI Arabian Markets Index	10.937	-1.628	-1.628
MSCI Emerging Markets Index	11.964	13.546	13.546
MSCI GCC Countries Index	11.704	-1.15	-1.15
MSCI GCC Financials Index	12.723	-3.464	-3.464
MSCI GCC Real Estate Index	11.295	-0.871	-0.871
MSCI GCC Telecom Services Index	9.703	-7.67	-7.67
MSCI Jordan+ Egypt +Morocco Index	7.82	-3.976	-3.976
MSCI World Index	7.236	-6.166	-6.166

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GCC, Regional and World Benchmarks - Islamic

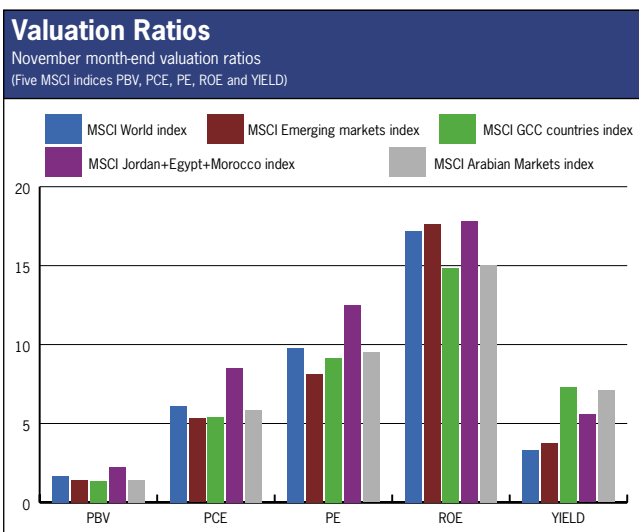
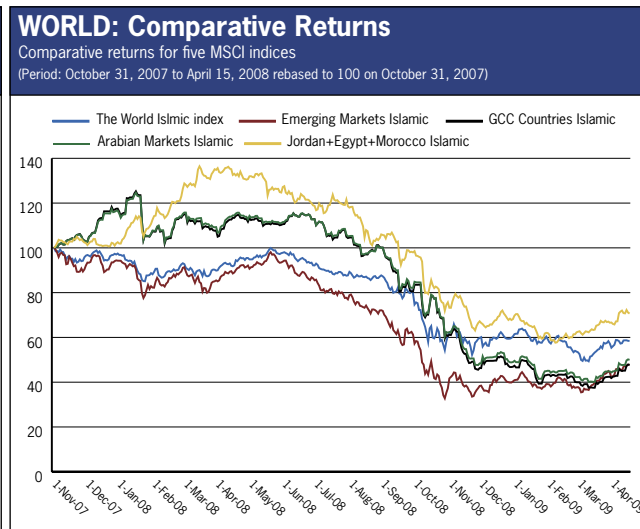
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The Performance Values table takes into account eight regional/international and sector-specific indices to show month, quarter and year-to-date performance levels.



Performance Values

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

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
MSCI Arabian Markets Islamic Index	11.49	2.10	2.10
MSCI Emerging Markets Islamic Index	12.31	16.54	16.54
MSCI GCC Countries Islamic Index	12.28	2.34	2.34
MSCI GCC Islamic Financials Index	13.64	1.69	1.69
MSCI GCC Islamic Telecom Services Index	9.61	-8.51	-8.51
MSCI Jordan+ Egypt +Morocco Islamic Index	7.03	0.34	0.34
MSCI World Islamic Index	4.24	-5.24	-5.24

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Markets show signs of recovery

The month of April brought some hope, as certain GCC markets showed heightened activity. **Snehdeep Fulzele** believes that markets are showing some signs of recovery now.

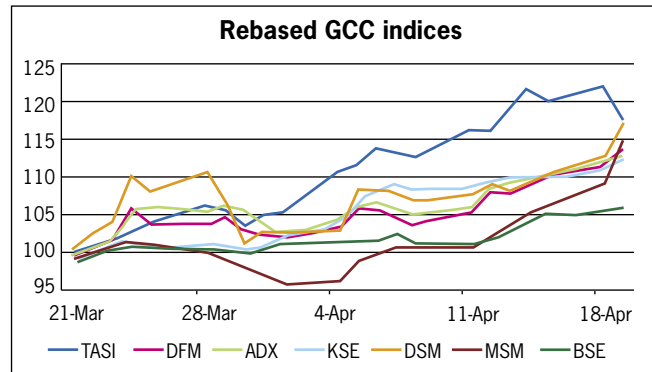
The GCC markets have now left behind the tricky quarterly results season. And they have not got through unscathed, but investors have shown increasing willingness to take risks. They are gaining in confidence.

By the end of April 19, all the seven markets closed higher from their respective levels of March 21. For the year so far, their performance is mixed. Abu Dhabi stock market tops the gainers rising 13 per cent, while Qatari stocks have been the biggest loser, falling 19 per cent. Muscat Securities Market has remained almost unchanged with insignificant growth of 0.7 per cent.

In last month's edition of **MONEYworks**, I expressed concern about SABIC results.

And as it turned out the largest listed company in the Middle East announced disappointing quarterly results on April 21. The loss of SAR974 million by the global petrochemical giant was much lower than what analysts expected. The comparable net profit in first quarter of last year was SAR6.9 billion. SABIC reported a net income of SAR207 million before non-cash charge related to impairment of goodwill. The losses were the result of decline in petrochemical and steel product prices along with reduced credit availability for its customers. Global exposure of SABIC weighed on its performance. The company is dependent on the automotive, construction and electronic industries that are passing through recessionary trends right now. The gravity of the global situation can be gauged from the fact that SABIC produced and sold more quantity than the corresponding quarter last year.

But the market got over SABIC's disturbing performance quickly. The Saudi stock market bounced back to a pre-SABIC results level next day, as investors derived their confidence from stellar performances elsewhere. All Saudi banks have shown profits in the first quarter. Furthermore, barring Riyadh bank and Saudi Hollandi Bank, all banks in the Kingdom have clocked growth in net profit from the previous quarter.



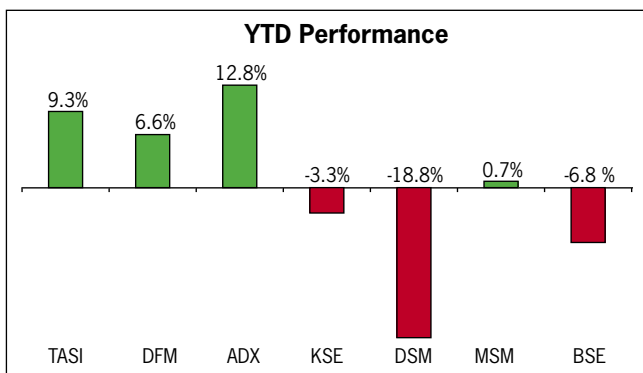
Banking is the pipeline that pumps money into an economy. If banking is doing well, rest of the economy must be on strong footing. Also, results from the Saudi retail sector have also been encouraging. Saudi consumers have retained their appetite for the good things in life despite the global financial crisis. Besides, lesser volatility in the oil market has rubbed off positively on equity investors, who have stepped in to support the Tadawul All Share Index. FALCOM Research study shows 50 per cent drop in Saudi market volatility and decline in floating stock.

The downward trend in inflation is also continuing. Saudi Arabian inflation eased in March to its slowest pace in almost a year and a half as the cost of food and imports fell. Consumer prices rose six per cent from the same month last year after climbing 6.9 per cent in February. Saudi Arabia cut its key reverse repurchase rate by a quarter of a percentage point to 0.5 per cent.

Kuwait's central bank also cut its benchmark interest rate by 25 basis points to 3.5 per cent in a bid to boost an economy that may contract this year for the first time in a decade. Dubai has begun disbursing a US\$10 billion fund it raised to battle the impact of the global credit crisis.

These developments augur well for investor sentiment. However, it would be wrong to presume that things are getting back on track again. Assets held by Kuwaiti investment companies slumped by US\$32 billion in the six months to January. A number of local investment firms have defaulted on loans estimated at US\$18 billion, including US\$8 billion owed to foreign banks.

Strong overall first quarter performance from Saudi companies has been better than expected. Regional investors would do well to take cue from the largest economy of the Arab world.



The writer is head of research at FALCOM Financial Services.

US\$: The safe haven currency

The US greenback continues to hold its allure, perceived as a safe haven for many investors, according to **Sachin Patki**.

We have been getting doses of bad news from the financial sector globally almost every day and we keep wondering how did it come to this? We see stories of incredible corporate greed, and at times of leadership napping while at the controls. The sheer noise has led many to believe that we may never see the return of better times, but given human nature, it is possible to believe again. Hopefully, this time hopes will rest on better leaders who will deliver.

The main culprit seen in recent times has been that of financial toxic pollution. The fact that it was hidden has made it even harder to believe that it could get so far. Small individual investors have had their savings wiped out, retirees have seen their incomes disappear. The social cost alone will take time to attend to, as consumers won't be easily fooled again.

The wipeout of financial institutions once perceived as infallible does show that financial models have changed. The corporate earnings season seems to have turned into an open season, given the number of CEO's we have seen leave unceremoniously; corporate results have been consistently poor, and any signs of reversal have raised statements of 'first shoots of spring'. Which may yet take some time to appear.

The global market forecasts are for the US economy to stay in the red for most of this year, with some potential to move back into positive GDP growth in Q4, 2009, with real growth seen only in 2011. Inflation raised by incessant printing of new notes is expected to drive the money supply to astronomical highs, which will impact asset prices, and push long term interest rates higher. The same is expected in the Euro-zone where GDP is expected to go into positive territory only in the second half of 2010, with 2011 seen as the first year of all quarters of positive growth.

The near term risk has also been seen in falling interest rates which could remove the risk/return positive motivation for financial institutions to lend to each other, as well as to consumers. Japan has seen all its key economic indicators in the red, and with global markets depressed for all its export industries. We do not see the economy on firm footing till 2011, given the right steps and stimuli by the authorities. The lost decade of the 90's in Japan is a grim reminder that only a positive view of the future can change matters, no matter how much stimulus the government provides. Emerging markets with larger populations of active consumption have fared much better with countries like China and India seeing their GDP growth rate still in positive territory this year.

The US dollar continues to find itself in a lot more wallets, ranging from central banks to retail consumers, due to the fact that it still remains the currency of safe haven, a key reason for its undiminished allure despite the lack of economic fundamentals. The recent correction in the US\$ may be the respite from the continued bull run which has seen the Euro slip to the lows near

1.2300 and the recent correction to the 1.3200 region give it some time to build a base for a rally. The chances for the Euro to touch recent levels of 1.4200 remain low, and a clear weekly close above the 1.3100 level may give rise to that possibility. A reversal would be seen with a drop below 1.3050 towards 1.2760, 1.2470 and 1.2140.



Sterling looks for a similar attempt near 1.4970/1.5080 levels to break higher towards 1.5315 and 1.5500. Unless we get a clear signal of this being a recovery rally towards 1.5500, sterling may slip back into lower range trading, edging lower to 1.4450, 1.4270 and 1.4010. A medium-term potential exists for a test of 1.3500 again, but it may be brief. The British economy has not yet flushed out all of the negative news from its system, and the longer it takes to tackle this issue, some of its key areas like real estate, inter-bank lending and retail spending may continue to remain below expectations. GBP/Euro remains hopeful of a rally towards 1.12500, with support near the 1.0500 level holding for now; failure to rise above 1.1570-1.1670 range would indicate that the rally does not have enough momentum as yet.

The author is head of Mashreq Gold & Investments.

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

China lends a helping hand

Emerging market equities are likely to continue to outperform developed markets in the months to come. **Stefan Hofer** explains why.

Emerging market equities have outpaced their developed world counterparts so far in 2009; in some cases by a wide margin. For example, some European bourses still have close to double-digit losses in 2009 despite the strong rally in previous weeks while very few emerging markets are in negative territory. Investors may ask whether this out performance can be easily justified and what may be expected for the months ahead.

To start, it should be recognised that 2008 brought a shuddering halt to the five year run of annual returns that did not fall below 29 per cent for the asset class. The performance of risky assets across the board was highly correlated last year as global investors around the world sought to de-leverage and withdrew towards safer assets. This stung emerging markets especially hard and the trend of inflows to the asset class was harshly reversed. Indeed, according to Merrill Lynch estimates, an estimated US\$40 billion of outflows were seen in emerging market investment funds.

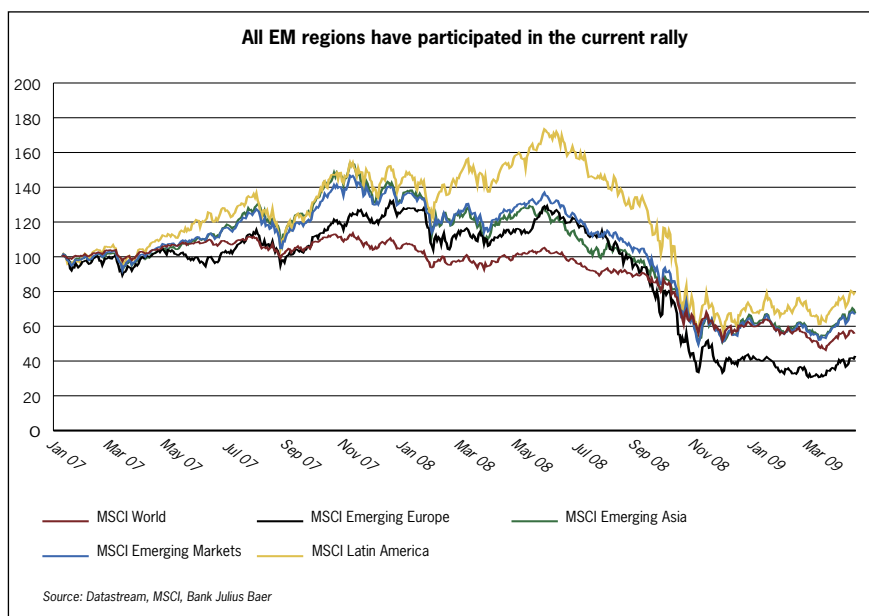
By and large, the current rebound should be viewed against the backdrop of a marked improvement in global risk appetite. The widely-used volatility indicator, VIX, while still at historically elevated levels, has come down in recent weeks. The stabilisation of commodity prices has also lifted investor confidence in the emerging markets. Thus in a broad sense, emerging market equities have moved away from heavily over-sold levels, largely due to global or exogenous factors. But on a country level, China has displayed particular leadership in suggesting that we may be turning the corner in terms of better economic times ahead.

China took the lead in that the authorities were early in announcing a large fiscal stimulus package relative to most other countries. The initial announcement was made in early November 2008, where the government pledged RMB4 trillion in spending to counteract the slowing economy. Also, there is a growing recognition that, as a longer term goal, it is desirable for China to become less export dependent for economic growth.

While a move towards having domestic demand play a larger role in the economy will doubtless take years, investors have welcomed this policy stance, in our view. In addition, as Chinese stimulus efforts seem to be taking hold (as evidenced by rising Purchasing Manager Indices) this has seen a pick-up in economic indicators across selected Asian economies. For example, Korean and Taiwanese exports numbers have improved in part due to better orders from Chinese buyers.

A key event that has boosted sentiment vis-à-vis emerging markets was the recent G-20 summit in London. Among the concrete steps that came out of these meetings was the trebling of IMF resources to approximately US\$750 billion. In addition, the IMF has launched new programs designed to lend fast and effective support to emerging markets. Chief among these new programs is the Flexible Credit Line, which places an emphasis on meeting the needs of emerging markets that already have a sound policy framework. Mexico has already announced that the authorities will have access to US\$47 billion of IMF resources, should the need arise. The key issue for investors is that such programs are also a confidence-building exercise which should help lower the sovereign risk premium attached to emerging market assets, supporting performance.

In conclusion, recent positive signals from within emerging markets alone are unable to explain the rally in equities – global factors have played a substantial role. However, over time, the stabilisation of economic news flow in emerging markets should help set a floor for the asset class, thus on a medium term horizon, emerging market equities should still offer out performance relative to developed world stocks as global economic conditions improve.



The writer is a research analyst at Bank Julius Baer.

Now is the time for patience

There are some indications of market normalisation. But it may be still too early to make any judgement. **Peter Hensman** advises a patient approach.

The nascent improvement evident in equity markets in mid-March has continued into April, with the financial sector leading the charge. The timing of the market low on March 9 coincides with the “leak” of an internal memo from Citigroup indicating that operational performance in the early part of Q1 had been the best since Q3 2007¹.

The hope this offered to investors that the worst of the credit crunch is now in the past was boosted by the release of more details on the plan from the US Treasury to stabilise the financial sector. Where the sparse detail initially proposed by Treasury Secretary Timothy Geithner on February 9 was arguably a significant contributor to the earlier equity market sell-off, investors were encouraged at the prospect of the “Public-Private Investment Plan” (PPIP) – the plan to leverage the purchasing power of private sector money by offering low cost public sector loans to those willing to acquire “legacy” (formerly known as “toxic”) assets. With a number of private sector institutions (several of whom have already been the recipients of government largesse) indicating willingness to participate in the PPIP, the market has been able to travel in the hope that the auction process will enable encumbered financials to off-load various illiquid assets at reasonable prices. Not only would this help reduce uncertainty for the financials (and investors) about the market value of what is on their balance sheets, by improving market liquidity price levels could rise above the marks currently used in accounts.

With the auction process not expected to begin until May, in order that the finer details may be ironed out and appropriate agreements with the private sector participants can be signed, the possibility that this may prove to be the

initiative that does mark the start of a new beginning for markets can continue to be held out.

Some broader signs of market normalisation are evident as after a dearth of equity Initial Public Offerings (IPO's) so far in 2009, the second and third successful US IPO's were launched in the week of April 13. While the three IPO's year-to-date pales against the 37 in 2008 and 243 recorded in 2007, that companies have been able to successfully launch a public offering is a positive change².

Nor have economic data been as uniformly atrocious as was the case from September to February. One example of this is the widely followed Institute for Supply Management (ISM) survey of the US manufacturing sector. Where this had indicated the fastest deterioration in new orders in the 62 year history of the series in December '08, a substantial amount of this decline has reversed in the first three months of 2009. In addition, where activity indicators had consistently disappointed expectations in the latter part of 2008, more recent data points have been better than the (depressed) consensus of forecasters.

Government policy stimulus has also seen some early indications of success, notably in Germany where the initiative to offer a publicly funded cash incentive to those scrapping cars more than nine-years old if they buy a new car has helped to lift vehicle sales by 18 per cent year-on-year in the first three months of 2009. In China, the acceleration in bank lending to a near 30 per cent year-on-year rate of increase in March is also held out as evidence that the Chinese economy is also responding positively to the large public spending initiatives set out at the tail-end of 2008³.

Yet there continue to be nagging indications that there is little of substance behind these more optimistic readings – for one, the ISM new orders index, referred to above, has improved from a low of 23 to 41. But this latest reading is still consistent with manufacturing output declining at a five per cent, six-month annualised pace. This is in line with the worst points of the recessions in the last 30-years. Where in “normal” circumstances, equity markets tend to rally as the rate of deterioration in economic activity starts to ease, it is less clear that this will be the case given the extremity of the downturn we are currently experiencing. Beyond this, data points such as the improvement in the Baltic Freight index in the early weeks of 2009, or the six per cent month-on-month increase in applications to build new homes in the US in February (the first such increase since June '08) put forward as signs that conditions have been stabilising are quietly ignored as the data have worsened once again⁴.

Given the favourable energy cost comparison versus Q2 2008, when the West Texas Intermediate oil price rose from US\$100 on March 31 to its peak of US\$147 on July 11, the lift to disposable income and hence discretionary spending in the current quarter is substantial. This, together with the possibility that the PPIP could prove to be the turning point in sentiment toward and prospects for the financial sector could continue to underpin markets. However, given the unprecedented extent of the down turn, near-systemic collapse and uncertain consequences of the barrage of policy initiatives, a patient approach seems appropriate.

hvw

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

1. Source: Bloomberg, 2. Data source: Bloomberg, 3. Source: Bloomberg, 4. Data source: Bloomberg. This article is issued by BNY Mellon Asset Management International Limited to members of the financial press and media. This article is the view of Newton Investment Management Limited and does not necessarily represent the views of the BNY Mellon Asset Management International Limited umbrella organisation. The value of shares and the income from them can fall as well as rise and investors may not get back the full amount originally invested. This document should not be construed as investment advice. **Registered Office:** BNY Mellon Asset Management International Limited, Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Newton Investment Management Ltd & BNY Mellon Asset Management International Limited are wholly owned subsidiaries of The Bank of New York Mellon Financial Corporation. Both are authorised and regulated by the Financial Services Authority. www.bnymellon.com.

Equities push commodities up

The spurt in equities helped to bring some shine on commodities last month. Markets will need some more positive signs to sustain the momentum, according to an **MF Global** report.

Post the Group of 20 nations meet last month, world equity markets have rebounded, following a strong assurance by the group to do everything possible to fight the global economic downturn. But some would attribute this reversal as a short term phenomenon, a 'bear' market rally and that the global economy is not out of the woods as yet.

With equity markets rebounding globally, after being knocked down by over 50 per cent over the course of 2008 and early 2009, hopes that industrial demand may revive has brought back a flutter of life in base metals complex. With general risk aversion creeping lower, the precious metals complex has seen weakness. The energy complex has also witnessed a spurt, as production cuts by Opec are felt and on hopes of some revival in demand.

Starting with the precious metals complex, gold has lost some lustre, as concern of a global economic failure has weakened, albeit marginally. The physical demand for the yellow metal also remained low with negligible imports from traditionally strong consumers India, Turkey and Italy. Gold (Comex near month futures) was down three per cent on month to US\$891/ounce, while silver declined one per cent to US\$12.70/ounce on month.

Base metals complex gained on the month, largely on hopes of revival in global economic demand. Copper gained on strong import interest from China. The supply of scrap copper has also plummeted following a sharp slowdown in industrial activity. This led to record Chinese imports of unwrought and semi-finished copper in March.

Copper imports by world's largest consumer rose 14 per cent to 374,957 tonnes. According to reports, Japanese, Chilean and Australian producers have their production fully committed to China until June. But copper producers are anxious about the uncertainty post-June. Japan's copper smelters plan to keep their output at the current levels, even looking for further cuts in the initial half of 2009. Copper gained 27 per cent on month to US\$4873/tonne (LME three-month forward contract).

Nickel was the second largest gainer on month rising 24 per cent to US\$12,500/tonne. Steep production cuts by major miners are starting to be felt in markets around the globe. Brazil's Vale, the world's largest iron ore producer, said that it would cut back its global nickel output. It has delayed the start of its Onca Puma project in Brazil and shutdown Sudbury project in Canada.

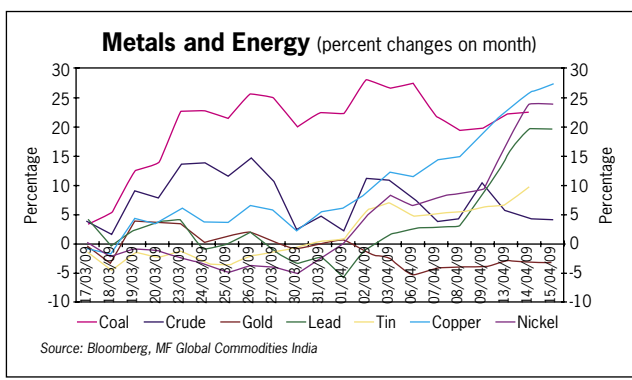
Meanwhile, signs of tightness in lead and tin markets are evident with cash-three month forward contract spreads slipping into backwardation (near month forward contracts quoting at a higher price than far month contracts). Lead saw a modest backwardation of US\$3-7/tonne, on expectation of a revival in demand for replacement car batteries (where nearly 40 per cent of lead output is used) during summer driving season. Lead, which is mostly obtained as a byproduct from zinc, had been hit by production cuts in the latter. With very few new projects undertaken for development, some of them delayed or even halted on environmental damage concerns, lead's output had been under pressure. Lead ended at US\$1,550/tonnes, up by 19 per cent on month.

Aluminum ended 12 per cent higher at US\$1520/tonnes. Despite this gain, however, aluminum continues to sag under record stocks. Many feel that the rise in base metals may be a short term phenomenon. Though demand revival in China is an eagerly talked about theme, world over demand remains gloomy with a steady decline in construction and auto manufacturing activity. Consumer confidence also remains low.

In the energy complex, coal (ICE near month futures) saw a surprise spurt, gaining 22 per cent to US\$63.90/tonne. Some attribute this to easing of bottlenecks in supplies at Australian ports, which has led to improved flows to China and Japan. These supplies are a part of the earlier signed deals and not to be mistaken for new orders, according to some market participants.

In other developments, China has been steadily moving ahead with increasing its strategic stakes in miners. The Chinese government backed Citic group has increased its stake in beleaguered Australian miner Macarthur Coal by three per cent to just under 24 per cent. China's efforts to address long term energy crisis have resulted in the company signing nearly US\$45 billion 'loan-for-oil' deals, so far in 2009. In latest developments, China's leading oil firm CNPC has signed a US\$5 billion deal with Kazakhstan's state oil company KazMunaiGas. Before this, China entered into strategic deals, with Brazil, Russia and Venezuela.

Looking ahead, the markets will continue to watch for signs of improvement in housing and auto sector, the drivers of base metals demand.



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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Skipston (Guernsey)	01481 727374	International US Dollar	None	\$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	\$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$50,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	\$50,000	0.50%*	Yly
Alliance & Leicester International	01624 641888	USS Savings	None	\$5,000	0.25%	6Yly
No Notice Euro Accounts						
Skipston (Guernsey)	01481 727374	International Euro	None	€25,000	2.00%	Yly
Clydesdale Bank International	01481 7111102	Instant Savings	None	€10,000	1.90%	Yly
Zurich Bank International Limited	01624 671666	Euro Reward	None	€5,000	1.75%	Yly
Bank of Scotland International	01534 613500	Base Rate Tracker	None	€35,000	1.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	€50,000	1.600%*	Yly
No Notice Accounts						
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	€25,000	4.25%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	€5,000	3.80%	Yly
Alliance & Leicester International	www.alli.co.im	eSaver Offshore 2	None (w)	€15,000	2.76%	Yly
Bradford & Bingley International	01624 695000	Easy Saver	None	€5,000	2.50%	Yly
Alliance & Leicester International	01624 614188	Select International 1	None	€15,000	2.50%	Yly
Notice Accounts						
Irish Nationwide (IOM)	01624 673373	International 90 Day	90 Day	€50,000	4.00%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege 30 II	30 Day	€5,000	3.95%	Yly
Irish Nationwide (IOM)	01624 673373	International 30 Day	30 Day	€50,000	3.50%	Yly
Alliance & Leicester International	www.alli.co.im	eSaver Offshore Notice 50	50 Day (w)	€25,000	3.00%	Yly
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	€25,000	2.97%	Qly
Monthly Interest						
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	€25,000	2.96%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	€5,000	2.72%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	€25,000	2.72%	Mly
Bradford & Bingley International	01624 695000	Easy Saver	None	€5,000	2.47%	Mly
Irish Permanent International	01624 641641	International 30	30 Day	€10,000	2.47%	Mly
Fixed Rates						
Irish Nationwide (IOM)	01624 673373	3 Month Fixed Rate Bond	3 month Bond	€50,000	4.50% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	12 month Bond	€5,000	4.35% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	6 month Bond	€5,000	4.30% F	OM
Irish Nationwide (IOM)	01624 673373	6 Month Fixed Rate Bond	6 month Bond	€50,000	4.30% F	OM
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Fixed Interest	3 month Bond	€5,000	4.25% F	OM
Current Accounts						
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	€10,000	0.25%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	€100,000	0.12%	Mly
Clydesdale Bank International	01481 711102	Current	None	€2,500	0.10%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	€5,000	0.10%	Qly
Standard Bank	01534 881188	Optimum	None	€3,000	0.05%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	€1,000	2.50%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	€10,000	0.65%	Yly
Abbey International	01534 885000	Tracker Term 8	05-05-09	€10,000	0.50%	OM
HSBC International	01534 616000	Offshore Bank	None	€5,000	0.10%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	€25,000	0.05%	Mly

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

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

k = Rate applies from £3k. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: April 03, 2009 Source: Moneyfacts

EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	The Monthly Offshore Saver	10.00	10.00	10.00	-	-	-	OM	No
Offshore Euro Call		0.00	0.00	0.00	0.00	0.00	0.00	0.00	Yly	No
Offshore Gold		-	0.00	0.00	0.00	0.00	0.00	0.00	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	1.00	1.00	1.00	1.00	1.00	1.00	Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	0.65	0.65	0.65	0.65	0.65	0.65	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'eed Reserve	-	-	-	1.75h	1.75	1.75	Yly	No
International Savings		0.01	0.01	0.01	0.03	0.05	0.05	0.05	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
International Tracker		-	-	0.10e	0.10	0.25a	0.75b	0.75b	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	0.00	0.00	0.00	0.00	0.00	Mly	No
	01624 643270	Advantage Plus	0.00	0.00	0.00	0.00	0.00	0.00	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	1.90	1.90	1.90	1.90	1.90	Yly	No
Current		0.88	0.88	0.88	0.88	0.88	0.88	Mly	No	
Instant Savings		-	1.88	1.88	1.88	1.88	1.88	Mly	No	
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.10	On closure	Yes
High Interest Accumulation Reserve		-	-	-	-	1.00a	1.25b	On closure	No	
		-	0.10	0.10	0.10	0.10	0.10	Qly	Yes	
Halifax International	01534 846501	International Web Saver	1.60	1.60	1.70	1.70	1.70	1.70	Yly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.10	0.10	0.10	0.10	0.10	Mly	No
Online Saver		-	-	1.89j	1.89	1.89	1.89	Mly	No	
Premier Offshore Bank		-	0.10	0.10	0.10	0.10	0.10	Mly	No	
Premier Online Saver		-	-	2.33j	2.33	2.33	2.33	Mly	No	
Premier Serious Saver		-	0.86	0.86	1.51	1.51	1.91	Mly	No	
Serious Saver		-	0.36	0.36	1.01	1.01	1.41	Mly	No	
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.10	Qly	No
Irish Permanent International	01624 641641	Instant Access	1.40	1.40	1.40	1.40	1.75	1.75	Yly	No
Instant Access		1.39	1.39	1.39	1.39	1.74	1.74	Mly	No	
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.05	0.05	0.05	0.15	0.15	0.20	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	0.50	0.50	0.55	0.55	0.55	0.60	Yly	No
Euro Tracker Premium		2.05	2.05	2.05	2.10	2.10	2.10	Yly	No	
NatWest Offshore	01534 282300	Advantage International	0.10	0.10	0.15	0.35	0.60	0.75	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	0.03	0.08c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	0.10	0.10	0.15	0.35	0.60	0.75	Qly	No
Skipton (Guernsey)	01481 727374	International Euro	-	-	2.00	2.00	2.00	2.00	Yly	No
Standard Bank	01624 643643	Offshore Reserve	0.15	0.15	0.15	0.15	0.15	0.15	Half Yly	No
	01534 881188	Optimum	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
		Offshore Moneymarket Call	-	-	-	1.00	1.00	1.00	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	0.10j	0.10	0.10	0.10	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward	1.75	1.75	1.75	1.75	1.75	1.75	Yly	No
Call		0.25	0.25	0.25	0.25	0.25	0.25	Yly	No	

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

All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: April 03, 2009 Source: Moneyfacts

US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

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

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

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For more information visit  **Moneyfacts.co.uk**



EXPATRIATE MORTGAGE TERMS - MAY 2009

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland Intl.	Bank base +2.89%	70	1%	GBP100,000 minimum. Early Redemption Charge 3% - 36 months
BM Solutions	4.49% 3 year tracker	60	3.50%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
	4.99% 3 year fixed	60	2.5%	
Cheltenham & Gloucester	4.29% 2 year fix	75	995	Limited offers via IMP Every case has to be agreed with an underwriter before submission. Will not lend to Self employed expat applicants. Employed applicants need to work for large companies. Available for main UK residence only. Free property valuation and low cost legal fees for remortgages. Different terms available for loans between £1 million and £5 million
	4.69% 3 year fix	75	895	
	5.29% 5 year fix	75	995	
	3.79% 3 year tracker	75	995	
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
Fortis Bank Group	Sterling mortgage LIBOR + 1%	70	GBP500	Minimum Loan £150,000 - 75% owner/family occupation.
	Foreign currency mortgage Cost of funds +1.25%	70	GBP500	Loans to offshore companies and trusts.
Halifax PLC	5.09% 2 Year Fix Max GBP500K	75	GBP999	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 2 year period. 6 months bank statements required. Redemption Penalties Fixed rate 2% in first 3 years
	3.19% 5 Year tracker Max GBP500K	75	GBP999	
HSBC	Under review	70 Repayment basis only 65% Interest only	Varies	Many existing expat HSBC bank customers come to us after being told that they will not have a problem obtaining an expat mortgage for a UK property with the bank and then find that the bank is unable to lend to them. The London office can only deal with "FSA regulated loans" where a family member will be resident in the property. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
Ipswich Building Society	4.49% two year discounted rate	75	GBP695	IMP exclusive expatriate buy to let scheme No early repayment penalties at anytime Will only lend on houses including new build
Irish Permanent (Isle of Man)	Temporarily withdrawn	75	1%	Loans to offshore companies and trusts.
Natwest Bank	Base rate + 2.79	60	1%	New build flats maximum 80%
Royal Bank of Scotland International	Base + 2.79% 2 year tracker	60	1%	Minimum GBP100,000
	Base + 2.99% 2 year tracker	65	1%	

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

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

A usual penalty is six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1 per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of 0.25 per cent subject to a minimum of GBP250 and a maximum of £700 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 4/4.5%. Bank rate @ 09/04/09 - 0.50% 3 month LIBOR 1.6%, 15/04/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
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Credit Cards						SAUDI ARABIA
PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver/Gold/Laki for Women/Qassit - 275 Mini Visa - 100 Internet card - Free	Nil for purchases 18.5% on cash withdrawals from the bank, otherwise 27.5%	45 days for Visa/MasterCard (Silver, Gold) Laki for Women and Internet card. Qassit card - 5% or SAR100 whichever is higher then the amount due with no increase or profit.	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 2% on purchases, SAR75 on cash withdrawals Amanah card: 2% on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

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

Car Loans						SAUDI ARABIA
PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Finance	3.99 - 5.49%	Up to 60 months	10%	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,000.	800 124 4141 www.alrajhibank.com.sa
	Car Lease	10.5%	Up to 60 months	None		
Arab National Bank	Auto Lease	9.15%	Up to 60 months	10%	Minimum salary SAR3,000. At least three months service with the current employer and minimum 20 years old.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha or Tawarruq	3.5-4.5%	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	9.15% 6% for Murabaha 3.15% for Insurance	Up to 60 months	10%	Minimum salary: 3,000 for Nationals. Three months service with current employer. 4,000 for expats with one year service	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 8.5% yearly	Up to 60 months	10%	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Murabaha	4.99% for Nationals in public sector; 6.49% for expats; 5.99-6.49% for companies	Up to 48 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

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

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

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

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

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

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

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

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

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

Credit Cards							BAHRAIN
PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT	
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 300, Gold - 400	Standard - 2.5% and Gold - 1.75% on purchases, 4% on cash withdrawals	52 days	17221999	
Bahrain Islamic Bank	Classic, Gold, Platinum	Classic-600, Gold-1200, Platinum - 2,400	Classic-300, Gold-800, Platinum-3000	Nil	25 days	17515151	
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999	
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777	
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver - 25, Gold - 50, Emirates-Citibank card: Silver - 30, Gold - 55	Silver - 300, Gold - 800 Emirates-Citibank card - 800	Visa/MasterCard - 2.5% Emirates-Citibank card - 2.5% on purchases, 4% on cash withdrawals	52 days	17582484	
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic - 20; Gold - 30; In-site - 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic - 2.25%; Gold - 2%; In-site - 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999	
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	1.84% on purchases. 3% on cash withdrawals	21 days	17214433	
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic - 15; Gold - 25	300	One-off fee on 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 17 588 222 www.axa-gulf.com	
Arabia Insurance Householders Insurance	23-25	250 per claim	5,000	Full value of household goods and personal effects excluding valuables such as jewelry, furs, cameras and accessories; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 www.arabiansurance.com aicbn@batelco.com.bh	
Royal & Sun Alliance Insurance Homeshield Insurance	Minimum 25-35, depends on policy	50-100	5,000	Contents while in your home only including fire, theft, (by forcible means), flood, storm/hail, leakage of any water apparatus, impact damage; excludes riot, strike, malicious damage, sabotage and terrorism; extra damage cover includes sum insured excluding valuables, valuables (gold, silver, jewelry, works of art, carpets/rugs, coin/stamp or medal collections, curios), landlords furnishings; optional covers include personal possessions while outside your home in Bahrain and/or worldwide (loss or damage by fire or theft and accidental loss or damage to personal belongings such as jewelry, watches, cameras, binoculars and musical/sports equipment etc.) and small boats (accidental loss or damage to your boat and third party liability up to BHD50,000)	+973 17 581 661 www.royalsunalliance.com	
Bahrain Kuwait Insurance Company Homeowners Insurance	Minimum 35	250 per condition	5,000	Cover against fire, domestic explosion, aircraft, earthquake or volcanic eruption, storm and tempest, flood, escape of water from any tank, apparatus or pipes, impact by any road vehicle or animal, theft, breakage of fixed glass and sanitary fixtures; can be taken only if you are a tenant in a building or an apartment, extra charge for jewellery, which should be kept in a safe.	+973 17 875 021 www.bkic.com info@bkic.com	
Takaful Insurance Home Owners / Householders Takaful Scheme	Minimum 20	100	5,000	Cover against losses due to fire and perils such as storm, theft, flood, earthquakes, escape of water from fixed tanks, apparatus or pipes, impact damage, accidental damages to certain specified household items (TV, fixed glass, sanitary fittings etc); Jewelry in locked safe and personal effects have extra charge	+973 1756 5656 www.takafulweb.com	
Protection Insurance Services W.L.L .	30	50	5,000	Cover against fire, theft, water; Insured jewelry should be in a safe	+973 1721 1700 www.alhimaya.com	
Bahrain National Insurance	25	250 for each and every loss	5,000	Cover against fire, special perils and theft for furniture, electrical appliances, electronic equipment, decorative items, personal belongings, watches and jewelry as long as kept in a locked safe	+973 1758 7333 www.bnbgroupp.com bnl@bnbgroupp.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 April 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helpline and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 www.fakhro.com www.ihl.com
Interglobal Healthcare Plan	Ultracare Plus: From 332 (child) to 10,825 up to ages 70-74 Ultracare Comprehensive: From 258 (child) to 8,819 up to ages 70-74 Ultracare Select: From 235 (child) to 8,003 up to ages 70-74 Ultracare Standard: From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42,50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area Ultracare Select: In-patient benefits Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 www.alhimaya.com www.interglobalnmi.com Bahrain National Life +973 1758 7333 www.bnngroup.com bnl@bnngroup.com
AXA Insurance	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan Global Area 1: From 1,080 (ages 11-21) to 2,909 up to ages 60-65 Global Area 2: From 363 (ages 11-21) to 954 up to ages 60-65 Regional Plus: From 207 (ages 11-21) to 543 up to ages 60-65 Regional: From 179 (ages 11-21) to 467 up to ages 60-65		Global Area 1: BHD500,000 Global Area 2: BHD250,000 Regional Plus: BHD100,000 Regional: BHD50,000	Global Area 1: Worldwide Global Area 2: Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland Regional Plus: Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan Regional: AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Bahrain Kuwait Insurance Company	Shefa'a Gold: From 520 (child) to 1,636 up to ages 60-65 Shefa'a Max: From 305 (child) to 957 up to ages 60-65 Shefa'a Plus: From 190 (child) to 598 up to ages 60-65 Shefa'a: From 44 (child) to 141 up to ages 60-65		Shefa'a Gold: BHD500,000 Shefa'a Max: BHD35,000 Shefa'a Plus: BHD10,000 Shefa'a: BHD10,000	Shefa'a Gold: In-patient and out-patient treatment, family doctor treatment, prescription medication , home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA Shefa'a Max: Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA Shefa'a Plus: In-patient and daycare treatment as well as out-patient consultations in Bahrain Shefa'a: In-patient and daycare treatment in Bahrain	+973 1753 1555 www.bkic.com info@bkic.com

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

Personal Loans							KUWAIT
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT	
Bank of Kuwait and Middle East	Consumer Loan	6.75%	Up to 70,000 for Nationals Depends on salary and years of service for expats.	500 Nationals 1,000 for expats	60 to 72 months	1812000	
Burgan Bank	Consumer Loan	6.75%	Up to 70,000 for Nationals Up to 15,000 for expats	400	Up to 12-60 months	1804080 www.burgan.com	
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.75%	Up to 70,000 for Nationals Up to 10 times salary for expats	350	Up to 24-180 months	1888225 www.cbk.com	
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	6.75%	Up to 70,000 for Nationals For expats, depends on salary and end of service benefits	350 for nationals 400 for expats	Up to 60 months Up to 180 months	1805805 www.e-gulfbank.com	
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.75%	Up to 70,000 for Nationals Up to 50,000 for expats (Depends on salary)	400	Up to 60 months	1801801 www.nbk.com	

Credit cards							KUWAIT
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 20, Gold 50, Platinum 75, CyberSmart 5	500	1% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	1812000
Burgan Bank	Visa/MasterCard (Classic, Gold, Platinum)	Free for first year, afterwards Classic 20, Gold 30, Platinum 100	400	Nil on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	1804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic - 20, Gold - 40, Platinum - 100, Infinite card - 100	350	Nil on purchases, 4% on cash withdrawals, 5% on other banks card	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	1888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold), Visa Infinite, Visa Internet	Free for the first year, thereafter, Classic - 25, Gold - 40, Platinum - 100, Visa Infinite - 100, Visa Internet - 5	350 for Nationals 400 for expats	1.32% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC Co-branded Card - 3.5% discount of monthly mobile bills and Free International roaming service	1805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum, Titanium), Visa Internet Shopping card	Free for first year. Classic - 30, Gold - 40, Platinum - 50 Internet Shopping Card - 5	Classic - 250 Gold - 600 Platinum - Upon request	1% on purchases, 5% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	1801801

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

Medical Insurance					UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	Global Area 1: From 14,869 (0-10) to 50,576 up to ages 61-65. Global Area 2: From 4815 (ages 0-10) to 14,789 up to ages 61-65. Regional 1: From 3962 (ages 0-10) to 10,866 up to ages 61-65. Regional 2: From 2905 (ages 0-10) to 7878 up to ages 61-65		Global Area1: AED5million Global Area2: AED2.5 million Regional 1: AED1 million Regional 2: AED500,000	Global Area 1: Worldwide excluding US Global Area 2: Worldwide including US Regional 1: Middle East, Indian subcontinent, North Africa and South Asia Regional 2: Middle East, Indian subcontinent, North Africa and South Asia * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles Global Area 1: From 4,561 (ages 0-17) to 18,428 up to age 65 Global Area 2: From 3,071 (0-17) to 12,270 up to ages 61-65 Global Area 3: From 2,048 (0-17) to 7,045 up to ages 61-65 Regional Plus: From 1,782 (0-17) to 6,675 up to ages 61-65 Regional: From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: Global Area 1: AED200/150, Global Area 2: AED200/150/100, Global Area 3: AED150/100/75, Regional Plus and Regional: AED150/100/75/50	Global Area 1: AED1 million Global Area 2: AED1 million Global Area 3: AED1 million Regional Plus: VIP: AED1 million A: AED500,000, B: AED250,000 Regional: VIP: AED300,000 A: AED150,000, B: AED75,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA and Canada Global Area 3: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional Plus: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional: UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	Essential: From 2,598 (ages 0-15) to 33,650 up to age 82-120, Classic: From 3,743 (ages 0-15) to 46,707 up to age 82-120, Gold: From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US\$160/US\$400/US\$800/US\$1,600	Essential: US\$900,000 Classic: US\$1.2 million Gold: US\$1.6 million	Essential: Hospital treatment as in/day-care patient Classic: Plus specialist medical treatment Gold: Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Expat Services GmbH	Individual Policies Expat Executive: From 1,530 (ages 0-18 years) to 5,210 up to age 65, Expat Superior: From 1,750 (ages 0-18) to 8,490 up to age 65 Group Policies - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	Standard: AED100,000 p.a. Executive: AED1,835,000 p.a. Superior: Unlimited	Standard Group: Covers Arab countries, Indian subcontinent, Philippines Executive and Superior (Group and Individual): Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae
Goodhealth Worldwide	Major Medical Plan: From 1,921 (ages 0-17) to 11,298 up to age 64 Foundation Plan: From 4,037 (ages 0-17) to 23,673 up to age 64 Lifestyle Plan: From 4,663 (ages 0-17) to 29,634 up to age 64 Lifestyle Plus Plan: From 5,892 (ages 0-17) to 34,577 up to age 64	Major: Nil, 1,000/5,000 Foundation: Nil, 50/100/250/500/1,000/2,000/5,000 Lifestyle: Nil, 50/100/250 Lifestyle Plus: Nil, 50/100/250	Major Medical Plan: US\$1.6 million Foundation Plan: US\$1.6 million Lifestyle Plan: US\$1.6 million Lifestyle Plus Plan: US\$1.6 million	Major Medical Plan: Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, murtal remains, AIDS, reconstructive surgery, home nursing Foundation Plan: Plus traditional Chinese medicine, hormone replacement therapy Lifestyle Plan: Plus evacuation extension to the country of your choice Lifestyle Plus Plan: Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand Plus: From 3,298 (Child) to 107,662 up to ages 70-74 Comprehensive: From 2,565 (Child) to 87,709 up to ages 70-74 Select: From 2,340 (Child) to 79,598 up to ages 70-74 Standard: From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Plus: US\$3.4 million Comprehensive: US\$1.7 million Select: US\$1,275,000 Standard: US\$850,000	Plus: Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover Comprehensive: Compassionate emergency visit Select: Compassionate emergency visit, emergency medical treatment outside area of cover Standard: In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalpmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate Emirates Plan: From 1,603 (1-16) to 3,018 up to age 55 Emirates Plus Plan: From 1,775 (1-16) to 3,353 up to age 55 International Plan: From 1,978 (1-16) to 5,780 up to age 55 Global Plan: From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	Emirates Plan: AED100,000 Emirates Plus Plan: AED250,000 International Plan: AED1 million Global Plan: AED2 million	Emirates Plan: UAE Emirates Plus Plan: UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia International Plan: UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean Global Plan: UAE and up to 60 days p.a. while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: from 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: from 1,700 (ages 1-15) to 9,500 up to ages 66-99; International: from 2,200 (ages 1-15) to 13,000 up to ages 66-99; Global: from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		Abu Dhabi Plan In & Out-Patient: AED250,000 UAE Plan In & Out-Patient: AED250,000 Regional Plan: AED500,000 International Plan: AED2.5 million Global Plan: AED5 million	Abu Dhabi Plan In & Out- Patient: Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only UAE Plan In & Out- Patient: Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) Regional Plan: UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide International Plan: UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide Global Plan: Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan Plan 1: From 1,470 (14 days-45 years) to 2,980 up to age 60 Plan 2: From 2,170 (14 days-45 years) to 4,380 up to age 60 Plan 3: From 2,350 (14 days-45 years) to 4,730 up to age 60 Plan 4: From 3,630 (14 days-45 years) to 7,290 up to age 60 Plan 5: From 4,180 (14 days-45 years) to 8,400 up to age 60 Plan 6: From 3,800 (14 days-45 years) to 7,650 up to age 60 Plan 7: From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	Plan 1: AED50,000 Plan 2: AED100,000 Plan 3: AED100,000 Plan 4: AED200,000 Plan 5: AED200,000 Plan 6: AED300,000 Plan 7: AED300,000	Plan 1: UAE, Plan 2: UAE, Plan 3: UAE, Arab countries, Indian sub-continent, Philippines Plan 4: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada Plan 5: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada Plan 6: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada Plan 7: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 olcsm@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan **Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalson.com www.royalsonalliance.ae www.fasterquote.ae
<p>Disclaimer: All medical insurance policies include the standard inpatient and outpatient 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 Karagoan 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 AA 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 April 2009. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions, MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helpline and/or call centres. Please call your chosen provider direct for further information.</p>					

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

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

Credit cards		BY INTEREST/PROFIT RATE			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic and Gold) e-Tijari Web Card, MasterCard (Gold)	Classic-200, Gold-400, e-Tijari Web Card-100, MasterCard Gold - 400	2% on purchases, 3% on cash withdrawals and 1.5% for e-Tijari Web Card for both	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold) (Card issuance stopped temporarily)	Silver-150, Gold-250	1.5% on purchases, 2.99% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Silver, Gold, Platinum)	Free for life	0% profit rate for first three months. Afterwards, 1.5% on purchases and on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fee: Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A on purchases and AED30 for cash withdrawals	50 days	04 609 2222 www.alisilami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Classic, Classic plus, Gold, Gold Plus, Platinum, Platinum Plus)	Classic - 100, Classic plus - 150, Gold-200, Gold Plus - 250 Platinum-300, Platinum Plus-350	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
LloydsTSB	Visa (Classic, Gold)	Free for life	1.25% per month or 11.9% per annum	55 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	2.15% on purchases for MasterCard cards, 2.25% for Visa cards; 2.25% on cash withdrawals for all cards; Géant card - 0% interest for first three months	56 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years, afterwards 200	2.49 to 2.99% on purchases and 2.99 to 3.49% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Platinum-800, rest of the cards are free for life	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US\$120, Gold-US\$210, Platinum-US\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millennium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae	
Barclays Bank	Barclaycard (Classic, Gold, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Priority option (available on all cards): 400; Prestige option (available on platinum cards): 650 Classic/Gold/Titanium-300, Platinum-550 Depends on bundle	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae	
Citibank	Emirates-Citibank Credit Cards (Ultima/Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver), Basic Silver	Emirates-Citibank Credit Cards - 3,000/1,000/550/300, Basic Silver - 50 Citi Travel Pass - 400 Citibank Credit Cards - Dh 1,000/500/250 5 Supplementary Cards - Free (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards.Double miles with Miles Accelerator.Upto 15% airticket discounts.Special offers across UAE and Citibank World Privileges worldwide at over 40,000 establishments.Loans as low as 0.91% Exclusively for Ultima/Ultimate customers-25000 signup Skywards Miles(Ultima),free Priority Pass Membership,International Concierge, upto 3 Free nights stay in Marriott Paris/ME&A, and much more.	04-311 4000 www.citibank.ae	
Dubai First **NOTE* Temporarily suspended credit cards.	Visa (Silver, Gold) MasterCard (Classic, Gold) Visa Business Card Royale MasterCard	Visa: Silver - 200, Gold - 400 MasterCard: Classic - 200, Gold - 400 Business Card - 1% of credit limit Royale MasterCard - invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE.GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubaifirst.com	
Emirates-NBD	EBI cards: Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard meNETPAY, Visa meUNI, Infinite Credit card NBD cards: Visa (Silver, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard	EBI cards: meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, meNETPAY/ Emirates IPAY - 50, Silver cards free for first year, Infinite - 1,500 NBD cards: Silver - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50	EBI cards: Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US\$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. NBD cards: Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts, 2% cash back on all retail purchases.	04-3160316 www.me.ae Toll-free: 800 4444 www.nbd.com	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Ethad 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, Ethad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Ethad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accommodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com	
RBS	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameerah Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard, RBS Weekend Card & RBS Williams Platinum Card	Free for life	All cards: Free Wild Wadi, Ski Dubai and Cinema; chip card for enhanced security, purchase protection; access to utility bill payment, smart cash loan. Visa Classic & Gold: dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveler Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameerah: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 www.rbsbank.ae	

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Car Loans		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	4.99%	Depends on type of car	Depends on type of car	60 months	5,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 5.5% for new cars, 6.25% for used cars	Up to 350,000 (depends on salary)	Depends on type of car	New cars: up to 60 months Used cars: up to 48 months	4,000	No
Bank of Baroda	Car Loan	New/Used cars: 10%, reducing balance basis	New cars: up to 90% Used cars: up to 70%	10 - 30%	New cars: up to 48 months Used cars: up to 36 months	4,000	Yes
Dubai Bank	Markaba Auto Finance	4.75 - 5% for new cars (Depends on the dealer)	Up to 250,000	Depends on car	Up to 60 months	8,000+	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.8%, otherwise 5.35% Used cars: with salary transfer 5.5%, otherwise 5.75%	Up to 250,000	New cars: with salary transfer - Nil, otherwise 20% Used cars: with salary transfer - 10%, otherwise 25%	Up to 48 months	With salary transfer - 7,500 otherwise 10,000	No
Emirates-NBD	Car Loan	New cars: 5.50% Used cars: 6.50%	Depends on salary	10%	New cars: with salary transfer 72 months, otherwise 60 months Used cars: up to 60 months (depending on age of car)	With salary transfer - 7,000 otherwise 10,000	No
Mashreqbank	Mashreq Auto loan	New cars: 5.49% Used cars: 5.99%	Up to 500,000	Nil downpayment option.	48 - 60 months	5,000 for account holders, otherwise 9,000	No
National Bank of Abu Dhabi	Sayyarati	New cars: 5.5% Used cars: 6%	Up to AED200,000	10-15%	New cars: up to 60 months Used cars: up to 48 months	7,000 for account holders, otherwise 10,000	No
Noor Islamic Bank	Noor Drive	5.5% Finance available for new cars only.	Up to 500,000	10%	Up to 60 months	7,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to 250,000	Nil. Sports cars - 30%	Up to 60 months	4,000 for account holders, otherwise 10,000	No

Personal Loans		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6.25% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 60 months	3,000	Yes
Barclays	Personal Loan	11.13%	Without salary transfer: 150,000 With salary transfer: 250,000	No	Up to 60 months with salary transfer otherwise up to 72 months	15,000 for non-listed companies, otherwise 10,000-12,000	No
Dubai Bank	Sanad Personal Finance	7.00%	Up to AED150,000	Yes	Depends on salary and years of service	8,000	Yes
Emirates NBD	Personal Loan	10.75%	Up to AED250,000	Yes	Up to 60 months	7,500 for Nationals, 10,000 for expats	Yes
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7 - 8.0%	AED150,000	Yes	Up to 72 months	5,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 6.47% for listed (different packages) 8.84% for not listed companies (subject to bank approval)	Up to AED250,000	Yes	Up to 72 months	20,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	12.75%	Up to AED250,000	Yes	Up to 60 months	20,000	Yes
Sharjah Islamic Bank	Goods Murabaha	10% for Ijara 8% for Goods	Up to AED250,000	Yes	Up to 48 months	12,000	Yes
United Arab Bank	Consumer Loan	10-15%	Up to AED250,000	Yes	Up to 84 months	8,000	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2002 model or newer	Yes	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2005 model or newer, for German and Japanese cars 2003 model onwards	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adlb.ae
Used cars must be 2006 model or newer	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
Post dated cheques required along with usual documents. Used cars must be 10 years old or newer	No	Nil	Free EIB account	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed. Used car must be at least 4 years old	No	4% of the outstanding loan amount.	100% finance for the first year. Fully comprehensive auto insurance (3.95%)	1% processing fee	Toll-free: 800-4444 www.nbd.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED250 charged as processing fee	04 424 4444 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 4 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None			Toll-free: 800 NOOR www.noorbank.com
	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	No processing fee	04 213 000 www.rakbank.ae

UAE

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

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

Mortgages							
PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	7.5-9.5%	Minimum AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	Up to 15% (depending on the property)
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	8.5 to 9%	No maximum	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
Amlak (Shar'ah compliant) **NOTE** On November 20, 2008 Amlak froze all new mortgage lending.	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on aligibility and criteria	10-20%	Minimum 10%
According to recent newspaper reports (April 18th 2009), the Amlak/Tamweel merger is going ahead and the merged entity will be trading soon.							
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.0% reducing balance rate	Up to AED5 million LTV: up to 85%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	70% for completed properties, 60% incomplete properties
Bank of Baroda **NOTE** Temporarily stopped new mortgage lending.	UAE nationals, expats	Up to 15 years	65 years	10%	Up to AED3 million	Up to 50% of gross monthly income	50%
Barclays Bank **NOTE** Temporarily stopped new mortgage lending.	UAE residents and non-residents	Up to 25 years	70 years	7.45 to 8.55%	Minimum is AED500,000 and maximum is AED10 million LTV: up to 90% of market value for villas and 80% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	8.65%	Up to AED8 million for Nationals, for expats depends on years of service	Depends on the salary	5 - 10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	Depends on criteria	Up to AED5 million	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%. Depends on property
Emirates-NBD	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer - 3.75-4.75% for 6 months Without salary transfer - 4.5-25% for 6 months	Up to 28 times of salary for nationals and up to 8 times for expats	Residents: up to 60% Non-residents: up to 50%	Completed property: 20% Incomplete property: 25%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	With salary transfer - 3.5% +EIBOR Without salary transfer - 3.75% +EIBOR	Up to AED4.5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8.5% on reducing balance basis	Up to AED1.8 million	Maximum 60%	20%
Habib Bank AG Zurich **NOTE** Temporarily stopped new mortgage lending.	UAE nationals and expats	Up to 15 years	60 years	6.5-7%	Up to 50% of the property value (Depends on income and liabilities)	Max. 60% of income including all loans	30%
HSCB Bank Middle East Limited	UAE residents and non-residents	25 year period or up to the age of 65 years, whichever comes first	65 years	Apartments - 8.5% Villas - 9.5%	Up to AED10 million	60% overall debt on all regular commitments	30 - 40%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	Financing available for VILLAS ONLY 8.5%	50%		50%
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	8.5 to 9%	Up to AED10 million for villas, up to AED8 million for apartments	55% including all loans	30% - completed properties, 35% - Incomplete properties
Mawarid Finance **NOTE** Temporarily suspended all new mortgage lending.	UAE residents and non-residents	Up to 25 years	60-65 years	7.5-8.5%	AED100,000 to AED10 million Financing available only for completed properties. LTV: 80%	Depends on salary	5-20%
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals; Up to 50 years for investors in Abu Dhabi	65 years	8.5-9.0%	Up to AED5 million	Up to 50% of monthly salary for expats	Primary properties up to 25% in Abu Dhabi and other emirates 50%
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	8.3 - 8.8% Abu Dhabi properties: 7.49%	Up to AED8 million LTV: Up to 85% Abu Dhabi properties: Up to 90%	60% of monthly salary for salaried individuals	Up to 25% depending on property
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	Profit rate: 11% on reducing balance basis	Up to AED5 million for incomplete property, AED3 million for completed properties	50%	50%
Standard Chartered	UAE nationals, expats	25 years	65 years	7.65%	Up to AED10 million	Depends on the salary	Minimum 25%
Tamweel (Shar'ah compliant) **NOTE** Temporarily suspended all new mortgage lending.	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	8.9%	Up to AED5 million LTV: Up to 90%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	7.5 - 8.5%	Up to AED10 million for villas Up to AED7.5 million for apartments	Up to 65% of monthly salary	5-10%
United Bank Limited 'Baitna' **NOTE** Temporarily suspended all new mortgage lending.	UAE residents and non-residents	Up to 20 years	65 years	8%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	10,000	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	Abu Dhabi: ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya Dubai: Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 1% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	ALDAR, Sourouh, TDC, Capitala and many more to come	Yes	Yes	Toll-free: 800 ADF (233) www.adf.ae
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	Abu Dhabi: Sourouh, ETS, Manazel, Emirates Financial Towers Dubai: Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amkfinance.com
Life and property insurance	20,000	Yes	Yes	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800 27224 www.arabank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount in case of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	15,000	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	15,000	No	No	Info not available	No Abu Dhabi properties financed Dubai: Real Estate - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	National - 8,000 to 20,000 Expats - 10,000 to 25,000	Yes	Yes	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Abu Dhabi: ALDAR, Sourouh Dubai: Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	25,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Abu Dhabi: Manazel, Al Reef Dubai: Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	15,000 to 20,000	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15% AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers' City (only for nationals); Aldar, Sourouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstzulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	Yes	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Isithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsbc.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	9,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.masrafbank.com
Property and life insurance	25,000	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	20,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sourouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	10,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Abu Dhabi: Al Raha Beach, Yas Island, Shams Dubai: Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	30,000	No	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	Yes	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	15,000	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	Abu Dhabi: Al Raha, Manazel and Al Reef Dubai: JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	12,000 - 40,000 for nationals with atleast 12 month service 26,000 - 40,000 for residents with atleast 18 month service	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

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

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Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
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Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 58032, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	info@synergyfinancial.ae	www.synergyfinancial.ae
Union National Financial Consultancy LLC	11th Floor, UNB Head Office Building, Salam Street, Abu Dhabi, UAE.	+971-2-678-2822	+971-2-678-2825	unc@emirates.net.ae	www.unfc.ae/

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

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)					
Name	Address	Telephone	Fax	E-mail	Website
Candour Consultancy	P O Box 9168, Dubai	+971-4-3124410	+971-4-3124411	info@candourconsultancy.com	www.candourconsultancy.com

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

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

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

Licensed Financial Intermediaries **UAE**

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

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

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

Related Services **UAE**

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

Letter of the Month

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

Dear Editor,
I've read that the price of gold would reach record highs. Experts have predicted all sorts of numbers: US\$1300 to US\$4000 an ounce. I have been influenced by these experts and bought into physical gold recently. But I suddenly find that gold has lost some of its sheen, and I have lost money on my investments. This makes me realise that perhaps the so-called experts aren't always right! I'd appreciate your comments.
M.K., UAE

went up to US\$147 a barrel. But then, he went a bit farther, and predicted that oil would reach US\$200. This time around he was proved wrong, as circumstances went against his assumptions. We have to understand that predictions are based on certain assumptions, which could go either way. So as investors, it is very important that we try and understand the basis of these assumptions before agreeing or disagreeing with an expert's opinion. In the case of gold too, you will find it more worthwhile if you read through the assumptions that analysts make leading them to their predictions.

Financial markets are inscrutable at times; trends and courses can change fast, and prove all assumptions wrong. Nonetheless, an informed investor is always better equipped to protect his wealth compared to a novice. So, it's always good practice to read up as much as possible, understand the pros and cons and one's risk appetite before investing.

Sure, experts aren't always right. After all, they are human beings. But sometimes they do get it right. For example, Arjun Murti of Goldman Sachs predicted that oil will breach the US\$100 mark. He was proved right, as oil

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.



Is now a good time to buy property?

James Thomas ponders the age old question and asks if now is the right time to buy a property?

Property has dominated Dubai's economy for the past five years or so, and had been on a seemingly ever increasing upward trend. This had been seen to some extent throughout the Middle East and, indeed, across the world. However, the last six months or so has seen the property market come back down to earth, having been hit by a number of factors, both international and local.

The international issues have been well documented, with the near collapse of the world's financial system back in October 2008, with the effects being felt in most aspects of the financial system.

Prior to the global issues coming to a head, the property sector in the UAE and Dubai in particular had been a speculators dream. You could buy a property then with just a 10 per cent deposit, and then sell the property in as little as three months for double the asking price that you had agreed to. So not only did you get your original 10 per cent back, you also got the full original price as well!

With this new found profit, you could then buy five, ten or even more properties and do the same thing again and again. Some people were making huge sums of money. However, the people who then bought the property wanted to do the same thing, and indeed in a lot of cases they were able to. But as the prices increased, people could no longer fund the property purchases from cash, and so the banks quickly started lending to finance the purchase, and so the cycle continued. But as often happens, when something seems too good to be true it normally is, the prices were becoming unsustainable, and buyers found themselves unable to meet the asking prices.

Then the world market collapsed, local

banks realised that they may have over exposed themselves and simply stopped lending until the situation was clearer.

Arguably that point has not yet been reached, but according to various reports property has fallen by up to 40 per cent in certain parts of the UAE, and some banks are now starting to offer finance on certain projects albeit at very low loan to value rates.

So is now the time to enter into the market? I believe that it could well be, as long as you choose the right location, project and property. There are definitely bargains to be had, but there are projects that have still further to fall.

The first question to consider before even looking at where to buy is the reason you want to buy. Are you looking for a speculative purchase, an investment or for somewhere to live?

If you are looking to make a speculative purchase to sell on quickly for a profit, I would suggest that while perhaps not impossible, it will now be very difficult. From an investment perspective, in some areas the market is starting to look attractive. If you have available funds, and can move quickly, there are bargains to be had. Prices are falling to a point where with a medium term timescale, and a realistic rental income, there can be good returns to be made.

If you are looking to buy a home for yourself, again prices are now at a point where property is looking attractive. However, it is likely that you will have to have a large deposit, as banks if they are lending at all, will require up to 50

per cent of the purchase price as a deposit. Also mortgages in the UAE are still very expensive, with banks adding a considerable risk premium on their interest rates, so we are unlikely to see rates as low as the ones that the UK and the US are currently at.

As with any investment, the time scale that you plan to hold the property is key. I would never recommend to a client to invest into equities for less than five years,



and property is no different. With a long term view, I believe property offers the potential for growth and rental returns, but it should not be viewed as a short term money-making venture.

You should also review your attitude to risk, as you would with any other investment and ask yourself whether you are prepared to lose money on an investment. If you are not, then you really need to consider whether property is suitable to you.



A silver lining on Dubai's property sector

Sultan Sooud Al-Qassemi writes why it is really not all bad news for the real estate market in Dubai.

Until a few months ago the news was all good; now the news seems to be all bad. What happened to the shades of gray?

In this strict financial diet even newspapers have lost weight, as real estate property sales have declined along with their excessive valuations and aggressive advertising. But there is a silver lining to this story: things are brighter than they seem.

Barring the short term property speculators, who have taken it upon themselves to flip apartments the same way as Italian pizza chefs flip pizza dough, the news of receding prices in the Dubai property market should be celebrated.

First, it makes our city much more reasonably priced and competitive for foreign investors. The allure of starting a new business or moving shop to Dubai was diminishing with every new ranking and news report that stated how life in the emirate was becoming costlier compared to other cities in the Middle East and globally¹. There is no doubt that property prices, whether for rent or sale, have a large impact on any expatriate's decision to move to a new country since it constitutes a major part of one's expenditure. In fact, we already saw this happening when Orbit, the regional TV subscription service provider moved its headquarters to Bahrain in 2005 even though Dubai Media City, the city's media freezone, was an ideal location. More recently, it was Zain Telecom's choice of moving its headquarters out of Kuwait due to the bureaucratic hurdles it is facing². The firm, which employs at the company level over 1,000 professionals, opted for Bahrain, even though Dubai was very closely considered³. There is no doubt that cost also played a large part in their choice since Bahrain was relatively less expensive than Dubai, although now with

the correction in prices the difference has greatly decreased.

When it comes to buying property in Dubai, the very same banks that were issuing reports about real estate developers were also commenting positively on the market and providing finance to investors and flippers alike. Of course, these banks had no problem in giving loans when the going was good (read risky) and now that the supply has been controlled, regulations enhanced and properties actually built, they have tightened their credit lines and imposed strict guidelines for any person wanting to buy a property.

Another additional benefit to this current global and local financial crisis is that many of the ugly, ridiculous and gravity defying projects have been cancelled. There were some copycat projects that were to duplicate famous structures around the world rather than create original architectural wonders for our city to be proud of; fortunately these seem to also have been cancelled. It is likely that only projects that make common and economic sense will take off and that too under better conditions.

Dubai's new environmentally friendly Green Building Code introduced in January this year will likely be enforced on projects that have been delayed since developers will probably have to renew their project permits. This Green Building Code will potentially help save up to 70 per cent of the electricity, 60 per cent of the water and 36 per cent of the energy compared to standard buildings⁴. Also, the federal government's recent strict enforcement of new regulations to safeguard the rights of labourers in the UAE will have a positive impact on a larger number of construction workers who have yet to be recruited for delayed projects. In April this year,

the UAE's ministry of labour revealed an action plan to help labourers that included the publication of a guide book to make construction workers aware of their rights and launching an active offensive against unscrupulous foreign recruitment agencies⁵ along with intensified inspections and labour and human rights awareness campaigns⁶. The global credit crunch allowed the world construction sector to take a breather or a step back, in order to address the pressing issues of workers' rights around the world and the UAE is no exception.

Finally, the current crisis is making apartments and houses affordable for families, which is essentially the social fabric of any community. As prices were increasing unreasonably, many employees opted to sending their families back to their countries of origin so that they may move into bachelor accommodations in order to save money. Employees whose spouses and children live with them undoubtedly are more content, and therefore, more productive. These families also end up sending their kids to school in Dubai, renting bigger flats and houses, shopping and spending money in the local economy rather than resort to sending a larger portion of remittances abroad.

So the next time someone tells you that all is not so well with the local property sector, tell them that the world is full of shades of gray, nothing is too good, and nothing is too bad. There's always a middle shade.

(Footnotes)

[1] <http://www.zawya.com/Story.cfm/sidZAWYA20070523064419>

[2] <http://www.zawya.com/Story.cfm/sidZAWYA20070909063247>

[3] <http://www.gulfdailynews.com/NewsDetails.aspx?storyid=195445>

[4] <http://www.zawya.com/Story.cfm/sidZAWYA20080812042005>

[5] <http://www.arabianbusiness.com/552169-ministry-reveals-action-plan-to-help-uae-labourers>

[6] <http://www.gulfnews.com/nation/Society/10302203.html>

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