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Guide to  
Home Finance

# MONEYworks

06/2007 Issue 103

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**BPA audit applied for December 2006**

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The falling value of the US dollar has indeed shaken up the large expatriate population in the Gulf countries, as well as the nationals. With local currencies in the GCC purchasing less, it just stokes up more inflation, while expatriates are remitting less and less and their families back home are asking for more and more. There are some borrowers in other currencies that I know of who suddenly find themselves unable to service their loans back home.



But, amidst all this, there is a feeling of respite in certain quarters, as Kuwait has decided to abandon the US dollar peg for the Kuwaiti dinar. There is speculation that some of the other constituents of the GCC could also follow suit, including the UAE. It's all rumours right now.

For the common men on the street, however, protecting the value of what they earn is the uppermost. A fast depreciating currency is not good for an economy that is not competing in the export market, and is worse for those who earn in that currency to pay for imported goods denominated in currencies that are appreciating in value. In other words, it is a bit of a lose-lose situation right now for countries that are pegged to the US dollar. But I guess it will be the other way round when the US decides to go for a stronger dollar.

Of course, for GCC monetary union, changes in currency pegs of countries in the region bring a new challenge to the table when it comes to creating a single currency. But it's not an insurmountable challenge, and if Europe could do it, the GCC has a precedent to learn from...surely it should be easier for them. The only question that needs to be answered now is whether the GCC, with or without Oman, will be able to meet the 2010 deadline.

Last month, most of our focus was on the World Economic Forum. There were a few major announcements made at the event, but the biggest one was the US\$10 billion human development initiative for the region. Development of human resources and skill sets in the Middle East is of great importance, as these directly influence employment which, in turn, impacts social and political stability of any state. In the Gulf region alone, it is estimated that 18 million nationals will be in the age band of 20-24 by 2010. This foundation will go a long way not only in shaping the future of these many millions, but also the destiny of the region itself.

This month, we've put together a free guide to financing your home with the magazine. It is especially apt, since our latest edition of **PROPERTYworks** also hits the stands as part of this month's package. Happy reading.

Utpal Bhattacharya  
 Editor

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# 36 OPTIONS FOR THE FUTURE

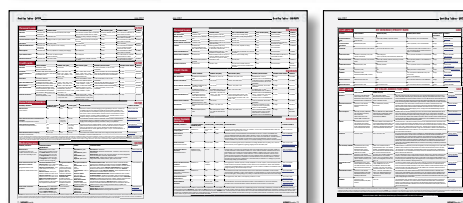
## Commodities and Derivatives in the region

From gold to coffee, investing in commodities derivatives is finding increasing interest among regional investors. For this month's lead feature **MONEYworks** spoke to some of the decision makers to find out their plans for regional markets.

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Majid Al-Sayed Bader Al Refai

## US\$1 billion fund to acquire retail banks

The Middle East's first fund targeting acquisition of retail banks is being launched. The fund will acquire both Islamic and non-Islamic banks converting them into Islamic banks. A **MONEYworks** report.

**B**ahrain's Unicorn Investment Bank is launching a US\$1 billion Islamic fund that will target acquisition of retail banks in or outside of the region. Called the Special Purpose Acquisition Fund (SPAF), it resembles the conventional private equity buyout fund in its objectives and is the first such sector specific investment vehicle in the entire region. The fund will be regulated by the Central Bank of Bahrain and will target its first closing with US\$300 million in the kitty.

Majid Al-Sayed Bader Al Refai, managing director and chief executive officer of Unicorn Investment Bank, said that the fund is due to be officially launched in September this year, although a soft launch is set to begin immediately.

Al Refai said that SPAF will not make any differentiation between conventional and Islamic banks while targeting institutions for acquisition. Conventional banks will be converted to Islamic entities post-acquisition. He also said that SPAF will have a life of five plus two plus another two years. It will be converted into a company after the end of its life.

The Unicorn managing director added that he does not expect short-term investors to invest with him in the fund, as the investment objective is long-term.

"Anybody who wants a first kill should not be investing in SPAF. You will have to be knowledgeable if you want to enter banking. You will make a killing, no question about that—but you have to be patient. So, I am now trying to get together a proper founding group for the fund. The investors that I am looking for will not only bring money, but also value," he pointed out.

He also said that a few opportunities in terms of acquisition in the Gulf have already been identified, but there are other targets between south and southeast Asia as well, meaning Pakistan, India, Malaysia, Singapore and Europe.

Asked if US\$1 billion is the right size for a fund that aims to acquire banks, Al Refai said that it is a reasonable figure and that other structures can be developed around the fund to make an acquisition bid. He also added that bank funding will be used to acquire the target retail banks.

"Typically, in any Islamic transaction a financier has to own the assets. There are many ways of financing Islamic transactions like the one SPAF will be involved in. But in all cases, one way or the other, the acquirer, which is the fund, and those acquiring with the fund will have to own assets of the acquired company. So we will come in with our equity and have other banks come in with financing. These banks will own the target bank(s) along with us and then resell their equity to us. We might also use other special purpose vehicles to facilitate these transactions," he explained.

SPAF will have a select group of investors to sit on the fund's board, which will work closely with the fund's investment committee. The process will ensure that all major players are on board when important investment decisions are made, he added.

Al Refai said that the fund will bring together an Islamic banking offering that will give superior services at par or better than the western style retail banking. He added that today Islamic banks are not well known for their quality of services.

"When we come in, we hope to come in with a western style retail bank to the market. We hope to give the best," he said.

Asked if the ongoing consolidation in the region's banking industry is going to help the new fund in its acquisitions, Al Refai said: "If governments in the region are going to support me, well and fine. But if they don't, I have got other markets to go to for acquisitions."

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**A few opportunities in terms of acquisition in the Gulf have already been identified, but there are other targets between south and southeast Asia as well, meaning Pakistan, India, Malaysia, Singapore and Europe.**

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Hussain Sajwani

## Damac Holding to IPO subsidiaries first

Damac Holding plans to expand its business across the Middle East and the neighbouring region. **Ehab Heyassat** also found out that the holding company has plans for a series of public offerings in stages in the near future.

**D**ubai headquartered Damac Holding plans to launch initial public offerings of its subsidiaries across the region over this year and the next year. The IPOs of subsidiaries are likely to be followed with the grand IPO of the holding company itself.

While it is felt that Damac's plans to IPO its subsidiaries first is mainly linked to its strategy of testing the water and the market's appetite for IPOs from the group, it also seems that there is a brand building exercise involved that could give better valuations for Damac Holding when it launches the IPO. Investment bankers say that when it comes down to valuations, a regional company with a strong brand is likely to get better multiples compared to a local entity. With Damac doing regional IPOs first, by the time it launches the Damac Holding IPO, it is most likely to benefit from its previous exercises in terms of valuations, according to them.

Hussain Sajwani, chairman of Damac Holding, told **MONEYworks** that plans are to launch the IPO of Damac Jordan first. The IPO should come by the end of this year and plans are to dilute 30 per cent of the company on the Amman stock exchange, he added.

"There are mainly two reasons why we have decided to IPO our Jordanian subsidiary first. First, we are of the view that conditions in the Amman Stock Market are just right for the IPO and that investors would want to invest in the company's share. The second reason is that Damac Jordan is one of our relatively smaller subsidiaries, and so the IPO could be the right opportunity to gauge investor sentiments for our future public offerings," he said.

Damac Jordan is currently in expansionary mode. The company plans to announce a number of projects in the Hashemite Kingdom, in and outside the capital city of Amman. To date, it has already launched three towers in the Al Abdali downtown area in Amman.

Sajwani also said that there is no change to its plans for the IPO of its Kuwaiti subsidiary, but added that, at this point in time, it has run up against a wall with the Kuwaiti regulator stopping all IPOs.

Damac Kuwait, which was established in 2000 and is capitalised at KWD15 million, will dilute 25 per cent of its equity on the Kuwait Stock Exchange whenever it gets the regulator's nod, according to Sajwani. Damac Kuwait, a subsidiary of Damac Investments that has assets over US\$2 billion under management, reported net profits of KWD2.8 million for the first half of 2006.

On the plans for an IPO of Damac Holdings, Sajwani said the decision will depend on market conditions.

"In order to launch the IPO of Damac Holding, we have to ensure that market conditions are right and we are not in a volatile phase. The biggest hindrance in the past to launching the Damac Holding IPO was the minimum dilution obligation of 55 per cent as per the UAE regulations. Now we are hearing that a new law is in the process of being passed which will allow us to IPO by diluting only 30 per cent. This is more acceptable for us. We will wait for the new law and then take our next step," the chairman said.

When it IPOs, Damac Holding will dilute between 25 and 30 per cent, and the public offering will be made on the Dubai Financial Market.

Damac has major real estate investments in the UAE, Egypt and China, and will invest US\$1 billion in real estate in Riyadh and Jeddah.

Established in 1982, Damac has operations spread to 20 countries outside the UAE. The company's portfolio of real estate investments reached AED70 billion. The group saw its bottom line grow year-on-year between 20 and 25 per cent in 2004, 2005 and 2006. In 2007 and 2008, the year-on-year growth in profit is projected at 300 per cent.

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**When it IPOs, Damac Holding will dilute between 25 and 30 per cent, and the public offering will be made on the Dubai Financial Market.**

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Ibrahim Al Ansari

## Dubai First to enter mortgage, personal loans

Dubai First, the latest consumer finance company on the block in the UAE, plans to foray in a number of areas by the year end. **Kara Sensoli** reports.

**A**lthough Dubai First, the first integrated consumer finance company from Dubai Holding, celebrated its launch just two months ago, the company is already executing aggressive plans to establish itself not only in the UAE, but also in the region. Speaking to **MONEYworks**, Ibrahim Al Ansari, country corporate officer of Dubai First, made it clear that the company intends to live up to its name.

“Our vision is to be a leading finance company across the Middle East and North Africa region. Our aim is to anchor the name of Dubai and the UAE in the market by developing an organisation that is first in its integrity, professionalism and customer needs,” he said.

Dubai First will initially tackle these objectives by focusing on its credit card business, most of which it acquired from Dubai Bank last January. In the three months leading up to its launch, Dubai First took over the bank’s credit card portfolio of 80,000 cards and an asset book of AED180 million, providing Dubai First with a fast start and strong customer base.

Currently, Dubai First offers Visa issued silver and gold cards, both of which include value added features such as free life insurance, free household insurance, free purchase protection and discounts on the UAE-GATE card. The company is additionally looking at co-branding opportunities with its Dubai Holding sister companies, although nothing has been announced as of yet.

Dubai First has also tied up with partner locations where Dubai First customers can go to make their payments, including Emarat stations and UAE Exchange branches. At present, the company has over 150 exchange houses, with more on the way in the next two months. According to Al Ansari, Dubai First will have 250 exchange houses by the end of this year.

Although Dubai First currently has only one branch, customers will eventually be able to visit other Dubai First branches that the company plans to develop in the emirate and the rest of the UAE. In addition, plans to develop an internet banking service are in the works and should be completed by the end of the year.

Dubai First will also offer mortgages to customers by the third quarter of this year and is currently in the fine tuning stage of its mortgage business. Al Ansari said that while credit cards and mortgages will be the company’s focus, it is also looking at offering personal loans to its clients in the near future. Car loans are currently not on Dubai First’s agenda.

When asked how the company intends to compete with banks in the region, Al Ansari said that Dubai First will differentiate itself not by pricing its products lower, but rather by understanding customer needs and offering a level of service that directly addresses those needs.

“We are concentrating on the service to give us the key advantage to put us ahead. If you look at the market, there are a lot of unmet needs of the clients in terms of technology, in terms of services, in terms of accessibility, and we are identifying those and building our strategy based on that,” he said.

In order to offer quality customer service to clients, Al Ansari said that Dubai First is hiring “the best people in the market”. The company, which has 278 staff at present, has brought in skilled individuals from financial institutions in the UAE and abroad. Al Ansari added that Dubai First plans to reach 350 plus staff by the end of this year.

Additionally, Al Ansari stressed that Dubai First is already competitive, as it currently holds around 3.2 per cent of market share and is the eighth largest Visa issuer in the market. Al Ansari declined to comment on the number of new cards that Dubai First has acquired since its launch, but said that the company is well above the target it set earlier this year and is aiming to reach a card base of 300,000 cards within the next three years.

Above all, Al Ansari emphasised that the region should expect more from Dubai First, as the company is continuously looking at how it can provide the best to its customers. “Our core philosophy here is that the customer is always first,” he said. “Everything is built under that.”

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**“Our vision is to be a leading finance company across the Middle East and North Africa region.”** Ibrahim Al Ansari

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**Italian bank Unicredit has bought its**

smaller rival Capitalia, creating Europe's second-largest bank by stock market value. The all-share deal is worth Euro22 billion (US\$29.7 billion; GBP15 billion) and keeps Capitalia in Italian hands. The combined bank will have 9,200 branches worldwide, with more than 40 million customers. HSBC is currently Europe's largest bank by market share.

**National Bank of Abu Dhabi has**

announced the establishment of an independent wholly owned subsidiary in Geneva under the name NBAD Private Bank (Suisse) SA. NBAD is the first UAE bank to have been granted a full Swiss banking licence.

The bank will operate under full Swiss banking rules and regulations including banking confidentiality. The bank will have an initial capital of CHF100 million and will offer a full range of private banking and trade finance services.

The Swiss Federal Banking Commission granted the license on May 10, 2007 and NBAD begins operations in Switzerland on May 21, 2007. An official inauguration ceremony will take place on June 28 in Geneva.

**TAIB Bank B.S.C. (c) is contemplating the**

sale of a controlling interest in the bank to a strategic investor, subject to the formal approval of the Central Bank of Bahrain. As discussions with the strategic investor are still ongoing, the bank has requested that the Bahrain Stock Exchange suspend trading of the shares of the bank until further notice.

**Rufi Real Estate has launched another**

major project, Rufi Park View, in the Dubai Sports City complex. Park View offers studios, one and two bed apartments, and a few luxury penthouses.

According to Rameez Manzoor Rufi, vice president of Rufi Real Estate, "It is our sincere effort to bring homes to suit every budget and every need. That's why our prices start at AED299,000 with repayment plans available at 2.5 per cent per month."

## Mashreqbank rebrands to Mashreq

Mashreqbank rebranded last month. It's now Mashreq, and the bank said in a communication that the new identity is more than just a new logo – it's a new brand direction that aims at enhancing its relationship with its customers and partners.

Addressing a press conference in the bank's headquarters in Dubai, Abdul Aziz Al Ghurair, CEO of Mashreq, said: "We are changing while we are at the height of our performance, to make sure we maintain our market leadership. We are opening the way to a new level

of modern banking in an increasingly competitive market environment. Our focus is on meeting and exceeding our customer needs, ensuring that we deliver financial reward, convenience and ultimately peace of mind in this fast evolving sector."

The unveiling of the new logo follows a rigorous three-year programme to evolve and re-define the Mashreq brand. This included understanding the market and customer needs through in-depth market research, listening to employees' feedback and

strategically mapping the new brand direction with overall business goals and objectives.

The findings also led to the development and enhancement of specific segments such as Mashreq Gold – Mashreq's mass-affluent tier proposition, a dedicated unit for SME banking and Badr AHslami. The new brand was launched internally to over 3,300 employees in September last year.

Al Ghurair said that the bank will be investing AED30 million by the year end on rebranding and the whole exercise will cost AED250 million over a three year period. Speaking about the profitability of the bank, he said he expects a bottom line growth of 30 per cent in 2007.

Asked to comment on the merger of National Bank of Dubai and Emirates Bank International, Al Ghurair said that the UAE market has room for all players, and size will not be the only criterion of a bank's performance. He also added that Mashreq will continue to pursue acquisition opportunities in select markets and could invest up to US\$2 billion.



## EFG Hermes enters joint venture in Qatar

EFG-Hermes has entered into a joint venture agreement to establish EFG-Hermes Qatar Limited in the Qatar Financial Centre to provide investment banking and asset management services from QFC. EFG-Hermes Qatar Limited is also looking to expand into the Qatar brokerage market. The joint venture will be owned 51 per cent by EFG-Hermes and 49 per cent by a local Qatar company, and the initial capitalisation of EFG-Hermes Qatar Limited will be approximately US\$37 million. EFG-Hermes intends to commence its Qatar Financial Centre application and licensing process as soon as practicable.

**In related news**, the Abu Dhabi Investment Authority (ADIA) has accumulated an eight per cent stake in regional investment bank EFG-Hermes in a deal which gives ADIA a seat on EFG-Hermes Holding's board of directors and further institutionalises the EFG-Hermes shareholder base. **And**, EFG-Hermes Holding announced consolidated audited financial figures for Q1, 2007. Total consolidated revenues recorded EGP449.6 million, a 23.2 per cent increase compared to the same period last year.

**Orion Brokers DMCC has been awarded one of the select few "off-floor"**

memberships available in the Dubai Mercantile Exchange Limited (DME). Orion can now access and trade on the trading platform of the DME.

### Al Salam Bank has formally opened its

regional hub in Bahrain. The bank, which began operations in April 2006, has also launched its Shari'ah compliant retail operations.

### Monarch Gold Mining Company Limited, an

Australian gold company listed on the Australian Stock Exchange, is exploring the possibility of listing on the Dubai International Financial Exchange.

The company is the largest Australian-owned landowner in the mineral rich area of the Kalgoorlie gold fields located in Western Australia. Monarch Gold currently has a resource base totalling 2.4 million ounces and two state-of-the-art gold treatment plants.

Executive chairman Michael Kiernan says the company's goal is to have "approximately 15 per cent of Monarch's shareholders to be based in the UAE region."

### Al Khaliji, the new Doha based bank, has

allocated shares following its recent IPO – which attracted 86,547 Qatari investors who applied for shares worth QAR1.37 billion, leaving the offer 2.28 times oversubscribed. The offer, for 120 million shares or 17 per cent of the bank's authorised capital, was worth an initial QAR600 million, paid at 50 per cent.

The number of shares each individual could apply for was limited to 5,000 in order to give as many investors as possible the opportunity to participate in the offer - 70 per cent of the shares are being allocated across the board and 30 per cent are being distributed on a 'pro-rata' basis.

This means that investors who applied for between 500 shares and 1,000 shares will receive their full allocation. Those who applied for between 2,000 and 5,000 shares are being allocated between 1,220 shares and 1,880 shares respectively.

### Rasmala has been licensed by Saudi Capital

Market Authority and approved by the ministry of commerce to establish Rasmala Investments (Saudi) Ltd. Hamad Mubarak Al Huthaili has been appointed as general manager of Rasmala's Saudi subsidiary.

## NBF uses Dubai Commodity Receipt for AED72 million financing of steel

The Dubai Commodity Receipt (DCR), an electronic warehouse receipt system operated by the Dubai Multi Commodities Centre (DMCC), has facilitated National Bank of Fujairah to extend AED72 million financing to Athena SA, a major Greek contracting company. This was a joint initiative undertaken by National Bank of Fujairah, one of the founding members of the DCR, with DMCC to manage the inventory of steel plates to be utilised in the Fujairah Port expansion.

This is the first time that the DCR has been used in project financing in the UAE. Under the terms of the DCR, members who store their physical commodity assets in a

DMCC-approved warehouse – or who assign control over their goods to an approved collateral manager – can be issued a DCR against the value of that commodity. The member can then use the warehouse receipt to obtain financing from member banks.

"The DCR facilitates collateralised financing of trade or of projects," said Asad Ahmed, general manager, National Bank of Fujairah.

"The bank may undertake such transactions with confidence because the finance is purpose specific with better controls and

smooth contingency procedures; it provides risk mitigation and controls loss in case of recovery."

DCR transactions are conducted on an electronic, web-based system that ensures real-time efficiency and security. This system also allows the transfer of title of the DCR to other traders who are members of the system, providing members the opportunity to trade their goods with great confidence among a network of approved members.

The UAE is one of just 26 countries worldwide and the only one in the Middle East to introduce such a system as an effective risk mitigation tool in commodity financing.

### The Memon group of companies has launched its Dubai-based property

development arm, Memon Investments LLC, to focus on investment-driven projects and to design, develop, lease and manage both commercial and residential properties, with a dedicated marketing and customer service team.



UAE residents Sawsan Abou and Dr. Mustafa Hatim recently enjoyed family holidays to Disneyland Resort Paris, courtesy of Visa in its home delivery promotion with popular restaurants Chili's and The Pizza Company. Little did they know that by paying for their home deliveries with their Visa cards that they would each win family vacation packages valued at US\$10,000. The promotion marked the launch of credit and debit card payments in the home deliveries segment of the food and beverage market, utilising Global Packet Radio Service technology.



### The Dubai Multi Commodities Centre (DMCC)

launched "Pearls of Dubai" recently, an integrated pearl centre that will include a pearl farm, interpretative concept and a retail destination. The centre will be a showcase for a new brand of Dubai pearls that will be produced at a pearl farm located off the coast of Dubai. "Pearls of Dubai" will also develop and train UAE national talent in pearl trading.

"Pearls of Dubai" will be established as a joint venture between DMCC, a Dubai government initiative and Arabian Gulf Pearls DMCC, the Dubai-based office of Arrow Pearls of Broome, Australia.

The centre will comprise an interpretative concept showcasing all facets of the historic pearling in the UAE, including the diaspora of the pearl diving tradition across the Indian Ocean as far as Australia and Tahiti. Visitors to "Pearls of Dubai" will be able to observe life under the sea in an acrylic undersea tunnel in a purpose built pearling marina. Traditional dhows will transport visitors for a modern pearling experience.

### Under the patronage of His Highness the

Prime Minister, Sheikh Khalifa bin Salman Al Khalifa, the 27th General Arab Insurance Federation Conference will take place in the Kingdom of Bahrain during February 26 - 28, 2008. The theme of the conference will be "Towards a more integrated Arab insurance market" and the event - held every two years - is expected to draw over 1,000 delegates across the Arab and international insurance industry.

**Shuaa Capital reports fourth** quarter profits increased by 90 per cent to AED107.2 million, compared to the same quarter last year. The 2006 revenues declined by 8.4 per cent and profits declined by 27 per cent from the previous year. Revenue contribution by main business lines break down as follows: investment banking – 14 per cent; brokerage – 11 per cent; asset management – nine per cent; associate companies and principal trading – 56 per cent and other – 10 per cent.



## National Bonds names its youngest millionaire ever

An eighteen-month old UAE national from Fujairah, Yousef Khaled Sharari, is now a millionaire thanks to National Bonds, the Shari'ah compliant national savings scheme of the UAE.

Bond ADV811772, purchased in Yousef's name by his father Khaled Al Sharari, won the top prize of AED1 million in the 13th monthly draw of National Bonds held on May 5, 2007.

Every month, National Bonds gives away AED4 million in a total of 16,318 prizes, including two second prizes of AED100,000 each, to bond holders. Ana Marie Panis (Bond ACW842265) from the Philippines and Lebanese national Ziad Elias Tohme (Bond AAY441118) won the second prizes this month.

### Bahrain Islamic Bank has signed an MoU with Capital Partners, a Bahraini holding company involved in real estate investment and banking insurance.

The MoU aims to coordinate the efforts of both sides in the development and launching of an investment fund operating in the field of hotel development and management in the holy city of Mecca.

The developers of the investment fund will build and operate a chain of hotels in Mecca and Medina designed specially to cater to the needs of pilgrims, those who perform the Umra and visitors to Medina, the Prophet's Holy City. It is expected that the number of hotel rooms and suites that will be under the fund management will reach 7,500 rooms and suites over the next five years, making the fund the biggest operator of specialty hotels in the Holy Shrines area.

**Bahrain's reputation within the region's insurance sector continues to develop,** as both the size of the market and the regulatory framework evolves, according to experts who gathered in Manama for a recent event. Central Bank of Bahrain statistics show a 22 per cent rise in gross premiums in 2006, marking the sector's strongest-ever annual growth of recent years, driven by increasing public awareness and acceptance of the importance of insurance. The recent first Bahrain Nexus Awards Ceremony honoured leading representatives for their contribution to growing the company and developing the industry.

"It was an important event where we were able to demonstrate the importance of their involvement in our company's ongoing success to all our colleagues, partners and supporters. Nexus is an organisation with a sense of purpose and a tremendous appetite for growth – and many of the people we honoured at the awards are helping to drive its development," said Mahmoud Nodjoumi, owner and CEO, Nexus.

In terms of market scale, in the area of Takaful (Islamic) insurance alone, Bahrain has now eclipsed Kuwait – previously the largest GCC market – following the Bahraini government's BHD1.6 billion (US\$4.2 billion) contract award earlier this month.

Regional IFA Nexus is experiencing strong growth in Bahrain, with an increase in sales of 25 per cent since the company was launched following a management buy-out in September 2006.



Mahmoud Nodjoumi, owner and CEO, Nexus.

## Dubai Mercantile Exchange gets the nod from China, Finland and Lebanon

The Dubai Mercantile Exchange Limited (DME) has announced that further to the earlier receipt of approvals and 'no objection' letters from overseas regulators, the Securities and Commodities Authority of the UAE, the Rahoitustarkastus Finansinpektionen of Finland (in charge of financial supervision), the China Securities Regulatory Commission and the Central Bank of Lebanon have notified the DME of their 'no objection' to entities in those jurisdictions accessing the DME via DME Direct, the Exchange's trading platform.

**In other news,** DME has announced that further to earlier approvals and no objection letters from overseas jurisdictions, the financial supervisory service of the Republic of Korea will grant the DME recognition as a foreign futures market. Likewise, the Central Bank of Bahrain has notified the DME that it has no objection to the DME providing Bahrain-based entities access to DME Direct, the DME's state-of-the-art trading platform.

The DME's clients in Ireland, Japan, the Kingdom of Bahrain, New Zealand, the Republic of Korea, Singapore, the Sultanate of Oman and Switzerland will be able to access DME Direct when the Exchange launches.

**Limitless, the global integrated real estate arm of Dubai World, is now leasing** the first four commercial buildings at its showcase Downtown Jebel Ali development. Almost 700,000 square feet of office space is available in its first buildings in Downtown Jebel Ali, a 200 hectare, mixed-use development being built along Sheikh Zayed Road. The first tenants are scheduled to move in October 2007.

Downtown Jebel Ali will have four zones, stretching 11 kilometres along Sheikh Zayed Road, with 326 residential, commercial and retail buildings.

People who work in Downtown Jebel Ali will also benefit from its "rich, convenient transport system", which will enable them to get to and from the office without a car. An internal "people mover" will provide easy, environmentally-friendly travel within each zone, with stops every 300 metres. There will also be four Dubai Metro stations. Road access will be via four new freeway interchanges.

**CBI, Commercial Bank International PJSC, has announced its third phase of** capital increase of AED109 million, pushing the total capital of the bank to AED1,089 billion. The planned increase in capital from AED479 million to AED1 billion happened in three tranches to achieve a capital increase of AED521 million.

**HSBC has been awarded three of the prestigious "Deals of the Year" awards** by The Banker magazine. The awards were presented at an international ceremony in Bahrain, held on the day of the launch of the Bahrain Financial Harbour. All came in the debt markets.

**Diners Club International was title sponsor of the World Corporate Golf Challenge** for the second consecutive year after signing a three year sponsorship contract this year. At the challenge, Diners Club conducted a competition that won Chris Lynch (a member of the Xerox team) two business class tickets to a European destination. The tournament took place at the Montgomerie Golf Club recently, attracting golfers from leading companies in the UAE, bringing the corporate community together with an emphasis on healthy competition.

The UAE winning golf challenge team Fortune Promoseven, comprising Phil Lynagh, Ian Lynagh, Martin Lambert and Carl Lundqvist, will now proceed to compete at the final stage from July 2 - 5, 2007 at La Manga Golf Course in Spain, against the top players from 30 other countries.

**Realty Capital Middle East FZ LLC has** recently announced that ground breaking has commenced on its Dubai's office tower "i-Rise", a 37-storey development earmarked to become one of the most prominent business towers in the Arab World. Upon completion in late 2009, the development will feature a striking curvilinear design in a total built-up area of more than one million square feet at TECOM Site-C.

**In response to strong demand, Dubai** Financial Market (DFM) extended and expanded its international investor conference in London, which took place during May 22-24. The road show was extended to three days, rather than two, and Air Arabia, which will shortly list its shares on DFM, joined the current group of 13 DFM-listed companies participating at the event. DFM is also organising a series of similar conferences in the US, UK and Far East in the next 12 months.

**Sheikh Hazza Bin Zayed Al Nahyan** officially inaugurated Al Qudra Real Estate's headquarters on Saada Street in Abu Dhabi.



Diners Club International co-sponsored the popular Nad Al Sheba Golf Club 8th Ladies' Amateur Open. The two day tournament, which took place on May 4 and 5, 2007 was a 36-hole event, open to all female golfers with a valid handicap. Adele Mckelvey, from Arabian Ranches Golf Club, was this year's Champion Lady Amateur Golfer after achieving the best 36-hole gross aggregate score.

**Emirates Bank Group recorded a net profit** of AED575 million for the three months ended March 31, 2007, as compared to AED604 million earned over the same period last year. Excluding IPO related profits in Q1 2006, core profits earned in the first quarter of 2007 grew by 56 per cent.

**Investors in the Sextant Strategic Opportunities** Hedge Fund continued to experience solid returns as it entered the second quarter, with the fund's Series F units gaining an additional 2.9 per cent in April. Year to date, the fund's unit price has increased close to 24 per cent and is up more than 168 per cent since inception.

**Lehman Brothers, the global investment bank,** has formally launched its Middle East business and has added executives to its Middle East advisory board.

**Global Finance magazine recently named** HSBC 'Best Sub-Custodian' for the entire Middle East region for the fifth consecutive year since 2003, while the bank also won the best provider of sub-custody services in every one of the Middle East countries in the survey.

**Barclays Capital, the investment** banking arm of Barclays Bank PLC, has ranked number one in the Islamic bonds underwriter league table with 23 per cent market share according to the Bloomberg 2007 Q1 European Fixed Income Rankings.

**American Express Middle East's 'Selects'** programme of exclusive offers has received a huge response from regional merchant partners. In less than one year of the launch of 'Selects', in the region, the programme's merchant offer base has trebled with a current total of over 300 leading names in the travel and leisure, dining and retail sectors. 'Selects' is a programme that provides American Express cardmembers access to exclusive offers for shopping, dining, travel and leisure in over 50 countries, through an easily navigable website [www.americanexpress.com.bh/selects](http://www.americanexpress.com.bh/selects)

## Lloyds TSB restructures its Middle East banking operations

Lloyds TSB has announced the restructuring of its Middle East banking operations. With immediate effect, both the local personal banking business and international off-shore banking will become one joint unit, known as 'personal banking'. This is in response to the clear need of the bank's customers to have a seamless service across all of their bank accounts, services and banking relationships.

The bank will also be further developing its business banking team with several new senior appointments.

The business banking and personal banking teams form consumer banking led by Steve Williams, chief operating officer, Middle East. The wholesale banking division, led by director Bert de Ruiter, will remain unchanged. The bank has also announced the departure of its regional CEO Giles Cunningham. He has been appointed director of onshore banking for Lloyds TSB International Banking in London. In addition, he is responsible for strategy and change within the division. Bert de Ruiter will act as interim CEO until an appointment is made to replace Giles as CEO Middle East.

Commenting on the structural changes at Lloyds TSB, Steve Williams says the bank has refocused its entire personal banking operation on what works best for customers. "Our research shows that customers want a more streamlined banking service with fewer points of contact. By bringing off-shore banking and our local personal banking business together, we will achieve this and create greater freedom and flexibility for our customers," he said.

Commenting on the departure of Giles Cunningham, Bert de Ruiter, director and acting CEO Middle East, said: "Giles' contribution to Lloyds TSB Gulf region is incalculable. In three years, he has transformed our business and leaves an impressive legacy of success. As anyone who has worked with Giles will also tell you, he has always been a leader of great integrity, charm and warmth, and whilst we are all thrilled that he remains within the Lloyds TSB Group, we are very sorry to see him leave Dubai."

**And,** the bank has confirmed the second round of the Lloyds TSB Small Business Awards. As with last year, awards will be made in various categories such as Entrepreneurial Start-Up, Outstanding Customer Service, Creative Promotion, Business Growth and Inspirational Leadership. The most prestigious award is the Small Business of the Year award.



Last year's Lloyds TSB Small Business Awards winners

Businesses based in the UAE that employ less than 50 staff and earn up to AED25 million in revenue are eligible to apply. Applicants do not have to be Lloyds TSB customers. Applications for this year's awards open shortly and the winners will be announced at the business breakfast ceremony towards the end of October or in early November in front of 500 guests.



**Visa has named Joseph (Joe) W. Saunders (left)** as chairman and chief executive officer of Visa Inc. Visa's regional boards of directors unanimously approved Saunders' appointment after an extensive six-month search. Saunders had previously been named the designated executive chairman of Visa Inc's board of directors, a role he assumed in February 2007.

## IFA gets initial approval to establish financial services company in Syria

International Financial Advisors (IFA) has received preliminary approval from the specialised authorities in Syria to establish a financial services company called "IFA – MAG Financial Services". This company will provide management and finance advisory studies services, financial brokerage and managing investment funds, in addition to other investment activities.

The new company is a result of partnership between IFA Kuwait (through their investment arm in Dubai – IFA Financial Brokerage) and the Mowaffaq Al Qaddah group of companies, which will own 15 per cent of the new company's capital. International Financial Advisors and IFA Financial Brokerage in Dubai will own the rest.

**Dubai Investments PJSC (DI) has acquired a five per cent stake in the newly established Islamic Bank of Asia, the first Shari'ah compliant bank in Singapore, in a deal worth more than US\$25 million (AED91.8 million). The bank will begin operations this month with an initial paid-up-capital of US\$500 million and will operate as a subsidiary of the Development Bank of Singapore (DBS), Southeast Asia's largest bank by assets. DI is one of the Middle Eastern investors to acquire a combined stake of 40 per cent in the joint venture with the other 60 per cent owned by DBS.**

**Kuwait Finance House (Bahrain) (KFH-Bahrain) has announced plans to establish a US\$50 million investment bank in Jordan. The investment bank will be a wholly owned subsidiary of KFH-Bahrain and will be called Kuwait Finance House (Jordan) (KFH-Jordan). The announcement was made at a press conference during the World Economic Forum that took place in Amman, Jordan last month.**

**National Bank of Dubai celebrated the graduation of its first PAL (Programme for Accelerated Learning) trainees who successfully completed the challenging Moody's Commercial Lending Programme. The training programme, which lasts three months, is now a requirement for all PAL trainees and seeks to enhance trainees' understanding of credit instruments and financial markets. Douglas Dowie, CEO, NBD, presented the graduates with certificates at a ceremony held at the NBD headquarters.**

Established as part of the NBD Academy PAL programme for the ongoing development and training of UAE national employees, the Moody's Training Programme sets international benchmarks in the field of financial risk management. Moody's Training Services provide a customised e-learning course for PAL trainees enabling them access to Moody's world class research and industry standard analytical tools. Moody's Training Services is recognised as the industry leader and is used by some of the world's largest banks to support their development programmes.

Advert

**National Bank of Dubai reported a net profit** of AED302 million for the first quarter of 2007, recording strong growth of 17.5 per cent over the first quarter 2006 results of AED257 million.

**Abu Dhabi-headquartered First Gulf Bank** has contracted Dun & Bradstreet South Asia Middle East Limited to enhance and develop the bank's risk management and compliance protocols.

The tie-up will provide consultancy and technology solutions for the development of processes and systems that meet standards laid down in the Basel Capital Accord known as Basel II, which has created an urgent need amongst banking organisations for sophisticated risk management tools.

**Dubai Financial Market (DFM) has announced** the results of its online stock game. A total of 52 colleges and universities participated in the event, which was organised by DFM to educate students on the intricacies of the stock market and to develop their talent for investing.

Hussein Assaad Sadaka from UAE University placed first in the educational competition with "profits" totaling AED1.323 million, followed by Hasan Bassam Adi with a total profit of AED1.315 million and Yazen Assaad Sadaka with a total profit of AED1.312 million. Among the participating colleges and schools, UAE University placed first, while Skyline College won the Best Educational Institution award.

Among female students participating in the contest, Farah Sabbar from Skyline College was placed first with a total profit of AED1.162 million, followed by Trupti Ashar from Skyline College with a total profit of AED1.062 million and Sana Hafeez from Skyline College with a total profit of AED859,718.

**Emirates Banking Institute held** a graduation ceremony for 36 UAE nationals who took part in the fifth round of 'Emarati', a training programme launched by Dubai Islamic Bank to enhance the banking and professional skills of UAE national diploma holders.

## Unicorn Global Private Equity Fund I completes investment in Al-Assriya

Unicorn Global Private Equity Fund I has acquired an equity stake in Kuwait-based Al-Assriya Industries Holding Company (Al-Assriya). Established in 2002, Al-Assriya is a holding company for investments in the industrial sector and currently holds significant equity stakes in seven companies, located primarily in Kuwait, operating across a range of industries including carpet manufacturing, printing and publishing, oil and gas services, chemicals and packaging.

The investment in Al-Assriya marks the fund's fourth investment to date. The fund previously completed investments in UAE-based readymix supplier Orimix Concrete Products LLC as well as two US-based companies: Ellington Leather, a lifestyle handbag and leather goods company, and Precision Time, a leading provider of while-you-wait watch repair services, fashion watches and watch accessories in the US.

Unicorn Investment Bank, the fund's investment manager, and Al Safat Investment Company, the fund's investment advisor, recently launched a second round of capital raising for the fund, with the aim of achieving a final close by June 30, 2007. The targeted geographic breakdown of the fund is 50 per cent in the GCC region, 25 per cent in the Levant and Turkey and 25 per cent in the US and Southeast Asia.

**In related news**, Unicorn Investment Bank has announced solid first quarter results. Total revenues reached US\$24 million, with a diverse mix of operating income. Net profit for the quarter was US\$4.3 million.

**Deyaar's AED3.178 billion issue, which closed on May 16, was more than 14** times oversubscribed, attracting over 85 thousand subscribers and collecting over

AED45 billion. Refunds and allocations to subscribers in the UAE began on May 30, and will begin on June 4 for investors who subscribed in the GCC.

Proceeds from the IPO will be used by Deyaar to fund the company's mega projects in the UAE as well as its expansion in Saudi Arabia, Qatar, Kazakhstan and India.



**Better Homes short-term rentals division has announced the imminent**

arrival of its Emerald Apartments. This 58 unit development is the latest in the portfolio of short-term rental properties offered by Better Homes. It takes the total number of units to 180 since the division's launch in September 2005. Scheduled to open in mid-June, Emerald Apartments is near Dubai Healthcare City.



**Visa has announced a six-week 'Pirates of The Caribbean'**

promotion. For every transaction, all Visa cardholders will be automatically entered to win one of 12 grand prizes of cruises for two around the stunning Greek Islands – flights courtesy of Emirates airline. By using a Visa or Visa Electron card at selected retail partners Carrefour, Toys R Us, Damas and Showtime, shoppers will be entitled to double their chances by receiving two entries into the grand prize draw.

The promotion, which runs until June 15, 2007, is open to Visa and Visa Electron cardholders in the UAE, Kuwait, Bahrain, Qatar and Oman.

**Man Investments has a new capital guaranteed**

product in its Man AP family. Man AP Spectrum Ltd combines the proven performance of the AHL Institutional Programme with a significant allocation to Bayswater, a San Francisco-based quantitative global macro manager. It also allocates capital to four Man Global Strategies style portfolios to provide added opportunities for profit and diversification.

Man AP Spectrum Ltd is offered in a choice of USD and EUR bonds, each targeting mean annualised returns of 13-16 per cent (US\$ bonds) and 11-14 per cent (EUR bonds) for a mean annualised volatility of about nine -11 per cent for both bond classes. Investors also get a capital guarantee provided by Merrill Lynch International Bank Limited and a profit lock-in feature. Man AP Spectrum Ltd is open until June 4, 2007.



**Visa launches global Wave and Pay**

Coinciding with the worldwide introduction of its contactless payment feature, Visa International has developed a global name for its innovation: Visa payWave. The speedy new payment method requires no swiping or signature for purchases less than US\$25 - around AED90.

Kamran Siddiqi, general manager for Visa International, Middle East, said: "The introduction of Visa payWave globally is significant as it best demonstrates the simplicity of using this technology and the convenience it offers to cardholders. Visa is closely working with UAE banks to roll out a Visa payWave contactless card programme."

'Visa payWave' contactless technology enables consumers to pay for items with a wave of a Visa card over a sensor device instead of swiping it. All other aspects of a Visa payWave transaction are handled in the same way as a traditional transaction.

**Evolve Capital has launched the first in a**

series of structured products targeting the GCC equity market. The Evolve Capital Semi-Exotic Equity Derivatives Fund is a US\$150 million, open ended fund that will leverage the attractive valuations and high volatility in the GCC equity markets by investing in equity derivatives.

**Emirates Investment Services (EIS) Asset Management, a company created**

by Emirates Bank International and Emirates Islamic Bank, has been launched through alliances with Al Shaheen Club at Emirates Bank, Ethmar at Emirates Islamic Bank and its international channels and partners. EIS Asset Management provides access to "a full range of industry resources and asset classes structured either on a Shar'ah compliant or conventional basis," said Ahmad Humaid Al Tayer, chairman of Emirates Bank.

**ADCB and Fidelity International launch 'The Investor Series'**

Abu Dhabi Commercial Bank (ADCB) and Fidelity International have launched the 'Investor Series', a high level investment education programme for ADCB's customers.

ADCB is also now offering a range of Fidelity funds for its investors. Branded "Al Murshid", meaning the guidance in Arabic, the Investor Series has a range of modules aimed at improving investor knowledge within the UAE.

Cormac Sheedy, director of sales, Middle East, says: "The aim of the series is simple - demystification of the world of investment and improvements in investor knowledge will lead to better informed customers who in turn are able to make better investment decisions." The 'Al Murshid' series has a number of modules that are designed to be user friendly and beneficial to any investor. They include risk, diversification, timing the markets and the benefits of investing systematically.

The investor series will be available via [adcb.com](http://adcb.com) and bank branches.

**In other news,** Fidelity International and American Life Insurance Company (ALICO AIG Life) are to work together to bring more products to ALICO's customers in the Gulf region. Under the terms of the arrangement, ALICO AIG Life will provide access to a selection of Fidelity International's funds via the various investment strategies of its life insurance unit linked savings and retirement products.

**AXA Insurance Gulf has launched its office protection product 'Office Secure'.**

According to Richard Morrison, area manager, AXA Insurance UAE, "It has become mandatory for any businessman to take workmen's compensation and public liability for his business, especially in the free zone areas, otherwise their licences are not renewed. Office Secure covers all these and also goes a step ahead to cover office equipment, money and the office premises all at a reasonable premium in a quick and easy process."



Sheikh Ahmed bin Saeed Al Maktoum, president of the Department of Civil Aviation and chairman of Emirates, and Charles Bouloux, president of AIG MEMSA, signed an agreement recently to deliver travel insurance to Emirates passengers in the UAE, Bahrain, Oman and Qatar. The agreement involves the distribution of a B2B solution developed by EMQest (a subsidiary of Emirates) to its travel agents, enabling them to book insurance policies online accessing the AIG host system - it will allow travel agents to quote, sell and cancel insurance policies online.

**NRI'S TAKE NOTE**

**A Permanent Account Number (PAN) card** from the income tax authorities is mandatory for all types of financial transactions including mutual fund and stock investment in India with effect from July 2, 2007. As per a press release published on the Securities Exchange Board of India web site <http://www.sebi.gov.in/press/2007/2007153.html>. Barjeel Geojit is providing assistance to investors to get a PAN card. Documents required are passport copy, passport sized photograph and a local bank statement of account with address.

## Merrill Lynch set to launch first CDO

Merrill Lynch is to launch the first FX CDO or CFXO (Collateralised FX Obligation), an investment product designed to apply the CDO technology commonly used within the credit world to foreign exchange as an underlying asset class. The CFXO will be managed by Crédit Agricole Asset Management (CAAM) and rated by S&P.

The CFXO product allows institutional investors, for the first time, to take rated exposure on a basket of FX assets. This new format completes the product suite available to investors within rated notes issuances, whilst also bringing diversification to investment portfolios. The notes will be offered in all major currencies with a five year maturity, with both rated tranches (from AAA to BBB, by S&P) and equity. The CFXO will be arranged by Merrill Lynch and will benefit from CAAM's combined FX management and managed structured product expertise. A global roadshow is scheduled.

**In other news**, Merrill Lynch is expanding 'X-ACT', its direct market access platform to include the DIFX. X-ACT is a global algorithmic and direct market access product accessible to hundreds of financial institutions around the world, through multi-broker platforms. Merrill Lynch is now able to offer its clients an integrated execution clearing and settlement service on the DIFX.

## StanChart launches global Islamic brand - 'Saadiq' - in the Middle East

'Saadiq', Standard Chartered's global Islamic banking business brand, has been rolled out across the Middle East following the scheme's global launch in Malaysia in April. Meaning 'truthful' in Arabic, the regional launch of the Saadiq brand coincided with the unveiling of the bank's first global Islamic credit card - the Saadiq Visa Gold Credit Card.

The new card is actually a card and service account, and operates on a fixed-fee structure based on the 'Ujrah' concept - which allows customers to pay a fixed

monthly maintenance fee and does not depend on the outstanding balance or duration of the balance in the service account.

Other key features and benefits of the new card, along with international recognition and acceptance, is a rewards and loyalty programme - this includes travel privileges including a Shari'ah compliant travel

protection, discounts on air tickets, a complimentary Marhaba service voucher and auto assist services.

**In other news**, Standard Chartered has also launched its first ever dedicated Priority Banking Centre in Jumeirah 3, exclusively for its priority banking customers. It's open 8am to 7pm, Saturday through Thursday. There's valet parking and complimentary Starbucks coffee for all its priority customers.

**National Commercial Bank is launching the world's first Islamic Titanium MasterCard credit card**, an elite lifestyle card for "the more affluent and trendy segment". The card features a cash back programme that entitles the cardholder up to two per cent cash back on transactions performed at all domestic and international point of sale terminals.



### Financial centres news - May 2007

#### DUBAI

**Schroders now has regulatory approval from the DFSA to open an office in the DIFC.** Alongside active management in core equity and fixed income asset classes, Schroders offers innovative alternative investment products including hedge fund of funds, property and commodities.

**AB Capital, the newly established investment banking arm of the Arab Bank Group**, has received a licence from the DFSA to operate as an authorised firm in the DIFC. Through its new regional headquarters at the DIFC, AB Capital will initially offer investment banking and advisory services throughout the Gulf. The firm has plans to introduce private equity and asset management services soon.

**Killik & Co., an independent firm offering stockbroking services in addition to investment management and financial planning advice**, has received a licence from the DFSA to open at the DIFC.

In other DIFC news, **DIFC Investments**, the investment arm of the DIFC, has acquired a 2.2 per cent stake in Deutsche Bank which, according to publicly available market data, makes it the largest external strategic shareholder in the international investment bank.

The **DFSA** has entered into an MoU with the national banking and securities regulators in Switzerland and Luxembourg.

#### QATAR

**QINVEST LLC and TAIB Bank Qatar LLC were granted authorisation last month to carry on regulated activities in the Qatar Financial Centre.**

**American Life Insurance Company (ALICO)** - AIG Life, a member company of American International Group Inc (AIG), has been granted a licence to conduct its group insurance operations from the QFC. ALICO will also be applying to extend its licence to cover retail and individual business in and from the QFC as soon as the QFC retail regime is in place.

**In other news, QFC Regulatory Authority has entered into an MOU with the Financial Supervisory Commission of the Republic of Korea and with the China Banking Regulatory Commission.**

**BMCE Capital, the investment banking**

subsidiary of BMCE Bank, the second largest private bank in Morocco, is launching the Maghreb Siyaha Fund, which offers a variety of investment opportunities managed by multi-disciplined fund managers. It is a close-end fund and, upon closing, will be endowed with US\$250 million in equity, enabling it to potentially accumulate a more than US\$600 million asset base constructed from the over US\$300 million of current deal flow that is being negotiated for early closing. Primary targets for development are gated communities, with a 20 per cent allocation target; however, greenfield developments, apartment hotels, new hotels and secondary homes will each get 15 and 20 per cent of the fund. The first closing is June 2007.

**Bahrain Islamic Bank has signed an MoU with**

Riffa Views Signature Estates to finance homes within the Bahrain development. Two financing programs will be available: Tas'heel programme for the construction phase, followed by the decreasing Musharaka program. The latter is an Islamic form of financing long-term property transactions.

Through the decreasing Musharaka, customers are given property finance of up to BHD300,000, repayment up to 25 years. The rate of profit is 8.5 per cent. The decreasing Musharaka contract is a Shari'ah compliant housing solution, available to both Bahraini and expatriate customers in the local market and abroad.

**Amlak has launched a new property and family**

protection insurance cover scheme that requires no medical examination for property finance under AED3.5 million and fully protects families against repayment of outstanding balances with Amlak in cases involving serious injuries or death.

**Emirates and Citibank have launched the**

2007 Fly Free Campaign targeting new credit card applicants looking for free Emirates flights.

It's the only card in the UAE that rewards customers with Skywards Miles every time the card is used. Customers can earn bonus Skywards Miles in addition to the Skywards Miles earned on every one US Dollar spent. Miles can be exchanged for free flights, excursions and other travel privileges.

## First Gulf launches new platinum card

First Gulf Bank has launched a platinum credit card to "respond to the needs of those with hectic lifestyles characterised by heavy work, travel and social commitments."

FGB exclusively offers the 'Golf Fee Card' when issuing the new, giving up to 50 per cent discounts at golf resorts and luxury hotels across the world.



Other benefits include automatic payment of Etisalat bills, free money transfer anywhere in the world and, as an introductory Platinum cardholder benefit, customers will receive a gift voucher worth AED550 upon payment of the first bill that can be used at over 230 apparel group stores across the UAE. The limit on the card is given at a customer level and is not divided into the number of cards the customer holds.

**Sakana Holistic Housing Solutions BSC and Al Enma'a House for Real Estate**

BSC have signed an MoU that will open the door for many Bahrainis to own a home. Under the agreement, Sakana will provide mortgage financing for buyers of Al Enma'a housing projects – developed mainly for Bahraini nationals – and partner Al Enma'a in project and property management.

Sakana provides financing up to 90 per cent for residents in Bahrain and up to 70 per cent financing for non-residents for 30 and 20 years respectively. Sakana also offers a joint mortgage application facility, allowing many more people to qualify and gain a foothold in the property market.

**ABN AMRO has launched its family of Exchange Traded Real Estate Index**

Trackers. Investors in the GCC will be able to trade the products through any broker with access to the Swiss stock exchange or via ABN AMRO branches. ABN AMRO provides intra-day liquidity subject to a bid-offer spread.

The products are designed to provide exposure to both property development companies and investments in direct properties listed on international real estate. The range of indexes comprises both developed markets like the UK and Germany, and emerging markets like Eastern Europe and China.

On the back of the launch of the family of Real Estate Index Tracker, ABN AMRO has launched a four year capital protected note offering 90 per cent capital protection at maturity and 180 per cent exposure to the average performance of the ABN AMRO Global Property Index. The note has a minimum denomination of US\$100 and is available daily on the secondary market.

**In other news,** ABN AMRO has now opened its branch in Al Durrah Tower (Al Buhairah Corniche) in Sharjah in a launch that coincided with the introduction of ABN AMRO's business banking offering in the UAE. Business banking is offered across nine markets in Asia and provides a suite of cash management, trade, treasury, risk-management and investment products and services targeted towards small and medium sized enterprises.

**Emirates Bank and Road & Transport Authority have signed an agreement to**

use Emirates Bank's new re-charge mechanism for Salik toll cards through the bank's electronic banking channels.

Emirates Bank will introduce the service initially through their network of cash deposit machines and will set-up the payment option on BankNet and IVR at a later phase. Emirates Bank will also be involved with retailing the Salik toll cards, with plans to set up Salik services within their existing mini-branches in malls. Application forms will be available at branches, and customers will be able to fill out the forms on the spot and purchase the cards from bank outlets.



## Abu Dhabi's new Islamic finance company

The UAE now has a new Islamic finance company with the launch of Aseel Finance, formed via a joint venture of four of Abu Dhabi's leading business names.

Aseel - which translates from Arabic as 'authentic' - has been launched as a joint stock company with an authorised capital of AED500 million (US\$137 million) by First Gulf Bank, which holds a 40 per cent stake, and three of Abu Dhabi's mainline real estate developers - Al Dar Properties PJSC, Sorouh Real Estate PJSC and Reem Investments - with a 20 per cent shareholding each.

Aseel's three primary activities will include mortgage and real estate development finance, complemented by corporate and project finance activities. Immediate plans include an expansion of its range of products, services and branch network in the UAE, as well as exploring opportunities regionally and internationally.

**Citibank, a member of Citi, has entered into a distribution arrangement with DWS Investments**, the global mutual fund arm of Deutsche Bank. Citibank will now make the full range of DWS investment products - which also include the Shari'ah compliant 'DWS Noor Islamic Funds' - available to its customers.

DWS Noor Islamic Funds have been developed for retail and institutional Islamic investors. The DWS Noor family of funds includes: DWS Noor Precious Metals Securities Fund, DWS Noor Global Select Equity Fund, DWS Noor China Equity Fund, DWS Noor Japan Equity Fund and DWS Noor Asia Pacific Equity Fund. Minimum investment is US\$5,000.

**Abbey International has launched a new issue of its Base Rate Tracker Term Account (Issue 6)** as part of its range of deposit accounts and has just responded to the change in UK base rates. The one year sterling account offers an interest rate that moves in line with the UK Bank of England Base Rate until May 6, 2008. The earlier you apply, the higher the interest rate. The account also offers a capital guarantee and the minimum balance is GBP10,000.

**A Pan-European Islamic Real Estate Fund**, sponsored by European Islamic Investment Bank plc (EIIB), has purchased a GBP58.8 million portfolio of five UK commercial properties. The deal - believed to be the first Shari'ah compliant real estate transaction involving two Islamic institutions based in the UK - comes as the fund begins a capital raising process which aims to attract between Euro200 million and Euro500 million of investor funds.

The properties have been held for the past three years in a Shari'ah compliant fund, co-sponsored by ABC International Bank plc (a subsidiary of Arab Banking Corporation) and Global Securities House WLL. The properties consist of three offices, one office and retail unit and one distribution unit, located across the UK.

These properties will now account for the EIIB Pan-European Real Estate Fund's allocation to the UK property market, amounting to c.20-25 per cent of the fund. The rest of the EIIB Fund will be invested in continental Europe, with a particular focus on Central and Eastern European real estate.

**Lloyds TSB Dubai is offering mortgages** on Al Hamra Real Estate's Al Hamra Village and Royal Breeze developments in Ras Al Khaimah.

## APPOINTMENTS May 2007



Karishma Sunil Rupani

**National Bank of Fujairah** has appointed **Karishma Sunil Rupani** as head of wealth management, based in the Dubai office.



Mohamed Kamal Metwally

**HSBC Bank Middle East** has hired **Mohamed Kamal Metwally** as managing director, investment banking.



Amin El Khouly

**SHUAA Asset Management**, a division of SHUAA Capital, has appointed **Amin El Khouly** as its chief investment officer.



Hamad Mubarak Al Huthaili

**Rasmala** has appointed **Hamad Mubarak Al Huthaili** as the general manager of its subsidiary Rasmala Saudi Arabia.



Girish Marathe

**American Express Middle East** has appointed **Girish Marathe** as UAE director to spearhead its growing operations in the Emirates.



Bert de Ruiter

**Lloyds TSB** announced the departure of its regional CEO Giles Cunningham. Wholesale Banking division director **Bert de Ruiter** will act as interim CEO.



Vikram Krishna

**Emirates Bank** has appointed **Vikram Krishna** as the bank's new head of retail products and marketing.



Lynda O'Mahoney

**Standard Bank** in Dubai has appointed **Lynda O'Mahoney** as senior manager - corporate fiduciary services.



Nigel Thompson

**Nigel Thompson** joined **Baker Botts L.L.P.** as a partner in the firm's global projects group. He will be based in Baker Botts' Dubai office.

**Standard Chartered** has appointed **Hala Al-Ghussain** as head of client relationships for Abu Dhabi.

**Merrill Lynch** has appointed **Gary Dugan** as chief investment officer of its Global Private Client group in Europe, the Middle East and Africa.

**Saraya** has announced the appointment of **Mahdhar Abdullah Al Tamimi** as general manager of Saraya Islands for the UAE.



# The eastern block party

Where are the opportunities to achieve above average returns from Central and Eastern European property for the next five years? Have the opportunities already passed, or is there more upside to come? **Simon Wetton** investigates.

**T**he current capital environment is seeing substantial amounts of new capital chasing ever decreasing returns from Western European real estate. Hence, investors are now seeking new markets for higher returns and Eastern Europe appears the frontier of opportunity.

As Western European markets have developed and investors have become more comfortable with their home markets, they have begun to invest in other non-domestic Western European markets to seek improved returns. These markets, which continue to be driven by a positive capital raising environment (many new funds have been raised recently), have begun to show pricing premiums and, as a result, are not likely to be able to maintain the same rate of growth in returns as they have until

now. As such, investors are pushing further east to the emerging states of new Europe and beyond. While this increased attention has served to increase liquidity and raise market awareness and acceptability, it has also served to create greater competition for scarce investment products and the best opportunities.

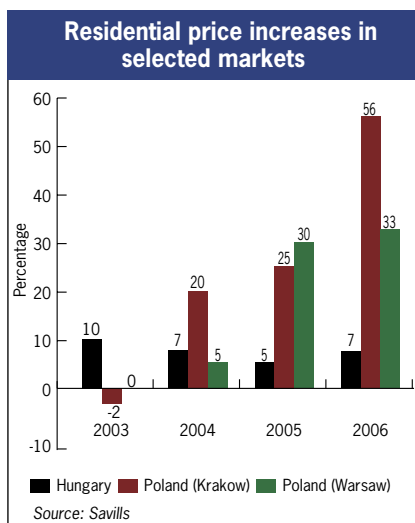
Central and Eastern Europe remain interesting for a number of reasons, and there are a number of key opportunities in this large and growing market. Much of the current wealth creation appears to be driven by the upsurge in energy and commodities prices, which has fuelled demand within some of the biggest economies of the former Soviet Union, generating strong sustained periods of GDP growth and in turn filtering down to other countries in the

region with overall industrial development continuing to grow.

Selected Central European growth GDP rates		
	%	
	<b>2005</b>	<b>2006f</b>
Poland	3.0	6.0
Hungary	4.1	3.9
Czech	6.0	5.9
Slovakia	6.0	8.2
Baltics	9.4	9.9

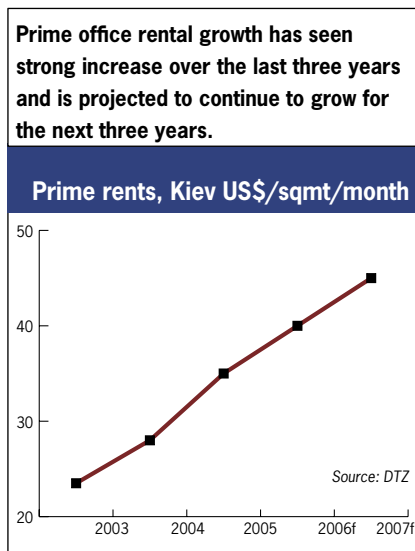
*Source: Capital Economics*

This coupled with good overall economic growth (for the most part), a cheap labour force, a burgeoning consumer and corporate credit market and a positive tax environment has encouraged material



amounts of inward investment into the region. Economic and employment prospects in many of these former communist countries have improved significantly, and in many cases, the trend of population migration and resulting population decline has stopped or even been reversed, with many people returning home where economic prospects are as good or better than in some parts of Western Europe. Improved economic performance and employment has led to higher levels of disposable income, which, in turn, is resulting in strong demand for residential property, household goods and consumables.

The strong macro cycle for the region, in which improving economic trends, employment and disposable income, as well



as falling interest rates, improved availability of credit and strong inward investment that should continue for some time to come, is bound to create medium to long-term underpinning for the real estate markets. In addition, specific opportunities exist in individual markets that are at their own particular point in the real estate cycle. For instance, Kiev, Ukraine is experiencing strong population migration from the regions, resulting in excessive demand for residential properties and an excellent environment for residential developers. Furthermore, there is very limited modern retail space, plus a drastic shortage of quality office space. These things combined with limited amounts of new supply are resulting in rapidly rising office rents.

Moscow also presents a similar case. However, one particularly under-served sector in this city is logistics warehousing. Moscow today is a city of circa 10.5 million people growing at 6.5 per cent p.a. and is fighting to keep up with rampant demand for modern warehousing to support their growth targets.

### Key sectoral opportunities

**Residential development:** Specifically, as part of an overall positive macro trend, the structural change in the former communist markets will create a residential development opportunity that can continue for 15-20 years. The principle reason for this is that the current housing stock provides inadequately for the existing and growing demand within the market. Unlike most Western European markets where the existing housing stock can, to a large degree, provide modern and accessible housing to a suitable standard, the existing soviet built "Panalacs" are in most cases in an advanced state of decay and are beyond economic repairs. Built to provide large scale housing to a displaced population to very poor specifications and standards, many of the blocks that exist in the cities and towns today would be condemned by Western European standards. This poor housing stock often accommodates several generations of the same families in cramped and badly-served conditions.

At the time of the fall of the Soviet Union and the transfer to a market economy, a common theme that was employed

throughout almost every former soviet market was one of handing back to the tenants these residences from state to private ownership.

#### Owner occupation and mortgage debt to GDP levels for selected Eastern and Western European countries:

Central European Markets		
	Owner occupation	Mortgage debt to GDP
Bulgaria	95%	2.5%
Romania	95%	1.4%
Croatia	95%	10.3%
Estonia	95%	16.6%
Hungary	93%	9.6%
Lithuania	88%	7.0%
Slovakia	86%	6.1%
Slovenia	85%	1.5%
Latvia	78%	11.5%
Poland	77%	5.5%
Czech	47%	7.6%

Source: Housing Statistics in EU and Morgan Stanley

#### Western European Markets

	Owner occupation	Mortgage debt to GDP
Ireland	77%	52.7%
Norway	76%	56.0%
UK	72%	72.5%
Belgium	68%	31.2%
France	57%	26.2%
Sweden	50%	52.7%
Germany	45%	52.4%

Source: Housing Statistics in EU and Morgan Stanley

This has resulted in a unique economic situation where many families have been gifted their own homes, free of debt, for what is by western standards an individual's largest single investment. This, combined with limited outlets for people's disposable income resulting in relatively high savings ratios, high employment (even if under-declared) and the availability of mortgage finance means that there is likely to be considerable long-term demand for residential development in these markets. The sustainability of this is underpinned by the fact that many

of these markets currently have high, but improving, levels of unemployment, and as more of the population gains employment and has access to credit facilities, they too will join the ranks of the property owning population. Therefore, assuming medium to long-term strong economic growth and falling unemployment, the conditions appear favourably disposed towards a long-term out-performance of residential property in the region. To further support the market, and despite the poor condition of these Soviet built blocks, they appear to still be in strong secondary demand in some markets due to the shortage of new accommodation.

The pressure on residential demand is further compounded by the fact that many of the capital cities, which remain the focus of attention, are experiencing heavy migratory influxes from the provincial towns and cities in these countries and are thereby further underpinning an already unsatisfied demand. The net result is that developers are able to pre-sell in substantial volumes their developments which are almost all sold as a shell and core developers finish (i.e. without wall coverings, kitchens and bathrooms, all of which need to be installed by the buyer). The counter balance to this demand is that many developers do not need investors' capital to develop and therefore access by foreign investors to the market is difficult and land prices are correspondingly rising.

### Land entitlement

As detailed above, there is a rising demand for land to satisfy the many different real estate sectors and, at present, many of these countries have limited availability of permitted land. Land permitting and acquisition is a difficult and opaque process that should in time be rectified or at least substantially improved. However, with the right access and a good understanding of the procedure, there are substantial gains to be made.

### Retail development

The broad economic factors that underpin the markets in the region and positive residential market also help to sustain the potential for retail development and investment. Once again, the former planned economies and regime of these former communist countries made no allowance

for retail demand and modern western lifestyles. Central and Eastern European markets have moved fast to adopt these capitalist cultures and, as a result, are now demanding higher quality, efficient modern retailing offering a comprehensive range of consumer products from several countries of origin. As such, demand for retail space has grown dramatically in many of the largest markets. However, in most cases this has remained significantly under-provided for when compared with Western European markets. A reasonably benign planning environment, though changing fast, means that in most markets the local authorities are often more than willing to grant planning permission for new retail space. Though becoming competitive in some markets, retail in secondary cities and towns still offers considerable potential for development, particularly with the presence of good anchor tenants. A particularly strong focus for many institutional investors also means that there is an increasingly liquid secondary sale market.

### Logistics warehousing

The strong residential demand and improvements in the level of disposable income mean that many foreign retailers are now entering these markets, and although a few retailers are currently present, many are still awaiting the opportunity to commence activities in many key CEE countries. Often the principle reason for lack of international presence in this sector is the lack of quality and available logistics and warehousing capacity close to the main

retailing locations. The effects of a shortage of space are further compounded by the strong inward investment that is currently being experienced in these markets, whether for agricultural produce, consumer products and white goods or semi-manufactured items. This virtuous circle means that there is still a substantial amount of latent demand for warehouse space in key markets where major distributors, retailers and industrial groups are focused and where there is a long-term structural shortage of new supply.

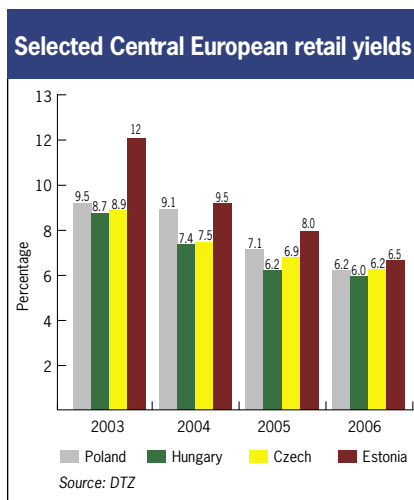
**Moscow's logistics demand and supply is in equilibrium today as everything built is occupied, resulting in zero vacancy and none forecast for the coming years.**

#### New supply and rents

	(000)sqmt	US\$/sqmt/year
2005	1,700	130
2006	2,500	130
2007f	3,600	130
2008f	4,700	125

Source: Jones Lang Lasalle

The CEE region represents a market of circa 350 million people, which is as large as the US and the east coast of China with more than 15 individual markets that are seeing substantial growth opportunities and strong GDP growth and economic activity. In addition, there are substantial amounts of capital entering the market (though not in comparison to other markets of this size). A market of this size presents a wide range of opportunities and, despite some increases in real estate prices in certain cities or markets, there are many markets that have, as of yet, seen little or no investment or development. Therefore, assuming continued strong economic performance, the likelihood is that there will be continued growth in real estate returns throughout the region. Though not without risk, these markets present investors with excellent opportunities if they are prepared to navigate their way through a more opaque and challenging investment and legal environment.



Simon Wetton is managing partner of Mornington Capital Advisors LLP.



# Options for the future

From gold to coffee, investing in commodities derivatives is finding increasing interest among regional investors. While the Dubai Gold and Commodities Exchange became the first exchange in the GCC to trade commodities derivatives, the Dubai Mercantile Exchange is all set to launch this month. A third exchange called the International Mercantile Exchange is also planned in Qatar and is set to become operational next year. Additionally, international markets like Eurex and the Chicago Mercantile Exchange that trade in different derivative products are also making a beeline to the Middle East with their products and services to cater to the potential demand. **MONEYworks** spoke to some of the decision makers to find out their plans for regional markets.

# The rise of the DGCX

For retail investors, commodities derivatives still sound far fetched. **Ehab Heyassat** writes that even at a time when the Dubai Gold and Commodities Exchange (DGCX) is all set to launch a number of products, it will need to undertake aggressive strategies to attract the region's retail investors to trade on the exchange.

The DGCX derivatives exchange is poised for some important launches post summer this year. Colin Griffith, chairman of DGCX, told **MONEYworks** that the exchange is considering the immediate launch of gasoline futures contract. The delivery for this product is being planned through Jebel Ali. He said that the launch of the gasoline futures contract is planned for this month, and then the whole summer will be spent understanding the response and doing homework before going back to the launch phase of new products. But this year, the exchange could launch soft commodity futures contracts as well. Agricultural products like cotton, sugar and pulses are on the drawing board, disclosed Griffith, and some of these could begin trading on the exchange in the next 12 months. He also added that plastics and freight futures contracts are on the pipeline and are being considered for launch in the near future, while the Indian rupee contract is set to be launched this summer.

The DGCX launched the first options contract on the exchange on April 30 of this year. As expected, it was a gold options contract coming on the back of the tremendous success of the gold futures contract. Says Griffith: "These are still early days to talk about the volumes on the gold

options contract. We have had trades in all open months, but trading is small to date. However, that has been the pattern that we have seen across all DGCX launched products – a slow start, and then, as members become more comfortable with the product, volumes pick up."

Griffith further added that all the futures contracts that are traded on the exchange should also trade options contracts in the next three years.

The volumes on the DGCX have increased steadily over the last 18 months and are just about to touch the one million lots milestone. At the time of going to press, total volumes since the launch of DGCX late 2005 stood at 973,000. In terms of value, it is past the US\$27 billion mark.

## Fuel oil

But not all launches have gone well for the exchange, especially the fuel oil futures contract, which has remained mostly illiquid. Tilak Doshi, executive director, energy, at Dubai Multi Commodities Centre, which is the majority owner of DGCX, does not think that the lack of interest in the contract is a disappointment.

"It is not necessary for contracts to be immediately successful. Some of the contracts launched in markets like the New York Mercantile Exchange

### Trading data for gold

(comparative figures for Q1, 2006 & 2007)

Volume in Lots	
Trading Period	Gold
Q1-2007	175,930
Q1-2006	63,792
Value in US\$ Millions	
Trading Period	Gold
Q1-2007	3,695.51
Q1-2006	1,140.43

started slow and grew popular over a period of time. We still believe that there is enormous potential for this contract, as the fundamentals are right, there is shortage and business is growing through Fujairah. There are also a number of projects coming up there. We also feel that with the shipping activity increasing, it will lead to a greater use of the bunkering market and so more people will get involved with the contract," said Doshi.

Asked if there was a possibility for DGCX to do a review of the contract if it continued to languish as a non-performer, Doshi replied that while there are no plans to de-list the contract, DMCC and DGCX are closely looking at ways of improving the "conditions of the contract, storage and delivery".

On other energy contracts, Doshi said that while the gasoline futures contract is in the final stages of assessment for the launch anytime now, some of the other products are likely to be from petrochemicals and bio fuels. He said that these contracts

DGCX Trading		
Trading Period	Volume in Lots	Value in US\$ Millions
Total as of 11-05-2007	972,963	27,273.88
Q1-2007	212,094	6,664.32
Q1-2006	66,844	1,174.89

**The volumes on the DGCX have increased steadily over the last 18 months and are just about to touch the one million lots milestone. At the time of going to press, total volumes since the launch of DGCX late 2005 stood at 973, 000. In terms of value, it is past the US\$27 billion mark.**

should hit the market between the next 12 and 24 months. On the possibility of the launch of a natural gas contract, he said that this could be one of the contracts that the exchange might launch in the next five to 10 years after putting the right infrastructure in place.

### And, crude contracts?

Replied Doshi: "Our initial position was to launch products contracts. We might launch a crude contract in the future, but most people have told us that establishing a link with an active spot market is vital for the success of any contract. For example in Fujairah, the number of buyers and sellers helped create a burgeoning spot market in the bunker fuel."

### Creating awareness

While DGCX has launched a number of products and plans to introduce many more to the market, including a steel futures contract soon given the tremendous demand for the metal in the region fuelled by real estate boom, it is yet to get many retail investors to participate in the exchange. One of the reasons, obviously, is the lack of awareness and the knowledge of how to trade in these products. There has also

been little promotion from the 200 broker members registered with the exchange and regulated by Emirates Securities and Exchange Authority on what kind of products they are offering to retail clients. It has been left largely to word of mouth for retail investors and some workshops that the exchange conducts from time to time.

The workshops do help, probably, to create the initial interest. For example, DGCX is in the process of conducting two seminars to explain the Indian rupee contract that it is going to launch soon. It is also planning up to 12 sessions in five destinations, including Saudi Arabia, Turkey and the UK to promote the steel contract. But workshops may not be enough in the medium to long-term to sustain interest unless supported by tactical marketing initiatives.

Man Financial, one of the larger broker members at the DGCX, is certainly an exception in its fraternity right now with regards to promotions. As a global futures brokerage, Man Financial's subsidiary in DMCC is involved in promoting the business on DGCX through its membership on the exchange amongst retail as well as corporate and financial institutions.

Says Rajiv Kumar, deputy CEO of Man Financial: "Commodities is a very new kind of investment here. We are trying to create awareness of the exchange (DGCX) traded commodities derivatives products amongst investors here. We are also involved in a number of awareness campaigns to coincide with what the DGCX is doing. We have long-term plans for

these markets and that is why we are expanding our sales team today."

In response to a question on why DGCX is yet to get significant retail investor interest, he explained that people are "still testing the water". He also added that those who are coming in are mostly keeping their exposures low at US\$5,000-US\$10,000, as they are in the process of learning to invest in commodities derivatives.

David Rutledge, chief executive officer of DMCC, rounds it up when he says that any bulk transaction on the DGCX will need substantial capital, which narrows it down to corporate investors and not the retail ones today.

"Although I believe an electronic trading exchange trading in commodities derivatives like the DGCX is the most relevant platform for retail investors to get an exposure in this asset class, it may not be the right place for them on their own. It is not exactly the place for faint hearted people who cannot face losses," he adds.

But then, in GCC markets, the definition of retail investors is somewhat different compared to any other emerging markets. Retail investors here have far more liquidity compared to investors of the same profile in any other emerging markets. And having gone through the booms and busts in quick cycles in the region's equity markets, regional investors today are keen on alternative opportunities that give them prospects of good returns, even better if these are near home. Besides, with the performance of equity markets still lagging behind some of the higher yields witnessed in emerging markets in the neighbourhood, it could be the right time to aim for larger retail participation on the DGCX using more aggressive strategies, and that could also include working closely with institutions to structure investment funds targeting alternative investments.



David Rutledge



Colin Griffith



Tilak Doshi



Rajiv Kumar

**Addendum:** an error was noticed on the previous page (on line 10 paragraph 1) at the time of going to press. "The launch of the gasoline futures contract is planned for this month", should read "The launch of the gasoline futures contract is planned for this year".



## IMEX to be operational Q1 2008, not to compete with DME

The International Mercantile Exchange (IMEX), an international energy exchange, is all set to be operational early 2008 in Qatar. Esam Janahi (EJ), chairman of International Mercantile Exchange Holdings L.L.C, tells **MONEYworks** (MW) that the exchange will not compete with the Dubai Mercantile Exchange (DME) and will not just depend on government oil companies for its success.

**When will IMEX begin trading LNG contracts? Will the trading platform begin with just trading futures, or will it trade option derivatives as well?**

**EJ:** IMEX aims to commence operations in the first quarter of 2008. Whilst we are initially focusing on LNG, we have plans to offer a wide variety of futures and options contracts in a broad spectrum of products.

**Have you begun to look at the structure of the contracts, for example the LNG contract?**

**What stage are they in? For example, have working groups been formed or are you taking feedback from the industry? The question is relevant for Shari'ah contracts as well.**

**EJ:** Yes, we are in process of developing and will continue to work with the industry to define and refine the contracts that best suit the needs of the market. Nevertheless, we are in early stages of development.

**Since most of the energy and energy products in the region**

**are controlled by respective governments, the exchange will have to be backed by governments for success. Which countries/governments are you approaching to back the exchange with physical products?**

**EJ:** IMEX is an international exchange that is located in the hydrocarbon centre of the world. IMEX's success will be dependant on offering value added contracts, professional execution and clearing. Clearly IMEX will be looking to involve and interact





Esam Janahi

with all market players, whether they are national oil companies or international oil companies.

**On the delivery side, what are the plans in terms of building up the physical capacity and can you please mention the locations for LNG delivery or any other energy product that you have plans for?**

**EJ:** We are at an early stage in product development, and therefore cannot expand on our plans at this stage. We are in a competitive environment, but the fact that we are locating ourselves in the hydrocarbon centre of the world and can reach both east and west, we think this will give IMEX the competitive advantage.

**Since IMEX will be an electronic exchange, have vendors been identified for the platform and clearing? Or, in other words, what is the status?**

**EJ:** The executive management and operational teams are being built out as we speak. We have short listed vendors for all aspects of our business, including the electronic platform.

**How will IMEX be different from DME or how will it complement it? What type of members will IMEX target?**

**EJ:** IMEX will be offering a wide range of new and innovative products outside of the traditional oil arena. Our services will not be in competition with the DME.

**What is the status of the regulatory framework that was to be developed by Qatar Financial Centre Regulatory Authority to get the ball rolling?**

**EJ:** Rules and regulations that will govern the exchange are being finalised and we are in continuous communication with the relevant stakeholders.

**Can you give us some more details on the concept of the Energy City in Qatar?**

**EJ:** Energy City Qatar will be a fully integrated business cluster for the industry leaders in oil and gas production, value/supply chain, national and international oil companies, support services, infrastructure and downstream activities, shipping and trading, market and resource data, intellectual property and energy trading.

At the heart of Energy City Qatar will be the IMEX, a dedicated energy trading platform with a broad range of energy products.

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**IMEX is an international exchange that is located in the hydrocarbon centre of the world. IMEX's success will be dependant on offering value added contracts, professional execution and clearing. Clearly IMEX will be looking to involve and interact with all market players, whether they are national oil companies or international oil companies.**

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IMEX is of particular importance, as electronic energy trading is set to galvanise the energy trading markets. It is likely that within the next few years, electronic energy trading will be the fourth super asset class for global investors, alongside conventional debt, equity and forex.

Energy City Qatar has identified a number of industry specific products, services and facilities that are either prerequisites or competitively advantageous to offer in the establishment of a global energy hub for the 21<sup>st</sup> century. It is forging strong partnerships with the Qatar Foundation, Qatar Petroleum and QTel and will continue to further enhance these partnerships.

In addition, no efforts are being spared in making Energy City Qatar into a smart, technologically advanced city. It has already signed MOUs with two of the world's foremost technology leaders, Microsoft and Cisco Systems, which will help with advances in software for the oil and gas industry, project management and communications, integrating all aspects of Energy City Qatar's residents' businesses.

Qatar is one of the fastest growing countries with a growth rate comparable to China and India, and has one of the highest GDPs in the world. It has immense reserves of gas and extensive reserves of oil. By 2010, it will be the lead exporter of LNG. Its economy is founded upon its immense gas reserves, and thus is not significantly vulnerable to property crashes, nor is it dependent upon tourism. In addition, the government's approach to the education and skill diversification of its youth is second to none, providing the country with important next-generation entrepreneurial and professional skills and stability.

# EUREX opens up to UAE investors

Eurex, the world's largest futures and options exchange with 1.5 billion traded contracts in 2006, has received regulatory approvals from the Dubai Financial Services Authority (DFSA) and the Emirates Securities and Commodities Authority (ESCA). Michael Peters, a member of the executive board of Eurex, tells **MONEYworks** that the exchange is now in the process of admitting UAE members to Eurex.

## What does Eurex want to achieve by setting up a new access point in Dubai? And what is an access point? How will it help investors looking to trade on the Eurex?

Eurex is setting up its first access point in the region to get closer to its clients and to maximise the quality of access to its exchange. Dubai, as a growing financial centre, has been chosen as the location for the technical hub. Through an access point, Eurex exchange members will be directly connected to the exchange network, which allows the trading participants to execute their orders with the highest stability and the lowest latency. Thus, investors will have direct access at the highest speed, the most secure data lines and the lowest transaction costs.

## You have already received the DFSA license. What is your next step going to be?

Besides the recognition of Eurex as a recognised body by DFSA regarding the Dubai International Financial Centre (DIFC), Eurex has received respective regulatory approval by ESCA. We are thus able to connect direct exchange members located in the DIFC and the UAE. The next step will be to admit members to trading at Eurex and to technically connect the first members out of the DIFC respectively to the UAE.

## Are you also taking a licence from the UAE Central Bank?

Eurex itself does not need a license from the UAE Central Bank to admit members located in the DIFC or the UAE to trading at Eurex.

## What are your plans for the other markets in the region, for example Qatar and Saudi Arabia?

We are currently assessing the Middle

East countries in regards to their business opportunities for Eurex and our investors.

## You mentioned that some of your institutional members in London have shown their keenness to move to Dubai. Is that a trend that you foresee, and is it a reason for you to have your physical presence in Dubai?

We currently observe a trend of exchange participants from other financial centres planning to move to Dubai or open up branches there. One of the reasons to install the access point in Dubai was to provide our members with the highest quality of access regarding reliability, speed and lowest cost.

## Will you also have your marketing offices in Dubai or the DIFC in the near future?

At the moment we have no plans to open a marketing office in Dubai. However, Clearstream, a subsidiary of Deutsche Börse Group, has already had a representative office in Dubai for some years.

## Do you see a growing interest from Middle Eastern investors towards investing in products traded on Eurex? If so, are these investors limited to select institutions?

Yes, we see a growing interest from investors in the Middle East to use Eurex

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**Yes, we see a growing interest from investors in the Middle East to use Eurex products. This applies for both equity and fixed income related products. A catalyst for this trend is also the growing exposure of Middle East investors in European equity and also the shift from US\$-cash investments to Euro.**

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Michael Peters

products. This applies to both equity and fixed income related products. A catalyst for this trend is also the growing exposure of Middle East investors in European equity and also the shift from US\$-cash investments to Euro.

## What are you doing to create awareness of derivatives in the GCC?

We are talking to financial institutions and institutional investors directly, but we also visit financial conferences in the GCC. For the future, we are planning to organise road shows.

## Do you plan to launch Islamic derivative products in the future?

We always examine new product opportunities, but we will only be more specific once we have made a decision.

## When will US dollar denominated products trade on Eurex?

On April 23, 2007, Eurex started trading the first US-dollar denominated products with the launch of Russian products: an index future on the RDXxt USD index, four equity options on large Russian equities and 16 single stock futures.

# Most lose trading futures

Sextant Capital Management Inc, a Canadian privately held asset management firm involved in trading, investing and research in the global equities, commodities and currency markets, as well as fundamental equity investing, venture capital and technical and systematic trading development, plans to have a presence in the UAE. Otto Spork, founder and president of Sextant, tells **MONEYworks** that only 10 per cent make profits from investing in commodities futures.

## With all the volatility in the market, is commodities investing a safer option?

If you fully pay for the commodity and use no leverage, then yes, it is safer. However, commodities are very easily purchased with a lot of leverage in the futures market, and then it becomes much more dangerous. In fact, over 90 per cent of the participants in the futures market lose their money. The 10 per cent that do not lose make a lot of money.

## Are soft commodities a better option for long-term investments, given the way water shortages are being predicted?

I think you will see continued price appreciation in soft commodities, but will this be due to water shortages? I do not think so at this time. Fundamentally, soft commodities are much undervalued presently, and a lot of crop land is being subsidised for corn growing to be used in ethanol production. This is going to play havoc with the crop balances for food, scarcities and hence much higher prices to come.

## How should one choose from the plethora of funds on commodities for investments and what sort of

## returns should one expect from these funds compared to the traditional ones?

Commodities funds could be ones that invest in the stock of commodities and thus would be somewhat volatile unless they were also at the same time being hedged by an experienced manager. Returns would range from minus 18 per cent to plus 18 per cent. Our Sextant Resource Fund in Canada had a 117 per cent return in 2006 and is up 28 per cent for the first four months in 2007. We are now launching an offshore version of this resource fund and a water fund.

## You have been writing on water investing in **MONEYworks**. How can one get exposure to funds that provide exposure to these funds without having to invest very large amounts of money?

I will write about this in a few months and give you a lot more detail.

## What about exotic commodities? What are the investment prospects in them and how?

Our Sextant Capital onshore and offshore funds both invest in exotic commodities. It has been these



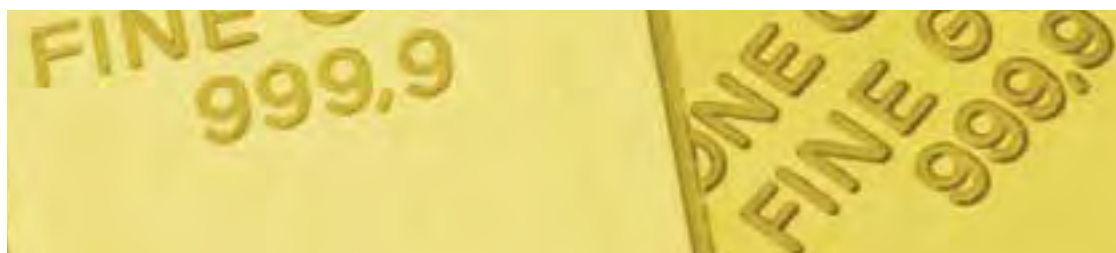
Otto Spork

commodities that have helped the fund become the number one fund in Canada in 2006 and 2007 so far with an annualised return of 124 per cent.

## We are aware of Sextant's plans to set up some sort of presence in the Middle East. Can you tell us if you have any specific plans?

Yes, as a matter of fact, in May 2007 I will be setting up an office in Dubai to trade commodities, currencies and futures. I can let you know more about this next month as well.

MSW



# CME exploring shari'ah products

The Chicago Mercantile Exchange (CME) is increasingly looking at the Middle East. Arman Falsafi, CME's managing director for Europe, the Middle East and Africa, tells **MONEYworks** about the exchange and its plans for the region.

## Do you plan to have a presence in the GCC? How do you intend to cover this market?

CME's headquarters for Europe, the Middle East and Africa region is in London. Through regular and frequent trips to the GCC, we are able to stay in close contact with our clients and partners throughout the region. We aim to work in partnership with local firms and the media to educate the market about our products and services, and to foster direct relationships with brokers and end-users.

## Are you looking at ways of having Islamic products traded on your exchange? If so, what type of products would these be and by when?

We have a policy of not commenting on any unannounced products. However, it's fair to say that innovation, particularly in new product development, is a hallmark of our institution. Through intense customer focus and close co-operation with our clients and intermediaries, we are able to understand the needs of various client segments and to tailor products to meet their investment and risk management needs. Looking for new opportunities is a key priority for us: in developing new products we either extend existing lines, such as those based on currencies, or we come up with new structures based on our research and dialogue with our users. We also have a strong history of collaboration with regional counterparts. We are currently evaluating demand for Shari'ah-compliant products and what solutions we could offer the community.

**The volumes of commodities as a percentage of the total volume has tapered off significantly for the exchange in the last 30 years, and especially at a time when commodities investments are sought after by a large number of investors in our region. You are also seen as a market where interest derivative volumes alone make up over 50 per cent. Is this going to remain the trend, or will we see changes in the near future?**

It is true that the proportion of our volume represented by financial futures has grown massively since they were introduced; however, the volume of commodities contracts, while a smaller fraction of the whole, still represents significant growth in actual terms, and they remain an important part of our diverse product suite.

We recognise that different sectors experience volatility at different periods, and it is to meet these macro trends that we focus on building a diverse array of innovative products to help users meet their investment and risk management needs across these sectors.

The importance we place in the commodities sector, and in particular in energy, is underlined by our agreement last year with NYMEX to list and trade their energy products on our GLOBEX electronic trading system. This has been very successful, with record volumes in key contracts since we started.

## Tell us about the initiatives you are taking to improve electronic options on the exchange.

Electronic options are a central focus for us and we have invested heavily in developing the sophisticated technology needed to trade them. Currently, between 10 and 15 per cent of our options volume is electronic, as compared with 90 per cent plus in futures, and we are working on several opportunities to increase electronic volumes across all option categories. Eurodollar short-term interest rate options are the largest and fastest growing of our suite of options, but FX and equity E-mini options are also showing healthy growth. We hope to replicate in options the success that we have enjoyed in volume and liquidity growth in our futures products.

**Are you taking any major initiatives to create awareness on CME in our region? Are you giving incentives to new prospective members?**



Arman Falsafi

Our main strategy is to work in partnership with local brokers to educate their customers on our products, on market access, trading and related issues. With education in mind, we have committed to a number of opportunities in working with local media, including a programme of speakers at conferences and other opportunities to work closely with the local investment and trading community.

We have developed a number of incentive programmes that would be of interest in the region: the Asian Bank incentive programme provides lower rates to regional banks without the requirement to buy exchange memberships, and the Emerging Markets Partner programme focuses on proprietary partners looking to expand into the Middle East, charging no fees while they develop traders in the region.

We feel strongly that GCC clients are interested in participating in US equity markets, as well as on a regulated, all-electronic trading platform for foreign exchange. All of this is available to them by accessing our CME Globex markets, which are available anytime day or night directly from anywhere in the world. Further, our partnership with NYMEX allows GCC users to also have access to NYMEX energy and metals products side-by-side with CME's diverse product suite.



# Banking on the future of the financial sector

It is not just salary, but the lure of training on the job and recognition from the management that play an important part in attracting quality Emirati nationals to work in the financial services industry. **Anna Abigail Yap** reports.

**T**hat the UAE is a haven for expatriate workers is an understatement. Latest population statistics showing that 78 per cent of the over four million UAE residents are non-nationals reflects that the majority of the current workforce belongs to them. Nationals constituted only 9.3 per cent of the group in 2004, a hop from 9.1 per cent in 1995, according to the National Human Resource Development and Employment Authority's (Tanmia) UAE Human Resources Report 2005. This is due to the fact that 51.1 per cent of the UAE national population is made up of young people aged less than 20 years

old, representing a good number of Emiratis expected to join the labour force in the near future.

The UAE Yearbook 2007 indicates that of the national workforce, 88 per cent is concentrated in the public sector thereby reaching a saturation point, while the private sector offers more than 52.1 per cent of the jobs in the country. It further states that government offices will no longer be capable of admitting incoming national job seekers, estimated at 16,187 in 2006, 19,610 in 2010 and projected to double up to 40,000 by 2020.

The call for nationals to shift to the private sector is now louder

than ever, lest the issue leads to unemployment. Emiratisation, the government believes, will address the imbalance apparent in the labour market. As the financial industry has consistently shown a robust contribution to the UAE's economic boost with its share of 46 banks (21 national and 25 foreign) and some 66 finance, investment, consultancy and brokerage companies licensed by the UAE Central Bank, it is not surprising that the first to undergo an Emiratisation strategy through the implementation of employment quotas were the banking and insurance sectors. Tanmia's report says that they were selected based on two criteria: "the economic health

and importance of the industry to the country and the availability of skilled jobs where good working conditions exist.”

## Emiratising financial field

In 1998, Cabinet Decree No. 10 imposed all banks to increase their Emirati staff by four per cent every year. Tanmia's case study on the Emiratisation quota in the banking sector found that 51 per cent of newly hired employees in the 1999-2004 period were UAE nationals. These newly hired individuals totaling 3,500 represented 26.4 per cent of the total UAE banking workforce (as at the end of 2004). However, the last two years of the 1999-2004 period saw a significant decline in the seemingly positive trend of the bank sector's Emiratisation as banks recruited more expatriates than locals. Interestingly, 43 out of 47 banks surveyed showed that 85 per cent did not meet their quota requirement in 2003 and that 72 per cent missed it by more than three per cent, while 19 banks missed it by more than 50 per cent.

Nigel Jones, CEO, Standard Chartered Bank UAE, acknowledges the value of Emiratisation: “The whole concept of a developing country is to develop its people and to raise the skill level. To provide a sustainable employment is clearly a very good overriding aim and that is really the fundamental issue behind Emiratisation.”

Although he recognises the need for expatriate efforts at the onset of building the infrastructure and providing the institution of an emerging nation such as the UAE, he warns that there is also a danger that the expatriate level can get institutionalised and that the local population may be excluded to a certain extent. “There is a need to do some positive affirmation for bringing on a local development of people, but there is also an element that you should leave it to the local market,” he adds.

Emiratisation in the insurance sector is another story. Insurance companies were recommended to meet an annual five per cent quota in 2001, but the results were so unsatisfactory that it has become a mandate in 2003. Tanmia reported that this sector has remained stagnant at 5.5 per cent representation of Emiratis in the workforce.

Ahmad Hamad Al Suwaidi, HR and administration manager, Dubai Islamic Insurance & Reinsurance Company (AMAN), shares his sentiment: “When it becomes a policy, people will start to employ whoever they can employ and put them in any position. But this is

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**The whole concept of a developing country is to develop its people and to raise the skill level. To provide a sustainable employment is clearly a very good overriding aim and that is really the fundamental issue behind Emiratisation.** *Nigel Jones*

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not genuine nationalisation.” He believes that all companies should be voluntarily responsible in seeking suitable positions for UAE nationals.

## Strength in numbers

When it comes to sheer numbers, Standard Chartered Bank is among those multinational institutions that have done quite well in employing UAE nationals. The bank achieved 38 per cent Emiratisation in 2006. The target for this year is 42 per cent.

AMAN represents those insurance companies that have focused on nationals. It began employing nationals a year after its establishment in 2002. Al Suwaidi takes pride in their recent award as the insurance sector's best company in nationalisation for reaching the highest percentage of Emiratisation at 35 per cent. Some companies, he says, have not met even a single per cent, while Aman's

aim by 2008 is 50 per cent.

In the Dubai Financial Market (DFM), 125 out of 156 employees are locals with all department heads and managers Emiratis, an 80 per cent Emiratisation rate. Tayeba Abdulmannan Kabital, HR section manager, DFM, wishes for an absolute localisation, but must be content with the current 90 per cent target. This year, they have 70 job openings with Emiratis as a priority.

Ahmad Mohammad Bin Hammad Al Nuaimi, administration and HR manager, Daman Investments, boasts of a 25 per cent Emiratisation in all their departments in less than two years. They are now aiming for more than 50 per cent. The Dubai International Financial Centre Authority has 48 per cent of UAE nationals on its staff.

## Quality counts

Quite predictably, however, all the HR managers who spoke to MONEYworks insisted that while employing more nationals is an important objective, they also want to hire only quality Emiratis, and not just quantity.

Nabil Ramadhan, chief human capital officer, DIFC, says that they do not have a specific figure for the Emiratisation target. He adds: “Our aim is to employ UAE nationals for the right job. We want to train and develop quality people as they are our capital.”



Jones agrees and argues that raising skill level of employed nationals is of primary importance for his bank. "The risk with the quota system is that you have lots of numbers but you have them at very low levels. Emiratization is more than just a numbers game. It is trying to see what will help develop the skills of nationals so that eventually, we have them in senior positions."

He admits that there are not as many Emiratis in the higher positions in Standard Chartered at present, which is reflective of the stage of the development of the country, and this needs to be addressed as a long-term goal.

### Attracting Emiratis

While in the past Emiratis were hesitant to enter the financial sector due to the religious belief that interest rates or insurance were *HARAM*, Ahmad Al-Ahmadi, manager, Tanmia Dubai, claims that there has been a perceptible change in the attitudes in the recent years. Besides, today there are a number of Islamic financial institutions, although one of the biggest attractions of the financial sector is the financial reward associated with it.

Al-Ahmadi discloses that some banks give AED5,000-7,000 as wages to secondary graduates, but adds that the ministry of labour has a salary guideline for the private sector (AED3,000 for below secondary, AED4,000 for secondary, AED5,000 for post secondary). "However, we cannot find many people accepting these wages, so the market creates their own package."

Kabital declares that DFM's salary offer to fresh Emirati graduates is AED12,950 in addition to an annual return ticket, a global health insurance plan, annual training programs, study leaves and financial support if they want to pursue their studies, as long as it is related to their position at the DFM.



In fact, the attractive DFM package has lured 27-year old Akbar Hassen, a customer service representative of more than three years with Emirates Airlines, to apply at the exchange. Hassen would like a bigger salary. Currently he receives AED4,300 including the UAE national allowance, when locals are supposed to receive AED6,000-7,000 monthly pay. He says: "I believe I have a future with DFM, as Dubai is quickly rising and all people are now investing money."

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**The risk with the quota system is that you have lots of numbers but you have them at very low levels. Emiratization is more than just a numbers game. It is trying to see what will help develop the skills of nationals so that eventually, we have them in senior positions.** *Nigel Jones*

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But, Aida Saleh, Emiratization head, Standard Chartered Bank UAE, argues that it is not only a good salary package that attracts Emiratis, but more so the training. "We invest as much as we can to get UAE nationals and for them to be able to excel in their work."

Standard Chartered's Al Tahadi program offers financial support for local college students with a GPA

of three and above, who are then offered a full-time job with the bank when they graduate.

Al Suwaidi also thinks on similar lines and feels that salary is not the only magnet, but appreciation from the management and a promise of career development programs play important roles in attracting nationals for jobs in the financial services industry. AMAN has recently tied up with the Higher Colleges of Technology in Dubai to launch a new course called Advanced Diploma in Insurance Services and Management, which was created by Chartered Insurance Institute of London. It is available to employees of participating insurance companies for free. These employees also receive increments of AED1,000 each and every time they pass a semester. New recruits are given a minimum salary of AED4,500.

Sarah Al Najjar, 21, a graduating Financial Services and Banking Management student at Dubai Women's College, prefers to work in the financial industry rather than in a company's finance department after having done internships at HSBC and Citibank. She was an intern for four months at HSBC where she was required to work eight hours a week, and is currently with Citibank on a per project basis. She has enjoyed working in various departments such as customer service, credit and personal banking while receiving a student allowance of AED2,000-2,500 as an incentive. She also has a ready job with Citibank in June and anticipates a relatively higher salary as a bank intern. But, again, salary is not the only criterion. She explains: "It does not matter how much salary I start with as long as I can develop a career in the financial sector. I do not want to take a step and just stop there. I have to take several steps because once you stop somewhere in this industry, you won't be able to go forward anymore."



## Keeping the taxman out

Succession planning is an important aspect of one's personal financial planning. **Martin Saldamando** takes the example of the UK and explains that writing a will could save a fortune from being paid as inheritance taxes.

**S**uccession planning for investors is so important, especially after expanding one's asset base by making new investment decisions. All financial and legal advisors in the region suggest to their expatriate clients to make out and validate a will. This is to assure that their assets are distributed as per their

wishes. If they don't make a will, the law will say who gets what when they die.

Creating a will can also help to mitigate taxes if the instrument is planned and structured accordingly. This is especially true for UK citizens who are making investments locally, due to the steep inheritance taxes

levied on their worldwide assets when they die.

Getting a professionally drafted will not only brings one peace of mind, but it may also significantly lower one's tax base. Many investors do not know this.

After creating a will, investors should also periodically update it



to reflect changes and any new investments they have made. An amendment to a will is called a *codicil*, and this must be signed and validated with the same formalities.

Anyone signing a will in the UAE needs to have it legalised by the ministry of foreign affairs. Thereafter, the document has to be translated into Arabic and legalised by the UAE ministry of justice and then taken to the UAE courts for confirmation. These steps are usually undertaken by a professional advisor, and it may also be helpful to have a professional conduct the entire process for you.

According to Mohammad D. Marria of Just Wills, the UK's largest will-writing company, "It is important for all UAE residents to keep a list of every asset, investment and bank account that they have made here. This is very helpful in case something happens to you."

"Admittedly, the process of validating one's will in the UAE is cumbersome and complex in the first place, and if someone wants to update their will again with new assets later, they will have to start the whole process all over again," says Marria.

Nevertheless, he stresses how important it is to do so.

## Intestacy

If an expatriate residing in the UAE dies without having a will (called dying *intestate*), the family will have to go to a UAE court in order to get the entire estate disposed to the heirs. The judges will determine the heirs and their respective shares by referring to Islamic Shari'ah Law, which is the law of the UAE for matters of inheritance and succession.

In order to have the estate processed, the heirs would be required to get a full family record from the relevant registrar in their home country. This document, which identifies the family descendants, must be legalised and attested

by the UAE embassy in the home country. In the process, all direct descendants of the deceased must be notified by the heirs about the death, and this must be done by a registered process.

## UK inheritance tax

In the UK, the tax on the estate of a person who has died is called inheritance tax, and it is due six months after the end of the month in which the person died.

Inheritance taxes are dealt with by Her Majesty's Revenue and Customs (Capital Taxes Office) which will charge interest on any unpaid tax from the due date, whatever the reason is for late payment.

The British government insists that only six per cent of estates pay inheritance taxes. However, many feel that the percentage is much higher and rising.

Currently, when someone dies, his heirs are required to pay 40 per cent of the value of the inherited estate, with the first GBP300,000 (in the 2007-2008 tax year) exempt. This is what is referred to as the Nil Rate Band.

Many Britons living in the UAE would like to see the Nil Rate Band increased significantly. Some feel that inheritance tax is unfair, and that it amounts to a second line of taxation, since the person who died would already have paid tax on the income which was used to build up the value of the estate in the first place.

According to Mark Nierada, a solicitor and the head of private client services at James Berry & Associates Legal Consultants in Dubai, "The Nil Rate Band has been rising steadily but has failed to keep pace with property inflation. What started out as a tax on the wealthy now affects most property owners in the UK given the rise in property values."

The Labour government, however, confirmed that the tax exempt slice will rise over the next two tax

years to GBP325,000 (probably to GBP315,000 next tax year and GBP325,000 the year after that).

"Whereas this is welcome, it remains at best a limited relief for most tax payers, and they need to exercise ingenuity to make the most of the available reliefs," says Nierada.

Not everyone pays inheritance tax on death. It only applies if the taxable value of one's assets worldwide at the time of death is above GBP300,000, and is only payable on the excess above this threshold. Anything above GBP300,000 is charged tax at the rate of 40 per cent.



There are also a number of exemptions which allow tax payers to pass on amounts, during their lifetime or in their will, without any inheritance tax being due. For example, if an estate passes to the husband, wife or civil partner of the deceased and both spouses are domiciled in the UK, there is no inheritance tax to pay even if it's above the GBP300,000 threshold.

In addition, most gifts made more than seven years before one's death are exempt as well as certain other gifts, such as wedding gifts and gifts in anticipation of a

civil partnership up to GBP5,000 (depending on the relationship between the giver and the recipient).

Any gifts one makes to a charity are also exempt.

Tax payers can make small gifts, up to the value of GBP250, to as many people as they would like to in any one tax year (April 6 to the following April 5) without being liable for inheritance tax. But one can't give a larger sum - GBP500,



for example - and claim exemption for the first GBP250. Neither is it allowable to use this exemption with any other exemption when giving to the same person.

In other words, it is not possible for a tax payer to combine a 'small gifts exemption' with a 'wedding/civil partnership ceremony gift exemption' and give one of their children GBP5,250 when they get married or form a civil partnership.

Nonetheless, GBP3,000 can be given away in each tax year without paying inheritance tax. One can carry forward all or any part of the GBP3,000 exemption that isn't used to the next year, but no further. This means one could give away up to GBP6,000 in any one year if the exemption from the year before hadn't been used.

It is not possible to use an 'annual exemption' and a 'small gifts exemption' together to give someone GBP3,250. But it is possible to use an 'annual exemption' with any other exemption, such as the 'wedding/civil partnership ceremony gift exemption'. So, if one child marries or forms a civil partnership, one can give them GBP5,000 under the wedding/civil partnership gift exemption and GBP3,000 under the annual exemption - a total of GBP8,000.

### Inheritance tax planning

Married couples and civil partners who have not undertaken inheritance tax planning are reliant upon a default process, which comes into effect upon the first death of a spouse. On first death, the assets automatically pass to a surviving spouse free of tax.

However, this misses the opportunity to use the inheritance tax allowance of the deceased first spouse. On the death of the remaining spouse, the combined

estate can then only be reduced by the second spouse's single tax-free allowance (Nil-Rate Band).

This can leave children or other beneficiaries with a potentially large inheritance tax bill to deal with.

### Discretionary Will Trusts

An 'IOU' Discretionary Will Trust is one way that couples can mitigate or even completely eradicate an inheritance tax liability by taking maximum advantage of the tax-free allowances available to both of them.

According to Marria, "It is a sensible, straightforward and cost-effective scheme that is fully compliant in the eyes of the Capital Taxes Office (CTO). When we draft your wills for you, we insert specific provisions into them to establish a Discretionary Trust when the first death occurs."

For example, in order to make the Discretionary Will Trust provisions in the wills effective for an estate including property, the ownership of the house must be changed to/from 'Joint Tenants' to 'Tenants in Common'.

The Discretionary Will Trust is designed to accept assets up to the value of the personal tax-free allowance when the first spouse dies. Currently, this stands at GBP300,000 for the tax year of 2007/8.

However, rather than needing to pass cash into the trust, and by

### Combined estate worth GBP600,000 for a married couple with no inheritance tax provisions in their wills:

**1<sup>st</sup> Spouse's Assets**  
(GBP300,000)



Tax free transfer of assets  
(fails to make use of 1<sup>st</sup>  
spouse's Nil Rate Band)

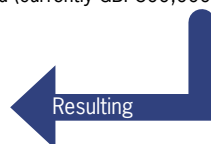


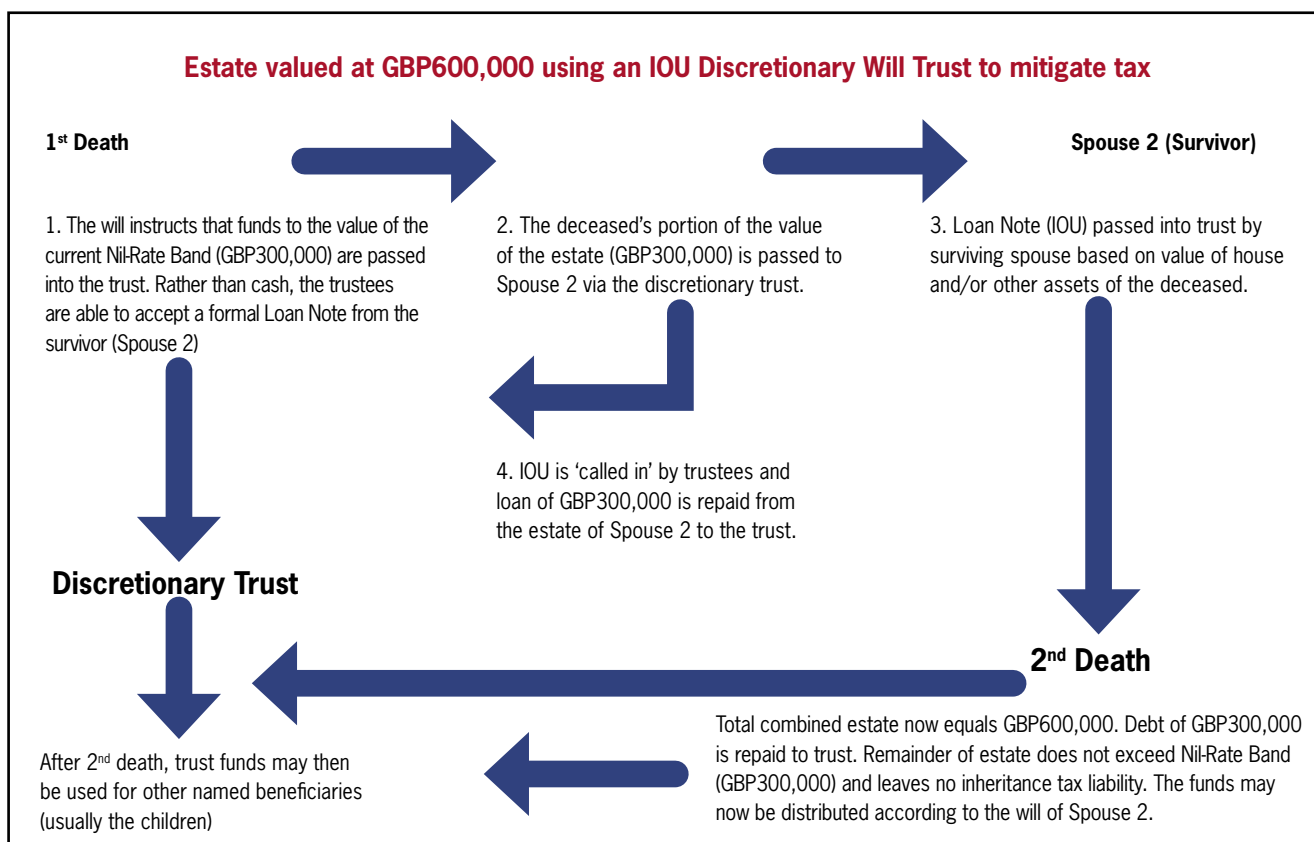
**2<sup>nd</sup> Spouse's Estate**

GBP300,000 passed to surviving  
spouse on first death

On 2<sup>nd</sup> death total estate is GBP600,000 but is subject to only  
one Nil-Rate Band (currently GBP300,000 for tax year 2007/8)

The balance of the estate (GBP300,000) is taxed at 40 per cent,  
resulting in a tax bill of GBP120,000.





doing so having to sell assets to realise the funds, the trustees are given powers to accept a Loan Note (an 'IOU') from the surviving spouse. This 'IOU' is held by the trustees until the death of the second spouse when it is called in as a debt on the estate.

In effect, this means that, rather than lose out on one of the valuable tax-free allowances, the couple have been able to ensure that both allowances are used.

"Discretionary Trusts work because the UK Finance Act gives a spouse the right to pass his or her entire estate to the surviving spouse inheritance tax free if that spouse is UK domiciled," says Nierada.

"We advise our UAE clients that there is a cap of GBP355,000 if the surviving spouse is UK non-domiciled. This is a blessing and a curse – no inheritance tax on first death, but on the second spouse's death his or her estate pays 40

per cent inheritance tax on non-exempt assets valued in excess of GBP300,000."

"All this is not necessary if you want or can afford to make gifts of GBP300,000 on first death. Not many can do this, as the wealth may be tied up in the matrimonial home, or it is recognised that the needs of the surviving spouse must take precedence.


"That is why setting up a Discretionary Trust is so important, to utilise this additional allowance," adds Nierada.

Under the provisions of the will, the surviving spouse has full use of original assets such as the house during the remainder of their lifetime. Upon second death, the loan to the trust is repaid from the estate of the surviving spouse which passes tax-free to the trust beneficiaries (usually the children and grandchildren). The Nil-Rate Band allowance of the second spouse is applied to the remainder,

and thus both tax-free exemptions have been used.

An associated benefit of putting this provision in place is that, should either spouse face action by creditors or need to go into long-term care, the creditors or local authority would only be able to place a charge against the portion of the house owned by the affected spouse – rather than the entire value of the property.

When establishing these types of schemes, it is vital that they are managed correctly, as the CTO requires all trusts to be administered in a compliant fashion. Trusts that do not meet CTO standards run the risk of being ineffective.

According to Nierada, "For most people with a potential inheritance tax liability, the Discretionary Will Trust is an essential tax planning tool. It is comparatively cheap to establish and effective. Everyone should have one – a no brainer." 

# Crafting dreams into reality

Essam Janahi, chief executive officer and board member of Gulf Finance House (GFH) and chairman of Bahrain Financial Harbour (BFH), among other titles, addressed a press conference last month to announce the formal launch of the BFH. **Utpal Bhattacharya** spoke to him on the sidelines of the media event held at the BFH premises in Bahrain to get a peek into how Janahi rose so quickly to fame since launching GFH in 1999.



**Bahrain Financial Harbour is different from other regional international financial centres as it does not offer new licences to financial institutions. What was the thinking behind creating such a district?**

At Gulf Finance House, we have always been thinking about creating something that would be a point of attraction to Bahrain. We had to be creative and then leverage on this creativity to be successful. Many others bid for the location that we are in today at the Bahrain Financial Harbour; a lot of people bid for this plot of land with different business models. But we came through as the most creative institution with ideas of value supporting Bahrain as the hub of the Middle East with a financial district.

**How challenging was it to execute this project?**

Converting a dream to reality takes a lot of time and all around convincing. You have to overcome a number of challenges, including conflicts that you have to smooth while you are in the process of executing any project. We have formally launched Bahrain Financial

Harbour today, but we owe this to our ambition, vision, perseverance and implementation. It takes huge efforts to do a project like the BFH.

**What sort of convincing did you have to do?**

The first thing was to bring in capital from investors. For that, you had to do a lot of convincing and explaining that this was the right revenue engine for them in terms of return. Once the equity side was taken care off, you had to work out the project finance

side as well. So, you had to once again convince financiers that this is a successful business model with the right cash flow and so forth. We went through that process too, but during that process we invested in creating the right audience for the project. We had been planning for the BFH project since 2001. It became a reality when we laid the foundation stone in 2003. Again, we had a lot of convincing to do - with the government as well to explain to them that this is the right project. And from there we made a great



Prime Minister Shaikh Khalifa bin Salman Al Khalifa inaugurating the Bahrain Financial Harbour

effort to ensure the project was successful on different frontiers. We hosted a number of international road shows to convince people that although we are not authorised to give licences, BFH is a good district to be in and to occupy in terms of premises.

**You are one of those regional business leaders that has been extremely successful in the course of this decade. Most of the projects that you've been involved with have paid your shareholders great dividends. Can you tell us the story behind Gulf Finance House?**

It was in the summer of 1999 when Gulf Finance House received its licence as an investment bank. I was one of the founders of the bank and had worked hard to create the right business model. We also wanted to show our commitment to the region with this business model.

But ours was a business model that targeted the creation of infrastructure. And in 1999 when the whole world was chasing dotcom businesses, convincing investors to participate in our model was indeed challenging. The reason, as you know of course,

was that anybody who touched any dotcom business got returns in gold and platinum; I mean, the quantum of return was very high.

So, in our case it was very difficult to convince financial institutions to establish something like the platform that we created with a capital of US\$65 million at that time. At that time, we said let's get into infrastructure projects, but we called it the derivate of infrastructure projects. *(Editor's Note: According to Wikipedia, in general, a derivate is a product originated from an entity).*

**What does that mean?**

It means that infrastructure projects are handled by governments, but the derivatives of those ones are handled by the private sector. Let me explain this for you. For example, today if I get into education, I can do private schools and private universities. I will describe these projects as derivatives of education infrastructure. The same thing with hospitals and so forth that we can get involved as a private sector and I would describe these projects as derivatives of health infrastructure. The long and short of it is that when we talked about this business model, it was not

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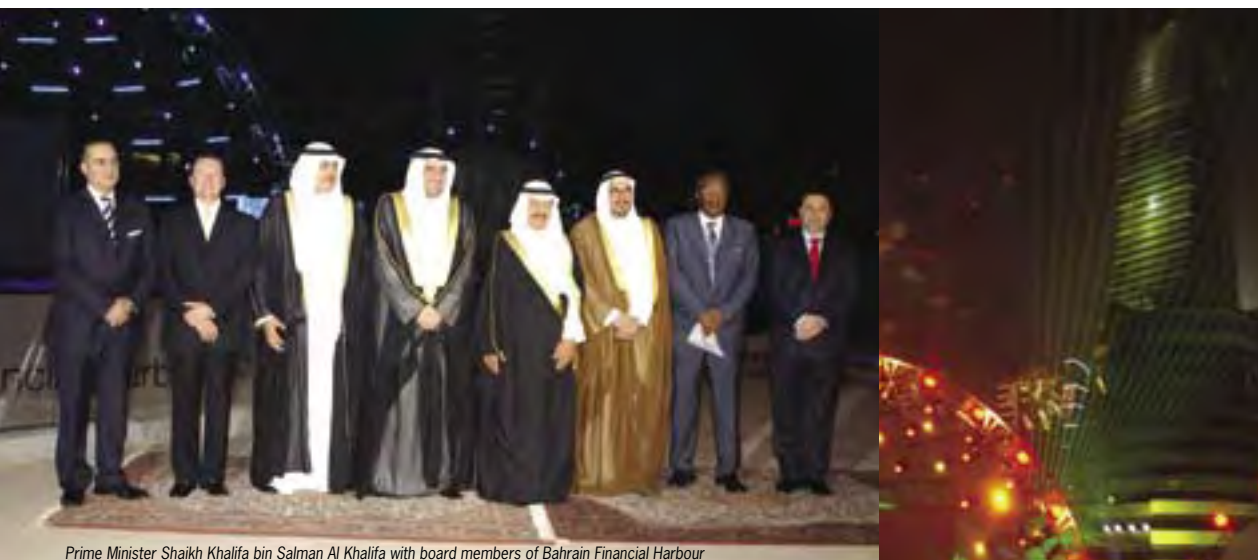
**We would like to grow our net profit to US\$700 million from US\$212 in 2006 and shareholders' equity to US\$2.1 billion in five years.**

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easy to convince people to invest with us, and more so since our focus was in the GCC, the Middle East and North Africa. At that time, in 1999-2000, the growth in the region was not right. The oil price was not at a good level, and almost everybody was bullish about international investments rather than regional. But we went through that crisis period. Then came 9/11, and the events that followed had positive implications for our business. Those events supported our region in terms of the shift of the mindset of investors. 9/11 proved to be advantageous to us and to what we were doing.

**Of course your business model worked out in your favour?**

We have done different districts today; we have undertaken many different and successful projects, but we are a strong believer that whatever we have done in the Kingdom of Bahrain can be replicated in other places



Prime Minister Shaikh Khalifa bin Salman Al Khalifa with board members of Bahrain Financial Harbour

as well using the same business model. And this is what we are trying to do by leveraging on our experience to go forward and push out to other markets.

**When did you discover that there is a great market for innovation in Islamic finance? You were among the first Islamic institutions that took R&D in Islamic finance quite seriously, as opposed to the plain vanilla approach.**

We are a fourth generation Islamic institution. Until the third generation, it was an approach where customers had hardly any choice of products and they chose an Islamic bank because it was Islamic and not because there were some great products. In fact, if you go further back, if you look at the first generation, these institutions had fund raising and the liabilities side well covered, but they had very limited know-how of funding the asset side of the business.

During the second generation, institutions went through that process of deploying liabilities in a Shari'ah compliant way to acquire assets. With us as one of the fourth generation players, things had to change. We realised that we had to compete in the market. We understood that either we were creative or we had no place in terms of positioning ourselves as an important player in the regional or international Islamic finance map. This is where we said let's be creative and introduce new concepts and structures that will not only fulfil the Islamic Shari'ah guidelines, but also, at the same time, stand on their own feet because of the inherent strength of these products. We stressed creation of the right product for everybody, Islamic or non-Islamic. And ultimately, with a lot of hard work and research and development, it has worked out in our favour.

**Where do you intend to go from here?**

We dream a lot. But we also have proven that we can convert dreams into reality. We have shown that we can execute what we promise successfully. But, as I have told you, we have faced lots of challenges while executing our projects. The upside is that in the process, we have the right menu today — the menu for success, the track record of success of any project that we touched. Perhaps some of the earlier projects could have been accomplished with lesser effort, but the good thing is we have learnt from our experiences and, in future, will inevitably deliver much better products more easily, compared to those we delivered in the past.

**What markets do you want to expand to in terms of executing projects?**

We want to leverage our experience in the other markets that we go into in the future. As I said, we want to introduce and replicate our business model that we have developed in the region - wherever we go to. We are also finding out that various governments are asking us (GFH) to come and introduce our business model in their markets. The first priority that we have today is to expand our presence in North Africa; the second is the subcontinent, especially in India. We will also invest in Southeast Asia, Asia Pacific and we will continue to satisfy the demand from our clientele in European markets.

**These will be investments mostly in the area of infrastructure projects?**

Most of it will be infrastructure type of projects, except if you are looking west towards Europe. In those markets, we will continue to



**We stressed creation of the right product for everybody, Islamic or non-Islamic. And ultimately, with a lot of hard work and research and development, it has worked out in our favour.**

do the normal vanilla type of things that we have done in the past.

**You started GFH with US\$65 million in 1999. Are there any numbers or projections that you have for the future?**

Today we are sitting at US\$670 million of shareholders' equity, and our market cap exceeds US\$1.3 billion. The return on equity is exceeding 42 per cent. We are looking at around 100 per cent return on capital. When we started, our dividend ratio was at 50 per cent. Last year, we ended up paying 75 per cent. If you look at our efficiency ratio per employee, it is US\$2 million per employee. All in all, everything looks positive, and now we have announced our strategic plans for the next five years. We would like to grow our net profit to US\$700 million from US\$212 in 2006 and shareholders' equity to US\$2.1 billion in five years. This is what we are hoping and this is what our ambition is. HW



# Benefits of knowing your client

The best way to prevent money laundering is for the financial services providers to know their clients well.

**Gary Envis** further advises that due diligence on clients should be sought in the most non-intrusive manner.

**M**ost people would agree that opening bank accounts and making investments is a time consuming and cumbersome process. There are never ending requests for details such as name, address, date, place of birth and residency, confirmed by documentation such as passports or other acceptable forms of photo ID, utility bills and so on (what we call “hard due diligence”), as well as requests for information pertaining to the client’s occupation or business, source of funds for the transaction(s) in question and source of wealth, the purpose of the proposed activity in the account/structure, etc. (what we call “soft due diligence”). What does this all mean? Is it just an inconvenience designed to deter us from opening bank accounts or making investments, or can it be used to the customer’s benefit?

The primary purpose behind the collection of “hard due diligence” from a prospective client is to document who that person is so that should the need arise, the client can be contacted or traced by the relevant authorities. The “soft due diligence” provides the bank with comfort that the funds to be invested are from legitimate sources and are not being used to support terrorist purposes. In July 2004, the UAE government strengthened its legal authority

to combat terrorism and terrorist financing by passing Federal Law No. 1/2004. The law specifically criminalises the funding of terrorist activities and terrorist organisations. It sets stiff penalties for the crimes covered, including life imprisonment and the death penalty. It also provides for asset seizure or forfeiture. Under the law, founders of terrorist organisations face up to life imprisonment.

## Money laundering defined

Money laundering is a process intended to mask the benefits derived from drug trafficking or criminal conduct so that they appear to have originated from a legitimate source. When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form or moving the funds to a place where they are less likely to attract attention. This is the substance of laundering money. If criminals launder money/property successfully, it enables them to retain control over the proceeds of crime and provide a legitimate cover for their source of income, allowing them to spend money or use assets safely. Estimates of the

amount of money laundered globally in one year have ranged between US\$500 billion and US\$1 trillion. Though the margin between those figures is huge, even the lower estimate underlines the seriousness of the problem governments have pledged to address. As you can imagine, money laundering and terrorist financing are perhaps the biggest threat to the international community.

Traditionally, the process of money laundering comprises three stages, during which there may be numerous transactions: (i) Placement: the physical disposal of benefits of criminal conduct; (ii) Layering: the separation of benefits of criminal conduct from their source by creating layers of financial transactions designed to disguise the audit trail and (iii) Integration: the provision of apparent legitimacy to benefits of criminal conduct. If the layering process succeeds, integration schemes place the laundered funds back into the economy so that they re-enter the financial system appearing to be legitimate business.

The placement stage is considered to be the riskiest, for it is then that the chances of raising suspicion are the greatest. The launderer will frequently use front companies, often cash-based businesses, so that the criminal cash can be shown as



commingled with legitimate earnings. Layering involves converting the proceeds of crime into another form and creating complex layers of financial transactions to disguise the audit trail and the source and ownership of funds. This stage may involve transactions such as the buying and selling of stock, commodities or property – passing the funds through different entities (such as trusts, companies or foundations) in various international jurisdictions. This layering stage is the most complex and the most international in nature. There is no 'norm' as to how long the layering stage is or how many transactions it involves; it is essentially as long as the launderer decides is necessary. Having been placed initially as cash and layered through a number of financial operations, the criminal proceeds are now fully integrated into the financial system and can be used for any purpose including the financing of more crime.

### The FATF

Money laundering methods and techniques change in response to developing counter-measures. Furthermore, since the terrorist attacks in the US on September 11, 2001, both the International Monetary Fund and the Financial Action Task Force on Money Laundering have intensified their activities considerably and extended them to combating the financing of terrorism. The Financial Action Task Force on Money Laundering is the organisation with primary responsibility for developing a worldwide

anti-money laundering framework, in close cooperation with relevant international organisations. It was established by the G-7 Summit in Paris in 1989 to develop a coordinated international response to mounting concern over money laundering. It is currently the world's most prominent international anti-money laundering body. At an inaugural ministerial meeting held in Manama, Bahrain on November 30, 2004, the governments of Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, the UAE and Yemen decided to establish a Financial Action Task Force Style Regional Body for the Middle East and North Africa. The body, to be known as the Middle East and North Africa Financial Action Task Force, is headquartered in the Kingdom of Bahrain.

### The UAE

The UAE has enacted two laws that serve as the foundation for the country's anti-money laundering and counter terrorist financing efforts: Law no. 4/2002, the anti-money laundering law, and Law no. 1/2004, the counter terrorism law. Law No. 4 of 2002 criminalises all forms of money laundering activities. The law imposes stiff criminal penalties for money laundering that include up to seven years in prison plus a fine of up to AED300,000 (approximately US\$81,700), as well as a seizure of assets upon conviction.

In addition, those firms operating from the Dubai International Financial Centre and regulated by the Dubai Financial Services Authority will be obliged to comply with the requirements of the anti-money laundering rules issued by the DFSA.

### Saudi Arabia

In May 2003, the Saudi Arabian Monetary Agency distributed "Rules Governing Anti-Monetary Laundering and Combating Terrorist Financing" to all banks and financial institutions in Saudi Arabia requiring the full and immediate implementation of the new policies and procedures – those policies and procedures deal with issues such as know your client, record keeping, reporting suspicious transactions and training of employees. In August 2003, the council of ministers approved new

legislation – the Anti Money Laundering Law – which provides for harsh penalties (jail sentences and fines) for the crime of money-laundering and terrorist financing, prevents financial transactions with unidentified parties, requires records to be maintained of transactions for up to 10 years, establishes intelligence units to investigate suspicious transactions and sets up international cooperation on money-laundering issues with countries with formal agreements having been signed.

Money laundering is treated as a serious crime in Saudi Arabia and is dealt with by the general court responsible for dealing with serious criminal acts. The Anti Money Laundering Law ensures that persons who commit an offence can be subject to a prison sentence of up to 10 years and a fine of up to SAR5 million. The law provides for these sentences to be increased to 15 years imprisonment and a SAR7 million fine if the offence is committed under aggravated circumstances.

### Conclusion

Other countries have also enacted their own regulations, but at the end of the day, the most successful means of preventing the use of banking, investment or judiciary services for the purpose of money laundering and terrorist financing is actually knowing the client – who the client really is as a person (not just who they are represented by), how they have generated their wealth, what services the client needs and why, what will be the expected business activity and what the source of funds will be for any particular transaction.

Gathering the necessary due diligence information need not be undertaken in an intrusive manner but can (and should) be properly presented to the client on a customer service level. Our clients are important to us and serving them better must be our goal. Failing to service their needs, or worse still, having them wrongly implicated in money laundering or terrorist financing investigations, can in no way be conducive to good business relations.

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This feature can only provide a brief overview and should be used for general information purposes only. It cannot be regarded as a substitute for specific professional advice.



# Doorstep banking from Bank Sohar

Bank Sohar, Oman's newest bank on the block, plans to become a one-stop financial mall. Having commenced operations only last month, the bank plans to bring doorstep banking in the Sultanate. **Tara Asok** reports.

**B**anking experts in the Sultanate of Oman believe that the over US\$20 billion banking sector is on sound footing. Despite the significant metamorphosis that the sector is going through, the country is not over-banked and there is much room for competition. This healthy environment could, perhaps, be attributed to the positive macroeconomic, monetary and financial policies that have helped the country maintain an almost steady growth for the past few years. As the growth momentum continues, the introduction of Bank Sohar, the country's youngest bank, could not have happened at a more opportune time.

Bank Sohar, which listed its shares on the Muscat Securities Market in March, is confident of developing into a one-stop financial mall offering a wide range of products and services across various segments. The bank entered the capital market with an initial public offering of 40 million shares at a price of 520 baisa (500 baisa as offer price and 20 baisa towards issue expenses) aggregating to OMR20.8 million. The face value of the share is OMR1. The IPO, which closed on January 7, 2007, had been oversubscribed five times. Promoters include the Royal Court Affairs, which holds 11 per cent stake in the bank's capital. The bank commenced operations on May 9 at Sohar with a paid up capital of OMR50 million.

According to chairman Hilal bin Hamoud bin Hamad Al Ma'amari, "Bank Sohar shoulders the responsibility of implementing best

banking practices in Oman. Our endeavour is to achieve the highest levels of transparency, and we are committed to uphold international standards in banking." CEO Nani Javeri adds: "Our role in the economy is to fuel growth, directing credit where it is needed and managing funds of those who have it. Bank Sohar will focus its best efforts to make doorstep banking a reality to its valued customers and for them to feel the difference in the quality of banking services." The bank, he said, focuses on three main pillars, namely people, technology and efficiency.

Bank Sohar's branches will be spread across the country, although its headquarters is located in Muscat. The bank has already achieved 80 per cent Omanisation and is expected to adhere to stringent corporate governance measures laid down by the government. It has invested in qualified and experienced people from all over the country trained to excel in customer service, product knowledge, technical and professional skills. The bank's corporate banking division also has some of the most qualified and experienced people in the market. Bank Sohar now hopes to lay emphasis on helping customers improve their long-term sustainable performance through industry expertise supported by finance and treasury management services. The bank is also focusing on the small and medium sized segment, which they believe has been underserved for too long. This approach towards small and medium sized industries has almost become a trend amongst

banks and other financial institutions in the Sultanate, and currently the SMEs form a major chunk of their clientele.

## Credit and technology

Although Bank Sohar has been established in extremely competitive times, it aims to adopt a wise policy where consumer lending is concerned. It has already sent

Post IPO shareholding pattern (%)		
1	Royal Court Affairs	11
2	Al Ghadir Arabian LLC	8
3	Oman Investment Fund	5
4	Al Mashreq Trading & Investment	4
5	Pension Truf of Royal Office	3
6	Employees Pension Trust. Internal security machinery	3
7	Pension Trust of Sultan's Special Forces	3
8	Salim & Co LLC	2
9	Al Marjan Development Co. LLC	2
10	Al Safa United Co. LLC	2
11	Iqdar Trading LLC	2
12	Mada Muscat LLC	2
13	Pension Trust of Royal Guard of Oman	1
14	Mohsin Haider Darwesh LLC	1
15	Al Nahda Investment Enterprises Co.	1
16	Al Baz Services & Investment Co.	1
17	Sabco LLC	1
18	Al Safa Al Zahbiya LLC	1
19	Hudud Al Watan LLC	1
20	Oasis Al Omaniya Est. LLC	1
22	Al Touqan United LLC	1
23	National Services Est. LLC	1
24	Jibal Al Hadan Trading & Const. LLC	1
Current issue		40
TOTAL		100
Source: GIS Research & Company Prospectus		



Nani Javeri

out signals that a very balanced approach will be adopted and customers will be weighed appropriately before the bank lends.

Bank Sohar has joined hands with the world's premier names in technology and is in the process of benchmarking itself with the best in the world. This technology will give the bank an international reach and put it on par with other leading banks in the country following superior technologies. The bank has prepared its retail banking strategy on the basis of the technology and the systems that it has implemented and adopted. The bank today has plans to cover the Sultanate with classic branch banking and the most advanced interactive internet, SMS and mobile banking facilities. It has also identified three core banking areas to focus on, namely treasury, consumer and retail banking and small and medium enterprises. With a relatively small paid up capital, the bank also does not rule out alliances with other players in the country to get a slice of business from the several huge projects in the pipeline in Oman.

Over the last three decades, the local banking sector in Oman has witnessed a deep transformation as a result of the changes in the world financial arena. Combined assets of banks in Oman climbed to OMR7.762 billion in March 2007, showing an annual growth of 31.3 per cent. The banking industry's domestic and foreign assets today stand at

OMR6.134 billion and OMR1.627 billion respectively. On a year-on-year basis, gross bank credit rose by 22.7 per cent to OMR4.920 billion in March 2007, as against OMR4.011 billion recorded in March 2006.

Overall banking sector growth can be attributed to diversification, privatisation and also the high price of oil. In fact, these factors have brightened the prospects for the Omani economy, over and above the 15.6 per cent GDP growth registered in 2006. Figures released by Oman's central bank indicate a 27.2 per cent growth in banking sector profitability during the first quarter of 2007. Combined net profit (provisional) works out to OMR43.49 million in March 2007 as against OMR34.2 million recorded in March 2006.

More importantly, the local banking system now sits comfortably on a combined provisions and reserved interest of nearly OMR230.62 million. Provisions and reserved interest, however, fell 17.6 per cent as compared to OMR279.97 million recorded in March last year. Credit to the private sector grew nearly 21.5 per cent — from OMR3.82 billion in March 2006 to OMR4.651 billion in March 2007. During the period under review, total bank deposits in Oman grew 30 per cent to OMR5.206 billion, as against OMR4.004 billion in March 2006. Savings deposits registered a 22.8 per cent jump at OMR118 billion. Total private sector deposits were up 27.7 per cent at OMR4.221 billion. Core capital and reserves stood 15.3 per cent higher at OMR837.30 million, as compared to OMR726 million a year ago.

The banking system remains strong and sound on improved capital adequacy, asset quality and record profits. During the current year, the Central Bank of Oman raised the minimum capital requirements for new local banks to OMR100 million and for new foreign banks to OMR20 million. Existing banks were encouraged to meet the enhanced requirement progressively.

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# RAK Cement gets attractive

Ras Al Khaimah Cement Company (RAK Cement) has tremendous upside potential given the demand for cement and the booming real estate market. **Meshal Al Naqbi** analyses the fundamentals of the company.



**R**AK Cement, a public joint stock company established in Ras Al Khaimah by Amiri Decree No. 4 dated May 27, 1995 began commercial production of Portland cement on April 1, 2000. Today, the company's paid-up capital stands at AED484 million, distributed over 484 million shares with a par value of AED1. The company has three major shareholders holding 43 per cent stake in the company. RAK White Cement is the largest shareholder with a 17 per cent shareholding, followed by Union Cement and a consortium of Saudi Arabian banks holding 16 per cent and 10 per cent respectively. The remaining 57 per cent represents the free float tradable in Abu Dhabi Securities Market.

The company produces both clinker and cement in amounts equivalent to one and 1.2 million tonnes per year (mtpy). In addition, RAK Cement enjoys a geographical advantage, being located in the emirate of Ras Al Khaimah. Key advantages of its location are its close proximity to Saqr Port, which facilitates import and export of its clinker and cement as well as the abundance of limestone, the main raw material used in cement production.

RAK Cement's production levels stand at one mtpy of clinker and 1.2 mtpy of cement, almost in line with the major cement producers in the UAE except for Union Cement and Gulf Cement, due to their capacity expansion plans in progress. Union Cement is expected to increase its capacity the most among top players in the market, as its capacity will reach 4.5 mtpy

of clinker and 4.6 mtpy of cement this year. On the other hand, RAK Cement has not announced any new capacity expansion to date. It has been estimated that cement demand will rise from 15 million tonnes as in 2006 to 20.4 million tonnes as in 2007. However, the supply of cement, taken into consideration the expansion plans by the major producers, is set to continue to exceed the demand in both years. Supply of cement was set at 17.2 million tonnes in 2006 and it is estimated to reach 23.5 million tonnes in 2007. The pace of the construction sector boom accompanied by overall flourishing economies in the GCC are key factors for the direction of the demand and supply of the cement sector.

## Sector growth

The UAE, particularly Dubai, is experiencing one of the fastest economic growth rates in the Middle East, as higher oil prices have led to higher economic activity in the Gulf region. The recent liberalisation of property ownership rules in Dubai has led to a surge in the growth of the construction sector. The announcement of huge infrastructure developments in the

region, coupled with an abundance of raw materials and cheaper fuel costs, have all driven the cement sector growth and induced the major cement companies to plan and implement capacity expansions. The estimated worth of announced developmental projects in the UAE is approximately US\$340.8 billion, or the equivalent to approximately 34 per cent of the GCC total projects amount. The shortage in domestic production led to remarkable increases in cement prices in 2005, as the cost of one tonne of bagged cement rose between AED350 and AED380, up from AED320 in 2004 and AED190 in 2003. Cement prices have settled at a price range of AED300-305 between 2006 and early 2007.

## Results

The increase in local sales has led to a slight increase in RAK Cement revenues on a Y-o-Y basis by over eight per cent between 2005 and 2006. Buoyant demand as a result of booming construction activity across the entire UAE has helped to maintain a consistent growth in top line for the last three years. Production

Peer Comparison (2006 figures)				
Tons per year in millions	Clinker 2006	Cement 2006	Clinker 2007	Cement 2007
RAK Cement	1.0	1.2	1.0	1.2
Union Cement	1.2	1.3	4.5	4.6
Gulf Cement	1.3	2.5	3.6	2.5
National Cement	1.15	1.5	1.15	1.5
Sharjah Cement	1.85	2.2	1.85	2.2
Fujairah Cement	1.6	2.4	1.6	2.4

Source: Company reports

volume has remained at the same level in the mentioned period with the sale price affected by one-off lower yielding contract with a large client. This contract ended in early 2007, and RAK Cement is expected to charge the prevailing market price on most of its contracts in Q2 of 2007, which should offset its higher energy cost and maintain its margins in Q2 compared to the prior period. In addition, RAK Cement started producing blended cement, which should open a new niche market for the company's products and increase top line.

Direct cost as a percentage of sales have increased over the last few years from 55.5 per cent in 2004 to 58.8 per cent in 2006, as a result of increasing cement prices over the same period and also increasing energy costs. The company's gross profit margin dropped 22.3 per cent in the first quarter of 2007, compared to the prior period, as a result of higher cost energy to operate the plant. The company faced problems with the supply of gas and had to rely on diesel for fuel, which in turn led to a significant rise in the cost of production. The same occurred in the fourth quarter of 2006, when the gross profit margin dropped to 47.7 per cent down from 50.6 per cent from the previous period. It must be noted that energy cost represents the largest component or the equivalent of 40 per cent of total direct cost as of the end of 2006.

The reliance on more expensive energy alternative and the increase in the price of raw materials has led to a significant drop in the first quarter net profit margin of 23.1 per cent, as compared to the previous year. Based on talks with the management, the company will continue

Peer Comparison (2006 figures)				
AED in millions	RAK Cement	Union Cement	Gulf Cement	National Cement
Revenues (AED mn)	325	402	664	456
Growth	8.1%	0.6%	5.0%	1.3%
EBITDA margin	44.4%	24.2%	38.8%	36.7%
NI (AED mn)	126	179	110	216
EPS	0.26	0.35	0.18	1.17
EPS growth	5.10%	-66.30%	-78%	-15.20%
P/E	7.50	16.4	38.23	11.93
Dividend Yield	7.69%	0%	2.21%	2.67%
P/BV	1.41	1.9	3	1.25
EV/EBITDA	5.79	24.47	16.82	14.92
*EV/Ton (AED)	714.3	1,827.6	1,733.2	1,667.0
ROA	16.3%	9.8%	6.4%	10.0%
ROE	16.9%	11.6%	7.9%	10.5%
NPM	38.7%	37.0%	16.6%	47.4%
*These ratios are calculated without considering the additional capacities because they are due to be fully operational in 2007				
Source: EIS estimates and company reports				

using a combination of diesel and natural gas as sources of fuel for its operations and is also considering using coal in the future if the natural gas shortage problem persists.

The company's total assets increased by 18 per cent on a Y-o-Y basis between 2005 and 2006, mainly due to the huge increase in term deposits from AED18 million to AED108 million during the same period. This increase in term deposits led to a surge in interest income by almost AED3 million, which pulled the bottom line slightly up in the year 2006 compared to the prior period. Total shareholders equity rose slightly over 20 per cent during the same period, mainly due to the increase in retained earnings by around AED100 million in the same period. The management of

RAK Cement is not planning to implement capacity expansions and only have minor capital expenditure plans in the future. They have paid dividends equal to AED72 million for the year 2006 and are considering maintaining the payout ratios at the same level going forward.

## Valuation

At AED1.94 per share, RAK Cement trades at eight times its trailing 12 month earnings. The company's dividends yield is around 7.69 per cent, as a result of 15 per cent of total capital cash dividends distributed in 2007. Overall, the valuation multiples of the company are very lucrative for investing when compared to the three major players in the UAE market. The EV/Ton of the company is much lower than the other three major players in the UAE market, as indicated in the table. In addition, RAK Cement's profitability ratios look much better than its peers due to the company's efficient production, focus on core operations and ability to maintain lasting client relationships. Based on the DCF valuation exercise, we arrived at a fair value of the company's share of AED3.5, representing a substantial upside potential to the current market price.

Financial Analysis							
AED in millions	2004	2005	2006	%change	3M 2006	3M 2007	%change
Sales	246.8	300.8	325.2	8.1%	80.2	90.2	12.5%
COGS	136.9	169.3	191.1	12.9%	41.6	60.2	44.7%
% of sales	55.5%	56.3%	58.8%		51.9%	66.7%	
Gross profit	109.9	131.5	134.1	2.0%	38.6	30	-22.3%
% of sales	44.5%	43.7%	41.2%		48.1%	33.3%	
Net profit	96	119.7	125.8	5.1%	35.9	27.6	-23.1%
% of sales	38.9%	39.8%	38.7%		44.8%	30.6%	
Total assets	627.9	655.6	773.9	18.0%	698	748	7.2%
Total shareholders equity	497.6	617.3	742.1	20.2%	652	695.8	6.7%
Source: Company reports							

The writer is an analyst with EIS Asset Management. EIS may hold shares of RAK Cement as part of its asset management activities.

# Summertime in the markets

Regional markets have seen a strong upside recently. **Fahd Iqbal** takes a short to medium-term view.

The last month in the GCC stock markets has been the most interesting we have seen for the best part of a year. Nearly all GCC markets have been trading at modest valuations since the start of the year (except for Saudi which we still feel is a little expensive) and growth expectations range from reasonable to outright robust. However, this past month the six GCC markets have seen a strong re-rating driven by a gradual return of positive investor sentiment. In some cases, this has been accompanied by a marked increase in the participation of foreign and institutional investors.

Since April, which more or less was the turning point for most of the markets, we have seen the sharpest rally coming from Qatar at around 24 per cent. Much of this has come from the benchmark stock Industries Qatar (+30 per cent), but has also been supported by the banks sector. After Qatar, the second strongest performing market has been the UAE, with Abu Dhabi up 15 per cent and Dubai up 11 per cent. The former has been driven mostly by the banks, but the strongest performance has come from the smaller real estate and construction sector players. Dubai, on the other hand, has been driven by large caps Dubai Financial Market (+50 per cent) and Dubai Islamic Bank (+42 per cent). Both Kuwait and Oman have increased nine per cent each, while Bahrain has seen a modest three per cent increase. The Saudi market is the only one to register a negative performance, albeit small at minus two per cent.

It is no coincidence that the two strongest markets so far have been Qatar and the UAE. Qatar has a strong secular growth story behind it, thanks to its natural gas reserves, the third largest proven globally. However, it is restrained somewhat by its lack of market depth — there are less than 40 stocks listed in Qatar of which 20 are in the index. This could of course lead to greater volatility if a large number of investors tried to pile into the same short list of names.

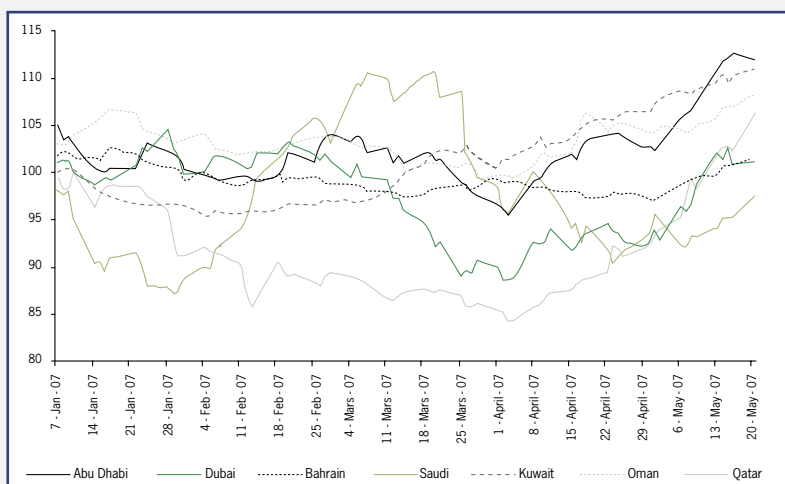
The UAE, on the other hand, has been on the radar screens of global investors for longer, given its broader listing of stocks and its relatively open markets. Thanks to the careful workings of the Dubai government over the last few years, it also has the most powerful brand image. The mass departure of many speculative investors from the UAE markets had set the stage for foreign investors to enter. As mentioned last month, the increasing number of companies opening their shareholder base to non-UAE investors added to this positive effect. The reporting of Q1 2007 numbers, which have shown on average a double-digit growth in net income compared to Q1 2006, provided a much needed trigger.

Unfortunately, the coming together of these positive factors has been vastly overshadowed by the land-for-equity deal announced by Emaar some two months ago. The fact that Emaar has yet to give information on the land it is paying for, despite its promises to do so, has not helped and is evidenced by the continued divergence between the Abu Dhabi and Dubai indices. The good news, of course, is that despite the negative ramifications this deal has on the UAE overall, it has not led to an outflow from the market. Indeed, flows and volumes have dramatically increased and have been channeled into other large caps (most notably Dubai Financial Market) and other small caps. In particular, there has been a substantial pick-up in interest in the Abu Dhabi real estate sector, especially since the announcement of the Plan Abu Dhabi 2030 project was announced at Cityscape, an Abu Dhabi-based international real estate event.

The source of these volumes has also undergone a substantial transformation. According to the DFM April bulletin, the amount of trading volumes accounted for by institutional investors has ramped up to 15-20 per cent while non-UAE investors account for an impressive 30-35 per cent of volumes. Given that overall value traded increased by 50 per cent in April, while the index has only increased three per cent, the implication is that local retail (and

perhaps corporate also) investors are likely to have sold their loss-making assets to new institutional and foreign investors entering the market. If local retail investors are lured back into the stock market, we may well see an additional leg of performance. If the past is any guide, this could be substantial.

Unfortunately however, we still believe that a strong and sustained performance is unlikely and improbable without the full participation of benchmark Emaar. We will most likely continue to see flows move into other stocks, but it's important to remember that this positive momentum could be offset by any selling pressure in Emaar. Until any information is forthcoming from Emaar management, further weakness in the stock cannot be ruled out.



The writer is a senior analyst and strategist at EFGHermes UAE Ltd.

# The GCC funds challenge

Fund managers are reducing allocation to Saudi Arabia and increasing allocation to Kuwait. A Markaz report.

A large majority of the equity funds in the GCC have come up with positive performance in the recent months. Out of the 22 funds tracked by Markaz, only six funds posted losses for the month of March 2007 with the remaining posting healthy returns. AlDana GCC Equity Fund managed by Banque Saudi Fransi was the top performing fund returning nearly eight per cent for the month in the GCC. The attribution for this performance, however, cannot be verified due to the absence of asset allocation details. The fund's year to date performance stands at 8.16 per cent.

Following closely with a monthly performance of 7.5 per cent was Al Ahli Gulf Fund managed by Al Ahli Bank of Kuwait. Al Ahli is predominantly invested in Kuwait with an allocation of 62 per cent followed by an allocation of 15 per cent to the UAE and 12 per cent to Saudi Arabia. Gulf Premier Fund managed by Gulf Investment Corporation also managed a return of 7.26 per cent. Its asset allocation was 40 per cent to Saudi Arabia and 30 per cent in Kuwait.

Aafaq Investment Fund managed by National Bank of Dubai was the worst performer with a negative return of 2.37 per cent during March 2007. The fund had 42 per cent exposure to the UAE and no exposure to Saudi Arabia, Qatar or Bahrain. The fund was also quite heavy on Oman at 22 per cent. Arab Gateway Fund of Shuaa Capital also lagged during the month with a negative performance of 1.26 per cent. The exposure to the UAE at 33 per cent was the maximum for this fund, followed by Saudi Arabia at 32 per cent.

GCC equity fund managers are more or less fully invested, as reflected by an average equity holding of 90 per cent. This implies confidence in GCC equity market performance going forward. Among the 22 funds tracked by Markaz, only a few funds are very high on cash. For example, GCC equity fund managed by Saudi Investment Bank holds 35 per cent in cash, while Arab Bank Mena Fund managed by Atlas Investment Group holds 28 per cent in cash, and Khaleej Equity Fund

managed by SICO holds 24 per cent in cash. Al Rajhi GCC Equity Fund managed by Al-Rajhi Bank, Gulf Premier Fund managed by Gulf Investment Corporation and Tijari GCC Equity Fund managed by Commercial Bank of Kuwait are fully invested with 100 per cent equity holdings.

From a country allocation point of view, fund managers are bullish for all GCC markets except Saudi Arabia. The average exposure of fund managers to Saudi Arabia was at 30 per cent, far lower than the weight implied by market capitalisation (56 per cent). Gulf Industrial Companies Fund of Saudi Investment Bank had the maximum exposure to Saudi Arabia at 77 per cent, followed again by GCC Equity Fund of Saudi Investment Bank with exposure to

managed by Commercial Bank of Kuwait (53 per cent). Highest allocation to the UAE was seen in Riyad Gulf Fund, which is an ex-Saudi fund managed by Riyad Bank. This was followed by Arab Gateway Fund managed by Shuaa Capital. AlBasha'er GCC Equity Fund managed by KFIC had the highest exposure to Qatar at 24 per cent, while Khaleej Equity Fund managed by SICO had an exposure of 18 per cent in Qatar. Vision Emerging GCC Fund managed by Vision Investment Services Co had the highest exposure to Oman at 31 per cent again validating the "home bias" view. This fund also had the highest allocation to Bahrain at 10 per cent.

Lower allocation to Saudi Arabia has been primarily due to higher volatility and lack of visibility on earnings front. Kuwait has shown

Performance of select GCC funds - March 2007

Fund	Inception	AUM (US\$ mn)	Return		Risk	Return range	
			YTD	2006	1Y	Max.	Min.
Saudi Inv. Bank Gulf Ind. Co.	Apr-05	4	9.7	-55	38	15	-17
Al Ahli Gulf	Nov-03	104	9.2	-26	20	5	-15
Global Inv. Global GCC Large Cap	Feb-05	58	7.7	-26	16	11	-12
Vision Vision Emerging GCC	May-05	37	7.0	0	13	3	-6
KFICO AlBasha'er GCC Equity	Jan-06	324	5.9	-11	14	6	-10
Riyad Bank Riyad Gulf	Feb-06	195	5.4	-17	20	9	-12
Kuwait Fin. Gen. Markaz GCC	Jan-06	22	5.4	-19	14	3	-9
CBK Tijari Gulf Equity	Jan-06	33	4.9	-30	25	8	-14
SICO Khaleej Equity Fund	Mar-04	32	4.0	-16	16	15	-8
Al Ahli Al Ahli GCC Trading	Nov-03	375	3.8	-7	17	6	-9
SICO SICO Gulf Equity Fund	Mar-06	32	3.8	-7	17	6	-9
Makaseb Makaseb Arab Tigers	Nov-05	23	3.7	-12	16	7	-10
TAIB TAIB GCC Bluechip	Jun-03	2	3.5	-23	15	19	-9
Shuaa Arab Gateway	Dec-99	240	2.8	-24	17	11	-10
Atlas Iv. Arab Bank Mena	Sep-05	49	0.5	-7	9	4	-4
Saudi inv. Bank Gcc Equity	Jul-04	112	0.3	-42	22	16	-15
<b>TAA</b>	<b>Jan-02</b>	<b>-</b>	<b>-0.7</b>	<b>-37</b>	<b>29</b>	<b>22</b>	<b>-13</b>

Saudi Arabia at 53 per cent. Al Ahli GCC Trading Equity Fund managed by National Commercial Bank also had 52 per cent exposed to Saudi Arabia. One can clearly notice "home bias" in these cases.

In Kuwait, Al Ahli Gulf Fund managed by Al Ahli Bank of Kuwait had an exposure of 62 per cent to Kuwait, followed by Markaz GCC Fund managed by Kuwait Financial Center (55 per cent) and Tijari GCC Equity Fund

clarity in terms of corporate performance and hence currently enjoys overweight status. We expect this trend to persist for some more time to come. Our tactical asset allocation model suggests the following weights on a forward looking basis: Saudi Arabia - 28 per cent; Kuwait - 29 per cent; UAE - 21 per cent; Qatar - 12 per cent; Bahrain - one per cent; Oman - two per cent and cash - seven per cent.

# Investing in water (Part 2)

The industry around water will undergo significant consolidation in the future and offer some great investment opportunity, concludes **Otto Spork** in the second part of his series on investing in water as a commodity.

I have learned that to be successful in investing, one must look at whether or not there are sustainable drivers. Two of these future drivers are the availability of fresh water and the availability of energy. Energy, especially alternative energy, needs a lot of water, and at the same time, a lot of energy is required to purify water. These reciprocal relationships need more efficient solutions. These will be the main issues of all in the future in cleantech, so if solutions are going to be found, a lot of new technologies will have to be invented. Those who can fill this need will be successful.

Our water problems are dire and immense. From drinking water to filtration, desalination, nano-technology, valves, metering, wastewater, industrial water, agricultural water and infrastructure, all will need to be overhauled and improved, and all made more efficient to be able to address our population growth, industrialisation, pollution, urbanisation, global warming, outdated or nonexistent infrastructure and past public sector domination and outsourcing which has led to underinvestment and inappropriate pricing levels.

In densely populated areas such as southeast Asia, India and China, concerns over the deteriorating quality of potable water, has, in a way, proved to be a boon for the water sector dealing in residential water treatment equipment. Escalating healthcare costs and growing awareness of the harmful by-products of water treatment in municipal plants are encouraging people to opt for installation of water treatment systems at home.

Additionally, there is a growing bottled water market that has the advantage of convenience, safety and health

benefits. Further with the development of more sensitive detection devices for natural borne water pathogens, the EPA (Environmental Protection Agency) is setting more rigid LT2 standards, which are being addressed by early adapters such as Calgon Carbon, Danaher and ITT, global leaders in UV water purification systems and technology.

Today, underdeveloped countries are all recognising that water is their most important life source. China has hit the cross-roads for critical water needs and if it is to continue to sustain and expand and build upon its economic growth over the past 10 years or so, it will need to address its water needs. To this end, China has committed to spend US\$242 billion over the next five years to provide the entire population access to clean drinking water as quickly as possible. It has further earmarked US\$1.6 billion in five years to improve the country's existing waste water and treatment plants.


Further, China has started a plan for over the next 50 years, at a cost of over US\$60 billion, to develop a system of canals to move water diverted from the Yangtze river to hundreds of miles in the south of the country to inhabitants in the arid north. Similarly in Malaysia, the Japan Bank for International Cooperation has approved a loan for US\$757 million to fund state water projects. Hong Kong approved US\$1.2 billion to rehabilitate its deteriorating water infrastructure. Tanzania, Brazil and so on world over are global opportunities to invest in water-related companies.

The water utility industry is the most capital intensive industry in any country. Water requires more capital investment per \$ of revenue earned than all other

industries, according to the CA Turner utility report 2004. In the US, it is estimated by the EPA that US\$277 billion is needed over the next 20 years to upgrade US water infrastructure. In the US, there are almost 50,000 troubled water systems servicing 3,300 or less customers each. In order to service these customers properly and be able to spend the dollars needed efficiently, these many utilities will need to be consolidated

Due to the immense scale of the problem worldwide, we will also see consolidation in the water industry to affect the standards of scale. This has already been happening in water distribution, in the water utilities sector where over the past 10 years there were 23 companies and now 10, with three more scheduled to consolidate soon.

Similarly, we are starting to see the water equipment makers consolidating. This trend started when before National Water Works was able to go public with its IPO, Home Depot came in and acquired the whole company. Home Depot sees the capital spending earmarked for the domestic market and globally over the next 10 years, and is using this buyout to penetrate the industrial sector of water with valves, pumps, and metal bending. I am sure other companies will become targets. Look at Mueller and IDEX, both global companies.

In summary, there will be an abundance of investment opportunity in the water sectors, with a lot of money to be made for those who can get the technology and trends right. For this reason, we at Sextant Capital have put in place a board of water experts to source, advice and critique the latest and best from this continuous fresh stream (pun intended) of ideas and undervalued companies to invest in for the "Sextant Strategic Global Water Fund". 

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# A respite for the US dollar

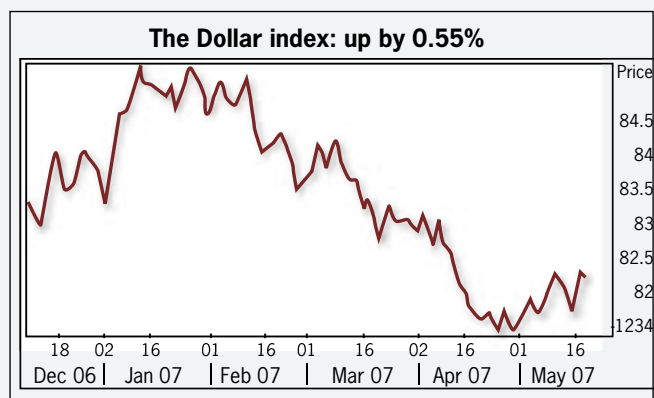
**Philip John** writes that it looks as though the market is taking a quick breather before it pushes the dollar lower.

The US dollar has gained against most major currencies in the past month, with the Dollar Index gaining 0.55 per cent during this period. This does not mean that all is well for the greenback. It is only a matter of time before it finds itself back in bear territory and the present correction is normal, healthy and to be expected in any major currency move. The Canadian dollar is the new star on the currency block and has jumped to a 29 1/2 year high versus the US currency after data showed strong domestic retail sales in March. The Canadian dollar has been rising steadily all year given a wave of upbeat domestic data, merger-related interest in Canadian companies, higher commodity prices and general weakness in the US dollar. In the last one month, it appreciated 3.44 per cent against USD, pushing the resurgent Indian rupee to second place. Needless to say, this has caused a lot of heartache to those needing to acquire assets in these countries or to send remittances to their families.

The Bank of England's quarter point increase in its main interest rate and a widening of yuan's trading band by the Chinese central bank were some of the noteworthy actions taken by central banks during the past month. The Bank of England raised its bank rate to 5.5 per cent and, as a result, raised the average rate set by the G7 nations to 3.85 per cent from 3.80 per cent, and this move has increased the yield difference between the pound and the dollar. The widening of yuan's trading band is seen more as a pacifier for the US on the eve of the visit by the Chinese vice premier to Washington. The weak yuan has been a sticking point in US-Chinese economic ties. Gains in the heavily traded Japanese yen, the market's proxy for the yuan, were soon eroded as the markets felt the Chinese move may not really translate into a stronger yuan and consequently a stronger yen.

In a surprise move, Kuwait abandoned the dinar's peg to the US dollar and instead linked its value to a basket of global currencies. As far as the GCC currency union is concerned, this has thrown a spanner in the works. Kuwait has cited rising inflationary pressures as the reason for the surprise move. Oman, Bahrain and Saudi Arabia

Performance against the Dollar: Past 30 days			
	18 Apr 07	20 May 07	Change%
Euro	1.3607	1.3508	-0.73
British Pound	2.0082	1.9743	-1.69
Japanese Yen	118.44	121.10	-2.25
Swiss Franc	1.2035	1.2273	-1.98
Australian Dollar	0.8383	0.8202	-2.16
Canadian Dollar	1.1271	1.0883	+3.44
Indian Rupee	42	40.69	+3.13



are expected to stand by their pegs to the US dollar. Earlier, the Saudi Arabian central bank vice-governor had sent a strong warning to speculators betting on Gulf currencies. He called the GCC currencies solid and well-managed and said the peg would remain until the launch of the monetary union and the creation of the monetary institution. He also said that as long as present circumstances prevail, there was no reason or interest in changing the peg. He called the dollar a "natural hedge" for Saudi Arabia, as all their exports are denominated in US dollars and 70 per cent of imports as well.

## USD TRY Dual Currency Deposit

Those looking for a higher yield on their USD deposits and willing to take a higher risk can take a look at a Dual Currency Deposit in US dollars with the possibility of having the deposit converted into Turkish Lira on maturity at a predetermined USD TRY exchange rate.

Here is how it would work:

Three month US dollar deposit rate: 5.30%.

Present USD-TRY exchange rate: 1.3260

Pre-determined USD-TRY conversion rate: 1.4585

Enhanced rate on the Dual Currency Deposit: 9.30%

The conversion rate of 1.4585 is kept at a safe 10 per cent away from the present rate. If on the maturity date the US dollar strengthens against the Turkish lira and trades above 1.4585, the deposit will be converted into Turkish liras at 1.4585. If the deposit gets converted and the depositor chooses to convert back into US dollars immediately, he may take a loss. However, the depositor can choose to place the liras in a Dual Currency Deposit in Turkish lira with the possibility of converting back to US dollars. He stands to gain a minimum of 18 per cent on such a deposit, as Turkish lira interest rates are very high.



# The inflation debate chugs on

Equity markets continue to advance as investors become increasingly confident that the worst of the dip in global activity has passed, writes **Peter Hensman**.

Two distinct schools have emerged in the "Goldilocks" view. Firstly, US centric opinion maintains that the US economy has already experienced a significant slowdown as a result of the turmoil in sub-prime borrowing. Given that consumer spending has remained robust in spite of these difficulties and there are (fleeting?) signs that the housing market is stabilising, it would appear that the economy is now ready to reaccelerate. Proponents of this view were quick to highlight the strong bounce in the ISM series and the lead indicator for the US in April. Both organisations have indicated that the US slowdown of recent quarters was simply an inventory correction that is now passing, as occurred in 2004/2005.

The wider Goldilocks view holds that the US is no longer the growth driver for the world economy. Instead, it is China, India and other emerging markets, combined with the revival of activity in Japan and continental Europe. The strength in commodity prices, shipping rates and continued booming growth indicators for China are usually cited to support this world view.

An increasing number of investors are concerned that given there is no way in which it is possible for growth to slow, the inevitable consequence is that the world has reverted to an inflationary cycle that is now running out of control.

While this inflationary out-turn would arguably be costly to investors, both in fixed interest investments and equities, it is perhaps the least plausible outcome from current circumstances. Importantly, it ignores that most inflation readings are reasonably well behaved. This is not just evident in developed economies; the FOMC statement for May dropped the reference to the persistently high "recent readings" for core inflation, perhaps because the moderation in the last six months has been more akin to the reduction in price pressures that follows many quarters after a downturn in activity. Equally in Europe, the rate of increase in consumer prices is less than two per cent y-o-y and much of the persistence of price pressures relates to the three per

cent VAT hike in Germany. In the developing world, inflation rates remain very much below the norms of the last decade. An extreme example is Turkey, where the economy has been ravaged by hyperinflation in the past, and as recently as 2002, the increase in consumer prices peaked at 73 per cent y-o-y. Now prices in the CPI basket are only rising 10 per cent y-o-y, despite the strength of demand growth in recent years.\*

The weakness in the US centric Goldilocks view appears to be that the economy (and corporate earnings growth) has slowed broadly in line with the predicted yield curve. The indication of an end to an inventory led correction merits some attention, but so too does the sharp deterioration in the employment market, as indicated by the household employment survey for April. One of the key supports to this benign view for the US economy is that provided the employment market remains robust, there is little threat to the economy at large. Yet the ability of the non-farm pay roll to provide a reliable indication that conditions have turned has become far more questionable with the increasing importance of the Current Employment Statistics net (business) birth/death model. This model is the means by which US statisticians have attempted to capture the shift in US job creation, as employment growth has shifted away from large company pay rolls towards smaller start-up businesses. First introduced at the end of the 1990s, this assumed job creation accounted for an insignificant 30,000 jobs each year. In 2007, this model will add nearly one million jobs to the pay roll report. Given that the number of jobs assumed to have been created is linked to the increase in the same month of the previous year, the recognition that job growth has slowed may not be reflected in the reported data, despite the true position having deteriorated. The model for April assumed that 49,000 construction sector jobs were created versus 36,000 for the same month in 2006, despite housing starts having fallen by some 20 per cent over the same period.\*\*

The potential flaw in the pay roll data could be significant. However, the household employment survey does not suffer from the same bias as the non-farm pay roll data (this measure of labour market health is based on a sample of households' employment situations). Even set against the higher volatility of the household survey, the 468,000 drop in employment shown for April is large\*. When considered in the context of the slowdown in business investment and corporate profits growth (especially for the more domestically oriented small cap universe), the weak employment data gives reason to believe that we are currently witnessing more than an inventory correction.

Equally, the wider Goldilocks view is challenged not only by the weak data evident in Japan; here the lead indicator has suggested that the economy has been close to recession for some months. In Germany, cracks are starting to emerge in what has generally been strong data, with job vacancies falling heavily for a fourth month in April. Of equal importance is the reliance of the developing world on the developed world for final demand; a recent study by Citigroup found that as much as 80 per cent of intra-Asian trade is constituted of intermediate goods.\*\*\* The vulnerability to a sharper, US led slowdown could be higher than the market currently believes.

As indicated last month, against this backdrop where the market views little cyclical risk, companies that offer earnings profiles that are relatively insensitive to the swings in the economy are clearly undervalued. Any demonstration that the cycle is not as dead as many now believe is likely to see a large increase in investor interest in these stable growth industries. Where this view is likely to be wrong is if policymakers really have lost control of inflation. With inflation likely to moderate given the relatively easy year-on-year comparisons set by the high monthly CPI readings last summer, the coming period is likely to be a test for both sides of the inflation debate.

Source: \*Bloomberg \*\*Bureau of Labour Statistics \*\*\* Bureau of Economic Analysis. The writer is a global strategist at Newton Investment Management. This article is issued by Mellon Global Investments 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 Mellon Global Investments 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: Mellon Global Investments Limited, Mellon Financial Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Newton Investment Management Ltd & Mellon Global Investments Ltd are wholly owned subsidiaries of Mellon Financial Corporation. Both are authorised and regulated by the Financial Services Authority. [www.mellonglobalinvestments.com](http://www.mellonglobalinvestments.com)

## OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
<b>No Notice US Dollar Accounts</b>						
Bank of Scotland International Ltd	01534 613500	Halifax G'eed Saver	None	\$50,000	5.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	fily
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$5,000	5.00%	Yly
Nationwide International Ltd	01624 696000	US Dollar Savings	None	\$1,000	4.30%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$500	4.25%	Yly
<b>No Notice Euro Accounts</b>						
Northen Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.05%	Yly
Bank of Scotland International Ltd.	01534 613500	Halifax G'eed Saver	None	€35,000	4.00%	Yly
Alliance & Leicester Int Ltd	01624 663566	Euro Savings	None	€5,000	3.61%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	3.60%	fily
Irish Permanent International	01624 641641	Instant Access	None	€500	3.15%	Yly
<b>No Notice Accounts</b>						
Alliance & Leicester Int Ltd	01624 663566	Base Tracker III	None	£15,000	5.85%	Yly
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	£5,000	5.75%	
Zurich Bank International Ltd	01624 671666	Zurich Reward Account	None	£5,000	5.75%*	Yly
Alliance & Leicester Int Ltd	01624 663566	Island Easy Access	None	£10,000	5.75%	Yly
Bank of Scotland International Ltd	01534 613500	Halifax G'eed Saver	None	\$25,000	5.75%	Yly
<b>Notice Accounts</b>						
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	5.96%	Yly
Alliance & Leicester Int Ltd	01624 663566	Offshore 120 Plus	120 Day	£10,000	5.90%	Yly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.86%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 180	180 Day (I)	£25,000	5.85%	Mly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	5.70%	Yly
<b>Monthly Interest</b>						
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.71%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	5.65%	Mly
Landsbanki Guernsey	01481 726885	International Access	None	£10,000	5.57%	Mly
Derbyshire Offshore	01624 663432	Income 60 Tracker	60 Day	£10,000	5.51%	
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	90 Day (I)	£25,000	5.462%	Mly
<b>Fixed Rates</b>						
Zurich Bank International Ltd	01624 671666	Fixed Rate Bond 3	1 Yr Bond	£10,000	6.25%*	OM
Bank of Scotland International Ltd	01534 613500	Halifax Int. G'eed Reserve	2 Yr Bond	£10,000	6.16% F	Yly
Bank of Scotland International Ltd	01534 613500	Halifax Int. G'eed Reserve	3 Yr Bond	£10,000	6.16% F	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	4 Yr Bond	£10,000	6.01%	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	5 Yr Bond	£10,000	6.01%	Yly
<b>Accounts with Cheque Book Facility</b>						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.50%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	£5,000	3.00%	Qly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2 Day	£5,000	2.50%	Qly
Abbey International	01534 885100	Offshore Gold	None	£10,000	2.50%	Qly
Barclays Bank	01534 880550	International Cheque	None	£10,000	2.25%	Qly
<b>Accounts for Non UK Residents</b>						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None	£1,000	5.85%*	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.40%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Sterling	None	£25,000	2.70%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£25,000	2.65%	Mly
HSBC International Ltd	01534 616000	Offshore Bank	None	£25,000	1.42%	Mly

All rates are shown gross. \* = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post  
 All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: May 17, 2007. Source: Moneyfacts

## OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£1K	£2.5K	£5K	£10K	£25K	£50K	£100K	£250K	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	-	-	2.00	2.50	3.00w	3.50	4.25	4.30	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	-	-	4.25	4.25	4.25	4.25	4.25	4.25	Mly	Yes
Barclays	01534 880550	International Cheque	-	0.10i	0.10	2.25	2.25	2.25	2.25	2.25	Qly	Yes
	01481 723176	International Premier Chq	-	-	0.10	2.25	2.25	2.25	2.25	2.25	Qly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	-	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation	-	-	-	-	4.25	4.50	4.75	4.75	On Closure	No
		Reserve	-	-	3.00	3.00	3.00	3.00	3.00	3.00	Qly	Yes
HSBC International	01534 616000	Offshore Bank	-	-	0.12	0.62	1.42	2.12	2.37	2.37	Mly	Yes
		Premier Offshore Banl	-	-	0.37	0.87	1.67	2.37	2.62	2.62	Mly	Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	-	0.05	0.10	1.25	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	-	-	2.25	2.25	2.25	2.625	3.00	3.062	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	0.10t	0.10	1.45	2.35	2.70	3.45	4.35	4.50	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	-	3.555	3.805	4.555	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	-	4.187	4.187	4.437	4.687	Mly	Yes
Standard Bank	01534 881188 /	Optimum	-	1.93	1.93k	1.93	2.68	2.93	3.18	3.43	Qly	Yes
	01624 643643		-	-	-	-	-	-	-	-	-	-
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	-	0.25	0.25	0.25	0.25	0.25	Qly	Yes

e = i = Rate applies from £1. i = Rate applies from £2K. k = Rate applies from £3K. t = Rate applies from £10. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: May 4, 2007. Source: Moneyfacts



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**EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS**

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.75	1.25w	1.75	1.75	2.00a	2.25	Yly	No
		Offshore Gold	-	0.50	0.75	0.75	0.75	1.25	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.61	3.61	3.61	3.61	3.61	3.61	Yly	No
		Privilege Access	3.60	3.60	3.60	3.60	3.60	3.60	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.00h	4.00	4.00	Yly	No
		International Savings	1.50	1.60	1.70	1.95	2.15	2.15	Yly	No
Barclays	01534 880550	International Cheque	0.60	0.60	0.85e	1.10	1.10	1.50b	Qly	No
		International Tracker	-	-	2.20e	2.20	2.50a	3.00b	Qly	No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	2.75a	3.00b	On closure	Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand	-	2.45	2.45	2.50	2.55	2.55	Yly	No
		Offshore Demand	-	2.42	2.42	2.47	2.52	2.52	Mly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.35j	3.35	3.35	3.35	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	3.59j	3.59	3.59	3.59	Mly	No
		Premier Serious Saver	-	2.115	2.115	2.765	2.765	3.165	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.15	3.15	3.15	3.15	3.40	3.40	Yly	No
		Instant Access	3.11	3.11	3.11	3.11	3.34	3.35	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	1.625r	1.625	1.625	1.75u	1.812m	2.375n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expires only)	0.35	1.15	1.45	1.65	1.95	2.45	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	2.50	2.55	2.55	2.55	2.60	Yly	No
NatWest	01534 282300	Advantage International	1.95	2.05	2.15	2.35	2.60	2.75	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.05	4.05	4.05	4.05	4.05	4.05	Yly	No
		Offshore Euro Direct Saver	3.80	3.80	3.80	3.80	3.80	3.80	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.03	2.28c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	1.95	2.05	2.15	2.35	2.60	2.75	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.687u	2.687	2.937b	Mly	Yes
Standard Bank	01624 643643 01534 881188	Offshore Reserve	1.31	1.31	1.31	1.81	2.06	2.18	Half Yly	No
		Optimum	0.25	0.25	0.25	1.00	1.25	1.75	Qly	No
Standard Chartered (Jersey) Ltd	01534 704000	Offshore MoneyMarket Call	-	-	-	3.25	3.35	3.35	Mly	No
		International Access	-	-	0.25e	0.25	0.25	0.25	Qly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.62	1.86	2.10	2.59	Qly	No
Zurich International Ltd	01624 671666	Call	2.50	2.50	2.50	2.50	2.50	2.50	Qly	No

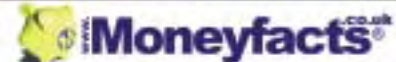
a = Rate applies from €75k. b = Rate applies from €150k. c = Rate applies from €200k. e = Rate applies from €15k. g = Rate applies from €37.5k. j = Rate applies from €20k. m = Rate applies from €80k. n = Rate applies from €160k. r = Rate applies from €3k. u = Rate applies from €40k. w = Rate applies from €7.5k. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: May 4, 2007 Source: Moneyfacts

**US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS**

	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore USS Call	2.50	3.75	3.75	4.00	4.25	4.50	Yly	No
		Offshore Gold	-	2.00	2.25u	2.75	3.25	3.50	Qly	No
Alliance & Leicester International Ltd	01624 663566	USS Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	5.50	5.50	5.50	Yly	No
		International Savings	1.75	1.75	2.25	3.75	4.15	4.35	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	2.41u	2.41	2.82	3.17x	Qly	No
		International Tracker	-	-	3.55u	3.55	4.55	4.75x	Qly	No
Bristol & West International Ltd	01624 644333	Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	4.25v	4.50x	On Closure	Yes
HSBC International	01534 616000	Offshore Bank	0.00	1.48	1.90	2.45	2.96	3.07	Mly	No
		Online Saver	-	-	4.85u	4.85	4.85	4.85	Mly	No
		Premier Offshore Bank	-	1.73	2.15	2.70	3.21	3.32	Mly	No
		Premier Online Saver	-	-	5.10u	5.10	5.10	5.10	Mly	No
		Premier Serious Saver	-	2.225	2.795	3.075	4.495	4.615	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access	4.25	4.75	4.75	4.95	5.00	5.00	Yly	No
		Instant Access	4.17	4.65	4.65	4.84	4.89	4.89	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	4.125k	4.125	4.375t	4.375	4.437v	4.437	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expires only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Intl Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.156	4.406	4.406	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve	2.50	2.50	2.50	2.75	3.12	3.37	Half Yly	No
		Optimum	1.75	1.75	1.75	2.25	2.75	3.00	Qly	No
Woolwich Guernsey	01481 715735	Offshore MoneyMarket Call	-	-	-	4.75	4.85	4.85	Mly	No
		USS International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from \$1k. k = Rate applies from \$3k. m = Rate applies from \$150k. l = Rate applies from \$15k. u = Rate applies from \$20k. v = Rate applies from \$75k. x = Rate applies from \$200k. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: May 4, 2007 Source: Moneyfacts

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### EXPATRIATE MORTGAGE TERMS - JUNE 2007

LENDER	INTEREST RATE%	MAX. % AD-VANCE	ARRANGEMENT FEE	SPECIAL FEATURES
<b>Bank of Scotland</b>	Liber+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
<b>BM Solutions</b>	5.79% 2 year tracker 5.99 3 year fix	85	1.5%	Applicant must work for Govt Agency or Multi National Company.
<b>Cheltenham &amp; Gloucester</b>	4.49% 2 year Fix 5.69% 2 year Fix 5.69% 5 year fix 5.64% full term tracker bank base plus 0.39%	85	2.5% of loan amount £799 £999 £499	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies.
<b>Dresdner Kleinwort Benson</b>	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
<b>Fortis Bank Group</b>	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
<b>Halifax PLC</b>	Under review	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
<b>Heritable Bank</b>	5.69% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
<b>HSBC</b>	Rates under review	80%-90% Repayment basis only 75% Interest only	GBP399	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
<b>Irish Permanent (Isle of Man)</b>	Base +0.65% - 1.25%	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
<b>Portman B S</b> Family occupation only	4.90% 2 year fix 5.55% 3 year fix 5.59% 5 year fix rate 5.54% 2 year tracker base rate minus 0.21%	90 90 90	1.5% of Loan £599 £599 £299	Tracker Mortgage No Repayment Penalties daily interest. Portman Schemes only available for Owner occupation where a spouse will be residing in the property. All schemes to 90% for family occupation.
<b>Royal Bank of Scotland International</b>	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
<b>Saffron Building Society</b>	6.24% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to three buy to let properties.
<b>Stroud &amp; Swindon</b>	5.74% 2.3% discount until 28/5/10	75	£695	No repayment penalties at any time. Up to 3 buy to let properties. Totally flexible overpayments/underpayments.
<b>TMW</b>	Under review	80 80 80 80	2 year fix 0.5% 2/3/5 year fix 1.5% 0.5% 0.5%	2 year fix 5/5/5/4/3/2% early redemption. 3/5 Year Fix 5% during fix rate period only. Arrangement fees can be added to the loan.

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

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

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 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 .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 21/05/07 - 5.5% 3 month LIBOR 5.75%. 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							
PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	INTEREST RATES	INTEREST FREE CREDIT	CHIP	SUPPLEMENTARY CARDS	MIN. SALARY (OMR)
Bank Dhofar	Visa (Classic, Premium), MasterCard (Gold, Platinum), EcomCard	Visa (Classic – 30, Premium – 50) Free for first year, thereafter, MasterCard (Gold – 50 and Platinum – 100), EcomCard - 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa (Classic – 20, Premium – 35), MasterCard – (Gold – 30, Platinum – 75)	Visa (Classic – 250, Premium – 800), MasterCard – (Gold – 800, Platinum – 2,000)
Bank Muscat	MasterCard Platinum, MasterCard Gold, Visa Premier, MasterCard and Visa Classic, BankMuscat Diners Club co-branded credit and charge card, Visa Sultan Qaboos University Cards (SQU)	Classic – 30, Gold and Premier – 50, Platinum – by invitation only, BankMuscat Diners Club co-branded credit and charge card – free for Platinum cardholders, SQU Card – 10 (depends on branch)	1.5% on purchases 3% on cash withdrawals	40 days	No	Classic - 20, Gold - 35	Classic – 200, Gold and Premier – 500, Platinum – N/A
HSBC	Visa, MasterCard (Classic, Gold), In-Site Virtual Credit Card	Visa, MasterCard (Classic – 30, Gold – 50), In-Site Virtual credit card – 5	1.5% on purchases 3% on cash withdrawals	56 days	No	Two free for life	Visa, MasterCard (Classic – 400, Gold – 700)
National Bank of Oman	Visa, MasterCard, NBO Oman Air co-branded card, Al Amiyal (Silver, Gold), NBO Webshopper Card	Visa, MasterCard (Silver – 30, Gold – 50), NBO Oman Air co-branded card (Silver – 15, Gold – 30), MasterCard Al Amiyal (Silver – 35, Gold – 55), NBO Webshopper Card – 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa, MasterCard (Silver – 20, Gold – 30)	Nationals: Visa, MasterCard (Silver – 200, Gold – 350), Expats: Visa, MasterCard (Silver – 200, Gold – 500)
Oman Arab Bank (Visa Centre)	Visa (Classic, Gold, Platinum), Internet Shopping Card, Prepaid cards – Smart Card for individuals and companies	Visa (Classic – 30, Gold and Platinum – 50), Internet Shopping Card – 2, Smart Card for individuals – 3, Smart Card for companies – 5	1.5% on purchases 3% on cash withdrawals	40 days, NA for Smart Card	Yes, no for Smart Card	Visa (Classic – 15, Gold and Platinum – 25)	Classic – 200, Gold – 700, Platinum – 1,500
Oman International Bank	Visa (Classic, Gold, Platinum, Business Card, Cyber Card/ Al Mubashar), MasterCard (Classic, Gold)	Classic – 30, Gold – 50, Platinum – 70 (by invitation only), Business Card – 25, Cyber Card/Al Mubashar – 10, MasterCard Gold - free for life	1.5% on purchases 3% on cash withdrawals	45 days	Yes	Classic – 20, Gold – 40, Platinum – 60	Classic, Cyber Card/ Al Mubashar – 300, Gold – 700, Platinum – 1,400

Car Loan							
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (OMR)	SALARY TRANSFER
Bank Dhofar	No specific car loan – Consumer/Personal Loan	8.75 - 9% for nationals, 7.5% for expats	Nationals – up to 42 times the salary, Expats – 75% of end of service benefits	NA	Up to 108 months for nationals, up to 60 months for expats	120 for nationals, depends on end of service benefits for expats	Yes
Bank Muscat	Loan for purchase of a car	4.5%	Nationals – up to 52 times the salary, Expats – up to six times the salary plus end of service benefits	None	Up to 60 months	Nationals – 150, expats – 250	Yes
HSBC	Car Loan	9%	100% (Depends on salary)	None	Nationals – Up to 96 months, expats – Up to 72 months	300	Yes
National Bank of Oman	No specific car loan – Personal Loan	9%	Maximum of end of service benefits for expats, up to 48 times of the salary without waiver, otherwise up to 51 times	NA	Nationals – up to 132 months for more than 300 salary, otherwise up to 108 months, expats – depends on loan tenure and end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250	Yes
Oman Arab Bank	No specific car loan – Personal Loan	9%	Nationals – up to 32 times the salary, Expats – depends on end of service benefits	NA	Nationals – up to 108 months, expats – up to 36 months	150	Yes
Oman International Bank	No specific car loan – Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	NA	Nationals – up to 96 months, expats – up to 48 months	150	Yes

Personal Loan							
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (OMR)	
Bank Dhofar	Consumer/Personal Loan	8.75 - 9% for nationals, 7.5% for expats	Nationals – up to 42 times the salary, Expats – 75% of end of service benefits	Yes	Up to 108 months for nationals, up to 60 months for expats	120 for nationals, depends on end of service benefits for expats	
Bank Muscat	Flexi Loan, loans for nationals and expatriates working in the government and private sectors, short term consumer loans for nationals, special loans for nationals in certain ministries	Less than OMR500 salary – 9%, otherwise, 8.75%	Depends on current salary and employer: Nationals without waiver – up to 51 times the salary, otherwise, up to 45 times only, Expats – up to 6 times the salary or 80% of end of service benefits	Yes	Nationals without waiver – up to 132 months, otherwise, up to 108 months only, expats working in the government – up to 36 months and in the private sector – up to 24 months if loan taken is six times the salary and up to 60 months if taken against end of service, short term consumer loans for nationals – up to 6 months	Nationals – 150, Expats – 250	
HSBC	Personal Loan	9%	Nationals - up to 50,000 Expats - up to 15,000	Yes	Up to 60 months	Nationals – 400 or 350+ HSBC credit card Expats – 500	
National Bank of Oman	Personal Loan	9%	Nationals – up to 48 times the salary without waiver, otherwise up to 51 times, expats – maximum of end of service benefits	Yes	Nationals – up to 132 months for more than OMR300 salary, otherwise up to 108 months, expats – depends on end of service benefits	Nationals – without waiver 200, otherwise 250, expats – 250	
Oman Arab Bank	Personal Loan	9%	Nationals – up to 32 times the salary, expats – depends on end of service benefits	Yes	Nationals – up to 108 months, expats – up to 36 months	150	
Oman International Bank	Basma Personal Loan Scheme	9%	Expats: Less than OMR300 salary – up to 5 times the salary, otherwise, up to 8 times the salary, Nationals: Up to 25 times the salary	Yes	Nationals – up to 96 months, expats – up to 48 months	150	

**Disclaimer:** This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan/car loan or credit card provider. The table was thoroughly checked for accuracy with each provider called individually for information during May 2007 and was correct at the time of going to press. **Please note:** information is subject to change without notice. Any errors or omissions are regretted.

**OMAN**

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

**OMAN**

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

**OMAN**

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

Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

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

Credit cards						QATAR
PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahl Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for life	2,500	1.75% on purchases, 4.75% on cash withdrawals	30 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver - 200, Gold - 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW - free, Classic - 200, Gold - 400, Platinum - 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000
Doha Bank	Visa (Classic, Platinum) MasterCard (Standard, Gold)	Free for life	Classic and Standard - 2,000, Gold 7,500 - Platinum 20,000	1.5% on purchases, 4.5% on cash withdrawals	28 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic - 200, Gold - 300, Platinum - 450, In-site - 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
MashreqBank	MasterCard/Visa (Classic, Gold)	Classic - 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49% on purchases, 2.75% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 3,000, Gold - 6,000, Platinum - 12,000 -	1.75% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic - 200, Gold - 400, MasterCard: Standard - 250, Gold - 500	Classic with account - 2,500, Classic without account - 3,000, Gold with account - 5,000, Gold without account - 7,000	2% on purchases, 3.5% on cash withdrawals	50 days	4658555

Home Contents Insurance						QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS	
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 <a href="http://www.axa-qulf.com">www.axa-qulf.com</a>	
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 <a href="http://qgirc-tec@qatar.net.qa">qgirc-tec@qatar.net.qa</a>	
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 <a href="http://www.qatarinsurance.com">www.qatarinsurance.com</a> <a href="http://onestop@qic.com.qa">onestop@qic.com.qa</a>	
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 <a href="http://www.qiic.net">www.qiic.net</a>	

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 May 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

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

**Disclaimer:** All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5500. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US\$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans						BAHRAIN
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 9%	Up to 22 times monthly salary	250	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	17787225
Bahraini Saudi Bank	Personal Loan	Reducing balance rate 9.5%	Up to 40,000	250	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9.75%, internet application 8.5%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 15%, for PIL 24%, Fixed rate 13.7% for up to 48 months, otherwise 8%	Up to 15,000, depends on salary	200 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	250	Up to 84 months	17569999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for 1-7 years for nationals, 9.5% for 4 years and 10% for 5-7 years for expats	Up to 10 times monthly salary	200	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: 4.75%	Up to 40,000	250	Up to 84 months	17878777
Standard Chartered	Personal Loan	Flat rate: 4.5%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards							BAHRAIN
PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT	
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Standard - 10 , Gold - 25	Standard - 250, Gold - 400	Standard/Gold – 2.5% on purchases, 4% on cash withdrawals	45 days	17221999	
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.62% with account, 2.74% without account on purchases, 4% on cash withdrawals	52 days	17578999	
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777	
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484	
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999	
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for life	200	1.67% on purchases. 4% on cash withdrawals	21 days	17214433	
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777	
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802	

Home Contents Insurance						BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS	
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture – 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377	
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>	
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 <a href="http://www.arabiainsurance.com">www.arabiainsurance.com</a> <a href="mailto:aicbn@batelco.com.bh">aicbn@batelco.com.bh</a>	
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 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a>	
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 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>	
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 <a href="http://www.takafulweb.com">www.takafulweb.com</a>	
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 <a href="http://www.alhimaya.com">www.alhimaya.com</a>	
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 <a href="http://www.bnhgroup.com">www.bnhgroup.com</a> <a href="mailto:bnl@bnhgroup.com">bnl@bnhgroup.com</a>	

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Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
<b>Royal &amp; Sun Alliance Insurance</b>	<b>Almas:</b> From 275 (child) to 1,042 up to age 65 <b>Dana:</b> From 148 (child) to 582 up to age 65 <b>Delmon:</b> From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	<b>Almas:</b> Worldwide Excluding USA and Canada, travel worldwide <b>Dana:</b> Bahrain, Arab countries, Southeast Asia, travel worldwide <b>Delmon:</b> Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 <a href="http://www.royalsunalliance.com">www.royalsunalliance.com</a> *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
<b>Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)</b>	*Ages 0-9 has no premium <b>Hospital Plan:</b> 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	<b>Hospital Plan:</b> 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 <a href="http://www.fakhro.com">www.fakhro.com</a> <a href="http://www.ihl.com">www.ihl.com</a>
<b>Interglobal Healthcare Plan</b>	<b>Ultracare Plus:</b> From 332 (child) to 10,825 up to ages 70-74 <b>Ultracare Comprehensive:</b> From 258 (child) to 8,819 up to ages 70-74 <b>Ultracare Select:</b> From 235 (child) to 8,003 up to ages 70-74 <b>Ultracare Standard:</b> 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	<b>Ultracare Plus:</b> US\$3.4 million <b>Ultracare Comprehensive:</b> US\$1.7 million <b>Ultracare Select:</b> US\$1,275,000 <b>Ultracare Standard:</b> US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide <b>Ultracare Plus:</b> Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage <b>Ultracare Comprehensive:</b> In and out-patient benefits, 45 days emergency coverage outside of chosen area <b>Ultracare Select:</b> In-patient benefits <b>Ultracare Standard:</b> Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 <a href="http://www.alhimaya.com">www.alhimaya.com</a> <a href="http://www.interglobalalmi.com">www.interglobalalmi.com</a> <b>Bahrain National Life</b> +973 1758 7333 <a href="http://www.bnlgrou.com">www.bnlgrou.com</a> <a href="mailto:bnl@bnlgrou.com">bnl@bnlgrou.com</a>
<b>AXA Insurance</b>	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan <b>Global Area 1:</b> From 1,080 (ages 11-21) to 2,909 up to ages 60-65 <b>Global Area 2:</b> From 363 (ages 11-21) to 954 up to ages 60-65 <b>Regional Plus:</b> From 207 (ages 11-21) to 543 up to ages 60-65 <b>Regional:</b> From 179 (ages 11-21) to 467 up to ages 60-65		<b>Global Area 1:</b> BHD500,000 <b>Global Area 2:</b> BHD250,000 <b>Regional Plus:</b> BHD100,000 <b>Regional:</b> BHD50,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide excluding USA, Singapore, Japan, Hong Kong & Switzerland <b>Regional Plus:</b> Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan <b>Regional:</b> AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 <a href="http://www.axa.gulf.com">www.axa.gulf.com</a>
<b>Bahrain Kuwait Insurance Company</b>	<b>Shefa'a Gold:</b> From 520 (child) to 1,636 up to ages 60-65 <b>Shefa'a Max:</b> From 305 (child) to 957 up to ages 60-65 <b>Shefa'a Plus:</b> From 190 (child) to 598 up to ages 60-65 <b>Shefa'a:</b> From 44 (child) to 141 up to ages 60-65		<b>Shefa'a Gold:</b> BHD50,000 <b>Shefa'a Max:</b> BHD35,000 <b>Shefa'a Plus:</b> BHD10,000 <b>Shefa'a:</b> BHD10,000	<b>Shefa'a Gold:</b> 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 <b>Shefa'a Max:</b> Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA <b>Shefa'a Plus:</b> In-patient and daycare treatment as well as out-patient consultations in Bahrain <b>Shefa'a:</b> In-patient and daycare treatment in Bahrain	+973 1753 1555 <a href="http://www.bkic.com">www.bkic.com</a> <a href="mailto:info@bkic.com">info@bkic.com</a>

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

Personal Loans						KUWAIT
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
<b>Bank of Kuwait and Middle East</b>	Personal Loan	10.25% for nationals, 9.75% for expats	Up to 46 times salary for nationals Up to 18 times salary for expats	300 300	Up to 180 months Up to 60 months Up to 60 months	812000
	Consumer Loan for nationals	Consumer Loan 6.25%				
<b>Burgan Bank</b>	Consumer Loan	6.25%	Up to 15,000	200	Up to 60 months	804080
<b>Commercial Bank of Kuwait</b>	Personal Loan for nationals only	10.25%	Up to 70,000 minimum 10,000	350	Up to 180 months	888225
	Consumer Loan	6.25%	Up to 15,000 or 15 times salary, whichever is less	150	Up to 60 months	
<b>Gulf Bank</b>	Consumer Loan	6.25%	Up to 15 times salary maximum 15,000	200	Up to 60 months	805805
	Al Aldal Loan	10.25%	Up to 50 Times salary maximum 70,000	350 for nationals, 400 for expatriates	Up to 180 months	
<b>National Bank of Kuwait</b>	Consumer Loan	6.25%	Up to 15,000	300 for nationals, 400 for expatriates	Up to 60 months	801801
	Expatriate Family Loan	10.25%	Up to 25,000		Up to 180 months	

Credit cards							KUWAIT
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
<b>Bank of Kuwait and Middle East</b>	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.25% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000
	<b>Burgan Bank</b>	Visa/MasterCard (Classic, Gold)	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
<b>Commercial Bank of Kuwait</b>	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card 10	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
<b>Gulf Bank</b>	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC Co-branded Card - 35% discount of monthly mobile bills and Free International roaming service	805805
	<b>National Bank of Kuwait</b>	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.2% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	801801

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

Medical Insurance					UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
<b>AXA/Norwich Union Insurance (Gulf) BSC(c)</b>	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan <b>Global Area 1:</b> From 10,801 (11-21) to 29,098 up to ages 60-65, <b>Global Area 2:</b> From 3,638 (ages 11-21) to 9,541 up to ages 60-65, <b>Regional Plus:</b> From 2,078 (ages 11-21) to 5,433 up to ages 60-65, <b>Regional:</b> From 1,787 (ages 11-21) to 4,673 up to ages 60-65		<b>Global Area 1:</b> AED5million <b>Global Area 2:</b> AED2.5 million <b>Regional Plus:</b> AED1 million <b>Regional:</b> AED500,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland <b>Regional Plus:</b> AGCC countries, major trading nations of the Indian subcontinent and South East Asia <b>Regional:</b> Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Alliance Insurance (P.S.C.)</b>	*With deductibles <b>Global Area 1:</b> From 4,561 (ages 0-17) to 18,428 up to age 65 <b>Global Area 2:</b> From 3,071 (0-17) to 12,270 up to ages 61-65 <b>Global Area 3:</b> From 2,048 (0-17) to 7,045 up to ages 61-65 <b>Regional Plus:</b> From 1,782 (0-17) to 6,675 up to ages 61-65 <b>Regional:</b> From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: <b>Global Area 1:</b> AED200/150, <b>Global Area 2:</b> AED200/150/100, <b>Global Area 3:</b> AED150/100/75, <b>Regional Plus and Regional:</b> AED150/100/75/50	<b>Global Area 1:</b> AED1 million <b>Global Area 2:</b> AED1 million <b>Global Area 3:</b> AED1 million <b>Regional Plus:</b> VIP: AED1 million A: AED500,000, B: AED250,000 <b>Regional:</b> VIP: AED300,000 A: AED150,000, B: AED75,000	<b>Global Area 1:</b> Worldwide <b>Global Area 2:</b> Worldwide exc. USA and Canada <b>Global Area 3:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Regional Plus:</b> UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines <b>Regional:</b> UAE	04 605 1111 <a href="mailto:alliance@alliance-uae.com">alliance@alliance-uae.com</a> <a href="http://www.alliance-uae.com">www.alliance-uae.com</a>
<b>BUPA International</b>	<b>Essential:</b> From 2,598 (ages 0-15) to 33,650 up to age 82-120, <b>Classic:</b> From 3,743 (ages 0-15) to 46,707 up to age 82-120, <b>Gold:</b> 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	<b>Essential:</b> US\$900,000 <b>Classic:</b> US\$1.2 million <b>Gold:</b> US\$1.6 million	<b>Essential:</b> Hospital treatment as in/day-care patient <b>Classic:</b> Plus specialist medical treatment <b>Gold:</b> Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 <a href="mailto:info@bupa-intl.com">info@bupa-intl.com</a> <a href="http://www.bupa-intl.com">www.bupa-intl.com</a>
<b>Goodhealth Worldwide</b>	<b>Major Medical Plan:</b> From 1,921 (ages 0-17) to 11,298 up to age 64 <b>Foundation Plan:</b> From 4,037 (ages 0-17) to 23,673 up to age 64 <b>Lifestyle Plan:</b> From 4,663 (ages 0-17) to 29,634 up to age 64 <b>Lifestyle Plus Plan:</b> From 5,892 (ages 0-17) to 34,577 up to age 64	<b>Major:</b> Nil, 1,000/5,000 <b>Foundation:</b> Nil, 50/100/250/500/1,000/2,000/5,000 <b>Lifestyle:</b> Nil, 50/100/250 <b>Lifestyle Plus:</b> Nil, 50/100/250	<b>Major Medical Plan:</b> US\$1.6 million <b>Foundation Plan:</b> US\$1.6 million <b>Lifestyle Plan:</b> US\$1.6 million <b>Lifestyle Plus Plan:</b> US\$1.6 million	<b>Major Medical Plan:</b> Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing <b>Foundation Plan:</b> Plus traditional Chinese medicine, hormone replacement therapy <b>Lifestyle Plan:</b> Plus evacuation extension to the country of your choice <b>Lifestyle Plus Plan:</b> Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 <a href="mailto:enquiries@goodhealth.ae">enquiries@goodhealth.ae</a> <a href="http://www.goodhealthworldwide.com">www.goodhealthworldwide.com</a>
<b>InterGlobal Limited (Middle East)</b>	*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 <b>Plus:</b> From 3,298 (Child) to 107,662 up to ages 70-74 <b>Comprehensive:</b> From 2,565 (Child) to 87,709 up to ages 70-74 <b>Select:</b> From 2,340 (Child) to 79,598 up to ages 70-74 <b>Standard:</b> 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	<b>Plus:</b> US\$3.4 million <b>Comprehensive:</b> US\$1.7 million <b>Select:</b> US\$1,275,000 <b>Standard:</b> US\$850,000	<b>Plus:</b> Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover <b>Comprehensive:</b> Compassionate emergency visit <b>Select:</b> Compassionate emergency visit, emergency medical treatment outside area of cover <b>Standard:</b> Inpatient and day care treatment, emergency local ambulance	04 272 5505 <a href="mailto:info@interglobal.ae">info@interglobal.ae</a> <a href="http://www.interglobalpmi.com">www.interglobalpmi.com</a>
<b>National General Insurance Co. PSC</b>	*Higher premium for females than males except for ages 1-16, which have same rate <b>Emirates Plan:</b> From 1,603 (1-16) to 3,018 up to age 55 <b>Emirates Plus Plan:</b> From 1,775 (1-16) to 3,353 up to age 55 <b>International Plan:</b> From 1,978 (1-16) to 5,780 up to age 55 <b>Global Plan:</b> From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	<b>Emirates Plan:</b> AED100,000 <b>Emirates Plus Plan:</b> AED250,000 <b>International Plan:</b> AED1 million <b>Global Plan:</b> AED2 million	<b>Emirates Plan:</b> UAE <b>Emirates Plus Plan:</b> UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia <b>International Plan:</b> UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean <b>Global Plan:</b> UAE and up to 60 days per annum while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>National Health Insurance Company – Daman</b>	<b>Basic (Abu Dhabi Plan):</b> For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): <b>UAE:</b> from 1,400 (ages 1-15) to 8,000 up to ages 66-99; <b>Regional:</b> from 1,700 (ages 1-15) to 9,500 up to ages 66-99; <b>International:</b> from 2,200 (ages 1-15) to 13,000 up to ages 66-99; <b>Global:</b> 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.)		<b>Abu Dhabi Plan In &amp; Out-Patient:</b> AED250,000 <b>UAE Plan In &amp; Out- Patient:</b> AED250,000 <b>Regional Plan:</b> AED500,000 <b>International Plan:</b> AED2.5 million <b>Global Plan:</b> AED5 million	<b>Abu Dhabi Plan In &amp; Out- Patient:</b> Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only <b>UAE Plan In &amp; Out- Patient:</b> Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) <b>Regional Plan:</b> UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>International Plan:</b> UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide <b>Global Plan:</b> Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) <a href="http://www.damanhealth.ae">www.damanhealth.ae</a>
<b>Oman Insurance Company</b>	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan <b>Plan 1:</b> From 1,470 (14 days-45 years) to 2,980 up to age 60 <b>Plan 2:</b> From 2,170 (14 days-45 years) to 4,380 up to age 60 <b>Plan 3:</b> From 2,350 (14 days-45 years) to 4,730 up to age 60 <b>Plan 4:</b> From 3,630 (14 days-45 years) to 7,290 up to age 60 <b>Plan 5:</b> From 4,180 (14 days-45 years) to 8,400 up to age 60 <b>Plan 6:</b> From 3,800 (14 days-45 years) to 7,650 up to age 60 <b>Plan 7:</b> From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	<b>Plan 1:</b> AED50,000 <b>Plan 2:</b> AED100,000 <b>Plan 3:</b> AED100,000 <b>Plan 4:</b> AED200,000 <b>Plan 5:</b> AED200,000 <b>Plan 6:</b> AED300,000 <b>Plan 7:</b> AED300,000	<b>Plan 1:</b> UAE, <b>Plan 2:</b> UAE, <b>Plan 3:</b> UAE, Arab countries, Indian sub-continent, Philippines <b>Plan 4:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada <b>Plan 5:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada <b>Plan 6:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada <b>Plan 7:</b> UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 <a href="mailto:ocem@tameen.ae">ocem@tameen.ae</a> <a href="http://www.tameen.ae">www.tameen.ae</a>
<b>Royal &amp; SunAlliance UAE</b>	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to AED800 depending on plan **Visit <a href="http://www.fasterquote.ae">www.fasterquote.ae</a> for personalised quote. <b>Columbus:</b> From 2,727 (ages 0-20) to 14,879 up to age 99 <b>Ulysses:</b> From 2,353 (ages 0-20) to 12,631 up to age 99 <b>Marco Polo:</b> From 2,040 (ages 0-20) to 10,756 up to age 99 <b>Local Health:</b> From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	<b>Columbus:</b> AED1 million <b>Ulysses:</b> AED500,000 <b>Marco Polo:</b> AED300,000 <b>Local Health:</b> AED100,000	<b>Columbus:</b> Worldwide <b>Ulysses:</b> Worldwide exc. USA and Canada <b>Marco Polo:</b> UAE, Arab Countries, South East Asia, Iran and Afghanistan <b>Local Health:</b> UAE, South East Asia, Iran and Afghanistan	04 334 4474 <a href="mailto:fasterquote@notes.royalsun.com">fasterquote@notes.royalsun.com</a> <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<p><b>Disclaimer:</b> All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karagoan Dubai have plans offered by Royal &amp; 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. <b>Tp:</b> Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. <b>Notes:</b> 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 May 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions: <b>MONEYworks</b> recommends that you make enquires 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 <a href="mailto:info@moneymarkets.ae">info@moneymarkets.ae</a>. 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
<b>Abu Dhabi National Insurance Company</b> – 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, money	02 626 4000 <a href="http://www.adnic.ae">www.adnic.ae</a>
<b>Al Dhafra Insurance</b> – 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 <a href="http://www.aldhafrainsurance.com">www.aldhafrainsurance.com</a>
<b>Al Ittihad Al Watani General Insurance Company</b> – 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 <a href="http://www.unic.ae">www.unic.ae</a>
<b>Arab Orient Insurance Company</b> – 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 <a href="http://www.insuranceuae.com">www.insuranceuae.com</a>
<b>AXA / Norwich Union Insurance (Gulf) BSC(c)</b> – 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) <a href="http://www.axa-gulf.com">www.axa-gulf.com</a>
<b>Lebanese Insurance Company</b> – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 <a href="http://www.lebaneseinsurance.com">www.lebaneseinsurance.com</a>
<b>Dubai Islamic Insurance &amp; Reinsurance Company (AMAN)</b> – 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 <a href="http://www.aman-diir.ae">www.aman-diir.ae</a>
<b>Gargash Insurance</b> – Home Contents Insurance	170	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 <a href="http://www.gargashinsurance.com">www.gargashinsurance.com</a>
<b>National General Insurance</b> – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 <a href="http://www.ngi.ae">www.ngi.ae</a>
<b>Oman Insurance Company</b> – 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 <a href="http://www.tameen.ae">www.tameen.ae</a>
<b>Oriental Insurance Company LTD</b> – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
<b>Qatar Insurance Company</b> – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
<b>Royal &amp; Sun Alliance Insurance Group</b> – 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 <a href="http://www.royalsunalliance.ae">www.royalsunalliance.ae</a> <a href="http://www.fasterquote.ae">www.fasterquote.ae</a>
<b>Wehbe Insurance Services</b> - 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) <b>Standard</b> – 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) <b>Extra damage option</b> – 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 <a href="http://www.wisgroup.com">www.wisgroup.com</a>

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 May 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards		BY INTEREST/PROFIT RATE			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari web card	Classic-200, Gold-400, e-Tijari web card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 <a href="http://www.cbd.ae">www.cbd.ae</a>
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.25% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 <a href="http://www.cbuae.com">www.cbuae.com</a>
Dubai Bank	Visa Covered cards (Silver, Gold, Platinum)	Free for life offer until July 17, 2007	0% APR for first three months if applied by July 17. 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 <a href="http://www.dubaibank.ae">www.dubaibank.ae</a>
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 <a href="http://www.alisami.ae">www.alisami.ae</a>
Emirates Islamic Bank	Visa Islamic cards (Classic, Gold, Platinum, Infinite)	Classic-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 <a href="http://www.habibbank.com">www.habibbank.com</a>
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, NMC, Titanium)	Free for life	1.5% on purchases for MasterCard cards, 1.9% for Visa cards 2.25% on cash withdrawals	55 days	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>
Standard Chartered	Saadq Visa Gold credit card	600	N/A on purchases, AED125 for cash withdrawals	50 days	04 313 8888 <a href="http://www.standardchartered.com/ae">www.standardchartered.com/ae</a>
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders.	04 308 0000 <a href="http://www.abnamro.ae">www.abnamro.ae</a>	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearl's 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 <a href="http://www.adcb.com">www.adcb.com</a>	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US\$120, Gold-US\$210, Platinum-US\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 <a href="http://www.americanexpress.co.ae">www.americanexpress.co.ae</a>	
Citibank	Visa, MasterCard (Silver, Gold, Eppco-Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard), Citibank/Emirates Ultima Card, Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy instalment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate.	04-311 4000 <a href="http://www.citibank.com/uae">www.citibank.com/uae</a>	
Dubai First	Visa (Silver, Gold)	Silver - 150, Gold - 350	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalization and assistance. Free life insurance up to AED50,000 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. Easy purchase plan in 6 to 24 monthly instalments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, 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.	Toll-free: 800 33 <a href="http://www.dubai-first.com">www.dubai-first.com</a>	
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instant Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year	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 instalments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book.	04-3160316 <a href="http://www.me.ae">www.me.ae</a>	
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 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>	
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 <a href="http://www.nbad.com">www.nbad.com</a>	
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	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. Platinum cardholders receive medical/legal referral service, restaurant referrals/reservations and lost luggage assistance. 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.	Toll-free: 800 4444 <a href="http://www.nbd.com">www.nbd.com</a>	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Gold, NMC, Titanium)	Free for life	Free supplementary cards, purchase protection, credit shield, travel inconvenience insurance, shopping and dining discounts, cash advance of up to 95% credit limit. Quarterly million dirham draws on all MasterCard products. For Titanium cards, up to 2% cash back on all retail purchases, global discounts and privileges on premium brands and hotels. NMC cardholders receive discounts at New Medical Centre hospitals, pharmacies, opticians and beauty salons.	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>	

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Know of a better offer? We'd like to hear from you. Fax us on 00971 4 391 2173 or email [info@moneymworks.ae](mailto:info@moneymworks.ae)

**Car Loans**

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	4.25% for new cars, 5% for used cars	Up to 500,000 (Depends on salary)	Nil downpayment option	New cars - 72 months Used cars - 60 months	2,500	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 250,000	Nil for new cars, minimum 5% for used cars	New cars - up to 72 months Used cars - up to 60 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% for new cars	Up to 90% of the car price	10%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tamwheel Car Finance	4.25% for new cars, 5.75% for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	2,000	No
Commercial Bank International	Sayarati	3.99% for new cars, maximum of 5.25% for used cars (depends on payment term)	Up to 250,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No
Dubai Bank	Markaba Auto Finance	4.5% for new cars, 5% for used cars	Depends on salary and car price	Nil	Up to 60 months for new cars Up to 48 months for used cars	4,000	No
Dubai Islamic Bank	Al Islami Auto Finance	Fixed profit rate of 4.75% for new cars, 5.25% for used cars less than two years old, 5.5% for used cars less than 12 years old	Up to 250,000	Nil with salary transfer, otherwise minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No
	Al Islami Flexi Drive	For new cars only, profit rate same as above for first three years	Depends on salary and the car price	Nil	Up to 60 months	7,000	Yes
Emirates Islamic Bank	Vehicle Murabaha	New cars - 4.1%, Used cars - 4.5% with salary transfer otherwise new cars 4.25%, used cars 4.60%	Up to 350,000	Nil for new cars, depends on make and model for used cars	Up to 60 months with salary transfer, otherwise up to 48 months	3,000 with salary transfer, otherwise 3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars Up to 30% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	4,500	No
Habib Bank AG Zurich	HBZAUTO loan	4.25% for new cars	Up to 250,000	Minimum 10%	Up to 48 months	5,000	Yes
MashreqBank	Mabrook Auto loan	4.25% for new cars, 4.99% for used cars	Up to 500,000	Minimum 10%	60 months for new cars 48 months for used cars	3,000	No
meBANK	meDrive	4.75% for new cars, 5.25% for used cars	Up to 250,000	Nil downpayment option, depends on company	New cars - up to 72 months, Used cars - up to 60 months	3,000	No
National Bank of Abu Dhabi	Sayyarati	3.99% for new and used cars	Up to 250,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	3,000 with salary transfer otherwise 5,000	No
United Arab Bank	Auto Finance	4.25% for new cars, 5% for used cars	Up to 150,000	Nil	New cars - up to 48 months Used cars - up to 36 months	3,000	Yes

**Personal Loans**

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Reducing balance rate: 6 to 24 months - 8.5%, 25 to 48 months - 9.5%, 49 to 60 months - 10%, 61 to 72 months - 10.5%	Up to 250,000 (depends on salary)	Yes	Up to 132 months for nationals, 60 months for expatriates	2,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor)	Up to 250,000 (depends on salary and company)	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes
Dubai Bank	Sanad Personal Finance	Profit rate: 4.5 - 5% fixed rate (depends on loan tenor)	Up to 250,000	Yes	Up to 120 months	4,000	Yes
	Souk Goods Finance				Up to 60 months		
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.9% without salary transfer	Up to AED250,000	Yes	Up to 60 months	2,500	No
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 4.95 - 7.99% (depends on the company's package)	Up to AED250,000	Yes	Up to 120 months	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	8.75 - 14.25% on reducing balance basis	Up to AED250,000	Yes	Up to 120 months	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-10.5%, depending on loan term and company status	Up to AED250,000 (depends on the salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED100,000	Yes	Up to 36 months	3,000	Yes
United Arab Bank	Consumer Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	As much as AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	2,500	Yes

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

**UAE**

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 <a href="http://www.adib.ae">www.adib.ae</a>
	No	1% of outstanding loan		1% processing fee	04 353 1955
Only account holders can finance used cars. Used cars must not be older than 2003 model.	No	None for cash, 3% of outstanding loan for bank buyout		1% processing fee	Toll-free: 800 223 <a href="http://www.cbd.ae">www.cbd.ae</a>
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card. Special offer: On all KIA models, 0.99% interest rate for one year loan tenor	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 <a href="http://www.cbiuae.com">www.cbiuae.com</a>
Used cars must not be older than 8 years at the time of loan maturity	No	None	Special insurance rates	No processing fee	Toll-free: 800 5555 <a href="http://www.dubaiabank.ae">www.dubaiabank.ae</a>
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only.	No	In some circumstances, money will be refunded	Preferential insurance deal with Oman Insurance Company, free AAA membership	As DIB says, "choose your car and inform the bank". They will then make "a transparent offer in accordance with Shariah" that will include the price of the car, the profit that DIB will make and the method in which you can make your repayments".	Toll-free: 800 4008 <a href="http://www.alislami.ae">www.alislami.ae</a>
Listed companies only. Cars must cost a minimum of AED50,000.	Yes		Insurance can be financed	Different interest rates if extended to two more years. Loan amount can be paid at lumpsum after three years	
Used cars must not be older than four years	No		Payments deferred for first three months, insurance can be financed	No processing fee	04 316 0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Toll-free: 800 3434 <a href="http://www.fh.ae">www.fh.ae</a>
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, <a href="http://www.habibbank.com">www.habibbank.com</a>
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 deals	AED100 charged as processing fee	04 217 4800 <a href="http://www.mashreqbank.com">www.mashreqbank.com</a>
Used cars must be not be older than 7 years	No	2% of the outstanding amount for cash and 5% for bank transfer	Defer first installment up to 60 days, special interest rates available for certain makes and models	No processing fee	04 316 0316 <a href="http://www.me.ae">www.me.ae</a>
Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 <a href="http://www.nbad.com">www.nbad.com</a>
For account holders only. 2003 models and newer.	Yes	3% of outstanding for cash payment and 5% for a bank buyout		AED250 charged as processing fee	04 332 2032 <a href="http://www.uab.ae">www.uab.ae</a>

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

**UAE**

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to two times salary overdraft	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 <a href="http://www.adcb.com">www.adcb.com</a>
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 <a href="http://www.adib.ae">www.adib.ae</a>
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 <a href="http://www.dubaiabank.ae">www.dubaiabank.ae</a>
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 <a href="http://www.alislami.ae">www.alislami.ae</a>
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 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
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. For customers taking out a loan of at least AED50,000, free return flight voucher for select destinations in Europe, the Middle East, Asia and the Indian subcontinent	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 <a href="http://www.hsbcannabi.com">www.hsbcannabi.com</a> Toll-free: 800 4440 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	If company is not in approved list, loan can be arranged with Osool Finance Company. 1% processing fee, minimum AED250 and maximum AED500. Insurance is 0.465% of loan amount	04 217 4800 <a href="http://www.mashreqbank.com/uae">www.mashreqbank.com/uae</a>
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 6667 <a href="http://www.nbs.ae">www.nbs.ae</a>
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 <a href="http://www.uab.ae">www.uab.ae</a>
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

**Disclaimer:** These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during May 2007 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to [info@moneyworks.ae](mailto: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
<b>Abu Dhabi Commercial Bank</b>	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	Retail base rate (RBR) is 5.5% <b>Salaried residents:</b> RBR plus 2.75%; <b>Self employed residents:</b> RBR plus 3%; <b>Non residents:</b> RBR plus 3%	Could be as much as AED3.5 million; depends on personal circumstances and property developer	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer Self-employed 30%
<b>Amlak (Shari'ah compliant)</b>	UAE residents (nationals and expats), GCC residents and non-residents	25 years for UAE nationals 20 years for residents 15 years for non-residents	60 for salaried employees, 65 for self-employed	<b>Variable rate (residents):</b> 8.5% <b>Variable rate (non-residents):</b> +1% more than residents. <b>Fixed rate</b> is 11% for residents for seven years and 14% thereafter (+1% for non-residents)	Up to 90% of property value	Up to 50%	Minimum 10%
<b>Arab Bank</b>	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	Starting from 7.5% for the first year	Up to AED5 million or 90-95% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	10% of the property market value
<b>Barclays Bank</b>	UAE residents and non-residents	Up to 25 years	70 years	7.75 - 9.10% variable rate	Up to 80% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
<b>Dubai Bank (Mulki Property Finance)</b>	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Ijara: 8.15 - 9.15% variable rate Murabaha: 4.5 - 5% fixed rate for 1 year; 4.75 - 5.25% for 1 - 3 years; 5 - 5.5% for 3 - 6 years; 5.25 - 5.75% for 6 - 8 years (depends on company and salary transfer)	Up to 90% of the property value	Depends on the salary	10%
<b>Dubai Islamic Bank (Al Islami Home Finance)</b>	UAE nationals, expats	Up to 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value; as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
<b>Emirates Islamic Bank</b>	UAE and GCC nationals, expats	Up to 15 years for Murabaha	65 years for nationals 60 years for expats	Murabaha - 9% reducing balance rate for five-year tenor Murabaha - 10% reducing balance rate for 10-year tenor	Maximum up to AED2.5 million	Not more than 50% of the salary	10-15%
<b>First Gulf Bank</b>	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 - 9.75% on reducing balance basis	Up to 90%; as much as AED5 million	Maximum 60%	10%
<b>Habib Bank AG Zurich</b>	UAE nationals and expats	Up to 15 years	60 years	Floating rate, will not exceed 7.5%	Up to AED3.5 million	Max. 60% of income including all loans	30%
<b>HSBC Bank Middle East Limited</b>	UAE residents and non-residents	25 years	65 years	7.25 - 7.75% reducing balance rate	Up to 90% of market value or original price, whichever is lower	60% overall debt on all regular commitments	10%
<b>Lloyds TSB</b>	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	8.5% variable, straight re-payment mortgage	Up to 70% for apartments and 80% for villas	Should not exceed 50%	Depends on property
<b>Mashreqbank</b>	UAE residents and non-residents	Up to 20 years	60 years	From 7.5%	Up to AED5 million; depends on salary and property value	55% including all loans	Minimum 20%; depends on project
<b>National Bank of Abu Dhabi</b>	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years	65 years	8% fixed rate	Up to 80% finance, as much as AED5 million; depends on salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
<b>National Bank of Dubai</b>	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, starts at 6.49%; afterwards, EIBOR rate + 3% Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.25%	Up to 85%; as much as AED5 million	Residents: up to 60% Non-residents: up to 50%	Minimum 15% depending on the property
<b>Rakbank</b>	UAE nationals, expats and non-residents	25 years	65 years	8 to 9.5% on a reducing balance basis	Up to 90% or AED5 million	60% of monthly salary for salaried individuals	Minimum 10%
<b>Sharjah Islamic Bank</b>	UAE and GCC nationals, expats from other Arab countries	Up to 12 years	65 years for UAE nationals, 60 years for others	<b>Profit rate.</b> With salary transfer: 4.65% for 1 to 5 year tenor; 4.92% for 6 to 10 year tenor; 5.19% for 11 to 15 year tenor. Without salary transfer: 4.92% for 1 to 5 year tenor; 5.19% for 6 to 10 year tenor; 5.47% for 11 to 15 year tenor	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
<b>Standard Chartered</b>	UAE nationals, expats	20 years	65 years	Will not exceed 8.5%	Up to AED3.5 million for apartments and up to AED7.5 million for villas	Depends on the salary	From 15%; depends on salary and type of property
<b>Tamweel (Shari'ah compliant)</b>	UAE nationals, expats and non-residents	25 years	65 years for nationals, 60 years for expats	<b>Depends on scheme.</b> Floating rate of 7.9% applies to loan tenors of 5-25 years (changes every six months). Fixed rate from 9.5% for five year tenor, 10.5% for 10 year tenor, 10.8% for 15 year tenor. (Also offers 'Yus' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to AED7 million	55% of salary	From 10%, Depends on property
<b>Union National Bank</b>	UAE nationals, expats	Up to 20 years	65 years for UAE nationals, 60 years for expats	Minimum 6.75% flat rate	As much as 55 times salary	Up to 65% of monthly salary	As low as 10%
<b>United Bank Limited 'Batina'</b>	UAE residents and non-residents	Up to 20 years	65 years	8.4% (5.4% EIBOR rate + 3%)	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:** Emirates Islamic Bank (04-213 1680) has recently signed an agreement to offer three different types of home financing (fixed and floating rate and refinancing) for Emaar properties. They also offer financing for Tameer properties. The EIB mortgage details above apply to UAE and GCC nationals, a specific mortgage product aimed at expatriates is expected soon. More details will follow on this. Some other UAE banks are actively lending in the market for example, Standard Chartered, Abu Dhabi Islamic Bank, although mortgage finance products are yet to be officially launched, it's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. **Documentation requirements** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khulassat 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.

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UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	Yes	No, but necessary to obtain maximum loan amount	Processing fee of 1% or 20,000. Early discharge fee not allowed before six months. 6-60 months: 2% of the amount pre-paid. Non-buyouts: 2% of outstanding loan amount up to three years, 1% up to five years. Buyouts: 3% of outstanding loan up to five years	Nakheel, Damac, Emaar, Union Properties, Dubai Properties, Al Dar, ETA Star, Trident International, Ilyas & Mustafa Galadari Group, Dheeraj & East Coast Group, V3 - Jumeirah Lake Towers, Rose Homes Investments, Falcon City	Yes	No	Toll-free: 800 56267 <a href="http://www.adcb.com">www.adcb.com</a>
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	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 <a href="http://www.amlfinance.com">www.amlfinance.com</a>
Life and property insurance	8,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800 27224 <a href="http://www.arabbank.ae">www.arabbank.ae</a>
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS (22725297) <a href="http://www.barclays.ae">www.barclays.ae</a>
Life and property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 <a href="http://www.dubaiabank.ae">www.dubaiabank.ae</a>
Life and property insurance	10,000	No	No	Info not available	Real Estate - Villas and apartments anywhere in the UAE. Freehold - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 <a href="http://www.alislami.ae">www.alislami.ae</a>
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 <a href="http://www.emiratesislamicbank.ae">www.emiratesislamicbank.ae</a>
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 800 2700 <a href="http://www.firstgulfbank.ae">www.firstgulfbank.ae</a>
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 <a href="http://www.habibbank.com">www.habibbank.com</a>
Life and property insurance	20,000	No	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	Toll-free: 800 404442 <a href="http://www.uae.hsbc.com">www.uae.hsbc.com</a>
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 <a href="http://www.lloydstsb.ae">www.lloydstsb.ae</a>
Life and property insurance	8,000	Yes	Yes	AED1,000 for pre-approval that will be banked only if the case is approved; 1% of loan amount for final approval	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, IFA Hotels and Resorts, Trident International, Reed Real Estate, Dheeraj & East Coast LLC, Global Realty and more	No	Yes	04 217 4800 <a href="http://www.mashreqbank.com">www.mashreqbank.com</a>
Property and life insurance	10,000	Yes	Yes	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	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	Toll-free: 800 2211 <a href="http://www.nbad.com">www.nbad.com</a>
Life and property insurance	8,000 for nationals, 10,000 for expats, 25,000 for non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 <a href="http://www.nbd.com">www.nbd.com</a>
Life and property insurance	13,000	No	No	Loan processing fee of 1% on loan amount. 5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 <a href="http://www.rakbank.ae">www.rakbank.ae</a>
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 6667 <a href="http://www.sib.ae">www.sib.ae</a>
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 <a href="http://www.standardchartered.com/ae">www.standardchartered.com/ae</a>
"Property Takaful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGC, Sondos and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 <a href="http://www.tamweel.ae">www.tamweel.ae</a>
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 <a href="http://www.unib.com">www.unib.com</a>
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 May 2007 for MONEYworks magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early repayment. 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@moneymagazine.com](mailto:info@moneymagazine.com). 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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## Independent Financial Advisers

UAE

## Licence: The UAE Central Bank

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai	04-3353433	04-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	04-3551587	04-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	04-2663313, 04-2972222	04-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 62658, Dubai	02-6221121 04-3431300	02-6221120 04-3431373	synergy2@eim.ae info@synergyfinancial.ae	www.synergyfinancial.ae
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	04-3310524	04-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	04-3433878 02-6765588	04-3433644 02-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com

## Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	04-3328582	04-3317572	info@acuma-international.com	www.acuma.ae
GlobalEye	P O Box 24592, Dubai	04-3979550, 800-4558	04-3979551	admin@globaleyegroup.com	www.globaleyegroup.com
Holborn Assets	P O Box 333851, Dubai	04-3369880	04-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	04-3318688	04-3318001	information@lifecareinternational.com	www.lifecareinternational.com

## Licence: DED (Dubai Department of Economic Development)

Name	Address	Telephone	Fax	E-mail	Website
Belgravia Intervest Group	P O Box 31303, Dubai	04-3197851	04-3303365	info@bigoffshore.com	www.bigoffshore.com
Citco Dubai	P O Box 58066, Dubai, UAE	04-3432666	04-3436613	lwilson@citco.com	www.citco.com
Prosperity Offshore Investment Consultants	P O Box 24459, Dubai	04-3124334	04-3124335	enquiries@prosperity-uae.com	www.prosperity-uae.com
Rasmala Investments	P O Box 31145, Dubai	04-3301041	04-3635635		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	04-3124410	04-3124411	info@candourconsultancy.com	www.candourconsultancy.com

## Others

Name	Address	Telephone	Fax	E-mail	Website
OFS	P O Box 49388, Dubai	04-3291614	04-3291619	info@ofsdubai.com	www.ofsdubai.com

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

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

4. Network Corporate Services L.L.C  
5. Regent Investment Consultants - P.O.Box 28472, Dubai, Tel: 3552055, Fax: 3552088

## Licensed Financial Intermediaries

UAE

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

Name	Address	Telephone	Fax	E-mail	Website
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	04 351 6112	04 355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	04 228 3003	04 223 7237	easttrust@emirates.net.ae	www.easterntrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	04 268 6844	info@lmedubai.com	www.lmedubai.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	02 626 6669 04 397 7779	02 626 3322 04 397 4422		www.nexusadvice.com
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	04 351 4900	04 352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	04 221 3949	04 224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	04 359 8882	04 359 9030	info@world-index.com	www.world-index.com

Disclaimer: This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during May 2007. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to [info@moneyworks.ae](mailto:info@moneyworks.ae). (Source: UAE Central Bank Website, last updated March 31, 2003)



## Letter of the Month

Email: [editor@moneyworks.ae](mailto:editor@moneyworks.ae)Letter of the month wins a complimentary annual subscription to **MONEYworks**.

Dear Editor,

I noticed an advertisement in a local paper recently which said, "Do you want financial freedom?" There were just a couple of phone numbers. I called, intrigued, and got a receptionist who didn't know much. He gave no real info and nothing in writing was available by fax. But it's "a good money", he said. "In fact," he told me, "most of our clients are rich." The receptionist then gave me a mobile number for the person who could help.

I called and eventually found out that this is a training company that offers guaranteed ways of making money in commodities. I visited their rather basic website and found out that they apparently offer seminars in a number of cities internationally.

My question - is it worth looking at such a thing? They do offer a 100 per cent money back guarantee if not fully satisfied...

Yours, unsure,  
TAE, Dubai

We all come across advertisements in our daily lives. Some of them interest us, just as this one caught your attention with its catchy headline. Unlike many of us, however, you have done the right thing and checked this company out. From your e-mail, it doesn't look as though you're too convinced. Neither am I. However, I do feel that you need to have training or at least an understanding of most types of investment. For commodities in particular, DGXCX and its constituents like Man Financial organise seminars from time to time in the UAE. You can always attend them.

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](mailto:editor@moneyworks.ae)

Make the subject 'Readers' and don't forget that telephone number.

Advice to readers: Information given here is checked for accuracy, but we strongly recommend that you make enquiries and, if necessary, take professional advice before entering any transactions. The value of many investments can go down as well as up and you may not get back the amount originally invested.

The Column



James Thomas

# The credit card merry-go-round

James Thomas takes a common sense look at how to use credit cards - and how they really work.

## QUESTION:

**"I have been juggling my three credit cards for some time now and have so far been able to meet my financial obligations. But now I'm feeling the heat and things have begun to get on top of me - my payment obligations are more than my income. How do I get out of this quagmire? Should I take a personal loan and pay up all the outstanding on my cards once and for all and start again with a clean slate? On the outstanding on my cards I am paying interest between 15 and 18 per cent per year or probably much more, while on a personal loan I'll pay much less interest. What should I do?" (Mr. Desperate)**

This is a difficult position and one that is unfortunately all too common, and can be hard to get out of. Credit cards are often seen as a free source of money when, in fact, the opposite is true – if not managed correctly, they are one of the most expensive ways to borrow.

My qualifications and experience are in financial planning, helping clients to plan their financial futures rather than assisting with debt counselling advice. However, I can give some generic advice that I hope will be of assistance.

The first thing to do would be to cut up all of your credit cards. That way you can avoid the temptation to spend any more money on the cards. Then you need to work out a plan to pay the debts off.

Having reviewed the interest rates for local credit cards in the pages of **MONEYworks**, you are quite right that the rates vary from 15 to 18 per cent per annum, but the interest is actually charged on a monthly basis, so

the actual interest will be much higher. This is because there will be interest charged on the interest that you were previously charged, so the debt can quickly become unmanageable.

It might be helpful to define the different types of interest rates to understand what you're really being charged.

Firstly, the rate that is generally advertised here in the UAE is the flat or simple interest rate. This is just the headline rate, and the actual amount of interest that you may be charged can be very different.

Another type is the Annual Percentage Rate (APR). This is a measure of the cost of credit, expressed as a yearly rate.

The most accurate way to work out the real cost of borrowing is to use the Annual Equivalent Rate (AER). This illustrates what the interest rate would be if interest was charged and compounded each year. For example, an annual percentage interest rate of 15 per cent compounded monthly is effectively an interest rate of 16 per cent.

I would agree that the best way to reduce the interest being charged would be to take out a personal loan to repay the card debt. Again looking in the **MONEYworks** best buy tables, the rates of interest range from 4.5 to 22 per cent. As with card interest rates, rates quoted are flat interest rates and not AER rates. Therefore, the actual interest rates will be higher.

It pays to shop around and investigate the best deal in the market. As the rates highlight, you could actually end up paying more interest than you were with the credit cards. You also need to work out how long you can afford to take the loan over.

The shorter the term the better, as you will pay less interest, but, of course, the monthly payment will be higher. You also need to bear

in mind that loan payments will be fixed each month, so set the repayment amount at an affordable level.

I believe the banks that issue the credit cards are partly to blame for the situation you find yourself in, as their lending criteria and checks can be limited compared to international standards. However, I believe that this will change with the introduction of a central credit rating agency. This will allow lenders to check what debts you already have, see how you have managed to repay those and to see if you have applied for any other loans or credit cards. This may be viewed as an invasion of privacy, but it should go some way to avoiding the situation you find yourself in.

You now need to take responsibility for your financial future and pursue sound financial practices from here on. Live within your means and avoid any more debt. To try and avoid the situation arising again, draw up a spending budget and stick to it. Be realistic about what you can afford to spend. If you have a credit card, pay more than the minimum balance each month. Remember that even a small debt can get out of control if you only pay the minimum required each month and can take years to clear. Make sure that you pay your bills on time, otherwise penalty charges will be added on to the total balance increasing your debt. Don't withdraw cash using your credit card – a higher interest rate is charged on cash advances up to 40 per cent (!) per annum.

Finally, it is essential to protect your family and potential beneficiaries from this debt in the event of your death. If you die with debts, your lenders are entitled to recover their dues from your estate prior to your wife and children receiving anything.

MHW

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

Sultan bin Saud Al Qassimi



The long and the short of it

# The Gas that is sitting idle

A deal that could have been handled better. **Sheikh Sultan** considers what might have been.

It's 2005; in the midst of the GCC IPO frenzy, a new entity was created in Sharjah to take advantage of the abundance of natural energy in the region. By autumn, things were in full swing to go through with the IPO and listing. Finally, in December 2005 and in record time, the company was listed after raising AED288 billion<sup>1</sup>, which incidentally was almost as high as the GDP of the emirate of Abu Dhabi, the fourth biggest oil producer in the world<sup>2</sup>. The list of founders (which includes yours truly) read as the who's who of investments and oil producers in the GCC. Planes from Saudi and Kuwait were fully booked for days on end and endless queues formed as a wave of tens of thousands of Gulf citizens crossed borders in a new phenomenon to be known as "investment tourism". There were stories of people spending nights in parks because of unavailability of hotel rooms, due to the high demand for Dana Gas shares. The company, on its part, vaguely outlined plans to import gas from Iran, with plenty of oral but no written confirmations. In any case, a US\$2 billion deal<sup>3</sup> was signed with its gas supplier Iranian National Gas Company, and all seemed to be going well until, that is, August 6, 2005. On that date, Iran elected its new leader, the son of a blacksmith, a man of the people who had no intention of allowing his country's natural wealth to be tied up under what his cabinet saw as an unfair deal that lasted 25 long years. The original deal was signed in 2001 when oil prices were US\$18 a barrel, and according to Kamal Daneshyar, who heads the Iranian Majlis Energy Commission, "the below two-cent per cubic metre price mentioned in the agreement is tantamount to the violation of Iran's rights"<sup>4</sup>. In the same breath, Iran also accused an unnamed middleman of pocketing US\$80

million in the deal, a claim that was strangely not pursued by either party.

Flash forward to 2007. Dana Gas was a victim of fate. Its timing couldn't have been worse, the expectations couldn't have been higher and the disappointment of investors in the eventual failure of the company to deliver gas two years after it was founded couldn't have been more dramatic. As we enter the third year of Dana's "operations", the picture seems clearer; the shareholders (and probably the board) have come to terms with the fact that the Iranian gas deal is at worst no longer attainable and at best very expensive and unpredictable. The company has started seeking out new investment opportunities so as to put the AED6 billion that it raised into use, rather than let it sit idle in an HSBC Bank Middle East<sup>5</sup> account collecting interest revenues.

In the spring of 2007, the company was kind enough to offer a certain number of its founding members a one-time cash bonus, which it deemed as a "Pioneer Grant" to recognise "the pioneering spirit of the founding members of the management team" with certain conditions.

At the same time, the company called for an AGM and an Extraordinary AGM with an agenda that included increasing the number of serving directors from 15 to 20 and doubling the size of the Russian gas giant Gazprom board as well as an amendment that allowed the now expanded board to sign resolutions by correspondence. This is in addition to the company's eight-member International Advisory Board that promises on the company's website that "other renowned industry business personalities from Japan, China and India will be invited to join the IAB to round off its global membership"<sup>6</sup>.

Dana Gas was keen to join the likes of

Emaar and other listed firms and claim the fashionable mantle of an Islamic Shari'ah compliant firm. The company then "appointed the International Finance Corporation, the private sector arm of the World Bank Group, to assist and advise in implementing a best practices framework in the areas of corporate governance, health, safety and environmental sustainability, as well as corporate social responsibility"<sup>7</sup>. The company also opened an office in Al-Khobar and sponsored the World Energy Cities Partnership forum. Basically, they did everything but supply gas.

By December 2006, Dana Gas finally agreed to pay US\$1 billion, 60 per cent of all the cash it raised, to buy Centurion Energy International, a Toronto and London AIM markets listed company with interests in Egypt, Tunisia and West Africa. According to the Financial Times, the deal represented a 36.4<sup>8</sup> per cent premium on the value of the listed firm, which is equivalent to AED1 billion in premium only. That was the conservative estimate; according to Pipeline Magazine, that deal represents a "55.9 per cent premium to Centurion's volume weighted average share price for the 20 trading days up to that date"<sup>9</sup>.

In this writer's opinion, Dana Gas is fortunate to have a board that includes highly experienced professional investors who are sure to make the early hiccups seem like a distant memory in the not too distant future.

Sheikh Sultan bin Saud Al Qassimi is the chairman of Barjeel Securities and CII.

#### (Footnotes)

- [1 http://www.zawya.com/story.cfm/sidZAWYA20051012050810](http://www.zawya.com/story.cfm/sidZAWYA20051012050810)
- [2 http://www.eia.doe.gov/emeu/steo/pub/3atab.html](http://www.eia.doe.gov/emeu/steo/pub/3atab.html)
- [3 http://www.zawya.com/story.cfm/sidZAWYA20060425044344](http://www.zawya.com/story.cfm/sidZAWYA20060425044344)
- [4 http://www.zawya.com/story.cfm/sidZAWYA20060511045741](http://www.zawya.com/story.cfm/sidZAWYA20060511045741)
- [5 http://www.zawya.com/cm/profile.cfm/cid1003178/ric/DANA.AD](http://www.zawya.com/cm/profile.cfm/cid1003178/ric/DANA.AD)
- [6 http://www.danagas.ae/org-iab.html](http://www.danagas.ae/org-iab.html)
- [7 http://www.zawya.com/story.cfm/sid2006022014594400001](http://www.zawya.com/story.cfm/sid2006022014594400001)
- [8 http://www.zawya.com/story.cfm/sidFFT106317117F29AE](http://www.zawya.com/story.cfm/sidFFT106317117F29AE)
- [9 http://www.pipelinedubai.com/press/2006/pr\\_06\\_0760.html](http://www.pipelinedubai.com/press/2006/pr_06_0760.html)