FREE this month: Property Summit report and 'An Investor's Guide to Mutual Funds'

The Gulf region's first personal finance and investment magazine

MONEY *works*

www.moneyworks.ae

April 2008 Issue 113

THE BALANCING ACT

Why wealth management takes time, knowledge and discipline

WIN
A return air ticket to Europe on Qatar Airways
See inside

FUNDS
Prudential to domicile Islamic Fund in DIFC

INSURANCE
Non-life offers more than ever in KSA

UK TAX
Non-doms changes: revolutionary or not?

STOCKS
Al Jazeera Airways: Flying High

Frontier Markets
The opportunity of now

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

Tables: Credit cards, loans, mortgages and insurance across the Gulf

MONEYworks magazine
P O Box 10656, Dubai, UAE
Telephone: +971 4 391 2160, Fax: +971 4 391 2173
Email: info@moneyworks.ae

Published by
Rasalmal Financial Publishing FZ-LLC
A Dubai Media City Company
Telephone: +971 4 391 2160, Fax: +971 4 391 2173
Email: rasalmal@getyourmoneyworking.com

Board of Directors
Saud A. Al Amri - chairman
Abdulaziz Al Mashal
Greg Hunt

General Manager
Don Taylor

Distribution
Dar Al Hikma, Dubai, UAE, Tel: +971 4 266 7384
Jashanmal, Abu Dhabi, UAE, Tel: +971 2 673 2327

Printing
Nabeel Printing Press, Ajman, UAE, Tel: +971 6 743 4445

Cover Image
Carole Nickerson

Editor
Utpal Bhattacharya

Deputy Editor
Ehab Heyassat

Sub Editor
Kara Sensoli

Saudi Correspondent
Mobin Sheikh

Regular Editorial Contributors
Peter Hensman - Newton Investment Management Ltd
James Thomas - Acuma Wealth Management

Special Editorial Contributors
Eesh Aggarwal, Cormac Sheedy, Matein Khalid, Hussam Saba, M.R. Raghu, Alex Tarver, Dr.Oliver Stönner-Venkatarama, Sheikh Sultan bin Saud Al Qasimi

Operations Manager
Tim Elliott

Design & Layout
Zak Parayil
Sonia Landoulsi

Administration
Sessie Fernandes
Rolla Daniel

Sales & Marketing Manager
Mark Freeman

Assistant Sales & Marketing Manager
Zarko Ackovik

Sales & Marketing Executives
Ali Jaber
Arshad Iqbal

Advertising Enquiries:
Tel. +971 4 391 2163, Email: sales@moneyworks.ae

BPA audit applied for December 2006

We were on the edge of our seats most of last month trying to fathom what was going on in the financial markets as an avalanche of bad news poured into – and out of – the media. The worst, of course, was the near collapse of Bear Stearns, which had investors running for cover, leading to bear runs in a number of global markets. The fate of Bear Stearns still hangs in balance; it is now assured of continuity, but at a price that will be far lower than what it was a few months ago.

The rescue of Bear Stearns itself is being questioned in certain quarters, as many experts opine that this act by the Fed is a recipe for more irresponsible behaviour by bankers in the future. They are probably right, but in the near term, if the Fed had not acted the way it had, it could have been a catastrophe on Wall Street, and there could have been a cascading effect on the rest of the world.

As I write this edit, I have a feeling that we may have seen the worst in terms of bad news. I am sure there will be some more coming, but we just might be done with the worst. And if that is so, then it is time we begin to refocus on building our portfolios again.

The big picture, of course, does not change. The US will have to clean up the mess in its books, while inflation continues to be a problem in many parts of the world, including China. According to some, China, along with its emerging markets peers, was supposed to counter the weakness in the US. There is also no reason to doubt experts who forecast that global growth is likely to drop below four per cent, given the recent developments.

Back home, inflation continues to be the single biggest concern in the GCC, and the slashing of Fed rates is going to stoke more inflation. In the absence of an independent monetary policy in most of the GCC, however, it is heartening to see efforts being made by leaders to stem price rises, including rent caps, subsidies and other methods. These are certainly not permanent solutions, but they have made a difference that is already discernible.

Before I sign off, I must mention the guide to investing in mutual funds distributed with this edition. It certainly is a good resource, as well as a must read. We have also included a research report following our recent summit on property regulations with this edition. I hope you find it useful.

Utpal Bhattacharya
Editor

contents

Rise of the new frontier markets
Making a two-way relationship count
Non-life to get bigger and better in KSA
More than just oil or gold
SWFs: Changing the Face of Global Finance
Fly high with Jazeera
Global weakness hits the GCC
Non-doms changes: revolutionary or not?

Gaurav Kumar

Prudential to launch Islamic Fund from the DIFC

Prudential Asset Management Limited says that it is in an advanced stage of launching its first fund from the Dubai International Financial Centre. The Shari'ah-compliant equity fund will target the growth markets of India and China. A MONEY*works* report.

Prudential Asset Management Limited (PAMD), licensed by the Dubai Financial Services Authority (DFSA), plans to launch a Shari'ah-compliant investment fund targeting the Indian and Chinese equity markets shortly. The structure will be incorporated at the Dubai International Financial Centre (DIFC) as an open-ended investment company (OEIC).

Gaurav Kumar, chief marketing officer at PAMD, said that the company has not yet lodged a formal application with the DFSA for the OEIC. The fund will be a multi-share class structure with two funds, one investing in India and China and the other investing in Asia.

OEICs are open-ended investment vehicles that can adjust the number of shares in the fund either by issuing or eliminating shares. When shares are issued, the fund receives money and invests it. When eliminating shares, the fund pays out money from the fund. These funds can mix different types of investment strategies such as income and growth, and small cap and large cap.

Kumar said that PAMD, as the operator of the fund, has appointed Dubai Islamic Bank's Shari'ah board (Dar Al Shareeah) as the fund's Shari'ah supervisory board. He added that the proposed new Shari'ah-compliant fund will be designed in accordance with the DFSA regulations on Collective Investment Rules and the Islamic Financial Business Module.

"PAMD plans to appoint the team in Prudential Fund Management Berhard (PFMB) as the sub-mangers for the proposed funds. PFMB has been managing the PRUdana Al-Ilham Fund, which received the Falaika award 2007 for the best Asian equity fund, and we would like to leverage our in-house capabilities" said Kumar.

When asked about asset allocation of the Asian Fund, Kumar said that it will be dynamic and will depend on market conditions. However, the Middle East is included in the list of the investment universe of the Asian Fund, he added.

Speaking about the India-China Fund, Kumar said it is the result of market demand, with both of these countries experiencing tremendous economic growth.

"India and China are two of the fastest growing economies in the world, with a sizeable universe of Shari'ah-compliant stocks. There is an increasing demand from investors to participate in the growth stories of the two countries. At present, we are managing a segregated mandate for a Middle Eastern institution in these two markets and have a proven track record of performance and management of funds in India and China," he noted.

Prudential's initiative to incorporate an Islamic fund at the DIFC should give a boost to the ambition of Dubai's international financial centre to emerge as a hub of Islamic finance and investment in the world. While the Prudential Islamic fund initiative can be regarded as one of the first ones to be fully manufactured within the DIFC, MONEY*works* understands that a number of other players are hot on its heels and are planning to launch similar ventures from Dubai in the near future.

CP 52, the recent review paper from the DFSA regarding certain proposed amendments to the rulebook, has given a boost to fund houses in the DIFC planning to launch funds targeting both the institutional and mass market from the financial centre. While in the past it was thought that fund houses licensed by the DFSA would not be able to target retail investors, it has now been proposed that funds incorporated in the DIFC may be allowed to target retail investors. However, this is still a proposal and is yet to be implemented by the DFSA.

The proposed rule, if enacted, will allow retail investors access to DIFC-incorporated funds through distributors under separate agreements.

Prudential Asset Management Limited is regulated by the Dubai Financial Services Authority and holds a category-three licence for dealing in investments as agent, managing assets, arranging credit or deals in investments, advising on financial products or credit, arranging custody, operating a collective investment fund, providing fund administration and operating an Islamic window.


Mark Hanson

GBCORP to raise over US$1.5 billion

Global Banking Corporation (GBCORP), a new Islamic investment bank, plans to invest in distressed sales of properties in the US and the UK. **Ehab Heyassat** finds out how the company is going to tackle this initiative and others, both regionally and globally.

Bahrain-based GBCORP plans to raise between US$1.5 billion and US$2 billion in a number of investment funds in 2008 to invest in emerging opportunities within and outside of the region, including distressed sales of properties in the US and the UK.

Mark Hanson, CEO of GBCORP, said that within the region, the funds will target real estate and infrastructure development, especially in the power and water sectors. Outside of the region, however, the focus will be on retail, utility and sectors that investors understand, mainly in the US and the UK. The main focus for international properties will be on the distressed selling segment, Hanson added.

"While we will invest both globally and regionally, our aim is to become a global investment bank, meaning we want to raise money in the region to be invested into opportunities in the international markets. Also, we would want to raise money internationally to be invested in opportunities in the region," he said.

GBCORP commenced operations with a paid-up capital of US$250 million last year. The company has a licence for wholesale banking (Islamic principles) from the Central Bank of Bahrain and envisions a business model aimed at Islamic investment banking activities in capital markets, corporate finance, asset management, private equity and real estate development.

According to Hanson, GBCORP will be active in private equity and venture capital, real estate and infrastructure development, asset management, advisory services in corporate finance and capital markets and portfolio management services.

The Islamic investment bank has already closed one fund capitalised at US$200 million. The fund, which targets the global real estate sector, has invested in a couple of deals, the first major initiative being a development in the holy city of Mecca.

"The biggest problem for the region is exiting from your investments. In Saudi Arabia, an exit through an IPO could take as long as two years." *Mark Hanson*

"We are looking for real estate opportunities in Bahrain and around the region. But we are also aware that while real estate is a very important component of what we do, we do not want to be too dependent on one sector only, like many other investment banks today. We want to build other businesses as well, and that's why we will be launching funds targeting other sectors of development soon," Hanson said.

GBCORP has also set its eye on launching a private equity fund that will mostly focus on investing outside of the region. Hanson said that although the region is seeing an increased deal flow for private equity players, there are more opportunities outside of the region. He also pointed out that exits in the region are an issue.

"The biggest problem for the region is exiting from your investments. In Saudi Arabia, an exit through an IPO could take as long as two years," said Hanson.

In terms of expanding GBCORP's physical presence, Hanson said that in line with the company's vision of becoming a player with a global footprint, the company will soon open offices outside of Bahrain. The obvious place to be in Europe is London, while there are also plans to open offices in Asian countries. Hanson added that there are no plans to open a UAE office in the near future.

Speaking about differentiating GBCORP from a host of other new Islamic investment banking initiatives happening in the region, Hanson said that his company will create investment opportunities for investors both in and outside of the region.

"There are a number of new investment banks that were recently established in the region. We want to differentiate ourselves from them by giving the GCC investors both sets of investment solutions: first that of giving them the opportunity to invest outside the region and second giving them products to invest within the region. We will also build a bridge between this region and Europe and Asia," he said.

First Middle East banking and finance event to be held in Dubai

The Dubai International Financial Centre (DIFC) and the Dubai World Trade Centre (DWTC) have announced that the first Middle East International Banking, Financial Technology and Services Exhibition and Conference, MEFX, will take place in Dubai from June 1-3, 2008.

A trade-only event focussing on banking products, financial technology and professional services for the financial services industry, MEFX will showcase technology, commercial and Islamic banking products, high net worth financial management and business process outsourcing solutions designed to meet the growing needs of the rapidly expanding regional banking and finance industry.

It is estimated that the contribution of financial services to Dubai's GDP will more than quadruple from US$3.4 billion today to US$15 billion by 2015.

From left to right: Helal Al Marri, director general of the DWTC; Nasser Alshaali, CEO of the DIFC Authority and Trixee Loh, senior vice president, exhibition events management, DWTC

For the latest personal finance and investment stories from the Gulf region and beyond online, go to www.moneyworks.ae.

National Bank of Abu Dhabi, HSBC Middle East Bank, Emirates Islamic Bank and UAE Exchange have all been awarded a Mohammed Bin Rashid Al Maktoum Business Award under the Finance category.

The Business Awards were presented to 17 winners from a cross-section of organisations and business establishments for their outstanding performance and unflinching contribution to the development of the UAE national economy, the overall business atmosphere and society at large.

Ajman Bank (under formation) announced the details of its share allotment following its successful IPO to raise AED550 million, which was 85 times oversubscribed.

The shares were priced at AED1 in the offer, with a minimum subscription set at 2,000 shares. 167,221 UAE nationals and 46,600 non-UAE nationals applied for shares. Each subscriber will receive the minimum allotment of 2,000 shares. Following allotment of the minimum amount of shares, the balance of the subscriptions will be allocated on a pro rata basis.

Regional investment bank EFG-Hermes more than doubled its consolidated revenue to reach EGP2.6 billion in 2007. Total operating revenue increased 132 per cent over the year to EGP2.33 billion.

Top financial services brands reviewed

Independent valuation advisory firm Brand Finance has launched its 2007 report Global 500 Financial Brands Index, an annual review of the top financial services brands in the world measured by both strength and brand value.

The study indicates that the Middle East's strongest brand is Emirates NBD, worth US$1,156 million and with a brand rating of A-. On the global index, HSBC is the most valuable financial brand with an AAA brand rating and a brand value of US$35,456 million.

The study lists American Express as the most valuable credit card brand in the world, with an AAA brand rating and a US$16,183 million brand value. The most valuable brand in the investment banking sector was Goldman Sachs, with a brand value of US$12,520 million.

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

Solidarity announces major restructuring

Bahrain-based Takaful group Solidarity has announced a major corporate restructuring, including the creation of a new Solidarity Group to oversee and support its various subsidiaries and affiliates.

A successful private placement offering to selective investors allowed the company to increase its paid-up capital from US$150 million to US$220 million, with the authorised capital standing at US$500 million. The move paved the way for the creation of two new entities, Solidarity Family Takaful Company and Solidarity General Takaful Company, both falling under the umbrella of a new Solidarity Group.

Senior Solidarity officials at the announcement

RMMI to invest US$250 million in Democratic Republic of Congo

Ras Al Khaimah Minerals & Metals Investments (RMMI) has announced plans to invest US$250 million in the Democratic Republic of Congo.

RMMI has invested US$50 million in acquiring stakes in two companies holding vast copper mines. RMMI is also setting up a copper and cobalt smelter plant in the Congo at an initial investment of US$200 million.

The Democratic Republic of Congo is one of the world's largest resources for copper and cobalt.

"Analysts' projections for key metals and minerals such as copper and coal suggest that demand could double and even triple over the next 25 years," said Madhu Koneru, managing director of RMMI. "Firm global economic activity led by China and India is expected to support strong increases in demand for most metals and minerals over 2008 and 2009, and the two acquisitions will help cater to this growing demand."

SG Private Banking, the wealth management arm of Société Générale Group, has completed the acquisition of 100 per cent of Canadian Wealth Management, which has assets under management of CAD650 million.

Canadian Wealth Management is based in Calgary and serves Canadian and international high net worth individuals. It plans to significantly expand its service offerings to meet increasing demand from its clients.

The Abu Dhabi National Energy Company (TAQA) reported an AED8.3 billion revenue for the year 2007, an increase of 72 per cent over the 2006 revenue. The board of directors has proposed a 10 per cent cash dividend for 2007 of AED415 million.

Waha Capital approved a board proposal to pay dividends of five per cent in cash and five per cent in company shares. It also reported a net profit of AED171 million for 2007, an increase of 78 per cent.

National Bank of Abu Dhabi has approved the distribution of 40 per cent cash dividends and 20 per cent bonus shares to shareholders listed in the share register held with the Abu Dhabi Securities Market.

Investcorp acquires US publishing company

Investcorp, a global provider and manager of alternative investment products, has acquired Randall-Reilly Publishing Company, a media and information company focused on the trucking and construction markets in the US.

Investcorp acquired Randall-Reilly, which is based in Alabama, US, from Wachovia Capital Partners and members of management.

According to Khalid Al Rumaihi, Investcorp's managing director and head of institutional investments, the publishing company has thus far generated impressive business growth and has significant opportunities to grow.

Saudi infrastructure eyes next generation

Etihad Atheeb Telecommunication Company has signed contracts worth US$333 million for the first phase of its planned advanced next-generation intelligent network infrastructure in the Kingdom of Saudi Arabia.

The consortium will make further substantial investments over the next five years in cutting-edge technology that will enable the delivery of wireless broadband, data solutions and voice services nationwide in Saudi Arabia. The services are expected to be delivered by the end of this year.

RAKBANK receives accreditation from BSI

RAKBANK has become the first financial institution in the Arabian Gulf to be awarded accreditation from the British Standards Institute for achieving The International Customer Service Standard certification – the first global standard for customer service excellence.

Graham Honeybill (third right), RAKBANK's CEO, receives the BSI certification

Emirates NBD and NBU sign MoU for cooperation in trade finance

Emirates NBD and the National Bank for Foreign Economic Activity of the Republic of Uzbekistan have signed an MoU to explore the potential for cooperation in the field of trade finance.

The signing of the MoU between the leading financial institutions from the UAE and Uzbekistan will provide further impetus to the strengthening of economic relations between the two countries.

Senior management members from both banks at the signing ceremony

Bank of Sharjah approved during its annual meeting the proposal of the board of directors to distribute a 25 per cent cash dividend equivalent to AED312.5 million.

The Abu Dhabi National Energy Company (TAQA) confirmed that it has, through its wholly-owned subsidiary TAQA Bratani Limited, entered into exclusive negotiations with Shell UK Limited (Shell) and Esso Exploration and Production, UK (ExxonMobil) for the purchase of their equity interests in the Tern, Eider, Cormorant North, South Cormorant fields and related sub-sea satellite fields and infrastructure, situated in the northern North Sea.

Bahrain-based Ithmaar Bank announced a net profit of US$188.3 million for the year 2007. Operating income also increased by 173 per cent to US$339.5 million.

Unicorn Investment Bank's earnings rose by 82 per cent in 2007, from US$66.9 million in 2006 to US$122 million.

First Leasing Bank, the first bank in the GCC dedicated to the introduction and expansion of equipment leasing, announced a net profit of US$4.5 million for the year 2007. The bank soon expects to be entering new high-growth markets within the GCC, including Qatar and Oman.

Bahrain-based International Investment Bank announced a net income of US$21.1 million for the year 2007, an increase of 56.3 per cent compared to 2006.

Abraaj acquires stake in integrated refining and petrochemicals group

Abraaj Capital has acquired a stake in the holding company of Bosicor Group, the fifth largest oil refinery in Pakistan with a market share of 12 per cent. This stake will provide Abraaj with a 40 per cent shareholding in Bosicor's two group companies, Bosicor Oil Pakistan Limited and Bosicor Chemical Pakistan Limited. The investment was made through Abraaj Capital's US$2 billion Infrastructure and Growth Capital Fund. Pakistan's total demand for petroleum products is forecast to rise at a five-year compound annual growth rate of five per cent until at least 2010.

Dubai government technology initiative to sponsor US$300 million fund

Dubai Techno Park, the Dubai government's technology initiative, has agreed to base the first Asia Gulf Horizons Fund technology centre in the Dubai Techno Park.

The basing of the US$300 million fund in the Dubai Techno Park will result in approximately 10-15 Asian and European technology companies establishing research, development and commercial operations in Dubai over the next two years. These companies will be focused on life sciences, information and telecommunications technology, environmental technology, energy, water and infrastructure and the industrial sector.

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

Dubai Islamic Bank Pakistan, a wholly-owned subsidiary of Dubai Islamic Bank, saw total assets under management reach PKR21 billion in value in 2007, growing more than 152 per cent. The bank's deposits also reached PKR16.1 billion, a growth of 273 per cent.

Standard Chartered acquires American Express Bank for US$823 million

Standard Chartered announced that it has received all the required approvals leading to the completion of its acquisition of American Express Bank from the American Express Company. The total cash consideration for the acquisition is US$823 million.

The acquisition will add 19 more markets to Standard Chartered's footprint. AEB will also enhance Standard Chartered's private banking presence in its key markets, such as Singapore, Hong Kong, India and the Middle East. In addition, it will add capability in trust, fiduciary services, margin trading and wraps, and extend geographic reach with new booking centres in Geneva, Monaco, Miami, New York and London.

Mohammad Al-Mojil Group (MMG), an industrial construction and construction services company in Saudi Arabia, announced that the Saudi Capital Market Authority has approved the company's application to hold an IPO.

The offering consists of 30 million shares, representing 30 per cent of the company's share capital. The IPO will open for retail subscription on May 3, 2008 and close on May 12, 2008. A portion of the offering will be offered to selected institutional investors.

Established more than 50 years ago, MMG has grown to become one of Saudi Arabia's largest industrial construction companies. To date, MMG has completed projects worth more than SAR37.5 billion. Last year, the company's revenues approached SAR2 billion, while its net profit has grown at an average annual rate of 95 per cent in the last three years.

Global interest in the potential of Islamic insurance, or Takaful, was high at the World Insurance Forum last month.

Figures revealed at the Forum that Shari'ah-compliant insurance is growing at a far faster rate than conventional insurance in the Middle East, with the Takaful sector expanding by more than 20 percent year on year, compared to a standard annual premium growth of around 2.5 percent a year.

Globally, Takaful is currently estimated to be a US$2.3 billion market, with the Middle East region accounting for 46 percent of total sales, according to the Bahrain Insurance Association. International growth of the Takaful market currently stands at between 15 and 20 per cent per annum.

The Dubai Financial Market has signed an MoU with the Karachi Stock Exchange. The MoU will encourage listed companies in both stock markets to cross-list their equities.
Pictured are senior management members of the DFM and the KSE.

Auditing crucial for economic growth

The UAE ministry of economy recently emphasised the importance of enhancing national auditing processes and policies to achieve organisational credibility and transparency at the 9th Annual Gulf Regional Audit Conference.

"The ministry of economy has initiated various programmes and reforms to attain long-term socioeconomic stability for the country, which can also help in the improvement of national accounting standards and practices," said Mohammed bin Abdulaziz Alshihhi, undersecretary of the planning sector for the ministry of economy.

Alshihhi lauded reforms undertaken by the Dubai International Financial Centre to enhance the quality of audit services and adopt a system similar to that implemented in other major international capital markets. He also attributed the ability of the UAE to attract huge foreign investments to the credibility and transparency provided by auditing services.

In addition, Alshihhi called on auditors to carry out their duties with the highest regard for their ethical obligations.

Mohammed bin Abdulaziz Alshihhi, undersecretary of the planning sector for the UAE ministry of economy

An untapped market worth US$2 trillion

According to global management consulting firm A.T. Kearney, companies targeting growth should consider how best to tap the Muslim consumer market for Shari'ah-compliant products and services with an estimated global worth of US$2 trillion annually.

While an estimated 20 per cent of the world's population today is Muslim, few global companies have aligned their supply chains to be compliant with Islam, maintains the firm.

Fashion and cosmetics, for example, represent the opportunity to incorporate Islamic values such as modesty, halal and haram. The global market for fashion apparel is worth US$800 billion, with the highest spending per capita in the Middle East and Malaysia.

The market for halal cosmetics is also growing 12 per cent annually on a global basis. It is estimated that the total value of cosmetic-related sales in the Middle East region has reached US$8 billion, of which Dubai is estimated to represent US$500 million.

With many of the world's largest consumer segments reaching saturation point, says the firm, the Muslim consumer is fast becoming a new outlet to build a base for future growth.

Go to www.moneyworks.ae for regular news updates

DFM issues first Islamic trading standards

The Dubai Financial Market's (DFM) Shari'ah board issued the first Islamic standards for trading shares of DFM companies. The establishment of such standards is in line with the DFM becoming the first Islamic financial market in the world.

The first standards include details about the trading of DFM-listed companies' shares in accordance with Shari'ah law, as well as practical implications for brokers stemming from these regulatory changes. These standards will allow the DFM to classify listed companies as either Shari'ah compliant or conventional.

Domestic-focused economies offer investors opportunities

Investors wanting to avoid the ongoing problems associated with the US sub-prime fallout in the credit markets and the weakness of the US dollar should be looking to countries with strong growth driven by domestic demand, said Shariq Azhar, director-general of Injaz Mena Investment Co., at the UAE Global Economy Forum in Abu Dhabi last month.

Based on what investors should be looking for at the broad macro-economic level, Azhar said the best place to invest over the next two years is in markets whose growth comes largely from domestic demand. He added that changing trade patterns resulting from a weakened US economy are likely to have a substantial impact on export-driven economies over this period.

Regardless of where investments are made, investors still need to make sure that their money is going into companies with strong growth potential, good management and a high unfilled demand for their products, said Azhar.

Panellists discussing the topic 'Investing Globally: Analysing Risk and Reward'

While western financial markets remain entangled in the sub-prime crisis and its economic fallout, the appetite for IPOs in the Middle East shows little sign of abating, say leading industry watchers. Furthermore, new UAE federal legislation expected soon could also spur further IPOs.

"Legislation is expected to reduce the minimum amount of shares a company must sell from 55 per cent to 30 per cent," said Deep Marwaha, senior conference manager of the 3rd Middle East IPO Summit, which was held last month. "This move could actually lead to a flurry of new IPOs by family-owned businesses, eager to generate capital but reluctant to relinquish control."

"Most observers confidently expect Gulf Arab companies to sell more than US$10 billion of stock to the public during the next three years," added Marwaha.

And, GCC stock markets are poised for a glut of over 80 IPOs that could be worth in excess of US$10.5 billion over the next three years. Significantly, IPOs measured in 2007 appreciated on average by 201 per cent, even with oversubscription per IPO falling to a more realistic 6.3 times.

The total raised by IPOs increased by 40 per cent year on year to US$10.5 billion during 2007, with the UAE witnessing US$5.1 billion, followed by Saudi Arabia (US$4.81 billion), Qatar (US$389 million), Oman (US$156 million) and Bahrain (US$69 million).

Dubai leads the region in retail space

The Middle East is in the midst of an unprecedented economic boom, and leading this surge is the retail sector. No other industry in the Arabian Gulf is expected to grow faster than the retail sector; according to regional industry forecasts, the sector is projected to exceed US$500 billion by 2010.

The region currently holds six million square metres of retail space, with another five million under development, as well as many more plans in the pipeline. According to the latest Middle East survey by Retail International, Dubai leads the way in terms of density of shopping footage, making up more than 50 per cent of the UAE's sum total.

The transition to custom-designed shopping complexes across the region, together with the proliferation of branded store networks, has created the need for professionals to stay in touch with the latest trends and best practices in the industry. These professionals will have the opportunity to do so at InRetail 2008, a regional trade show for the design, fit-out and operational management of retail outlets, supermarkets and shopping malls in the Arabian Gulf.

The show is set to take place at the Dubai International Exhibition Centre from June 8-10.

Russia's MICEX signs agreement with VSE

Russia's MICEX and the Vienna Stock Exchange (VSE) have signed an agreement regarding the use of MICEX price information for index calculation purposes at the VSE.

Since 1997, the VSE has provided the RTX-Russian Traded Index as a tradable benchmark for Russian companies. The in-depth expertise of the VSE regarding indices is recognised worldwide, and more than 45 financial institutions are currently using the RTX as the underlying for their structured products.

MICEX today accounts for about 70 per cent of the total volume of on-exchange trading in Russian shares (including depository receipts traded on international trading floors).

UAE's property sector to continue on upcycle for a long time

The scorching pace of growth in the UAE has begun to hurt the construction sector, according to a top industry spokesperson.

Speaking at the MONEYworks Property Regulation Summit in Dubai on March 4, Juma bin Ahmed Al Ghurair, chairman of Al Manal Development, said that the UAE's property sector will continue on an upcycle for a long time. However, he added that the tremendous pace of growth has lead to raw material shortages, thus affecting delivery.

"One of the things that we have noticed during the past several years is the dramatic increase in the cost of construction. This is not a good thing for the market and must be addressed. There are also raw material shortages in the market. We have a problem with availability of cement. Even if we are ready to pay, it is not available," he said.

Al Ghurair said that contractors are facing many logistical difficulties in getting their jobs done, thus affecting the real estate market adversely. He urged the government to step in to resolve some of the issues.

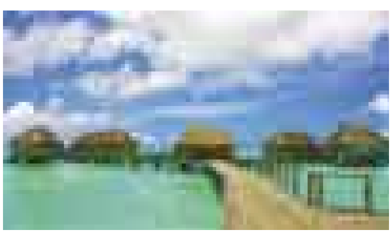
"We feel the government needs to look at the situation and reduce the speed at which the economy is growing. There is also a need to curb inflation, which is affecting everyone," he said.

Juma bin Ahmed Al Ghurair, chairman of Al Manal Development

Emirates NBD has signed an AED500 million bilateral structured debt agreement with Daman Real Estate Capital Partners. The agreement will provide part financing for Daman's first project, 'The Buildings by Daman', which will be located in the Dubai International Financial Centre.

Market prospects for the Arabian Gulf property sector are broadly positive, contributing to an overall expectation of ratings stability, says Moody's Investors Service, although different markets are at different stages of development.

Despite a number of sector risks, the rating agency anticipates sustained real estate market growth in the region, based on fundamental factors that indicate that demand for new housing, office and retail space is likely to outpace supply in the medium term.



UAE-based Emerald Vacation Group plans to launch the first-ever vacation ownership property in the Maldives. The Turtle Cove Resort and Spa, located on a private island, will give UAE investors the opportunity to own a vacation property in a sought-after holiday destination. Due for completion in 2009, the property will feature one and two-bedroom villas, each one containing a private pool and personal concierge service. The resort will also feature a luxury spa, fine dining restaurants, a boutique shopping promenade and a water sports centre.

First Waterfront Real Estate sees private placement of 500 million shares

Global Investment House has announced the private placement of 500 million shares for First Waterfront Real Estate Company, a Kuwaiti shareholding company that is being launched with a capital of KWD50 million.

The company plans to launch its operations with a waterfront four-tower residential project in the Madinat Al Arab area of the Dubai Waterfront. The total capital expenditure for the launch project is estimated at over KWD175million. First Waterfront is expected to generate an IRR of above 25 per cent over a five-year time frame.

First Waterfront intends to expand to other emirates and other markets in the Gulf region, while diversifying into other real estate segments. The company is estimated to be listed on the Kuwait Stock Exchange after two years upon meeting the exchange's requirements.

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

Omniyat president named global leader

Mehdi Amjad, president and CEO of Omniyat Holdings and Omniyat Properties, has been named 'Young Global Leader 2008' by the World Economic Forum.

A selection committee comprising the world's top media leaders selected 30-year-old Amjad for his outstanding technical and managerial achievements in accelerating Omniyat's rise as a major private developer. Amjad presides over businesses generating US$1.5 billion in sales and more than 500 staff throughout the GCC region.

From its inception, Omniyat's focus has been on developing iconic projects and creating futuristic, innovative and high-tech buildings.

"While I intend to steer Omniyat towards persistently pushing beyond conventional boundaries, this global honour, though personal in nature, belongs to the company as a whole and its dedicated staff," said Amjad.

Emaar Properties, Union Properties and Tameer Holding Investment have each received a Mohammed Bin Rashid Al Maktoum Business Award under the newly-introduced Real Estate Development category. The companies were honoured for exemplifying the qualities of dedication, courage and ambition.

Tamweel to begin mortgage finance in Egypt in Q2 2008

Tamweel has received a mortgage finance licence from Egypt's Mortgage Finance Authority and intends to launch operations in the country shortly.

A fully-owned subsidiary of Tamweel, the Egyptian company is expected to begin operations in the second quarter of this year with an authorised capital of EGP500 million (AED333.4 million) and an issued capital of EGP100 million (AED66.7 million).

"There is currently a high level of pent-up demand for real estate financing in this nation [Egypt], with a population in excess of 75 million and an economy that expanded by more than seven per cent last year alone," said Wasim Saifi, Tamweel's CEO.

Tamweel intends to facilitate the expansion of the Egyptian property market and national economy.

Osama Saleh (left), chairman of Egypt's Mortgage Finance Authority, hands over the license to Wasim Saifi, Tamweel's CEO

National Bank of Abu Dhabi (NBAD) and Abu Dhabi Securities Market (ADSM) have signed a custody agreement for NBAD to provide custody services to local and international investors. NBAD expects the services to be launched in three months.

In addition, UAE-based financial institution Arqaam Capital has also announced the addition of a custody division to its operations. The division provides a range of services including the safekeeping of assets and funds, clearing and settlement of securities transactions and other services.

Consumer finance company Dubai First has ventured into the personal financing segment with its new product, Quick Cash.

Quick Cash aims to eliminate the hassle of dealing with salary transfers and demand drafts, and employs a mechanism where post-dated cheques are used rather than salary transfers to give the customer a quicker delivery process.

The Department of Economic Development (DED) has signed a cooperation agreement with Dubai Bank to provide in-house banking services to DED customers. DED will provide a space at its office for Dubai Bank to offer these services.

EIB establishes Danat India RIA Fund

Emirates Islamic Bank (EIB) has announced the launch of the Danat India RIA Fund. The new fund aims to capitalise on the booming real estate market in India, which currently has one of the fastest growing economies in the world and a prime market for real estate investment.

The bank will acquire 77.78 per cent equity in Danat RIA Company, which has been established with the purpose of indirectly acquiring a parcel of land to develop an integrated middle-income township within the boundaries of New Delhi. The profits on the investment will be generated through the sale of undeveloped land parcels, as well as developed housing units on the project site over the course of the investment term.

The maximum offer of the Mudarabah Fund is AED210 million, with the bank co-investing its own proprietary money in the fund to the tune of AED60 million. The fund is open to all through EIB's priority banking channel, Ethmar. Investments can be made in multiples of AED100,000.

American Express Middle East and Doha Bank present first co-branded card

American Express Middle East and Doha Bank have launched a co-branded card for residents. The card offers affluent customers complimentary access to airport lounges across the Middle East, travel insurance, worldwide assistance, shopping rewards and exclusive offers for leisure, entertainment and social opportunities.

As part of an introductory offer, one cardholder will receive a VIP private jet trip to a Middle Eastern destination with five guests. The offer is valid for new card applications received until June 30, 2008.

US$500 million buyout fund to launch

Global Investment House (Global) and Dubai Islamic Bank (DIB), in collaboration with Millennium Capital, have signed an MoU to launch the Global DIB Millennium Islamic Buyout Fund, a private equity fund targeting aggregate commitments of US$500 million.

The Global DIB Millenium Islamic Buyout Fund will generate returns by investing in a diversified portfolio of companies across a broad range of sectors and countries that are characterised by high growth potential. It will focus primarily on companies located in the GCC, Turkey, Egypt, Jordan, Lebanon, Tunisia and Morocco, although it may also invest in companies located in China, India and Pakistan.

NBAD subsidiary to set up trade finance services in Geneva

The board of NBAD Private Bank (Suisse) SA, the private banking arm and wholly-owned subsidiary of the National Bank of Abu Dhabi (NBAD), has agreed to set up trade finance services in Geneva, which will be operational this month.

NBAD Private Bank (Suisse) SA will also establish an advisory desk in Geneva.

An NBAD Private Bank (Suisse) SA board meeting

New specialist re-insurer to launch in Dubai

Gulf Investment Corporation and Arch Capital Group have entered into a joint venture agreement to establish Gulf Re, a new specialist re-insurer to be based in the Dubai Internatioanl Financial Centre.

Gulf Re will initially target high-value oil and gas, industrial, utility and transporatation assets primarily in the six member states of the GCC. The company will write property and casualty lines of re-insurance including aviation, energy, commercial transportation, marine, engineered risks and property.

Gulf Re underwriting activities are expected to commence during the first half of 2008.

Invesco offers offshore funds in Egypt

Invesco Asset Management Limited has signed a distribution agreement with Citibank in Egypt. All Invesco's offshore funds will now be available to Citibank customers in Egypt.

"At times of market volatility, mutual funds offer investors access to professional investment strategies in numerous markets and across various asset classes," said Nick Savastano, associate director of Invesco Dubai.

Invesco has been present in Dubai for three years and already distributes its products throughout the UAE.

StanChart unveils its first business card

Standard Chartered has launched its first business credit card in the UAE primarily targeted at the SME segment. Co-branded with Singapore airlines, the card includes automatic membership to Singapore Airlines' loyalty programme, the ability to convert business rewards from the credit card to air miles, preferential rates and offers from international hotels and discounts on office supplies, equipment and courier services.

Standard Chartered and Singapore Airlines executives at the launch

Wafa Financial Services has become the first brokerage company in the UAE to be licensed to practice e-trading. The company believes that the new online trading initiatives will help move the UAE's financial services forward and bring it in line with the rest of the world.

Barclays has opened its first branch in Abu Dhabi. The new branch will offer a wide variety of banking services and complete teller facilities. It is equipped with cash and cheque deposit machines, as well as a premier lounge to cater to high net worth individuals.

HSBC's UAE brokerage arm, HSBC Middle East Securities, has received its final license to operate as a broker on the UAE's stock exchanges and will commence trading for institutional investors this month.

The company, set up to trade on the Abu Dhabi Securities Market and the Dubai Financial Market, will offer brokerage services to retail investors later this year.

HSBC will be the first global bank to trade on the UAE's exchanges directly.

Clariden Leu, a leading private bank in Switzerland, has officially opened its asset management company in Dubai to offer wealthy clients local private banking services and products, including investment funds, individual solutions for investment and structured products.

Emirates NBD has tied up with Box Office to offer UAE residents the ability to purchase tickets for events via Emirates Bank's website. Emirates Bank customers can purchase their concert tickets by opting "payment" on the internet banking web page on the bank's website. The payment will then be directly debited from their personal account. The customers can either pick up their tickets directly from Box Office or at the hosting venue.

Renaissance Group, the high-opportunity emerging markets financial group, has announced the launch of its Gulf operations in the Dubai International Financial Centre.

Renaissance Capital, the group's investment banking arm, is the first firm specialising exclusively in frontier markets to establish a presence in the GCC market.

Renaissance Group, which began operations in Sub-Saharan Africa in 2006, has invested US$800 million in Africa.

SHUAA Capital Saudi Arabia, the Saudi Arabian subsidiary of financial services institution SHUAA Capital, has received the final approval to commence operations from the Saudi Arabian Capital Markets Authority.

The company is licensed to conduct all investment banking activities including asset management, advisory, raising of capital, corporate finance, private equity and underwriting. The company's head office is located in Riyadh and it expects to open additional offices in the western and eastern regions of the Kingdom.

Dubai Multi Commodities Centre to develop and seed investment products

The Dubai Multi Commodities Centre (DMCC) has applied for a licence to set up a UAE investment company – Dubai Commodity Asset Management DMCC – that will develop and seed commodity-linked investment products for distribution in the UAE and other markets.

The new company, DCAM, will be established with an initial capital of AED25 million and will be 100 per cent owned and managed by DMCC.

DMCC also announced that it will develop and manage a range of Shari'ah-compliant investment products focussed on commodities through a joint venture initiative between DCAM and Shari'ah Capital.

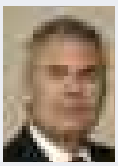
EFG-Hermes expands Saudi offering

EFG-Hermes has launched its latest product, the EFG-Hermes Saudi Arabia Equity Fund, which will be managed by EFG-Hermes' Riyadh-based asset management team.

"Saudi Arabia is the largest market in the Middle East and North Africa region in terms of market capitalisation, and it is the second most liquid emerging market worldwide," said Hassan Heikal, CEO of EFG-Hermes. "In our view, there is significant growth potential in Saudi Arabia, driven by a boom in infrastructure spending and a steady rise in consumer spending."

Union National Bank (UNB) has received approval from the Qatar Financial Centre Regulatory Authority to set up a branch in the Qatar Financial Centre. The branch's permitted activities include accepting deposits and providing and arranging credit facilities within the Qatar Financial Centre to wholesale customers.

Appointments - March 2008


Walid Boustany

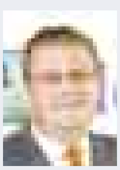
HSBC Bank Middle East Limited has appointed **Walid Boustany** as executive director of strategic investments for the Middle East and North Africa.


Omair Mooraj

J.P. Morgan has appointed **Omair Mooraj** as senior country officer for J.P. Morgan in Dubai to oversee and lead the firm's growth in the UAE.


Yaser Gamali

Abraaj Capital has appointed executive directors for Egypt and Turkey. **Yaser Gamali** will head the country office in Egypt and Selcuk Yorgancioglu will head the Turkey office.


Richard Musty

Lloyds TSB Middle East has appointed **Richard Musty** as the new consumer banking director for its Dubai-based regional operations.


Rochelle Cushen

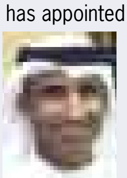
Lloyds TSB has appointed **Rochelle Cushen** as customer service centre manager for its Middle East customer service centres.


Ramzy Abou-Ezzeddine

Tameer Holding has announced the appointment of **Ramzy Abou-Ezzeddine** as its new chief marketing officer.

SG Private Banking has announced the appointment of **Laurent Brünisholz** to the newly created position of global head of relations with independent financial advisors and external asset managers.

Dubai-based investment firm **HBG Holdings** has appointed **Richard Stockdale** as senior vice president and chief financial officer.


Mohammed Ibrahim Al Shaibani

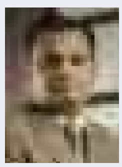
Dubai Islamic Bank has appointed **Mohammed Ibrahim Al Shaibani** as chairman of its board of directors.

The Dubai International Financial Exchange has announced the appointment of **Ahmed Fahour** as a board director.

Colin Huelin has been appointed managing director of **Abbey International**, the specialist offshore subsidiary of Abbey UK.

Mark Taylor has been promoted to the position of head of compliance for Europe and the Middle East by **Standard Bank**.

International financial services hedge fund **Toscafund** has appointed **John McFarlane** as a director.


Arshan Merchant

Global Banking Corporation announced the appointment of **Arshan Merchant** as head of internal audit.


Mahmood Ibrahim Al Mahmood

Mahmood Ibrahim Al Mahmood has joined **Al Qudra Holding** as chief executive officer of the group.

Go to www.moneyworks.ae for regular news updates.

First Gulf Bank (FGB) has opened a new branch in Madinat Zayed City (Abu Dhabi). According to Huda Abdalla, vice president and head of branches, there has been demand from residents of Madinat Zayed for FGB's loans and credit cards, as well as for deposits and investment products.

After announcing its intention to enter the Algerian real estate market, real estate firm SNASCO has opened its offices in Hidra, Algeria.

SNASCO's offices in Algeria will service that country as well as the general North Africa region, where studies have shown a significant increase in investment across a number of economic sectors.

Jasper joins with Switzerland's VenGrow

Jasper Capital Limited, the UK-based provider of corporate finance, asset management and financial advisory services in the Gulf Region, has signed an agreement with VenGrow Corporate Finance, a leader in Swiss private equity, structured finance and equity research, to provide investment products and financial services to Jasper's Gulf clients in Switzerland and Germany.

Jasper will also support VenGrow's customers in the UK and the Gulf region. Subject to Swiss and German regulatory approval, Jasper Capital will position Jasper investment products in the Swiss and German markets in 2008 through VenGrow's network.

Merrill Lynch introduces frontier index

Merrill Lynch Global Research has introduced a new frontier equity index, which is designed to identify the largest and most liquid stocks in frontier markets. A frontier market is a developing economy with an underdeveloped equity market.

The Merrill Lynch Frontier Index is composed of 50 stocks in the frontier markets of Europe, the Middle East, Africa and Asia, reflecting 17 countries including the UAE, Kuwait, Nigeria, Morocco, Pakistan, Kazakhstan, Vietnam and Cyprus.

"The ultimate goal for many investors in 2008 is to find assets that are not closely linked to the fortunes of Wall Street. Frontier market returns are far less correlated to the performance of the S&P 500 than emerging and developed equity markets," said Michael Hartnett, Merrill Lynch chief global emerging markets equity strategist.

Making a two-way relationship count

The wealth management industry is much more resilient now than it was in the past. One area of concern is the high turnover of relationship managers and private bankers that has hit the industry hard in the GCC. **Utpal Bhattacharya** explains why more efforts need to be made towards creating awareness among retail investors, in order to make their relationships with relationship managers count.

There are times when the relationship manager at your bank can be quite pestilential in the chase he gives you for the money that is "sitting idly" in your savings or current account. He obviously got a whiff of the recent inflow of new liquidity into your bank account, either from you during an unguarded moment of your conversation with him or through his own sources. His doggedness, of course, pays off when you end up investing. Then everything goes quiet from his side, which leaves you wondering if he was just after your money or if he really was the financial advisor you'd been looking for to help you with your surplus liquidity.

Perhaps one of the biggest challenges for banks and third-party distributors today is to find, develop and retain relationship managers that investors can trust. There are many relationship managers that have successfully managed relationships with investors, but when it comes to choosing between the institution and the relationship manager, again and again investors have chosen the institution.

In an environment where the turnover ratio of relationship managers in banks is as high as 30 per cent or more, institutions can rest assured that in the majority of cases, customers will not desert them when a relationship manager changes banks. The irony, of

Dhiraj Rai, sales director for the Gulf and Eastern Mediterranean at Franklin Templeton Investment Management Limited

course, is that customers are relentlessly searching for a relationship manager they can bank with in rain or shine and move with wherever he takes them. While some are extremely lucky to find managers with whom the relationship lasts a long time, the vast majority of customers remain "name buyers", meaning that they purchase institutions first and then institutions' products.

Regional presence

The GCC has been endowed with significant liquidity, and fund houses compete fiercely for a piece of the region's growing pie. In fact, especially since the region's bull market came to a halt, the supply of investment funds in the GCC has been so large and diverse in recent times that many third-party distributors have begun to be much more discerning about what they distribute to their customers.

MONEY*works* is also given to understand that now more than ever before, third-party distributors are asking for on-ground service and support from fund houses to distribute their funds. Some of them are even refusing to distribute funds from asset management companies that either do not have a regional presence or do not have a global relationship with them.

Clearly, it is a buyer's market in the GCC, and the spin-off of this is the regional entry of a number of international fund houses that had traditionally supplied the region from remote locations. Regional international financial centres, like the Dubai International Financial Centre, have been a catalyst to this activity in the past three years.

Franklin Templeton was one of the first international players to enter the region with long-term commitments in 2000.

HSBC aims at market leadership in the mass affluent segment

Gul Khan, head of Premier banking, home finance and insurance at HSBC Bank Middle East, tells MONEY*works* about Premier banking and the challenges of wealth management.

What is HSBC Premier banking?

HSBC Premier is the world's first and most comprehensive international banking and wealth management service for affluent customers. Premier offers a comprehensive and consistent service to customers in 35 markets supported by over 280 international Premier centres.

One of HSBC's successes in 2007 was the re-launch of Global Premier, which has added an extra 340,000 customers worldwide, more than 50 per cent of which were new to the bank.

We have 2.1 million customers currently and we generate in excess of US$2,000 per customer in revenue. In four years time, we project we will have six million customers and a market share of three per cent. There is no market leader for mass affluent today, and our objective is to be the most appealing brand in that category.

Who are your target customers?

We call them "Cosmocrats", meaning those customers that are becoming more international in outlook and mindset. They belong to the mass affluent category and are adults in the age group of 30-55, with liquid investments between US$100,000 and US$2 million.

How big is this segment globally?

Information from Datamonitor indicates that there will be c200 million mass affluent customers by 2010, growing 34 per cent from now. Of all the geographical regions, the Middle East is projecting the highest growth in mass affluent at 68 per cent.

In the Middle East region, our Premier customers are in excess of 50,000 and are projected to grow faster than other customer segments.

How do you choose your products in the wealth management business?

For wealth management, we have an extensive infrastructure in place to select investment funds. Globally, we have a product selection team, HSBC Multi-Manager, which analyses the universe of investment funds and selects the best of breed funds. They continuously review the universe of investment funds, both quantitative and qualitative, to ensure we only recommend the best performing funds in each asset class.

In that, emphasis is laid upon the credit ratings of product providers, along with fund manager track record and overall market position. In the Middle East, we only recommend investment funds that are recommended after this due diligence.

Even with our Wrapper products, we only offer those mutual funds that are approved on our platform. Locally, we then have a regional investment committee that meets monthly, reviews product performance and approves investment fund selection and our structured products.

According to Dhiraj Rai, sales director for the Gulf and Eastern Mediterranean at Franklin Templeton Investment Management Limited, the immediate objective of the company on entering the regional market was not geared towards gathering assets, but rather towards building relationships with various international banks, local banks and independent financial advisors.

"Gathering assets was not our number one priority, as we spent most of our time on educating our partners, familiarising them with our investment expertise and talking to them about global economic trends," says Rai.

Franklin Templeton's strategy has paid it rich dividends in the last eight years, as the firm today not only distributes its funds in the GCC, but covers, in all, 28 countries across Central Eastern Europe, the Middle East and Africa from its headquarters in Dubai.

Fidelity is another heavyweight that is once again building up a strong presence after a lull in its activity in the region. It is also placing an emphasis on providing support to its distributors regionally.

Cormac Sheedy**,** Fidelity's director of sales in the Middle East, discloses that the strategy of his company is to have a core group of distributors in the region that the company can support properly.

"We have, across the region, between 12 and 15 banks and insurance companies that we deal with. We are not looking to double that number, but we are keener to increase the service levels. Competition is very fierce in the GCC, and banks are increasingly demanding on-ground support as against suitcase bankers coming to sell funds," he says.

Sheedy's statement is well supported by Gul Khan, head of Premier banking, home finance and insurance at HSBC Bank Middle East, when he says that it is essential for his bank to have on-ground support or a global relationship with a fund house to offer its products to customers.

HSBC, apart from its own products, offers an array of third-party products to its customer base, and its Premier banking service has relationships with customers who have liquid investments between US$100,000 and US$2 million (see interview below).

"We make sure that fund houses support us in training our staff before we offer these products to customers," Khan points out.

Continues on page 34

Are your relationship managers impartial when offering products to customers? Or are they biased? How do you train them?

At HSBC, our Premier wealth management staff provides a financial planning review for their customers and will not sell investment products to customers without this individual needs review.

This takes into account their current financial circumstances, attitude to risk, financial priorities and future goals. We tailor a portfolio consisting of financial solutions that aim to meet their specific requirements. Our advisors are therefore not biased and offer advice based on customer needs.

Furthermore, we have standard commission rates for our advisors on different investment products. So they are not biased towards one product over the other.

We also have a robust training and accreditation program for our advisors, which covers all aspects ranging from regulatory requirements and market economics to selling skills and extensive product knowledge. Sales quality and controls are also very important with wealth management sales.

During the market crash recently, what challenges did you face? How do you cope with such challenges?

The challenge when there is a market crash is that you can get an investor herd mentality. However, with our Premier wealth management service, we always provide "best of breed" solutions based on customer needs, and we ensure that our clients understand market volatility and keep a medium to long-term view (three to five years) when it comes to wealth management.

What are the affluent looking for now? Are there any trends?

Across the region, the key trend we see is that the affluent customer segment is increasingly becoming sophisticated and educated. They do not want products pushed on them or their portfolios continuously churned. Banks in the region have been guilty of this in the past. They want honest and regular advice and a strong relationship.

From a product perspective, within the region, the affluent have increasing demand for global exposure across a wider range of asset classes, both conventional and Shari'ah compliant, to be delivered locally. We also find increasing demand for local exposure, especially Shari'ah-compliant funds. The launch of the HSBC Amanah GCC Fund in 2006 is a clear manifestation of addressing this need.

Gul Khan, head of Premier banking, home finance and insurance at HSBC Bank Middle East

At a time of high turnover of relationship managers, how do you retain them?

Within the affluent segment, customers seek the longevity of relationships with their relationship managers. For the industry, it is clearly a challenge. Many of our competitors have a very high turnover rate. We try to put in place a career development plan for our staff that includes training, career development and rewards. We also limit the number of customers per manager to 250 customers to ensure better service.

Continues from page 33

Training and development

The realisation by third-party distributors of the importance of support and training has indeed brought a discernible change in how funds are marketed today in the region compared to five years ago. Relationship managers now are more knowledgeable and skilled than in the past. And although much more needs to be done across the industry in terms of training and improving skills, the efforts that have been put forth by both fund houses and third-party distributors are clearly making a difference in the business.

Rai says that the feedback from training programmes that Franklin Templeton introduced to its clients has not only been positive, but also has helped the asset management company in gaining further recognition from its customers.

Franklin Templeton has, for example, introduced the Franklin Templeton Learning Academy (FTLA), a global initiative to train financial advisers in the region.

"We have actively brought the FTLA trainers to visit our region and arranged training sessions for our fund distributors to help them develop skills," says Rai.

Fund houses have spent a considerable amount of time, resources and money, especially in the current decade, to beef up the skills of their distributors. According to Sheedy, Fidelity has different training modules and is now also getting into the domain of the Arabic language when doing these programmes in Saudi Arabia.

In a market where retail investors' understanding of financial markets remains a challenge despite significant improvements seen in this decade, creating awareness should be a priority.

"Training is time consuming. You do not arrive at a bank and say that you will do training. We did between six and eight sessions with Abu Dhabi Commercial Bank last year. These sessions were conducted either as the first thing in the day or the last event in the evening," explains Sheedy.

Since everyone is busy with their own work, training has to be squeezed in to fit the schedules of all parties, which is not always easy. Sheedy also says that one of the other initiatives that paid good dividends was bringing overseas experts to address all distributors in a big hall, something that asset management companies do quite regularly.

Banks like HSBC complement these efforts of fund houses by producing their own in-house training programmes for their advisors. These programmes cover all aspects ranging from regulatory requirements and market economics to selling skills and extensive product knowledge. Sales quality and controls are also very important with wealth management sales, notes Khan.

International banks are not the only institutions to have implemented such exercises. Some of the leading local banks have also begun to conduct similar exercises in setting up in-house training of their relationship managers. These banks mostly employ independent firms or specialists in training their staff.

House views and impartiality

It is not just training and skill enhancement schemes that have brought discernible changes to the industry; a big part has also been played by the overall approach of the third-party distributors themselves, as "know your customer", risk profiling and source of funds, among others, have become part of relationship management.

Sheedy says that in many instances in the past, it was left to the relationship manager to make a decision on behalf of the clients regarding where to invest. But increasingly, it is a house view that a relationship manager represents today. It helps investors in choosing products that reflect their risk appetite.

Rai agrees, adding that most banks now have a product approval process in place that involves a comprehensive due diligence procedure that looks into factors such as track record, history and risk-adjusted return.

"A relationship manager can only offer those products that have been approved by his bank (house view), and these products should meet an investor's risk profile. It is unlikely that a relationship manager will have a bias toward any particular fund house in this competitive environment, as it would only hinder his career growth," he explains.

It other words, not only has a process been set in terms of what and how products are sold to customers, but also there is more accountability in place, giving customers access to higher management in the event of misselling or some other complaint. Also, when it comes to sales commissions, many banks, even those that have their own funds like HSBC, say that they provide no additional incentives for selling any particular fund, their own or from another fund house. Sales commissions are standard across any particular asset class, says Khan

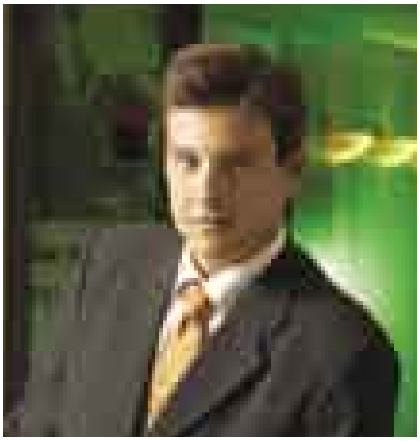
HSBC is no exception. It is an industry norm and is part of best practice methods. Societe Generale Bank & Trust (Middle East), for example, which distributes funds from its own group along with those of others, follows a similar practice. Not only does the private bank have no financial incentive for its private bankers to sell its own products, but also it goes one step further in having the fund selection process audited every year by KPMG for its full objectiveness.

Patrick Thiriet, CEO of Societe Generale Bank & Trust (Middle East), says that even at the time of fund selection, out of the 300 preferred mutual fund managers, 95 per cent of those offered to customers are not from the Societe Generale Group.

"Overall, we tend to be cautious with the 'One Bank' concept, which has been used by some other players to pass on some risks of their investment bank to the private clients (and which may result in these clients being loaded with some sub-prime-related investments they never really understood). We will only select products or co-investment proposals from our investment bank to the extent that they offer an interesting risk-reward alternative to our clients," adds Thiriet.

Working together

Third-party distributors sound rather defensive when they say that bankers or relationship managers are ultimately paid by their clients, and the satisfaction of these clients is the first guarantee for their successful career. The high turnover in the region does indicate that looseness



Patrick Thiriet, CEO of Societe Generale Bank & Trust (Middle East)

MONEY*works* is also given to understand that now more than ever before, third-party distributors are asking for on-ground service and support from fund houses to distribute their funds.

in servicing or advising clients is not an exception. Relationship managers or private bankers can move easily and change jobs all the time if they are not happy with their current employers or are threatened with sloppiness and negligence of duty.

However, despite these shortcomings in this world of imperfection, lots of people do make significant efforts to make the whole process of wealth management tick among its three main constituents: fund houses, third-party distributors and customers. It is not always easy, though, especially in a region where many unsophisticated customers have significant liquidity to invest. For fund distributors, clients that understand products are welcome, but those that do not understand are also welcome. And so, at the end of the day, customers' expectation management becomes an important exercise.

Describing the process of expectation management within Societe Generale, Thiriet says that in the case of an investment starting to perform badly, the bank proactively informs its clients about the situation and suggests other alternatives.

"A client will tolerate a loss on one investment bet if he understands the risk from the beginning, and if you keep him informed in a timely and transparent way. He will not tolerate the same loss if you do not have this transparency and follow-up; if he feels that you are not on his side anymore," he explains.

Cormac Sheedy, Fidelity's director of sales in the Middle East

It is also not easy to give explanations to hundreds and thousands of customers when investments go bad in a bear market, especially in situations like the dotcom bubble burst, when retail investors in the region lost half or more of their investments with mutual funds. Relationship managers in the region are, of course, better trained today to handle similar situations, but fund houses are the ones that will again take the pummelling when the going gets tough and the markets slide, as both third-party distributors and customers will desert them.

Rai hits the nail on the head when he says that the solution lies in creating awareness among retail investors. They need to understand the basics of investing and the advantages of investing in the long term, he maintains.

In a market where retail investors' understanding of financial markets remains a challenge, despite significant improvements seen in this decade, creating awareness should be a priority. While fund houses have worked closely with third-party distributors, they should also be working with customers to create awareness, in order to sustain their businesses.

The key stakeholders will have to innovate in how they go about doing this exercise among the diverse groups of people that reside in the region. This month's MONEY*works* guide to investing in mutual funds (distributed with this edition) is one of the ways towards meeting that goal.

Creating awareness is the only way to ensure that there is a two-way dialogue between the relationship manager and the investor. It is also essential, as without awareness, investors will be unsure of their investment objectives and will thus remain short-sighted, or even unsighted. Such an environment will only stunt the growth of the region's wealth management business, especially at a time when the GCC's retail market potential looks riper than ever to shoot off into the next stage of growth.

The emergence of the new frontier markets

The new frontier markets offer a tremendous opportunity for investments. **Alex Tarver** explains why.

Investors are looking for new growth opportunities. With tight credit markets slowing developed markets' rates of economic expansion to below historic and trend levels, weaker company earnings momentum is threatening to further depress developed markets. In response, investors have sought to diversify their portfolios elsewhere in order to achieve their performance aims.

Subsequently, emerging markets have become a favoured port of call. Rapid expansion of headline markets such as India, China, Brazil and Russia has had a knock-on effect, fuelling the growth of many other emerging markets. Extensive inflows of foreign direct investment, combined with the development of more robust domestic economies and robust corporate entities, have seen emerging market equities exhibit a performance of almost exponential proportions.

The consequence of this growth, however, has been that company valuations are no longer considered cheap and now almost trade at a premium to developed market equities. If emerging markets are able to reach their ambitious earnings forecasts, then equity market growth might be maintained; however, should company performance falter, then sharp sales might be instigated.

As investors are aware of this possibility, the search for investments that are more uncorrelated to developed markets has brought their attention to the 'new frontier' markets. Put simply, these are the emerging, emerging markets. In the past, investors have tended to steer clear of young, small and underdeveloped markets, but some of these regions are now exhibiting qualities hitherto unseen. Additionally, the fortunes of many of these markets enjoy low correlation with both developed markets and, to some extent, the headline, first-tier emerging markets.

The new frontier markets

The 'mainstream' emerging markets account for a market capitalisation of over US$9 trillion, compared to the developed markets' market capitalisation of over US$44 trillion.[1] Compared with these figures, the frontier emerging markets look very small. We would define frontier markets as those that are still a long way from being regarded as developed and

that have made limited progress to date in developing liquid equity, interest rate and foreign exchange markets.

The diverse nature of the countries that are included in this classification means that some already feature in classic emerging markets indices, such as the MSCI Emerging Markets Index, while some do not feature at all. Examples of the frontier markets include Jordan, the UAE, Morocco, the Philippines, Peru, Argentina, Botswana and Kazakhstan. Contrary to the understanding of some, these markets aren't just the 'everything else'. The new frontiers, although still fledgling, exhibit certain economic and market features that serve to highlight them as having considerable growth potential.

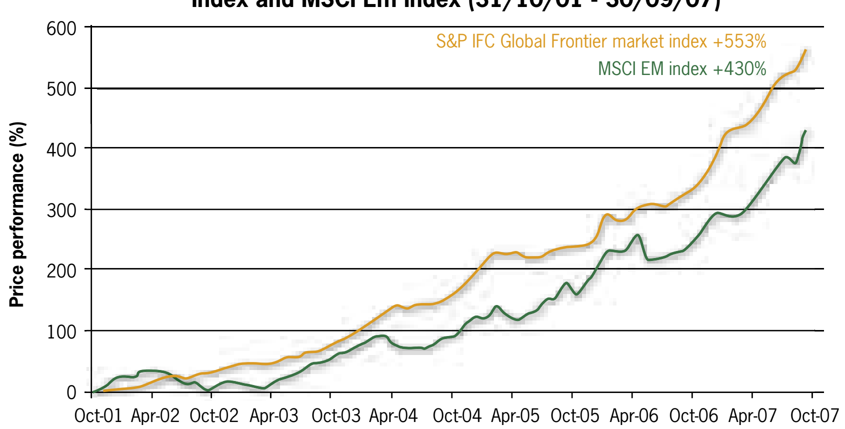
Confidence in the new frontier markets is not blind faith, as can be seen in Chart 1. Over the period from November 2001 to October 2007, the performance from frontier markets, as displayed by the S&P IFC Global Frontiers Index (S&P Index), has eclipsed even that from the MSCI Emerging Markets Index. From 2000, when data first became available on these markets, to September 2007, the S&P Index delivered an annualised return of 23.7 per cent, versus a 12.4 per cent return from the MSCI Emerging Markets Index and a 1.2 per cent increase for the S&P 500 Index over the same period.

In summary, among their many features, the new frontier markets are experiencing rapid economic expansion from a low starting base. This growth is structurally driven by access to capital and technology from the developed world, favourable demographics, a population base of more than 1.2 billion people and robust commodity prices. Meanwhile, falling inflation, stronger GDP growth, rising income per capita and larger current account balances are all beneficial toward equity markets in these countries.

The frontier markets are generally overlooked and under-researched, and price inefficiencies at a country and individual stock level are high, offering good opportunities for the astute stock picker. Due to the higher expected earnings growth rates, frontier markets are more attractive on forward multiples.

Chart 1

Price performance of S&P IFC Global Frontier Markets Index and MSCI Em Index (31/10/01 - 30/09/07)



The outlook for frontier markets

We expect strong economic growth to continue. Of the fastest growing economies in the last five years, 18 out of 20 are frontier markets. Of these, seven have established and functioning equity markets, including Kazakhstan, Romania, Qatar and Zambia. Analysts expect that 19 of the 20 fastest growing economies in the next two years are expected to be from frontier markets.

When compared on demographic grounds, the structure of the new frontier markets is very similar to that of the headline emerging markets. While developed market demographics broadly show a more even mix of population numbers across age bands (such as below 20, 30 to 39, 40 to 59 and over 60), the demographics of frontier markets are far more skewed to the younger age groups. Indeed, nearly 50 per cent of the population of new frontier markets is under the age of 20.[2] As the emerging markets have shown, a younger population available for work is a positive factor for greater economic expansion.

The fundamentals of the frontier markets also look set to continue improving. Many of the frontier markets are already experiencing falling inflation, rising foreign direct investment, improving GDP per capita and rising income per capita. An improving and growing domestic demand will be crucial for these countries to distinguish themselves from being simple plays on export strength and commodities. This situation has arguably helped China's economy decouple, to some extent, from the fortunes of developed market economies.

Of similar importance for these countries, in order for them to elevate themselves, is the necessity to boost current account balances through improved fiscal governance. Hand in hand with this requirement is the need for commensurate improvements in political and institutional stability. The continued progress of these factors should drive risk and risk perception to lower levels.

Chart 2 illustrates how, increasingly, these economic, fiscal and corporate objectives are being addressed and met. For many countries, the political stability is also improving. Although the level of democratic governance is still relatively poor, it is no worse than in other mainstream emerging markets. Many frontier markets have recorded significant improvements in recent years, as exhibited by the Index of Democratic Governance. This index seeks to attach a value to democratic and civil institutions, such as rule of law and civil liberties, in proportion to the levels of such achieved by each country.

Chart 2 **Improved economic performace**

Annual % change in inflation

Country	1998	2003	2008e
Colombia	18.7	7.1	3.7
Ghana	19.2	26.7	8.8
Indonesia	58	6.8	5.3
Kuwait	0.6	1.0	2.6
Zambia	24.5	21.4	4.9

Current account balance % GDP

Country	1998	2003	2008e
Bahrain	-12.6	2.3	10.6
Botswana	3.9	5.6	12.2
Kuwait	8.5	19.7	32.3
Nigeria	-8.9	-2.7	7.6
Peru	-6.4	-1.5	0.4
UAE	1.8	8.6	8.6

GDP US$ based on (PPP) per cappita

Country	1998	2003	2008e
Estonia	8,558.64	12,779.49	21,998.88
Kazakhstan	3,910.03	6,629.59	11,188.10
Latvia	6,677.18	10,555.20	18,975.56
Nigeria	843.48	1,006.98	1,347.71
Oman	13,084.00	14,822.32	21,242.49
Vietnam	1,806.99	2,555.35	3,944.27

Recorded unemployment rate (%)

Country	1998	2003	2008e
Colombia	15.2	14.2	12.0
Philippines	10.1	11.4	7.9
Panama	13.6	10.9	8.7
Pakistan	5.9	7.8	6.5
Romania	10.4	7.4	5.5

Improvements in socio-economic conditions have also played a part in improving the sovereign credit ratings for frontier markets. For example, those countries with sovereign debt ratings by S&P of BBB or greater have improved from below 50 per cent in 2001 to above 60 per cent in 2007. Sovereign debt rated B or lower has also shrunk from around 20 per cent in 2001 to just under 10 per cent in 2007.

Why invest in frontier markets

Companies that operate in the frontier markets trade in a wide valuation range, corresponding to the geographical diversity of the countries within the new frontiers classification. As a result, although single stock valuations will vary substantially based on historical earnings, frontier markets currently trade at reasonable valuations. In addition, the strong economic growth exhibited by many of the frontier markets means that companies operating from these regions generate higher expected growth rates. As such, frontier markets are more attractive on forward multiples. The opportunity to pick high-quality, undervalued stocks is also high, considering the price inefficiencies that exist in the region.

Perhaps one of the most compelling arguments to invest in frontier markets, other than the potential for performance, is the diversification that investment in the region can bring. Taking the S&P IFC Frontier Index as representing the frontier markets, we can show that five-year correlation figures are far lower when compared with developed market indices, such as the S&P 500 and the Nikkei, and global indices, such as the MSCI World Index.

Not only do the frontier markets offer the potential to beat the performance of developed and emerging markets during bull market periods, but also the region, when taken as a whole, exhibits strong outperformance of its emerging market peers (the MSCI Emerging Market Index) during periods of market correction.

Clearly, there is a diverse mix of frontier markets, and we believe that the aforementioned factors will help to drive their prosperity. This forecast is clear when you examine some of the countries represented within the frontier market classification.

Examples of frontier countries

The UAE, for example, has an ambitious infrastructure development programme aimed at positioning Dubai as the destination of choice in the Middle East for financial services, tourism and trade. Abu Dhabi has traditionally been more conservative, but is starting to follow suit. A stable macroeconomic and political background is supported by high oil prices, while strong demographics are driven by immigration. Opportunities for investment exist from companies positioned to benefit from infrastructure spend, favourable demographics and the development of the financial services industry.

Kazakhstan features a positive economic backdrop, although it has been affected by the credit dislocations that have affected global markets. Yet, in addition to falling inflation and strong GDP growth, robust domestic demand is fuelling a consumer credit boom and driving the economy. Of particular interest is the huge but largely untapped mineral wealth. Proven reserves in some minerals constitute a significant

Five-year index correlations

	World	EM	S&P 500	Nikkei	Europe	FTSE A/S
IFC Frontier**	35%	42%	22%	21%	41%	15%
World		79%	95%	54%	94%	77%
EM			67%	55%	72%	59%
S&P 500				47%	84%	74%
Nikkei					35%	54%
Europe						75%

Source: Bloomberg, September 30, 2002 to September 30, 2007
**When comparing the S&P IFC Global Frontier Market Index to the MSCI EM TR (US$) Index using monthly data from 30/9/02 to 30/9/07 **IFC Frontier = S&P IFC Frontier Markets Index*

Index performance during periods of market corrections

	Apr - Jul 2002	Sept 2002	Q1 2003	Apr - May 2004	Mar - Apr 2005	Oct 2005	May - Jun 2006	Aug 2007
MSCI EM	-16.0%	-10.8%	-6.0%	-10.0%	-9.1%	-6.5%	-10.7%	-2.1%
IFC Frontier**	2.3%	1.2%	1.2%	1.5%	-0.2%	-0.8%	0.9%	1.1%

*Source: Bloomberg, August 2007. **IFC Frontier = S&P IFC Frontier Markets Index*

portion of global reserves (30 per cent of the world's chromium reserves, 25 per cent manganese, 20 per cent gold, 20 per cent uranium, 10 per cent copper and 10 per cent iron ore). Investment opportunities are to be found amongst those companies positioned to benefit from resource production growth, while banks should benefit from consumer credit growth and infrastructure-related companies from the resultant wealth effect and investment boom.

Meanwhile, Vietnam is one of the fastest growing economies in Asia, with GDP growth expected to be in the eight to nine per cent range in the coming years. A growing young and skilled work force is complemented by the recent World Trade Organisation membership, promoting international relationships and encouraging foreign direct investment. Vietnam also features low tax rates and relatively pro-business government polices. In this country exists investment opportunities in infrastructure, real estate, financial services and companies benefiting from rising income per capita and consumer spending.

Frontier market risks

Despite the strong messages of outperformance and low correlation that the new frontier markets can provide, it is important to heed the risks, as the asset class might not be suitable for all. Frontier markets are still relatively underdeveloped and therefore carry a high degree of intrinsic risk. Their generally young demographic profile and improving socio-economic situation corresponds with their position at the beginning of the growth and reform pattern.

The frontier markets are young markets that also exhibit a limited track record of operating in the global economy. Although liquidity shocks in emerging markets have historically had only a limited impact on these markets, in the face of a structural shock to the global economy (such as a China collapse or a prolonged global recession), it is inevitable that frontier markets would certainly be significantly affected.

In the event of a short recession or a period of below-trend growth, however, we believe the strong performance of the frontier markets should be maintained. Over the long term, the path of structural and economic reform for these countries makes for an extremely compelling investment case.

Alex Tarver is a global emerging markets specialist at Halbis, part of HSBC Global Asset Management.

Footnotes: *1 MSCI, as of year-end 2007, 2 Halbis, as of September 2007*

More than just oil or gold

The case for including natural resources in a diverse growth portfolio is compelling, as access to the asset class is much easier than it has been in the past, notes **Cormac Sheedy**.

The US$100 barrel of oil grabbed headlines earlier this year, and people in this region, perhaps more than any other in the world, certainly understand the value of this precious natural resource. Demand for many natural resources has increased dramatically in recent years, pushing prices ever higher. Among the vast range of traded natural resources, it is not just oil that is witnessing unprecedented demand; gold, platinum, wheat, corn and soybean have all reached record prices this year, while other natural resources, such as cocoa and coffee, are trading at multi-year highs with no sign of falling.

The impact of these price increases filters right through the world's economies, most significantly into shoppers' baskets. Consequently, the rather opaque world of commodity demand is now at the front of many investors' minds. Given their increasing profile in the investment world, is there a place for commodities in a balanced portfolio?

First, it is important to understand the cause of the surge in natural resource prices. The main driver of demand for most commodities is from emerging economies like China and India. The economic strength of these countries in recent years has meant that governments have made large investments into infrastructure, increasing the need for raw materials and energy. The economic strength also acts as the catalyst to greater consumer demand. India and China are home to more than a billion people, and the strength of their fast-growing economies means they are

enjoying increasing wealth with greater disposable income.

These developments affect everything from leisure habits to diet; for example, the people of China and India are eating more meat. And because rearing beef takes eight times as much corn as producing the equivalent protein through bread, agricultural land is squeezed. Further pressure on the same land is applied in the search for green fuels, with land for food giving way to crops for ethanol and bio-diesel. So, not only is demand for basic agricultural commodities increasing, but also the pattern of what is grown where is changing, meaning that the supply can be uncertain.

These points speak of current demand, but one must ask: is the demand for natural resources sustainable? The outlook for both of these trends does suggest that demand will be sustained, as economic growth in China and India is set to continue at a similar pace for some years and the quest for alternative energy is continuing to gather momentum. There is, therefore, good reason to be optimistic about the long-term prospects for natural resources as an investment asset.

If you believe that the current strength of commodities is more than a short-term blip, you might consider the other qualities they bring to a portfolio. Natural resources have a low correlation with other asset classes, so they are a good diversifier in an investment portfolio. A useful characteristic of natural resources when compared with other diversifiers, like currency, is that they are a growth asset and can thus maintain the desired level of risk in an aggressive portfolio. Because their rising value is often the cause of inflation, they are an effective natural hedge against it – in other words, the investment in commodities rises with inflation, preserving your purchasing power.

The broad range of natural resources that trade in global markets also means that exposure within the asset class can be diverse, reducing an investor's exposure to individual asset price movements. Copper, for example, has no particular correlation with cotton, but both are commodities. Likening all commodities is akin to likening all equities.

In the past, unless you were a professional investor working in one of the world's large financial centres, it was difficult to acquire direct exposure to natural resources. Of course, indirect exposure is difficult to avoid, as many of the largest companies in the world are touched by natural resources in some way. From the big oil companies to food producers or retailers, natural resources reach throughout the world's equity markets.

Direct, targeted investment into natural resources is now possible, as mainstream fund managers have entered the market with different types of products. There are, at present, over 100 offshore funds that are focused on this sector.[1] Generally, there are two basic types of natural resource funds: funds that invest in companies involved in the exploration, extraction and processing of natural resources and funds that invest in the underlying commodities. Commodity funds are relatively new for individual investors and primarily invest in commodity derivatives following various strategies from passive index to active trading funds.

Natural resource equity funds have been around a lot longer and also come in different styles. Many funds have a sector focus, such as the energy sector and/or mining sector. Others have a specific focus, such as gold or water.

Although commodity prices and natural resource equities are positively related, they can perform differently over time. Over the last five years, for example, natural resource equities' returns have nearly tripled the price appreciation of commodities.[2] Looking forward, it is difficult to predict which investment will take the lead, but many experts believe this asset class looks promising.

As the popularity of this asset class continues to grow, investors will no doubt have plenty of funds to choose from. Some investors would now argue that there are too many funds to choose from and that selecting funds has become as difficult as selecting individual stocks. Nonetheless, the case for including natural resources in a diverse growth portfolio is compelling, and access to the asset class is much easier than it has been in the past.

The writer is the Fidelity director of sales in the Middle East.

Non-life to get bigger and better in KSA

The opening up of the health and general insurance sectors by the Saudi Arabian Monetary Agency (SAMA) has brought in hundreds of millions of dollars to the market. But it is health and motor insurance together that are poised to claim the major share of the growth story. A **MONEY***works* report from Riyadh.

In the latest development to the Kingdom's insurance industry, the Saudi council of ministers headed by the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz, has announced the issuance of the royal decree approval to BUPA Arabia to operate as a licensed co-operative health care insurance company in Saudi Arabia.

Finally getting its physical toehold in the Kingdom was certainly an achievement for BUPA. Tal Nazer, managing director of BUPA Arabia, was quick to sum up the company's overall feelings.

"Having the royal decree issued is a huge step for us, being the only single-line insurer in Saudi Arabia specialising in medical insurance," he said. "On behalf of the BUPA team, I extend my thanks and sincere appreciations to our government headed by King Abdullah bin Abdulaziz for their trust and complete faith in us."

Bright prospects

BUPA Arabia is not alone as a player in the rejuvenated Saudi insurance market. The 20 other insurance firms that have been granted licences are also ready to cash in on the initiatives of the newly-liberalised regime. In fact, there are 24 more companies waiting in the wings for the green light to make a dash for the lucrative market, which is estimated at US$1.5 billion annually and is expected to reach US$8 billion within 10 years.

BUPA (and probably a number of others) expects to ride out the heat of competition by focusing on service standards, for which the company won the Best E-Business prize at the 2006 Middle East Insurance Awards in Dubai. The award was the first ever for a Saudi-based insurance company since the annual event started.

"The award for BUPA puts the spotlight on the high-growth medical insurance market in Saudi Arabia, as it proves that the Saudi insurance industry is on par with world-class organisations," said Wayne Close, BUPA's CEO, after the event.

Close added that excellent services will remain BUPA's trademark even after the company changes its corporate identity.

"We have promised our clients that we will continue to provide them with the best health care they deserve, and we assure them of world-class customer care at all times," he said.

Incidentally, BUPA Arabia has emerged as the eighth and only insurance firm in the Kingdom to be included in the top 10 best companies to work with in Saudi Arabia, according to a recent survey by the Arabic economic daily Al Eqtisadiah.

Previously known in the market as BUPA Middle East, which has more than 370,000 clients in the Kingdom, BUPA Arabia will have a paid-up capital of SAR400 million as soon as it starts operating. The company successfully launched its maiden IPO in the Kingdom, diluting 40 per cent of its equity to the public.

Industry opening up

BUPA's entry and its IPO are very similar to what other players coming into Saudi Arabia will have to do to comply with regulations set by the Kingdom. These regulations are among the best in the region and are expected to create the robust insurance market that the authorities envisioned. In fact, the Kingdom's industry leaders have pinned their hopes on the opening of the sector to regional and international competition and a combination of new labour laws for the success of Saudi's insurance industry in years to come.

"We are already seeing the impact of new regulations that will come into force this year," says Ali A. Al-Subaihin, CEO of Saudi insurance provider Tawuniya. "Licensing of new companies, floating of shares in the Saudi stock market, implementation of new insurance laws and increase in competition will make a whole lot of difference to the industry, making it not only stronger, but also sophisticated."

Tawuniya is the leader in Saudi Arabia's insurance market with a net income of SAR525 million reported in 2007, compared to SAR468 in 2006. Since its establishment, the company has been offering insurance coverage on life, health, motor, casualty, property, engineering, aviation, marine cargo, marine hull, energy and excessive loss.

Formerly called National Company for Cooperative Insurance, Tawuniya was established with a capital of over SAR500 million in 1986. The company was also, until recently, the only serious player in the Kingdom's insurance market. Its monopoly of the market was broken only in April-May of last year, when Malath Cooperative Insurance and Reinsurance Co. became the first among new companies to be registered.

Impact of new regulations

The opening up of the Kingdom's insurance sector is believed to have injected US$700 million into the market, with more to come through new company licensing and public offerings.

The new regulations passed on August 1, 2003 stipulate that all insurance companies operating in the Kingdom must obtain a licence by March 2008 or cease operations.

As per the law, the capital requirements for a licence are US$26.67 million for insurers and US$53.33 million for re-insurers, with an additional 10 per cent statutory deposit. Companies are also obliged to float at least 25 per cent of their shares on the Tadawul and meet other regulatory requirements before receiving a licence.

Industry observers say that the creation of the new regulations and the entry of new players into the market are bound to shake up existing businesses, but it will be for the good of the industry. A Standard & Poor's report titled 'Strengths, Weaknesses, Opportunities and Threats as Insurers in Saudi Arabia Come to Terms with New Regulations' described the Saudi insurance market as one with "inherent strengths" that will allow it to "ride out" the forthcoming regulatory changes.

"The new regulations will affect all insurers and re-insurers writing business in Saudi Arabia. Client relationships and tariffs will characterise the scene as newly-licensed players enter the market and as old, unauthorised entities are finally forced to cease operations," states the report.

As the new regime begins to take its toll, two companies, Methaq and Saudi Allied Company for Cooperative Insurance and Reinsurance, have already closed down. These insurance operators, which were both heavily into medical insurance, caused hospitals to lose millions of riyals due to unpaid bills. Experts say that this instance will not be repeated under the new regime, as the new regulations will protect the interest of all parties involved in insurance.

Insurance industry grows

According to the SAMA, the insurance market in Saudi Arabia grew almost 33 per cent in 2006 after the world's largest oil exporter made health and motor insurance compulsory. Gross premiums paid to Saudi insurers by clients rose to SAR6.9 billion (US$1.84 billion) in 2006 from SAR5.2 billion in 2005.

For life insurance, premiums rose to SAR218 million (US$59 million), up 13 per cent from SAR193 million (US$52 million) the previous year. The Saudi Arabia Report 2008 issued by Business Monitor International (BMI) stated that life premiums are expected to grow 36 per cent annually in both riyal and US dollar terms between 2006 and 2011.

In non-life, premiums rose to SAR6,719 million (US$1,816 million) in 2006, up 13 per cent from SAR4,960 million (US$1,341 million) in 2005. Non-life premiums, therefore, increased by 35 per cent in both riyal and dollar terms.

In 2006, the two most important lines within the non-life segment were health and motor. These two lines accounted respectively for 33 per cent and 29 per cent of non-life premiums.

Insurance companies in the market
Al-Ahlia Cooperative Insurance
Allied Cooperative Insurance Group
Al Ahli Takaful
Al Sagr Company for Cooperative Insurance
Arabia Insurance Cooperative Company
Arabian Shield Cooperative Insurance
Assurance Saudi Fransi
BUPA
Gulf Union Cooperative Insurance Company
Malath Cooperative Insurance & Reinsurance Co.
SABB Takaful
Sanad for Cooperative Insurance & Reinsurance
Saudi Arabian Cooperative Insurance Company
Saudi IAIC for Cooperative Insurance
Saudi Indian Cooperative Insurance
Saudi Re for Cooperative Reinsurance Co.
Saudi United Cooperative Insurance
Tawuniya
The Mediterranean & Gulf Insurance & Reinsurance
Trade Union Cooperative Insurance Company
United Cooperative Assurance

In terms of local currency premiums, the fastest growing lines last year were engineering (which grew by 83 per cent), health insurance (64 per cent) and accident/liability/others (37 per cent).

Health insurance

BMI categorises Saudi Arabia as a moderately large national market for health insurance and one where premiums are growing quickly.

"There is huge potential for growth in health insurance, which, until now, has contributed less than 0.5 percent of the Kingdom's GDP," says Dr. Abdullah Al Shariff, secretary general of the Council for Cooperative Health Insurance at the ministry of health.

Mohammed Abdullah Khan, an MBA graduate, Fellow of Insurance at the Institute of India and Associate of the Chartered Insurance Institute in the UK, further points to the Kingdom's health insurance growth prospects.

"The potential for health insurance alone is more than SAR20 billion, which is expected to be achieved within few years," says Khan, who has more than 20 years of experience in the insurance industry (12 of those in Saudi Arabia).

Given the developments in the recent past, Khan's remark looks to be on the dot. In a major development for the health insurance market, Saudi Electricity Company (SEC) signed a three-year health insurance contract with Tawuniya last year, the total premium being SAR56 million. The contract took effect on November 20, 2007 and expires on November 19, 2010.

The contract stipulates providing healthcare services to SEC's non-Saudi employees and their eligible family members. The maximum benefit limit per employee is SAR250,000 and the insurance cover provided includes all the sites and offices of SEC across the Kingdom. The health care services will be provided by more than 250 hospitals and medical centres in the various regions of the Kingdom with which Tawuniya has health services provision contracts.

Saleh Al-Subail, Tawuniya's vice president for key accounts, says that his company has developed, in collaboration with SEC, a suitable mechanism for the enhancement of health services. The mechanism is aimed at lessening the period of time it takes to process medical approvals for some services through the use of a Waseel electronic link.

The SEC contract is considered one of the largest medical insurance policies issued by Tawuniya in 2007.

SEC's contract with Tawuniya is in compliance with the Compulsory Cooperative Health Insurance Act. The first phase of enforcing this act began in June 2006 and covers the non-Saudi workforce of Saudi firms with more than 500 foreign employees or more.

Under a phased programme, some Saudi citizens will be also covered by the mandatory health insurance scheme, while expatriate employees will have to be covered by their sponsors and will no longer be admitted for free treatment in government hospitals.

Observers point out that with the Saudi population growing at three per cent annually, growth in the health insurance market is helping spur development in the health care and pharmaceutical sectors.

The Saudi population presently stands at 27.7 million and, by 2015, is expected to grow by six per cent.

Motor insurance

Motor insurance, which was made mandatory on November 20, 2002, has also shown tremendous growth potential. Because of Saudi Arabia's high rate of car accidents, second and third-party motor vehicle insurance is now compulsory in the Kingdom. There are more than ten million cars registered in Saudi Arabia, and approximately 1.2 million cars enter the Kingdom every year. The ministry of interior prohibits any car entering the borders of Saudi Arabia without insurance coverage.

In the Kingdom's capital city, damaged cars that have suffered road accidents and are covered by insurance are brought to the First Industrial Area, or Old Sinaiyah, for repairs. The 400-plus workshops in the area are all busy – and bring a good return for their owners.

Abdulaziz Nasser Al-Nuweiser, the Saudi owner of the Al-Yamamah Car Repair Shop, has supported his family through his earnings from the workshop for the last 25 years. He bought out the previous owner, Saad Al-Jeidan, five years ago. Al-Nuweiser's clients include Tawuniya, Al-Ahli (which is into foods) and the giant appliance and electronics dealer Extra.

"Four to five cars insured with Tawuniya are brought to the workshop regularly for repairs," says Floro Brenna, the Filipino head mechanic at the workshop. He has been there since it started 30 years ago. Al-Yamamah has 16 staff, most of whom are Filipinos. Other workshops are located in the Um al-Hamam area.

Car workshops also abound in great numbers in the industrial areas in key cities like Jeddah in the west and Dammam and Alkhobar in the east.

Realising that there is big money

to be made repairing cars, many mechanics have resigned from their respective companies to start their own workshops and accept repairs of cars covered by insurance. To legalise their operations, they take Saudi nationals as partners.

Life insurance

While leaders of the local insurance industry are upbeat about non-life insurance, it is clear that more efforts will be needed in the life insurance business. Saudi Arabia's life insurance industry has always lagged behind its counterparts in the region. In 2003, life insurance premiums averaged US$310 per person in the UAE, US$149 per person in Kuwait and just US$41 per person in Saudi Arabia.

From 1998 to 2002, life insurance premiums more than doubled in Kuwait. Premiums in the UAE rose 45 per cent during the same period, while premiums in Bahrain went up 28 per cent. However, in Saudi Arabia, life premiums declined four per cent.

"One reason for this decline is the fact that in the past, insurance products available in the market did not conform to Islamic principles," says Dr. Mohsen Abdulmohsen, a Saudi working in Riyadh's King Fahd Medical City.

Ali Z. Zahrani, a Saudi English teacher at Al-Shifa School in Riyadh, adds: "Saudis regard life insurance as haram. It's forbidden."

However, things are looking up now as Takaful, the Islamic alternative to life insurance, gains ground in the Kingdom.

"Lack of public awareness is one reason why Saudis have reservations about life insurance. So, there's a need to disseminate information about it and its benefits," says Dr. Mohammed Fawzy Abou Dahab, an ophthalmologist at the Specialised Medical Centre, which has tie-ups with insurance companies to treat or extend medical assistance to the employees of the latter's clients.

"Furthermore, insurance services must also be reliable. If the service that insurers provide is not up to the mark, people, particularly Saudi nationals, could hardly be convinced to seek life insurance coverage," stresses Dr. Abou Dahab.

The future

More than 75 insurance operators did business estimated in excess of US$800 million in the Kingdom before legislations were enacted to regulate the industry. The Cooperative Insurance Companies Regulation enacted through royal decree no. M/32 on August 1, 2003 was the first Saudi Arabian legislation to regulate the Kingdom's insurance industry. The creation of the new regulations has changed the face of the industry for good, as what used to be a free for all has become one of the most tightly-regulated insurance markets in the region.

Of the 13 licences issued last year, five were for Takaful companies. It is expected that these companies will play an important role in deepening the reach of life insurance business in the Kingdom.

Also, as part of the opening up of its insurance market, the Kingdom now allows foreign insurers to open and operate direct branches in Saudi Arabia. Commercial presence is permitted for insurers that establish a locally-incorporated cooperative insurance joint stock company, in which foreign participation is limited to 60 per cent.

A three-year transition period (which ended on August 1, 2006) was given to existing foreign insurance providers to convert to either a Saudi cooperative insurance company or a direct branch of a foreign insurance company. During this transition period, existing foreign insurance providers were able to continue existing business operations, as well as offer new products and service new clients.

As was expected, many international and regional insurers have made a beeline for the potentially lucrative Saudi insurance market. More will knock on the door. And in the future, with Saudi nationals participating in the IPOs of these insurance companies, there will be a vested interest to make the insurance business successful. MW

Dr. Mohammed Fawzy Abou Dahab, an ophthalmologist at the Specialised Medical Center in Riyadh, examines a patient's eye through a laser machine. The patient has insurance coverage.

SWFs: Changing the Face of Global Finance

With traditional financiers facing a severe crisis in the west, sovereign wealth funds (SWFs) have recently come to their rescue more than once. **Matein Khalid** explores how SWFs are poised to change the very face of global finance in the years ahead.

In an ironic twist of fate, the world's sovereign wealth funds emerged as leading investors in the global financial market just as Wall Street was on the eve of an epic credit meltdown. The historic rise in crude oil and commodities prices led to the emergence of new sovereign wealth funds in countries as diverse as Qatar and Russia, while a parabolic rise in foreign exchange export receipts led to the establishment of China's sovereign wealth fund in Beijing.

The role of Abu Dhabi Investment Authority (ADIA), Temasek Holdings, China Development Bank and the Kuwait Investment Authority (KIA) in injecting new capital into banks such as Citigroup, Barclays, Merrill Lynch and UBS, whose balance sheets were gutted by losses on CDO/credit derivatives and leveraged finance, has put sovereign wealth funds in the political spotlight in the west. In fact, ADIA voluntarily agreed to forgo a board seat and any role in Citigroup's corporate governance even as it invested US$7.5 billion in the bank, just because the emirate of Abu Dhabi did not want to face the sort of congressional/media-protectionist backlash that accompanied the DP World-US ports deal three years ago.

Sentiments against SWFs

The arguments against and in favour of SWFs in the western markets continue to rage even as this article goes to print. Western politicians in Washington, Paris and Bonn have expressed concern about the power of sovereign wealth funds. Germany has proposed a plan to create a company designed to buy blocking stakes in German companies vulnerable to a takeover. Yet, financial protectionism is a dangerous illusion at a time when private equity can no longer drive corporate restructuring or finance huge strategic stakes.

Since most sovereign funds are not leveraged (some are de facto hedge funds at grave risk of failure!), they can help deleverage the debt spiral in the US financial markets. Unlike hedge funds, sovereign wealth funds are not forced by their prime brokers to cut and run whenever there is a panic attack in the financial markets. The financial world desperately needs new pools of stable and rational long-term cash, now that exotic structured finance has proven to be toxic waste.

It is important, however, that sovereign wealth fund managers have local, as well as international, political constituencies to operate in a successful environment. For example, when China lost half its US$3 billion investment in the Blackstone IPO last summer, there was widespread criticism of the regime's decision to invest money in the New York private equity and fund management boutique.

Significantly, despite criticism, it is becoming obvious now that the sheer relative scale of the operation and influence of SWFs will increasingly define global finance in the next decade.

SWFs today collectively manage only US$2.5 trillion. But Merrill Lynch calculates that these will manage US$8 trillion by 2011. The leading sovereign wealth funds, such as ADIA, KIA and Temasek, are now easily as big as or bigger than world-class institutional investors such as Calpers, Barclays Global Investors, State Street and Fidelity.

Changing landscape

While protocols for central banks' reserve management have evolved over decades, supervised by supranational bodies such as the World Bank, IMF and the BIS, no such international agreement or code of conduct underlies sovereign wealth money management. In fact, sovereign wealth funds from Oslo to Beijing, Brunei to Kuwait and Dubai to Abu Dhabi are diverse to an exceptional degree in their financial firepower, asset size, governance, investment objectives, risk tolerance, liability structure and sophistication. In fact, some sovereign wealth funds borrow extensively in the capital markets today and are more accurately described as SIVs (structured investment vehicles) or sovereign hedge funds.

Sovereign wealth funds, like other investors, have evolved over time and under different market conditions. The ADIA of the 1980s is not the ADIA of 2008. Strategic acquisitions and corporate deal making, the forte of more entrepreneurial funds like Qatar and Dubai, whose involvement in companies as diverse as Swedish stock exchange operator OMX to the abortive bid for British retailer Sainsbury, are also another new feature in sovereign wealth management.

In fact, some of the critics of SWFs fail to see the differentiations that exist today amongst the different sovereign wealth funds. Some of these funds invest only to achieve returns in the financial markets, while others have broader socio-economic or even political mandates.

For instance, Calpers, the sovereign fund of California, played a major role in divestment from companies operating in South Africa under the apartheid regime and is now involved in the Darfur, environment and Iran divestment movements. China Investment Corporation, stung by the US National Security Council's rejection of CNOOC's bid for Unocal or the 3Coms-Huawei merger, has voluntarily agreed not even to attempt to invest in sensitive areas.

The US$40 billion Libyan sovereign wealth fund, recently created in Tripoli, will not invest in American securities, despite Colonel Gaddafi's diplomatic rapprochement with Washington since 2003. The Germans have actually enacted laws to limit Russian investment in strategic German companies because of political implications.

Demographics also play a role in sovereign wealth funds. Norway's State Petroleum Fund, financed by oil revenues, is a de facto endowment fund designed to meet Oslo's pension bill after 2015, while one-tenth of Kuwaiti oil revenues, by law, must be invested in the reserve fund for future generations. Moreover, while the small local economies of Norway and Abu Dhabi must recycle petrodollar wealth abroad, Brazil and China have created sovereign wealth funds to invest in domestic companies and infrastructure projects to boost economic development.

Abu Dhabi has created several different sovereign wealth funds to meet different objectives. ADIA, established by the late Sheikh Zayed in 1976, invests in exotic asset classes, such as managed commodity futures and emerging markets private equities. Russia's Stabilisation Fund invests only in bank deposits and AAA-rated government bonds, while Qatar will even invest in leveraged buyouts, international real estate and private equity funds. The concept of alpha, so finely appreciated in Doha, Dubai and Singapore, is unknown in Moscow and dimly understood in Beijing.

It is important to note here that ADIA has been one of the world's largest investors in commodities trading advisors and hedge funds since the early 1990s. ADIA has been a 10 per cent stakeholder in Apollo Management, one of the US's largest and most prestigious hedge funds. Norway's State Fund, in contrast, has zero exposure to private equity, hedge funds and real estate.

The Gulf sovereign wealth funds have differentiated from many of their peers in the way they increasingly emulated Yale and Harvard into allocating money to alternative asset classes – hedge funds, real estate, private equity and commodities. These absolute return strategies may not be a growth area in a world where credit risk and balance sheet leverage is anathema, as is the spring of 2008. China's disastrous experience with Blackstone and the failure of the Och-Ziff hedge fund IPO will only increase the reluctance of sovereign wealth funds to invest in exotic alternative asset classes in the future.

Some of the recent trends, however, run common across a majority of SWFs. One of these is their increasing investments into emerging markets. Temasek now owns a banking empire in South Korea, Thailand, India, Pakistan and Taiwan, its crown jewel being a 19 per cent stake in Standard Chartered Bank, the pure Asian emerging markets bank. ADIA, Qatar and KIA have all greatly increased their allocations to Asia to a far greater degree than US pension funds or endowments.

It is no coincidence that ADIA, Qatar Investment Authority and KIA were among the leading strategic investors in the flotation of the Chinese mega-bank Industrial and Commercial Bank of China, the world's biggest banking IPO. Temasek has even taken pre-IPO stakes in Vietnam.

Government objectives

As mentioned earlier, it is quite obvious that a government's strategic objectives define its sovereign wealth fund strategy. So, for example, Dubai's strategy is set with the government's ambition to position the Dubai International Financial Centre as the world's leading global financial hub between Frankfurt and Singapore. This explains Borse Dubai's bid to acquire OMX and the London Stock Exchange.

For those in opposition to SWFs, it is essential that before they make judgement calls, they first understand the changing landscape around the wealth funds and begin to make distinctions between one and the other. In light of falling stock markets in the west, credit markets in the ice age, the IPO window and merger pipeline hit by a financial neutron bomb and broker margin calls forcing hedge funds to deleverage or even liquidate (Peleton Partners, Carlyle Capital and Bear Stearns are recent brand name disasters), sovereign wealth funds are increasingly becoming Wall Street financiers of the last resort.

The grim new realities in world finance since summer 2007 have made sovereign wealth funds the new powerbrokers of the international money markets, by default more than design. The apologists and critics of sovereign wealth funds must surely realise that confrontation is an expensive emotion in an interdependent global financial village, especially when conventional financiers themselves are running aground. MW

The global property man

Pierre N. Rolin is the founder, chairman and chief executive of Strategic Real Estate Advisors, a global real estate investment advisory and asset management business with its head office in London. Rolin has strong business links in the GCC and now wants to set up a physical presence in the region. Here he tells **Utpal Bhattacharya** that the region's property boom is at a very early stage.

How long have you been coming to the region?

I have been coming here since 1993.

Between 1993 and the turn of the new millennium, you have been selling to regional investors your expertise of investing outside the region. It must be quite a different experience today.

You are absolutely correct. The landscape has changed completely. It is dotted with tall towers. Look at Sheikh Zayed road in Dubai, for example.

Earlier, the movement of capital from this region to overseas was primarily for safety net reasons and less for investment return reasons. The objective was wealth preservation. There has been a complete U-turn now as strategic private capital is invested locally and regionally, while government capital is being invested overseas. Earlier, regional governments would primarily invest locally, but they are now spending globally. Private investors are reallocating and repatriating foreign capital to the region, as the returns they are getting locally and regionally are much higher.

What other changes have you seen in the last 15 years?

I have seen three major changes during the last 15 years, the first being a cultural transformation where merchant and monarchical families have started to pass on the baton to a new and young generation of more dynamic, open and culturally-flexible governments and private businessmen. I find them more flexible in their interactions with other cultures and societies. And that's come down from the top throughout the last 15 years in different phases.

The best discounts will be in residential, under-construction projects. I would speculate that one could get up to a 40 per cent discount on the construction cost in these projects.

Today, the UAE, Bahrain and Qatar are probably more open, while Saudi, Oman and, to some extent, Kuwait, are bit more closed, depending on how you look at it. But this opening up has also had a huge influence on doing business in the region as an outsider.

The second important change that has happened is the enormous movement of capital within and among the GCC countries, which is ironic in a way, since some of these tribes have had their differences, historically. But now things have moved beyond the historical legacy to doing profitable business. The movement of capital among the GCC countries is going to have a significant multiplier effect. Beside, the free trade environment within the GCC countries is also creating friendly competition for resources and capital.

The third big change or trend that I see is the rising confidence of the west in the economic strength of the Gulf region. Apart from the political and military alliance, a lot of western firms are massively expanding their presence in the region: in Bahrain, Qatar, Dubai and finally Riyadh.

As the regional investment priorities change, where do you find yourself in terms of your business?

It is currently two-way traffic. Historically, we have had customers from the region asking us to invest in international properties. We used to focus mostly on the UK and the US markets, and then on Europe and Asia. Now we are looking at the BRIC countries and other markets as well. But that's happened in the last five years, the flavour of the month. That was not the case 15 years ago.

We have also been working with sovereign wealth funds and other pension funds and government entities to invest internationally. In 2006, we launched Qatar National Bank's real estate fund for a number of government-related entities and the government of Qatar to invest in international properties. We were the advisors to that fund called the Prime 1 International Real Estate Portfolio, a US$200 million private equity portfolio.

Today, regional clients are increasingly asking us to help them in other GCC countries with projects. We have relationships with many Gulf families and governments. So, for example, clients in Saudi Arabia, Qatar and Bahrain have asked us to see if we could help them to get involved in projects in other GCC countries in partnership with some of our other clients. We have these capabilities now and we can do joint ventures between clients in two different countries in the GCC.

The returns have surpassed any analyst's wildest dreams. When I started coming here, oil was as low as US$12, and now it has hit US$111 a barrel. I don't think any Gulf research house could have foreseen that oil would reach US$100 a barrel.

Are international investors ready to invest in big developments in the region?

We are now looking at investing in Bahrain in the luxury retail sector by potentially developing for clients a high-end retail development. We are advisor to the owners of the luxury retail project in Bahrain. We will use the same business model used by us to manage Two Rodeo Drive, a luxury shopping centre in Beverley Hills with 33 boutique shops. Two Rodeo Drive has the most beautiful private street in Los Angeles and we will bring this concept to the Middle East. There will be foreign capital involved in this project.

What else are you planning in the region?

Most of the developments in the region have been residential and bulk shopping driven, and some big office buildings. As I have said, we are looking at potentially filling the gap, as we have the experience of managing luxury boutique centres for the last 10 years.

We are also looking at clean tech and alternative energy in real estate. We are now in the process of setting up a fund targeting alternative energy, clean tech and green real estate. We are planning to launch it in Doha. But we have come to Dubai looking for land sites for a pilot project. The fund will be raised by Middle East investors and we will do a pilot project. We are talking to a few people and it's a concept that we think will be very innovative.

It seems you will be doing a lot of work in the region. Are you going to set up an office?

We have plans to set up operations in the region in 2008-09. It will be either in Doha, Bahrain or Dubai. That's also one of the reasons why I am here now. We are looking at opening three lines of businesses in the region. Firstly, we will develop our asset management and performance reporting business in real estate as an asset class. There is not much of that expertise available in the region now.

We also have a plan to put together a construction-cost-control business to help the developers, and we are looking at potentially putting together a Gulf real estate mutual fund with Gulf institutions to create a real estate index.

What is your view of the region's property market? At what stage of development is the industry in?

I think everything that's happened here is beyond anyone's wildest dreams. Land prices have increased tremendously throughout the region in the five to seven years. Prices in the borders between countries have gone up even more. Finished homes have gone up to four, five and six times in the last seven years. The returns have surpassed any analyst's wildest dreams. When I started coming here, oil was as low as US$12, and now it has hit US$111 a barrel. I don't think any Gulf research house could have foreseen that oil would reach US$100 a barrel.

I think we are far from hitting the top of the cycle in the regional property market, as some say. If the oil price has just hit US$110 a barrel, the trickle down impact of that will take at least six to 12 months to hit the property market. I think the Gulf is the biggest booming real estate market in the world, and I don't think we have even seen the beginning of what is a re-pricing and a new paradigm in the global property market that is being brought in by the developments in the GCC economies.

I feel the GCC will probably become a barometer of the global property market, as opposed to the emerging markets special blip. It's huge what is coming here. If you take Qatar alone, in 2011-2012, I am told, up to 200,000 more personnel will be living in Doha. Where are they going to live and work? They will all need houses, offices and shopping malls. This is just the beginning, the pilot project. The real estate market is going to explode here.

In the west, it does not look too good. Some say a lag effect of that downturn will hit us in the near future. Doesn't that bother you?

The US and Europe are coming out of a strong 10-year economic boom. Now these economies are taking a little bit of siesta. But we have strong economic growth in countries like China, India and Brazil, and in the Gulf. You see commodity countries booming now. I think the interaction between China, India and the Gulf is also becoming a whole new paradigm. A number of Gulf countries have visited China in the last two years. There is a geopolitical shift happening; a more independent political agenda is discernible in the Gulf compared to what it was in the past, with the US being the traditional ally.

However, the biggest threat to the stability of the GCC is what's happening around Iran. It's something that is always there at the back of everybody's minds.

So, while you have locals investing in their own markets, an increase in regional capital flows and, for the first time, families and institutions in Europe and the US working with companies like us to invest in the Gulf, the threat around Iran is a concern. But there are other issues as well; Iraq and the election of the new US president are also important events. So, you do have a few key playing positions not settled yet that could rock the boat here.

Do you plan to raise capital from the GCC to invest in distressed properties in the US?

Yes, we are planning to launch the first Florida residential distressed fund. There is quite a demand for this product here. It will

I feel the GCC will probably become a barometer of the global property market, as opposed to the emerging markets special blip. It's huge what is coming here. The real estate market is going to explode.

be a Shari'ah-compliant fund, and it will also be the first distressed fund in probably 15 years in the Florida residential market. We are launching it sometime in the second half of 2008. We will manage the fund from our office in Miami.

We currently oversee US$5 billion of real estate investments from Miami.

How big do you think the distressed asset market will be?

Well, that's a huge number. In Miami alone, there are 80,000 residential apartments under construction, or that have just been competed, that are lying vacant. You can imagine how much more is lying around in other coastal cities of the US. You have got huge problems with the US securitisation market, which has over-lent. You have over-building and you have very little demand. You are going to have a lot of development projects that are going to be repossessed by banks and sold in distress. We are going to capitalise on this through our experience out of our Miami office and seize the opportunity between 2008 and 2010 to buy up these apartments.

What sort of capital will the fund have?

We are going to raise up to US$1 billion in the next two years. We will start with Florida and we will work through to California and New York.

What sort of discount do you think will be available in these markets?

Not everything is in bankruptcy and not every property is being repossessed yet. So, it is a moving target. But the best discounts will be in residential, under-construction projects. I would speculate that one could get up to a 40 per cent discount on the construction cost in these projects. On the completed and more traditional asset classes, you can get a 35 to 40 per cent discount from the peak of the market value.

Tell us how you started this business.

I am a Canadian from Toronto. I spent 13 to 14 years working for large financial and real estate companies. I was the head of international real estate at Credit Suisse before I resigned and launched the first global real estate boutique in 1998. We have seven offices and US$7 billion under management. We wanted to develop a business that was independent, had no conflict of interest and provided a high level of service to sovereign, corporates and private families outside of all the product pushers. That's what we did. We feel the most important thing is to be able to provide a very high level of service to our customers.

I am also heavily into philanthropic activities. We have the Stratreal Foundation. We have been very much involved in creating harmony, cross-faith and cross-culture in the region, which is also a very important component of developing relationships with customers. MW

Fact sheet on Strategic Real Estate Advisors

- Founded in 1998
- Currently oversees the management and reporting for more than US$6.5 billion of real estate assets
- Since 1998, has conducted US$9 billion of transactions for clients with total returns achieved between 11 per cent and 40 per cent IRR after fees with an average to date of 18 per cent

Non-doms changes: revolutionary or not?

The 2008 UK budget failed to achieve its aim of taxing non-doms on par with domiciled residents. **Eesh Aggarwal** explains why.

The 2008 UK budget presented by UK chancellor Alistair Darling on March 12, 2008 was billed as a revolutionary budget enabling non-UK domiciled residents to be taxed 'fairly'. The aim was for non-UK domiciled residents to be taxed in the same manner as UK domiciled residents. Did it achieve its aim?

Domicile

Domicile is an international legal concept and is not related to tax. Domicile is, in short, your permanent home – usually inherited from your father at birth. So what is a non-UK domiciled person? As a rule of thumb, this is a person who arrived in the UK from another country to live there on a temporary basis, but always intended to return to his/her home country. Thus, most UK immigrants can be classified as non-domiciled. In practice, this temporary basis can extend into decades and can even be passed to the person's children!

The problem

The UK has always been a tax haven for non-UK domiciled residents, as these persons only pay tax on UK source income and gains, as well as on overseas income and gains remitted to the UK. In other words, any non-UK income is tax free unless remitted as income to the UK. In contrast, a domiciled UK resident pays tax on his/her worldwide income and gains whether or not monies are remitted to the UK. For example, a Greek billionaire can move to the UK (and hence stop paying Greek taxes). He can arrange to remit just enough funds to the UK to live on and pay UK taxes on just those remittances.

Loopholes allow income and gains to be treated as capital in certain circumstances, in which case even these UK remittances would be tax free. In addition, most UK investments can be arranged using offshore companies and trusts, resulting in minimal UK taxes on income and virtually no taxes on gains! Thus, the

resident 'non-dom' could, in theory, be a billionaire and live in the UK free of UK taxes, while at the same time taking full advantage of all UK government services (e.g. free health care and schooling).

On the other hand, a domiciled resident billionaire would pay millions of pounds in taxes. Seem unfair? It is this advantage that has irritated successive UK governments.

There are many reasons why successive governments have tried but failed in their attempt to tax resident non-doms. For one, resident non-doms have invested billions in the UK real estate market for tax-free gains, using London as an operating base for many world-class shipping companies. Also, there is the ability of the city of London to attract top global financial professionals with the capacity to pay minimal taxes. As a result, any increase in taxation would risk a flight of capital out of the UK of this vast contribution by resident non-doms, leading to the weakening of the UK economy in terms of real estate investment and job losses. There is also the risk of it becoming a weaker global shipping and finance centre.

Nevertheless, the generous tax treatment of resident non-doms still blinkers government thinking, as it is perceived as unfair to resident domiciled persons.

Pre-budget proposals

In the UK press, it was rumoured that Gordon Brown, the current UK prime minister, wanted to tax resident non-doms when he was chancellor, but was blocked by the then prime minister, Tony Blair. Since Gordon Brown became prime minister, it was always assumed that Alistair Darling would be free to act. And act he did! Darling proposed sweeping changes to the way resident non-doms were to be taxed in October 2007, but capitulated by budget day (March 12, 2008) in the wake of surprise pressure from virtually all sectors of the UK economy, including finance, shipping, US taxpayers and even the UK minister of trade and investment, Lord Digby-Jones.

Budget 2008

The heavily watered-down current proposed tax changes will be implemented and be effective from April 6, 2008. These changes include a GBP30,000 annual tax charge. Under this change, resident non-doms who wish to retain their tax-preferential status will need to opt for this status each year by paying a flat GBP30,000 tax. Exemptions proposed are:

- Children will be exempt from this tax and hence can still benefit from tax-free unremitted non-UK income and gains.
- To ensure that regular immigrant workers with small amounts of overseas savings are not affected (e.g. Polish workers), persons with total non-UK unremitted income and gains not exceeding GBP2,000 per annum will be exempt.
- To ensure that global talent is attracted to the UK, especially to the city of London, resident non-doms who have been resident for less than seven years in the UK will also be exempt. It is assumed that such professionals remain in the UK for less than seven years on average.

If resident non-doms do not elect to pay the GBP30,000 tax, they will need to pay taxes on worldwide income and gains whether or not monies are remitted to the UK.

UK remittances

Having charged the GBP30,000 tax, things still looked rosy for resident non-doms. Prior to this budget, they could remit income and gains to the UK using various tax-free methods (e.g. offshore mortgages, source ceasing and alienation of income). The budget aims to stop this and wants to tax monies brought into the UK. As such, most of these methods of converting income and gains into

Key budget changes for UK resident non-doms

- GBP30,000 annual flat rate charge to retain non-dom tax advantages
- Only payable if UK resident for over seven years
- Exemptions for children, those with unremitted income of up to GBP2,000
- UK remittance loopholes closed
- Offshore structures – no changes to disclosure and remittance basis
- Offshore trust remittances to be taxed on capital gains element
- Foreign dividends to be taxed at 40 per cent
- No future changes expected in this parliament and the next

tax-free capital will be blocked. In short, resident non-doms will pay UK tax on most UK remittances.

Interestingly, artworks brought into the UK, or art purchased in the UK, was at risk of being treated as a UK remittance and hence taxable. Apparently, museums faced requests from resident non-doms to have their loaned art works exported from the UK prior to April 6, 2008, leading to a scarcity of art in the UK. Oops; unintended consequence of the new legislation. The museum curators lobbied the chancellor and it was hastily announced that such artworks would not be treated as taxable remittances to the UK.

There is an interesting tax planning option available. The GBP30,000 tax can be paid from unremitted funds and this payment of tax will not be treated as a UK remittance. In addition, the GBP30,000 tax paid can be offset against specific overseas taxable income or gains.

For example, for a 40 per cent taxpayer, this option equates to an unremitted income of GBP75,000. Thus, the GBP75,000 can be transferred to a separate bank account and later remitted to the UK tax free, as tax has already been paid. If this separation of funds is not done, due to a quirk in the law, the resident non-dom may be liable to pay tax when the GBP75,000 is remitted.

Offshore structures

Most resident non-doms live in the UK and own offshore assets via trusts and offshore companies. These trusts and companies can simply invest back into the UK virtually tax free. The chancellor originally proposed that these structures would be taxed annually on any UK assets held, whether remitted to the resident non-dom in the UK or not. In addition, it was proposed that full disclosure of transactions within these offshore structures would be required by the UK government. Seem fair?

Unsurprisingly, there was a massive, unexpected protest by resident non-doms, the city of London and the banking sector. As a result, the chancellor withdrew these proposals and hastily confirmed that (a) no information would be sought from such offshore structures and (b) resident non-doms would only be taxed when monies were paid out by trusts and/or companies to them.

Interestingly, the taxation of trusts has changed dramatically. The chancellor now seeks to tax the capital gains element of distributions made by offshore trusts to resident non-doms. Thus, it is important for existing trusts to elect to adjust the cost base of assets pregnant with gains as of April 6, 2008.

Take this example: a trust may own a commercial building in central London that was purchased four years ago for GBP2 million and is currently worth GBP5 million. The whole GBP3 million unrealised gain is theoretically taxable after April 6, 2008. To avoid this tax, the trustees can elect to have the building treated as if it were sold and repurchased for GBP5 million as of April 6, 2008. This action will result in the GBP3 million gain to date being treated as tax free, as only gains above the new adjusted 'purchase' price of GBP5 million will be taxable in the future. The rules are complex and actual treatment will vary from the general principle outlined above.

Foreign dividend income

Resident non-doms currently pay 32.5 per cent tax on dividend income remitted to the UK. This income will be taxed at 40 per cent from April 6, 2008.

So, has the budget achieved its aim of taxing resident non-doms on par with resident domiciled persons? It is clear that the UK government has caved in and lost the opportunity to create a 'fair' system to tax resident non-doms. The extra tax revenue raised is likely to be less than GBP600 million, representing 0.1 per cent of the total GBP575 billion budget expenditure – an insignificant amount.

To save face and keep the headline GBP30,000 charge, the UK government has merely tinkered with the system and, in an exercise of damage limitation, provided an element of uncertainty in a system that has worked well for decades. Indeed, the government was so worried about the instability it was causing that it was forced to announce in the budget that no changes to resident non-doms taxation would be considered for the rest of this parliament and the next!

In next month's article, we will consider the impact on UAE residents.

Disclaimer: This article reflects the views of the writer and is of a general nature. Thus, no specific tax planning action should be taken based on this article without professional tax advice that examines your individual circumstances. Eesh Aggarwal has run his chartered accountancy and audit practice in the UK since 1992 and established a tax consultancy, Sterling FZ-LLC, in Dubai in 2004. He is a member of the International Tax Planning Association and the Society of Trust and Estate Practitioners. He can be reached at eesh@eesh.com.

Commercial Bank of Dubai ripe for bargain hunters

Commercial Bank of Dubai has undergone a minor revolution. But the bank remains underrated, despite being one of the most profitable banks in the UAE. **Peter Cooper** finds out more.

For any UAE national with a share portfolio or local institutional investor, Commercial Bank of Dubai should not be overlooked, and GCC and foreign buyers are advised to keep an eye out for any change to the policy that excludes them from the share register. Commercial Bank of Dubai is the fastest growing of the local banks and is on an upward growth path with a range of highly competitive products, including the cheapest mortgage in the market during a period of explosive growth in the real estate sector.

The stock trades on a very reasonable price-to-earnings multiple of around 15. Compare that with a P/E of 45 for a similar bank in China and the early 1930s for such an institution in India. Indeed, it is arguable that in China and India, you are paying more for less, as the macroeconomic outlook for the oil-rich UAE is surely far more stable than the typical emerging market business cycle.

But Commercial Bank of Dubai also represents a very neat stock pick within the UAE banking sector and is being overlooked by the new global stock brokers setting up in the Emirates who prefer to tip the larger-cap stocks in Abu Dhabi and are perhaps put off by the restrictions to share ownership.

If you strip out the Deyaar IPO income from Dubai Islamic Bank's profits last year – and any international accounting standard would demand that you do – then Commercial Bank of Dubai emerges as the most profitable bank in 2007, with profits up by 54 per cent and a return-on-equity of 22 per cent. Moreover, it paid out 78 per cent of these profits as dividends to its shareholders. No wonder they remain a loyal group, and share liquidity can be an issue for would-be buyers.

Tradition and change

Commercial Bank of Dubai is an old-fashioned Dubai bank with a long tradition. Its bedrock clients and shareholders are the wealthy national trading families of Dubai. The bank survived the banking crisis of the early 1980s in Dubai and many of its key clients remember how the bank saw its customers through those difficult times.

THE CHEAPEST MORTGAGE IN THE UAE

Mortgage lenders in the UAE have lagged behind falling central bank interest rates, and profit margins on home loans are high. But Commercial Bank of Dubai has emerged as a consumer champion, with loans from five per cent against the open market rate of 7.5-8.5 per cent.

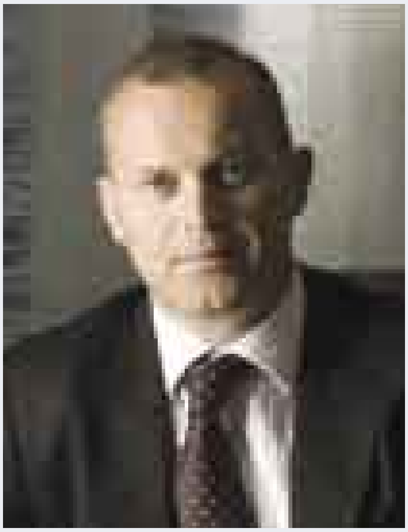
Thomas Smith, deputy general manager and head of retail banking, says: "We work on the six-month EIBOR interest rate plus a fixed margin of two to five per cent, depending on the financial profile of the client. As a bank, we have our own local depositor base. We pay out less to depositors if interest rates fall and can therefore pass that advantage on to our mortgage holders in lower rates. So, if EIBOR falls as it has recently, so will our mortgage rates."

This scheme puts a local bank in a more flexible position than home loan companies that issue mortgage-backed securities (like Tamweel and Amlak Finance), and this is reflected in the higher cost of mortgage payments for borrowers.

Commercial Bank of Dubai's minimum salary requirement is AED15,000. The credit assessment also includes whatever other debts clients have and deposit size. There are no charges for early repayments, unlike many other UAE home loan providers.

Standard Chartered, for example, charges four per cent of the loan amount for early settlement. Arrangement fees also need to be watched. Commercial Bank of Dubai has a maximum mortgage arrangement fee of AED10,000, which stays at this level on any loan above AED1 million.

Smith agrees that his bank is trying to catch up from behind, being late to enter the market. "What we saw is that the whole property market was developing at enormous speed and that you need something special to stand out. But taking the best mortgage clients is a low-risk and not a high-risk strategy," he says.



Thomas Smith

"We are still conservative in our approach to lending," says CEO Peter P.M. Baltussen, an ex-ABN AMRO veteran. "We could have up to 20 per cent of our total deposit base in real estate. Today it is only at 12 per cent, and while we have just introduced the most competitive mortgage in the market, we are only interested in the lowest risk borrowers in this segment."

Since Baltussen's arrival eighteen months ago, however, there has been something of a minor revolution in the bank. The mortgage product is just the latest initiative, which has understandably drawn some media interest to this normally staid institution.

"We have introduced a lot of new products aside from mortgages. We now have a full debt and capital market operation, treasuries and derivatives and cash management. Our very advanced corporate internet bank will be the next innovation," Baltussen explains. "For individuals, we have introduced an open architecture system in our Al Dana Wealth Management service that is similar to Swiss private banking on a lower tier and allows switching between asset classes at no cost."

According to the CEO, Commercial Bank of Dubai's new innovations are the result of a study by McKinsey into what the bank's clients wanted and what would make a difference for them.

"Clients wanted the convenience of branches close to them," he says. "We now have 10 commercial banking centres and five wealth management centres; there will be three more this year in Abu Dhabi, Umm Suqeim and Al Quoz. We have also soft-launched a full suite of Islamic banking services with selected clients and have applied for a full Islamic banking license."

Even with these developments, the bank is still focusing on its traditional strengths in the mid and large family holdings. "Over the past few years, this group has enjoyed an enormous increase in wealth as Dubai has boomed and the bank has grown with it. Forty per cent of our staff is UAE national, and this reflects our high customer base among the national population," states Baltussen.

However, traditional roots have not stopped the bank's recent and admittedly belated foray into the local mortgage market. Commercial Bank of Dubai's risk-based mortgage product makes no excuse for offering the best rates in the market only to clients with the best credit profile. You need to be earning more than AED15,000 per annum, preferably with no other debts, and be able to put down a 10 per cent deposit.

Since the launch of the mortgage product last December, Commercial Bank of Dubai has been writing US$100 million a month in home loans and is already placed third among local banks for mortgages (fifth if the market leaders Amlak Finance and Tamweel are included). It does not take much imagination to see that this product will be a roaring success. As the take-up of completed property by end-users proceeds over the next few years, it is likely to prove a very good profit centre for the bank.

Moving forward

Commercial Bank of Dubai intends to become better known among expatriates and hopes that more westerners will gradually begin to use its services. The new branch in Dubai Marina is one initiative to capture expatriate business, but the bank's highly competitive mortgage product is certainly just what many foreign residents are looking for at this time.

Interestingly, the bank does not have plans to regionalise its banking network or venture overseas with representative offices. "We will remain a focused bank servicing the segments we know as the best in the market," says Baltussen. "We are not competing for very large transactions with small margins. We look after our core mid-market and family holdings with personalised service and long-term relationships. This is a different approach entirely to the larger multi-national banks."

The fit-out contractors are just putting the finishing touches to the upper floors of the bank's spacious new headquarters next to Deira City Centre – the last word in Dubai corporate chic. And it is hard not to be impressed by the evolution of the bank into a high growth, niche financial services company with a longstanding client base and innovative plans for the future.

Peter P.M. Baltussen

The obvious UAE parallel to draw is with the success of RAKBANK. As recently as the year 2000, National Bank of Ras Al Khaimah, as it was then known, was a small and obscure bank in the northern emirates. Then David Martin joined as a consultant on his retirement from Standard Chartered Bank and set about creating an innovative retail bank.

Today, Commercial Bank of Dubai is some way into a similar transformation against the background of a solid but unexciting past record. The early results are most promising, and the price-to-earnings multiple is very undemanding for a growth stock. If you are fortunate enough to be a UAE national and able to buy these shares, then this is one that you should accumulate during any periods of market weakness this year.

The quality of the underlying asset is an excellent play on the Dubai growth story, the financial strength of the local trading families and highly competitive niche banking products. If you are looking for an unrecognised growth stock, then Commercial Bank of Dubai is one for the followers of Warren Buffett.

Beltussen does not expect such stellar profit growth this year as in 2007, due to lower interest rates and higher staff salaries. But for consistent high growth prospects and a rock solid balance sheet, Commercial Bank of Dubai's stock is a bargain at the current price.

Fly high with Jazeera

Jazeera Airways (Jazeera) continues to expand its fleet while riding high on the aviation boom in the Middle East. It is a good stock to go long on, says Global Investment House Research.

Jazeera Airways was formed by a group of private investors in May 2004, following the Kuwaiti government's deregulation of the transport sector and the granting of three licences (two passenger airlines and one freight airline). This move ended Kuwait's 50-year-old dependency on its single airline, Kuwait Airways. Jazeera, a low-cost carrier (LCC) that operates scheduled passenger and cargo flights, is the only airline in the Middle East that is neither owned nor subsidised by any government

Jazeera started operations in October 2005 with an initial capital of KWD10 million (US$35 million). Later, the company increased its capital to KWD20 million through a rights issue to existing shareholders in October 2007.

Jazeera began operating from Kuwait International Airport, with two brand new Airbus A320s serving five key routes. Today, it operates a fleet of six A320s serving 23 destinations from two hubs: Kuwait International Airport and Dubai International Airport. The aircraft are part of an order with Airbus for 40 brand new A320s; upon the delivery of all 40 aircraft by 2014, Jazeera is expected to be the largest Airbus A320 operator in the Middle East.

Jazeera listed its shares on the Kuwait Stock Exchange on January 14, 2008. Based on the current market price of US$1.78, the stock is trading at 23.7x 2008E earnings and a 3.6x 2008E book value. We recommend a BUY on the stock, with a target price of US$2.05.

Outlook

The Middle East aviation boom is expected to continue in the medium term, boosted by strong economies, a focus on tourism, airport expansions, new capacities and new routes. Boeing and Airbus anticipate that the Middle East aviation market will expand by 5.5 per cent and 6.2 per cent per year on average until 2025. This growth is also expected to be influenced by strong emerging markets, such as India. Airbus believes Middle East to India traffic will increase by 6.3 per cent annually on average over the 10-year period from 2005-2015. IATA expects the Middle East region to show the highest average annual growth rate (AAGR) from 2007 to 2011 in terms of passenger traffic, growing by 6.8 per cent compared to an expected 5.1 per cent AAGR for global traffic.

SWOT Analysis

Strengths
- Early mover advantage
- Dynamic pricing structure
- Low cost structure
- Able and experienced management team
- Brand new A320 fleet
- Committed to growth with a total fleet order of 40 aircraft
- Alliance with leading global business partners (Lufthansa Technik for all engineering works)
- Investments in systems and technology
- Multi-channel distribution strategy (web, call centre and agency)
- 93 per cent on time performance reliability
- Direct and convenience booking

Weaknesses
- High operating leverage
- Fuel accounts for the bulk of operating costs

Opportunities
- Low penetration of LCCs
- Underserved markets and airports in Kuwait and the region
- Lack of capacity on main and secondary routes from Kuwait
- Booming regional economies
- Ancillary revenues to broaden revenue stream

Threats
- Political risks in the Middle East
- Poor perception that low cost is "low quality"
- Growing presence of start-up LCCs
- National carriers responding by cutting prices to intensify competition and thereby profitability

The favourable demographic profile in the Middle East should also boost the aviation sector penetration in both intra-region and long-distance flights. Increasing migration of manpower is likely to result in strong growth in air travel. Additionally, Kuwait's central location in the GCC and the growing cross-border trade ties and tourism will stimulate growth in the aviation sector. At present, Kuwait has open skies air services agreements with 78 countries.

LCCs are also expected to play a major role in the expansion of the region's aviation market, as the LCC industry is growing at a rapid rate. LCC airlines accounted for around 28 per cent of total new aircraft orders in 2006. The industry, still in a nascent stage, has a high growth potential, with a market penetration rate of around one per cent in the Middle East. This figure can be compared to a market penetration of around 30 per cent in the domestic US market and intra-EU routes, and six per cent in Asia. With further market liberalisation, penetration rates of LCCs should increase significantly.

We believe that Jazeera has high potential as a low-cost carrier, despite increasing competition from other start-up LCCs in the region, as the industry is still in its growth phase. The carrier's second hub in the Dubai airport, the airport with the highest traffic share in the region, is also expected to play a role in adding new destinations to Jazeera's route network and increasing traffic and load factors.

Financial Analysis

Jazeera ended the year 2006 with 601,000 passengers. We expect passenger traffic to continue its increasing trend on the back of improving industry fundamentals, along with the company's planned fleet and route expansions. Revenues stood at US$79 million for 2006.

With the company maintaining its low fare structure, we expect passenger revenue to grow significantly on the back of increasing passenger traffic and load factors. Passenger revenue contributed the most to revenues in 2006, forming 91 per cent of the total, while ancillary revenues contributed the remaining nine per cent.

Total operating expenditures for Jazeera stood at US$58 million in 2006 and formed 73 per cent of total revenues. Fuel and maintenance formed 45 per cent of total costs in 2006. Net profit stood at US$9.2 million in 2006.

Total assets stood at US$193.4 million at the end of FY06 and grew by 62 per cent on a year-on-year basis. Property and equipment formed the majority of assets, contributing around 95 per cent of total assets in FY06.

Amount in US$ million	2005	2006	2007E
Revenues	4.5	79.0	127.9
EBITDAR	1.5	21.0	31.6
Net profit	5.4	9.2	8.0
Property and equipment	120.6	193.4	235.1
Asset size	125.6	203.0	261.7
Shareholders' equity	31.3	40.5	48.5

Profitability

EBITDAR margin stood at 34 per cent in 2006, while net profit margin stood at 12 per cent compared to an average of 13 per cent. Return on average equity stood at 25.6 per cent for 2006.

Profitability ratios (%)	2006	2007E
Gross profit margin	26.6	22.4
EBITDAR margin	34.0	24.7
Net profit margin	11.6	6.3
Return on average equity	25.6	18.0
Return on average assets	5.6	3.5

Nine-Month Results-2007

Jazeera reported revenues of US$92.1 million for 9M-07, growing by 70 per cent over the comparable period in 2006. Gross margin declined from 32.6 per cent in 9M-06 to 21.5 per cent in 9M-07. Higher finance costs led to a 61 per cent decline in net profit, which stood at US$3.8 million in 9M-07. Total assets increased by 20 per cent to reach US$243 million in 9M-07. Debt to equity ratio increased from 3.4x to 3.7x.

Amount in US$ million	9M-07	9M-06
Revenues	92.1	54.1
Operating costs	72.3	36.5
Profit for the period	3.8	9.7
Property and equipment	218.8	193.4
Asset size	242.9	203.0
Shareholders' equity	44.3	40.5

Valuation and Multiples

	2007 (E)
Operating income (US$ million)	31.6
Net profit (US$ million)	8.0
EPS (Cents)	7.5
PE (x)	22.2
PBV (x)	3.7

Peer Comparison

The peer group consists of Air Arabia, another LCC operating in the Middle East, and other global LCCs such as Southwest Airlines Company and Jetblue Airways Corporation.

	Jazeera	Air Arabia	Southwest Airlines	Jetblue Airways
Balance sheet size (US$ million)*	261.7	1,453.2	16,772.0	5,598.0
Net profit (US$ million)*	8.0	76.8	645.0	18.0
EPS (US$)	0.075	0.016	0.84	0.10
PE (x)	22.2	34.0	20.4	69.6
EV/EBITDAR (x)	11.9	15.6	6.1	8.1

P/E multiple is based on current market prices.

** Figures for peer group are based on 2007 actual numbers, while Jazeera figures are 2007 estimates.*

This article was written before the announcement of Al Jazeera's financial results for 2007. Al Jazeera announced full year profits of KWD2.29 million and an operational revenue of KWD34.7 million, up 61.2 per cent over the previous year. - Editor

Global weakness hits the GCC

The regional stock markets continued to suffer from the downturn in the western markets, despite high oil prices and the sound macroeconomic fundamentals of the GCC economies. A MONEY*works* report.

The regional stock markets continued to be weak or range bound for most of March. The momentum seen in the Kuwaiti market during the first half of last month somewhat fizzled out during the latter half of the month, while at the Muscat Securities Market, a similar pattern was noticeable.

In the Saudi Arabian market, the Tadawul All-Share Index continued to slide south, mostly because of speculation by retail investors. But experts also felt that investors were increasingly affected by the downturn in global markets, something that comes as a surprise, since the Kingdom is mostly a closed market insulated from international investors.

On the Dubai Financial Market, despite the expectation of positive results in the first quarter, the market has continued to perform weakly, taking a cue from global markets. Between March 16 and March 19, foreign investors were net sellers on the DFM. Foreign investors bought shares valued at a total of AED1.72 billion in this period and sold shares valued at a total of AED1.94 billion, which was also 45.1 cent of the total value of stocks traded during this period. Institutions were also net sellers in this period.

Experts said the local stock markets in the UAE are likely to trade within a narrow band in the coming weeks, as international investors continue to take cover resulting from losses elsewhere in the world. But there is also optimism about first quarter results and expected short rallies resulting from positive news. These rallies might be short, as there will be profit taking, they said.

Analysts also predicted an end to the ongoing corrections, as the region's fundamentals have remained sound. Analysts said that investments were continuing in the energy, construction and infrastructure sectors. Investors will get over the hangover of the problems being faced by the US economy and focus on stronger pockets of the global markets that should also include the GCC, which has remained somewhat insulated from the debacles in the western markets, according to these analysts.

However, retail investors continued to be cautious in March, mostly staying away from action, waiting for signs of breakouts in the markets. Some among them felt that economies in the GCC could be affected by the crisis in the global markets in the near future, resulting from a lag effect of the downturn in the global markets. And these retail investors are looking to diversify their options now, while a section is also enquiring about capital-guaranteed fund of funds denominated in international currencies for safe investments.

One of the other factors keeping retail investors engaged is the region's high inflation, which has also had a negative impact on their income and savings. They are also clued in on the debate around revaluation and the mixed signals coming from various quarters of the region's regulatory regimes. In fact, retail investors are waiting on the sidelines to jump into the stock markets the moment they have some concrete news on revaluation. The regional stock markets should see a strong spurt if and when that happens.

Interestingly, according to market reports quoted by Zawya, the combined turnover in the GCC was far lower in February, standing at US$91.7 billion, compared to US$136.7 billion in January. The number of shares traded also fell sharply from 39.9 billion to 26.4 billion in this period.

The reports added that by the end of February, the market capitalisation of the GCC bourses totalled around US$1.15 trillion, including about US$491 billion in Saudi Arabia, US$265 billion in the UAE and US$232 billion in Kuwait. On March 20, the market capitalisation of the GCC stock exchanges stood at US$1.083 trillion, a decline of nearly US$71 billion from February 29, according to reports sourced by Zawya. MW

Markets take a bearish turn

With a sparkling December now consigned to history, January provided the smallest returns and demonstrated the highest volatility seen for the last 12 months. **A Markaz** report.

After a spectacular December, January 2008 turned volatile and provided the smallest returns in the last 12 months. MSCI GCC declined by nine per cent, lead by Saudi Arabia, which was down 13.4 per cent. The GCC equity funds on an asset-weighted average returned a negative three per cent, compared to a rollicking 10 per cent in December 2007. The decline in the three markets (Saudi Arabia, the UAE and Qatar), which comprise 75 per cent of total market capitalisation in the GCC region, ensured the aggregate MSCI GCC Index returning -8.6 per cent.

Kuwait, on the other hand, bucked the trend and posted a positive return of 7.5 per cent, while Bahrain and Oman provided some relief. Managers were seen increasing cash and reducing Saudi exposure in response to the mayhem.

Only four of the 24 funds tracked by Markaz posted positive returns during January 2008. However, the extent of decline during the month was less intense for the Shari'ah-compliant funds. The benchmark for Shari'ah-compliant funds posted a positive return of 1.7 per cent in January 2008, compared to a negative return of 8.5 per cent on the MSCI GCC Index.

Performance of conventional funds

Among conventional equity funds, Al Ahli Gulf Fund, which had an equity allocation of 66 per cent in the Kuwaiti market, was the best performer, with returns of 3.1 per cent in January. Khaleej Equity Fund, among the top five performers in December 2007, continued with the trend, yielding monthly returns of 2.7 per cent. Khaleej Equity Fund also increased its exposure to equities by six percentage points in the same month, while Vision Emerging Fund, which provided the highest returns in December 2007, was in the third position, with a monthly loss of 0.7 per cent in January.

Performance of Shari'ah-compliant funds

In January 2008, Riyad Gulf Fund was the best performing Shari'ah-compliant fund, with returns of 0.3 per cent. The performance of the benchmark index was better than all Shari'ah-compliant funds, recording positive returns of 1.7 per cent. Al Dana GCC Equity Fund posted a loss of -1.8 per cent in January, after returning 9.8 per cent in December. AlBasha'er GCC Equity Fund was the third-best Shari'ah-compliant fund, as it decreased its allocation in the Saudi market by eight per cent. Al-Tawfeek Gulf Equity Fund and Gulf Industrial Companies fund posted a loss of 4.5 per cent and 5.1 per cent respectively. Both these funds had a high exposure to the weak Saudi market.

Flight to cash

In response to the decline in Saudi Arabia, funds were seen reducing their allocation to Saudi Arabia. The aggregate allocation to Saudi Arabia declined by five per cent on a month-on-month basis to 30 per cent. Funds such as Khaleej Equity Fund, SIB GCC Equity Fund and AlBasha'er GCC Equity Fund considerably decreased their exposure to the Saudi market. Khaleej Equity Fund decreased its allocation by 11 per cent, while SIB GCC Equity Fund and AlBasha'er GCC Equity Fund reduced allocation by eight per cent.

Bahrain also witnessed a 100-basis-point decrease in fund allocation. The decline in fund allocation to Saudi Arabia and Bahrain was compensated by increased allocation to Kuwait (up two per cent), the UAE (up two per cent) and Qatar (up one per cent). The 26 per cent fund allocation to the UAE was the highest since April 2007. AlBasha'er GCC Equity Fund increased its exposure to the UAE market by seven per cent. Allocation to Oman and other MENA markets remained unchanged from December 2007 levels.

The decline in January seems to have instilled some amount of caution amongst money managers. Mutual funds have reduced their exposure to equities as an asset class and have increased their allocation to cash and bonds. Mutual funds decreased their equity allocation from 93 per cent in December 2007 to approximately 90 per cent in January 2008, representing the lowest equity allocation since July 2007. Furthermore, on average, the cash held by GCC funds increased by three per cent to nine per cent

Our asset allocation model is overweight on all six markets in the GCC for March 2008. Saudi Arabia carries an overweight position at 67 per cent (28 per cent in Feb 2008), while the UAE is at 17 per cent (14 per cent in Feb 2008) and Qatar is at 10 per cent (eight per cent in Feb 2008). The extent of overweight on Kuwait has been reduced from 29 per cent to 23 per cent. The model is leveraged to an extent of 20 per cent. MW

Performance of select GCC equity funds - top five January 2008 returns

January 2008			AUM	Performance (%)				Geographic equity asset allocation						
	Fund name	Inception	(US$ mn)	Jan-08	YTD	2007	LTM Risk	Saudi Arabia	Kuwait	UAE	Qatar	Oman	Bahrain	Other MENA
1	Al Ahlli Gulf Fund	Nov-03	117	3%	3%	30%	11%	11%	66%	14%	2%	1%	6%	0%
2	Khaleej Equity Fund	Mar-04	80	3%	3%	44%	11%	11%	32%	25%	16%	5%	11%	0%
3	Vision Emerging GCC Fund	May 05	52	-1%	-1%	56%	11%	17%	18%	15%	17%	22%	9%	2%
4	Tijari GCC Equity Fund	Jan-06	42	-1%	-1%	39%	12%	29%	41%	10%	19%	0%	0%	0%
5	Aafaq Investment Funds	Oct-04	56	-1%	-1%	42%	14%	4%	15%	54%	10%	4%	13%	0%

Source: Markaz Research. Note: Returns and risks rounded off.

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

The polarised market view

Investors are no longer sure about the worth of assets in the longer term, leading to uncertainty in the markets, notes **Peter Hensman**.

The divergent opinions of investors are well characterised by the bifurcated outlooks and policy approaches offered by the Federal Reserve and the European Central Bank (ECB). To some (including the Fed), the credit crunch that has worsened since the summer is the single most important factor in the overall outlook and is likely to have a large negative impact on future growth that requires policy action. This circumstance has contributed to the Fed cutting interest rates by 225 basis points since August 2007 (as of March 14, the market was anticipating an extra 50-basis-point cut at the March 18 interest rate setting meeting).

To others (including the ECB), with current data showing that growth has moderated only slightly, the indication of rising inflationary pressures are dominant, and cutting interest rates borders on an irresponsible action that will unleash further acceleration in the pace at which price levels are rising and destabilise the economy in the medium to longer run.

Both schools of thought correctly view this current market turmoil as different from the challenges of recent decades. While there are issues surrounding the levels of liquidity in markets, this is arguably the consequence of the underlying problem, not the major issue facing the authorities. The cause of the illiquid markets is that investors and financial institutions are concerned about balance sheet solvency (i.e. the ability of a company's assets to meet liabilities in the longer term). Without being confident about the worth of assets in the longer term, the ability to trade in markets in the short term has been impaired.

The difference in approach can be seen in the ECB-type view, maintaining that it is not the job of a central bank to use interest rate reductions to bail out financial institutions that have over-extended themselves in the previous cycle. To do so would simply encourage the same mistakes to be repeated in the recovery (i.e. the idea of moral hazard whereby inappropriate interest rate reductions contribute to excess risk taking). Faced with the continued increase in commodity prices and what the ECB views as likely to be a relatively minor drag on future growth from the credit crunch, individuals have to accept a lower standard of living going forward in order to maintain longer-term price stability.

The Fed approach centres on the opinion that in the current environment, it is more important for a central bank to act, so as to prevent there being a spill-over from those negatively affected by the credit crunch to the innocent bystanders in the broader economy. The risk that avoiding a sharp deleveraging contributes to an increase in price pressures in the short term is outweighed by the costs to future growth if the debt reduction extended to the economy at large. The only common ground between the two views is the need for policy support from measures that do not involve interest rate reductions.

What are the implications for investors from the current turmoil? One is certainty that market volatility can be expected to remain higher as market participants weigh up the conflicting information from the spiralling losses amongst overleveraged financial players with what is likely to be an increasingly aggressive policy response. (Was the suggestion at the start of this week from ECB chief M. Trichet that the moves in the euro exchange rate were becoming excessive the first indication that the hawkish ECB is edging towards interest rate cuts?)

Secondly, in a volatile environment, the premium that investors will pay for stable growth will increase. Hence, the convergence that has been evident in sector valuations in recent years is likely to end as investors become more discriminating and is likely to extend to stocks as well. Where poorly run businesses have been able to refinance themselves on favourable terms during the credit boom, or indeed have been bought out by investors willing to increase the debt level held on balance sheets, this option is unlikely to be available going forward. Stock selection focussing on the highest quality businesses within a sector is likely to matter – the potential for more "winner takes all" situations will increase.

Finally, while credit spreads for developed world corporates are near the widest levels witnessed in the last few decades, reflecting the extent of the credit crunch, "decoupling" has occurred for debt in the developing economies. Although the extra yield over US government bond yields has risen for emerging market bonds, the level remains very subdued, even compared to what has been available in recent years. If the developing world is less affected by the financial problems facing markets than the developed world, presumably the longer-term growth prospects remain stronger. Hence, the fact that equities in emerging markets are being negatively impacted in the near term by the deterioration in market liquidity should arguably be viewed as creating an opportunity for longer-term investors.

The writer is a global strategist at Newton Investment Management.

Politics: The EM wild card

Although economic factors are important to consider when investing in emerging markets, politics also has a say, notes **Dr. Oliver Stönner-Venkatarama**.

Uncertainty about the weakness of the US economy has lead investors to focus mainly on growth and inflation news. Not surprisingly, these are important factors driving the markets at present. However, the analysis of recent market patterns remains incomplete without taking political issues into consideration.

Elections in Russia have been more or less a non-event, but the surprising outcome of recent elections in Malaysia has emphasised the importance of a political vote. More positively, markets in South Korea and Taiwan are currently supported by the winds of political change.

The case of Taiwan particularly highlights the fact that politics may induce fresh political momentum. Despite the economy's trade-related vulnerability to external shocks, the stock market has followed a more stable trend than most of the other Asian markets. Furthermore, apart from the ongoing global worries about growth and inflation, possible structural improvements regarding the economic relations between China and Taiwan could accelerate the positive momentum if investors regain confidence.

One key issue in this context is an easing of restrictions for foreign direct investments of Taiwanese corporates in China. Even some progress on this front would be a positive signal welcomed by the markets. In conjunction with the overall healthy growth momentum of China's economy, there is a good reason for keeping investment positions in China and its surroundings.

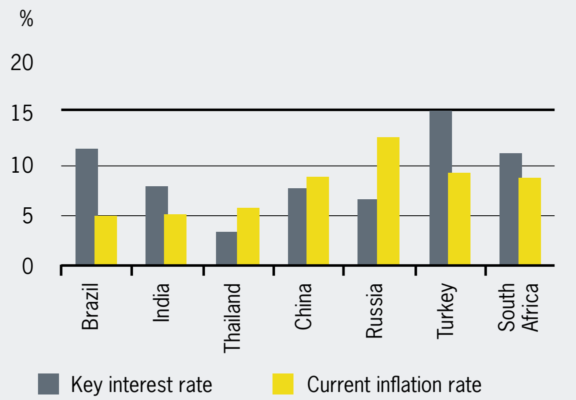
In India, the investment perspective is getting more challenging. The recent market correction has been quite strong, and the political outlook is becoming more uncertain, with elections looming on the horizon. The government's budget for the 2008/09 fiscal year gave notice of important stimulus measures, but failed to convince the markets of the government's longer-term policy strategy.

On top of that, India and China are the major Asian markets focussed on by international investors. Therefore, the deteriorated international investment climate and its negative implications for capital flows towards emerging markets pose a stronger risk to these markets, despite their stronger domestic growth momentum in comparison to other smaller and more trade-dependent Asian economies.

Recent events in Thailand point to another dimension of the possible impact of political factors on the economy. Before the return of former prime minister Thaksin Shinawatra to Thailand, analysts projected a gloomy scenario. Now, with Thaksin back in Thailand, everything seems to be developing quite differently. Investors have started to re-focus economic opportunities and have shown a positive reaction to government measures to stimulate capital inflows.

This development contrasts significantly with the policy pursued 16 months ago, when capital controls had been imposed. In this regard, Thailand also benefits from its different position in the investment cycle. Investors recently turned more cautious on Malaysia not only because of political factors, but also because of the positive market trend since September. Nevertheless, energy and commodities, as well as structural changes, provide important reasons to remain positioned in Indonesia and Thailand, as well as Malaysia.

Key interest rates and current inflation trends in some emerging market economies



Structural changes may also bode well for the South Korean markets later during the course of the year. The new president may aim to advance deregulation and some large-scale public investment projects. Therefore, it is important for the president to ensure that his party, the GNP, wins the parliamentary elections in April. This could be the trigger point for the markets to regain confidence in South Korea's ability to pursue structural changes in order to raise the economy's growth path.

All in all, there is a good chance that in some countries such as Thailand, Taiwan and South Korea, positive political expectations may dampen the negative impact of global growth and inflation worries during the next few months. The same reasoning can be applied to the Indian markets, but in addition, a market rebound would require more optimism regarding structural economic improvements or monetary policy measures, which would sustain the high growth level of the economy.

Dr. Oliver Stönner-Venkatarama is the emerging markets investment strategist at Cominvest.

Intervention in yen due now

As Japanese exports take a beating, it may not be long before the Bank of Japan brings the yen down from its current levels against the greenback, notes **Hussam Saba.**

Analysts had previously suggested that the Bank of Japan would enter the market selling the national currency if it reached the 100 level against the US dollar. However, the USD/JPY fell below 96.00 and still there was no action. How long will Japanese officials wait before they intervene?

It was a strong month for the Japanese yen, as it started at 104.0 against the US dollar and was equal to 96.0 at the time of this report (down over seven per cent month to date). It all started with the carry trade unwinding due to a huge decline in global stock markets, US stocks in particular. A lot of negative economic data from the US was the main culprit responsible for this fall. The most important were the February retail sales figures, which dropped 0.6 per cent, and the yearly CPI, which fell to four per cent from 4.3 per cent, giving the Fed enough reason to cut rates more aggressively than expected. All yen pairs surged down sharply as the accumulation of negative data indicated that the US was already in a recession.

The announcement from the Fed regarding the new Term Securities Lending Facility, which will lend up to US$200 billion of treasury securities to primary dealers for a term of 28 days, and the increase of the swap lines with ECB and SNB to US$30 billion and US$6 billion only triggered a brief rebound in the greenback, while weakening the yen mildly for a brief period. It soared again on reports that Bear Stearns, the US's fifth largest investment bank, was "out of cash" and needed immediate liquidity. This liquidity was supposed to be provided by J.P. Morgan and the Fed. However, the offer turned to be a hostile takeover from J.P. Morgan, which offered only US$2 per share!

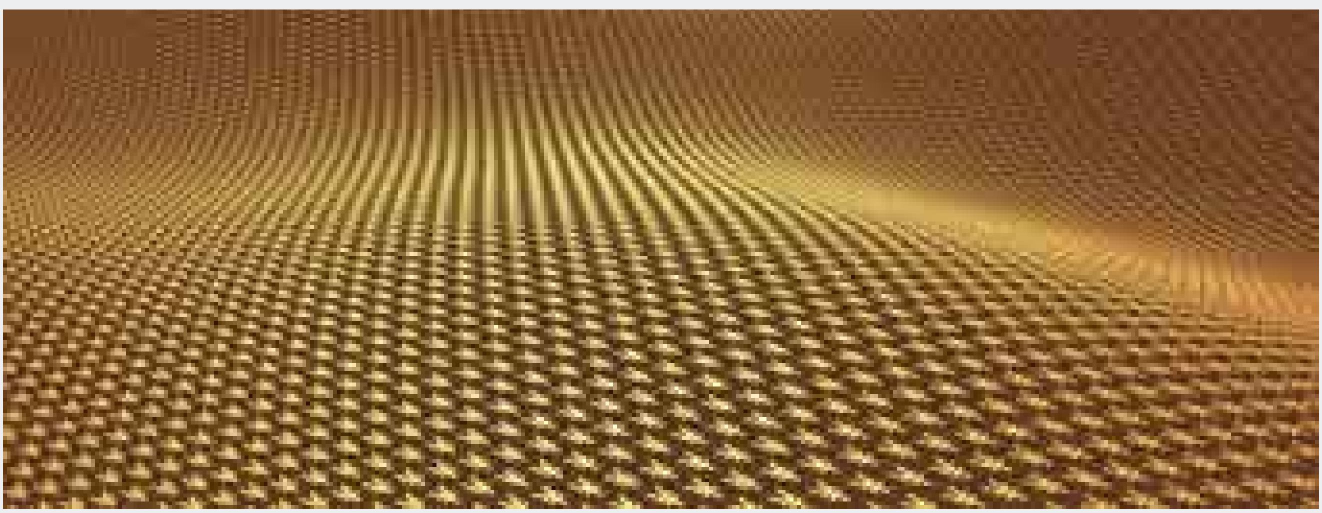
Needless to say, the confidence in markets received a huge shock and the opening on the second day was a disaster. The greenback fell to a 12-year record low against the yen, below the 96 level. The sterling also fell below the 200.00 yen and hit the 193.00 mark. Meanwhile, all other high-yield currencies were sharply hit, while only the yen and Swiss franc rose sharply.

The price of the yen is a significant concern for Japanese officials, as a strong yen affects the country's exports negatively. This fact is evident from the percentage of decline in exports from Japanese companies like Honda, Toyota and Sony. An announcement from the Bank of Japan did reflect these concerns. While no intervention has been forthcoming, it is highly anticipated and is the only way to stop the yen rally against majors, as fundamentals are expected to further support a yen appreciation in the near future.

We must mention that the Bank of Japan is the only central bank in the G7 countries that intervenes in the foreign exchange market to reduce the value of the national currency, since the Japanese economy depends heavily on exports. The Bank of Japan sold a record 20.4 trillion yen in 2003 and 14.8 trillion yen in the first quarter of 2004, when the yen traded as high as 103.42 per dollar. This goes to show how close we are today.

Finally, we have to mention the series of records the euro broke against the greenback, the highest being 1.5905. The single currency of 15 European countries was supported with very good data and high inflation figures. Moreover, the dollar was additionally pressured by speculation of a de-peg from Gulf countries and hit a new record low against the Swiss franc below the parity level.

Hussam Saba is a market analyst with ACM Advanced Currency Markets.



When will the bears return?

In the search for assets not affected by the sub-prime crisis, commodities continued to be one of the most attractive asset classes last month. How long will the bull run persist in this asset class? An **MF Global** report.

Inveterate commodity investors must be hardly batting their eyelids as precious metals and energy prices climb to new highs, following a steady flow of buying interest on risk aversion, inflation protection and resource scarcity themes.

Gold has hit a new lifetime high at US$1,033 per ounce (Comex near-month futures at the time of going to the press). Silver (Comex near-month futures), not to be outdone, has raced past US$21 per ounce, although it still has some way to go to touch the high of US$52.50 in the late 1970s, when the Hunt brothers tried cornering the market.

The heightened uncertainty over the state of the US financial system has fuelled the rally in precious metals. Gold, considered the next-favoured investment to US treasuries, has risen sharply as the US dollar has dropped to a new low against its archrival, the euro. Over the past one month, the US dollar has declined by a whopping six per cent against the euro.

The view of the US dollar has turned very bearish following the near-collapse of US investment major Bear Stearns, its purchase by J.P. Morgan and the Carlyle Capital fund shutdown. Bear Sterns faced a mass client exodus, as it was pushed to the brink of mortgage crisis and left with the choice of being sold out at US$2 a share or going bust.

The Carlyle Capital Group episode is more chilling, as it highlights the fact that the credit crunch is not limited to the realm of sub-prime loans, but also has affected mortgage-backed securities with the highest ratings. Carlyle Capital was forced to liquidate its US$21.70 billion investment in AAA-rate mortgage-backed securities issued by Fannie Mae and Freddie Mac, as it found it difficult to meet margin calls following a decline in the value of investments made in these highest-rated mortgage loans.

Despite a gloomier picture of the world economy, the energy complex has performed well. Crude oil (Nymex near-month futures, quoted in US$ per barrel) has gained over 18 per cent month on month, touching a high of US$111.42, despite a lowering of demand forecast by the International Energy Association.

Speculative interest has surrounded crude oil, betting on OPEC's refusal to pump more oil. OPEC produces nearly 40 per cent of the global crude oil output. OPEC refused to be cowed down by increasing demand for higher production, citing the reason that oil prices have alienated themselves from fundamentals.

Natural gas and gasoline prices, which had largely resisted the pressure of a rise in crude oil prices, have broken the shackles, gaining over 16 per cent and 12 per cent respectively over the past month. Coal prices have, however, remained subdued, even as China (one of the world's leading coal producers and exporters) imposed a temporary ban on exports to meet its own power shortages.

Base metals have also witnessed gains, despite concerns of a slowdown in the US economy. Aluminum (LME three-month forward contracts quoted in US$ per tonne) has risen by 15 per cent month on month, registering the highest gains in the industrial metals complex on concerns over erosion in surplus, due to supply disruptions in China and South Africa. Copper has also rallied, partly supported by steadily falling stocks at the London Metals Exchange's warehouses and the rise in silver prices.

As the commodity boom continues, some of the latest economic data on the world's fastest growing economies, China and India, could put investors at a slight unease. Both the countries have, over the past two months, recorded a slowdown in industrial growth.

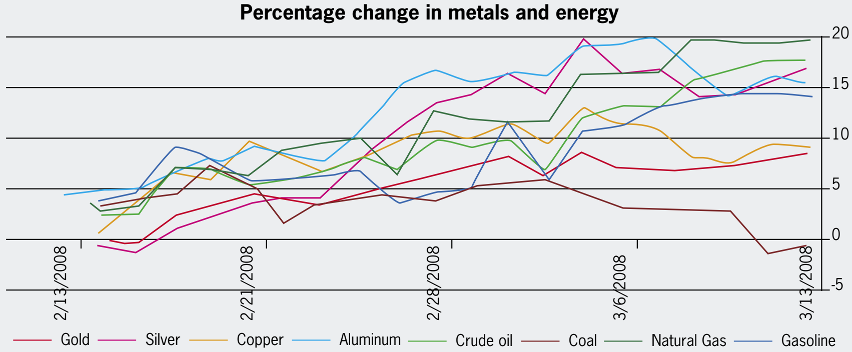
India's January industrial production grew by only around 5.3 per cent from 11.6 per cent last year and 7.7 per cent in December 2007. Fall in capital goods consumption to a 69-month low has been termed the culprit for this sharp deceleration. China's industrial growth has also declined to 15.4 per cent in January-February 2008 from 17 per cent in December.

There is a possibility that these growth numbers could be aberrations caused by a sudden major shakedown in global financial markets in January or extreme climatic conditions like the snowstorms witnessed in China, considered the worst since 1954.

Increasing disconnectedness between commodity prices and fundamentals is also a cause of worry for the investors. Some are concerned that the whole commodity boom may implode, as the growth across the globe could slow down following a prolonged period of very high oil and raw material prices.

The domino effect of falling equity markets could pressure investors to pull out marginally from commodities to meet the increasing margin calls. This thought leads to a more discomforting question: Can the commodities boom escape the much-needed correction of aligning itself to fundamentals for long?

Percentage change in metals and energy



Source: MF Global Commodities Research, Bloomberg.

The information in this column is provided by MF Global. For further details, write to: contactdubai@mfglobal.ae or call +971 4 3325 052. ***Source:*** *MF Global Commodities India Pvt Ltd, Bloomberg.*

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	$20,000	5.25%	Yly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	$100,000	4.10%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	4.00%	fiYly
Clydesdale Bank International	01481 711102	Instant Savings	None	$10,000	3.25%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	$50,000	3.25%	Yly
No Notice Euro Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	€15,000	4.50%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	€50,000	4.35%	Yly
Northen Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.30%	Yly
Zurich Bank International Limited	01624 671666	Euro Reward	None	€5,000	4.25%	Yly
Bank of Scotland International	01534 613500	Base Rate Tracker	None	€35,000	4.25%	fiYly
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	£10,000	6.65%	Yly
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	£25,000	6.60%	Yly
Scarborough Channel Islands	01481 712004	Offshore Reserve	None	£25,000	6.35%	fiYly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore 1	None (w)	£1,000	6.30%	fiYly
Scarborough Channel Islands	01481 712004	Lifestyle Fifty-Plus	None (s)	£5,000	6.20%	fiYly
Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	£10,000	6.82%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 32	32 Day (I)	£10,000	6.72%	Yly
Irish Nationwide (IOM)	01624 673373	International 90 Day	90 Day	£50,000	6.70%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 60	60 Day (I)	£10,000	6.65%	Yly
Irish Nationwide (IOM)	01624 673373	International 30 Day	30 Day	£50,000	6.65%	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker Access	None (I)	£10,000	6.35%	Mly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Income	7 Day	£5,000	6.25%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£10,000	6.20%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	90 Day (I)	£10,000	6.15%	Mly
Scarborough Channel Islands	01481 712004	Offshore Reserve	None	£25,000	6.15%	Mly
Fixed Rates						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	1 Yr Bond	£10,000	6.95% F	OM
Irish Nationwide (IOM)	01624 673373	1 Year Fixed Term Bond	1 Yr bond	£50,000	6.95%F	Yly
Irish Nationwide (IOM)	01624 673373	6 month Fixed Term Bond	6 month bond	£50,000	6.750%F	OM
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	3 Yr Bond	£10,000	6.55% F	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	5 Yr Bond	£10,000	6.32% F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	4.07%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.625%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	3.45%	Qly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.25%	Mly
Farbian Private Bank	01624 645000	Reserve	None	£5,000	2.75%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eSaver	None (W)	£1	6.40%	Yly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eIncome	None (W)	£1,000	6.00%	Mly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None (W)	£1,000	5.45%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.40%	Yly
Abbey International	01534 885000	Tracker Term 7	04-09-08	£10,000	5.35%*	OM

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post
All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 20, 2008 Source: Moneyfacts

OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	1.95	2.45	2.95w	3.45	4.20	4.25	4.25	4.45	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	3.05 3.05e	3.05 3.05	3.05 3.05	3.05 3.05	3.55 3.55	3.85 3.85	3.85 3.85	3.85 3.85	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	2.75 - 2.75	2.75 - 2.75	2.75 - 2.75	2.75 4.25 2.75	2.75 4.50 2.75	2.75 4.75 2.75	2.75 4.90 2.75	2.75 5.00 2.75	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.07 0.32	0.12 0.37	0.92 1.17	1.62 1.87	1.87 2.12	1.87 2.12	1.87 2.12	1.87 2.12	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	1.25	1.25	1.25	1.25	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.25	2.25	2.25	2.625	3.00	3.062	3.062	3.062	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.85	1.85	2.45	3.20	4.20	4.35	4.35	4.35	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	3.505	3.755	4.505	4.505	4.505	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	4.25	4.25	4.50	4.75	5.00	5.00	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	1.75k	1.75	2.50	2.75	3.00	3.25	3.25	3.25	Qly	Yes

k = Rate applies from £3K. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 07, 2008 Source: Moneyfacts

Best Buy Tables - OFFSHORE

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	1.35w	2.00	2.00	2.25a	2.50	Yly	No
		Offshore Gold	-	0.50	1.00j	1.00	1.00	1.50	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.68	3.68	3.68	3.68	3.68	3.68	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.00	4.00	4.00	4.00	4.00	4.00	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.25h	4.25	4.25	Yly	No
		International Savings	1.75	1.85	1.95	2.20	2.40	2.40	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	1.40e	1.40	1.40	1.40b	Qly	No
		International Tracker	-	-	2.45e	2.45	2.75a	3.25b	Qly	No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Close Wealth Management Group	01481 746333	Advantage	-	1.80	1.80	1.80	1.80	2.30	Mly	No
	01624 643270	Advantage Plus	1.80	1.80	1.80	1.80	1.80	2.30	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.90	3.90	3.90	3.90	3.90	Yly	No
		Current	2.86	2.86	2.86	2.86	2.86	2.86	Mly	No
		Instant Savings	-	3.83	3.83	3.83	3.83	3.83	Mly	No
Fairbairn Private Bank		Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.00a	3.25b	On closure	No
	01624 645000	Reserve	-	1.50	1.50	1.50	1.50	1.50	Qly	Yes
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.54j	3.54	3.54	3.54	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	3.83j	3.83	3.83	3.83	Mly	No
		Premier Serious Saver	-	2.365	2.365	3.015	3.015	3.415	Mly	No
		Serious Saver	-	2.115	2.115	2.765	2.765	3.165	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.40v	3.40	3.40	3.40	3.75	3.75	Yly	No
		Instant Access	3.35v	3.35	3.35	3.35	3.69	3.69	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.50e	4.50	4.50	4.50	Yly	No
		Call	0.75r	0.75	0.75	1.25u	1.437m	1.875n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.45	1.30	1.60	1.85	2.20	2.70	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50t	2.50	2.55	2.55	2.55	2.60	Yly	No
		Euro Tracker Premium	4.05	4.05	4.05	4.35	4.35	4.35	Yly	
NatWest	01534 282300	Advantage International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Yly	No
		Offshore Euro Direct Saver	4.05	4.05	4.05	4.05	4.05	4.05	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.26	2.31c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	3.00u	3.00	3.25b	Mly	Yes
Standard Bank	01624 643643	Offshore Reserve	1.56	1.56	1.56	2.06	2.31	2.43	Half Yly	No
	01534 881188	Optimum	0.50	0.50	0.50	1.25	1.50	2.00	Qly	No
		Offshore Moneymarket Call	-	-	-	3.50	3.60	3.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.84j	2.08	2.33	2.82	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward	4.25	4.25	4.25	4.25	4.25	4.25	Yly	No
		Call	2.75	2.75	2.75	2.75	2.75	2.75	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 ay arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 07, 2008 Source: Moneyfacts

US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call	0.00	1.25	1.25	1.50	1.75	2.10	Yly	No
		Offshore Gold	-	0.00	0.00	0.25	0.75	1.10	Qly	No
Alliance & Leicester International Ltd	01624 663566	US$ Savings	4.00	4.00	4.00	4.00	4.10	4.10	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.00	4.00	4.00	4.00	4.00	4.00	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	3.25	3.25	3.25	Yly	No
		International Savings	0.50	0.50	0.75	1.50	1.80	2.00	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	2.00	Qly	No
		International Tracker	-	-	1.30u	1.30	2.30	2.50x	Qly	No
Bristol & West International Ltd	01624 644333	Easy Access	1.25	1.25	1.25	1.50	1.75	1.75	Yly	No
Close Wealth Management Group	01481 746333	Advantage	-	0.85	0.85	0.85	0.85	1.35	Mly	No
	01624 643270	Advantage Plus	0.85	0.85	0.85	0.85	0.85	1.35	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.25	3.25	3.25	3.25	3.25	Yly	Yes
		Current	2.23	2.23	2.23	2.23	2.23	2.23	Mly	Yes
		Instant Savings	-	3.20	3.20	3.20	3.20	3.20	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.50	0.50	0.50	0.50	0.50	On Closure	Yes
		High Interest Accumulation	-	-	-	-	2.00v	2.25x	On Closure	Yes
		Reserve	-	0.50	0.50	0.50	0.50	0.50	Qly	Yes
HSBC International	01534 616000	Offshore Bank	-	0.10	0.15	0.20	0.71	0.82	Mly	No
		Online Saver	-	-	2.62u	2.62	2.62	2.62	Mly	No
		Premier Offshore Bank	-	0.16	0.40	0.45	0.96	1.07	Mly	No
		Premier Online Saver	-	-	2.86u	2.86	2.86	2.86	Mly	No
		Premier Serious Saver	-	0.375	0.545	1.455	2.245	2.365	Mly	No
		Serious Saver		0.225	0.495	1.205	1.995	2.115	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10v	0.25m	Qly	No
Irish Permanent International	01624 641641	Instant Access	1.75	225	2.25	2.75	2.85	2.85	Yly	No
		Instant Access	1.74	2.23	2.23	2.72	2.81	2.81	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	5.25u	5.25	5.25	5.25	Yly	No
		Call	1.125k	0.125	0.125t	0.25a	0.437v	0.875m	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.00	0.00	0.10	0.40	0.55	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	2.05h	2.05	2.10	2.20	2.65	2.65	Yly	No
		US Dollar Tracker Premium	3.10	3.10	3.10	3.25	3.25	3.25	Yly	No
NatWest	01534 282300	Advantage International	1.20	1.30	1.40	1.60	1.85	2.00	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.745	1.995x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	1.20	1.30	1.40	1.60	1.85	2.00	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.00	2.00	2.25r	Mly	Yes
Standard Bank	01534 881188	Offshore Reserve	0.25	0.25	0.25	0.50	0.87	1.12	Half Yly	No
	/01624 643643	Optimum	0.00	0.00	0.00	0.00	0.50	0.75	Qly	No
		Offshore Moneymarket Call	-	-	-	2.50	2.60	2.60	Mly	No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	1.00u	1.05	1.29	1.54	Qly	No
Zurich Bank International Ltd	01624 671666	Call	0.50	1.00	1.50	2.00	2.25	2.50	Qly	No

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

All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: March 07, 2008 Source: Moneyfacts

EXPATRIATE MORTGAGE TERMS - APRIL 2008

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.09% 2 year tracker 5.89% 2 year fix	85	2.5% 1%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	5.67% 2 year Fix 5.83% 2 year Fix 5.67% 5 year fix 5.63% full term tracker bank base plus 0.34%	85	GBP995 Nil	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.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1.25% Family occupation, LIBOR + 1% Foreign currency mortgage Cost of funds +1.5-2.0%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	6.69% 3 year fix	75	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.
Heritable Bank	6.79% 2 year fix	85	0.5%	IMP Clients receive a special discount. 6% redemption penalty over the first two years.
HSBC	7.5%	80%-90% Repayment basis only 75% Interest only	Varies	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
Ipswich Building Society	6.24% via discount to 01/03/2010	80%	GBP395	Maximum of five properties to GBP1 million borrowing. Flexible mortgage.
Irish Permanent (Isle of Man)	Base +0.65% - 1.25%	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	5.99% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	BTL Under review Family occupation 5.74%	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible BTL overpayments/ underpayments.
TMW	5.68% 5.89% 6.19%	80 80 80	2 year fix 1.5% 1.5% 0.5%	5% during fix rate. 2 year tracker 5% in fixed period. 5 year fix 5% in fixed period.

This table is for information purposes only and is not to be viewed as a recommendation.
Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms.
A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 19/03/08 - 5.25% 3 month LIBOR 5.93%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa (Silver, Gold, Business, Electron) Mini Visa	Silver – 220 Gold - 420	N/A for purchases, SAR36 for cash withdrawals	45 days	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, Alarabi Silver, Alarabi Gold, Internet Card)	Al Mubarak Silver – 75 or 130, Al Mubarak Gold – 180, Alarabi Silver – 200, Alarabi Gold - 350	Al Mubarak cards: N/A on purchases and cash withdrawals Alarabi cards: 1.97% on purchases, 3.45% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 1.97% on purchases, SAR75 on cash withdrawals Amanah card: N/A on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	1,000,000	Govt. sector: 2,300 Private Sector: 2,500	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	1,200,000	3,500	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	1,500,000	3,000 for nationals, 4,000 for expatriates	Up to 60 months	Both schemes are Shari'ah approved. Possible top-up finance. Supplier price discounts for goods.	800 244 1005 www.ncb.com.sa
Riyad Bank	Personal Loan Murabaha or Tawaruq	1,500,000	2,500	Up to 60 months	Murabaha and Tawaruq schemes are Shari'ah compliant. Remaining installments waived in case of death.	800 124 2020 www.riyadbank.com
SABB	MAL (Islamic Personal Finance)	1,500,000 with salary transfer, 50,000 without salary transfer	3,000	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	2,500	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	1,000,000	Govt. sector: 3,000 Private sector: 4,000	Up to 60 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Financing	6% yearly	Up to 60 months	None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Al Mubarak Finance	4.4% yearly	Up to 60 months	None	Government employees must have min. salary of SAR3000 and must have been with current employer for three months. Private company employees must have min. salary of SAR4000 and must have been with current employer for one year.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha	Starts at 3.5% yearly	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Auto Lease	Starts at 5%	Up to 60 months	None	Minimum salary: 3,000. Three months service with current employer.	800 244 1005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 4.95% yearly	Up to 60 months	None	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starts at 3.99%	Up to 60 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8.75 – 9%	Up to 42 times salary for nationals, 75% of end of service benefits for expats	Up to 108 months for nationals, up to 60 months for expats	120	800 766 66 www.bdof.org
Bank Muscat	Consumer Loan	9%	Up to 51 times salary for nationals, up to six times salary for expats	Up to 132 months for nationals, up to 24 months for expats	Nationals – 150 Expats - 250	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	9%	Depends on salary	Up to 96 months for nationals, up to 72 months for expats	300	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	9%	Up to 51 times salary	Up to 132 months for nationals	250	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	9%	Up to 32 times salary for nationals, depends on end of service benefits for expats	Up to 108 months for nationals, up to 36 months for expats	150	247 06 265 www.omanab.com
Oman International Bank	Basma Personal Loan Scheme	9%	Up to 25 times salary for nationals, up to 8 times salary for expats	Up to 72 months	150	246 85252 (Head office) www.oiboman.com

Credit Cards — OMAN

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

Personal Loans — QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 9.5%	Up to 47 times monthly salary Up to 33 times monthly salary	3,000 5,000	Up to 18 years Up to 84 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	3,500	Up to 216 months	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.75%	Up to 20 times monthly salary	1,500	Up to 60 months	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 10.25%	Up to 250,000	3,000	Up to 48 months	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.24-10.24%, depends on the loan tenor	Depends on salary	3,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 9.75-11.50% 8.75-11.50%	Up to 50 times monthly salary Up to 450,000	4,000 3,000	120 months for nationals Up to 60 months for expats	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 9.99-10.74%	Up to 350,000	2,000	Up to 84 months for nationals and 72 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	3,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

Credit cards — QATAR

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

Home Contents Insurance — QATAR

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

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

Medical Insurance — QATAR

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

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

Personal Loans

BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 9.5%	Up to 22 times monthly salary	300	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	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 8.5-10.25%	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: 11%, for PIL 25% reducing balance rate	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for nationals, starts at 9.5% for expats	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200 for nationals 400 for expats	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 4.39%	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards

BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 250, Gold - 400	Standard/Gold – 2% on purchases, 4% on cash withdrawals	45 days	17221999
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	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 the first year	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 garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance

BAHRAIN

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

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

Medical Insurance — BAHRAIN

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

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

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	6.25%	Up to 15,000	250	Up to 72 months	812000
Burgan Bank	Consumer Loan	6.25%	Up to 15,000	200	Up to 60 months	804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	10.25% 6.25%	Up to 70,000 minimum 10,000 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 180 months Up to 60 months	888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	6.25%	Up to 15 times salary maximum 15,000 Up to 50 Times salary maximum 70,000	250 350 for nationals	Up to 60 months Up to 180 months	805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.25%	Up to 15,000	250 for nationals, 600 for expatriates	Up to 60 months	801801 www.nbk.com

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.25% 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
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3-5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Classic 30, Gold 40, 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 March 2008 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance — UAE

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

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

Home Contents Insurance — UAE

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

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

Credit cards — BY INTEREST/PROFIT RATE — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari Web Card	Classic-200, Gold-400, e-Tijari Web Card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.5% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Silver, Gold, Platinum)	Free for life	0% profit rate for first three months. Afterwards, 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fee: Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A on purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Classic, Gold, Platinum, Infinite)	Monthly fee: Classic-100, Gold-233, Platinum-467, Infinite-700	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Free for life	0.99% per month or 11.9% per annum	55 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium)	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards 2.25% on cash withdrawals	55 days	04 213 0000 www.rakbank.ae
Standard Chartered	Saadiq Visa Gold Credit Card	500	N/A on purchases, AED125 for cash withdrawals	50 days	04 313 8888 www.standardchartered.com/ae
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200, Platinum MasterCard-650	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-800	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collcted. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Visa, MasterCard (Silver, Gold, Eppco-Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning 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 www.citibank.com/uae
Dubai First	Visa (Silver, Gold) Royale MasterCard	Silver – 150, Gold – 350 Royale MasterCard - by invitation only	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. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.	Toll-free: 800 33 www.dubai-first.com
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travle and medical insurance options, rewards programme.	04-3160316 www.me.ae
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - 700, 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. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts; until August 10, 5% cash back on all retail purchases, 2% after promotion.	Toll-free: 800 4444 www.nbd.com

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

Know of a better offer? We'd like to hear from you. Fax us on 00971 4 391 2173 or email info@moneyworks.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	New cars starting at 3.95%, used cars staring at 5.25%	Up to 500,000 (Depends on salary)	Nil downpayment option for new cars, min. 10% for used cars	New cars - 72 months Used cars - 60 months	Approved companies 2,500; otherwise 3,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 400,000 with salary transfer, up to 350,000 otherwise	Nil for new cars, minimum 5% for used cars	New cars - up to 60 months Used cards - up to 48 months	3,000 for account holders; otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% flat rate	New cars: up to 90% Used cars: up to 70%, subject to maximum AED50,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	CBD custmers: 4.25% for new cars, 5.75% for used cars Non-customers: 4.5% for new cars, no financing for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	3,000	No
Commercial Bank International	Sayaraty	3.99% for new cars, up to 5.5% for used cars (depends on make and model)	Up to 300,000	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
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, 5.25% for used cars	Up to 500,000	Nil downpayment option.	60 months for new cars 48 months for used cars	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.99% for new and used cars, without salary transfer 4.5%.	Up to 250,000	Nil downpayment option.	Up to 72 months - new cars, up to 48 months - used cars	4,000	No
Noor Islamic Bank	Noor Drive	3.75% for new cars, 4.75% for used cars	Up to 500,000	None	Up to 84 months for new cars, up to 72 months for used cars	2,500 with salary transfer, otherwise 3,000	No
Sharjah Islamic Bank	Vehicle Murabaha	With salary transfer: 3.99% for new cars, 4.25% for used cars. Without salary transfer: 4.25% for new cars, 5% for used cars.	Up to 250,000	Nil for new cars, minimum of 10% for used cars	Up to 72 months	3,000	No

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Starts at 9% reducing balance rate	Up to 250,000 (depends on salary)	Yes	Up to 192 months for nationals, 72 months for expatriates	2,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000	Yes	Up to 72 months for nationals, 60 months for expatriates	4,000	Yes
Dubai Bank	Sanad Personal Finance Souk Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor and salary)	Up to 25 times monthly salary, maximum 250,000	Yes	Up to 120 months Up to 60 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	3,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.95% fixed rate without salary transfer	Up to AED250,000	Yes	Up to 60 months	2,500 with salary transfer, otherwise 3,500	No
HSBC Amanah	Amanah Personal Finance	Profit rate: starts at 9% on reducing balance basis	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	Starts at 9% on reducing balance basis	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-11.5%, depending on loan term and company status	Up to AED250,000 (depends on salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	2,500	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED250,000	Yes	Up to 60 months for nationals Up to 48 months for expats	3,000	Yes
United Arab Bank	Consumer Loan	Starts at 4.5% fixed rate	Up to AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	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	3,000	Yes

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

UAE

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

Criteria: Interest rate of 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 three times salary overdraft for nationals and up to two times for expats.	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED2,500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loand amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

Mortgages

PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	7% variable rate	Salaried: Up to 90% of value with salary transfer, up to 85% without salary transfer Self-employed: Up to 80% of value Salaried non-residents: Up to 70% Self-employed non-residents: Up to 60%	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer, 20% for self employed
Amlak (Shari'ah compliant)	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	7.75-9.5% reducing balance rate	Up to 90% of property value	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	8% reducing balance rate	Up to 85% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	15% of the property market value
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starting from 8.5% reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.75 - 9.10% reducing balance 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
Commercial Bank of Dubai	UAE residents	Up to 25 years	68 years for nationals, 65 years for expats	Starts at 6-month EIBOR + 2% (Max. 3.25%)	AED10 million	55% to 65% based on income levels	Min. 10% for salaried, min. 20% for self-employed
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	Starts from 8.5% fixed rate	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	Ijara - 3 month EIBOR + 3% with salary transfer, + 3.5% without. Murabaha - reducing balance rate 11% with salary transfer, 11.5% without.	Maximum up to AED5 million	Not more than 50% of the salary	Minimum 3-10%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	Floating interest rate. More information not available.	Up to 90%; as much as AED5 million	Maximum 60%	10%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	Variable rate: EIBOR+2.5%	Up to 70% of the property value	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	7.25 - 8.25% reducing balance rate	Up to 85% of purchase price	60% overall debt on all regular commitments	Min. 15%
Lloyds TSB	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
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	Fixed rate: starts at 6.25% Variable rate: from 3.25% + 6-month EIBOR	Up to AED12 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
Mawarid Finance	UAE residents and non-residents	Up to 25 years	60-65 years	1 year EIBOR +3%	Up to 90% of property value	Depends on salary	Depends on property
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years	65 years	Starts at 7% reducing balance rate	Up to AED8 million for Abu Dhabi properties, up to AED5 million for other emirates	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
National Bank of Dubai	UAE nationals, expats 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 + 3.25%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.5% (Also offers Offset Home Loan - allows you to fast forward repayment of your mortgage and save on interest.)	Up to 80%; for select properties up to 90%	Residents: up to 60% Non-residents: up to 50%	Minimum 10% depending on the property
RAKBANK	UAE nationals, expats and non-residents	25 years	65 years	8.25 - 10% reducing balance rate	Up to 90% of property value	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	**Profit rate**. With salary transfer: 4.65% for 1 to 5 year tenor; 5% for 6 to 10 year tenor; 5.2% for 11 to 15 year tenor. Without salary transfer: 5% for 1 to 5 year tenor; 5.2% for 6 to 10 year tenor; 5.48% 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
Standard Chartered	UAE nationals, expats	25 years	65 years	Variable rate: 8.5%	Up to 90% or market value	Depends on the salary	Minimum 10%
Tamweel (Shari'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	**Depends on scheme.** Floating rate of 7.9%	Up to 95% of the property value. (Varies from property to property)	55% of salary	Minimum 5%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	8.5 % variable rate	Up to AED5 million	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + 2% for residents, +2.5% for non-residents	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

UAE

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

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

Independent Financial Advisers — UAE

Licence: The UAE Central Bank

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

Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma-international.com	www.acuma.ae3
GlobalEye	P O Box 24592, Dubai	+971-4-3979550, 800-4558	+971-4-3979551	admin@globaleyegroup.com	www.globaleyegroup.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	pwealth@eim.ae	

Licence: DED (Dubai Department of Economic Development)

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

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

Others

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

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

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

Licensed Financial Intermediaries — UAE

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

Name	Address	Telephone	Fax	E-mail	Website
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	+971-4-351 6112	+971-4-355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	+971-4-228 3003	+971-4-223 7237	eastrust@emirates.net.ae	www.easterntrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	+971-4-268 6844	info@lmedubai.com	www.lmedubai.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	+971-2-626 6669 +971-4-397 7779	+971-2-626 3322 +971-4-397 4422		www.nexusadvice.com
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	+971-4-351 4900	+971-4-352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	+971-4-221 3949	+971-4-224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	+971-4-359 8882	+971-4-359 9030	info@world-index.com	www.world-index.com

Disclaimer: *This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during March 2008. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae. (Source: UAE Central Bank Website, last updated March 31, 2003)*

Related Services — UAE

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

Letter of the Month

Email: editor@moneyworks.ae

Letter of the month wins a complimentary annual subscription to MONEYworks.

Dear editor,

Thank you for your archives. It is really a pleasure to be able to download your magazines and read them. We, who are living outside the UAE, find it difficult to obtain your magazines. Thank you for putting them on the web.

HL, Dar es Salaam, Tanzania, by email

Thank you for writing to us. We decided to print your letter this month because, understandably, we rarely have any communication from readers in your country, since we primarily distribute our magazines in the GCC. Historically, most of our readers have been communicating to us from the region, or in the UK and the subcontinent. In fact, the purpose of putting our magazines on the website is to really reach out to readers like you, along with those in the region who are seeking impartial financial information but are probably missing out due to one reason or another.

I also want to assure you and all our readers that we are constantly trying to improve our website and grow it beyond the magazines to a comprehensive virtual hub for financial information. We'll always appreciate and welcome any comments or suggestions on the website.

*Write to **MONEYworks** - Reader's letters.*
All correspondence MUST carry a daytime telephone number (a mobile phone number will not suffice), there must be an address and the letter should be signed by the author. We cannot publish every letter, and those that are may be edited or excerpted.

Post to:
PO Box 10656, Dubai, UAE, Fax to: 00971 4 391 2173.
Email to: *editor@moneyworks.ae*
Make the subject 'Readers' and don't forget that telephone number.

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

Goodbye Tension, Hello Pension

With all the recent media discussion and debate about certain types of pension products and potential uses of these, **James Thomas** this month revisits pensions and retirement planning.

This issue has been covered before, but it is one that continues to confuse and concern people. Some people panic and make good provision for their old age; others make inappropriate decisions, while some people bury their heads in the sand and make no provision at all.

Why do you need to worry about retirement and your future? This is an issue that will affect the vast majority of people. Eventually you are likely to reach an age where you cannot, or do not want to, work anymore. So what do you do when you reach this age? How will you continue to fund the lifestyle to which you have become accustomed?

In the UK, and indeed many other countries that have established pension schemes, there are often clear and quite simple ways to start funding for your retirement. To use the UK as an example, there are compulsory pensions that you have to contribute to. These payments are taken out of the tax that is collected from your salary at source, so you have no choice in making the contribution. The state pension, though a useful benefit, would not be enough for the average person to survive on, and generally it is advisable to make further provision.

Most employers are required by law to offer their staff some form of pension to contribute to, and will often make a contribution as well to enhance the employees' benefit package. Other countries also have similar schemes available.

But what about residents of the UAE; what can you do to plan for your retirement? To start with, most employers are required to give their staff what is generally known as a 'gratuity' payment. This equates to 21 days' remuneration for each year of the first five years of service, and then thirty days' remuneration for each additional year of service, subject to a maximum of two years' remuneration. However, much like the UK state pension, I would suggest that this is not something to rely upon and that you should make further provision.

So how do you achieve this? The simplest way is to save a percentage of your salary while you are working, which will build over the course of time to a size that is sufficient for you to retire on. How much should this be? As I have mentioned before, and as a very approximate rule of thumb, I suggest to clients that you consider taking your age, dividing it by two and then using this as a percentage of your salary to save.

This money is then invested into a fund that can be a combination of assets, ranging from cash to property to shares. The key issue is that this fund has to be large enough to generate sufficient income for you to live on. The offshore environment gives an investor a lot more flexibility than onshore, but with that comes more responsibility to make your own retirement provision. If you prefer, and a lot of people have done so, your 'pension fund' can consist of a portfolio of properties, and the rental yield that they generate can be used as income for you.

An issue that has been generating a lot of discussion recently is the Qualifying Recognised Offshore Pension Scheme, or QROPS. This is a type of pension that was initially set up to allow people with UK pensions, who then emigrated to other countries, to transfer their pension to that country and combine it with any benefits that they had accrued in the new country of residence. Generally, the approved schemes had similar rules to the UK, and so any benefits would also be structured in a similar way.

What has been happening lately is that a loophole has been spotted in these rules, which state that 'if a pension scheme member is not resident in the UK when the payment is made and the member has also not been resident in the UK for the five years preceding the tax year the payment has been made, then no member payment or a charge will arise or be reportable to Her Majesty's Revenue & Customs (HMRC)'.

In plain English, this has been interpreted to mean that if you have been out of the UK for more than five tax years, it is not a requirement to report where your pension has been moved to. As such, you could, if the new pension scheme was agreeable, take the entire fund as tax-free cash.

To me, this sounded too good to be true, and so it proves to be. HMRC has reviewed a case and decided to apply income tax on the proceeds that have been paid out. This is, of course, only one case, but to me it highlights the risks of trying to get around HMRC. Eventually they will work out what is going on and apply the rules as they see fit, and 99 times out of 100 you will lose.

With anything as complicated and as important as your future, it is vital that you talk to a qualified professional advisor to guide you through the subject impartially. The right advisor will be able to explain the issues and options to you in a clear and concise manner so that you can be confident in the decisions you make and comfortable that they have your best interests at heart.

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.

The ghost stocks of the Gulf

Sheikh Sultan bin Saud Al Qasimi wonders why companies that don't trade should be listed.

The Merriam-Webster dictionary defines the word ghost as "a faint shadowy trace", which brings to mind several stocks that are apparently listed on the Gulf stock markets. There are two kinds of ghost stocks in the Gulf: those that are actually listed but whose equity is so tightly controlled by a single family or two that they are rarely, if ever, traded; or those that are heavily traded but have a faint shadowy presence in real life.

DFM blues

Of the 61 stocks with a listing on the Dubai Financial Market (DFM), 40 of them (as of March 4) did not have a single transaction. That means that an enormous 65 per cent of the stock market listings remain dormant. If one looks at the remaining 35 per cent of the market, many of those stocks have one or two-digit trades, and that's in a good day. The question that needs to be asked is: why bother listing these stocks in the first place?

According to the resourceful web portal Zawya.com, one major trade-starved bank listed on the DFM has a 10 per cent share free float; hence, it is controlled and managed by a prominent family. This share does not trade and, oddly enough, did not decline in the 2005 UAE stock market crash, unlike almost every other stock.

Another strange phenomenon has to be that of GCC cross-border listings. On this day, for example, Gulf Finance House, which is listed in Kuwait, Bahrain and Dubai, with the promise of an upcoming listing in London (see Gulf News November 2006), didn't have a single trade. It seems that the hopes of the bank's CEO of becoming "one of the proactive companies in the DFM"[1] vanished some time ago.

Also consider the abnormal occurrence of those firms that most people have never heard of, such as "Aerated Concrete Industries" (zero trades), "Shop" (apparently they have malls, but zero trades) and the interestingly named "United Kaipara Dairies" (you guessed it, zero trades). Pundits can recall the UAE ministry of economy's ultimatum concerning the listing of all public joint stock companies two years ago, but couldn't that be coupled with a minimum amount of shares being held by non-founders?

Saudi shadows

Some firms in Saudi Arabia present the second type of ghost shares, as there are several well-publicised cases of companies that exist on paper, but not much else. A case in point would be the firm known as Bishah Agricultural Development Company, which was suspended from trading in early 2007.

According to Tadawul, the official Saudi stock market website, Bishah, whose nominal value was SAR10, was trading at eight times its multiple and millions of riyals in value just one day prior to its suspension. What were these poor unfortunate investors (estimated at 10,000 people[2]) buying and selling, other than empty promises? Keep in mind that Bishah was valued by investors at US$120 million the day before its suspension and had nothing to its name except three derelict pieces of land "in a good location".

In February 2006, Bishah, which reported impressive profits to the tune of SAR206,000 (US$55,000) and a turnover of SAR1 million in 2005, was valued by investors at a staggering SAR489 per share, giving this grand daddy of all fiascos an astronomical value of SAR2.5 billion (US$650 million).[3] Fortunately, the Saudi Arabian Capital Market Authority was quick to react and intervened only one year later to suspend the stock's trading.[4] These fantastical figures translate into a PE ratio of 13,000 (plus or minus one thousand), meaning that should you be a lucky investor in Bishah, you will be able to recoup your hard earned cash in the year 15,000 AD or so; a great stock for those of us looking for long-term investment opportunities.

What must be done is some form of fine tuning with regard to the regulations to at least maintain a façade of tackling the issue of equity, market and index manipulation. Illiquid stocks should not be featured in the primary market, nor should they be used in the calculation of the index. Regulators should also be more proactive and react quicker against firms such as Bishah to protect investors' interests. Introducing market reforms, such as the above two, will provide investors with a more realistic picture of the available investment opportunities in terms of both liquidity and the quality of listed equities. MW

Sheikh Sultan bin Saud Al Qasimi is the chairman of Barjeel.

(Sources/Acknowledgements)
1. http://www.zawya.com/story.cfm/sidZAWYA20060515042331
2. http://www.zawya.com/story.cfm/sidZAWYA20070115031611
3. http://www.tadawul.com.sa/Resources/fsPdf/6080_2005_Y.pdf
4. http://www.zawya.com/story.cfm/sidZAWYA20070113095919

(Footnotes)
1 http://www.zawya.com/story.cfm/sidZAWYA20060515042331
2 http://www.zawya.com/story.cfm/sidZAWYA20070115031611
3 http://www.tadawul.com.sa/Resources/fsPdf/6080_2005_Y.pdf
4 http://www.zawya.com/story.cfm/sidZAWYA20070113095919