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October 2007 Issue 107



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INVESTMENTS

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Fraud still a taboo for banks

ISLAMIC BANKING

Saudi Hollandi beef up AlYusr brand

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Kuwait.....KWD1.0
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Saudi Arabia...SAR10
UAE.....AED10

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There was a flurry of development last month as Borse Dubai, together with the NASDAQ, entered into a landmark deal to acquire 14 per cent of Nordic bourse operator OMX, while Qatar Investment Authority announced that it had bought 20 per cent of the London Stock Exchange. GCC investors' stake in the LSE has now reached 48 per cent, with Borse Dubai owning 28 per cent of that exchange. In fact, QIA has reportedly indicated that it might make a complete takeover bid for the LSE at a later stage.

GCC investors have been in news headlines for the past year or so purchasing international assets across the world. Apart from markets, one of the other significant deals recently was the 7.5 per cent stake that Abu Dhabi has agreed to buy of the Carlyle Group for US\$1.35 billion. According to Bloomberg, GCC states together have invested a record US\$68 billion on international acquisitions this year alone.

In the international markets, there has been some relief as the Federal Reserve cut its benchmark rate by 50 basis points, mainly due to concerns about job losses. From here on, equity investors in the international markets need to look more at growth stories, as corporate earnings growth may not be as impressive as the pre-subprime crisis.

On our home turf, there has been some bad news as Forsyth Partners closed down. Forsyth had been held up as an example of international businesses moving their headquarters to the Dubai International Financial Centre. But such things happen in all markets across the world, and we have to take these developments in stride. For investors, the good news is that Crosby Capital has agreed to acquire some of the assets of Forsyth Partners.

In the region, as the US greenback takes a further drubbing, there are all sorts of rumours about decision-makers looking at the possibilities of unpegging their local currencies from the US\$. But again, nothing has been confirmed. Towards the end of last month, the Saudi Riyal was under pressure as the Saudi benchmark rate had not come down in tandem with the US rate cut and the local currency strengthened. Around the same time, Kuwait let the dinar appreciate against USD by about 0.27 per cent, taking the local currency to a 19 year high.

September was also a month when we organised our first summit on asset management in Dubai. It was a useful discussion on certain key areas of asset management, the challenges that asset managers face in the region and also the issue of corporate governance. The documentary record of this, distributed free with this month's issue, is a must read.

Before I sign off, let me take this opportunity to wish all our readers Eid Mubarak.



Utpal Bhattacharya
Editor



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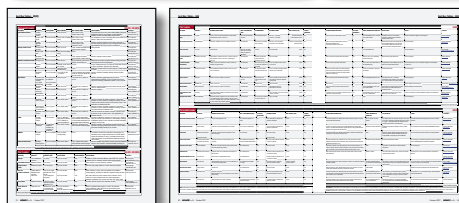
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Paul Forsyth

What really happened to Forsyth Partners?

Forsyth Partners has closed shop at the Dubai International Financial Centre. **Utpal Bhattacharya** looks at what actually happened on the basis of information provided by various sources close to the group's operations.

The appointment of Grant Thornton as the liquidator of Dubai Forsyth Partners Group Holdings Limited has finally begun the process of locking the doors of the Dubai-based company which, at one time, was held as a showcase for asset management companies globally looking to shift headquarters to Dubai. However, there are many questions that have remained unanswered even as we go to print. Calls by this writer to the chief executive officer Paul Forsyth have not been returned despite being promised. Text messages from this writer giving him an opportunity to respond to queries and to the substance of this report remained unanswered.

Yet, there were quite a few sources close to the group who were eager to speak to **MONEYworks** and provide information on what actually happened, and why a promising venture in a nascent international financial centre had to liquidate abruptly. It looks like some of the key boards of directors in different companies within the group not only did not agree with each other, but also acted against each other's interest, which was the undoing of the Dubai business.

The Forsyth Partners (FP) business has various legs, with the FP Group holding company domiciled in Dubai. There are three companies under the holding company: the group's asset management company called the Forsyth Partners Limited (UK), Forsyth Partners Distributors (Dubai) and Forsyth Partners Bulgaria (mainly responsible for systems of the group).

Sources said there were financial problems within the group, but the problem was not in the Dubai office, as Forsyth Partners (UK) owed US\$10 million to the Dubai holding company as part of asset management fees that were to be transferred to the Dubai company. They said that Forsyth Partners UK refused to pay what it owed to the Dubai-based company leading to the Dubai holding company going into liquidation.

"The Dubai company has a liability of US\$17 million as of today, of which US\$10 million was to come from the UK asset management company, which has not paid up even when it has over US\$8 million in its bank account. The Dubai company should not have gone into liquidation as it had another deferred payment of US\$5 million coming to it from its distributors. It had the balance US\$2 million in the bank to pay for all liabilities," said one source close to the group on conditions of anonymity. **MONEYworks** was unable to cross-check the claims as repeated requests were not answered by the management of Forsyth Partners.

The sources also ask why the group chose to liquidate its Dubai interest and not that of the UK company, "which should have gone bust instead if they paid their dues to the Dubai office".

With a number of creditors apparently queuing up to get their dues, there are some more questions that are being asked, including the process in which Crosby Capital was chosen to take over the assets of Forsyth. The sources said that out of over 70 enquiries, only six proposals were considered, three of which were short-listed and, finally, Crosby chosen. Significantly, Crosby's auditors are Grant Thornton.

The question that is being asked is - will the Dubai creditors be paid by Crosby, or are they not part of the deal? The question remains to be answered by the management.

Among creditors to the Dubai holding company are also staff members, some of whom have not been paid since earlier this summer. There are also travel agents who are owed millions of UAE dirhams, according to sources.

So, it looks like some long drawn litigations are about to hit courts across different parts of the world. Absolutely, then, a developing story.

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Balance transfers becoming too competitive in the UAE

With banks ready to pay from their own pockets to acquire new credit card customers, competition is becoming intense in the UAE market. A **MONEYworks** report on balance transfers.

Eyebrows are being raised in the UAE credit card market at the aggressive tactics employed by banks to garner market share. What's also being questioned is the size of the marketing budgets being spent on balance transfers and the cushion given to cardholders while transferring their balance from one card to another - especially in a market that has seen credit losses and so-called skip cases rising in the last couple of years. Stories are also doing the rounds that some banks are beginning to push the balance of some of their "bad customers" (those considered most likely to default) at each other.

Speaking to **MONEYworks**, a top international banker said that while he doesn't see anything wrong in balance transfers on credit cards taking place, banks need to be prudent to what extent they offer sops to consumers in that segment.

Sanjoy Sen, country business manager, UAE Global Consumer Group for Citibank, says: "There are new entrants in the market who want to build market share the easy way. One of those ways is to acquire an existing customer from another bank by transferring his balance."

Balance transfers from one credit card to another are nothing new, but transfers have gathered momentum in the UAE with almost all players getting in on the act. There are some aggressive tactics being employed as well by a number of players who do not charge any interest for a limited period when transferring the balance to their balance sheet. Most do not charge processing fees either.

The rush to acquire customers is understandable for issuer banks in the UAE, where credit card spend is growing at around 30 per cent per annum. And, with most bankers agreeing that credit losses of three to five per cent on net outstanding in the UAE market is good business, the argument itself offsets

some of the risks of taking on some bad business as well in the balance transferred portfolio.

As it stands today, there are a number of banks in the UAE, both international and local, that charge zero per cent interest for the first three months on balance transferred to the new credit cards from existing cards of other banks. There are also those that charge around one per cent on the outstanding balance, while some players offer gifts such as mobile phones, DVD players, digital cameras and the like to customers transferring their balance from credit cards of rival banks to their own credit card brands.

Arup Mukhopadhyay, Abu Dhabi Commercial Bank's (ADCB) head of retail banking, argues that balance transfers do help banks to shore up their credit card market share. But he also adds that banks

The rush to acquire customers is understandable for issuer banks in the UAE, where credit card spend is growing at around 30 per cent per annum. And, with most bankers agreeing that credit losses of three to five per cent on net outstanding in the UAE market is good business, the argument itself offsets some of the risks of taking in some bad business as well in the balance transferred portfolio.

have to be careful when it comes to how far they can go when lowering their rates.

"We at ADCB never fund 100 per cent of the credit limit of a new credit card customer that we acquire through balance transfer. We will go up to 70 per cent at most. Also at ADCB we do not process these balance transfers at zero per cent. We charge 0.99 per cent on the outstanding for the first six months which offsets the risk that we take on the new asset," he says.

Sen, however, feels that balance transfers could become unhealthy, especially in a country where the industry does not draw information from an established credit bureau.

"In effect, it could be one customer who has not paid Bank A for three months, moving his outstanding to Bank B as a welcome customer and then to Bank C after another three months. It certainly is not a sustainable way of building your cards business," Sen adds.

Sustainability of the business is, probably, not the issue right now for many banks in the UAE, as sales teams have been given targets to expand credit card portfolios quickly. Market grapevine has it that there are banks that have set targets as high as acquiring 20,000 new cardholders per month in the UAE. With those kinds of goals, consumers are in the right market to have some fun at the industry's expense for a while to come.





Kamal Mian

Saudi Hollandi beefing up AlYusr brand

Saudi Hollandi Bank is building up a number of products and services and a new distribution channel to meet the growing demand for Shari'ah compliant solutions in Saudi Arabia. **Mobin Sheikh** reports from Riyadh.

Saudi Hollandi Bank (SHB) is focusing on rapidly expanding both its consumer and corporate banking assets through a renewed focus on Islamic banking business. The bank is also planning to launch its first Islamic AlYusr credit card this year. AlYusr is Saudi Hollandi's Islamic branding.

SHB, which has been offering Islamic banking products since 1995, currently has more than 90 per cent of its consumer book in Islamic assets. The bank plans to double the size of the book in the next two years. It also plans to double the AlYusr corporate assets book, which currently stands at 12 per cent of SHB's total assets.

Saudi Arabia is the largest Islamic banking market in the world. According to the Institute of Banking, more than 70 per cent of total banking assets in Saudi Arabia are Islamic. Consumer banking represents a majority of these assets.

Kamal Mian, SHB's head of Islamic banking, said that Saudi Hollandi Bank has recently revamped its Islamic Banking Division to meet the ambitious goal of doubling assets of the Islamic banking consumer and corporate books.

"The AlYusr brand offers our customers financial products and services that not only meet some of the highest standards of Shari'ah compliance, but are also the best financial solutions for them," he said.

SHB also plans to launch its first AlYusr credit card by the fourth quarter of the year to beef up the bank's consumer banking bouquet of products.

"The AlYusr credit card offering not only aims to offer a Shari'ah compliant credit card to customers, but will also ensure better benefits and services for them," he added.

Speaking on the bank's deposit placement programmes, he said these cover both local and regional banks. He added that SHB has long standing deposit placement programmes with several banks in MENA region. "We continue to add new banks to this programme on a regular basis. As we speak, several new relationships are being considered for this programme," Mian said.

On Islamic asset management within AlYusr, he said that the bank offers several Shari'ah

compliant equity and fixed income funds. In general, these funds tend to outperform the market and the returns are comparable to their conventional peers. He also said that the bank had been tailor-making products and services for its private banking customers to meet their Shari'ah compliant needs.

On Islamic investment banking, he said that the bank has been a key player in investment banking transactions in the Kingdom and is currently working on several mandates, including Sukuks.

SHB has completed several landmark Shari'ah compliant transactions in the recent months. These include the US\$2.87 billion Islamic finance facility for Mobily, the US\$847million Islamic tranche of the US\$3.5 billion syndicated financing for Yansab and the US\$526 million Islamic facility for AlWaha Petrochemical Company.

The bank has also been involved in other complex and sophisticated transactions in the recent past and augmented its R & D efforts to be able to manage transactions like hedging, he pointed out.

"Our R & D achievements are evident from the fact that we are one of the three banks that did the first profit rate hedging transaction for a project finance transaction of AlWaha Petrochemicals Company last year. We have also recently launched Shari'ah compliant FX hedging products for our customers to help them manage their foreign exchange risks in international trade business," Mian said.

SHB is currently training its staff in Islamic banking through the AlYusr Accreditation Certificate Programme that the bank launched earlier this year. By the end of the second quarter, 300 SHB employees successfully completed these training courses. The goal is to train 80 per cent of the bank's staff through this programme, he added.

SHB is an active participant in the ISDA/IIFM sponsored programme to develop a Shari'ah compliant Master Agreement for Islamic money market instruments. SHB also supports research initiatives undertaken by Harvard Islamic Finance Programme at Harvard Law School.

"SHB also plans to launch its first AlYusr credit card by the fourth quarter of the year to beef up the bank's consumer banking bouquet of products."



Christina A. Gold

WU to launch mobile prototype transfers

Western Union is increasing its focus on the Middle East. Christina A. Gold, president and chief executive officer of Western Union, who was also chosen by Fortune magazine in 2003 and 2006 as one of America's 50 most powerful women in business, spoke to **Ehab Heyassat** in Dubai on the company's future plans.

Western Union, the world's premier international consumer money transfer system, is developing a prototype for transferring money with mobile phones to make money remittance more convenient and efficient.

Christina A. Gold, president and chief executive officer of Western Union, said: "We are developing a prototype of mobile transfers which we want to introduce in the market in the future."

She did not give any further details on the use of the mobile phone as a platform for sending money across borders, nor did she say when such a system could be available in the Middle East. However, she added that other new modes of transferring money like online money remittance using Western Union online platform should be introduced in the region after it is rolled out in Europe.

Currently, customers in 12 countries in the world can use Western Union's online platform, westernunion.com, to remit money online using their credit or debit cards issued by institutions licensed in these countries. There are eight countries in the EMEASA (Europe, Middle East, Africa and South Asia) region that currently offer this service. These countries are the UK, Austria, France, Sweden, Ireland, the Netherlands, Norway and Germany.

Gold said: "We are rolling out the service in Europe now and we intend to launch it in the Middle East after this. We are trying to move quickly, but we have to ensure that we have all control systems in place, including compliance against fraud, and specific things that need to be in place for specific markets before we move into them. I hope that by the end of this year we will have the online money transfer system up and running in 15 to 16 countries out of the 200 that we cover."

Western Union's online money transfers

business is growing at the rate of 35 per cent per annum in the international markets, according to Gold.

Speaking about regulatory requirements that have evolved and matured in the region over the last year or so, she said that Western Union has built a strong compliance system and understanding of regulations wherever the company operates.

"We spend US\$35 million a year to ensure that we have all regulatory plans and programmes in place. We believe this gives us a competitive advantage. We also work with regulators to ensure that sending money is safe," she added.

Speaking about the size of remittance business in the Middle East, she said her estimates are that the industry turnover in the region should be as high as US\$64 billion. Saudi Arabia is the second biggest market in the world after the US in money remittance, with people remitting US\$17.4 billion in 2006. That market is growing at a double digit rate, she added.

She also said that Western Union is witnessing a growth of 24 per cent in its global operations including the US, while growth in other international markets is slightly lower at 21 per cent.

"We have a 17.4 per cent market share of the global remittance business, which today stands at US\$270 billion. Our business is growing at three times the industry growth, which is eight per cent. The Middle East is very important for us as we see the remittance business in this region growing very fast, especially with funds moving from the region to India and other Asian cities," she added.

Western Union has a network of over 312,000 agent locations in more than 200 countries and territories. In addition, Gold oversees an employee base of nearly 5,000 people in 44 countries.

Saudi Arabia is the second biggest market in the world after the US in money remittance, with people remitting US\$17.4 billion in 2006.

Emirates NBD board of directors announces executive committee

Emirates NBD PJSC (Emirates NBD), the company to be licensed by the UAE Central Bank for the purpose of the merger between Emirates Bank International PJSC (EBI) and National Bank of Dubai PJSC (NBD), has announced its executive committee and additional senior management positions.

The appointments were agreed at the recent Emirates NBD board of directors meeting, chaired by the bank's chairman Ahmed Humaid Al Tayer and CEO Rick Pudner, and are effective immediately.

The senior appointments are: CEO - Rick Pudner; CFO - Sanjay Uppal; GM wholesale banking - Abdul Wahed Al Fahim; deputy GM wholesale banking - Rajesh Thapar; CEO investment banking - Shahzad Shabaz; GM consumer banking & wealth management - Jamal Bin Ghalaita; GM retail banking - Suvo Sarkar; GM treasury and markets - John Eldredge; GM integration - Leslie Rice; GM international - Kevin Flannery; GM human resources - Husam Al Sayed; GM - IT and operations - Abdulla Qassem and chief risk officer - Joachim Block.



Emirates NBD PJSC executive committee

Other senior management positions include:

GM corporate communications and community relations - Sulaiman Al Mazroui; GM marketing - Walid El Masri; deputy GM integration - Jan Hendrik Kraus and head of international strategy and business development: Rashmi Malik.

And, Emirates NBD PJSC has closed the initial acceptance period of its offer to acquire the share capital of EBI and NBD in exchange for shares in the company.

During the initial acceptance period, the offer was accepted by shareholders of EBI representing 96.15 per cent of its share capital and by shareholders of NBD representing 90.17 per cent of its share capital. EBI and NBD shareholders who have not yet tendered their shares, and wish to do so, should as soon as possible before 3:00pm (Dubai time) on October 17, 2007 complete and return their acceptance forms to EBI and NBD to the addresses set out in the offer document.

Ithmar Capital has successfully completed

the acquisition of the entire new share issue of Kuwait's Mushrif Trading & Contracting Company, the GCC construction firm.

Under the agreement, Ithmar Capital's UAE affiliate Gulf Consortium 2 has acquired 30 million shares at a cost of approximately AED355 million (approximately US\$97 million).

QFC draft partnership regulation released

The Qatar Financial Centre (QFC) Authority has released draft QFC Partnership Regulations for public consultation. The document is open until October 8, 2007.

The draft regulations permit the establishment of both general and limited partnerships in the QFC and identify

the requirements that apply to each type of partnership in addition to the requirements that are common to both. The regulations address issues such as the legal duties of partners, their liabilities and applicable accounting and audit standards. More details can be found at www.qfc.com.

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Forsyth Partners to be taken over by Crosby Capital Partners

Following discussions with its regulator, the Dubai Financial Services Authority, regarding its capital adequacy position, Forsyth Partners Global Distributors Ltd ceased financial services activities in and from Dubai after the agreed withdrawal of its financial services licence.

Crosby Capital Partners has concluded negotiations with the administrators of Forsyth Partners Limited and Forsyth Partners (Europe) Limited. Crosby will be

appointed as the manager of the Forsyth funds and will hire Forsyth's investment management, research and distribution team. The Forsyth funds will continue to trade under the Forsyth name.

Forsyth funds currently have approximately US\$1.2 billion invested in a wide range of strategies and markets. The transaction will provide Crosby with a suite of 39 fund-of-fund products covering equities, bonds and alternative strategies.

Completion of the transaction is subject to regulatory approvals.

On the much debated problems within the Forsyth Group Simon Fry, Crosby's CEO, commented: "As everyone knows, the problems within the Forsyth Group stem from over-ambitious international expansion and are unrelated to the current turmoil in the sub-prime market. The high quality and integrity of the Forsyth fund management operation remain intact."

ALDAR Properties PJSC has announced the signing of a long-term strategic agreement with Oberoi Hotels and Resorts which will see the development of two new luxury hotels at ALDAR's projects on YAS Island and Al Raha Beach.

Bahrain Islamic Bank has incorporated a new BHD10 million real estate company in the Kingdom of Bahrain. The company - Abaad Real Estate - is a fully-integrated real estate investment, development and management company operating in accordance with Islamic Shari'ah. The company will focus on residential, commercial and industrial properties throughout the GCC and MENA region.

The Master of Islamic Funds Awards, Art of the Islamic Funds World 2007 conference, is providing a place to identify and applaud the achievements in the industry. Nominations are now open for the Master of Islamic Funds Awards Luncheon, which will be held on November 13 at the Shangri-La in Dubai. To make a nomination, visit the award website www.terrapiinn.com/2007/mifa; for more on the conference, visit www.terrapiinn.com/2007/ifw

The Dubai Gold & Commodities Exchange held two educational seminars in Abu Dhabi and Dubai last month, conducted by Vivek Mahajan, head of the DGCX Training Department.

Algebra Capital enters joint venture with Franklin Templeton Investments

Algebra Capital and Franklin Resources, Inc. (operating as Franklin Templeton Investments) have announced a strategic joint venture through which Franklin Resources acquired a 25 per cent stake in Algebra Capital.

The venture expands Franklin Templeton's local asset management capabilities to the MENA region – and, Algebra Capital's private equity business will complement

that of Franklin Templeton's private equity arm, Darby Overseas. With the regional asset management industry poised to continue growing rapidly, Algebra Capital estimates that the size of professionally managed funds will triple over the next five years to over US\$200 billion and, according to Algebra CEO Ziad Makkawi, intends to "assume a leadership position in this space."



Dubai Financial Group to take 15 per cent stake in BankMuscat

The shareholders of BankMuscat approved a proposal by the BankMuscat board of directors to raise capital through private placement of 15 per cent of its shares with Dubai Financial Group, a member of Dubai Holding, for a total cost of OMR238.3 million (US\$619 million). It's the single largest cross-

border investment in the banking sector in the region. This proposed transaction has also received 'in principle' approvals from regulatory authorities in the Sultanate of Oman. The transaction is subject to the final approval of the regulatory authorities in the Sultanate of Oman.



Dubai Multi Commodities Centre has announced the emirate's first souvenir 22-carat gold coin, 'Visions of Dubai'.

The Net Asset Value of the Muscat Fund, the country's leading open-ended Oman focused fund, appreciated by 16.7 per cent in the first half of 2007, outperforming the overall market by 3.1 per cent. Managed by BankMuscat's asset management division, the fund offers investors access to a diversified basket of securities listed on the Muscat Securities Market (MSM).

The MSM is widely acknowledged to have been one of the best performing markets in the region over the past year and a half. The MSM Index has provided investors with over 270 per cent returns in the last five years and is currently trading at a PE of 11.6, Price to Book of 2.5 and Dividend Yield of 3.8 per cent on 2007 earnings. Expected growth for the current year is 20 per cent.

The fund also offers Systematic Investment Plan, a unique plan wherein investors can put in small sum every month without having to worry about trying to time the market.

ALDAR Properties, Abu Dhabi's largest real estate development firm, has signed an AED2.7 billion contract with Arabian Construction Co. to be the main contractor for Abu Dhabi's largest single building contract yet to be awarded for the towers 3 of the Central Market redevelopment in the heart of Abu Dhabi's Central Business District.

BNP to focus more on retail in the GCC

BNP Paribas has identified the GCC as one of the five important territories globally to focus its business and resources. As part of that strategy, the bank has now opened its first electronic banking service unit in the Jebel Ali Free Zone in Dubai.

The bank said that there are plans to open a second unit in Dubai this year and another one in Abu Dhabi in the first half of next year. These electronic banking units will also allow Bank Paribas to reach out to priority banking customers, a new segment for the bank in the region. The priority banking customers will be sold products ranging from credit cards to mortgages and cheque accounts to investments.

Michael Pereira, country head of the UAE for the bank, said that priority banking will cater mainly to the need of affluent investors and the electronic banking service units will be the enabler.

The unit offices will be equipped with automated teller machines and computer kiosks for customers to help in on-line account consultations and pre-defined transactions.

The customer service advisors posted at the units, including the Jebel Ali unit office, will facilitate normal day to day customer requirement by receiving cheques/drafts for clearing/collection, letters of credit/guarantee applications, export documents, remittance requests and cheque book requisitions, etc. for submission to the bank's Dubai branch. Pereira said BNP Paribas has also made arrangements for delivery of documents, cheque books, banking forms, statements, etc. to the clients based in Jebel Ali.

Jean-Christophe Durand, regional director for the GCC, said that BNP Paribas will pursue similar aggressive strategies across the region including corporate finance, trade banking and asset management.

NBAD approves bonds worth AED6.4 billion

The National Bank of Abu Dhabi EGM held on September 5, 2007 in Abu Dhabi approved the issuance of AED6.4 billion medium-term notes and subordinated convertible 10-year bonds in UAE dirhams, Japanese yen (JPY) and Malaysian ringgit (MYR).

The EGM, held under the chairmanship of Khalifa Mohamed Al Kindi, chairman of the NBAD board, approved the issuance of a 10-year convertible subordinated bond in an amount not to exceed AED2 billion and the issuance of medium-term notes not to exceed JPY40 billion (AED1.2 billion) and MYR3 billion (AED3.2 billion) respectively.

The EGM authorised the board of

directors to fix the date of issuance and the terms and conditions.

"Although NBAD is well capitalised, the issuance of medium-term notes and a subordinated convertible 10-year bond will put us in a better position to compete with big local, regional and international banks in a very competitive market," NBAD chief executive Michael Tomalin said.

NBAD, the UAE's largest bank by assets, has issued nearly AED10 billion of bonds in currencies including UAE dirhams, US and Australian dollars, Swiss francs, British pounds, and Japanese yen. NBAD's AGM, held last March, approved the issuance of medium-term bonds in Australian currency for the value of AUSD2 billion.

National Bank of Dubai enhances Internet banking security

National Bank of Dubai (NBD) has announced the introduction of an additional layer of "dynamic authentication" for customers transferring funds via NBD Online. This new feature requires both commercial and personal customers to input an



authentication code while confirming such financial transactions. This code is obtained via a Token device issued to the customers. Personal customers also have the option of receiving the authentication code for each transaction via SMS.

Man Investments raises US\$382 million for environmental fund

Institutional Investors have committed US\$382 million into a pioneering fund to invest in technology that extracts methane gas from coal mines in China and uses it to generate electricity. The money was subscribed in the second stage of asset-raising for the China Methane Recovery Fund (CMRF), according to the fund's sponsor, Man Investments.

MTM Capital Partners, an asset management business specialising in environmental projects, will manage the fund. Man Investments has a majority stake in MTM.

The final stage of asset-raising for the CMRF will close before the end of the year, with a maximum of a further US\$164 million sought from institutional investors. The CMRF is the first in a range of new



Antoine Massad, CEO, Man Investments Middle East

environmentally-related investment funds that Man Investments intends to take to the market. Man Investments believes

this particular fund could benefit the environment while earning returns for investors from sales of electricity and carbon credits.

Antoine Massad, CEO of Man Investments Middle East Limited, described the venture as an exciting mix of environmental, social and commercial considerations.

"We are backing this fund because MTM's strategy shows very good return potential," Massad said. "But equally important is its capacity to significantly benefit the environment by reducing harmful greenhouse gas emissions, and to contribute to China's economic growth through installing much-needed additional electricity generating capacity."

Abu Dhabi Investment House has

announced the successful accreditation of 20 of its team members who successfully completed the 'Series 7' by Bahrain Institute for Banking and Finance.

The Mohammad Al-Mojil Group reports

revenues of SAR882.4 million (US\$235.3 million) for the six-month period ending June 30, 2007, a growth rate of 206 per cent up on the same period last year. The company achieved an operating profit of SAR286.5 million (US\$76.4 million) during the first six months of the year 2007, reaching a growth rate of 336 per cent compared to the same period of the previous year.

The Dubai Mercantile Exchange Limited

(DME) set volume records for both exchange-wide trading and for its benchmark Oman Crude Oil Futures Contract for the trade date September 4, 2007. At 5:15PM New York time, trading volumes on the DME totalled 8,036 contracts, surpassing the previous record of 6,250 contracts set on June 5, 2007. The exchange also recorded trades for the first time in its February 2008, March 2008 and April 2008 futures contracts.

EIIB is preferred supplier for Bank Islam

European Islamic Investment Bank Plc (EIIB), the first independent, Shar'ah compliant, Islamic investment bank to be authorised and regulated by the Financial Services Authority, has signed a strategic co-operation agreement with Bank Islam Malaysia Berhad (Bank Islam). EIIB and Bank Islam will work with each other on a non-exclusive basis in areas

including treasury, capital markets, asset management and corporate finance. They will co-operate on the development and distribution of Islamic financial products and promote the increasing international awareness of Islamic finance. The agreement with Bank Islam means EIIB will be a preferred supplier of Islamic investment banking products and services.

Ernst & Young launches Middle East Entrepreneur of the Year

Ernst & Young has launched the Middle East 2007 Entrepreneur of the Year award programme.

To be eligible for consideration, entrants must be an owner/manager who is primarily responsible for the recent performance of a privately held business that is at least two years old or be a founder of a listed company who is still active in senior management or is still a 51 per cent owner.

Self-nominations are encouraged and there is no fee to enter. Application forms can be downloaded from the Middle East Entrepreneur of the Year website at www.ey.com/me/eoy or from Ernst & Young offices. Applications must be received

by October 27, 2007 and the dinner and awards ceremony will be held in Dubai on February 23, 2008.



Financial centres news - September 2007

DFSA

Commerzbank, Germany's second largest bank, has been granted a licence by the DFSA to open a new branch in the Dubai International Financial Centre. It's Commerzbank's 21st branch outside its home country.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. has received a licence to start operation as an authorised firm in the Dubai International Finance Centre.

And, the Qatar Financial Centre Regulatory Authority has granted its subsidiary **CORECAP MERCHANT BANK LLC** authorisation as a Category 3 firm to operate in and from the Qatar Financial Centre, offering private equity, investment banking and asset management.

LISTINGS

The Dubai Financial Market (DFM) has listed **Al Madina Finance and Investment Company**, incorporated in Kuwait. Company shares began trading on Tuesday (September 11, 2007) under the trading symbol "ALMADINA".

Gulf Petroleum Investment Co, incorporated in Kuwait, has listed on the DFM, under the trading symbol "GPI". **International Investment Group Company**, incorporated in Kuwait, began trading on Sunday (September 9, 2007) under the trading symbol 'IIG'.

And **Deyaar Development PJSC**, incorporated in Dubai, has listed on the DFM. Company shares trade under the symbol "DEYAAR".

In related news, the Abu Dhabi Securities Market has adopted SMARTS' advanced version for use of its electronic surveillance technology and services after the success of the old version "SMART" adopted at the end of 2005.

Nexus and Chartered Insurance Institute unveil certification plan for region

Nexus is working with the UK's Chartered Insurance Institute to help improve the standard of professional certification across the region in a move seen as a step towards increasing the level of training within the insurance industry and boosting consumer confidence in the market.

Although insurance penetration rates have historically remained low in the region – around two per cent compared to the average of 10 per cent in European markets – industry analysts agree that changing market conditions are creating a major opportunity for growth.

Mahmoud Nodjourni, owner and CEO of Nexus, believes that if the potential of the



Mahmoud Nodjourni, CEO, Nexus Advice

insurance market in the Middle East is to be realised, clients must have faith in the competency of advice they are receiving. Hence, the Nexus move is to encourage and assist financially its advisers to study for a professional qualification after an initial year of foundation training.

BankMuscat MSCI Kuwait Fund up 44%

The BankMuscat MSCI Kuwait Fund, launched in October 2006, has achieved a 44 per cent gain in 2007 making it the top performing fund investing in the Kuwaiti Stock Market. The fund has consistently outperformed the broader Kuwait market as witnessed from its track record and the KSE index, which increased by 27 per cent during 2007.

The BankMuscat MSCI Kuwait Fund is an open-ended fund, registered in Bahrain

and managed by the BankMuscat asset management division. The fund offers investors access to a diversified basket of securities listed on the Kuwait stock exchange. The fund's assets are distributed across companies listed in the MSCI Kuwait IndexSM. The fund provides daily Net Asset Value, thus providing a facility of buying and selling the units of the fund on a daily basis to the investors. The fees charged by the fund are 0.85 per cent per annum.

Jersey Trust specialists help train local finance professionals in Dubai

Jersey firm Maurant recently sent some of its private wealth team to Dubai to help develop a training programme on trust practice, based on DIFC legislation. The Jersey team delivered a two-day course to local finance professionals who are about to enter the newly created DIFC Trust Industry.

The DIFC established its own trust legislation only in 2005, and the first home grown trust company is expected to be licensed later this year. The training programme is a joint venture between Maurant Private Wealth and Emirates law firm Al Tamimi, undertaken with the support of the DIFC.

HSBC recruits and trains UAE Nationals

HSBC has partnered with Emirates National Development Programme and the Dubai Institute for Human Resource Development to "ensure the highest standards for the development of UAE national talent". Through the partnership, over 80 UAE

nationals have recently joined HSBC's first specialised training programme entitled the 'HSBC Emiratee Development Programme'. More programmes are planned for later in the year that will take the total to at least 200 recruits.

ESCROW ACCOUNT SIGNUPS

Under the recently promulgated Law No. 8, property developers in Dubai must place project receivables in escrow, or trust, until predetermined development milestones are achieved and independently verified by the escrow account bank. Escrow accounts are regulated by the Dubai Land Department.

- **NBD** has signed an escrow account agreement and will become the first bank in the UAE to offer Escrow Accounts both within conventional and Islamic banking.
- **Tamweel PJSC** was the first mortgage provider to be appointed as an official escrow account agent by the Dubai Land Department, followed by **Amlak Finance PJSC**.
- **Emirates Islamic Bank** has signed up and **Dubai Islamic Bank** has signed an agreement with **Smart Home Real Estate** to open an escrow account for real estate development.
- **Standard Chartered** has also signed an escrow account agreement with Dubai Land Department (DLD) and to become an approved bank for opening and managing both conventional and Islamic banking Escrow accounts for property developers registered with DLD.

National Bank of Dubai has launched its new vertically-designed SMART Visa Debit card with chip and pin technology. Cardholders can earn and accumulate cash value worth 0.40 per cent on purchases. **In other news**, the bank has launched an Arabic version of its NBD online service to become the first bank in the UAE to offer online banking in both English and Arabic languages.

Bank of Baroda introduced its limited Centenary Deposit Scheme on September 1. Deposits of AED100,000 and above will be accepted for three, six and 12 months and offer "attractive rates".

NBD launches NBD Offset Home Loans

National Bank of Dubai (NBD) has launched the first offset mortgage product in the UAE. The key feature of NBD Offset Home Loans is that the mortgage balance will be offset by the credit balance with an associated high interest yielding current account, saving interest and allowing earlier repayment of the loan without early repayment charges. In addition, customers get a high interest bearing current account, with an ATM card and a cheque book.

NBD gives a simplified example of how

it's possible for an average client with a 25 year mortgage loan of AED2,000,000 to save a million dirhams in interest by using NBD Offset Home Loans – and to repay the mortgage five years and seven months earlier.

In other news, the bank has opened its second and third branches in Abu Dhabi. The new Khalidiya branch will have the first Suhail and NBD securities office in the capital. The third branch is in the Al Musaffah Industrial area.

Sakana introduces Bahrain's first ever adjustable rate mortgage

Sakana Holistic Housing Solutions is now offering its fix-flexi rate mortgage.

If consumers believe there is a chance that market finance rates may increase, home buyers can lock into the current rate for two years with guaranteed fixed repayments. In addition, at the end of the two-year fixed rate agreement, the option exists to choose between a variable or another fixed rate if available at that time.

The offer is available on a "first come, first serve" basis on residential properties for Bahrain residents, nationals and expatriates, on several of Sakana's products – land purchase, home purchase,

home refinancing and equity release.

Sakana has also just opened its third customer service centre in Muharraq to cater for the growing number of real estate projects in and around the area. The new outlet is in the BBK Financial Mall Muharraq Souq, next to Al Halla club.



International Property Holdings offers planning permission investment product

International Property Holdings is offering planning permission as a new investment product. The concept is straightforward. With limited areas left to develop in the UK, development is very strictly controlled and sustainable areas (within towns and on town fringes) to develop are well sought after. With such short supply, when an area is approved for development the increase in value is substantial. IPH believes that

benefiting from this shortfall is simple and financially rewarding.

IPH now provides strategically placed land with a planning strategy and timeline in place, managed by one of the UK's largest and accredited independent planning consultants. They offer definitive timelines for the planning process, therefore a realisable investment - a one-stop planning expertise-based investment, in fact.

Electronic Document Centre (EDC), a subsidiary of Emirates Post, has been certified by Visa and MasterCard for payment card production, including debit, ATM and credit cards. EDC also produces health, insurance, ID and loyalty card, at the centre.

Emirates National Oil Company (ENOC) has signed an agreement with ARAB BANK to accept monthly credit card bill payments 24/7 at 50 ENOC service stations across Dubai, Sharjah and the Northern Emirates. ENOC is the only fuel provider globally to offer this service from ARAB BANK.

Mashreq and telecom operator du announced a joint venture to make payment schemes easy. Mashreq account and credit card holders can now pay their monthly mobile bill or top-up their account using Mashreq's IVR and internet banking channels.

Amlak Finance has signed with International Finance Corporation, a member of the World Bank Group, to coordinate efforts to help develop a housing finance market in the region by potentially establishing JV partnerships in some of the countries that Amlak is expanding into in the region.

The Central Bank of Bahrain has officially recognised the Bahrain-based Islamic International Rating Agency (IIRA). Last year, the Jeddah-based Islamic Development Bank also included IIRA in its list of approved rating agencies.



Thirteen-year old UAE national Mohammed Al Shamisi became the 17th winner of a million dirhams in the 17th monthly draw of National Bonds. Now that he's a millionaire, what are his plans? "I want to give all the money to my mother, get myself a Playstation 3 and buy more National Bonds," says the teenager, whose goal is to study business administration and become a successful businessman like his maternal uncle.

DED, Global Association of risk professionals to set up risk academy in Dubai

Dubai's Department of Economic Development (DED) and the Global Association of Risk Professionals (GARP) have signed an MoU to establish 'The Risk Academy' in Dubai. The Academy will provide financial risk management services and consultations to the region's banking sector and financial institutions and will offer GARP's International Certificate in Banking. The first CBRR workshop on risk measurement, supervision and disclosure will be held from November 18–22 and November 25–29, 2007.



From left to right: Richard Apostolik, president and CEO of the Global Association of Risk Professionals, Ali Ibrahim, deputy director general for executive affairs at the department of economic development (DED), Dr. Assem Safieddine, managing director of the Institute for Financial Analysts and Layth Weld Ali, director of business development at DED, at a reception held to announce the establishment of 'The Risk Academy' in Dubai.

Man Investments division RMF launches first environmental fund of hedge funds

Swiss-based RMF Investment Management has launched a fund of hedge funds to invest purely in environment-related industries and strategies.

RMF Environmental Opportunities Fund will invest in clean technology, renewable energy, carbon and emissions trading and

in water resources and infrastructure. The fund is aimed at institutional investors and will target returns of LIBOR + 8-10 per cent with medium-level volatility. It has been funded with US\$18.1 million proprietary capital from RMF and US\$7 million from one of RMF's multi-strategy products.

Buyers of Dubai Lagoon get a year's rent paid in Ramadan promotion

Schön Properties, the developers behind the Dubai Lagoon development, are offering a special Ramadan promotion for customers who buy an apartment at Dubai Lagoon to have their existing rent paid for a year. Upon purchasing an apartment, a 15 per cent down payment is required, after which a quarterly rent rebate comes into effect, three months after the date of purchase.

Unique investment platform sponsored by Barclays Capital and Shariah Capital Inc.

Barclays Capital and Shariah Capital Inc. have signed an MoU to launch a unique Shari'ah compliant investment platform, 'Al Safi Trust'.

It's a Shari'ah compliant platform for hedge fund managers who wish to accommodate Islamic investors while remaining consistent within their existing strategies and institutional investment managers who are looking for absolute returns and the lower volatility generally provided by alternative investments.

The platform will initially offer equity long-short and market neutral strategies in Al Safi 'sub-trusts', each reporting its own performance.

EBI & DIC launch co-branded MasterCard PayPass credit card

An alliance between Emirates Bank, Dubai Internet City and MasterCard Worldwide has introduced MasterCard's 'PayPass' technology. The official launch introduced contactless payment technology in selected retail outlets across Dubai Internet City, Dubai Media City, Dubai Knowledge Village and other selected merchants across the UAE.

PayPass technology allows cardholders to simply tap their new card against a special

point-of-sale terminal and their payment is completed. The card contains an embedded chip and radio frequency antenna and allows small ticket purchases to be completed quickly, securely and easily.

The new card can be used for both contactless payment and as a standard credit card. For larger transactions (over AED100), the card can be swiped or inserted like a normal credit card.



Amlak Special Agents is a new team

with the objective of making the whole home finance experience more convenient. For existing customers, Amlak Special Agents will be couriers managing all documentation from the client to be handed to Amlak, or deliver paperwork to the client. Amlak Special Agents will also be available in malls, specialised events, road shows at selected organisations, developers' sales centres and selected business centres.

Citibank launches twin account relationship for non-resident Pakistani clients

Citibank launched a new remittance banking service for non-resident Pakistani account holders. The Citibank Rupee Current Account and Rupee Savings Ultimate Account relationship comprises two different accounts in Citibank UAE and Citibank Pakistan respectively for expatriate Pakistanis who have a banking relationship in UAE but also need to send

money to Pakistan. Account holders can now transfer money 24/7 by phone, ATMs, branches or online to Pakistan and get special foreign exchange rates. Account holders also get term deposit rates of up to five per cent p.a. at Citibank UAE, while customers in UAE and Pakistan will receive a cheque book and a Citibank Debit card.

Advert

Tanmiyat Group and Tamweel have

signed a mortgage agreement for the end users of Tanmiyat's Living Legends project in Dubailand. Tamweel is now the sole finance provider for Living Legends.

Dr.Rasim Kaan Aytogu, executive director, Tanmiyat Group, also noted, "Tanmiyat Group is also in the process of developing a Shari'ah compliant securitised finance product with major international financial institutions for its mega-projects in the UAE".

ETA Star has announced tie-ups with

ten leading banks in the region for home loan options. The banks include Abu Dhabi Commercial Bank, Arab Bank, Badr Al-Islami, Dubai Bank, First Gulf Bank, Mashreq, National Bank of Dubai, Tamweel, Union National Bank and Finance House.

ETA Star is currently developing premium property in the UAE, India, Sri Lanka, Qatar and Turkey.

Emirates Islamic Bank has launched

a two month promotion until November 14 offering customers the opportunity to win from over 500 prizes worth more than AED1,000,000. The prizes range from the first prize of an apartment or AED350,000 transferred to the winner's account, to a Range Rover Sport HSE (2008 model), 100 LCD screens, 100 digital cameras and 300 mobile phones. EIB customers can enter the draw by buying any EIB products.

In other news, Emirates Islamic Bank has signed an MOU with Union Properties to provide home finance.

Mawarid Finance, a new private joint

stock Islamic finance company with a paid-up capital of AED11 billion, was officially launched in Dubai last month.

In his inaugural speech, chairman Omran Sultan Abdullah Al Owais said that the company's goal is to create superior and innovative Shari'ah compliant products and services that cater to individuals and companies.

ADIB launches its new mobile banking service in partnership with Etisalat

Abu Dhabi Islamic Bank (ADIB) has launched a new mobile banking service (123 Mobile Banking) with Etisalat. This service allows ADIB customers to perform banking services from a mobile, for free, by dialing *123# from any Etisalat mobile.

ADIB is the first UAE bank to use USSD technology (Unstructured Supplementary Service Data), which allows customers to perform banking transactions and services via a menu driven user interface without the need to install or download any application to their mobile device.

Standard Chartered opens first SME banking centre in Dubai

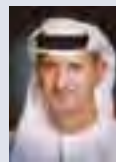
Having recently initiated a marketing campaign aimed at small and medium enterprises featuring two life-sized construction workers supporting a wall, under the banner, 'You want to help your business grow, we'll give you the right

support', Standard Chartered has now opened Dubai's first dedicated SME banking centre. The new centre is in Jebel Ali – home to more than 6,000 businesses - the preferred strategic home for the Standard Chartered SME banking centre.

Appointments - September 2007

National Bank of Abu Dhabi

(NBAD) has appointed Aref Al Khouri as general manager of **Abu Dhabi National Islamic Finance**, the Islamic finance subsidiary and the Islamic banking window of NBAD.



Aref Al Khouri

Zulfi Hydari, managing director and co-founder of HBG Holdings, a Dubai headquartered private equity company, has been appointed a non-executive director of **Neutrahealth Plc.**



Zulfi Hydari

Abu Dhabi Securities Market has appointed **Tom Healy** as director general. Healy was previously chief executive of the Irish Stock Exchange from February 1987 to June 2007.



Tom Healy

Bassam Yammine is joining **Credit Suisse** as a managing director and Co-CEO of the Middle East. He will also head the investment banking and asset management businesses



Bassam Yammine



Michael Fouad Chahine

in the MENA region and will be based in Dubai and Riyadh. **Credit Suisse** has also appointed **Michael Fouad Chahine** as global head of Islamic banking distribution.

Strategic Real Estate Advisors

has appointed **Chase Untermeyer**, the former US Ambassador to the State of Qatar, as vice-chairman and non-executive director of **StratREAL Asset Management (USA) Inc**, as well as a director and vice-chairman of the **StratREAL Foundation USA**.



Chase Untermeyer

Abu Dhabi Investment House (ADIH) has announced the strategic appointments of **Mathew James** as chief

operating officer and **Mahmood Samy Naib** as chief development officer. **ADIH** has also appointed



Mathew James



Mahmood Samy Naib

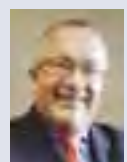
Dominique Wagner as general manager of its new European office: **ADIH**, Geneva, Switzerland.

Ahmed Yusuf Abdullah has been appointed CEO of Bahrain's new Shari'ah compliant **Abaad Real Estate Company**.



Ahmed Yusuf Abdullah

Commercial Bank of Dubai has appointed **Alan Hill** as its new head of treasury sales. He joins from **Riyadh Bank** in Riyadh where he was head of business and product development in the bank's treasury.



Alan Hill

DIFX launches DIFX TraX: 14 new structured products from three investment banks

Deutsche Bank, Merrill Lynch and Morgan Stanley listed a total of 14 structured products on the DIFX, as the exchange launched its new TraX platform to radically expand the region's range of listed investment opportunities.

DIFX TraX is the only structured products platform to be created by an exchange in the GCC region. TraX

products listed include securities that give exposure to shares listed on the Dubai Financial Market and the Abu Dhabi Securities Market, as well as securities linked to commodities such as oil and sugar. The DIFX intends to build DIFX TraX into a platform serving investors outside the region as well as inside it.

Abu Dhabi Investment House sets up European subsidiary in Geneva

Abu Dhabi Investment House (ADIH) has announced the strategic set-up of its 100 per cent ADIH-owned European office. Abu Dhabi Investment House, Geneva, Switzerland will offer asset management, family office services, portfolio

consolidation/cost and return control, as well as, advisory services for real estate and legal transactions. Additionally, ADIH Geneva will provide VIP services in real estate, insurance, legal matters, taxes and more.

Schroders has launched Schroder

ISF Middle East, a fund which will gain exposure to some of the world's fastest growing economies through investments in Middle Eastern companies, including companies in emerging Mediterranean markets. Managed by James Gotto in London, the fund will invest in a portfolio of 30-70 Middle Eastern companies and aims to outperform a customised Greater Middle East benchmark by two per cent per annum over a rolling three year period.

Dubai Bank has added to its list of

"ethical and Shari'ah compliant banking products" with its new 'Kunooz' Value Plus account. Kunooz offers higher profits on the account and periodic draws with prizes like studio apartments, school fees, luxury cars and paid holidays.

Advert



SIMAH's growing clout in KSA

The Saudi Credit Information Company - better known as the Saudi credit bureau (SIMAH) - seems to have its work cut out for it as the Kingdom witnesses strong consumerism trends. Nabil A. Al-Mubarak, general manager of SIMAH, speaks to **Mobin Sheikh** on the importance of managing one's personal finances before committing to spending and also about the credit bureau's future initiatives.

Rising prices in Saudi Arabia have already sent alarm bells ringing across society and decision makers. The Saudi Shura (Consultative Council) expressed its disappointment last month at the government for not being able to effectively tame rising inflation and also named greedy traders as the main culprits for the rise in prices. But interestingly, while increasing prices of basic commodities like rice have become a hot topic for debate, there is also a dichotomy of sorts in the Kingdom today with consumerism on the rise, along with the number of borrowers who are regularly funding their new purchases with bank credit with abject disregard to what they end up actually paying.

In fact, in the last five years there have been great changes in how Saudis have been consuming. According to the general

manager of the Saudi credit bureau SIMAH, almost everyone in the Kingdom is indebted in one way or another today.

"We have become a highly consumption-driven society in the last five years, spending significant amounts on luxuries like travel, cars, entertainment, etc. This has also increased the demand for credit. In fact, from 2003 to 2007, close to one hundred per cent of the Saudi population has had credit, something which is not a healthy sign for any country and society," notes Al-Mubarak.

Credit trends in Saudi Arabia show a quantum leap for consumer loans in the new millennium. In the year 2000, banks and financial institutions gave out total consumer loans of just SAR9 billion, including all personal loans, mortgages and credit cards. In 2007, outstanding

consumer loans stand at SAR190 billion. In addition, approximately SAR10 billion in consumer credit is issued per year by instalment companies and car dealers.

Al-Mubarak says that it is at this point SIMAH's role in the society becomes pivotal. Not only does SIMAH track consumer behaviour, something that has become crucial with the credit explosion happening in the local market, but the credit bureau is also engaging the society to inform people that a bad credit history is a major liability.

For those borrowers who do not have adequate knowledge of managing their personal finances and end up defaulting in repayments, it can have a negative impact on their credit report. And so, it is absolutely critical that awareness is created for all parties, both lenders and

consumers, to be more cautious while entering into credit transactions, he says.

"If a consumer ends up with a bad credit history with any bank, it will be reflected in his SIMAH credit report. It could take him up to five years to fix that poor credit profile. This is why SIMAH is getting actively involved in creating awareness among consumers, as we feel there is a serious need for educating masses about how, for example, to plan and use their personal loans," Al-Mubarak adds.

Impact of SIMAH

SIMAH has already brought in significant changes to how people in the Kingdom bank. In the past, consumers would pick up multiple loans from different banks and some of these were initiated with the intention of fraud. This has changed for the good now that every time there is an application for credit, the bank is obliged to check with SIMAH for the particular customer's credit report. For a good customer, this means that he gets his loans sanctioned quickly, while for the bank it means it is able to function more efficiently mitigating its risks substantially. Banks in Saudi Arabia today are also in a position to provide better services like upgrading loans and credits based on SIMAH credit reports and evaluation formulae used by them

Al-Mubarak says that consumers are gradually becoming aware of the importance of a good track record and credit history. They have also begun to call SIMAH if their loan applications are rejected to inquire about their credit report.

"In 2006 alone, around 80,000 defaulters called SIMAH after their applications were rejected by banks and wanted to know about their credit reports. There were times when we were receiving up to 1,500 calls per day at the SIMAH call centre. All this increased the load on SIMAH call centre operations and we had to increase the number of consultants to 10 to manage our call centre activities," he adds.

On an average day, the SIMAH call centre receives between 300 and 400 calls. Given the high traffic, the SIMAH management also uses the call centre to disseminate information and create awareness among consumers about the importance of a healthy credit report.

"We like to believe that each caller may be talking to 10 friends or family members. And so, we try to reach out to an average of 3,000 to 4,000 consumers every day to create awareness of the importance of managing personal credit and also caution them about the consequences of not managing credit. Ultimately, you have to understand that we are a neutral entity

and we have to protect the interest of our consumers, our members and our bureau," says the general manager.

Impact on lending

Al-Mubarak adds that SIMAH has also played a crucial loan in the growth of credit cards in the Kingdom. All the major issuers, including American Express, have been using SIMAH's data to ascertain the financial capabilities of applicants. He also feels that the credit bureau has played a major role in helping banks in their lending process. Banks in the Kingdom today have access to a wealth of information about consumers. They can inquire about potential or existing customers and can make informed decisions more efficiently, resulting in improved services for their customers, he adds.

"Obviously, we don't take all the credit for increase in credit in the Saudi economy, but nobody can deny that we've made an impact," he says.

One of the major factors to have impacted the demand for credit in Saudi Arabia since 2004 was rising stock prices. Consumers borrowed heavily at the time to invest in the market. Other factors include the four per cent increase in the Saudi population and the four per cent increase in urbanisation, meaning more cut-

SIMAH FACTS

The idea of a Saudi credit bureau was born in 1998 with 10 member banks as board directors and the Saudi Arabian Monetary Agency as an observer. In April 2004, SIMAH started commercial operations.

In June 2006, SIMAH became the first member of CDIA (Consumer Data Industry Association) from the GCC. It took nine months for the credit bureau to meet the CDIA membership criteria, including data protection and respect for consumer rights. CDIA has 350 members from the US and 35 members from outside the US. SIMAH was the 36th member.

Says Nabil A. Al-Mubarak, general manager of SIMAH: "We pride ourselves on being the only bureau in the world which is trying to comply with the principles of Islamic Shari'ah. According



Nabil Al Mubarak, SIMAH

to Islam, debt taken by any person or business entity is never cancelled or written-off. In Islam, we believe that Allah will inquire about payables and loans on the judgement day, and this is why Allah has strongly emphasised the clearance of all loans and debts in Qur'an at a number of places. So, in Muslim society the son is

liable for the loans unpaid by his father."

Most of the credit bureaus in the world have a policy to keep data for three to 10 years, depending on country regulations. But since Saudi Arabia is an Islamic country, SIMAH has a different approach, as its systems are built to store all default information forever unless the creditors or the families pay the loan.

SIMAH has also initiated a process to bring together and integrate all credit bureaus in the GCC. It's not a government driven initiative, but SAMA has taken leadership to create a 'Work Group' of all GCC credit bureaus. The purpose of this workgroup will be to integrate the bureaus from Saudi Arabia, Bahrain, Kuwait, Oman and the UAE, and make arrangements for exchange of data.

throat competition amongst banks - especially between Saudi and non-Saudi banks - to acquire these new customers. Plus, there is the growth in the Saudi economy due to higher oil prices to consider.

Credit scoring system

SIMAH, which started its operations in April 2004 with 10 bank members as board directors and the Saudi Arabian Monetary Agency as the regulator, is currently in the process of launching a credit scoring system similar to FICO in the US. The service is likely to be fully functional by December 2007. The project is already awarded to Experian-Scorex for developing the system.

But again, Al-Mubarak explains that SIMAH's scoring systems are, and will remain, adaptive to the Saudi-specific business environment and the country's culture. With an example, the general manager explains that unlike in the west, which gives negative scores to persons with family, it is just the opposite with SIMAH. He notes that credit bureaus in the west

give more negative markings to a person with a family, as they are of the view that this person has more liabilities and could have difficulty with repayments. In Saudi Arabia, because of the different culture, SIMAH gives more positive scores to a person with family.

"We believe a family person is more mature, responsible and is in a better position to pay back his credit in time," he explains.

Today, most of the credit bureau members have their own evaluation formulae based on the credit reports provided by SIMAH, he adds.

SIMAH is also in the process of developing a scoring system to help small and medium enterprises (SMEs) access the banking system with better results. The commercial scoring system will be ready for implementation by the middle of next year and should help banks to make more convenient loans to the SME segment, says the general manager.

"At SIMAH, we realised that SME's account for 85 per cent of all commercial businesses in the

Kingdom and that they don't have easy access to credit from banks. So, we began to develop credit scoring systems for businesses or commercial entities which should be ready by the middle of 2008. The commercial credit scoring system will also support creation of targeted products from banks for different segments," Al-Mubarak adds.

Challenges before SIMAH

Although SIMAH has played the role of a catalyst in growing healthy credit in the Kingdom, like all other organisations, it is also faced with challenges, including higher expectations from government officials.

Another issue that needs some managing is the perception by the general public of SIMAH. The general manager asserts that with the media writing about the credit bureau all the time, there is a false perception among consumers that SIMAH is out to protect the interest of banks. So, there is some suspicion there, while the reality is that





– and this is something that the bureau is constantly trying to explain – SIMAH is neutral and its objectives are to protect interests of both consumers and banks.

Al-Mubarak also says that SIMAH realises the need for integrating data from across the region and not just Saudi Arabia, given the amount of intra-regional trade and movement of labour. And that's why, for the Saudi credit bureau, it is both a challenge and its goal to integrate the bureau business in the GCC. Once this integration takes place, banks and companies across the region can access data and verify credibility of borrowers. Business dealings will become more transparent and efficient, according to him.

"I wish to see all Arab countries setting up credit bureaus. We are ready to offer our knowledge and expertise to all those who are interested. I also want to emphasise here for existing bureaus that they should not see credit bureau operations as a business opportunity, as that will kill the initiative," he cautions.

SIMAH currently has 36 members associated with the organisation. For banks in the Kingdom, membership is mandatory and Saudi Arabian Monetary Agency (SAMA) regulations require banks to have reports from the credit bureau for all lending transactions. The organisation has also moved swiftly to bring within its ranks other industries as well that are repositories of significant credit-related data. These include members from telecom companies in Saudi Arabia, instalment companies, car dealers, financing companies, etc. In the near future, SIMAH is in talks to make insurance and brokerage businesses its members.

Future

Currently, the SIMAH Code of Conduct broadly covers and regulates the bureau and its members. As per the code of conduct, members are not only obliged to upload data from their end, but also have the right to access and use the data/information available within the bureau. The bureau is obliged to receive, supply,

store and provide maintenance of data. It ensures security of data/information, an individual's rights to access and dispute data/information and covers formal disputes resolution procedures, including the establishment of a Compliance Committee.

"The code of conduct currently covers regulation and legislations written by SAMA with the consultation of the World Bank for all the credit bureau best practises. However, the Shoura Council of Saudi Arabia is reviewing new regulations and legislations, and by the end of this year, it is expected that the new laws will be approved by the Shoura Council to formally regulate credit bureau operations in Saudi Arabia," says Al-Mubarak.

He also adds that the bureau will get busier in the coming months with the establishment of the commercial bureau that is to become operational by March 2008, a credit scoring system by December 2007 and Basel II by December 2008, apart from the upgrading of risk management soon.



It's party time

Consumerism is making waves in the GCC as people are spending more than ever before to own their desired brands of goods. **Utpal Bhattacharya** looks at what makes consumers tick.

The sight of a teenager at one of the sprawling Dubai shopping malls purchasing an expensive mobile phone for personal use with a supplementary credit card is no longer the exception. Consumerism is here to stay, and from hereon it will only expand faster as the GCC's brand conscious young (and old) population purchases goods from electronics to fashion with a gusto never seen before.

A combination of factors has helped the growth in spending in the region. Some of the key ones include the explosion in shopping malls, a young population, dropping prices of branded items across industries, rising disposable surplus of the middle and upper-middle class and, last but not the least, the easy availability of unsecured loans and credit cards.

In fact, countries like the UAE are also attracting swathes of tourist shoppers who spend more time mall browsing in comparison to most other markets. According to ACNielsen, the UAE has the second highest number of recreational shoppers in the world, who claim to shop once a week for 'something to do' or for entertainment purposes. ACNielsen also indicates that



shopping malls in Dubai earn up to 55 per cent of their revenues from visitors. This, combined with domestic spending, has boosted a spending culture that is being further fuelled by creation of more retail space across the region.

A Colliers International study estimates that by 2010 the total prime retail space in the GCC will be closer to 16.35 million square metres, up 565 per cent from 2.46 million square metres in 2000. Dubai obviously leads the race and, according to some estimates, the emirate is set to become one of the most intensively shopped cities on the planet. According to the Colliers study, the 1.37 million square metres of prime retail space existing

in Dubai at the end of 2006 supplies 1.05 square metres of gross leased area per capita, which is already higher than what any other GCC country will achieve in 2010. Fitting, then, that Dubai will house the nine-million square foot Dubai Mall which, upon completion next year, will be the largest mall in the world.

What fuels consumerism?

Some feel that with that kind of expansion in mall space, the old souks are fast becoming symbols of heritage - or that they will simply serve mostly the very lower end of the market in times to come. Neelesh Bhatnagar, CEO of Emax, as well as the CEO of Landmark Group in Saudi Arabia and a board member of the Landmark Group, agrees that the trend for middle and upper-middle class apart from the rich is to shop at malls. However, he adds that the old souk may not die just yet, although it will increasingly cater to price conscious customers at the lower end of the market.

Significantly, with shopping mall culture, there is tremendous expansion of the payment industry. In fact, the abundance of plastic cards and various other consumer loan products available in the market today is helping to fuel consumerism in a big way among the growing and aspiring middle class in the region.

Geeta Jadhav, group marketing manager of Lals Group, a large regional retailing house, notes that as a retailer her group has seen a consistent decline in cash purchases in retail outlets in the last few years. The trends have reversed, she says.

"In the last four years alone, according to tracking done by Homes r Us since conception, from a 64 per cent spend through cash, the same is commanded by card today. There are a number of factors contributing to this change in trend - but it mostly stems from the fact that with rising costs, savings are dwindling. Plastic

marketers have capitalised on this and opened up endless possibilities to stretch the lifespan of earned dollars," she says.

Bhatnagar adds that purchasing of consumer goods has been made easy by financial institutions today through consumer loans and instalment payment options - as well as the usual credit card payments that defer actual payment obligations. He also argues that people spend more on plastic cards as opposed to paying in hard cash. Besides, with supplementary cards being given to wives and children, it's a good recipe for some great spending to come in the future as many more opportunities come up, says Bhatnagar.

"Today, in our stores across the group in Dubai, we see 65 to 70 per cent of purchases made with credit cards. The rest of the region is still much lower at an average of 35 to 40 per cent, but Dubai is always an indicator as to how the rest of the region will move in the near future," says Bhatnagar.

"Today, in our stores across the group in Dubai, we see 65 to 70 per cent of purchases being done through credit cards. The rest of the region is still much lower at an average of 35 to 40 per cent, but Dubai is always an indicator as to how the rest of the region will do in the near future." Neelesh Bhatnagar

So, as far as the Emax MD is concerned, for markets like Saudi Arabia there is some catching up to take place, and this, of course, means an opportunity for retailers. Indications that the retailing gold rush is already happening are there, with players like Carrefour planning to open 20 more hypermarkets over the next 10 years in the Kingdom, Casino 15 more stores in the next

three years and the country's own Savola Group building 10 new hypermarkets by 2010. Incidentally, according to Colliers, prime retail space in Saudi Arabia will increase some 56 per cent between 2006 and 2010 to 6.95 million square metres. That in itself is a big indication!

What makes it compelling?

Jadav says that technology has resulted in larger awareness of global trends. And with the GCC becoming a melting pot of global citizens, this awareness has led to a far more astute and demanding customer.

"A philosophy of 'more is less' and 'bigger is better' reigns. Hence, discount campaigns, reward programmes, instant benefits, etc. are now the rule of thumb in brand-building. The customer is increasingly looking towards 'the value for money' equation before making any purchasing decision," she says.

There is tremendous brand awareness as well, points out Bhatnagar. He says that the bulk of the young population of the region makes up the category that buys mostly branded items. And with income levels rising and prices of branded items coming down, it makes it more compelling that they spend to fulfil their desires to covet goods that were beyond the reach of their households in the past.

"High disposable incomes and lifestyle demands have led to greater consciousness of which brand is the flavour of the season. Hence,

brands that represent today's style and fashion, as well as products and services that help attain physical and emotional fitness to survive a fast-paced life, are now the norm," explains Jadav.

What is probably further propelling on consumerism is the easy availability of larger credit from banks to fund the purchases. Credit cards apart, easy availability of unsecured loans from banks like Abu Dhabi Commercial Bank (ADCB), which has been a pioneer in consumer finance in the UAE, is certainly making a difference. Despite the lack of support of a credit bureau in the UAE, customers can now walk into outlets of Carrefour and Emax and purchase all sorts of electronic items taking a consumer loan on the spot from ADCB. Loan approvals still take about an hour, sometimes more, but the endeavour is to approve the loans immediately, says Arup Mukhopadhyay, ADCB's head of retail banking.

But isn't offering consumer finance in a country that does not have a credit bureau risky business, especially when the expatriate population is so transient?

"Actually not" is the reply from Mukhopadhyay. He explains that in this case, especially in a consumer loan like the one ADCB offers at Carrefour or Emax, the end use of the money is defined. It is a loan and not a revolving overdraft; to that extent, it is a less risky product when compared to a credit card. There is the risk of fraud, of course,



but people who intend to cheat are an international problem. A robust documentation and credit approval process to filter out dodgy customers is a must, he says.

ADCB, to date, has not had problems from fraudsters with their consumer loans, the retail head insists.

And how have these loans been received in the market?

"The response has been tremendous. Today, almost 50 per cent of our business comes from retail, from shops and outlets like Carrefour and Emax. We are seeing a



Arup Mukhopadhyay



Neelesh Bhatnagar



Geeta Jadav



Sanjoy Sen



15 per cent month-on-month growth in the number of loans that we sanction," he replies.

Consumer loans are not prevalent at shopping malls today in the UAE and it seems that ADCB is ahead of the curve. But the trend is likely to catch up, and many more institutions will be opening up shops at the malls to offer such products. Bhatnagar further confirms that other banks have also approached Emax to offer similar consumer finance activities from their premises.

"There are other banks that are approaching us to do similar things. But we want to stick with ADCB at this point. Our own division Home Centre is likely to tie-up with another bank to offer same facilities for furniture purchase because there is a lot of money to be spent in the furniture business in the near future," Bhatnagar points out.

Banks like Citibank that are yet to enter the consumer market to finance home appliance and furniture purchases through unsecured loans have come up with other innovative

products mainly with their credit cards so as not to miss out on the consumerism boom.

Sanjoy Sen, Citibank's UAE country business manager, global consumer group, says that the bank offers equal instalment plans for its credit card customers for purchasing home appliances. The bank has also recently launched a cash loan programme for its credit card customers that gives instant liquidity for people to do anything with their money.

"If you are our credit card customer, we can offer you a loan which you can withdraw from any branch. Pricing will depend on the credit behaviour of the customer, but the good thing about this loan is that it can be approved over the phone and disbursed immediately," he says.

So, the bottom line is that credit has become much easier to get today and it's egging prospective buyers to go for what they covet now and not later, as well as to amortise payment over a period of time.

Consumerism here to stay

One of the biggest changes to have taken place in the GCC in the recent times is the opening up of its real estate market. It has seen billions of US dollars invested and thousands of non-GCC investors purchasing properties, freehold apartments and villas.

Mukhopadhyay says that when people come to stay in houses, they also need appliances and furniture. Besides, purchasing a house is a long-term commitment and those who have houses are more committed to stay for some time in the region and, therefore, have long-term interests.

"The opening up of the property market has made a major difference to consumerism in the region and especially the UAE. It has given an impetus to consumer spending and people are taking a much longer period of judgement, be it on loans or investments," he says.

Similar patterns of consumer behaviour in other parts of the GCC are inevitable as these countries are increasingly liberalising their real estate market, while revenues from shopping malls are expected to contribute significantly to the GDP.

A Retail International survey of over 200 shopping malls in the GCC now suggests that the current investment value of shopping malls in the region is US\$65 billion. Forecasts suggest that the industry will generate US\$30 billion a year in sales, while the gross annual revenues generated by the regional malls is equivalent to about 5.5 per cent of the combined GDP of the GCC states. With the oil prices over US\$80 a barrel, with a young population that is aspiring to purchase the best globally available and with a fast expanding tourism industry that is attracting shoppers from across the world to places like Dubai, these figures are only going to grow bigger in the near future.

"The opening up of the property market has made a major difference to consumerism in the region and especially the UAE. It has given an impetus to consumer spending and people are taking much longer period of judgement, be it on loans or investments." Arup Mukhopadhyay

When a shopping mall like Mall of Arabia opens in Dubai, leasing out 418,060 square metres to 1,200 shops apart from hotels and theme parks, or when a mall like the Venetian-themed Villaggio Mall in Qatar or the Spanish influenced neo-classical Marina Mall of Kuwait open their doors to visitors, it will be the ultimate celebration of consumerism in the region. Those brands that offer the best value for money, variety and customer service will survive, and those that do not adapt will fall by the wayside.





Securing family business through IPO

From humble beginnings in Qatar, Salam International has grown to become a powerful business house in the GCC. Issa Abdul Salam Abu Issa, chairman of Salam International, tells **Ehab Heyassat** why family businesses should IPO.

You have been a very successful family holding company. Where did the journey begin?

My father Abdul Salem Abu Issa set up the company in Qatar in 1952 and Salam International was one of the first companies to expand its presence outside Qatar. We began our operations in Abu Dhabi in 1966 and then expanded to Dubai a year later. I believe that my father's decision to take the company outside Qatar was a major milestone that helped the company achieve the height that it is at today.

Our entry to the UAE coincided with economic boom in Abu Dhabi. At that time, the company was only known as Salam Studio and Stores. We, the siblings, used

to work as apprentices at the company during the summer vacations in our university days. The company continued to be called Salam Studio and Stores till my father passed away in 1982 and the management of the company passed to me and my brothers. I then took the reins of the company in Doha and Jamal in the UAE.

What triggered your father's decision to move out of Qatar in the 60s?

Our markets are shallow, and as I said, moving out of Qatar was a milestone by itself. Family businesses across the world grow in a certain way. They look for opportunities in different sectors and tend to be at places where economies are

at growth phases to take advantage of the potentials. We were no different. Here in the GCC, we are still living the growth period. As a group, we have grown to 33 companies as of now and are still growing.

Can you tell us a bit more about how you evolved from retail shops to what you are today?

As I have mentioned, most individual markets in our region are small and shallow with limited opportunity for vertical growth. So, the only option left for us was horizontal growth. I must also add here that we as a family were presented with business and investment opportunities from outside the country and we decided

to take whatever we thought was relevant and expand beyond Qatar. Once we did that, we began to look for other opportunities that would compliment our existing business. For instance, if you get into the construction business, you will find an opportunity to enter aluminium manufacturing or any other industries related to the construction business. This is true for the rest of our investments or sectors that we work in. We realised from the beginning that trade agencies will no longer exist. So the value of exclusivity of agencies reduced over time, while on the other hand trader borders between countries faded in our region. So we took the initiative in transforming our trade relations with international companies into a more sustainable relationship that would live even after agencies laws are not there.

We had the vision and the strategy of transferring technology from international companies to our country and set up production units in our country in order to add value instead of having just a trade agency.

Was there any resistance from within the family to the idea of expansion?

No. There was no big resistance. The only obstacle in any family business is that shareholders become your partners not because you choose them but because they inherit the business. This is the case in almost all family businesses, especially in the second and third generation. And this means that you will have to resort to politics to manage your shareholders: politics sometimes gives birth to great leaders that take a company to the next level. But it can have disastrous consequences as well.

For us, dealing with the family and inheritance was fine. But in the process, we also discovered that our best option lay in transforming the company to a public shareholding company and separate the management from the ownership. This meant each family member was entitled to own shares equal to his or her stake in the company. In that way, each person could control his or her stake. That also meant that family members who chose to work in the company were to be considered as employees – chairman, vice chairman or any other position.



“The only obstacle in any family business is that shareholders become your partners not because you choose them but because they inherit the business.”

When did you decide to separate ownership from the management?

We did go through a period of delivery pain. But we knew we had to do it if we were to survive and grow. There are bad examples of family businesses that are most likely to vanish and disappear because of politics involving the second generation or the third generation. On the other hand, there are good examples of family businesses that are still around after hundreds of years. We wanted to be in the second category and we are very proud that we are celebrating our 55 years in business and growing. Our company today is in its best shape ever. It is listed and traded and people trust and acknowledge us, while we work hard in potential sectors and economies.

Do you mean that going public was the only way to remain in business in the future?

Exactly! We set up Salam International as the holding company, which acquired all the group assets over two stages. But before

doing that exercise, we did our research on the best ways to preserve the company and the legacy of our founders. We found out that the public shareholding format was the best option available to us. It's not, of course, an easy option as it comes with headaches like accounting, governance, dealing with thousands of shareholders, regulatory issues and regulators, but even then it is less painful than not going public.

How many years did it take you to create this new corporate structure of the group?

Salam International was established as a public shareholding company in 1996. In 2001, we did the first batch of acquisitions. The second set of acquisitions of all group assets was made two years ago. So you could say the process of taking the family business to what we are now went through three stages over a period of 10 years: the first stage was the establishment of the holding company; the second and the third were the acquisitions. Today, Salam International owns all the assets of the family valued at QAR2.5 billion. Salam International's capital is QAR822 million.

What are the different sectors you operate as a group today?

Our investments can be broken down to two major activities. The first one is in medium to long-term investments where we set up companies or enter into partnerships in projects taking the lead or secondary interest. The second strategy is focused on direct investments that we undertake in companies that we own and operate. We operate these investments in five divisions: technology and telecommunications, heavy industries and energy, construction and development, investments and real estate and accessories and retail on which this empire was built.

Over the years we have grown and I have grown with the group. Now we have added to the shape and structure of the company that my father left behind. Salam International today is the group's holding company listed in Doha and Dubai. As a family, we own 55-60 per cent of this company and the rest is owned by 12,000 shareholders.

What is the group strategy going forward?

We are consolidating our investments. Our strategy now is to grow vertically in all sectors that we operate. We do not intend to enter new sectors. But if there are opportunities that we cannot overlook then we will definitely take them, especially in real estate, as most wealth has been created by quantum leaps in real estate. We will also continue to take advantage of all industrial investment opportunities that come our way in the GCC, especially in the energy sector.

How do you manage the balance between your and the family's interest with that of your other shareholders' interests?

In family businesses you generally have the father as the chairman and the son as the CEO, despite it not being the best of the corporate management structure because of transparency and corporate governance issues. But also, don't forget that the family is the biggest gainer from the operations of the company and also the biggest loser when it fails. Corporate governance is definitely in our interest, as when we protect shareholders we protect ourselves. Families will always dominate family companies, even public shareholding companies at least for the first couple of generations after going public.

In our case, I can assure you that as we restructure, all management positions, including those of the chairman and the vice chairman, the CEO and the CFO, will be non-executive positions in the future.

Also, as part of our restructuring we will have a CEO for every sector of our operation, instead of having a CEO for the entire group. We plan to do this restructuring in the next three years. Nevertheless, any family business that chooses to go public will still have the family touch. Besides, family has a critical role in encouraging shareholders to invest into the company, as their name and presence gives great comfort and assurance to investors. Investors have the choice of investing in some 500 companies in the region.



“We realised from the beginning that trade agencies will no longer exist. So the value of exclusivity of agencies reduced over time, while on the other hand trader borders between countries faded in our region. So we took the initiative in transforming our trade relations with international companies into a more sustainable relationship that would live even after agencies laws are not there.

Are you confident that the third generation of the family will continue the journey that your father began with the same fervour and zeal as the second generation?

Inshallah! I hope the third generation will have the wisdom to put in the right management to run the show and keep the company away from danger. Also, even if nobody from the third generation were to work in the company, at least now the company has its own system that will make it sustainable for the next generation.

Will you consider IPOs for your group companies in the future?

That's most likely. But the picture will be much clearer when we finish our restructuring process. These decisions will have to wait for now.

As a group that operates in different GCC countries, what obstacles do you face doing business?

One of the biggest obstacles we face as a business is the lack of a unified legal structure in the region. Most companies are faced with this impediment when they look to grow outside the borders of their respective countries. The borders are getting more seamless now, but hopefully things will move faster, giving further impetus to the booming GCC economies. We are faced by complex systems in the GCC, and only when these systems are simplified you will see many more companies beginning to move to other countries.

You have listed in Dubai as well as Doha. Do you plan to have additional listings elsewhere?

We chose to list in Dubai because we've had a presence in Dubai since 1966. A third of our income is generated from the UAE. The UAE is a vibrant market and a gateway to reach out to other investors. We are not looking to list in other markets as it's hard work managing the various regulatory requirements of the dual listing.

Do you have investments outside Salam International?

Yes we do, but our investments are limited outside Salam International. The managing partners in the company (me and my brother Husam) decided to reduce our external interests in ventures that require managerial efforts. Our only investments outside the company are pure investments that do not require any managerial efforts. We also try very hard to avoid conflict of interest and so refrain from investing in ventures that have similar activities to Salam International.

Finally, when will you retire?

In the next three years; that is, when the company is restructured it will be very difficult for me not to be here. I feel for the time being that I will need to be very close to the company, grow it and grow with it. But eventually, of course, I will have to retire.



Fraud still a taboo for banks

Transaction fraud is a topic that GCC bankers refrain from speaking about with the media. They not only feel that there is not much to talk about as volumes of fraud are negligible, but are also of the view that discussing fraud on record might have a negative impact on their institution's brand image.

MONEYworks takes a look at the broader region of Europe, the Middle East and Africa, and finds out what needs to be done near home to respond to fraud.

Payment frauds are yet to hit newspaper headlines in the Middle East, and bankers refuse to speak about them since they feel it will lead to an erosion of their institutional brand image. This, of course, does not take away the fact that fraud is very much a menace to reckon with, particularly since the payment industry grows in sophistication in the region. Besides, with countries like the UK and Malaysia witnessing a major shift to chip and pin, fraudsters are now compelled to look in the direction of softer targets like the Middle East, which is largely magnetic stripe driven.

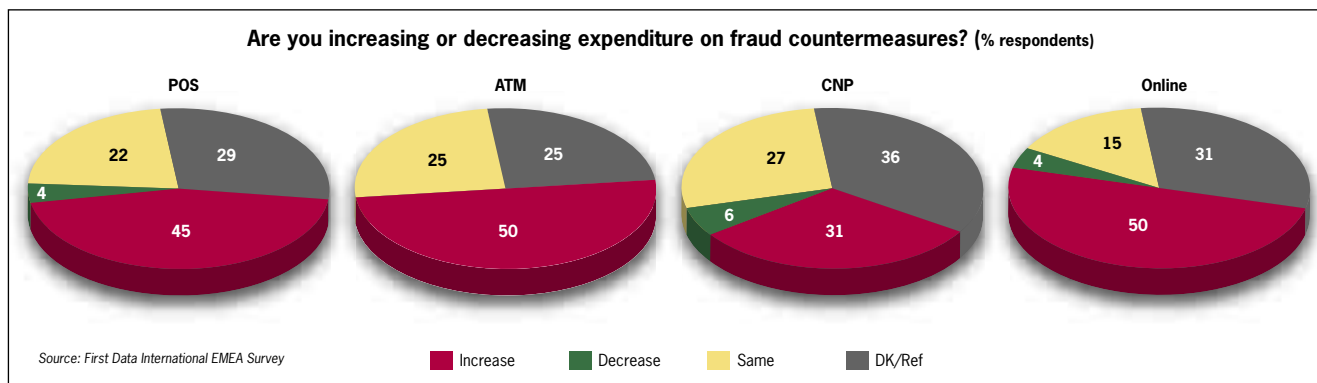
According to research findings of a survey conducted by First Data International in Europe, the Middle East and Africa (EMEA), annual card and payment fraud losses in the European Union alone could be as high as a billion euros. Although data on fraud is not organised in most countries because of much reluctance to share information in this regard, it cannot be denied that apart from

actual loss fraud brings with it significant loss of opportunity for all parties, as it shakes consumer confidence and they end up paying in cash, and in person, at a time when we have such a range of payment options available.

The First Data study on fraud sought to examine trends in the detection and prevention of four types of transaction fraud: automated teller machines (ATM), point of sales (POS), card not present (CNP) and online. The study carried out by independent research firm Olive Insight questioned fraud experts from 52 banks across Europe, the Middle East and Africa, and came out with some interesting findings. One of these was that over 80 per cent of respondents to the survey said that they viewed damage to the bank's reputation as one of the most important ways in which fraud threatened their organisations. And that explains why bankers are reluctant to reveal the truth or share information when it comes to fraud in their banks.

MONEYworks has always followed up on fraud-related developments in the banking environment, but has had little success in accessing information when it comes to actually quantifying numbers. Managers responsible have always parried questions on numbers by saying that losses are "insignificant". Significantly, the First Data study reveals that 67 per cent of the respondents to the survey felt that fraud was a threat to customer retention, while 38 per cent felt that it reduced the ability to recruit and 31 per cent were of the view that fraud could reduce the ability of an institution to recruit.

It is also not a surprise that the survey's findings indicate that a majority of the respondents are more focused on future threats rather than on current realities. Around half of all respondents believe that fraud – whether ATM, POS, online or CNP – is at relatively low levels today. But it's certainly questionable when it comes to defining these "relatively low levels".



According to the study, “A minority of banks are losing more than Euro250,000 annually through any one type of fraud – although the study results with regard to financial losses need to be treated with caution, since around one-fifth of study respondents either don’t know the financial impact of different frauds on their organisations or refuse to provide this information.”

The study also found that banks surveyed appeared more concerned about ATM fraud, particularly ATM device fraud. In fact, POS and ATM fraud accounts for over 70 per cent of all POS, ATM, CNP and online fraud in the EMEA region today. Estimated losses are highest in POS and ATM environments, with almost a fifth of the respondents to the study reporting losses over Euro750,000 a year from POS fraud alone.

Although there are no figures available for the GCC separately, bankers say that fraud levels in the region are extremely low at this point in time compared to the west. There are one-off attacks on ATMs, while card fraud losses could vary between five basis points to 10 basis points or slightly higher of total spending. And this is why

awareness on transaction fraud is so low in the GCC, argue bankers.

“If fraud levels are low, then priorities are different and awareness tends to be low,” explains a local banker in the UAE.

Regional bankers do not, however, deny credit losses on credit cards due to so-called ‘skip cases’, where credit card users use their credit cards and leave the country without paying the outstanding amount. Since most banks in the GCC classify skip cases as credit losses and not fraud, the actual amount lost from transaction fraud remains low. If skip losses were combined with transaction fraud losses, the numbers would have been much higher, explain risk managers of local banks.

Regional bankers also say that the growing use of CVV2 (Credit Cards Verification Value 2) numbers for online transactions has resulted in a further decline of fraud from online transactions. The good thing about CVV2 is that unless a bank’s data is fully compromised by fraudsters, the usage of CVV2 numbers during online transaction lessens the likelihood of fraud in a big way, as it greatly reduces the possibility of a CNP fraud in online transactions. Banks in the GCC are

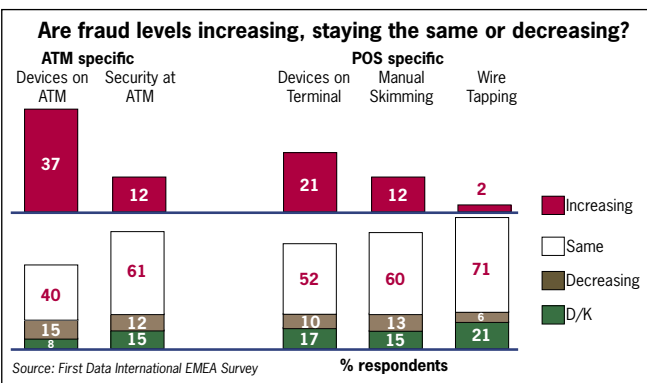
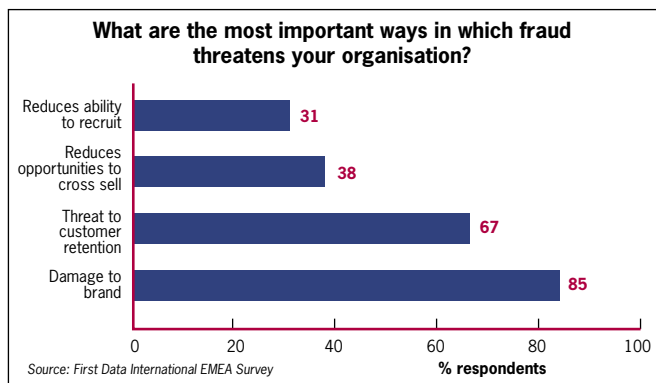
increasingly making it mandatory for credit card users to mention their CVV2 numbers in online transactions for various payments.

Some argue that this could be the reason for the UAE’s B2C e-commerce reportedly reaching over a billion US dollars in just the last 12 months. A survey conducted by Arab Advisors Group said that e-commerce users in the UAE alone stood at over 1.16 million, while the majority of users, 83.8 per cent of those surveyed, reported using credit cards to make payments. Following credit cards, 31.7 per cent of e-commerce users reported using bank account transfers for their payments to take total e-commerce volumes in the UAE to over US\$1.15 billion in 12 months.

It’s likely that, with Dubai as the shopping hub of the region, the numbers could have been higher if there was no threat of fraud at all.

Samih Toukan, CEO of Maktoob, agrees: “I do not have any numbers on fraud in the region. But for sure the fear of fraud is a major obstacle to e-commerce in the region and the world in general.”

Toukan adds, however, that the figures quoted by the Arab Advisors Group for the UAE look strong and promising.



Fraud a global phenomenon

Fraud is a global phenomenon and consumers react almost identically to a threat from fraud by refusing to do payment transactions. There is, however, not much knowledge in the public domain in terms of advanced analytics to understand how much opportunity the industry loses due to the threat of fraud.

In other words, if the growth of payment through cards in the GCC is somewhere between 20 and 30 per cent, would this figure be higher if there were no threat at all from fraudsters? The answer to the question is, probably, a big yes, if one went by a survey in Europe by the European Security Transport Association (ESTA). The survey indicates that in some countries, as high as over 40 per cent of the victims of credit or debit card frauds go back to paying with cash. In Germany, as high as 46 per cent of the respondents to the ESTA survey that have been victims of credit card frauds have returned to cash, while in Italy and Germany 45 per cent and 43 per cent respectively have gone back to paying in cash.

Understandably, there have been no similar surveys or published statistics on fraud or psychology of card users once defrauded in the GCC given the fact that incidences of fraud are far lower here compared to countries in Europe. But that is not to say that payment fraud is not reported at all in the region. In August this year, Al Hayat newspaper reported that four Saudi banks alone lost SAR32.5 million to fraudsters in Southeast Asia who took card information from Saudi travellers to that region and used the information to carry out fraudulent transactions.

In fact, fraud has become a global industry today. It's also a mobile industry that not only migrates to weaker spots, but is also opportunistic as the Saudi example is proof. The payment industry has globally tried to take countermeasures against fraud - the move to chip and pin has had a definite and positive impact in reducing fraud. But countermeasures against fraud cannot be foolproof. The First Data survey quotes Carl-Henrick Freij of Skandinaviska Enskilda Banken as saying that a change in technology to a more advanced level

Fraud prevention is a shared responsibility

Denzil Lawson, general manager of MasterCard Worldwide, Middle East and Levant, replies to questions on how payment associations deal with the issue of fraud.



Denzil Lawson

Should banks and financial institutions interact or share information on fraud?

Do you work closely with financial institutions?

Preventing fraud is the shared responsibility of everyone involved in the payments industry. MasterCard closely works with banks, merchants, law enforcement professionals and other associates in order to increase the security of every transaction.

MasterCard works closely with customer financial institutions around the globe to protect cardholders' personal information throughout the entire payment process. This holistic approach to security, which has been the foundation of our 40 years of security leadership, spans the entire transaction process. MasterCard monitors for fraud, works closely with banks conducting performance reviews in respect of their data protection protocols, provides advice to banks on looking after cardholders and their data and works with banks at every stage to reduce fraud and improve systems.

On a regional basis, MasterCard works closely with law enforcement agencies and legislators in the Middle East, South Asia and Southern Central Africa, providing training sessions on credit card fraud issues, identifying fake cards and providing expert testimony. In some instances, MasterCard has worked closely with legislators in developing credit card fraud regulations and legislation.

Are payment associations working with banks to look at solutions - other than chip and pin - to check fraud? What is the response?

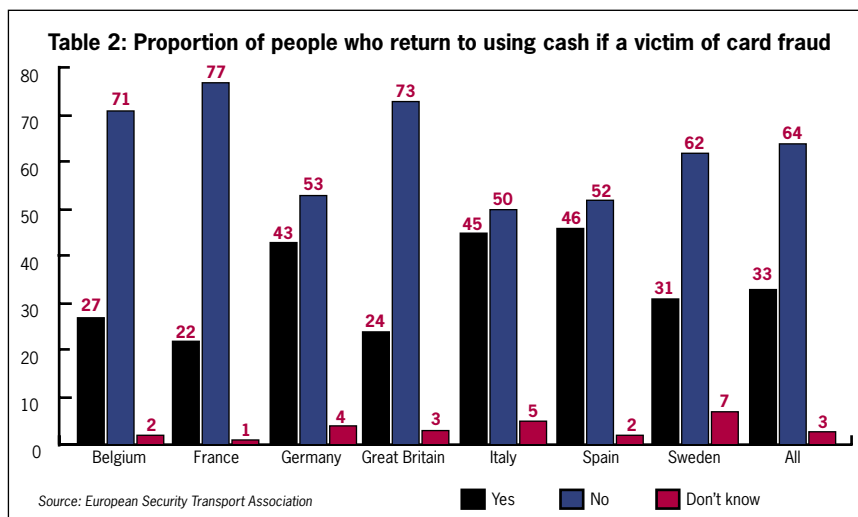
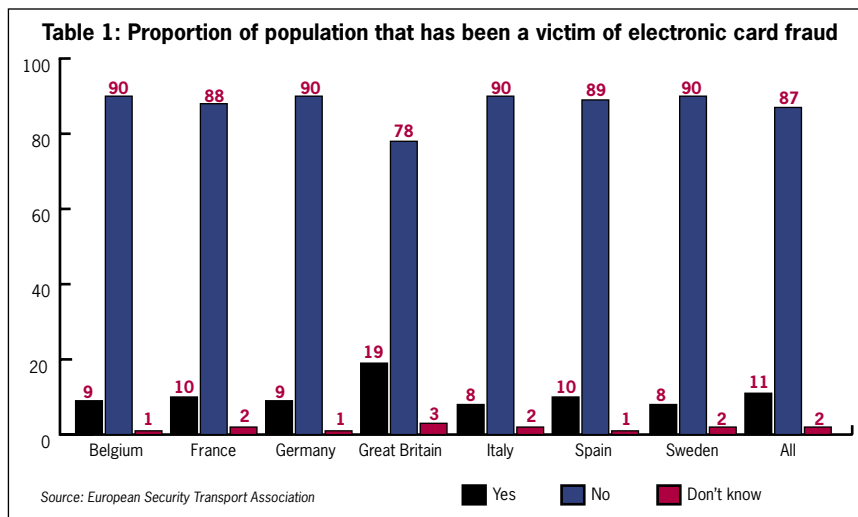
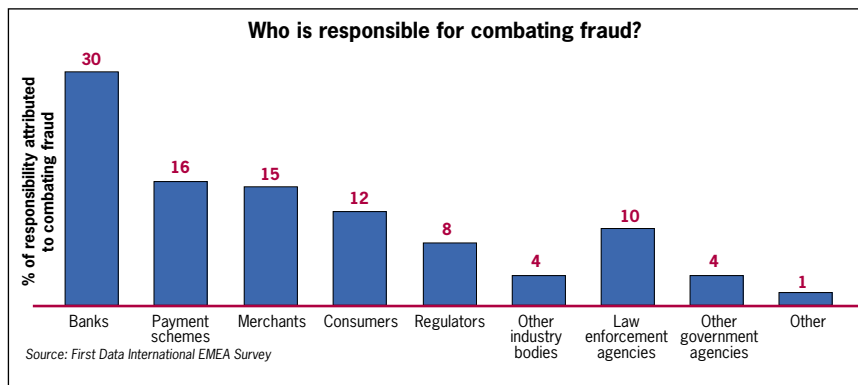
MasterCard has rules and guidelines in place on how best to store transaction data, keep it secure, and share best practice information with other associates involved in payment processing.

We provide customer financial institutions with educational materials that identify best practices and focus on proven methods of combating fraud for both the online and offline environments.

From mandating security features on the card itself, to pioneering fraud monitor systems, to enforcing strict data handling and storage standards, we provide our customer financial institutions with the tools and services that increase the security of card transactions.

Sophisticated systems help banks prevent fraud by monitoring, identifying and denying improper payment card transactions. These include:

- **EMS and iPrevent**, which monitor payment transactions with a customisable, rule-based technology that detects irregular patterns of usage that may indicate fraud.
- **RiskFinder**, a state-of-the-art neural network that builds highly detailed cardholder profiles and combines them with both historical transaction processing data and data based on known fraud practices, resulting in an extremely accurate fraud detection system for both credit and debit products.
- **MasterCard SecureCode**, which provides cardholders with a private code that means added protection against unauthorised use of a card when shopping at participating online merchants. When cardholders enter their card information on a merchant's website bearing the SecureCode landmark, they are prompted to enter their personal SecureCode by a special window or screen presented by the issuing bank. In a matter of seconds, the cardholder's bank that issued the card confirms for the merchant that it is indeed the cardholder who's making the purchase and authorises the transaction. MasterCard also launched Operation Stop Identity Theft, a first-of-its-kind anti-online fraud program. This programme is a proactive assault against cyber-criminals who attempt to steal personal information for monetary gain. Working in cooperation with law enforcement, the programme detects online scams in real time and shuts them down before thieves gain access to consumer information.



will hinder fraudsters using that particular payment method. But they will either move to a different payment method or go back and find a better way to hurt the organisation, he adds.

Sreekumar Pokattu of National Bank of Kuwait adds: "Fraudsters will become more organised. There will be corporations of fraud as they get together and pool

resources. It is very organised and we need to be organised to stop it."

So, what exactly needs to be done to stop it? Obviously banks are increasingly spending more on countermeasures against fraud. It was evident in the UAE after Emirates Bank ATMs were attacked. The bank immediately took steps to secure its ATMs against future attacks by inserting

special devices into its ATMs. A few other banks also followed and Barclays has now launched its biometric-enabled ATMs in the UAE for the first time.

It has become evident today that banks are individually spending significant amounts of resources and time in understanding and fighting against fraud. But there is now a need for banks in the region to work together with payment associations, merchants and consumers to create more awareness in dealing with fraud, suggest industry experts.

In fact, there have been instances when key stakeholders in the GCC have benefited from getting together to fight fraud. It happened in Bahrain last year when CrediMax, the Kingdom's first issuer and acquirer, got together with its merchants to expose nine fraudsters who attempted to purchase gold jewellery from several outlets in Bahrain using 61 counterfeit cards and several stolen cards. Although these events are far and few in between in the region, it is proof that various parties are not unwilling to work together.

There are now also strong suggestions from the industry for drafting stringent regulations so that all parties know their rights and obligations. The First Data study points out that banks first need to understand their own legal position, so that they are clear about what they can and cannot share. Regulations are needed for countering both national and cross-border fraud. Without this knowledge, it is too easy to say 'no' to requests for information, whether from within or outside the bank, the study sums up.

For the GCC, transaction fraud is still in its infancy compared to the west, but prevention is always better than cure. In Europe, the European Union and European Payments Council have indicated that multi-national fraud databases will be necessary to counter fraud in the Single Euro Payments Area. Similar initiatives in the GCC, which is endeavouring to move towards a monetary union, would be a welcome step for the industry, including regulators and law enforcement agencies. It would certainly deliver a strong message to fraudsters with big plans for the region.

The bullish case for Singaporean REITs

The credit crunch and an inevitable sequence of rate cuts that are likely to follow will be a catalyst to opportunities elsewhere; for example, the Singaporean real estate investment trusts, writes **Matein Khalid**.

The August jobs number was the lowest in four years and virtually guarantees a succession of interest rate cuts at the next two or three FOMC conclaves. The Federal Reserve has no choice but to revert to its role as the lender of the last resort because of the liquidity squeeze crisis in the international banking and money markets. When banks experience systemic banking distress, the Federal Reserve invariably slashes the real interest rates down to zero. This was the Greenspan Fed's modus operandi after the New York banking crisis in 1990, the Mexican peso crisis in 1994, the Russian rouble devaluation and the failure of LTCM in 1998 and the collapse of the Silicon Valley Internet bubble in 2001. The US overnight borrowing rate can well go down to 3.5 per cent sometime next summer. Just as Fed rate cuts spawned the tech bubble in 1999 and housing bubbles in 2001, I believe the Fed rate cuts next year will help in an asset class that is poised to reflate Singapore property.

The credit concern has created an exceptional value opportunity in Singapore real estate investment trust (REIT) shares. In a rational world, a REIT share should fall less than a property developer in a credit crunch because its risk profile is so much lower. After all, while a developer is vulnerable to project launch failures and contraction in bank credit, a REIT offers secured assets, long-life leases with low tenant default risk and high current rents. Even though a Singapore REIT can still borrow in the local banking market at four per cent, the capital markets turned excessively negative on the sector in August. For instance, the spread between the forward dividend yield on the Singapore REIT sector and the risk-free rate (the

bellwether ten-year Singapore government bond) was 100 basis points. With the forward dividend yield currently at 5.2 per cent and the risk-free rate still 2.9 per cent, the REIT spread is now 230 basis points. The spread is a compelling value metric that I have tracked for three years.

Singapore also has one of the most attractive property market fundamentals in Southeast Asia, particularly in a risk sensitive world where flight to quality is a periodic concern for international fund managers. Singapore has a supply deficit in office real estate and the Singapore dollar is the hard currency of our generation, the Asian Swiss frank Singapore. REITs also offer low gearing, 100 per cent income payouts, secured leases and limited property development risk.

Stock market ultimate indicator

Sure, the planet's cost of capital has risen and lower acquisition premiums on NAV are inevitable. Yet most large, liquid Singapore REITs should still be able to grow via acquisition, albeit with higher costs of debt and equity in the medium-term. But the stock market is the ultimate forward looking indicator of property prices and psychology. The major Singapore REIT shares have fallen 20 per cent. This is an overreaction that is unjustified because it simply does not reflect the fundamentals of Singapore office, logistics, residential and retail sectors. Since a REIT pays out most or all its distributable income, REIT needs to access the capital markets to fund acquisitions and NAV growth. The current stock market valuations of Singapore assume that capital market access is impaired for the REIT sector. This is hogwash. While borrowing costs have risen by 50 basis points since the credit crunch repriced risk, the largest,





45-storey office tower, Suntec City, Singapore

most liquid Singapore REITs are some of the most attractive corporate borrowers in Asia. As the financial markets increasingly price in a succession of Fed rate cuts, Singapore's property reflation will become an increasingly favorite theme of Asian fund managers and sovereign wealth agencies from China to Qatar, Abu Dhabi to Norway. Moreover, a Fed Funds rate of four per cent means the Singapore dollar continues its secular uptrend, probably to a high of 1.40 sometime in 2008. This alone is a compelling strategic opportunity for the GCC investor vulnerable to the risk of US dollar devaluation. After all, the dollar has lost 40 per cent of its purchasing power against the Euro since 2002. Asian property is a natural hedge for the dollar-exposed GCC investor.

Capital Mall Trust is unquestionably the most defensive Singapore REIT, the largest in the sector by assets and market capitalisation. It has classic defensive qualities with its size, management quality, brand and strategy of acquisition in retail mall income growth in the world's shopping capital (other than Dubai!). Singapore suburban mall rents have been resilient in a downturn, a trend accentuated by population growth and greater visitor arrivals. Moreover, the Capital Trust Mall REIT has strategic stakes in subsidiaries that sponsor Malaysian, Indian and Chinese retail malls. Capital Mall Trust is the best play on the growth of Asian shopping malls.

Another attractive property theme in Singapore is office space. The crème de la crème of Singapore office REIT's is unquestionably Suntec, whose Suntec City is a play on Singapore's emergence as the private banking and wealth management hub of Southeast Asia. The Suntec REIT has assets located in the CBD and is among the most liquid trading stocks on the Singapore stock exchange. With its trophy assets, Suntec REIT would also be a classic takeover candidate as the mergers and acquisitions theme gathers momentum in the Singapore REIT sector. Cheung Kong, a property company of the Hong Kong billionaire Li Ka Shing, who originally sponsored the Suntec REIT, is selling attractive assets in the Marina Bay Financial Centre to the REIT.


The UAE's case

I have long argued that UAE developers should sponsor REIT's in New Dubai now that a collective investment law is in place at the DIFC, though the legal infrastructure of trusts and property ownership may still impede the creation of an Emirati REIT. A REIT would access new investor constituencies to Dubai property and enable the retail investor to buy a liquid, securitised financial instrument with a higher yield than the three-month LIBOR rate. This is particularly true since the dollar yield curve will probably plunge down if the US slips into recession, ensuring far lower interest rates on bank deposits in the UAE.

Singapore could provide a model to Dubai in this space. Five years ago, Singapore property developers worked with officials of the SGX to set up REIT's via divesting assets into REIT's, where they hold substantial stakes and own the fund management vehicle. In this manner, the developer can realise proceeds yet retain upside because it holds a stake in REIT. Moreover, since management fees on REIT's are recurrent, they can add stability to a developer's bottom line. This would be ideal for Emaar. If Emaar sponsored a REIT and used its inside track, brand, technical expertise and economies of scale to transfer assets, it could immediately boost its valuation metrics on the DFM stock exchange. After all, Singapore proved that developers that built REIT platforms were able to bid development project on completion, enabling them to be more confident in taking on major scale developments. This is particularly important when credit crunches could lead to periods where buyers of property assets face a repricing of risk or even credit rationing.

Investors worldwide voted with their Bloomberg screens for such sponsored themes because of their strong growth pipelines, meaning huge capital gains as NAV rose and dividend yield compressed. In fact, ironically, the current capital markets milieu has become even more favorable to Singapore REIT's as Asian private equity funds may be priced out by the credit crunch when competing to bid for trophy property. This is an asset class whose time has come.

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



US tax mistakes can eat into profits

The real estate boom in the UAE has seen a large number of international investors, including US investors, purchasing properties. **Virginia La Torre Jeker, J.D.** cautions US investors that their profits could be undermined if they have not given due thought to tax planning.

The property market in the UAE has grown tremendously. Foreigners have spent serious sums on property purchases. Americans, however, have lost significant profits to US tax dollars by a lack of advance tax planning. The UAE's tax-free environment is very attractive, but Americans cannot forget that taxes must always be considered, especially before taking the investment plunge into UAE property. This article examines a frequently used ownership structure when non-UAE nationals purchase UAE property whereby property is often owned by a corporate entity in order to prevent application of Shari'ah law for inheritance purposes. While this may prevent Shari'ah issues, the American purchaser must consider US income tax planning. Harsh consequences can result unless proper planning is undertaken.

UAE and Shari'ah laws

Inheritance under Shari'ah differs markedly from inheritance regimes in other legal systems. Unfettered freedom to dispose of one's assets at death is curtailed because Shari'ah principles allocate fixed shares of the decedent's property to his relatives, based on their relationship. A certain percentage of the

assets are distributed according to the fixed shares mandated in the Qur'an with the result that male children inherit more than females and the decedent's parents take a percentage as well as his spouse.

The UAE Federal Law states: "Inheritance shall be governed by the law of the deceased at the time of his death." This has generally been interpreted to mean that the law of the decedent's nationality will apply. It is not clear, however, that the same law of nationality will apply if the asset involves real property located in the UAE. Confusion arises because the Federal Law states that UAE law will apply to the disposition of UAE-situs real property even though it may be owned by a foreigner. This raises the possibility that Shari'ah law could apply to the UAE realty owned by a foreigner at death. Despite passage of the Federal Personal Affairs Law in 2005, which generally permits a foreigner to affirmatively opt for the laws of his own country to apply to inheritance, this law does not make clear that UAE realty can be included.


Due to the ambiguity, many non-UAE nationals consider using a corporation to own the property. Since corporate shares should not be considered real property, ownership of the UAE realty through a corporate

vehicle should bypass the inheritance issues concerning Shari'ah law. Often, local advisors advise the use of a Jebel Ali Free Zone corporation (permitting 100 per cent foreign ownership). Sometimes a corporation established in the British Virgin Islands (or other jurisdiction) is used.

CFC/PFIC tax regimes

While corporate ownership of the property may possibly avoid Shari'ah issues, it can raise serious US tax matters for Americans. The foreign company could be treated as a so-called "controlled foreign corporation" (CFC) or a "passive foreign investment company" (PFIC) which could cause serious adverse tax consequences to the US shareholder. The CFC and PFIC regimes were enacted to prevent Americans from deferring taxation of certain income through use of foreign corporations.

A foreign corporation is a CFC when it is more than 50 per cent owned by "US shareholders". Shareholders are taxed on a current basis on certain "Subpart F" income earned by the CFC even though it has not made any actual distribution to the shareholder. The shareholder is treated as though receiving a dividend from the



company. This means tax is imposed at regular graduated tax rates on ordinary income (35 per cent maximum tax rate for individuals) without any benefit of capital gains rates (long-term capital gains rates are generally 15 per cent or lower) even if the underlying income earned by the company was capital gain.

The most relevant category of Subpart F income for the foreign corporation owning UAE property would be “Foreign Personal Holding Company Income” (FPHCI) which includes passive types of investment income (dividends, interest, passive rents, capital gains). Active business rents from unrelated parties are not treated as Subpart F income, but whether rental activity rises to such “active” status is sometimes very unpredictable. Generally, capital gains earned upon sale of the property by the corporation (whether or not rented, unless it met the requirements of the ‘active rental’ exception) would also be treated as FPHCI. Thus, the shareholder would not be entitled to obtain the significantly lower capital gains rates had he owned and sold the property himself. On the corporation’s sale of the property, the US shareholder is treated as though he has received a “dividend” from the company, and so he pays tax at ordinary income rates on the gain.

A US owner of a PFIC can suffer adverse tax results regardless of his degree of ownership (unlike the CFC rules which require over 50 per cent US ownership). A PFIC is any foreign corporation if a certain percentage of either: (i) its gross income consists of “passive income”, or (ii) the value of its assets consists of “passive assets”. Passive income is generally defined the same as FPHCI. Generally, passive assets are those which produce “passive income”. The foreign corporation owning only a UAE property and earning rental income that is not treated as

derived from an active rental business can easily meet either the passive income or asset test. Capital gains earned upon sale of the property would also be treated as an item of passive income that could cause PFIC classification under either test.

When PFIC shareholders either: i) dispose off their stock or ii) receive an “excess distribution” from the PFIC, a special tax and compounded interest charges are imposed. Amounts are taxed at the highest ordinary income tax rate without regard to other income or expenses (i.e. 35 per cent). Long-term capital gains treatment does NOT apply. Compounded interest charges are computed on the ‘deferred tax’ owed and can quickly eat up sales profits.

Sale of residence

The US permits individuals to exclude from income up to US\$250,000 (US\$500,000 if filing jointly) earned on sale of the home if the individual owned and occupied it as a “principal residence”. If the UAE property was used as the principal residence, ownership through a foreign corporation would result in loss of this exclusion – the law requires that the individual(s) (and not the corporation) own and use the property.

Certain debt interest paid with respect to any “qualified residence” can be deducted for US tax purposes. The debt must relate to the taxpayer’s “qualified residence”, which is generally the taxpayer’s principal residence and one other (e.g. a vacation home). Ownership by a foreign corporation, rather than the individual, would preclude meeting the requirements.

Possible solution

Overall, the US person owning UAE real property through a foreign corporation would be placed at a significant tax disadvantage than if he held it individually. Due to Shari’ah issues, however, individual ownership is often undesirable. Further, an owner may wish to limit his legal liability through use of a corporation in the event the property is rented out. But what can be done to achieve the desired tax and non-tax objectives? One possibility involves using “check-the-box” (CTB) treasury regulations, under which certain entities may elect to be classified and taxed at their choice. An entity with more than one owner can elect to be treated as a

corporation, or as a partnership with taxation of income deductions flowing through to the partners directly. An entity with only a single member may elect either to be taxed as a corporation or be “disregarded” and not treated as separate from its owner (a “foreign disregarded entity”; “FDE”). The election could allow the property owner to have the best of both worlds – limited liability protection of the corporate vehicle but no worries about application of the CFC or PFIC rules.

In the case involving a personal residence, using the regulations could permit the single owner of the foreign corporation to CTB so that for US income tax purposes only, the corporate entity would be “disregarded”. The structure would be taxed as if the individual directly owned the asset. Mortgage interest could be deductible and if used as the principal residence, there would be an opportunity to exclude gain on its sale.

FDE qualification requires a “single” owner. A married couple wishing to use the regulations would generally have two choices. The couple can transfer the home into a single foreign corporation making a CTB election to be treated as a FDE, and have that entity owned by only one spouse. Alternatively, each spouse could form a corporation, with each electing FDE status; each FDE would hold a 50 per cent interest in the property. The election must be made within 75 days of formation, late election relief being possible. Persons not qualifying for such relief but who have already purchased properties through a foreign corporation can still make use of the regulations. Some tax on the “change” from one type of entity to another will result.

Another variation on this theme involves a single owner holding title to the property through a US Limited Liability Company (LLC). Single-owner US LLC’s are “disregarded” for tax purposes and thus taxation occurs as if the individual directly owned the asset. Married couples could form two US LLC’s with each LLC owning 50 per cent of the property.

Ownership by a foreign corporation (whether or not an FDE) will mean more complicated annual tax filings than if the property was owned individually. Tax filings with ownership through a US LLC would be far less burdensome.

Disclaimer: Virginia La Torre Jeker, J.D. is a Dubai-based American attorney specialising in US taxation and international taxation planning as well as international commercial transactions. She can be reached at vjeker@eim.ae. The information provided does not constitute tax or legal advice and is of a general nature only.

The helping hand

Gary Envis explains the role of the non-executive director and outlines some of the benefits that a non-executive director can bring to a business.

Business is booming in the Middle East. Family businesses, listed companies and government institutions are growing and expanding into new markets (both in terms of products and geographical

as an executive manager of the company (most often as a corporate officer, such as the chief executive officer, the chief operating officer, the chief financial officer, etc.).

The role of the non-executive director is frequently described as

having two principal components:

monitoring executive activity and contributing to the development of strategy. According

to a 2003 report of the British Government (called "Review of the role and effectiveness of non-executive directors"),

a non-executive director will have responsibilities in

the following areas - **Strategy:**

Non-executive directors should constructively challenge and contribute to the development of company's strategy; **Performance:**

Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance; **People:** Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and

have a prime role in appointing, and where necessary removing, senior management and in succession planning. Non-executive directors should also provide independent views on - **Risk:** Non-executive directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; **Resources:** Appointments and standards of conduct. It is said, "Non-executive directors are custodians of the corporate governance process. They are not involved in the day-

location). Now is the time for company shareholders to take a look at introducing the skills of the professional non-executive director to the board of the company.

Who is a non-executive director?

A "non-executive director" is a member of the board of directors of a company who does not form part of the executive management team. He or she is not an employee of the company or affiliated with it in any other way. A non-executive director is differentiated from an executive director, who is a member of the board also serving

to-day running of business but monitor the executive activity and contribute to the development of business strategy.”

In terms of the time contribution required by a non-executive director, the 2003 report noted, “A non-executive director’s role usually involves a time commitment of between 15 and 30 days a year. Practice varies on whether the time commitment is articulated and agreed between the non-executive director and the board. The time involvement of a chairman varies much more widely. Both for the chairman and non-executive directors it is important that they are available at short notice to deal with major issues when they arise. At such times, a non-executive director, and particularly a chairman, may need to commit substantially more time.”

Executive assistance

So, in practical terms, how can a non-executive director help a company? Well, they can be involved in the creation of sound business policy and strategy, review the detailed plans and budgets which will implement policy and strategy, be a confidential sounding board for the chairman and chief executive, independently review the management structure, objectively assess the company’s overall performance and, perhaps most useful of all, they can provide outside experience of the workings of other companies and industries and provide contacts with third parties such as financial sources, grant availability, etc.

We have seen the financial services regulators in the region acknowledging the benefits of the non-executive director by making the appointment of such individuals mandatory in certain circumstances. Under the Dubai Financial Services Authority (DFSA) Offered Securities Rules (updated in June 2007), it is a requirement that, in relation to those regulated companies subject to the rules, at least one-third of the governing body must comprise non-executive directors, of which at least two non-executive directors must be independent. The Offered Securities Rules explain that the DFSA will consider a non-executive

director to be “independent” if the director is found, on the reasonable determination by the governing body, to (a) be independent in character and judgement and (b) have no relationships or circumstances which are likely to affect or could appear to affect the director’s judgement in a manner other than in the best interests of the reporting entity.

In similar terms, the Saudi Arabian Capital Market Authority requires under the Investment Funds Regulations, for example, that “at least one third of each fund board must be made up of independent fund directors, and each fund board must have at least two independent fund directors”.

How to identify?

It is clearly in the interests of the company to ensure that the best people are recruited to direct and supervise it. It is important that boards recognise their responsibility and appoint on merit. So, who offers the services of the non-executive director? It is generally assumed that business experience is important for a non-executive director. However, the qualities necessary for an effective contribution to the board can also be acquired from a variety of backgrounds (business, regulation, academia, etc.). The interplay of varied and complementary perspectives amongst different members of the board can significantly benefit board performance.

Furthermore, the composition of a board sends important signals about the values of the company. A commitment to equal opportunities that can be of motivational as well as reputational importance is inevitably undermined if the board itself does not follow the same guiding principles. However, the overriding principle is that the individuals appointed should have experiences that can contribute effectively to the business activities/strategy of the company for whom they will provide services and/or the markets in which the company operates.

From the non-executive director’s perspective, we have seen that the role

carries with it significant responsibilities and so accepting such a role should not be taken lightly. A range of legislation (such as financial services regulation, health and safety, environmental law, competition, as well as companies and insolvency legislation) imposes significant obligations on the directors of a company as well as (or instead of) on the company itself. Some of these carry criminal sanctions; others may give rise to civil remedies in the hands of private third parties, insolvency practitioners or regulators.

What will it cost?

The charges for the services of a non-executive director will vary according to the experience/qualifications of the proposed non-executive director, the size of company (whether it is listed or a private company), the responsibilities involved and the frequency and length of the board meetings. The fees should be at such a level to attract and compensate individuals with the necessary skills and experience to make a positive contribution to the company. The fees for a non-executive director will usually be made up of an annual fee and a meeting attendance fee (additional fees will usually be payable where the individual acts as a chairman of any company committees). As a guide, the annual costs for the services of a non-executive director start at around US\$25,000 (plus the expenses of attending the board meetings) and can be in excess of US\$100,000.

With many Middle East-based businesses venturing into international markets and exposing themselves to the financial, operational and reputational risks associated with such strategies, the use of experienced non-executive directors is now most needed. Bringing in outside experience at board level reduces the risk of failure and enhances corporate governance. Many companies are beginning to recognise this. The companies with this foresight will undoubtedly reap the long-term benefits.

Disclaimer: This feature can only provide a brief overview and should be used for general information purposes only. It cannot be regarded as a substitute for specific professional advice. Gary Ennis, LL.B. TEP Barrister, Khalij Fiduciaire, Business & Fiduciary Consultants genis@khalijfiduciaire.com

From Oasis Leasing to Oasis Capital

Oasis Leasing is currently restructuring and also changing its name to Oasis Capital, which will be a holding company to all the different activities that the company is diversifying into. A report from **Kara Sensoli**.

While the global air transport industry has seen its share of setbacks over the years, it is clear that today's Middle East aviation market is booming. In fact, recent figures suggest that the Middle East is the fastest growing region in the world in terms of air passenger traffic.

According to the International Air Transport Association, air passenger traffic in the region rose 15.4 per cent last year, while cargo increased 16.1 per cent. Moreover, as growth in demand for air travel has continued to exceed global growth, so has the number of orders for aircraft.

In the past 10 years, regional aircraft numbers have grown more than 60 per cent against 12 per cent global average growth. This increasing demand, combined with the emergence of new regional carriers, has opened many more doors for companies looking to lease and finance aircraft.

"There is going to be a huge opportunity for leasing companies because, in absolute terms, the demand for capital to finance those airplanes is so big that we believe the capital markets will not be able to absorb that by themselves and the airlines will not be able to pay for that out of their own pockets," says Erik Dahmen, senior marketing director of Oasis International Leasing.

According to Dahmen, a significant amount of aircraft deliveries in the coming years will be through operating leases or through leasing structures. Like other aircraft operating leasing companies, Oasis is positioned to benefit from the region's growth. However, it should be noted that the company is not merely an aircraft leasing company, nor is it a pure operating leasing company.

Oasis was formed in 1997 with the intention of identifying, structuring,

managing and investing in high value leasing transactions. Today, the company's product offerings include operating leases, finance leases, junior and mezzanine financing, structured financings, sale and lease-backs of new deliveries and used assets, portfolio management and technical services.

"There has been a certain emphasis in the aviation sector, but that is certainly not a rule," says Dahmen. "We are very open to other asset types and are largely return driven, so we will invest our shareholders' money where we can get the best return. If that is in a certain sector, then we will consider it."

Abu Dhabi-based Oasis has demonstrated its interest in a variety of other asset types, two being shipping and infrastructure. The company has involved itself in a number of local endeavors and has continued to seek out other asset types that prove suitable for the leasing business.

Apart from creating shareholder value, Oasis has also made contributing to the region's economic growth a priority. The company was initially founded as part of a UAE Offset Programme to add commercial value to the UAE economy, and although Oasis had limited business exposure in the Middle East prior to 2004, the past few years have seen the company write more business in the region and take on increasing local projects.

Recent performance

Last year, Oasis closed significant deals with several regional airlines. In April 2006, the company signed a US\$948 million lease financing agreement with Etihad Airways and Barclays Capital for six Airbus A330-200 aircraft.

In May 2006, Oasis and SAMA, Saudi Arabia's first low-cost airline, signed an operating lease for the new airline's first

aircraft, a Boeing 737-300. Later that year in December, Oasis and National Air Services of Saudi Arabia completed a multi-faceted sale and operating lease agreement for six aircraft worth more than US\$130 million.

Oasis's other clients include Emirates Airlines in the Middle East, Air Canada and Continental Airlines in North America, FTA, LTE, Onur, AirOne and WindJet in Europe and MAS and Garuda in the Asia Pacific region. The company's entire portfolio consists of 30 aircraft, both owned and committed to purchase, with an aggregate value of US\$1 billion.

Outside of the aviation sector, Oasis also signed a joint venture agreement in August 2006 with National Central Cooling Company and Gulf International Bank for an AED55 million Islamic Ijara facility to finance the purchase of six portable cooling plants.

Another strategic development in 2006 saw Oasis, together with Dubai International Capital and HSBC Bank, sponsor the US\$500 million MENA Infrastructure Fund. This long-term fund seeks to invest capital in companies established to build, own and operate infrastructure assets in the Middle East and North Africa.



Salem Rashid Al Noaimi, Oasis's acting CEO



Contracts and leases entered into in 2006 contributed to the strong financial growth reported by Oasis at the year end. In 2006, the company's net profit after taxation was AED95.8 million, an increase of 240 per cent from AED21.8 in 2005. Earnings per share also increased by 200 per cent from AED0.2 in 2005 to AED0.6 in 2006.

The company's considerable growth has continued well into 2007. For the first half of the year, net profit increased 149 per cent to AED60.99 million, while total revenues rose 66 per cent to AED212.45 million. Operating profit also escalated 359 per cent to AED53.99 million, compared to AED11.43 million posted for the same period last year.

Oasis currently has an equity base of AED1.5 billion (US\$408 million). The company is listed on the Abu Dhabi Securities Market and is to date one of the most active shares. Oasis allows 100 per cent ownership to UAE nationals and 49 per cent ownership to expatriates. The company's largest shareholders are Mubadala Development Company and Abu Dhabi Investment Company.

Last May, Oasis implemented a 10-1 stock split resulting in a par value of AED1 per share. The company board's chairman, Hussain Al Nowais, cited the stock split as a move that would eventually strengthen the company and bring more benefits to shareholders, as well as help broaden the shareholder base of Oasis.

Looking ahead

With the aim of diversifying the investment resources of the company, Oasis is currently undergoing a restructuring process that will modify the name of the company to "Oasis Capital". The company will soon become a holding company, under which companies specialising in financing, leasing and investing services will operate.

"The new structure will enable the company to contribute effectively to major economic developments and to adopt new strategic growth plans to increase

profitability and shareholder value," says Al Nowais.

Al Nowais has emphasised that the restructuring will not impose any financial burden on the company's shareholders. Oasis's financial position will remain steady, while client business will diversify not only in aviation, shipping and infrastructure, but also in investment banking, real estate and possibly other areas.

Oasis hopes to announce the new structure of the company by the end of this year. In the meantime, the company has continued to look at potential opportunities with companies and government agencies around the globe. According to Oasis's acting CEO, Salem Rashid Al Noaimi, the company intends to be more active in both the regional and international markets.

"Oasis wants to become a strategic partner for public and private sector companies in the region that are implementing major projects in aviation, infrastructure and shipping," he says. "We feel the best way to position ourselves is to create more awareness about the range of leasing and finance options that we offer."

In recent months, members of the Oasis team have visited numerous countries in the Middle East and North Africa to discuss leasing and financing solutions with public and private sector players. These countries include Bahrain, Qatar, Jordan, Yemen and Oman. The company has also been eyeing the potential markets of China, India and Southeast Asia.

"We want to continue to be active in this region, but we're also very open to investments elsewhere," says Dahmen. "We are always looking at ways of evolving the basic leasing product, and we will look at alternatives if it makes sense for the company, our customers and our shareholders."

According to Dahmen, the company has been aggressive in developing new business and will continue to grow, as it has worked to position itself for the next decade.

"We are at a crucial junction in our development and we're very optimistic about the future," he says. "The restructuring that we're going through will enable us to invest where we should be investing, and it will have a very healthy impact on the company."



Erik Dahmen, senior marketing director, Oasis Leasing

Yanbu Cement Company better placed than peers

Valuations of Yanbu Cement Company look stronger compared to its local and regional peers. **Meshal Al Naqbi** analyses the future prospects of the company.

Yanbu Cement Company (YCC) is a Saudi Public company established according to a Royal Decree No. M/10, dated 24/3/1397H (the equivalent to 1977 in the Gregorian calendar) and registered in Yanbu City. The company is involved in the manufacture of ordinary Portland cement, resisting cement and pozolanic cement and is one of the Kingdom's largest cement producers. It operates a plant in Yanbu city (north of Jeddah) and recently upgraded its production capacity to 4.1 mtpa from 3.5 mtpa.

The company's paid-up capital currently stands at SAR1,050 million. It has distributed over 105 million shares with a par value of SAR10. The company has three major shareholders holding 26 per cent stake in the company. The General Organisation for Social Government is the largest shareholder in Yanbu Cement with an 11 per cent shareholding, followed by Public Investment Fund and Suleiman Saleh Al Rajhi holding 10 per cent and five per cent respectively. The remaining 74 per cent of the company's shares are tradable on the Saudi Arabia Tadawul all share index.

YCC is located in the western region of Saudi Arabia near the cities of Mecca, Medina and Jeddah. This gives the company a competitive advantage, as it is one of two cement producers operating in that favourable region. In addition, the company is one of the most efficient producers, with cash production costs averaging SAR64/tonne over the last three years compared to the market average of SAR75/tonne. Furthermore, YCC's cost efficiency is

mostly attributable to lower labour, raw material and transportation costs due to its proximity to the limestone quarry of Yanbu.

Sector growth

The Saudi cement industry dates back to 1955, when the Arabia Cement Company established its first plant. This was followed by Saudi Cement Company in 1955 and Yamamah Saudi Cement Company in 1961. Later, in the 1970s, and on the back of surging crude oil prices, the Kingdom witnessed a construction boom and extensive government spending on infrastructure projects. Demand has continued to grow, driven mainly by the fast population growth (the Saudi population in the past five years has increased by an average 2.46 per cent per annum, reaching 23 million in 2006 from 20.4 million in 2000), continued government and private sector investments on infrastructure and development projects, deregulation of the real estate sector in the Kingdom and government investment in the tourism sector. Today, Saudi Arabia is considered the fourth largest producer and consumer of cement

in the MENA region (including Turkey, Pakistan and Iran) and the largest in the GCC market.

Demand and supply

The Saudi cement sector is fragmented with eight producers spread across the Kingdom - a combined capacity of 30 mtpa of cement. This represents a 26 per cent increase over 2006 aggregate capacity, which stood at 23.7 mtpa. YCC is one of the major cement producers in the Kingdom with clinker capacity of 3.9 mtpa and cement capacity of 4.1 mtpa. The real estate and development boom grew at a record level in the GCC region due to high oil prices, moderate inflation rates, abundant liquidity, political stability and repatriation of funds. According to London-based projects magazine Middle East Economic Digest, real estate projects planned or already under development in the GCC region are worth approximately US\$1.45 trillion. In addition, Saudi Arabia recently announced six economic cities in the Kingdom, of which the US\$27 billion King Abdullah Economic City is the largest. The Kingdom has encouraged the

FINANCIAL ANALYSIS

SAR in millions	2005A	2006A	2007E	2008E
Sales	778.9	843.2	1,145.9	1,345.9
% Change		8.3%	35.9%	17.5%
COGS	(302.6)	(317.3)	(435.4)	(511.4)
Gross profit	476.3	525.9	710.4	843.4
Net profit	453.6	512.2	679	788.7
% Change		12.9%	32.6%	16.1%
Total assets	2,243.4	2,250	2,676	3,222
Total shareholders equity	1,942.3	2,084.8	2,488	3,070

Source: Company financials and EIS forecasts

private sector to take bigger role in diversifying the Saudi economy away from the oil driven economies.

Buoyant demand for cement in the Kingdom triggered most of the eight major players to increase their capacities and lured many greenfield companies to start up their production to benefit from the huge demand in the market and the soaring cement prices (Average cement price in the Kingdom is estimated at SAR265/tonne, up from SAR190/tonne in 2001). Demand has outstripped supply over the last few years and some of the major Saudi cement companies have just completed their capacity expansions. A new wave of capacity additions is expected to hit the market and Saudi Cement Company is considered the most aggressive in that regard with 6.6 mtpa of additions coming from that single player alone by the end of 2007.

Results

YCC reported moderately strong growth in 2006 with sales increasing 8.3 per cent to SAR843 million and net profit increasing 12.9 per cent to SAR512 million. Net profit margin stood at 60.7 per cent and ROE was around 24.4 per cent. The company increased its production capacity to 4.1 mtpy from 3.5 mtpy late in 2006 and in return the company enjoyed great results in the 1H of 2007 due to the strong demand in the western region where the company is operating. 2Q sales surged by 42.8 per cent Y-o-Y, and 2Q net profit also surged by 42.7 per cent Y-o-Y. Net profit margin improved significantly compared to the 1Q of 2007(63.6 per cent in 2Q compared to 56.4 per cent in 1Q 07) but was in line with that in 2Q of the previous year. 1H sales and net profit surged 35.9 per cent and 34.9 per cent respectively. The company managed to achieve these results on the back of very high utilisation rates (an above 100 per cent utilisation rate over the last three years). The utilisation rate fell slightly in 2006 on the back of a fire in the

PEER COMPARISON (2007 FIGURES)				
Company	Region	Date of Establishment	Clinker (mtpa)	Cement (mtpa)
Arabian Cement Co.	Western	1955	2,400	2,500
Yanbu Cement Co.	Western	1977	3,900	4,100
Yamamah Saudi Cement Co.	Central	1961	5,750	6,000
Qassim Cement Co.	Central	1978	2,800	3,000
Saudi Cement Co.	Eastern	1955	4,150	4,400
Eastern Province Cement Co.	Eastern	1983	3,150	3,300
Tabuk Cement Co.	Northern	1994	1,300	1,400
Southern Province Cement Co.	Southern	1978	5,000	5,300
Total			28,450	30,600
Source: Companies websites				

KEY PERFORMANCE INDICATORS				
SAR in millions	2005	2006	2007	2008
Revenues	778.9	843.2	1,145.9	1,345.9
Growth%	-	8.3%	35.9	17.5
OP margin	58.8	60.1	60.2	60.2
NI	453.6	512.2	679	788.7
EPS	4.32	4.88	6.47	7.51
EPS growth%	-	12.9	32.6	16.1
P/E	18.52	16.4	12.22	10.52
Dividend yield	29.13	4.62	5%	5.7%
P/BV	4.32	4.03	3.3	2.7
EV/EBITDA	15.37	13.9	10.34	8.89
*EV/Ton (SR)	4302.1	1770.2	2,010.4	1,997.7
ROE	23.3	24.4	27%	25.7%
NPM	58.2	60.7	59.3	58.6
Source: EIS estimates and Companies websites				

fourth production line. However, it is expected to remain above 85-90 per cent in the coming years, due to the fact that demand is strong and the western region where the company operates has witnessed the least amount of capacity expansions. In addition, YCC is considered one of the most efficient producers of cement, with cash production costs averaging SAR64/tonne over the last three years. Direct Cost as a percentage of sales dropped from 38.9 per cent to 36.7 per cent between 2005 and 2006. It's expected that all of these factors should help YCC sustain its high profitability levels in future years.

Valuation

YCC is operating in a region that is witnessing very strong cement demand. However, it is also competing with seven other

major players in Saudi Arabia. YCC dominated the western province along with ACC and faces little competition from the other six players. On peer comparison, YCC is trading at an estimated 2007 P/E of 12.2x compared to 13.8x for its local peers. And, from a regional level, YCC is trading at large discount compared to its regional peers (2007e P/E of 12.2x for YCC compared to 22.7x for its regional peers). DCF valuation for YCC is estimated at SAR91.2, compared to the current market price of SAR79 (a discount of 15.4 per cent). Using the average of three methods in our valuation exercise (DCF, PER and P/BV) the fair value for YCC is estimated at SAR93.48 (a discount of 18.3 per cent compared to current market price of SAR79).

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

A better deal for investors

International investors are increasing their exposure in GCC stock markets and conditions are getting better. There are indications that obstacles are being removed, writes **Fahd Iqbal**.

The gradual integration of the regional GCC markets with broader emerging and global markets continues. Foreign investor penetration remains robust in key markets such as the UAE. The Abu Dhabi Securities Market (ADSM) reported that some 20 per cent of traded value came from non-UAE investors, while the Dubai Financial Market (DFM) reported a figure of approximately 25 per cent.

Nevertheless, some obstacles to attracting further foreign investors, particularly western institutions, still remain. Chief among these is the lack of representation in global indices, such as the MSCI. Many asset managers do not have the authority to invest funds into markets which do not appear in their chosen benchmark. Therefore, MSCI's recent announcement regarding a potential launch of a Frontiers Market Index could provide a much needed answer. The index is set to cover investible markets that are not currently under MSCI's coverage and therefore includes the GCC ex-Saudi Arabia. Indeed, the five GCC countries could account for as much as half of the overall index.

Although the MSCI Emerging Market Index is generally the preferred benchmark for global emerging market fund managers, the creation of the Frontier Market Index could bring with it fresh liquidity from institutional players. Looked at from a different perspective, the index is also reflective of a growing appetite for regional equity exposure. Indeed, a significant number of fund management groups are in the process of establishing funds focused exclusively on the GCC or the broader MENA region.

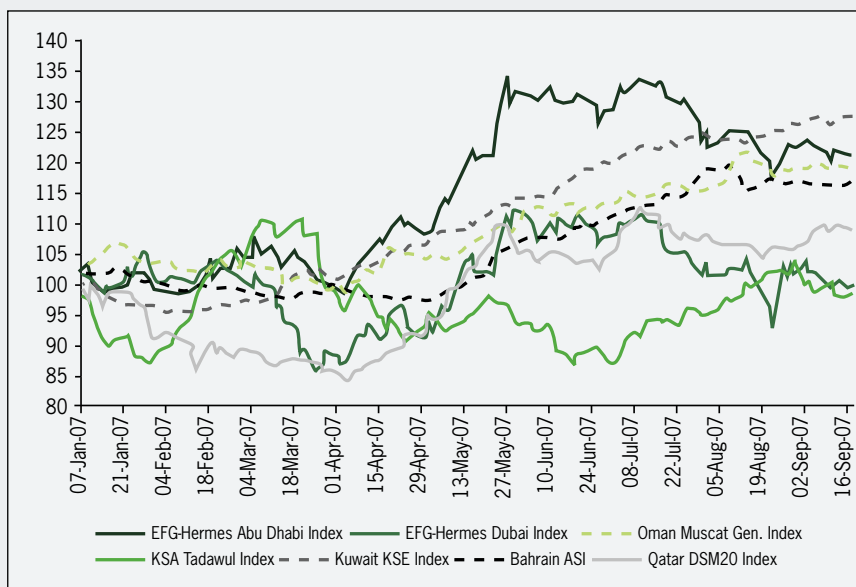
Another factor that should help attract investors (both local and international) is the launch of exchange traded funds, otherwise known as ETFs. An ETF is a fund that tracks a given index and is listed and traded on an exchange. ETFs behave in the same manner as equities but can offer investors broad exposure to markets, sectors and commodities. For many investors, they offer a relatively more cost-efficient alternative to investments in mutual funds. In the US, ETFs have been popular with investors ever since S&P launched the first ETF back in 1993 and enjoy strong liquidity.

Steps toward both of the factors mentioned above were taken by the ADSM when an MoU was signed with the FTSE Group to help create indices and ETFs. We would expect other stock markets to follow suit, especially given the current rush among exchanges to gain market share.

While indices and ETFs are certainly positive developments, ongoing support is required through the continued listing of new equities. In this regard, the decision by the Emirates Securities and Commodities Authority allowing firms to IPO 30 per cent of the business (against the previous 55 per cent requirement) should be supportive. The UAE currently hosts over 100 primary and secondary listings, but the majority of traded value at present flows through just a handful of these names. Indeed, a minority of listings have not even been priced and are a result of organisations simply wanting the prestige associated with being 'listed' on an exchange. A diffusion of liquidity across more names is certainly needed and new listings will help provide impetus to do so. According to the DFM, demand for listing has returned in strength and there is a healthy pipeline of family-owned businesses looking to IPO.

On a departing note, we take a quick look at the performance of the markets over the past month. The summer lull has been followed by the start of Ramadan and has left markets trading flat on lower turnover. The UAE market has been the weakest, with both Abu Dhabi and Dubai falling 2.4 per cent (based on EFG-Hermes Indices). The Kuwaiti market on the other hand, having yet to register any weakness this year, increased 2.6 per cent, making it the best performing market year-to-date.

The Qatar market was also strong, rising 2.5 per cent over the month.



The writer is a senior analyst and strategist at EFG-Hermes UAE Ltd.

Saudi-based GCC funds lead

Saudi funds top the league table for July, while the Kuwait market is the best performing for the year. A Markaz report.

Saudi Arabia continues to witness a robust increase and posted gains of 9.2 per cent in August. This is the second consecutive month of more than five per cent gains in the Saudi market that has resulted in a turnaround in the YTD returns from -5.03 per cent till July to a positive return of 3.7 per cent. The Oman market also witnessed an increase of 3.48 per cent, while the rest of the GCC markets ended on a flat note. On an overall note, except for one fund, all the other GCC funds witnessed a positive performance.

The significant gains in the Saudi Arabian market benefited Saudi Arabia-based funds that predominantly carry a home bias. Gulf Industrial Companies Fund managed by Saudi Investment Bank topped the chart with a 13.18 percent return in July 2007. The upside was attributed to a 78 per cent equity allocation of the fund to the Saudi market. It needs to be noted, however, that the fund size is only US\$5 million.

Another Saudi Investment Bank managed fund, GCC Equity Fund, was the second best performer in the region, with returns of 7.75 per cent in July. The fund had allocated 55 per cent of its equity portfolio to Saudi Arabia. In fact, the top five GCC funds that topped the July returns were all Saudi Arabia-based funds.

On YTD basis, Al Ahli Bank of Kuwait's Al Ahli Gulf Fund currently leads the table with

a return of 26.97 per cent. The fund, which has a home bias towards Kuwait, benefited as Kuwait was the best performing market returning 26 per cent in the YTD period till July 07. The fund is followed closely by AlBasha'er GCC Equity Fund from KFICO with an YTD return of 25.85 per cent, again aided by home bias.

Most of the fund managers remain bullish on the prospects of the GCC markets. The majority of funds remain almost fully invested in equities, with average equity allocation at 89 per cent in July 2007. Al Tijari GCC Equity Fund managed by Commercial Bank of Tijari, Kuwait, has invested almost 100 per cent of its assets in equities, followed by the GCC Equity Fund managed Saudi Investment Bank, which has invested 97 per cent in equities. However, there are exceptions like the Arabian Programmed Trading fund, which held 33 per cent in cash.

From a country allocation point of view, fund managers have now increased their allocation to Saudi Arabia. The average exposure of fund managers to Saudi Arabia has risen to 27 per cent of their equity portfolio. Although this is far lower than the weight implied by market capitalisation, it was higher than the previous month's 23 per cent. Kuwait has the second largest asset allocation with 27 per cent, followed

by the UAE at 22 per cent and Qatar at 13 per cent.

The GCC equity funds continue to show home bias. The highest allocation to Saudi Arabia is by Saudi-based funds like Gulf Industrial Companies Fund and GCC Equity Fund managed by Saudi Investment Bank. The highest allocation to Kuwait has been by Kuwaiti funds like AlAhli Gulf Fund and Tijari GCC Equity Fund managed by AhAhli Bank of Kuwait and Commercial Bank of Kuwait respectively. The highest allocation to the UAE was seen by Al Tawfeek Gulf Equity Fund and Arab Gateway Fund, both managed by Shuaa Capital. Traditionally, AlBasha'er GCC Equity Fund managed by KFICO has the highest exposure to Qatar; however the fund's asset allocation during the month of July was not available. Vision Emerging GCC Fund managed by Vision Investment Services of Oman has the highest allocation to Oman, while Khaleej Equity Fund managed by SICO of Bahrain has the highest exposure to Bahrain. Markaseb Arab Tigers Fund has the highest exposure to other MENA markets, predominantly Egypt.

For September, our tactical asset allocation model suggests the following weights on a forward looking basis: Saudi Arabia: 79 per cent; Kuwait: 18 per cent; UAE: 13 per cent; Qatar: eight per cent; Bahrain: two per cent; Oman: two per cent and Iran: 20 per cent.

Performance of select GCC funds - top ten July 2007 returns

July 2007		AUM		Performance (%)				Geographic equity asset allocation						
	Fund name	Inception	(US\$ mn)	July-07	YTD	2006	LTM Risk	Saudi Arabia	Kuwait	UAE	Qatar	Oman	Bahrain	Other MENA
1	Saudi Investment Bank Gulf Industrial Companies Fund	Apr-05	5	13.2%	19%	-52%	30%	78%	8%	3%	8%	2%	1%	0%
2	Saudi Investment Bank GCC Equity Fund	July-04	111	7.7%	10%	-39%	16%	55%	14%	10%	8%	1%	5%	7%
3	AlRajhi Bank GCC Equity Fund	Oct-05	194	5.8%	22%	-35%	21%	33%	45%	7%	10%	5%	0%	0%
4	The National Commercial Bank Al Ahli GCC Trading Equity Fund	Oct-05	221	5.5%	16%	-37%	20%	49%	22%	16%	9%	2%	4%	0%
5	Saudi British Bank Amanah GCC Equity Fund	Apr-06	26	5.4%	15%	-29%	21%	32%	20%	31%	9%	6%	2%	N/A
6	AlAhli Bank of Kuwait Gulf Fund	Nov-03	114	4.6%	27%	-23%	16%	7%	69%	12%	5%	1%	6%	0%
7	Makaseb Arab Tigers Fund	Nov-05	23	4.3%	17%	-9%	11%	21%	10%	21%	0%	19%	2%	26%
8	Daman Securities Arabian Programmed Trading Fund	Feb-05	N/A	4.2%	18%	N/A	N/A	43%	26%	23%	8%	0%	0%	0%
9	KFICO AlBasha'er GCC Equity Fund	Jan-06	305	3.6%	20%	-10%	12%	22%	27%	25%	25%	0%	1%	0%
10	Gulf Investment Corporation Gulf Premier Fund	Apr-03	134	3.3%	N/A	-38%	N/A	40%	30%	11%	9%	5%	5%	0%

Source: Markaz research. Note: Ex- Saudi Arabia funds have not been included in the analysis, % Figures rounded off.

Disclaimer: This is an excerpt from the research published by Kuwait Financial Center ("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

Earnings growth to be slower

Economic and earnings growth is likely to be slower than it was prior to the financial crisis that hit the market last month, cautions **Peter Hensman**.

For all the volatility in August that led the MSCI World equity index to drop nearly eight per cent in dollar terms from the end of July through to August 16, equities posted a decline of less than 0.5 per cent*. Over the month, as investor sentiment swung from spiralling fears of a liquidity crunch to relief that the Federal Reserve had stepped in to underpin financial conditions, expectations were raised that further support would be forthcoming.

At the time of writing on September 15, market pricing indicates that most participants expect the Fed to cut rates by 50bp at the September 18 meeting of the Open Market Committee. The Fed funds future indicates that US interest rates are likely to be at 4.5 per cent at the end of the year. The swing in sentiment from the inflation concerns that worried bond investors in June is extreme. This change in perspective was encouraged by the shift in tone from the Fed from the statement released with the August 7 decision to leave rates at 5.25 per cent, which acknowledged some financial market volatility, but viewed the economy as sufficiently healthy to leave the control of inflation as "the predominant policy concern". By the time the Fed cut the discount rate on August 17, the inflation worries were dropped. The continuation of market uncertainty was sufficient to "have the potential to restrain economic growth going forward", the Fed added that it "is prepared to act as needed to mitigate the adverse effects on the economy".

By the time this article is published, the outcome of the September 18 FOMC meeting will be known. As Bank of England governor Mervyn King observed in his September 12 letter to the Treasury Select Committee, "I am conscious that...I am taking a snapshot of a fast moving situation with a long exposure camera", events could clearly have overtaken the thoughts expressed in this piece even before it is published. However, there are a number of observations that can be made:

(i) While a financial crisis is almost by definition unexpected, that one should arrive after interest rates have been increased (in the US since 2004) should not be a great surprise. The end of a period of interest rate increases and the move to ease policy has usually been signalled by such an event.

(Some have likened the role of a central banker to going fishing with dynamite. The first few sticks dropped over the side of the boat bring up some small fish. As more dynamite is used, the fish that come up get bigger and bigger. Eventually one stick causes a whale to float to the top. It is at this point that the fisherman – or central bank – realises that they have probably gone too far.) In this regard, the interest rate cuts after the NASDAQ bubble collapse or those after the Mexican crisis and bankruptcy of Orange County in 1994 fit a similar mould to what we are witnessing now;

(ii) Equally, while the media will continue to dig up more and ever-worsening examples of the excesses of the past cycle, the policy response will eventually be sufficient to kick start a return to more normal conditions (as US Treasury Secretary Hank Paulson indicated in Berlin on September 11, the global nature of this crisis may mean that this takes some time);

(iii) Despite the apparently cheap valuation of the bank sector (according to Datastream the US bank sector on a dividend yield of four per cent is 2.5x the market yield) and the high probability of a move by the Fed to cut interest rates, the uncertainty over future revenue growth (let alone the impact of loss provisions on bank capital) and the increasing visibility of the riskiness of bank business models suggests that a cautious approach to investment in this space remains appropriate;

(iv) The availability on debt financing and the terms on which this credit is available has been permanently impaired. (The outcome of the attempted fund raisings for the private equity bids for First Data and TXU are a key

barometer of the stabilisation of debt markets in the near-term). This means that the private equity bid that has underpinned some parts of equity markets is very much weaker, equally business models that rely on access to debt markets will perform less well than they have done;

(v) Given the stabilisation of markets following the discount rate cut by the Fed and the change in tone of the statement, failure by the Federal Reserve to deliver the interest rate cuts priced by the market is likely to lead to a rapid deterioration in market sentiment. Furthermore, it seems unlikely that even delivering a half point rate cut will be much of a positive for equity markets, given how expectations have built since mid-August. (The Schadenfreude – a useful German word for which there is no direct English translation, but is usually translated as the pleasure taken at someone else's misfortune – at the distress of some of the more highly leveraged (and compensated?) financial market participants demonstrated by the more austere approach to the market turmoil in Europe, especially the UK, arguably under-represents the severity of the credit crunch faced by markets);

(vi) Economic and earnings growth is likely to be slower than it was prior to these events. Even the hawkish Bank of England is not making the case that the economy will not be impacted by the financial market turmoil; instead, as Mervyn King pointed out on August 7, "a more realistic pricing of risk is welcome". This suggests that companies that are able to deliver consistent earnings growth, regardless of economic and financial market events (i.e. those with low operational and financial gearing) are likely to perform relatively well. Indeed, given the compression of valuations within the market as investors have increasingly priced an outlook devoid of a business cycle, these are the areas that are arguably also cheap and hence offer significant investment potential.

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Source: *Bloomberg **Bureau of Labour Statistics *** Bureau of Economic Analysis. The writer is a global strategist at Newton Investment Management. This article is issued by Mellon Global Investments Limited to members of the financial press and media. This article is the view of Newton Investment Management Limited and does not necessarily represent the views of the Mellon Global Investments umbrella organisation. The value of shares and the income from them can fall as well as rise, and investors may not get back the full amount originally invested. This document should not be construed as investment advice. Registered Office: Mellon Global Investments Limited, Mellon Financial Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Newton Investment Management Ltd & Mellon Global Investments Ltd are wholly owned subsidiaries of Mellon Financial Corporation. Both are authorised and regulated by the Financial Services Authority. www.mellonglobalinvestments.com

Turkish delight after elections

Following the elections, Turkey is once again high on the agenda of international investors. **Dr. Oliver Stönner-Venkatarama** analyses the investment prospects.

Political uncertainties in Turkey related to parliamentary and presidential elections in July and August have come to an end. This paves the way for the new government to shift its focus on well-known policy challenges. The political and economic environment to tackle important issues such as the social security and healthcare reform is much more favourable than after the AKP's first election victory in November 2002. Prudent economic policies have led to a decline in the government debt-to-GDP ratio from 88 per cent in 2002 to 60 per cent at the end of 2006. During the same period, the inflation rate fell from 45 per cent to 9.5 per cent. These are the positive trends the government might sustain, backed by a fresh and strong democratic mandate. The first step in this direction is probably a noticeable fiscal tightening. The IMF's reaction to the fiscal relaxation in the run-up to the elections has been fairly muted. During the next few months the IMF will probably be keen to ensure that the government refocuses the primary surplus target of 6.5 per cent of GDP, which is part of the current agreement with the IMF that expires in February 2008.

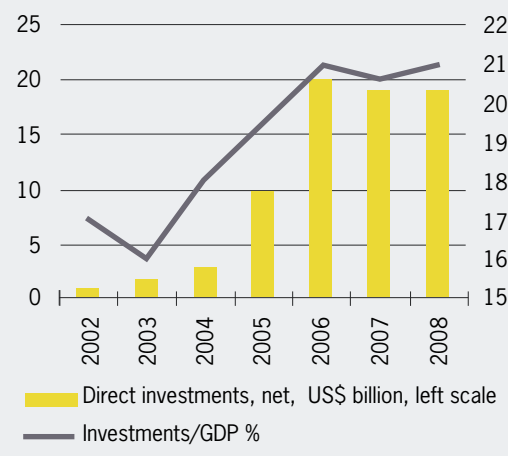
To underpin investor confidence, the government may aim to continue the cooperation with the IMF, though a new comprehensive agreement does not appear to be necessary. According to the perception of international investors, Turkey's continuous cooperation with the IMF still provides an important policy anchor that supports prudent decisions and a gradual implementation of more far-reaching reforms. In conjunction with a stable political environment, both these aspects have led to a successful restart

of the privatisation programme two years ago. Foreign direct investment inflows accounted for less than one per cent of GDP up to 2004. Inflows surged to about five per cent of GDP in 2006. This development points to Turkey's very special situation. On the one hand, some investors perceive Turkey on a clear convergence path towards a growing integration with the European Union. On the other hand, the Islamic background has put the country in a favourable position to benefit strongly from investment flows from the Gulf countries, which have been eager to find appropriate investment opportunities for their oil and gas export revenues. Turkey's rapid structural change, anchored by EU convergence, provides a longer-term attractive investment perspective.

Turkey's EU accession negotiations are expected to make a rather slow progress, but the economic integration is likely to advance faster. This is reflected by the rise in Turkey's transport equipment export share, which implies that Turkey's attractiveness as a production location for European and international auto manufacturer has increased significantly in recent years. We expect this trend to intensify, if the legal and administrative framework in Turkey and the EU converge further. In addition to that, stronger productivity growth since 2002 implies an improved economic environment for foreign investments.

The investment environment is particularly important with regard to the current account deficit, which marked a

Turkey: The domestic investment momentum benefits from FDI inflows



new high at 7.9 per cent of GDP last year. As long as FDI inflows cover more than 60 per cent of the deficit, the vulnerability of the economy to external shocks should remain limited. Nevertheless, Turkey's dependence on short-term capital inflows leaves particularly the financial markets exposed to sentiment changes at the global financial markets. This is important on the backdrop of recent market turbulences. Turkey's financial market might not benefit significantly from its improved economic perspective until the lingering global uncertainty abates.

The rebuilding of investment positions in Turkey may nevertheless benefit from the projected measured easing of monetary policy by the year-end and during the course of 2008. Capital inflows driven by financial and corporate investments should stabilise the lira at about 1.35 per US dollar. All in all, Turkey is back high on the agenda of global investors after this year's turbulent political developments.

HWW

Dr. Oliver Stönner-Venkatarama is the Emerging Markets investment strategist at cominvest Asset Management, which is the investment management arm of Commerzbank.

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The Euro's time is finally here

The US dollar is increasingly losing ground against international currencies. **Philip John** presents a bullish case for the European single currency.

With the US dollar close to record lows and the pound sterling hit by the Northern Rock bailout and softer house prices, the euro is now emerging as a winner both in terms of strength against other currencies and also as a primary reserve currency. The European single currency has in recent times emerged as a strong contender to the US dollar. Because of relatively lower interest rates in the Eurozone, the euro was not hit much due to the unwinding of carry trades. The euro has gained against the sterling too. The sterling trade-weighted index has fallen to its lowest since

October 2006, due to troubles at one of the UK's largest mortgage lenders and expectations for a rise in pound interest rates are dim. The bailout of the lender by the Bank of England has damaged the outlook for the pound as the market now feels that the credit crisis has made its appearance in the UK economy. Expectations for lower or stagnant pound interest rates have diminished the allure of the sterling – and the euro has been the main benefactor. The euro has also found support due to expectations that the European Central Bank may continue raising rates once normalcy returns to the markets.

The Australian dollar was the best performer in the past month. It strengthened by 5.84 per cent against the dollar. The Aussie has been boosted by strong commodity prices – especially that of gold. With the New Zealand dollar, which has the highest interest rate in the industrialised world, expected to suffer due to rate cuts called for by slowing consumer growth and lower house prices, the Aussie dollar is attracting a lot of interest from players in the carry trade business. The Australian currency is expected to do well in the coming days due to sound fundamentals in the economy and rates that are expected to remain high.

The fall of the dollar?

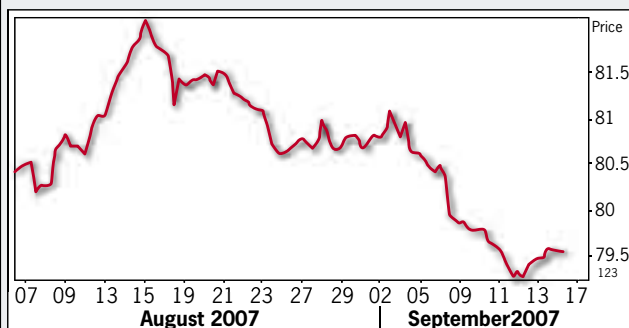
Is the greenback losing its position as the world's reserve currency? According to the IMF, the dollar is losing ground to the euro as the world's reserve currency. The trend is more pronounced with the developing nations. At the beginning of this year, non-industrial developing countries held about 30 per cent of their reserve assets in euros and 60 per cent in dollars compared with 19 per cent and 70 per cent respectively in 2000. Industrial countries' holdings of euros have risen from 17 per cent to 21 per cent, while their dollar holdings have remained fairly steady. Central banks are key players in the US\$2 trillion a day FX market, given their combined FX reserves of nearly US\$5 trillion, or 11 per cent of world GDP.

In a recent poll conducted by Reuters, the UAE was voted the country most likely to revalue its dollar-pegged currency and Saudi Arabia was voted least likely to revalue. Inflation, which hit a high of 9.3 per cent last year in the UAE, is cited to be the main cause for this perception. Many feel that any cut in the US rates will add further pressure if the UAE central bank decides to follow suit. The UAE central bank governor, however, has said that the UAE has no immediate plans to revalue the dirham.

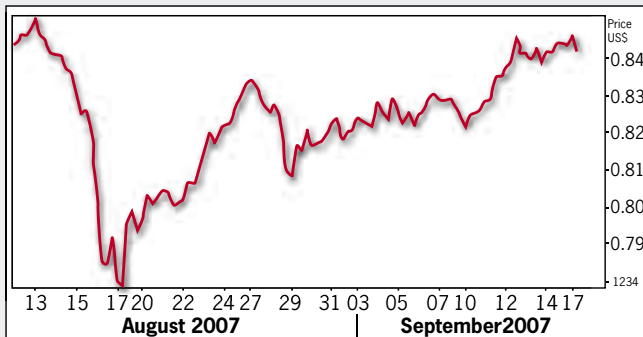
Performance against the Dollar: Past 30 days

	17 August 2007	17 Sept. 2007	Change %
Euro	1.3474	1.3880	+3.01
British Pound	1.9803	2.0012	+1.06
Japanese Yen	114.35	115.20	-0.74
Swiss Franc	1.2081	1.1875	+1.71
Australian Dollar	0.7980	0.8446	+5.84
Canadian Dollar	1.0631	1.0262	+3.20
Indian Rupee	41.31	40.42	+2.15

The dollar index: down by 2.20%



The Aussie dollar: Stellar performance



The writer is head, treasury sales with Dubai Bank. Views expressed are his own and not necessarily those of Dubai Bank. Data and comments are as of September 17, 2007.

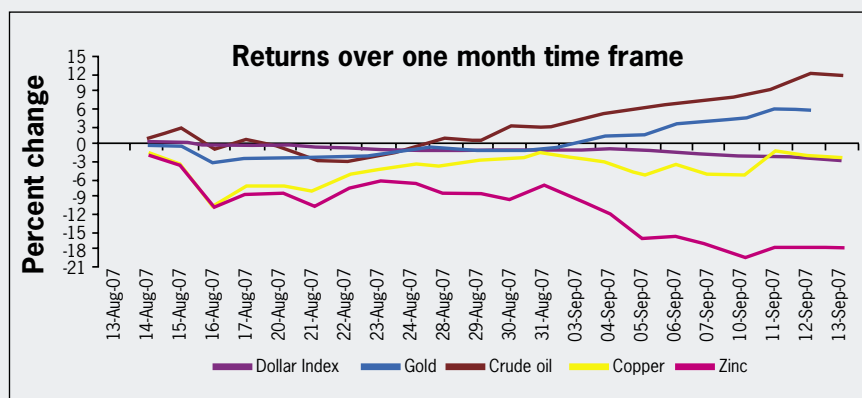
Safe-haven assets back again

The uncertainty in the financial markets is not an unfamiliar one. The best bet could be choosing safe-haven assets. An MF Global report.

So what has changed in the world of commodities and currencies during the past one month? Quite a lot, going by the action in precious, energy, base metals and the world's leading currency, the US dollar. Gold (COMEX Oct futures) is now trading in the US\$700/ounce territory. During the past month, gold has gained around five per cent, buoyed by festival demand from the Indian sub-continent and a sharp decline in the US dollar (which has a high inverse correlation with the yellow metal). Near month gold futures were just a tad away from retesting the multi-decade high of US\$728/ounce hit in 2006. Speculators and investors have flocked to gold, which is considered the best alternative to US-dollar denominated assets.

The supremacy of US dollar denominated assets was also questioned by the sub-prime mortgage related crisis and the credit crunch. Add to this the unwinding of yen carry trades on signals from the Bank of Japan that it could increase interest rates at the September 18 meeting. Financial institutions the world over borrow money in low interest bearing yen and invest in high interest-earning assets such as US treasury bonds. However, such carry trades are quickly liquidated on any sign of the appreciation in yen, as the currency appreciation erodes the return on the carry trade. The liquidation of yen carry trades boosts demand for yen and selling interest in the dollar. Investment flows into hard assets such as gold during periods of dollar weakness. Besides, gold is a traditional hedge against inflation; and with crude oil prices scaling new historical highs, gold saw inflation hedge buying interest as well.

Crude oil (NYMEX Oct futures) reached a lifetime high of US\$80.20/barrel in



September, despite the hike in daily output by OPEC. The oil cartel in its recent meet in Vienna hiked not just the daily output by half a million barrels per day (bpd) but also the daily production quota for all countries by 1.40 million bpd to 27.2 million bpd.

Over the last month, crude oil near month futures rose by around 12 per cent. The unexpected steep decline in US inventories for crude oil and gasoline has also added fuel to fire.

Base metals three-month copper forwards (US\$7,390/tonne) were down two per cent, nickel (US\$26,950/tonne) was down 18 per cent and zinc (US\$2,752/tonne) was down two per cent in the last month. Base metals came under selling pressure, despite the dollar weakness on concerns of a slowdown in US growth. US non-farm payrolls for August registered a decline of 4,000 jobs, the first decline in four years. The weak US monthly payroll performance has raised concerns that the US could be on the brink of recession and that base metal demand could substantially deteriorate. Burgeoning stocks at LME warehouses provided further proof that global demand for metals may be slowing.

Among the currencies, the world's leading unit, the US dollar, has taken a beating against its major rivals, particularly the euro. The US Federal Reserve chief Bernanke cut key interest rates by 50 basis points last month to encourage growth.

So what happens next? Will the financial world, as George Soros observed, recoil from the abyss, just when it seems to be headed for it? Will Bernanke's interest rate cut(s) address the sub-prime loan fallout, in the similar manner as the Alexandrian action did to Gordian knot?

As the global equity markets struggle to come out of sub-prime mortgage quicksand, it has badly bruised those who seek higher returns based on leverage. Financial regulators in the EU, US and major Asian economies are busy doing a 'Sherlock Holmes' to figure out just how badly are the financial institutions caught in this quicksand, seeking clues by cutting the rates at which banks can borrow overnight from them to meet liquidity crunch. Investor appetite for risk is shrinking, and the theme 'In God We Trust, The Rest Must Pay Cash' resonating. Safe-haven assets, here we come!

Disclaimer: The information in this column is provided by MF Global. For further queries mail to: contactdubai@mfglobal.ae or call +971 4 3325 052 for further details. **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						
Nationwide International Ltd	01624 696000	Tracker Premium	None	\$50,000	5.60%	Yly
Bank of Scotland International Ltd	01534 613500	Halifax G'teed Saver	None	\$50,000	5.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	fYly
Clydesdale Bank International	01481 711102	Instant Savings	None	\$10,000	5.25%	Yly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$100,000	5.20%	Yly
No Notice Euro Accounts						
Nationwide International Ltd	01624 696000	Tracker Premium	None	\$50,000	4.35%	Yly
Northern Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.30%	Yly
Bank of Scotland International Ltd.	01534 613500	Halifax G'teed Saver	None	€35,000	4.25%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	4.00%	fYly
Clydesdale Bank International	01481 711102	Instant Savings	None	€10,000	3.90%	Yly
No Notice Accounts						
Alliance & Leicester Int Ltd	www.aill.co.im	eSaver Offshore q	None (W)	£1,000	6.40%	Yly
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	£5,000	6.26%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	£25,000	6.25%	Yly
Scarborough Channel Islands	01481 712004	Lifestyle Sixty-Plus	None (R)	£5,000	6.20%*	Mly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	None	£5,000	6.10%	Yly
Notice Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.50%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 180	180 Day (I)	£25,000	6.40%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	£25,000	6.35%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Base Rate 30	30 Day	£5,000	6.30%	Yly
Scarborough Channel Islands	www.scarboroughci.com	Offshore 90 Direct 2	90 Day (B)	£5,000	6.30%*	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	6.20%	Mly
Scarborough Channel Islands	www.scarboroughci.com	Offshore 90 Direct 2	90 Day (B)	£5,000	6.15%*	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	90 Day (I)	£25,000	6.15%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	60 Day (I)	£25,000	6.10%	Mly
Nationwide International Ltd	01624 696000	Tracker Premium	None	£25,000	6.05%	Mly
Fixed Rates						
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	6 months Bond	£10,000	6.75%	OM
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	1 Yr Bond	£5,000	6.70%	OM
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	2 Yr Bond	£10,000	6.50%	Yly
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	3 Yr Bond	£10,000	6.50%	Yly
Irish Permanent International	01624 641641	Offshore Guaranteed Bond	5 Yr Bond	£50,000	6.33%	Yly
Current Accounts						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.75%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	4.505%	Mly
Clydesdale Bank International	01481 711102	Current	None	£2,500	4.36%	Mly
Abbey International	01534 885100	Offshore Gold	None	£50,000	4.00%	Qly
Standard Bank	01534 881188	Optimum	None	£50,000	3.75%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbii.co.im	eAccess	None	£1,000	6.35%*	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.90%	Yly
Abbey International	01534 885100	Tracker Term 6	6-05-08	£10,000	5.85%	OM
Lloyds TSB Offshore Banking	01624 638000	International Sterling	None	£50,000	3.80%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£50,000	3.65%	Mly

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

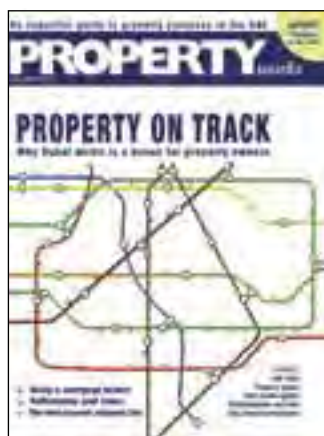
	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	2.50	3.00	3.50w	4.00	4.75	4.80	4.80	5.00	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque	0.10	2.50	2.50	2.50	2.50	2.50	2.50	2.50	Qly	Yes
		International Premier Chq	0.10	2.50	2.50	2.50	2.50	2.50	2.50	2.50	Qly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	On Closure	Yes
		High Interest Accumulation	-	-	-	4.75	5.00	5.25	5.40	5.50	On Closure	No
		Reserve	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	Qly	Yes
HSBC International	01534 616000	Offshore Bank	0.12	0.62	1.42	2.12	2.37	2.37	2.37	2.37	Mly	Yes
		Premier Offshore Banl	0.37	0.87	1.67	2.37	2.62	2.62	2.62	2.62	Mly	Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	1.25	1.75	1.75	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.75	2.75	2.75	3.125	3.50	3.562	3.562	3.562	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	1.55	2.60	3.05	3.80	4.75	4.90	4.90	4.90	Mly	Yes
NatWest	01534282828	Advantage Cheque	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	3.975	4.225	4.975	4.975	4.975	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	4.75	4.75	5.00	5.25	5.50	5.50	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	2.87k	2.87	3.62	3.87	4.12	4.37	4.37	4.37	Qly	Yes

e = i = Rate applies from £1. i = Rate applies from £2K. k = Rate applies from £3K. t = Rate applies from £100. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: September 7, 2007 Source: Moneyfacts

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Issue 11, December 2007

Best Buy Tables - OFFSHORE

EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS										
	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	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	No
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.86	3.86	3.86	3.86	3.86	3.86	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
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	01624 645000	Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.00a	3.25b	On closure	Yes
		Reserve	-	1.50	1.50	1.50	1.50	1.50	Qly	Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand	-	2.45	2.45	2.50	2.55	2.55	Yly	No
		Offshore Demand	-	2.42	2.42	2.47	2.52	2.52	Mly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.54j	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	Call	0.937r	0.937	0.937	1.062u	1.125m	1.687n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expires only)	0.45k	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	4.05	Yly	No
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	-	-	-	-	2.30	2.55c	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	-	-	-	2.968u	2.968	3.218b	Mly	Yes
Standard Bank	01624 643643	Offshore Reserve	1.81	1.81	1.81	2.31	2.56	2.68	Half Yly	No
	01534 881188	Optimum	0.81	0.81	0.81	1.56	1.81	2.31	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	Call	2.75	2.75	2.75	2.75	2.75	2.75	Qly	No

j = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. g = Rate applies from €15K. u = Rate applies from €37.5K.
 k = Rate applies from €20K. n = Rate applies from €30K. h = Rate applies from €100K. f = Rate applies from €40K. v = Rate applies from €7.5K.
 All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: September 7, 2007 Source: Moneyfacts

US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS										
	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US\$ Call	2.50	3.75	3.75	4.00	4.25	4.50	Yly	No
		Offshore Gold	-	2.00	2.25u	2.75	3.25	3.50	Qly	No
Alliance & Leicester International Ltd	01624 663566	US\$ Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	5.50	5.50	5.50	Yly	No
		International Savings	1.75	1.75	2.25	3.75	4.15	4.35	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	2.41u	2.41	2.82	3.17x	Qly	No
		International Tracker	-	-	3.55u	3.55	4.55	4.75x	Qly	No
Bristol & West International Ltd	01624 644333	Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	5.25	5.25	5.25	5.25	5.25	Yly	Yes
		Current	4.17	4.17	4.17	4.17	4.17	4.17	Mly	Yes
		Instant Savings	-	5.13	5.13	5.13	5.13	5.13	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation	-	-	-	-	4.25v	4.50x	On Closure	Yes
		Reserve	-	3.00	3.00	3.00	3.00	3.00	Qly	Yes
HSBC International	01534 616000	Offshore Bank	0.00	1.48	1.90	2.45	2.96	3.07	Mly	No
		Online Saver	-	-	4.85u	4.85	4.85	4.85	Mly	No
		Premier Offshore Bank	-	1.73	2.15	2.70	3.21	3.32	Mly	No
		Premier Online Saver	-	-	5.10u	5.10	5.10	5.10	Mly	No
		Premier Serious Saver	-	2.225	2.795	3.075	4.495	4.615	Mly	No
		Serious Saver	-	1.975	2.545	3.455	4.245	4.365	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access	4.25	4.75	4.75	4.95	5.00	5.00	Yly	No
		Instant Access	4.17	4.65	4.65	4.84	4.89	4.89	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	2.812k	2.812	3.0621	3.062	3.125v	3.125	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc. (Expires only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
		US Dollar Tracker Premium	5.30	5.30	5.60	5.60	5.60	5.60	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.187	4.187	4.437r	Mly	Yes
Standard Bank	01534 881188	Offshore Reserve	2.87	2.87	2.87	3.12	3.49	3.74	Half Yly	No
	01624 643643	Optimum	2.12	2.12	2.12	2.62	3.12	3.37	Qly	No
		Offshore Moneymarket Call	-	-	-	4.75	4.85	4.85	Mly	No
Woolwich Guernsey	01481 715735	US\$ International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from \$1K. k = Rate applies from \$3K. m = Rate applies from \$150K. t = Rate applies from \$15K. u = Rate applies from \$20K. v = Rate applies from \$75K. x = Rate applies from \$200K.
 All rates 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: September 7, 2007 Source: Moneyfacts

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EXPATRIATE MORTGAGE TERMS - OCTOBER 2007

LENDER	INTEREST RATE%	MAX. % ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Labor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	4.99% 2 year tracker 5.99 2 year fix	85	2.5% 2.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	5.28% 2 year Fix 5.88% 2 year Fix 6.13% 5 year fix 5.89% full term tracker bank base plus 0.39%	85	2.5% of loan amount £1999 £999 £799	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	5.69% 3 year Fix	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	6.38% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	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	5.99% three year discount	80%	GBP695	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	6.49% 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	5.99% 2.3% discount until 28/5/10	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible overpayments/underpayments.
TMW	5.75% 6.09% 6.19%	80 80 80	2 year fix 1.5% 0.5% 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, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 16/09/07 - 5.75% 3 month LIBOR 6.90%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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Credit Cards							
PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	INTEREST RATES	INTEREST FREE CREDIT	CHIP	SUPPLEMENTARY CARDS	MIN. SALARY (OMR)
Bank Dhofar	Visa (Classic, Premium), MasterCard (Gold, Platinum), EcomCard	Visa (Classic – 30, Premium – 50) Free for first year, thereafter, MasterCard (Gold – 50 and Platinum – 100), EcomCard - 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa (Classic – 20, Premium – 35), MasterCard – (Gold – 30, Platinum – 75)	Visa (Classic – 250, Premium – 800), MasterCard – (Gold – 800, Platinum – 2,000)
Bank Muscat	MasterCard Platinum, MasterCard Gold, Visa Premier, MasterCard and Visa Classic, BankMuscat Diners Club co-branded credit and charge card, Visa Sultan Qaboos University Cards (SQU)	Classic – 30, Gold and Premier – 50, Platinum – by invitation only, BankMuscat Diners Club co-branded credit and charge card – free for Platinum cardholders, SQU Card – 10 (depends on branch)	1.5% on purchases 3% on cash withdrawals	52 days	No	Classic - 20, Gold - 35	Classic – 200, Gold and Premier – 500, Platinum – N/A
HSBC	Visa, MasterCard (Classic, Gold), In-Site Virtual Credit Card	Visa, MasterCard (Classic – 30, Gold – 50), In-Site Virtual credit card – 5	1.5% on purchases 3% on cash withdrawals	56 days	No	Two free for life	Visa, MasterCard (Classic – 400, Gold – 700)
National Bank of Oman	Visa, MasterCard, NBO Oman Air co-branded card, Al Amiyal (Silver, Gold), NBO Webshopper Card	Visa, MasterCard (Silver – 30, Gold – 50), NBO Oman Air co-branded card (Silver – 15, Gold – 30), MasterCard Al Amiyal (Silver – 35, Gold – 55), NBO Webshopper Card – 10	1.5% on purchases 3% on cash withdrawals	52 days	No	Visa, MasterCard (Silver – 20, Gold – 30)	Nationals: Visa, MasterCard (Silver – 200, Gold – 350), Expats: Visa, MasterCard (Silver – 200, Gold – 500)
Oman Arab Bank (Visa Centre)	Visa (Classic, Gold, Platinum), Internet Shopping Card, Prepaid cards – Smart Card for individuals and companies	Visa (Classic – 30, Gold and Platinum – 50), Internet Shopping Card – 2, Smart Card for individuals – 3, Smart Card for companies – 5	1.5% on purchases 3% on cash withdrawals	40 days, NA for Smart Card	Yes, no for Smart Card	Visa (Classic – 15, Gold and Platinum – 25)	Classic – 200, Gold – 700, Platinum – 1,500
Oman International Bank	Visa (Classic, Gold, Platinum, Business Card, Cyber Card/ Al Mubashar), MasterCard (Classic, Gold)	Classic – 30, Gold – 50, Platinum – 70 (by invitation only), Business Card – 25, Cyber Card/Al Mubashar – 10, MasterCard Gold - free for life	1.5% on purchases 3% on cash withdrawals	45 days	Yes	Classic – 20, Gold – 40, Platinum – 60	Classic, Cyber Card/ Al Mubashar – 300, Gold – 700, Platinum – 1,400

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

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

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

OMAN

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

OMAN

CONDITIONS/ RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Guarantor from ministry required, Approved companies only	Yes	None			Wisal 800 766 666, www.b dof.org
Approved companies and car dealers only	Yes	1% of outstanding balance for cash and bank buy-out	No post-dated cheques requirement	OMR10 processing fee	2479 5555 www.bankmuscat.com
Approved companies only	Yes	None	Comprehensive insurance package, no guarantor required, option to avail finance for first year's insurance	No loan arrangement fees, 30% to 40% of salary should not exceed the loan installments	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077 www.nbo.co.om
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Guarantor required, approved companies only	Yes	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year	Insurance charge depending on loan amount	www.oiboman.com

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SALARY TRANSFER	CONDITIONS/ RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Yes	Guarantor from ministry required if salary less than 500, approved companies only	None			Wisal 800 766 666 www.b dof.org
Yes	Approved companies only	1% of outstanding balance, minimum OMR25, for cash and bank buy-out	Loans for Omani nationals working in the government and private sectors - increased tenor, deferrals during Eid festivals, free call centre, kiosk/ online banking facilities	OMR10 processing fee plus insurance, flexi Loan - starts with a low installment that gradually increases every year, in line with the customers' annual increase in income	2479 5555 www.bankmuscat.com
Yes	Approved companies only	None	Pre-approved credit card, no processing fee, simple application, fast approval, ability to make first payment anytime up to 45 days from application	25% discount on personal loan insurance for STATUS and premier accountholders	800 7 HSBC (800 7 4722) 2479 9920/7 www.oman.hsbc.com
Yes	Approved companies only	1% of outstanding balance for cash and bank buy-out		OMR10 processing fee plus insurance	Toll-Free 800-77077 www.nbo.co.om
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out		Insurance charge	247 06 265 www.omanab.com
Yes	Guarantor required, approved companies only	1% of outstanding balance for cash and bank buy-out	Loan-taker will be insured for the loan period for a nominal premium, you can pay only 50% of your monthly installments in the first 12 months, free credit card for the first year, overdraft facilities on current account, installment waivers, fast approval, top-up loans, reduced insurance premium on top-up loans, reduced installments for first year, no processing fee for first time loan-takers	Insurance charge depending on loan amount	www.oiboman.com

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Personal Loans						SAUDI ARABIA
PROVIDER	PRODUCT	LOAN TENOR	MAX. AMOUNT	MIN. SALARY (SAR)	VALUE ADDED	CONTACT
Arab National Bank	Al Arabi Personal Finance	Up to 84 months	SAR1,000,000	Govt. sector 3,000 Private sector 4,000	Free credit card for one year, top-up facility available. Remaining installments waived in case of death, no early redemption penalties. Al Arabi cash assist added to the account.	8001244040 www.anb.com.sa
	Al Arabi Cash Assist	Up to 84 months	80 per cent of monthly salary	Govt. sector 3,000 Private sector 4,000	Can withdraw up to 80% of monthly salary even if there is no balance. Salary must be transferred	8001244040 www.anb.com.sa
	Al Arabi Mubarak Finance	Up to 60 months	N/A	Govt. sector 3,000 Private sector 4,000 Pensioners 2,000	Shari'ah compliant, Bank buys the products and sells to the client at the purchase price plus an agreed profit. Bank representatives will visit you at your convenience.	8001244141 www.anb.com.sa
Banque Saudi Fransi	Personal loan package	Up to 60 months	SAR1,200,000	3,500, at least six months service with the current employer	Salary transfer.	8001240006 www.alfransi.com
	Ready Credit Plan	Up to 12 months	Up to 90% of monthly salary	4,000		8001240006 www.alfransi.com
	Murabaha Financing Plan	Up to 60 months	N/A	3,500, at least six months service with the current employer	Shari'ah compliant, salary transfer.	8001240006 www.alfransi.com
National Commercial Bank	Personal loan	Up to 60 months	SAR700,000	N/A. At least two years service with the current employer	Additional five months if payment deferred during Ramadan. Loan approved in three working days	8002441005 www.ncb.com.sa
	Secured finance	Up to 36 months	Depends on the fund in the account	50,000	Access capital invested in Time deposit, Investment Account or Share certificates, deferral during Ramadan	8002441005 www.ncb.com.sa
	Salary Advance	Up to 24 months	Up to 40% of the monthly salary	4,000	Minimum 6 months with the current employer. Salary transfer is a must	8002441005 www.ncb.com.sa
	Murabaha Al Ahli	Up to 60 months	From SAR 20,000 - 1.5 million	3,000 for nationals and 3 months on the job, 4,000 for expats and one year on the job.	Shari'ah compliant, Ramadan deferral option and salary transfer	8002441005 www.ncb.com.sa
Riyad Bank	Personal Loan by Murabaha/ Tawaruq (non salary assignment)	Up to 48 months for nationals Up to 36 months for expats	SAR2,000,000	5,000 with min 6 months of service	Shari'ah compliant, instant approval over phone, management fee SAR500-1,500 to be paid once loan is approved. Remaining installments waived in case of death.	8001242020 www.riyadbank.com
	Murabaha Finance	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant. Bank buys the product and sells to the client, no salary transfer.	8001242020 www.riyadbank.com
	Tawaruq with local commodities	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant.	8001242020 www.riyadbank.com
	Personal Loan	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service		8001242020 www.riyadbank.com
	Murabaha Home Finance	Up to 20 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. No advance payment. Cooperative insurance in case of death or disability caused by accident. Transfer of the property owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Ijarah (leasing with a promise of ownership)	Up to 25 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. 5% advance payment. Cooperative insurance in case of death or disability caused by accident. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Murabaha Land Finance	Up to 10 years	Up to SAR1 million	4,000 with min 6 months of service	Shari'ah compliant. No advance payment. Transfer of the land owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
SABB	Amanah Personal Finance	12-60 months	Up to 1.5 million with salary transfer, otherwise 50,000, depends on status and requirement	3,000, at least three months service with the current employer in case of salary assignment, one year without salary assignment	No salary assignment, guarantor, security or any collateral required. Provides quick short-term cash liquidity, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
	Manazel Home Ownership	25 years lease available for properties not more than 12 months old	Up to SAR1.5 million	SAR5,000, at least one year service with the current employer	Shari'ah compliant. Joint applicants (husband & wife) also permitted, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
SAMBA	Personal Finance	Up to 60 months	Up to 15 times monthly salary	2,500	For nationals, at least one month with current employer. For expatriates, end of service benefits have to cover the finance amount. Age limit upto 59 years, no guarantor required, free credit card for the first year. Remaining installments waived in case of death.	8001241010 www.samba.com.sa
Saudi Hollandi Bank	Murabaha Program (Al Yusr Personal Finance)	Up to 60 months	Up to SAR1 million	3,000, at least three months service with the current employer	Shari'ah compliant. No guarantor required, remaining installments waived in case of death or permanent disability caused by an accident.	8001242525 www.shb.com.sa
Interest rates vary from 5.5% to 7%. Personal Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.						
Car Loans						SAUDI ARABIA
PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	VALUE ADDED	CONTACT
Al Rajhi	Cars installments program	6% yearly	Up to 60 months	None	Available for Saudis and expats. Minimum salary SAR2,500, approved companies only, no guarantor required. Salary transfer required.	8001241222 www.alrajhibank.com.sa
Arab National Bank	Mubarak Finance	4.4% yearly	Up to 60 months	None	Salary transfer is a must. Shari'ah compliant	8001244141 www.anb.com.sa
Banque Saudi Fransi	Murabaha Finance	3.5-3.9% yearly	Up to 60 months	None	New cars only, salary transfer is a must. Shari'ah compliant	8001240006 www.alfransi.com
National Commercial Bank	"Yatiek Khairha" Murabaha auto program Auto Loan	from 5% for Saudi nationals and 7% for expats 7.25% yearly (incl. insurance)	Up to 60 months Up to 60 months	None 10%	Salary transfer is a must. Shari'ah compliant. No guarantor, instant approval, possibility of deferral of payment during Ramadan Min. salary SAR3,000, three months service with the current employer, can be purchased only from approved garages, maximum installment can't exceed more than 50% of the salary	8002441005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	4.95-6.5% yearly with salary transfer otherwise 9.5%	Up to 60 months	None	No salary transfer required. No guarantor required	8001242020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starting from 3.99% for nationals and 5.49% for expats	Up to 60 months for nationals up to 48 months for expats	None	Shari'ah compliant. Salary transfer is a must. No guarantor required. Minimum salary SAR3,000 for government sector, SAR4,000 for private sector	8001242525 www.shb.com.sa
Auto Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.						

Credit Cards							SAUDI ARABIA
PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST RATE - EXPRESS CASH	INTEREST RATE - PURCHASES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard - Gold/Silver	Silver-220 Gold-420	SAR36 per transaction	0%	45 days	Shari'ah compliant, photo sign card, special offers, Al Rajhi rewards programme, supplementary cards for dependents	1 460 3333 www.alrajhibank.com.sa
	Mini Visa	220	None	0%	45 days	Same as above	
AMEX	Blue/Gold/Platinum	Blue-200, Gold-400, Platinum-900	3.5% or SAR40 whichever is greater	2.25%	25 days	Free additional cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Al Mubarak (Silver-1) Visa/MasterCard	SAR75/month as Management Fee	0%	0%	n/a	One time salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	8001244040 www.anb.com.sa
	Al Mubarak (Silver-2) Visa/MasterCard	SAR130/month as Management Fee	0%	0%	n/a	Two times salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	
	Al Mubarak (Gold) Visa/MasterCard	SAR180/month as Management Fee	0%	0%	n/a	Three times salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	
	Al Arabi (Classic) Visa/MasterCard	200	3.45% or SAR45	1.97%	51 Days	Payment Holiday Program, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, Balance Protection, Purchase Protection, Travel Insurance, 24 Hour Customer Helpline	
	Al Arabi (Gold) Visa/MasterCard	350	3.45% or SAR45	1.97%	51 Days	Payment Holiday Program, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, Balance Protection, Purchase Protection, Travel Insurance, 24 Hour Customer Helpline	
	Al Arabi Internet Card MasterCard	Free for credit cardholders	n/a	n/a	n/a	Low credit limit, security, immediate replacement of lost and stolen cards, 24 Hour Customer Helpline	
Bank Aljazira	Visa Islamic Gold Card	Depends on status	SAR30 per transaction	0%	45 days	*Worldwide acceptance, cash advances and supplementary cards all available.	www.baj.com.sa
Banque Saudi Fransi	Visa / MasterCard (Silver)	150	3%	1.9%	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance and 100% cash advance available, plus supplementary cards available for SAR100, 1% cashback.	8001240006 www.alfransi.com
	Visa / MasterCard (Gold)	300	3%	1.9%	25 days	Same as above. Additional 10% credit line available if specified limit is reached and customer has emergency requirements.	
	MasterCard (Platinum)	For VIP only	3%	1.9%	25 days	Same as above. exclusive benefits.	
National Commercial Bank	Visa- MasterCard Silver/Gold	Free for first year thereafter Silver-150 Gold-300	SAR50 per transaction	2%	45 days	Supplementary cards available, personal accident insurance, membership to rewards program and Internet card available, + membership to IAPA. 24 hour card replacement service and free damage and theft insurance.	8002443333 www.ncb.com.sa
	Al Tayseer	Silver -200 Gold-400	SAR30 per transaction	0%	45 days	Shari'ah compliant and is offered as part of Al Tayseer Investment package or separately.	
	Al-Fursan (Visa & MasterCard)	Free for first year thereafter Silver-300 Gold-400	SAR50 per transaction	2%	45 days	Personalised cards, supplementary cards available, membership to Saudi Airline Privilege program and Internet card available, plus membership to IAPA. And 24 hour card replacement service.	
Riyad Bank	Visa / MasterCard (Classic, Gold, Platinum)	Classic 115, Gold 225, Platinum 700	3.5%	1.75%	45 days	Signature card, emergency Card replacement, for Platinum-Airport lounge Access, concierge/travel/emergency medical services, legal referrals, free supplementary card and Internet card. All life free for the Golden service customers for Platinum cardholders.	8001242020 www.riyadbank.com
	Islamic Card	75 monthly, 900 yearly	SAR75 per transaction	0%	45 days	Shari'ah compliant.	
SABB	Visa & MasterCard Gold/Silver	Gold-350 Silver-225	Minimum SAR75 or 2.3%	1.97%	25 days	Free travel and purchase protection insurance, bonus points program (ICSABB), free supplementary cards, 24 hour card replacement service, access to statement details via Internet, photocard and signature for extra security	8001248888 www.sabb.com.sa
	Al Amanah Credit Card	350	Cash not permitted	0%	25 days	Shari'ah compliant, cash advance facility up to 75% credit limit	
	Visa Internet card	Free	Cash not permitted	1.97%	25 days	Issued only to credit card holders, secure for online purchases.	
SAMBA	VISA - MasterCard Silver	150	SAR45 per transaction	1.95%	21 days	Supplementary cards available, membership to Bonanza Privilege program and Internet card available, plus membership to IAPA. And 24 hour card replacement service.	8001241010 www.samba.com.sa
	VISA - MasterCard Gold	300	SAR45 per transaction	1.95%	21 days	Same as above	
	(VISA - MasterCard) Sony/Silver-Mamlaka	150	SAR45 per transaction	1.95%	21 days	Same as above plus Sony product purchase points program with benefits and discounts.	
	(VISA - MasterCard) Sony/Gold-Mamlaka	300	SAR45 per transaction	1.95%	21 days	Same as above. Plus Purchase Points Program benefits & discounts of Al Mamlaka Shopping Arcade in Kingdom Tower.	
	Al Khair Visa - MasterCard Silver	150	0%	0%	n/a	* Supplementary cards available at half the price of first card, membership to Bonanza Privilege program and 24 hour card replacement service. Is Shari'ah compliant.	
	Al Khair Visa - MasterCard Gold	300	0%	0%	n/a	* Same as above. Is Shari'ah compliant.	
Saudi Hollandi Bank	Smart Visa Classic	Free for life	4.5% min SAR65	0%	21 days	Daily draws, airline discounts, Smart reward points programme, travel offers, up to 100% cash advance limit	8001242525 www.shb.com.sa
	Smart Visa Gold	Free for life	3.5% min SAR65	0%	21 days	Same as above.	
Credit Card criteria: Interest rate, interest-free credit, annual fee and value added features. *Shari'ah compliant.							

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: 6.9.5% Fixed rate: 9.5%	Up to 70 times monthly salary Up to 32 times monthly salary	3,000 5,000	Up to 18 years Up to 60 months	4324327 www.ahlibank.com.qa	
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary for nationals	3,500	Up to 216 months for nationals	4387777 www.arabbank.com.qa	
Commercial Bank of Qatar	Personal Loan	Starting from 9.75%	Up to 20 times monthly salary	4,000	Up to 60 months	4490000 www.cbq.com.qa	
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	1,500	Up to 60 months	4456000 www.dohabank.com.qa	
HSBC Bank Middle East	Personal Loan Special loan for nationals	9.75%, depends on the company	Depends on salary	3,000 10,000	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% Starts at 4% (depends on the status)	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: 10.25% for expats 9.99% for nationals	Up to 350,000	2,000	Up to 240 months for nationals and 60 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 60 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	30 days	4324327	
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878	
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW – free, Classic – 200, Gold – 400, Platinum – 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000	
Doha Bank	Visa/MasterCard Dreamcard (Classic, Platinum)	Free for life	Classic - 2,000, Platinum - 25,000	1.75% on purchases, 4.5% on cash withdrawals	28 days	4456000	
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100	
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 200	Classic - 2,000, Gold - 6,000	2.49%, on purchases, 2.75% on cash withdrawals	55 days	4418880	
Qatar National Bank	Visa/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 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/Standard – 250, Gold – 500	3,000 (Salary must be transferred)	2.25% on purchases (Classic and Standard), 2% (Gold cards) 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 September 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance							QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (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, xray 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 inpatient and outpatient 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: 10-10.25%	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	17787225		
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	17569999		
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 expats	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	1.62% with account, 2.74% without account on purchases, 4% on cash withdrawals	52 days	17578999		
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777		
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484		
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999		
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for 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 guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777		
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802		

Home Contents Insurance						BAHRAIN	
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS		
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture – 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377		
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 www.axa-gulf.com		
Arabia Insurance Householders Insurance	23-25	250 per claim	5,000	Full value of household goods and personal effects excluding valuables such as jewelry, furs, cameras and accessories; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 www.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.bnihgroup.com bnl@bnihgroup.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 September 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 www.fakhro.com www.ihl.com
Interglobal Healthcare Plan	Ultracare Plus: From 332 (child) to 10,825 up to ages 70-74 Ultracare Comprehensive: From 258 (child) to 8,819 up to ages 70-74 Ultracare Select: From 235 (child) to 8,003 up to ages 70-74 Ultracare Standard: From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area Ultracare Select: In-patient benefits Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 www.alhimaya.com www.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 September 2007 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you 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 Area 1: AED5million Global Area 2: AED2.5 million Regional Plus: AED1 million Regional: AED500,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland Regional Plus: AGCC countries, major trading nations of the Indian subcontinent and South East Asia Regional: Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles 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
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.interglobalmi.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 per annum while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: from 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: from 1,700 (ages 1-15) to 9,500 up to ages 66-99; International: from 2,200 (ages 1-15) to 13,000 up to ages 66-99; Global: from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		Abu Dhabi Plan In & Out-Patient: AED250,000 UAE Plan In & Out-Patient: AED250,000 Regional Plan: AED500,000 International Plan: AED2.5 million Global Plan: AED5 million	Abu Dhabi Plan In & Out-Patient: Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only UAE Plan In & Out-Patient: Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) Regional Plan: UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide International Plan: UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide Global Plan: Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan Plan 1: From 1,470 (14 days-45 years) to 2,980 up to age 60 Plan 2: From 2,170 (14 days-45 years) to 4,380 up to age 60 Plan 3: From 2,350 (14 days-45 years) to 4,730 up to age 60 Plan 4: From 3,630 (14 days-45 years) to 7,290 up to age 60 Plan 5: From 4,180 (14 days-45 years) to 8,400 up to age 60 Plan 6: From 3,800 (14 days-45 years) to 7,650 up to age 60 Plan 7: From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	Plan 1: AED50,000 Plan 2: AED100,000 Plan 3: AED100,000 Plan 4: AED200,000 Plan 5: AED200,000 Plan 6: AED300,000 Plan 7: AED300,000	Plan 1: UAE, Plan 2: UAE, Plan 3: UAE, Arab countries, Indian sub-continent, Philippines Plan 4: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada Plan 5: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada Plan 6: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada Plan 7: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 ocim@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to AED800 depending on plan * Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae

Disclaimer: All medical insurance policies include the standard inpatient 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 Karaganta 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 - for 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 September 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@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
Wahbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: (1) Standard – against loss or damage caused by fire/smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TVs/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and (2) Extra damage option – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com
Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. Disclaimer: These listings are NOT meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during September 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.					

Credit cards						BY INTEREST/PROFIT RATE	UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT		
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari web card	Classic-200, Gold-400, e-Tijari web card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 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.cbuae.com		
Dubai Bank	Visa Covered cards (Silver, Gold, Platinum)	Free for life offer.	0% APR for first three months. 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaiabank.ae		
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 www.alislami.ae		
Emirates Islamic Bank	Visa Islamic cards (Classic, Gold, Platinum, Infinite)	Classic-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 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	0.99% per month or 11.9% per annum	50 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	Saadqi 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 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	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. 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-500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.		Toll-free: 800 2030 www.adcb.com		
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US\$120, Gold-US\$210, Platinum-US\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, 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 "CitAssist", 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)	Silver - 150, Gold - 350	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalization and assistance. Free life insurance up to AED50,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. Easy purchase plan in 6 to 24 monthly instalments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to Dubai Dinar 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 Instant 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 instalments 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, travel and medical insurance options, rewards programme.		04-3160316 www.me.ae		
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Ethnad 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, Ethnad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopsy 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. Ethnad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accommodation, shopping rewards, etc.		Toll-free: 800 4440 www.uae.hsbc.com		
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surler card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surler 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 - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. 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		
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Gold, NMC, Titanium)	Free for life	Free supplementary cards, purchase protection, credit shield, travel inconvenience insurance, shopping and dining discounts, cash advance of up to 95% credit limit. Quarterly million dirham draws on all MasterCard products. For Titanium cards, up to 2% cash back on all retail purchases, global discounts and privileges on premium brands and hotels. NMC cardholders receive discounts at New Medical Centre hospitals, pharmacies, opticians and beauty salons.		04 213 0000 www.rakbank.ae		

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

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Car Loans								
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER	
Abu Dhabi Commercial Bank	Car Loan	4.10% for new cars with downpayment, 4.25% without downpayment, 5.25% for used cars	Up to 500,000 (Depends on salary)	Nil downpayment option	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 250,000	Nil for new cars, minimum 5% for used cars	New cars - up to 60 months Used cars - 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 customers: 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	Yes	
Commercial Bank International	Sayaraty	3.99% for new cars, maximum of 5.25% for used cars (depends on payment term)	Up to 250,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No	
Dubai Islamic Bank	Al Islami Auto Finance	Special Ramadan promotion: 3.99% for new cars, up to 5.5% for used cars.	Up to 250,000	Nil with salary transfer, otherwise minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No	
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars starts at 10% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	3,000	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 4.25%.	Up to 250,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	4,000	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. *Available only for the month of Ramadan: 3.79% for new cars (No salary transfer required).	Up to 500,000	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	8.5-11% reducing balance rate	Up to 250,000 (depends on salary)	Yes	Up to 192 months for nationals, 60 months for expatriates	2,500	Yes	
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor)	Up to 30 times monthly salary	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes	
Dubai Bank	Sanad Personal Finance	Profit rate: 4.5-6.95% fixed rate (depends on loan tenor and salary)	Up to 250,000	Yes	Up to 120 months	3,000	Yes	
	Souk Goods Finance				Up to 60 months			
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	2,000	No	
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.95% fixed rate without salary transfer	Up to AED250,000	Yes	Up to 60 months	2,500	No	
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 4.95% fixed rate (depends on the loan tenor)	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	4,000 for nationals 3,000 for expats	Yes	
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED100,000	Yes	Up to 36 months	3,000	Yes	
United Arab Bank	Consumer Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	As much as AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes	
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	2,500	Yes	

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 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.	Yes	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.cbuae.com
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only.	No	In some circumstances, money will be refunded	Free AAA membership	No processing fee	Toll-free: 800 4008 www.alislami.ae
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Toll-free: 800 3434 www.fh.ae
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, www.habbibbank.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		No processing fee	Toll-free: 800-6667 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. *Special Ramadan offer: National receive Carrefour gift voucher of up to AED1,000.	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	Instant postponement available, subject to bank's approval	No processing fees. Shar'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 AED500. 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 6667 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during September 2007 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Mortgages							
PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	RBR = Retail base rate Salaried residents: RBR plus 2.75%; Self employed residents: RBR plus 3%; Non residents: RBR plus 3%	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 (Shar'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	Variable rate (residents): 8.5% Variable rate (non-residents): +1% more than residents. Fixed rate is 11% for residents for seven years and 14% thereafter (+1% for non-residents)	Up to 90% of property value	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	Starting from 7.5% for the first year	Up to AED5 million or 90-95% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	10% of the property market value
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starts from 2.75% over three month IBLR, minimum 7%	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% variable rate	Up to 80% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Ijara: 8.25-9% variable rate Murabaha: 4.5 - 5.25% 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 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value; as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	Ijara - 3 month EIBOR + 2.50% Murabaha - reducing balance rate 9% for 5 year loan, 10% for 10 years; Fixed rate - 4.48% for 5 years, 5.20% for 10 years	Maximum up to AED5 million	Not more than 50% of the salary	As low as 5%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8 - 9.75% on reducing balance basis	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	Floating rate, will not exceed 7.5%	Up to AED3.5 million	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	7.25 - 7.75% reducing balance rate	Up to 90% of market value	60% overall debt on all regular commitments	10%
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	60 years for salaried 65 years for self-employed	Fixed rate: starts from 7.49% Variable rate: from 3.29% + EIBOR	Up to AED5 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years	65 years	7% fixed rate	Up to 80% finance, as much as AED5 million; depends on salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
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%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.25%	Up to 85%; as much as AED5 million	Residents: up to 60% Non-residents: up to 50%	Minimum 15% depending on the property
RAKBANK	UAE nationals, expats and non-residents	25 years	65 years	8.25 to 10% on a reducing balance basis	Up to 90% or as much as AED8 million	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 12 years	65 years for UAE nationals, 60 years for others	Profit rate. With salary transfer: 4.65% for 1 to 5 year tenor; 4.92% for 6 to 10 year tenor; 5.19% for 11 to 15 year tenor. Without salary transfer: 4.92% for 1 to 5 year tenor; 5.19% for 6 to 10 year tenor; 5.47% for 11 to 15 year tenor	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
Standard Chartered	UAE nationals, expats	20 years	65 years	Will not exceed 8.5%	Up to AED3.5 million for apartments and up to AED7.5 million for villas	Depends on the salary	From 15%; depends on salary and type of property
Tamweel (Shar'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% applies to loan tenors of 5-25 years (changes every six months). Fixed rate from 9.5% for five year tenor, 10.5% for 10 year tenor, 10.8% for 15 year tenor. (Also offers 'Yusr' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to 80% of the property value. (Varies from property to property)	55% of salary	From 10%, Depends on property
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	Minimum 6.25% flat rate	Up to 90% of the market value	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 + minimum of 2 - 2.25%	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.							

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INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
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, or AED 10K-20K, whichever is lower. 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, Sarna 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.amlakinfinance.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 Ishraqaa	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 in case of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages. 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaiabank.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: 800 2700 www.firstgulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsb.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 Miraf), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: For fixed rate - 1% or maximum AED12,000. For variable rate - 1% or maximum AED15,000 (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	10,000	Yes	Yes	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 25,000 for nonresidents	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 6667 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
"Property Takful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondas 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 September 2007 for **MONEYworks** magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early repayment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call centres.

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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.alsahel.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 62658, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	synergy2@eim.ae 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	
Licence: DED (Dubai Department of Economic Development)						
Name	Address	Telephone	Fax	E-mail	Website	
Citico Dubai	P O Box 58066, Dubai, UAE	+971-4-3432666	+971-4-3436613	fdsouza@citico.ae	www.citico.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	
OFSD	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	easttrust@emirates.net.ae	www.eastentrustllc.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 September 2007. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae . (Source: UAE Central Bank Website, last updated March 31, 2003)						
Related Services						UAE
Name	Address	Telephone	Fax	E-mail	Website	
Just Wills LLC	P O Box 75671, Dubai, UAE	+971-4-3116592	+971-4-328810	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

As an expatriate living in Bahrain for the past three years, I have finally decided to start saving my money in an offshore account. There are various banks that advertise in your magazine and are covered in your offshore saver table, but I don't know which one to choose and which currency I should save in. Can you advise? M.F. Bahrain

You will have to make your own judgement about which currency and institution that you want to go with. The reason why we publish the offshore savers table in the magazine is to offer a whole range of financial institutions and products to choose from. Also, don't forget that this is just a selection of the best buys around at the moment when it comes to saving offshore. It is not unusual, however, to get a bit confused when it comes down to

choosing the best option available. And it is for this that you have independent financial advisors, who are professionally trained to give advice on people's savings and investment requirements. We do not yet publish a list of IFAs in Bahrain, but we do publish a table of IFAs licensed to operate in the UAE. You may get in touch with one of them and they will be able to help you by understanding your requirements in a professional manner.

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.



How not to mis-manage your wealth

James Thomas explains some of the ways of limiting the possibility of wealth mis-management.

QUESTION

"I feel that the performance of one local bank's Wealth Management Department is really not up to standard. They have relationship managers just sell the products, even without understanding the future of the products. I am a customer who accepted the suggestion of my bank and bought LIBOR-related notes and burnt my fingers (my substantial investment is just lying idle without earning any interest). If you point this out to the managers, they simply say that we had chosen to buy them. The management doesn't seem to have in-depth analytical skill and they just function like a commercial set-up, only seeking profits and commission on sales. If you analyse their funds, you will also realise that, maybe due to lack of analytical skills, they have just taken safe positions on a few companies with no diversified portfolio to protect investors.

This is passed for your information, so that you can analyse the wealth management products of various banks and come out with your guidance to your readers, to protect their investments."

R. Venkataraman

Thank you for your letter. It raises some interesting issues that I feel are very important to the financial planning process and the advice that you receive. It is not practical to analyse the products of the various banks in this article due to space constraints. I will instead concentrate on how to receive the best advice from your advisor.

All of us have experience of someone trying to sell us something which they don't understand. A common example is credit cards and bank loans. Frequently we are told that a particular card is great because there is no annual fee, etc., but if you try and quiz the seller on the APR or other important

information, they have no clue and many don't even know what APR is! As the reader says, the staff in these companies are there to sell, rather than advise. Therefore, when it comes down to wealth management products, it is important that you seek the advice of an independent financial advisor.

When I have a first meeting with a client, I will always run through who I am and the areas I can help with. I then explain two key issues; firstly that I will advise and guide them as to what I feel is the best solution to their needs based on the information that I am given. As part of that, I ask lots of questions to make sure I have a full picture of the client's current financial situation, but just as importantly I will also be able to get a good grasp of the client's future goals and aspirations.

This technique is known as the 'broad concept' and consists of a series of four general questions that need to be discussed. These can be applied to most circumstances. First you need to consider where your financial situation is now; then consider where you would like to be; then review the options available to you and finally decide what is the best option for you today. Once these questions have been discussed and conclusions drawn, you should be in a much better position to move forward.

The second point I will always emphasise is: 'ask your advisor questions'. Query anything you are not completely comfortable with, so that you are absolutely sure about what is being proposed and the reasons a particular product is being considered to meet your needs. Do not feel embarrassed to ask any question even if you feel they are silly or simple, because if you are not happy or sure about something, it is your advisor's job to make sure that you completely understand. A good advisor will answer your query in full, and indeed from my personal point of view, it is great to get feedback and have a client who is interested in what is being proposed. I am

always slightly concerned by clients who don't ask any questions. It would be great to think I have covered everything in my presentation, but I'd be naïve to think that this was always the case.

So why do I follow this process? I believe that financial planning is vital to your financial well-being and needs to be treated with respect. It also requires the client to accept some ownership for the advice that they receive. You need to be comfortable with the person that you are talking to. Have they got the right qualifications and does their company have the correct licences? Do you trust the person sitting in front of you? You do not have to like them, but you do need to feel that you trust them and are confident in the advice they are giving you.

If you are not happy with the advisor, the answers to your questions or the products that are being recommended to you, walk away! Get a second opinion and do some research yourself. Take some ownership for the advice and the products that you sign up for.

It can be very easy to blame someone after the event if the product has not done exactly what you thought it might do or hasn't met your expectations. But if you didn't completely understand the product, then I would suggest that you, as the client, should take some of the responsibility for signing up to something you didn't understand. However, if you feel that you were mis-sold the product as the advice given was factually incorrect, you should pursue this further with the company concerned and the appropriate authorities if necessary. This has been covered in a previous article.

If you ask the right questions, do some research, feel comfortable that you understand your requirements and that the advice that you receive addresses those issues, you should be best placed to make an informed decision about the products you purchase and will be confident with the advice that you have received.



The myth of Islamic Finance

Sheikh Sultan bin Saud Al Qasimi wonders if Islamic finance will make any difference at all.

One of the latest additions to such urban legends as the Loch Ness monster, UFOs and environmentally friendly land reclamation is what is now known as Islamic Finance. It is a new scam that started in the second half of the twentieth century and has only really taken off in the last three decades. One could wonder why the Islamic world needed 1,400 years to invent such a system. One may also wonder why we never hear of such terms as Christian, Jewish or Hindu Finance?

How it works?

In a process known as *Murabaha* a person decides to purchase an asset (car, home) via an Islamic bank, which buys it in its own name and immediately resells it for a higher amount that ultimately works out to be equal or higher than conventional interest¹.

In the meantime, the bank retains ownership of the asset until the client is able to pay back the entire amount plus the finance charges. Basically, Islamic banks make more money and take much less risk, the burden of which rests solely on the Shari'ah compliant client.

How it started?

The development of this fast growing industry that preys on the religious beliefs of 1.2 billion people is that a few terms were literally translated from English into fancy sounding Arabic words to appeal to the pious. Words such as Lease became *Ijara*, Bonds turned into *Sukuk*, Joint Venture changed to *Musharaka* and Insurance morphed into *Takaful*². Folks, the truth is, all the above words are literal translations from English to Arabic and have nothing to do with Islam.

For non-Arabic speakers, it is similar to saying *flat* in British English and *apartment* in American English, which is very acceptable. What is not acceptable, however, is when one is expected to pay much more to buy the very same flat should the seller decide to call it an apartment in the contract.

Also, for those who believe in Islamic banking, turning a regular bank into an Islamic one by changing its name or logo does not make it an "Islamic bank". It is clearly set in Islamic principles that if money that was used to start a business was itself tainted, then everything that was built upon it is so and cannot be laundered or white-washed no matter how many *fatwas* are collected.

There are various reasons behind the emergence of this belief-finance system. In Malaysia, it was seen as a way to grab a share from the more developed hubs of Hong Kong and Singapore; in the Gulf, western banks wanted to offset any migration of long-established customers to fledgling banks that have window-dressed their names, as well as capture a new slice of the US\$1.5 trillion estimated wealth in the region³.

Is it regulated?

Once again, as in the case of the Arab League, the GCC Customs Union and the Peace in the Middle East, it was decided to outsource the establishment of what makes up so called Shari'ah compliant regulations to the Western world⁴. Even so, the current lack of standardisation of Islamic Finance came under attack in a recent McKinsey report that called it "an industry that is little more than a collection of national strongholds"⁵.

For an industry that claims it has US\$500 billion dollars under

management⁶, having "no common approach on regulatory frameworks" as a KPMG report found, coupled with a "lack of transparency in operations", doesn't bode well for its clients⁷.

Did you ever wonder why in the Kingdom of Saudi Arabia, which is the cradle of Islam, there isn't one openly Islamic bank? And yet the UAE, with 20 per cent of the KSA's population, has five such banks. In the KSA, when a client goes to open a deposit account, banks openly ask her if she wants a "*riba* account", which means an account that pays interest. The majority of clients decline, as it is seen as "morally unacceptable"⁸, which leaves the banks to rack in the profits. With deposits approaching US\$150 billion in 2006 and little interest charges to pay the clients, no wonder they are amongst the most profitable banks in the world.⁹

A professor from the Wharton School in the US argued that "it serves little purpose to extend financing with interest charges using a set of tricks that disguise them as something else."¹⁰ In today's world, more and more people are looking for salvation, even if it was a trick; in this case, salvation got an Islamic disguise.

(Footnotes)

- 1 <http://search.ft.com/ftArticle?id=070118009119>
- 2 http://en.wikipedia.org/wiki/Islamic_banking
- 3 http://www.businessweek.com/magazine/content/05_32/b3946141_mz035.htm
- 4 <http://search.ft.com/ftArticle?id=070703012087>
- 5 <http://www.zawya.com/story.cfm/sidDFT107143CF00A0BB>
- 6 <http://archive.gulfnews.com/articles/07/08/10/10145416.html>
- 7 <http://search.ft.com/ftArticle?id=070523000690>
- 8 http://web.nps.navy.mil/~relooney/Arabia_MEED35.htm
- 9 <http://www.ameinfo.com/127518.html>
- 10 <http://search.ft.com/ftArticle?id=070123000572>

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