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

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

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

General Manager
Don Taylor

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

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

Cover Image
Paha

DP World Images
Les Stone

Editor
Utpal Bhattacharya

Deputy Editor
Ehab Heyassat

Staff Writer
Kara Sensoli

Saudi Correspondent
Mobin Sheikh

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

Special Editorial Contributors
Matein Khalid, Martin Saldamando, Philip John, Sheikh Sultan bin Saud Al Qasimi,
M.R. Raghu, Amrith Mukkamala, Lee, Yong Wei, Fahd Iqbal, Dr.Oliver Stönner-Venkatarama

Operations Manager
Tim Elliott

Design & Layout
Zak Parayil
Sonia Landoulsi

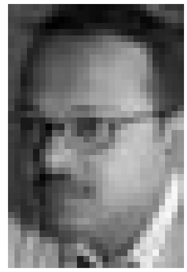
Administration
Sessie Fernandes
Rolla Daniel

Sales & Marketing Manager
Mark Freeman

Sales & Marketing Executives
Zarko Ackovik
Ali Jaber
Arshad Iqbal

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

BPA audit applied for December 2006



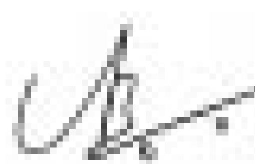
The past few weeks have been eventful with oil touching US$100 a barrel, sub-prime beginning to take its toll, the US dollar weak as ever and, of course, the debate on revaluation of local currencies taking a centre stage at home. The last month has also been relatively positive for some of the regional markets, especially those targeted by foreign investors, like Dubai and Doha. Saudi Arabia is also showing some signs of catching up with the rest of the region.

It is also heartening to see regional markets increasingly organising roadshows in international financial centres to promote their exchanges. But they've not been alone in making a case for international investors to invest in the local currency exchanges. Regional research firms have now come out with ample research to show why it may be important to have asset allocation in the Gulf as a balance to some of the hot emerging markets like India and China.

The weakening US$ has hit the local economies in our region very hard, as suddenly non-US imports are costlier, and people have to spend more to purchase the same goods that they were buying few months back at much lower prices. Add this to the difficulties of steep rents and the cost of living in general – and the quickly shrinking size of remittances. We will have to wait and see if there are changes in the pegs of the regional currencies to the USD in the near future. From what we hear from central banks around the GCC, the new realities are being deliberated at the highest levels in the GCC.

Finally, I do need to mention here the very successful IPO of DP World that raised US$4.96 billion. Although we will be going to the press before trading begins on the stock, it is obvious that DP World will attract strong interest in the secondary market. I have had the opportunity of talking to few small investors in Dubai who have not applied for the share during the IPO. But they all are keen to pick up small quantities of DP World from the secondary market for long-term investments. I too think it is the most sensible thing to do, as equity investments should be long-term. Besides, you don't always get an opportunity to purchase a piece of such a diversified port operator as DP World during the first few days of it getting listed. That is, of course, without the price going through the roof. If that happens, you just have to be patient and wait for the dip.

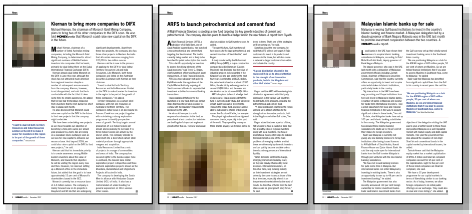
Finally, season's greetings.



Utpal Bhattacharya
Editor

Contents

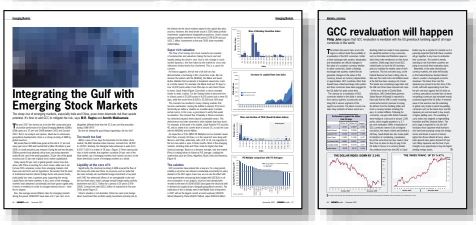

DP World sets a record

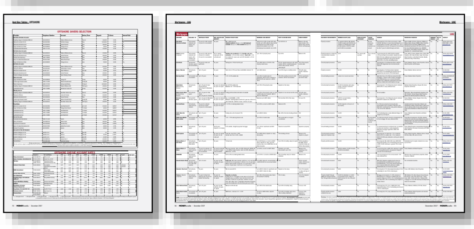



Seeing is now believing
Another breather for investors


More value for money
Refining the opportunities in oil and gas


The opportunity ambassador
Foreign investors help out
Rock and roll in the GCC


Integrating the Gulf with Emerging Stock Markets
GCC revaluation will happen



Michael Kiernan

Kiernan to bring more companies to DIFX

Michael Kiernan, the chairman of Monarch Gold Mining Company, plans to bring two of his other companies to the DIFX soon. He also told MONEYworks that Monarch could raise new capital on the DIFX in the future.

Michael Kiernan, chairman of a number of listed Australian mining companies, including the Monarch Gold Mining Company, is determined to attract significant numbers of Middle Eastern investors to companies that he heads, primarily by dual listing them on the Dubai International Financial Exchange (DIFX).

Kiernan already dual listed Monarch on the DIFX in June this year, although the stock has not attracted much attention from regional investors despite a number of subsequent announcements from the company. Kiernan, however, is not disappointed, and said that he is comfortable with the fact that it takes some time to create awareness. He added that he has had a tremendous response from investors that he met during his short stay in Dubai last month.

He also disclosed that Monarch could raise new capital on the DIFX in the future to fund new projects that the company might undertake.

"We have been undertaking new projects as we move towards our objective of becoming a 500,000 ounce per annum gold producer by 2009. We are listing on a Canadian stock exchange soon as we look for new capital to enhance our resource base. And beyond 2009, we could also raise capital on the DIFX to fund new projects," he said.

Kiernan said that his immediate priority is to create awareness among Middle Eastern investors about the value of Monarch, and towards that objective he will be visiting the region every now and then. However, he ruled out setting up a Monarch office in the immediate future, but added that the goal is to have approximately 15 per cent of Monarch's shareholders based in the GCC.

Monarch currently has a resource base of 2.4 million ounces. The company is mainly focused now on its projects in Davyhurst and Mt Ida that are undergoing significant developments. Apart from these two projects, the company also has three other projects in Western Australia that all contain resources ranging from 120,000 to two million ounces.

Kiernan said he is now in the process of applying to the DIFX for dual listing Territory Resources Ltd and India Resources. Like Monarch, both these companies are listed on the Australian Securities Exchange with Kiernan as their chairman.

"I want to dual list both Territory Resources and India Resources Limited on the DIFX to make it easier for investors in the region to be part of the growth of these companies," he added.

"I want to dual list both Territory Resources and India Resources Limited on the DIFX to make it easier for investors in the region to be part of the growth of these companies." *Michael Kiernan*

Territory Resources is a carbon steel company, with iron ore resources in Australia's Northern Territory. The company's initial focus is on developing its Frances Creek iron ore project together with maintaining a strong exploration programme to identify prospective areas of growth. Territory targets annual production of 1.5 million tonnes per annum and is planning to increase it to three million tonnes per annum by the end of 2008. The company intends to build itself into a diversified carbon steel material producer through appropriate mergers and acquisition.

India Resources Limited has a mix of projects in a range of commodities and areas of India. The company has secured rights to the Surda copper mine in Jarkhand, the Aravalli base metal exploration project in Rajasthan and three diamond exploration projects known as the Bhandara, Bundelkhand and Chigircherla Projects all located in India.

The company is developing the Surda Mine in alliance with Hindustan Copper Limited (HCL) of India. It also has a memorandum of understanding for general exploration on HCL's various other leases.

ARFS to launch petrochemical and cement fund

Al Rajhi Financial Services is seeding a new fund targeting the key growth industries of cement and petrochemical. The company also has plans to launch a hedge fund in the near future. A report from Riyadh.

Al Rajhi Financial Services (ARFS), a subsidiary of Al Rajhi Bank, one of Saudi Arabia's biggest banks, has launched a new petrochemical and cement fund targeting the Saudi market. The fund is currently being seeded and is likely to be launched for public subscription this month.

"It is a terrific opportunity for investors to access the driving elements of the Saudi economy," said Trevor C. Regan, chief investment officer and head of asset management, Al Rajhi Financial Services.

ARFS is a new subsidiary set up by Al Rajhi Bank under the regulations of the Capital Market Authority requiring all Saudi commercial banks to separate their investment activities from normal banking transactions.

Regan explained that prior to the launching of a new fund, there are certain steps that need to be taken in order to comply with the regulatory requirements laid down by the CMA.

He also said he expects a solid response from investors in the fund, as petrochemical and construction industries are the Kingdom's important engines of growth other than oil. The new fund would also be available to Gulf investors soon, he added.

"Through this fund, Gulf investors will have access to the large petrochemical and cement industries of Saudi Arabia," said Regan.

A study conducted by the Mohammad Al-Mojil Group (MMG), a major construction company based in Dammam (Eastern Province), has disclosed that the value of industrial projects to be awarded in the Kingdom's oil and gas sector in the next four years is estimated at US$53 billion, the petrochemical sector at about US$50 billion, the electricity and energy sector at around US$18 billion and the water and desalination sector at around US$4 billion.

ARFS also plans to launch a hedge fund in due course. Regan disclosed that the fund is currently under study, but will invest in high quality consumer investments. Through the hedge fund, investors will be able to subscribe to shares of big brand names like Gucci and Cartier, for example.

"People put high value on those high-end consumer brands, especially in this part of the world. They spend big money on these brands anyway. So it makes sense to invest in them. That's one of the strategies we'll be working on," he said.

Speaking about the new company, he said that ARFS will not just target Al Rajhi customers to invest in its products and services in the future, but will also create a network to target customers from within and outside the country.

"A good distribution channel in the region will help us to attract attention to the strength of our innovative products, both in the Kingdom and other Gulf states." *Trevor C. Regan*

Regan said the ARFS will be entering into distribution agreements with third party distributors in the various Gulf countries to distribute ARFS products, including the petrochemical and cement fund.

"A good distribution channel in the region will help us to attract attention to the strength of our innovative products, both in the Kingdom and other Gulf states," he said.

Regan added that over a period of time, ARFS hopes to have a customer base that has a healthy ratio of regional investors along with local investors. The flow of international money often helps to stabilise the local market, as one of the main problems of emerging markets is that they are driven only by domestic investors and can quickly become unstable unless there is a strong presence of international liquidity.

"When domestic sentiments change, emerging markets immediately react, as they are heavily influenced by local investors. International investors, on the other hand, help to bring stability. Their investment strategies are not driven by the same issues as those of the local investors, especially when it is an inexperienced market driven by the word of mouth. So the influx of funds from the Gulf states could be a good growth story for us," he said.

Dato' Mohd Razif Abd Kadir

Malaysian Islamic banks up for sale

Malaysia is wooing Gulf-based institutions to invest in the country's Islamic banking and finance market. A Malaysian delegation led by a deputy governor of Bank Negara Malaysia was in the UAE last month to promote investment cooperation between the two countries. A MONEY*works* report.

Local banks in the UAE have shown their keenness to acquire Islamic banking subsidiaries in Malaysia, according to Dato' Mohd Razif Abd Kadir, deputy governor of Bank Negara Malaysia.

The deputy governor, who was in the UAE last month with a delegation of Malaysian government officials including Zarinah Anwar, chairman of Malaysia's Securities Commission, said that the country currently offers an opportunity to invest and acquire substantial stakes in Islamic institutions, particularly banks in the country.

"My interactions in the UAE have been very promising and I hope institutions from here will invest in Malaysia's Islamic banks. A number of banks in Malaysia are looking for funds from international investors. I see a great opportunity for local and regional financial institutions in the GCC to acquire significant stakes in these banks," he said.

To date, nine Malaysian banks have set up 100 per cent Islamic banking subsidiaries in the country. The Malaysian government has allowed these Islamic banking subsidiaries to dilute up to 49 per cent of their stakes to foreign investors.

Kadir said Malaysia is currently not giving any new banking licences to foreign institutions after having issued licences to Al Rajhi Bank of Saudi Arabia, Kuwait Finance House and Qatar Islamic Bank. He said the only route open for international banks from the Gulf to enter Malaysia is through joint ventures with the nine Islamic banking subsidiaries.

"We have not issued banking licences for quite some time in Malaysia. But international banks can enter Malaysia by investing in existing banks. There is also an opportunity to own up to 49 per cent in investment banking," he added.

The Malaysian government has also recently announced 100 per cent foreign ownership for Islamic investment banks. Kadir said Islamic investment banks from the Gulf can now set up their wholly-owned investment banking arms in the Southeast Asian country.

"We are positioning Malaysia as a hub for the ASEAN region of 600 million people, 50 per cent of whom are Muslims. So we are telling financial institutions that if you plan to access Muslims in Southeast Asia, come to Malaysia," he added

Kadir said that Malaysia has benefited from significant capital flows from the Gulf to his country in recent years. He said the objective of the delegation visiting the UAE was to give a further boost to these flows and position Malaysia as a well regulated market with mature equity and debt capital markets. This year the government has also allowed the issuance of non-ringit Shari'ah and conventional bonds in the capital market by international issuers, he added.

"We are positioning Malaysia as a hub for the ASEAN region of 600 million people, 50 per cent of whom are Muslims. So we are telling financial institutions that if you plan to access Muslims of Southeast Asia, come to Malaysia." *Dato' Mohd Razif Abd Kadir*

Zarinah Anwar said that the Malaysian equity market has a market capitalisation of MYR1.5 trillion and Shari'ah compliant companies account for 65 per cent of the capitalisation. Eight to five per cent of these listed companies are Shari'ah compliant, she said.

"We have a 10-year development programme for our capital markets in terms of liberalising similar to our banking sector. As of today, however, we allow foreign companies to do initial public offerings on our exchange. They could also do dual and cross listings," she added.

Zarinah Anwar

DFM concludes New York international investor conference

Dubai Financial Market's (DFM) international investor conference in New York concluded successfully last month with more than 250 meetings between 230 fund managers and institutional investors and 14 senior representatives of companies listed on DFM.

DFM has announced that it will hold another investor conference in the Far East during the first quarter of 2008. Speaking at the conclusion ceremony, Essa Kazim, chairman of Dubai Financial Market, said: "The upcoming investor conference in the Far East comes in line with our strategic investor relation programme that was launched earlier this year. We have covered Europe and the US continent, and now we are looking at reaching out to the overseas investment community in the Far East."

During the investor conference, representatives of listed companies each delivered presentations about their financial activities, expansion plans and operations. Among the participating companies were Agility, Air Arabia, Amlak Finance, Arabtec Holding, ARAMEX, Dubai Financial Market, Dubai Islamic Bank, Emaar Properties, Global Investment House, International Financial Advisors, Islamic Arab Insurance Company, SHUAA Capital, Tamweel Finance and Union Properties.

Essa Kazim

Global branding agency Enterprise IG has created a new brand identity and name for NCCI as the company looks to keep its market leading position. The company will now be known as Tawuniya.

Tawuniya is the simplification of the Arabic word for 'cooperative' and was already established amongst the related customer base by this name. Enterprise IG asserts that the new name and identity takes ownership of the co-operative insurance category and evokes a strong emotional connection to customers as "cooperative", which is the only accepted form of Islamic insurance.

Mehdi Amjad, president and CEO of Omniyat Holdings and Omniyat Properties, has donated AED50 million to the Dubai Cares campaign to raise education standards and eradicate illiteracy in third-world countries. Amjad announced that he will be contributing to Dubai Cares an amount of AED5 million per year for the next 10 years, making Omniyat one of the biggest contributors to the pioneering campaign. He presented the cheque to Sheikh Maktoum Bin Mohammed bin Rashid Al Maktoum.

GulfMerger sees opportunities in GCC

Industry research from independent financial advisory firm GulfMerger reveals that GCC consumer finance companies are poised to go through a wave of local consolidation and regionalisation in the near term driven by industry players and private equity houses with clear strategic and financial imperatives. Key considerations in GulfMerger's assessment include the GCC-wide demographic and macroeconomic trends underlying the market's growth trajectory and the number of smaller consumer finance companies that would make attractive merger or acquisition candidates.

As an example of the market's recent growth, the Kuwaiti consumer finance market has grown rapidly in recent years, with consumer loan portfolios growing from KWD3.9 billion in 2005 to KWD4.6 billion in 2006. According to GulfMerger, car financing has been a key contributor, accounting for KWD340 million in new loans in 2006 and an estimated KWD390 million in new loans in 2007.

Based on current demographic and macroeconomic trends, GulfMerger expects car financing in Kuwait to grow from an annual financing of 65,000 cars in 2007 to over 90,000 cars by 2012, resulting in KWD670 million in new car financing loans in 2012.

These forecasts are based on the combined effect of three factors that are expected to have similar implications for the growth of the broader consumer finance market across the GCC: increasing population growth, higher car ownership and an increasing propensity by car buyers to finance their purchases. In the case of Kuwait, GulfMerger expects Kuwait's population to grow from 3.4 million to approximately 4.4 million inhabitants over the five-year period ending 2012, car ownership to expand from 315 to 340 cars per 1,000 inhabitants and car financing to increase from 65 per cent to approximately 70 per cent of all new cars purchased in light of the greater availability of financing providers.

For more on this go to www.moneyworks.ae and search keyword 'GulfMerger'

Abyaar lists on Kuwait Stock Exchange

Hesham Al Obeid, chairman of Abyaar, and vice chairman and managing director Marzooq Al Rashdan have announced the listing of Abyaar Real Estate Devlopment Company on Kuwait Stock Exchange. Official trading began on October 29. The listing is likely to be followed by a similar move in Dubai next year.

Millennium Capital Limited receives Category 1 DIFC licence

Millennium Capital Limited (MCL), the investment banking subsidiary of the Dubai Islamic Bank Group, has become the first Islamic investment bank to receive a Category 1 licence from the DFSA to operate as a fully-fledged Islamic investment bank from within the DIFC.

MCL is broadening its range of Shari'ah-compliant products and services, which now includes debt capital markets, asset management, private equity, principal investments and financial advisory services. MCL is also increasing its paid-up capital from AED190 million to AED1 billion in order to support its investment banking activities.

From left to right: Saad Zaman, Millennium Capital Limited (MCL), Dr.Mohammed Khalfan Bin Khirbash, UAE minister of state for finance and industry, Dr.Omar bin Sulaiman, governor of the DIFC and Khaled Al Kamda, group managing director of DIB

Rasmala Investments Holdings has acquired 70 per cent of Al Qurum Financial Investment Co. LLC, an Omani brokerage company established in 1995. Upon the completion of the acquisition, Al Qurum will change its name to "Rasmala Investments (Oman) LLC" and will increase its capital and its activities to offer new investment services.

The EFG-Hermes Middle East and Developing Africa Fund has been granted an "AA" rating by Standard & Poor's. The fund has achieved a 25.2 per cent year-to-date return.

In addition, the EFG-Hermes Telecom Fund achieved a Standard & Poor's "A" rating. Launched in 2000, the EFG-Hermes Telecom Fund is focused on long-term capital appreciation though investments in telecommunications, media and technology-related companies in the Middle East and Africa, and has achieved a 22.1 per cent YTD return.

Dubai Financial Market (DFM) has received a land grant from Dubai Government. As per Dubai Government's directives, Dubai Properties will allocate to DFM a land plot (Number BBA03-057/A, measuring 390,000 square feet) in the Business Bay project that is developed by Dubai Properties.

Daily news updates at www.moneyworks.ae

Asian Business Awards Middle East Grand Jury announces 18 nominees

After a month of online nominations for the biggest Asian business award event of the region, the Asian Business Awards Middle East (ABA ME) presented by Al Barari saw thousands of nominations pour in.

PricewaterhouseCoopers and the ABA ME event architects Indian Expressions, Axis International Group & Real Media and Zee Network collated all nomination details captured through the event's website www.abameonline.com. The grand jury then selected three ABA ME 2007 finalists in the six public nomination categories. Polling has now closed.

For more on this go to www.moneyworks.ae and search keyword 'ABA'

Merrill Lynch appoints new chief executive

As the sub-prime fallout continues, heads have begun to roll. Merrill Lynch has appointed the New York Stock Exchange boss, John Thain, as its new chief executive, replacing Stan O'Neal, who left after the bank was forced to admit a US$7.9 billion exposure to bad mortgage debt.

Thain was co-president of Goldman Sachs until 2004, when he left to become chief executive of NYSE Euronext.

The vacant post of chief executive at the NYSE will be filled by Duncan Niederauer.

And, Charles Prince, the chairman and chief executive of the world's biggest bank, Citigroup, resigned on November 5. Investor calls for Prince had been gathering pace since the bank reported a 57 per cent drop in quarterly profits, after sub-prime mortgage market losses.

According to news reports after Prince stepped down, Citigroup revealed that it was facing losses of between US$8 billion and US$11 billion in previously undisclosed losses due to a decrease in the value of its US$55 billion portfolio of sub-prime loans. The bank also warned that there could be further losses to come in its trading positions in sub-prime mortgages if its hedging operations did not succeed.

In the three months to the end of September, net income dropped to US$2.38 billion from US$5.51 billion a year earlier.

Prince will be replaced as chairman by former US Treasury Secretary Robert Rubin, while Sir Win Bischoff will serve as interim CEO.

Deutsche Bank officially opened its branch in the Qatar Financial Centre last month. The bank will be offering investment banking and private wealth management services from the new office.

Ithmar Capital is "reinforcing its investment in the region's healthcare sector" with plans for a Cardiovascular Surgery Centre of Excellence in Dubai to be operated by its Fund I portfolio company Belhoul Lifecare.

The Centre of Excellence will operate with surgical, medical and nursing teams from London's world-renowned Harefield Specialist Heart and Lung Hospital, which is part of the Royal Brompton & Harefield NHS Trust and a research partner with the UK's National Heart & Lung Institute.

Standard and Poor's has assigned an 'AA' rating to Mashreq's Makaseb Arab Tigers Fund and an 'A' rating to both the Makaseb Qatar Equity Fund and the Makaseb Emirates Equity Fund. The Makaseb Arab Tigers Fund invests primarily in equities listed in 13 Middle Eastern and North African countries. The Makaseb Qatar Equity Fund invests primarily in equities listed on the Doha Securities Market. The Makaseb Emirates Equity Fund invests in equities listed in the equity markets in the UAE. All three funds are US dollar denominated.

al khaliji has signed the Sale and Purchase Agreement with BLC Bank (France) SA to acquire the banking business conducted by BLC in Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah. The agreement was signed at the al khaliji head office in Doha by Tariq Al Malki, chairman and managing director of al khaliji, and Andre Tyan, the chairman of BLC (France) SA. The transaction is subject to the regulatory approval of the Central Bank in Qatar, France and the UAE.

Barclaycard, the UAE's latest credit card issuer, has donated AED100,000 to the Al Noor Centre for Children with Special Needs. The donation marks the relationship between Al Noor and Barclaycard - customers can choose to use reward points earned on their Barclaycard to make a donation to Al Noor.

Switzerland's Mirabaud opens at DIFC

Mirabaud (Middle East) Limited – a wholly owned subsidiary of Mirabaud, a banking group founded in Geneva in 1819 – has officially opened its office in the DIFC. The opening was attended by Federal councillor Doris Leuthard, head of Switzerland's Federal Department of Economic Affairs, and Dr.Omar Bin Sulaiman, governor of the DIFC.

HSBC & DIFX launch new Sukuk indices

HSBC and the Dubai International Financial Exchange (DIFX) have launched a family of indices that track price movements of conventional Middle Eastern bonds and international Sukuk (Islamic bonds). The indices are grouped into three major categories: International Sukuk, Middle Eastern Conventional Bonds and Middle Eastern Aggregate, which include over 100 issues from the region, with data going back to December 31, 2004.

StanChart is founding member of '100 Club'

Standard Chartered Bank, UAE, has joined as the first institutional member of the exclusive "100 Club", a newly formed HCT Foundation. In joining, Standard Chartered agrees to establish a Standard Chartered Chair in Corporate Finance at the Higher Colleges of Technology, effective January 2008, for a period of three years.

Moody's Investors Service has assigned A3/P-2 local and foreign currency issuer ratings to UAE mortgage provider Tamweel PJSC. The outlook for all the ratings is stable.

Mashreq Securities boosts online activity

Mashreq Securities has upgraded its online trading platform and network. The new online trading platform performs all the essential functions of a personal broker, allowing customers to buy and sell shares whilst creating their own watch list of specific companies and market sectors. Clients can also directly modify outstanding orders, thereby increasing or decreasing the number of shares they wish to buy or sell.

Mashreq Securities offers investors access to the Dubai Financial Market, the Abu Dhabi Securities Market and the DIFX. Mashreq Securities also allows users to open a cash account with Mashreq, with no minimum account size.

Al Mal Capital PSC has listed its UAE market mutual fund, the Al Mal UAE Equity Fund, on the Dubai Financial Market under trading symbol AMC UAE. The fund was launched in April 2006 at an initial offering price per unit of AED1.00. Since that time, the fund has outperformed the benchmark MSCI UAE Index by a margin of 35 per cent. Year to date, the fund is up in excess of 30 per cent, versus the benchmark MSCI Index's return of 14.8 per cent.

The Dubai Financial Services Authority (DFSA) has banned two private bankers from carrying out financial services in or from the DIFC. The regulator accepted enforceable undertakings from Vanita Chatterbhoj and Sweta Nayar, former Barclays Bank private bankers, for "knowingly misrepresenting the terms of financial products sold to their clients".

Under the terms of the undertakings, Chatterbhoj and Nayar have been banned for three years and six years respectively from carrying out any financial services in or from the DIFC.

Both bankers were found guilty of misselling structured products such as the US Commodity Booster and the US Maxi Coupon, products which offer conditional capital protection to investors based on the performance of a fixed basket of commodities and stock indices. Both bankers sold them promising full capital protection.

According to a Barclays Wealth statement, Barclays Wealth notified the regulator as soon as its internal monitoring processes detected that misconduct had taken place. Barclays Wealth has also, "fully cooperated with the DFSA and fully compensated clients affected".

In addition to the enforceable undertakings, the DFSA imposed an administrative censure against Nayar for knowingly obstructing the DFSA during the course of an investigation.

Lloyds TSB Middle East has kicked off a new undergraduate development programme for UAE nationals to complement the bank's existing UAE national graduate management trainee programme. The programme, which already has 55 new recruits, has been designed for UAE national students attending a full-time course in any university or college around Dubai. It runs for a year, once a week on Saturdays at the Jumeirah Beach Hotel. Ultimately, it offers a salaried position with an annual contract with Lloyds TSB.

Istithmar, the private equity and alternative investment house headquartered in Dubai, has opened a new office in Shanghai. It's the firm's first official international foray outside the UAE.

Credit Suisse strengthens Saudi team

Credit Suisse has hired a team of six private banking relationship managers for Saudi Arabia, based in Dubai.

Ashraf Bajsair has been appointed team leader. Prior to joining Credit Suisse, he was head of private banking for BNP Private Bank in Jeddah. Bajsair will head a team of five relationship managers. Jihan Amiry joins the team from BNP Paribas in Dubai. Mazen Takhah joins Credit Suisse from Banque Saudi Fransi in Jeddah and Karl Abdelnour joins from Banque Saudi Fransi in Al Khobar. Zohaer Eitani joins from American Express. Khalid Bin Mahfooz joins Credit Suisse from BNP Paribas in Riyadh.

DFG takes major stake in EFG Hermes

Dubai Financial Group (DFG), the financial holding company of Dubai Group (a member of Dubai Holding), and Abraaj Capital have agreed to a transaction whereby DFG will acquire 100 per cent of Abraaj Egypt Ltd. and Abraaj SPV 26 Ltd. (which collectively own a 24.62 per cent stake in Cairo-based EFG-Hermes) from Abraaj Capital. The transaction is worth approximately US$1.1 billion. The transaction makes DFG, through its offshore subsidiaries, the single largest shareholder in the premier regional investment bank.

National Bank of Abu Dhabi and Etihad Airways (the UAE national airline) have signed the terms of a US$288 million (AED1.05 billion) loan agreement that will be used to finance the airline's acquisition of four new Airbus 330-200 aircraft. All four aircraft have been received by Etihad and are in service.

Deyaar in JV to form Saudi Deyaar

UAE real estate company Deyaar has announced a joint venture with two of Saudi Arabia's leading business groups, Arabian Arkan for Commercial Investment and Ibrahim Abdullah Abunayyan & Brothers, to form Saudi Deyaar, a joint venture aimed at gaining a strong footing in the Kingdom's high potential real estate market.

Saudi Deyaar will be established as a complete real estate solutions provider that covers the entire spectrum of property development - residential, commercial, hospitality and retail.

For more details on this go to www.moneyworks.ae and search 'Saudi Deyaar'

National Bonds draw reveals 19th millionaire

National Bonds Corporation, the UAE's national saving scheme, has announced that Naeema Al Shaali, an Emirati woman and holder of bond ABL 638356, is the 19th National Bonds millionaire. Al Shaali was selected as winner of AED1 million at the monthly draw held at Burjuman Centre on November 3, 2007.

Two other bond holders, Saif Al Habsi, a Ras Al Khaimah resident and holder of bond ABP196608, and Jeena Angel, a 13-year-old Australian student and holder of bond AFC581884, were announced as winners of the second prize of AED100,000 each.

In addition to her win, Jeena Angel has been assigned as National Bonds student ambassador.

Jeena Angel, winner of AED100,000, and Mohamad Qasim, deputy CEO of National Bonds

Last month's inaugural DIFCweek aimed to present challenges for debate to identify opportunities for leverage and to create a forum to assess current situations and predict coming trends, hence the theme: Financial Opportunities for the Third Millennium.

The event featured over 100 speakers who addressed the principal issues, challenges and opportunities of the world's current and emerging financial markets, with interactive sessions, presentations and panel discussions. Sessions were moderated by Robin Bew, editorial director and chief economist of the Economist Intelligence Unit, along with Brad Bourland, head of research and chief economist at Jadwa Investment.

Robert Shiller, professor of economics at Yale University, looked at the global macro-economic outlook for 2008. Dr.Mark Mobius, executive chairman of Templeton Asset Investments, examined global investment trends. Dr.Nasser Saidi, chief economist of the DIFC Authority and executive director of Hawkamah, focused more specifically on the economic outlook for the MENA region. Stephen Roach, chairman of Morgan Stanley Asia, defined hot investment vehicles for 2008, and Pierre Cailleteau, senior vice-president and chief international economic and financial policy analyst at Moody's, analysed risk dynamics and assessment in emerging markets.

Big changes are at hand for residents of Cyprus and Malta and those who are considering working or retiring there, as the island countries adopt the euro on January 1, 2008.

The islands face changes beyond how goods are priced in the shops. Residents and those considering moving there may have to switch their savings into euros to avoid exchange rate risks from fluctuations between currency of income and currency of expenditure.

Bron Lysiak of Lloyds TSB Offshore Fund Managers Limited notes how big a change it will be for residents of the islands to think in a completely different currency. "Those who are using investment to derive an income – such as retired people or those thinking of retiring to the islands - must be careful of a possible currency risk if they do not receive their income in euros," he says.

Permal fund to follow the old Silk Road

Permal Group has announced the launch of the Permal Silk Road Fund, an emerging markets fund of hedge funds that focuses on many of the markets that made up the ancient Silk Road.

Permal Silk Road covers a wide geographical area and includes the Middle East and Northern Africa, Asia (excluding Japan), the Commonwealth of Independent States and Turkey. Target markets include those that have experienced recent rapid economic development through petrodollars, hydrocarbons, consumer goods and technologies.

The fund will invest in a minimum of 20 underlying fund managers, with allocations to event driven, equity long/short, equity long-only, macro and fixed income strategies.

The fund focusses on markets that have to date seen relatively little foreign investment. The new Silk Road countries are rich in natural resources, with more than 80 per cent of the world's proven oil reserves, and this has been a catalyst for much of the current growth, largely driven by strong demand from China and India.

The fund is registered in the British Virgin Islands and will be launched on November 30, in partnership with Credit Suisse, which has exclusive distribution rights for the first six months.

IPOs in Saudi Arabia to double by 2010

The most active IPO market and largest stock market by capitalisation in the Middle East is set to double over the next two years. Brad Bourland, chief economist at Jadwa Investment, made the remarks during the opening of the second Saudi IPO Summit held last month at the Four Seasons Hotel, Riyadh.

For more on this go to www.moneyworks.ae and search 'Saudi IPO'

Morgan Stanley bullish on the Middle East equity markets

Morgan Stanley has initiated coverage of the Middle Eastern equity markets with a clear 'overweight' recommendation on the region, with the UAE, Kuwait and Qatar as the firm's preferred country exposure.

The US investment bank estimates that GDP for the Gulf Cooperation Council, plus Egypt and Jordan, will reach US$957 billion in 2007 and US$1,045 billion in 2008, more than twice the 2002 figure of US$484 billion and approximately the same size as the Indian economy.

Petro Rabigh IPO to open January 5, 2008

Petro Rabigh, a joint venture between Saudi Aramco and Sumitomo Chemical of Japan, has announced that the Saudi Capital Market Authority has approved the company's application to hold an IPO. The offering consists of 219 million shares, representing 25 per cent of the company's share capital. The offering, which will be open to all Saudi nationals, will open for subscription on January 5, 2008, and will close on January 12, 2008.

UTI Mutual Fund partners with Standard Chartered in the UAE

UTI Mutual Fund (UTI MF) has partnered with Standard Chartered Bank as its formal authoriser for opening and managing its New Fund Offer (NFO) applications in the UAE. Non-resident Indians (NRIs) in the UAE can now invest in a mutual fund using dirham cheques.

UTI MF also announced the launch of its latest scheme - the UTI Infrastructure Advantage Fund-Series I. NFO units are available for purchase only during the NFO period, which closes on December 19.

UTI Infrastructure Advantage Fund-Series I is a three-year close-ended equity scheme with an investment objective to provide income distribution and/or medium to long term capital appreciation by investing predominantly in equity/equity-related instruments in the companies engaged either directly or indirectly in the infrastructure growth of the Indian economy – construction, energy, engineering, metals, power, telecom, transportation and airports.

The fund is open to resident individuals and institutions, as well as to NRIs and foreign institutional investors. Maturity is three years from the date of allotment and minimum investment is INR5,000 with no upper limit.

Azeem Rahim (regional head of transaction banking, MENA, Standard Chartered Bank), Jaideep Bhattacharya (chief marketing officer, UTI Asset Management Company) and Harsha Upadhyaya (fund manager, UTI Asset Management Company)

Commercial Bank of Dubai has signed an agreement with National General Insurance Company to provide insurance coverage to all its home finance loans. The move follows the launch last month of the bank's home finance programme. The programme provides 90 per cent of the property cost for both primary and secondary properties.

Standard & Poor's has launched three new indices designed to meet demand from Islamic investors for investable access to some of the world's most popular investment strategies. The three indices are S&P Global Infrastructure Shari'ah and S&P Global Healthcare Shari'ah, and S&P/IFCI Large-MidCap Shari'ah.

The latest ultra high net worth credit card is an invitation-only card from Dubai First called the Royale. Produced in association with MasterCard Worldwide, it's a black card fringed with a golden metallic border and embedded with a certified diamond set within a distinctive crest. It's the second product launch from the company to date.

Emirates Bank is again running its salary promotion. Until December 31, new and existing customers of SELECT GOLD or SILVER accounts automatically get a chance to become one of two account holders to win their annual salary during the promotion period.

KPMG launches UAE fraud reporting service

KPMG has launched the first fraud and misconduct reporting service in the UAE. The Ethics and Integrity Hotline service, known as "Itisal Al Nazahah", will enable internal (e.g. employees) and external (e.g. suppliers) stakeholders to report confidentially and anonymously any potentially illegal, unethical or improper conduct within an organisation.

Itisal Al Nazahah is provided through a toll-free number handled by KPMG forensic employees, a secure fax number and e-mail and surface mail addresses.

KPMG UAE recently undertook a second GCC Fraud Survey, the results of which will be published early next year. Unsurprisingly, initial analysis of the data suggests that a majority of the respondents expect fraudulent activity to rise due to the exponential economic growth in the region.

Dubai Bank launches Prestige Banking

Dubai Bank has launched its exclusive Prestige Banking service, aimed at people earning a salary/income of AED10,000 (US$2,720) or more per month. In addition to the services available on the customer's account, Prestige Banking offers pre-approved auto finance, a free for life covered card, free 24-hour AAA roadside assistance, free international ATM and debit card, and unlimited ATM transactions at any ATM within the UAE. There's also a dedicated banking lounge, a relationship manager and dedicated teller queues to avoid delays.

New regional fund from Algebra Capital

Algebra Capital has launched its Alpha MENA fund. The fund is targeting US$500 million and will adopt long-only positions in shares across the MENA region, giving international and regional investors exposure to MENA equities.

Key target sectors for the fund include financial services, construction, petrochemicals and fertilisers, and logistics and transportation, and offers international investors exposure to MENA equities.

CRG is launching a new EUR200 million private equity fund dedicated to investing in underperforming and distressed companies in the central and eastern European region.

CRG's previous fund in the Baltics was backed by significant capital from a prominent Middle East investor. Raiffeisen Zentralbank Österreich AG (RZB), part of Austria's largest banking group, has committed EUR20 million in the new fund.

The fund will be managed out of Vienna by Parham Pouladdej, managing partner of CRG's subsidiary, CRG Capital Partners. Marketing of the fund - which is to be called the CRG Central European Special Situations Fund - will begin in January 2008.

The new Sterling Island Ninety account from Skipton Guernsey Limited (SGL) is available now and offers enhanced rates with 90 days notice for withdrawals.

On balances of GBP100,000 plus, savers can earn 6.50 per cent gross p.a./AER and 6.25 per cent gross p.a./AER on balances from GBP10,000 - 99,999.

Rasmala Investments Holdings has acquired 51 per cent of the Delta Financial Group in Egypt and has been granted the official approval by the Saudi Capital Markets Authority to expand its services in Saudi Arabia to include private equity, mergers and acquisitions, IPO advisory, asset management and brokerage.

Amlak Finance PJSC has signed a strategic alliance with Real Estate Bank headquartered in Abu Dhabi. Amlak will offer Islamic home finance solutions for the Al Maha Tower, which will be situated on Marina Square at Al Reem Island in Abu Dhabi.

New real estate investment bank opens

Omniyat Properties, the real estate development arm of UAE-based 'Omniyat Holdings', has signed a strategic partnership with Bahrain-headquartered 'Investate', a new investment bank focusing on the region's real estate sector.

Salah Nooruddin, CEO, Investate, Mejdi Amjad, Omniyat Properties and Ehab Shouly, Omniyat Properties at a press conference

Investate was launched with a paid-up capital of US$108 million and an authorised capital of US$500 million. Under the agreement, Omniyat Properties will act as managing developer for all Investate projects.

Investate has also applied for a Central Bank of Bahrain 'Category 1 Investment Company Licence' to allow it to undertake a wide range of real estate banking activities including project financing, direct investment, asset management and advisory services.

For the full details on this story log on to www.moneyworks.ae and search keyword 'Investate' or 'Omniyat'

Dubai Islamic Bank offers National Bonds

National Bonds, the national savings scheme of the UAE, and Dubai Islamic Bank (DIB), have joined forces. DIB will now market National Bonds through its 45 local branches for DIB customers across the UAE.

It's a partnership that increases the National Bonds network from more than 220 to more than 265 outlets in 2007.

From left to right: Mohamad Qasim, deputy CEO of National Bonds, and Wasim Saifi, executive vice president, retail and businesses banking, DIB

QIB launches QAR2 billion investment funds

Qatar Islamic Bank (QIB) has launched two new investment funds under the name 'Al Sanabel A and B' (for Qatari and non-Qatari investors respectively) with a capital of QAR2 billion after Qatar Central Bank gave its approval.

The two funds, proposed for trading in Shari'ah compliant Qatari stocks and supervised by QIB Shari'ah supervisory board, will offer attractive opportunities to investors to take part in the anticipated exceptional growth in the Qatari capital market. The funds will be managed with a view of generating returns exceeding the market index, subject to Qatar Central Bank rules regulating joint investment funds. The funds will invest in assorted listed stocks of companies undertaking authorised activities.

The minimum subscription amount is QAR50,000 for both Al Sanabel funds A and B from October 28, 2007. The fund is managed by Global Investment House.

Mortgages from DIB for Real Estate Bank

Real Estate Bank has appointed Dubai Islamic Bank (DIB) as the exclusive provider of Islamic finance solutions to buyers of its development projects in Liwan City and Dubai Industrial City. DIB will provide up to 95 per cent financing to property buyers of Real Estate Bank's Salam Gardens residential development in DubaiLand's Liwan City and the Al Hayat Complex Residential and Al Hayat Complex Commercial projects located at the heart of Dubai Industrial City.

Go to www.moneyworks.ae for more news

New fund marks double decade for pioneer hedge fund manager

Man Investments has marked the 20th anniversary of its core investment manager Glenwood of Chicago with a new offering from its Man IP 220 series of investment products.

Man IP 220 Series 5 Ltd combines an allocation to Glenwood with an allocation to London-based AHL to harness the complementary performance of the two hedge fund managers. The AHL Diversified Programme is intended to be the principal source of returns while the Glenwood Portfolio will provide stability and diversification by allocating trading capital to six different hedge fund styles and, currently, more than 60 managers.

Glenwood was a pioneer in the fledgling hedge fund industry. It launched its first fund in 1987 when hedge funds were a fringe investment class. In two decades it has grown to manage approximately US$6.3 billion. Man Investments acquired Glenwood in 2000.

Man IP 220 Series 5 Ltd is offered in a choice of US$ and EUR bonds. The investment objective is to generate growth in excess of 10 per cent per annum for an annualised volatility of 16-18 per cent. Man IP 220 Series 5 Ltd is open for investment from October 22, 2007 to December 3, 2007.

Imagine Homes expands Middle East presence with new Dubai base

Imagine Homes is expanding its presence in the Middle East with a new, 11,000 square foot office on Sheikh Zayed road and increased staff to “cater for a growing demand in UK buy-to-let properties from Middle Eastern investors”.

Imagine Homes offers overseas investors UK off-plan property investment opportunities, selecting new build properties for their high rental yields and capital growth potential. Imagine Homes furnishes the property, finds the tenant, will manage the property and guarantees customers a rental income of 7.5 per cent of the purchase price per year for two years.

The new operation will be run by Faez Ajjan, who joined Imagine Homes as managing director for Dubai in April.

Dubai Islamic Bank (DIB) has signed an MoU with Dubai Sports City, the world’s first integrated city dedicated to sport. According to the MoU, DIB will provide Islamic financing facilities to prospective owners of villas and apartments at Dubai Sports City. DIB will offer Shari’ah-compliant financing towards the purchase of apartments at Canal Residence West, a signature Riviera-style waterfront development and villas at Dubai Sports City.

Go to www.moneyworks.ae for regular news updates

Emirates Islamic Bank and Hydra Properties have signed an MoU expected to establish a strategic partnership giving Hydra Properties' customers access to Emirates Islamic Bank's home finance solutions.

Dubai Islamic Bank is to open three new branches in Sharjah and Abu Dhabi, bringing its UAE-wide branch network to 44. The new branches will be at the Clock Roundabout, Sharjah; Al Mowailih Area, Sharjah and the Corniche Area in Abu Dhabi.

Credit Libanais sal has officially launched Bahrain operations as its GCC base. CL sal Bahrain joins the bank's network of 58 branches in Lebanon, a branch in Limassol, Cyprus and a rep office in Montreal, Canada.

FGB's First Wealth links with Royal Skandia

First Gulf Bank (FGB) is to distribute Royal Skandia's regular savings and lump sum investment plans through First Wealth, FGB's wealth management services. Royal Skandia is part of Skandia International, the offshore cross-border business of the Skandia Group.

Mufazzal Kajiji, head of wealth management at FGB, said: "The Skandia platform will give our customers the ability to invest funds on a regular basis across over 200 mutual funds spread across multiple asset classes. In addition, they will have the flexibility to switch between funds and rebalance their portfolio at no additional cost."

In other news, the bank has launched a new value added reward point offer for its credit card customers against utility bill payments.

For the first time in the Middle East, the programme allows for redemption of reward points against talk time bills of Etisalat and du, in addition to utilities such as DEWA, SEWA, ADDC, AADC, E-vision, Pehla, Showtime, Orbit and RTA.

AIG launches operations in the Sultanate

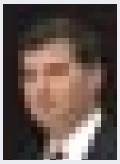
AIG has launched its new general insurance operation in Oman, AIG Oman. The new office in Qurum will provide insurance solutions for direct as well as reinsurance clients. It will offer home, travel and motor insurance solutions to individuals and small business owners. AIG Oman is a branch of AIG MEMSA Insurance Company Ltd, which was launched in September 2006 as the regional headquarters for the MEMSA region based at DIFC.

Appointments - November 2007

Ehab Anis Abdulla Hassan

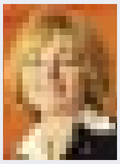
John Malouf

National Bank of Abu Dhabi has appointed **Ehab Anis Abdulla Hassan** as head of its human resources group. The bank has also appointed **John Malouf** as head of its retail banking group.



J Thayer Jack

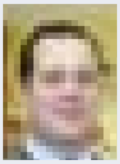
Mohammed Al Shaibani, executive director and chief executive officer of **Investment Corporation of Dubai (ICD)** has announced the appointment of **J Thayer Jack** as the chief onvestment officer of ICD.



Wendy Fagan

Wendy Fagan has joined Doha's **al khaliji** as senior executive, human resources, following more than two years at the Al Jazeera Network based in Doha.

Mounir Husseini has been appointed chief country officer for Qatar and general manager of **Deutsche Bank AG Doha** (QFC) - the bank's new QFC branch.



Fahmi Alghussein

Morgan Stanley has appointed **Fahmi Alghussein** as the investment bank's executive director, head of MENA distribution for equity products, based in the DIFC.

Credit Suisse has appointed **Duncan Macaulay** as managing director and head of real estate in the Middle East, based in Dubai.

Dubai Gold and Commodities Exchange, the first international commodities derivatives exchange in the Middle East, has appointed **Ahmed Bin Sulayem** as the new chairman of the exchange.

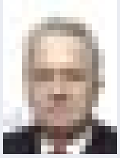
Emirates Bank, an Emirates NBD company, has appointed **Mike Solimani** as the new head of Al Shaheen, Emirates Bank priority banking service.

Michael Lagopoulos, **Royal Bank of Canada's** CEO and global head of international wealth management, has relocated from Toronto to London.

Tarun Khanna

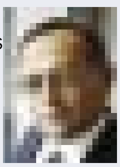
Tarun Khanna joins regional IFA **The Nexus Group of Companies** as a director at Nexus' Dubai offices.

Moody's Investors Service has appointed **Dr.Jehad El-Nakla** as the general manager of Moody's Middle East Ltd, Moody's office at the DIFC.



Ian MacDonald

Dubai Multi Commodities Centre has appointed **Ian MacDonald** as the new executive director of its gold and precious metals division. MacDonald takes over from Colin Griffith.



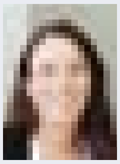
Jervis Smith

Citi has made two key management appointments in its Financial Institutions Group and Global Transaction Services business in the Middle East. **Jervis Smith** has been named managing director, Financial Institutions Group, head of international managed funds, Middle East, and **Richard Street** has been appointed director, securities and fund services strategy and business development, Middle East and North Africa.

Usman Ahmed

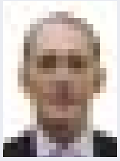
Citi has also appointed **Usman Ahmed** as chief executive officer for Citi Islamic Investment Bank and Global Islamic Banking.

And, **Dean Proctor** has been appointed as Citibank's cards business head.



Caitriona Ledwidge

Caitriona Ledwidge has relocated from Lloyds TSB International in the Isle of Man to join **Lloyds TSB** Middle East's main branch in Dubai to offer Middle East businesses a full offshore banking service.



Mark Waters

BNP Paribas Corporate and Investment Banking has appointed **Mark Waters** to a newly created position as head of debt capital markets in the Gulf region, based in Bahrain.

Bank of London and The Middle East has appointed **Allan Griffiths** as head of property finance in corporate banking.

DP World sets a record

The DP World IPO has created another record for Dubai as the biggest ever public offer in the Middle East. **Utpal Bhattacharya** looks at the past, present and future prospects of the company.

DP World's distinction as the first Dubai-based company to list on an international exchange, the Dubai International Financial Exchange (DIFX), is symbolic on a couple of levels. It not only represents the global ambition of home-grown GCC companies, but also their readiness in terms of disclosures and best practices along with other efficiencies to compete against the best in the international arena.

The tremendous institutional and retail interest in the initial public offering of the port operator that raised US$4.96 billion, diluting 23 per cent equity of the company, not only underscores the confidence of investors in Dubai government-managed entities, but is also an acknowledgement of the fact that both institutions and individuals are ready to make the highest bid to get a piece of the government's

blue chip entities. It has been now established that the Dubai government's institutions are more run like commercial enterprises and have little in common with a stereotypical government-run institution.

It is an expertise in which the Dubai government is a past master and, when it privatises some of its other institutions in the future, they will benefit from the upside of companies like DP World and Dubai Financial Market, which is listed on the domestic exchange.

DP World: a short history

DP World brings to investors a unique asset – and there's nothing really to compare it to. On the one hand it is the only listed port operator globally that enjoys a presence on five continents, while on the other it is vested with significant equity capacity in some of the most exciting growth markets in the world.

In fact, its wide geographical diversity almost negates the Middle East risk that some analysts point to, although if history is proof, then it can be safely stated that Dubai has generally prospered whenever there have been regional turbulences. Charting the route leading to the birth of DP World itself shows that regional wars and difficulties had not marred the enterprise or deterred the growth of the port operator.

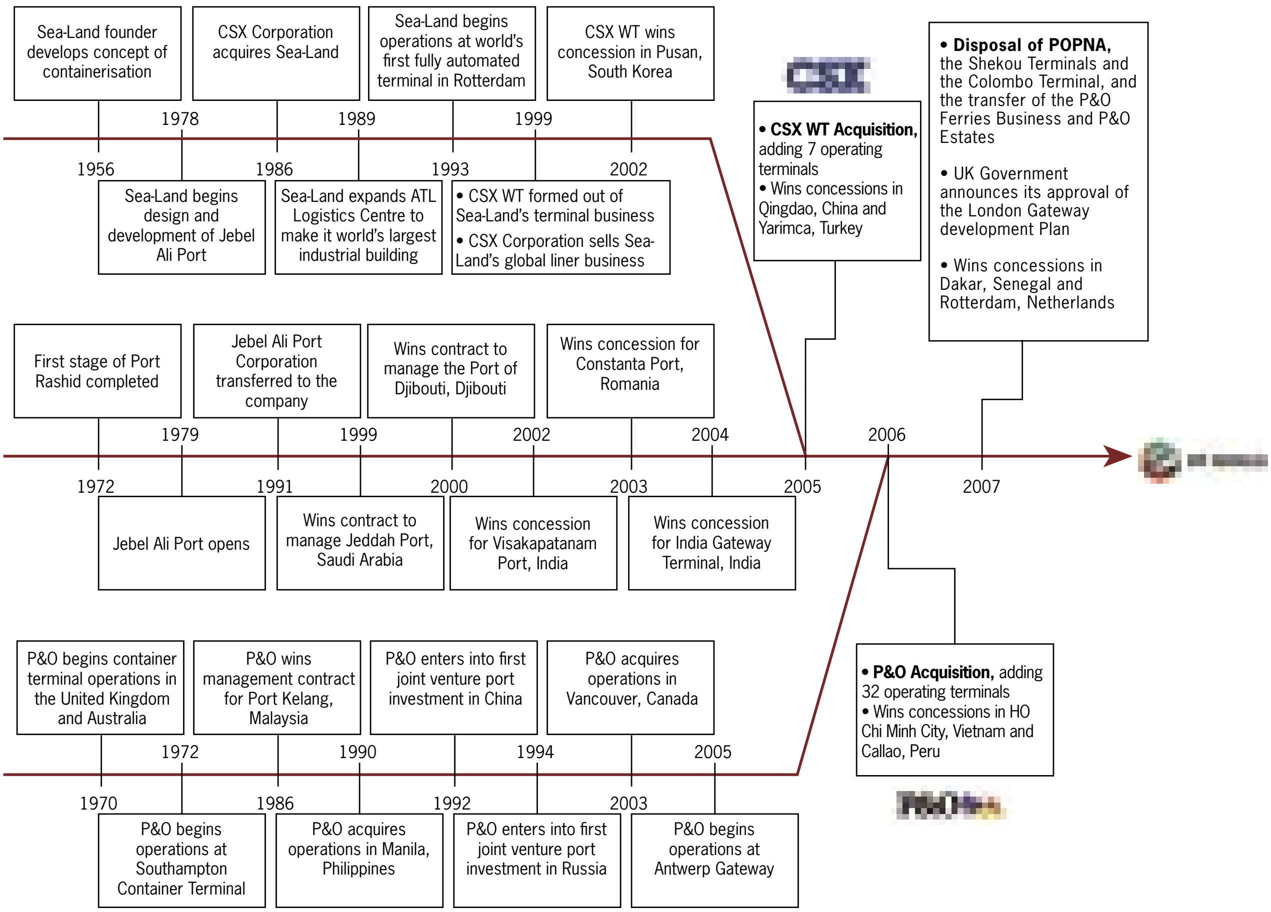
The original predecessor of DP World was the Dubai Ports Authority (DPA), which was established in 1991 to merge the ownership of the successful local ports of Jebel Ali and Port Rashid. But it all first started with the then ruler of Dubai Sheikh Rashid, who foresaw Dubai's potential as a trading hub back in 1972, leading to the development of Port Rashid, the first deep water harbour in the emirate. Of course, the port was an immediate success, as by 1978 the harbour had 35 berths, including five handling the largest container vessels, and a capacity of 1.1 million TEU (Twenty-Foot Equivalent Unit). And this was just one year before the building of the world's largest manmade harbour, which was commissioned in Jebel Ali in 1979 and was instrumental in positioning Dubai as the commercial gateway of the Middle East.

The establishment of Dubai Port International (DPI) in 1999 started the port operator's international foray. In that year, along with Saudi Maintenance Company, DPI received the port management contract for Jeddah Islamic Port in Saudi Arabia. In 2000 Djibouti came through, Vishakhapatnam in India followed in 2002, Constanta in Romania in 2003 and the contract for managing port facilities in Cochin in India was signed in 2004.

However, the most significant international expansion began only in 2005, when the company acquired the port terminal businesses of CSX Corporation named CSX World Terminals (CSX WT). With CSX WT came seven additional operating port operations as well as a portfolio of development opportunities in China and Korea in particular. It also enhanced the company's presence in Hong Kong and China apart from giving it an entry into Australia, Europe and South America, while adding 5.1 million TEUs of gross capacity and three new projects. Following that, DPA and DPI were merged to integrate the expanded operations of the group. This merged entity was to ultimately become DP World.

A year later in 2006 came the acquisition of Peninsular and Oriental Steam Navigation Company (P&O), which catapulted DP World to its global stature, as it brought the company far more access to Europe, Asia and Australia. Today DP World has 42 terminals in 22 countries, and it is the most geographically diversified port operator on the planet. It is also a true global operator compared to some of its peers providing network, contact and business. Significantly, 76 per cent of the business of DP World is through O & D (Origin & Destination), compared to two-thirds of business of PSA Terminals and Hutchinson Port being derived out of transhipment. O & D is typically more stable and it means guaranteed business. It also brings a higher margin, as more revenue is generated per quay crane lift and charges from delivery and ancillary services.

Timeline of key events in DP World's history



Source: DP World

In terms of diversification, DP World (which is the fourth largest operator in the world) fares better than competition, with 35 per cent of its business coming from the Middle East, 21 per cent from the Far East and Southeast Asia, 13 per cent from Europe and 12 per cent from the subcontinent. In the case of PSA and Hutchinson, 82 per cent and 62 per cent of their respective businesses are concentrated in the Far East and Southeast Asia. APM has a much better diversified portfolio, but again 67 per cent of APM terminals is through one client, Maersk.

It must be mentioned here that DP World was incorporated in the DIFC on August 9, 2006 to become the holding company for all ports-related commercial activities of Dubai World. On January 1, 2007, DP World FZE and Thunder FZE, the holding company for P & O, were transferred from DPA to DP World.

The IPO

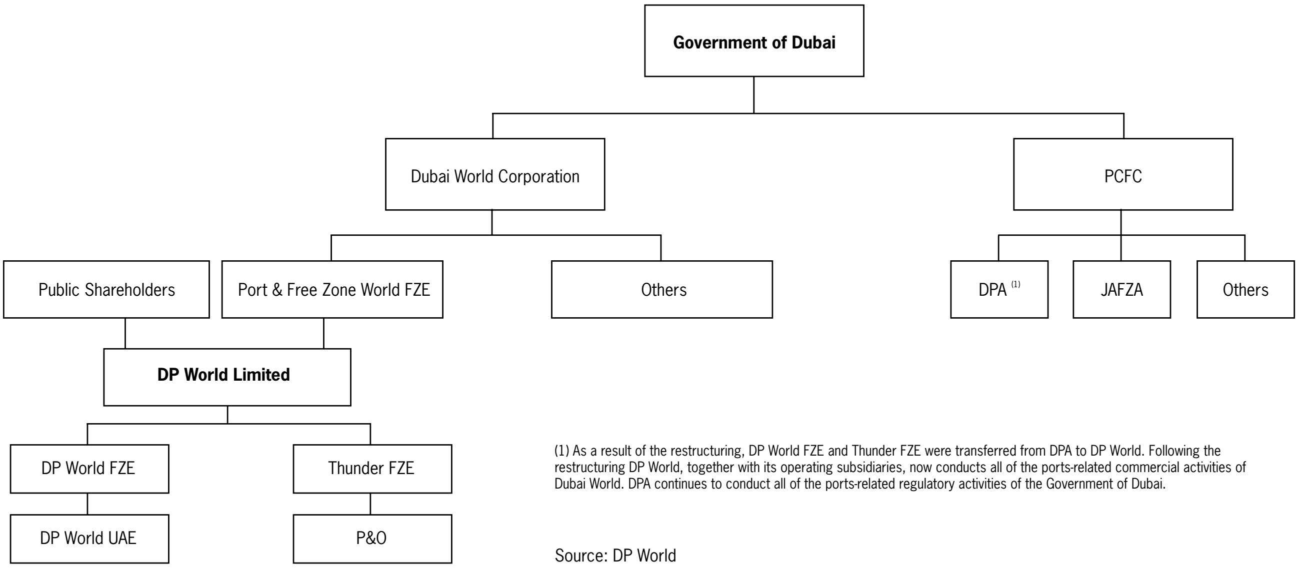
The DP World IPO, most of the proceeds of which will be used to redeem a US$3.5 billion sukuk issued in January 2006 by PCFC Development FZCO, an affiliate of DP World, was a runaway success, oversubscribing over 15 times despite commentators raising questions about the valuation of the company. The initial offer, which opened on November 4, sought to dilute 17 per cent of the company by issuing 16.6 billion shares. The offer was later raised to 20 per cent to take into account the heavy demand from both institutional and retail investors. On November 21, the sole selling shareholder (Port & Free Zone World FZE) announced that the offer was raised to 23 per cent, including the greenshoe option amounting to 3.818 billion shares that raised US$4.96 billion, making it the largest ever IPO in the Middle East.

The price per share was fixed at US$1.30, which was the top end of the indicative range of US$1.00-1.30, implying DP World's market capitalisation at US$21.6 billion.

The price fixing of the share at the top end did disappoint a number of analysts, as they felt that it might somewhat smother secondary market interest in the stock in the near term. Besides, some felt that with regional central banks giving indications that there might be a depegging of local currencies from the US greenback, it could keep regional investors somewhat wary of short-term exposure in dollar investments, and thus DP World at the debut market price.

But these arguments are all thwarted by the offer's 15 times oversubscription, which also brings to fore the tremendous pent up demand for scarce listed assets in the region. Although this article went to

Organisational structure immediately following the Global Offering



(1) As a result of the restructuring, DP World FZE and Thunder FZE were transferred from DPA to DP World. Following the restructuring DP World, together with its operating subsidiaries, now conducts all of the ports-related commercial activities of Dubai World. DPA continues to conduct all of the ports-related regulatory activities of the Government of Dubai.

Source: DP World

press before secondary market trading began on DP World, it is quite evident from interest amongst retail and institutional investors that the share will debut on the exchange on a bullish note.

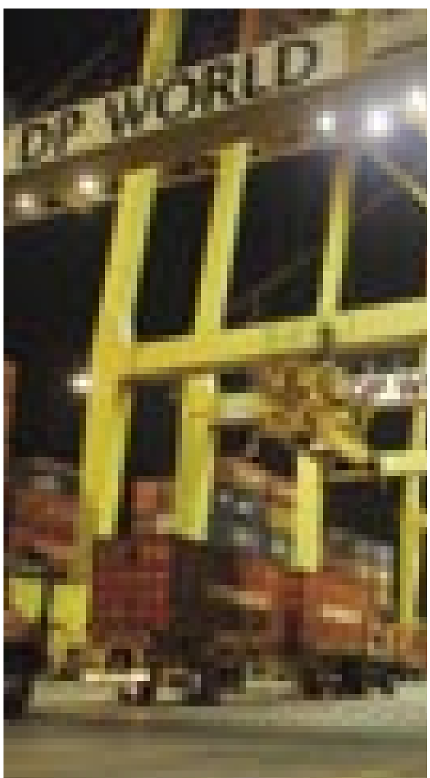
Sultan Ahmed Bin Sulayem, chairman of Dubai World and of DP World, said just after the announcement of the pricing of the shares: "We believe the combination of price and allocation strikes a good balance between stability and liquidity for the secondary market."

He is likely to be proved right as, apart from 25 per cent of the offer expected to be allocated to sukuk holders, approximately 10 per cent was allocated to retail investors, with the rest to institutional investors. Accepted applicants in the UAE retail offer were to receive a minimum allotment of 3,500 shares with allocation on a pro rata basis thereafter.

While there are many among these retail investors who will want to offload the shares for profit immediately on listing, there are many others that would want to buy shares as a good investment. In fact, for many of the investors that we spoke to, the pricing at the top-end of the offer is neither an issue nor a concern. There are also those among retail investors who indicated they'll be looking for opportunities to accumulate DP World shares from the secondary market for long-term investments.

What DP World offers?

DP World has a well capitalised balance sheet. As at the first half of 2007, its total debt stood at US$5.76 billion, while total equity was at US$7.37 billion. The company had a gross capacity of 48.6 million TEUs as of December 31, 2006 and generated gross throughput of 36.8 million TEUs as of the same period. The gross throughput for the six months ending June 30, 2007 was at 20.3 million TEUs, up 22.5 per cent year-on-year. The gross



throughput generated by the DP World portfolio grew more than 18 per cent in 2006 over 2005, compared to 11 per cent growth in global throughput in the same period. Analysts say that DP World should continue to have robust growth for the next two to three years, but with its growing base, the year-on-year growth could drop to the mid and low teens thereafter.

DP World's performance will be highly influenced by the growth of global trade, and according to IMF forecasts, the growth in trade volumes for 2007 and 2008 of 7.1 per cent and 7.4 per cent respectively is set to outdo the global GDP growth of some five per cent in this period. The good news for the port operator is that emerging countries, where it has a strong presence, are likely to contribute more than developed nations to this growth, as these will grow at estimated rates of eight and 7.6 per cent respectively in 2007 and 2008, compared to 2.6 per cent and 2.8 per cent respectively for developed countries.

DP World's strong presence in high growth markets like India and the Middle East as the number one operator only reinforces its advantage of riding the rising consumption and prosperity in these regions. Additionally, DP World is not just a pure play port operator. It is into building infrastructure as well. The company, for example, owns 50 per cent of the Indian

Continues on page 35

DIFX to launch options in 2008

The IPO of DP World on the Dubai International Financial Exchange (DIFX) is set to bring in the much needed liquidity to the exchange. Hamid Ali, executive officer and senior executive vice president, also says that the DIFX plans to launch derivative trading next year.

The DIFX is going to introduce trading in call options with equity as the underlying assets next year. Hamid Ali told MONEY*works* that the DIFX will introduce trading in derivatives during the first half of 2008, and the first product to trade will be call options.

"We are talking about launching derivative products during the first half of 2008. It is like launching an exchange on its own. But we have the right and qualified people to launch a market like that, and we will be the first exchange in the region to do it," he said.

Ali said that the DP World IPO on the DIFX did have a positive impact on the pipeline of the exchange for the next year. Additionally, the removal of legal obstacles for UAE companies to list on the exchange has also given a fillip to local companies seeking a presence on the international exchange.

"Today after the DP World IPO we are a highly visible, young and modern exchange. We have several discussions going on right now with prospective equity issuers, but we do not have clarity as to when these will materialise. But what I can tell you is that we do expect very good results in 2008 in terms of listings. Besides, the launch of derivative products will give investors the options to hedge their investments," he added.

Asked about the possibility of dual listing on the DIFX of equities listed on domestic exchanges, he said that it is possible to do so, technically, legally and operationally. He also added that in terms of discussions with local companies, it has been ongoing and that they are now fully aware of what they can do on the DIFX.

"Companies listed on the domestic exchanges in the UAE can have their global depositary receipts listed on the DIFX, while their ordinaries can continue trading on the local exchanges. They can, of course, decide to move entire companies to the DIFX," he said.

Allaying concerns on lack of liquidity in the exchange, Ali said that liquidity will come only through listing. He also felt that the listing of DP World should trigger solid trading interest on the exchange in the future.

"Name any global market, if you take the key listings and market leaders out, liquidity will be hampered in a big way. DP World will be one of our key listings and with it you will see liquidity coming to the exchange. DP World is relevant to all regional and international investors segments," he said.

Ali also added that the IPO of DP World on the DIFX will be seen by many local companies, including blue chip companies as a government commitment towards the exchange. He said

that family groups will interpret this as the Dubai government's confidence on the exchange. It should spur local and family holding companies to come on the exchange in the near future, he noted.

What is a call option?

The right (but not the obligation to buy a stock, bond, commodity or other instrument) to buy a security at a given price, within a given time. Calls are bought by investors who expect the price of the stock to rise – and profit on a call is made when the underlying assets increase in price. It may help you to remember that a call option gives you the right to "call in" (buy) an asset.

MONEY*works* 'Financial Terms Explained' Second Edition, May 2007

Continues from page 33

port operator market. By way of comparison, by the year end India will handle six million TEUs and China will handle 120 million TEUs. This huge difference, despite the fact that both countries have a population of over one billion each, is because India does not have a strong port infrastructure. DP World is now building this infrastructure in India. For instance, it is building the largest container terminal in India in Kochi.

DP World will also benefit from the growing containerisation of trade globally. Global container terminal throughput has historically grown at a multiple of approximately three times that of global GDP, which highlights the relationship between containerisation and globalisation. According to Drewry Shipping Consultants, between 1990 and 2005 international container transport of goods grew at a CAGR of 10 per cent, surpassing growth in world trade and overall world GDP. In TEU terms, the world container traffic registered 115.7 million TEUs in 2005, growing significantly from 28.9 million TEUs in 1990 at a multiplier of two to three times the world GDP. DP World is well positioned as a container terminal operator to get the benefit of the growing containerisation of world trade.

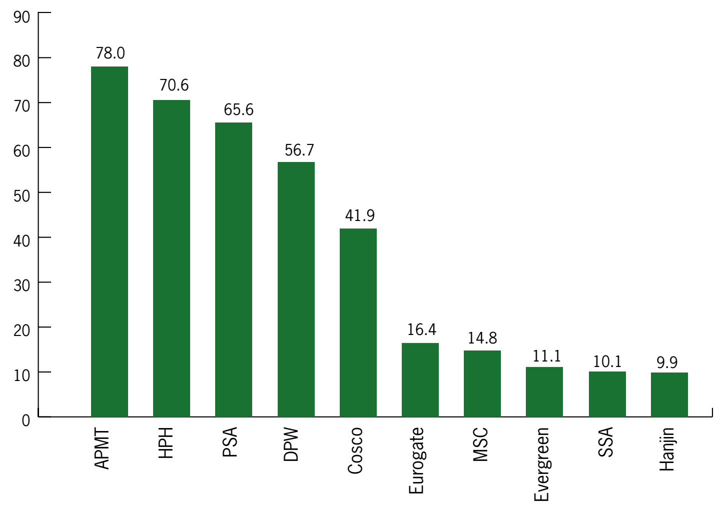
Significantly, DP World's capacity utilisation stood at nearly 76 per cent in 2006, with a throughput of 36.8 million TEUs on a gross capacity of 48.6 million TEUs. This capacity is estimated to grow to 90.5 million TEUs by 2017. The plans for the expansion in capacity reflect the shortage of terminal capacity that will build up in the next few years across the world. According to Drewry, average container terminal utilisation rates across the globe will rise from around 72 per cent in 2006 to 97.5 per cent by 2012. This situation will be brought about by a forecast surge in global throughput of over 300 million TEU by 2012, whilst the amount of additional container capacity certain to be added to the market will only increase by around 160 million TEU in the period between 2005 and 2012. Drewry anticipates that the imbalances will be worst in Eastern Europe, but the Middle East, South Asia and South America will be also affected. This also indicates that the capacity increase of DP World is not only timely, but will also see tremendous utilisation going forward.

Valuations

DP World generated pro forma revenues from operations of US$2.07 billion and US$1.2 billion for 2006 and the six months ending June 30, 2007 respectively. The pro forma adjusted EBITDA (including associates and JVs) for the same period stood at US$705.3 million and US$453.7 million respectively.

Global terminal capacity, 2006 (million TEU)

(Based on total terminal capacity irrespective of the size of shareholding)

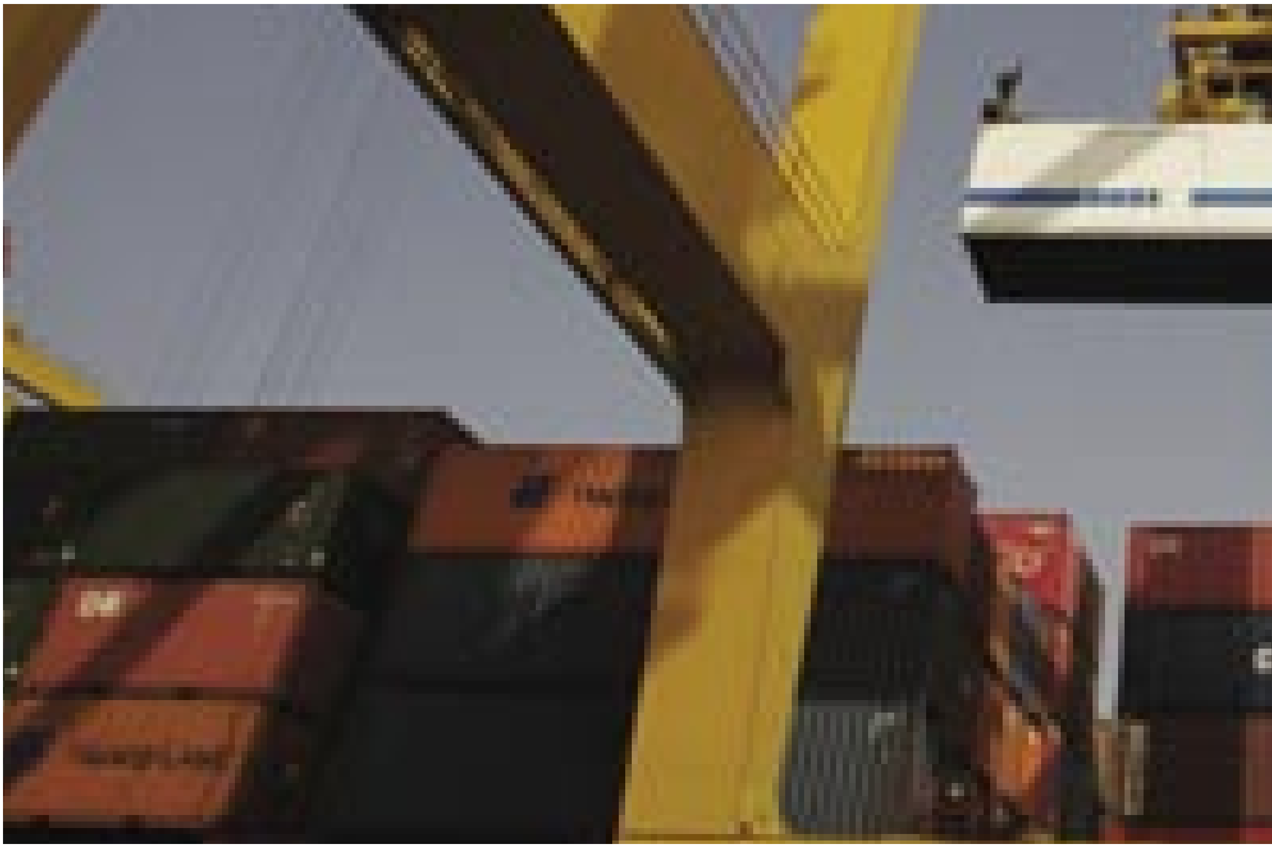


Source: Drewry Shipping Consultants (Please note that DP World reported figure of 48.6m TEU capacity for 2006 in different from Drewry estimates as it excludes six POPNA terminals, two Shekou Terminals and the Colombo Terminal.)

Top 10 global container terminal operators' equity based throughput 2006

Ranking	Operator	Equity teu throughput (million)	% share of world throughput
1	PSA Corporation*	41.2	9.3
2	APM Terminals	32.4	7.4
3	HPH*	30.8	7.0
4	DP World**	26.2	5.9
5	Evergreen	8.1	1.8
6	Cosco Group	7.9	1.8
7	Eurogate	6.6	1.5
8	HHLA	6.0	1.4
9	OOCL***	4.8	1.1
10	APL	4.6	1.0
Top 10 global operators		**168.6**	**38.2**
Other global operators		33.0	7.5
Local operators		239.7	54.3
World total		**441.3**	**100**

* PSA acquired 20% of HPH in 2006 figures reflect this
** DPW acquired P&O Ports in 2006
***OOCL has since sold most of its terminal interests
Source: Drewry



The EBIDTA margin for 2006 stood at 34 per cent, while for the first half of 2007 was at 37.5 per cent. The forecast for the second half of 2007 is 42.5 per cent and then through 2010 the EBIDTA margins are forecast at over 40 per cent every year.

Despite the strong fundamentals, however, some analysts have questioned DP World's pricing at US$1.30 per cent share, which takes the enterprise multiple to high teens. Makram Kubeisy, managing director, investment banking group, Shuaa Capital, argues in favour of the valuation and says that because of the asset heaviness and long-term nature of DP World's business, using valuation metrics like price to earnings ratio or EV/EBIDTA is not likely to truly reflect the value of the company.

"The only fully robust way of valuing DP World had to be through Discounted Cash Flow, as using other metrics would not have the neutralising effects of debts, taxes and depreciation in such an asset heavy business as Dubai World," he explains.

Kubeisy also asks against what DP World is over-valued, as there are no similar companies against which the Dubai-based port operator could be compared with.

"The only way we can compare DP World is to look at other models, say for example PSA, which acquired a 20 per cent stake in Hutchinson at an enterprise multiple of higher than 18. If that is the comparison, then DP World is in not way over-valued," he points out.

He also discloses that Shuaa, which was one of the joint bookrunners of the IPO, did go out to institutions in preparation of the IPO to get their feedback on the pricing, something that was key in ultimately setting the price range.

"The price range has been vindicated, as we have seen large demand across the price range. We have seen large demand from high quality institutional investors and not just people looking for short-term gains," he adds.

Effect on the DIFX

DP World is a long-term play for any investor, although its listing is likely to see a tremendous demand on the DIFX leading to a 15 to 20 per cent pop-up in the first couple of weeks. In the medium to long term, it is, however, felt that the stock will help Dubai's international exchange to generate increased liquidity and thus draw larger number of investors to trade across all securities listed on the exchange.

There are 12 companies that listed their shares or equity securities on the DIFX prior to the listing of DP World. According to the prospectus of the DP World offer, total trading volume on the DIFX for 2006 and the six months ending June 30,

2007 was US$26.3 million and US$15.7 million respectively. As of October 4, 2007, the market capitalisation of all securities listed on the exchange was approximately US$35 billion, of which equity securities accounted for approximately US$7 billion.

A number of institutional investors, including family offices, are unsure as to how the equity market on the DIFX will behave given its past apparent illiquidity, but undoubtedly for investors who want a piece of DP world, there is no other place to go to but Dubai's international exchange. So, liquidity will only pick up and should move across other listed equities and products coming on the new exchange.

All in all, the DP World IPO is probably the much needed trigger that was necessary for DIFX to move to the next stage as the region's happening international exchange. MW

Definitions

Twenty Foot Equivalent Unit (TEU)

A unit of measurement equal to the space occupied by a standard twenty foot container. Used in stating the capacity of container vessel or storage area. One 40 ft. container is equal to two TEU's.

Source: American Association of Port Authorities

Enterprise Multiple

A ratio used to determine the value of a company. The enterprise multiple looks at a firm as a potential acquirer would, because it takes debt into account - an item which other multiples like the P/E ratio do not include. Enterprise multiple is calculated as:

$$\textbf{Enterprise multiple} = \frac{\textbf{Enterprise value}}{\textbf{EBITDA}}$$

Expect higher enterprise multiples in high growth industries (like biotech) and lower multiples in industries with slow growth (like railways).

Source: Investopedia

Discounted cash flow (DCF):

It is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them (most often using the weighted average cost of capital) to arrive at a present value, which is used to evaluate the potential for investment. If the value arrived at through DCF analysis is higher than the current cost of the investment, the opportunity may be a good one.

Source: Investopedia

The opportunity ambassador

Moafaq Ahamed Al Gaddah is the chairman of the Moafaq Al Gaddah (MAG) Group, which owns 54 companies and has a presence in almost all Arab countries. A Syrian expatriate businessman, he is also the chairman of Overseas Investment Group, chairman of Arabic European University in Syria, a board member of the Syrian Business Council in the UAE and the first Arab family ambassador appointed by the Arab League. Here he tells **Ehab Heyassat** about his success and the future.

How did you start your business?

We started dealing in auto parts in Kuwait during 1977-79. In those days my father worked in Kuwait, a country that used to be considered the jewel of the Gulf. Merchants from the UAE used to come to Kuwait to get their goods. But things were beginning to happen in the UAE around that time, and we moved to Abu Dhabi.

We had relatives in the UAE who were our partners when we moved to this country. These partnerships lasted for three years, and then each one of us took our own different routes.

We focused on auto parts and we expanded our business, taking advantage of the boom that Abu Dhabi witnessed in those days. Gradually, we covered the entire UAE, and later we expanded into neighbouring countries. We also created our own brands and products during that period and established our presence in Qatar, Saudi Arabia and, once again, in Kuwait.

In the 1990s, we saw an opportunity of moving to Dubai and establishing a business in Jebel Ali. Companies were coming to Dubai those days from Africa and Iran looking for goods and products.

So you moved to Dubai to serve the African and Iranian markets?

Yes. But there was significant cost involved in setting up the office. It was, however, an opportunity, and we wanted to be in the business of re-exporting from

Dubai to the two big markets of Iran and Africa. That was in the early 90s. The First Gulf War brought us bigger opportunities, as most ports closed in the Gulf. Trade across the region was conducted from Dubai and we gained.

Around that time, countries in central Asia were also opening up. They had tremendous need for importing goods. Traders and businessmen from these countries were more comfortable to purchasing goods from Dubai, as going to source destinations involved complexities. We serviced these countries from Dubai. This was also the beginning of our expansion from Russia to countries like Kazakhstan and other erstwhile USSR states.

We then got into deals with factories to manufacture our brands and products to compete with other international products. We now manufacture brands that are considered to be top of the range in batteries, tyres, etc.

Where do you manufacture your products?

We manufacture in different countries. It all boils down to cost and quality. We work with factories in Indonesia, Thailand, Korea, Japan, the US and others. Outsourcing is a trend globally, as companies increasingly manufacture their branded products using specialised manufacturers to their specifications to avoid costs like customs, transportation, logistics and others.

Do you have any factories within the group?

This thought has been always there. In 2000 our sales got to a figure, which at that time was considered big at US$300 million annually. So, we decided to invest in building factories to manufacture auto parts in the UAE and the Gulf. We bought a piece of land in Sharjah to use as our industrial zone and build our factory. However, land prices rocketed after our purchase. So we decided to sell it, and we enjoyed excellent capital gains. In fact, that was our trigger to enter real estate investments and establish MAG Real Estate Developers to be the real estate investment arm of the group.

"I come from the countryside, and I believe that people who come from the countryside are less fortunate. So I use my position here to give people opportunities to grow and create."

Going back to your question, we do have now a couple of factories in Egypt and Turkey, but most of our products are outsourced and manufactured in different countries.

Is an industrial zone still a possibility?

I do wish to have the industrial zone, but then, with manufacturing comes other challenges, including costs. When the price of land soared, we faced the challenges of rising operational cost. But as I said, we still have the industrial zone project on my table and we might move this zone to another place in the UAE or the Gulf to avoid the high cost of land.

You started in auto parts and moved into real estate by chance. What other activities are you are involved in?

We have investments in manufacturing home appliances, shipping and contracting, and recently we have ventured into the pharmaceutical business. We have received a licence for production of medicines in Al Ain. We also have investments in tourism and we own the biggest yacht leasing company in the UAE. We have 21 yachts as of today.

Do you have a core business today?

We don't have a core business that we focus on. Our strategy is to move with opportunity. For instance, while trading with Iraq, we discovered that there was a need to establish a shipping company to ship our products to that country. We not only established that company, but expanded it quickly. Today it owns 5,000 containers. We ship goods from different destinations to the UAE and then we ship them to Iraq. The shipping company is now in the process of opening up direct lines from China to Iraq. We have plans to grow this company to be a regional player and hopefully a global player in years to come. We are now investing US$100 million in the company.

I must also add here that real estate is the biggest component today in our group, as prices of land have soared. We currently value our real estate projects that we have started developing under MAG at AED3 billion. This does not include investments of Overseas Investment Group (a group company) in Syria. That company is developing with Emaar the eight gate project worth US$600 in Damascus. They are planning two more projects in Damascus that will be announced soon.

Doesn't working in different industries need different skill sets?

Definitely it does, but as far as I am concerned the strategy and systems are the same in all businesses. Also, I do not get into details of these businesses that I get involved in. I hire talents and bring them to take care of the business intricacies. In medicine, I am going after the best factory manager. In real estate I will not take the second person, but the first among professionals. I follow the same principle for all companies.

Besides, please note that I consider my senior staff as partners in my companies. And that's the reason why attrition levels are very low in our group. There are managers who are still with us from late '70s. We have a policy that gives our managers the choice to invest in companies they run instead of investing in other sectors. I don't mind giving a manager a stake of up to 49 per cent in a company. As a matter of fact, there are some managers who own 20 per cent in companies within the group. My policy is that any manager who spends his full time and effort working in the company is eligible for a stake in that company.

Do you have any plans for the next generation of your family?

They have a choice to either join us or pursue any other business under our supervision and sponsorship. As of now, two of my kids are old enough to do business. One of them joined the group, while the second one decided to set up a serviced apartment company. In fact, he started a year and a half ago and he is successful. Now he is planning to invest in a new hotel.

This choice also applies for my staff. I have 2,500 people working in the UAE and outside in the group, and they have the same choice.

Will you consider taking your group companies public?

I believe that family businesses should convert to public companies in order to ensure that they last out generations. We do want to take our companies public, but I have tried my best to delay this process as long as possible to take advantage of the growth and quick decision-making process available in a private company. I think our real estate and industrial companies are the best candidates to go public in the future.

Have you considered having financial or strategic partners?

A number of investors have knocked on our doors. But sometimes multiple partners delay the decision-making process in a company due to diligence or consulting obligations. But that does not mean that I will not partner with strategic partners. As a matter of fact, we have a venture with a Russian company in Business Bay in Dubai.

"I don't mind giving a manager a stake of up to 49 per cent in a company. As a matter of fact, there are some managers who own 20 per cent in companies within the group."

But again, I am not too keen to have any partners who could delay the decision-making process.

What are your expansion plans?

In real estate, we are planning to expand to Syria, Jordan, Egypt, Qatar and Abu Dhabi. I would like to expand our interest in education as well. We have invested in a university in Syria and we are looking to invest in building private schools now.

Any investor will tell you that real estate is the most profitable sector today, but sometimes you do not just look at profits, as we have corporate social responsibilities as well. Businessmen should pay back to their communities. Education has a different meaning and it should not be equated with other hugely profitable businesses.

So you do not always seek profits in all your investments?

I do not. As an individual, you should look at the best way of helping your community. It could be by building a school or university or offering grants and scholarships. I must also add here that feasibility studies have no meaning for me when it comes to investing for communities. We invest in projects in the countryside of Syria, where our main aim is to benefit farmers. We focus on agricultural industries that serve farmers and recruit larger numbers of labourers to create employment.

What were the obstacles that you faced as you grew your business over the years?

There is no easy ride in the business world. But Allah has given us keys and solutions to overcome all challenges. I do believe that the human beings are the single most important factor in overcoming these challenges. So, I find the right people, the right talent, and put them in the right place. I trust people who can build.

I also do not seek foreign talents. I trust Arabian talents. My focus is on Arabs. Arabs enjoy a clear conscience and have high ambitions driven by an open mind. Their high ambition helps them to flourish if you give them the right capability, ambience and infrastructure.

I come from the countryside, and I believe that people who come from the countryside are less fortunate. So I use my position here to give people opportunities to grow and create.

How is your relationship with your family and home?

I give certain time to business and the rest is for the family. I do not mix the two.

Do you have any personal ambition?

I will not retire. I reject retirement as a principle. My goal is to create and give. It is a mission. I have not ever sold a car or a company in my life. What I do is I create a company and then transfer the ownership of the car and the company to whoever comes and fills the shoes of Moafaq Ahamed Al Gaddah.

So, how many Moafaq Ahamed Al Gaddahs are there in the group now?

There are 25 of them.

More value for money

Retail banking is changing tack in the UAE. Banks are gearing up to make sure that customers leave their branches with smiles on their faces. **Utpal Bhattacharya** looks at what's about to change.

As the UAE's banking landscape changes with the first big local merger getting formalised, there is a perceptible change in the approach of retail banking managers at the UAE's banks. From what we're told, it seems as though there's a conscious effort to make our regular banking a more enjoyable experience than the inaccessible, slow, unfriendly time we so often face with our bank.

Undoubtedly, service standards in most banks in the country have seen significant improvement in the last few years. Customers, whose money the banks do their business with, are more sensitive now than ever as to how they are treated when they walk into a branch. While it is an opportunity that some banks are already working hard to capitalise on, there are others that are only now waking up to the fact that one of the ways to maximise profits is to treat the customer like a king.

In fact, it may no longer be a pipedream even for a mid-segment retail banking customer in the UAE to expect personalised care at the banking hall he visits for his day-to-day transactions in the near future - positive outcomes of uninhibited competition in a free market. Banks are today taking their cue from the hospitality industry for ways of pleasing their retail customers. Some of them are even working overtime to come up with concept branches for the future that will be designed to make banking modern, easy and hugely comfortable.

Lester Wynne-Jones, regional head of personal financial services at HSBC, told **MONEY***works* that his bank brought people from the hospitality industry as mystery shoppers in the bank to find flaws in customer reception and follow-up.

He said: "This exercise gave us a useful insight from the hospitality industry's perspective, little things that make a big difference, particularly around how customers are met and greeted and then, immediately, how their initial enquiries are dealt with."

Wynne-Jones further explains that when a customer walks into the

Burj Al Arab, he does not expect to simply walk in. He expects to be greeted, welcomed and even escorted through.

"Banks should do the same, and that's what we are aiming to achieve," he adds.

But it is not just international banks like HSBC emulating the hospitality industry. To a greater or lesser extent, local banks are also getting into action. The biggest bank in the region today, Emirates NBD, has also set quality of customer service as one of its topmost priorities.

Jamal Bin Galaitha, general manager of consumer banking and wealth management with Emirates NBD, and Suvo Sarkar, general manager of retail banking with Emirates NBD, both agree that good customer service will be part of the value proposition that banks will have to provide in the future to retain and attract customers.

Sarkar adds: "The UAE market will see a conscious effort from banks to enhance their service standards. Some of the things that they will invest in include training and development of staff and quick turnaround time, for example. As for our banks, we will re-engineer our processes to improve services and appoint lobby managers at branches to take good care of our customers. We will copy from the hospitality industry. We are now implementing a new guest programme to be rolled out across our branches."

HSBC is also currently working on customer service management by putting more personnel in the banking hall to help. Wynne-Jones says that if a customer wants to take a personal loan, there will be a person in the hall to escort the customer to the right officer dealing with personal loans.

Lester G Wynne-Jones

Suvo Sarkar

Growing physical reach

Customer service aside, what retail banks are increasingly becoming aware of today is the need to increase their physical reach, and that's where Emirates NBD finds itself in an enviable situation.

Says Galaitha: "If you look globally, only the large players have survived over time. Banks that have the scale, cover all segments and are able to distribute their products and services everywhere will dominate the UAE's banking industry in the future."

At this point, Emirates NBD does not have competition in the UAE in terms of its physical presence. Post merger, the bank has nearly 100 branches (between NBD and Emirates Bank), while it aims to boost its number of automated teller machines in the country to 1,000 in about 18 months from its current 400 plus. Sarkar adds that the number of branches should also go up to 50 per cent in the same period.

Emirates Bank and NBD (National Bank of Dubai) are in the process of merging their branch operations. The programme will be piloted in two branches within weeks and

subsequently rolled out to all the branches. The timeline for creating a single brand is aimed at the middle of next year.

It does not take an analyst to predict that when the operations of the two banks are formally merged as one brand, the market will see a clear distinction in the way the big, medium and the small banks are positioned. It is also obvious that unless the smaller banks innovate fast and start looking at ways of matching the reach of the big banks, they will be left with very little to do business with in the retail segment.

Today, the newly merged entity NBD Emirates has a combined market share of between 12 and 15 per cent of almost all products in the UAE market. In certain products like auto loans, their market share is as high as 25 per cent. Sarkar is confident that the bank will be able to double the market share of most of the bank's products in the next three years. If it happens, the biggest hit will likely be felt at the smaller banks.

It is interesting to note the way Emirates NBD is planning to

countries that HSBC operates through 2008, and mainly targets people travelling to work from one country to another.

Although Global View is aimed at premier customers, HSBC has its local internet banking in place and anybody banking today with HSBC, except for salary card accounts, can transact online. This does sort out some of the parking woes, but customers still need to visit branches once in a while, and this is an area in which there will be more developments in the future.

Pricing and value

Customer segmentation across product lines is another area in retail banking that is being continually developed by banks to better serve their customer base. While some banks have aligned retail banking with wealth management as an obvious extension of the business on the one side, they are also getting into consumer finance. HSBC is seriously studying entering the consumer loan business and so is Emirates NBD, while six non-banking finance companies are awaiting a green light from the UAE Central Bank to get activated. Meanwhile, a few, like Abu Dhabi Commercial Bank, are already entrenched in consumer finance. More banks are also likely to enter the fray soon.

But here again bigger banks will have an edge over the rest of the market. In consumer finance, the big banks will be able to take advantage of cost benefit and reduce pricing over a period of time, while they will be able to provide more value, both in terms of glamour and freebies for customers banking for normal retail or investment products.

Sums up Sarkar: "We will be able to give our customers a better deal given the cost benefits that come from our size. We will be able to add value and reduce prices over time. We will be able to offer more to those banking with us."

overwhelm the UAE market with its reach.

Says Galaitha: "Whoever has accessibility as the number one item on the agenda will win the retail battle in the country. We might not make a lot of money out of our ATMs, but you will find our ATMs from gas stations to shopping malls because we want to make the life of our customers easier."

Adds Sarkar: "We are looking at department stores to set up our branches; we might have them inside coffee shops as well. We will also launch 10 mobile branches that will reach different parts of the country. We want to make sure that anybody coming to the UAE or living here will have to choose Emirates NBD as their default bank because of our sheer reach."

International banks

While local banks are not inhibited from growing their branch network, international banks in the UAE are somewhat limited by regulations in enhancing their network. However, in the recent past they have been given the permission to create electronic banking units (EBUs) or customer service centres that operate without tellers, but are equipped with all other banking facilities, including the presence of professional bankers.

HSBC has already launched 11 electronic banking units in the UAE, and Wynne-Jones says that the bank is in discussion with the Central Bank to launch many more in the country in the future. As of today, the bank's EBUs are located mostly in Dubai and Abu Dhabi. The plans are now to take these to other emirates as well.

Apart from EBUs, HSBC also focuses on its internet banking delivery channel to reach out to its target customers, a channel that will be increasingly used by the industry in the future. HSBC's Global View product, which mainly caters to its premier customers that have a relationship of US$100,000, gives the flexibility to a customer to view his accounts on the internet in 20 plus countries at one view and transfer money across accounts. Global View is being rolled out to many more

‘Cool’ is where it’s at

Aubrey Ghose has advised more than 100 major brands worldwide and is currently advising two new Middle East banks – Noor Islamic Bank in Dubai on branding and Al Khaliji Commercial Bank in Doha on visual and physical branding, identity and environments communications, as well as staff training in brand values. He is also developing Al Othaim, a major food retailer in Saudi Arabia, and Rasasidoor, a jewellery chain in Dubai. Here he writes how Arabic brands are coming of age.

Historically, Middle Eastern brands and branding have tended very much towards the ‘me too’ rather than being unique, original and a product of their own regional culture and environment.

In fact, it’s hard to single out any one brand as being genuinely indigenous – and world-class.

But this is changing fast.

Middle East consumers may not be trend-setters, but they are certainly early adapters – and when they embrace a trend, they do so with whole-hearted enthusiasm. Consumers are young, sophisticated and brand-savvy. When they decide they want something, they’re never satisfied with second best or last month’s model.

Take mobile phones, for example. Few markets in the world are so demanding for the latest in technological gadgetry. Retailers will tell you that when a new phone is launched, their biggest problem is finding stock to keep up with demand. And a new phone launch happens virtually every other week.

The same applies to just about everything. One stockist of a luxury Swiss brand told me that his most frequent complaint is that new styles aren’t introduced often enough. The average Brit owns one watch; the average UAE national buys a new watch every six months, just to be ahead of the pack with the latest and coolest design. Young Arabs won’t settle for second best in anything; they are increasingly sophisticated and are part of what I call the “Brand Generation” actively seeking out new trends and adopting them with ease.

Expatriates in the region are led by these early adapters; they see it and they want it too.

This is the power of branding. And it applies as much to banking as it does to mobile phones, watches, or the preferred clothing or footwear label.

The operative word is ‘cool’

Cool brands not only innovate to make people’s lives better; they also deliver something even more desirable and make customers feel better about themselves.

That’s why truly successful brands in the Middle East are no longer playing catch-up with their counterparts in the west; they aim to leapfrog them through the creation and delivery of ‘cool’ brands.

Conversely, the one thing that separates moderately successful Arabic brands from the truly world-class is the fact that they are not ‘cool’.

So what constitutes ‘cool’, you may well ask. The best answer is to look at those brands that are – and what they have in common. ‘Cool’ brands dominate by differentiating. Apple, I Phone, Nike and Dolce & Gabbana all qualify. They are cool because they work hard to achieve and maintain that status. They make their consumers feel good about buying, using and being seen using their products.

It’s what makes them stand out, and why they beat their competition hands down. They do this by creating a space in the mind of their target consumer through innovation and thus making their competition irrelevant.

In general, purely Arabic brands tick all the right boxes for being professional, sophisticated and controlled, but they consistently lack that one key ingredient – the ‘cool’ that is the catalyst between mere competence and ‘wow, I want it NOW!’

As I said, that’s changing – and changing quickly. That’s why I believe the time is now right for total branding in the Middle East to come of age by ‘going cool’ through identity, image, interior design, communications and teaching staff behaviours that meet consumers’ deep desire for ‘cool’.

Mediocre branding will no longer be sufficient to differentiate businesses in such a highly competitive marketplace. We’ve seen how the Middle East adopts international trends and accelerates them to a new and uniquely regional momentum. The same is happening with branding. And astute marketing professionals in the region are staying ahead of the game.

Banks go retail

Internationally, the banking industry has been prominent in the branding revolution. The stuffy, conservative image of yesteryear is now an outmoded cliché as the one-time ‘men in grey suits’ strive to outdo each other with eye-

catching graphics, creative advertising and projecting a 'friendlier' customer environment.

The same is true in the Middle East, where banks have accepted that a seamless, 360-degree view of the customer will drive market share along with accessible branches that focus less on transactional banking and deliver a more lifestyle-orientated image and environment.

Retail banks are rapidly catching on that if they are to offer retail services, they have to think like retailers and look like retailers; in fact, they have to accept that they are retailers with a capital R.

Part of that process is realising that there's more to retailing than clever advertising and a stylish shop front. People matter more! The people who work in the bank, and the people they deal with – their customers.

It's all very well to create branches that are selling machines, but at the same time they must maintain a predetermined customer experience, separating messengers from actual customers and creating places that liberate customers to live the life they choose. There's nothing more counter-productive than a brand promise that does not fulfil expectations, and in many instances, the new image of banks has often proved to be no more than skin-deep. That's why staff training is such a critical part of the branding process. Simple as it sounds, staff must learn how to treat customers like human beings, see things from a customer's point of view, so that customers feel their expectations have been exceeded and that customer loyalty to the brand is reinforced at every interaction.

People matter

Effective branding and brand value are not just a matter of visual image or product presentation; not even of differentiated services. The crunch is how your staff act and behave at every contact point with customers. We call these 'Moments of Truth'.

In a market that sees more customer migration and attrition than any other in the world, finding the right talent, moulding it and maintaining it will be a key driver in the years ahead.

My sense is that businesses in the region range from true believers in people power who take staff training seriously, those who imbue their staff with their brand values, to those who pay lip service to the concept of training. At the other end of the scale are the dinosaurs who dismiss the entire concept of staff development as a wasteful expense.

Even within that range of extremes, there are still many who see HR as merely a resource, not as a key driver for growth.

If there is ever a truism to the art of successful branding, it is this: staff members in any organisation should know what their brand stands for and why from the customer's perspective.

If you are in business of any description, you are by definition a brand. And all brands must create a 'selling space' in the mind of the collective consumer.

That's why I believe that in the future CEOs will recognise that their job is 'branding'. It's not just another feel-good department and it's not a marketing ploy; it's the very essence of what makes businesses profitable and it's their key driver for growth.

This selling space creates 'lifetime loyalty'. The most invaluable of business assets can only be achieved when your people know and understand exactly what your brand exists to provide and why it's better than the competition. Only through people can this 'selling space' be delivered.

Innovation will win the day

Finding new and different, highly innovative ways of presenting and delivering financial services is the only route left for retail banks who wish to increase market share and profitability in the region.

Pretty logos, glossy brochures and expansive (and expensive) banking halls count for nothing if the product or service being provided – and the people providing them – do not match up to the implied promise of the projected image. Customer loyalty is more volatile than ever before, and customers will vote with their feet if their expectations are not met.

This fickle nature is not just typical of a new generation of consumers: it is a product of aggressive marketing – prompting a greater willingness to try alternative providers. Customers have become more prepared to shop around, to pick and mix what seems to be the best short-term option, and long-term loyalty is the loser.

Paradoxically, when customers do find a brand that keeps its promise, when they experience service that's out of the ordinary, they are so pleasantly surprised that they build a bond of trust with that brand and consistently come back for more.

To achieve this happy state of affairs means getting creative in a manner that, admittedly, is hard to find. I'm not suggesting that the region does not have good creative agencies, but I do think that currently there is too strong a tendency to plagiarise western concepts.

This tendency has worked so far, but can't possibly continue quite simply because all brands, shops, branches and advertising are beginning to look far too similar. The superficial glitz is much of a sameness common to all, lacking distinctive differentiation particularly at the human level.

Just creating another nice, shiny new branch is no longer enough to compete effectively in this young, fresh and vibrant market place, where consumers know quality brands and go out of their way to identify with them.

In this context, look out for an emerging trend to strategically-led innovation, a concept that to date has been undervalued in the Middle East. Like all trends here that are 'cool' driven, it will quickly gain critical mass.

MW

Aubrey Ghose is the founder of BrandLab and has worked in brand design consulting for more than 20 years. BrandLab operates from offices in London and Barcelona, specialisng in developing corporate image, architecture and branch design for banks, as well as store design for retailers. For more about COOL Branding, contact Sarah Game at sara@aisbrandlab.com

Another breather for investors

Business investors in the UAE were given a breather last month as the enforcement of Combating Commercial Concealment Law, which would have made illegal certain arrangements between local sponsors and expatriate investors in the UAE, was deferred for another two years. **Martin Saldamando** takes a close look at the delicate issues involved with this law.

The UAE federal government has been working hard to implement new corporate and commercial laws without upsetting the local economy. Critics, however, say that the government's delay in revising the Commercial Companies Law, in line with earlier promises, is hampering the progress of integration of the UAE with that of the global economy.

When seen in context with global political and economic changes, however, it may be the right policy to move cautiously. Last month, a sense of urgency was injected into the hearts and minds of Dubai's expatriate business community when it was reported that the Federal Law No. 17 of 2004 on Combating of Commercial Concealment would be implemented.

Like most laws, it is little known outside of legal circles, and yet this particular law is anomalous because it is destined for notoriety once it becomes operative. It has been on the statute books since 2004, but the government decided that the law would be held in abeyance for three years until November 15, 2007, effectively giving the local business community a three-year amnesty.

As November 15, 2007 approached, speculation was rife that there would be chaos, with all local media reporting and even broadcasting special programmes on how the law would have a major impact on a certain practice - a common method by which expatriate investors seek to conduct their business dealings in the UAE, which is by setting up side agreements.

Side Agreements

In order for a foreigner to own 100 per cent of their business in the UAE, there are only a couple of options.

The first option is for an entrepreneur who works in a profession that provides a service. Examples are dentists, doctors, lawyers and project managers. Professionals like these can operate in the UAE under what is known as a professional licence.

A professional licence allows an expatriate to have a licence in his own name. One of the set-up requirements is to have a Service Agent Agreement with a local UAE-national, who will provide government liaison services for a retainer fee.

Another option for an expatriate business investor to own his company 100 per cent in Dubai and the northern emirates is by taking out an office lease in a free zone. The caveat here is that free zone companies cannot operate in the 'onshore' UAE market; they can only transact, buy and sell their goods and services internationally.

If an expatriate investor wants to operate in the 'onshore' UAE market, he is required to set up a Limited Liability Company (an LLC), and under the requirements for LLCs found in the UAE Commercial Companies Law, such require the foreign investor to have a UAE local partner who owns at least 51 per cent of the shares of the company.

Over time, a practice developed in the UAE giving some assurances to foreign investors that, in effect, they can manage and control the conduct of their company one hundred per cent by drafting side agreements.

This 'win-win' agreement works for both parties in that it allows the foreign investor to manage and control the company and its affairs without interference, and also assures the UAE local sponsor that he will not be responsible for the debts of the company if the company fails.

These side agreements are private arrangements between the parties; they are not notarised and are not recognised officially by the law.

The Combating of Commercial Concealment Law has been promulgated to render the above-mentioned practice a criminal offence, labelling it as concealment or screening the true nature of the business structure from the authorities, and therefore illegal under the law.

Penalties

The law imposes criminal liability on both the UAE and overseas parties, with possible penalties including fines (up to approximately US$30,000 per offence), revocation of the trade licence of the company for up to two years, imprisonment (two years maximum) and deportation for the foreign partner.

A raft of possible company re-structuring steps have been debated by local UAE-based lawyers for some time, and some legal consultants claim that with careful drafting, it is possible to stay within the boundaries of the law whilst maximising flexibility and control for the expatriate investor.

Legally permitted mechanisms suggested include setting a higher threshold (for example 75 per cent) that needs to be reached in favour of any resolution before it is passed, thereby effectively giving both parties mutual blocking rights at shareholder level. Other suggested measures have been, subject to notary approval, splitting profits at a ratio of 80:20 in favour of the expatriate investor in Dubai. In Abu Dhabi, this split increases to 90:10. It has been also suggested that share capital could be kept at a minimum, with additional working capital being contributed by way of shareholder loans and management rights being entrenched contractually in favour of the expatriate investor.

Lawyers are quick to point out that there is no guarantee that these agreements would be enforceable, but they do offer some comfort and should enable overseas parties to invest in the UAE without falling foul of the Combating Commercial Concealment Law.

However, there are strong indications that major changes to the UAE Commercial Companies Law will supersede the effect of this law altogether. It all depends on which will come first. Like the chicken and egg riddle, this simple question also has deeper significance.

For example, if the imminent amendment to the law raises the threshold that a foreigner can own in his or her own LLC company, it empowers expatriates to re-negotiate the terms of their partnerships to make sure they are in tune with the law. Expatriate investors would be able to own majority shareholding without concealing the facts about their company structure.

So far, a quick and direct solution like the above-mentioned seems to be eluding the UAE ministry of economy, which is also seen to be embroiled in a consensus-building process with the private sector on how to pursue trade agreements with foreign countries. It seems that the pieces are being put in place cautiously. The start-stop manner of development is indicative of a fine tuning exercise.

Moves by the government so far have reflected the view that a phased manner implementation of major changes is best. While it is certainly less abrupt, delays and false starts keep the business community in a state of trying to guess where the future will place them and their circumstances.

The Free Trade Agreement negotiations between the UAE and the USA, as well as those with the European Union, have gone on for more than two years now, mostly on an informal basis, due to the contentiousness of finding an agreement.

The US demands labour market reforms in the UAE and that the UAE government further opens up the services sector to foreign investors, for example the telecommunications sector.

The US would also like the UAE to amend the Commercial Companies Law to allow 100 per cent foreign ownership everywhere in the country, and not just in the free zones. This is also a must in order for the UAE to be able to honour its commitments to the World Trade Organisation.

Another sticking point is changing the Agency Law to eliminate the requirement for most types of business activities to require a UAE local agent in order to operate onshore in the country.

However, the Bush administration's special powers to approve such pacts have already expired. So it is doubtful that the US FTA is still a priority for the UAE government.

Similarly, the demand from the Europeans is that the UAE government must do more to open their markets further to EU companies and eliminate the limit on a foreigner's ownership in an LLC.

There have been a number of recent reports from the UAE ministry of economy, which oversees the Commercial Companies Law, to the effect that the threshold limits on expatriate share ownership in an LLC are soon going to be changed, and that an amendment in this regard to the law is imminent. Last June came a further announcement from the ministry that full 100 per cent foreign ownership in services may be allowed to companies in parts of the UAE's financial sector.

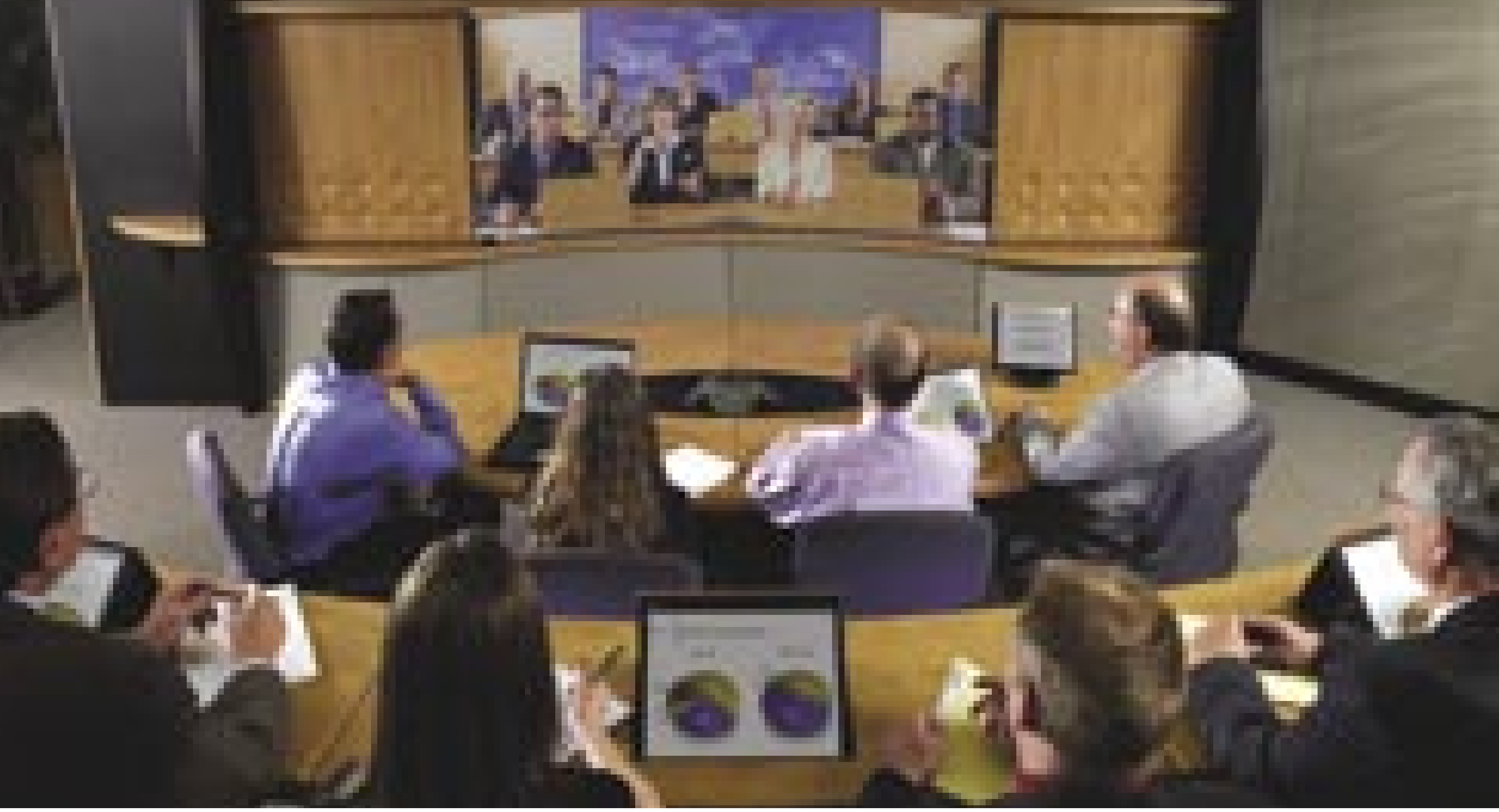
In the meantime, a number of expatriate investors continue to circumvent the full 100 per cent ownership restrictions on their operations by drafting side agreements. Some UAE nationals derive their entire income from such side agreements, and won't be happy with a law that criminalises these agreements. Side agreements have enabled many Emiratis to earn revenue from business activities in which they couldn't afford to participate before. They haven't had to put any start-up capital in the business, and they are only a partner in name.

Not ready yet

According to press reports published a few weeks before the law was due to become operable, the UAE Cabinet produced resolution No. 229 12, which again defers the enforcement of the Combating Commercial Concealment Law for another two years, until December 31, 2009.

This is further indicative of the fine tuning scenario mentioned above.

So which will come first? Will it be the carrot or the stick? It seems likely that the amended Commercial Companies Law may indeed come first.



Seeing is now believing

The reduction of business travel allowed by visual collaboration tools is a major bonus for financial and non-financial institutions. These tools are becoming increasingly mainstream as they help to cut travel costs drastically. **Kara Sensoli** reports from Paris.

Social trends in the workplace are changing. Employers are experimenting with flexible hours and locations for their employees, executives and their managers are working in separate offices and managers are continuously away from the main office. To sum it up, teams are no longer physically in one place at the same time.

This trend is further complicated by the fact that businesses are facing more global competition, mergers and acquisitions are increasing and multinational workforces are becoming the norm. With the employees of today's small and large enterprises dispersed all over the world, one must wonder how they are able to communicate with one another effectively.

For companies with employees who have grown weary of taxing business trips, endless cycles of voice mail and fruitless e-mail exchanges, videoconferencing and visual collaboration tools may be the way to boost productivity and overall competitiveness.

According to Robert Stead, EMEA marketing director of leading worldwide communication and collaboration solutions provider Polycom Inc, high-end visual collaboration tools are moving away from being seen only as specialist, niche-based instruments and are becoming increasingly mainstream.

"It will happen because of the simple benefit of being able to communicate more effectively," says Stead. "The idea is to achieve a much higher quality of interaction, because when you improve the quality of interaction, much more is happening as a result."

Polycom's video-based products include high-definition executive desktop systems and room-based systems for videoconferencing, audio and content sharing. These products are aimed at creating a virtual experience for end-users that is as natural as being in the same room, face-to-face, with other end-users.

While tabletop conference phones and voice systems are also on offer, Stead has seen a far more positive response from those using video-based systems. "The changes you see in the effectiveness of negotiation are striking when you move from a telephone base to a video base. Dispute resolution improves enormously," he says.

Because body language and facial expressions are such an integral part of communication, it is easy to see why executives prefer the option of being face-to-face with their counterparts. Moreover, when the ability of workers to resolve disputes and come to decisions is enhanced, businesses often find themselves profiting.

Many studies have indicated that electronic meeting tools enable globally-dispersed teams to come to faster decisions and deliver new products and services to the market more quickly. As workers can also integrate these tools into their normal work routines, overall efficiency is increased and much needed time is not wasted.

The reduction of business travel allowed by visual collaboration tools is also a major bonus for companies, not only because their costs associated with airfare, hotels, meals and car services are reduced, but also because their employees are not forced to deal with the stress, fatigue and loss of time brought on by excessive travel. As a result, employees are able to be more productive and remain more satisfied with the quality of their lives.

Beyond basic solutions

While increasing numbers of enterprises have continued to invest in videoconferencing systems, many have balked due to complaints about video calls being too difficult to set up or video calls being unreliable and inconsistent in the quality of audio and video. The past couple of years have, however, seen traditional systems come a long way.

Telepresence, the latest solution to catch the eye of large enterprises, is a videoconferencing experience that truly creates the illusion of being in the same room as remote participants. It is an interactive system that uses technological elements and environmental design to ensure that it is extremely high-performing, reliable, comfortable and easy to use.

Telepresence solutions seek to eliminate the technology-heavy elements present in traditional systems so that the user's virtual experience is as real as possible. Cameras, microphones, speakers and remote controls are removed from the user's view so that there are no distractions.

Polycom's telepresence solution, the RPX HD, maintains the illusion of limited technology with two to four mini high-definition cameras that are embedded behind the video wall, enabling eye-to-eye contact. Stereo speakers are also out of view and are mounted above the video wall.

This experience is maintained in an all-inclusive video suite complete with furniture, custom carpeting and wall paint, studio-quality lighting and acoustic walls. The cinematic video screen shows participants in life-sized dimensions and the extremely high video resolution reveals every detail of the remote location.

The RPX HD also has ceiling-mounted digital microphones that allow the user to identify who is speaking, as sounds from multiple people in the room come from different directions. The sound quality is incredibly clear, while audio and video signals are synchronized with no noticeable delay.

To operate this system and connect to a remote location, the user just has to press a button. The touch control panel controls audio and video dialing and also serves as a link to the managed services help desk, which includes call scheduling and suite reservation services, call management and remote monitoring.

An added bonus to Polycom's system is that it supports multipoint systems, which means that multiple participants can join a call from rooms with high-definition and rooms with standard-definition videoconferencing systems. Data collaboration is also supported so that laptops can share content at a moment's notice. Obviously, the new system is a vast improvement over systems of the past.

Wave of the future

Because telepresence providers are predominately focused on quality and reliability, telepresence solutions are much more costly than traditional solutions. The RPX HD, for example, starts at a basic implementation cost of US$300,000 per location. Although the industry initially viewed this price tag as a hefty one, Stead does not see the price as an issue for interested parties.

"I think the value you get out of the system is massive in comparison to the price. People work out the savings for themselves and the cost justification is very straightforward," he says. "What I find particularly interesting is that people don't choose a system on the basis of expense; they look at how well it fits their organisation and what they are going to get out of it from a communications point of view."

The real challenge telepresence providers face, it would seem, is simply increasing awareness of their product. At present, Polycom has nearly 180 telepresence systems running worldwide, with 80 systems installed this year. However, as the company has only been supplying the RPX HD for two years, these figures are just the beginning.

The GCC region is one area where Stead expects telepresence to grow quickly. Although Polycom does not have any RPX HD systems running in the region at present, the first one is expected to go live in Qatar by the end of this year, while a demo system is likely

Robert Stead

to be installed in Dubai by the first quarter of 2008. Stead says the company expects the number of systems installed in the GCC to reach double digits by the end of next year.

This expectation is further fuelled by the fact that high-definition videoconferencing is rapidly increasing around the world. In an October 2007 worldwide survey of large and small enterprises, independent market research firm Wainhouse Research found that high-definition videoconferencing has had a dramatic effect on the market in the past year.

In the firm's 2006 survey, four per cent of respondents indicated that they had some high-definition products in deployment; this figure swelled to 23 per cent in the 2007 results. The number of respondents who expected to deploy high-definition products in the next year also rose from 14 per cent in 2006 to 23 per cent in 2007.

The benefits of high-definition videoconferencing are not limited to small and large enterprises; high-definition systems are also experiencing strong growth in government, education and health care. The future of visual collaboration tools in these sectors, as well as in banking, finance, oil and gas, construction and architecture, looks very promising.

It is clear that high-definition videoconferencing and visual collaboration tools are well on their way to becoming a necessity for any organisation in need of strong communication levels. Time will tell whether these instruments will one day become as common for employees as telephones and e-mail. MW

The author's trip to the Polycom headquarters in Paris was scheduled and arranged by Polycom Inc.

Refining the opportunities in oil and gas

There are a number of permutations and combinations if the US moves towards a recession. **Matein Khalid** urges a close tracking of oil and gas shares and argues in favour of a select few here.

It is no coincidence that crude oil and gold have both surged to their all time highs last seen in the fateful winter of 1979. That was the year inflation raged out of control, the dollar plunged in a death spiral, US Treasury bill rates surged to a loan shark's 20 per cent, the Shah was driven out from his Peacock Throne by Iranian revolutionaries who besieged the US Embassy in Teheran, the Brezhnev Politburo invaded Afghanistan and a terrorist attack on the Grand Mosque in Saudi Arabia triggered panic shock waves in the Rotterdam spot market for crude oil.

Fast forward to winter 2007. Oil prices flirt ominously near US$100, the highest prices of black gold in modern times. The Wall Street credit crunch has gutted the balance sheets of the world's most powerful money centre banks and has made a credit contraction, plunge in profits and US economic recession inevitable in 2008. Wars rage in Iraq, Afghanistan, Pakistan's Frontier province and the Turkish border with Iraqi Kurdistan.

The dollar is once again in free fall on the global financial markets, as two successive rate cuts by the Federal Reserve have convinced bond traders that the stagflation scenario of the 1970s awaits us in 2008.

This is why two-year Treasury note yields (deflation risk proxy) have plunged to 3.4 per cent even while gold prices have hit US$830 and the yield curve has steepened, meaning the bond vigilantes of the Chicago debt futures pits now price an inflation risk premium. This is the antithesis of Voltaire's Dr.Pangloss's sunny forecast for the best of all possible worlds. Speculators dominate the oil markets to an extent that was impossible in 1979. After all, the NYMEX, oil swaps, London's IPE and 10,000 hedge funds with a trillion dollar daisy chain of leveraged hot money did not exist in 1979. Both OPEC and the US Congress have blamed speculators for the excessive rise in crude oil prices. Note that a five per cent fall in the dollar since August has meant a 20 per cent surge in the crude oil and gold (the classic anti-greenback hedges), the telltale indicator of leveraged speculators.

Yet speculators who have bid up crude oil fivefold since 9/11 are not guilty of "irrational exuberance". After all, oil markets have been assailed by both a supply and a demand shock in this millennium, something that did not happen in the recessionary 1970s when oil prices still quadrupled.

The emergence of China, India, Vietnam and the Asian tigers have led to a quantum, secular increase in energy demand in the highest growth Asian emerging markets that are also the most energy inefficient in the early stage of their industrialisation. Geopolitics has also raised persistent fears of supply shock. The war in Iraq, Iran's nuclear programme, Venezuela's anti-US populism and hostility to Big Oil, Russia's contract renegotiation on Suhhalin 2 and failure to increase production growth, the aging of the oil fields of Alaska and the North Sea and sabotage by secessionist Ogoni rebels in the Niger Delta that often shut down one fourth of Nigerian light sweet exports have all reawakened the ghosts of the 1970s with a vengeance.

In fact, even Mother Nature seems to favour North Sea Brent and West Texas Intermediate bulls. The last crude oil surge happened after Mexico shut down 600,000 barrels a day, a fifth of its output, due to hurricanes in the Gulf of Compeche. Hedge fund speculation, geopolitics, Chinese demand, the fall in the dollar, the Kremlin's manipulation of gas markets, Saudi Arabian production constraints have all changed the psychology and nature of the oil markets.

Yet is the panic selling in the NYSE, NASDAQ, Asian and European stock markets pointing to an American and therefore world recession in 2008? Will China's decision to raise domestic fuel prices and the People's Bank's new higher reserve requirements on bank loans reduce economic growth rates, end demand for crude oil, natural gas and industrial metals in the world's 800 pound gorilla consumer of the last resort? Will the exposure of US and European banks to the subprime crisis once again cause convulsions in the international interbank market cause bank loan growth to slow? Will the Wall Street credit crunch cause a global recession and fall in property prices, as happened in the late 1990s, when crude oil prices dropped to US$10?

In essence, I believe that crude oil prices could well be the epic casualty of two emerging but lethal macroeconomic forces the monetary squeeze in China and the consumer recession in the US.

Saudi Arabia, the proverbial central bank of oil, will do its best to offset the oil shock with higher production, exactly as it did during the past oil crisis in 1979, 1980 (Kuwait crisis) and 2003 (invasion of Iraq). If the US economy falls into recession in 2Q 2008, I can envisage oil prices falling to US$75-80, not coincidently near the 200-day moving average for WTI light sweet crude futures traded on NYMEX. So, my oil and gas strategy is defensive. One, I am bullish about refiners, who will benefit as their feedstock (crude oil) fall. This necessarily argues for a bullish case for Valero Energy, albeit at lower levels.

Attractive opportunities

Two, a fall in crude oil prices will also stimulate a takeovers wave, exactly as happened in 1999 when Exxon merged with Mobil, BP merged with Amoco and Conoco merged with Philips. This leads me to Marathon Oil, the cheapest and most attractive bid target on Wall Street. Three, special situations. This leads me to Halliburton.

Valero Energy is the leading refinery in the North America, having built its franchise via a series of acquisitions. Valero shares have fallen from their recent highs of US$78 because crack spreads, a proxy for gross refinery margins, have dropped US$30 a barrel on the Gulf Coast, the epicentre of North American refining business. Yet gasoline inventories are at five-year lows and Valero refines three million barrels of crude oil a day into gasoline and petrochemical product. Valero manages to get a higher return on invested capital than its competitors because it primarily processes heavy sour crude with high sulphur content, which is an air pollutant and is more complex and expensive to process than light sweet crude.

Refining is a highly cyclical business and, unlike Exxon or Chevron, an independent refiner like Valero has no upstream oil production and exploration business to smoothen the volatility of the earnings cycle. While Valero has fallen 10 points from its recent highs of US$78, I would only buy the share below US$60, as the surge in crude oil prices to historic highs, cost inflation in steel and engineering and a slowing economy will necessarily cause refining margins to fall. Yet Valero Energy is in the midst of an aggressive asset sale program that will see billions of dollars of excess cash return to shareholders and a rise in ROE.

For instance, Valero sold its Lima, Ohio refinery to Canadian oil and gas firm Husky Energy. Valero has also indicated its intention to sell its refinery in Aruba and sold its master limited partnerships in pipelines, terminals and storage tanks. I doubt if Valero will drop much below US$60 as its valuation is cheap at eight times forward earnings and low gasoline inventories suggest margin expansion. The wild card, of course, is a US recession which would wreck havoc with gasoline demand, as with so much else. Net-net, I see Valero in a US$58- 80 range next year.

I believe the coming fall in crude oil prices makes it dangerous to buy shares of the integrated oil majors such as Exxon Mobil, Chevron, Total and Conoco Philips at current levels.

However, midsize oil and gas companies with a refining franchise that could be takeover bait are an exception. Marathon Oil in the US$50- 54 range could well prove profitable for value investors. Why? One, its valuation metrics are at an attractive discount to Big Oil. Marathon trades at six times EV/EBIDTA and a price/earnings ratio of 6.5. This makes Marathon one of the cheapest oil companies in the world.

Two, Marathon is one of the few oil companies that is expanding its production volumes and has proven reserves, unlike its bigger Big Oil peers. It has valuable assets in Norway, Libya, Angola, LNG in Equitorial Guinea and the Canadian oil sands in Alberta with its acquisition of Western Oil Sands. These could well prove compelling for a Big Oil bidder, as Unocal's reserves in Southeast Asia proved for Chevron. Three, Marathon Oil has one of the highest free cash flows in the oil patch at 7.7 per cent and a 30 per cent return on shareholder equity.

These are incredible metrics when combined with dirt cheap valuations. Four, Marathon is exposed to all the most attractive themes in the oil and gas business- deepwater (Angola), LNG (Guinea) and oil sands (Alberta).

Naturally, Marathon has among the highest reserve replacement ratios in the kingdom of black gold. Its production growth is higher than Oxy, Apache, Exxon, Chevron, Amerada Hess, Shell and BP. Six, Marathon has refining assets, a pipeline business, a fuel trading franchise and is one of the world's leading ethanol blenders, making its franchise a strategic prize for any of the world's leading Seven Sister oil colossi. Sometime in 2008, Marathon Oil could well be the target for a takeover bid by a Big Oil CEO. MW

Integrating the Gulf with Emerging Stock Markets

The steep rise of emerging markets, especially India and China, pose more downside risk than upside potential. It's time to add GCC to mitigate the risk, says **M.R. Raghu** and **Amrith Mukkamala**.

The year 2007 has turned out to be the fifth consecutive year of positive performance for Global Emerging Markets (GEMs). GEMs grew at a 37 per cent CAGR between 2003 and October 2007. But in our analysis and opinion, albeit due to unforeseen geopolitical developments, there is a strong re-rating of GEM by global investors.

Net private flows to GEMs have grown at the rate of 17 per cent every year since 1990 and touched half a trillion US dollars in year 2006, no small amount by any measure. During the last few decades, GEM economies have attained critical mass and today represent nearly 80 per cent of the world population, 20 per cent of the global economy and 15 per cent of global stock market capitalisation.

Today nearly 50 per cent of global growth comes from Asia alone, with China accounting for a lion's share, while one in ten Fortune 500 companies comes from emerging markets. And these are hard facts and not hypothesis. No wonder that the level of institutional investor interest (hedge funds and pension funds, particularly) has seen a quantum jump supporting the strong capital flows into these markets. In fact, most of the emerging markets have deepened considerably and have grown significantly in terms of resilience in order to manage external shocks – were this to happen.

Also, the average annual inflation rates for emerging markets during the period 1998-2007 have been at 6.7 per cent, at an altogether different level than the 53.5 per cent that prevailed during 1988-1997!

But are we seeing the good things happening a bit too fast?

Too much too fast

Within a span of four days the barometer for the Indian stock market, the BSE Sensitive Index (Sensex), zoomed from 18,000 to 19,000. Similarly, the Shanghai Index witnessed a spike from 6,000–7,000 in a matter of 36 days. (Figure 1) These spectacular rises in both markets that together constitute 24 per cent of the total market cap of emerging markets have raised concerns on the future directional course of emerging markets as a whole.

Liquidity at the core of it

Significantly, the structural re-rating of GEM ensured the flow of hot money into India and China. An economy such as India that had seen virtually zero worthwhile foreign investment of any kind until 1992 has witnessed inflows of an unimaginable scale over the last three years. India's average annual foreign equity portfolio investment was US$1.7 billion for a period of 26 years (1978-2004). Contrast this with US$11 billion of investment in the year 2006 alone! (Figure 2).

China's situation is not dissimilar. China has seen more foreign direct investment than portfolio equity investment primarily due to the limited role the stock markets played in the capital allocation process. However, this trend broke loose in 2005 when portfolio investments surged beyond imaginable proportions. China's annual average portfolio investment for the period 1978-2004 was just US$1.7 billion. Investments in the year 2006 alone exceeded US$42 billion.

Super rich valuation

This flow of hot money into stock markets has resulted in fundamentals and valuations taking the back seat and liquidity taking the driver's seat. Due to this change in stock market dynamics, the time taken by the market to cross vital milestones (index levels) has shortened. This is a cause for concern.

As history suggests, the tail end of all bull runs has demonstrated a shortening in this crucial time scale. We can observe this pattern with the NASDAQ, the Nikkei and Saudi Arabia. Bubbles that accelerate at breakneck speed also crash at a similar speed. For example, the Nikkei took just 70 days to lose 10,000 points while it took 556 days to earn them! Closer to home, Saudi Arabia (Figure 3) provides a classic example similar to other crashes. For the Tadawul index to descend from its historic peak of 20,000 points to 8,000 points took a mere 93 days, while the ascent from 8,000 to 20,000 took 309 days!

This scenario has resulted in money chasing markets that become overheated, causing the bubble to expand, fit to burst. Technically we define a situation as a bubble when it violates certain norms. In this case, a good place to verify that would be valuation. The rampant flow of liquidity in these economies has stretched valuation limits beyond sustainable means. This phenomenon has been observed in other bubbles that have burst. For example, at the peak of its bubble, Saudi Arabia's P/E touched 40, only to settle at its current level of around 15, as was the case with the NASDAQ and the Nikkei.

An inspection of P/Es (MSCI PE Multiples) across markets reveal that China, at nearly 30 times, is in the super-hot zone along with Morocco and Chile, while India, with a P/E of 24, has migrated to the hot zone within a span of three months. Most of the emerging markets, including India and China, trade far higher than their historical average. Based on a five-year average, only one market (Peru) is trading below its historical P/E average. Leading the unattractive pack are China, Argentina, Brazil, India and Indonesia. (Figure 4)

The solution

GCC economies have entered into a new era. For a long period, volatility in oil prices has induced considerable uncertainty for policy planners in the GCC region. Even now, we can see the effect with some governments announcing their budget with US$30/barrel as oil price assumption. In our analysis, oil prices have already been re-rated to the level of US$40-US$60 band given the structural shift in demand and supply factors alongside geopolitical concerns. The implication of this is already seen in that Middle East oil exporters in 2007 will run the largest current account surpluses (US$300 billion) followed by China (US$207 billion), Japan (US$163 billion)

Figure 1

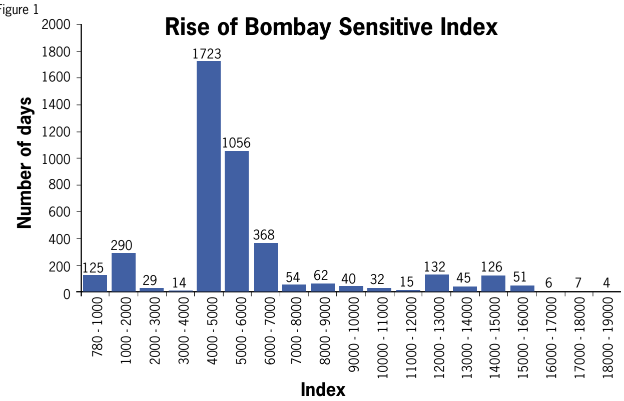
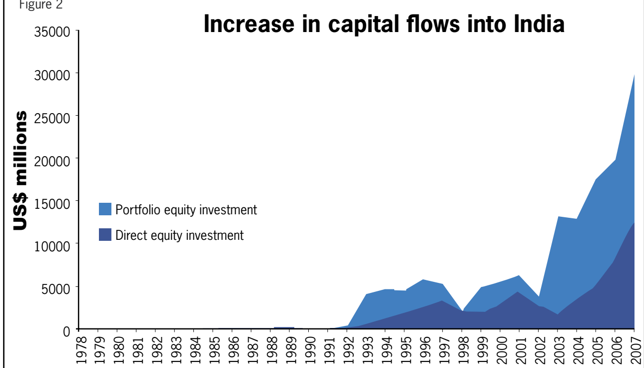


Figure 2



Source: Markaz Research, Institute of International Finance

Figure 3

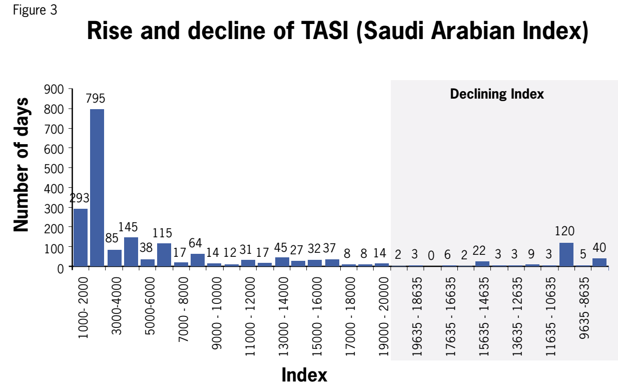
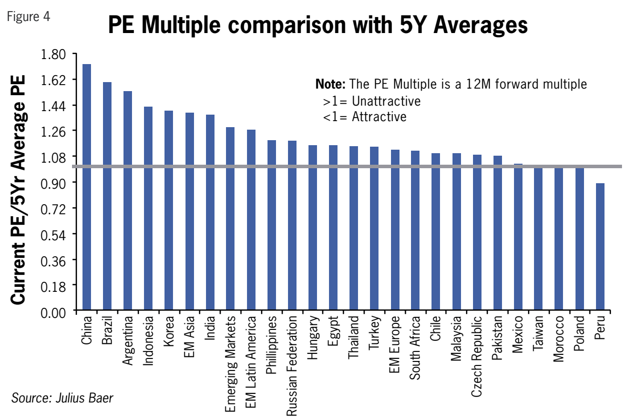


Figure 4



Source: Julius Baer

Figure 5 **Performance of combined portfolio (Jan. 02 – Sept. 07)**

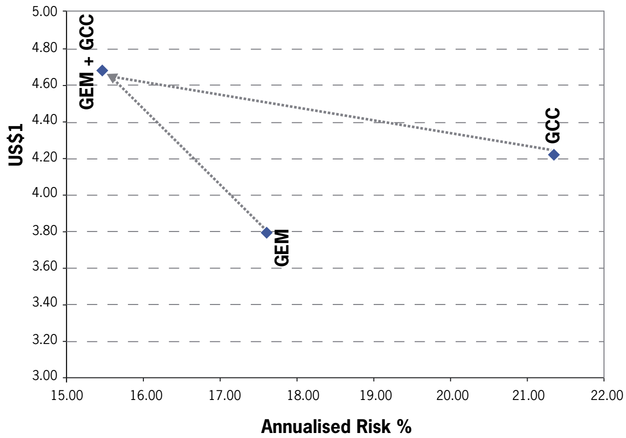


Figure 6
Snapshot of Correlation of GCC markets to S&P 500 & EM

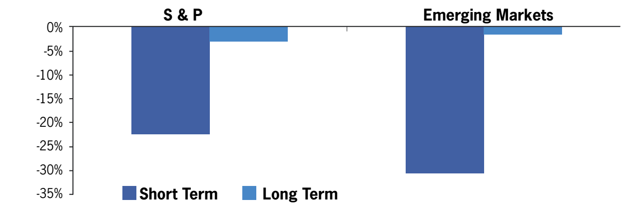
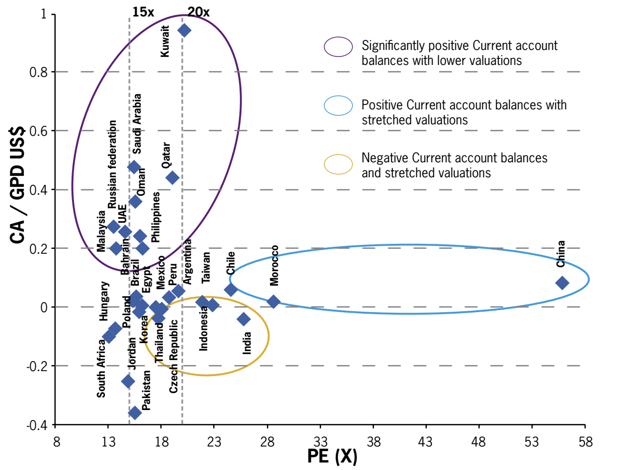


Figure 7
Current Account Surpluses/GDP and PE Perspective



PE is as of october 2007, FY06 Earnings

and the CIS (US$139 billion). Their inability to absorb this windfall is a blessing in disguise as it allows for gradual development of equity markets, which provides an additional opportunity for investors.

Presently, GCC stock markets are not included in the MSCI Emerging Market Index primarily because they are mostly closed to foreign investors for direct participation. However, all GCC stock markets are accessible through mutual funds.

There are several important considerations as to why GCC markets should find a place in the emerging market portfolio:

• GCC markets have exhibited solid risk-adjusted returns, much better than all other emerging market counterparts. Combining GCC and emerging markets results in reduction of risk and enhancing returns. (Figure 5)

• GCC stock market valuations look very attractive at current levels relative to emerging markets. Nearly a quarter of the emerging market universe has moved into the super hot zone of valuation, while three-quarters of GCC universe trade within the normal/attractive zone (Table 1). The P/E's considered here are those of MSCI indices, which take into account only stocks available for foreign buyers. Local indices indicate even more grim picture, especially for China whose P/E is touching 60! Contrast this with Saudi Arabia (Tadawul Index), whose P/E is now at 15.

• GCC stock markets enjoy negative correlation with emerging markets (both in the short term {the last 12 months} and long term {from 2002 until September 2007}). It is interesting to note that during the last 12 months, negative correlation increased for emerging markets and the S&P 500 compared to the GCC providing a good de-risking opportunity to global investors. (Figure 6)

• All GCC economies enjoy excellent current account surplus. This, combined with low valuations, makes the proposition doubly interesting. (Figure 7)

It is true that emerging markets are undergoing a secular re-rating on the back of strong economic growth, increased share of global growth and strong capital flows, all of which are providing the needed resilience to external shocks. However, what is causing concern is not the merit of the case per se, but the speed.

Inclusion of GCC stock markets may offer the needed soother at this stage. While the GCC enjoys some of the same positives as that of emerging markets (high economic growth, excellent current account position, massive infrastructure investments), it offers additional protection of reasonable valuation and negative correlation. Re-rating of oil prices to a new band of US$50-70/barrel from the earlier band of US$10-US$30 provides a solid platform for reaping higher rewards with lower risk.

Table 1: **Classification of markets in terms of Valuation**

P/E Zone	% of GCC market cap weight	% of MSCI EM weights
Super hot (PE more than 25x FY06 EPS)	0	23
Hot (PE more than 20x FY06 EPS and less than 25x)	23	14
Normal (PE more than 15x FY06 EPS and lesser than 20x)	52	42
Attractive (PE lesser than 15x)	25	17

Source: Markaz Research, Julius Baer

Disclaimer: M.R. Raghu is senior vice president of research at Kuwait Financial Centre (Markaz), while Amrith Mukkamala is a research analyst.

du to beef up distribution

The UAE's second telecom operator du is on course to be profitable within the first three years of its launch, according to CEO Osman Sultan. He also tells **Kara Sensoli** that in 2008, the company will focus on opening more retail shops and beefing up distribution.

No one thought it would be easy for telecommunications service provider du to enter a market so heavily penetrated by one well-established operator. Nevertheless, though du is still a long way from its aim of becoming the first-choice provider for communications solutions in the UAE, the new operator is ahead of plan and remains optimistic about its growth prospects.

Since the launch of its services in February 2007, du has acquired more than a million mobile phone subscribers, while fixed lines have surpassed 100,000 in the limited area serviced by du. If this mobile subscriber count is compared to the 6.2 million figure recently announced by Etisalat, then du now has a little less than 15 per cent of the mobile phone market.

According to the company's CEO, Osman Sultan, du still intends to have 30 per cent of the mobile phone market by the end of 2009. However, because the operator's numbers have already surpassed what was originally anticipated, Sultan says du is likely to meet its target even sooner.

One factor that has allowed du to generate so much early interest is simply that it is a new alternative in a market long accustomed to virtually no consumer choice. Even before the operator's mobile services were launched, du saw 750,000 numbers booked from around 500,000 consumers and enterprises during its three-month, pre-launch registration period.

While many of these consumers showed disappointment upon learning that du's tariffs would not differ much from Etisalat's, du's initial thank you offer to pre-registered subscribers was enough to tempt some of them to follow through with the switch.

This offer included free credit equal to subscribers' connection fees, a waiver of postpaid monthly subscription charges for three years and a waiver of yearly subscription fees for prepaid users for two years.

While du's newness will inevitably wear off, the operator seems intent on maintaining its image as the provider that will offer a fresh approach and innovative products. In the months since its launch, du has focused on supplying new services and a better customer experience, which will likely keep du in the public eye and spur its future growth.

"We have brought a number of firsts to the market," comments Sultan. "We were the first to launch mobile payment, we were the first to launch mobile TV, we were the first to launch a full online e-shop capability and we were the first to launch a full online self-care capability. I think all this indicates that we really want to offer a different approach."

WoW, the new recharge card from du, is another "first" that has given the operator momentum in the market. Instead of the single option provided by Etisalat's recharge cards, WoW gives customers two options – more credit or more time – when they recharge their mobile lines. WoW customers can also receive an extra credit of 20 per cent until the end of this year.

While it is unlikely that du and Etisalat will ever engage in a cutthroat price war, Sultan has made it clear that du has not refrained from competing on price and that the operator will stay competitive by continuously striving to offer more or better value for money.

Some of the products du has introduced to fit this bill include pay by the second for mobile and fixed

A brief background

On December 31, 2005, du acquired from Tecom Investments FZ LLC the business and assets of Sama Communications Company, DIC Telecom (International Operations) and its technology division. Under this deal, du acquired an initial subscriber base of 19,100. This gave the company a solid foundation to launch its integrated telecommunications services in the UAE.

On February 12, 2006, the Telecommunications Regulatory Authority and du signed a 20-year license to provide wireline, wireless, international and data telecommunications services across the entire country.

In April 2006, du was listed on the Dubai Financial Market through sale by the founding shareholders of 20 per cent of the issued and paid up share capital of the company.

Du has an authorised, issued and paid up capital of AED4 billion, which it is actively trying to increase. The company is owned 40 per cent by the Federal Government, 40 per cent divided equally between Mubadala Development Company and Tecom Investment and 20 per cent by public shareholders.

Du's current share price is AED4.86 (at the time of going to press).

lines, AED154 in credit given back to customers who have paid the AED155 to obtain a mobile sim and free time giving customers an extra one fil for every second they pay on international calls, often resulting in a 60 per cent discount for certain locations.

On the possibility of lowering prices, Sultan says that prices need to be looked at constantly and that du will have to wait and see how the market evolves. He adds, however, that customers can expect competition between the two operators to play fully on all dimensions, including pricing.

Osman Sultan, CEO, du

The road ahead

One of the biggest challenges du will face in the coming months is developing and optimising its network to meet growth and demand. Since February this year, du's network infrastructure has been multiplied by two in terms of quantity.

Du's infrastructure currently covers between 85 and 95 per cent of the UAE's populated areas. According to Sultan, the operator is adding new base stations every day, but ultimately, expansion will take time.

"We understand that customers are comparing our one-year network to a network that took more than 30 years to build," he says. "This is fair enough. We know it is our challenge and that we need to commit to rapid improvement."

Du will also use the coming months to focus on opening more retail shops and signing agreements with more distribution partners in order to be closer to customers. At present, du has 11 shops and kiosks, 90 premium dealers to supply services and over 1,000 other points of sale.

Sultan says that at this time, the operator has four or five shops under construction and another four or five planned. By the end of 2008, du will have around 20 retail shops up and running in the UAE.

Another initiative being looked at for 2008 is the improvement of du's customer care. At present, the operator is engaged in surveying the market in order to assess potential demand, carrying out drive tests to ensure the network and running intensive mystery shopper and caller campaigns to guarantee customer satisfaction.

"It is a challenge every day, but we are very excited, committed and passionate, and we have full confidence that with the talents we have in our company and that with the approach that we are taking, we are doing the right things," says Sultan.

There is presently a great deal of potential for du or any other operator in the UAE telecom sector, which is predicted to see year-on-year double-digit growth in the next few years. Sultan, like many others, believes that the arrival of a third telecommunications provider in the UAE is inevitable. However, he doubts that du would feel threatened by this arrival.

"I don't believe in protection from competition," he says. "Competition is meant to increase. The only valid protection you can have is to delight your customers, and we are always working towards that."

In terms of revenue growth, Sultan feels that this year's figures have been very encouraging and that the company is completely on plan in its aim to turn profitable within the first three years of launching.

"When you look at the telecom, IT and IP world, it's promising a lot of changes. I think that this environment and technology as an enabler will surprise us, but regardless of format, I am sure and confident that du will be a shining star company in this part of the world," he says.

Performance

During the first quarter of 2007, du sold in excess of 250,000 mobiles. The company reported revenues of AED183.2 million for the quarter.

By June 30, 2007, du had signed up over 553,000 mobile subscribers. Second quarter results showed net sales revenue growth of 184 per cent to AED302.3 million, bringing total revenues for the six month period of 2007 to AED485.5 million.

As of September 30, 2007, du's customer base had exceeded 880,000 subscribers. Net sales revenue for the third quarter of 2007 at AED412 million represents an increase of 36 per cent over that achieved in quarter two and brings the total nine-month revenue to AED898 million.

ADNH to benefit from tourism

Abu Dhabi National Hotels Company (ADNH) is trading way below its global peers. The stock could see a re-rating, according to **Lee Yong Wei**.

Abu Dhabi National Hotels Company (ADNH) is a leisure and hospitality conglomerate that operates a suite of hotels based mostly in the emirate of Abu Dhabi. It also operates related industries, namely transportation and catering.

The roots of the company date back to 1978 when it purchased three hotels from the government. Since then, it has expanded the network and, to date, its portfolio includes 14 hotels managed under the brands of Hilton, Sheraton, Le Meridian and Al Diar.

Abu Dhabi National Hotels Company was listed in the Abu Dhabi Securities Market in 2000. Its main shareholder, Abu Dhabi Investment Council, owns 17.5 per cent of the company. The remaining shares are held by the public.

Business overview

Hotel Division: ADNH currently owns and operates four 5-star hotels, namely Hilton Al Ain and Abu Dhabi, Sheraton Abu Dhabi and Le Meridian Abu Dhabi. In addition, the company operates nine executive apartments under the brand of Al Diar. For 2006, its available bed days is estimated to be more than 800,000 from a suite of over 2,300 rooms.

Its pipeline of capacity due to come on-stream between 2008 and 2010 includes the 450-bed Sofitel Jumeirah, 350-bed Al Diar New Gulf and Resort Hotel in Abu Dhabi and a 400-bed resort on Saadiyat Island.

In terms of earnings contribution, the hotel operations account for 50 per cent of revenue but 75 per cent of operating profit (9M07). The hotel business commands a healthy operating profit margin of 45 per cent.

Catering and Contract Services Division: In a period of two decades, the catering division has grown substantially and today, it produces millions of meals annually for educational institutions, defense and civilian hospitals, onshore and offshore accommodations camps and platforms associated with the petroleum and gas industry and islands in the Arabian Gulf as well as in-flight catering for two international airports. To improve the quality of its service, ADNH created a joint venture in 2001 with Compass, the UK based catering group, for its catering interests. Compass Group is the world's largest catering and services company, operating in over 94 countries.

In addition to catering, ADNH also provides cleaning services at airports and hotels, and manages the award-winning duty-free complex at Abu Dhabi International Airport and sister operations in Al Ain.

In terms of earnings contribution, the catering and contract services division accounts for 39 per cent of revenue and 22 per cent of operating profit (9M07). The business commands an operating margin of 17 per cent.

Transport Services Division: To complement the hotel business, ADNH started a tour company called Sunshine Tours in 1996. This business operates guided tours in the UAE. In the same period, ADNH started Al Ghazal, a limousine service that would transport hotel guests to other emirates in the UAE.

The transport services division is the smallest income contributor to the group. In the nine-month results of 2007, this division accounted for 11 per cent of sales revenue and three per cent of operating profit. Its operating profit margin was eight per cent.

Results overview

For the hotel operations, its 9M07 revenue grew by 16 per cent from a year ago to AED472 million. Its operating profit, however, grew by a significant 51 per cent year-on-year to AED211 million. Its operating margin improved from 34 per cent last year to 45 per cent for the first nine months this year.

For the catering and contract services division, the 9M07 revenue was flat compared to the same period in 2006 at AED367 million. There was also no improvement over last year in the operating profit at AED61 million.

For the transport services division, the 9M07 revenue came in at AED106 million, a growth of 50 per cent year-on-year. Its contribution at the operating profit level is small at AED9 million, which was an improvement of 130 per cent from 2006.

In aggregate, 9M07 revenues were AED946 million, 12 per cent higher than last year. But its operating profits (before corporate expenses) at AED281 million were 37 per cent higher than the previous year.

Below the operating line, ADNH has a rather volatile contribution from investment income. For 9M07, this was AED65 million, compared to AED11 million last year. The investment income is 21 per cent of total net income.

In summary, net profit for 9M07 was AED328 million, an improvement of 63 per cent from the previous year, helped largely by strong performance in the hotel division and a significant improvement in investment income.

For the three months ending September 2007, the net profit was down by six per cent year-on-year to AED66 million. This was affected by slower growth in sales, rising depreciation charge and a weaker investment income contribution compared to 3Q06. It should be highlighted that for the third quarter of 2007, Ramadan started about two weeks earlier than last year and it is likely that this had a negative impact on the group operations.

Balance Sheet

ADNH has a particularly strong balance sheet. Since September 2007, it was in a net cash position of AED1,693 million, including investments. This is 69 per cent of its shareholders' equity. Its shareholders' fund alone accounts for 88 per cent of the total assets. Its investment assets, both current and non-current, amount to AED1,149 million, which explains the sharp movement in investment income in the income statement during periods of volatility in asset prices.

Looking ahead

ADNH's earnings are a proxy to tourism activities in the UAE. With the aggressive plans put in place by the Abu Dhabi government to grow its contribution from tourism, ADNH is in a good position to benefit in all its operating divisions. Hotel occupancy rates in Dubai are estimated to be above 85 per cent. In Abu Dhabi, it would be conservative to estimate that its hotel occupancy rate will mirror that of Dubai. This leaves room for revenue per available bed to increase, improving margins further.

Valuation and performance

ADNH's share price appreciated considerably in the month of October, outperforming the Abu Dhabi Securities Market. However, at AED8.50 per share, the stock is trading at an estimated 2008 PER of 11.5x. This makes the stock considerably cheaper than its global peers, most of whom are trading close to 20x PER for 2008. Some investors who have enjoyed the rally in the share price may start to book in their profits, resulting in short term weakness in the share price. This should provide attractive entry levels for medium to long-term shareholders.

For 2008 and 2009, ADNH should be able to achieve earnings growth of 15 per cent per annum fairly easily on the back of capacity additions and rising yields.

Conclusion

Over the medium to long term, investors in ADNH should be well rewarded due to its robust earnings growth based on rising tourism in Abu Dhabi, as well as possible re-rating of the stock closer to its global peers. One disadvantage for ADNH is that the stock is quite tightly held by existing investors. This could result in high volatility in its share price as liquidity finds its way in and out of the stock. However, fundamental investors are likely to look beyond these technical factors and focus on the core attractiveness of the stock.

The writer is a senior fund manager with EIS Asset Management.

Abu Dhabi National Hotels Earnings

Income Statement

Y/E Dec, AED (Millions)	FY05	FY06	FY07	FY08
Sales				
Hotel	462	567	634	829
Catering and contract services	544	535	551	579
Transport services	68	95	119	142
Total sales	**1,074**	**1,196**	**1,304**	**1,550**
% change YoY		**11.3%**	**9.0%**	**18.9%**
COGS	(759)	(822)	(830)	(962)
Gross profit	**316**	**374**	**474**	**588**
% change YoY		18.5%	26.7%	24.1%
GP margin	29.4%	31.3%	36.3%	37.9%
Operating expenses				
General and administration expenses	(25)	(23)	(25)	(30)
Depreciation	(72)	(85)	(89)	(98)
Total operating expenses	**(98)**	**(108)**	**(114)**	**(128)**
% change YoY		10.5%	6.2%	11.8%
Operating expenses/sales	9.1%	9.0%	8.8%	8.3%
Operating income	218	266	359	460
% change YoY		22.0%	35.0%	28.1%
Bank charges	(1)	(1)	(1)	(1)
Investment and other income	115	27	100	70
Net income	**332**	**293**	**458**	**529**
% change YoY		-11.9%	56.7%	15.5%
Per share data	**FY05**	**FY06**	**FY07**	**FY08**
Weighted shares outstanding (millions)	720	720	720	720
EPS	**0.46**	**0.41**	**0.64**	**0.74**
Balance sheet				
Non-current assets				
Investments and financial assets	1,256	765	900	900
Fixed assets	528	563	800	886
Other fixed assets	40	28	27	27
	1,825	**1,356**	**1,727**	**1,813**
Current assets				
Cash	479	670	686	787
Receivables	244	284	287	341
Inventories	29	29	33	39
Others	398	296	375	0
	1,149	**1,279**	**1,381**	**1,167**
Total assets	**2,974**	**2,635**	**3,108**	**2,980**
Non-current liabilities				
LT loans	20	14	10	10
Others	59	44	48	50
	78	**58**	**58**	**60**
Current liabilities				
Payables	254	297	291	337
ST loans	6	13	15	15
Others	36	17	0	0
	296	**328**	**306**	**352**
Total liabilities	**374**	**386**	**364**	**412**
Net assets	**2,600**	**2,249**	**2,744**	**2,568**
SHAREHOLDER'S EQUITY				
Share capital	360	720	720	720
Legal and statutory reserves	360	419	474	534
Retained earnings	366	454	553	622
Others	1,513	657	997	692
TOTAL SHAREHOLDER'S EQUITY	**2,600**	**2,249**	**2,744**	**2,568**

Foreign investors help out

International investors have played an important role in the recent rally in some of the GCC markets. But it may not be long before Saudi Arabia, which is closed to foreign investors, gets started, according to **Fahd Iqbal**.

Since October, select markets across the GCC have displayed a remarkable performance. Interestingly, the performance bears a striking resemblance to the events in April 2007 – in both cases the rally was sharp, lasted roughly 6-8 weeks and was confined to those markets characterised with moderate to strong foreign investor participation. This latter fact is further evidenced directly by data on foreign investor trading volumes and indirectly through a substantial increase in the correlation between these indices and the MSCI Emerging Market index.

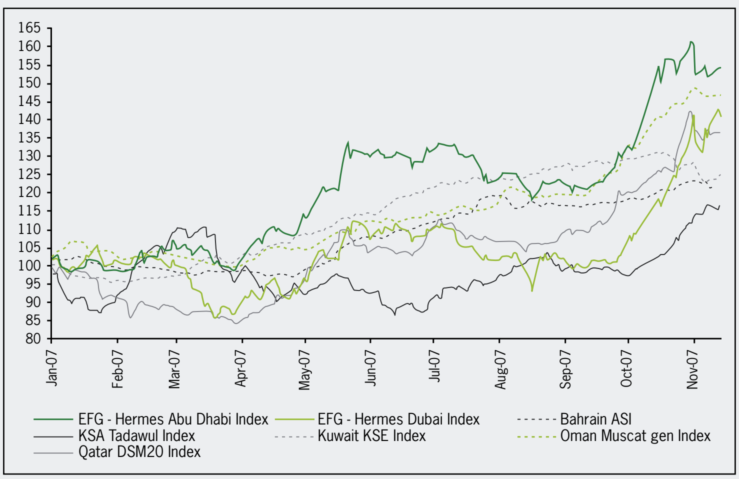
So what were the reasons for this sudden increase in foreign investor appetite? First, 3Q2007 earnings numbers had been released and were strongly positive. The fact that they came shortly after the quiet summer months, and Ramadan, also helped somewhat. Second, the part privatisation of DP World successfully captured significant investor interest, both domestically and internationally. Much of this interest looks to have spilled over into other markets across the GCC.

At the time of writing, the institutional order book for DP World is still open and therefore pricing has yet to be determined. However, the uptake appears to have been very successful, so much so that the greenshoe option has been exercised resulting in the IPO increasing in size to nearly US$5 billion. Many investors and commentators have pointed out how a positive subscription would encourage further public sector divestments, including (but surely not limited to) Emirates Airlines, Nakheel and Dubal. This is certainly true and official comments have recently been released by Emirates Airlines stating that an IPO is definite, with the amount likely to be between 20-30 per cent of the company. Timing is still unclear at this stage. Nakheel, on the other hand, is expected to IPO in 2009.

The success of the current IPO has implications for stock exchanges in the region also. Firstly, DP World is likely to attract healthy trading volumes. In the same manner that the IPO has attracted attention to other markets in the GCC, its listing is also likely to lead to a spillover of volume into some of the other names listed within the DIFX, which have historically seen little or no trading. Finally, the successful use of a book-building exercise to determine the pricing of the issue should hopefully result in a broader adoption of this exercise across the GCC. The practice of listing shares at book value almost guarantees over-subscription, since shares are clearly priced at a discount. By allowing shares to list at a premium to book value, the speculative hype will be somewhat removed, resulting in less volatility and increased pricing efficiency. It should also encourage further listings, as companies see that the level of funds they can attract will depend less on investor sentiment and more on the quality of the underlying assets and the earnings potential the company carries.

Turning to the performance of the stock market then, we can see that over the past month, the biggest increase has come from the EFG-Hermes Dubai Index (+38.7 per cent) followed by the EFG-Hermes Abu Dhabi Index (+26.2 per cent). The other market that has seen strong foreign investor interest is Qatar, which has increased 23.1 per cent over the month. Markets such as Bahrain and Kuwait, which have not been targeted as such by foreign investors, were more or less flat, with Bahrain up 3.6 per cent and Kuwait down 2.5 per cent. Oman has also seen relatively low levels of foreign interest, but the announcement that the government would be selling its 70 per cent stake in Oman Telecom has pushed the index up 21.2 per cent.

Finally, Saudi Arabia is closed to all foreign investors (except GCC citizens), but the index has increased some 17.2 per cent in the past month. Saudi has been – and still remains – the worst performing market in the GCC on a year-to-date basis. Its rally lasted longer than those of the other neighbouring markets (lasting well into 1Q2006), its crash was the heaviest (the market lost 63 per cent peak to trough) and its recovery has lasted the longest also (some 340 days since the peak).



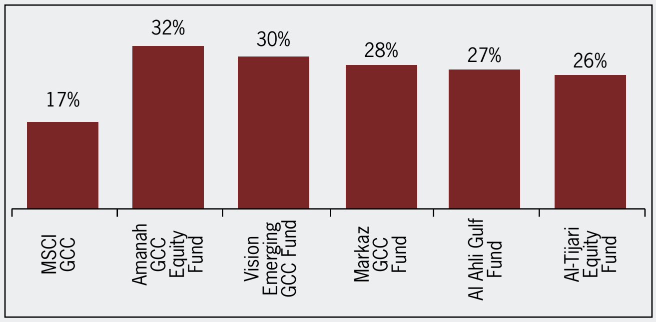
Now, for the first time, it appears that the key blue chip names are trading at a discount to regional peers, based on trailing earnings. Earnings growth is still behind that of the UAE, Qatar and Kuwait, but is definitely improving. This alone should lead to a measured improvement in investor sentiment. The Saudi market has the ability to command tremendous liquidity, but the market crash has seen liquidity being sucked out of the large caps over the past year. However, with attractive valuation and earnings growth coming back, this should change substantially going forward.

Many investors have been waiting patiently for the Saudi market to recover and it seems, given the confluence of the above factors, the wait may soon be over.

Rock and roll in the GCC

Dubai records 25 per cent, while Kuwait takes a breather. And Saudi Arabia is turning around, delivering double digit returns in October. A Markaz Report.

The GCC markets registered strong performance in October after posting mediocre returns in September. The UAE, Qatar, Oman and Saudi Arabia delivered double-digit returns during the month, whereas Kuwait was the only market to register subdued performance. Of the six GCC markets, Saudi Arabia emerged as one of the best turnaround stories in the GCC region during October, after posting bleak performance in September 2007. The market gained 10.06 per cent in September after having declined 4.78 per cent the previous month. Consequently, it ended the month with a year-to-date return of 8.67 per cent.



Performance of GCC equity funds

GCC funds registered strong performance in September 2007. Of the 21 GCC equity funds tracked by Markaz, 19 reported positive returns. Three ex-Saudi funds also delivered positive returns, bringing the total to 22. However, there is a big gap in the performance of the top performing Amanah GCC Equity Fund and the remaining equity funds. Funds that delivered best returns made higher allocations to Saudi Arabia and the UAE.

Top five YTD returns and MSCI GCC

Amanah GCC Equity Fund, managed by Saudi British Bank, spearheaded the performance table with a 13.7 per cent return in September 2007. This was the best-ever return posted by the fund since its inception in April 2006. The fund's assets stood at US$28 million. Gulf Equity Fund, managed by National Bank of Kuwait, was at the second position. This was despite the fact that the fund had 38 per cent allocated to Kuwait, which posted a loss of 0.64 per cent in September. However, it managed three per cent returns in September, as it allocated 17 per cent and 11 per cent of its equity portfolio to the lucrative markets of the UAE and Saudi Arabia respectively. For the year, the top five funds delivered returns in excess of 25 per cent with Amanah GCC Equity Fund leading with a return of 32 per cent followed by Vision GCC Fund (30 per cent) and Markaz GCC Fund (28 per cent).

Our proprietary asset allocation model (tactical) increased by 8.23 per cent for October, mainly on the back of overweight positions on Qatar and Oman. Qatar and Oman put together formed 15 per cent of the equity portfolio and delivered 16.3 per cent and 14.8 per cent returns respectively. The TAA model continues to outperform the SAA on a year-to-date basis. Going forward, the model has raised its allocation to Saudi Arabia from 30 per cent for October to 72 per cent for November, indicating an overweight position. This is driven by strong returns during October 2007. The model continues to be neutral on Kuwait, while it has increased the weight assigned to the UAE to 18 per cent. The model has reduced its allocation to Qatar from 13 per cent in October to 11 per cent for the month of November.

Asset allocation for November stands as follows: Saudi Arabia - 72 per cent; UAE - 18 per cent; Kuwait - 15 per cent; Qatar - 11 per cent; Bahrain - two per cent and Oman - two per cent. (The total will be 120 implying the portfolio is leveraged by 20 per cent.)

Performance of select GCC equity funds - top ten September 2007 returns

Sep 2007			AUM	Performance (%)				Geographic equity asset allocation						
	Fund name	Inception	(US$ mn)	Sep-07	YTD	2006	LTM Risk	Saudi Arabia	Kuwait	UAE	Qatar	Oman	Bahrain	Other MENA
1	Saudi British Bank Amanah GCC Equity Fund	Apr-06	28	13.7%	32%	-29%	23%	32%	20%	31%	9%	6%	2%	NA
2	National Bank of Kuwait Gulf Equity Fund	Jun-05	NA	3.0%	25%	-10%	11%	11%	38%	17%	11%	9%	4%	10%
3	Vision Investment Services Co Emerging GCC Fund	May-05	43	2.9%	30%	6%	11%	11%	26%	6%	19%	26%	9%	3%
4	Makaseb Arab Tigers Fund	Nov-05	19	2.8%	20%	-9%	11%	31%	10%	15%	0%	16%	3%	25%
5	Al Tawfeek Company for Investment Funds Gulf Equity Fund	Aug-05	7	2.7%	20%	3%	15%	23%	14%	40%	12%	10%	0%	2%
6	Kuwait Financial Center Markaz GCC Fund	Jan-06	24	2.5%	28%	-19%	14%	11%	38%	17%	11%	9%	4%	10%
7	Atlas Investment Group Arab Bank Mena Fund	Sep-05	48	2.4%	12%	-7%	7%	20%	19%	17%	7%	18%	1%	18%
8	Shuaa Capital Arab Gateway Fund	Dec-99	290	2.3%	16%	-20%	14%	24%	10%	37%	14%	10%	0%	4%
9	KFICO ALBasha'er GCC Equity Fund	Jan-06	274	1.8%	25%	-10%	11%	24%	26%	24%	23%	0%	3%	0%
10	SICO Khaleej Equity Fund	Mar-04	46	1.5%	21%	-14%	12%	16%	30%	32%	8%	4%	10%	0%

Source: Markaz research. Note: Ex-Saudi funds have not been included in the analysis, % figures are 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.

Equities are your best bet

Once again **Peter Hensman** argues in favour of equities. In the long term, equities could be more stable than gilts in certain cases, he points out.

A boom in "alternative" investments has proliferated following the collapse of the NASDAQ bubble at the turn of the millennium as investors sought to gain equity-type returns without the volatility that can impact equity markets. It is hard to argue against the pursuit of portfolio diversification as a means of smoothing investment returns (the achievement of which should ultimately produce better returns than that of a more volatile investment all else equal). However, the question of whether a number of the "alternatives" offered really fulfil this objective is open to question.

Arguably, events over recent quarters raise significant uncertainties over the ability of "alternative" real assets to perform the function of producing above risk-free returns with low risk. Not only is the low volatility of returns being brought into question as investments held by funds are marked to market (instead of simply marking to model) as highlighted by the Bank of England Quarterly Review in April, but in some cases the apparent "free-lunch" of higher returns with lower risk may disguise that "investors are being compensated for a very small probability of a severe loss".

With investors in these assets also facing the threat of not being able to realise their investments which they chose as lock-ups (as those left owning UK commercial property in the early 1990s will remember), are these unstated risks really what those who have shifted away from equities wanted?

While commodities and the other alternatives do not suffer from many of these faults, with real prices at their highest level since 1981* and the correlation of weekly equity returns with those from non-energy commodities in the last five years at 0.95 (including energy reduces the correlation to 0.85), it is questionable whether investing in commodities for the purpose of diversification makes sense at present**.

Unlike the alternative real assets that rely on leverage and the availability of cheap finance to boost returns, or the belief that someone will be willing to pay a higher price for your "asset" at some point in the future, equity returns come from the ownership of a future earnings flow or dividend stream. Because equity capital ranks at the bottom of the corporate structure and ownership is in perpetuity, hence many of these cash flows are long-dated and therefore the present value is very sensitive to the underlying assumptions made, there is uncertainty regarding the returns in any one period.

Yet the compensation for the visible near-term risks also provides the comprehendible reason why equities produce greater than risk-free returns in the long run. At least this is a known risk that is most significant during a period of economic weakness or, as at the turn of the millennium, can be exposed when valuations are stretched. However, as transactions are conducted in the market every day, the pricing of a portfolio of publicly listed equities is (relatively) transparent. The value of an equity portfolio today is a reasonable approximation of its value tomorrow and (certainly for stocks with larger capitalisations) can be realised swiftly without significant market impact, should the need arise.

Furthermore, it can be argued that the risks inherent in equity investment are overstated if it is short-term market fluctuations that are considered. If volatility calculations are based on an investment term longer than a 12-month period, the risk of equity returns declines. Arguably, a longer horizon is more appropriate for most investors as few pension funds, charities, etc. shift investment positions on anything like an annual basis. Based on the returns of the last century, it can be shown that for holding periods longer than eight years, the median volatility of real returns has actually been lower for UK equities than it has been for an investment in gilts. This is despite equities producing significantly higher real returns.

Equally, while most commentary relates to "the equity market", is it correct to consider the stock of investible equities as an amorphous block that always moves in a synchronised fashion? The returns from the US bank sector (-22 per cent in the year to November 13) could hardly contrast more with the MSCI world materials sector (+32 per cent)***. This is in marked contrast to the widespread wealth destruction from alternative investments in recent months that has resulted from price swings in "packages of assets that are quite homogenous" (Ray McDaniel, chief executive of Moody's on structured financial instruments, quoted in the Financial Times on November 1, 2007) that resulted from the reduction in the availability of cheap finance on which many of these strategies relied.

An active equity manager unconstrained by sector or geographic benchmarks is able to diversify positioning across the equity market, investing in companies/sectors that are at different stages of their profit cycle, and in doing so, produce a risk/return profile that can be very different from equity indices. Perhaps it is the unstated risks of alternative investments that are more damaging to investors' long-term returns, not the visible near-term risks of equity investing.

Source: *Newton as of 091007 **Financial Times 051007 ***US Bureau of Labor Statistics. This article is issued by BNY Mellon Asset Management International Limited to members of the financial press and media. This article is the view of Newton Investment Management Limited and does not necessarily represent the views of the BNY Mellon Asset Management International Limited umbrella organisation. The value of shares and the income from them can fall as well as rise and investors may not get back the full amount originally invested. This document should not be construed as investment advice. **Registered Office:** BNY Mellon Asset Management International Limited, Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Newton Investment Management Ltd & BNY Mellon Asset Management International Limited are wholly owned subsidiaries of The Bank of New York Mellon Financial Corporation. Both are authorised and regulated by the Financial Services Authority www.bnymellonam.com

Singapore: the place to be

Singapore is ripe for foreign investments as some of the other major emerging markets in Asia are due for correction, argues **Dr.Oliver Stönner-Venkatarama**.

According to well-known stereotypes, Singapore's economy relies mainly on trade, banking and real estate. Therefore, the economy could have been significantly affected by the US subprime crisis, but this scenario fortunately did not materialise.

The Monetary Authority of Singapore watched the developments in the money and foreign exchange markets very closely, but there was no need to add liquidity to ensure functioning markets. This underlines the maturity of Singapore's financial markets and the stabilising effect of ample foreign exchange reserves. In other words, mature markets are one part of an investment environment, which is conducive to attracting foreign direct investments.

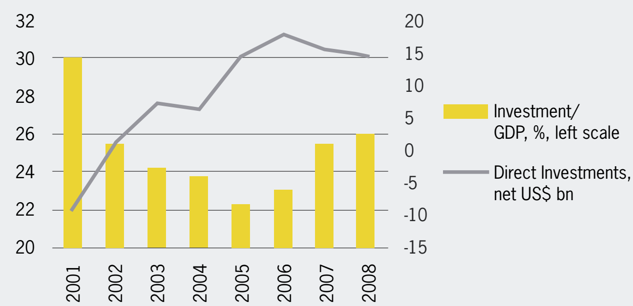
Since the economic contraction in 2001, economic policy has been clearly directed towards stimulating domestic and foreign investment. The aim of this strategy was not only to generate economic growth, but also to foster the structural change of the economy. The small, open economy should become less vulnerable to a global cyclical slowdown and the even more volatile prices of electronics, which has been the main export category. Against this backdrop, the government has started to encourage investments in areas such as trade, oil-rig and shipping services and the pharmaceutical industry as well as research and development activities of international companies.

As a result of this diversification strategy, Singapore's exports have been stabilised by the pharma industry this year.

Furthermore, the oil-rig industry, which provides machinery and equipment for the offshore oil production, benefits from the global urging need to invest in new oil production facilities, due to the strong global energy demand. In conjunction with energy and commodity industries in Malaysia and Indonesia, Singapore highlights the fact that Asia is not simply an energy and commodity consumer. In fact, some Asian countries provide an investment opportunity to benefit from higher commodity and energy prices.

Moreover, Singapore's economic diversification implies a differentiation from Hong Kong, which is widely perceived as a major competitor of Singapore in terms of banking and real estate. In this regard, a further angle of the Asian investment story should be taken into account. Whilst Hong Kong has increasingly emerged as a service centre for mainland China, Singapore has become an important hub for the Indian banking and financial services industry. These linkages of Hong Kong

Singapore: FDI inflows support domestic investment growth



and Singapore to major markets within the region may facilitate a further differentiation of both centres. As a result, investments in Singapore or Hong Kong might be increasingly based on a country-specific economic development path.

Strong FDI inflows and increasing diversification imply a strengthening domestic demand. Investment growth is projected to ease moderately, whilst private consumption is forecast to accelerate on the backdrop of an improved employment situation. Due to strong investment growth since 2004, the unemployment rate has declined four per cent in 2003 to 2.4 per cent in June this year. It follows that the economy's growth pattern is likely to shift slightly from foreign trade towards private consumption. Certainly, with exports and imports accounting for more than 200 per cent measured by GDP, Singapore will remain reliant on foreign trade. However, stable investment dynamics in conjunction with accelerating consumption may provide some cushion against slower global economic growth.

Furthermore, the growing importance of emerging markets as a global production location and an important driver of global demand imply that global trade may weaken less than global growth.

To sum it up, Singapore is likely to provide an attractive investment target, particularly on the backdrop of an increasing risk of a stock market moderation or correction in China or India. Put another way, Asia is sufficiently diversified to provide investment opportunities, even if one of the major markets appears to shift in a corrective mode. Therefore, international investor sentiment towards Asia should remain well supported.

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

GCC revaluation will happen

Philip John argues that GCC revaluation is inevitable with the US greenback tumbling against all major currencies in the world.

The hottest discussion topic across the region is without doubt the possibility of a revaluation of the GCC currencies. Under a fixed exchange rate system, devaluation and revaluation are official changes in the value of a country's currency relative to other currencies. Under a floating exchange rate system, market forces generate changes in the value of the currency, known as currency depreciation or appreciation. GCC countries other than Kuwait have a fixed exchange rate system and their currencies have been pegged to the US dollar for quite some time.

The clamour for a revaluation of GCC currencies relative to the dollar is arising from various quarters as pressures are being felt in various segments of the region's economies. The latest concern has been stray incidents of labour unrest as a declining dollar has made it more expensive for expatriate workers to buy currencies such as the Indian and Pakistani rupees in which they make remittances to their home countries. Dollar pegs have forced GCC central banks to track the US monetary policy to maintain the relative value of their currencies. This has not been easy, as the Federal Reserve has been cutting rates to tide over the credit crisis and inflation levels in the Gulf has been causing a lot of pain. The Saudis are considering wage hikes and the UAE and Oman have imposed rent caps.

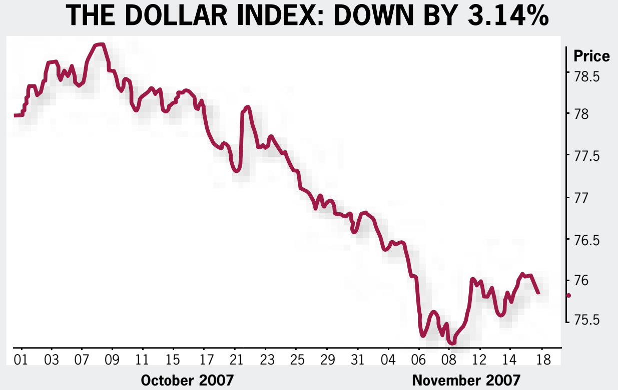
In the most recent of Central Bank indications, UAE Central Bank governor Sultan Nasser Al-Suweidi is reported to have said that the UAE is under mounting social and economic pressure to unpeg the dirham from the tumbling dollar and track a currency basket, including the euro, to contain inflation. Following his comments, one-year UAE dirham forwards were trading at a discount of around 1,000 points, which roughly equates to a 2.7 per cent revaluation. While a revaluation of GCC currencies seems to be a foregone conclusion, the nature, extent and timeline is still hazy. Saudi Arabia has also made public its intention of considering a revaluation, but at the same time has also made it clear that it has no plans to drop its peg to the US dollar in favour of a currency basket. Any unilateral move from the UAE or Saudi Arabia may be a surprise for markets as it is generally expected that both these countries will go together in any move to unshackle their currencies. The market is keenly watching to see how these countries are going to reconcile their revaluation plans.

Meanwhile, in the wider international currency markets, the dollar fell broadly as the Federal Reserve slashed interest rates to counter a housing-led economic slowdown. The Swiss franc and the Japanese yen proved to be the stars of the month, with both appreciating more than five per cent each against the US dollar as currency speculators boosted bets on these low-yielding currencies and remained heavily positioned against the US dollar. A renewed wave of risk aversion saw the unwinding of global carry trades in which low-yielding currencies such as the Swiss franc and the Japanese yen are borrowed to buy assets in higher yielding ones. The unwinding of carry trades has weighed on high-yielding Australian and New Zealand dollars. The yen's surge is expected to run into stiff resistance from Japanese retail investors who have been pumping money into foreign stocks and bonds in search of returns higher than those offered at home, where bank deposit rates yield a dismal 0.25 per cent. Many Japanese see this bout of yen strength as an opportunity to buy into higher yielding foreign assets. MW

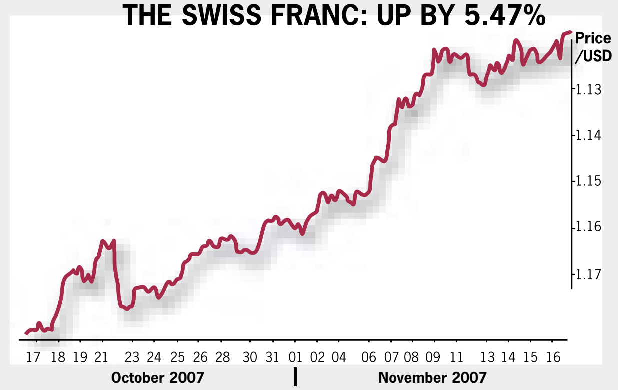
Performance against the dollar: Past 30 days

	16 Oct. 07	16 Nov. 07	Change %
Euro	1.4161	1.4657	+3.50
British Pound	2.0316	2.0528	+1.04
Japanese Yen	116.86	110.92	+5.08
Swiss Franc	1.1832	1.1185	+5.47
Australian Dollar	0.8881	0.8941	+0.68
Canadian Dollar	0.9790	0.9734	+0.57
Indian Rupee	39.35	39.32	+0.08

THE DOLLAR INDEX: DOWN BY 3.14%



THE SWISS FRANC: UP BY 5.47%



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 November 16, 2007.

Base metals take a breather

The rush to set historical or new highs in precious metals and energy futures and the continuing downtrend of the US$ remained the domineering theme during the past month. A report from MF Global.

The US dollar plunged to a new historical low against its major rival, the euro, shedding over three per cent in value over the past month on warnings sounded out by the Chinese government officials over a switch in their foreign currency holdings, which have swelled to over US$1 trillion. This sent gold, the next preferred option to investing in US dollar-denominated financial assets, soaring.

Gold (COMEX second month futures in US$/ounce) has risen over six per cent to around US$806. Silver (COMEX second month futures in US$/ounce) also mirrored the move in gold and has risen to around US$14.80, up by six per cent.

Crude oil futures got a further boost in their attempt to cross the US$100 barrier, as concerns over weather disruptions in supplies from Mexico, deliberations over US sanctions against Iran and oil pipeline attacks in Nigeria continued to plague the market. Such distortions, many believe, are testing OPEC's capacity.

Weekly US crude oil stocks, though higher by almost three million barrels at 314.70 million in the week to Nov 9, 2007, still remain low when compared with 336 million barrels seen during same period last year. Meanwhile, crude stocks with OECD countries have declined by 29.50 million barrels to 2.60 billion, according to a report from the International Energy Agency (IEA) in November. The IEA added that Japan's crude oil inventories fell to a 20-year low. It also added that preliminary data for October suggested a further 21 million barrels drawdown in crude and product stocks in the US, Japan and EU-16.

However, the IEA also cautioned that high crude oil prices will dent demand. It has forecast world demand at 85.70 million barrels per day in 2007 and 87.70 mbpds in 2008.

Crude oil (NYMEX front month futures in US$/barrel) gained over nine per cent over the past month to around US$91, briefly gaining over US$96.

Natural Gas (NYMEX front month in USD and cents/mmBTu) rose by over 14 per cent to US$7.97.

Product prices in the energy sector have also been catching up. Gasoline (NYMEX front month in US cents per gallon) gained over 11 per cent to 232.26 cents. Heating Oil (NYMEX front month futures in US cents/gallon) increased by around 12 per cent to 250.84 cents.

Coal futures (NYMEX front month US$/tonne) gained almost 12 per cent in the past month. Strong demand from Chinese and Japanese steel manufacturers and India keep the outlook on coal brighter.

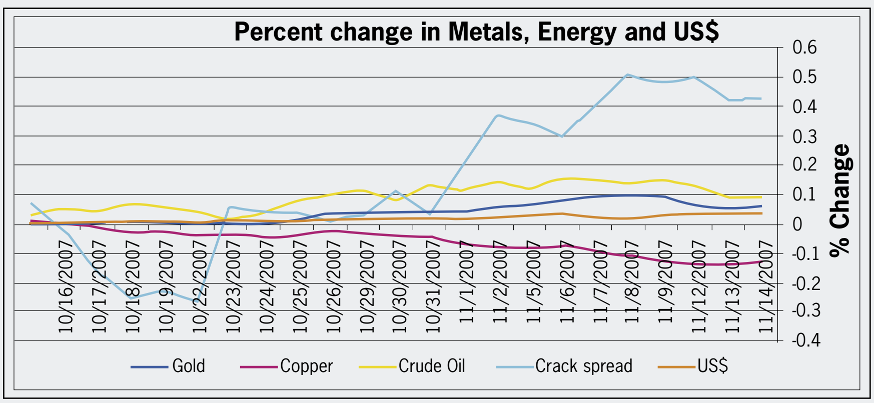
Growth in developed countries could be impacted with crude oil prices hovering near an all time high. This, along with rising stockpiles, has taken the wind out of the base metals' sails. Base metals (three-month LME forward contracts in US$/tonne) like copper, nickel, zinc and lead have declined, while aluminum saw a marginal rise.

Copper declined by around 12 per cent and zinc by over 15 per cent. The exception in the base metals complex was tin – which rose by around six per cent in the past month.

So, the question now is whether the steam to push to life highs in precious metals and crude oil will fizzle out? Contradictory points do exist to merit this question.

The outlook for the US dollar remains weak, with the usual threat of various major Asian economies over shifting their dollar holdings to euro. The raging sub-prime storm continues to cast doubts over US growth. As long as these themes dominate, they remain supportive of the precious metals price uptrend. However, on the other hand due to a weaker dollar and an improvement in the US deficit, GDP growth rate due to increased exports could stall the dollar's slide and could result in an abrupt fall in precious metals complex.

In the case of the energy sector, and crude oil in particular, the IEA's warning that higher prices have already begun to soften future demand, and the tighter supplies and falling stocks in the immediate present, pose a question over crude oil's march over the US$100 mark. US winters this year are forecasted to remain above normal from mid-December after a brief time of lower-than-normal readings. This could cap the increase in heating oil. Commodity investors and speculators will no doubt be wondering, "Have the winds of change set in over metals and energy or are the sudden corrections in prices only temporary turbulence?"



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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	$20,000	5.25%	Yly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	$100,000	5.20%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	$50,000	5.10%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	5.00%	fiYly
Clydesdale Bank International	01481 711102	Instant Savings	None	$10,000	4.75%	Yly
No Notice Euro Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	€15,000	4.50%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	€50,000	4.35%	Yly
Northen Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.30%	Yly
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%	fiYly
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	£10,000	6.55%	Yly
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	£5,000	6.52%	Yly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore 1	None (W)	£1,000	6.51%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	£25,000	6.50%	Yly
Bradford & Bingley International	01624 695000	Future Planning Tracker	None	£25,000	6.40%	Yly
Notice Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.60%	Yly
Scarborough Channel Islands	01481 712004	Offshore Flexi-60 Direct	60 Day (B)	£5,000	6.55%	Yly
Skipton (Guernsey)	01481 727374	Sterling Island Ninety	90 Day (I)	£100,000	6.50%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 180	180 Day (I)	£25,000	6.40%	Yly
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	6.36%	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	None (I)	£10,000	6.35%	Mly
Derbyshire Offshore	01624 663432	Income 60 Tracker	60 Day	£10,000	6.35%	Mly
Nationwide International Ltd	01624 696000	Tracker Premium	None	£25,000	6.30%	Mly
Scarborough Channel Islands	01481 712004	Offshore Flexi-60 Direct	60 Day (B)	£5,000	6.30%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	6.20%	Mly
Fixed Rates						
Alliance & Leicester Int Ltd	01624 663566	Fixed Rate Bond 45	30.11.08	£15,000	6.85% F	OM
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	1 Yr Bond	£5,000	6.80% F	OM
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	2 Yr Bond	£10,000	6.60% F	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	3 Yr Bond	£10,000	6.50% F	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	4 Yr Bond	£10,000	6.31% F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	4.55%	Yly
Abbey International	01534 885100	Offshore Gold	None	£50,000	4.00%	Yly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.925%	Mly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.75%	OM
Fairbairn Private Bank	01624 64500	Reserve	None	£5,000	3.25%	Yly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eSaver	None (W)	£1	6.50%	Yly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None (W)	£1,000	6.35%*	Yly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eIncome	None (W)	£1,000	6.05%	Yly
Abbey International	01534 885100	Tracker Term 7	04-09-08	£10,000	6.05%*	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.90%	Qly

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post
All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: November 15, 2007 Source: Moneyfacts

OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	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	Flexible Plus Current	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	2.50 2.50	2.50 2.50	2.50 2.50	2.50 2.50	2.50 2.50	2.50 2.50	2.50 2.50	Qly Qly	Yes Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	3.25 - 3.25	3.25 - 3.25	3.25 - 3.25	3.25 4.75 3.25	3.25 5.00 3.25	3.25 5.25 3.25	3.25 5.40 3.25	3.25 5.50 3.25	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.12 0.37	0.62 0.87	1.42 1.67	2.12 2.37	2.37 2.62	2.37 2.62	2.37 2.62	2.37 2.62	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	1.25	1.75	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	-	-	-	4.025	4.275	5.025	5.025	5.025	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	2.25k	2.25	3.0	3.25	3.50	3.75	3.75	3.75	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: November 1, 2007 Source: Moneyfacts

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call Offshore Gold	0.85 -	1.35w 0.50	2.00 1.00j	2.00 1.00	2.25a 1.00	2.50 1.50	Yly Qly	No Yes
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 International Savings	- 1.75	- 1.85	- 1.95	4.25h 2.20	4.25 2.40	4.25 2.40	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.10 -	0.10 -	1.40e 2.45e	1.40 2.45	1.40 2.75a	1.40b 3.25b	Qly Qly	No 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 Current Instant Savings	- 2.86 -	3.90 2.86 3.83	3.90 2.86 3.83	3.90 2.86 3.83	3.90 2.86 3.83	3.90 2.86 3.83	Yly Mly Mly	No No No
Fairbairn Private Bank	 01624 645000	Accumulation High Interest Accumulation Reserve	- - -	1.50 - 1.50	1.50 - 1.50	1.50 - 1.50	1.50 3.00a 1.50	1.50 3.25b 1.50	On closure On closure Qly	Yes No Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand Offshore Demand	- -	2.45 2.42	2.45 2.42	2.50 2.47	2.55 2.52	2.55 2.52	Yly Mly	No No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.20 - 0.45 - 2.365 2.115	0.20 3.54j 0.45 3.83j 2.365 2.115	0.47 3.54 0.72 3.83 3.015 2.765	0.47 3.54 0.72 3.83 3.015 2.765	0.94 3.54 1.19 3.83 3.415 3.165	Mly Mly Mly Mly Mly Mly	No No No No No 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 Instant Access	3.40v 3.35v	3.40 3.35	3.40 3.35	3.40 3.35	3.75 3.69	3.75 3.69	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access Call	- 0.937r	- 0.937	4.50e 0.937	4.50 1.062u	4.50 1.125m	4.50 1.687n	Yly Qly	No No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.45	1.30	1.60	1.85	2.20	2.70	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings Euro Tracker Premium	2.50t 4.05	2.50 4.05	2.55 4.05	2.55 4.35	2.55 4.35	2.60 4.35	Yly 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 Offshore Euro Direct Saver	4.30 4.05	4.30 4.05	4.30 4.05	4.30 4.05	4.30 4.05	4.30 4.05	Yly Mly	No No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.32	2.37c	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	-	-	-	2.937u	2.937	3.187b	Mly	Yes
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	1.75 0.50 -	1.75 0.50 -	1.75 0.50 -	2.25 1.25 3.50	2.50 1.50 3.60	2.62 2.00 3.60	Half Yly Qly Mly	No No 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

a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K.
j = Rate applies from €20K. m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K w = Rate applies from €7.5K.
All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising ay arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: November 1, 2007 Source: Moneyfacts

US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call Offshore Gold	2.00 -	3.25 1.50	3.25 1.75u	3.50 2.25	3.75 2.75	4.00 3.00	Yly Qly	No 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 International Savings	- 1.25	- 1.25	- 1.75	5.00 3.25	5.00 3.65	5.00 3.85	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.10 -	0.10 -	1.75u 3.05u	1.75 3.05	1.75 4.05	1.75 4.25x	Qly Qly	No No
Bristol & West International Ltd	01624 644333	Easy Access	3.00	3.00	3.00	3.25	3.50	3.50	Yly	No
Clydesdale Bank International	01481 711102	Instant Savings Current Instant Savings	- 3.69 -	4.75 3.69 4.65	4.75 3.69 4.65	4.75 3.69 4.65	4.75 3.69 4.65	4.75 3.69 4.65	Yly Mly Mly	Yes Yes Yes
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	- - -	2.50 - 2.50	2.50 - 2.50	2.50 - 2.50	2.50 - 2.50	2.50 4.00x 2.50	On Closure On Closure Qly	Yes Yes Yes
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.98 - 1.23 - 1.725 1.475	1.40 4.36u 1.65 4.60u 2.295 2.045	1.95 4.36 2.20 4.60 3.205 2.955	2.46 4.36 2.71 4.60 3.995 3.745	2.57 4.36 2.82 4.60 4.115 3.865	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.00m	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	4.00 3.93	4.50 4.41	4.50 4.41	4.70 4.60	4.75 4.65	4.75 4.65	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access Call	- 2.312k	- 2.312	5.25u 2.562t	5.25 2.562	5.25 2.625v	5.25 2.625	Yly Qly	No No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.25	1.10	1.60	1.85	2.15	2.30	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings US Dollar Tracker Premium	3.80h 4.80	3.80 4.80	3.85 4.80	3.95 5.10	4.40 5.10	4.40 5.10	Yly Yly	No No
NatWest	01534 282300	Advantage International	2.95	3.05	3.15	3.35	3.60	3.75	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.625	3.875x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	2.95	3.05	3.15	3.35	3.60	3.75	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	3.687	3.687	3.937r	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve Optimum Offshore Moneymarket Call	2.31 1.18 -	2.31 1.18 -	2.31 1.18 -	2.56 1.68 4.25	2.93 2.18 4.35	3.18 2.43 4.35	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	2.72u	2.77	3.02	3.26	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.25	2.75	3.25	3.75	4.00	4.25	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: November 1, 2007 Source: Moneyfacts

EXPATRIATE MORTGAGE TERMS - DECEMBER 2007

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.49% 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	5.68% 2 year Fix 5.83% 2 year Fix 5.83% 5 year fix 6.11% full term tracker bank base plus 0.39%	85	1.995% of loan amount GBP995 GBP995 Nil	Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1.25% Foreign currency mortgage Cost of funds +1.5-2.0%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	6.69% 3 year fix	75	GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	6.78% 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	6.09% via discount to 01/03/2010	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	Under review	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible overpayments/ underpayments.
TMW	5.68% 6.59% 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, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 21/11/07 - 5.75% 3 month LIBOR 6.59%.
IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa (Silver, Gold, Business, Electron) Mini Visa	Silver – 220 Gold - 420	N/A for purchases, SAR36 for cash withdrawals	45 days	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, Alarabi Silver, Alarabi Gold, Internet Card)	Al Mubarak Silver – 75 or 130, Al Mubarak Gold – 180, Alarabi Silver – 200, Alarabi Gold - 350	Al Mubarak cards: N/A on purchases and cash withdrawals Alarabi cards: 1.97% on purchases, 3.45% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards. Al Mubarak cards are Shari'ah compliant.	800 124 4040 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 1.97% on purchases, SAR75 on cash withdrawals Amanah card: N/A on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com.sa
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	1,000,000	Govt. sector: 3,000 Private Sector: 4,000	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4040 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	1,200,000	3,500	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	1,500,000	3,000 for nationals, 4,000 for expatriates	Up to 60 months	Both schemes are Shari'ah approved. Possible top-up finance. Supplier price discounts for goods.	800 244 1005 www.ncb.com.sa
Riyad Bank	Personal Loan Murabaha or Tawaruq	1,500,000	2,500	Up to 60 months	Murabaha and Tawaruq schemes are Shari'ah compliant. Remaining installments waived in case of death.	800 124 2020 www.riyadbank.com
SABB	MAL (Islamic Personal Finance)	1,500,000 with salary transfer, 50,000 without salary transfer	3,000	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	2,500	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com.sa
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	1,000,000	Govt. sector: 3,000 Private sector: 4,000	Up to 60 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Financing	6% yearly	Up to 60 months	None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR2500.	800 124 1222 www.alrajhibank.com.sa
Arab National Bank	Al Mubarak Finance	4.4% yearly	Up to 60 months	None	Government employees must have min. salary of SAR3000 and must have been with current employer for three months. Private company employees must have min. salary of SAR4000 and must have been with current employer for one year.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha	Starts at 3.5% yearly	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Auto Lease	Starts at 5%	Up to 60 months	None	Minimum salary: 3,000. Three months service with current employer.	800 244 1005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 4.95% yearly	Up to 60 months	None	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starts at 3.99%	Up to 60 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

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

Credit Cards — OMAN

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

Personal Loans — QATAR

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

Credit cards — QATAR

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

Home Contents Insurance — QATAR

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

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

Medical Insurance — QATAR

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

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

Personal Loans

BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 9.5%	Up to 22 times monthly salary	300	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 8.5-10.25%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 11%, for PIL 25% reducing balance rate	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for nationals, starts at 9.5% for expats	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200 for nationals 400 for expats	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 4.39%	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards

BAHRAIN

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

Home Contents Insurance

BAHRAIN

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

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

Medical Insurance — BAHRAIN

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

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

Personal Loans — KUWAIT

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

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.25% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3-5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.2% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	801801

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

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karaoglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. ***Tip:*** Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. ***Notes:*** These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during November 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
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: **(1) Standard** – against loss or damage caused by fire/smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TV's/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and **(2) Extra damage option** – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

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

Credit cards — BY INTEREST/PROFIT RATE — UAE

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

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card	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' collcted. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Visa, MasterCard (Silver, Gold, Eppco-Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate.	04-311 4000 www.citibank.com/uae
Dubai First	Visa (Silver, Gold)	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. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.	Toll-free: 800 33 www.dubai-first.com
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travle and medical insurance options, rewards programme.	04-3160316 www.me.ae
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - 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

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

Know of a better offer? We'd like to hear from you. Fax us on 00971 4 391 2173 or email info@moneyworks.ae

Car Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	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 cards - up to 48 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% flat rate	New cars: up to 90% Used cars: up to 70%, subject to maximum AED50,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	CBD custmers: 4.25% for new cars, 5.75% for used cars Non-customers: 4.5% for new cars, no financing for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	3,000	No
Commercial Bank International	Sayaraty	3.99% for new cars, 4.25-5.25% for used cars (depends on make and model)	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
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 4.5%.	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.	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	3,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor)	Up to 30 times monthly salary, Maximum 250,000	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes
Dubai Bank	Sanad Personal Finance Souk Goods Finance	Profit rate: 4.5-6.95% fixed rate (depends on loan tenor and salary)	Up to 250,000	Yes	Up to 120 months Up to 60 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	3,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.95% fixed rate without salary transfer	Up to AED250,000	Yes	Up to 60 months	3,500 with salary transfer, otherwise 4,500	No
HSBC Amanah	Amanah Personal Finance	Profit rate: starts at 9% on reducing balance basis	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	Starts at 9% on reducing balance basis	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-11.5%, depending on loan term and company status	Up to AED250,000 (depends on salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED250,000	Yes	Up to 60 months for nationals Up to 48 months for expats	3,000	Yes
United Arab Bank	Consumer Loan	Fixed rate: min. 4.5% Reducing balance: min. 9%, 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.	No	None for cash, 3% of outstanding loan for bank buyout	Option for three yearly deferments	1% processing fee	Toll-free: 800 223 www.cbd.ae
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card, insurance finance option.	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 www.cbiuae.com
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.habibbank.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED100 charged as processing fee	04 217 4800 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None		No processing fee	Toll-free: 800-742 www.sib.ae

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to three times salary overdraft for nationals and up to two times for expats. *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	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum 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: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loand amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

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 November 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 (Shari'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	25 years for UAE nationals 20 years for residents 15 years for non-residents	60 for salaried employees, 65 for self-employed	**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 mucha 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 (Shari'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	**Depends on scheme.** Floating rate of 7.9% 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.

UAE

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, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	8,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	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.dubaibank.ae
Life and property insurance	10,000	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 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 Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsbc.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: 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 non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	12,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
"Property Takaful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during November 2007 for **MONEY***works* magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Independent Financial Advisers — UAE

Licence: The UAE Central Bank

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsael.com
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 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
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	pwealth@eim.ae	

Licence: DED (Dubai Department of Economic Development)

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

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

Others

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

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

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

Licensed Financial Intermediaries — UAE

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

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

Disclaimer: *This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during November 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,

I see so much advertising for foreign exchange trading these days in magazines, on the web and even in local shopping malls. I just wonder about it...it seems very complicated but also seems to promise great returns, with little or no effort. Can you explain some more about it...plus, is it worth considering?

TZ, Sharjah.

Before we examine what forex trading is and how it works - and we're very short of space here - there are two things. Nothing comes easy and always remember that investments can go down as well as up and that you may not get back what you originally invested. As with everything in life, rewards come with hard work, experience, knowledge - and often a healthy dose of good luck and, perhaps, fortunate timing.

That said, it's fair to say that the foreign currency market is the largest and most liquid trading market in the world, with US$1.5 trillion or more traded every day. And with the opening up of markets, not to mention the online aspect, it's accessible!

How does it work? Well, foreign exchange, forex or just FX are all terms used to describe the trading of the world's many currencies. A currency trade is the simultaneous buying of one currency and selling of another one. The currency combination used in the trade is called a cross (for example, the Euro/US dollar, or the GB pound/Japanese yen.). The most commonly traded currencies are the so-called "majors" – EURUSD, USDJPY, USDCHF and GBPUSD.

And then it's up to you...

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

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

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

The diamond in the rough

James Thomas on why credit cards are, at the end of the day, just a plain old borrowing tool.

Last month saw the launch of a new credit card. But not any old credit card. This one is aimed at the 'ultra high net worth' or 'very, very important person' end of the market, and to separate this card from the other ordinary platinum and black cards, it is specially engraved and even features an inlaid diamond.

To qualify for this card, you must have earnings of AED100,000 per month and/or assets of US$1million. You might think that this means only a select few actually qualify for the card, but according to the bank launching the card, there are nearly 70,000 people in the UAE who would be eligible.

The main feature of the card is the fact that it does not have a credit limit, so you can spend as much as you like. Obviously at some point this will need to be repaid, but I'm sure this doesn't present much of a problem for cardholders.

What isn't mentioned in any of the information found in my research is the interest rate and any other charges for the card. Looking at the institution's other credit cards, their annual fee is AED350 and their annual interest rate is 28.2 per cent or 2.35 per cent per month. Given the debts that you could quickly accumulate on this card, the interest rate is quite frightening, even with a million dollars plus in the bank.

Now you may detect my reservations about this card, and you'd be right. The first issue I have is with the whole idea and thought process that appears to be behind this card. The idea that a diamond-encrusted card is somehow better than any other credit card, and that people might be encouraged to take out and use a credit card simply because it has a diamond stuck in it, seems strange to me. Of course there will be some people who will love to flash a diamond credit card around for everybody else to see. However, my criteria for a credit card are low interest rates, no annual fees for the card and extra benefits available (e.g. airmiles, cash back, etc.), not the colour or what precious stone is set in the card.

With any sort of borrowing, it should be considered why you need that facility and what are the terms and charges of the loan. It appears to me that this card suggests that you do not need to care about these issues or that because you are so well off these things shouldn't matter.

From my experience with people in this demographic of the population, the complete opposite is true: they like to know exactly what the costs and charges are and to understand the product before committing to anything. This raises another concern that I have, to which I have no proof as no terms are available, but if they are offering preferential terms for this card, then the standard cardholders are subsidising a diamond card. Not a concern if you are one of the diamond cardholders, but it's something to think about if you are a standard cardholder with the same bank.

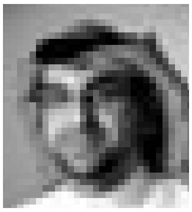
Finally, my biggest concern with this card is that it appears to be trying to glamorise credit cards and the idea of spending at will, with no limit. This may sound silly, but how important is the appearance of the credit card? Even if you have a million dollars in the bank, surely you should still be watching what you are spending your money on.

The important issues should be, can you discipline yourself to use the card sensibly? What are the card charges and what is the interest rate charged if I leave an outstanding balance? It can be very useful to make purchases on credit cards to save carrying around large amounts of cash or to gain points or airmiles, but these soon become insignificant if you allow your balance to build up and are hit with interest costs.

It is also worth pointing out that if you fail to maintain the balance on your credit card and you are unable to repay your debt, the credit card provider can issue legal proceedings against you – a good reason to keep up to date with your credit card payments.

I am sure that this card will be a great success, but it does make me wonder – isn't it missing the point of what credit cards should be used for?

Disclaimer: This article is provided for information purposes only and should not be regarded as financial advice. Always remember that investment scan go down as well as up.
As always, we at Acuma welcome your questions and enquiries directly, so please do not hesitate to contact us if you would like to discuss this or any other issue in more detail. James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae



The adolescent funds

Sheikh Sultan bin Saud Al Qasimi on why government-owned funds would benefit from a code of conduct.

Since Kuwait took the pioneering step of establishing the world's first Sovereign Wealth Fund (SWF) in 1953 followed by Abu Dhabi with its Investment Authority (ADIA) in 1977, along with their Norwegian and Singaporean counterparts, government-owned firms have been investing their excess funds, mostly from oil, in the capital and real estate markets of the western world quietly and professionally.

Other than the famous incident in which the British government objected to Kuwait's attempt to gain a controlling stake in British Petroleum in 1988, not one of these respectable funds has ever attempted to court media attention. They preferred to invest the money entrusted to them by the government and ultimately the citizens of their nations in opportunities that promise solid growth and returns. These funds have been so careful in maintaining discretion (the IMF estimates Abu Dhabi Investment Authority at "somewhere" between US$275 billion to US$800 billion, roughly speaking of course[1]) that several decades after their founding the world business community still doesn't know for certain how much money is held by them or in which firms they have decided to invest.

Although much is left unknown, one thing is for certain - their returns have been exemplary.

Recently, as the economies of developing countries have flourished, they have decided to join the elite club of SWFs. Dubai, an uncharacteristic follower in this case, was joined by Qatar and China. The original formula was simple: invest in long-term opportunities while keeping the noise to a minimum. With new players the formula was reversed: make the loudest bang for the smallest buck.

Respectively, each of these funds has gone for trophy prizes whether one looks at Madame Tussauds and Doncasters, the very public failed bids for Thames Water and Sainsbury's or the rushed investment decision into Blackstone and Unocal (which also failed).

Now, thanks to these new kids on the block, governments in Europe and the US have painted all SWFs with the same brush and started scrutinisng any new investment into so-called sensitive sectors.

If one looks carefully at Qatar's recent case, it would be evident that had they really wanted to purchase the giant supermarket chain for US$22 billion; the extra US$1 billion that was asked (a 4.5 per cent more) would have sealed the deal and not been a deterrent. Headlines around the world reported on the unprofessional behavior and lack of experience that QIA in particular and SWFs in general possess. The Qatari prime minister had reportedly flown the Sainsbury family members to the exotic island retreat of Sardinia in Italy to woo them into accepting the bid[2]. Is this how professionals conduct business nowadays? QIA ultimately came out as being the black stain on the flowing white dishdashas of the GCC.

Borse Dubai also committed not just one, but a series of errors when it decided to purchase OMX. The manner in which the bid was launched was criticised by the Swedish Financial Regulator to the extent that the Dubai government-owned fund received an ultimatum to clearly state its objective or be prohibited from voting as an OMX shareholder and forced to transfer its shares to a third party[3]. In addition to all that, Borse Dubai could have been fined US$16 million and banned from bidding for OMX in the future[4]. As late as May 28, Borse Dubai was denying any intention to buy OMX, dismissing it as "grapevine talk" when the intention was clearly there[5]. Borse Dubai then secretly acquired 18 per cent above the 10 per cent limit for a single shareholder without seeking approval from the authorities[6], which caused the regulator to scrutinise the deal.

As the world of SWFs expands by 2012 into a US$12 trillion industry[7] that can provide for Gulf economies in times when oil is not hovering around the three-digit range, adolescent funds are threatening to endanger growth and prosperity for the sake of a few headlines and photo opportunities. Thanks to these new kids' unprofessional behaviour, for the first time in over three decades the G7 meetings of the world's biggest industrial powers discussed how to impose controls and limits as well as a code of conduct on government owned funds. Surely not a good omen for things to come.

Julius Rosenwald, the US philanthropist, once said: "Do not be fooled into believing that because a man is rich he is necessarily smart. There is ample proof to the contrary."

Or is that just grapevine talk? MW

(Footnotes)

1 http://www.zawya.com/story.cfm/sidZAWYA20071030045220
2 http://www.ft.com/cms/s/0/a56406c0-8c0b-11dc-af4d-0000779fd2ac.html
3 http://www.zawya.com/story.cfm/sidDFT1072220D419E70
4 Ibid
5 http://www.zawya.com/story.cfm/sidGN_28052007_10128189
6 http://www.zawya.com/story.cfm/sidDFT1072220D419E70
7 http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article2752048.ece

Sheikh Sultan bin Saud Al Qasimi is the chairman of Barjeel Securities. Sultan can be reached at www.sultansq.blogspot.com