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August 2007 Issue 105

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One of the key developments for the geopolitics of our region has been the positive engagement of Iran by the US through a process of dialogue for the first time in so many years. Although no one expects sensational announcements to come out of these dialogues immediately, there is now a sense of hope for many observers in the region. If things work out over a period of time, a dialogue between the US and Iran has the potential to have a beneficial impact on Iraq and the overall stability of the region. And this, in turn, translates to more confidence in the regional markets, increased investments and prosperity.

A significant development last month was Abu Dhabi's rating being upgraded to AA by Standard & Poor's and Fitch, as well as the emirate's plans for issuing government bonds to serve a benchmark for the corporate bond sector in the country. When the bond issue happens, it will be a milestone for the UAE, as well as another big step towards creating transparency in the financial markets while also creating the long-awaited yield curve.

Another important announcement last month was the merger details of National Bank of Dubai and Emirates Bank International. Although there are many more questions that will have to be answered as the merger process progresses, it was good news for the financial markets that some of the crucial decisions, including the share exchange ratio and important management positions, post-merger, had been amicably agreed upon and sorted out in such a short time.

It was bit of a summer lull for the stock markets in the UAE, but the Saudi stock market seems to have got into a smart stride last month. The Tadawul All-Share Index made brisk gains during the third week, prompting analysts to say that macroeconomic and stock market conditions are in place for steady gains in share prices on the Saudi stock market. And why not, as a number of listed companies are now reasonably valued. In particular, the 10 largest companies by market capitalisation trade collectively at a price-to-earnings (P/E) ratio of 13; for the top 25 stocks, the P/E is 14.

Before I sign off, I must mention the supplement on the UAE's banking history that comes to you with your copy of **MONEYworks**. It is a good read and has some important facts on the country's banking industry that you will find useful. Happy reading.

Utpal Bhattacharya
Editor

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The brand of knowledge counts for employers

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The cost of higher education in the GCC is rising, along with everything else. **Kara Sensoli** speaks to experts in the industry to find out which factors influence the ultimate payout on the part of parents in choosing which institution is apt for their children.

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Omar Bitar

E&Y's new company for corporate finance

Ernst & Young has created a new corporate finance brand to comply with the growing demands of regional regulators. A **MONEY***works* report.

In a major initiative to provide highly specialised corporate finance services to its clients across the Middle East, Ernst & Young, the global professional services firm, is building a network of dedicated and experienced corporate finance professionals under the new independent umbrella brand of Ernst & Young Corporate Finance (EYCF). EYCF, which sits under Ernst & Young's existing Business Advisory Solutions Group, will carry out the firm's corporate finance related offerings, including mergers and acquisition advisory, IPO services, private placements, privatisation and restructuring services, arranging debt and equity finance for its clients and infrastructure project finance.

In the past, Ernst & Young's corporate finance activities were limited and organised under its general advisory services. Over the last two decades, the firm has been involved in a host of big transactions, successfully executing a number of corporate finance advisory and fund raising mandates, building a team of vastly skilled professionals dedicated to such services. These professionals are now solely part of EYCF, employing the regional experience and knowledge they have gained over the years.

Ernst & Young has been carrying on arranging and advising activities in many countries across the Middle East. As part of its plans to establish and grow EYCF, the firm has recently started to formalise its activities by obtaining the Bahrain Monetary Agency and the Saudi and Jordanian Capital Market Authority licenses. These new licensed entities are now being officially launched and will operate under the new EYCF umbrella brand, along with the newly formed Ernst & Young Corporate Finance Limited (EYCFL) in the Dubai International Financial Centre (DIFC).

Omar A.Bitar, Ernst & Young's managing partner, Business Advisory Solutions, Middle East, said: "Most of the corporate finance related advisory work that we do in Saudi Arabia now requires a special license from the Capital Market Authority. We anticipate that in the near future, obtaining a separate license from regulators for similar activities will become mandatory in other countries across the Middle East. This is why we are setting up EYCF as a separate entity under Ernst & Young Middle East and are now in the process of obtaining licenses in Oman and Qatar, in addition to our existing licenses in Saudi Arabia, Jordan, Bahrain and now at the DIFC."

"We are setting up EYCF as a separate entity under Ernst & Young Middle East and are now in the process of obtaining licenses in Oman and Qatar, in addition to our existing licenses in Saudi Arabia, Jordan, Bahrain and now at the DIFC." *Omar Bitar*

Ernst & Young Corporate Finance Limited, under the DIFC, has a Category 4 license. This allows the firm to provide arrangement of credit or deal in investments, give advice on financial products or credit, arrange custody, insurance intermediation, insurance management, operate an alternative trading system and provide fund administration.

The portfolio of services that EYCFL will offer from the DIFC includes raising debt and equity capital through public and private markets, providing securitisation and divesture solutions, developing debt and equity capital structures, IPO advisory, private placement, management and flotation services and advice, and helping clients achieve their growth strategies through mergers and acquisitions advisory solutions.

Omar added that Ernst & Young's already strong market positioning in transaction advisory in the Middle East will become even stronger with the official launch of EYCF.

"Corporate finance related activities almost always involve working across several geographies. EYCF provides clients with the benefits of tapping into a powerful network of specialised corporate finance professionals who understand the importance of the availability of cross-border resources and capabilities. The strength of our Ernst & Young regional network will ensure that our clients' transactions are not limited by existing country borders. The licenses we continue to acquire under EYCF will ensure that we are not restricted by regulatory requirements," he said.

In addition, he added, Ernst & Young's positioning in the regional middle market differentiates the firm from investment banks whose focus on larger transactions may leave them less well equipped to deal with many of the issues that often need to be addressed in transactions in the middle market, including structuring, corporate governance advisory, performance analysis, etc.

Bert De Ruiter

Islamic banking a possibility in the GCC

Lloyds TSB Middle East has shown significant commitment to the Middle East during the last three years. The bank has extended its reach and product offerings across the region. A **MONEY***works* report on where the bank is heading to in the next few years.

Lloyds TSB Middle East is considering expanding its physical presence across the region beginning with Qatar. The UK High Street bank is also in an advanced stage of taking a decision on rolling out its Islamic banking products in the region.

Bert de Ruiter, managing director of Lloyds TSB Middle East, said: "I do not want to give the impression that we are driving the decision on Islamic banking from here. It is a group decision, but we are looking at rolling out Islamic products outside of the UK, including retail banking. But I must add that we are a leading bank with Islamic products offering in the UK. However, to transfer this expertise to the Middle East, which is the obvious thing to do, we need to ensure that we have first sorted out all issues and answered important questions."

Asked to elaborate on the issues that Lloyds are looking at, de Ruiter explained that practical issues like accounting of financial assets in accordance with Shari'ah are to be sorted out. But more importantly, the question of branding has to be also looked at as Lloyds TSB as a brand name represents conventional banking, while Islamic banking would probably need a separate branding, he pointed out.

"We do not want our brand name to be confused. There are other international banks that offer Islamic offerings under a separate brand name, something that we might consider. Otherwise we would be opportunistic in our approach, something that we do not want to do," the managing director said.

On expansion plans in the Middle East, he said that with Qatar recently announcing the integration of regulatory authorities in the country, it just makes the business case of Lloyds TSB entering that country more exciting.

"Our Qatar strategy is not just a corporate strategy, but also a consumer banking strategy. With the new developments there, our business prospects in Qatar become stronger," he said.

The bank, which has a full-fledged branch in Dubai and four customer service centres in the emirate with a fifth being now built, has also applied to the UAE Central Bank to open similar centres in Abu Dhabi. In the future, Dubai could see more customer service centres from the bank, subject to UAE Central Bank approval.

On the future course of Lloyds TSB in the Middle East, de Ruiter said that there are two aspects to the bank's regional strategy: operational structure and sales. He said that while the bank has sales on ground in the region, with Dubai being the headquarters for coordinating such operation, the operating structure itself is now being reviewed. He added that there will be more clarity in the operational structure of the bank in the region by 2008.

Currently, Lloyds TSB's managing director is responsible for all activities in the Middle East, working mainly as a coordinator among different departments, but also responsible for the profit and loss account in the UAE. The Middle East region for the bank is limited to the GCC. De Ruiter said that while the bank has a relationship driven strategy in the UAE, in all the other markets in the region, it has been a product driven strategy.

"These products are manufactured and delivered out of London and we on the ground here are now operating as a distribution channel," he said.

On expansion into other markets, he said Saudi Arabia could be a possibility in the future, but this will have to come after the bank has put its Qatar strategy in place. In all other markets, an opportunity driven approach will be pursued to have presence on ground, he noted.

"We do not want our brand name to be confused. There are other international banks that offer Islamic offerings under a separate brand name, something that we might consider. Otherwise we would be opportunistic in our approach, something that we do not want to do." *Bert de Ruiter*

Home finance organisation under formation in Saudi Arabia

With Saudi Arabia's real estate sector witnessing some strong demand, home finance providers are rushing in. A **MONEY***works* report on the formation of a new company by four partners.

Four leading institutions have come together to create the largest specialist housing finance company in the Middle East and North Africa region in Saudi Arabia. The proposed name of company under formation is Saudi Home Loans.

The four partners in the joint venture are Arab National Bank, International Finance Corporation, Dar Al-Arkan Real Estate Development Company and Housing Finance and Development Corporation of India.

Although further details are still awaited, reliable sources confirmed to **MONEY***works* that the new company will support the development of affordable housing in Saudi Arabia by providing Shari'ah complaint mortgage housing finance for purchase of apartments, villas and lands along with commercial developments and industrial facilities.

The joint venture company, though a "newcomer" to the home finances industry, will benefit from the experience, knowledge, support and relationship of Kingdom Instalments Company and Arab National Bank, sources said.

They also added that Saudi Home Loans plans to achieve success through delivery of superior housing finance solutions and high quality customer service. The company will offer products for both Saudi Arabian nationals and expatriate residents (after implementation of necessary regulations). The new company is also expected to offer affordable products for both middle and lower-level income consumer segments. The company also plans to use mortgage backed securities and other financing structures to optimise its cost structure and funding process, the sources added.

The Saudi Arabian market requires more than 200,000 residential units per annum boosted by the combination of growing wealth in the Kingdom, strong oil price and a young population. At present, the Kingdom has a strong demand for good housing and low supply, and thus the opportunity for financing at the retail end as new supplies are poised to hit the market in the near future.

The impending launch of the new home finance company in the Kingdom also comes on the back of the UAE's home finance company Tamweel tying up with Al Oula Real Estate Development of Saudi Arabia to create a new real estate finance company.

Retail jewellery chain Damas in talks for credit rating

Damas, the largest jewellery retail chain in the Middle East, is in an expansion spree. It has been raising debt from the market to fund its expansions and is now poised to be one of the first in its industry in the region to be credit rated. A **MONEY***works* report.

The Damas Group, which raised US$255 million through a syndicated loan issue last month, has plans of accreditation in the future, according to P K Dutta, chief financial officer of the group.

The jeweller, which currently owns a total of over 386 stores across the world, plans to expand both its geographical footprint as well as its presence in countries where it already sells its jewellery products. The total number of stores is set to rise to over 450 stores by the middle of 2008. Most of the funds raised from the current syndication, at a cost of Libor plus 1.3 per cent per annum, will be used for expansion and other corporate purposes, while over US$9 million will be used for refinancing some of its earlier debt raised through a syndicated loan of US$54 million at a cost of Libor plus two per cent.

The Damas Group is currently 59 per cent owned by the Abdullah brothers and the rest is owned by financial institutions and private shareholders through a recent private placement.

Tawhid Abdullah, managing director of Damas, said that the group is keen to do an IPO towards the end of this year or next year depending on regulations on the Dubai International Financial Exchange. There could be a dual listing on the Dubai Financial Market. However, if for some reason an IPO does not happen, then Damas could approach the capital market with a convertible sukuk issue.

Abdullah said that the global jewellery market was US$164 billion in 2006, growing at nine per cent per annum. In comparison, the UAE market was growing at 14 per cent, while Damas' growth last year was 36 per cent. The jewellery group's turnover has also doubled over 2004 to touch US$1 billion in 2006.

BLME launches new Islamic Bank in the United Kindgom

The third Islamic bank in London was launched last month. Bank of London and the Middle East (BLME), which received FSA authorisation to launch as a stand alone, wholesale, Shari'ah compliant bank based in London, has raised GBP175 million from a number of institutional shareholders, primarily from Kuwait. Boubyan Bank, with 20 per cent stake, is the largest shareholder in the new bank.

BLME will provide a range of high quality Shari'ah compliant banking services and advice to businesses both in Europe and the MENA region.

Left to right: Humphrey Percy, CEO, and Yacob Al-Muzaini, chairman

Nigel Denison, executive director and head of markets at the bank, told **MONEY***works* that at present, the bank will have just one branch, and there are no plans to have multiple branches in the near future. He also added that the bank will benefit from growing awareness of Islamic banking in the UK.

"I feel our business will develop partly from new clients and partly from people moving from conventional to Islamic banking. Some people would rather deal with Islamic banks than Islamic windows," said Denison.

BLME is currently financing a Kent-based steel manufacturer and part of the Saudi Arabian Al Tuwairqi group. The bank is also looking at opportunities in Pakistan and North Africa, apart from the Middle East.

The world's largest and most diversified private investment group, owned by Prince Alwaleed bin Talal, is selling 315 million shares at a price of SAR10.25 per share, representing five per cent of its share capital. The IPO aggregates to SAR3.228 billion.

Despite a fatwa issued by a Saudi cleric not to invest in Prince Alwaleed bin Talal's Kingdom Holdings due to its alleged involvement in activities "forbidden by Islam", the overall expectation is that the issue will oversubscribe.

The fatwa refers to Kingdom Holding's investments in Time Warner, Apple, News Corporation and Four Seasons, etc. Analysts said the fatwa would deter some investors, but they still expect the Kingdom Holding's IPO to be oversubscribed.

MTC receives telecom license in KSA

Mobile Telecom Company (MTC) received formal approval for its SAR22.91 billion financial bid for the third mobile telecommunications license in Saudi Arabia. The approval allows the MTC consortium to establish a public joint-stock company to hold the license and operate the third mobile telecommunications company in the Kingdom. This 25-year license allows MTC to offer GSM, 3G, 3.5G and future state-of-the-art mobile telecommunications services at competitive rates throughout the Kingdom of Saudi Arabia.

After Ramadan, MTC Saudi Arabia will float its IPO for 560 million shares to raise SAR5.6 billion. Following a mandatory IPO later this year, MTC interest in consortium will reduce to 25 per cent from 50 per cent. The shareholding pattern of MTC Saudi Arabia post-IPO will be 40 per cent held by general investors, 25 per cent by MTC, 25 per cent by Saudi shareholders constituting the MTC consortium and five per cent each by General Organisation for Social Insurance and The Pension Fund.

Listed on the Kuwait stock exchange, MTC aims for a market cap of US$30 billion and operating profits of US$6 billion within five years. In this period, the company also plans to boost the number of its customers from 27 million to 70 million. MTC's move into Saudi Arabia is intended to help fulfil these goals. With a mobile penetration rate of about 70 per cent at the end of 2006, Saudi Arabia lags behind its Gulf state neighbours, where penetration rates now top 100 per cent. Over the next five years, Saudi Arabia is expected to catch up.

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Dubai Chamber's Real Estate Group to merge with DPG

Dubai Chamber of Commerce & Industry (Dubai Chamber) is to merge its real estate interests – the Real Estate & Property Business Group – with Dubai Property Group (DPG) to further promote the needs of Dubai's booming real estate community.

The combined group will operate under DPG's name and work together to represent, protect and promote the interests of Dubai's real estate community

Hamad Buamim, Dubai Chamber's director general and Ahmad Al Matrooshi, chairman of DPG

The merger, which will be completed by the end of the year, comes as Dubai's real estate sector continues its impressive growth. The parties have decided to come together to provide their members with a more recognised legal structure.

The announcement came during a meeting of the two parties' respective boards with Hamad Buamim, Dubai Chamber's director general and Ahmad Al Matrooshi, chairman of DPG, in attendance.

Qatar is to establish a single integrated financial regulatory body that will oversee all banking, insurance, securities, asset management and other financial services. This new regulator will bring together the staff resources currently dispersed amongst the Qatar Central Bank's department of banking supervision and its banking consumer services unit, the Qatar Financial Markets Authority and the QFC Regulatory Authority, thus creating a single organisation and one set of standard rules applicable to all financial institutions.

The new regulatory body will be fully independent, with management accountable to a board constituted of international and Qatari financial services regulatory experts. An interim board is expected to be appointed by year-end and will move quickly to designate the senior management team. It is expected that all staff from the existing regulators will move to the new regulatory body by early 2008.

Qatar Real Estate Investment Company (QREIC) has mandated HSBC to act as sole lead manager and bookrunner for a benchmark Sukuk issue. The sukuk is the first rated sukuk for a Qatari corporate and is the second corporate sukuk ever to come from Qatar, following QREIC's unrated issue in 2006. The pricing of the issue will set a benchmark for Qatar corporates to raise funding in the debt capital markets in the future

QREIC has been rated A2 by Moodys and BBB+ by Fitch. The sukuk is expected to have a five-year maturity.

Bank of Baroda to expand presence in GCC

Bank of Baroda, one of the largest banks in India with a presence in the UAE for 33 years, plans expand its presence across the GCC, with an immediate office opening scheduled for Bahrain in the next two months and a Dubai International Financial Centre presence in the near future. The bank also plans to apply for licenses in Saudi Arabia, Kuwait, Qatar and Yemen in the region, according to senior officials at the bank.

Bank of Baroda plans to start a call centre in the UAE and begin offering wealth management services, project finance and issue debit and credit cards as part of its plan to strengthen its operations in the country. Officials said the bank will also start mobile customer service centres with ATMs soon and introduce remittance services on Fridays.

The bank will increase the number of ATMs from its existing 13 to between 25 and 30 in the next 12 months in the UAE. It will also start customer service centres at Jebel Ali, Karama, Sheikh Zayed Road and Naif Road in Dubai. There will be one customer service centre in Musaffah in Abu Dhabi and one in Sharjah.

Ashok K. Gupta, chief executive of Bank of Baroda (UAE & Oman Operations), said that the bank is also starting off a year-long celebration marking 100 years of growth as India's international bank with a presence in 21 countries through 61 offices.

Basel II compliance a top priority in the UAE

The challenges facing UAE banks while they implement Basel II guidelines were highlighted at a Financial Technologies Middle East (FTME) roundtable conference for risk managers entitled 'Basel II and Beyond'. The biggest challenge faced by banks is the quantification of operational risk – the risk of failure of systems, processes and people. This challenge is magnified due to the lack of credible, quality and granular data.

Feedback from senior risk managers of UAE banks revealed that the majority of the banks may need more than six months to be compliant with the guidelines of the Basel II accord.

"TheBasel II compliance program should be viewed by UAE banks as a source of competitive advantage rather than as just another regulatory issue," said Arshad Khan, director, FTME.

Dr.A K Nag, chief consultancy officer of Riskraft, a knowledge initiative of Financial Technologies, added: "Basel II compliance mitigates various kinds of risks that any bank is exposed to. Mitigation of such kind of risks is an important part of their overall risk assessment program. In the absence of proper information management framework, banks in emerging economies do not have the required risk profile of their borrowers. Availability of detailed data can be used to price various banking products differentially for different types of customers."

Property owners in Dubai prepare for life under new Strata law

Property owners in Dubai are currently preparing for life under the new Strata law, due for implementation shortly. The law will see developers hand over control and ownership of common areas of buildings rather than just individual units.

Currently, many buyers only legally own the actual unit they bought and have no claim on common areas such as pools or gyms. The new legislation will divide the common areas up by the number of units and give each owner an equal share.

Strata will put ownership and therefore management and maintenance of the building into the hands of the home owners, who will be responsible for ensuring that these areas are managed and maintained effectively. Each building will then elect a committee of members to oversee such matters. It will be the committee's responsibility to budget for all required maintenance work for the building or area, including an allowance for unforeseen issues. The total sum will be divided by the number of units and all owners will be requested to pay that sum in the form of a service fee.

In a move that will be much stricter than other countries with Strata laws, the Dubai government is planning to have strict policies in place for payment of the service fees. Owners who fail to make the necessary payments in a given period of time could face having their unit sold as a penalty. It is hoped such a strict measure will protect the Home Owners Association from suffering financial difficulties and the building suffering as a consequence.

According to Reuters, Al Rajhi Bank posted the second successive year-on-year drop in quarterly profits. The Q2 net profit was SAR1.61 billion. Analyst forecasts for Q2 net profit ranged from SAR1.41 billion to SAR1.63 billion in Reuters' net profit survey conducted earlier. Declining brokerage activity in the Saudi stock market is reported to be reason for declining net profits.

ICICI Prudential Life Insurance (ICICI Prudential), India's number one private life insurance company, opened its representative office in Dubai last month. ICICI Prudential's Dubai office comes on the back of the company opening its first overseas office in Bahrain in November 2005.

ICICI Prudential is a joint venture between ICICI Bank and Prudential plc. As of March 31, 2007, the company garnered US$1.11 billion of weighted retail plus group new business premiums and wrote over 1.96 million retail policies. The company has assets of over US$4.02 billion. The company has been also the number one private life insurer for the past six years in India.

Dubai Financial Market unveils "More Active Stocks" for first half of 2007

Dubai Financial Market (DFM) has unveiled its "More Active Stocks" list, which comprises the most actively traded stocks during January 1 to June 30, 2007.

The list now includes 15 companies: Tamweel, Amlak, Islamic Arab Insurance Company, Arabtec, Aramex, Tabreed, Dubai Investment Company, Emaar, Aman, du, Shuaa Capital, Dubai Islamic Bank, Union Properties, Dubai Financial Market Company and Gulf Navigation Company.

The "More Active Stocks" category allows share prices to move up or down by a maximum of 15 per cent during one trading session. As opposed to this, the circuit limit for "Less Active Stocks" shares to move up or down is a maximum of five per cent during one trading session.

All listed companies are evaluated every six months and a set of parameters are applied to categorise stocks.

Air Arabia shares to trade on the DFM

Air Arabia shares began trading on the Dubai Financial Market (DFM) in July 17 under the trading symbol "Air Arabia", making it the 52nd company to list its shares on the DFM.

Ownership of Air Arabia's shares is available to UAE and GCC nationals up to 100 per cent, while foreigners are allowed to own company shares at a maximum of 49 per cent.

Air Arabia's authorised capital is AED4.66 billion, while its paid-up capital is AED4.66 billion. The company has issued 4.66 billion shares, with each share valued at a par value AED1.

Air Arabia's net profit for the three months ending March 31, 2007, stood at AED43.4 million. For the same period, the company posted a turnover of AED252 million. The airline served 580,000 passengers during the same period. The company's net profit increased 33 per cent between the fourth quarter of 2006 and the first quarter of 2007. During the same period, passenger traffic increased 17 per cent.

NBD appointed as lead arranger for US$100 million to GEMS

NBD Investment Bank (NBD) has been mandated as sole bookrunner to arrange a US$100 million loan facility for Premier Schools International (GEMS). The loan will be used to partly finance school projects in the UAE, as well as refinancing existing debt.

The dual tranche loan facility has a tenor of five years and an average life of approximately three years and four months. This facility is the company's debut syndicated loan and is being arranged in order to diversify and extend the company's funding maturity profile from existing bilateral lines.

According to the 2007 World Wealth Report issued recently by Merrill Lynch and Capgemini, "investments of passion" have become an important portfolio allocation for the world's 9.5 million High Net Worth Individuals (HNWIs). These investments of passion include luxury collectibles such as automobiles, boats, aircraft, jewellery and art, sports-related investments such as owning professional teams, sailing and race horses, and other collectables categories including antiques and coins.

The report revealed that luxury collectibles ranked first, accounting for more than 26 per cent of all HNWIs' investments of passion in 2006. Rated second in the investments of passion category was art, with 20 per cent of HNWIs' allocations. Jewellery followed with 16 per cent, but was most popular with Middle Easterners, who directed 32 per cent of their investments of passion into jewellery. Europeans, Latin Americans and North Americans, by contrast, each allocated less than 20 per cent. As investments of passion continued to be of great interest to HNWIs, the cost of luxury goods and services rose nearly twice as fast as the cost of everyday consumer products in 2006. The cost of the luxury items tracked by Forbes' Cost of Living Extremely Well Index (CLEWI) rose seven per cent, while the cost of consumer goods and services, monitored by the Consumer Price Index (CPI), rose four per cent. This represents a significant increase in relative inflation of luxury goods over 2005, when the CLEWI rose four per cent and the CPI 3.6 per cent.

Emirates Bank (EBI) chairman, Ahmed Humaid Al Tayer, and Louis Scotto, Emirates Bank general manager, inaugurated the new headquarters of the group sales unit. The new office, on the ninth floor of the Deira Creek Tower Car Parking Building, is the biggest site yet to be dedicated to EBI's sales force.

Left to right: Mike English, director of Superbrands Middle East and North Africa, and Abdulaziz Al Muhairi, board member and CEO of Dubai Bank

Dubai Bank has been nominated as one of the Superbrands for the year 2007, for the third year in row. This is the first time it has received the award after becoming a Shari'ah compliant bank at the beginning of this year.

Superbrands book pays tribute to the strongest brands in the UAE. Brands that have attained Superbrands status have been selected from the brands most highly rated by the independent Superbrands Council, from a list of over 3,000 active brands throughout the country. The council consists of eminent figures in the world of branding.

Merrill bullish on European equities

European equities are still a compelling asset class and are preferred to both bonds and property. While the valuation gap with bonds has closed over the past year, it still points to an overweight in equities, according to Merrill Lynch research.

The research says: "We are still only 4.5 years into a 10 year cycle and are entering a phase of stable EPS growth. If history is any guide, we should have a few more years of healthy profit growth to go. And, European equity markets have not yet re-rated. From January 1, 2004, the European market index has risen by 81 per cent and total market earnings have moved right along with it, rising by 82 per cent. This puts us on a 2007E PE of 13.8x and a dividend yield of 3.2 per cent."

"Equities are cheaper than bonds if we look at the bond/earnings ratio and at the real yield gap. In addition, other assets classes, such as property, have re-rated more on the back of excess liquidity. We remain overweight European equities and look for index levels for Europe as a whole to rise by eight per cent over the next 12 months," the research adds.

EBI NBD merger details released

The long awaited details of the proposed merger between Emirates Bank International and National Bank of Dubai were released last month.

Completion of the proposed merger will bring together the first and second largest banks in the emirate of Dubai by assets, and the merger is being billed as one that will create "a UAE banking champion and the GCC's largest bank by assets". The new UAE Central Bank licensed company merged bank - with a combined market capitalisation of approximately AED41.3 billion/US$11.3 billion - will be called Emirates NBD PJSC.

Each EBI share will be exchanged for one share in Emirates NBD, valuing the EBI shares at AED9.30 per share. Each NBD share will be exchanged for 0.95 shares in Emirates NBD, valuing the NBD shares at AED8.842 per share, which equates to a 14 per cent premium to the NBD share price on the day prior to announcement. This equates to an overall exchange ratio of 0.95 EBI shares for one NBD share.

The proposed merger has been approved by the board of directors of both EBI and NBD. The government of Dubai has confirmed its intention to accept the offer in respect of its holding of 76.62 per cent and 14.25 per cent of the share capital of EBI and NBD respectively.

By joining forces, EBI and NBD aim to deliver enhanced value across corporate, retail, Islamic and investment banking in the GCC region.

Tamweel launches real estate finance company in Saudi Arabia

Tamweel PJSC has launched a new real estate finance company in Saudi Arabia, a joint venture agreement with Al Oula Real Estate Development.

According to Adel Al Shirawi, Tamweel's CEO, Tamweel aims to establish itself as "the biggest real estate finance company in the Saudi market, reflecting its experiences in UAE where it became the biggest real estate finance provider within three years". The partnership, noted Shirawi, will help enhance standards in the real estate finance field and meet the requirements of the Saudi market.

Adel Al Shirawi- CEO, Tamweel

The licensing procedures to offer real estate finance and mortgage products in Saudi Arabia are in process.

World Insurance Forum selects DIFC as 2008 venue for next global forum

The World Insurance Forum (WIF) has selected the Dubai International Financial Centre as the host location for its next global forum to be held March 17 - 20, 2008. The decision to host the event in Dubai marks the first time that the WIF has held the biennial insurance and reinsurance industry event outside of Bermuda, where it is headquartered.

WIF in Dubai attendees will have the opportunity to discuss industry developments and network with the world's leading insurance and reinsurance companies, along with brokers, risk product buyers and investors, capital market players and senior country officials from the Middle and Far East regions. The 2008 programme will, for the first time, also include opening discussions by current and former heads of state.

The World Insurance Forum is owned and operated by the Bermuda Insurance Symposium, a not-for-profit Bermuda company.

Financial centres news - July 2007

DUBAI

MENA Financial Group has been granted a licence by the Dubai Financial Service Authority (DFSA) to operate as an authorised firm in the Dubai International Financial Centre (DIFC). MENA Financial Group will provide a range of financial and investment services including corporate finance, underwriting, stock broking and asset/fund management services to its clients throughout the region.

Volaw Trust and Corporate Services Limited (Volaw) has been granted a license by the DFSA to operate as an authorised firm in the DIFC. Volaw will provide a wide range of trust, fund administration and advisory services on various financial products directly from the DIFC to its clients throughout the region.

GFS Investments (Middle East) Ltd., an online trading in the global foreign exchange and commodity futures market, has received a license from the DFSA to open an office in the DIFC. GFS Investment's opening in the DIFC will complement its existing office GFS Forex and Futures Inc., which is already a member of the Dubai Gold and Commodities Exchange.

Beresford Blake Thomas, the global human resource consulting and recruitment company, has also been granted a licence by the DFSA to establish an office in the DIFC.

Mirabaud (Middle East) Limited, a wholly owned subsidiary of Mirabaud, a banking group founded in Geneva in 1819, received a license from the DFSA to operate as an authorised firm in the DIFC. From its offices in the DIFC, Mirabaud will provide wealth and asset management services for its clients across the Middle East and South Asia.

QATAR

Goldman Sachs International has been granted a licence by the Qatar Financial Centre Regulatory Authority (QFCRA) to operate as an authorised firm in the Qatar Financial Centre (QFC). The QFCRA has also granted authorisation to Doha Bank Assurance Company LLC to carry on Regulated Activities in the QFC.

Bahrain-based BankMuscat International has received a licence to set up its first overseas branch and operate in the QFC. The banking licence, issued by the QFCRA, permits the bank to engage in regulated activities including providing and arranging credit facilities, accepting deposits and dealing in investments.

FORSA charges ahead with plans by raising AED250 million

FORSA, the investment company dedicated to women investors in the Gulf region, has raised AED250 million through the successful closure of two funds.

FORSA's first fund, FORSA Fund I, is a general purpose fund and has raised AED200 million. The amount will be invested in different sectors such as retail, education and healthcare.

The second announced AED50 million fund, FORSA Real Estate I, was launched to invest in a specific real estate project.

FORSA is an investment company created by women for women and launched by Dubai World, a leading holding company based in Dubai.

From left to right: Khalid Al Kemdah, vice chairman, Istithmar; Shamsa Rashid, CEO, FORSA and Orhan Osmansoy, CEO, The National Investor

Al Mazaya Holding, a leading property firm in the region, has announced the activation of the Al Mazaya real estate index, the region's first index that monitors property movement in the GCC across a variety of realty sectors.

The index measures the progress of all the real estate indices in the GCC, including the residential lands index, the trading on flats and villas index, the commercial and investment lands index and the prefab offices index, while providing a comprehensive analysis of the movement of each index across the GCC countries.

The index seeks to provide investors with the opportunity to choose the most profitable real estate investment by recognising the most active countries and the most active sector in a particular country in terms of value and volume.

Options Group launches new office in Dubai

Options Group, a leading global executive search and strategic consulting firm, opened its Dubai office last month to meet the growing demand for executive search and strategic consulting services in a number of emerging Middle East markets. The firm received a license by the Dubai International Finance Centre to operate as an executive search firm under the name Options Group (Middle East) Ltd. For the past two years, Options Group has been doing senior consulting work in the region, especially in Islamic Finance.

Founded in 1992, Options Group, which is headquartered in New York, has offices in London, Hong Kong, Newport Beach, São Paulo, Shanghai, Sydney and Tokyo.

Khazanah Nasional of Malaysia list US$850 million sukuk on DIFX

Khazanah Nasional Berhad, the investment holding arm of the Malaysian government, has listed its US$850 million Sukuk (Islamic bond) on the DIFX. It is the first Sukuk from outside the exchange's region to be listed on the DIFX and underlines the DIFX's stature as the world's largest exchange for Sukuk by value, now at US$12.78 billion.

Financial results - July 2007

Unicorn Investment Bank B.S.C. reported earnings growth of 29 per cent to US$56.1 million for the six-month period ending June 30, 2007. Investment banking fee income increased substantially on the back of a number of ground-breaking transactions. The strong and diverse mix of operating income led to a first half net profit of US$20.2 million.

Dubai Financial Market Company's net profit for the first half of 2007 reached AED748 million, including AED468 million generated by IPO profits and AED280 million representing the net profits from operating activities during this period. The net profits from operating activities for the second quarter of 2007 were reported at AED185 million, as compared to AED95 million for the first quarter of 2007, a 95 per cent increase.

Amlak Finance PJSC announced a net profit of AED106 million for the first half of the financial year ending June 30, 2007, up AED25 million compared to same period in 2006, showing an increase of 31 per cent.

Dubai Bank's net profit for the first half of 2007 has reached AED81.2 million, a 237 per cent increase compared to the net profit recorded for the same period in 2006 (AED24.1 million). The total operating income has gone up by 52 per cent to AED177.7 million for the first half of 2007, compared to AED116.9 million for the same period in 2006.

RAKBANK reported a net profit of AED182.13 million for the half year ending June 30, a 52 per cent increase over the same period in 2006.

Al Salam Bank in Bahrain reported a net profit of BHD14 million (US$37.2 million) for the half-year ending June 30, 2007, representing a return on equity of 20.6 per cent annualised. The bank reported gross income of BHD19 million (US$50.4 million) for the period. The net income of BHD8.9 million reflects the bank's strong performance for the fifth consecutive quarter in a row.

NBAD's Mizaat fund demonstrates best performance in UAE

The National Bank of Abu Dhabi's UAE Distribution Fund 'Mizaat' has become one of the biggest and best performing mutual funds in a short span of time, with the best performance in the UAE during 2006 and through June 2007. 'Mizaat', which is one of the most popular investment products launched in February 2006, managed to collect close to AED1 billion in subscriptions in its first two weeks. The fund managed to outperform the market by 22 per cent in time period from inception in February 2006 through the first half of this year.

Spinneys completes first phase of US$180 million fundraising programme

Spinneys Group Limited has successfully completed the first phase of a US$180 million fundraising programme, which will serve primarily to fund Spinneys' aggressive expansion across the Middle East, North Africa and South Asia.

Spinneys has signed a US$80 million four-year loan agreement with National Bank of Dubai (NBD). This will be followed shortly by the launch of a US$100 million preference share issue, for which NBD Investment Bank will serve as the sole placement agent.

Spinneys is progressing expansion opportunities in 11 countries in the MENASA region and has already signed agreements to open stores in Jordan, Pakistan and Qatar.

DIP emerges as hotel hotspot with investments topping AED1 billion

Dubai Investments Park (DIP), the wholly-owned subsidiary of Dubai Investments, has invested more than AED1 billion in the hospitality sector to address the increasing demand for quality hotel facilities in Dubai. In addition to a recently launched 165-room luxury hotel, DIP will offer more than 1,500 new rooms and a wide range of amenities when eight new hotels open at the self-sustaining business, residential and leisure community in the near future.

The board of directors of Emirates Real Estate Fund has approved a dividend of US$0.40 cents per share. The dividend applies to all income class shareholders in the register at the close of business on June 29, 2007. This is the fourth dividend to be distributed by the fund, which brings the total dividend distribution since launch to US$1.505 per share (15 per cent over two years). The fund was launched in June 2005 at a net asset value of US$10 per share, and the income share class continues to trade at a net asset value of US$11.88 per share. Investors in Emirates Real Estate Fund have benefited from both income and capital gains through direct property investment. Investors can also choose the accumulation share class and benefit from the re-investment of their income, with a net asset value, as at June 29, of US$13.55 per share (35.5 per cent over two years).

Emirates Real Estate Fund currently has assets under management of US$400 million and 14 properties reflected in the portfolio representing commercial, residential and industrial sectors.

Appointments - July 2007

Standard Chartered has appointed **Gilles Franck** as regional head of capital markets for the Middle East and Pakistan. Based in Dubai, Franck will manage the fixed income, syndications and institutional sales business across the region.

Lloyds TSB Middle East has appointed **Derek Vaz** as the new head of finance and strategy for its Dubai-based regional operations.

Emaar Properties has appointed **Sarhad Haffar** as general manager of Emaar Syria S.A.

Following its Annual General Meeting held on June 25, the board of the **Dubai International Financial Exchange (DIFX)** has appointed **Soud Ba'alawy** as the new chairman of the DIFX.

Deutsche Bank has appointed Saudi national **Jamal Al Kishi** as chief country officer for Saudi Arabia (KSA) and head of corporate and investment banking in the KSA.

Simon Barham has been appointed CEO of **Gulf Navigation Holding PJSC**, a Dubai-based company and regional leader in shipping and marine services.

Dominique Diep has been appointed CEO of **Société Générale Asset Management** in Bahrain. Diep will be responsible for distribution, corporate and family offices and for developing relations with financial institutions.

SG Private Banking Middle East has appointed **François Farjallah** as head of the near east and Mediterranean. He will be based in Dubai.

Emirates Investment Development Company PSC (Emivest) has appointed **Anthony Power** as its new chief investment officer.

Derek Vaz

Gilles Franck

Anthony Power

Sarhad Haffar

Barclays introduces the UAE's first biometric-enabled ATM

Barclays Bank has become the first bank in the UAE to introduce biometric-enabled ATMs. The bank has selected NCR Corporation for the provision of NCR ATMs, as well as for their maintenance across the UAE.

The new ATMs at Barclays will be equipped with biometrics technology, which enables customers to be authenticated via fingerprint scanning. Biometrics is a secure form of identification that cannot be lost, stolen or forgotten, thus minimising the risk of fraud.

The contract signed also includes a mix of full-function ATMs that can address advanced functions such as intelligent deposit and personalised service, as well as routine transactions like cash withdrawal.

By the end of the year, Barclays' local network will include two branches, three service centres and an ATM network.

MasterCard Worldwide has confirmed its role as the key sponsor and official payment card for the eighth year running of Dubai Summer Surprises (DSS) 2007.

MasterCard has developed a new promotion with the Dubai Shopping Mall Group and DSS, offering customers the chance to win in a weekly prize draw that will take place at different mall locations around Dubai. Shoppers who make purchases using their MasterCard credit or debit card will earn three coupons for a draw, tripling their chances of winning the AED500,000 weekly prize raffle.

MasterCard has also developed a promotion with Dubai Duty Free (DDF). Consumers who make a purchase over AED250 at DDF will receive two coupons, doubling their chance of winning gift vouchers up to the value of AED25,000 each week for 10 weeks.

National Bank of Dubai has launched NBD Tas-heel Loans, providing business finance to UAE Nationals. Loans of up to AED1 million are available to re-invest in an existing business or finance new business activity. The repayment period is up to 10 years.

Emirates Islamic Bank now offers 'Evening Banking' at its Bur Dubai and Khaleej Centre branches. The two branches are now open until 8:00pm from Sunday to Thursday and from 8:00am to 1:00pm on Saturday.

DIB launches real estate trust account service

Dubai Islamic Bank (DIB) has launched the Al Islami Escrow Account, the first escrow trust account service in the region designed specifically for real estate developers.

The new service aims to help property developers manage their project receivables in accordance with the new regulations of Law No. 8 pertaining to the trust accounts for real estate developments in Dubai.

DIB will provide guidance on the completion of the Land Department's formalities and requirements and provide developers with details on the status of payments received from the various units in their buildings.

Left to right: Saad Abdul Razak, CEO of DIB Group and Sultan Butti Bin Mijrin, director general of Dubai's Land Department, during the signing ceremony for the agreement governing the general trust account conditions for real estate developments

Franklin Templeton launches India High Growth Companies Offshore Fund

Franklin Templeton Investments has launched a new open-end diversified equity fund called Franklin India High Growth Companies Offshore Fund. The fund, which is now available for investors in the Middle East, seeks to provide capital appreciation through investments in Indian companies or sectors with high growth rates. The new fund offer period was from July 15, 2007 to July 25, 2007, during which units were available at US$10 per unit (plus applicable load). Ongoing sales will commence on July 30, 2007 and the minimum investment is US$5,000.

MasterCard offers promotion to start off travel season campaign in the UAE

MasterCard Worldwide has launched the 2007 MasterCard Travel Season Campaign in the UAE. The promotion, which runs until September 7, offers MasterCard credit and debit cardholders the opportunity to win up to AED360,000 this summer. Every time cardholders from participating banks use MasterCard credit or debit cards to make purchases during the campaign period, they will automatically be entered into a prize draw.

CBD launches Visa Infinite credit card for high net-worth customers

Targeting high net-worth customers enrolled in its Al Dana Wealth Management Programme, Commercial Bank of Dubai (CBD) has launched a new and exclusive Visa Infinite credit card.

Al Dana Wealth Management customers will have access to a wide range of investment products, their own relationship manager and use of the exclusive Al Dana Lounges. Other features offered by the Visa Infinite card include concierge service, for which cardholders can dial a toll-free number and have a professional take care of their air travel arrangements, hotel reservations, currency exchange, transportation, luggage handling and more.

DIFC Investments and Dubai Islamic Bank establish Waqf Trust Services

DIFC Investments and Dubai Islamic Bank have initiated a project to establish 'Waqf Trust Services', the first Islamic trust services provider in the world exclusively offering Shari'ah compliant trust services, which will operate from the Dubai International Financial Centre upon approval from the Dubai Financial Services Authority.

Waqf Trust Services will offer a diverse array of trust services for both corporate and individual clients, primarily encompassing the provision of tools to assist clients in the protection of assets, succession planning and the preservation of family wealth.

The company is set to operate along the guidelines of the 'Trust law of 2005' enacted by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. The law is primarily intended to ensure the proper succession and preservation of lineage, allowing families to manage their wealth in a way that guarantees the rightful disbursement of their inheritance while adhering to Shari'ah guidelines.

Emirates Bank (EBI) has a summer holiday promotion for personal loan customers offering 60 family holiday packages. Beginning July 1 and continuing for two months, customers who take a new personal loan, top up or transfer an existing loan can be entered into a daily draw to win a family holiday. The holiday package includes air tickets, three night hotel accommodations with breakfast and airport transfers for two adults and two children. The minimum loan amount to be eligible to enter into the daily draw is AED30,000.

In other news, EBI, in association with National General Insurance, has recently launched meTRAVEL, a new travel insurance plan that offers customers instant coverage. This plan is also available to those who are not customers of the bank and can be acquired after completing an application form at any Emirates Bank branch. Payment can be made either by direct debit or credit card, or with cash. Applicants can immediately collect and take away their policy document over the counter. meTRAVEL offers two alternative worldwide covers – either including or excluding the US and Canada – with a 50 per cent discount for travellers under 16.

Habib Bank AG Zurich (HBZ) has launched HBZpay, the region's first online, fully automated payroll system offered by a bank. This service was created to help employers streamline their salary payments, in light of the UAE minister of labour's recent announcement that all private companies should pay their employees' salaries through banks by January 1.

HBZpay aims to reduce the time an employer spends on accounting administration and increase the speed in which employees receive their wages. Employers can set up payment details and pay their employees over HBZ's secure network. Employees with accounts at HBZ will be alerted by SMS and receive their salaries just a few seconds after the employer authorises payment. For employees receiving funds from HBZpay, there is no minimum balance required on their account.

Emirates Bank has signed an agreement with Infospan Inc., a California-based technology company, to launch a global service that will enable users to send and receive money instantly around the world. The service aims to provide financial services to the thousands of un-banked people across UAE and will be available through a variety of channels including SMS, call centres and ATMs.

Through the new service, individuals will be able to access hundreds of ATMs and Point-Of-Sale units across the UAE at low costs and with no minimum monthly balance requirements. In addition, they will be able to remit funds back home in a method that is cheaper, safer and more convenient than current alternatives.

Omniyat Properties offers raffle and developer finance scheme

Omniyat Properties launched a new Dubai Summer Surprises buyer incentive raffle, which could potentially reach AED16 million, for those who invest in any of its publicly launched projects during the summer. The promotion will see the first 200 buyers enter a draw to win back their initial deposit, as well as the unit bought for free.

Running in tandem with the raffle is a special developer finance scheme. Payment is arranged directly with the developer and requires 50 per cent payments in installments during the construction period. Once complete, the remaining 50 per cent is then paid.

Emirates Bank has begun its 'Double Your Money' Deposits Festival promotion. Customers depositing new amounts in any meDEPOSITS account or Al Shaheen deposit account will be offered the chance to double deposits made between June 20 and August 20.

To participate in the Emirates Bank Deposits Festival, customers can make a new deposit in any of their existing deposit accounts or open a new account and they will automatically qualify to be among the winners doubling their deposits.

The minimum deposit to qualify is AED5,000. Customers making deposits of AED100,000 will get five additional chances in the draw. The maximum prize money per person is AED100,000.

Emirates Islamic Bank (EIB) has become the first Islamic bank in the UAE to introduce a MasterCard un-embossed chip debit card.

The new EIB MasterCard un-embossed chip debit card comes with a microchip that stores all cardholder data. The microprocessor, embedded in the card, carries encrypted data ensuring increased security. The card has both a magnetic stripe as well as chip functionality. With the payment card being un-embossed, the card can only be used at electronic points of interaction.

The card will offer EIB's MasterCard cardholders increased security and will mitigate fraudulent and disputed payments. When making a purchase with their card, MasterCard cardholders have the opportunity to key in their unique PIN, thereby validating their identity.

Sextant Capital to launch offshore "Hybrid2Hedge" fund later this year

Sextant Capital will be launching an offshore fund called "Sextant Strategic Hybrid2Hedge Resource Fund (Caymans)" on October 31, 2007. It will utilise the same proprietary risk strategies as the number one performing Canadian Resource Fund from the company.

Sextant's "Resources" fund in Canada was rated number one among top performing funds in 2006 with a return of +117 per cent return (GlobeFund 2006). Sextant also recently launched its first offshore fund, "Sextant Strategic Global Water Fund".

According to Dr.Otto Spork, president and founder of Sextant Capital and a **MONEY***works* columnist, Sextant Capital has strategically developed its team, its investment and risk control strategy. He said that the firm's own innovation and proprietary "Hybrid2Hedge" has aligned itself with outside experts in all areas of influence including resources, energy, water and politics in order to better manage the volatile commodity markets and investments therein.

Last month, Dr.Spork was recognised by Bloomberg and the Globe as one of the top 100 money managers in the world out of some 2,200 managers.

ABN AMRO launches first credit card targeted at non-resident Indians

ABN AMRO, in association with MasterCard Worldwide, has launched a credit card targeting the non-resident Indian community in the UAE.

The credit card offers such features as free monthly money-remittances and life insurance with protection for the cardholder's family. The card also offers a number of India-specific redeemable benefits including free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at select outlets in India.

"There are approximately 1.4 million non-resident Indians in the UAE and they have a strong bond with India's culture, heritage and values," said Colin Macdonald, ABN AMRO's country executive in the UAE. "We have identified a niche segment and introduced a credit card that is aesthetically designed and reminiscent of India."

From left to right: Colin Macdonald, country executive, ABN AMRO; HE Venu Rajamony, counsel general of India, Dubai; Jim Brown, ABN AMRO's head of consumer client segment in Asia and Denzil Lawson, general manager, MasterCard Worldwide

eGovernment offers direct debit payment facility to UNB customers

Union National Bank (UNB) has tied up with Dubai eGovernment to offer the direct debit payment facility to account holders of the bank. All account holders of UNB can now pay for various Dubai government services and private sector services in real time as their accounts are directly debited with immediate record updates.

The direct debit service is part of Dubai eGovernment's ePay initiative and facilitates direct debit payments for businesses and individuals from their accounts. UNB account holders can now initiate payments online through the service provider website and the final authentication will be carried out by the bank online.

In 2006, the Dubai eGovernment Payment Gateway (ePay) generated about AED55 million in ePayment transactions, while the first half of 2007 has already generated AED39 million, showing the increasing popularity of ePay.

Union National Bank is the second bank after Commercial Bank of Dubai to offer the direct debit facility to its customers. Dubai eGovernment is currently finalising procedures to introduce the service for other major banks in the UAE in the near future.

Emirates Bank launches Salik toll cards recharging service through Banknet

To coincide with the introduction of the Salik Toll service by RTA, Emirates Bank launched a re-charging service for Salik toll cards through its electronic banking channels. The service is available to all bank customers through Banknet (Emirates Bank's internet banking service) and meMOBILE (SMS Pull Service). The recharging service will also soon be available through the bank's ATM and CDM machines for all Salik customers to recharge their toll cards whether they are Emirates Bank customers or not.

Dubai Islamic Bank (DIB) announced that it is the first bank in the UAE to go live with du e-payment services for du mobile connections on its Interactive Voice Response channel. The service will be available to all DIB account holders. DIB customers can now dial the Al Islami Phone Banking toll-free number (800 4008) and make real time payments for their du mobile connections, including Pay as You Go and Monthly Plan connections.

Advert

The UAE's federal credit bureau in the making

All the confusion over a federal credit bureau finally seems to be clearing in the UAE with the ministerial decree that says that Emcredit will become the federal credit bureau. **Utpal Bhattacharya** speaks to Bashar Saleh Qallab, CEO of Emcredit.

Emcredit, the only credit bureau in the UAE, has come a long way since its launch late last year. Despite resistance from certain quarters of the banking industry in the country, the nascent institution is slowly but surely making its presence felt. While the launch of Embounce, a product that offers information on bounced cheques in the country backed by the Dubai Police, has been an important milestone in the bureau's recent history, its biggest achievement thus far has been a recent cabinet decree stating that Emcredit will be the federal credit bureau in the UAE. For that to happen, the UAE will need to have data protection and data privacy laws in place first, and the process for that has begun. Sooner rather than later, the country will have to implement these laws and have the federal credit bureau in Emcredit operational.

Bashar Saleh Qallab, CEO of Emcredit, says: "You have heard the UAE central bank governor talking about a federal credit bureau. The federal credit bureau that he is talking about is Emcredit. There is a ministerial decree now to that extent for Emcredit to go federal. The advisory committee created by the ministry is currently studying how to take Emcredit federal."

Qallab's disclosures should bring comfort to a number of bankers in the UAE who had been hesitant to sign up with Emcredit up until now, as they were unsure of the credit bureau's clout or its capacity as a significant source of credit related information in the country without support at the federal level. While reluctance on the part of banks can be attributed to the teething problems associated with any new enterprise, it has been a cause of concern in some quarters that few key stakeholders chose to remain neutral on the new enterprise.

The ministerial decree should now be an answer to all those who had been questioning how Emcredit, without banks as its shareholders, could provide quality data - as has been the model in some of the other countries in the region where banks got together to establish credit bureaus.

This should also put to rest the confusion about a federal credit bureau that would be the repository of all credit related information in the country, while Emcredit was a venture not backed by federal institutions. Bankers speaking to **MONEY***works* about a federal credit bureau have, in the past, intimated that they would rather be members of a federal institution rather than an "autonomous initiative", meaning Emcredit. But now, with the ministerial decree in place in favour of Emcredit as the federal credit bureau, it should make it hunky-dory for all parties to join the only credit bureau in place in the UAE today.

Bashar Saleh Qallab, CEO of Emcredit

Why a credit bureau?

To put it in simple terms, a credit bureau can be described as a library of credit information on consumers and corporates. It is a centralised repository database that gives users access to credit behaviour sourced from all approved credit providers. With a credit bureau in place, a credit provider can look at any borrower's credit report and immediately find out the total exposure of the borrower and whether the borrower has a history of defaults or a clean repayment record. Once a credit provider has the credit report of borrowers, it can segregate between good customers that repay in time and those that default or have a poor repayment history. On the basis of that information, a credit provider can charge higher interest from those borrowers with dismal history of repayments to cover higher risk from chances of non-timely or

non-repayment. For those with clean records, it would have the flexibility to price their loans lower than what they might have paid.

One of the other important benefits of having a credit bureau is that it makes loan processing much less time consuming, as bankers do not have to spend time telephone referencing with colleagues in other banks to find out the history of a borrower's past. The credit bureau allows them to access the centralised database and find out all the borrower's details. It also gives bankers the flexibility to design their loan products and, for example, come up with such initiatives as disbursing consumer loans on the spot at shopping malls with minimal documentation. It helps businesses, expands spending and, above all, fuels economic growth with better efficiencies in place.

A functional credit bureau in the UAE that has access to significant credit-related data is the need of the hour, especially in a country with a working population that is so diverse and transient. All types of creditors need to be able to share credit-related information so as to not only reduce their rates of default on loan repayments, but also be able to offer better rates to good customers, making borrowing cheaper and augmenting profitability of lenders in the country.

In fact, the launch of Embounce is a good example of how a credit bureau like Emcredit can help all parties in an economy get together to reduce risks of financial transactions. With Embounce, the Dubai police updates Emcredit on a daily basis on all bounced cheques in the emirate. Thus, for members of the credit bureau, they can access that information in real time and not make the mistake of lending to owners of bounced cheques or do that only after adjusting for risk.

As for the benefits - it means that the police will chase fewer defaulters in the long run, meaning a decline in the department's expenses. For lenders like banks, it brings down risks and protects profitability. All of this leads to a more efficient economy.

At the launch of Embounce, the chief of Dubai Police Lt.General Dhahi Khalfan Tamim said that he advocates a minimum period of residence for people coming to work in the UAE before being permitted to open current accounts and write cheques. Lt.General Tamim's reservation is apparent and obvious, particularly when you consider that in just one year (2002) there were 16,000 bounced cheques in Dubai alone. The figures for later years were not made available to this writer, but this is proof enough to indicate the kind of extra work and stress generated for the police department to chase these defaulters.

"There is a ministerial decree now to that extent for Emcredit to go federal. The advisory committee created by the ministry is currently studying how to take Emcredit federal."

Bashar Saleh Qallab

"Our partnership with Emcredit provides a new way to serve Dubai and our society. If the economy of our country is healthy, so is everything else," said the police chief at a press conference to launch Embounce.

Qallab adds that Embounce is an important product for anyone who wants to track the various economic sectors of the UAE. He emphasises the importance of knowing one's customer and points out that a credit bureau gives one the access to improve a lender's information of a borrower and enhances the decision-making capability of important decision makers.

"Embounce is specifically designed to tell you about the cheque returned history of a particular business partner or client. In the UAE, over 80 per cent cheque bouncing cases are repeat cases. So, with certain people who bounce a lot of cheques, you will find that their future behaviour is very predictable. Embounce will give that historical behaviour," explains Qallab.

Emcredit

Embounce has had a good response in the market, particularly since it is the first product from Emcredit that is not sector specific, according to Qallab. He further adds that a credit information product is often wrongly perceived as a pure play banking product. Banking data is not the only valuable data in a credit reporting system. Advanced companies the world over often have data elements, called characteristics, as many as 3,200 data elements in their systems for analysing credit behaviour of borrowers. All these characteristics cannot be generated with data received from banks alone, he notes.

"Embounce is a product that is not just targeted at banks. The target audience is anyone who receives a cheque. It can be a variety of people who receive cheques," he points out.

This again explains why credit information-related business does not just affect banks, but all creditors across industries. Significantly, however, in the last eight months since its formal launch, Emcredit has been able to sign up agreements with just nine banks in a country that boasts close to 50 banks servicing its four million plus population. The rest may very likely follow over a period of time to become members of the credit bureau, especially when it gets the recognition of a "federal credit bureau". That's not to say that the management of Emcredit

have sat idle in the meantime. They have gone about creating other partnership networks involving non-banks. These networks comprise specific sectors that sell products and services on credit.

"Apart from nine banks that have signed agreements with us, we are also entering into agreements with a group of eight large companies representing one industry sector. These companies are part of one of the non-bank private network partnerships for us and they will upload all the accounts receivable data of their customers into our systems. Once they do that, all eight constituents will be able to see credit behaviour of every customer that does business within that network. Thus, each of the eight companies will be in a better position to give products and services in credit," says Qallab.

Emcredit will have many similar private network partnerships going forward apart from banks and the network of eight companies, of which no further detail was disclosed by Qallab. But he did point out that on a forward going basis, Emcredit will, once the market is mature enough to accept linkages among the various private partnership networks, put together the systems where there is a seamless flow of credit-related information across various sectors with the credit bureau as the interface.

"It is the logical progression and we will link all our private network partnership through Emcredit," he says.

Other sectors

While the Emcredit CEO refrains from giving specific answers as to which sectors the credit bureau is focusing on currently to build these private network partnerships, he does mention that public utilities could be a nice place to begin with as these give credit to its users.

"Telecom operators like Etisalat and du or utilities like Dubai Electricity and Water Authority or Sharjah Electricity and Water Authority or the other similar utilities in the UAE could be very relevant. Whilst we do need to create private networks that share credit-related data among each other because they are peers, on a forward going basis we will have to create public and private network partnerships and create linkages between them. I also want to stress here that it is wrong to assume, as many say, that 80 per cent of all data is owned by banks. Etisalat has more data than all these banks put together in the UAE," emphasises Qallab.

Emcredit has begun to work with institutions in other emirates as well. Qallab says that Embounce is the beginning of working with various government departments. Emcredit is committed to working with other police departments as well, he adds.

Qallab's disclosures should bring comfort to a number of bankers in the UAE who had been hesitant to sign up with Emcredit up until now, as they were unsure of the credit bureau's clout or its capacity as a significant source of credit related information in the country without support at the federal level.

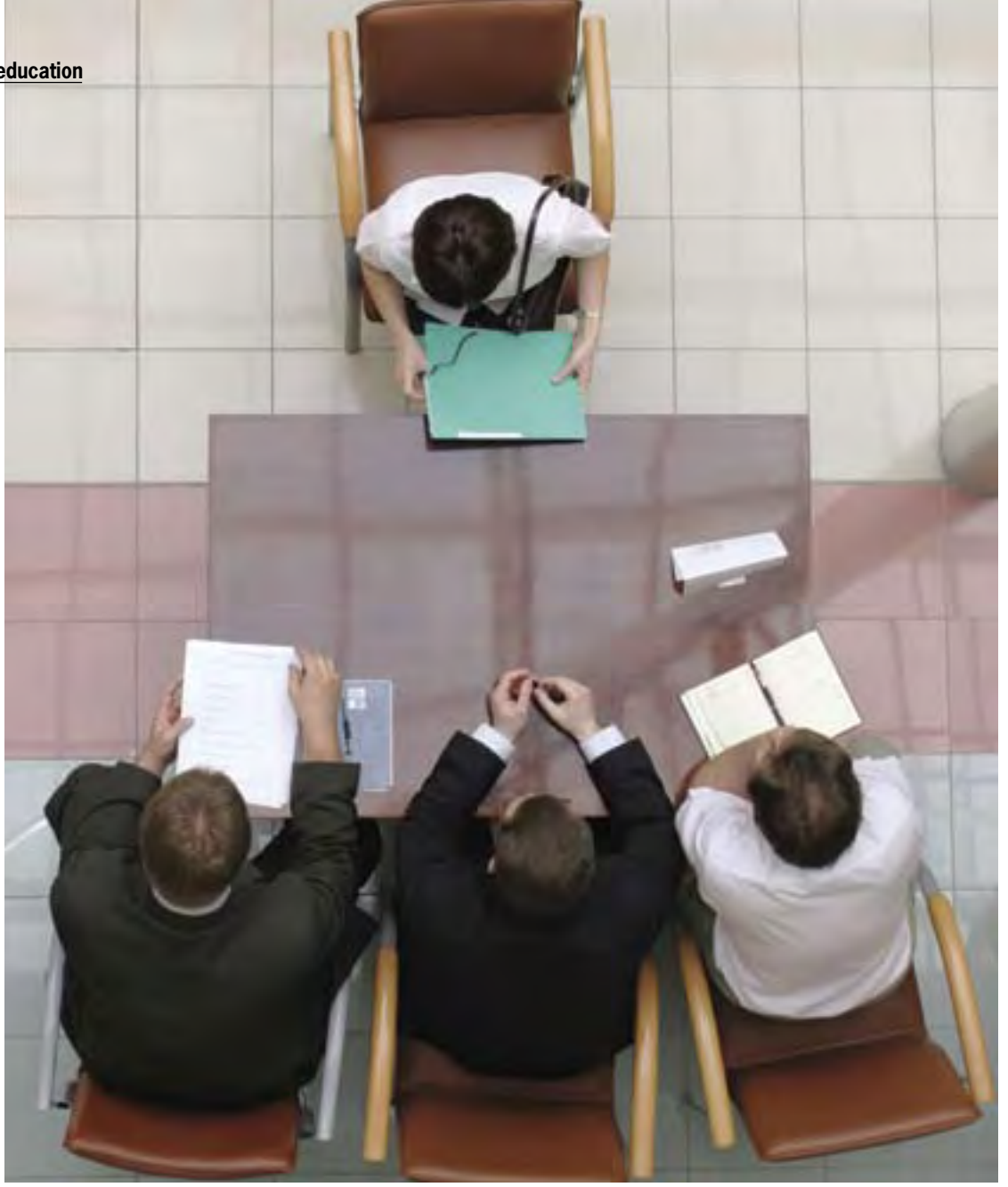
"There is a discovery process in any new product or service that you launch. There is always going to be that slight little thing that you probably didn't plan for, that one per cent. Once we have fine-tuned Embounce over the next few months, we will continue to work with police departments from other emirates," he says.

The federal initiative

Emcredit is currently regulated by Dubai International Financial Centre (DIFC) regulations, but once the federal laws are put in place, the credit bureau will have two regulators to comply with. Its onshore operations will be regulated by federal laws that are still being drafted and its DIFC operations will be regulated by the financial centre's regulations. Qallab says that Emcredit has been closely working with the UAE ministry of finance to provide all necessary support in having the regulations in place. He also says that these regulations will be similar to the EU regulations that are now widely adopted in countries with which the UAE has significant trading interests.

"We have worked very hard with the UAE ministry of finance for data privacy and data protection regulations. The model that is now widely adopted is the EU model, which is based on certain principles. These regulations are important to us, as we do a lot of trade with the EU, and unless we have adequate levels of protection, it becomes illegal for companies in the EU to use our data. If, for example, we were to provide information about a customer in the UAE and that data of the customer was not collected within adequate level of data protection, then no company in the EU would be able to use that data, as anybody using that data might get sued by the UAE customer in the EU. And so, there are huge trade consequences to consider," Qallab points out.

It may still take a while for UAE federal laws on data protection and privacy to be in place, but for borrowers and lenders in the country things are bound to change in the near future when it comes to credit. It is now just a question of time for bounced cheques to no longer be nightmares for lenders, while borrowers without history of default might soon be able to command more respect from lenders and, very probably, better priced loans.



The brand of knowledge counts for employers

The cost of higher education in the GCC is rising, along with everything else. **Kara Sensoli** speaks to experts in the industry to find out which factors influence the ultimate payout on the part of parents in choosing which institution is apt for their children.

As populations continue to grow and job markets become increasingly competitive, it is difficult to deny the importance of obtaining a quality college or university education. These days, a college degree is necessary even for entry-level positions, and common knowledge dictates that being in possession of a degree will significantly increase someone's earning potential.

However, the job an individual attains after being presented with a degree or the overall fulfilment the individual experiences may have more to do

with where that degree came from than the degree itself. Now more than ever, attending a college or university is not just about getting a degree; rather, it is about getting the very best intellectual, social and cultural experience available. Unfortunately, "the best" is usually accompanied by a large price tag.

Much to the dismay of college-bound students and their parents, yearly tuition fees at the most expensive colleges in the US have climbed well above US$30,000 in recent years. If you add housing and other associated expenses to that figure, your grand total could easily exceed US$40,000. Tuition and housing fees in the GCC region may seem downright cheap in comparison, but the reality is that fees here have also begun to rise and show little sign of levelling off.

With university fees so high, there is an increasing strain on families who must fund all or part of a student's education. As more planning is required, more money is spent and more debt may be accumulated, parents and students will likely demand to know why fees are so high, where their money is going and how much the benefits they're receiving are actually worth.

Spend more, charge more

While all universities manage their budgets and ponder fee increases differently, most agree that the biggest cost for them is the hiring and retention of qualified faculty. When a college or university is able to bring in a faculty member with a distinguished research record or reputation, it in turn raises that university's academic profile and reputation. As such, all colleges and universities are eager to recruit top faculty for their institutions, and because there is such a widespread demand for these instructors, the salaries and perks offered to them have had to rise accordingly.

Another hefty expense for colleges and universities comes from adding, upgrading or simply maintaining their facilities. Most universities possess sizeable campuses that include libraries, computing centres, classrooms, student-oriented buildings, dormitories, laboratories, auditoriums and athletic facilities. Universities continuously try to improve or add to their facilities, and the more a university owns, the more it will have to spend on necessary repairs and maintenance. Additionally, universities that offer sciences or other expensive degree programs will have to spend more on required facilities and resources.

Many colleges and universities also spend money on student services aimed to enhance a student's academic and social life. Such services include career counselors and personal counselors, as well as a number of student clubs, organisations and activities. Many top US colleges have taken these services a step further by offering brand new health clubs, lavish dorms, gourmet restaurants and other amenities that make the institution feel more like a country club than a university. These "extras" may be viewed as costly and unnecessary, but many students want them and are willing to pay for them.

It is important to note that universities around the globe have also been forced to adjust their fees or budgets in accordance with increased cost of living expenses. Universities operating in Dubai have particularly felt this increase in recent years. The American University in Dubai (AUD), for example, raised its tuition fees by four per cent this year, mainly due to expenses associated with the higher cost of living. The university now charges around US$14,700 per year for tuition and around US$4,000 per year for a shared room in the dormitories.

"Everything in Dubai has gone up, including rents. It costs much more to operate as a university," says Dania Bazzy, director of external affairs at AUD. "We've built a whole building for faculty housing, but for some of them, there's not enough space and you have to take housing for them outside of the university. We're also at full capacity in the dorms and we have a huge waiting list, so we're trying to find even more accommodation outside of the university."

As a housing allowance is part of the typical package offered to international faculty members coming into the UAE, increased rents can drain much of a university's budget. Increased rents may also present a problem for universities that rent the space they occupy, such as the University of Wollongong in Dubai (UOWD). According to Prof. Nick van der Walt, CEO of UOWD, the university's rent in Knowledge Village has increased, but it has still managed to keep its undergraduate fees the same for the past three years, despite an increase in postgraduate fees.

"All of the institutions here are operating in an inflationary environment with elements of hyperinflation, so there have been fee increases that reflect the very nature of the economy," says Prof. van der Walt. "We recognise that a number of people in the UAE are struggling in

Comparison of yearly undergraduate tuition fees for GCC colleges and universities

American University of Kuwait	:	around US$18,300 per year
American University of Sharjah	:	around US$15,085 per year
American University in Dubai	:	around US$14,700 per year
University of Wollongong in Dubai	:	around US$8,500 per year
Al Ghurair University	:	around US$7,715 per year
Skyline College	:	around US$6,740 per year

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Abraaj buyout of GEMS not

Abraaj Capital, through its Infrastructure and Growth Capital Fund, bought a significant stake in education provider GEMS, raising questions as to whether the deal will result in increase of tuition fees or job losses in the short-term. **MONEY***works* finds out what is in the deal for all parties.

The announcement of Abraaj Capital's buyout of a significant stake in the UAE-based education provider, Global Education Management Systems (GEMS), came out of the blue for tens of thousands of parents whose wards attend the group's 65 schools in and outside the country. As if it was not enough that the cost of education had skyrocketed during the last few years, Abraaj's entry as the new profit sharing partner of GEMS renewed parents' foreboding on future cost implications. The timing of the announcement in the second half of June was also quite dramatic, as schools were about to close for summer vacations and parents were just beginning to get used to the extra money that they had started to pay as part of the tuition fees for this year.

"Obviously costs will go up again now, as Abraaj will push for larger profits from GEMS," said not one, but many parents that **MONEY***works* spoke to since the buyout was announced. With Abraaj's reputation having grown in the last few years as a successful private equity firm having achieved strong internal rate of return on some of its investments, apprehensions of the middle class parents do not come as a surprise. Also, with both GEMS and Abraaj typically refraining to state Abraaj's stake and what exactly "significant holding" by the private equity meant, it left a lot of food for brooding for scared parents.

Education, like healthcare, is a service that leaves few alternatives for end-users but to use it and, in most cases in the GCC, pay for it. All users of these services globally realise that these are costs they cannot do without, but they also expect these services to not come to them at unaffordable prices. The good news for parents sending their children to GEMS operated schools is that both parties in the GEMS-Abraaj deal are not in a hurry to make profits at the expense of their present customer base. It is more of an expansion and growth oriented strategy, from which the private equity is looking to book its profits sometime in the future, and so is the Varkey Group that owns the GEMS schools.

Sunny Varkey, chairman of Varkey Group, says: "We went with Abraaj's Infrastructure and Growth Capital Fund (IGCF) because we found out that they believed in our philosophy of quality education first. IGCF is a long-term fund and we do not have the pressure of producing an internal rate of return (IRR) of 30 or 40 per cent."

But then, costs to parents are a function of the education provider's expenses, including hikes in salaries, many fold increase in the cost of construction and other overheads, insists Varkey. So, tuition fees will continue to increase in the future, independent of the entry of Abraaj on GEMS' board, he indicates.

The Abraaj strategy

The acquisition of GEMS is Abraaj's first foray into the Middle East and North Africa region's hugely lucrative education sector, as regional governments become increasingly aware of the need to educate their young populations to create 80 million new jobs by 2020. The rush to generate jobs to sustain the region's economic growth also means that there will be considerable pressure on reputable education providers to offer more space to accommodate large numbers of pupils in the coming years. For Abraaj's IGCF, GEMS was an ideal investment opportunity to deliver long-term capital appreciation, as the education provider not only has an established brand, but technology and the right credentials. With solid investments for GEMS to beef up its existing physical infrastructure and increase its presence in many more locations where there are captive demands for schools across the region, the fund should be well-positioned to benefit from the education provider's profitability and valuation growth in the future.

Explains Narayanan Rajagopalan, senior vice president at Abraaj, who has been involved with this deal: "We recognised the fact that GEMS is a successful model in its current geography of operation, mostly in the UAE where it operates 22 schools offering nine different curricula from Asia, Europe and North America, besides the UAE GSSC. Since the entire GCC is characterised by economies that have similar demographics, with the presence of the large expatriate population entirely dependent on private sector for education, it makes for a compelling opportunity for us to replicate the GEMS model elsewhere."

Abraaj's IGCF will have two representatives on the eight-member GEMS board, which now has a consensus to expand GEMS' presence across the entire region extending from India to Egypt. The more immediate priority, however, will be to strengthen the underlying existing infrastructure of the existing GEMS schools. The focus in the first few months will be to strengthen GEMS' support infrastructure, particularly the back office functions, IT and HR and financial management of the education provider. There are also plans to create facilities for training teachers, enhancing their skill levels and thus the quality of

to impact tuition fees

overall education that they impart.

Asked if Abraaj will be looking to cut costs in GEMS given the way private equity funds tend to operate in many parts of the world, Rajagopalan replies that the education provider has been run quite tightly from a cost control point of view in the past. So, there isn't any extra fat in the organisation for Abraaj to give a chop, which means no job losses either.

"In fact, our primary objective is growth. We intend to strengthen the institutional infrastructure and then capitalise on it as opposed to cost control. We will be investing to reinforce and strengthen GEMS' infrastructure," he says.

IGCF targets an IRR of 20 per cent, including from the GEMS investment. But Rajagopalan quickly adds that at the time of investing in the education provider, Abraaj was aware that GEMS had to be a long-term investment plan, a holding period of between five to seven years for the fund had to be the investment horizon. He also explains that GEMS will need proper nurturing to be able to get to that level whereby its presence is firmly established in the region between India and Egypt.

"Five to seven years is a good holding period for us before exiting," he notes.

IGCF's mandate is to focus on both hard (power, water, transportation, etc.) and soft (healthcare, education, etc.) infrastructure where longer gestation periods and lower returns are the norm.

Future of GEMS

GEMS' agreement with Abraaj's IGCF fund is for the Middle East, North Africa and South Asia region only. But Varkey has global ambitions outside of this agreement. The group operates schools in the UK and is in the process of setting a chain of between 70 and 100 schools in the US through a joint venture. There are plans to enter other major markets as well.

"I took over the helms of our group in 1980 and today we have emerged as a global brand. We aim to have between 4,000 and 5,000 schools in about 20 years. By that time, we will be one of the largest companies in the world," says a very confident chairman of the Varkey group, which also owns the Welcare World Health Systems.

GEMS schools today provide education to nearly 75,000 students from over 124 countries, employing 5,200 education professional, specialists and staff from over 50 nationalities. Apart from owning and operating its own schools, GEMS also manages a number of schools on behalf of third parties.

One of the decisions that have been taken by GEMS now is the establishment of teacher training facilities. Varkey says that GEMS needs at least three teacher training facilities, one each in India, Egypt and Dubai.

"Apart from western and Indian educated teachers, we need trained Arab teachers as well. That's why we need training facilities in strategic locations. We will make substantial investments on training and qualification programmes for our schools in the future," he points out.

Investments are fine, but what about profits from investing in education? Varkey says that there is a decent profit to take home from investing in the education sector. He refuses to give any numbers and is secretive about profitability, but adds that for schools to payback to the investor, it takes between seven to 10 years.

"Education is a long-term business. We do make decent profits. If we don't make profits we will not be here, as we do not run on charity or donations. We invest our own money, take risks and provide a service for a fee," he says.

But then, education, like health care, is a very special service. So what does GEMS offer as a responsible corporate citizen? Varkey says that it provides free education to more than 2,400 children. And now with all the new initiatives in place, plans are afoot to set up non-profit schools and other community services to give some of that profit which GEMS makes back to community.

Sunny Varkey, chairman of Varkey Group

GEMS, a responsible corporate citizen

- GEMS has, in partnership with Edison Schools Inc, embarked upon a public school management programme in collaboration with local governments.
- GEMS is also associated with the MENA Learning and Leaderhip Programme, a programme poineered by Emirates Foundation that seeks to develop and deliver sustainable solutions to learning and development in the Middle East and North Africa.

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Dania Bazzy, director of external affairs at AUD

terms of meeting education costs. It is a difficult environment to operate in, but we do try as much as possible to contain those fee increases, as do other universities here."

UOWD's postgraduate tuition fees range from around US$13,500 – US$20,250 for a three-year program, while undergraduate fees total around US$8,500 per year. Because UOWD's postgraduate programs have achieved significant growth in recent years, the university has had to recruit more staff, which has contributed to the fee increases. And, to Prof. van der Walt, competing for top staff in the international market is absolutely essential.

"People will not accept second best for their education or for their career development, so you can't save if it means compromising quality," he says. "If you want to go to a third-rate university and have third-rate teachers and pay the low fees, that opportunity is there, but that's not what we're about. We're about good management and good financial control, but not about being the cheapest option. There are plenty of universities out there that are cheap options, but you get what you pay for."

Similarly, Bazzy is of the opinion that fee increases are justified, as the improvements these increases allow offer students a host of benefits and opportunities. Besides also hiring quality faculty, AUD offers its students career services, tutors and academic support, personal counselling, activities such as "International Night", periodic trips and a full-blown orientation program. Moreover, the university is currently in the process of building a brand new student centre, which will feature indoor sports facilities, a large food court and conference rooms.

"Obviously, we can't say that we're not going to increase prices and just leave everything as it is. The idea is that you keep improving as you go along," says Bazzy. "A lot of students come to AUD from other countries because they are looking for a good American education that is up to par with American standards. We are, and yet we are still much cheaper."

When less has a cost

While no one actually desires scant facilities or less qualified instructors, some students simply cannot afford to attend the higher priced universities that are said to offer the best.

Moreover, some students may even decide that the higher costs are not worth their while. After all, what is essential to one person may be relatively unimportant to another, and it is difficult to put a price on one individual's experience.

When it comes to selecting a college or university, students do have a choice. The cheapest four-year school in the US charges around US$2,200 per year for tuition, while the GCC region also offers a number of lower-priced options. While the higher-priced universities are generally associated with such benefits as more personal attention, more programs and services, top faculty and better facilities, there is no saying that an individual will not gain an equally valuable experience from a cheaper university.

However, what you're paying to attend a top university may go deeper than the actual experience you obtain while at the university. When it comes to getting job interviews and actually acquiring those jobs, employers may care more about which university you attended than you think.

"To an extent, name recognition is important to employers," says Bazzy. "When you say students come from the American University in Dubai, it makes a difference. Employers know that students here have the English level, the academic level and are well-prepared."

To Prof. van der Walt, name recognition is absolutely critical when students are applying for jobs. Similarly, Jennifer Campori, managing director of Dubai's Charterhouse Partnership, a recruitment agency with offices in Hong Kong, Singapore and Australia, agrees that which university an applicant attended is a major priority for employers.

"Obviously, well-recognised universities are always seen as a strong selling point to employers," she says. "The criterion to study at top universities is much more stringent, and it does show a sense of dedication, drive and the need to achieve at high levels."

How universities prepare students for life after graduation may also play a significant role in whether or not students fare well in the job market. Many top universities, such as AUD and UOWD, have extensive career offices and programs that help students obtain internships, develop their CVs and polish their interview skills. In addition, both schools hold a career fair each year, bringing in myriad companies and employers from the GCC region.

According to Bazzy, assisting students in finding jobs after graduation is an important service that few universities in this region offer. "We follow through our alumni base and track our students to find out where they're working and with which companies," she says. "Our placement rate with students is quite

impressive and we're very happy. Some of them have offers that come their way even before they graduate."

UOWD, which is known for its industry links and the quality of its academic staff, also holds expert lecture series and industry seminars, which bring about 150-200 senior executives who are key employers onto the campus every month. Moreover, the university has memorandums of understanding with employers in the GCC region, and its staff is actively engaged in mentoring students to take advantage of these opportunities.

"I believe we deliver in terms of quality. Our staff is as at home in the boardroom as they are in the classroom, so they're bringing that experience in here and they're producing employable students," says Prof. van der Walt. "What you've got to avoid is the universities that play all sorts of games in the classroom, and you've got a lot of students who come out there and are not employment ready."

Prof. van der Walt further emphasises the importance of recognising that education is an investment. "What you're looking at is a future career, which is going to pay a dividend, and you're looking at job security," he says. "In planning that, I would be looking at universities that work very closely with industries and have the recognition in the marketplace."

How much is too much?

Undeniably, students should be able to attend the university that best suits their tastes, aspirations and career goals. Many students and their parents do recognise which choice is best for them and are willing to pay for it, regardless of the cost. However, is there a point when the benefits of an education are no longer worth the funds put forth to obtain them?

Particularly in the US, students have begun to take on significant amounts of debt in order to finance their education. According to Project on Student Debt, a US organisation aimed at identifying cost-effective solutions to expand educational opportunities, nearly two-thirds of US graduates today leave school with debt. Moreover, the average debt has risen from US$9,250 in 1993 to US$19,200, signifying a potentially dangerous jump.

Further complications may arise for students who discover that their degrees have not taken them as far as they'd hoped. Many career fields, though perhaps emotionally rewarding, do not offer a large financial pay-off, even in the long-term. As such, students who borrowed a lot of money to pay for their degrees may find themselves with large loan payments and less-than-sizeable incomes.

Different people are comfortable with different amounts of debt, but students may find it necessary to consider what the debt they are taking on means to them, as well as whether their investment is truly going to be beneficial. It may also become important for students to consider the starting salary of their chosen occupation, estimate potential loan payments and decide whether the university they want to attend is actually affordable.

Planning pays

Most families pay for college through a combination of savings, current income and borrowing. However, parents who begin saving for their child's education well before the child is ready to go to college may be able to fund all or part of the education, thus creating a larger window of opportunity and eliminating the need for the parent or student to borrow.

Prof. Nick van der Walt, CEO, University of Wollongong in Dubai

As most families who save have discovered, it is better to start planning early, because the longer you have to save, the more interest your money will earn. Moreover, the greater the amount you have after 18 years, the greater number of choices your child will have in selecting a university.

But how much should you put away each month? According to financial consultant James Thomas, the amount that should be saved is an individual choice and depends on how much the individual can afford. Undoubtedly, saving more is better, but any amount of money can make

- If you started an education fund when your child was born and saved US$50.00 per month, you would end up with around US$21,500 to use for college when your child turned 18.
- If you waited until the child was 10 to start saving, you would have to put away around US$150 per month to achieve the same result.
- If you waited until your child was 15 to begin, you would need to save around US$550 per month.

(Figures assume an annual investment return of 7 per cent.)

a huge difference when the child enters a university.

"Usually university fees will increase above the rate of inflation, but obviously that's an unknown and is very difficult to predict," says Thomas. "I would suggest planning for what today's costs are, because then you've at least got something and you're not going to be liable for bearing the whole cost when your child goes to college."

While planning for a child's college education is important, it does not mean that parents should ignore their own retirement planning. Ideally, parents would be able to contribute to a retirement fund and a college fund; however, many people cannot afford to make provision for both events, let alone one.

Thomas suggests the possibility of combining the two funds, especially since there is no real differentiation between the two provisions in the UAE market. In an environment where there is taxation on income, such as the US or UK, an individual is able to plan for retirement by contributing to a pension. However, because that opportunity does not exist here, it may be beneficial to put all dollars saved into one fund, thus reducing overall costs and fees.

"But then it takes discipline to make sure that when it comes to your child's education, you don't use all of the fund just for that and leave yourself with nothing," says Thomas. "If you can meet half the cost of college and still have your own retirement covered, it would be a better compromise than having all of the child's college fees met and yourself with nothing for retirement."

What about parents who have saved nothing for their child's education? If a parent is going to borrow, Thomas recommends taking a loan against property rather than a personal loan, as the interest rates associated with re-mortgaging a home are typically much lower. That way, it will cost much less to borrow the money you may need.

Overall, Thomas recommends talking with someone who can help you view your options and get a plan into place.

"It may be that it is actually very easy because you've got provision in place that you haven't realised or you really can afford it, but until you talk to someone, you don't know," says Thomas. "Make sure you discuss all of the options, and whatever route you take, make sure that it is the best, the cheapest and the most cost-effective at that point in time."

Making the right decision

It may also be beneficial for parents to have a discussion with their college-bound students about how the education will be financed, what sacrifices they are making and how much the student will be expected to contribute. Students and parents both need to consider how much debt they are willing to take on and how much impact an expensive college or university will have on them.

Students may also decide to thoroughly investigate colleges and universities to determine what they'll really be getting and how much it is worth to them. This investigation could include touring campuses, talking to current students and professors, observing classes, researching the university's programs and requesting information on the university's industry connections and graduate success stories.

While colleges and universities are not getting any cheaper, some early planning and research can make attending these institutions relatively manageable and worry-free. Students who fully understand what they're paying for, what benefits they're acquiring and what these benefits are worth will find it easier to take advantage of the university experience and use it to their best ability. MW

A trainee who rose to be the chairman

Abdullah Mohammed Saleh is one of the pioneers of the local banking industry in the GCC. He rose from the ranks of a trainee to be the chairman of National Bank of Dubai (NBD), one of the largest banks in the GCC today. He is also the founding partner of the Dutco group and the chairman of Dubai Financial Services Authority (DFSA). Here he speaks to **Utpal Bhattacharya** about his past, present and the future.

Please tell us a bit about your education and how you came into banking.

I was born in Sharjah and I come from a modest background. Sharjah always used to be a centre for culture with the rulers encouraging culture, sports and education. We had one school in Sharjah those days. However, its focus was on Arabic, the Qur'an and Islamic history and not so much on modern education. Much later, of course, Egyptian and Palestinian teachers were brought to Sharjah by the then Ruler Sheikh Saqer Bin Sultan Al Qasimi and later by his cousin Sheikh Khalid Bin Mohammed Al Qasimi, and later by H.H. Sheikh Sultan Bin Mohammed Al Qasimi - the present ruler. Then the whole thing changed. This was the same in Dubai those days. The school in Sharjah where I studied was Al Qassimia. I also went to Dubai's Al Ahmedia School briefly.

I always wanted to train in English and learned the language from Indian teachers. My father also encouraged me to learn English, although he had second thoughts when he saw me dabbling too much with the language and suggested I should focus more on becoming a businessman. He feared that I might end up working for the Royal Air Force, which had a base in Sharjah those days. Of course, I had more ambition than that and I did want to become a businessman.

Why banking?

In 1946, Imperial Bank of Persia, which later became known as the British Bank of Iran and the Middle

East, then BBME and subsequently HSBC, opened up in our region. It first opened in Kuwait and then in Bahrain and then in Dubai. They were looking for local people who had some English knowledge. I was the only one to be picked up from Sharjah, but they had quite a few from Dubai who were already recruited to work for the bank. We started at the bank as trainees. I was then sent to London for further training. Then, of course, I left, as I had to continue with education, but I went back to London again for further study. When I finished my studies and came back, I joined the bank. That was in 1952. I was 20-21 years old.

You were doing well at the Imperial Bank of Persia?

I was promoted as the assistant to the Arab manager of the bank. The Arab manager at that time was Essa Saleh Al Gurg, who also started his career with the Imperial Bank of Persia. I used to take over his responsibilities when he would travel. But then I got a number of promotions and rose to become a branch manager. In those days, an Arab branch manager was unheard of. But then the management brought another English person to the branch and told me that he was there to help me, especially in doing business with the RAF Personnel and entertain them. All this was happening when Eastern Bank opened a branch in Sharjah. Eastern Bank could not open a branch in Dubai because the BBME had a monopoly in the emirate and would not allow any other bank in its territory in the late 1950s.

When did NBD happen?

I continued with the BBME until 1963 when a group of merchants in Dubai decided to set up their own bank. They had the full support of the late ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum. The Ruler's decree for the bank was issued in January 1963 and the bank began its operations in May of the same year.

Did these businessmen give you some ownership in the bank in those days, or did you join them as a professional?

I was the person they thought could staff the bank and run it. We had a Scottish veteran banker as well by the name of David Mack to run the bank. He was chosen by National Bank of Kuwait's (NBK) general manager Alister Medlycott at that time, who was also a senior Scottish banker. NBK had 33 per cent ownership of NBD at the beginning, and that's why they chose their own man to run the bank along with me. We needed the expertise of NBK at that time. We also had Bank of America and National Grindlays Bank as shareholders in the bank's formative years.

We started with a very modest capital of GBP1 million, which was equivalent to INR13 million those days. Today, the bank's total assets have risen to more than AED70 billion.

But to come back to your question, I was given a salary that was four times more than what BBME was giving me those days. I was given a small stake in the bank after 10-12 years of service with them. But I was happy with that, as I was happy to work for the bank.

What was the capital of the bank when you started?

We started with a very modest capital of GBP1 million, which was equivalent to INR13 million those days. Today, the bank's total assets have risen to more than AED70 billion.

I'm sure you had a number of challenges when you started operations.

The challenges we faced were very similar to those faced by Emirates airline when it was launched. We had the same challenges here. Of course, we had the support of Bank of America, National Grindlays Bank and, up to a point, NBK. BBME was not happy at all, especially as I had left them and joined this bank. In fact, I had to seek the Ruler's guidance practically every day, telling him what was happening and asking him what I should do.

Any specific incidents?

Well, the government used to collect customs duties from merchants; this was done on their behalf by BBME. When NBD opened for business, we did not want BBME to know our import business and tried very hard to be allowed to act as customs duty collectors on behalf of the Ruler, as was the case with the BBME. This took us two years till we managed to have this concession due to BBME's total resistance.

Things became even more complicated when Citibank opened up in Dubai in 1965. And then, of course, the market just opened up for all.

You started with just one branch in Deira. What was the thinking at that time, and did the board give you a free hand?

The board did not intervene at any time. They gave us a free hand to run the bank. Our plan was to open the branch at the heart of the souk, so we converted a small building to our branch and began modestly in Deira. We soon found out that the place was no longer enough.

How many employees did you have at the beginning?

We started off with 30 employees. All the senior officers were either locals or Indians. The numbers, however, increased quickly.

How difficult was banking as a business in those days, especially when the currency of trading was Indian rupee?

We needed foreign exchange to finance our imports and there was no Currency Board or Central Bank here at that time. So we shipped Indian rupees to the Reserve Bank of India (RBI) and gave them a list of goods that we imported. They then gave us pounds as we were in the sterling area. Of course, during that time a lot of money came from India, and Indian authorities brought some restrictions on the flow of money. So then we had our own Gulf money, which was issued again by RBI mainly to stop the flow of the Indian rupee coming through improper channels.

How did you get the skillset to start your bank?

We had to bring Indian nationals. We thought of bringing Arab employees as well. Unfortunately, we found out they were good when they were working in their respective countries, but when it came to working with banks that had an English environment, they had difficulties. So we concentrated on Indians and locals. We solved the skill problem that way.

But didn't you have a problem getting locals to come and join the bank in the initial years?

There were quite few locals that wanted to come and join us. The picture later changed dramatically when more local Arabs joined the bank and had good training at our bank, but they were in great demand by the government departments. Some even became ministers.

As a bank, why did you remain focused on corporate and trade banking for such a long time when the whole world around you was changing?

We wanted to protect depositors' money from the very beginning. We did not want to gamble their money away. Time proved that there were so many banks that failed when they became aggressive. Some of these banks lent without doing due diligence and lost heavily.

It was also Sheikh Rashid's guidance that we should not gamble customers' and shareholders' money. So, we were slow in expanding our business. Also, perhaps we did not have the experience and did not understand retail banking. But we chose to be conservative.

Nine years ago I started advocating this merger with Emirates Bank International as we needed a big bank. I saw big challenges ahead. We tried twice before without success, but this time it has the backing of the shareholders.

There has been always this feeling around that it was easy for you, as you got the Ruler's money in Dubai and you did not have to bother diversifying into retail or any other activities. Is that right?

The Ruler was fair. Of course, the money from sales of oil was coming to our bank. But then, Sheikh Rashid would send money to different banks. It is not true to say that we had money just lying there. It was there, probably for a short time, but the money was distributed to all other banks. Sheikh Rashid was, of course, close to this bank, but other banks also got their share.

What was your experience with Sheikh Rashid? You were very close to him.

He was a great man. His majlis was like a school. He had lots of people around him - European, Indians, locals, Arabs - all nationalities. It was as if he was learning from them, but it was these people who were learning from him, from his vision, from his way of doing things. He was astute and sharp, and he knew exactly where Dubai was and where it was heading. He put in the foundations for the modern Dubai, and of course then Sheikh Maktoum and Sheikh Mohammed came following their father's footsteps. Sheikh Rashid was a politician and a statesman. He had all the attributes of a good leader. He liked to have clever people around him.

You started your own business as well while you were with NBD?

Yes, I have a company and I am one of the partners of Dutco Group. That company was supported by Sheikh Rashid. We built Jebel Ali port and free zone. We knew that we did not have that kind of capability and experience, and so we brought a British company called Balfour Beatty into the picture. And again, with Sheikh Rashid's guidance, we built the Jebel Ali Hotel. Sheikh Rashid gave us the ownership of the land and that helped us in a big way. It was the first hotel to be built on the Jumeirah beach. It was the first tourist hotel on the beach and we had some very high profile guests coming to that hotel, including

royalties and heads of state from across the world.

Do you visit Dutco regularly?

I still go there. I was there this morning at 8:00am. But, of course, we have 14,000 workers who are involved in a number of major projects including Dubai Mall. We have been involved in some of the most prestigious projects in the country.

You seem to work very hard even today, being part of the management of two of the largest institutions in Dubai and going from one office to the other.

Well, as you know, I did retire from the bank.

Yes, and this interview wouldn't be complete until you tell us why you came back after retiring from the bank in 2004.

I was summoned by H.H. Sheikh Mohammed. He asked me what I was at the bank and I told him: "Your Highness, I am part of the board, but not the management." He told me to come back the next day with the NBD board members. So, we went there and he told the board that he wanted me to be the chairman and asked the rest of the board to cooperate. That's how simple it was, and so I am back here.

And that's how all problems that began after you left were sorted out?

Yes.

How do you see yourself now, 40-45 years later since you started this bank?

I feel very happy and satisfied, especially to have been part of building up a bank that today stands up among its peers when it comes to culture, name and reputation - locally, regionally and internationally. It is a big bank and I hope this merger with Emirates Bank International will also help us to add value to our future plans. The merged entity will have total assets of US$45 billion.

I feel very happy and satisfied, especially to have been part of building up a bank that today stands up among its peers when it comes to culture, name and reputation - locally, regionally and internationally.

National Bank of Dubai and Emirates Bank International have divergent cultures. Isn't it a big challenge?

That's where the challenges are very big. We will do our best to make it a good bank. So far I am quite optimistic.

When do you think the process of the merger will be complete?

I would say in one-and-a-half or two years. But an announcement in this regard will be made very soon (The announcements were made last month).

You have a lot on your plate right now.

Yes, I am also the chairman of DFSA. That is taking a lot of my time these days. It is a demanding job. But we have world class regulations and regulators who are the best you can get.

But I do not want to stay long there. I now need some time for myself. I am just waiting and hoping that this merger is completed and we have a strong big bank. Nine years ago I started advocating this merger with Emirates Bank International, as we needed a big bank. I saw big challenges ahead. We tried twice before without success, but this time it has the backing of the shareholders.

Then you'll retire finally?

No, I have been appointed by H.H Sheikh Mohammed as the vice chairman of the new bank. In our culture and relationship, it does not work like that. I will have to ask to be relieved. I cannot just say that I will retire.

In your personal life, as you grew up the ladder of success, did your likings for things change?

It has changed. I used to love the sea and fishing. I have a 60-foot boat, but now I don't have the time. I like to go to my farm these days where there are animals and lots of trees and relax there. I also like reading and following international politics.

How do you sum up the last 45 years of your life?

It was a very interesting and exciting time. I remember how Dubai was and how it changed. I feel happy about the accomplishments. I also feel my association with the ruling family in Dubai has been a great inspiration for me. I am always grateful for their confidence in me. Even with the merger, these two banks represent different cultures and different points of view and different visions. But for me, Dubai was always a source of pleasure. The challenges, when you look back today, are all interesting and a very good experience. It would have been dull without them.

A credit crunch is inevitable

The pouring liquidity has to stop, but when? **Matein Khalid** cautions that the signal for the end is becoming stronger.

Two decades of real time experience in the global capital markets convince me that those who ignore the lessons of credit cycles do so at their own peril; that "this time is different" is the most dangerous phrase in the world of money management. Sure, the fall of the Berlin Wall, the emergence of China and India as the new epicentres of Asian economic growth, the Digital Economy, the power of globalisation, the secular fall in interest rates and inflation all created new financial linkages and equations between markets and asset classes, smoothed out the traditional business cycle and led to the lowest repricing of risk in the history of world finance as Wall Street literally dismissed the risk of resurgent inflation and recession as irrelevant. Asset markets – from Chinese A shares to North London mansions to emerging markets' sovereign debt spreads – have now concluded that the carnival easy money, like De Beers diamonds, will last forever. But as the legendary banker John Pierrapont Morgan once observed, "Liquidity is like a cab in New York on a rainy night. It disappears just when you need it the most."

I have no doubt that the smart money on Wall Street has now concluded that the credit cycle has turned, even if the embryonic new zeitgeist is not reflected in stock market valuations or corporate credit spreads. Junk bonds, which trade at absurdly low spreads to US Treasury bonds that do not compensate investors for default risk, are in a bear market. Cyclical shares, particularly global mines like Rio Tinto, BHP and Extrato, now trade at the rock star valuation metrics of Silicon Valley's tech and Net superstars in the 1990's. Negative Chinese real interest rates and the ridiculously low valuations of the yuan have ensured an asset bubble in the Shanghai A shares, with 100 million speculators gone ballistic in the hope of instant wealth. This is not just irrational exuberance. It is playing financial Russian roulette, only with six bullets in the pistol chamber, an outcome guaranteed to end with the splattered brains of witless investors. The trillion dollar merger and acquisition mania has been driven by Wall Street and Europe's private equity behemoths and the desperation of Wall Street investment banks to land advisory and high yield bond market issuance mandates at all costs.

The real problem with cheap money is that it distorts the risk appetite of investors and financiers, that human beings neurologically programmed to extrapolate the recent past to the future conclude that leverage can magnify the finger licking good (sorry, Colonel Sanders) profits in the capital markets. In this epic addiction to leverage, Henry Kravis, the LBO king of Wall Street, is no different from the Coolie Capitalist Chou in the Shanghai Stock Exchange, the CEO of go-go GCC banks and property developers are no different than the London hedge funds who leverage red hot commodity futures or the Japanese housewife brigade who are as obsessive carry traders as any money centre bank- FX dealer in London, New York, Singapore or Zurich. The Ivy League cloisters of Wharton Business School buzz with the Zen mantra of "efficient markets". But finance Profs. normally do not bid for Picasso's at Sotheby's, flip million-dollar condos in the Dubai Marina, syndicate Eurobond sukuks for the government of Pakistan or Egypt, at laughably low spreads take wild rollercoaster rides on Gulf pipeline

(pipe dream?) IPO's, borrow the yen and Swissie to invest in the Polish zloty, Kiwi dollar, Brazilian real and Turkish lira. Easy money makes a joke out of all the prudent calculations of risk and ruin, leverage and credit covenant held sacrosanct by generations of buy side philosopher kings on Wall Street. That, of course, is why easy money investing sprees so often end in monetary accidents. These accidents usually are fatal for the leveraged asset flippers and trusting, complacent investors peddling leveraged toxic waste (we call it "structured products" in GCC banking!) Leveraged finance in an age of easy money becomes loony-tune finance, the nail in the coffin of the speculator.

The subprime meltdown

The subprime mortgage meltdown on Wall Street will trigger shock waves that will reverberate in financial and property markets across the world, whose tremors will hit the Gulf. US banks are already tightening credit standards. Wall Street buyout deals have been scrapped. Investment banks have been saddled by a trillion-dollar daisy chain of covenant-like CDOs and CLOs. Remember, the US economy operates on a negative savings ratio. The long Treasury bond yield has surged from 4.5 per cent in March to 5.2 per cent now. Global central banks such as the ECB, the Old Lady of Threedneedle Street, India's RBI and the Bank of Japan have all begun to replace the money pump with a money squeeze. As Shakira may well croon, the trades on tonight and my trades don't lie. Dr.Greenspan estimates the risks of an American recession as one in three. I believe Papa Alan is an optimist. After all, the pinstriped masters of the universe who pay US$10,000 a pop to hear the ex-Fed chairman pontificate over the fate of global markets could see billions vanish into money heaven if a US recession causes a credit squeeze in corporate America and wrecks havoc in the offshore markets. Meanwhile, Comrade Fu Manchu in China has gone amok with greed, making Shanghai the next Asian financial time bomb that will gut the leveraged high rollers who think the cycle will never end, that it never rains in southern California, that liquidity does not disappear when the music stops. And I can think of no more lethal music stopper than the coming credit crunch.

Recession risk is rising alarmingly fast in the US. After all, the real Fed Funds rate (adjusted for inflation) is three per cent, for too restrictive a monetary straitjacket at a time of tangible distress in real estate markets beyond subprime mortgages. For instance, the National Association of Home Builders index is now at a 16-year low and 4.3 million units now await a bid, a massive inventory of unsold homes that means a plunge in housing starts in 2008. Lord Keynes once observed that teach a parrot to repeat supply and demand and you have made an economist out of him. This is nowhere truer than in the brutal economics of real estate, where the mere expectation of excess supply makes the demand curve more elastic, meaning a potential plunge in the clearing price. There is no doubt in my mind that American home prices will fall at the fastest pace since the credit crunch of 1990. Housing is the ultimate leading indicator of recession and its drag on GDP has only just begun. The housing multiplier will have an inevitable impact on consumer spending, whose momentum has decelerated dangerously since early 2007, hit by high gasoline prices and mortgage rates. The labour market is benign on the surface. But construction, retail and manufacturing layoffs have now begun in California and the East Coast where the property mania was greatest. Even the latest FOMC statement hinted that the "adjustment is ongoing", an unmistakable signal that the Bernanke Fed sees the first sign of distress in residential real estate. But the Fed will not act to cut until a systemic credit event traumatises the financial markets or the consumer finally rolls over.

Unfortunately, the Fed is constrained by the sheer trillion-dollar pool of leverage, with household, government and business debt to GDP an incredible 340 per cent in the US, shocking even by the metrics of a Third World banana republic. Financial markets have begun to reprice risk in the event of a credit crunch. After all, the Chicago Volatility Index is 50 per cent over its January levels, when recession or a hard landing was unthinkable for conventional wisdom. The omens for Wall Street are unmistakable. Fireworks in equity markets are inevitable. The dollar is headed even lower against the Euro, possibly to 1.40. Emerging markets exposed to the American consumer will be hit hard by the slump in consumer spending. Financial shares are the worst performing sector in the S&P500 index for 2007. Their distress is an SOS signal to all nervous longs. Watch out!

The rise in long-term interest rates is not good news for the global property markets. This is particularly true for the Gulf, where mortgage spreads over money market rates are among the highest in the world. The GCC stock market indices, with their huge weighting in banks, property developers and insurance companies, are among the most interest rate sensitive bourses on earth. Moreover, as hedge funds and emerging markets funds buy UAE shares, any rise in risk aversion or hot money outflows increases the risk that GCC equities become collateral damage if a US hard landing triggers an emerging market correction. The correlation coefficient of UAE stocks to MSCI emerging market should be watched like a hawk by local fund managers. The ultimate impact of a credit crunch is a recession that causes American oil demand (22 million b/d) to contract. So, the end-game of a Wall Street credit crunch will be a plunge in crude oil. This is a macroeconomic threat the GCC can no longer ignore.

The Palm Marina Residences - Dubai

Real estate investing through funds (Part II)

The property market in the UAE has taken a lead in the GCC and has seen phenomenal growth since the sector has been liberalised. Yet the market has not been able to draw enough attention from collective investment funds or private equity real estate vehicles. **Martin Saldamando** investigates why in the second and concluding part of the feature.

With uncertainty prevailing over the rules governing private equity funds, it is no wonder creative thinkers in search of deals have begun transforming conventional transactions into Shari'ah (Islamic law) compliant transaction hybrids in order to take advantage of the available liquidity in the region. With the way things are going on the regulatory front, this trend looks well set to continue.

The Middle East is witnessing phenomenal interest in the private equity sector.

According to the 2006 annual report of the Gulf Venture Capital Association, the private equity industry in the GCC countries raised US$10 billion last year compared to US$5.7 billion in 2005, with firms continuously establishing presence to target untapped geographies and sectors in the Middle East and other emerging markets.

Private equity, in the Middle East and North Africa in general and the GCC in particular, has continued to grow at a robust pace in 2006 and 2007 on the fund raising front, as well as fund sizes, according to this latest report on private equity.

However, the most dissuasive obstacle to private equity players are share ownership restrictions on foreign nationals. With regard to setting up real estate funds in the UAE, the biggest restriction is on foreign nationals owning property in non-designated areas.

Regulations

There are also uncertainties regarding which type of fund vehicle would be acceptable, as well as the rules governing what types of funds can be sold and how they can be sold. There are differing

requirements as to the licensing of the fund operator and the fund manager.

In the west, a lot of real estate funds are held in trusts where investors will be granted unit interests in the trust. A trust is a legal arrangement under which the legal and beneficial ownership of assets are separated. Under this arrangement, the primary owner of the assets (the 'Settler') transfers the legal ownership of his/her assets to the 'Trustee' for the benefit of the 'Beneficiaries', of whom the Settler can be one and the same.

Real Estate Investment Trusts (REITs) normally take the form of a security that sells like a stock on the major exchanges and invests in various kinds of real estate related assets, such as hotels, office buildings, shopping centres and mortgages secured by real estate.

REITs own, develop, manage and sell these real estate assets, giving investors access to a professionally managed portfolio, and the REIT pays out returns on these investments based on the income it generates by collecting rent and selling the properties.

In the UAE, the Federal Civil Code does not recognise the concept of trusts, and so this type of fund vehicle is not possible. Actually, most of the regulatory jurisdictions in the Gulf region do not recognise trusts. On the legislative front, Bahrain has recently enacted a Trust Law, and according to legal consultants, this is drawing a lot of interest from real estate funds at present.

The Dubai International Financial Centre (DIFC), which is a free zone based in Dubai offering its member institutions one hundred percent foreign ownership, has also passed legislation called the Investment Trust Law (No. 11 of 2005) which allows the creation of 'investment trusts' in the DIFC.

But the appearance of these laws is a far cry from establishing it in practice. And to date, not one REIT has yet been launched in the DIFC under this new law. Legal experts, private equity executives and real estate consultants are still far from convinced that a REIT would work successfully in the UAE at the present time, due to remaining regulatory uncertainties.

Chris Purdon is the chief investment officer at Landmark Real Estate Investment Management Ltd. (LRIM), a specialist Middle East real estate investment firm based in Dubai. The firm was formed in 2004 to develop and manage a series of Middle East focused investment products for institutions and high net worth individuals.

So far LRIM has launched two real estate funds – the Landmark Real Estate Opportunities Fund 1 and the Al Mal Real Estate Fund. The first fund completed its third capital call on June 11, 2007, and will use the funds to finance ongoing commitments to its existing portfolio and new acquisitions.

The Real Estate Opportunities Fund is a close-end UAE and Dubai-focused fund with a life of seven years. The Al Mal Real Estate Fund is a MENA-focused fund and has a life of five years.

Regarding REITs in the UAE, Purdon said: "Due to the new legislation, we are excited about the possibly of listing a REIT-like structure. However, I am not convinced about the quality of buildings in the UAE or about the quality of tenants in those buildings, and these are what need to be in place in order to make a REIT work.

"A REIT offers low-cost of entry and a stable, low risk investment with low returns to investors. Traditionally, in order to put together a REIT, you need high quality buildings and stable tenants to provide the income stream which is going to give investors steady revenue.

"I am not sure that it is available in the UAE market yet, and in my opinion, the market is just not sophisticated enough yet to provide for a traditional REIT."

Walter Hart, an independent real estate consultant and managing director of The Agency FZ LLC, argued: "One of the major reasons for investors entering into REITs as part of a 'mixed bag' investment strategy is to retain liquidity. In other words, they want to have an easy way to exit from the investment which is available when there are plenty of willing buyers in the market. This can't be said of the UAE market right now."

"I believe these local funds do provide a 'spread' of risk and growth opportunity to the individual investors, but institutional investors typically require a high level of security on the investment, and the UAE property laws still leave a lot to be desired in this regard.

The Gate - DIFC

"Especially the present-day lack of a Strata or Sectional Title Law, and with most of the real estate developments in the UAE being multi-storied buildings, this is a major lacking," noted Hart.

The still forthcoming Strata Law will govern the individual rights of

property owners living in multi-storied buildings in Dubai. It will regulate rights to the common areas of property and establish rules with regard to management of the sectional title in those common areas.

The enactment of the Strata Law will obviously have major ramifications for REITs in the UAE.

"The Strata Law needs to very clearly identify the obligations of both the various owners of individual units in a multi-storied building or complex, as well as the management company acting on behalf of the owners," said Hart.

"There has to be a proper, and legally enforceable, procedure for dispute resolution so that there are no potential risks of legal actions between owners preventing service charges or levy flows.

"Major funds would not typically buy a portion of a multi-unit complex, but would prefer to take full ownership so that they have more control over the asset," explained Hart.

"In Dubai, there are smaller funds which are taking positions in multi-unit complexes and trading them, but this is a specific type of fund and the investor needs to understand the risks inherent in property trading as opposed to long-term property investment and management," he added.

Hart also said that major fund managers are concerned about the possible over-supply situation in the UAE, and that they are not high risk-takers, so will probably wait to see how it turns out over the next three years or so before including UAE real estate in any of their REITs.

"REITs legislations in most jurisdictions have been established on the basis of a publicly quoted vehicle; for example, in the UK, most of the major real estate companies have converted to REIT status under the legislation (including British Land and Land Securities), but they must be publicly quoted companies which are quoted on the full UK stock exchange and subject to full listing rules," said Tom O'Grady, partner and head of real estate at DLA Piper Middle East LLP.

"The proposed arrangements for REITs in DIFC are different and are more akin to regulated investment trusts than REITs, per se," he said.

"In the UK, Property Unit Trusts that are domiciled in offshore jurisdictions such as Jersey and Guernsey are common, and this is usually in order to minimise the tax implications on behalf of the participating investors.

"Obviously, one of the major advantages of such vehicles in the UK and other foreign jurisdictions is that they are 'tax transparent' and therefore do not have the problems associated with the holding of real estate assets by corporate vehicles generally, whereby the vehicle holding the assets would be subject to corporation tax itself.

"In the UAE, this would not currently be a concern or an advantage to UAE nationals or residents because of the absence of any form of taxation at present, and therefore tax structuring will only be an issue in respect of foreign investors to the extent that income or profits are being repatriated," explained O'Grady.

A REIT is interesting simply for the liquidity and diversification that this type of instrument provides investors.

A reading of the DIFC Investment Trust Law says that a REIT listed on the Dubai International Financial Exchange must not invest more than 20 per cent of the fund's assets in property that is under development. Furthermore, in Dubai, a REIT must (*inter alia*) be a public fund, and it must distribute 80 per cent of its annual income and not be invested in only a single property.

Purdon pointed out that the restriction on 20 per cent in off-plan property is a standard REIT requirement. A REIT is supposed to generate a steady income stream. This is not possible with property under development, and investors don't want a lot of off-plan property under the REIT.

"The norm is that 75-95 per cent must be distributed and the

Burj Dubai Downtown development June06

Dubai Marina

portfolio must be spread across many buildings in order to do what a REIT is supposed to do, which is to diversify risk. Keep in mind, a REIT is a low risk and low return type of investment vehicle," he added.

Lacking international interest

While the real estate industry in the region is booming, providing a low risk inlet for foreign and institutional investors can be like finding a needle in a haystack. Much more creative thinking is required to find a good deal.

The main challenge is the liberalisation of laws that allow foreigners and expatriates to buy property. The restriction on non-national ownership makes real estate funds extremely difficult. Furthermore, even real estate funds that are held by offshore structures may have problems in the UAE.

In addition to the Trust Law (introduced in 2005), the DIFC has also introduced the Collective Investment Law (Number 1 of 2006), which permits the creation of funds that can be described as 'closed ended' or 'open ended' collective investment schemes.

According to O'Grady, this law permits the creation of 'Domestic Funds' (domiciled or established in the DIFC) and also 'Foreign Funds', which are established or domiciled elsewhere. Closed-end funds are the most common type, where it is limited to a maximum number of investors at which stage the fund is closed and commences the investment period. Under the Collective Investment Law, such a fund can't have more than 100 investors to be classified as a 'Private' fund.

"However, as regards real estate, the fund's operator could be restricted in its investment decisions, since any such fund would still have to comply with the legal restrictions on ownership of real estate in Dubai and the UAE by foreign nationals," said O'Grady.

"Outside of the designated areas in Dubai, land can only be acquired by GCC/UAE nationals and entities 'wholly-owned' by them. Therefore, the potential use of such investment trusts in relation to the purchase of real estate assets in Dubai has limitations unless all of the investors are UAE/GCC nationals or entities," he added.

In most jurisdictions in the west, funds can either be what are termed as 'authorised' or 'unauthorised'. By and large, authorised collective investment schemes can only be managed and operated by a body or person that has been licensed to manage and operate a collective investment scheme. In the case of the DIFC, the fund operator (if the fund is a Domestic Fund) must be licensed by the Dubai Financial Services Authority (DFSA) to manage and operate the investment scheme.

However, there is some confusion as to whether or not a 'Domestic Fund' could acquire real estate assets in Dubai or whether it would be restricted to investing only in properties located within the limits of the DIFC Financial Free Zone or in properties abroad.

"Normally, private equity funds are created by private 'unauthorised collective investment schemes', and these tend to be restricted to high net worth individuals who can prove their financial independence, meaning they must have a certain threshold level of personal net assets," said O'Grady.

According to legal experts at DLA Piper who have studied the present legislation at the DIFC, "There does not appear to be any facility for operating unauthorised collective investment schemes from within the DIFC. However, the DFSA can make rules as to what constitutes a fund."

Said O'Grady: "A Foreign Fund (one established or domiciled in a jurisdiction other than the DIFC) is not allowed by law to operate or act as a trustee from the DIFC.

"Foreign institutions and investors

Dubai, Abu Dhabi, Bahrain, Riyadh and Doha are all vying to become the region's hub for private equity players, and so far these cities give precious little to differentiate between them.

Each has got the main ingredients to facilitate private equity funds:

- proximity to deal flow
- ability to attract skilled professionals
- assured access to capital
- cultivating supporting industries (such as investment banks and legal firms)

It is becoming more obvious that the winner will be the city that gets the most accommodating legislative framework in place first and permits the operation of various types of funds and classes of investors.

Beachfront Madinat Al Arab

Emaar's Dubai Marina Artist rendering

who come and set-up funds here need to be able to invest their funds in the UAE, and also the cost of setting up a regulated fund is really quite prohibitive at the present time."

In summary, in order for the market to develop a vibrant, real estate private equity participation, there needs to be a relaxing of the regulatory rules regarding classes of investors and the mode of investment.

"In particular, it would be welcome if there was a facility to establish unauthorised collective investment schemes in the DIFC which could acquire real estate assets in Dubai, particularly if the laws regarding foreign ownership of real estate were to be relaxed so as to allow a wider participation by foreign investors in the domestic real estate market," said O'Grady.

Other legal challenges

Ideally, it is important to see a Federal Law on Property Investment enacted in the UAE, and legal experts agree that this would do away with much of the inconsistency between the individual emirates.

"We could also definitely do with more robust landlord/tenant regulations. The present provisions with regard to landlord/tenant relationship found in the UAE Civil Code are very brief and drafted, with a view to residential tenancy and not commercial leasing," said O'Grady.

"It provides the venue for dispute resolution as the Rent Committee, and this is fine for residential tenancy disputes. But when dealing with a dispute between commercial entities, then it is not the right venue.

"Arbitration is possible, but only if the panel of arbitrators is sufficiently experienced and acceptable to the parties. Dispute resolution in the DIFC Courts is also a distinct possibility," he said.

Regarding the laws in other emirates in the UAE, Purdon said, "Sharjah is an example of a jurisdiction wrapped up in an internal conflict. You have on one side the Sharjah Land Department saying that investments in property are allowable up to a 99-year lease, whereas the Sharjah Municipality says that investment-basis is on one-year renewable lease only.

"It is perverse because we have to look at an exit route from any Sharjah real estate investment as soon as possible."

Purdon continued, "The banks are also quite unsophisticated in this part of the world and are unwilling to lend on huge swathes of land. There is not enough competition to force the banks to find solutions to their securitisation issues."

Some legal experts advise their clients to use a long-lease type structure, to plan the avoidance of any foreign ownership restriction issue in an acceptable manner.

O'Grady said, "In terms of using leasehold or usufruct structures, the promulgation of the Dubai Property Registration Law No. 7 will soon require long leases to be registered with the Dubai Land Department. Now the department is working out the modalities and proposing that all leases over 10 years will have to be registered.

"Therefore, it is risky to assume an interpretation of the UAE Civil Code that may be untenable when it comes to the Land Department's interpretation of what kind of right a lease grants to the owner."

Regarding the ownership restrictions on foreign investors in real estate funds, O'Grady said, "In the market, practices have allegedly arisen which seem to allow the rules regarding real estate ownership to be circumvented. However, any such arrangements are potentially void and unenforceable, and could

Yasmin Village Lakeside Villas - Dubai

The Lakes within Emaar's Emirates Living community - Dubai

render participants liable to criminal prosecution in the event that the Concealment Decree becomes law in November this year in its current form.

"The maximum penalty under this law is two years imprisonment," he said.

Purdon added, "There are nominee structures used for the purpose of complying with the ownership issue for funds that wish to tailor themselves to foreign investors. For example, a local GCC-national or UAE-national owns a majority share in the company that is investing in the land or property. Sort of like the local partner concept that some entrepreneurs use for starting companies in Dubai."

"However, we as a fund can not go down that route. It carries significant risks, and it is too costly and red-tape intensive. You have additional legal and accounting fees which are passed on to the investor, and at the end it is not guaranteed in my opinion," Purdon said.

Interestingly, despite Purdon agreeing to the view that funds are limited in terms of where they can invest in the UAE due to the ownership restrictions on foreign investment, he still feels that there are great opportunities for investments within the present limitations.

"One of the key attractions is infrastructure; for example, the second airport project at Jebel Ali. This is a huge project that is massively changing the land-use patterns across whole swathes of Dubai. These are all available to foreign investors because they are in a free trade zone. We have invested there in warehouses, for example, that can be long-lease and also freehold ownership," he said.

"The other important point to make here is that the regulatory landscape is changing rapidly. In the future, it will be possible for foreigners to invest outside of the designated areas," Purdon added.

Islamic trusts

A creative new trail is being blazed by what many consider the most exciting development and hope for private equity funds in the region. '*Mudaraba*' and '*Waqf*' are Shari'ah compliant transactions that may well usher in a new life for conventional transactions and instruments like a trust.

As stated earlier, in the west, a lot of real estate funds are held in trusts, (where investors will be granted unit interests in the trust). But the concept of a trust is not recognised under the UAE law.

However, '*Mudaraba*' is a concept in Shari'ah (Islamic law) where one can find many of the fundamental characteristics of a UK or common-law trust.

"A *Mudaraba* reflects a practice in the Islamic world that is comparable to the desire in the west for collective or pooled investment schemes in the acquisition of real estate assets," expained O'Grady.

"This spreads the risk and provides opportunities for individual investors to participate in the real estate market without having to invest directly in the underlying assets," he said.

DIFC Investments and Dubai Islamic Bank have recently announced a project to establish 'Waqf Trust Services', the first Islamic trust services provider in the world exclusively offering Shari'ah compliant trust services, which will operate from the DIFC.

A *waqf* is an inalienable religious endowment in Islam, typically devoting a building or plot of land for Muslim religious or charitable purposes. It is conceptually similar to the common-law trust.

The company is set to operate along the guidelines set out in the DIFC Trust Law. According to a press release, Waqf Trust Services offers a diverse array of trust services for both corporate and individual clients, primarily encompassing the provision of tools to assist clients in the protection of assets, succession planning and the preservation of family wealth.

"These are areas we are looking into with great interest," said O'Grady.

Shari'ah real estate funds are a growing part of the Middle Eastern and global real estate market. Clearly, the passing of the DIFC Trust Law is a welcome addition, and it remains to be seen how this may assist with real estate acquisition and structuring going forward.

The Palm Jumeirah

ADCB is a long-term bet

Current valuation of Abu Dhabi Commercial Bank is in line with the peer average for 2008. While the stock is not cheap, it is not expensive either, so any correction offers an opportunity, analyses **Yong Wei Lee**.

Abu Dhabi Commercial Bank (ADCB) was formerly known as Khalij Commercial Bank. The name change came as a result of a merger of Emirates Commercial Bank and Federal Commercial Bank on July 1, 1985.

In its current form today, ADCB is one of the largest banks in the UAE in terms of market capitalisation (US$8.4 billion) and total assets (US$24 billion). The bank carries out retail and commercial lending as well as investment services through its network of 42 branches in the UAE. Abu Dhabi Investment Council currently owns 64.8 per cent of the stock.

The bank embarked on an extensive restructuring process in 2003 to position itself as one of the leading banks in the country. In a bid to sustain growth, ADCB's share base was raised significantly from 125 million in 2004 to 4,000 million shares through a series of bonus issues, share splits and rights offering throughout 2005. As a result, the shareholders' equity grew from US$1.35 billion in 2004 to US$2.35 billion in 2005.

Earnings overview

Loans and deposit growth and interest margins: Post-restructuring in 2004, ADCB was well positioned to benefit from the strong economic activity in the UAE and therefore experienced phenomenal growth in loans and advances. The average loan book ballooned from US$6.5 billion in 2004 to US$14.2 billion in 2006, a CAGR of 48 per cent. The story for deposit growth, however, was less rosy. Over the same period, average deposits grew from US$6.7 billion to US$10.5 billion, a CAGR of 25 per cent.

Interest margins: While Net Interest Margin (NIM) appears stable from 2004 to 2006, it actually fell from 2.93 per cent in 2005 to 2.64 per cent in 2006. This was due mainly to tight liquidity on the liability side of the balance sheet resulting in dependence on borrowings from the capital markets to fund its loans growth. In 2005, ADCB established a Euro Medium Term Note (MTN) that raised US$1.9 billion at LIBOR plus 27.5bp to 35bp. While the bank was able to benefit from tight spreads, these funds were yielding higher than deposits. In addition to the MTNs, ADCB also raised US$400 million of Tier II subordinated loan capital at a rate of LIBOR plus 60bps. This phenomenon of tight liquidity resulting in higher cost of funds is likely to impact most banks in the UAE and not just ADCB. Competition on the lending side of the business means that banks may have some difficulty in passing on the cost. Invariably what this means is that as a sector, interest spreads between assets and liabilities will probably tighten indicating that net interest income growth for the industry will lag loans growth.

Net interest income: The combined effects of loans growth and interest margins resulted in ADCB's net interest income rising from US$231 million in 2004 to US$483 million in 2006, a CAGR of 45 per cent.

Non-interest income: For the whole of 2005 and 1Q06, the strong equity markets in the region resulted in significant contribution from IPO underwriting fees and brokerage. This part of the business grew substantially and it accounted for half of the ADCB's non-interest income in early 2006. As a result, non-interest income for the said period accounted for approximately 45 per cent of total operating income and recorded a two year CAGR of 106 per cent. However, because of the collapse of the GCC equity markets in 2006, non-interest income will experience a sharp correction for 2007.

Bank	Country	Market Cap (US$)	Bloomberg Est PE 07	Bloomberg Est PE 08	P/B (Hist)	ROE (Hist)
Burgan Bank	Kuwait	3,168	20.4	18.9	3.5	21.4%
Bank Muscat	Oman	3,277	18.9	16.2	3.9	18.9%
Union National Bank	UAE	3,449	9.3	8.9	2.1	17.0%
First Gulf Bank	UAE	5,126	16.4	13.5	2.1	17.1%
Mashreqbank	UAE	5,670	10.9	10.9	2.8	21.3%
Commercial Bank of Kuwait	Kuwait	5,833	19.4	18.2	3.5	20.6%
Gulf Bank	Kuwait	7,344	22.8	20.2	5.3	26.6%
Dubai Islamic Bank	UAE	8,408	15.6	12.4	3.6	18.3%
National Bank of Abu Dhabi	UAE	9,019	13.5	11.9	3.7	23.4%
Saudi British Bank	KSA	9,225	12.9	12.9	3.7	32.3%
Banque Saudi Fransi	KSA	9,750	15.6	16.1	4.0	32.0%
National Bank of Kuwait	Kuwait	15,643	15.9	15.5	4.3	23.9%
Smaba Financial Group	KSA	20,120	15.3	14.4	5.8	31.1%
Average			**15.9**	**14.6**	**3.7**	**23.4%**

Source: Bloomberg, Zawya

Cost: Wages in ADCB ballooned from US$60.7 million in 2004 to US$120 million in 2006, a CAGR of 40 per cent. This was due to a combination of rising headcount as well as rising wages per employee through the payment of bonuses. Other aspects of costs grew as well, particularly due to rising rents and expansion of branch networks. Total expenses grew by a CAGR of 48 per cent from 2004 to 2006.

Provisions and non-performing loans: ADCB went through a cleaning out process of non-performing loans (NPL) and lowered the NPL ratio from an average of 20.5 per cent in 2004 to 2.6 per cent in 2006. Loan loss coverage ratio stands at 74 per cent for 2006.

Net profit: With rapid loans growth and strong equity markets, it comes therefore as no surprise that net profit grew from US$218 million to US$567 million from 2004 to 2006, a CAGR of 61 per cent.

Capital adequacy: The strong growth in lending activity has brought its capital adequacy ratio (CAR) down to 14.1 per cent in 1Q07 from 17.5 per cent in 2004. Hence, it's likely that the bank will consider issuing Tier II subordinated debt or a hybrid product in future to boost its CAR ratio. The minimum CAR requirement by the UAE central bank is 10 per cent.

Looking ahead

It is unrealistic to assume that ADCB will be able to repeat the stellar performance of the past few years in the near future. Loans will likely continue to plough ahead at 20 per cent per annum, although interest margins will suffer some compression as a result of rising cost of funds and lower yielding assets as it diversifies its loan book to corporate loans. Hence, it is likely that the net interest income will grow at a rate closer to 15 per cent per annum for the next few years.

The current financial year (2007) will be a cleaning out year for non-interest income due to the fall in equity markets. However, from 2007 onwards, non-interest income could potentially grow at between 15-20 per cent per annum.

Cost is expected to remain a challenging issue for ADCB, with pressure coming from wages as well as rents. Hence, it would be safe to assume that cost will grow in line or even exceed the growth rate in operating income.

No surprises are expected for provisions. In essence, the bottom line for ADCB will be weak for 2007, but earnings growth beyond that should normalise closer to 15 per cent per annum.

Valuation and share price performance

The stock at the current price of AED7.68 is 50 per cent below the high of AED15.35 in 2005. However, since the start of 2007, the stock has gained 32 per cent. This is a typical recovery pattern for a stock that has gone through an equity bubble collapse.

The price/earnings ratio (PER) for 2007 is estimated at 16 times due to a fall in earnings versus 2006. However, valuations will drop quickly over the years with earnings growth. We estimate PER '08 to be around 14x and PER '09 at 12x. Price/book (P/B) 2008 is estimated at 2.7x with a ROE of 19 per cent.

Conclusion

Valuations for ADCB are in line with the peer average for 2008. While it's not particularly cheap, it's not expensive either. Fundamentals are fairly attractive with decent earnings growth and the bank is a good proxy to the underlying economy of UAE. The stock is also estimated to pay a dividend yield of about three per cent per annum.

An additional kicker to stock performance could be a merger with another bank under the ownership of the Abu Dhabi government. For the long-term fundamental investor, this stock is worth keeping on the radar screen. Any correction in the share price will only create an attractive entry point.

Abu Dhabi Commercial Bank (ADCB)

Income statement Y/E Dec, AED (millions)	FY04	FY05	FY06
Interest income	1,311	2,449	4,128
Interest expense	(464)	(1,077)	(2,354)
Net interest income	**847**	**1,373**	**1,774**
Change YoY		*62.1%*	*29.2%*
Fee from banking services	247	1,093	1,129
Other operating income	64	184	194
Total non-interest income	311	1,277	1,323
Change YoY		*310.5%*	*3.6%*
Operating income	**1,158**	**2,650**	**3,097**
Change YoY		*128.8%*	*16.9%*
Wages	(223)	(312)	(440)
other general operating expenses	(119)	(204)	(314)
Total expenses	(342)	(516)	(754)
Change YoY		*50.9%*	*46.2%*
Pre-provision profit	816	2,134	2,343
Provision	(20)	(212)	(193)
Overseas income tax (expense)/writeback	4	(0)	(3)
Less minority interests	0	(9)	(66)
Net profit	**801**	**1,912**	**2,082**
Change YoY		*138.8%*	*8.9%*
Per share data	**FY04**	**FY05**	**FY06**
Weighted number of share (millions)	3,846	3,890	4,000
Diluted EPS (AED)	**0.21**	**0.49**	**0.052**
Balance sheet summary			
Average total assets	33,572	47,939	69,407
Average total interest bearing assets	32,952	46,874	67,093
Average loans and advances	23,886	35,333	52,294
Average total interest bearing liabilities	28,329	40,231	57,857
Average deposits	24,461	31,745	38,667
Shareholders fund (SHF)	4,720	6,785	9,667
Total capital (Tier I and II)	4,720	6,785	12,193
Financial ratios			
Loans growth (YoY)		47.9%	48.0%
Deposit growth (YoY)		29.8%	21.8%
Loans/deposit ratio	97.7%	111.3%	135.2%
NIM	2.57%	2.93%	2.64%
Cost/income ratio	29.5%	19.5%	24.3%
Non-interest income/operating income	26.9%	48.2%	42.7%
NPL/total loans	20.5%	4.7%	2.6%
Total LLP/NPL	16.2%	42.8%	73.7%
Total capital adequacy ratio	17.5%	18.8%	16.3%
Return on equity	17.0%	28.2%	21.5%

Charts from Zawya.com

The writer is a senior fund manager with EIS Asset Management

Signs of greater transparency

Three developments this summer indicate that there will be more reasons for investors to get excited about the future prospects of the regional markets. **Fahd Iqbal** explains why.

The summer lull took its toll last month as the GCC markets displayed a muted performance. The UAE and Saudi Arabian markets were flat, while Oman and Qatar saw a moderate increase. Kuwait and Bahrain were the strongest performers, seeing an increase of eight per cent and seven per cent respectively. We turn therefore to three interesting developments that took place in the UAE over the past month. Though these events are somewhat unrelated and may appear at first glance to be unexciting, the ramifications hold greater substance for the UAE stock market going forward.

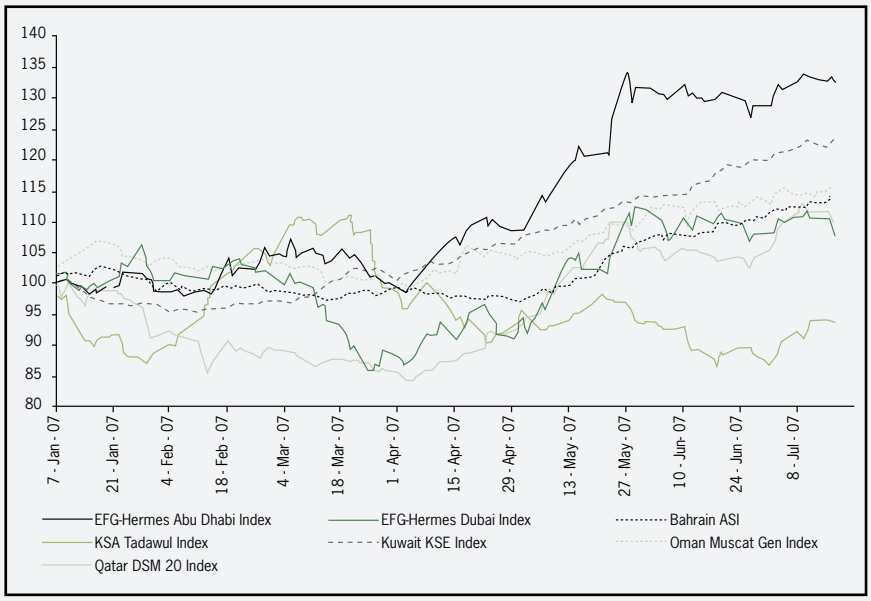
In chronological order, the first of these events was the Abu Dhabi government's announcement of its intention to issue benchmark government bonds across all maturities. This news was overshadowed by the preceding announcement by Fitch and Standard & Poor's regarding Abu Dhabi's credit rating being upgraded to AA. Nevertheless, the implications of this bond issue could be far reaching.

The bond issue has nothing to do with raising cash. Generally speaking, bond issues that are referred to as benchmark are usually greater than US$500 million in size. This compares to the UAE projected fiscal budget surplus for 2007 of US$42 billion (24 per cent of forecast GDP). This benchmark instead is about creating a liquid reference point that can be used by the financial sector for a range of activities. For instance, equity analysts will be provided with an appropriate risk-free rate to base their cost of capital calculations. Similarly, corporate bonds can be priced more accurately to reflect underlying risk. These factors are crucial in bringing transparency and stability to growing financial markets in the UAE. At present, the usual practice (at least for equity analysts) is to use US risk-free rates coupled with a suitable risk premium. Moreover, given the lack of benchmark bonds anywhere else in the GCC, and the economic similarity between the countries within the GCC, the bonds could easily become regional benchmarks.

The second event was the debut of Air Arabia, the region's first and largest low-cost carrier, on the Dubai Financial Market. At US$713 million, the equity offering has been the biggest in the UAE to date. Its first day of trading saw shares increase by 11 per cent, which in our view is a very healthy performance. More importantly, it is indicative of greater rationality being exercised by market participants. That said, the quiet summer period is also likely to be a contributing factor. While it would be naïve to extrapolate this one single event and assume the over-exuberance displayed in previous years is officially behind us, we do hope that it is the start of an on-going trend.

The third and last event was the 2Q2007 results presented by Emaar. There were several developments indicating an improvement in transparency of the company and a more forward-looking shareholder-friendly stance. Firstly, Emaar hosted a conference call marked by a lengthy and detailed Q&A session. Secondly, Emaar disclosed for the first time the composition of revenues by development type and the margins generated by land sales. Thirdly, management indicated that Emaar was embarking on a new policy of reducing land sales, retaining it instead for future development purposes. Fourthly, and perhaps most importantly, Emaar specified that, with regards to its land-for-equity swap with Dubai Holdings, management would not accept a deal if it was value destructive for Emaar shareholders, although no new information was actually released regarding the transaction. The opacity behind this deal still acts as an overhang on Emaar shares, one which will not go away until full details of the transaction are finally released. But the announcement is, nevertheless, a positive one.

While the mechanisms and the functioning of the stock market in the UAE (indeed the GCC) are not at par with more developed markets, we believe the above mentioned occurrences are certainly a step in the right direction.



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

KSA overweight lag behind

GCC markets show mixed trends in the month of June. Saudi Arabia overweight funds lag the performance league tables. A Markaz Report.

The overall positive performance of 9.10 per cent during May 2007 was reversed to -2.71 per cent in the month of June 2007 for GCC markets. The key factor for this decline in performance can be attributed to a seven per cent fall in Saudi Arabian markets and a one per cent decline in UAE markets. This will exert some pressure on returns of funds for the month of June. The data till May 2007 for 19 funds tracked by "Markaz" shows that only one fund has posted a negative monthly return.

AlBasha'er GCC Equity fund managed by KFICO of Kuwait lead the performance league table in the month of May 2007 with a monthly return of 11.31 per cent. This strong performance can be attributed to the fund's overweight position on Kuwait, UAE and Qatar markets which yielded 7.27, 17.12 and 12.15 per cent returns respectively during May. The fund has allocated 29 per cent to Kuwait, 24 per cent to the UAE and 23 per cent to Qatar of its equity portfolio. The fund's year-to-date performance stands at 20.6 per cent. The National Commercial Bank's AlAhli GCC trading equity fund was at the second position with a monthly return of 10 per cent in May 07. The fund managed to provide higher return in spite of being mostly invested in the Saudi market with an exposure of 52 per cent. Aafaq Investment Fund managed by National Bank of Dubai also posted strong performance at 10 per cent taking its YTD performance to an impressive 15.41 per cent. The fund had 44 per cent exposure to Kuwait. Markaz GCC Fund managed by Kuwait Financial Center had a nice run with monthly performance of 10 per cent during May taking its YTD performance to 20 per cent. The fund is exposed nearly 50 per cent to Kuwait.

Directionally, the conviction on the GCC markets seems to be intact, with the majority of fund managers preferring to be invested in equity. GCC equity fund managers carried an average equity holding of approximately 90 per cent. Arab gateway Fund managed by Shuaa Capital was 100 per cent invested in equities. Among the 22 funds tracked by Markaz, only a few funds were high on cash. For example, Arab Bank Mena Fund managed by Atlas Investment Group held 39 per cent in cash and bonds, and the GCC equity fund managed by Saudi Investment Bank had 14 per cent in cash and bonds, which is far lower than the 26 per cent it held in cash in April.

Saudi Arabia seems to be the least favoured market right now. The average exposure of fund managers to Saudi Arabia was 28 per cent, far lower than the weight implied by market capitalisation at 56 per cent. Gulf Industrial Companies Fund of Saudi Investment Bank had the maximum exposure to Saudi Arabia at 80 per cent, followed by its other fund, GCC Equity Fund, with 57 per cent. This reflects 'home bias'.

For the month of July, our tactical asset allocation model suggests the following weights on a forward looking basis: Saudi Arabia - 28 per cent; Kuwait - 29 per cent; UAE - 14 per cent; Qatar - eight per cent; Bahrain - two per cent; Oman - two per cent and cash - 17 per cent. MW

Performance of select GCC funds - Top ten May 2007 returns

May 2007			AUM (USD Mn)	Return (%)				Asset allocation					
	Fund	Inception		May' 07	YTD	2006	LTM Risk	Saudi Arabia	Kuwait	UAE	Qatar	Oman	Bahrain
1	KFICO AlBasha'er GCC Equity Fund	Jan-06	315	11%	21%	-11%	18%	20%	29%	24%	23%	0%	2%
2	The National Commercial Bank AlAhli GCC Trading Equity Fund	Oct-05	225	10%	14%	-37%	23%	52%	20%	16%	8%	1%	3&
3	National Bank of Dubai Aafaq Investment Funds	Oct-04	75	10%	15%	-10%	12%	13%	44%	26%	0%	17%	0%
4	Commercial Bank of Kuwait Tijari GCC Equity Fund	Jan-06	30	10%	22%	-28%	23%	18%	53%	9%	16%	4%	0%
5	Kuwait Financial Center Markaz GCC Fund	Jan-06	24	10%	20%	-19%	15%	11%	49%	18%	12%	7%	4%
6	TAIB Securities GCC Bluechip Fund	Jun-03	2	10%	18%	-22%	17%	18%	26%	22%	20%	12%	2%
7	Global Investment House GCC Large Cap Fund	Feb-05	63	9%	18%	-23%	16%	17%	43%	24%	9%	3%	3%
8	Vision investment Services Co. Emerging GCC Fund	May-05	36	8%	20%	6%	14%	4%	36%	10%	15%	23%	9%
9	AlAhli Bank of Kuwait Gulf Fund	Nov-03	113	8%	21%	-23%	17%	8%	67%	14%	5%	0%	6%
10	SICO Khaleej Equity Fund	Mar-04	37	8%	15%	-14%	14%	14%	27%	30%	14%	6%	10%

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

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

The case for Manganese

This month **Otto Spork** writes about the prospects of manganese as a long-term investment prospect.

According to the US Geological Survey, manganese "has no satisfactory substitute in its major applications".

Manganese is not a well-known element. Appearance-wise, it resembles iron. By virtue of its properties, sulfur-fixing, deoxidising and alloying, manganese is essential to iron and steel production. Its inclusion in iron and steel and their products helps make these products less brittle so that they do not shatter. Manganese uses, like molybdenum, are very versatile. Manganese is used in gasoline to boost octane rating and reduce engine knocking. It is used as a reagent for rust corrosion prevention on steel, paint pigments, batteries, glass production, and medical and health applications.

In the report for 2007, the International Manganese Institute announced that "manganese demand prospects will never be so good". The key points highlighted that manganese intensive steel grades will grow faster than average, while specific manganese consumption is growing again. It also said that that steel demand will exceed six per cent per year for many years to come and that there is limited downside risks for the next 10 to 15 years in the metal.

Manganese intensive steels represent 13 per cent of the total stainless steel production, but consume 41 per cent of the total amount of manganese consumed by the steel industry.

To meet the demand, BHP announced it has ramped up manganese production to a record 1.5 million tonnes. In Australia, Consolidated Minerals Ltd., has also been increasing manganese production.

Manganese has doubled in price, whereas the other industrial metals, such as nickel, cobalt, vanadium and molybdenum, have respectively surged higher by seven-fold, four-fold, six-fold, six-fold. We believe manganese has much more room to grow in the coming years.

Manganese prices soared this spring after many stainless steel manufacturers began substituting this metal for nickel. Source: Metal-Pages.com

With the recent dramatic increase in manganese prices, junior resource companies sitting on large low-grade deposits can now begin to think about bringing these into the realm of feasibility of production. One of these companies is Canada's Rocher Deboule Minerals.

Next month, I will go over some of our past calls in oil, silver, gold and where they are now. Since June 2006, I have been writing to short crude oil from the then high of US$77 all the way down to US$50. In January 2007, we said "cover your shorts and go long crude oil looking for US$74", and now at the end of July, we have crude trading at US$76. We have done the same for you in gold and silver.

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EM carry trades looks up

As the US dollar gets hammered continuously, Emerging FX might partially replace Europe as weak dollar shelter, writes **Rajesh Prabhurajan**.

The greenback has fallen to an all-time low against the euro, 26-year low against the sterling and hits new cyclical lows against a number of currencies, ranging from Brazilian real to Chinese yuan. On a real trade-weighted basis, the dollar is now at its lowest level since January 1981, depreciating 1.5 per cent just from the end of June and now down 26 per cent from its last peak in February 2002. The dollar index, which measures the greenback against a basket of major currencies, is at a 12-year low.

The dollar, which was already under pressure on concerns that problems in the US subprime mortgage market will spill into the wider economy, got a further jolt following a congressional testimony by Federal Reserve chairman Ben Bernanke, where he cut growth forecasts for the US economy in 2007 and 2008 and said the hard-hit housing market will remain sluggish. Widening interest rate differentials, which are moving in favour of the sterling and other currencies at the expense of the dollar, was another key theme of recent weeks, as central banks around the world are raising rates to slow economic growth and prevent inflation while the US Federal Reserve is expected to stand pat at best. The US suffers the worst inflation/growth trade-off of all the major economies and is losing competitiveness to Asian and other BRIC countries.

However, investors looking to capitalise on the sinking greenback may want to lessen some bets on further upside in European currencies. After surging to record lows near US$1.38 to the euro and US$2.05 to GBP, the dollar is starting to look undervalued against these currencies, at least to long-term investors. One also suspects much of the bad news for the dollar may already be priced in, at least against the major currencies.

Broadly speaking, the dollar is likely to weaken further, but high-yielding emerging market currencies like the Brazilian real may benefit more than Europe. Asia could also be a good place to look.

With the global growth picture largely intact, the fundamental drivers are likely to remain supportive generally of Emerging Market (EM). EM FX as an asset class seems to show an ever-increasing resilience to the ripples of volatility in core markets and with each correction, investors seem to be gaining more conviction about their investments.

While monetary conditions globally are tightening, the effect on the emerging markets is proving to be more limited than in previous tightening phases. Higher savings rates for the asset class and increased investment allocations to EM are keeping liquidity up. But the massive FX reserve build-up across EM is not being sterilised adequately, which is causing inflation pressures to build. This is likely to be met with a mix of interest rate tightening and FX appreciation (however reluctant). For EM currencies, its clearly a boon that interest rates will need to be kept higher for longer in some and increased in others, thus either maintaining or increasing carry against the generally tighter global liquidity conditions.

Another factor for EM FX performance is the outlook for funding currencies. Despite the tightening in monetary policy in most G7 countries, the continued weakening of key funding currencies and the outlook for tightening in EM will provide further support for FX carry trades in Q3. Even for countries in which one would expect to see more volatility/weakness (due to large current account deficits), the security of large FDI financing of the imbalance and requisite tighter monetary policy (with some exceptions) is making several of the currencies of this set of countries the star performers.

Among Emerging Markets the best mix of value and fundamentals are in the BRIC currencies, Turkish lira and South African rand. Though no near-term upgrades are seen in these emerging market currencies, the sovereign derivatives markets are seen as attractive vehicles to hedge market direction.

Closer home, Kuwait had hastened a widely anticipated second revaluation this year to contain imported inflation. UAE Central Bank governor Sultan Nasser al-Suweidi said last month the UAE dirham's peg to the dollar, unchanged for a decade, was an anchor of stability for the economy. Hence, expect most Gulf Arab central banks to ride out the latest spell of US dollar weakness.

What has been noticed in the past

An interesting analysis by a leading London-based bank, on the performance of G10 currencies over the past 15 years in relation to oil price changes and global growth, suggests that at times when global GDP and the oil price have simultaneously grown quickly together - as has been the case recently - the US$ has been the worst performing G10 currency; even if the oil price remains elevated but does not grow further. One of the reasons oil prices tend to weigh more on the US$ is that the US consumes more than the next 20 biggest consumers combined - hence the oil price increases represent a much bigger tax for the US economy.

The writer is a dealer with Dubai Bank treasury. Views expressed are his own and not necessarily those of Dubai Bank. Data and comments are as of 20th July, 2007.

Asia's comparative advantage

Despite signs of contagion from the ill effects of the US sub-prime market, it looks like the Asian economies are more immune to a downturn compared to many other markets. **Peter Hensman** explains.

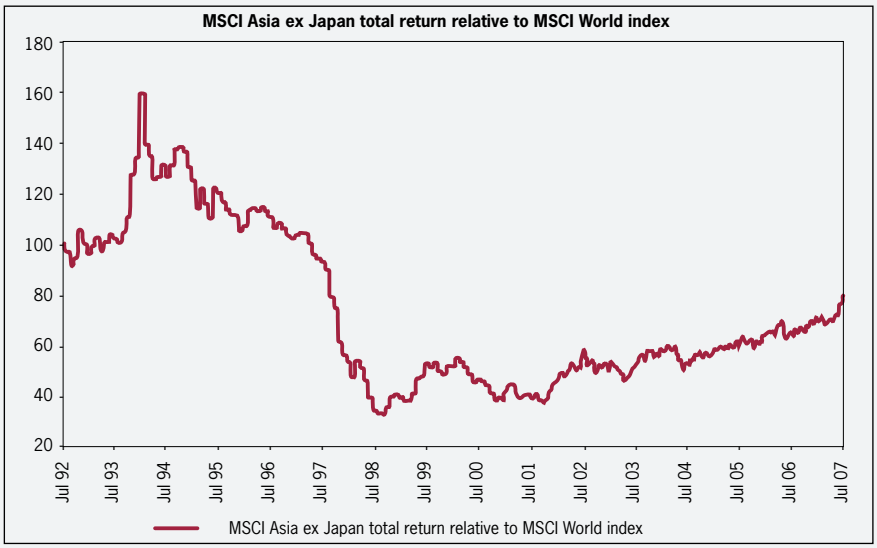
July 2 marked the 10th anniversary of the devaluation of the Thai baht that ushered the Asian currency crisis. The period that followed saw an enormous decline in activity and purchasing power in the region, bursting the bubble on the growth of the "Asian Tigers". Yet, from the end of 1998 to July 2, 2007, the MSCI Asia ex-Japan index has produced a total return of 217 per cent in US dollar terms, outperforming the MSCI World index in every year except 2000 (including a total return of 18 per cent from the end of 2006 to July 2, 2007 compared to a 10 per cent total return for the MSCI World). The cumulative excess return from investing in the region since the end of 1998 has been 151 per cent. However, as the chart below shows, despite this relative outperformance, the region has only just recouped 50 per cent of the relative losses in 1997.[1]

Unlike the mid-1990s where financial stresses were evident, the secular case for Asian economies and markets remains robust. In the 1990s, these economies were typically running large current account deficits - this is no longer the case. According to the IMF, India ran a current account deficit of 2.2 per cent of GDP at the end of 2006, but this is more of an exception. As a group, the Newly Industrialised Asian Economies - the epicentre of the Asian currency crisis - ran surpluses of 5.6 per cent of GDP.[1] As a consequence, these countries are not as vulnerable to the whims of short-term investment flows as was the case then. Indeed, that many economies now run current account surpluses demonstrates that participants in the domestic economy are acting conservatively – few businesses are now highly leveraged. Many operate with net cash on their balance sheets, preferring to hoard cash rather than build new productive capacity, reflecting the severity of the lessons doled out during the crisis period.

In some ways, this conservatism creates some vulnerability as it implies reliance on external demand. The widespread accumulation of vast reserves of foreign exchange demonstrates that the region has not yet forgone its mercantilist ways, as these reserves in part reflect an unwillingness to allow local currencies to appreciate. Whilst allowing currency appreciation would increase the purchasing power of local residents, it would also undermine export competitiveness.

This dependence on an export-oriented model could see growth slow were there to be a broader slowdown in the world economy. The most likely source of such a downturn is the US housing market, where the implosion caused by the collapse of the sub-prime lending collapse shows no sign of abating. If anything, the last month has shown signs that the effects of the downturn are becoming more widespread as the extra premium on corporate bonds has started to rise after a prolonged period in which these spreads have narrowed.

Yet, were there to be a knock-on effect to Asian equity values, it is likely that this would present an opportunity to buy greater exposure to the domestic Asian economies. The justification for this is that the likely response from the US authorities would be to cut interest rates as they attempted to underpin the US housing market and restore consumer confidence. As occurred following the post-2000 downturn, such a move would likely further undermine the value of the US dollar. Under this scenario, US debt markets would be likely to be shut to new mortgage borrowers for some time and rate reductions from the Fed would be likely to persist. With no evident inflation problems, Asian economies could be expected to mirror these rate reductions. In the absence of the debt overhang faced by the US, this monetary easing would see domestic activity in the region respond relatively rapidly. Hence, while it may be difficult to argue that Asian economies and markets would be completely immune from a serious downturn in the US, the lower levels of debt and structurally stronger position in which these nations find themselves compared to a decade ago suggests that despite the long period of outperformance, the medium-term risk reward remains attractive.



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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Bank of Scotland International Ltd	01534 613500	Halifax G'teed Saver	None	$50,000	5.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	5.25%	fiYly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	$5,000	5.00%	Yly
Nationwide International Ltd	01624 696000	US Dollar Savings	None	$1,000	4.30%	Yly
Irish Permanent International	01624 641641	Instant Access	None	$500	4.25%	Yly
No Notice Euro Accounts						
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
Alliance & Leicester Int Ltd	01624 663566	Euro Savings	None	€5,000	3.86%	Yly
Irish Permanent International	01624 641641	Instant Access	None	€500	3.40%	Yly
No Notice Accounts						
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore q	None (W)	£1,000	6.15%	Yly
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	£5,000	6.15%	Yly
Alliance & Leicester Int Ltd	01624 663566	Base Rate Tracker III	None	£15,000	6.10%	Yly
Irish Nationwide (IOM) (w.e.f. 1.8.07)	01624 673373	Instant Quarterly	None	£25,000	6.10%	Yly
Landsbanki Guernsey	01481 726885	International Access	None	£10,000	6.01%	Yly
Notice Accounts						
Scarborough Channel Islands	www.scarboroughci.com	International 60	90 Day (B)	£5,000	6.30%*	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.25%	Yly
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	6.21%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 180	180 Day (I)	£25,000	6.20%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	£25,000	6.15%	Yly
Monthly Interest						
Scarborough Channel Islands	www.scarboroughci.com	Offshore 90 Direct	90 Day (B)	£5,000	6.15%*	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	6.05%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	90 Day (I)	£25,000	6.00%	Mly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.95%	Mly
Bank of Scotland International Ltd	01534 613500	Halifax Int Income Saver	90 Day	£25,000	5.94%	Mly
Fixed Rates						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	1 Yr Bond	£5,000	6.50%	OM
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	2 Yr Bond	£10,000	6.45%	Yly
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	3 Yr Bond	£10,000	6.45%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	18 month Bond	£5,000	6.40%	Yly
Irish Permanent International	01481 726885	Offshore Guaranteed Bond	5 Yr Bond	£10,000	6.26%	Yly
Accounts with Cheque Book Facility						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.75%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	£5,000	3.25%	Qly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2 Day	£5,000	2.75%	Qly
Abbey International	01534 885100	Offshore Gold	None	£10,000	2.75%	Qly
Barclays Bank	01534 880550	International Cheque	None	£10,000	2.50%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None	£1,000	6.10%*	Yly
Abbey International	01534 885100	Tracker Term 6	6-05-08	£10,000	6.05%	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.65%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Sterling	None	£25,000	2.85%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£25,000	2.85%	Mly

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

	Telephone	Account Name	£1K	£2.5K	£5K	£10K	£25K	£50K	£100K	£250K	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	-	-	2.25	2.75	3.25w	3.75	4.50	4.55	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	-	-	4.50	4.50	4.50	4.50	4.50	4.50	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	- -	0.10i -	0.10 0.10	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 4.50 3.25	3.25 4.75 3.25	3.25 5.00 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	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	-	0.05	0.10	1.25	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	-	-	2.50	2.50	2.50	2.875	3.25	3.312	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	0.10t	0.10	1.55	2.50	2.85	3.60	4.55	4.70	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	-	3.725	3.975	4.725	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	-	4.437	4.437	4.687	4.937	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	-	2.31	2.31k	2.31	3.06	3.31	3.56	3.81	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: July 6, 2007 Source: Moneyfacts

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Issue 10, September 2007

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	1.35w	2.00	2.00	2.25a	2.50	Yly	No
		Offshore Gold	-	0.50	1.00j	1.00	1.00	1.50	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.86	3.86	3.86	3.86	3.86	3.86	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.00	4.00	4.00	4.00	4.00	4.00	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.25h	4.25	4.25	Yly	No
		International Savings	1.75	1.85	1.95	1.20	2.35	2.40	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	1.40e	1.40	1.40	1.40b	Qly	No
		International Tracker	-	-	2.45e	2.45	2.75a	3.25b	Qly	No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Fairbairn Private Bank		Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.00a	3.25b	On closure	No
	01624 645000	Reserve	-	1.50	1.50	1.50	1.50	1.50	Qly	Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand	-	2.45	2.45	2.50	2.55	2.55	Yly	No
		Offshore Demand	-	2.42	2.42	2.47	2.52	2.52	Mly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.54j	3.54	3.54	3.54	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	3.83j	3.83	3.83	3.83	Mly	No
		Premier Serious Saver	-	2.115	2.365	3.015	3.015	3.415	Mly	No
		Serious Saver	-	1.865	2.115	2.765	2.765	3.165	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.15	3.15	3.15	3.15	3.40	3.40	Yly	No
		Instant Access	3.11	3.11	3.11	3.11	3.35	3.35	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	1.625r	1.625	1.625	1.75u	1.812m	2.375n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.45	1.30	1.60	1.85	2.20	2.70	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	2.50	2.55	2.55	2.55	2.60	Yly	No
NatWest	01534 282300	Advantage International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Yly	No
		Offshore Euro Direct Saver	4.05	4.05	4.05	4.05	4.05	4.05	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.21	2.46c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.968u	2.968	3.218b	Mly	Yes
Standard Bank	01624 643643	Offshore Reserve	1.50	1.50	1.50	2.00	2.25	2.37	Half Yly	No
	01534 881188	Optimum	0.56	0.56	0.56	1.31	1.56	2.06	Qly	No
		Offshore Moneymarket Call	-	-	-	3.50	3.60	3.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.84	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.
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US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call	2.50	3.75	3.75	4.00	4.25	4.50	Yly	No
		Offshore Gold	-	2.00	2.25u	2.75	3.25	3.50	Qly	No
Alliance & Leicester International Ltd	01624 663566	US$ Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	5.50	5.50	5.50	Yly	No
		International Savings	1.75	1.75	2.25	3.75	4.15	4.35	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	2.41u	2.41	2.82	3.17x	Qly	No
		International Tracker	-	-	3.55u	3.55	4.55	4.75x	Qly	No
Bristol & West International Ltd	01624 644333	Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation	-	-	-	-	4.25v	4.50x	On Closure	Yes
		Reserve	-	3.00	3.00	3.00	3.00	3.00	Qly	Yes
HSBC International	01534 616000	Offshore Bank	0.00	1.48	1.90	2.45	2.96	3.07	Mly	No
		Online Saver	-	-	4.85u	4.85	4.85	4.85	Mly	No
		Premier Offshore Bank	-	1.73	2.15	2.70	3.21	3.32	Mly	No
		Premier Online Saver	-	-	5.10u	5.10	5.10	5.10	Mly	No
		Premier Serious Saver	-	2.225	2.795	3.075	4.495	4.615	Mly	No
		Serious Saver	-	1.975	2.545	3.455	4.245	4.365	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access	4.25	4.75	4.75	4.95	5.00	5.00	Yly	No
		Instant Access	4.17	4.65	4.65	4.84	4.89	4.89	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	4.125k	4.125	4.375t	4.375	4.437v	4.437	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.171	4.421	4.421	Mly	Yes
Standard Bank	01534 881188	Offshore Reserve	2.50	2.50	2.50	2.75	3.12	3.37	Half Yly	No
	/01624 643643	Optimum	1.75	1.75	1.75	2.25	2.75	3.00	Qly	No
		Offshore Moneymarket Call	-	-	-	4.75	4.85	4.85	Mly	No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from $1K. k = Rate applies from $3K. m = Rate applies from $150K. t = Rate applies from $15K. u = Rate applies from $20K. v = Rate applies from $75K. x = Rate applies from $200K.
All rates 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: July 6, 2007 Source: Moneyfacts

For more information visit www.Moneyfacts.co.uk

EXPATRIATE MORTGAGE TERMS - AUGUST 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	6.04% 2 year tracker 6.24 3 year fix	85	1.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	4.98% 2 year Fix 5.98% 2 year Fix 5.99% 5 year fix 5.89% full term tracker bank base plus 0.39%	85	2.5% of loan amount £999 £999 £799	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	Under review	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	6.38% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	7.5%	80%-90% Repayment basis only 75% Interest only	GBP399	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
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.
Portman B S Family occupation only	6.247% 6.15% 3 year fix 6.19% 5 year fix rate	90 90 90	GBP299 GBP599 GBP199	Tracker Mortgage No Repayment Penalties daily interest. Portman Schemes only available for Owner occupation where a spouse will be residing in the property. All schemes to 90% for family occupation.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	6.50% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	5.99% 2.3% discount until 28/5/10	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible overpayments/ underpayments.
TMW	5.88% 6.39% 5.29%	80 80 80	2 year fix 1.5% 0.5% 0.5%	5% during fix rate. 2 year tracker 5% in fixed period. 5 year fix 5% in fixed period.

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

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

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 23/07/07 - 5.5% 3 month LIBOR 6%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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Credit Cards

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

Car Loans

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

Personal Loans

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

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

OMAN

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

OMAN

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

OMAN

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

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

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	LOAN TENOR	MAX. AMOUNT	MIN. SALARY (SAR)	VALUE ADDED	CONTACT
Arab National Bank	Al Arabi Personal Finance	Up to 84 months	SAR1,000,000	Govt. sector 3,000 Private sector 4,000	Free credit card for one year, top-up facility available. Remaining installments waived in case of death, no early redemption penalties. Al Arabi cash assist added to the account.	8001244040 www.anb.com.sa
	Al Arabi Cash Assist	Up to 84 months	80 per cent of monthly salary	Govt. sector 3,000 Private sector 4,000	Can withdraw up to 80% of monthly salary even if there is no balance. Salary must be transferred	8001244040 www.anb.com.sa
	Al Arabi Mubarak Finance	Up to 60 months	N/A	Govt. sector 3,000 Private sector 4,000 Pensioners 2,000	Shari'ah compliant, Bank buys the products and sells to the client at the purchase price plus an agreed profit. Bank representatives will visit you at your convenience.	8001244141 www.anb.com.sa
Banque Saudi Fransi	Personal loan package	Up to 60 months	SAR1,200,000	3,500, at least six months service with the current employer	Salary transfer.	8001240006 www.alfransi.com
	Ready Credit Plan	Up to 12 months	Up to 90% of monthly salary	4,000		8001240006 www.alfransi.com
	Murabaha Financing Plan	Up to 60 months	N/A	3,500, at least six months service with the current employer	Shari'ah compliant, salary transfer.	8001240006 www.alfransi.com
National Commercial Bank	Personal loan	Up to 60 months	SAR700,000	N/A. At least two years service with the current employer	Additional five months if payment deffered during Ramadan. Loan approved in three working days	8002441005 www.ncb.com.sa
	Secured finance	Up to 36 months	Depends on the fund in the account	50,000	Access capital invested in Time deposit, Investment Account or Share certificates, defferal during Ramadan	8002441005 www.ncb.com.sa
	Salary Advance	Up to 24 months	Upto 40% of the monthly salary	4,000	Minimum 6 months with the current employer. Salary transfer is a must	8002441005 www.ncb.com.sa
	Murabaha Al Ahli	Up to 60 months	From SAR 20,000 - 1.5 million	3,000 for nationals and 3 months on the job, 4,000 for expats and one year on the job.	Shari'ah compliant, Ramadan defferal option and salary transfer	8002441005 www.ncb.com.sa
Riyad Bank	Personal Loan by Murabaha/ Tawaruq (non salary assignment)	Up to 48 months for nationals Up to 36 months for expats	SAR2,000,000	5,000 with min 6 months of service	Shari'ah compliant, instant approval over phone, management fee SAR500-1,500 to be paid once loan is approved. Remaining installments waived in case of death.	8001242020 www.riyadbank.com
	Murabaha Finance	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant. Bank buys the product and sells to the client, no salary transfer.	8001242020 www.riyadbank.com
	Tawaruq with local commodities	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant.	8001242020 www.riyadbank.com
	Personal Loan	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service		8001242020 www.riyadbank.com
	Murabaha Home Finance	Up to 20 years	Up to SAR2 million	5,000 with min 6 months of service	Shari"ah compliant. No advance payment. Cooperative insurance in case of death or disability caused by accident. Transfer of the property owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Ijarah (leasing with a promise of ownership)	Up to 25 years	Up to SAR2 million	5,000 with min 6 months of service	Shari"ah compliant. 5% advance payment. Cooperative insurance in case of death or disability caused by accident. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Murabaha Land Finance	Up to 10 years	Up to SAR1 million	4,000 with min 6 months of service	Shari"ah compliant. No advance payment. Transfer of the land owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
SAMBA	Personal Finance	Up to 60 months	Up to 15 times of monthly salary	2,500	For nationals, at least three month with current employer. For expatriates, end of service benefits have to cover the finance amount. Age limit upto 59 years, no guarantor required, free credit card for the first year. Remaining installments waived in case of death.	8001241010 www.samba.com.sa
Saudi British Bank	Amanah Personal Finance	12-60 months	Up to 1.5 million with salary transfer, otherwise 100,000, depends on status and requirement	3,000, at least three months service with the current employer, in case of salary assignment, one year without salary assignment	No salary assignment, guarantor, security or any collateral required. Provides quick short-term cash liquidity, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
	Manazel Home Ownership	25 years lease available for properties not more than 12 months old	Up to SAR2.5 million	SAR5,000	Shari'ah compliant. Joint applicants (husband & wife) also permitted, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
Saudi Hollandi Bank	Murabaha Program (Al Yusr Personal Finance)	Up to 60 months	Up to SAR1 million	3,000, at least three months service with the current employer	Shari'ah compliant. No guarantor required, instant approval, remaining installments waived in case of death or permanent disability caused by an accident.	8001242525 www.shb.com.sa

Interest rates vary from 5.5% to 7%. Personal Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	VALUE ADDED	CONTACT
Al Rajhi	Cars installments program	6% yearly	Up to 60 months	None	Available for Saudis and expats. Minimum salary SAR2,500, approved companies only, no guarantor required. Salary transfer required.	8001241222 www.alrajhibank.com.sa
Arab National Bank	Mubarak Finance	4.4% yearly	Up to 60 months	None	Salary transfer is a must. Shari'ah compliant	8001244141 www.anb.com.sa
Banque Saudi Fransi	Murabaha Finance	4.5% yearly	Up to 60 months	None	New cars only, salary transfer is a must. Shari'ah compliant, min. salary SAR5,000	8001240006 www.alfransi.com
National Commercial Bank	"Yatiek Khairha" Murabaha auto program Auto Loan	from 5% for Saudi nationals and 7% for expats 7.25% yearly (incl. insurance)	Up to 60 months Up to 60 months	None 10%	Salary transfer is a must. Shari'ah compliant. No guarantor, instant approval, possibility of deferral of payment during ramadan Min. salary SAR3,000, three months service with the current employer, can be purchased only from approved garages, maximum installment can't exceed more than 50% of the salary	8002441005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	4.95-6.5% yearly with salary transfer otherwise 9.5%	Up to 60 months	None	No salary transfer required. No guarantor required	8001242020 www.riyadbank.com
Saudi British Bank	Murabaha Finance	6% yearly	12-84 months	None	Salary transfer is a must. No guarantor. Shari'ah compliant	8001248888 www.sabb.com.sa
Saudi Hollandi Bank	Sayarat Al Yusr	Starting from 3.99% for nationals and 5.49% for expats	Up to 60 months for nationals up to 48 months for expats	None	Shari'ah compliant.Salary transfer is a must. No guarantor required. Outstanding loan can be waived of in case of normal death of the borrower	8001242525 www.shb.com.sa

Auto Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.

Credit Cards

SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST RATE - EXPRESS CASH	INTEREST RATE - PURCHASES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard - Gold/Silver	Silver-220 Gold-420	SAR36 per transaction	0%	45 days	Shari'ah compliant, photo sign card, special offers, Al Rajhi rewards programme, supplementary cards for dependents	1 460 3333 www.alrajhibank.com.sa
	Mini Visa	220	None	0%	45 days	Same as above	
AMEX	Blue/Gold/Platinum	Blue-200, Gold-400, Platinum-900	Blue/Gold 3% (SAR30) Platinum-3.5% (SAR40)	1.95%	25 days	Special offers for card members. For Blue "chip" Card, 1% cash back on purchases, free supplementary cards, travel benefits, online fraud guarantee and exclusive deals.	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Al Mubarak (Silver-1) Visa/ MasterCard	Annual Fee (open portfolio only)-150 or SAR75/month as Management Fee	0%	0%	n/a	One time salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	8001244040 www.anb.com.sa
	Al Mubarak (Silver-2) Visa/ MasterCard	Annual Fee (open portfolio only) - 250 or SAR130/ month as Management Fee	0%	0%	n/a	Two times salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	
	Al Mubarak (Gold) Visa/ MasterCard	Annual Fee (open portfolio only)-350 or SAR180/month as Management Fee	0%	0%	n/a	Three times salary, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, 24 Hour Customer Helpline, Shari'ah-compliant	
	Al Arabi (Classic) Visa/ MasterCard	200	3.45% or SAR45	1.97%	51 Days	Payment Holiday Program, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, Balance Protection, Purchase Protection, Travel Insurance, 24 Hour Customer Helpline	
	Al Arabi (Gold) Visa/ MasterCard	350	3.45% or SAR45	1.97%	51 Days	Payment Holiday Program, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, Balance Protection, Purchase Protection, Travel Insurance, 24 Hour Customer Helpline	
	Al Arabi (Upscale Classic) Visa/ MasterCard	0	3.45% or SAR45	1.97%	51 Days	Payment Holiday Program, Cash on Demand, Ongoing Merchant Discounts, Supplementary Cards, Balance Protection, Purchase Protection, Travel Insurance, 24 Hour Customer Helpline	
	Al Arabi Internet Card MasterCard	Free for Credit Cards holders	n/a	n/a	n/a	Low credit limit, security, immediate replacement of lost and stolen cards, 24 Hour Customer Helpline	
Bank Aljazira	Visa Islamic Gold Card	Depends on status	SAR30 per transaction	0%	45 days	*Worldwide acceptance, cash advances and supplementary cards all available.	www.baj.com.sa
Banque Saudi Fransi	Visa / MasterCard (Silver)	150	3%	1.99%	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance and 100% cash advance available, plus supplementary cards available for SAR100, 1% cashbank.	8001240006 www.alfransi.com
	Visa / MasterCard (Gold)	300	3%	1.99%	25 days	Same as above. Additional 10% credit line available if specified limit is reached and customer has emergency requirements.	
	MasterCard (Platinum)	For VIP only	3%	1.99%	25 days	Same as above. exclusive benefits.	
National Commercial Bank	Visa- MasterCard Silver/Gold	Free for first year thereafter Silver-150 Gold-300	SAR50 per transaction	2%	45 days	Supplementary cards available, personal accident insurance, membership to rewards program and Internet card available, + membership to IAPA. 24 hour card replacement service and free damage and theft insurance.	8002443333 www.ncb.com.sa
	Al Tayseer	Silver -200 Gold-400	SAR30 per transaction	0%	45 days	Shari'ah compliant and is offered as part of Al Tayseer Investment package or separately.	
	Al-Fursan (Visa & MasterCard)	Free for first year thereafter Silver-300 Gold-400	SAR50 per transaction	2%	45 days	Personalised cards, supplementary cards available, membership to Saudi Airline Privilege program and Internet card available, plus membership to IAPA. And 24 hour card replacement service.	
Riyad Bank	Visa / MasterCard (Classic, Gold, Platinum)	Classic 115, Gold 225, Platinum700	3.5%	1.95%	45 days	Signature card, emergency Card replacement, for Platinum-Airport lounge Access, concierge/travel/ emergency medical services, legal referrals, free supplementary card and Internet card. All life free for the Golden service customers for Platinum cardsholders.	8001242020 www.riyadbank.com
	Islamic Card	75 monthly, 900 yearly	SAR75 per transaction	0%	45 days	Shari'ah compliant.	
Saudi British Bank	Visa & MasterCard Gold/Silver	Gold-350 Silver-225	Minimum SAR 50 or 3.5%	1.97%	Avg 45 days	Free travel and purchase protection insurance, bonus points program (ICSABB), free supplementary cards, 24 hour card replacement service, access to statement details via Internet, photocard and signature for extra security	8001248888 www.sabb.com.sa
	Al Amanah	350	Cash not permitted	0%	Avg 45 days	Shari'ah compliant, cash advance facility up to 60% credit limit	
	Visa Internet card	Free	Cash not permitted	1.97%	Avg 45 days	Issued only to credit card holders, secure for online purchases.	
SAMBA	VISA - MasterCard Silver	150	SAR45 per transaction	1.95%	21 days	Supplementary cards available, membership to Bonanza Privilege program and Internet card available, plus membership to IAPA. And 24 hour card replacement service.	8001241010 www.samba.com.sa
	VISA - MasterCard Gold	300	SAR45 per transaction	1.95%	21 days	Same as above	
	(VISA - MasterCard) Sony/Silver-Mamlaka	150	SAR45 per transaction	1.95%	21 days	Same as above plus Sony product purchase points program with benefits and discounts.	
	(VISA - MasterCard) Sonly/Gold-Mamlaka	300	SAR45 per transaction	1.95%	21 days	Same as above. Plus Purchase Points Program benefits & discounts of Al Mamlaka Shopping Arcade in Kingdom Tower.	
	Al Khair Visa - MasterCard Silver	150	0%	0%	n/a	*Supplementary cards available at half the price of first card, membership to Bonanza Privilege program and 24 hour card replacement service. Is Shari'ah compliant.	
	Al Khair Visa - MasterCard Gold	300	0%	0%	n/a	*Same as above. Is Shari'ah compliant.	
Saudi Hollandi Bank	Smart Visa classic	175	3.5% min 45	0%	45 days	Free supplementary cards, Smart rewards, discounts, free 72 hour card replacement service, and is the Kingdom's first Smart chip credit card.	8001242525 www.shb.com.sa
	Smart Visa Gold	350	3.5% min 45	0%	45 days	Same as above.	
Credit Card criteria: Interest rate, interest-free credit, annual fee and value added features. *Shari'ah compliant.							

Personal Loans

QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 6-9.5% Fixed rate: 9.5%	Up to 70 times monthly salary Up to 32 times monthly salary	3,000 5,000	Up to 18 years Up to 60 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary for nationals	3,500	Up to 216 months for nationals	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 350,000	4,000	Up to 60 months	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	1,500	Up to 72 months	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan Special loan for nationals	9.75%, depends on the company	Depends on salary	3,000 10,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 9.75% Starts at 4% (depends on the status)	Up to 50 times monthly salary Up to 450,000	4,000 3,000	120 months for nationals Up to 60 months for expats	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 10.25% for expats 9.99% for nationals	Up to 350,000	2,000	Up to 240 months for nationals and 60 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	5,000	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 life	2,500	1.75% on purchases, 4.75% on cash withdrawals	30 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW – free, Classic – 200, Gold – 400, Platinum – 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000
Doha Bank	Visa (Classic, Platinum) MasterCard (Standard, Gold)	Free for life	Classic and Standard - 2,000, Gold 7,500 - Platinum 20,000	1.5% on purchases, 4.5% on cash withdrawals	28 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
MashreqBank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49%, on purchases, 2.75% on cash wirhdrawals	55 days	4418880
Qatar National Bank	Visa/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 3,000, Gold - 6,000, Platinum - 12,000 -	1.75% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic – 200, Gold – 400, MasterCard: Standard – 250, Gold - 500	Classic with account - 2,500, Classic without account - 3,000, Gold with account - 5,000, Gold without account - 7,000	2% on purchases, 3.5% on cash withdrawals	50 days	4658555

Home Contents Insurance

QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 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 July 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%	Up to 22 times monthly salary	300	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	17787225
Bahraini Saudi Bank	Personal Loan	Reducing balance rate 10.25%	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: 4.75%	Up to 75,000	300	Up to 84 months	17878777
Standard Chartered	Personal Loan	Flat rate: 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)	Standard -10 , Gold - 25	Standard - 250, Gold - 400	Standard/Gold – 2.5% on purchases, 4% on cash withdrawals	45 days	17221999
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.62% with account, 2.74% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for life	200	1.67% on purchases. 4% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on 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

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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	Personal Loan	9.75%	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	10.25%	Up to 15 times salary maximum 15,000 Up to 50 Times salary maximum 70,000	200 350 for nationals	Up to 60 months Up to 180 months	805805 www.gulfbankonline.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	10.25%	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 July 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
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 per annum while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	**Basic (Abu Dhabi Plan):** For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): **UAE:** from 1,400 (ages 1-15) to 8,000 up to ages 66-99; **Regional:** from 1,700 (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 AED800 depending on plan **Visit www.fasterquote.ae for personalised quote. **Columbus:** From 2,727 (ages 0-20) to 14,879 up to age 99 **Ulysses:** From 2,353 (ages 0-20) to 12,631 up to age 99 **Marco Polo:** From 2,040 (ages 0-20) to 10,756 up to age 99 **Local Health:** From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	**Columbus:** AED1 million **Ulysses:** AED500,000 **Marco Polo:** AED300,000 **Local Health:** AED100,000	**Columbus:** Worldwide **Ulysses:** Worldwide exc. USA and Canada **Marco Polo:** UAE, Arab Countries, South East Asia, Iran and Afghanistan **Local Health:** UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae

Disclaimer: All medical insurance policies include the standard 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 July 2007. All information included tables is subject to confirmation and is provided as an overview 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. 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 July 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	1.25% 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 offer.	0% APR for first three months. 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 www.alislami.ae
Emirates Islamic Bank	Visa Islamic cards (Classic, Gold, Platinum, Infinite)	Classic-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium)	Free for life	1.5% on purchases for MasterCard cards, 1.9% for Visa cards 2.25% on cash withdrawals	55 days	04 213 0000 www.rakbank.ae
Standard Chartered	Saadiq Visa Gold credit card	600	N/A on purchases, AED125 for cash withdrawals	50 days	04 313 8888 www.standardchartered.com/ae
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' 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. Easy purchase plan in 6 to 24 monthly installments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.	Toll-free: 800 33 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
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Gold, NMC, Titanium)	Free for life	Free supplementary cards, purchase protection, credit shield, travel inconvenience insurance, shopping and dining discounts, cash advance of up to 95% credit limit. Quarterly million dirham draws on all MasterCard products. For Titanium cards, up to 2% cash back on all retail purchases, global discounts and privileges on premium brands and hotels. NMC cardholders receive discounts at New Medical Centre hospitals, pharmacies, opticians and beauty salons.	04 213 0000 www.rakbank.ae

These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. *Disclaimer:* These listings are **NOT** meant as a recommendation of a particular bank/provider; listings are simply in alphabetical order and updated during July 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.

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Car Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	4.10% for new cars with downpayment, 4.25% without downpayment, 4.25% for used cars	Up to 500,000 (Depends on salary)	Nil downpayment option	New cars - 72 months Used cars - 60 months	4,000	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 72 months Used cards - up to 60 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% for new cars	Up to 90% of the car price	10%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	CBD custmers only, 4.25% for new cars, 4.5% for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	3,000	Yes
Commercial Bank International	Sayaraty	3.99% for new cars, maximum of 5.25% for used cars (depends on payment term)	Up to 250,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No
Dubai Bank	Markaba Auto Finance	4.5% for new cars, 5% for used cars	Depends on salary and car price	Nil	Up to 60 months for new cars Up to 48 months for used cars	4,000	No
Dubai Islamic Bank	Al Islami Auto Finance	Wiith salary transfer: new cars 4.5%, used cars 2 years or older 5%, used cars older than 2 years 5.5% Without salary transfer: new cars 4.75%, used cars 2 years or older 5.25%, used cars older than 2 years 5.5%	Up to 250,000	Nil with salary transfer, otherwise minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No
Emirates Islamic Bank	Vehicle Murabaha	New cars - 4.5%, Used cars - 4.75% with salary transfer otherwise new cars 4.75%, used cars 5%	Up to 350,000	Nil for new cars, depends on make and model for used cars	Up to 72 months with salary transfer, otherwise up to 60 months	3,000 with salary transfer, otherwise 3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars starts at 10% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	4,500	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars	Up to 250,000	Minimum 10%	Up to 48 months	5,000	Yes
MashreqBank	Mabrook Auto loan	4.25% for new cars, 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
meBANK	meDRIVE	4.25% for new cars, 4.75% for used cars	Up to 350,000	Nil downpayment option, depends on company	New cars - up to 72 months, Used cars - up to 60 months	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.99% for new and used cars, without salary transfer 4.25%.	Up to 250,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	4,000	No
United Arab Bank	Auto Finance	4.25% for new cars, 5% for used cars	Up to 150,000	Nil	New cars - up to 48 months Used cars - up to 36 months	3,000	Yes

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Reducing balance rate: 6 to 24 months - 8.5%, 25 to 48 months - 9.5%, 49 to 60 months - 10%, 61 to 72 months - 10.5%	Up to 250,000 (depends on salary)	Yes	Up to 132 months for nationals, 60 months for expatriates	2,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6% fixed rate (depends on loan tenor)	Up to 250,000 (depends on salary and company)	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes
Dubai Bank	Sanad Personal Finance Souk Goods Finance	Profit rate: 4.75 - 6.5% fixed rate (depends on loan tenor)	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	2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 5.5% fixed rate.	Up to AED250,000	Yes	Up to 60 months	2,500	No
HSBC Amanah **HSBC Bank Middle East Ltd.**	Amanah Personal Finance Personal Loan	Profit rate: starts from 4.95 - 7.99% (depends on the company's package) 8.75 - 14.25% on reducing balance basis	Up to AED250,000 Up to AED250,000	Yes Yes	Up to 120 months Up to 120 months	5,000 5,000	Yes Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-10.5%, depending on loan term and company status	Up to AED250,000 (depends on the salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED100,000	Yes	Up to 36 months	3,000	Yes
United Arab Bank	Consumer Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	As much as AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	2,500	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Used cars must not be older than 2003 model.	Yes	None for cash, 3% of outstanding loan for bank buyout		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 8 years at the time of loan maturity	No	None	Special insurance rates	No processing fee	Toll-free: 800 5555 www.dubaibank.ae
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only.	No	In some circumstances, money will be refunded	Preferential insurance deal with Oman Insurance Company, free AAA membership	As DIB says, "choose your car and inform the bank". They will then make "a transparent offer in accordance with Sharia'h" that will include the price of the car, the profit that DIB will make and the method in which you can make your repayments".	Toll-free: 800 4008 www.alislami.ae
Used cars must not be older than four years	No		Payments deferred for first three months, insurance can be financed	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Toll-free: 800 3434 www.fh.ae
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, www.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
Used cars must be not be older than 7 years	No	2% of the outstanding amount for cash and 5% for bank transfer	Defer first installment up to 60 days, special interest rates available for certain makes and models	No processing fee	04 316 0316 www.me.ae
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	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
For account holders only. 2003 models and newer.	Yes	3% of outstanding for cash payment and 5% for a bank buyout		AED250 charged as processing fee	04 332 2032 www.uab.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 two times salary overdraft	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. For customers taking out a loan of at least AED50,000, free return flight voucher for select destinations in Europe, the Middle East, Asia and the Indian subcontinent	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 6667 www.nbs.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 July 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	Retail base rate (RBR) is 5.5% ***Salaried residents:*** RBR plus 2.75%; ***Self employed residents:*** RBR plus 3%; ***Non residents:*** RBR plus 3%	Could be as much as AED3.5 million; depends on personal circumstances and property developer	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer, 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
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: 8.15 - 9.15% variable rate Murabaha: 4.5 - 5% fixed rate for 1 year; 4.75 - 5.25% for 1 - 3 years; 5 -5.5% for 3 - 6 years; 5.25 - 5.75% for 6 - 8 years (depends on company and salary transfer)	Up to 90% of the property value	Depends on the salary	10%
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 15 years for Murabaha	65 years for nationals 60 years for expats	Murabaha - 9% reducing balance rate for five-year tenor Murabaha - 10% reducing balance rate for 10-year tenor	Maximum up to AED2.5 million	Not more than 50% of the salary	10-15%
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 or original price, whichever is lower	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	8% fixed rate	Up to 80% finance, as much as AED5 million; depends on salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
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 to 9.5% on a reducing balance basis	Up to 90% or AED5 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	25 years	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 AED7 million	55% of salary	From 10%, Depends on property
Union National Bank	UAE nationals, expats	Up to 20 years	65 years for UAE nationals, 60 years for expats	Minimum 6.75% flat rate	As much as 55 times salary	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	8.4% (5.4% EIBOR rate + 3%)	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

NOTE: Emirates Islamic Bank (04-213 1680) has recently signed an agreement to offer three different types of home financing (fixed and floating rate and refinancing) for Emaar properties. They also offer financing for Tameer properties. The EIB mortgage details above apply to UAE and GCC nationals, a specific mortgage product aimed at expatriates is expected soon. More details will follow on this. Some other UAE banks are actively lending in the market (for example, Standard Chartered, Abu Dhabi Islamic Bank), although mortgage finance products are yet to be officially launched. It's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. ***Documentation requirements*** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khulasat Qaid (ID card), salary certificate, six months salary bank account statements, other income documents, copy of sale/purchase agreement, proof of downpayments, cheque for loan processing fee and application form. For business owners/directors - trade licence & audited company financials. Please check with your chosen mortgage provider for more details.

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INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	Yes	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount, or AED 10K-20K, whichever is lower. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, 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
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	No	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	Toll-free: 800 404442 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	13,000	No	No	Loan processing fee of 1% on loan amount. 5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 6667 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
"Property 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 July 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.

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Independent Financial Advisers — UAE

Licence: The UAE Central Bank

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.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

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 July 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,

A friend of mine took a loan from me and as collateral gave me a cheque. When I approached the bank few days after the promised date of repayment, I was told that my friend's account did not have enough balance for me to cash the cheque. I took it easy and waited till next month's salary and then deposited the cheque. To my surprise, the cheque bounced. But, I told myself that I was probably late in depositing the cheque and that my friend had already withdrawn his salary.

But after the third try, upon finding no balance again, I went to the bank manager and asked his advice. He was very helpful and told me (taking me into confidence) that this friend of mine had another account with the same bank where he received his salary. The manager also informed me that the friend was not operating the account from which he had issued me the cheque.

My question is, when the person has another account in the same bank, why can't the bank honour the cheque even if it is not from the same account? OR why can't the bank report the matter to the police?

(MIH, Das Island, Abu Dhabi)

Firstly, it does look like your friend did not have the right intention when he borrowed the money. Secondly, it would be illegal for your bank to pay cash from any account other than the one from which the cheque was issued. Also, legally the bank is not under any obligations to sort out the issue with your friend on your behalf. Remember, the bank concerned could be prosecuted if it takes sides in your favour. Your friend could sue the bank for breach of contract given the bank's contractual obligations towards each single account. Your best course of action now is to warn your friend that you are being forced to take legal action against him. The first step is to report the crime to the police.

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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.*

Dealing with wrongly levied charges

James Thomas advises how one should approach a bank when charged with disputable fees.

QUESTION

"I use my credit card regularly and so does my wife. A few months back, my wife lost her credit card from a reputable international bank. So, we informed the bank through their call centre and requested them to cancel the card. We also paid the balance the very next day and closed the account. Since my wife was anyway not happy with this particular bank and its quality of service, she told them not to issue a duplicate card. To our surprise, not only did the bank issue a duplicate card, it also charged her a fee and over that a late payment fee, as she refused to pay the fee in the first place. The bank also threatened to issue her a legal notice if she did not pay up. Can you please advise how should one handle such situations? What is the recourse or who should one go to in this case?"

I am sorry to hear that you have been treated unfairly by a credit card provider in the UAE. As mentioned in my answer to a question regarding credit card debt a few months ago, my qualifications and experience are in financial planning, helping clients to plan their financial futures rather than assisting with credit card counselling advice. However, I can give some generic advice that I hope will be of assistance.

Given that the credit card was taken out from an international bank, I would expect them to have a customer service department and would recommend that you take this issue further with them. I expect the duplicate card and the subsequent fees were issued by a different department than the one that you informed about your intention to cancel the card. The new credit card was probably produced and sent to you by an automated process triggered when you advised that the previous card had been lost. This was probably already in process before you requested the account to be cancelled the following day. The late payment fee and the legal notice are also likely to have been generated by an automatic system, and from a different department than the one that you spoke with.

However, this is obviously not your fault and you should not have to pay fees and be subjected to legal action for a product that you have informed the provider that you no longer wanted. In these cases, it is very useful if you keep copies of all the correspondence between yourself and the institution and notes of any telephone conversations (to include date, time, full name and position of the person you spoke with and details of the conversation and what you were advised). This will strengthen your case and help to get it resolved to your satisfaction. Even though these situations can be very difficult and frustrating at times, it is always better to try and stay calm and work towards getting the result you want.

Just as importantly, you must have a clear idea of the outcome you want to achieve. In this particular case, I assume you would like the fee, the late payment penalty and the legal action dropped. However, do you also want an apology from the bank and compensation? If you decide this before you contact the bank and advise them of the outcome you desire, it will be easier to get the required resolution. If you do not get the response you want, then ask to speak to that person's manager and continue up the line until you can speak to someone who is able to help. Along the way, make sure you take notes of what was said and by whom. This may be a slow process, but eventually you will speak to the person who has the authority to review your case and realise that a mistake has been made and then be able to rectify the situation.

If this still fails to produce the desired result, you should approach the Central Bank of the UAE and lodge a case there. In order to operate in the UAE, all banks must be licensed and registered with the Central Bank, so they will be able to assist with your query. If you are able to produce evidence of who you have spoken to and when, as well as the answers you received, your case will be strengthened. Again, this is likely to be a slow process, but should eventually yield the results that you are looking for.

Looking at other areas of the world, in the UK you would be protected by a regulator, the Financial Services Authority; they would appoint an independent ombudsman to review your case and would have the power to make a ruling on the case.

In the US, there does not appear to be one central regulator, but there are a number of government and non-profit agencies who have the power to enforce the federal laws concerning credit card transactions.

In summary, while the system can be frustrating, try to stay calm, focus on the result you want to achieve and pursue the relevant channels until you get the desired outcome.

Disclaimer: 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

Sultan bin Saud Al Qassimi

Is our money safe with banks?

GCC banks are over speculating when it comes to the real estate sector. **Sheikh Sultan bin Saud Al Qasimi** gives few tips on choosing the right bank.

Many of us have been lured by the ridiculously attractive home finance offers from banks to buy in this "dream" development or that. Many of us have been too eager to sign on the dotted line. Home buyers should exercise prudence so that their dreams don't turn into nightmares. To be fair, this writer believes that the first thing a person should invest in after securing her family's education and health needs is a home, as long as she is not duped into committing her family's financial future to amateur banks' unrealistic offers.

There are over fifty banks operating in the UAE, as well as about a dozen "independent" financiers who will gladly visit you in the convenience of your office or home just to get you to commit to a multi-million dirham loan. These loans could have tenors of up to a quarter of a century and with a "low" interest rate of down to six per cent.

The trouble with banks is two fold. First, some of them are operating on the brink of financial disaster, and second, they could take you down with them. Standard and Poor's recently warned that GCC banks, especially those in the UAE, have been "over speculating[1]" when it comes to the real estate sector, and if there were a banking crisis, then it would damage the entire economy of the country. It is common knowledge that central banks in the GCC aren't doing their jobs by regulating the sector; proof of which can be seen in the last stock market surge in which leverage was given by "respected and established" local and foreign banks with minimal collateral to buy shares in an already heated and about to explode stock market. Readers can also check the financial performance of banks and insurance companies who have suffered in the financial year 2006 because a large portion of their income a year earlier basically came from lending to stock investors as well as investing heavily in equities themselves. A recent report by the Abu Dhabi-based National Investor reveals that some UAE banks "were allowing investors to borrow as much as AED99 for every AED1 they invested in an IPO".[2] These banks claim[3] to be ready for Basel 2.0 next January when they haven't even implemented Basel Beta.

Are you willing to tie your family's future to such unprofessional institutions?

According to an AP report, 1,200 prisoners, about 40 per cent of Dubai Jail's population, are serving time for not repaying bank loans,

most of which go for cars and homes. With one Dubai-based bank's "generous" (as one radio host referred to it) offer of 99 per cent finance (another less generous bank offers 90 per cent only) on homes developed by its parent company, it won't be a surprise if by the end of this year Dubai Jail has to make room to accommodate more defaulters[4]. It sadly seems that local and international banks have not learned their lesson from the Madhav Patel case, when 14 GCC financial institutions[5] loaned him AED1 billion on nothing more than empty promises. These banks now expect toothless central banks to assist them in recovering their money. One could ask, is there simply too much money in the region that some are just giving it away?

One would expect that banks would be lining up to make use of the recently established Emcredit bureau, the UAE's first credit agency by the Dubai Economic Department, and yet seven months after its launch only nine banks out of 53 were "in the process of joining[6]". This reflects very poorly on their commitment to the soundness of the UAE economy, transparency claims and, above all, your hard earned cash. Perhaps Emcredit should also start assessing credit worthiness of banks so that consumers are made aware of their financial risk before depositing money in them.

Although this article doesn't tackle non-banking finance institutions, it is safe to assume that the risk of using them is compounded primarily due to the relatively smaller asset base they hold.

What should you do?

An Arabic saying goes "Stretch your legs only to the length of your quilt", i.e. don't spend beyond your means. Stick to banks with larger asset bases and/or *credible* government shareholding levels. Try to pay back the mortgage as early as possible no matter what penalty clauses your bank threatens to enact. Keep in mind that high finance rates of 80 per cent and above only tie you and your family up for a lifetime to institutions that are highly exposed to several classes of risk and incompetence. MW

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(Footnotes)

1 http://www.zawya.com/Story.cfm/sidZAWYA20070430092506/SecIndustries/pagRetail/chnMiddle%20East%20Retail%20Analysis/objC23B90B4-1143-E8E5-662B438F71EDD156/?cc&pass=1

2 http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=158890&version=1&template_id=48&parent_id=28

3 http://www.zawya.com/story.cfm/sidZAWYA20070708031707/?query=basel

4 http://seattletimes.nwsource.com/html/nationworld/2003744014_debtors12.html

5 http://tradearabia.com/news/newsdetails.asp?Sn=LAW&artid=123495

6 http://www.zawya.com/story.cfm/sidZAWYA20070511110900/?query=Emcredit