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MONEYworks
guide to Investing
Fundamentals

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November 2007 Issue 108

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Conjuring up some
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Forsyth saga

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BANKING**
Designing an
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Saudi Arabia...SAR1.0
UAE.....AED1.0

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For me it was a hectic last month, as I went out to investigate Forsyth Partners and the cause of its downfall. In this part of the world investigative journalism is still in its infancy, but I am sure with increasing global interest in the GCC, and with liquidity pouring into its financial markets, journalists will need to hone their skills and be ready for some serious stuff in the future. Although we are still behind some of the more developed parts of the world in terms of having access to information, I must say the Dubai Financial Services Authority was forthcoming in providing me with enough understanding of the roles and responsibilities of regulators in this case and where they stood. It is important that the regional media understands the finer intricacies of the functioning of financial markets. It may not happen overnight, but as our markets here become more sophisticated, there will be a lot more work for us to do in partnership with regulators and all other stakeholders - all with the common goal of establishing successful international financial markets in the region.



On that note, one of the most important announcements to have been made last month was the DP World initial public offer. The multi-billion dollar offer comes at a time when stock markets in the Gulf are having a good run. Sentiments are looking robust and there is discernibly a higher interest from international portfolio investors in the region's stocks. DP World, when it lists, will not only become the anchor stock for Dubai International Financial Exchange; it is also likely to have the impact that Emaar had on Dubai Financial Market. Expect more primary equity listings on that exchange soon.

The other important development last month was the oil price hitting US\$90 a barrel, an indication that there will be re-rating oil prices to a new band of US\$50-70, as we have continued to witness stability of the oil price in that range for some time now. This also means that GCC countries will benefit from the twin combination of higher production and the higher oil price. Of course, thought needs to be given to inflation as well and monetary management, so that economic growth can be sustained over a long period of time.

Finally, this month we have a free guide on investing fundamentals, which is also available in Arabic with our sister publication **MONEYworks** Al Arabiya. It has some great information on how, what and why to invest. Happy reading.

Utpal Bhattacharya
Editor

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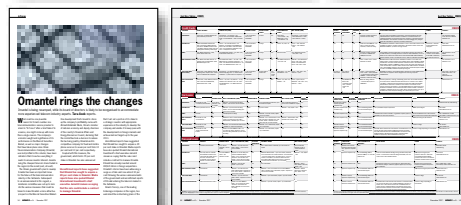
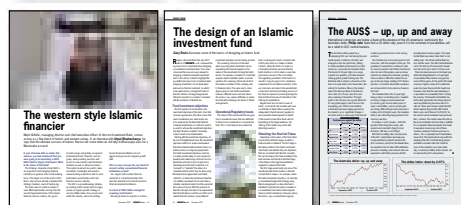
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Silent partners in the UAE: Time to wake up and face the music

The changing landscape of the UAE for investors will get another big boost this month when a law that has been in abeyance for the last two years comes into play, making it difficult for sleeping partners to remain in business. A report by **Martin Saldamando**.

For several years now the UAE ministry of economy has been conducting an extensive review of the Commercial Companies Law (CCL) with the aim of liberalising the economy and facilitating economic growth. It has been well publicised that the restrictions on foreign ownership that companies set up in the UAE must abide by are going to be relaxed and, in some sectors of the economy, removed by the new CCL.

Shaikha Lubna Al Qasimi, the UAE minister of economy, has herself stated when discussing the proposed new CCL that “the main amendment pertains to the removal of the equity capital restriction”.

In addition, it was reported last May that the UAE government has finalised the draft of a ‘Competition Law’ that is expected to abolish monopolistic practices and nullify any agreements or regulations among business corporations leading to breach or negative impact on competition in the economy.

Further reports have indicated that the UAE government may allow foreigners to own up to 100 per cent of companies in some parts of the services sector by the end of this year.

By and large, lawyers and business consultants have welcomed these new developments and said that they are aimed at preparing the local business community for the competitive era that is the future for the UAE economy in the 21st century.

Investors should especially be aware of a little known law that is due to automatically come into effect from November of this year. Federal Law No. 17 on the Combating of Commercial Concealment has been held in abeyance until two years after its original promulgation on November 15, 2004.

The law will end what is currently a very common method by which overseas investors seek to conduct their business in the UAE.

Further reports have indicated that the UAE government may allow foreigners to own up to 100 per cent of companies in some parts of the services sector by the end of this year.

For overseas investors wishing to conduct trading activities ‘onshore’ in the UAE, the only real option is to set up a Limited Liability Company in conjunction with a UAE national. The CCL, at present, requires that at least 51 per cent of a company’s share capital must be owned by a UAE national, or by a company wholly owned by UAE nationals.

Overseas investors have sought to circumvent this restriction through side agreements with willing UAE nationals, who offer themselves as the local silent partner in exchange for an agreed fee. The understanding has been that the UAE silent partner will give the overseas partner the right to vote over the shares held by the UAE party and will relinquish any right to profits or dividends.

The Combating of Commercial Concealment Law now labels this practice as concealment or screening and therefore illegal under the law. The law imposes criminal liability on both the UAE and overseas parties, with penalties including fines, revocation of license, imprisonment and deportation.

However, it is assumed at this time that the authorities will give enough time and space for businesses to restructure in the country before acting severely on them in the coming years. It is also obvious that there are ways to restructure the agreements that international investors have with their local partners in order to conform to the laws and regulations of the land. Legal consultants are gearing up to come up with solutions in this regard. **MONEYworks** will have a detailed report on this topic in the next issue.





Scott Pickering

R&SA to set up project team for Takaful

Royal & SunAlliance (R&SA) is exploring the idea of entering Takaful business. It is also in the process of moving into other regional markets.

Kara Sensoli reports.

Leading global insurance provider Royal & SunAlliance (R&SA), which currently writes business in 130 countries, has taken the first step toward Takaful or Islamic insurance.

Scott Pickering, R&SA's CEO for Asia and the Middle East, said the group has set up a project team to look at launching Islamic-compliant products across a number of markets. The team will identify priority markets, study customer demographics, evaluate existing market offerings, investigate proposition ideas and develop an overall business case for pursuing the opportunity.

R&SA is also eyeing potential markets it has not yet tapped that could contribute to its future growth. Pickering said the group has identified Kuwait and Qatar at the Middle Eastern level and is currently assessing both markets, as well as analysing available entry strategies. He added that R&SA foresees huge opportunities for both commercial and personal insurances in the GCC region.

According to Pickering, the combined non-life insurance market size in the UAE, Saudi Arabia, Oman and Bahrain is around US\$4.5 billion, with current growth rates for each of the markets in the double digits. The UAE is the largest market in the region, with over US\$2.3 billion and a growth rate in excess of 25 per cent.

"We are confident about the fundamentals that are required for the development of insurance markets across the region," said Pickering. "Consider macroeconomic indicators such as increasing population and GDP growth in the range of eight to ten per cent – these offer excellent opportunities for expansion and growth within the region."

Pickering cited surging oil revenues and investment in infrastructure projects as triggers for insurance market growth. He said that R&SA has launched a construction and engineering proposition to address the booming property development, real estate and

construction market across the region. The company is also developing a proposition to target large marine and property risks, as well as personal affinity business.

Country	UAE	Oman	Bahrain	Saudi Arabia
Market size (US\$m)	2,308	312	212	1,770
Population (Millions)	4.7	2.6	0.72	25
Insurance penetration	1.4%	0.9%	1.56%	0.5%
Market growth	27.4%	19%	9.56%	12.6%

In Saudi Arabia, R&SA is set to launch its local business following the Saudi Arabian Monetary Agency regulation mandating domestication and public listing of off-shore insurance companies through a licensing process. The company is in the advanced stages of this process and is optimistic about operating in the new environment.

"We see Saudi Arabia expanding significantly in coming years. With increased insurance awareness and continuing regulatory developments, Saudi Arabia has the potential to develop as the largest insurance market in the GCC region," said Pickering.

The combination of a rapidly growing population and fast economic growth will contribute to increased insurance penetration, according to Pickering. This growth will likely be led by large-scale investments in the commercial sector and an increased uptake of personal insurances.

Pickering said that the biggest opportunities for personal line businesses in Saudi Arabia will be motor and health insurance. He added that R&SA sees enormous potential for large and complex risks in construction and engineering, property, casualty and marine business, which will help the company grow its commercial book.

The R&SA group has also sought to assess and improve its UAE internet delivery channel called 'fasterquote', which was created to address the changing preferences of customers within the market. Fasterquote is the first direct to customer personal line internet channel in the Middle East and presently offers eight products through the site.

Pickering said that while R&SA has considered introducing fasterquote to other geographies, it will depend on customer preferences and market readiness, with internet penetration being one measure of market acceptance.

The UAE, with an internet penetration in excess of 40 per cent, has one of the highest levels of internet access in the region. At present, the proportion of people using fasterquote is limited, but Pickering said it is growing steadily as R&SA refines its online proposition and improves its market position in the UAE.



Tahir Butt

Al Rajhi adding 10% pa to internet volumes

Over 16 per cent of the three million customers of Al Rajhi are using the Saudi bank's internet banking platform to conduct daily transactions.

A report from **Mobin Sheikh** in Riyadh.

More than half a million of Al Rajhi Bank's customers are using the bank's Al Mubasher internet banking channel to conduct their day-to-day banking operations, in Saudi Arabia and elsewhere in the world. The numbers, and internet banking usage, have gone up almost tenfold between 2005 and 2007, according to Tahir Butt, the head of internet and mobile banking at the Saudi bank.

Speaking to **MONEYworks**, Butt said that Al Rajhi is also now all set to launch Al Mubasher government services that will allow government departments to conduct internet banking using the bank's internet platform. He said that a number of products and services are set to be launched to further bolster the bank's internet delivery channel, including the launch of a service that will allow credit card holders to pay their utility bills through Al Mubasher, a service that is a novelty in the Kingdom. Until now, customers have been paying utility bills online only through their current accounts.

Butt also added that Al Mubasher Retail has made a big difference to the customer base of Al Rajhi Bank, which now conducts 90 per cent of its banking through electronic delivery channels, including internet banking.

"Al Mubasher Retail is the most used internet banking in the whole Middle East, with half a million customers using it and about a million transactions passing through this channel every month. Our customers have developed confidence in our services and are enjoying these services," he said.

Significantly, the bank has had an average 10 per cent growth rate in the number of internet

transactions for the last three years, with an average monthly transaction size of about 560,000 transactions per month from 2005 to 2007.

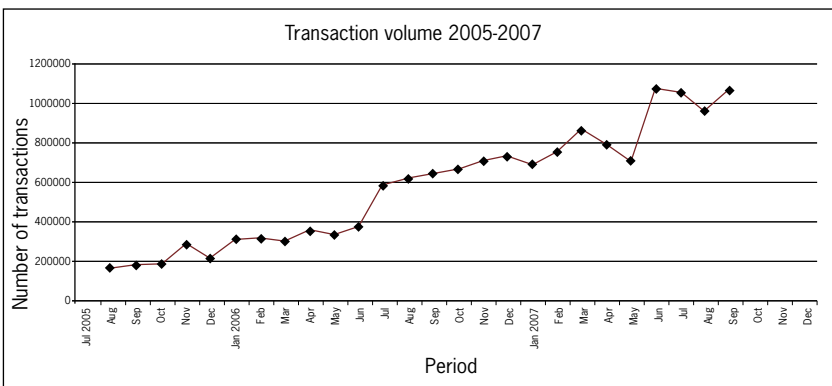
"We've seen the highest number of transactions for government payments, followed by transfers and then utility bill payments. We believe that pattern will remain the same for the next few years, but that volumes will increase," Butt added.

While all banks in Saudi Arabia offer online banking today, Al Rajhi Bank, with its Al Mubasher, is considered a pioneer in internet banking in the Kingdom. Al Rajhi internet banking started in 2001. The bank's success story in internet banking started in 2003, when the bank received its first award for internet banking.

Al Mubasher Retail is today offered free of charge to Al Rajhi Bank customers to perform a variety of banking transactions online, in a secure BS 7799 certified environment. Al Mubasher allows the customer to view account statements, transfer money, send remittances, configure standing orders, maintain credit cards, view investment details, pay utility bills and government fees and, latest of all, add beneficiaries online without visiting the bank's branches.

Apart from offering internet banking with both basic and advance features, Al Mubasher Retail offers a 'Market Place' concept as well. In the Al Mubasher Retail market place, the customer can buy third-party products and services. Some of these third-party products offered include prepaid internet cards, prepaid phone cards and subscription cards of various services. Other products are coming soon, Butt said.

With broadband expanding rapidly in the Kingdom, it is leading to a greater usage of internet banking. In the next five years, it's predicted that internet access will reach more houses and that current and future generations of Saudis, whilst already computer savvy, will count more on internet banking to meet their banking requirements. With more emphasis on computer education, the trend is already changing, noted Butt.



Visa publishes step-by-step student money management guide

Visa International is publishing a step-by-step guide to help avoid the pitfalls of student debt and to equip students with the financial skills to get the most out of their university experience.

“Starting university is possibly one of the biggest changes in a young person’s life. For many students heading off to university, it will be the first time they have lived independently and have been required to handle their own finances. This is the perfect time for young people to learn to plan ahead and take charge of their money. The financial skills learnt now will benefit them for the rest of their life and stand them in good stead for the future,” said



Ihab Ayoub

Ihab Ayoub, general manager for KSA at Visa International.

Visa International has developed a bilingual Arabic and English financial

literacy website, www.ehsib.com, for people of all ages to take a step closer to financial freedom. The website covers core skills such as budgeting and avoiding financial pitfalls, along with practical advice.

The guide covers savings accounts, current accounts, debit cards, how to create a budget, how to build good credit, the convenience of credit cards and part-time employment.

“Leaving school is a daunting prospect and hopefully these money-saving tips will give students the financial savvy to be at the top of their class when it comes to managing a limited budget,” concludes Ayoub.

Unigold Inc., a Canadian gold exploration

and mining company, listed on the Dubai International Financial Exchange (DIFX) today. It is the first North American company to choose the DIFX for a listing and the fourth company to do so in the gold mining sector.

Emirates Islamic Bank announced its

profits on investment and savings accounts for the third quarter of 2007, recording the highest profit rates in the market for the third consecutive year. The bank offers an annual rate of 6.86 per cent on the two-year investment accounts. The one-year, nine-month, six-month, and three-month investment accounts offer annual rates of 6.10 per cent, 5.71 per cent, 5.33 per cent and 4.95 per cent respectively.

DFSA signs MoU with Chinese regulator

The Dubai Financial Services Authority (DFSA) has entered into an MoU with the China Banking Regulatory Commission (CBRC).

The signing took place between David Knott, chief executive of the DFSA, and Liu Mingkang, chairman of the CBRC, at the Offices of the Commission in Beijing.

The CBRC supervises all banking

institutions including banks, non-bank financial institutions and foreign banks in the People’s Republic of China.

According to David Knott, the China Banking Regulatory Commission and the Dubai Financial Services Authority have now “put in place these arrangements for co-operation and information sharing between banking supervisors”.

FGB looks to Algeria for banking licence

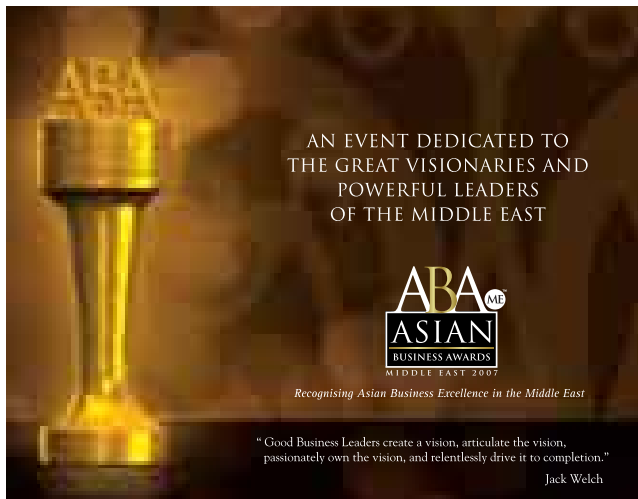
A senior delegation representing First Gulf Bank (FGB) met with Algerian government officials in Algiers last month to discuss FGB’s application for a licence to operate in the country. The licence would be the bank’s

second milestone in entering Northern Africa following September’s announcement of an MoU with the Economic and Social Development Fund Libya to open a commercial bank in Tripoli.

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Al Barari sponsors first Middle East Asian Business Awards

The Asian Business Awards Middle East 2007 (ABE ME 2007) have been created to recognise and reward pioneering business personalities that have “blazed new trails and set new benchmarks” in the Middle Eastern business world. The 2007 awards will be held at the iconic Emirates Palace, Abu Dhabi, on December 8. Real estate developer Al Barari is the premier sponsor of the event.



The criteria and parameters for each nomination category have been set by PricewaterhouseCoopers, which will also act as the independent analyst for the ABA ME 2007.

The awards are: Outstanding Asian Business Man of the Year; Outstanding Asian Business Woman of the Year; Asian Rising Star of the Year; Young Asian Achiever of the Year; Outstanding Contribution to Middle East Development and Asian Business Leader of the Year.

There are also two further awards - Global Asian of the Year and the Lifetime Achievement Award - which will be nominated exclusively by a jury panel consisting of Michael Stevenson, senior partner, Middle East region, PricewaterhouseCoopers; Abdulaziz Sager, chairman of Gulf Research Centre and president of Sager Group Holding in Saudi Arabia; Alexander John Andrakis, executive director, sales and marketing, Emaar Properties and regular **MONEYworks** contributor Sultan bin Saud Al Qasimi, managing director of the Al-Qasimi group of companies and chairman of Barjeel Securities.

The nomination phase now over, the jury panel has since selected three final nominees in each of the six categories. The names and profiles of the 18 finalist nominees will be announced by the Ambassador of India to the UAE, Talmiz Ahmad. Online voting via the ABA website is then open.

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The Oryx Fund, the GCC focused open-ended fund managed by BankMuscat's asset management department, reports returns of 24 per cent on its net asset Value (NAV) for the first eight months of the year, outperforming all GCC market indices. The fund's NAV rose by 14.8 per cent in the second quarter alone, as the stocks in the portfolio continued to outperform the markets.

Kuwait real estate developer Abyaar has announced a 50 per cent growth in turnover compared to the same period last year, with a net profit of US\$32.1 million (AED118.2 million) for the six-month period ending June 30, 2007.

The company has been approved for listing on the Kuwait Stock Exchange and is also studying the idea of being listed in the Dubai Financial Market - an announcement is expected in 2008.

Daman funds post gains; pay dividends

Daman Investments PSC has announced positive performance during September of two funds focused on the UAE equities markets - the Daman Islamic Fund and the Daman Second Emirates Fund.

Shehab Gargash, managing director, Daman, said: “Coming out of the traditionally slow period of activity during the summer months, we are beginning to see a more positive outlook that has reflected well on the results of our funds. We expect a continued steady but cautious growth as things begin to pick up in the coming months. Our strategy remains focused towards a fundamentally attractive universe of stocks that has potential to unlock value over the long term.”

The Daman Islamic Fund, an open-ended, Shari'ah-compliant mutual fund that focuses on the UAE equities markets, closed the month of September at a NAV of AED102.36, a monthly gain of 3.24 per cent. The fund has declared a dividend of AED0.75 per unit to all unit holders as of September 30, 2007.

The Daman Second Emirates Fund, an open-ended AED200 million fund which focuses on the UAE equities markets, closed the month of September at a net asset value of AED107.53, a monthly gain of 0.60 per cent. The fund has also declared a third quarter dividend payout of AED1 per unit to its unit holders as at September 30, 2007. With this, the fund has made a total dividend distribution of AED2 per unit since inception. This payout yields an ex-dividend annualised yield of 3.75 per cent as against the benchmark yield of 2.74 per cent for the NBAD Index as of September 2007. After the third quarter dividend payout of AED1 per unit, the fund's ex-dividend NAV as of October 1, 2007 was AED106.53.

Daman's first risk managed fund, the Arabian Programmed Trading Fund designed and tailored for the GCC markets, has posted a NAV now at US\$79.51, compared to US\$79.81 in August 2007.

Daily news updates at www.moneyworks.ae



Emirates NBD PJSC (Emirates NBD), the Dubai-based banking group resulting from the merger of Emirates Bank International PJSC (EBI) and National Bank of Dubai PJSC (NBD), has now listed its shares on the Dubai Financial Market (DFM). Emirates NBD becomes the second largest company listed on the DFM and the third largest in the UAE by market capitalisation.

According to a report in *The Times*, West Ham United is tipped to knock Arsenal off the top of the premier league of personalised car registrations. The number plate WE57 HAM is for sale and expected to fetch more than the GBP36,000 paid for AR53 NAL.

ICICI Bank was named 'Outstanding Regional Private Bank – Asia Pacific' by Private Banker International. ICICI Bank is the first Indian bank to receive the award.

The Dubai International Financial Centre (DIFC) won an international award for the 'Best Government Initiative' at the Society of Trust and Estate Practitioners (STEP) Private Client Awards 2007 held in London.

Judges were impressed by the DIFC's new family office initiative, which is establishing a legal and regulatory framework for family offices in the centre. A family office is currently not recognised by any other jurisdiction; however, this new legislation will define a family office in a legal capacity for the first time.

The DIFC was shortlisted along with established names – Isle of Man Government, Bahamas Financial Services Board and British Virgin Islands International Finance Centre.

The STEP Private Client Awards also feature an entry for 'Worst Government Initiative of the Year', which was won last year by the UK Treasury for Budget note 25 on aligning the inheritance tax treatment for trusts. No one turned up to collect the gong. This year, while listed as a category in the programme, it wasn't mentioned during the ceremony itself.

GCC expats shun financial advisers

Research from Zurich International Life (ZIL) reveals expats living in the Middle East prefer to rely on their own judgement or seek counsel from friends and family when purchasing financial products. The new survey identified less than one in ten expats would enlist a financial adviser, either in their country of domicile or residence, to help them make their decision.

The Zurich Wealth Monitor, a research probe into attitudes and future financial plans of ZIL's core customer groups, surveyed 500 expatriate professionals living in the UAE and Bahrain on their approaches to financial planning and lifestyle.

The research showed seeking advice from financial advisers was particularly low amongst the Arab expats in the UAE, with only two per cent preferring this channel compared to 12 per cent for Western expats and 16 per cent for Indian sub-continent expats. Of the total surveyed, over a third (36 per cent) in the UAE and an even greater 44 per cent in Bahrain cited friends, family or work colleagues as their source of financial information, with a further 38 per cent choosing to rely on their own knowledge for money matters.

In the UAE, 10 per cent of respondents revealed they do not have any financial products at all compared with only five per cent in Bahrain. Respondents based in the UAE who had financial products stated the future and security of the company (62 per cent) and the quality of the product features (59 per cent) as the most important factors to consider when purchasing them, while 66 per cent of respondents in Bahrain placed greater importance on charges associated with products.

Regional director for Zurich International Life Paul Haran believes there's a real risk the people will not be suitably prepared for their future. "The role of expert financial advice cannot be overlooked," he says. "It is important people gain a better understanding of how speaking to a financial adviser can work effectively for them."

According to the research, saving is a priority for expatriates living in the Middle East. Almost a third (31 per cent) of those based in the UAE recorded savings and investments as their top financial priority,



Paul Haran

with a quarter stating their children's education was their main concern. In contrast, 37 per cent of Bahrain expats rated clearing debt as their top financial priority. Across both countries, less than a tenth (seven per cent in the UAE and five per cent in Bahrain) considered having a pension to be a priority.

Among the respondents, Indian sub-continent expats in UAE were least likely to consider their pension a priority.

For more news, updated every day, go to www.moneyworks.ae

Imagine Homes agrees landmark financing

Imagine Homes, the UK buy-to-let investment property specialist, has announced a GBP37.5 million equity and debt investment package from Bank of Scotland Corporate to support the company's expansion strategy. The funding will enable Imagine Homes to expand

its footprint in the UK, Ireland and the Middle East. The company is also set to complete the refurbishment of its Hogarth roundabout (Chiswick, west London) showroom which, when operational, will be the largest sales centre in the UK dedicated to the buy-to-let market.

Financial results - October 2007

First Gulf Bank (FGB) - net profit of AED1.39 billion for the first nine months of 2007, up 21.5 per cent compared with the same period last year.

al khaliji has released its first set of financial results since incorporating in January, running up to the close of the third quarter of the year on September 30. Tariq Al Malki, chairman of al khaliji, commented: "al khaliji has been able to post a profit of QAR55.9million (US\$15.3 million) while also investing heavily in building the business and preparing for growth."

BankMuscat - net profit of OMR62.6 million for the nine months ending September 30, 2007 as against a net profit of OMR44.5 million reported during the same period in 2006, a growth of 40.7 per cent.

Bahrain Islamic Bank's - Q3 results of BHD17.5 million in net profit, up 81 per cent on BHD9.6 million for the same period in 2006.

National Bank of Kuwait (NBK) - record net profit of US\$790 million (KWD220.5 million) during the first nine months of 2007 compared to US\$681 million for the same period last year.

Dubai Bank - net profit for the nine-month period ending in September 2007 at AED125 million, a 540 per cent increase, compared to last year (AED19.5 million).

Bahrain's United Gulf Bank - net profit of US\$195 million for the first nine months of 2007, or 24.1 US cents per share, almost 2.7 times the US\$71.1 million net profit during the same period in 2006 and almost twice UGB's record full-year net profit of US\$101.5 million in 2006.

DAMAC Holding subsidiary Al Ahlia Insurance - an 8.2 per cent growth in gross premium for the second quarter of fiscal year 2007 compared to the second quarter of fiscal year 2006. The company's gross premium grew to AED57,460,736 for the second quarter of this year compared to AED53,111,917 for the previous year for the same period.

Emirates Islamic Bank - Q3 net profit up 88 per cent at AED144.4 million, compared to AED77 million for the same period in 2006.

Emaar Properties has announced revenue and net profits of AED12.537 billion (US\$3.413 billion) and AED4.839 billion (US\$1.317 billion) respectively for the first nine months of the year. It's 48 per cent more than the revenue of AED8.458 billion (US\$2.303 billion) and four per cent higher than the net profit of AED4.658 billion (US\$1.268 billion) for the same period in 2006.

Yousef Hussein Kamal, chairman of **Qatar National Bank** announced net profits for the nine months ending September 30, 2007 of QAR1,855 million, up QAR249.1 million (15.5 per cent) on the QAR1,606 million in September 2006.

DP World applies to DIFX for retail listing

The Dubai International Financial Exchange (DIFX) announced that global marine terminal operator, DP World, has applied for its shares to be admitted to the official list of securities of the DIFX and to list its shares on the DIFX.

Shares will be denominated in US dollars; the size of the issue is to be determined. The minimum application amount is US\$6,000 (if an applicant is paying in US dollars) or AED20,000 (if an applicant pays in UAE dirhams).

Increments: US\$2,000 (if paying in US dollars) or AED5,000 (if paying in UAE dirhams). Application expenses: 0.5 per cent of the application amount.

The offering is open to UAE and other GCC nationals who are resident in the UAE or another GCC country, other UAE residents with a valid residency visa and corporate entities organised under the laws of the UAE or another GCC country.

To be eligible, applicants must hold a securities account (with one of the brokers listed on the website) and apply for shares in person in the UAE or through an authorised representative applying in person in the UAE. Minimum age is 21 years.

The UAE retail offer period is expected between November 4 and 15. For more details, try www.uae-ipo.com.

Saudi's Al Rajhi wins eBanking award

At the Middle East eBanking Excellence Awards ceremony, an event honouring regional banks that provide "innovative eBanking Services to customers based on modern day demands", Al Rajhi Bank won the eBanking country award for Saudi Arabia.

Al Mubasher Retail is Al Rajhi's online banking service for individuals and Al Mubasher e-Corporate is Al Rajhi's corporate solution.

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Senior sovereign analyst for Moody's in UAE

Moody's Investors Service has announced that Tristan Cooper, vice president-senior analyst in the Sovereign Risk Unit, has relocated from London to Dubai, where he will spearhead Moody's sovereign coverage of the Middle East region.

New mobile card terminals from Mashreq

Mashreq has recently signed an agreement with system integrator Computer Network Systems to install global payment technology leader, Hypercom Corporation's signature device, the small, battery-operated Optimum M4100 Blade, across its country-wide retail locations.

The agreement marks the payment industry's first deployment of a revolutionary mobile credit/debit point-of-sale terminal designed to meet international security standards worldwide. The Blade is a rugged, low-cost terminal with a high-contrast colour touch screen, accepts magnetic stripe and smart cards and offers a contactless reader, clip-on printer and docking station.



Nabeel Malik, chief marketing officer of Mashreq, and Tony Alam, managing director of Computer Network System, shake hands after signing the agreement.

Emirates NBD integrates ATMs: EBI offers Air Arabia payments

Emirates NBD, the Dubai-based banking group resulting from the merger of Emirates Bank and National Bank of Dubai, has completed connecting the ATMs of the two banks and now boasts the largest ATM network in the UAE with over 430 ATMs.

Rick Pudner, CEO of Emirates Bank, said: "Customers of Emirates Bank and National Bank of Dubai can now use the ATM of the other bank without any charges. The ATM sharing between Emirates Bank and



Rick Pudner, CEO of Emirates Bank

National Bank of Dubai is the first step towards a comprehensive integration plan which will see the two banks sharing all services."

In other news, Emirates NBD has established a dedicated department for community relations. The group is also actively providing the necessary support to ensure the success of the Dubai Cares campaign.

Emirates Bank had a busy month last month. The bank opened its new Burj Al Arab branch opposite the Jumeirah Beach Hotel. The new branch features underground parking and a 24-hour meBANKING area with ATMs and instant automated cash and cheque deposit machines. The branch has its own Al Shaheen Club, and there is a corporate banking unit upstairs.

Emirates Bank and Air Arabia have teamed up to launch a new ticket payment method for Air Arabia customers via electronic banking channels. Easy payments can now be made anywhere in the UAE via Emirates Bank's ATMs and cash deposit machines (CDM). Emirates Bank customers can now make payments through the bank's

network of both ATMs and CDMs, while travelers not holding accounts with Emirates Bank can pay for the service via the bank's network of cash deposit machines.



Ali Al Hamdany, Air Arabia's director of IT and corporate projects, and Mohammed Saif Al Falasi, head of alternative channels at Emirates Bank

The bank has **also** launched a new deal on fixed deposits, offering customers up to six per cent guaranteed interest returns on new fixed deposits. The new rate is available until December 23.

Finally, Emirates Bank cardholders have the chance to win one of 60 new Samsung LCD TVs between October 21 and December 19, 2007. Every multiple of AED100 spent on an Emirates Bank card gets cardholders an entry into a draw to win an LCD TV every day.

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The international derivatives exchange

Eurex is to launch around 170 further single stock futures on stocks listed on the Dow Jones STOXX 600, RDXxt US\$ and S&P 500 indices in the period leading up to February 2008. The products began to be introduced from October 8 onwards in eight blocks of up to 40 futures each. Eurex is also extending the contract months for all single stock futures by an additional calendar month, while the maximum term will remain unchanged.

With the new products, Eurex will offer single stock futures on more than 570 equities from 18 countries in four currencies. For the first time, single stock futures on Norwegian equities in euro will be traded. Eurex is also launching single stock futures on major US equities in US\$.

HSBC's climate change benchmark index

HSBC Corporate, Investment Banking and Markets (CIBM) has launched the HSBC Global Climate Change Benchmark Index, together with a family of four investable global climate change sub-indices – a comprehensive range of climate change indices.

The HSBC Global Climate Change Benchmark Index, developed by CIBM's global research team, is a global reference index which has been designed to reflect and track the stock market performance of key companies that are best placed to profit from the challenges presented by climate change. The performance of the benchmark has been tracked back to 2004 and has outperformed the MSCI World Index by around 70 per cent.

From this benchmark, HSBC has

established four investable climate change indices that can be used to create portfolios for a diverse range of investment needs such as long-only funds, hedge funds, exchange traded funds, discretionary funds and structured products.

The indices are:

- HSBC Climate Change Index
- HSBC Low Carbon Energy Production Index (including solar, wind, biofuels and geothermal)
- HSBC Energy Efficiency & Energy Management Index (including fuel efficiency autos, energy efficient solutions and fuelcells)
- HSBC Water, Waste & Pollution Control Index (including water recycling, waste technologies and environmental pollution control).

Financial centres news - October 2007

DFSA

Flagstone Reinsurance Holdings Limited has been granted authorised status for its subsidiary, Flagstone Underwriters Middle East LTD, by the DFSA and will operate at the DIFC.

Financial recruitment firm **Akamai** claims to have spotted a gap in the market as it moves into the Middle Eastern market, having obtained its DIFC licence.

Singer & Hamilton has commenced operations from the DIFC. Singer & Hamilton specialises in executive search in capital markets, corporate finance, asset management, wealth management, private equity, real estate and insurance markets.

Kaupthing Bank, a northern European bank headquartered in Reykjavik, Iceland, has been granted a branch licence by the DFSA to provide investment banking and wealth management services from the DIFC.

And, Islamic finance, the fastest-growing of all the financial sectors around the world, will be the focus of a full-day event at **DIFCweek**, November 17 – 23.

The event, held in association with The Wall Street Journal, will be entitled 'Islamic and Ethical Finance'. In keeping with the conference title, the overriding focus will be on the links between Islamic and ethical finance.

The Islamic and Ethical Finance conference forms part of a number of headline conferences and lectures during DIFCweek, to be held at the DIFC.

DIFCweek, the first event of its kind in the Middle East, will focus on financial opportunities for the third millennium. The week of conferences will look - rather ambitiously - to address every principal topic in the international financial arena.

QFC

Nasco Karaoglan France has now launched NASCO KARAOGLAN QATAR following its successful authorisation by the QFC Regulatory Authority (QFCRA).

Kaupthing Bank has been granted authorisation by the QFCRA to establish a branch office to provide investment banking and wealth management services from the QFC.

QNB launches priority banking service

Qatar National Bank (QNB) has launched its new priority banking service, 'QNB First'.

To qualify for the QNB First priority banking service, a resident of Qatar has to maintain an account relationship with QNB and either credit a minimum salary of QAR35,000 per month to the account or invest with the QNB Group a minimum of QAR350,000, either in deposits or in any of the funds distributed by the bank, onshore or offshore.

QNB First customers get a dedicated customer relationship, access to a range of banking products, branded debit cards and cheque books and automatically qualify for QNB's top-tier products such as the QNB Qatar Airways Co-Branded Platinum MasterCard. Plus, they get a dedicated in-branch area. The first dedicated QNB First service area is located at the Sharq Village & Spa, one of Qatar's premium hotels.

The QNB First proposition also offers

the integrated provision of offshore banking services through Ansbacher (Channel Islands) Ltd Jersey. Through Ansbacher, the QNB Group international wealth management subsidiary, QNB First customers will be introduced to a full set of offshore banking services including call accounts, deposit accounts and a range of award-winning investment funds and other advisory services. Ansbacher's range of funds is complemented by a range of funds manufactured by other institutions and the bank's QNB Al-Watani Funds for local DSM investment.



New advisory for art collectors & investors

Artist Pension Trust (APT), a long-term financial planning programme for emerging and mid-career artists, has launched APT Intelligence, an advisory service aimed at assisting art collectors and investors to make informed art purchases and investments.

APT Intelligence, through one-on-one phone consultations and customised tours, provides clients with access to a global network of highly recognised museum curators, art professionals and art critics.

APT is the first investment programme "dedicated and tailored to the needs of

emerging and mid-career artists" - a group characterised by "unpredictable employment patterns" - making existing long-term investment programmes inaccessible. APT helps artists with innovative financial planning solutions that are achievable through investment of their artwork. Members of APT are expected to invest at least one artwork per year to the trust over a 20-year period. APT will then store and promote their artwork until it's sold. The theory is that the artists will then benefit from the appreciation of their own work as well as the work of the other participating artists.

DED adopts Dubai ePayment gateway

The Department of Economic Development (DED) has sealed an agreement to use Dubai eGovernment's ePayment gateway boosting Dubai eGovernment's campaign to optimise adoption by all government departments of the online facility.

Following the 0.50 per cent cut in the US dollar base rate, Abbey International, the specialist offshore banking subsidiary of Abbey in the UK, has reduced the interest rates payable on its range of US dollar-denominated savings accounts.

Fuel cashback for First Gulf credit card holders

Last month, First Gulf Bank (FGB) began a 1.65 per cent cash back guarantee service for credit card holders who use their FGB cards at petrol stations across the UAE. The move comes after the UAE's push towards e-based convenience transactions, promotion of card usage and the notion of an increasingly cashless society took a major knock on September 1 when petrol retailers announced their intention to

surcharge both credit and, amazingly, debit card customers.

This cashback offer is provided to all FGB credit card holders and is based on the total purchase charged on a monthly basis. The refunded amount will be credited to their card accounts the following month of transaction and the monthly spend should be a minimum of AED200 and a maximum of AED1,000. In order

to keep the promotion strictly to petrol usage and encourage use of cards at petrol forecourts, single transactions over AED250 will not be eligible. This is logical enough, since there are few cars on the road in the UAE - Bugatti Veyrons excepted - that can take that much petrol.

Of course, many UAE petrol stations will soon not be accepting card payments at all. So enjoy the promotion while you can.

Abbey launches Tracker Issue 7

Abbey International has launched the latest issue of its Base Rate Tracker Term Account (Issue 7) paying 6.05 per cent gross pa/AER.

The one-year sterling account offers a bonus-enhanced variable interest rate that moves in line with the UK Bank of England Base Rate until the account matures on September 4, 2008. From September 4 to December 31, 2007, the bonus is 0.30 per cent above UK Base rate. From

January 1 to April 30, 2008, a bonus of 0.10 per cent is applied and from May 1 until maturity, the interest rate will track the UK Base Rate.

The Base Rate Tracker Term Account - Issue 7 is only available in sterling, with a minimum balance of GBP10,000. The account offers a capital guarantee. Interest is calculated daily and will be paid on the maturity date of September 4, 2008.

Domiciled in Malta, the new Abbey Capital

Macro Fund will offer access to a group of global macro managers with low historic correlations offering diversification across market sectors, time frames and trading styles. The Abbey Capital Macro Fund will invest with managers trading financial and commodity markets. The fund will allocate to managers using both managed accounts and fund vehicles.

Advert

HSBC Wealth Management and Zurich

International Life Ltd. have teamed up to offer HSBC customers another financial planning service, 'HSBC- Zurich Vista', a new joint product developed and designed with prosperity and secured future in mind.

Vista savings plans are long-term savings plans offering "best of breed fund selection". The Regular Premium Vista Plan starts at US\$300 per month - it's also possible to pay a single premium - and it's a multi-currency plan, offered in US\$/GBP/euros. Customers can choose to invest in a range of funds - balanced, adventurous and cautious - and can switch between funds at any time. The policy is based in the Isle of Man, where Zurich International Life has its head office, and is not taxed at the source.

Standard & Poor's has launched the S&P

Select Frontier Index, the first investable index covering a broad range of frontier equity markets across emerging Europe, Asia, South America and the Middle East. It's comprised of 30 of the largest and most liquid companies from countries which, because of smaller economies or less developed capital markets than traditional emerging markets, have previously been excluded from most emerging market benchmarks and investment funds.

Merrill Lynch is introducing two indices

designed to offer investors exposure to the fast-growing biofuels market with greater liquidity, transparency and efficiency than financial instruments currently available: the MLCX Biofuels Index and the MLCX Biofuels Plus Index.



Badr Al-Islami Finance Co. (PJSC), a subsidiary of Mashreq, has opened its first main branch to offer its customers a range of products including retail, investment and corporate banking services in accordance with Islamic Shari'ah principles. The branch is in the Al Masood Building on Dubai's Airport Road, open from Saturday to Thursday from 8am until 4pm.

SMS money transfers for NBAD customers

National Bank of Abu Dhabi (NBAD) has just launched SMS Money Transfer, a new service which allows NBAD customers to transfer money through SMS to any person with a mobile phone.

"The customer will call the call centre toll free number (8002211). Customers are then asked to enter the beneficiary's mobile number, the amount to be transferred and the account to be debited," said Saif Al-Shehi, general manager of NBAD's domestic banking division.

"The NBAD system will verify the request and will send an SMS message to the beneficiary's mobile number notifying them of the transfer. The message will include a temporary PIN to be used on any NBAD ATM for this payment," he noted.

Al-Shamsi said the new service will allow customers to "transfer money to anywhere at anytime in the UAE, as the ATM network covers all areas of the country".

NBAD has 184 ATM machines in the UAE. These ATMs will facilitate the transfer of money through the SMS Money Transfer service, while LUUP's mobile-payment

technology will allow users in the UAE to use their mobile phones to make secure payments and money transfers to any bank, merchant, bill payments or person-to-person across the world, according to Al Shamsi.



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DIB launches automated Salik recharge

Dubai Islamic Bank (DIB) has launched a Salik recharge facility via the bank's integrated voice response channel, in cooperation with the Roads and Transport Authority. DIB customers can make bill payments and recharge their Salik accounts by calling toll free, 800 4008, in both Arabic and English.

First Gulf targets HNWI's with First Wealth

First Gulf Bank (FGB) has launched 'First Wealth' - wealth management services targeting the UAE's and the region's high net worth individuals (HNWI) and mass affluent segments, local and expatriate.

HNWI wealth has grown significantly in the Middle East, with recent estimates by the World Worth Report saying the number of US\$ millionaires in the region grew by 11.9 per cent in 2006 to stand at 300,000, with a combined wealth of US\$1.2 trillion.

The bank will initially have access to more than 3,600 investment and insurance products across asset classes, with capital guarantee provisions available.

The bank's head of wealth management, Mufazzal Kajiji, says a certified wealth relationship manager, personally assigned and dedicated a client and portfolio, will guide HNWI's through a "disciplined four-step wealth management process - understanding needs, assessing risk profile, recommending the right portfolio for particular objectives and managing a portfolio on an ongoing basis".

First wealth services will also oversee clients' other investment portfolios such as health plans, savings and insurance.

Franklin Templeton launches new EM fund

Franklin Templeton Investments is to launch the FTIF-Franklin Templeton Emerging Markets Smaller Companies Fund, a sub-fund of Franklin Templeton Investment Funds (a Luxembourg-registered SICAV).

The sub-fund will look to invest at least two-thirds of its net assets in small-cap companies located in emerging market countries or that derive significant revenue or profits from emerging market countries and may invest in companies with market capitalisations of between US\$100 million and US\$1 billion at the time of purchase.

FTIF-Templeton Emerging Markets Smaller Companies Fund also has the flexibility to invest up to 20 per cent of its net assets in securities of issuers in developed market countries.

Dr. Mark Mobius, managing director of Templeton Asset Management Limited, is the lead manager for the sub-fund. Dr. Mobius has over 30 years of experience managing emerging market portfolios. Dennis Lim in Singapore and Tom Wu in Singapore will also share portfolio management responsibilities for this sub-fund.

Stanchart signs up Escrow agreement

Standard Chartered has signed an Escrow account agreement with Dubai Land Department (DLD), formally authorising Standard Chartered as an approved bank for opening and managing Escrow accounts for property developers registered with DLD. The move means Standard Chartered now offers both conventional and Islamic banking Escrow accounts.

Bank of Baroda has now officially

entered into an Escrow account agreement with Dubai Land Department and is now authorised as an approved bank for opening and managing Escrow accounts for property developers registered with the Dubai Land Department. According to CEO Ashok K. Gupta, the bank will have a dedicated team for managing the Escrow accounts at its Dubai branches.

Dubai Islamic Bank (DIB) has

simultaneously launched two new investment products. Launched by DIB's wealth management division, the two products include the eight-year US\$36 million Al Islami Shipping Fund II, which offers an expected income of eight per cent annually, with quarterly profit distribution through a Musharaka contract or Islamic partnership; and a three-year 50/50 Upside Note with a Shari'ah-compliant mechanism to achieve capital protection, which provides exposure to the global equity market and will benchmark the performance of the Alpha Pairs Sectors index - a unique long-short strategy developed by Deutsche Bank.

HSBC is to establish a brokerage

company, HSBC Middle East Securities, that will trade on the Abu Dhabi Securities Market and the Dubai Financial Market. The company will offer UAE domestic market brokerage services to both institutional and retail investors. The new company is expected to begin trading for institutions by the end of 2007 and to offer retail brokerage services in 2008.

ETA Star has tied up with eleven leading

banks in the region for providing home loan options to its customers for all its projects. The banks that have signed partnership agreements with ETA Star are Abu Dhabi Commercial Bank, Arab Bank, Badr Al-Islami, Dubai Bank, First Gulf Bank, Mashreq, National Bank of Dubai, Tamweel, Union National Bank, Finance House and, most recently, Barclays.

Appointments - October 2007

Under the directive of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, Ruler of Dubai and Chairman of **Investment Corporation of Dubai (ICD)**, Dubai Islamic Bank's CEO **Saad Abdul Razak** has been appointed to the executive management team of ICD.



Saad Abdul Razak

Dubai Islamic Bank has announced that **Khaled Al Kamda** has been appointed managing director of the bank. Al Kamda is currently a member of the board of directors of DIB and is also vice chairman of the Tamweel board, as well as Dubai World-owned investment company Istithmar.



Khaled Al Kamda

Abu Dhabi Investment House has appointed **Fawaz Ali Al Jowder** as chairman of the Porta Reef real estate project in Bahrain.



Fawaz Ali Al Jowder

INVESCO Asset Management Limited, part of INVESCO PLC, has appointed **Venu Reddy** as regional sales manager for its Dubai-based Middle East operations.



Venu Reddy

Dubai Multi Commodities Centre has announced the appointment of **Jean van der Donckt** as special advisor - Diamond Banking, DMCC.



Jean van der Donckt

Citi Private Bank has appointed **Mohammed Azab** as executive director and CEO for its UAE offices, tasked with growing and managing Citi Private Bank's offices in the UAE and private banking relationships in the Middle Eastern region.



Mohammed Azab

Florence Janin Goodman, the former head of corporate affairs GCC at Barclays Bank, has joined **al khaliji** in Doha as senior executive, corporate affairs.



Florence Janin Goodman

Jones Lang LaSalle has appointed **Graham Coutts** as international director and head of strategic consulting for the Middle East and North Africa region.



Graham Coutts

SG Private Banking has appointed **François Farjallah** as general manager of SG Private Banking Greece. Farjallah has also headed the near east and Mediterranean zones since his appointment in July 2007.

The fall of Forsyth

Forsyth Partners, the first company to go into liquidation at the Dubai International Financial Centre (DIFC), raises some interesting questions, particularly because of the suddenness of the developing events and the situation in which shareholders, employees and creditors find themselves. **Utpal Bhattacharya** investigates.

The story of Forsyth Partners and the closure of its businesses is, in all probability, nowhere as simplistic as some would describe it to be. Investigations by **MONEYworks** reveal that there are a number of holes in arguments that various parties have been giving as to why and how a company has gone under so abruptly. There are questions that have been raised as to why assets of Forsyth Partners were sold to Crosby Capital, despite other suitors who had come up with 'better offers' that would have taken care of not only the entire liabilities of the group, but also shareholders and employees - apart from clients' money.

It must be mentioned at this point that the scope of **MONEYworks**'s investigation has not been exhaustive. This is a complex situation where an asset management entity was operating in a multi-regulated environment and had boards of directors and shareholders that were working at cross purposes as the group was put up for sale.

There are fingers pointed towards Grant Thornton, which was appointed as the administrator for the FSA-regulated Forsyth Partners Limited (FPL) and subsequently liquidator for the DFSA-regulated group companies in the UAE, at how it conducted the sale transactions of FPL and FP Europe, a subsidiary of Forsyth Partners Global Distributors Limited (FPGD), for considerations that have not yet been made public.

The Forsyth Group structure

To understand exactly what happened, one must first get down to the basics of how Forsyth Partners was structured before some of the assets of the group were sold to the Hong Kong-headquartered Crosby Capital last month.

Forsyth Partners Group Holdings Limited (FPGHL) in Dubai was established in June 2005 at the Dubai International Financial Centre as the group's holding company. Its subsidiaries are: Forsyth Partners Limited in the UK, FP Bulgaria and Forsyth Partners Group Distribution in Dubai. It should also be noted here that Forsyth Partners was one of the first international asset management companies to have relocated its global holding company to the DIFC. Under FPGD, there were a number of sales offices across the world, including Forsyth Partners Europe, whose assets were again sold to Crosby along with FPL assets and businesses.

While the group structure above sums up how the Forsyth group of companies were related, there were some loose ends of the group's corporate structure that the management of Forsyth Partners felt would come together over a period of time, but actually never happened. FP International (FPI), Forsyth's Jersey Company, is part of those loose ends; it was never integrated into the group holding structure, but still somehow remained related. Also, there were plans that seem to have not been executed for a BVI company administered in Jersey called "Goldeneye" to be the group holding company, as the holding company was already established in Dubai. FPI was destined to be a subsidiary of GoldenEye, which is 100 per cent owned by the Van Neste Family Trust. FPI is 99 per cent owned by Philip Van Neste and one per cent owned by Paul Forsyth. When the Forsyth Group went into administration, these loose ends remained as part of the complex structure having never been formalised.



Where did it go wrong?

It has been reported in the media that rapid expansion of the business of Forsyth Partners led to its downfall. There may be some truth in this piling up of liabilities of the group, but there are certainly questions as to how payables and the receivables were managed. Besides, there are also questions that the administrator needs to look at closely, and these include where the liabilities lie and who was responsible for what payment.

One of the most interesting facets of the Forsyth business that has come to light after speaking to some of the shareholders is that the group had not paid any dividend to shareholders for some time. The group's business had been profitable, but all profits had gone back into building up the business. This circumstance was also the seed of discontentment among some of the shareholders who wanted a stronger say in how the management was running the business of the group. In fact, there came a point when a group of shareholders, whose total holdings in the group aggregated to slightly less than 45 per cent, began putting pressure for forensic accounting of the books of group companies. These shareholders also, probably, wanted a change in the management itself.

Paul Forsyth, the Group CEO of Forsyth Partners, was also under pressure, as he found out that he did not have immediate access to liquidity when the FPL board of directors refused to pay its dues to FPGD. Some quote figures here as high as US\$10 million. This happened despite there being "enough money", which some say was "over US\$8 million", in the FPL bank account when these dues were raised. The

Group CEO admitted to **MONEYworks** in an interview that there were various discussions with regard to payment of these dues between Dubai and London, but denied that there were any formal votes taken on the decision of not sending money to FPGD at the board level of FPL. It also now seems that FPL took the decision not to pay FPGD its dues on the back of three set-off letters allegedly written by Paul Forsyth on March 27 as the Group CEO allowing the UK company to offset its liabilities to FPGD, FPGHL and FPI.

According to a senior manager at the group, Stuart Teasdale, managing director of FPGD, Kevin Forsyth, CEO of FPL and Philip Van Neste, CEO of FPI, were not aware of these letters sent on behalf of these three companies by Paul Forsyth until much later. The manager further explains that it is these letters that were used as instruments by certain board members of FPL to effectively put the group into administration and allow Crosby to take most of the group's assets without any liabilities for a "nominal sum", which is yet to be disclosed even to shareholders who have asked for the figure.

He also adds here that the establishment of offset letters, which incorporate a firm (FPI) outside of the control of other parts of the group, must in itself be cause for concern to shareholders.

Grant Thornton's engagement

It must be noted that Grant Thornton was instructed by the board of directors of FPGHL in August 2007 to sell the business of Forsyth Group as a going concern. There were a number of bidders for the group's business, the revenues of which mainly came from fund management. According to some, Forsyth Partners managed total assets of US\$1.8 billion, while some say it was around US\$1.2 billion (leverage inside some of the funds might account for the difference). Interested parties that were eager to purchase the Forsyth Group included Jersey's Belgravia Asset Management, DIFC-based MFS International and Swiss asset management company Insch Capital Management amongst a number of others. Sources close to Forsyth Partners have said that all these companies had shown interest in taking over the

"It is the most amazing thing that has happened. When there were buyers for the whole group available that would have taken over all liabilities of the group and taken care of shareholders' and employees' interest, we had some people selling the only assets that counted - the investment management agreements from FPL." *A shareholder*

group holding company, taking over all the liabilities, management and employees of the group and also taking care of shareholders' interest. In fact, according to the same sources, one or more bidders were ready put up US\$10 million in cash when asked to show their commitment to taking over the group holding company.

David Dunckley, partner for Grant Thornton UK LLP and joint liquidator for FPGD, responding to an e-mailed question from **MONEYworks**, admitted that there were a number of expressions of interest prior to the appointment of administrators.

"However, either as a result of a lack of shareholder consent or as a result of the complex inter-company balances within the group, none of these expressions of interest were capable of being consummated," he wrote.

In fact, in an open letter to shareholders on September 7 after Insch Capital Management's bid to purchase FPGHL was rejected, Christopher Cruden, CEO of Insch, said: "The Insch offer was unique and was more favourable to all shareholders and to all creditors. It was a global offer including all group companies. It would have paid shareholders. It would have given acceptable shareholders an on-going participation in a business that they chose to be in and had invested their money in."

Interestingly, on September 7, the same day the Insch letter was written to shareholders, Crosby Capital made a regulatory announcement saying it had entered into an MoU with Forsyth Partners Group "to acquire certain assets of Forsyth". Clearly Crosby's intention from the beginning was to acquire only certain assets (and not the whole group as other bidders had shown interest in),

which they did ultimately when they bought the investment management contracts from FPL and assets at FPE, thus leaving shareholders of the group nothing to show for their shares.

The value of the Forsyth Partners Group was derived mostly from the US\$1.8 billion (or US\$1.2 billion) in managed assets by the group's asset management company FPL. With Crosby taking over these assets, shareholders of FPGHL were left with almost nothing in the business and thus without any value for their shares.

Administration and liquidation

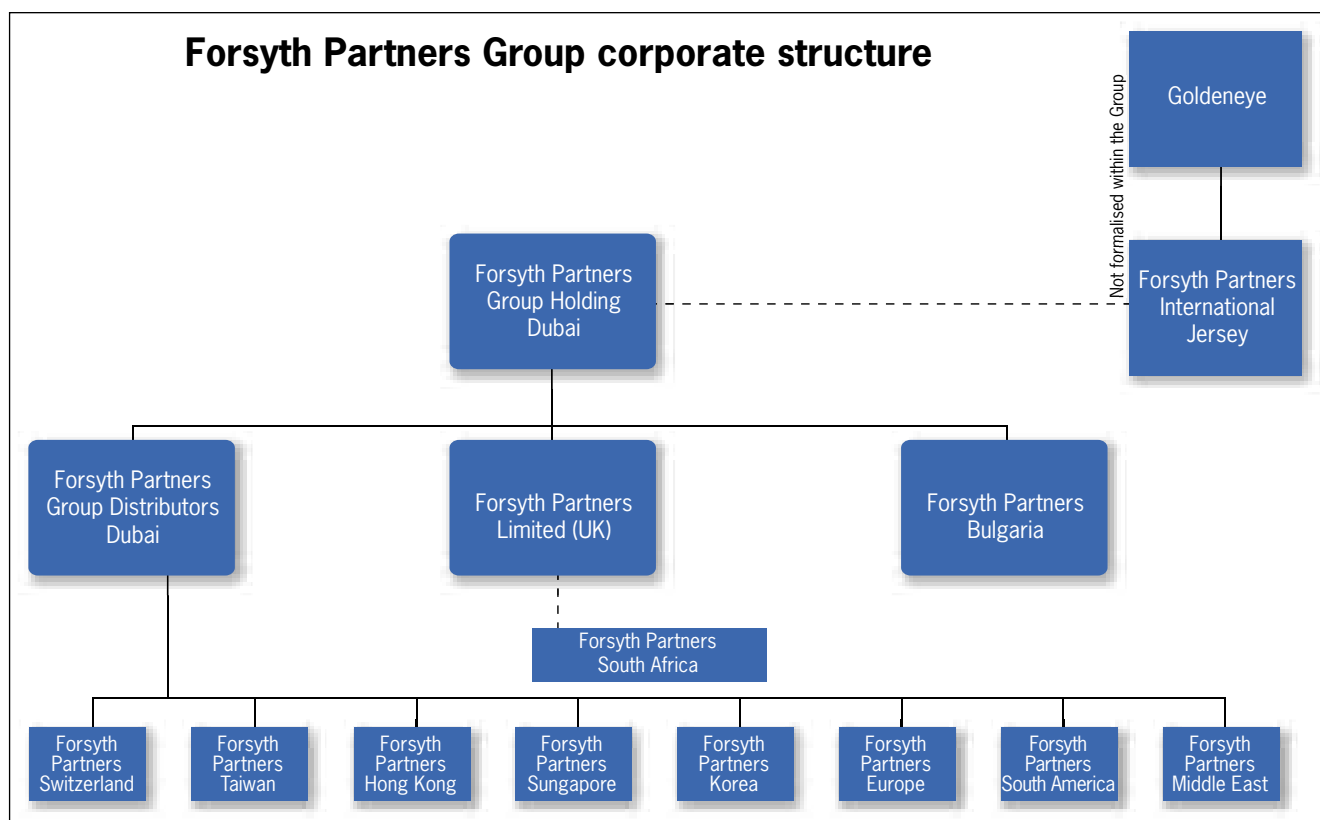
Subsequent to the September 7 letter, the Insch CEO wrote to the shareholders again on September 12 to inform them that they were given an opportunity by the FPGHL board after their open letter to shareholders to do due diligence on the group.

Cruden wrote in that letter: "After our proposal had originally been declined by the board [of FPGHL], we were informed late on September 7, 2007, that we may undertake our due diligence, which we have - to the extent possible - in the last few days...However, while we have been informed by GT [Grant Thornton] last night [September 11] that our proposal was unanimously approved by the board, only 86 per cent of shareholders were ready to support our proposal. Our efforts to convince the most substantial declining shareholder were futile. As communicated with GT and explicitly stated in our letter dated September 7, 2007, our proposal required 100 per cent shareholder approval."

So, why did 14 per cent of the shareholders refuse the Insch offer? The question remains unanswered.

Of course, like others, Insch had to withdraw its offer for the group. On the same day, September 12, FPL and FPE went into administration with Grant Thornton appointed as the administrator. Responding to **MONEYworks**' question on the financial position of these two companies prior their declaring insolvency, Dunckley wrote: "With regard to the financial position of the two companies prior to the appointment of administrators, the boards of directors of both FPL

Forsyth Partners Group corporate structure



and FPE resolved that each entity was insolvent.”

Sources within the group question the decision by the boards of FPL and FPE and ask what the liabilities of the two UK companies were when they had “enough” money in their bank accounts. The biggest liability of FPL was, probably, towards FPGD in Dubai to the tune of US\$10 million. The position that some at FPGD hold is that FPGD’s liabilities were up to US\$17 million, and, according to them, if that US\$10 million came through from FPL, along with deferred payments of US\$5 million from distribution commissions that were coming and US\$2 million that the distributor had in its bank, the Dubai entity would not have gone into liquidation.

Dunckley’s position on this is: “There is an amount in the order of US\$10 million which may or may not be due from FPL to FPGD depending on the validity of certain agreements regarding various inter-group company balances. If this amount is held to be liability of FPL, then it will be the largest creditor of that company.”

It is more than likely that the “certain agreements regarding various inter-group company balances” that Dunckley

mentions here refers to the set-off letters, on the validity of which the administrator is, sources say, currently seeking legal opinion.

It must also be understood that FPL’s insolvency meant the biggest blow to the Dubai establishments of the group. In an asset management business, the fund management fees form the core part of all revenues. So, without FPL paying its dues to the Dubai business, there was little wind left for FPGD, or the holding company, to set sail with. The group, therefore, was destined to go into liquidation.

Significantly, senior management of the Dubai Financial Services Authority (DFSA) told **MONEYworks** that Forsyth Partners never reported any financial problems to the regulator. It was the DFSA supervision team that found out that the group had

“Forsyth did not hold any client money in Dubai, so it is for the liquidator/administrator to determine all payments that may be owed to employees/third party service providers.” *DFSA spokesperson*

financial problems, leading to the revoking of the FPGD licence on August 26, 2007. The DFSA has also confirmed that since Forsyth Partners had a category four licence in the DIFC, the DFSA as the regulator was not obliged to protect rights of shareholders, creditors or employees of the group.

“Forsyth did not hold any client money in Dubai, so it is for the liquidator/administrator to determine all payments that may be owed to employees/third-party service providers,” said a DFSA spokesperson.

Allegations

In the developments leading to the liquidation of the Forsyth Group, the biggest losers, apart from the creditors and employees (who may or may not get paid depending on what’s in the kitty for the administrator to distribute), are the shareholders, as their shares have no value today.

At least one shareholder had sold two per cent of his holdings for over US\$1 million in January this year, according to sources in the group. But all that is history today. It is, however, surprising that not

Continues on page 34

Was Forsyth Partners undersold?

David Dunckley (DD), administrator and joint liquidator of Forsyth Partners Group, answers questions by e-mail to **MONEYworks** (MW).

MW: *Was there no conflict of interest for Grant Thornton, which is the auditor of Forsyth Partners, to be the administrator of Forsyth Partners that is in the process of liquidation? The question is further relevant because there are those who feel that there were better proposals than Crosby's that were rejected and could have given a better deal to all parties.*

DD: In the first instance, I can confirm that contrary to the statement in your question, Grant Thornton UK LLP is not an auditor to any company in the Forsyth Group. Furthermore, I can confirm that two partners of Grant Thornton UK LLP, David Dunckley and Stephen Akers, were appointed as administrators of Forsyth Partners Limited (FPL) (a company registered in England & Wales) on September 12, 2007. Forsyth Partners Limited was formerly the investment manager to Forsyth Funds plc and other related funds Grant Thornton UK LLP are auditors of the Crosby Capital, the purchaser of the UK business assets of FPL. However, I can confirm that at no time did any partner or employee of Grant Thornton advise Crosby or any related entity on its acquisition of the business and assets of the Forsyth Group.

Prior to the appointment of administrators of FPL on September 12, 2007, Grant Thornton UK LLP had been assisting the group in trying to achieve a sale of the group of companies as a going concern. Unfortunately, due primarily to the complex inter-company positions within the group, a sale as a going concern was not possible.

Crosby was one of many parties who were spoken to prior to the appointment of administrators. For the avoidance of any doubt, the first

approach between Crosby and my firm in respect of the Forsyth Group was made by Crosby and not by any partner or employee of Grant Thornton UK LLP.

Immediately upon the appointment of David Dunckley and Steve Akers as administrators on September 12, 2007, the directors of the funds suspended trading in the funds. Following the suspension of the funds, it was apparent that to maximise value for the creditors of FPL, a sale had to be achieved quickly, and thus any suitor had to be immediately acceptable to both the funds boards and the various financial regulators.

Following the appointment as administrators, over 70 interested parties were contacted with a view to achieving a swift sale of the business. A number of these potential purchasers were discussed with the fund board directors who, for the avoidance of any doubt, had been made aware that Grant Thornton UK LLP were auditors to Crosby.

Subsequent to those discussions, contracts for the sale of the business to Crosby were exchanged on September 18, 2007, at which time a substantial non-refundable deposit was paid.

MW: *Is the administrator aware that there are creditors of Forsyth Partners in Dubai who are owed millions of UAE dirhams? If so, what is it doing, including the employees?*

DD: In short, yes. Furthermore, the administrators of the two UK entities have actually been appointed joint liquidators of the three companies registered with the DIFC in Dubai, namely Forsyth Partners Group Holdings Limited, Forsyth Partners Global Distributors Limited (FPGD) and Forsyth Partners (Middle East) Limited.

All known creditors including the employees of these DIFC registered entities have been contacted. The outcome for the creditors is unknown at this point in time.

MW: *Was the administrator aware that Forsyth Partners Limited of the UK owed US\$10 million to FPGD, which the UK company refused to pay despite having the money in the bank?*

DD: There is an amount in the order of US\$10 million which may or may not be due from FPL to FPGD depending on the validity of certain agreements regarding various inter-group company balances.

This is one of the fundamental issues concerning the group of companies and will, in the first instance, be jointly investigated by the liquidators of FPGD and administrators of FPL to ascertain whether this amount is due and payable.

MW: *If so, why was the UK company and one sales office subsidiary of FPGD (namely Forsyth Partners Europe) sold, while the Dubai company was allowed to go bust?*

DD: As mentioned above, the UK companies were not sold. The administrators of those companies have sold the business and assets for the benefit of the relevant creditors (which may include FPGD). The corporate entities will be liquidated in due course.

Prior to the appointment of the administrators and liquidators, on August 26, 2007, FPGD (essentially the seller of investments in the funds) had its licence suspended by the DFSA.

From the date of the withdrawal of the DFSA licence, FPGD was unable to operate.

MW: Was FPL in financial distress prior to your being appointed as its administrator? If so, did the company have more liabilities to pay off than what it had (money) in its bank? And if so, was most of FPL's liability towards FPGD?

DD: As previously discussed, there is an amount in the order of US\$10 million which may or may not be due from FPL to FPGD depending on the validity of certain agreements regarding various inter-group company balances. If this amount is held to be a liability of FPL, then it will be the largest creditor of that company.

With regard to the financial position of the two companies, prior to the appointment of administrators, the boards of directors of both FPL and Forsyth Partners (Europe) Limited (FPE) resolved that each entity was insolvent.

MW: Can you please give us some indications as to dates when Grant Thornton was mandated to assist in the sale of the Forsyth Group of companies as a going concern? And who gave Grant Thornton the mandate to advise on the sales? Was it FPL or FPGD or the Group Holding company? Was the decision of sale of the group of companies as a going concern approved by the majority of shareholders in a legal manner and to your satisfaction?

DD: Grant Thornton was instructed by the board of directors of Forsyth Group Holdings Limited in August 2007 to sell the business of the Forsyth Group.

The sale of the business and assets of FPL and FPE was executed by the administrators of those companies, acting as both agents of the company and officers of the English Court. Shareholder approval is not required for such a sale.

MW: You mention in your answer to an earlier question that to protect the interest of creditors, the administrator

had to proceed with the sales of FPL and quickly. But what I have heard (correct me if I am wrong) is that the deal with Crosby was for only US\$3million, paid upfront and up to a total of US\$6.3 million as trail fees for a six-month period. This means that Crosby walks away with a group managing US\$1.2 billion (and probably revenues of US\$60 million) for just US\$6 million. So, in other words, despite your concern toward creditors, as administrator the group was sold very cheaply with, it seems, hardly anything left for most of the creditors and shareholders who have lost millions.

DD: As you would expect, the contract between the administrators and Crosby Capital is confidential.

However, I can point out that the recurring revenues of the Forsyth Group were in the order of US\$20 million.

MW: The above question's relevance comes from some facts that we have gathered now that there were companies like Belgravia Asset Management and internal shareholders who had shown overt intentions and interest to take over the group of companies, its entire liabilities, management and employees for a much bigger sum of money (US\$10 million cash was offered when that was asked for). I am told that Belgravia and internal shareholder's interests were put forward to the senior management and board of the group companies even prior to your appointment as administrator. And also again after you were appointed as administrator. Why were these suitors or proposals not considered? Can you please comment and justify sales to Crosby of just two assets of the group, which are FPL and FPE, when the group had reach and offices under FPGD in various international centres?

DD: There were a number of expressions of interest prior to the appointment of administrators.


However, either as a result of a lack of shareholder consent or as a result of the complex inter-company balances within the group, none of these expressions of interest were capable of being consummated. It would be inappropriate to comment who these pre-insolvency expressions of interest were received from.

I have previously discussed with you the level of enquires that were dealt with and the process undertaken to sell the business following my appointment.

MW: You also mention a substantial non-refundable deposit paid by Crosby. Can you please clarify what that was for? Was it to pay creditors' bills in the UK? If not, what exactly was the purpose and how will the proceeds from the non-refundable deposit be used?

DD: When contracts for the sale to Crosby were exchanged, there were a number of outstanding conditions to be dealt with prior to completion (such as Crosby obtaining the regulatory approval in the various jurisdictions). It is normal for administrators in these instances to seek non-refundable deposits such that if the conditions cannot be met, then the position for the creditors is not jeopardised. The sales proceeds will form part of the estate of both FPL and FPE which will be distributed to the relevant creditors in due course.

MW: This brings me to the last question. Forsyth Partner Europe (FPE) is a subsidiary of FPGD. So, the sale proceeds from FPE should come to the rescue of some of the creditors of FPGD. But how was the valuation of the subsidiary done when its parent was bust? Can you please explain the complexities here?

DD: Both FPL and FPE were party to the sales contract to Crosby and as a result consideration will be given to how the proceeds of sale will be allocated between these entities. 

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one shareholder will speak on the record to **MONEYworks** regarding their take on the developments - and what they plan to do. They still seem to be working at cross purposes.

Speaking on conditions of anonymity, one of the shareholders had this to say: "It is the most amazing thing that has happened. When there were buyers for the whole group available that would have taken over all liabilities of the group and taken care of shareholders' and employees' interest, we had some people selling the only assets that counted - the investment management agreements from FPL."

Bidders for the group company like MFS International also voiced similar disappointment. In a letter to Dunckley dated September 13, the CEO of MFS International wrote: "Firstly, we express our disappointment that our original offer, made two weeks ago, to send an acquisition team to the UK to commence



due diligence was effectively rejected by Grant Thornton on the grounds that another party was 'within 24 hours of finalising a sale of the Forsyth group'. Had we been given the opportunity to complete the necessary due diligence, MFS International Ltd (MFSI) believes we would have avoided the stressed sale process that now faces the group and the devaluation of the brand and business resulting."

In various other paragraphs, the letter goes on to say: "We do not understand commercially the reasons a financially capable group, with strong credentials

and integrity, were not willingly engaged to the process which ultimately has failed...We remain strongly of the view that MFSI represents the best suitor for this transaction and strongly urge Grant Thornton to properly engage with our group to structure the best deal for the shareholders, staff and investors."

While disappointments have remained and grievances addressed mostly to the administrators/liquidators, there are also allegations that, even while awarding investment management agreement contracts to Crosby Capital, not much was realised for the kitty to be ultimately distributed to creditors of the group.

While Grant Thornton refuses to disclose what Crosby paid for the assets of FPL and FPE, there are allegations that the Hong Kong-based asset management company might have walked off paying slightly over US\$6 million towards purchasing the asset management agreements that FPL owned managing total assets of US\$1.2 billion (or US\$1.8 billion).

If those figures are correct, then Crosby will make good its investments in three months as Grant Thornton puts the "recurring revenues of the Forsyth Group in the order of US\$20 million".

Interestingly, some employees of the group in Dubai contend to these revenue figures as well. According to them, a fund management company's income is primarily generated from Annual Management Charges (AMC) and Performance Fees (PF) that it charges to the funds it manages. Forsyth Partners was managing US\$1.8 billion, and so AMCs are likely to be between one to two per cent per annum, depending on the individual fund and its share class. A fund manager's job is to increase assets through performance and the distribution (sales) side of the business is to maximise sales. Forsyth Partners' income on US\$1.8 billion was running at a likely rate of US\$24 million per annum. PFs were in addition to that number. PFs are earned if funds achieve a certain return beating past performance, etc. Forsyth Partners' PF income was apparently running at a rate of US\$5.5 million on average over the past three years, said these same employees. This US\$20 million quoted by Grant Thornton does not take into

It must be also understood that FPL's insolvency meant the biggest blow to the Dubai establishments of the group. In an asset management business, the fund management fees form the core part of all revenues. So, without FPL paying to the Dubai business its dues, there was little wind left for FPGD, or the holding company, to set sail with. The group, therefore, was destined to go into liquidation.

consideration any performance fees, they explained.

Winners and losers

The biggest loser with the demise of the Forsyth Group has been its shareholders, their share value having become nothing today. Many employees and creditors are also on edge, as they are not sure how much will come out of the liquidation/administration to pay for their dues. They now have to wait for the administrator/liquidator's report - as, and when, it comes.

The winners have been, of course, investors in the various funds of the Forsyth Group, whose investments have been fully secured. There were also those in the senior management, some of them shareholders as well who have been given good positions at Crosby Capital. Plus, there is Crosby Capital, which has been awarded the investment management agreements of the funds, whilst 70 other proposals were rejected.

It is also apparent that Crosby did work very closely with some of the senior management of Forsyth Partners to make the transaction a success in its favour. An internal letter sent by Simon Fry, chief executive of Crosby Capital, on September 17 addressing "All", says: "Over the last few weeks, we at Crosby have worked closely with your senior management, Peter Toogood, Shane Curran and Gian Luca Giurlani, to structure a deal that will ensure continuity and certainty in the operation of the funds, and provide a sound basis for future growth. I am now delighted to be able to reassure all of you that, on a day-to-day basis, it will be 'business as usual' as the operations of the Forsyth

funds will be largely unchanged. Peter will continue as chief investment officer, Gian Luca as head of sales and distribution and Shane as chief operating officer.”

The letter does indicate that Crosby worked very closely with some of the senior management of Forsyth Partners, and for a few weeks (even before FPL went into administration) to clinch the deal it was looking for. Of course, it has not been for nothing, as Toogood, Curran and Giurlani together, among other benefits, are likely to receive partnership income share equivalent to 20 per cent in total of economic interest from the new entity that Crosby creates from the funds business of Forsyth Partners. These figures could not be cross-checked, as e-mails to Curran and Giurlani remained unanswered, while Toogood would not comment on the package offered to him in his reply.

Liquidator/administrator report

As mentioned at the beginning of this report, the intricacies around the Forsyth Partners story are beyond the scope of this investigative article. It needs not only much more legwork, but also individual interviews that were not possible for this article in order to complete a more comprehensive report.

As it stands now, unless some shareholders decide to go to the court of law and various board meeting minutes are made public, sequences and events leading to the demise of Forsyth Partners will remain buried. It is now a wait for the liquidator and administrator's report, when it comes out, to find out who got what and make a judgement call if the liquidators/administrators did their job properly and to everyone's satisfaction. Regulators at the DFSA told **MONEYworks** that they will monitor the liquidator's report closely for the very first asset management company to have been liquidated at the DIFC.

A DFSA official summed up: “We do not want to comment on anything right now, as this could prejudice the outcome of the process of liquidation/administration. However, we will monitor the liquidator's report very closely. We do speak to other regulators around the world and we also have the authority to take action if we find anything untoward up to two years from the liquidation of a company.”

We will have to wait and see.

Forsyth Partners Funds		
Name	Country	Holding
Forsyth Global Private Equity Fund	Bermuda	-
Arab Asia Gateway Fund	UAE	-
Forsyth Lodsworth Global Emerging Market Debt Fund	Cayman Islands	-
Forsyth European Bond Fund	Ireland	-
Forsyth Global Thematic Fund	Ireland	-
Forsyth Global Bond Fund	Ireland	-
Forsyth Greater Europe Fund	Ireland	-
Forsyth United Kingdom Fund	Ireland	-
Forsyth Global Emerging Markets Fund	Ireland	-
Forsyth Asian Opportunities Fund	Ireland	-
Forsyth Japan Fund	Ireland	-
Forsyth North America Fund	Ireland	-
Forsyth Global Balanced Fund	Ireland	-
Forsyth Global Equity Fund	Ireland	-
Forsyth Funds	Ireland	-
Forsyth Global Property Fund	Bermuda	-
Forsyth Managed Strategies Fund	Bermuda	-
Forsyth Managed Aggressive Fund	Bermuda	-
Forsyth Global Commodity Fund	Bermuda	-
Forsyth Indian Opportunities Fund	Bermuda	-
Forsyth Managed Balanced Fund	Bermuda	-
Forsyth Leveraged Diversity Fund	Bermuda	-
Forsyth Alternative Income Fund	Cayman Islands	-
Forsyth Diversity Fund	Cayman Islands	-
Forsyth Equi Beta Fund	Cayman Islands	-
Forsyth Multistrategy Fund	Region-wide	-

Forsyth Partners Group Holdings	
Number of issued shares:	10,000,000
Nominal value of one share:	US\$1.00
Share capital:	US\$10,000,000
Shareholder(s):	Mourant & Co Trustees Ltd as trustees of the Jumeira Trust Mourant & Co Trustee Ltd as trustees of Oranos Trust Best Endeavours Ltd Philip B Van Neste Peter Toogood Paul Forsyth Jacqueline Aldhous Tracey Pearson Guy Medcraft Simon O'Donoghue Treasury Varvara Papavasiliou MI Group (Saudi group) Abdulmohsin Fahad Mugayel Bender Fahad Mugayel Aleona Kharchenko
Majority shareholder(s):	Mourant & Co Trustees Ltd as trustees of the Jumeira Trust



Market segmentation an inevitability

With more automobiles finding their way onto the roads of the UAE, the motor insurance business is also booming with a declining loss ratio. **MONEYworks** asks what might be the next big thing happening in the market.

A question. In this region, how many drivers really examine what their insurance certificate means before getting a car registered? The immediate priority is, more often than not, just to get an insurance certificate, whatever its content might be, so as to get one's car registered and quickly drive off.

But that's exactly what a driver should not be doing. He needs to first understand what he will get from the insurer in the event of an accident, loss of life and property before he signs on the dotted line. Motor insurance is, after all, there to cover eventualities such as accidents - not just getting one's car registered.

Important issues for those insured

Frank O'Sullivan, executive director of Earnest Insurance Brokers in Dubai, says that it is important for people to understand that every insurer is different and their packages

are also different. While some comply with the minimum requirements stipulated by the government, there are others that provide better coverage depending on what the insured pays for. He points specifically to property insurance and says that while the unified ministry policy of the UAE ministry of economy provides that a minimum cover of AED250,000 should be provided to the insured, it is not enough. Some of the cars that ply the road in the UAE cost AED1 million and more, and complete damage of these cars would not cover the property

“The UAE's non-life insurance market is largest in the Arab world. Premium income in 2006 was AED8.66 billion (30 per cent increase compare to 2005, 20 per cent growth with inflation-adjusted), making it the 42nd largest market in the world.”

damage for somebody with a cover of only AED250,000.

Julien Audrerie, head of operations-personal lines and marketing manager with AXA Insurance, explains: “It may not happen often, but there might be a time when a driver finds he is responsible for property damage that costs more than what he is insured for. If you hit a Bentley or a Porsche and that vehicle is written off in an accident that also causes a pile up and damage to other cars, your insurance is not going to pay for all the damages if you are covered for the minimum AED250,000. So, what happens to you? You will possibly be imprisoned and face spending your life's savings to pay for the property damages.”

The unified ministry policy in the UAE stipulates unlimited legal liability to third-party members, and so there are no issues in this regard, as all insured are obliged to 100 per cent cover on injuries or death resulting from

Insurance market growth (figures in AED billion)					
	2002	2003	2004	2005	2006
Premium	3.25	3.95	4.73	6.65	8.66

Source: UAE ministry of economy

accidents. But even then, it is important for the insured to first understand what he is purchasing. If someone is not confident about what to ask, it is always a good idea to use a knowledgeable and reliable broker to get the best policy to suit one's need. And it's also wise to look for a property damage cover of at least double the amount stipulated by the ministry.

Significantly, a broker may also have a few tips that a person seeking insurance may not have considered before. For example, says Samuel E. Thakker, managing director of Earnest Insurance Brokers, it is always useful for drivers to carry their driving record with them from one country to another, something that will pay dividends for good drivers, as they may be eligible for no claim bonuses with more and more insurance companies operating across borders.

"Expatriates come to and leave the UAE for work, and many of them drive. Carrying one's driving records will certainly benefit somebody who has a good record," he notes.

These tips are not only good for drivers in the UAE, but also for expatriates travelling across the globe.

Another tip is not to use an insurer with a history of not giving a certificate of no claims when opting for a new insurer.

"While it is important for drivers to ask for no-claim bonuses from their

insurance companies, we are aware of certain companies that will not give you a certificate of no claims if you want to change insurance companies for fear of losing you as their customer," says Thakker.

O'Sullivan agrees and says that in countries in the west, an insurance company is obliged by law to provide the certificate of no claims, but in this part of the world, some get away without having to do it.

Issues facing insurers

In the end, it often boils down to standards of service, and with growing competition and awareness in the market, insurers will increasingly have to be part of the best practices or will be left out by the market.

Audrerie explains that motor insurance, like health insurance, is a very dynamic segment of the insurance industry that requires insurers be on their toes constantly. Customers expect the best of service.

"In motor insurance, you have the right to claim the day you insure. And so, here we are like a factory. It is about processes, IT, following up with first party, third party, and workshop and coordinating. If you do not have your act together, it can be a nightmare," he says.

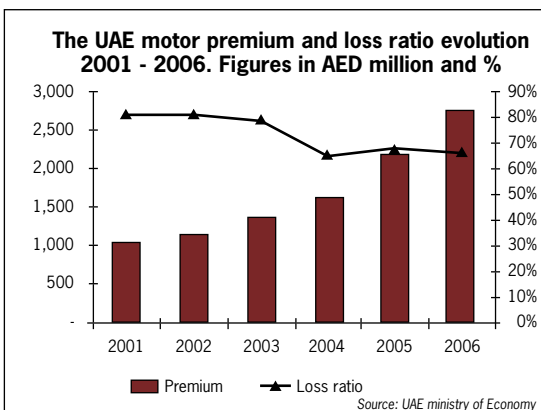
Many do not understand how insurance companies work to get cars back on the road after accidents, but Audrerie's description of motor insurance as a factory is probably justified. Out of every 100 cars an insurance company insures in a year, 40 will come back with some sort of claim. And that means a company with an average portfolio will, according to some estimates, at any one point in time be handling 30-40 claims a day in the UAE.

"According to Swiss Re, overall insurance density (premium per capita) in the UAE is AED2,150. The insurance penetration premium in per cent of GDP in 2006 is 1.4 per cent for non-life insurance when the world is at three per cent."

This, of course, also raises the issue of profitability in the motor insurance business. The importance of this class of insurance is underscored by the fact that motor insurance accounts for 31 per cent of the UAE's all non-life insurance business. It has also witnessed steady growth and, since 2001, premium income in this class has almost tripled to AED2.66 billion in 2006 following the growth of car market sales. The overall loss ratio has also decreased from 80 per cent in 2001 to 65 per cent in 2006, giving some breathing space to the industry.

Audrerie explains that even with a loss ratio of 65 per cent, it leaves very little to play around with for the insurer, as 15 per cent goes into operations and costs and another 15 per cent is paid to brokers as commissions. So, a good insurer might be left with a margin of just five per cent, while a not so sophisticated insurer might be operating with a negative five per cent margin. It's a difficult business, where sophisticated insurers with technical expertise are able to make the best out of what is left in the kitty by investing in markets while backed by sufficient capital within the group, explains Audrerie.

Apart from profitability, there are other concerns as well that impact the loss ratio negatively. O'Sullivan points to the "Any Driver Policy" in the UAE and says that this has not always gone in the favour of insurers. He



UAE legal requirement to buy a car

- You must register it at the traffic department every year.
- To get your license plates, you need:
 - Valid driving license, registration card or proof of purchase, vehicle testing (for used cars), pay fines and offences, insurance valid for 13 months, minimum third-party insurance - Arabic certificate.
- The ministry requires that every insurance company provide a minimum cover; this is referred to as the 'Unified' ministry policy.
 - Any driver policy, with permission of insured and valid license, provides unlimited legal liability to third-party members. Property damage limit is AED250,000.



says that in western countries, a vehicle is insured with its driver, and so if someone else was driving the car at the time of an accident, the insurance company will have no obligation towards any insurance payment.

Audrerie agrees and adds that for insurers elsewhere in the world, it is important for them to know the driver first because the premium that the driver ultimately pays depends on his driving capabilities and various other factors.

"There is an insurance forum in the UAE and we are an active member of that forum. We are talking to the government to push for a one-car, one-driver regulation in the UAE," he discloses.

Interestingly, some of the local insurers find the "Any Driver Policy" as an important differentiation when competing with multi-national insurers.

"The insurance sector represents around one per cent of the UAE GDP, employs 4,850 people (with seven per cent Emiratisation) and plays a substantial role in the national economy due to the huge funds invested in it. The total invested fund amounted to AED17.2 billion, 57 per cent of which is in the form of shares and bonds. Overall loss ratio has dropped from 63 per cent in 2005 to 50.7 per cent during 2006."

Says Wamid Al Jarrah, general manager of Union Insurance: "International companies come from markets where they insure one car for one driver, and so their policies are tailored that way and come with higher costs - and higher coverage as well. But we come from a different market where local knowledge is essential. We operate within the "Any Driver Policy" environment and we know how to make the best out of this environment. The international companies are also now being forced to change their offerings as part of this environment."

Al Jarrah admits, however, that insurance is a business where losses are high, although he quickly adds that much of what shareholders take home depends on how an insurer manages its claims. He also points to the rising inflation in the country and says that premiums have not kept pace, which is why it is putting pressure on the bottom line of the insurance business in the UAE.

Segmenting the market

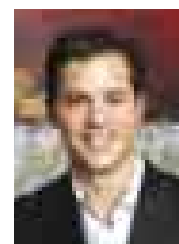
There are 48 insurance companies operating in the UAE. While a rising population does add to the potential of a growing bottom line, increasing competition also means that those with better capabilities and resources will corner a bigger chunk of the business in the future, while the not-so-good will become marginalised.

What's also likely to happen in the market led by the bigger players is its segmentation,

as sophisticated insurers look more towards building up a client base on the back of a number of criteria rather than insuring whoever walks through the door. The market is likely to gradually opt out of the flat rates that are charged today, and more start segmenting their customers depending on age, locality and type of residence, nationality and a host of other factors.

Says Audrerie: "Today we do not have access to industry data on frequency and average cost of repair. But we do have our own data, and I think over a period of time we will be able to move away from flat rates."

This could mean that in the future, a housewife who hardly drives would have to pay a far lower premium than her husband, who drives from Dubai to Abu Dhabi to the office every day for work. Also, for example, a person who keeps his car inside his garage could fare better than those who keep their vehicles in uncovered parking when the market segmentation finally begins.



Julien Audrerie



Frank O'Sullivan



The rush for medical cover in Saudi Arabia

The March 2008 deadline for providing medical insurance cover to all expatriates is fast approaching in Saudi Arabia. The pace of development in the industry has been hectic while new companies are being given licences. A report by our special correspondent in Riyadh.

With the March 2008 deadline for extending health insurance coverage to all expatriates barely six months away, the insurance market in Saudi Arabia was up 25 per cent from SAR5.2 billion in 2005 to SAR7 billion in 2006. It is also today projected that the Kingdom's insurance market is going to grow to SAR30 billion in the next 10 years.

The phenomenal growth rate has been triggered by a host of factors. But the deadline set by the Saudi Arabian Monetary Agency (SAMA), the Kingdom's central bank, requiring all companies to cover all their expatriate workers with health

insurance by March next year, has been an important catalyst to this growth.

The Kingdom has, in recent months, also opened up its insurance market so as to create the infrastructure that will help meet the enormous projected growth.

Mohammed Abbas Abdul Jaleel, assistant general manager of Allied Cooperative Insurance Group, says that so far, SAMA has given licences to 18 insurance companies, while 24 more are expected to enter this competitive market.

"The insurance market will witness rapid growth due to the government's new rules, which makes it mandatory for all expatriates

to be covered by health insurance. One of the rules already being implemented includes the provision of health insurance coverage prior to the issuance of an iqama as laid down in Article 144 of the new labour law," he says.

Dr. Abdullah Al-Shareef, secretary general of Council of Cooperative Health Insurance (CCHI), says that two years from now, Saudis will also come within the purview of the health insurance scheme, when 16 million citizens will be covered under a phased programme. CCHI, the regulatory agency for insurance agencies, has, meanwhile, signed contracts with 26

hospitals and medical centres in Riyadh, Dhahran, Alkhobar and Jubail, Khamis Mushayt, Taif, Jeddah, Tabuk and other places for extending medical coverage to expatriate employees.

Dr. Al-Shareef notes that seven million expatriates will come under the scheme through 18 insurance companies. So far, a sizable number of expatriates who are working in companies that have a large workforce have been covered under this scheme. The programme is being implemented in phases to cover all sectors. The first phase covered those establishments that have more than 500 employees. They were given a deadline to cover their staff with medical insurance in July last year.

Dr. Al-Shareef says that with the new rules kicking in, resident certificates (Iqama) will be renewed only on production of a health insurance cover for foreign workers. The mandatory scheme will cover small and big companies and even foreign domestic aides who work under individual sponsors. The minister of health has now appointed a special committee to look into enforcement and violations of this regulation. It will also take remedial steps to solve teething problems and bring violators to book.

According to a spokesman from the ministry of health, a total of 400 health service providers have been appointed to attend to the health needs of those insured.

The Kingdom's economic boom has also given a shot in the arm to real estate and engineering firms, while the launch of CCHI as a regulatory agency for insurance companies has given a boost to the health insurance sector.

Dr. Ali Al-Shammari, executive director of Al-Ma'awiya Consultative Clinics, told **MONEYworks** that CCHI is doing well in regulating the market, which had previously been somewhat disorganised. In the absence of any regulatory framework, many fly-by-night insurance firms had entered the market. They were not only overcharging their clients, but in some cases also decamped with substantial cash collected through premiums. This acted as a deterrent for companies that were planning to insure their employees.

Syed Zia-ur-Rahman, the operational director of Consultative Clinics, explained that

the statutory capital requirement of SAR100 million that an insurance company should have under the new regulations is meant to safeguard interests of insured employees. "This has instilled confidence in the market and encouraged many to provide insurance cover to their employees. In fact, our clinics also will do the same in this regard," Zia said.

The statistics speak for themselves. The volume of the Saudi insurance market, which currently stands at SAR7 billion, is likely to reach SAR15 billion in 2009. This will be doubled when the government makes health insurance compulsory for all the 16 million Saudi nationals.

Hani N. Al-Saigh, marketing communications manager with National Company for Cooperative Insurance (NCCI), believes that with more than 50 per cent of the expatriate population in the Kingdom yet to be covered by the mandatory health insurance scheme, there is a significant potential for growth in the health insurance sector. The sector's contribution to the Kingdom's gross domestic product does not exceed 0.5 per cent, while insurance penetration stood at 0.53 per cent last year.

Prince Mohammed Ibn Bandar Ibn Abdul Aziz, chairman of Al-Ahliyah Cooperative Insurance Company, points out that the concept of insurance in the Kingdom is new to its people. However, it is expected to gain popularity with the surge in demand, he adds.

Significantly, in addition to health insurance, licensed insurance companies in the Kingdom are planning to introduce a range of new products and services in automobiles, movable and immovable properties, life, sea, engineering and medical errors.

According to a study conducted by SAMA, health insurance was the largest line of business last year, accounting for 32 per cent of the total gross written premium in the Kingdom compared to 27 per cent in 2005. Motor insurance dropped from the first place in 2005 to the second position last year with 28 per cent of the insurance market.

Almost two-thirds of the insurance market's gross written premiums were generated by the top eight insurance companies, said the SAMA survey. The remaining 34 companies pitched in with the balance one-third of the total market premiums.

As the biggest market player, Al-Saigh notes, NCCI, formerly known as National

Expatriates lose heavily in Riyadh city fire

A study conducted by SAMA shows that engineering and health insurance are the fastest-growing segments in the insurance market with a growth rate of 84 per cent and 62 per cent respectively. Hectic construction activity in the wake of the economic boom has been cited as the main reason for the surge in the engineering insurance.

By contrast, the slowest growing lines of business were protection and savings insurance and marine insurance. Both realised growth rates of 13 per cent each, while aviation premiums dropped by seven per cent.


A well-placed source from the insurance market told **MONEYworks** that less than five per cent of houses and commercial buildings in the Kingdom have been insured. "Many feel that it is not necessary to be insured against fires when it is a fact that many fires erupt during the summer season or as a result of short-circuit on other occasions," the source said.

The stark reality of the situation became evident when some 500 shops were gutted in a devastating fire that swept through the downtown Batha area in the heart of the city centre in Riyadh. The shopkeepers, all expatriates from Kerala and Yemen, lost hundreds of millions of riyals. They had not only failed to take out fire insurance policies, but had also registered their properties in the name of their Saudi sponsors.

With no fire insurance policy and no title deeds to their properties, their dreams of a nest egg for the future went up in smoke.

According to eyewitness accounts, a total of 500 shops were gutted, either fully or partially. Losses are estimated at millions of riyals. "We cannot approach the ministry of commerce or any other government agency for any compensation, since the property had not been insured against fire. Moreover, the ownership was in the name of our Saudi sponsor. With their source of income dried up, they have also lost interest as sponsors," said one shop owner.

Company for Cooperative Insurance, became the only listed insurance company in Saudi Arabia when it launched an IPO in December 2004. The IPO was 11.5 times oversubscribed.

With the remaining 24 companies in various stages of registration, the NCCI expects growing competition in the Kingdom. It does, however, retain an advantageous position following the introduction of mandatory health insurance for all expatriates and mandatory driving licence insurance for all drivers. 



Obstacles remain for local REITs

Institutions have talked about Real Estate Investment Trusts (REITs) in the GCC. **Martin Saldamando** finds out what's keeping them from coming to the market and how viable they are as an Islamic investment.

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

Globally, REITs have performed very

strongly over the last two years. Investors are attracted to the liquidity of the structure, low minimum investment, stable income stream from dividends and the transparency with regard to where their money is being invested.

In the GCC region, there have been some developments in terms of creating a regulatory environment that will enable the introduction and listing of REITs. Earlier this

year, Bahrain introduced new regulations to register financial trust funds in the country. The new rules followed the introduction of Bahrain's first trust law enacted last August, which stipulated capital and other licensing requirements for trustees. In the UAE, the Dubai International Financial Centre (DIFC) has also passed laws that regulate trust agreements within the DIFC jurisdiction.

However, there are no onshore regulations for trusts in the UAE, and there are presently no trustees in the DIFC either that can hold the title of the assets and can do the checks and balances on a REIT, posing another challenge to launching this kind of investment vehicle.

A trustee carries the fiduciary responsibility and liability to use the trust assets according to the provisions of the trust instrument (and often regardless of their own or the beneficiaries' wishes). If a company wanted to launch a REIT in the DIFC today, it would have to look for trustees outside the DIFC acceptable to the regulatory authority.

HSBC Bank is a trustee overseeing a number of REITs in Hong Kong, while its Middle Eastern business has worked closely with the DIFC regulatory authority on passing the laws regulating investment trusts. And so, HSBC Bank Middle East Limited's director of investment banking, Amro Nahas, is bullish about the prospects for REITs in the UAE.

He says: "The rationale for investing in REITs is that, first of all, you can invest in a pool of assets, which as an individual investor may be completely out of your reach alone. You can have a good yield, because REIT assets traditionally provide above seven to ten per cent, and sometimes twelve per cent. If you look today at the yield you are getting from equities under the current market conditions, the yields are below five per cent and sometimes as low as three per cent."

"A REIT's assets might also augment in value, so you can really increase the value of shares you own in a REIT. You can also earn good dividends out of them, and you can have a liquid stock to sell, rather than owning a building and several apartments and renting them out, which are not as liquid as the shares you own," Nahas adds.

Obstacles to REITs

However, obstacles still remain for REITs in the DIFC, and to date not one REIT has been listed on the DIFX, even though the Investment Trust Law allows for this.

Nahas attributes this to the fact that a REIT operating from the DIFC would be considered a foreign entity vis-à-vis the UAE

lands registration departments and their procedures. A foreign entity cannot acquire land in the UAE unless the plots are located in the designated investment zones. In Dubai, this restriction is stated in Law No. 7 of 2006.

Unless the trustee is a 100 per cent UAE-owned entity or is an entity that is, by regulation, allowed to hold assets within the UAE, it cannot acquire Dubai real estate assets outside the designated areas.

This is an impediment, as most of the mature assets that are non-residential in nature and that are good targets for REITs (which are commercial developments or office buildings) are not located in the designated investment zones.

There are very few assets that are accessible to foreign investment vehicles inside the designated investment zones. And most of the owners of these assets are unwilling to sell them at present, as they think they have a lot more upside to their investments, and so they are holding on to them.

"Remember that the nature of the majority of the developments happening in Dubai in the designated zones have been residential developments. But a REIT needs to have office buildings and maybe hotels - buildings that bring income on a much longer term and where the visibility is far greater and so the contract of ownership, therefore, has to be much longer term as these are income producing assets," notes Nahas.

"You can acquire property in other places, not in the GCC, where a foreign investment vehicle can buy assets, for example in Egypt or Jordan. But our focus at HSBC has been finding proper assets for REITs in the UAE and the GCC, thereafter moving outward into the greater Middle East.

"If you put a company in the Cayman Islands to operate a REIT in the UAE - even if it is a 100 per cent UAE-national owned company, the company is not regulated by the UAE government, and so it is considered a foreign company. And the DIFC is just like any other offshore jurisdiction. It is seen to be just like the Caymans or any other offshore jurisdiction

used by people to establish trusts or funds," he explains.

The difference, it is believed, is that the DIFC is like a company that is owned by Dubai, points out Nahas. He also says that there are moves now to create legislations that will make REITs more of a possibility in Dubai.

"HSBC had worked very closely with the DIFC to develop laws regulating investment trusts, and we are now working together to develop structures that can be approved to enable access to assets in non-designated investment zones, because it is there where you find assets that are suitable for a REIT," says Nahas.

Since the discussions that HSBC is having with the regulators are at the preliminary stages, Nahas would not comment on specifics, but said to expect a development in this regard soon.



A bird's eye view of the Bawadi-Emaar development, Abu Dhabi, UAE

Regarding concerns about the potential setbacks for REITs that have been voiced by other investment professionals, specifically about the lack of high quality buildings and stable tenants in the UAE and the nascent landlord and tenant regulations, Nahas is not at all worried.

"These are concerns related to residential buildings primarily, whereas I believe that residential buildings are not very attractive to potential REITs investors.

"REITs investors are more attracted to commercial assets and office buildings, and those are generally regulated by long-term contracts between tenants and owners of those assets. Under the laws of the UAE, if there are disputes between lessor and lessee, then these would be settled in courts or in arbitration, and the legal system is working fine," he says.

Islamic REITs

REITs can also be structured Islamically, according to Nahas, to appeal to those investors who wish to invest in a Shari'ah-compliant manner.

"The Islamic nature of the trust will be only in the types of assets that it acquires. So you cannot invest in hotels that serve alcohol, for example. And the structure of the debt financing for the acquisition of those assets, or the development of some of them, will need to be Shari'ah compliant as well, and you need to have a Shari'ah board that regulates all of that," Nahas explains.

But Dr. Aly Khorshid, an expert on Shari'ah Law and an Islamic Finance scholar from Elite Horizon Economic Consultancy in the UK, has other views. He argues that the regulatory gaps in the UAE and GCC will hinder the development of a classic REITs structure.

"In the west, there is a big tax advantage to investing in REITs, which is not applicable here due to the tax-free environment. So, if there is no need for a tax advantage, why should I go and get locked into a trust agreement for a certain period, which is difficult to get out of? Why should I get involved in waiting for laws to be passed and for regulators to work out the rules?" he asks.

"But if you argue that REITs are attractive due to the transparency they provide to investors, then one can achieve that completely differently," adds Dr. Khorshid.

He also said that he would want to distance himself from the word 'REIT' as much as he can, as that would help him avoid any dispute.

"If you rely on a trust agreement for your fund and a problem arises with the fund, or there is a dispute and the common law of the land does not recognise your structure, then you have a big problem," he adds.

"In my opinion, one should avoid structuring investments that way," advises Dr. Khorshid.

He suggests waqf as the best possible way out in this scenario for investors.

A waqf is a Shari'ah-compliant tool for wealth management that combines many characteristics of a trust. And as long as there is an administrator appointed for overseeing the waqf, then it can be used as an investment vehicle.

A small investor who earns, say, AED10,000 a month and just wants to

"HSBC are putting a lot of effort into seeing what can be done to make the DIFC Investment Trust Law more appealing to investors, and to enable potential access for REITs to land and real estate assets outside of the designated freehold investment zones in Dubai... because it is there where you find assets that suitable..."

donate something to charity after his death can put funds into a waqf. It can be used for educational purposes, for medical, building mosques, building shelters for the homeless and the needy, etc.

"A waqf can also invest in commercial purposes, as long as it is invested in a way that is compliant with Shari'ah. The fund manager for the waqf may invest in real estate, he may invest in manufacturing, etc. As long as he invests it Islamically, it's fine," says Dr. Khorshid.

The proceeds from the waqf will either go to a charity or be used for the benefit of one's family member(s) after one's death. It is most common for investors in a waqf to specify its use for taking care of family members.

Recently, the Dubai International Financial Centre and Dubai Islamic Bank have initiated a project to provide waqf services.

Waqfs and trusts: Similarities

Many experts have noted broad similarities between waqfs and trusts. Under both concepts, real property is reserved and the right to derive profit from the property of another is appropriated for the benefit of specific individuals, or for a general charitable purpose.

"Why have REITs been so popular in the US and in Europe? It is because investors in the west have become sick and tired of the poor disclosure standards of companies, and they want to know clearly what their funds are doing," says Dr. Khorshid.

"The collapse of Gulf regional stock markets is a direct result of poor disclosure. If overvalued companies disclosed from the beginning their true values, there would not have been such speculation leading to the fall and demise of some investors," he adds.

Dr. Khorshid emphasises that real estate

investors in the UAE should better familiarise with Islamic rules of investment in order to better tap the abundant opportunities in the Middle East.

"Let's say that 50 investors come together. Individually each of them would be unable to invest a significant amount in real estate, but collectively they can make an investment of AED100 million if each of them put AED2 million into a collective investment fund together.

"In the US or in the UK, this could be done with a trust, or with a REIT, but since there is still so much uncertainty with regard to the legality and ownership of a trust or a REIT structure in the GCC region, I would much rather avoid it and concentrate on collective investment by way of a fund," he says.

Islamic vehicles

Dr. Khorshid points to Mudaraba as an acceptable vehicle for such a fund, as it is a financing technique typically adopted by Islamic banks. Mudaraba refers to an investment on someone's behalf by a more skilled person. It usually takes the form of a contract between the one who provides the capital (the *Rabb al-Maal*) and another who provides the expertise (the *Mudarib*).

These two parties agree in advance on



the division of any profits made by the investment scheme. If no profit is made, the loss is borne by the provider of the funds and the provider of know-how takes no fee.

Since a Mudaraba is a form of collective investment that is regulated purely by the contractual agreement between the Mudarib and the Rabb al-Maal (the financier), it is very close to how onshore investment funds currently operate in the UAE.

A Mudarib can be a bank, an individual or any entity regulated by the UAE Central Bank or by the Dubai International Financial Centre to act as an investment advisor, and there are plenty of investment management companies and banks in the UAE that can act as a Mudarib.

Nahas at HSBC Bank agrees: "Funds in the UAE are regulated by the Central Bank; however, they are like a discretionary account held within a regulated company which the Central Bank allows to act as the fund manager."

A discretionary account is an account for which the holder gives his broker or someone else the authority to buy and sell securities, either absolutely or subject to certain restrictions. It is also called a controlled account or a managed account.

"So an investment company in the UAE has to issue the fund prospectus to the

Central Bank, which has to approve it, and thereafter, when money is drawn from investors, it is placed into an account within the investment company or a bank, and units are distributed to the unit holders," adds Nahas.

The fund, however, is not a separate, legal entity as such. It is an account within the investment company or the bank.

Since there is no statutory legislation in place to regulate the ownership of a fund onshore in the UAE at present, some legal experts say that an acceptable alternative is to regulate the fund completely by contract, which also leads to an interest in Mudaraba.

"A Mudaraba is an agreement where an investor puts money into a bank account, and this account is managed by a bank (or an investment company) under certain rules and regulations that are stipulated in the Mudaraba agreement," says Nahas.

"In this way, a Mudaraba agreement is similar in all respects to a fund prospectus issued by an asset management company to investors," he continued.

However, Nahas is not concerned about the lack of a legal regime for trusts onshore in the UAE. He says, "If a REIT or a property fund is regulated by the UAE Central Bank, then I think there are enough protections for investors."

"Definitely it is not the same as unit holders owning their shares directly, as in a trust, a fund or other types of investment vehicles. But it all depends on the integrity and reputation of the issuing bank or the asset management company. And Islamic investment vehicles like Mudaraba have potential as ways forward," agrees Nahas.

"But this is not the ultimate solution. I think the Investment Trust Law at the DIFC is a far better model," he quickly adds.

Under the DIFC regulatory umbrella (unlike onshore in the UAE), one can operate by issuing unit trusts to individual investors in a real estate investment trust fund, for example. This is because the DIFC is an offshore jurisdiction, distinctly separate from the UAE.

Transparency and compliance with corporate governance standards are key requirements of any company listing on the DIFC's capital market, the DIFX. So investors can be more confident about getting access to information about where their money is going, he says. With changes happening to the regulatory regime, it may not be long before the first REIT security hits the regional market. An Islamic version, in whatever form, will also be a great opportunity for many investors to get exposure to the booming GCC real estate as an asset class. 



Mina Al Arab villas in Ras Al Khaimah, UAE



The western style Islamic financier

Majid Al-Refai, managing director and chief executive officer of Unicorn Investment Bank, comes across as a fine blend of Islamic and western values. In an interview with **Utpal Bhattacharya**, he says that the ultimate success of Islamic finance will come when an old lady in Mississippi asks for a Musharaka account.

In your interview with us earlier this summer, you had mentioned that you were going to be launching a US\$1 billion fund to target retail banks. What is the status of that fund?

The Strategic Acquisition Fund (SAF) is an acquisitions fund targeting financial institutions in general, with a retail banking focus. The target size of the fund is US\$1 billion, and we have already completed the strategic founders round of fundraising.

The fund seeks to mobilise capital to seize M&A opportunities arising from the current fragmented nature of the Islamic financial services industry. Our goal is

to build a large and globally recognised international Islamic financial services group, while providing investors with access to new markets and distribution channels as well as attractive returns. The capital raised will be used to make immediate, meaningful and lucrative value-unlocking acquisitions and to seize Islamisation opportunities within the financial services industry.

The SAF is a groundbreaking initiative, as existing Islamic banks tend to largely pursue an organic growth strategy. A visionary M&A culture does not yet exist within the industry, and most existing

Islamic financial institutions do not aggressively pursue an inorganic growth path.

This is a new concept. Do you intend to convert exiting conventional financial institutions as well?

Yes, targets will be either Shari'ah compliant or conventional banks that have the potential to be transformed into Shari'ah-compliant institutions.

Is a fund of US\$1 billion enough for acquiring retail banks?

We will get banks to support us in these

acquisitions. Typically, in any Islamic transaction the financier has to own the assets. There are many methodologies used for financing in Islamic transactions, but one way or the other the acquirer and those acquiring with them will have to own the asset. So, we will come in with our own equity, while other banks provide us with financing. We might have some of these financiers jointly acquiring the assets with us. You might have an SPV (special purpose vehicle). There are many ways of doing these transactions.

It's more like a buyout fund in the conventional sense, isn't it?

Yes, I guess you can say that. That's an acceptable comparison.

Do you see enough M&A opportunity in the region's banking industry right now for the fund to access enough deal flow?

I have never waited for the market in my life. When I developed the concept for the first bank that I established in 1994, I did not wait for the region to accept the concept. Instead, I went to Malaysia where I had the backing of major Malaysian investors. Later, when I had established a track record and when I felt that the regional market was ready, I set up First Islamic Investment Bank (now Arcapita) in Bahrain.

In terms of the Strategic Acquisition Fund, we will pursue opportunities wherever they exist. If they're in the region, then great. If not, no problem. We will go where the opportunities are.

Where do you see the opportunities for your fund?

Besides the GCC region, we see opportunities in south and southeast Asia, including Pakistan, India, Malaysia and Singapore, as well as Europe and potentially the US.

I don't remember having heard of such a sector specific Islamic fund.

Unicorn has built a track record for introducing innovative products to the market. We're not interested in simply replicating products; our goal is to fill in the gaps in the market. The fact is that no



“Islamic banking today is largely market driven, not institutionally driven. Many Islamic banks are happy to provide clients with marginal, ‘bare minimum’ services.”

Islamic bank has yet been able to build a brand that is globally recognised, and that's our ultimate goal with this fund.

What do you mean?

Islamic banking today is largely market driven, not institutionally driven. Many Islamic banks are happy to provide clients with marginal, “bare minimum” services. They do not provide the complete package of comprehensive value-added services. We aim to bring a global, western-style retail bank to the market to address this situation. At the same time, this will be a truly Islamic institution, an institution for which Islam is not merely a product but a genuine belief.

In your private equity business, where do you do all the analysis?

We have a team in the US and a team in Bahrain. Our PE division targets mid-cap companies that are stable and well-managed and which show near-term growth prospects. Earlier this year, we successfully exited our first PE investment,

a 70 per cent stake in The Gardens Residential Community, an assisted living property located in California. This exit provided investors with an IRR of 21 per cent. We also completed a successful partial exit from Orimix Concrete Products, a Fujairah-based concrete readymix supplier. The division continues to target exceptional opportunities, with a primary focus on the GCC region and the US.

Why did you choose Bahrain to incorporate most of your investment vehicles?

The Central Bank of Bahrain has a reputation for being a stringent and highly regarded regulator. Therefore, it makes a lot of sense to domicile our products here.

What about the Dubai International Financial Centre?

Oh, absolutely. We have a category three licence in the DIFC, and we hope to upgrade this licence to a category two licence in the near future. We were the first Islamic investment bank to receive a licence to operate in the DIFC.

What are you doing from the DIFC?

Currently, our DIFC office plays an important role in sourcing investment opportunities on behalf of the bank and also supports the bank's placement and distribution efforts.

Apart from the DIFC, we have fully operational offices in Chicago and Kuala Lumpur and have recently acquired a brokerage and asset management company in Turkey. We also own 22.2 per cent of a recently established Islamic commercial bank in Pakistan, First Dawood Islamic Bank. So, very quietly and slowly, we are building up our global network and infrastructure.

You've grown fast.

We are active in pursuing opportunities wherever they present themselves, and as long as they are consistent with our strategy, and also in creating opportunities where none existed. I have a proven track record (thanks to Allah) in building Islamic institutions, and I'm supported by a great team of experienced international bankers at Unicorn.

Could you tell us a bit about your upbringing and studies?

I was born in the US. My mother is a hardcore bible-belt girl, very strict in terms of going to church every Sunday. I was literally brought up in the church, went to Sunday School and sung in the choir. I was young when we moved to Kuwait.

I went to Purdue University in the US. I obtained my bachelor's degree in chemical engineering and master's degree in finance, and I began my career at Kuwait Finance House in January 1982. When war broke out, I went to work for Sheikh Saleh Abdullah Kamel, who is a true friend, at Dallah Al Baraka. I worked there for approximately two-and-a-half years.

Where did you get your Islamic finance grooming?

I would say that my true training in Islamic finance was at Kuwait Finance House. I should also give due credit to Sheikh Saleh, who is an Islamic finance genius in his own right. He was the person who taught me about sukuks.

When did you start on your own?

In September 1993. I got US\$5 million from some investors who said let's do something Islamic. I set up a company called Majestic Global Investment, a Cayman company capitalised at US\$5 million. I did a lot of work on product development that year.

I set up another company in Malaysia called Commerce MGI in a joint venture with Commerce, which was the third largest banking group in Malaysia in those days. By November 1996, the founders of First Islamic Investment Bank, now Arcapita, had acquired Majestic, Commerce MGI and my products, and had employed my team and myself.

So, it has been quite a journey from Growth International to Unicorn.

I am doing something now that I have dreamt of doing for the past 20 years. The strength and the depth of the Islamic markets has been clear to me since I began working in this industry in 1982. There are over 1.6 billion Muslims around the world, and there is a clear requirement for a western-style, professional financial institution to serve them. The question has



“I am doing something now that I have dreamt of doing for the past 20 years. The strength and the depth of the Islamic markets has been clear to me since I began working in this industry in 1982.”

always been: Who is going to do the hard work? Also, who is willing to spend the money upfront and take the risk?

In this region, R&D is often viewed as expensive and a waste of money. In the west, R&D is a badge of honour. The mentality is hugely different. I want to bring that culture of R&D here.

You talk about this regional mentality. Don't you think it will change with time?

I am optimistic that it will. Gulf Arabs have traditionally been traders, and evolving from the trader mentality to an institution-building mentality takes time. But it will happen, insha'Allah.

Do you think that's why there is so much Arab interest in real estate?

Perhaps. In the US you have venture capital funds that take on a high level of risk. It is very unlikely that you will see a lot of that here because that is not our mindset. We can barely get private equity going, let alone venture capital. Arabs

typically like to see and feel their assets – it's the old school.

Have you ever thought of getting involved with the various Arab forums?

I prefer to do my work quietly.

You do not want to get involved in developing the Arab world's business leaders of tomorrow?

I believe in doing by example.

You seem to be a real hard worker.

I am a workaholic. Islam to me is a mission and not a product or the flavour of the month. So, even when I am sitting with you, it is Islamic D'awa, the call for Islam.

Any plans to take Unicorn public?

No big hurry. At one stage we had thought about 2007. But after the market tanked, we decided to put that on the backburner for the moment. We will build more value for investors. We had a pretty successful round of capital raising last year. We increased the capital from US\$113 to US\$153 and we got a US\$2 premium. So we got US\$80 million dollars in premium.

Where do you want to be in the next 10 years?

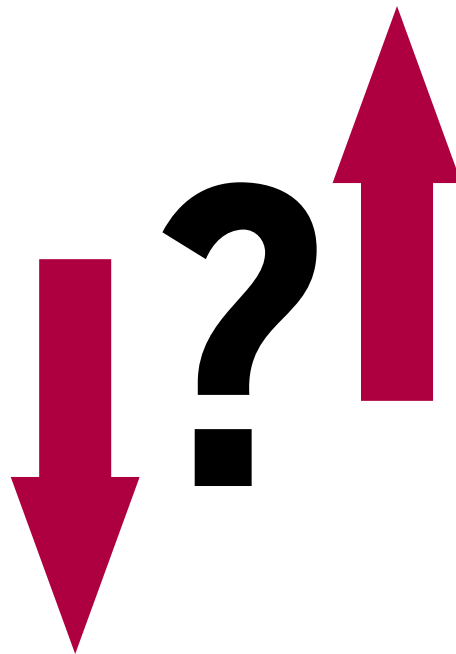
My vision and dream is to build Unicorn into a leading global Islamic financial institution providing Shari'ah-compliant products and financial services across the globe. The pinnacle of success will be when a non-Muslim gives me his money and says good job. Or when an old lady in Mississippi goes to a bank and says I want a Musharaka account.

And you think it will happen?

Oh, absolutely. Well-structured and competitive products and services should appeal to all investors, regardless of religion.

Do you see any limitation in Islamic finance?

None at all. The only limitations that are there are those we impose on ourselves. When I see how far we've come in the 20 years I've been in this industry, it's clear to me how much further we can go. We've achieved a great deal, but there's a lot more work to be done.



To revalue AED or not

With the US\$ plunging to the depths and the cost of living rising rapidly in the UAE, **Matein Khalid** discusses the pros and cons of a revaluation of the US dollar-pegged UAE dirham.

The UAE dirham's peg against the US dollar has been an economic constant in the local business landscape ever since it was established in the 1980s. This peg regime has served the UAE well because a free-floating appreciating petro-dirham would have doomed the government's effort to boost non-oil industrial exports, downstream petrochemical projects and attract FDI, the three pillars of successful economic diversification.

Since the UAE dirham fell when the dollar fell, the country's property market became extremely attractive for foreign investors, and the dollar peg helped Dubai create the template of an international financial centre. In essence, thanks to the peg, the UAE never became a victim of the Dutch disease that crippled the economies of so many oil and gas exporters. The UAE dirham peg survived deflation, inflation, bank failures, stock market crashes, wars, invasions, oil shocks and oil busts, revolutions, tight money and easy money policies of the Federal Reserve in the past generation. It has enabled banks, corporate treasurers

and investors not to worry about foreign exchange risk in their investment decision-making.

However, the UAE currency peg has exposed the national economy and banking system to a spike in imported inflation. After all, with one third of its imports from the Eurozone, and its historic relationships with the UK, the UAE has been a victim of the dollar's 40 per cent devaluation against the euro, sterling and the Swiss franc since George W. Bush moved into the White House in 2000. Imported inflation has contributed to one of the highest inflation rates in the Gulf, as high as 12-15 per cent since 2005. Moreover, it is ironic that the dollar's latest swoon took place during a period of US\$80 crude oil and a surge in UAE government revenues. Since the UAE Central Bank is obliged to defend the dollar peg, it has no choice but to let M3, the broadest measure of the UAE supply, surge by as high as 25 per cent.

The consequent liquidity tsunami was exactly the wrong antidote for an overheated economy, but the logic of the currency

peg made an independent monetary policy impossible for the UAE Central Bank.

This was the reason the UAE Central Bank did not mirror the FOMC's 50-basis-point emergency discount and overnight borrowing rate in September. While it is entirely natural for the Fed to slash interest rates to combat the Wall Street credit crunch, the UAE Central Bank needs to tighten monetary policy to fight local inflation. Yet the existence of the peg makes this impossible. The collapse of the dollar after the Fed rate cut (US\$750 gold, 1.42 euro, and 2.04 cable), Kuwait's abandonment of the dinar peg in May and postponement of the GCC monetary union to 2015 has only increased calls to revalue the dirham.

Futility of revaluation

But a UAE dirham revaluation is not necessarily in the best strategic interests of the UAE. A dirham revaluation would mean incalculable and immediate FX translation losses for Abu Dhabi and Dubai's sovereign investment agencies, which have hundreds



of billions of dollar-denominated offshore assets. Abu Dhabi is also one of the world's top five oil and gas exporters and crude oil markets, despite Iran and Venezuela's calls to sell black gold in euros and trade only in the greenback. Moreover, a dirham revaluation would not end the UAE's inflation dilemma. The UAE inflation rate is so high because rents have tripled in the past three years and the price of cement, steel, construction equipment and imported food have surged in the global markets. A modest UAE revaluation of three to five per cent would do little to combat inflation; it would only create huge hot money inflows speculating on additional revaluations.

Moreover, any U-turn in the dollar would expose the UAE to devaluation risk. This currency uncertainty will take a huge toll on UAE banks and corporates that have historically had a poor record as proactive managers of FX risk. This is the last thing an open economy intent to boost non-oil exports, attract FDI and transform the DFM, ADSM and DIFX into global bourses needs. An appreciating UAE dirham means local three-month bank rates as high as 10 per cent. High money market rates are needed to fight inflation, as the monetarists of the Chicago School argue and Paul Volcker proved as Fed chairman in the early 1980s as the central banker who ended the American hyper inflation of the 1970s.

But Volcker's monetarist revolution came at a terrible cost: the worst economic recession and banking crisis since the Great Depression. Banks failed. Property prices collapsed. Latin America went bankrupt.

A dirham revaluation would mean tight money and a spike in interest rates. This would be disastrous for real estate, construction and banking in the UAE. It would force the UAE Central Bank to proactively manage the domestic money supply and credit growth, a difficult task. It would force UAE banks and corporates to become FX risk managers, an even more difficult task. A UAE dirham revaluation is not in the best interest of the UAE.

Other developing opportunities

My belief that Singapore real estate trusts (REIT) are a superlative investment for value investors in the Gulf have been vindicated by two events since the publication of my column. One, the Monetary Authority of Singapore has admitted that rising inflation and a construction binge means a higher trading band for the Singapore dollar. It was therefore no surprise that the Sing dollar soared against both the greenback and the yen. The Singapore dollar is clearly the most attractive hard asset in southeast Asia. It has the potential, I believe, to reach parity with the US dollar in the next three years, something the Canadian dollar achieved this month. This prospect of currency appreciation in one of the world's most stable and least corrupt societies is a compelling case for Singapore real estate investments. The Sing dollar trades at 1.4620 now against the US\$. Two, Asia's richest billionaire, funded a Chung Keong's Li ka Shing specialist Asian real estate company called ARA management in 2003. The business model of ARA was to sponsor a new REIT every year in Singapore, Hong Kong, Malaysia and China as well as create private label Asian property development funds in partnership with the world's leading institutional investors. ARA Management has become one of the world's most successful and fastest growing Asian REIT and real estate money managers in the world, with AUM rising tenfold from US\$450 million to US\$4.7 billion now. ARA Management is also the largest REIT manager in Asia outside Japan. Its REIT brands include Suntec in

Singapore, Prosperity and Fortune in Hong Kong and its US\$2 billion Asian Dragon Fund, whose lead investor was Calpers, arguably the largest and most prestigious pension fund in the world. Calpers just invested US\$500 million in the Asian Dragon Fund.

ARA Management should be well known to UAE investors because it is the fund manager of Dubai Islamic Bank's Asian Al Islami Fund, sold to high net worth Shari'ah-compliant investors in the UAE. ARA management also manages huge Asian property assets for Merrill Lynch, Credit Suisse's DLJ Merchant Banking Group and several European universal banks and Wall Street brokers.

ARA management will sell its shares to the public in IPO on the Singapore Stock Exchange. I believe the ARA Management is a no brainier for discerning value investors.

The lead manager on the deal is Development Bank of Singapore (DBS). DBS values ARA at a 13.5 multiple, a modest valuation metric for one of the world's finest Asian real estate/infrastructure boutique fund managers. I recommend ARA as a core Singapore real estate fund management holding for investors interested in a high growth, scalable asset manager that offers growth and value in the hottest asset reflation theme in the emerging markets. I anticipate organic growth in fee income (management fees, performance fees, REIT acquisition/divestment fees, REIT sponsor fees) could be as high as 30 per cent a year for the next three years.

Of course, the name of Li Ka Shing and Cheung Kong is the gold standard of real estate investing in the Pacific Rim and ARA is a Cheung Kong deal. As REITs are perpetual life vehicles, ARA has critical scale annuity income. Sure, the credit crunch could increase REIT's funding cost, but Asian banks love to lend to conservative, long-lease REITs in a world where leveraged loans, emerging markets Eurobonds, CDO and mortgage backed securities are toxic waste. The ARA IPO, I believe, has the potential to become the most interesting Asian new issue next month, with the exception of the Alibaba IPO.

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

The design of an Islamic investment fund

Gary Envis discusses some of the basics of designing an Islamic fund.

Readers will recall that in the July 2007 Edition of **MONEYworks** I reviewed the key issues to be considered when designing a conventional investment fund. The issues I discussed then are also very relevant to designing a Shari'ah-compliant investment fund. In this article, I intend to highlight the key additional issues to be considered when designing a fund that is to be developed/approved as Shari'ah compliant, by which I mean approved by a recognised board of Shari'ah scholars as being designed and offered to investors in a manner consistent with the principles of Shari'ah law.

Fund investment objectives

The first question to be decided is the investment objectives of the fund. Once that has been agreed upon, the other issues that need consideration are: what assets are to be acquired by the fund/what Shari'ah compliant relationships or contracts need to be used to achieve the investment objectives and what Shari'ah compliant "screening criteria" needs to be implemented.

Starting with the investment objectives, at the most straightforward level, the investment objective could be to acquire undervalued Shari'ah-compliant publicly traded stocks (i.e. what we know as a long-only equity fund). The fund's investment objectives could be to acquire private equity or even acquire (or develop) real estate using contracts such as Musharaka, Istisna'a or Ijara. It gets more interesting when the fund's objective is to "re-create" or "replicate" the return of a conventional fund, which may be done using Wa'ad (promise) agreements and Salam contracts; or where the investment objective is to identify overvalued stocks and make a potential investment return from the expected fall in value of stocks. With the evolution of Shari'ah concepts, the help of an experienced Shari'ah fund advisor and the use of the most learned Shari'ah scholars, many different

investment objectives are becoming possible.

The screening criteria to be followed when assessing what investments can be acquired by the fund will depend on the nature of the investments forming the fund's assets. For example, in relation to a fund that acquires equities (whether public or private equities), the screening criteria will relate to the business activities of the company and its financial ratios. The same can to some degree apply to real estate investments. However, different issues will arise where the asset is, say, sukuk certificates or where the fund will be entering into Salam or Wa'ad arrangements.

Operational/Regulatory issues

The nature of the investment fund may give rise to operational issues that are additional to those to be considered on a conventional fund. This is most likely to arise where the

fund is entering into Islamic contracts with a third party (such as a Salam or Wa'ad contract, where the fund is to acquire a commodity but where we know that the fund's intention is not to retain or even take physical possession of the commodity). The regulatory jurisdiction of the fund or its investors may also give rise to compliance requirements to be addressed (which, at the very minimum, will relate to the appointment, composition and decision-making process of the Shari'ah supervisory board approving the fund and the disclosure of information in the offering documentation).

Regard must also be had to issues of Zakat – some funds will calculate and issue a certificate of Zakat (often issued by the independent Shari'ah advisor) payable (or even make the Zakat payment on behalf of the investors) and other funds will not. Depending on the target audience, the offering of this facility may assist with attracting investors.

Obtaining the Shari'ah Fatwa

Depending on the nature of the fund, there may be three different stages at which a Fatwa should be obtained. The first stage is the Fatwa relating to the fund's investment objective(s) and whether they are objectives that are consistent with Shari'ah concepts; the second stage is the Fatwa relating to the fund structure and the third and final stage is the Fatwa on the legal documentation required to implement the fund.

The first stage would really only arise if the investment objective(s) involves a Shari'ah concept that is unique – for example, where the fund's investment objective is to replicate a conventional hedge fund strategy using Wa'ad arrangements or where the fund is intended to replicate the return provided on a conventional (non-Islamic) fund using the Salam contract mechanism. However, where the fund is, say, a conventional long-only



Shari'ah-compliant equity fund, then I suggest matters can commence at the stage two Fatwa. Stage two requires the fund structure to be approved, including the Shari'ah relationships and the Islamic contracts to be used (although not the specific content of the contracts at this stage), the screening criteria, the purification strategy, etc. The third Fatwa will be the approval of the legal documentation; this will include the Islamic documents supporting any Islamic transaction, e.g. the Salam, Musharaka, Ijara contract, the Wa'ad agreement, the Murabaha agreement, etc. It will also include the memorandum and articles of association of the fund vehicle, the investor subscription documentation, the offering memorandum, the investment management agreements, the custodian agreement and the administration agreement. All documents must meet the requirements of Shari'ah (as determined by the Shari'ah scholars approving the fund documentation).

Shari'ah compliance monitoring

Depending on the nature of the fund, different types of Shari'ah compliance monitoring will be required – this monitoring could relate to operational processes, such as the buying and selling of a commodity (especially where the fund does not take physical delivery of the commodity), or it could relate to the investments acquired; for example, the shares in a long-only Shari'ah-compliant equity fund. In relation to a Shari'ah-compliant long-only equity fund, it is normal for the investment manager to apply the Shari'ah screening criteria provided by the Shari'ah scholars to the universe of investments that could be potentially acquired by the fund and then to acquire only those equities that meet the screening criteria (it is also important that the investment manager continues to monitor those stocks that have been acquired to ensure that they remain Shari'ah compliant). Assuming that the investment manager takes primary responsibility for the screening of investments prior to acquisition, it would then undoubtedly be a requirement of the Shari'ah board approving the fund, for the appointment of independent Shari'ah consultants to review the screening processes implemented by the investment manager and also to monitor (either

quarterly or six-monthly) the stock forming the assets of the fund to confirm that the screening criteria has been correctly applied (both at the time of acquisition and on an ongoing basis). This same review process could be followed for monitoring any contractual operational processes to ensure that the goods (i.e. the commodity) flow with the contracts. The independent Shari'ah consultant would report its findings to the Shari'ah scholars who may then issue a certificate of Shari'ah compliance.

However, there are instances where it may not be appropriate for the investment manager to apply the screening criteria in the first instance – it may be preferable for a confirmation of Shari'ah compliance to be provided before the asset is acquired. This is likely to arise where there is no liquid market for the asset to be acquired by the fund or where the acquisition and/or disposal costs are extensive and so getting it wrong would be costly for the fund or where the Islamic documentation can only be agreed once the investment proposal has been identified (i.e. the Musharaka agreement relating to a property development). The most obvious example is private equity and real estate – in both these instances, Shari'ah compliance should be assessed independently of the investment manager prior to purchase by the fund. Another example is sukuk certificates to be acquired as an asset of the fund, in relation to which scholars will often require that they be approved by a member of the Shari'ah board prior to acquisition, despite the sukuk appearing by their very nature to be Shari'ah compliant. The principal reason for this being the concern of over-concentration in sukuk that do not have underlying tangible assets and thus could give rise to issues of whether the investments in the fund itself are tradable!

Another issue that should be considered in relation to monitoring is the potential need to dispose of assets that have been identified during the monitoring process as Shari'ah repugnant – either because they “slipped through” the screening process or because they may have been Shari'ah compliant when they were acquired by the fund, but because of changes in the business activities of the company or the company's financial ratios, they no longer appear to be Shari'ah compliant. Where the



asset ceases to be Shari'ah compliant, the only real solution would be the disposal of the asset. Considered discussion needs to have taken place with the Shari'ah scholars (and the outcome of those discussions documented in the Fatwa on the fund's structure) as to disposal requirements to be followed, especially where there is no (or no liquid) market for the asset in question or where the asset is trading at a loss at the time the asset becomes Shari'ah repugnant.

Finally, where returns derived from the fund's investments are attributable for Shari'ah purposes to impure (Shari'ah repugnant) income earned or received, that impure income will need to be identified/assessed and then donated to good causes. This is known as the purification process, and this should also be documented in the Fatwa.

Conclusion

I concluded previously that the design and implementation of a successful conventional investment fund requires a lot of work at the early design stages and that the factors to be taken into account are varied. What is absolutely clear is that when designing a Shari'ah-compliant investment fund, a great many additional factors need to be taken into consideration. Getting it wrong will, at best, mean wasted time and costs and, at worst, a reputational nightmare!

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



Omantel rings the changes

Omantel is being revamped, while its board of directors is likely to be reorganised to accommodate more experienced telecom industry experts. **Tara Asok** reports.

What could be one plausible reason for Oman's number one telecommunications service provider to return to "In Focus" after a brief hiatus? In essence, one might come up with more than a single reason. The company's economic weight and significance of its performance on the Muscat Securities Market, as well as major changes that have taken place since Oman Telecommunications Company (Omantel) was last profiled in this column, have been indicators that it now has everything it needs to arouse investor interest, despite being the cheapest telecom share traded in the region (in the recent past, at least).

The Omani government's plan to revamp Omantel has been an important move for the future of the telecommunication industry in the Sultanate. Subsequent to an announcement in this regard, a ministerial committee was set up to look into the various measures that could be taken to make Omantel a more attractive prospect on the Muscat Securities Market.

One development that's bound to shore up the company's profitability came with Ahmed Abdulnabi Macki, Oman's minister of national economy and deputy chairman of the country's Financial Affairs and Energy Resources Council, declaring that the committee took a decision to reduce the tax being paid by Omantel and its competitive company for fixed and mobile phone services to seven per cent from 10 per cent and 12 per cent respectively.

Coupled with this measure, the government, which holds 70 per cent stake in Omantel, has also announced

Unconfirmed reports have suggested that Etisalat has sought to acquire a 20 per cent stake in Omantel. Media reports have also quoted Etisalat International Investment's chief executive Jamal Al Jarwan as saying that the sale could include a contract to manage Omantel.

that it will sell a portion of its stake to a strategic investor with appropriate experience in the industry to develop the company and enable it to keep pace with the developments in foreign markets and achieve laid out targets up to the year 2011.

Unconfirmed reports have suggested that Etisalat has sought to acquire a 20 per cent stake in Omantel. Media reports have also quoted Etisalat International Investment's chief executive Jamal Al Jarwan as saying that the sale could include a contract to manage Omantel. Etisalat has already invested around US\$6.5 billion in foreign acquisitions. Omantel's stocks have been witnessing a surge as of late and rose almost 10 per cent following the various announcements of the government and unconfirmed reports of Etisalat entering the telecom market in the Sultanate.

Oman's Fincorp, one of the leading brokerage companies in the region, has welcomed the restructuring plans of the

Sultanate's telecom operator. According to Munir Abdalnabi Youssef Makki, managing director and president of Fincorp, "We had predicted Omantel stock to cross OMR1.500, after a comprehensive analysis of the industry and the company. We had no indication at that time that the government would come out with a restructuring plan of this magnitude. Our predictions were not at all speculative, as they were based purely on the company's fundamentals, the industry and the local market." Fincorp had also recommended Omantel stock as a good pick and predicted the share to cross OMR1.5000 at a time when the market price was well below the company's initial offer price.

Fincorp's current projection for Omantel is that the company's net profit for the year 2007 will touch OMR101.7 million. The profit is then expected to rise to OMR111.2 million in 2008. Accordingly, revenues for the current year will reach OMR355.4 million and subsequently increase to OMR393.3 million in 2008, OMR427.8 million in 2010 and climb further to OMR513 million in 2011, according to Fincorp. Net profits will also rise in this period to touch OMR113.5 million in 2009, OMR117.5 million in 2010 and OMR119.9 million in 2011. Omantel's share profit is expected to reach 136 Baizas in 2007 and increase to 148 Baizas in 2008, while share profits will continue to increase to 151 Baizas in 2009, 157 Baizas in 2010 and reach 160 Baizas in 2011.

Omantel entered the capital market on June 11, 2005 with an initial public offering of 225 million shares at a price of OMR1.280 per share. The biggest-ever IPO in Oman's history had mobilised OMR700 million. Of the total 225 million shares, 157.5 million were offered to Omani individual investors and 67.5 million shares to specified pension funds and charitable organisations. The maximum allotment made was 2,850 shares. Through the IPO, the government divested a 30 per cent of its stake in the company's equity. MSM listed the shares of Omantel on July 28, 2005. The share price at the time of listing was significantly high, beating all expectations at OMR2.800.

Meanwhile, the committee-appointed revamp Omantel by the government has studied all proposals on Omantel's performance submitted by the Capital Market Authority (CMA), the ministry of national economy and other concerned authorities. The next step, it is understood, is a total reconstruction of Omantel's board of directors, which will now have government representatives who have wide experience in the telecom industry. Members representing the private sector will retain their membership.

Omantel is also expected to buy a portion of its shares as per the regulations issued by the CMA. New call rates to match those of its competitors, incentives for major customers and improvising the fixed phone network will be part of these new initiatives.

The committee has further recommended the merger of the respective boards of Omantel and Oman Mobile. The company's administrative wing will also receive a shot in the arm with the inclusion of specialised technicians and financial experts. Further measures are expected to be taken in conjunction with the CMA and will be announced shortly.

While Omantel and its partner the Belgian Telecom Company (Belgacom) have decided to withdraw from competition for a second mobile licence in Qatar, the former's decision to purchase a majority stake of 65 per cent of the Pakistani World Call telecom company has been regarded as a giant stride forward, considering the present rapid growth rate of the telecom market in that country. Omantel has signed a two year MoU with Belgacom allowing Belgacom ICS to use Omantel's capacity to optimise its current connectivity in the Middle East and to support growth of its business in the region.

Omantel, on its part, has been facilitating the establishment of a point of presence in Oman to connect existing and future Belgacom customers. At the moment, Nawras, the second mobile phone services provider in Oman, is the only competitor for Omantel. Omantel has a rapidly expanding customer base that crossed the one million mark some time ago, while Nawras currently has half a million.

Mobile subscribers in Oman have outstripped fixed line users by a massive margin. According to Oman Mobile, the mobile service provider in the country in which Omantel has a 99 per cent stake, the number of mobile users has gone well beyond the million mark. Out of a total of 1.6 million subscribers recorded in September 2005, mobile subscribers form a majority. During the period September 2005 to September 2006, the number of subscribers to Oman Mobile increased by 178,000 from 1.043 million to 1.221 million. Gross revenues from mobile operations went up to OMR170 million compared to OMR136 million, a 25 per cent growth for the same period. Oman Mobile's monopoly in the field has nevertheless diminished since the a second public mobile licence was given to Nawras, which boasts over 500,000 subscribers today. Nawras is a joint venture between Qatar's Qtel, European Telecommunications Company and several prominent Omani partners.

Omantel will hold an extraordinary general meeting of its general assembly on November 12, 2007 to discuss amendment to Article-22 of the Articles of Association of the company. The meeting will discuss changes in Omantel's board, expertise in the telecommunications and information technology sector, royalty reduction by government for fixed and mobile phone service to seven per cent and integration of Omantel and Oman Mobile, among other things.

The government representatives on the board of directors of Oman Telecommunications Company are: Eng. Sultan bin Hamdoun Al Harthy, undersecretary at the ministry of heritage and culture and chairman of the board; Mahdi bin Mohammed Al Abdwany, general director of planning, ministry of national economy; Abdulraheem bin Salim Al Harami, general director of civil aviation and meteorology, ministry of transport and communications; Dr.Salim bin Sultan Al Rozaqi, CEO of Technical Information Authority; Mohammed bin Hamad Al Maskari, general director, Knowledge Oasis and Abdul Kader Askalan, CEO, Oman Arab Bank.

SAMBA does a Samba

SAMBA will benefit from the positive macroeconomic environment in Saudi Arabia, according to Global Investment House Research.

SAMBA Financial Group's (SAMBA) balance sheet size grew at a CAGR of 9.9 per cent for the period 2001-06. The size of the bank increased from US\$20.6 billion in 2001 to US\$33 billion in 2006. The bank has witnessed sound growth during the past two years due to favourable economic conditions. Asset size grew by 14.4 per cent and 14.5 per cent in 2005 and 2006 respectively. During the period 2001-06, customer deposits grew at a CAGR of 9.6 per cent from US\$15.9 billion in 2001 to US\$25.3 billion in 2006. Resource mobilisation during the last two years was particularly strong. Deposits grew by 27.1 per cent and 11.3 per cent in 2005 and 2006 respectively.

The cost to income ratio of the bank declined from 33.5 per cent in 2001 to 25.7 per cent in 2006. During the period 2001-06, operating overheads grew at a CAGR of 11.8 per cent from US\$274.9 million in 2001 to US\$479.6 million in 2006. On the other hand, robust growth in commission income coupled with strong growth in non-commission income resulted in income growth of 20.6 per cent (CAGR) for the period under consideration. In order to gauge operating efficiency and to remove the impact of capital market activity, operating expense (opex) to average assets is likely to give a better picture. Opex to average assets increased from 1.3 per cent in 2002 to 1.5 per cent in 2005.

Based on the current market price of US\$32.8, the stock is trading at 13.8x 2007E earnings and 4.3x 2007E book value. SAMBA is listed at the Saudi Stock Exchange (Tadawul). Based on strong fundamentals, improving asset quality and comfortable capital adequacy to support growth, we recommend a BUY on the stock with a target price of US\$40.2 per share.

Banking sector outlook

Till 2005, system assets of Saudi Arabia were the largest. However, the strong growth in the UAE banking sector resulted in the UAE taking over from Saudi Arabia with respect to asset size.

Overall banking assets in Saudi Arabia increased from US\$202.4 billion in 2005 to US\$229.6 billion in 2006, registering a y-o-y growth of 13.4 per cent. Claims on the private sector increased from US\$116.2 billion in 2005 to US\$126.9 billion in 2006, a y-o-y growth of 9.2 per cent. The contribution of claims on the private sector as a percentage of total assets declined from 57.4 per cent in 2005 to 55.3 per cent in 2006, indicating slower growth in terms of fund deployment to the private sector. The slowdown may also be attributed to the consumer lending guidelines issued by SAMA in 2006.

Financial analysis

SAMBA reported net income of US\$1.38 billion in FY06, an increase of 29.7 per cent over FY05. Net special commission income increased by 22.6 per cent to reach US\$1.14 billion in 2006, driven primarily by an increase in income from loans and advances, which increased 36.8 per cent to reach US\$1.36 billion in 2006, and made up around 73.3 per cent of special commission income. Fee income increased 27 per cent in 2006 to reach US\$640 million. In 2006, SAMBA's total assets expanded 14.5 per cent to reach US\$33 billion from US\$28.8

billion in 2005, comparable to the 14.4 per cent growth rate registered in 2005. Net loans and advances increased by a humble 7.4 per cent attributed to the reduced appetite of retail clients to borrow given the increased volatility of the Saudi stock market.

SAMBA's liabilities in 2006 increased 13 per cent to reach US\$29.28 billion, driven mainly by an 11.3 per cent increase in customer's deposits, which reached US\$25.28 billion in 2006. Customers' deposits with SAMBA are mainly comprised of time deposits which constitute 53.8 per cent of total deposits, giving the bank the advantage to better manage its asset-liability mix and risk profile. Time deposits increased by 17.5 per cent to reach US\$13.57 billion at the end of 2006.

The bank's credit quality has improved remarkably in 2006 as non-performing loans (NPLs) of the bank as at year end 2006 stood at US\$400 million in 2006, a decrease of 31 per cent from its 2005 level of US\$586.7 million. The decrease in NPLs can also be seen in terms of declining NPLs to gross loans ratio, which reduced to 2.2 per cent in 2006 from 3.4 per cent in 2005. Coverage ratio increased from 124 per cent in 2005 to 182.4 per cent in 2006, indicating the bank's strategy

FINANCIAL ANALYSIS				
US\$ million	2004	2005	2006	6M 2007
Loans and advances	12,847.4	16,636.2	17,874.0	19,344.81
Customer deposits	17,878.6	22,730.7	25,294.9	26,210.73
Total shareholders' equity	2,469.2	2,966.3	3,786.1	4,141.41
Net special commission income	787.0	935.4	1,146.9	628.12
Total operating income	1,016.7	1,474.5	1,869.1	937.66
Net Income	668.2	1,071.5	1,389.4	684.25

PROFITABILITY			
	2004	2005	2006
Return on average assets	2.9%	4.0%	4.5%
Return on average equity	27.6%	39.4%	41.2%
Net special commission income after PLLs/ total operational income	72.6%	58.0%	57.6%
Non-commission income/total operational income	27.4%	42.0%	42.4%
Fees from banking services/total operational income	20.5%	34.5%	34.5%

PEER COMPARISON			
	SAMBA	NBAD	NBK
Balance sheet size (US\$ million)	36,771.38	35,991.99	31,386.64
Net profit (US\$ million)	1,426.05	630.27	1,044.27
EPS (US\$)	2.37	0.39	0.51
P/E (x)	13.62	13.10	14.8
P/BV (x)	4.26	2.93	4.7

P/E and P/BV multiples are based on October 8, 2007.
A peer comparison has been conducted on estimated 2007 financials of SAMBA, NBAD and NBK. SAMBA has the highest balance sheet size amongst the rest; however, NBAD had the lowest P/E and P/BV multiples.

in safeguarding against unexpected losses.

SAMBA reported an EPS of US\$2.32 in 2006 as against US\$1.78 in the previous year. Investment gains decreased by 93.4 per cent from US\$11.76 million in 2005 to US\$0.77 million in 2006, and net trading income also decreased 8.2 per cent to reach US\$22.32 million at the end of 2006. This is due to the fact that SAMBA became risk prone in its investment book by slightly

increasing its exposure to the local stock market in 2006. The stock market crash in Saudi Arabia in 2006 played a significant adverse effect on SAMBA's investments.

Profitability ratios, namely the return on average equity (ROAE) and the return on average assets (ROAA) improved on the back of strong growth in the bank's net income. The ROAE increased from 39.4 per cent in 2005 to 41.2 per cent in 2006. Similarly,

SWOT ANALYSYS
<p>STRENGTHS</p> <ul style="list-style-type: none"> Marked improvement in asset quality due to promotion of strict adherence to procedures, balanced system of independent credit appraisals, analytical grading of counterparties and macro analysis of the credit portfolio. SAMBA is well capitalised to support business growth. As at the end of 2006, the bank's tier 1 ratio stood at 16.4 per cent while the equity to capital ratio increased from 10.9 per cent in 2001 to 11.4 per cent in 2006. This indicates a strong capital management approach designed to meet its objectives of maximising the bank's return on capital as well as providing sufficient head-room to cover its unexpected losses.
<p>WEAKNESSES</p> <ul style="list-style-type: none"> Fees from banking services stood at US\$645.3 million in 2006, constituting 46.4 per cent of total income, up from 36.5 per cent in the 2005. SAMA* has recently approved new licenses for brokerage, investment banking and advisory services, amongst others. SAMA also ordered the separation of those activities from conventional banking activities, which consequently drove banks offering those services to spin them off under different legal entities. This is likely to increase competition in the financial industry and increase fee income. The government has announced plans to accelerate privatisation; moreover, it has introduced reforms and regulations to the financial sector that are likely to improve the stock market performance. But erratic oil price movements influenced by geopolitical circumstances could bring about turmoil in the stock market.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> As many construction, real estate, manufacturing and infrastructure projects are in the pipeline, the bank is comfortably placed in terms of increasing its deployment to higher yielding earning assets. In order to shore up its fee income revenue stream, the bank is trying to increase its cross sell ratio by offering innovative products. This should result in enhanced fee and commission income. The Kingdom's Capital Market Authority has recently issued a statute allowing citizens from GCC countries to buy and sell shares freely in Tadawul, removing the restrictions previously imposed on banking and insurance stocks. This is likely to increase the volume of shares traded and hence shore up brokerage fees for banks.
<p>THREATS</p> <ul style="list-style-type: none"> With more banks offering innovative products to shore up their fee-based revenue stream, banks will compete aggressively on volumes and incentives. Stiff competition is likely to affect pricing power. The Saudi economy is largely dependant on oil, and, to that extent, a sharp drop in the oil price is likely to have a major impact on asset quality and thereby on bank earnings by way of higher provisioning.

* SAMA – the Saudi Arabian Monetary Agency

VALUATION AND MULTIPLES	
	2007F
Net special commission income	1,330.3
Total operating income	1,944.2
Net Income	1,426.1
EPS	8.9
P/E (x)	13.8
P/BV (x)	4.3

Figures in US\$m unless otherwise specified.
P/E and P/BV based on CMP

ROAA increased from four per cent in 2005 to 4.5 per cent in 2006. Shareholders equity stood in 2006 at US\$3.78 billion compared to US\$2.96 billion in 2005, an increase of 27.6 per cent. SAMBA is well capitalised to support business growth.

The bank's total assets for 1H2007 increased 14.7 per cent y-o-y to reach US\$34.4 billion from US\$30 billion in 1H2006. Loans and advances increased by a modest 9.5 per cent y-o-y to reach US\$19.3 billion, as compared to an increase of 15.7 per cent for the same period in the previous year. We expect loans to surge again, as the market is expected to stabilise and exhibit an upward momentum in the year ahead, hence bolstering the general sentiment towards stock market investments, in addition to a surge in public expenditure. On the liabilities side, core customer deposits increased by 13.4 per cent y-o-y to reach US\$26.2 billion in 1H2007.

Net income for the second quarter of the current fiscal declined from US\$373.3 million in 2Q2006 to US\$346.7 million in 2Q2007. Net special commission income in 2Q2007 was US\$317.4 million, compared to that achieved in 2Q2006 which stood at US\$282.7 million. Gains on non-trading investments increased 39.1 per cent from US\$9.6 million in 2Q2006 to US\$13.4 million in 2Q2007. Fees from banking services reached US\$105.5 million in 2Q2007, constituting 22 per cent of total operating income, down from 37.1 per cent in the 2Q2006. However, this drop in fee income is likely to decline further as competition in brokerage, advisory and other fee-generating financial activities intensifies between banks and non-banking financial institutions that have recently been given permission to operate in the Kingdom.

GCC more attractive than EM

Regional stock markets are delivering as of late and things are looking up. For international investors, it might be the right time to balance their emerging markets portfolio with GCC stocks. A **MONEYworks** report.

Stock markets in the GCC had quite a good run last month, with Abu Dhabi Securities Market (ADSM) and Dubai Financial Market (DFM) leading the pack until the beginning of the fourth week of October as this report went to the press. The icing on the cake on the back of this upside was the announcement of the launch of a multi-billion dollar IPO by DP World on the Dubai International Financial Exchange (DIFX).

While proceeds from the issue will help DP World to pay off billions of dollars worth of bonds and provide cash to the government, this will also mean that the DIFX would have come of age with an anchor listing that is bound to drive investors in droves to the secondary market of Dubai's international exchange. DP World is likely to have the same impact on the DIFX as Emaar had on the DFM towards the end of the last century.

The DP World IPO is likely to give a further boost to the rally that the regional markets have seen this year as more liquidity is attracted through portfolio investments to the GCC. Almost all markets in the region are up over 20 per cent, year to date. The Saudi market also has its nose up, although there is some catching up to do.

Compared to some of the emerging markets, where international liquidity has flocked during the last one year, valuations in the GCC look good, including those of Saudi equities. And so, there is no reason

GCC Countries index performance from 1st Oct '07 to 22nd Oct'07			
Indices	1-Oct-07	22-Oct-07	% return
Abu Dhabi Stock Market	3,612.40	4,108.32	13.73
Bahrain All Share Index	2,558.56	2,624.66	2.58
DSM 20 Index	8,297.63	8,860.88	6.79
Dubai Financial Market	4,245.56	4,835.79	13.90
Kuwait Stock Exchange	12,878.70	13,120.10	1.87
MSM 30 Index	6,964.28	7,872.42	13.04
Tadawul All Share Index	7,847.64	8,186.70	4.32

the rally in select stocks will not spread to other counters, from which investors have kept a distance in the Kingdom as of late.

Price earnings of a number of Saudi shares are still in their mid-teens and have some distance to go, especially with the kind of liquidity available trying to chase good stocks. One of the regional themes that investors are yet to catch on to is investing in the region's listed real estate companies. In fact, these companies have been the catalyst to the growth of the regional economies; but, surprisingly, some of them look rather cheap, including Aldar and Emaar. If the region's real estate boom pulls it off in the next few years on the back of sustained economic growth and high oil prices, investors in these companies will reap real rewards.

As mentioned earlier, compared to some

emerging markets, where valuations are stretched and have central banks worried with pouring liquidity chasing equities across industries, GCC stocks as an asset class could act as a good balance for investors. A recent Markaz report says that nearly a quarter of the emerging market universe has moved into the super hot zone of valuation, while three-quarters of the GCC universe trade within the normal or attractive zone. It points to the P/E of the Chinese market, which is touching 60 and contrasts it to Saudi Arabia's Tadawul index P/E at 15.

If past performance is any indication, then some of the GCC stock markets have also shown superior risk-adjusted performance relative to other emerging markets during the past five and half years, with Kuwait standing out distinctly with a Sharpe ratio of two and Oman with 1.7, while India and China had ratios of 1.34 and 1.26 respectively, according to the Markaz report.

For the month to date (Oct 1-22), the DFM benchmark index was up 13.9 per cent, while the ADSM benchmark index was up 13.73 per cent and the MSM 30 was up 13.04 per cent. The DSM 20 index was up 6.79 per cent, followed by the Tadawul at 4.32 per cent, the Bahrain All Share index at 2.58 per cent and the Kuwaiti benchmark at 1.87 per cent.

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

Source: Markaz Research, Julius Bar

Saudi funds on top of the list

Saudi-based GCC equity funds topped the performance table in August, a trend that has carried over from July. But, according to a Markaz report, it might be a different story for the month of September.

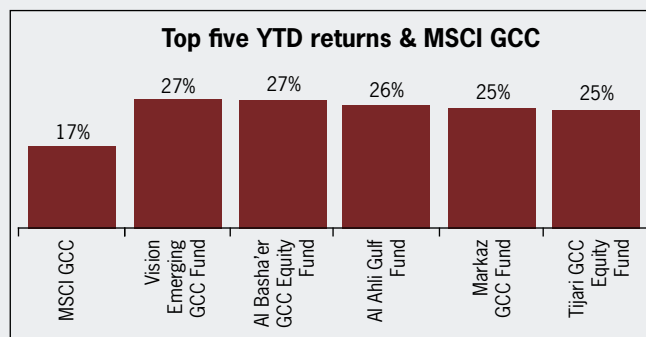
The gains in Saudi Arabian markets in the month of August continued to fuel positive returns for funds that were overweight on Saudi Arabia. These funds were also predominantly based in Saudi Arabia and showed home bias. Out of the 24 GCC equity funds tracked by Markaz, 17 funds delivered positive returns during August 2007, the period for which latest results are available. The top performing funds for the year, which include Markaz GCC Fund, have all posted returns greater than 25 per cent, far exceeding the MSCI GCC Index performance of 17 per cent.

Al Ahli GCC Trading Equity Fund managed by The National Commercial Bank topped the monthly performance with 4.3 per cent return in August 2007.

Saudi-based GCC funds, to a greater extent, are invested in their home markets, technically termed as "home bias". The top three funds in August are from Saudi Arabia and benefited from this home bias. However, the same home bias may hurt some of these funds during September 2007.

Most of the fund managers remain bullish on the prospects of the GCC markets. This is evident from the fact that the majority of the funds remains almost fully invested in equities, with average equity allocation at 91 per cent in August 2007. Global GCC Large Cap fund managed by Global Investment House has invested almost 100 per cent of its assets in equities, followed by the Al Tijari GCC Equity fund managed by Commercial Bank of Kuwait, which has invested over 98 per cent in equities. On the other hand, funds like Sico Khaleej Equity Fund held 26.5 per cent in cash.

From a country allocation point of view, fund managers have now increased their allocation to Saudi Arabia. The average exposure of fund managers to Saudi Arabia was 28 per cent of their equity portfolio. Although this is far lower than the weight



implied by market capitalisation, it was higher than the previous month's 27 per cent. Though allocation to Kuwait has declined from 27 per cent in July to 25 per cent in August, it still has the second largest asset allocation. It is followed by the UAE at 24 per cent and Qatar with 13 per cent. The two-month rally in Saudi Arabia came to a grinding halt in the month of September. Saudi Arabia posted eight per cent and nine per cent returns in July and August respectively. However, in the month of September, the market declined five per cent. The decline in the month of September has wiped off the YTD positive returns of 3.70 per cent till the end of August to -1.26 per cent at the end of September 2007. The other GCC markets closed the month with a positive bias. The Qatar stock markets recorded the highest monthly gains with a return of 8.19 per cent followed closely by 5.05 per cent in the Oman market.

For the month of October, our tactical asset allocation model suggests the following weights on a forward looking basis: Saudi Arabia - 30 per cent; Kuwait - 20 per cent; UAE - 14 per cent; Qatar - 13 per cent; Bahrain - two per cent; Oman - two per cent and cash - 20 per cent.

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

Aug 2007		AUM	Performance (%)				Geographic equity asset allocation							
	Fund name	Inception	(US\$ mn)	Aug-07	YTD	2006	LTM Risk	Saudi Arabia	Kuwait	UAE	Qatar	Oman	Bahrain	Other MENA
1	The National Commercial Bank Al Ahli GCC Trading Equity Fund	Oct-05	229	4.3%	21%	-37%	19%	49%	22%	16%	9%	2%	4%	0%
2	Saudi Investment Bank GCC Equity Fund	July-04	124	4.0%	14%	-39%	16%	57%	11%	11%	14%	1%	5%	1%
3	Saudi Investment Bank Gulf Industrial Companies Fund	Apr-05	5	2.9%	23%	-52%	29%	74%	8%	3%	16%	2%	1%	0%
4	Shuaa Capital Arab Gateway Fund	Dec-99	295	1.6%	14%	-20%	15%	26%	11%	40%	13%	10%	0%	1%
5	Gulf Investment Corporation Gulf Premier Fund	Apr-03	153	1.6%	N/A	-38%	N/A	40%	30%	11%	9%	5%	5%	0%
6	National Bank of Kuwait Gulf Equity Fund	Jun-05	N/A	1.2%	22%	-10%	12%	6%	39%	17%	11%	9%	4%	14%
7	Global Investment House GCC large Cap Fund	Feb-05	58	1.2%	22%	-23%	14%	27%	33%	20%	9%	3%	2%	0%
8	Vision Investment Services Co Emerging GCC Fund	May-05	42	1.1%	27%	6%	12%	8%	25%	8%	18%	26%	11%	2%
9	Al Tawfeek Company for Investments Funds Gulf Equity Fund	Aug-05	7	1.0%	17%	1%	16%	26%	15%	41%	11%	8%	0%	0%
10	Atlas Investment Group Arab Bank Mena Fund	Sep-05	49	0.9%	10%	-7%	8%	21%	19%	16%	6%	18%	1%	19%

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 road ahead looks bumpy

A rate cut by the Fed does not mean that the wrong has been corrected. **Peter Hensman** foresees an uneven ride in the future.

How quickly the market volatility of the summer has been consigned to history. The MSCI index is making new all-time highs even more quickly than during the market wobble in May/June 2006 – it took more than four months to surpass the May 2006 high. This time it has taken just six weeks. Such was the enthusiasm of investors to the news of the September rate cut by the Federal Reserve that the MSCI index rose 3.6 per cent in two days. While the strength of the general recovery in market conditions is perhaps a surprise, there has been a differentiation between markets and sectors; the US market where arguably the problems that led to the turmoil this summer centred is now (October 8) making new highs, whereas the MSCI emerging market index is near 10 per cent above the highs from earlier this summer*.

There are some signs that more normal conditions are returning to financial markets; the investment banks selling the debt associated with KKR's purchase of First Data finally managed to find buyers to complete the deal (albeit for a smaller amount of issuance than originally planned on more demanding terms). Also, according to Federal Reserve data, there was an increase in the amount of asset-backed commercial paper issued in the US in the week ending October 3, the first increase since before the liquidity crisis in August. Equally, US banks have typically rallied on announcing their latest set of quarterly results, despite some large write-downs as their outlook statements implied that these will not be repeated, encouraging the view that the Fed rate cut and admittance of problems by the banks marks an end point to recent woes.

Nonetheless, it seems somewhat premature to believe that a single US rate

cut can return conditions to exactly as they were.

Firstly, US home sales continue to sag. Pending home sales declined at a 39 per cent annualised pace in the six months to August, and Moody's reported that six per cent of subprime mortgages securitised in 2007 defaulted within three months against the peak level of 4.5 per cent in 2001**.

Unsurprisingly, house price declines continue to accelerate. Furthermore, the effects of the market volatility in the summer have impaired the availability of debt for commercial property and private equity.

A new quarterly credit conditions survey from the Bank of England clearly showed a decline in the willingness of banks to lend to commercial borrowers. While a bounce in performance is possible after such a period of underperformance, it still seems appropriate to remain cautious in prospects for banks in the developed world and vigilant to the downside risks to growth forecasts. Beyond the indications of normalisation in market conditions, a change in circumstances is evident. Adding to the 18 per cent price reduction, the Home Depot was forced to accept earlier in the summer of the sales of its wholesale supplies division, Goldman Sachs and KKR have exercised their "material adverse change" clause to pull out of an agreed US\$8 billion deal to buy Harman International and the UK has reportedly witnessed the first decline in commercial property prices in 15 years this September***.

While economic data have not shown any significant adverse reaction to events this summer, there are signs of further softening in developed markets. Although

the US non-farm pay roll report for September revised the originally reported 4k drop in pay rolls to an 89k gain, the more reliable household employment survey still shows that, on average, no net new jobs have been created in the last six months, and the unemployment rate is rising***.

Furthermore, against the consensus view that this remains an isolated slowing in the US domestic economy, the German IFO survey has shown business sentiment decline in each of the last four months, suggesting that the policy tightening in Europe is having a wider impact. This change was reflected by the European Central Bank as the ECB chief Monsieur Trichet dropped the reference to the level of interest rates in the Eurozone being accommodative for the first time since November 2005.

The difference in reaction between the emerging and developed markets, both in bonds and equities, suggests that investors are increasingly making the judgement that the current turmoil remains an event that will be contained within the US economy, if not within the US housing market.

Given that Newton has long invested in the belief that the global economy would undergo a rebalancing, shifting away from the reliance on the debt financed US consumer and increasingly see activity led by rising domestic demand in lower income economies, this comes as no surprise. Nonetheless, with valuations becoming more reflective of the growth potential in the emerging world, general market volatility rising and emerging market equities close to racking up their seventh consecutive year of outperformance, the path ahead may not be as smooth as it has been.



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

Indonesia's growing stature

Indonesia compliments the Indian and Chinese growth story in Asia. The Indonesian economy is benefiting from robust consumption growth, notes **Dr. Oliver Stöner-Venkatarama**.

Watching the extraordinary stock market boom in China, investors might speculate about a correction and a more moderate upward trend afterwards. Therefore, it is important to figure out alternative investment targets in the region based on a promising, domestically-driven growth story.

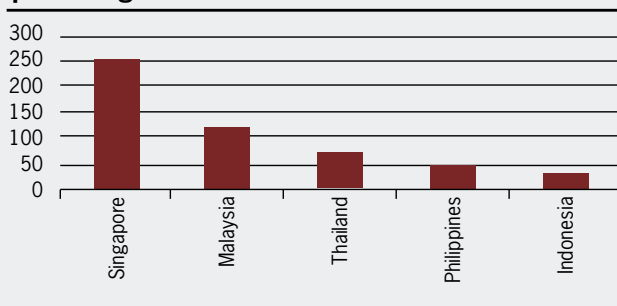
In other words, the investment position should be sufficiently robust to withstand some headwind from a correction of the Chinese markets and a moderation in global growth. Currently, the Indonesian economy appears to be in a fairly favourable position to weather some external deterioration. Most importantly, GDP growth is projected to increase from 5.5 per cent last year to 6.5 per cent in 2008, mainly driven by domestic demand. With an export-to-GDP ratio of about 31 per cent, the Indonesian economy is less dependent on global growth than most of the neighbouring countries. Furthermore, Indonesia is also less dependent on China as an export market. Indonesia's major export market is Japan. About 22 per cent of Indonesia's exports are destined to Japan. Certainly, China's share in Indonesia's exports is growing, but a sustained recovery in Japan may underpin the trade relation.

An important political step in this direction has been made recently, with both countries concluding a free-trade agreement. Basically, the agreement implies that the energy co-operation between both countries will be expanded, whilst a significant reduction in tariffs is likely to ease market access for companies on both sides.

Importantly, Japan has pledged to invest heavily in Indonesia's oil industry. As a result, Japan may increasingly benefit from Indonesia's energy reserves, whilst Indonesia might gradually reduce its import of refined oil products such as petrol and gas oil. Despite having ample energy reserves, Indonesia has become a net importer of oil products. This reflects investment needs in the oil industry.

However, access to Indonesia's resources may be only one reason for Japan to expand both countries' relations. In context, with Japan's recent effort to strengthen trade and investment relations with India, it seems that Japan aims to balance China's increasingly dominant role in the region. For this strategy to become successful, it is important that Japan's economic recovery gathers momentum in the next few years. Otherwise the re-orientation of the economies in the region towards China, driven by its huge demand, is likely to continue. Nevertheless, the link between Japan and countries such as Indonesia and India

Exports of goods & services as a percentage of GDP



provides a clear message that Asia is not just China. Due to its diversity, the region provides attractive investment opportunities beyond China.

Besides external relations, monetary policy is a further important growth driver for the Indonesian economy. The economy's investment momentum benefits from solid consumption growth, an expansionary fiscal policy and the decline in interest rates. Even if the central bank may pause during its cycle of monetary easing, lower rates remain supportive for the overall economy during 2008. Nevertheless, interest rate policy could lead to a positive surprise next year, if the inflationary pressure recedes on the backdrop of a slowing global economy.

Stimulus from structural policy changes are likely to remain minor, with parliamentary and presidential elections looming in 2009. The president, Susilo Bambang Yudhoyono, may rely on fiscal policy to improve his re-election prospect. Progress on the improvement of the investment environment for local and international corporate investors remains slow. However, even if the Indonesian investment story is mainly based on cyclical factors, this comes at a perfect time with cyclical risks in other economies on the rise.

To sum it up, lingering uncertainty about the strength of the US economy may remain supportive for emerging markets with a strong domestic economy. In Latin America, this approach speaks for Brazil as an investment target, whilst Poland and Turkey appear attractive in eastern Europe. Indonesia complements the China and India-driven investment strategy in Asia.

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

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The AU\$\$ – up, up and away

International currencies are having a feast at the expense of the US greenback, particularly the Australian dollar. **Philip John** feels that a US dollar rally, even if it is the remotest of possibilities, will be a relief to GCC central bankers.

The Australian dollar gained by a whopping 8.81 per cent during the past month against a tottering US dollar and emerged as the star performer, putting to shade excellent performances by other currencies, especially the Canadian dollar. The Aussie hit 23-year highs on a surge in global risk appetite, with data released showing global growth holding well. The Australian dollar remains a favourite on the back of a weak dollar and a favourable rate outlook for Australia. Many in the market expect the Reserve Bank of Australia to raise rates to 6.75 per cent at its next policy meeting in November. The high yields in the currency are a great attraction for carry-trade players who borrow in the low-yielding yen. Political uncertainties in Australia have been largely ignored by the markets, as no significant change in economic policy is seen even if the present

coalition government loses in the coming elections.

The US dollar has lost ground against most currencies, with the exception of the yen. The greenback is expected to continue its slide as currency investors bet further Fed interest rate cuts are in the pipeline, even as labour markets are steady and consumer spending shows resilience. While the market has an eye on the upcoming meeting of G7 finance ministers, comments about dollar weakness are not expected to bring about a change in the trend.

The Canadian dollar hit a 31-year high riding a rally in commodity prices. Canada's economy is largely resource-based and its currency gets a boost when prices of major commodities, such as oil and gold, are strong. With both gold and crude prices looking set to hit higher levels, the Canadian dollar is also attracting buying interest from currency investors.

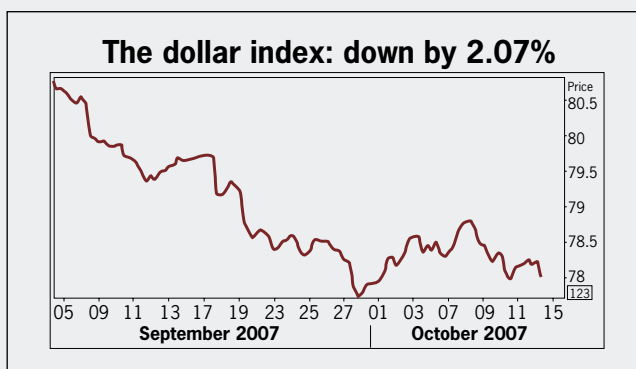
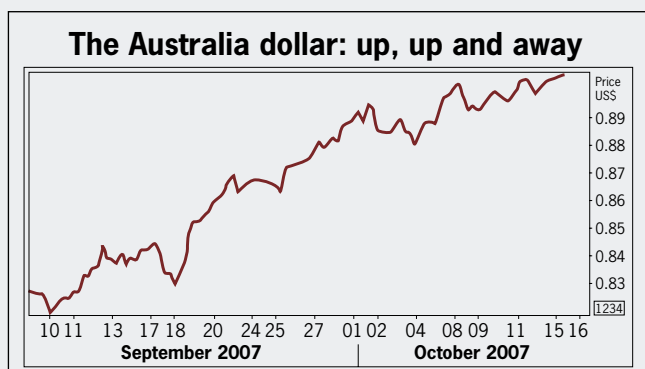
To revalue or not to revalue – that's the question that's doing the rounds, with opinions and comments flying from all directions. Will they or won't they?

With the Fed cutting rates, the responses of the GCC central banks are being very closely watched by markets because the GCC currencies, apart from the Kuwaiti dinar, are pegged to the US dollar. With inflationary pressures mounting, lower interest rates are expected to add further pressure with the

prevailing fixed currency regime. The Saudi Central Bank has made it clear that it is not cutting rates. The Omani Central Bank has also said the same. The UAE Central Bank has cut its CD rates by 25 basis points. Kuwait also has cut its repo rate to 4.75 per cent.

There has been pressure on the Saudi riyal, which had strengthened to a 21-year high on speculative flows but has now given up some of those gains. As the yield in the Saudi currency is higher, money from outside the region has been flowing into the Saudi riyal. However, more than the yield advantage, it is speculation of a revaluation that is moving the currency. The Kuwaiti Central Bank has let the dinar appreciate, thus taking steps to avoid any inflationary pressures due to its rate cut. There were rumours about the UAE dirham appreciating, but the UAE Central Bank is very much there at 3.6720/30. So, the rumours about revaluation have just been that...rumours. The market views the UAE as the prime contender and most likely candidate for a revaluation followed by Qatar and Saudi. A revaluation move by any one of these countries would put immense pressure on others – this is especially true if Saudi Arabia moves first. The market will closely watch the meeting of the GCC central bank governors and finance ministers later this month for clues. In the meantime, any major dollar rally – a remote possibility at the moment – will be welcomed by GCC policymakers.

Performance against the dollar: Past 30 days			
	15 Sept. 07	15 Oct. 07	Change %
Euro	1.3865	1.4230	+2.63
British Pound	1.9942	2.0389	+2.24
Japanese Yen	115.03	117.70	-2.32
Swiss Franc	1.1847	1.1784	+0.53
Australian Dollar	0.8335	0.9069	+8.81
Canadian Dollar	1.0268	0.9704	+5.49
Indian Rupee	40.55	39.30	+3.08



The writer is head of treasury sales with Dubai Bank. Views expressed are his own and not necessarily those of Dubai Bank. Data and comments are as of October 15, 2007.

Safe haven assets is the theme

So what's changed in the world of precious and base metals and energy over the past month? Increasing uncertainty over the growth trajectory of the world's largest economy, the US, has sent investors scampering for alternative investments and markets. A report by MF Global.

Funds continue to pour in precious base metals and energy as safe haven assets remain a central theme. Let's take a look at the action over past month: the US dollar index (the Federal Reserve's trade-weighted index which measures the value of the US dollar relative to six significant trading partners) has declined by over 1.80 per cent to 78.25. The slide in the US dollar against most major currencies has resulted in a rise in dollar-denominated assets.

Gold (Comex Dec futures) has gained over seven per cent to US\$765.80 per ounce as it continues to quench the investor's need for safe haven assets, which act as an inflation hedge and an alternative to US financial assets. The US dollar's fall over two per cent to US\$1.4172 against its major rival, the euro, has been also fueling the rise in gold.

Expectations of another rate cut by the US Central Bank and a sluggish housing market continues to put pressure on the greenback. This could prove to be further supportive for gold. Silver (Comex Dec futures) has gained by around six per cent to US\$13.68 per ounce partly tracking the rise in gold and industrial metals, as it's considered a bit of both of them.

Overall, the industrial metals (LME three-month futures quoted in US\$ per tonne) complex received a boost after the US Federal

Reserve cut interest rates aggressively in September to soothe the credit crunch turmoil and boost capital and consumer spending, which could spur demand for base metals. Copper has risen by over seven per cent to 8,050, following strikes at Peru's Southern Copper's Ilo smelter and Toquepala and Cuajone mines. Nickel rose by nine per cent to 31,800 in the last month.

A study released by the International Nickel Study Group said that China's demand for nickel and nickel-containing products is set to boost global primary nickel consumption by 8.90 per cent to 1.47 million tonnes in 2008 from 1.35 million in 2007.

Meanwhile, Anglo-Swiss miner Xstrata has approved the US\$3.8 billion development of the Koniambo nickel project in the North Province of New Caledonia, France. Tin and lead futures posted sharp rallies of 11 per cent to 16,500 and 16 per cent to 3,641 respectively on supply concerns.

The rally in lead futures was highest among the industrial metals complex boosted by worries on supplies from Australia and Peru and falling Chinese exports. Australia's exports from the Magellan mine, which accounts for three per cent of global output, has remained constrained throughout this year. Tin and aluminum have also posted gains of around

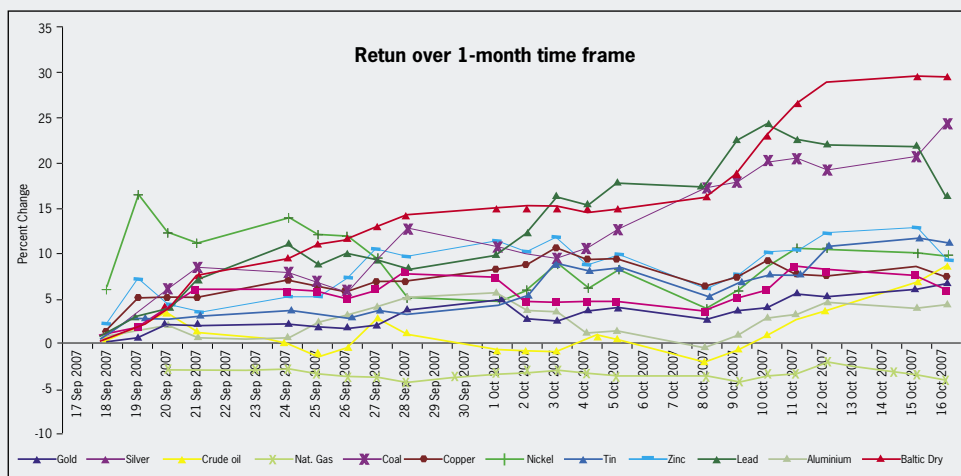
nine per cent to 16,500 and four per cent to 2,500 respectively.

Crude oil (November NYMEX futures) touched a record high at just over US\$90 per barrel, fueled by rising tensions in the Middle East raising concerns over supplies and a blast at a Montana refinery. The prices further climbed after Turkish lawmakers voted to allow the use of military force against attacks targeted by Kurdish rebels in the oil rich northern Iraq.

Meanwhile, Exxon Mobile reported a fire due to explosion at its 60,000 barrel per day refinery in Billings, Montana, US. Crude oil prices gained over nine per cent during the past month to US\$87.61. US Natural gas (November NYMEX futures) declined over four per cent to US\$13.90, as US data showed a strong buildup in reserves. According to US Energy Information Administration data, total US gas inventories climbed to 3.336 trillion cubic feet, just 44 billion cubic feet below the record high levels seen at this time last year. Coal (November ICE futures) has risen by over 24 per cent to US\$144.75 per tonne in the past month. China's ever-rising demand for steel has led to doubling up of its consumption to over two billion tonnes a year over past five to seven years. Another factor adding to coal's rise is the supply constraints, particularly

from Australia. The world's largest coal exporter has been facing infrastructure constraints and traffic congestions at its important ports in top coal mining states, Queensland and New South Wales.

Rising demand in raw materials like coal and iron are severely testing the shipping capacities and pushing freight rates sky-high. The Baltic Dry Index, a measure of freight rates across major shipping routes for dry cargo like coal, shot up by a whopping 30 per cent to 10,748.



Source: MF Global Commodities India, Bloomberg

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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	f/yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	\$50,000	6.35%	Y/y
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$100,000	5.20%	Y/y
Nationwide International Ltd	01624 696000	Tracker Premium	None	\$50,000	5.10%	Y/y
Bank of Scotland International Ltd	01534 613500	Halifax GTeed Saver	None	\$50,000	5.50%	Y/y
No Notice Euro Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	€35,000	4.50%	Y/y
Nationwide International Ltd	01624 696000	Tracker Premium	None	€50,000	4.35%	Y/y
Northern Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.30%	Y/y
Bank of Scotland International Ltd.	01534 613500	Halifax GTeed Saver	None	€35,000	4.25%	Y/y
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	4.00%	f/yly
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	€35,000	6.55%	Y/y
Alliance & Leicester Int Ltd	www.alli.co.im	eSaver Offshore 1	None (W)	€1,000	6.51%	Y/y
Nationwide International Ltd	01624 696000	Tracker Premium	None	€25,000	6.50%	Y/y
Irish Nationwide (OM)	01624 673373	Instant Quarterly	None	€25,000	6.30%	Y/y
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	€5,000	6.26%	Y/y
Notice Accounts						
Scarborough Channel Islands	01481 712004	Offshore Flexi-120 Direct	120 Day (B)	€5,000	6.55%	Y/y
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	€5,000	6.50%	Y/y
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 180	180 Day (I)	€25,000	6.40%	Y/y
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	90 Day	€10,000	6.36%	Y/y
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	€25,000	6.35%	Y/y
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	None (I)	€25,000	6.35%	M/y
Scarborough Channel Islands	01481 712004	Offshore Flexi-120 Direct	120 Day (B)	€5,000	6.30%	M/y
Nationwide International Ltd	01624 696000	Tracker Premium	None	€25,000	6.30%	M/y
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	€25,000	6.20%	M/y
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	90 Day (I)	€25,000	6.15%	M/y
Fixed Rates						
Yorkshire (Guernsey)	01481 724353	6 Month Bond	30-04-08	€10,000	6.80% F	OM
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	1 Yr Bond	€5,000	6.70% F	OM
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	2 Yr Bond	€10,000	6.50% F	Y/y
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	3 Yr Bond	€10,000	6.50% F	Y/y
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	4 Yr Bond	€10,000	6.31% F	Y/y
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	€2,500	4.36%	M/y
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	€50,000	4.025%	M/y
Abbey International	01534 885100	Offshore Gold	None	€50,000	4.00%	Q/y
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	€5,000	3.75%	M/y
Standard Bank	01534 881188	Optimum	None	€50,000	3.31%	Q/y
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eSaver	None (W)	€1	6.50%	Y/y
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None (W)	€1,000	6.35%*	Y/y
Bradford & Bingley Int. Ltd.	www.bbi.co.im	elIncome	None (W)	€1,000	6.05%	Y/y
Abbey International	01534 885100	Tracker Term 7	04-09-08	€10,000	6.05%*	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	€10,000	5.90%	Q/y

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet. Post or Telephone OM = On Maturity. P = Operated by Post
 All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: October 18, 2007 Source: Moneyfacts

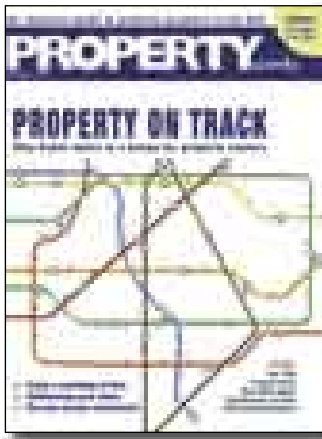
OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	2.50	3.00	3.50w	4.00	4.75	4.80	4.80	5.00	Q/y	Yes
Bank of Scotland International Ltd	01534 613500	Current	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	M/y	Yes
Barclays	01534 880550 01481 723176	International Cheque	0.10	2.50	2.50	2.50	2.50	2.50	2.50	2.50	Q/y	Yes
		International Premier Chq	0.10	2.50	2.50	2.50	2.50	2.50	2.50	2.50	Q/y	Yes
Fairbairn Private Bank	01624 645000	Accumulation	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	On Closure	Yes
		High Interest Accumulation	-	-	-	4.75	5.00	5.25	5.40	5.50	On Closure	No
		Reserve	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	Q/y
HSBC International	01534 616000	Offshore Bank	0.12	0.62	1.42	2.12	2.37	2.37	2.37	2.37	M/y	Yes
		Premier Offshore Banl	0.37	0.87	1.67	2.37	2.62	2.62	2.62	2.62	M/y	Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	1.25	1.75	1.75	1.75	Q/y	No
Isle Of Man Bank	01624 63700	Gold Account	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	M/y	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.75	2.75	2.75	3.125	3.50	3.562	3.562	3.562	Q/y	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	1.55	2.60	3.05	3.80	4.75	4.90	4.90	4.90	M/y	Yes
NatWest	01534282828	Advantage Cheque	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	M/y	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	4.505	4.755	5.505	5.505	5.505	M/y	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	M/y	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	4.75	4.75	5.00	5.25	5.50	5.50	M/y	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	2.37k	2.37	3.12	3.37	3.62	3.87	3.87	3.87	Q/y	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: October 4, 2007 Source: Moneyfacts



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Best Buy Tables - OFFSHORE

EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS										
	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	1.35w	2.00	2.00	2.25a	2.50	Yly	No
		Offshore Gold	-	0.50	1.00j	1.00	1.00	1.50	Qly	No
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.86	3.86	3.86	3.86	3.86	3.86	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.00	4.00	4.00	4.00	4.00	4.00	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.25h	4.25	4.25	Yly	No
		International Savings	1.75	1.85	1.95	2.20	2.40	2.40	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	1.40e	1.40	1.40	1.40b	Qly	No
		International Tracker	-	-	2.45e	2.45	2.75a	3.25b	Qly	No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.90	3.90	3.90	3.90	3.90	Yly	No
		Current	2.86	2.86	2.86	2.86	2.86	2.86	Mly	No
		Instant Savings	-	3.83	3.83	3.83	3.83	3.83	Mly	No
Fairbairn Private Bank	01624 645000	Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	3.00a	3.25b	On closure	Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand	-	2.45	2.45	2.50	2.55	2.55	Yly	No
		Offshore Demand	-	2.42	2.42	2.47	2.52	2.52	Mly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.54j	3.54	3.54	3.54	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	3.83j	3.83	3.83	3.83	Mly	No
		Premier Serious Saver	-	2.365	2.365	3.015	3.015	3.415	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
		Instant Access	3.40v	3.40	3.40	3.40	3.75	3.75	Yly	No
Irish Permanent International	01624 641641	Instant Access	3.35v	3.35	3.35	3.35	3.69	3.69	Mly	No
		Call	0.937r	0.937	0.937	1.062u	1.125m	1.687n	Qly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	0.937r	0.937	0.937	1.062u	1.125m	1.687n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Excludes only)	0.45k	1.30	1.60	1.85	2.20	2.70	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50t	2.50	2.55	2.55	2.55	2.60	Yly	No
		Euro Tracker Premium	4.05	4.05	4.05	4.35	4.35	4.05	Yly	No
NatWest	01534 282300	Advantage International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Yly	No
		Offshore Euro Direct Saver	4.05	4.05	4.05	4.05	4.05	4.05	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.52	2.57c	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 01534 881188	Offshore Reserve	1.75	1.75	1.75	2.25	2.50	2.62	Half Yly	No
		Optimum	0.50	0.50	0.50	1.25	1.50	2.00	Qly	No
		Offshore Moneymarket Call	-	-	-	3.50	3.60	3.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.84j	2.08	2.33	2.82	Qly	No
Zurich International Ltd	01624 671666	Call	2.75	2.75	2.75	2.75	2.75	2.75	Qly	No

US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS										
	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore USS Call	2.00	3.25	3.25	3.50	3.75	4.00	Yly	No
		Offshore Gold	-	1.50	1.75u	2.25	2.75	3.00	Qly	No
Alliance & Leicester International Ltd	01624 663566	USS Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	5.00	5.00	5.00	Yly	No
		International Savings	1.25	1.25	1.75	3.25	3.65	3.85	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	2.25u	2.25	2.25	2.25	Qly	No
		International Tracker	-	-	3.05u	3.05	4.05	4.25u	Qly	No
Bristol & West International Ltd	01624 644333	Easy Access	3.00	3.00	3.00	3.25	3.50	3.50	Yly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	4.75	4.75	4.75	4.75	4.75	Yly	Yes
		Current	3.69	3.69	3.69	3.69	3.69	3.69	Mly	Yes
		Instant Savings	-	4.65	4.65	4.65	4.65	4.65	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	2.50	2.50	2.50	2.50	2.50	On Closure	Yes
		High Interest Accumulation Reserve	-	-	-	-	4.00x	4.00x	On Closure	Yes
HSBC International	01534 616000	Offshore Bank	0.00	1.48	1.90	2.45	2.96	3.07	Mly	No
		Online Saver	-	-	4.85u	4.85	4.85	4.85	Mly	No
		Premier Offshore Bank	-	1.73	2.15	2.70	3.21	3.32	Mly	No
		Premier Online Saver	-	-	5.10u	5.10	5.10	5.10	Mly	No
		Premier Serious Saver	-	2.225	2.795	3.705	4.495	4.615	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.00m	Qly	No
		Instant Access	4.00	4.50	4.50	4.70	4.75	4.75	Yly	No
Irish Permanent International	01624 641641	Instant Access	3.93	4.41	4.41	4.60	4.65	4.65	Mly	No
		Call	2.312k	2.312	2.562t	2.562	2.625v	2.625	Qly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	2.312k	2.312	2.562t	2.562	2.625v	2.625	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc. (Excludes only)	0.25	1.10	2.60	2.85	2.15	2.30	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	3.80h	3.80	3.85	3.95	4.40	4.40	Yly	No
		US Dollar Tracker Premium	4.80	4.80	4.80	5.10	5.10	5.10	Yly	No
NatWest	01534 282300	Advantage International	2.95	3.05	3.15	3.35	3.60	3.75	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	4.125	4.375x	Mly	No
Royal Bank of Scotland Intl Ltd	01534 286850	Royalties International	2.95	3.05	3.15	3.35	3.60	3.75	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	3.75	3.75	4.00m	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve	2.31	2.31	2.31	2.56	2.93	3.18	Half Yly	No
		Optimum	1.50	1.50	1.50	2.00	2.50	2.75	Qly	No
		Offshore Moneymarket Call	-	-	-	4.25	4.35	4.35	Mly	No
Woolwich Guernsey	01481 715735	USS International Gross	-	-	2.72u	2.77	3.02	3.26	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.25	2.75	3.25	3.75	4.00	4.25	Qly	No

For more information visit Moneyfacts

Expat Mortgage Terms

EXPATRIATE MORTGAGE TERMS - NOVEMBER 2007

LENDER	INTEREST RATE%	MAX. % ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.44% 2 year tracker 5.99 2 year fix	85	2.5% 2.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	5.28% 2 year Fix 5.88% 2 year Fix 5.97% 5 year fix 6.14% full term tracker bank base plus 0.39%	85	2.5% of loan amount GBP999 GBP999 GBP799	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	6.09% 2 year fix	75	GBP999	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	6.78% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	7.5%	80%-90% Repayment basis only 75% Interest only	Varies	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
Ipswich Building Society	6.09% via discount to 1/1/10	80%	GBP695	Maximum of five properties to GBP1 million borrowing. Flexible mortgage.
Irish Permanent (Isle of Man)	Base +0.65% - 1.25%	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	6.49% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	5.99% 2.3% discount until 28/10/10	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible overpayments/ underpayments.
TMW	5.72% 6.59% 6.19%	80 80 80	2 year fix 1.5% 0.5% 0.5%	5% during fix rate. 2 year tracker 5% in fixed period. 5 year fix 5% in fixed period.

Advert

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

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

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 16/10/07 - 5.75% 3 month LIBOR 6.30%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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

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

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

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan/car loan or credit card provider. The table was thoroughly checked for accuracy with each provider called individually for information during October 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 Adhhal 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.bdo.org
Yes	5%	18	Salary less than OMR250 – one time to 3 times the salary, otherwise, 3 times the salary	basmaRewards programme, global emergency service, free travel insurance cover, worldwide acceptance, revolving credit facility, cash advance facility, photo card, MasterCard Platinum - personal concierge services	SQU Cards – exclusive to SQU students and employees	2479 5555 www.bankmuscat.com
Yes	5%	18	Depends on salary, minimum for Classic is OMR350 and OMR2,000 for Gold	Travel benefits, payment of utility bills, free purchase protection, free travel and accident insurance, free family protection scheme for Gold cardholders, access of HSBC current, savings and credit card accounts through HSBC ATMs worldwide, 24-hour customer service, free Auto Pay service, 100% of credit limit cash advance	HSBC offers from other countries can be availed by all HSBC cardholders, e.g. hotel discounts etc.	Call Centre 800 7 4722 (HSBC) www.oman.hsbc.com
Yes	5%	18	Silver - 2 times, Gold - 3 times (depends on salary)	NBO Money back loyalty programme, worldwide acceptance, up to 100% cash advance facility, accident insurance up to US\$500,000 for Gold cardholders, flexible payment plan, up to three months temporary credit line increase, card replacement, limited liability coverage to OMR40 for misuse on lost card, photo card, 24-hour call centre, discount offers on hotels, airlines and electronics, NBO Oman Air co-branded card – travel benefits, Al Aniyal – free Oman Air tickets, annual subscription of Times of Oman or Al Shabiba, Sindband Frequent Flyer Program		Call Centre 800 77077 www.nbo.co.om
Yes, No for Smart Card	5%, Cash for Smart Card	18	Classic – 2,000 and below, Gold – 2,000 – 4,000, Platinum – 4,000 and above (salary below OMR600 – 2 times the salary, otherwise, 3 times the salary)	Worldwide acceptance, special annual draws, discounts at certain establishments, Smart Card for companies can be assigned to be used only in specific establishments		Visa Centre – 24 817 707 Smart Card Centre – 24 793 010 www.omanab.com
	5%, BankMuscat Diners Club co-branded credit card – 10% and charge card – full	18	Twice the salary, Platinum – minimum US\$10,000 or OMR3,850	Purchase protection, revolving credit facility, photo card, free accident insurance up to US\$1 million, medical and legal referral services, insurance cover against cancellation, curtailment and rearrangement of travel plans, flight and baggage delay, Business Card offers convenience and control to concentrate on real aspects of running your business, corporate liability waiver for businessmen up to US\$25,000/cardholder and up to US\$1,650,000/company annually, emergency evacuation, repatriation service up to US\$1 million, personal accident cover up to US\$250,000, branch and phone banking, two cards for the price of one		www.ioiboman.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.bdo.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.ioiboman.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.bdo.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.ioiboman.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 deferred during Ramadan. Loan approved in three working days	8002441005 www.ncb.com.sa
	Secured finance	Up to 36 months	Depends on the fund in the account	50,000	Access capital invested in Time deposit, Investment Account or Share certificates, deferral during Ramadan	8002441005 www.ncb.com.sa
	Salary Advance	Up to 24 months	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 deferral option and salary transfer	8002441005 www.ncb.com.sa
Riyad Bank	Personal Loan by Murabaha/Tawaruq (non salary assignment)	Up to 48 months for nationals Up to 36 months for expats	SAR2,000,000	5,000 with min 6 months of service	Shari'ah compliant, instant approval over phone, management fee SAR500-1,500 to be paid once loan is approved. Remaining installments waived in case of death.	8001242020 www.riyadbank.com
	Murabaha Finance	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant. Bank buys the product and sells to the client, no salary transfer.	8001242020 www.riyadbank.com
	Tawaruq with local commodities	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant.	8001242020 www.riyadbank.com
	Personal Loan	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service		8001242020 www.riyadbank.com
	Murabaha Home Finance	Up to 20 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. No advance payment. Cooperative insurance in case of death or disability caused by accident. Transfer of the property owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Ijarah (leasing with a promise of ownership)	Up to 25 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. 5% advance payment. Cooperative insurance in case of death or disability caused by accident. Joint application by husband and wife.	8001242020 www.riyadbank.com
	Murabaha Land Finance	Up to 10 years	Up to SAR1 million	4,000 with min 6 months of service	Shari'ah compliant. No advance payment. Transfer of the land owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com
SABB	Amanah Personal Finance	12-60 months	Up to 1.5 million with salary transfer, otherwise 50,000, depends on status and requirement	3,000, at least three months service with the current employer in case of salary assignment, one year without salary assignment	No salary assignment, guarantor, security or any collateral required. Provides quick short-term cash liquidity, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
	Manazel Home Ownership	25 years lease available for properties not more than 12 months old	Up to SAR1.5 million	SAR5,000, at least one year service with the current employer	Shari'ah compliant. Joint applicants (husband & wife) also permitted, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa
SAMBA	Personal Finance	Up to 60 months	Up to 15 times monthly salary	2,500	For nationals, at least one month with current employer. For expatriates, end of service benefits have to cover the finance amount. Age limit upto 59 years, no guarantor required, free credit card for the first year. Remaining installments waived in case of death.	8001241010 www.samba.com.sa
Saudi Hollandi Bank	Murabaha Program (Al Yusr Personal Finance)	Up to 60 months	Up to SAR1 million	3,000, at least three months service with the current employer	Shari'ah compliant. No guarantor required, remaining installments waived in case of death or permanent disability caused by an accident.	8001242525 www.shb.com.sa

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

Car Loans						SAUDI ARABIA
PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	VALUE ADDED	CONTACT
Al Rajhi	Cars installments program	6% yearly	Up to 60 months	None	Available for Saudis and expats. Minimum salary SAR2,500, approved companies only, no guarantor required. Salary transfer required.	8001241222 www.alrajhibank.com.sa
Arab National Bank	Mubarak Finance	4.4% yearly	Up to 60 months	None	Salary transfer is a must. Shari'ah compliant	8001244141 www.anb.com.sa
Banque Saudi Fransi	Murabaha Finance	3.5-3.9% yearly	Up to 60 months	None	New cars only, salary transfer is a must. Shari'ah compliant	8001240006 www.alfransi.com
National Commercial Bank	"Yatiek Khairha" Murabaha auto program Auto Loan	from 5% for Saudi nationals and 7% for expats 7.25% yearly (incl. insurance)	Up to 60 months Up to 60 months	None 10%	Salary transfer is a must. Shari'ah compliant. No guarantor, instant approval, possibility of deferral of payment during Ramadan Min. salary SAR3,000, three months service with the current employer, can be purchased only from approved garages, maximum installment can't exceed more than 50% of the salary	8002441005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	4.95-6.5% yearly with salary transfer otherwise 9.5%	Up to 60 months	None	No salary transfer required. No guarantor required	8001242020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starting from 3.99% for nationals and 5.49% for expats	Up to 60 months for nationals up to 48 months for expats	None	Shari'ah compliant. Salary transfer is a must. No guarantor required. Minimum salary SAR3,000 for government sector, SAR4,000 for private sector	8001242525 www.shb.com.sa

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

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

Credit Card criteria: Interest rate, interest-free credit, annual fee and value added features. *Shari'ah compliant.

Personal Loans						QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 9.5%	Up to 70 times monthly salary Up to 32 times monthly salary	3,000 5,000	Up to 18 years Up to 60 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	3,500	Up to 216 months	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 20 times monthly salary	1,500	Up to 60 months	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	3,000	Up to 72months	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.24-10.24%, depends on the loan tenor	Depends on salary	3,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 9.75-11.50% 8.75-11.50%	Up to 50 times monthly salary Up to 450,000	4,000 3,000	120 months for nationals Up to 60 months for expats	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 9.99-10.74%	Up to 350,000	2,000	Up to 84 months for nationals and 72 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	3,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

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

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

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

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

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

Personal Loans						BAHRAIN
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 9.5%	Up to 22 times monthly salary	300	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 8.5-10.25%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 11%, for PIL 25% reducing balance rate	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	17569999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for nationals, starts at 9.5% for expats	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for expats	200 for nationals 400 for expats	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 4.39%	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

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

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

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

Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 www.fakhro.com www.ihl.com
Interglobal Healthcare Plan	Ultracare Plus: From 332 (child) to 10,825 up to ages 70-74 Ultracare Comprehensive: From 258 (child) to 8,819 up to ages 70-74 Ultracare Select: From 235 (child) to 8,003 up to ages 70-74 Ultracare Standard: From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42,50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area Ultracare Select: In-patient benefits Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 www.alhimaya.com www.interglobalnmi.com Bahrain National Life +973 1758 7333 www.bnbgroupp.com bnl@bnbgroupp.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: BHD500,000 Shefa'a Max: BHD35,000 Shefa'a Plus: BHD10,000 Shefa'a: BHD10,000	Shefa'a Gold: In-patient and out-patient treatment, family doctor treatment, prescription medication, home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA Shefa'a Max: Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA Shefa'a Plus: In-patient and daycare treatment as well as out-patient consultations in Bahrain Shefa'a: In-patient and daycare treatment in Bahrain	+973 1753 1555 www.bkic.com info@bkic.com

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

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

Credit cards								KUWAIT
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT	
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.25% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000	
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080	
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225	
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3.5% discount of monthly mobile bills and Free International roaming service	805805	
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.2% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	801801	

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during October 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 to be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance				UAE	
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan Global Area 1: From 10,801 (11-21) to 29,098 up to ages 60-65, Global Area 2: From 3,638 (ages 11-21) to 9,541 up to ages 60-65, Regional Plus: From 2,078 (ages 11-21) to 5,433 up to ages 60-65, Regional: From 1,787 (ages 11-21) to 4,673 up to ages 60-65		Global Area 1: AED5million Global Area 2: AED2.5 million Regional Plus: AED1 million Regional: AED500,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland Regional Plus: AGCC countries, major trading nations of the Indian subcontinent and South East Asia Regional: Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles Global Area 1: From 4,561 (ages 0-17) to 18,428 up to age 65 Global Area 2: From 3,071 (0-17) to 12,270 up to ages 61-65 Global Area 3: From 2,048 (0-17) to 7,045 up to ages 61-65 Regional Plus: From 1,782 (0-17) to 6,675 up to ages 61-65 Regional: From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: Global Area 1: AED200/150, Global Area 2: AED200/150/100, Global Area 3: AED150/100/75, Regional Plus and Regional: AED150/100/75/50	Global Area 1: AED1 million Global Area 2: AED1 million Global Area 3: AED1 million Regional Plus: VIP: AED1 million A: AED500,000, B: AED250,000 Regional: VIP: AED300,000 A: AED150,000, B: AED75,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA and Canada Global Area 3: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional Plus: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional: UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	Essential: From 2,598 (ages 0-15) to 33,650 up to age 82-120, Classic: From 3,743 (ages 0-15) to 46,707 up to age 82-120, Gold: From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US\$160/US\$400/US\$800/US\$1,600	Essential: US\$900,000 Classic: US\$1.2 million Gold: US\$1.6 million	Essential: Hospital treatment as in/day-care patient Classic: Plus specialist medical treatment Gold: Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Expat Services GmbH	Individual Policies Expat Executive: From 1,530 (ages 0-18 years) to 5,210 up to age 65, Expat Superior: From 1,750 (ages 0-18) to 8,490 up to age 65 Group Policies - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	Standard: AED100,000 p.a. Executive: AED1,835,000 p.a. Superior: Unlimited	Standard Group: Covers Arab countries, Indian subcontinent, Philippines Executive and Superior (Group and Individual): Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae
Goodhealth Worldwide	Major Medical Plan: From 1,921 (ages 0-17) to 11,298 up to age 64 Foundation Plan: From 4,037 (ages 0-17) to 23,673 up to age 64 Lifestyle Plan: From 4,663 (ages 0-17) to 29,634 up to age 64 Lifestyle Plus Plan: From 5,892 (ages 0-17) to 34,577 up to age 64	Major: Nil, 1,000/5,000 Foundation: Nil, 50/100/250/500/1,000/2,000/5,000 Lifestyle: Nil, 50/100/250 Lifestyle Plus: Nil, 50/100/250	Major Medical Plan: US\$1.6 million Foundation Plan: US\$1.6 million Lifestyle Plan: US\$1.6 million Lifestyle Plus Plan: US\$1.6 million	Major Medical Plan: Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing Foundation Plan: Plus traditional Chinese medicine, hormone replacement therapy Lifestyle Plan: Plus evacuation extension to the country of your choice Lifestyle Plus Plan: Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand Plus: From 3,298 (Child) to 107,662 up to ages 70-74 Comprehensive: From 2,565 (Child) to 87,709 up to ages 70-74 Select: From 2,340 (Child) to 79,598 up to ages 70-74 Standard: From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Plus: US\$3.4 million Comprehensive: US\$1.7 million Select: US\$1,275,000 Standard: US\$850,000	Plus: Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover Comprehensive: Compassionate emergency visit Select: Compassionate emergency visit, emergency medical treatment outside area of cover Standard: In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate Emirates Plan: From 1,603 (1-16) to 3,018 up to age 55 Emirates Plus Plan: From 1,775 (1-16) to 3,353 up to age 55 International Plan: From 1,978 (1-16) to 5,780 up to age 55 Global Plan: From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	Emirates Plan: AED100,000 Emirates Plus Plan: AED250,000 International Plan: AED1 million Global Plan: AED2 million	Emirates Plan: UAE Emirates Plus Plan: UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia International Plan: UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean Global Plan: UAE and up to 60 days p.a. while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: from 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: from 1,700 (ages 1-15) to 9,500 up to ages 66-99; International: from 2,200 (ages 1-15) to 13,000 up to ages 66-99; Global: from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)	AED40-75 on medical services	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: 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 ocicem@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan ** Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae
<p>Disclaimer: All medical insurance policies include the standard inpatient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karagolan 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 October 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.</p>					

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 – Householders contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, Impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and 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 TVs/Hi-Fi's/Videos/home computers/ fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and (2) Extra damage option – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

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

Credit cards		BY INTEREST/PROFIT RATE				UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT	
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari web card	Classic-200, Gold-400, e-Tijari web card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 www.cbd.ae	
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.5% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbuae.com	
Dubai Bank	Visa Covered cards (Silver, Gold, Platinum)	Free for life offer.	0% APR for first three months. 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubai.bank.ae	
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 www.alislami.ae	
Emirates Islamic Bank	Visa Islamic cards (Classic, Gold, Platinum, Infinite)	Classic-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae	
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com	
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, www.lloydstsb.ae	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, NMC, Titanium)	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards 2.25% on cash withdrawals	55 days	04 213 0000 www.rakbank.ae	
Standard Chartered	Saadq Visa Gold credit card	500	N/A on purchases, AED125 for cash withdrawals	50 days	04 313 8888 www.standardchartered.com/ae	
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847	

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card, Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: GreenJUS\$120, GoldJUS\$210, PlatinumJUS\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF. Millennium 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.americexpress.co.ae	
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards): No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae	
Citibank	Visa, MasterCard (Silver, Gold, Eppco Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard), Citibank/Emirates Ultima Card, Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate.	04-311 4000 www.citibank.com/uae	
Dubai First	Visa (Silver, Gold)	Silver - 150, Gold - 350	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalization and assistance. Free life insurance up to AED50,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. Easy purchase plan in 6 to 24 monthly instalments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.	Toll-free: 800 33 www.dubaifirst.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 instalments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travel and medical insurance options, rewards programme.	04-3160316 www.me.ae	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard Classic -150, Gold-400, MasterCard Ethad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Ethad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Diak-a-Gift service for a wide range of gift vouchers. Ethad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accommodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, AADF 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, AADF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com	
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts; until August 10, 5% cash back on all retail purchases, 2% after promotion.	Toll-free: 800 4444 www.nbd.com	

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

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Car Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	4.10% for new cars with downpayment, 4.25% without downpayment, 5.25% for used cars	Up to 500,000 (Depends on salary)	Nil downpayment option	New cars - 72 months Used cars - 60 months	Approved companies 2,500; otherwise 3,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 250,000	Nil for new cars, minimum 5% for used cars	New cars - up to 60 months Used cards - up to 48 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% flat rate	New cars: up to 90% Used cars: up to 70%, subject to maximum AED50,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	CBD customers: 4.25% for new cars, 5.75% for used cars Non-customers: 4.5% for new cars, no financing for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	3,000	Yes
Commercial Bank International	Sayaraty	3.99% for new cars, 4.25-5.25% (depends on make and model)	Up to 250,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars starts at 10% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	3,000	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars	Up to 250,000	Minimum 10%	Up to 48 months	5,000	Yes
MashreqBank	Mabrook Auto loan	4.25% for new cars, 5.25% for used cars	Up to 500,000	Nil downpayment option.	60 months for new cars 48 months for used cars	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.99% for new and used cars, without salary transfer 4.5%.	Up to 250,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	4,000	No
Sharjah Islamic Bank	Vehicle Murabaha	With salary transfer: 3.99% for new cars, 4.25% for used cars. Without salary transfer: 4.25% for new cars, 5% for used cars.	Up to 500,000	Nil for new cars, minimum of 10% for used cars	Up to 72 months	3,000	No

Personal Loans							
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	8.5-11% reducing balance rate	Up to 250,000 (depends on salary)	Yes	Up to 192 months for nationals, 60 months for expatriates	3,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor)	Up to 30 times monthly salary, Maximum 250,000	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes
Dubai Bank	Sanad Personal Finance Souk Goods Finance	Profit rate: 4.75-6.25% fixed rate (depends on loan tenor and salary)	Up to 250,000	Yes	Up to 120 months Up to 60 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	3,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.95% fixed rate without salary transfer	Up to AED250,000	Yes	Up to 60 months	3,500 with salary transfer, otherwise 4,500	No
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 5.4% fixed rate (depends on the loan tenor)	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	Starts at 9.5% on reducing balance basis	Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-11.5%, depending on loan term and company status	Up to AED250,000 (depends on salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED100,000	Yes	Up to 36 months	3,000	Yes
United Arab Bank	Consumer Loan	Fixed rate: min. 4.5% Reducing balance: min. 9%, depends on the company and the salary	As much as AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	2,500	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodajae
Used cars must not be older than 2003 model.	Yes	None for cash, 3% of outstanding loan for bank buyout	Option for three yearly deferrals	1% processing fee	Toll-free: 800 223 www.cbd.ae
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card, insurance finance option.	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 www.cbuae.com
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.habbank.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED100 charged as processing fee	04 217 4800 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None		No processing fee	Toll-free: 800-6667 www.sib.ae

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to three times salary overdraft for nationals and up to two times for expats. *Special Ramadan offer: National receive Carrefour gift voucher of up to AED1,000.	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Installment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 6667 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

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

Mortgages							
PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	RBR = Retail base rate Salaried residents: RBR plus 2.75%; Self employed residents: RBR plus 3%; Non residents: RBR plus 3%	Salaried: Up to 90% of value with salary transfer, up to 85% without salary transfer Self-employed: Up to 80% of value Salaried non-residents: Up to 70% Self-employed non-residents: Up to 60%	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer, 20% for self employed
Amlak (Shar'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	25 years for UAE nationals 20 years for residents 15 years for non-residents	60 for salaried employees, 65 for self-employed	Variable rate (residents): 8.5% Variable rate (non-residents): +1% more than residents. Fixed rate is 11% for residents for seven years and 14% thereafter (+1% for non-residents)	Up to 90% of property value	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	Starting from 7.5% for the first year	Up to AED5 million or 90-95% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	10% of the property market value
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starts from 2.75% over three month IBLR, minimum 7%	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.75 - 9.10% variable rate	Up to 80% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Ijara: 8.25-9% variable rate Murabaha: 4.5 - 5.25% fixed rate	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value; as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	Ijara - 3 month EIBOR + 2.50% Murabaha - reducing balance rate 9% for 5 year loan, 10% for 10 years; Fixed rate - 4.48% for 5 years, 5.20% for 10 years	Maximum up to AED5 million	Not more than 50% of the salary	As low as 5%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8 - 9.75% on reducing balance basis	Up to 90%; as much as AED5 million	Maximum 60%	10%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	Floating rate, will not exceed 7.5%	Up to AED3.5 million	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	7.25 - 7.75% reducing balance rate	Up to 90% of market value	60% overall debt on all regular commitments	10%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	8.5% variable, straight re-payment mortgage	Up to 70% for apartments and 80% for villas	Should not exceed 50%	Depends on property
Mashreqbank	UAE residents and non-residents	Up to 25 years	60 years for salaried 65 years for self-employed	Fixed rate: starts from 7.49% Variable rate: from 3.29% + EIBOR	Up to AED5 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years	65 years	7% fixed rate	Up to 80% finance, as much as AED5 million; depends on salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
National Bank of Dubai	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer, starts at 6.49%; afterwards, EIBOR rate + 3%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.25%	Up to 85%; as much as AED5 million	Residents: up to 60% Non-residents: up to 50%	Minimum 15% depending on the property
RAKBANK	UAE nationals, expats and non-residents	25 years	65 years	8.25 to 10% on a reducing balance basis	Up to 90% or as much as AED8 million	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 12 years	65 years for UAE nationals, 60 years for others	Profit rate. With salary transfer: 4.65% for 1 to 5 year tenor; 4.92% for 6 to 10 year tenor; 5.19% for 11 to 15 year tenor. Without salary transfer: 4.92% for 1 to 5 year tenor; 5.19% for 6 to 10 year tenor; 5.47% for 11 to 15 year tenor	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
Standard Chartered	UAE nationals, expats	20 years	65 years	Will not exceed 8.5%	Up to AED3.5 million for apartments and up to AED7.5 million for villas	Depends on the salary	From 15%; depends on salary and type of property
Tamweel (Shar'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	Depends on scheme. Floating rate of 7.9% applies to loan tenors of 5-25 years (changes every six months). Fixed rate from 9.5% for five year tenor, 10.5% for 10 year tenor, 10.8% for 15 year tenor. (Also offers 'Yusr' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to 80% of the property value. (Varies from property to property)	55% of salary	From 10%, Depends on property
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	Minimum 6.25% flat rate	Up to 90% of the market value	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Batina'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + minimum of 2 - 2.25%	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

Advert

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 Ishraqaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount in case of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaiabank.ae
Life and property insurance	10,000	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Souruh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 800 2700 www.firstgulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omnyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsb.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Miraf), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: For fixed rate - 1% or maximum AED12,000. For variable rate - 1% or maximum AED15,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	10,000	Yes	Yes	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 25,000 for nonresidents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	12,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 6667 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
"Property 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 October 2007 for MONEYworks magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early 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.

Advert

Independent Financial Advisers						UAE
Licence: The UAE Central Bank						
Name	Address	Telephone	Fax	E-mail	Website	
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae	
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.cibme.com	
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com	
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com	
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsahel.com	
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp	
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com	
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 62658, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	synergy2@eim.ae info@synergyfinancial.ae	www.synergyfinancial.ae	
Union National Financial Consultancy LLC	11th Floor, UNB Head Office Building, Salam Street, Abu Dhabi, UAE.	+971-2-678-2822	+971-2-678-2825	unc@emirates.net.ae	www.unfc.ae/	
Licence: MoE (Ministry of Economy)						
Name	Address	Telephone	Fax	E-mail	Website	
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma-international.com	www.acuma.ae3	
GlobalEye	P O Box 24592, Dubai	+971-4-3979550, 800-4558	+971-4-3979551	admin@globaleyegroup.com	www.globaleyegroup.com	
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com	
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com	
Licence: DED (Dubai Department of Economic Development)						
Name	Address	Telephone	Fax	E-mail	Website	
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.

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

Licensed Financial Intermediaries						UAE
Note: Financial intermediaries are licensed to undertake brokerage in currencies, commodities and to deal with money market transactions, as per licence from the Central Bank. Main activities at present are brokerage in foreign exchange, futures, options and Contracts for Difference (CFDs) in global stock indices, major stocks, treasury notes and commodities.						
Name	Address	Telephone	Fax	E-mail	Website	
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	+971-4-351 6112	+971-4-355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com	
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	+971-4-228 3003	+971-4-223 7237	easttrust@emirates.net.ae	www.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 October 2007. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae . (Source: UAE Central Bank Website, last updated March 31, 2003)						

Related Services						UAE
Name	Address	Telephone	Fax	E-mail	Website	
Just Wills LLC	P O Box 75671, Dubai, UAE	+971-4-3116592	+971-4-328810	mohammad@just-wills.net	www.just-wills.net	

 **Letter of the Month**
Email: editor@moneyworks.ae

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

Dear Editor
I save hard, I watch my money and I generally think I'm doing the right things when it comes to my money. Then I talk to my friends and the doubt begins to set in. I never seem to be doing as much as they are, saving as well, using cards properly or be in the right investments!
ZA, Dubai

It's a common issue...and the thing to remember is that you ONLY have to do the best for you.

Your money is nobody else's business, as we all have different priorities, aims and life goals. If you think you're doing the right thing, you probably are. And it's very clear that you have taken the most important step to get your finances in order.
 There's an interesting book called 'Personal Finance for Dummies'. The fourth edition is out now and it's often used as a way of identifying common financial problems. I'm not trying to say that you're a dummy, by the way...just that if you're addressing the

following issues, then you really don't have any issues!
 The top ten issues run as follows: not planning, overspending, buying with consumer credit, delaying saving for retirement, falling prey to financial sales pitches, not doing your homework, making decisions based on emotion, not separating the wheat from the chaff, exposing yourself to catastrophic risk and focusing too much on money.
 If these aren't issues for you, then you're doing pretty well. Don't worry!

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How do I get on the property ladder?

James Thomas considers the pros and cons of taking the plunge and investing in property.

QUESTION

“I have been wondering if I have the resources to buy a property in Dubai. Ideally I'd like to purchase a one-bedroom apartment, but I find the prices way beyond me. Recently a friend advised me that I ought to purchase a studio apartment and later upgrade to a one-bedroom apartment by unlocking some of the equity that I have built in the studio. He could not explain it to me properly. Can you please advise how to plan such a move and if it can work in a market like the UAE?”

This question raises a number of interesting points that I am sure are issues a lot of people in the region are faced with. What is the best property to buy? How much can I afford? Should I stretch myself to buy something bigger and/or better?

As with every investment, you also need to do your research and study the market to make sure you purchase the best property that you can based on your requirements. Are you looking for somewhere to live in or will it be purely an investment that you will rent out? There are different factors that you will need to consider for both options. Location is the main factor if the property is to be rented, but this can be more flexible if buying to live in – i.e. further out of town. Most of us will need to compromise on something unless money is no object, be it location, size, etc.

Your friend makes a good suggestion; if you can't afford the exact property that you would like, consider buying a smaller one and get yourself onto the property ladder at a level that you can afford. Then,

assuming the property market continues to increase in value, your equity in the property will also increase. This means that the actual amount of the property owned by you rather than the bank if you have a loan secured on the property will have increased. So, if you sold the property, this would be your profit, and whilst you own the property, it is known as your equity in the property.

What your friend is suggesting is that you take this equity or profit once it is of a sufficient size and use it to buy the property that you really want which, in this case, is a one-bedroom apartment. Potentially it's a good strategy as it gets you into the property market and can make your money work harder for you, rather than just leaving it sitting in a bank account.

However, as always, there are a number of issues to be aware of. On the one hand, if everything goes to plan, you invest in a studio apartment and it increases in value, making you a tidy profit. But it is likely that one-bedroom apartments will have done exactly the same thing and increased in value, too, so you may well find yourself in the same net position, in that the one-bedroom apartments are still too expensive.

I believe that the market in Dubai at the moment could be suitable for this type of plan as the market is currently buoyant, with lots of properties to consider purchasing. However, there are also other risks to this plan. What would you do if the property market actually fell in value? This would leave you with less to invest in the actual property you want, and could make it difficult to sell the studio apartment and buy another property.

When working out your best options, you also need to take into account the costs of the process. There are a number of fees to consider, such as bank costs for any loans that you may need, the associated life assurance, the buildings and contents insurance, any real estate agent fees and property registration costs. I am sure there will be other costs as well, so it's vital that you allow for these in your contingency plans.

Regarding how best to plan this strategy, I would advise that you carry out substantial research to make sure you purchase the best property for your budget and requirements. Once you have done this, you need to plan how to fund the property and to factor in the costs mentioned above. It is then a case of waiting to see how the market responds and how long it takes before you have made the profit you hoped for. Then you will need to go through the process all over again to find your next property!

There are other options you could consider to get onto the property ladder. What about buying 'off plan'? This term refers to purchasing a property before it is built (as with all property purchases, make sure the developer is a reputable one). You may have to wait for two or three years for the property to be completed, but they are often much cheaper than similar properties on the market which are ready to move into, and by the time the property is finished, its value should have increased, thus increasing your equity. Keep an eye out for advertisements for new developments. Property released in the first phase of a development is often more reasonably priced.



Let's play monopoly

Are monopolies more important than common people, asks **Sheikh Sultan bin Saud Al Qasimi**.

As the saying goes, give me a monopoly and I will give you a great business.

In the GCC, many family firms have thrived on monopolistic activities. For each brand, a single car importer, a single clothes retailer and a single telephone provider (no, du doesn't count yet). These families have been able to amass wealth that amounts to billions of dollars, having their net worth and profiles listed in prestigious journals while constantly trying to outdo each other, to the extent that some family members claim their family's wealth to be their own. No naming names please.

The truth is, it's not smart to be making money from a monopoly. In fact, it is considered to be foolish if you end up not making a fortune. No other government in the world has enacted legislation into their constitutions (Saudi doesn't have one yet) that enshrines the protection of monopolies like the GCC does, giving them powers to prevent entry of goods without the agent's consent^[1]. Monopolies are not considered a burden on the economy, although they have contributed to the stalling of the free trade agreement with the EU, for example^[2]. In fact, they are feted by officials in lavish ceremonies with honours and contracts.

In the GCC, size does matter, and yes, bigger is better. Foreign companies naturally prefer to deal with bigger agents than with newer ones; some even prefer to have a royal backing to ensure their business does well. In some cases, foreign retailers have been known to scout the rich list before deciding whom to award their brand name to. That is their right, but it doesn't mean that other citizens should be constitutionally barred

from importing the same product if a deal with the producer is reached in the future^[3].

In each GCC country, there is a handful of family businesses, most of which are nationals (but some are expatriates) that control a majority of the products being sold in the country. For example, in each country or region, there is only one specific luxury car agent (few with royal backing, in stealth, of course), allowing no one else the right to sell this brand of vehicle. In case a buyer decides to import a car from abroad to bypass the extortionate prices, then the agents would refuse to do any maintenance as a way of discouraging the purchase. As most of the population is not concerned with luxury brands, this is not the main problem. The trouble arises when monopolies of basic staples such as food items decide to unjustly increase the prices in a non-scientific way, blaming the rise of the Indian rupee and the euro. This results in the so-called *imported inflation* phenomenon.

As GCC families compete with each other in regional and international rich lists, they refuse to allow others to compete with them in their own territory. What is mind boggling about all this is the fact that the GCC countries are protecting these companies instead of encouraging legitimate competition^[4]. Surely the economies of Saudi Arabia, Kuwait and Dubai can handle more than one agent for Colgate toothpaste without seriously damaging their GDPs.

The UAE is forced by the terms WTO to abolish monopolistic practices^[5], something it has yet to do despite joining the organisation in 1996^[6]. It is no wonder that the powerless parliaments in the GCC are not discussing this issue

when a majority of MPs are either involved directly or affiliated to big businesses that would be negatively affected by the introduction of much needed anti-trust legislation.

Oddly enough, in Yemen, a country that the GCC has traditionally looked down upon, has more advanced competition laws than in the GCC rich man's club, in spite of not being a WTO member. The country's president himself alleged that greedy importers who hold monopolies are behind drastic price increases of consumer goods and promised to take action against them^[7].

As the cost of living continues to grow exponentially in the region, it is difficult to believe the single-digit inflation figures supplied by the governments^[8]. A large portion of the residents survive on goods being imported from abroad by these monopolies, which range from rice to raw materials. It is the duty of the GCC governments to ensure that their populations are not being overcharged by greedy importers.

It all ultimately boils down to one question. Are the respected positions that these family businesses enjoy in the world rich list more important than the wellbeing of the general population?

They decide.

(Footnotes)

- [1] <http://www.zawya.com/story.cfm/sidZAWYA20061115070318>
- [2] <http://www.zawya.com/story.cfm/sidZAWYA20070514032627>
- [3] <http://www.zawya.com/story.cfm/sidZAWYA20070811075010>
- [4] <http://www.zawya.com/story.cfm/sidGN10087670>
- [5] <http://www.uaewto.org/en/uae-wto.asp?id=34>
- [6] http://www.zawya.com/story.cfm/sidGN_01052007_10122068
- [7] <http://www.zawya.com/story.cfm/sidZAWYA20070821113629>
- [8] <http://www.zawya.com/story.cfm/sidANA274274121511>

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