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May 2008 Issue 114

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The issue that caught everybody's attention last month was the Deyaar corruption case in Dubai – the figures and names are still floating around. This is another instance where Dubai's leadership has shown that it will not tolerate corruption. In fact, it is quite coincidental that Sheikh Sultan wrote about corruption in his column in this edition. It's also an indication that there is much more awareness in the region than before of the fact that corruption is an issue and needs to be closely monitored.

As for the markets, it certainly looks like some shine is coming back to equities. All the regional markets were up this month over the previous month's close as this issue went to press. The realisation that the recession in the US may not be a deep one has also helped. We do, however, need the US dollar to bottom out sooner rather than later. Too much is at stake as oil prices continue relentlessly towards US$120 a barrel, while most other commodities, including gold, point in one direction: north.

Inflation is, in fact, the one single factor that should concern policymakers in the world, including those in the GCC. Unless some solution is discovered to keep the inflation monster at bay, the applecart that has kept its balance in emerging markets may overturn. Of course, if the US dollar shakes off its weakness and comes back to life soon, it will reduce some of the anxiety. If it doesn't, though, then the world is going to continue to suffer from rising prices, especially where food is concerned. Things have become so serious that countries around the world are starting to ban foodstuff exports. For a region that mostly imports what it eats, like the Gulf, this will only mean more pressure on food prices.

Before I sign off, I must draw your attention to another must-read guide that we've produced this month. It discusses asset allocation in mutual funds and might help you to create the asset portfolio of your choice.

Utpal Bhattacharya
Editor

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Prof. Njuguna S. Ndung'u

Kenya set to boost Islamic banking industry

Kenya is witnessing a lot of interest in Islamic banking. Prof. Njuguna S. Ndung'u, governor of Kenya's central bank, told **Ehab Heyassat** that Kenya's government is not averse to launching a sukuk programme to raise money for funding infrastructure development.

Kenya is keen to give its nascent Islamic banking industry a further boost. The country is also not averse to hitting the sukuk market to raise debt that would help fund the country's infrastructure development, according to a top official at Kenya's central bank.

Prof. Njuguna S. Ndung'u, the central bank's governor, said that Kenya's government will invest KES500 billion (US$7.7 billion) in various key infrastructure projects in the next few years. He added that three quarters of that amount have already been raised from the government's privatisation programme. The government plans to enter the debt market to raise the balance amount.

According to the governor, plans were to approach the market early this year, but market conditions were not right and political problems caused an issue with the country's ratings; hence, the issue was aborted. The plan now is to come to the market either in the third or the fourth quarter of this year.

"We only need US$300 million, and it's still on our agenda. It's not a big amount, but we want to consolidate our ratings in the international markets first," he said.

The Kenyan government will invest in flagship projects across various sectors to ensure that the set targets of the government are achieved by 2030.

"We have grouped these investments as quick wins and breaking new grounds. For example, our tourism investments are focussed on animal safaris and the beach areas. We have many other destinations that have touristic interest, but are in need of investments to enhance infrastructure around these places," said Prof. Ndung'u.

Asked if the Kenyan government might tap into the burgeoning sukuk international market, he said it was not considered earlier, as there was no interest from investment bankers.

"If somebody comes to us and shows us how it will be beneficial for us, then we might go for sukuk. Our ratings have come back to our favour now, and that's why sukuks could be interesting," Prof. Ndung'u pointed out.

"If somebody comes to us and shows us how it will be beneficial for us, then we might go for sukuk. Our ratings have come back to our favour now, and that's why sukuks could be interesting." *Prof. Njuguna S. Ndung'u*

The governor also said that Kenya is welcoming more Islamic banks in the country. There are two Islamic banks in the country now, the first of which started operations late last year. Two other conventional banks have applied to convert to Islamic banking as well, but the governor did not disclose any names.

Kenya's first Islamic bank, First Community Bank (FCB), was granted a banking licence in May 2007. The bank started operations in November that year. Apart from FCB, Gulf African Bank is the other bank in Kenya with a licence to operate as a fully-Islamic bank. Both of these banks have large GCC shareholders.

Prof. Ndung'u said that banks in Kenya are increasingly applying to include Islamic windows in their businesses. There are at least three banks as of now that are planning to open Islamic windows and the central bank is in discussions with them, he added.

It has also been reported that Barclays' La Riba account was the first-ever Shari'ah-compliant account in Kenya. The account was set up in December 2005.

"The most important thing here is that we came to a conclusion that we do not need new laws for Islamic banks or banks offering Shari'ah-compliant products. This also means that we are not under any constraints while licensing new Islamic banks. What we can do today is create a few exemptions in limited areas to allow Islamic banking," said Prof.Ndung'u.

Kenya's Islamic banks, although open to other faiths, mainly target the nine million Muslims in the country. They also target the 800,000 Somali community residing in the country, which is mostly made up of traders. Kenya is, in addition, a gateway to Uganda, Rwanda, Burundi and Tanzania. There is a substantially large population of Muslims in these countries, so it is only likely that Kenyan banks will target them as well.

David F. Proctor

Al Khaliji to launch retail bank offering soon

Al Khaliji Commercial Bank is looking to its IT infrastructure and "new" approach to products and services to get its teeth into the highly competitive retail banking business in Qatar. A MONEYworks report from Doha.

Doha-headquartered Al Khaliji Commercial Bank is set to launch its retail banking business this year, as well as its premium and business operations. Since its launch in January 2007, the bank has been mostly engaged in structured finance and corporate banking. It has also recently launched its Islamic corporate business.

David F. Proctor, chairman's advisor and head of the executive team at Al Khaliji, said the bank has set its course to provide superior services and products to customers. The bank has also conducted surveys across the region using YouGov Siraj to determine what customers like in a bank and what they don't. These surveys have helped the bank to plan its retail banking products and strategies, Proctor explained.

"We think we have got some new ideas in terms of the distribution, the branches, the contact centre in Doha and also the products," he said.

Proctor, however, refused to provide further details, especially those regarding the launch date of Al Khaliji's retail banking services.

"You can imagine the number of competitors that are asking me when we are going to start retail banking. All I can tell you now is that we plan to have a full-fledged retail distribution network covering branches, service centres, ATMs and a contact centre," he said.

Asked how Al Khaliji will differentiate its retail banking proposition from competition, Proctor said that surveys conducted by the bank with YouGov Siraj suggested that 43 per cent of those customers polled were willing to change banks immediately because of the poor quality of service. Research also showed that customers simply did not trust banks anymore. Proctor said that, according to Al Khaliji's research, most bankable customers view banks the same way they view second-hand car salesmen and dentists.

"Keeping the findings of these surveys and research in mind, we have tried to structure our branches tailored to the different needs of customers. We are trying different designs for our branches and trying to think laterally. Also, it is not just bricks and mortars that we are looking at to access customers. We will use our core technology to make that happen," he said.

Proctor stressed that Al Khaliji has built an integrated system, a platform capable of offering standalone products to individual customers. Consequently, he added, there will be tailored packages for people who come to bank with Al Khaliji.

"From the conversations that we have had with customers, people do not like the product-push approach that some banks have today. In our case, our products will be based on conversations with customers: what's going on in their lives, the issues as they go through with their lives, the changes of their financial needs, etc. Our services will be based on customer demand rather than on what the bank has decided to sell," Proctor explained.

"Our services will be based on customer demand rather than on what the bank has decided to sell." *David F. Proctor*

Proctor said that Al Khaliji has shareholders from five GCC countries: Qatar, the UAE, Oman, Bahrain and Kuwait. He added that the bank plans to expand to all these countries in phases. The immediate focus is going to be Qatar, while the second phase of expansion will be in the UAE with the signing of the sale and purchase agreement of BLC Bank (France) SA's UAE assets. The French bank has branches in Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah.

Asked if Al Khaliji intends to make more acquisitions, Proctor said it will depend on what is being offered in a particular deal.

"If we see other acquisition opportunities, we will pursue them. But the bank is not designed as an acquisition vehicle. The bank intends to generate organic growth. If we can't generate organic growth, then we have done something wrong in our research or plans or the staff that we recruited," he said.

Abu Dhabi considering escrow law

Abu Dhabi is working towards a comprehensive regulatory environment to address all aspects of the emirate's real development and investments. A **MONEY***works* report.

With Abu Dhabi's real estate projects now exceeding AED1 trillion, there are expectations from the emirate to introduce similar regulations to those already passed in Dubai. Some in the industry claim to have heard in the corridors of power that Abu Dhabi is working on an escrow law that will closely follow the Dubai precedent. The question, of course, is when exactly it will be announced.

An escrow law does set a higher benchmark in property development, and Dubai has benefited from such a law in terms of customer assurance. The escrow law in Dubai requires developers to keep buyers' deposits in escrow accounts rather than allowing them, without some form of independent certification permitting release of funds, to pay this money early to contractors as a project progresses. Although many concerns have been raised about the law hitting developers, as they would no longer be able to pay contractors, little friction has been witnessed between the two parties since the introduction of the law. In fact, what has become an issue now is the supply squeeze not only in raw materials, but also in human resources. This squeeze is delaying the delivery of units in Dubai.

Sources who did not want to be named but are close to the developments in Abu Dhabi's escrow law said that while the emirate is working on such a law, there is a lack of urgency at present. They attribute the lack of urgency to most of the projects having already completed 70-80 per cent of construction.

"The Abu Dhabi escrow law will complement the Dubai escrow law, but it will also be unique, as we have seen with the freehold law that was passed in the emirate," said one industry source.

Sources added that it is not only the escrow account that is being considered, but also a whole set of real estate regulations that will become a comprehensive regulatory framework for Abu Dhabi.

Fadi Antar, operations manager at Better Homes Abu Dhabi, said: "The Abu Dhabi real estate market is still in its infancy. As with all new markets, regulations are an ongoing process. We anticipate further developments and laws to be implemented, which are likely to include escrow."

Antar further explained that while the market in Abu Dhabi is not demanding an escrow law at the moment, the introduction of one will positively contribute to the emirate's real estate market credibility. It will also enhance the emirate's standing internationally and greatly help real estate brokerages to market products outside of the country.

At present, Abu Dhabi does not have a land department or any separate agency dedicated to the real estate business of the emirate. The Department of Municipalities and Agriculture is responsible for regulating all issues related to the emirate's real estate.

It is expected that in the future, when the comprehensive real estate regulatory framework is created in Abu Dhabi, there will be a separate dedicated body that will be responsible for the emirate's real estate.

Abu Dhabi's real estate is being developed mainly through three master developers: ALDAR, Sorouh and Al Qudra. There has also been rising interest among investors in the emirate, which has launched a number of interesting projects over the past couple of years. In fact, an HSBC report on Abu Dhabi's real estate sector reported last March that the fundamentals of the emirate's real estate sector look healthy, with residential prices on average having gone up 30 per cent year on year in January 2008. Plot prices have doubled over the same period, which implies a further 45 per cent increase in residential prices by 2010. The latest launches have been extremely successful, suggesting strong sales momentum this year.

The increasing participation of banks and other retail financers has also contributed to interest and sales in Abu Dhabi's real estate market. Antar said he expected to see more banks coming to the emirate to offer a wider variety of projects to customers. As of today, customers have to visit different banks for different projects, he added.

"The market is looking good. Today, financial institutions in Abu Dhabi are offering up to 90 per cent of the LVR [loan to value ratio] on resale of properties. This can reach up to 97 per cent LVR on direct from developer properties," said Antar.

But, he added, there is still room for faster mortgage approvals and improvement on quicker cash disbursements to the sellers. Also, as many more financial institutions enter the market with competitive rates, established lenders could begin offering cheaper fees compared to what is available today.

Although there will always be room for improvement, all of the talk around Abu Dhabi's real estate sector sounds extremely positive. Talk to any big banker; they all want to be there yesterday.

Al Raha Beach - Central Market

First Gulf Bank has announced that its financial results for the first quarter of 2008 reached AED675 million. This figure represents an increase of 66 per cent compared to the same period last year and an increase of nine per cent compared to the last quarter of 2007.

Growth has been recorded across the bank's core businesses, subsidiaries and associate companies, which all contributed to the bank's income.

National Bank of Kuwait has announced a net profit of KWD82 million (US$309 million) for the first quarter of 2008, an increase of 28 per cent over the same period last year.

Dubai Bank announced a net profit of AED131.5 million for the first quarter of 2008, an increase of 300 per cent compared to the same period in 2007.

Operating income was AED207.8 million for the first three months of 2008, up 250 per cent from the same period in 2007.

RAKBANK reported a net profit of AED142.31 million for the first quarter of 2008, a 65 per cent increase over the same period in 2007 and over 30 per cent growth from the previous quarter.

The bank plans to continue investing in product development, technology and other delivery channels.

Qatar Islamic Bank has recorded a QAR456 million net profit for the first quarter of 2008, an increase of 69 per cent over the same period last year.

The bank's objectives for 2008 are to sustain growth, consolidate profitability and build a strong and balanced financial centre.

ABC Islamic Bank announced a net profit of US$6.8 million for the first quarter of 2008, an increase of 98.5 per cent over the net profit for the same period last year.

SGSS completes EUR195 million transaction

Societe Generale and UniCredit have announced the completion of the transaction covering the sale by UniCredit of the securities business of the former Capitalia Group to Societe Generale Securities Services (SGSS).

This business represents assets under custody of EUR102 billion and a total of EUR27 billion in assets under administration in Italy and Luxembourg. Total consideration for the transaction is EUR195 million, including Euroclear shares sold by UniCredit.

As a result of this transaction, SGSS now holds approximately EUR480 billion in assets under administration.

DFSA chief executive to retire by year end

David Knott (left) with Dr. Omar Bin Sulaiman, governor of the Dubai International Financial Centre

The board of the Dubai Financial Services Authority (DFSA) has announced the decision of chief executive David Knott to retire from full-time employment at the end of 2008, coinciding with his 60th birthday. Knott has accepted an invitation to continue as a DFSA board member after he steps down as chief executive.

"The board is committed to selecting a successor to David who will continue to command respect and confidence as chief executive of the DFSA. A selection process will be undertaken by the board to ensure a smooth handover of responsibilities at the end of the year," said Abdullah Saleh, chairman of the DFSA.

Yunus Kazia has won the grand prize of AED4 million following the MashreqMillionaire live raffle. The winner continued to purchase MashreqMillionaire certificates for 11 years until he owned 200 of them.

DIFC raises awareness of credit bureaus

Zaid Kamhawi

Senior executives from various UAE business sectors, including financial institutions, gained insight into the significance of credit information services at a workshop held at the Dubai International Financial Centre (DIFC) last month.

The workshop, which was jointly organised by the DIFC and Emcredit, the UAE's first independent credit information provider, covered the importance of credit reporting companies for the enhanced functioning of financial and credit markets.

"Credit information companies are essential elements of financial sector infrastructure. By providing accurate and timely credit information, they enable financial institutions to gain a better perspective of their customers' repayment habits and capabilities, and make more informed decisions," said Zaid Kamhawi, business development director at Emcredit.

UAE-based Al Jaber Group announced that it has successfully closed a US$400 million (AED1.47 billion) syndicated bank facility that will support the ongoing growth of the group, including the purchase of machinery and equipment.

The five-year facility has been provided under a Shari'ah-compliant Ijara structure by a regional and international syndicate of 11 banks.

Established in 1970, Al Jaber today has combined revenues of over US$2 billion. The major business segments of the group are contracting, industrial, trading and logistics, real estate, hospitality and aviation.

Bahrain Islamic Bank (BisB) has announced a net profit of BHD10 million for the first quarter of 2008, an increase of 92 per cent against the same period last year. According to Khalid Abdulla Al-Bassam, BisB's chairman, total assets and customer accounts have significantly increased.

The bank's CEO, Mohammed Ebrahim Mohammed, said: "The operational income has increased to BHD18 million, a rise of 64 per cent against the BHD11 million of the previous year."

The CEO attributed the increase to the ongoing growth of Islamic financing and to the good return on the diversified investment activities. He added that deposits increased by 22 per cent over the same period last year.

BankMuscat has announced a net profit of OMR26.5 million for the first quarter of 2008, a 39.4 per cent increase over the same period last year.

Emirates NBD has announced the winners of its promotion giving customers the opportunity to transfer their salary and win 12 times their salary back. The winners were Ashraf Saleh Ahmed Salameh, a Jordanian national, and Adnan Shah Faiz Muhammad Shah, a Pakistani national.

ACM to become a bank later this year

Swiss online brokerage company Advanced Currency Markets (ACM) has raised its share capital to CHF20 million. While guaranteeing the growth potential of the company, this capital increase will also allow ACM to tackle new markets and invest in further research and development to continue to provide its clients with top-of-the-range online trading tools.

ACM also plans to open its office in New York and will be targeting the US markets. The company will become a bank in the last quarter of this year, which will allow ACM to provide more features on its platforms like futures, options, CFDs, equity and more.

DIC invests in Asian wellness services

Dubai International Capital (DIC), the international investment arm of Dubai Holding, has acquired a significant stake in the True Group, a leading provider of wellness services in Southeast Asia.

The True Group was established in 2004 as Singapore's largest wellness centre. The group has expanded steadily across Southeast Asia and has become one of the largest fitness, yoga and wellness groups in the region. DIC's investment in the True Group will enable further growth of the group's operations throughout Southeast Asia, the Indian subcontinent and the Middle East.

"The wellness market in Asia is particularly attractive because there is a rapidly expanding segment of consumers whose higher disposable income has created a demand for such services," said Anand Krishnan, COO and acting CEO of DIC Emerging Markets. "The level of wellness club membership in Asia is still, however, only one-fifth of what it is in the US and Europe, so we see attractive growth potential in our investment."

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

Business confidence declining in Gulf

A recent quarterly survey by HSBC of confidence levels among the Gulf's business community has revealed that confidence levels remain high, although these levels have shown a consistent decline over the past year.

From a base index level of 100 in the first quarter of 2007, the index now stands at 96.8 for the first quarter of 2008. The main factors cited for the decline in outlook are high inflation and the weakness of the US dollar. The continuing high price of oil is now perceived as having a negative impact on business.

Inflation in particular is contributing to the decline in business sentiment, with the proportion of businesses claiming a negative impact rising from 36 per cent in the first quarter of 2007 to 61 per cent in the first quarter of 2008.

TAIB Bank's shareholders have approved an increase in the bank's authorised capital from US$200 million to US$1 billion and an increase in the bank's paid-up capital from US$107 million to US$250 million.

"The increase in the capital of TAIB Bank is to strengthen the capital base of the bank in keeping with the substantial enlargement of the bank's activities envisaged for the coming year," said Iqbal G. Mamdani, vice chairman of the board of directors at TAIB Bank.

As the GCC region moves ahead with its transition to a knowledge-based economy, significant investments have been made to reform educational systems. However, despite the region's heavy investment in education, returns have been modest, says a recent World Bank report.

According to the report, the GCC countries have spent an average of five per cent of their GDPs on education, spearheaded by the UAE government, which allocated about 25 per cent of its federal budget to education.

The MENA region spends more on average in terms of public expenditure per student at all levels of education compared to other regions. Despite the aggressive spending on education, the report states that the GCC's education system has yet to achieve its full capacity to produce graduates with the skills and expertise necessary to compete with other regions.

The Global 10 Large Cap Fund has been awarded "Best Fund over the Past Three Years" by Lipper. The fund returned 66 per cent, six per cent and 39 per cent for 2005, 2006 and 2007 respectively. Since inception, the fund has returned 621 per cent.

Ahmad Sharaf, chairman of the DME

The Dubai Mercantile Exchange (DME) has won the Exchange Newcomer of the Year Award from global derivatives magazine FOW.

Since its launch in June 2007, the exchange has emerged as the premier international energy futures and commodities exchange in the Middle East, providing price transparency and market liquidity for crude oil from the world's foremost oil producing and exporting region.

The exchange has developed and lists the Oman Crude Oil Futures Contract, addressing the growing market need for price discovery of Middle East sour crude oil. The exchange will also be listing two financially-settled futures contracts very soon, pending regulatory approval.

Depa Limited lists shares following IPO

Depa Limited has listed its shares on the Dubai International Financial Exchange, as well as global depositary receipts on the London Stock Exchange, following a successful international and local IPO. The shares will begin trading at US$1.55 per share and US$7.75 per global depositary receipt.

Depa management

Depa intends to use the net proceeds it receives to acquire new companies operating in the interior contracting and procurement field, acquire support manufacturers and establish new joineries.

Depa Limited is a leading provider of interior contracting services in the Middle East and North Africa. The group operates principally in the luxury fit-out sector, with a focus primarily on the hospitality, commercial and residential property, airport, retail, yacht and specialist fit-out sectors.

GCC wealth set to hit US$3.8 trillion

Wealth held by high net worth individuals in the GCC – those with investable wealth of more than US$1 million – is expected to grow from US$2.1 trillion in 2007 to US$3.8 trillion by 2012, according to an analysis of the global private banking market by management consultancy Oliver Wyman.

The consultancy has found that the bull-run in stock markets and unprecedented wealth creation has driven a rapid 11 per cent year on year growth in assets of high net worth individuals globally. However, due to a tougher market environment, annual growth is expected to slow to nine per cent over the next five years.

The analysis shows that for the Middle East, an estimated 52 per cent of high net worth individuals' wealth was held offshore in 2007. However, this fact is countered by a strong trend amongst the GCC's richest to repatriate wealth and invest in regional assets.

For a market that was historically served offshore, players are now finding the need to hire teams to service clients onshore, with many foreign wealth management firms also increasing their coverage of the Middle East.

For more on this story, go to www.moneyworks.ae and search 'GCC wealth'.

DGCX forms strategic alliance with Shanghai Futures Exchange

The Dubai Gold and Commodities Exchange (DGCX) recently formed a strategic alliance with the Shanghai Futures Exchange (SHFE), capping an initiative that began last year.

Malcolm Wall Morris and Wang Li-Hua, chairperson of SHFE

The partnership will facilitate deeper cooperation in areas such as product development, clearing and technology. According to Malcolm Wall Morris, CEO of the DGCX, the partnership will also allow the DGCX to jointly pursue initiatives aimed at higher efficiencies and improved liquidity.

The SHFE started the trading of gold futures contracts in January 2008. The exchange also trades futures in zinc, copper, aluminium, natural rubber and fuel oil.

Future Pipe Industries aims to list shares on DIFX this month

Future Pipe Industries Group (FPI), the Dubai-based global leader in the development, manufacturing and supply of fiberglass pipe systems, announced last month its intention to undertake an IPO of up to 35 per cent of the company.

The IPO will be in the form of a sale of shares by Future Management Holdings, the sole shareholder of FPI, which is wholly-owned by the Makhzoumi family. Future Management Holdings will retain majority ownership of the company.

The shares are expected to be listed on the Dubai International Financial Exchange early this month. The indicative price range for the shares is US$5.00 to US$6.60 per share. Up to 84 million shares, including an over-allotment option of up to 12 million shares, will be offered to investors globally. Retail and institutional investors will pay the same price for shares.

FPI serves customers in over 50 countries across the oil and gas, infrastructure and municipal, water distribution, desalination and power, petrochemical and industrial markets. It has more than doubled its sales in the last two years, from US$245.4 million in 2005 to US$556.4 million in 2007.

The Dubai Financial Market launched its sixth annual "Online Stock Game" last month. A total of 30 colleges and universities are participating in the game, which intends to educate students about the stock market and develop their talent for investing.

Every participant has the opportunity to trade with a "virtual" sum of up to AED1 million. Winners are selected based on the profits they generate during the playing period, with total cash awards of up to AED50,000.

ARTES, the Tunisia-based car dealership distribution group, has announced its successful IPO, which was the largest the Tunis Stock Exchange has seen.

The IPO opened with a share price of TND13 (nominal value TND10), which rose to TND14.37 on the same day, representing a 10 per cent increase on the opening price. The pre-IPO placement from investors in Tunisia saw the offer oversubscribed more than 10 times.

ARTES' capitalisation stands at around US$230 million. The company should report consolidated sales of approximately US$140 million for 2007 and a net profit of approximately US$19-20 million.

The Dubai Financial Market (DFM) has announced the listing of Al Salam Bank-Bahrain's shares. With this listing, the number of companies listed on the DFM reaches 57 public joint stock companies.

The DFM is the first market in which Al Salam Bank-Bahrain has listed its shares outside of Bahrain. The listing is part of its plan for future expansion and development.

Lulu Hypermarket to fix staple food prices

The UAE ministry of economy has signed an MoU with Lulu Hypermarket Group to implement the first phase of a programme that will preserve the 2007 prices of more than 32 basic food goods throughout 2008.

Sultan bin Saeed Al Mansouri shakes hands with Yousif Ali, chairman of Lulu Hypermarket Group

The fixed prices will apply to various types of rice, sugar, oil, flour, tea, butter, salt, milk and its products, tomato paste, legumes, chicken, meat, cheese, eggs, macaroni, water and bread.

The move aims to stabilise prices, alleviate inflation, maintain market balance and protect consumers. Lulu Hypermarket Group is the first private sector company in the country to implement the programme.

Sultan bin Saeed Al Mansouri, UAE minister of economy, said that the ministry will continue to work in collaboration with other bodies to control monopoly, exploitation and other threats to market stability. He also called for stronger cooperation between the public and private sectors in the country to address rising prices, particularly of basic commodities.

Consumers to spend more on travelling

A recent MasterCard Consumer Lifestyles survey has revealed that the majority of consumers surveyed in the Middle East and Levant said that they planned to spend more on personal travel in the months ahead than they did previously.

In the UAE, 99 per cent of those surveyed were planning to spend more. Half of the surveyed consumers in the UAE anticipated that they would spend 11-25 per cent more on personal travel, while 29 per cent said they would spend 26-50 per cent more. Ninety-five per cent of those consumers surveyed were willing to spend more on business travel.

The survey also highlighted the fact that debit cards are becoming more popular as a payment method, experiencing a further increase in the Middle East and Levant. The use of debit cards now equals the use of credit cards to pay for overseas travel expenses.

For more on this story, go to www.moneyworks.ae and search 'Consumer Lifestyles'.

Atlantis set to open doors ahead of other Palm Jumeirah resorts

Atlantis, The Palm is set to become the first resort on The Palm Jumeirah to open its doors, with a launch date planned for this September. Atlantis anticipates that Middle Eastern residents will account for 30 per cent of all visitors, with UAE residents representing a quarter of the region's guests.

The new US$1.5 billion resort, created by Kerzner International Holdings Limited, will include a water-themed amusement park, freshwater and saltwater pools, lagoon exhibits, an open-air marine habitat, luxury boutiques, restaurants, a nightclub, a spa and fitness club and a long stretch of beach.


Atlantis, The Palm

"We have developed an experience within Atlantis that is truly different from the existing pleasures of Dubai," commented Sol Kerzner, executive chairman of Kerzner International. "We're very proud of the final product and cannot wait to share it in September."

Cityscape Abu Dhabi, the property development and investment showcase, is set to open at the Abu Dhabi Exhibition Centre on May 13, 2008. The three-day event is expected to attract more than 25,000 visitors from over 100 countries.

Cityscape Abu Dhabi was launched last year with the support of prominent government ministers and key government agencies. This year's event will feature more than 300 exhibitors, showcasing projects from over 50 different countries.

Sharjah Investment Centre well underway

SNASCO has reported that the first phase of its Sharjah Investment Centre (SIC) project, which comprises around 7.5 million square feet of residential, commercial and industrial space, has been sold out. The second phase, which was launched in February of this year, is now selling quickly.

The SIC project is expected to play a major role in the emirate's continued economic expansion. SIC will serve as a commercial hub for a number of the emirate's main industries and will be equipped with the necessary resources to ensure the smooth operation of logistics and other shipping-related businesses.

In addition to commercial and industrial facilities, SIC will include a number of residential units, hotels and entertainment facilities. SNASCO maintains that SIC's infrastructure works are progressing according to schedule.

The University of Wollongong in Dubai has launched an undergraduate programme in Property Development & Management. This degree programme is being introduced for the first time in the region.

The Bachelor of Commerce in Property Development & Management will help students acquire a detailed understanding of various forms of property ownership and property investment alternatives, and will train them to use and interpret property valuation reports. It will also provide them with tools to analyse property management decisions and give them a comprehensive understanding of effective property management strategies.

Property survey highlights investors' fears

A recent survey on the Dubai real estate sector has found that the main areas of concern for those buying property in Dubai are security, trust and construction delays.

The survey, which was conducted on behalf of real estate agency Better Homes and targeted over 2,000 people, reported that over 50 per cent of property purchasers in Dubai were most concerned about security and trust issues. Construction delays, a common problem throughout Dubai, came in second as the most common cause for concern, with 19 per cent of all responses.

Ryan Mahoney, managing director of Better Homes, pointed out that the sector in Dubai is still relatively new. On the upside, he said, the market is becoming increasingly regulated with the establishment of the Real Estate Regulatory Authority.

Mahoney also felt that the escrow law, which requires monies collected in payments for units to be held in a trust account and released in phases linked to construction, would help to further alleviate concerns and speed construction along.

For more on this story, go to www.moneyworks.ae and search 'Better Homes'.

Emirates NBD launches Emirates Islamic Global Property Fund

Emirates NBD Group has launched the Emirates Islamic Global Property Fund, an open-ended, daily-dealing investment fund that is also Shari'ah compliant. The fund seeks to generate a high income stream and capital growth through indirect investment in global properties and property-related securities.

The fund will be available to investors in the UAE, as well as through the priority banking channels of Emirates NBD. The projection for the fund's size is AED1.6 billion. The fund is targeting a return of eight to 12 per cent, four per cent from income and eight per cent from capital appreciation. The group has also been talking to Islamic banks in the UAE and in the region to distribute the fund and is open to selling the fund to third-party distributors (e.g. Takaful companies, pension funds and other Islamic entities).

Senior Emirates NBD officials at the product launch

The National Investor, an investment and merchant banking group in the GCC region, announced that the Capital Market Authority (CMA) of Saudi Arabia has approved its new group company, The National Investor Saudi Arabia, to provide financial services in the Kingdom.

The new company is now licensed to provide a full range of investment banking services, including corporate finance, asset management, real estate and private equity.

In other news, the CMA has also given Saudi Swiss Securities the following licences: dealing as principal, underwriter, managing, arranging, advising and custody in the securities business.

Saudi Swiss Securities, part of the ABQ Investments Group portfolio, was previously granted a licence to deal as agent. The CMA has approved a change of name to Credit Suisse Saudi Arabia.

Search and selection recruitment consultancy GulfBankers, focussed on the banking and finance sector within the Middle Eastern marketplace, is expanding its network to Egypt, with further plans to open in Saudi Arabia, Beirut, Kuwait, Singapore, India and Qatar.

The consultancy already has a presence in the UAE and Bahrain. It plans to enter all of the aforementioned countries in 2008 to cater to the increasing demand for professional staff in the banking sector.

Dubai gold shares to list on the DIFX

The Dubai Multi Commodities Centre (DMCC) and the World Gold Council (WGC) have announced their partnership to launch a first-of-its-kind dollar-priced security, Dubai gold shares, to be listed on the Dubai International Financial Exchange.

The move is subject to the Dubai Financial Services Authority's approval under the trading symbol "Gold". The Dubai gold shares, which will be Shari'ah compliant, intend to provide investors with secure, low-cost access to owning gold bullion without the additional costs normally associated with insuring, storing and transacting in physical gold.

Dubai gold shares will form an integral part of the exchange-traded gold (ETG) family of products, established as an initiative by the WGC. Gold held by products in the ETG stable now exceeds US$24.2 billion, or 806 tonnes. Securities within the ETC family are currently listed on nine stock exchanges, with a daily trading value of approximately US$1 billion.

For more on this story, go to www.moneyworks.ae and search 'gold shares'.

Algebra Capital opens BETA MENA Fund

Algebra Capital has launched its fixed-income business with the opening of the BETA MENA Fund. Targeting US$300 million, this fund is the first to focus on MENA corporate credit and local currency markets.

According to Algebra Capital's managing director, Mohieddine Kronfol, MENA debt has historically performed well, delivering consistent returns with low levels of volatility and no defects.

"The amount of MENA debt created annually is approaching US$200 billion and is expected to rise further," he pointed out.

Kronfol added that the firm's estimates for 2008 include US$95 billion in new bond issuance, 50 per cent of which will be corporate. Sukuk issuance could approach US$30 billion, doubling the region's outstanding sukuk aggregate.

Mohieddine Kronfol

The fund will aim for absolute returns of above 10 per cent. It will initially be offered in UAE dirhams and US dollars, later expanding to include Saudi Arabian riyals and Qatari riyals.

Emirates NBD has announced a promotion offering nine personal loan customers the chance to 'live for free for one year'. The promotion, which kicked off on April 6, 2008 will run until July 5, 2008, with a draw taking place every 10 days to determine the nine winners.

The promotion is applicable to customers topping up their personal loans or applying for a new personal loan. Winners will, for an entire year, be reimbursed for their annual house rent, utility bills, telecom bills, petrol expenses, groceries, cosmetics and schooling.

Citibank and Emirates Airlines have recently launched the 2008 Fly Free Campaign targeting new credit card applicants wishing to gain free flights aboard Emirates with Skywards miles.

As per the campaign, new cardholders who are approved for a silver card will receive 15,000 miles, new cardholders who are approved for a gold card will receive 25,000 miles and new cardholders who are approved for an ultimate card will receive 40,000 miles.

The value proposition was created to address the increasing travel needs of UAE residents. According to recent travel statistics, the UAE's travel market is growing by 20 per cent per annum. Travel market spend in the UAE is expected to have crossed US$7.1 billion by the end of 2007.

New fund to capitalise on Chinese growth

Dubai International Capital, the international investment arm of Dubai Holding, and First Eastern Investment Group, a Chinese private equity firm, have announced the launch of a new fund, China Dubai Capital, which will target opportunities in China's growing economy.

China Dubai Capital will invest in a wide range of sectors including infrastructure, resources, healthcare and services. The first closing of the fund will take place this month, with at least US$500 million from investors predominately in Asia and the GCC. The final closing is expected to take place in October, bringing the fund up to US$1 billion.

Sameer Al Ansari (right), CEO of Dubai International Capital, shakes hands with Victor Chu, chairman of First Eastern Investment Group

China Dubai Capital will invest in Chinese companies that could create synergies with the UAE's economic growth and with the potential to be listed on the Dubai securities markets. The fund also hopes to strengthen and benefit from the rapidly-developing economic ties between China and the UAE.

Omniyat dives into asset management

Omniyat Holdings has announced the establishment of its newest company, Omniyat Investment Management, at the Dubai International Financial Centre, with plans to manage deals worth over AED2 billion in 2008.

The new company, which is licensed by the Dubai Financial Services Authority, has ambitions to be the pre-eminent funds and asset management company operating in the DIFC. It has been authorised to arrange investment deals, advise on financial products or credit and manage assets.

According to Mehdi Amjad, president and CEO of Omniyat Holdings, the new company will be 100 per cent focussed on real estate.

"We aim to offer a range of property fund products and we have a ready deal flow because of our property development arm," he said.

Appointments - April 2008

Abdulfattah Sharaf

HSBC Bank Middle East Limited announced the appointment of **Abdulfattah Sharaf** as CEO of personal financial services.

Mukhtar Hussain

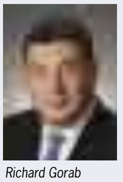
HSBC has also appointed **Mukhtar Hussain** as global CEO of HSBC Amanah and CEO of global banking and markets for the Middle East and North Africa.

Namit Malhotra

Sorouh Real Estate has appointed **Namit Malhotra** as director of hospitality and leisure development.

Tim Granger

The **Abu Dhabi National Energy Company (TAQA)** has announced the appointment of **Tim Granger** as managing director of TAQA North, the company's wholly-owned subsidiary based in Calgary.



Richard Gorab

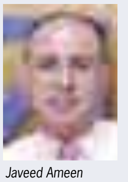
Royal Bank of Canada Dubai has appointed **Richard Gorab** as director and representative for RBC Wealth Management.

Societe Generale Asset Management has appointed **Jerome de Dax** to the newly-created position of head of strategic clients. **Laurent Bertiau** will replace him as global head of sales and marketing.

Wael Aburida

Waha Capital has appointed **Wael Aburida** as director of mergers and acquisitions.

Deutsche Bank has announced the appointment of **Javeed Ameen** as its chief operating officer in Riyadh, Saudi Arabia.



Javeed Ameen

RAK Petroleum has announced the appointment of **Bijan Mossavar-Rahmani** to the newly-formed position of chairman of its executive committee and managing director.

MerchantBridge has announced the appointment of **Dr. Buddy Soubra** as senior advisor for transactions.

New Etisalat money transfer pilot scheme

Etisalat has announced the start of a pilot service for mobile money transfer from the UAE to India. The telecommunications service provider will work with Mashreq, Tata Communications, Idea Cellular and HSBC India to roll out the new service, which will be commercially available to the public by June 2008.

Customers enrolling for the service will be provided a mobile wallet, which can be loaded by transferring money from a partner bank account. The actual money transfer will be a menu-driven process using just a few clicks, while transactions will be secured using a PIN chosen by customers.

The service's aim is to make transferring money internationally more affordable.

Jawhara Greens RIA Fund looks to Qatar

Emirates Islamic Bank has announced the launch of the Jawhara Greens RIA Fund. The fund is designed to help investors capitalise on the emerging real estate sector in Qatar, one of the fastest growing real estate markets in the GCC.

The offering amount of the close-ended Mudarabah fund has an upper limit of AED276 million, with the bank co-investing its own proprietary money in the fund to the tune of AED183 million. The minimum investment amount is AED500,000.

The expected gross profit on the underlying investment is a 40 per cent return, with the applicant expected to get a 30 per cent profit on his or her investment.

For more on this story, go to www.moneyworks.ae and search 'Jawhara fund'.

The Islamic Bank of Asia plans to officially launch its first office at the Bahrain Financial Harbour in May to develop its wholesale, commercial and investment banking businesses, as well as to strengthen relationships with clients and investors in the GCC.

The bank wants to capitalise on the predicted double-digit growth in the GCC's Islamic banking sector. "As a bank based in Asia, we serve as a gateway for GCC-based investors looking to invest in the region. Our office in Bahrain will augment our ability to help such GCC clients realise Asia's opportunities," said Vince Cook, the bank's CEO.

The bank was established in 2007 as a joint venture between Asia's DBS and 34 investors from prominent families and industrial groups based in the GCC.

Emaar Properties has opened its first dedicated sales centre in Abu Dhabi. The new sales centre will showcase Emaar's entire roster of property developments.

Advert

Thames River to launch offshore multimanager long-only fund

Thames River Capital plans to launch an offshore global boutique long-only multimanager fund this month, targeting investors that are seeking global equity exposure, but with fund managers that have substantial equity in the funds they manage.

Fund manager Robert Burdett told MONEYworks that with boutique managers, the cut-off limit of how much a fund manager is ready to pick up is quite low. It could be as low at US$100 million and does not generally go over a couple billion US dollars under management. He said that with the new fund, the target will be to shortlist around 25 different boutique funds, which in turn will normally hold a collective 1,000 stocks globally. Burdett said that all of these boutique fund managers have typically invested their own money in their funds, while a third of these funds will be closed to outside investments. Thames River Capital will still be able to access them because of existing relationships, he explained.

Speaking about some of the other attributes of boutiques, Burdett said these funds are more absolute than benchmark-driven ones and are also highly motivated and performance focussed, as fund managers usually have significant stakes in the funds they manage. Additionally, these funds generate superior investment results for clients, he added.


Robert Burdett

Thames' offshore multimanager long-only fund will have its highest weighting in North America at around 19 per cent. Its lowest weighting will be in the Asia Pacific region at around nine per cent. The other regions that it will target are emerging markets, Japan, the UK and Europe, apart from cash.

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

Dubai Tadawul, a private brokerage subsidiary that is fully-owned by Dubai Bank, has announced its official launch in a move set to provide clients with more investment choices and facilitate their activities in the UAE's Shari'ah-compliant financial brokerage sector.

Dubai Tadawul's goal is to develop long-term relationships with clients. The company will offer a diverse range of products and services that are Shari'ah compliant, enabling clients to enter local financial markets.

Mawarid Finance has launched its services for small and medium enterprises including goods finance, car finance, machinery finance, office purchasing finance, investments, fixed deposits, banking guarantees, labour guarantees and stock-buying finance.

According to Mohammed Al Neaimi, CEO of Mawarid Finance, the company will focus on creating initiatives that contribute to promoting the advancement of the UAE in various fields and providing support to all sectors of society.

Man Investments presents new hedge fund

Man Investments has established Man Vision, a new hedge fund that has been designed to benefit from the key developments of the future. These include the growth of emerging markets, the impact of new demographics, climate change and future sources of energy.

The fund, which will be open for investment until June 3, 2008, is targeting an investment exposure of 150 per cent of net asset value. It will combine the approaches of two of the world's leading hedge fund managers – AHL and RMF.

Both AHL and RMF have a stringent approach to risk – AHL through several levels of systematic risk-monitoring and control and RMF through an ISO-certified investment process. Additional protection will come from a 100 per cent capital guarantee provided by Credit Suisse International.

SALAMA introduces family Takaful products

SALAMA Islamic Arab Insurance Company has announced its new comprehensive range of individual family Takaful products in the UAE. The products include savings, protection and saving-cum-protection plans for individuals and families.


Senior SALAMA officials at the product launch

The new products were developed to serve the needs of those saving for retirement, children's education or protecting a home through mortgage protection plans.

Raising the bar in Qatar

Qatar will become the first country in the GCC to have a single regulator for all of its financial services. **Utpal Bhattacharya**, who was in Doha recently, spoke to the executive management of the Qatar Financial Centre (QFC) to find out how the new creation will change the centre's role.

The QFC, like the rest of Qatar's financial services industry, is getting ready for a single regulator in the very near future. According to Stuart Pearce, CEO and director general of the Qatar Financial Centre Authority, this move will help to bring everyone in the country up to the same international standards.

Qatar is the first GCC member state to announce its intention to bring all financial services activities in the country under a single regulator. Indications right now are that the regulatory environment in the country will take a cue from the high standards of international regulation in place at the QFC. If that happens, Qatar will set itself apart from the rest of the region as a highly-regulated onshore destination that is on par with some of the more developed centres in the world.

"There is no intention for the government of Qatar to dump down the regulatory and legal environment with the single regulator. The objective is to build capacity and bring the standards up," explained Pearce.

On what will change for the financial centre once the single regulatory authority comes into play, Pearce said: "Our role will change slightly as the single regulator comes into existence. We will be responsible for all of the financial services market in Qatar, so we will be working with local banks and insurance companies to improve market functions to make them more efficient and effective."

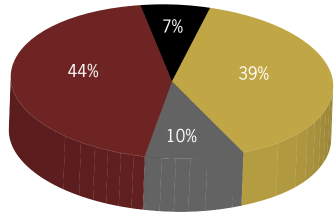
The QFC is not just busy creating a financial services environment that is on par with some of the best centres in the world, though. A great deal of thought is also going into improving the quality of financial skills that are available locally.

Pearce said that the QFC is in the process of setting up a financial training institute that should be ready to operate after the summer. Although further details were unavailable, it seems the training institute will offer a range of courses, both basic and sophisticated. The institute will also be responsible for bringing training and accreditation to the whole market – not just to the QFC – and will be tasked with the additional responsibility of attracting Qatari nationals to the financial services sector.

Stuart Pearce

Overall distribution

QFC licensed firms by type



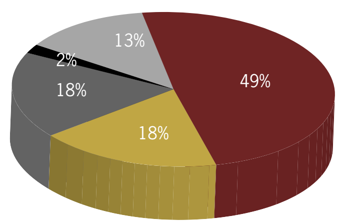
• Non-regulated companies are the companies which do not conduct financial services supervised by the regulatory authority

	#	%
Non-regulated	31	44
Regulated	39	56
Total	**70**	

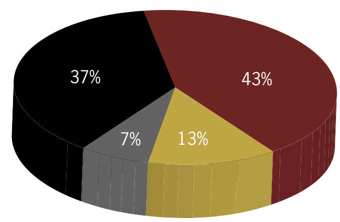
• Of the 70 licensed firms at the Qatar Financial Centre, 22 are also licensed at the Dubai International Financial Centre

• 38% of regulated firms at the Qatar Financial Centre are listed in the Global Fortune 500

QFC regulated firms by category

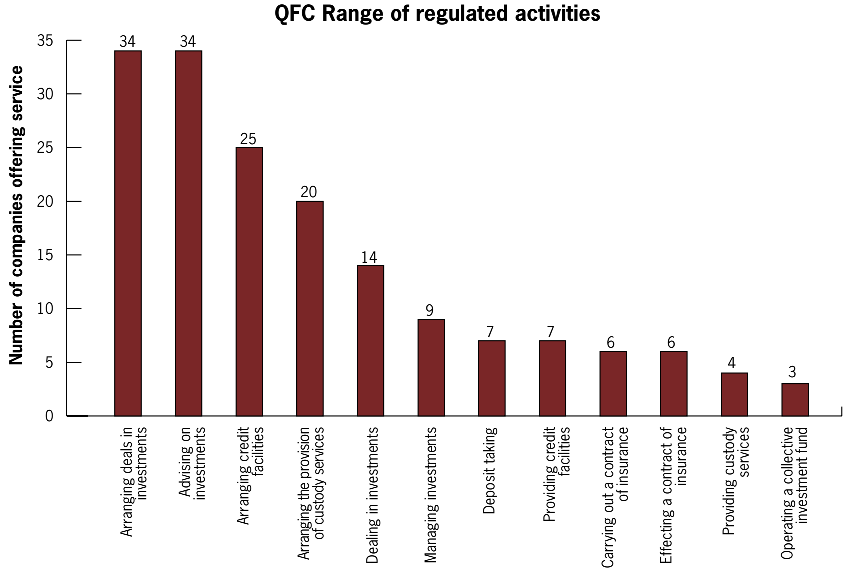


QFC regulated firms by region



Source: QFCA analysis based on Public Register as of January 31, 2008

QFC Range of regulated activities



Source: QFCA analysis based on Public Register as of January 31, 2008

"The training institute will be designed to provide training and accreditation in asset management, banking and insurance, etc. There will be courses for distance learning as well, while there will be functions from low-level training and up all the way through," added Pearce.

The search for a person to head the institute had already begun in earnest at the time of this article going to press.

Riding on Qatar's growth

The growth of Qatar's financial market is very much aligned to the growth of the Qatari economy. It is estimated that Qatar's population will cross the one million mark this year, with expatriates accounting for about 70 per cent. The Institute of International Finance estimates that Qatar's GDP should grow to US$67.5 billion in 2008 (estimated at US$60.3 billion in 2007). Hydrocarbons will continue to remain the primary driver of this growth. The sector is expected to grow by around nine per cent in real terms this year, followed by 19 per cent next year, according to the Institute.

Pearce said that Qatar's GDP would touch US$100 billion in a few years, something that major financial institutions around the world are already aware of. The tremendous economic development and activity in Qatar will also mean that there will be a demand for building capacity in the financial services sector in the future. The QFC is well positioned to help create that capacity, added Pearce.

"Qatar has 200 years of reserves of gas, and that is literally fuelling the development of the country. People tell us that one of the reasons for coming to Qatar is the sustainability of the economy and the regulatory and legal construct," he said.

Pearce also pointed out that during the initial period of the financial centre's launch, there were some misunderstandings regarding how the financial centre was modelled. He emphasised that the QFC is a very different concept from the Dubai International Financial Centre (DIFC) in that it is an onshore centre and is not limited to a particular physical zone.

"The QFC is not a physical area, but the whole of Doha, and we have been specifically set up to build the financial services industry in Qatar to support the development of the state. We are integral to the development of Qatar in terms of building capacity in insurance, banking and asset management, and also those non-regulated businesses that support financial services, such as lawyers, consultants and risk managers," he explained.

The announcement of the single regulator will only reinforce how the QFC has modelled itself as part of the Qatari onshore economy. According to Pearce, the pace of activity has picked up recently. Since the beginning of this year, Pearce and his team have met 82 new firms, with 68 follow-up meetings from that.

AXA Investment Managers enters the Qatar distribution space

Scott Callander, director of the Middle East institutional advisory at AXA Investment Managers, talks to MONEYworks about the firm's expansion plans and why it decided to domicile in the QFC.

Scott Callander

Why did you choose to set up in the QFC?

AXA Investment Managers is one of the world's largest asset management groups. For over 10 years, we have been manufacturing and creating solutions for our clients in the Middle East, and it seemed sensible that we should move the front office to the region to be closer to our clients. We took that decision in 2005 and, by process of elimination, decided to domicile in Qatar. There were a number of reasons why we chose Qatar. From a brand perspective, we have a presence in Saudi Arabia, Bahrain and Oman – and, of course, a very large presence in Dubai. So, from a brand expansion position, the logic was to come to Qatar. The second reason was the regulatory framework, with which we are very comfortable.

Also, with our business, the centre we operate from is not as important as the accessibility to our clients, as well as the ease of transport links to our clients. From Qatar, with the exception of Egypt and Libya, we can be in any country in the region in an hour or so.

Cost was also an issue when we made the choice. But it wasn't the primary driver.

In terms of assets under management, how much do you have from the Middle East?

We have US$20 billion under management from this region for institutions. And this is all external capital; nothing is from the group. Clearly, AXA insurance has assets we do take care of, but those are not included in this figure. Our focus has been to concentrate on the top 30 institutional investors in the region.

What is the next stage of your expansion in the region?

We are entering the distribution space. We have retained a candidate to take care of that for us. We did do a search in Dubai and in Qatar, and now we have ended up hiring the candidate from London.

We feel strongly that Dubai has a decent depth of skill, but was not able to offer us with the right candidate. Skills in Qatar are perhaps similar to Dubai five years ago. It is limited today, but will evolve. There is a tremendous amount of hiring going on and we see lots of activity from other investment houses looking to hire.

We will also hire one more candidate to support the institutional side of the business, and also to help us develop our corporate market.

Do you plan to offer regional products to your clients?

We do not manufacture any Middle East equity or bond products, and we do not have plans in the short term. But we do manufacture products for institutional clients, like National Commercial Bank (NCB) of Saudi Arabia. With NCB, we are one of the two fund managers of an Islamic-listed real estate fund. It is actually managed and owned by NCB, and we are an underlying manager.

Are there any investment trends that you see in the region right now?

The ultra high net worth investors have always had an exposure to overseas and they are absolute return investors. The mass affluent have got their affluence relatively recently by investing smartly in stock markets. I see diversification as a theme going down the way. Institutional investors have already done their diversification. We are seeing investors across the board starting to allocate to international markets at these levels and we are starting to see volumes at the fairly oversold levels.

By the end of March, the QFC had licensed a total of 76 entities, while many more are in the pipeline.

"I expect to see 100 firms licensed by the financial centre after the summer," said Pearce.

Who's coming to the QFC?

Banks and financial institutions account for 39 per cent of licensed firms in the QFC, representing the centre's second largest category, while non-regulated entities make up 44 per cent of the QFC's licensed firms. Unlike the DIFC, the QFC has no restrictions on picking up local currency deposits for banks. The minimum relationship, however, must be equivalent to US$1 million. Most of the banks that are housed in the QFC engage in corporate finance, as the QFC does not license retail activity in banking.

On the asset management side, most firms that are targeting the QFC are those focussing on international business, according to Pearce.

"Not many firms that we are talking to have a retail focus as of now, unless they are looking for white-label structures that they have plans to develop with local banks," disclosed the CEO.

Significantly, the QFC requires only the operator, meaning the asset manager, to be domiciled and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA). The regulator does not require supporting functions and services, such as custody and settlement, to be in Qatar. Instead, the operator can use services that are regulated elsewhere, as long as providers of these services are regulated in acceptable jurisdictions.

Pearce added that although the QFC's focus towards the beginning of the launch was to encourage large international financial institutions to come to Qatar, the centre is now targeting a good mix of regional and global companies. Today, institutions and banks from almost all countries in the GCC and Levant, and even some from North Africa, have been licensed by the financial centre.

Competition

While promoting their respective markets, all financial centres in the region pitch the fundamentals and growth story of the GCC as a whole, not just of their own countries. When asked if the QFC would have enough business to sustain itself as more international financial centres in the region emerge, Pearce pointed out that all financial centres in the region are positioning themselves differently.

"As I have said earlier, we were not set up as a copy of Dubai or the DIFC. We are here for a different purpose, which is to build capacity in Qatar, as this country does need a vibrant financial services sector to support the development of the state," he said.

The important thing to note, however, is that the quality of regulation in each of these centres is high, which helps to raise the standards of the region as a whole, Pearce added.

To a specific question on whether the QFC was competing with other regional financial centres for the same business, Pearce replied that every country competes with others. A centre like Paris competes with London, while New York competes with Chicago, he noted.

"People feel that we are in some sort of a race between us, Bahrain and Dubai, as if the first past the post wins. I don't understand that. Who will determine the criteria of winning or losing?" Pearce asked. "Will it be determined by the number of licences, infrastructure or the quality of regulation?"

While emphasising the importance of quality over quantity for the QFC, Pearce complimented Dubai for the success it has achieved in brand-building and positioning itself. Those things aside, however, firms are checking out Qatar for what it is, what it represents and what it will be in the future, he said.

Undoubtedly, countries in the region will continue to compete with each other to attract financial institutions. While strong international regulations will always be an important factor in how businesses fare, it will also be important to consider how these financial centres keep the cost of doing business at manageable levels so that financial service providers remain interested in them.

One of the trends we will increasingly see over the years to come is the presence of more regional and international companies across all of these centres, rather than being present in just one. This trend stems from the different sets of clientele that these centres target and is already happening. For example, of the 70 companies licensed by the QFCRA up to January 31, 2008, 22 are also licensed by the DIFC. In this business model, financial firms will have the option of beefing up or reducing their presence in a particular centre if it happens to become more or less interesting than the others, while still not losing out on the advantages offered by the whole region.

Credit Suisse considers new Qatari equity product

Izzat A. Nusseibeh, senior executive officer of Credit Suisse Financial Services (Qatar), speaks to **MONEY***works* about the bank's plans in Qatar.

How comfortable are you at the Qatar Financial Centre?

It has been a very good experience. We were one of the first global houses to apply for a licence. We applied in late December 2005 and got the licence in late February 2006.

There is a new regulatory body coming up in the next few months. Once we have that, there will no longer be any confusion as to where should one go if one had to open a bank in Qatar.

Izzat A. Nusseibeh

What is your mandate in Qatar?

We do all the bookings either in Dubai or in Europe. We do private banking, asset management and all other lines of business in Qatar.

Our colleagues in Dubai specialise in covering the GCC, excluding Qatar. They also cover the subcontinent and Levant. In Qatar, you need people on the ground. Clients here need to see people before them, and with the new regulatory environment, the unified body, it becomes even more important that we stay on ground. There are many reasons why one needs to be close to one's client. Our clients are more sophisticated and wealthier these days, and they don't see any reason why they should wait for three hours before London or until New York opens up. There is every economic reason to be in Qatar for a bank like us.

So you will mostly focus on Qatar?

We are at the beginning of an economic boom here. What we have seen here is the tip of the iceberg. If you focus on the Qatari economic fundamentals, I think it should keep you busy for the next three years.

For a firm like Credit Suisse, do you think common regulations on investments for the whole region would be useful?

There has to be a common factor amongst the different GCC regulatory bodies. There has to be a unified body down the road. Therefore, once I have a fund approved by the regulator in Qatar, then it should automatically be given the green light to sell to other countries in the region.

Are you planning to manufacture any Qatari products for your clients?

We may do something down the road, by the end of this year or the first quarter of next year. It will be an equity product.

Are cards overtaking cash?

Payment companies are trying out various propositions to keep up with increasing competition in the payments industry and the changing nature of commerce and consumers. **Ritwika Chaudhuri** analyses evolving trends.

Even a Ferrari or Lamborghini can't go faster than the traffic surrounding it. It can, however, bypass the traffic by trying out alternate routes that may take it to its destination faster – and, hopefully, ahead of the competition. And that is exactly the scenario with companies specialising in payments.

Some of the current headline issues for global payment companies include crowding in the credit card market, a shift towards cash spending and debit card expenses, influential merchants refusing to pay higher interchange charges, the emergence of alternate payment providers in e-commerce, the changing nature of the world of commerce and businesses and, last but not least, the demand from consumers for more value propositions. In general, all of these issues are being reflected in the changing strategies of associations and issuers around the world.

The advent of sophisticated technology has allowed tremendous product innovation and the offering of value-added services. Today we have themes, products and strategies as diverse as co-branding to contactless payment solutions. Trials of mobile payments have suggested that momentum is building in this area, too.

We are also seeing a widening in the focus of traditional solution providers towards the introduction of a statistical data network. The introduction of consumer and commerce indexes by MasterCard Worldwide signals the broadening of the company's horizon to include more non-traditional services.

Although the Middle East has enough room for the cards industry to continue its high double-digit growth rate, sooner or later the changing nature of business in other parts of the world will have a cascading effect on the region. These are still early days for the industry here, after all. Moreover, that this region is cash driven is a challenge for card issuers – or an opportunity, depending on how you look at it.

Why should salary limit aspirations?

Citibank is targeting 25 per cent growth in its Emirates-Citibank co-branded credit card portfolio this year. A **MONEY***works* report.

Salary limits posing an impediment to owning the credit card of one's choice could become a thing of the past for some customers in the UAE, according to Dean Proctor, Citibank's cards business head in the UAE.

Proctor said that he is not averse to issuing a credit card to a person who is earning a lower salary than what has been set as a prerequisite by the issuer. The ultimate decision will, however, depend on such criteria as the person's wealth or other sources of income, he added.

Citibank has recently launched its Fly Free Campaign for this year on its Emirates-Citibank co-branded credit card. The campaign targets new credit card applicants wishing to gain free flights abroad Emirates airline. On offer are 15,000 miles with a silver card, 25,000 miles with a gold card and 40,000 miles with an ultimate card. The minimum salary requirements for applicants are AED4,000 for a silver card, AED8,000 for a gold card and AED18,000 for an ultimate card.

"If a customer is so inclined, regardless of the salary he draws, towards owning an ultimate card, and he has other assets and a good rationale to it, I would certainly consider his application for that card," said Proctor.

Citibank is the number two credit card issuer in the UAE market, just after HSBC, with 250,000 cards. Proctor said that 40 per cent of Citibank cardholders in the UAE own the Emirates-Citibank co-branded credit card. This segment of cardholders also spends between 25 and 30 per cent more on their cards than the bank's other cardholders.

"These cards are used by people who understand what is available and achievable when they spend through these cards. For example, for every US dollar they spend on an ultimate card, a cardholder acquires 1.5 Skywards miles," said Proctor.

Proctor added that Citibank aims to increase by 25 per cent the total number of Emirates-Citibank co-branded credit cardholders in the UAE this year over the previous year. He hopes to rope in a vast majority of that target during the current campaign.

Although it is number two in terms of the total number of cards in the UAE, Citibank holds the number one spot in terms of card spend in the country. Proctor further pointed out that the credit card market in the UAE still has room for growth, with around 1.3 cards per wallet in the UAE compared to multiple cards in developed markets.

"We are witnessing tremendous increase in spend on credit cards in the UAE. In the UAE, the growth of spend in totality is over 30 per cent in 2007 over 2006, which is remarkable. It is also driven by growing population, cards in their wallet and a reduction in the use of cash as the market becomes more sophisticated," Proctor said.

Dean Proctor

With the rapidly changing landscape of global commerce, larger retailers are becoming ever more competitive. They are issuing loyalty cards that are in direct competition with credit cards in their value proposition. In addition, many yet to be developed or "under development" facilitation systems themselves pose a future challenge for the current business model of credit card issuers.

Card competition

Credit cards are always in danger of reaching a saturation point from which there will be no appreciable growth in new customers or new ways of using credit cards for payment. Much consumer spending has already migrated from credit cards to debit cards, which make for a fast-growing product line in the industry today.

E-commerce is also gaining ground. Just as Visa and MasterCard have changed the landscape of commerce, there are other companies working on and effecting change, this time in the electronic landscape.

While credit cards still dominate e-commerce payments, PayPal, a payment system owned by eBay, is making rapid gains. PayPal is accepted at other e-commerce sites, making it a major contender to Visa and MasterCard for payment services on the internet. Another emerging payment facilitator in e-commerce is Amazon Payment, which went live in 2007. Amazon Payment allows payment of goods directly from a bank account or Amazon Payment account.

There is a growing list of e-commerce payment facilitators that will erode credit cards' dominance in e-commerce. Apart from e-commerce, the traditional 'brick and mortar' businesses are also increasingly using gift cards as a form of payment, especially in the west.

One of the most vexing challenges for the credit card payment business is the issue of interchange fees, which have become a real source of irritation for merchants. Some recent litigation against the exclusionary rules and restrictions traditionally set by MasterCard and Visa have resulted in weakened barriers for competition and reduced control exercised by the card associations, thus influencing the future of the credit card industry. In the Middle East region, too, major petrol pumps have stopped accepting credit cards, while gold merchants charge additional percentage points for accepting credit cards.

Finally, there is a battle going on within the industry, as every player is trying to expand its reach into new areas. MasterCard and Visa are facing competition from American Express, Diners Club and Discover. Despite making progress in increasing its cardholder base by offering its platform to other issuers through co-branding, American Express is now facing new competition from MasterCard and Visa's signature programs that target high net worth customers (the traditional bastion of support for American Express), offering higher rewards than their regular ones.

But that's not all. The serious challenges posed to cards by fraud and identity theft, as well as the urgent need for securing confidential information, cannot be ignored. These challenges have always been part of operational risks, but the problem has

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UAE Exchange whetting its payment solutions

UAE Exchange, an exchange company that also provides money remittance services, is gradually diversifying into payment solutions using its sophisticated technology backbone. **Ritwika Chaudhuri** found out more.

UAE Exchange, the largest exchange house in the Middle East, plans to introduce a number of value-added services using its technology platform while continuing to upgrade its existing service platform.

According to Sudhir Kumar Shetty, chief operating officer and general manager at UAE Exchange, the exchange house is beefing up its technology backbone to ensure speed, precision and error-free transmission for the ultimate benefit of its customers.

Shetty said: “Technology has always been at the forefront of what we do in our company. We started our in-house IT department and the IT development team in 1994. It was a challenging decision, but today we have an expert IT team that ensures that all software used by the company is developed internally. We are constantly upgrading our technology platform, adopting the latest available that can provide value addition to our customers.”

UAE Exchange is currently working on a project to introduce ‘Smart Cards’ for workers where salaries can be loaded. Workers will then be able to use these cards at cash vending machines or ATMs.

“This product will give workers the freedom and convenience to withdraw money at their free will and at the same time ensure adequate safety, as they do not need to carry cash,” Shetty said.

It may take some more months to roll out the process, however, as banks will have to be linked to the platform of UAE Exchange to ensure smooth functioning.

Shetty said that construction workers in the UAE have already started to receive their salaries through UAE Exchange, although the process is now being done manually.

“It is a matter of time before we bring the entire process to work electronically,” he added.

UAE Exchange is also upgrading its mobile payment solutions for money transfer. In January 2005, the company launched UAE Exchange Wallet, a secure transaction solution allowing its customers to transfer money using their existing mobile phones and bank accounts. The transfers can be made anywhere at any time, eliminating the need to make physical trips to the exchange’s branches.

The Wallet provides a leather wallet metaphor on mobile phones, while its security features ensure that only a registered UAE Exchange customer can access his or her Wallet on his or her mobile phone. The Wallet leverages UAE Exchange’s existing global money transfer network and the participating banks’ settlement networks to provide greater value, convenience and cost savings to customers. This system allows mobile phone users to securely load an ‘empty wallet’ and create a personalised account at a web-based transaction portal.

The Wallet has a simple registration process, after which the UAE Exchange gold card and participating banks’ payment cards are immediately issued over-the-air to the customer’s mobile phone. This platform can also be used to electronically issue telephone, gas, electricity, school and credit card bills

Milestones

- 1980: Company launched
- 1994: In-house IT department introduced
- 1994: Became member of SWIFT (society for interbank financial telecommunications)
- 1996: Started direct data downloading from internet to facilitate printing instruments in the country of delivery
- 1999: Introduced ‘Express Money’ (instant money transfer), also ‘same minute payout’ on internet platform
- 2005: UAE Exchange Wallet

Sudhir Kumar Shetty

securely to mobile phones of Wallet users. Shetty said the company has already built a customer base, albeit small, as the technology and that space of payment still have some way to go.

UAE Exchange currently has 1.6 million registered customers, as well as 374 offices spanning over 17 countries. The recently set up back office in India is not only helping the company to process data, but is also servicing the whole of Southeast Asia, as 70-75 per cent of expatriates here hail from that region.

Over the past few years, UAE Exchange has consolidated its core business of remittance, which has seen tremendous growth. While the global remittance has registered 14-15 per cent growth in 2007, recording US$320 billion (up from US$240 billion in 2005 to US$276 billion in 2006), UAE Exchange too is simultaneously following the global growth. While the worldwide remittance under the UAE Exchange umbrella has gone up to US$8.2 billion in 2007, up from US$6.7 billion in 2006 (US$5.4 billion in 2005), it recorded 6.9 million transactions in 2007, thus registering 24 per cent growth in transactions during the 2006-2007 period.

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intensified now that large quantities of confidential information are maintained in internet-accessible systems and criminals are becoming more sophisticated in obtaining and using sensitive data.

Recent business alliances

The challenges facing the credit card industry in both the US (its country of origin) and other parts of the world are quite significant. Already merchants' freedom to refuse certain higher-fee cards and banks' freedom to issue any type of credit card has generated new alliances.

The largest US merchants now feel they are in a better position to negotiate lower interchange rates from all networks. As a result, they are likely to put pressure on all of the involved players to reduce their rates in the future. It is also likely that other merchants will be influenced and will look to develop innovative arrangements to retain a greater portion of the revenue stream that is currently lost to interchange fees. These moves could lead to a decline in pricing flexibility for the interchange rate structure on which multiple card issuer networks are based.

It is also interesting to note how strategies change as competition heats up. American Express cards, marketed mostly to wealthy customers on the basis of the cards' superior rewards programme, are now offered by banks that were previously prohibited from offering them. The tactic is, of course, the most obvious one to assume in a market that offers such huge opportunities. In January 2004, independent credit card lender MBNA became the first major issuer of Visa

and MasterCard in the US to offer American Express as an option to its customers.

Another dual-branded card was announced by MasterCard with the much smaller Diners Club. Diners Club will reissue its cards to include the MasterCard number and to carry both the Diners Club and

HSBC to roll out chip and pin cards in the Middle East

HSBC plans to introduce chip and pin across the region and concentrate on the premium cards segment this year. A MONEY*works* report.

HSBC, the market leader in the UAE credit card segment, is planning to introduce chip cards in Qatar during the first half of the year, and then in Egypt. Although the UAE is HSBC's biggest market, the bank has not yet finalised when it will introduce chip cards in the country. Apart from the UAE, Qatar and Egypt are the bank's priority markets in the region. Throughout the world, chip and pin cards are gaining popularity because of their safety features, backed by sophisticated fraud detection technology.

HSBC also plans to focus on the premium cards segment this year. "In general, we want to focus on our premium cards segment in terms of sharper product and value proposition, with platinum and gold segments as the top priority," said Sangeeta Pendurker, regional chief marketing officer of HSBC. "In the platinum category, there are a number of announcements due this year, and we want to make sure that the value proposition with platinum cards is the best in the market."

HSBC claims to drive growth in the UAE cards market, with a market leadership position in both card spend and cards in force. Even though approximately 70 per cent of purchases in the country are being made through cash payment, spending through credit cards is growing at a healthy rate of 30 per cent per annum. HSBC cards saw in excess of 30 per cent growth in terms of card spend in 2007 in the Middle East. In the UAE alone, there are three million credit cards in circulation, with the annual spend on credit cards exceeding US$9 billion.

Credit cards are the key line of business for HSBC in its overall UAE retail banking portfolio. Pendurker said: "Since we are truly customer-centric and believe in providing what is right for customers, it is of prime importance for us to understand the customer and accordingly craft product propositions and positioning based on market knowledge."

With emerging competitive pressure, however, segmentation and customer identification have become prime factors for retaining leadership, Pendurker added.

Marketed as 'global passports', HSBC cards have been crafted with the global citizen in mind, ensuring acceptability in

Sangeeta Pendurker

32 million outlets around the world. "We leverage on our global expertise and footprint, and also create value for our customers based on local understanding. So, it is not that we are offering mindless freebies, but we are creating value for each customer segment based on their day-to-day needs as well as requirements abroad, hence ensuring what is most beneficial for that particular segment," said Pendurker.

MasterCard brand marks, with the cards processed as MasterCard transactions in North America but continuing to receive the much superior Diners Club rewards.

Co-branding is also occurring in other parts of the world. American Express's efforts in the Middle East market have closely followed developments in the US, as it has co-branded with Gulf Bank in Kuwait, Bank Audi in Lebanon, Dubai Duty Free in the UAE and Doha Bank in Qatar. In order to be ahead of its competitors, American Express has also introduced local currency credit cards.

Mazin Khoury, director of emerging markets at American Express – Middle East and North Africa, puts the strategy into perspective when he says: "We will still continue to co-brand, but it is just a complementary strategy to expand our distribution channel and is a win-win situation for all parties. It will expand the scope of the card and increase the customer base. It will also attract more high-spend customers."

American Express recently tied up with Etihad Airways, which will provide the card issuer's premium customers with exchange points as part of their membership awards. It has also hatched similar schemes with Gulf Air and Qatar Airways. Mazin is quite emphatic when he says that American Express is not threatened by the increasing competition. He believes that American Express is the market leader in the premium products segment and that the outlook for the current year is optimistic in the segment.

"We have been successful in the past few years, and we are serious about the opportunities in this region. Spend on Middle-East-issued American Express cards has increased by more than 20 per cent from 2006 to 2007. With the Middle East economy growing at a smart rate, the demand from affluent and super-affluent consumers is on the rise. We will continue to create unique lifestyle products for our customers, whether it is travel-related services, the retail side of the business or corporate cards," says Mazin.

Innovative industry leaders

Visa and MasterCard Worldwide, the two market leaders, are working on innovative strategies to stay ahead of the market. Visa is not only introducing customised incentives and reward programmes, but is also testing a service allowing customers to use mobile phones as credit or debit cards. After years in the planning stage, this initiative is now being piloted in the US and represents the widening of focus in Visa's business model, which has traditionally supported plastic cards to network-based services that handle many types of transactions from many different devices. Using Visa's platform, mobile payments have been introduced in some countries in Southeast Asia.

In Europe, Visa has launched sophisticated solutions to capture regular payments, such as V PAY in the Netherlands. In the US, Visa has already announced the expansion of its contactless acceptance and prepaid reload network, and has rolled out the 'No Signature Required' programme at the San Francisco Giants stadium.

With credit card processors coming under more scrutiny after several large thefts of consumer credit card information, Visa has introduced new modes of processing and has recently completed a modernisation of its payment processing systems.

The card association also announced in early October 2006 that it will go public by selling shares in a huge initial offering. Visa is following MasterCard Inc in going public. The number two payment card company held an IPO in May 2006, raising US$2.39 billion. Visa said the money it raised would help it grow in an increasingly competitive worldwide market for customer payments, and senior Visa officials mentioned that Visa must change to meet new challenges. Following the IPO, Visa will undergo a total restructuring, which, according to officials, is an effort "to create a structure that is focussed toward the future, taking into account the global trends in the marketplace with financial institutions, merchants and consumers".

MasterCard Worldwide has also undertaken a series of initiatives to enlarge its knowledge base and embrace a more sophisticated data structure to understand the perceptions and preferences of its

Visa goes public

San Francisco-based Visa Inc announced on March 18, 2008 that it priced its IPO of 406 million shares of Class A common stock at US$44 per share. Visa's shares began trading on March 19 on the New York Stock Exchange under the ticker symbol "V" and had already shot up to US$69 at the time of this article going to press. Visa expects net proceeds from the offering to be approximately US$17.3 billion after deducting underwriting discounts, commissions and estimated offering expenses. This IPO is the second largest in history after China's Industrial and Commercial Bank Ltd's US$22 billion, and the largest ever for a US company.

Visa said the money it raised would help it grow in an increasingly competitive worldwide market for customer payments.

Visa Inc is made up of holding company Visa International and six international divisions, including Visa US. Subject to approval by Visa members and regulatory authorities, post-IPO Visa Inc will be created by merging Visa Canada, Visa US and Visa International. Visa Europe will remain as a member-owned association, operating as a licensee of the new company

Last year, Visa posted over US$3 trillion globally, with operating revenues at US$5.2 billion for a net income topping of US$1 billion.

Thomas Edelmann

Denzil Lawson

Mazin Khoury

customers, which will allow it to provide value additions to its partners in different fields. Over the years, MasterCard has gradually evolved to become a driving force at the heart of commerce, enabling global transactions and bringing insight into the payment process to make commerce faster, more secure and more valuable for everyone involved.

In the last four decades, with the change in the nature of transactions in business and commerce, MasterCard has responded by developing new technologies. To provide value to its customers, it launched MasterCard Advisors in 2001, bringing innovative consulting services to customers and others within the industry. By 2005, the company adopted a three-tiered business model that crystallised the company's positioning as a franchisor, processor and advisor.

But does that indicate a new approach to the company's revenue propositions?

"Not at all," says Thomas Edelmann, vice president and senior business leader of MasterCard Worldwide – Southeast Asia, the Middle East and Africa.

He adds: "We have so much room for growth and there is no reason to change our business model. We changed our ownership structure three years ago and went public in 2006. In two years time, the stock price appreciated substantially. That has given our investors confidence enough. Also, we have lot of products, and moulding these products is always an option to drive the market; but definitely, we do not see any change in our business propositions."

In fact, MasterCard's recent initiatives commissioning various research projects, such as the MasterCard Worldwide Index of Consumer Confidence and the MasterCard Worldwide Consumer Lifestyles and Centre of Commerce, really aim to provide insights and share the issuer's knowledge base with its customers and partners.

Edelmann adds: "If you look at our positioning, we are at the heart of commerce and drive thought leadership. We want to understand what drives commerce globally, and we also need to know the consumer's buying pattern. We want to share insights that are meaningful for our partners and provide them with the necessary knowledge about the trends that benefit the entire industry."

According to Denzil Lawson, general manager of MasterCard Worldwide – Middle East and Levant, the survey delivers qualified information and data that will aid both the private and public sectors in decision-making and strategic planning.

"Customer financial institutions, associates as well as merchants, can benefit from the survey results, as it is a tried and tested barometer of consumer confidence," says Lawson. "The survey, when looked at over time and as a trend analysis, is valuable in the anticipation and understanding of shifts in consumer sentiment, as well as the identification of market trends, thus providing influential predictive market intelligence."

As for the consumer's benefit, MasterCard and its business associates are able to plan according to consumer preferences, he adds.

But what about cash or the substitution of credit cards with debit cards and other modes of electronic transactions as potential competition? Edelmann admits that the biggest competition is cash; and, of course, the company faces passive competition from electronic fund transfers. The growing popularity of debit cards, however, is not an issue for MasterCard.

"Debit cards are definitely not a threat, as MasterCard is the biggest provider of debit cards as well. Also, in the credit card segment, we provide a broad choice," says Edelmann. "However, the beauty with cash is that it sits and waits to be spent and used. In this part of the world, penetration in cards payment is as low as 15 per cent, whereas in the US, it is 40 per cent. In Europe, it has crossed the 50 per cent mark. Here for small ticket purchases people are still using cash, so there is a lot of room for us to grow."

Whether you call it a survival strategy or an innovative marketing mechanism, payment solution providers are working hard to create a niche in order to be ahead of competition in the industry. The ultimate goal, of course, is to add more to their revenue stream and profitability, which can be accomplished by increasing their customer base and convincing card users to be more generous in terms of spending with cards – credit or debit. Means aside, though, these developments will translate into a greater number of options for consumers, so expect more value-filled packages to come your way in the future.

A heads up from HSBC

HSBC Bank Middle East is developing more efficient systems to address the mounting pressure brought on by growing business volumes. The bank is also rapidly recruiting in order to serve its increasing number of customers. **Utpal Bhattacharya** spoke to Youssef A. Nasr, CEO of HSBC Bank Middle East, about the bank and the impact of the region's economic boom.

HSBC Bank Middle East plans to increase its headcount by 20 per cent in 2008 over the previous year, given the demand the bank is witnessing for its products and services.

According to Youssef A. Nasr, the bank's CEO, the economic boom in the Middle East is boosting the growth of institutions doing business in the region, and HSBC is no exception.

"We will recruit more in 2008. We should see an increase of 20 per cent in our regional headcount this year over 2007. This is the effect of the economic boom in the region, which is helping us to create more jobs," he said.

HSBC Bank Middle East is one of the many institutions in the region that are planning for double-digit headcount growth in 2008, something that is also putting tremendous pressure on the traditional pools of human resources. The weakness in supply has also led to salary increases, along with other operational costs, in the past three years.

In fact, in the past two years, HSBC's Middle East operations have seen almost equal rates of growth in expenses and revenues. However, since revenues in real numbers have been much higher than expenses, the bank has managed to keep its profitability growing, according to the CEO.

Nasr said that aside from the headcount increase to manage the growing volumes of business, another important item on HSBC's 2008 agenda is the streamlining of processes to make them more robust and efficient to deal with growth pressures.

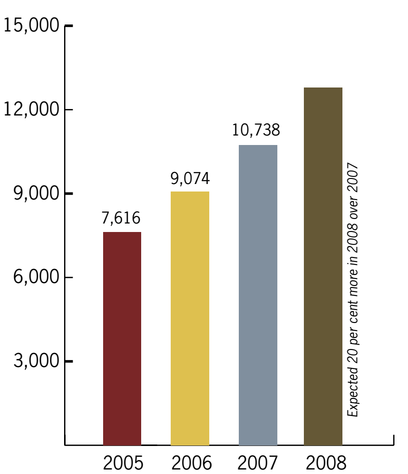
"We have started to gear our operations to meet the expected increase in volumes in the near future. Our senior management is working not so much on products, but more on delivery, the operations and the guts of IT at this time. We want to reduce queues at our branches and focus more on service efficiencies," he explained.

A cap on the maximum number of branches the bank can open is also a drag on HSBC's efforts to enhance its delivery. Nasr pointed to the UAE's cap as an example and said that although there are more than eight exciting neighbourhoods in the country, the bank can only have eight branches, as per the UAE Central Bank's guidelines. He described the situation as a challenge for the bank and said that HSBC finds itself non-existent in some of the neighbourhoods in the UAE because of the country's regulations.

"It is a dynamic society in the UAE. Abu Dhabi is building a whole new city in Saadiyat, while Dubai is developing projects like Dubailand and Burj Dubai. Bur Dubai is a great location, and so is Deira, where we have branch presence, as also in Jebel Ali. But there are six or seven other locations that we cannot go to because of the cap. This is frustrating," said Nasr.

Although international banks like HSBC have had permission from the UAE Central Bank to open several customer service centres in recent months and have also beefed up their off-site presence by placing more automated teller machines and enhanced their internet delivery channels, a cap in physical branch presence has been an issue for most of them. Teller queues have only grown longer at most branches of multinational banks as more customers come to bank with them.

Total headcount in the Middle East



Countries included: UAE, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar and Saudi Arabia

"Even though many of our customers are increasingly using self-service and indirect channels, there are still many who visit branches for a number of reasons. This causes congestion, especially with volumes going up and stipulated fixed locations. So, I can say that our service level sometimes suffers because of regulatory restrictions. The public is paying the price for these restrictions," Nasr added.

Other regulatory issues

A few other regulatory issues are also causing trouble for the bank, such as the combining of home finance and construction finance by the UAE Central Bank. Nasr said that HSBC is talking to the UAE Central Bank about this issue. He also explained that the current regulation could lead to the drying up of credit in real estate and mortgage financing as banks near their lending limits.

Currently, the UAE Central Bank puts a cap on real estate lending, fusing together mortgage finance and construction finance at 20 per cent of the total deposit in a bank.

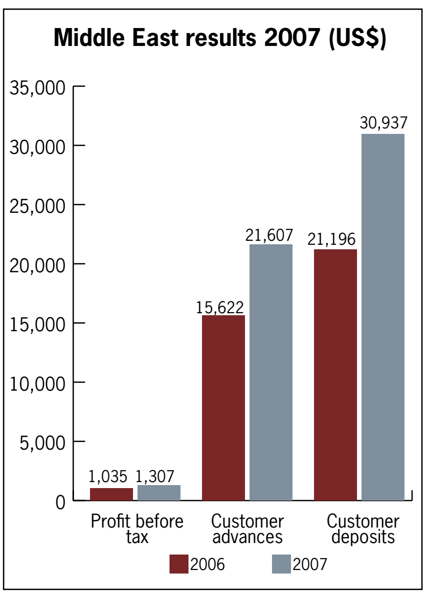
Nasr pointed out that there are some significant differences between lending to a home buyer and financing construction of a building. He also felt that these two loans could not be grouped together. The bank takes a corporate risk when it comes to construction financing, while mortgage finance is, rather, a risk on an individual and his paying ability. As long as a home buyer is the end-user and not a speculator, these mortgage loans are very important assets of any bank.

"We have been in talks with the UAE Central Bank, telling them that we understand the prudential reasons for doing this. But we have also been telling them that combining the two together will mean that, at some stage, the facility to provide mortgage finance will dry up," Nasr added.

HSBC will continue to tread the mortgage lending space cautiously, unless there is more clarity regarding regulatory and legal

requirements. Nasr said that although there has been tremendous improvement in transparency and the regulatory framework, there is still room for more assurance, especially when international standards are taken into account.

While mortgage business for HSBC will get a boost once there is more clarity, the banking group's capital market business in the Middle East is on a high with the launch of an independent brokerage company in the UAE. The bank has already established its equity research function in the country as international investors focus on regional stocks. The group also provides fund administration and custody services across the region.



Nasr said the brokerage outfit in the UAE currently only services institutions. In the next few months, however, it will open its doors to retail investors as well.

"We are committed to offering the brokerage service to retail investors, but we want to use robust technology and not a patched-up system. We then have plans to roll it out to other countries in the region. Once we have done that, depending on regulations as to who can and who cannot, investors will be able to access different regional markets through our brokerage," Nasr said.

Expansion and acquisition

The Middle East, along with South Asia, is among HSBC's big growth markets. The question that has always been raised, however, is why the banking group has not invested in acquiring entities in the region. Or, are there any plans for acquisitions in the near future?

Nasr said it is not as though there are no initiatives or behind-the-scenes activities taking place. According to the CEO, the last few years have seen tremendous increases in valuations of financial institutions in region. Besides, he explained, while HSBC went about acquiring banks in other parts of the world, growth through organic investments in the Middle East saw a faster payback.

"We have seen a faster payback by opening branches in countries where we could, like Egypt. But if there is an opportunity in one of our expansion markets to do an acquisition that is financially more attractive than organic investments, we will certainly take it," said Nasr.

"We have been in talks with the UAE Central Bank, telling them that we understand the prudential reasons for doing this. But we have also been telling them that combining the two together will mean that, at some stage, the facility to provide mortgage finance will dry up." *Youssef A. Nasr*

But HSBC is not just looking to acquire banks in the region "at the right price". As a full service bank, it is looking for interesting opportunities in asset management, insurance business and brokerage. Nasr said that a typical acquisition target could be a brokerage company elsewhere in the region to enable the banking group to enter a country where it does not have a brokerage licence.

When asked how this year was spanning out for the group in the Middle East, Nasr pointed to the declining interest rate. He said that the industry will make less money on deposits in 2008, while on the loan side, there will be more revenues. Nasr also felt that credit quality would improve this year, given that the regional economies are booming. Most banks will report less provision for loan losses than before, which will be a big boost, he added.

There will also be strong flows coming from capital markets, as a number of deals are happening in that space. According to Nasr, there will be healthy income from investment banking fees, especially with many more IPOs in the pipeline.

The big picture

Speaking about the big picture and the scope of the economic boom in the region, Nasr said that while the liquidity in the system is coming through the oil-producing countries, it is being driven by government spending on infrastructure projects. And, because of the sustainability of this boom, its effect is being felt across the Middle East.

"In fact, because of the large number of expatriates working in the oil-producing countries in the region, volumes of remittances have also been high. The money sent by these expatriates to their homes and to projects they are investing in has helped some of the non-oil producers to do well," said Nasr.

The CEO also highlighted a shift in the region's investment management process in recent times, due to the growing surpluses of the oil-producing economies. Some of the sovereign wealth funds are not only investing in overseas assets, but are also getting involved in the management of these businesses. There is, moreover, an increased interest from international investors to invest in the Middle East, which is fast building up a lucrative asset pool ripe for investments.

While certain policy issues are still a cause for concern, real estate will continue to offer significant opportunities for investments and growth in the region. Nasr said that the local residential mortgage market will grow busier with countries like Saudi Arabia, Egypt and Iraq opening up that sector. Expatriates will also be one of the key drivers, as they will likely buy homes in those countries they work. The development of tourism infrastructure in the region will be a further driver of investment in real estate.

"This region also offers a nice destination for retirement. The way some of the GCC countries are building up education, health care and transportation infrastructure, it will only help to fuel more interest in the region," he pointed out.

Nasr, in addition, continued to maintain that inflation in the region has been going up due to supply constraints. As such, he felt that de-pegging from the US dollar was not the solution. He also felt that rapid economic growth would always benefit some sections of a society, while simultaneously having a negative impact on other sections. But, he suggested, those asking to deliberately slow down the growth rate are probably not thinking clearly.

"We have seen this in Argentina. When inflation became very high there and the exchange rate came under pressure, the International Monetary Fund, in its traditional way of handling things, got them to slow down the growth rate. That move triggered a recession, which was far worse than the woes of inflation," argued Nasr.

While parrying specific questions on concerns for lenders because of rising operational costs in borrowing companies, Nasr did argue that these concerns have more to do with risk management issues and must be dealt with on a case-by-case basis.

"We look not only at cash flows and financials, but also at what initiatives companies are taking to invest in training, technology and processes to improve efficiencies before we lend to them.
We also look at specific industries. For example, in the electronics industry, where unit price is continuing to decline, we look at how a company is working to improve its revenues. But this is not true for luxury brands, where the important thing is the cache," he said.

Advert

An Islamic index controversy

The announcement of a new Islamic index in Hong Kong has kicked up a row that is drawing a lot of attention. **Ajay Shamdasani** spoke to various parties in Hong Kong to find out where the controversy is headed.

When Lebanese businessman Lord Edwin Hitti opened the Arab Chamber of Commerce and Industry (ARABCCI) in China's Special Administrative Region (SAR) of Hong Kong on November 15, 2006 with plans to launch an index of Shari'ah-compliant companies on the Hong Kong Stock Exchange (HKSE) earlier this year, little did he know what awaited him. The city's English-language daily newspaper, the South China Morning Post (SCMP), reported that the local Saudi Arabian consul general, Alaudeen Alaskary, had requested that the SAR's government cancel the ARABCCI's registration.

Amidst the backdrop of the policy address from the SAR's chief executive Donald Tsang Yam-kuen last October announcing plans to create an Islamic bond market in the city based on Shari'ah-compliant products, Alaskary told the SCMP in March: "The next step has to be taken by the Hong Kong government. If they want better relations with our area, then they had better clear the confusion."

Alaskary added that the ARABCCI was not a "legitimate organisation" and that it was "swindling people".

Hitti's attorney has already served Alaskary and the UAE's local consul general, Saeed Hamad Ali al-Junaibi, with cease and desist letters asking them to stop making untrue statements regarding the ARABCCI's legitimacy. According to Hitti, things turned sour last year when he mentioned to the UAE government that their Hong Kong consulate was charging rates in excess of listed tariffs for certifications for local companies wanting to operate in the UAE.

Hitti told the SCMP in early March: "The UAE consul general used every single bad adjective he could think of about myself and the chamber, saying I was pretending to be Lebanese, pretending to be Muslim and that the chamber is not a legitimate organisation; that it is swindling people and encouraging Hong Kong enterprises to invest in it. It's unfortunate, and we have been trying to downplay this matter as much as possible, since Hong Kong has been making every effort possible to attract Islamic finance and banking."

Alaskary, however, contested: "All he [Hitti] is doing is putting a lot of … propaganda… on his website, which is causing a lot of confusion for us and other companies. If there is going to be a body here, it has to be organised and it has to represent us."

Hitti vociferously denied this charge. "ARABCCI has extended every courtesy to get the consulate's participation and their moral support, if nothing, as a matter of protocol which they utterly declined," he said.

Hitti added that the government had looked into the ARABCCI and found it to be

legitimate. "We've been checked out by the SFC and the Financial Services and Treasury Bureau; we're operating within the law. If anyone can prove otherwise, I'm sure it would have been used against us by now," he maintained.

Why Hong Kong?

According to Hitti, the ARABCCI seeks to provide cultural and economic advice to companies in Greater China about the Arab and Islamic world and vice versa – "with an eye towards objective, impartial information and an ability to get introductions and networking".

Hitti has argued that more Islamic indices will transform the SAR from a conventional capital market to one that can handle a full range of Shari'ah investments. He told **MONEY***works*: "The ARABCCI has screened and indentified companies from across the Hong Kong-China spectrum as to which are qualified to be recipients of Shari'ah-compliant capital, as it has been a hurdle for many companies in Greater China to get Islamic funds in the past."

The ARABCCI has indexed some companies, and the belief is that a net increase of Islamic and Arab capital will flow to the Asia Pacific region. **MONEY***works* contacted Hamad Ali al-Junaibi, but he did not respond to our queries.

While Alaskary does believe that Shari'ah-compliant indices are good for Hong Kong in terms of adopting more Islamic finance and banking, he has pointed out that Islamic finance did not come to Hong Kong out of the blue. Other organisations already engage in Shari'ah indexing and banking, he said, and HSBC, the Hang Seng Bank and the Dow Jones already offer Islamic financial products in Hong Kong.

"It's better to look to see whether the source is reliable or not. Who's backing such an index up? Other Islamic finance has the backing of Malaysia and Saudi Arabia," Alaskary contended.

Currently, the ARABCCI appears to have the support of InvestHK, the Union of Arab Banks, Hong Kong Exchanges and Clearing Limited (HKEx – the HKSE's holding company), the General Union of Arab Chambers, the United Muslim Association of Hong Kong (UMAH) and the Islamic Development Bank's Islamic Corporation for Insurance of Investments and Export Credits.

The concept of the ARABCCI's Islamic index was purportedly conceived by the group's Shari'ah Advisory Council, which had certified it. "Quam [a local group] doing the calculations based on daily information they get from the HKSE, Bloomberg and Reuters is going to disseminate and promote the information," said Hitti.

He added that both Quam and InvestHK are chamber members. "The ARABCCI is not a business; it does not belong to me," he stressed.

Hitti, however, added that he is the ARABCCI's primary source of financial support at the moment. The ARABCCI is a non-profit organisation and a registered society in accordance with Hong Kong law, according to the local police licensing office.

"Every time we do a new project, we establish a private entity to do it. All is under the auspices of the ARABCCI's non-profit status. If we make a surplus, it will be ploughed back into activities like giving Arab-language lessons and informing people about the Arab people and Islam," said Hitti.

Index composition

Hitti delineated his index's composition as one in which many of Hong Kong's publicly listed companies – excluding banking and financial institutions, or those dealing with gambling, pork products, hotels, entertainment and speculative enterprises – were assessed. He said: "We examined their annual reports to gauge their Shari'ah compliance. For example, interest cannot be more than five per cent of their total income, nor can their debt be above 35-40 per cent."

Hitti stressed that companies that are Shari'ah compliant also tend to have better corporate governance because they are not leveraged to the hilt. He also stated that the index will be launched soon and has a number of constituents – all of which are companies publicly listed in Hong Kong. "Fifty per cent of them are A-share [mainland Chinese] companies listed in Hong Kong; the rest are local companies," he explained.

So, does Hitti believe more Islamic money flowing into the SAR will beef up overall trading volumes on the HKSE? "Definitely," he said. "The goal is to promote direct capital to these companies and others in Greater China that are listed in Hong Kong."

This sentiment is shared by the UMAH's chairman, Mohamed Alli Din. Both men believe that the ARABCCI will continue to provide one of the very few missing essential elements that Hong Kong desperately needs in order to remain a world-class financial centre and a business information platform for the Arab world, as well as an Islamic investment initiatives facilitator. The Hong Kong Islamic Index

The Arab Chamber of Commerce & Industry's Shari'ah Advisory Council

- Sheikh Amine El Kurdi, imam of Great Al-Omari Mosque, head of religious affairs for Dar El Fatwa
- Sheikh Muhammad Tayyib, imam of the Sham Shui Po Madrassah
- Justice Oussama Ajouz, former judge, professor of international law
- Lord Edwin E. Hitti, chamber president, economics and policy strategy advisor
- Dr. Walid El Kuzbary, constitutional counsel, attorney of international law


Lord Edwin Hitti


Alaudeen Alaskary

is purportedly just an initial undertaking to encourage Islamic funds and banks to start investing into pre-qualified Hong Kong and mainland Chinese enterprises without concerns of Shari'ah compliance, and to integrate the first element of an Islamic financial presence into the backbone of Hong Kong's financial apparatus – the HKSE.

The rancor

It is not clear why the local Arab consulates have not been more supportive of the ARABCCI. "Ask them why the level of animosity towards us is so high," said Hitti. "A chamber that is improving and promoting the image of the Arab and Islamic world should be lauded."

Alaskary, however, stated: "We don't recognise any Arab chamber as far as we know in Hong Kong. If Hitti has anyone [backing him], let him show his documents! Does he have any letters from InvestHK? Whatever he says, he has to substantiate. He said he has had meetings with us, but none of them happened. The Hong Kong Trade Development Council told him to remove their name from his website."

He added: "It's my job; my office's [responsibility] to investigate the reliability of such things. If someone says he's your partner, shouldn't there be a letter or some kind of document?"

Alaskary reiterated that Hitti's plan is not listed on the HKSE and is like a directory or a database. "Would you invest in such a thing?" he asked. "Show me where he's indexing from. I advised him against it."

Shari'ah-compliant Investment Options in Hong Kong

There are multiple Shari'ah-compliant investment options for Islamic investors in Hong Kong. For example, HSBC's Amanah Global Equity Index Fund was the first Shari'ah-compliant index tracker fund to invest in the 100 largest Shari'ah-compliant companies by market capitalisation and aims to replicate the performance of the Dow Jones Islamic Market Titans 100 Index's performance. The MSCI Global Islamic Indices is also available.

Standard & Poor's also launched three Shari'ah indices this past January – the S&P Large Cap World Shari'ah, the S&P Small Cap World Shari'ah and the S&P UK Shari'ah. The aim of these indices is to help investors track the largest global universe of the more than US$20 trillion of Shari'ah-compliant equities. The first two measure the performance of more than 4,500 Shari'ah-compliant equities from 26 developed markets, with their adjusted market capitalisation of US$18.06 trillion. All three indices are derived from the S&P/Citigroup BMI World Index. Constituents must have a float market capitalisation of more than US$100 million and a minimum annual value traded of at least US$50 million.

The Dow Jones Islamic Market Index (DJIM) was launched in 1999 and has an independent Shari'ah supervisory board. The DJIM measures the performance of a global universe of investible equities screened for Shari'ah compliance and Dow Jones Index methodology. The FTSE also has a global Islamic Index Series for the Asia Pacific region – the FTSE Pacific Basin Islamic Index. And, most saliently, Hang Seng Bank launched the Hang Seng Islamic China Index Fund late last year. In Alaskary's view, all of the above are reliable for investment. Hitti, however, explained that with the exception of Hang Seng's index, all of the other indices are based outside of Hong Kong.

Alaskary further stated that he would judge the ARABCCI's index when he sees proof of it. Hitti, on the other hand, has continued to argue that the necessary clearances have been approved from the HKSE, HKEx and the Securities and Futures Exchange.

Alaskary's real objection may be the use of the term 'Arab' in the ARABCCI's name. "Do you know of any country called Arabia?" asked Hitti. "Arab-speaking culture pertains to a language, pertains to a certain geographic region; it does not pertain to a specific country. This is a chamber dealing with Hong Kong companies with interests in the Arab world."

In Hitti's view, Arabs fighting amongst themselves is counterproductive. "The attitude of the consulates is utterly unjustified and uncalled for, and it is irresponsible towards Islam, the Arab world and their own states," he said. "In my perception, they're acting in a selfish and private capacity, harming the interests of the Arab world and their own nations, and those of Greater China in attracting Islamic investment."

Hitti regards the consulates' statements to the local press as irrational, evidencing their "misunderstanding and ignorance, which is unbefitting to the posts they hold".

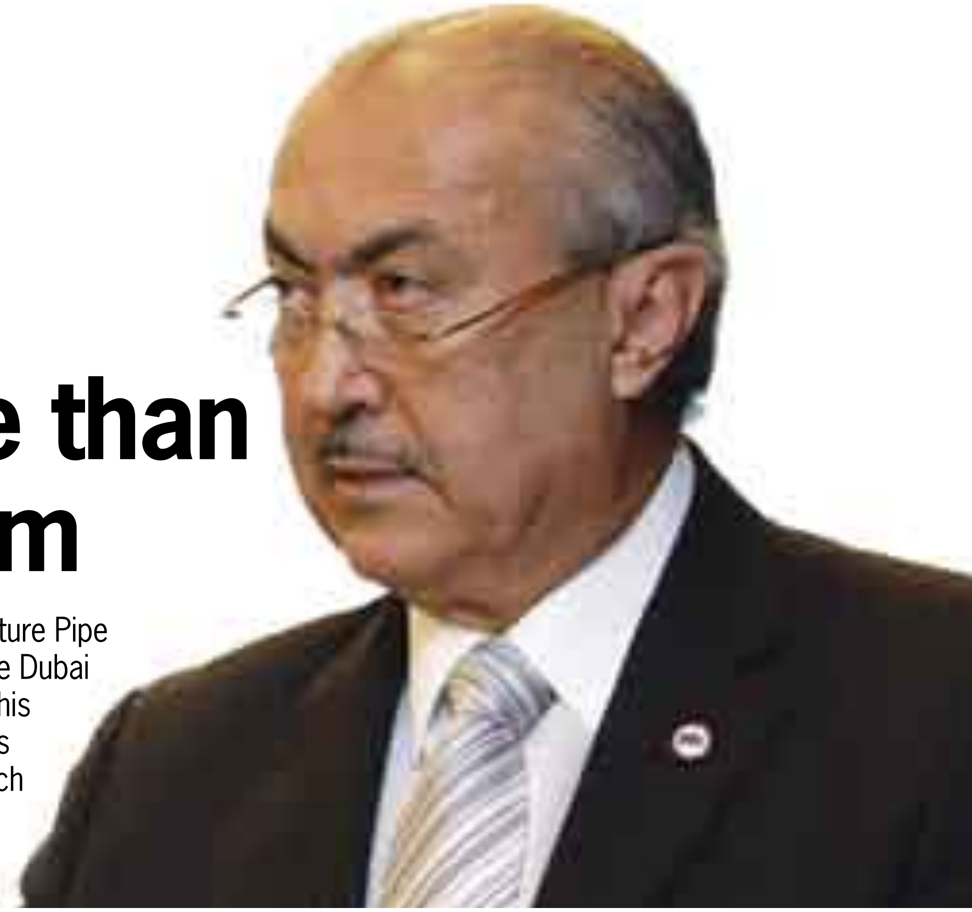
Alternatives

There are multiple Shari'ah-compliant investment options for Islamic investors in Hong Kong (see box to the left). However, according to Hitti, they don't have any of their own ideas.

"I fail to see," he says, "what ideas they have of their own in promoting Islamic finance. In their consular capacities, it's not mandated that they come up with such ideas; they are limited to promoting their national governments' interests and services because consuls and ambassadors have a limited mission."

Hitti concluded: "By intervening in Hong Kong society with their own opinions and perceptions regarding the ARABCCI, the consuls have undertaken a role that they're neither authorised nor qualified to do."

Come what may, the row over the ARABCCI and its index has achieved one good thing: a greater awareness of the large pool of Islamic investors waiting to be served – under the right conditions.



Much more than a pipedream

Fouad Makhzoumi is the chairman of Future Pipe Industries (FPI), which is set to list on the Dubai International Financial Exchange (DIFX) this month. Lebanese by birth, he started his career in Saudi Arabia, founding FPI much later on. Here the successful business leader tells **Ehab Heyassat** how he transformed FPI into a global player.

How did you start your career?

I am Lebanese. I began in the Gulf in Saudi Arabia, but the first investment I made was in Dubai. People used to look at us as a Lebanese family operating in Dubai. But we had a vision, and, as a result, we are today a global leader in fiberglass pipes. The moral of the story is that you can start as a small operator in a small country, but when you have a clear vision combined with the right conditions, you can be successful. The proof is present before you.

How did Future Pipe Industries begin?

Future Pipe Industries was established in 1984 after I acquired a stake in Gulf Eternit Industries, the first building block of FPI that you see today. Gulf Eternit was founded in 1971, the same year as the Federation of the UAE. Since that acquisition, however, FPI has grown significantly, as subsequently we also managed to own the entire business of the company and transform it from a local manufacturer into a global leader in the fiberglass pipe industry.

Why did you decide to list? And was there any particular reason for choosing the DIFX?

Making the choice was easy. Our business started in Dubai and we feel very comfortable being in Dubai. The DIFX will definitely emerge as a major regional player, especially after its tie-up with NASDAQ.

The choice of the market was also done through a proper process that involved our advisors, who came up with two options when we were scouting for markets to list: shares on the DIFX or global depository receipts on the London Stock Exchange. We had to go around and find out if investors had an appetite for our shares. Both local and international investors encouraged us to tap into the DIFX and not split the liquidity between two markets. The feedback from these investors reinforced our decision to list on the DIFX.

The moral of the story is that you can start as a small operator in a small country, but when you have a clear vision combined with the right conditions, you can be successful. The proof is present before you.

The second reason for choosing Dubai can be attributed to the presence of most of our clients in the GCC region. We believe Dubai is a good gateway and a hub for our business. And, as I mentioned earlier, the third reason is that we believe Dubai is working to transform the DIFX into a regional player.

Why did you decide to list now?

We see a change in the vision of the Gulf countries. They are all in the process of transforming deserts and creating modern infrastructure for the 21st century. These governments have surpluses and they are committed to investing in creating new infrastructure. At the end of the day, we are also an infrastructure company dealing with the business of pipes that everybody needs. The actual growth rate of population in the region is above three per cent, which also means that the demand for new infrastructure will remain sustainable, and thus the spending as well. So, we believe that it's the right time to go public.

Do you think the market conditions are right for your IPO?

This is why we need to go the book-building route. All indications right now show that we made the right decision. We think we are dealing with the best experts in their field; add to that the support from the DIFX. All the right ingredients and positive factors are in place. I feel the book-building process will prove that our decision was the right decision.

Besides, the purpose of this exercise is to bring a change in how the company operates and transform it into an international leader. This exercise has nothing to do with the improvement of the quality of our products. It is just that we want to be a publicly-held company. Secondly, the company does not need the cash, and we are only diluting some of the family's stake.

The DIFX asked us to dilute 25 per cent, and so we offered a minimum of 25 per cent that can go up to 35 per cent, depending on investors' appetites. (See page 22 for details.)

Why did you decide to list your shares in a US dollar market, especially when the greenback is not doing very well?

Over 70 per cent of our income is from this region. And the GCC countries have their currencies pegged to the US dollar.

Don't you think people are shying away from dollar-dominated assets?

They will not if these assets are a good buy. I am confident that the book-building process will show that.

Will you be disappointed if you don't get volumes on the share?

I'm an industrialist; I plan for many years before I expect to see any results. I'm used to the good and bad, and even the ugly. So far, our story has been on the upside because of good people, planning and markets. The combination is right. Don't also forget that we are in the Middle East, so nothing can shock me.

What type of investors are you targeting?

We have institutional investors, equity funds, private equity funds and other big investors. The retail portion of the offering is for locals as well. The breakdown will be determined after the ending of the book-building process.

What are you going to do with the proceeds of the IPO?

Post-IPO, we will continue to own 65 per cent of the company, so our family will still be committed to the company. We will diversify the asset base of the family with the capital raised from the IPO. We do have different ideas and projects coming to the marketplace, but our core business will be fiberglass, and I will continue to be chairman of the company.

One of the questions often asked is if we would acquire other companies to increase our market share. I feel those companies that could possibly make good acquisition targets for us in the fiberglass business are rather small and don't fit our scope of acquisition. However, once we become a public company, the new board will have their say and I will have to listen to their ideas as well. But I do believe we will continue our organic growth strategy.

Who else do you have on the board today?

We have three independent members on our board, while the president (who is my son) and I are representing the family. Of the three independent members, Dr. Nasser Saidi is one. He has huge experience and he heads the Hawkamah Institute in the DIFC. This should also give a lot of confidence to our shareholders.

The stature of directors is very important; they give you transparency, experience, corporate governance and much more. They also give you business opportunities.

Do you have plans to step down?

I have really stepped down as the president and the CEO of the company, and now I'm the executive chairman. I'm here to offer guidance to the president, with the help of the board. I believe the president did well. The transformation of the family business started five years ago, and now we are transforming to the 21st mentality of management. We are now ready for the change that will come after going public. We believe that the existing team can cope with the changes.

At the end of the day, I'm 56 years old and would like to serve as long as the board would like me to, but I have a life to live as well.

What would you like to do in the future?

When I went back to Lebanon in 1996, I realised that the opportunity that we had back when we graduated from school does not exist for the young Lebanese anymore. We do not have the vision now for the future of our youth. I started the Makhzoumi Foundation back in 1996. In these years, we managed to train 75,000 Lebanese from all parts of Lebanon. I have not met more than 90 per cent of these youths, because when you want to help your country, you do not want to have a personalised service. The foundation is still working. I feel proud when I see some of these persons coming to me and saying that they were trained at our foundation. This is what I would like to do, by bringing new ideas that would help people. This way, it will give me more time to work when I retire from here.

Don't you want to have a go at politics, being so successful in business?

Forget about it. However, politics in the Arab world is something we need to deal with, because politics and economics are intertwined. But we have to follow politics and deal with it to understand what is going around, in order to protect our businesses.

All indications right now show that we made the right decision. We think we are dealing with the best experts in their field; add to that the support from the DIFX. All the right ingredients and positive factors are in place.

Take your bets in Asia

In the aftermath of the turmoil across global equity markets, **Matein Khalid** looks for silver linings across sectors and markets in Asia, suggesting value pickings and targets.

Bear markets dispel a lot of investment myths, and the Wall Street credit meltdown has finally shattered the myth that emerging markets would somehow remain immune to a US recession. Disasters have plagued the Asian stock market since November, as the housing crisis and the systematic banking distress in the US took its toll on exporter shares, while the unwinding of the Japanese yen carry trade wrecked havoc on risk assets.

In addition, bellwether Asian banks like ICICI, ICBC, Development Bank of Singapore and Bank of China disclosed surprise losses in CDO/subprime securities, while offshore fund managers fled "crowded" foreign-owned markets from Mumbai's Dalal Street to Tokyo's Marounouchi and Shanghai's Pudong Financial District.

It is surely significant that since January, India's Sensex has lost 4,500 points, or one-fourth its value, forcing the cancellation of the Emaar property joint venture IPO. China/Hong Kong has also seen its share of setbacks since November, with 30-40 per cent falls in even the largest-cap blue chips. Vietnam, the world's favourite frontier Asian market, has now lost half of its market cap.

The myth of safe havens and financial market decoupling has also proved expensive to investors in the GCC. It was only natural that the Saudi Tadawul, largely owned by foreign fund managers, was the worst performing Gulf market in the first quarter of 2008, while Kuwait and Oman were both up 15 per cent, among the best performing emerging markets.

In the same period, the Saudi Tadawul Index, largely dominated by the petrochemical sector, irrational exuberance of retail investors and extremely high valuations, plunged even though oil prices remained above US$105, shattering yet another myth in the Gulf that high GDP growth and epic high oil prices alone guarantee against a global bear market panic. They do not. The GCC is long two trillion dollars worth of global assets, while its offshore holdings, particularly by sovereign funds, have been gutted since last summer.

The New Silk Route is yet another minefield for GCC investors who invested billions of petrodollars in luxury condos and property developments in India, China and Singapore at the height of the market last year. So buying into HSBC and ICBC last summer was a licence to the haemorrhage money for Gulf sovereign wealth funds. SABIC's acquisition of GE Plastics at 17 times earnings or DP World's flotation at 40 times forward earnings on the eve of a US recession and a global cyclical bear market will haunt the portfolios of investors who did not question the "we are immune from the credit crunch" myth.

Banks have still not come clean about CDO exposures, despite provisions after publicised write-downs at banks such as Bahrain's GIB or Abu Dhabi's ADCB. It is still incredible that Kingdom Holdings trades at a premium to its net asset value, despite losses in Citigroup and Motorola, which have lost half their value on the New York Stock Exchange since last October.

Significantly, the GCC Composite Index still trades at a premium to its emerging market peers at 14 times earnings. While it is one thing that corporate growth in the region is still among the highest in the world, with a prolonged investment cycle and bank credit growth that is among the highest in the emerging markets, the caveat is that inflation has gone ballistic in the region, particularly in Qatar and the UAE. The spike in rents, wages, the price of food, steel, cement and construction equipment means it is inevitable that the GCC corporate margins will be squeezed, a macroeconomic reality not factored into current valuations.

Moreover, GCC banks trade at four times book value, more than double the valuation metrics of their US, European, Asian and emerging market peers. Such a concept is absurd, mostly because the funding trauma in the interbank market has hit GCC banks too, as plunging prices of their Eurobond and credit default swaps attest.

There is also the emerging liquidity crunch in the Gulf that will force GCC banks to restrain profit growth. GCC banks are heavily exposed to the property bubble in the Gulf, the meteoric ascent of which will lead to an equally spectacular collapse as a glut of supply couples with a Himalayan debt load to force overleveraged borrowers to unwind

risk and raise cash. All will lead to the inevitable rise in consumer loan NPL and mortgage defaults, which is exactly what happened in the US, Spain, Ireland and India. After all, the laws of economics are not repealed in the Gulf, much as the region's go-go financiers, stock promoters, stockbrokers and real estate agents would wish to act as cheerleaders for the "don't worry, be happy" and "debt, lies and leverage" paradigm.

The silver lining

Is there value across the Asian emerging markets? Sure. The International Monetary Fund estimates that the risk of a global recession is now one in four and has slashed its global growth forecasts, the obvious implications being for Asian exports. Consequently, investor confidence, financial stress and asset price volatility (the greed-fear pendulum in financial markets) are inevitable.

Even 30-40 per cent falls in Asian stock markets mean that no bull market is possible without a return of investor confidence. This return is only possible if the dollar stabilises and thus arrests the spiral in crude oil prices, as well as a bid in Wall Street financial shares, without whose participation a bull market in the broader American stock markets is impossible. The MSCI Asia ex Japan Index has now fallen to a reasonable forward valuation multiple of 12, but earnings optimism is dangerous in a world where, if George Soros is right, we face the worst financial crisis since the Great Depression.

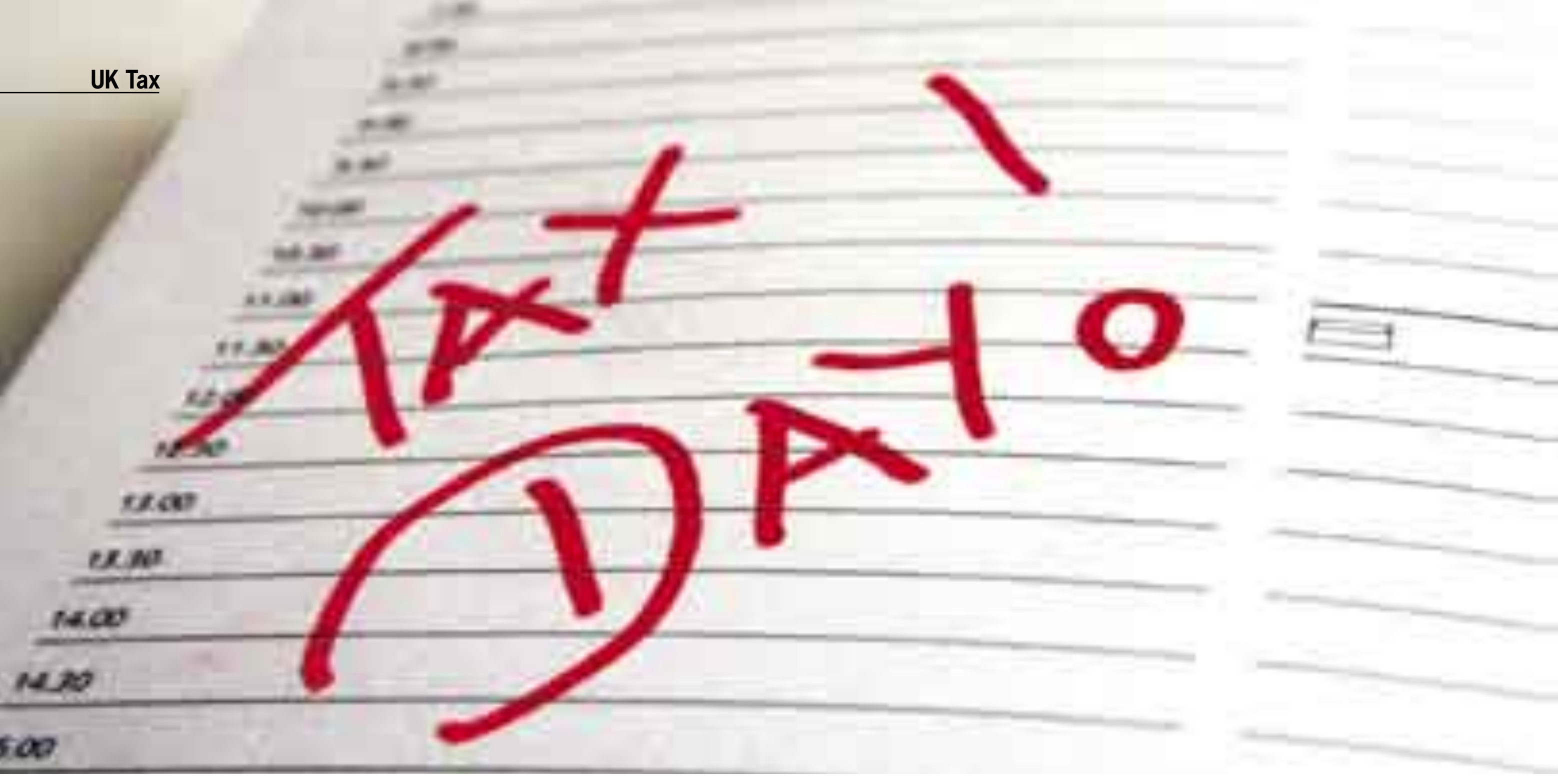
The Fed-engineered takeover of Bear Stearns by J.P. Morgan, UBS and Lehman's secondary share offerings, the opening of the cultural bank discount window to Wall Street securities brokers/dealers and the 300-point plunge in dollar interest rates all demonstrate that the Bernanke Fed is determined to play the role of lender of the last resort to address systematic distress in the financial markets. This condition is necessary for a rally in US financials, a fall in the Chicago Volatility Index and a rally in the Asian stock exchanges. My favourite markets and trades to go long on are Singapore large caps, Indian banks and Taiwan. Go short on the Aussie/Kiwi dollar.

Thailand is another Asian stock market Cinderella unscathed by the havoc of 2008. The Thai economy is growing to seven per cent GDP growth due to post-election consumer confidence, government stimulus, tax relief and the removal of capital controls. Thaksin's ruling PPP, its coalition partners, the military high command and the palace have strong incentives to avoid letting politics interfere with money-making in Bangkok. Property, construction, banking, cement and oil are the sectors that will propel the Thai stock market into a cyclical bull run that could well see the SET Index rise 20 per cent to 1,000.

Hong Kong, as a classic high beta market, was gutted by the calamity in Shanghai as tight money killed the domestic Chinese equities bubble. But two per cent dollar interest rates and a plunge in the Hong Kong Interbank Offer Rate are nirvana for Hong Kong assets, and Chinese equities have de-rated from 52 to 27 times earnings. The Chinese Politburo cannot risk social unrest at a time of decade-high inflation, so the People's Bank will be forced to continue the hikes in bank reserve ratios and securities repo rates. Hong Kong rental yields are now higher than interest rate costs. I am a buyer of the Hang Sang Index at 22-23,000 for a 28,000 target by the end of the year. This circumstance suggests that the Hong Kong Index Fund (EWH on Amex) is a compelling buy.

Banks and techs exposed to credit contagion and the US recession derailed the KOSPI Index, as did foreign selling. South Korea is cheap, unloved and trades at a discount to its Asian peers. I would buy the South Korean Index ETF (EWY on Amex) at 50 for a 65 target in the next twelve months.

The new KMT President in Taiwan will improve relations with Beijing, which are deeply strained under his predecessor Chen Shui Bui. Improved relations would give way to Chinese tourists, Chinese investments in Taiwanese real estate and even cross-straits banking deals. Taiwan has underperformed Pacific Basin indices for the past five years. A higher domestic growth will offset weakness in technology, more than 50 per cent of Taipei's market cap and earnings. Offshore money is underweight on Taiwan, corporate ROE's will rise and the daily turnover of the Taipei's stock exchange has doubled since 2006. I am thus the enthusiastic buyer of the Index ETF (symbol EWT) on Amex.



Keeping the taxman at bay

Eesh Aggarwal cautions that post-2008 UK budget, the chances of being taxed as a UK resident have increased. Better record keeping, he suggests, could be a good way to keep the taxman at bay.

Surprisingly, the latest UK budget did not bring with it any major changes. There were, however, some subtle changes, both good and bad.

As a result of the new budget, there is an increased risk of being treated as a UK resident in any particular tax year. Improved record keeping is also required for offshore structures, in case you become a UK resident in the future.

Increased risk of UK residency

The increased risk is, of course, disastrous, as you could be liable to UK tax on your worldwide income and gains at up to 40 per cent! Before we go into the possible calamities, though, let's first understand the history of UK residency.

Residency has never been defined under the UK tax law – in fact, the law is a mess. Is your residence a place where you live, habitually stay or are simply present? And what's the difference, anyway? Amazingly enough, nothing is clear! As there is no precise definition, HM Revenue and Customs (HMRC) has always applied its own interpretation to what residency means on a case-by-case basis. Even UK case law does not necessarily help, as most cases ruled upon have been those appealed against. In such cases, the judges in question merely had to decide whether or not they agreed with the original decision, as opposed to a re-examination of the facts.

HMRC previously tried to help the taxpayer by publishing its famous (now infamous) booklet, IR20 Residents and Non-Residents. The booklet stated that you were a resident if (a) you spent more than 182 days in any tax year in the UK or (b) you spent more than an average of 90 days per tax year spread over the last four tax years (this is the simplest form of the test – there are other parameters). For both tests, days of arrival and departure were ignored in practice. HMRC, however, reserved the right to challenge residency on other grounds and did, in practice, ignore its own booklet as and when it benefited HMRC!

Prior to the 2008 budget, you could count the number of days you spent in the UK and still not be sure whether you would be challenged by the taxman on your residential status. Remember, HMRC had the right to depart from its published practice and could, in theory, resort to counting hours spent in the UK in a particular tax year.

The result of day-counting was widely publicised by the UK press. Senior managers of certain major UK companies could easily live tax-free in havens near the UK, such as Monaco, Gibraltar or the Isle of Man. In any one week, they could fly into the UK on Monday morning and leave on Thursday evening. As days of arrival and departure are excluded, the total number of days spent in the UK for that week would be two days. This would allow the managers, in theory, 45 weeks in the UK and seven weeks holiday! Not a bad ruse. Thus, they could physically be in the UK for over half the week, but still be treated as non-UK residents. Naturally, the government had to act.

After the 2008 budget

To stop the abuse of day-counting, Alistair Darling, Chancellor of the Exchequer, proposed in the budget, effective April 6, 2008, to treat anyone within the UK at midnight as being in the UK for that day (or, more logically, that night). A tax (fiscal) year ends on April 5. This news is bad for non-UK residents, as it contrasts with the previous tax treatment that both days of arrival and departure would be ignored.

There are two possible traps, and either trap alone will make you a UK resident for the tax year in question. The first test holds that anyone spending over 182 nights in a fiscal year (i.e. from April 6, 2008 to April 5, 2009) will be deemed a UK resident and will be liable to UK taxes on worldwide income and gains. With the second test, anyone spending over 90 nights per annum over the last four tax years will be liable. For example, if you spent 320 nights in the UK during the period of April 6, 2005 to April 5, 2009, then for the tax year 2009, you would have spent an average of 80 (320/4) nights. As this is below the 91 nights limit, you will be treated as a non-resident for 2009 (assuming you pass the first test as well).

The good news is that for the first time ever, some sort of residency definition is shaping up in the law. This circumstance will provide more certainty for visitors to the UK, as the 2008 budget makes it clear that the midnight test will be part of the legislation.

Regrettably, the question of the definition of residence has been avoided yet again, a classic example of the age-old British tradition of vagueness that allows the system to be flexible (to allow fairness in mismatched cases). Unfortunately, it inadvertently allows (in a few cases) different taxpayers to afford different tax treatment depending on the quality of the professional adviser and the subjective view of HMRC for the particular cases in question. Now that Darling has begun the process of legislation, it is hoped that it will continue in this direction.

Modern travel problems

With modern travel, you can easily be treated as being present in the UK even if you are merely passing through (e.g. as an airline passenger in transit in a UK airport at midnight). The 2008 budget has proposed that passengers in transit at midnight in the UK will be treated as not present in the UK for UK tax purposes, including those changing airports or even switching forms of transport (e.g. arriving by ferry and departing by plane). This rule is subject to the overriding condition that they do not engage in business activities while in the UK (e.g. attending a business meeting while in transit). The specific wording used is 'to a substantial extent', which suggests that any 'minor' business activity may be ignored.

It is important that persons regularly visiting the UK keep proper records of their trips to the UK, noting which nights they were present at midnight and, if in transit, whether any business was conducted. These records will help to fight off any attack by HMRC challenging possible UK residency.

Offshore structures

Another area in which record keeping will need to be beefed up is that relating to offshore structures, most importantly offshore trusts.

Should a non-UK resident become a UK resident and then remit monies to the UK, he or she will need to identify the nature of the remittance. There are three possibilities: remittance of capital, which will be treated as tax free and is naturally the most beneficial; remittance of income, which will be subject to UK tax and remittance of capital gains, which will also be subject to UK tax.

Capital gains accrued by offshore trusts and then remitted to the UK by UK resident non-domiciled persons were primarily tax free up to April 5, 2008. Such is no longer the case. From April 6, 2008, these remittances will be fully taxable. On the face of it, this change is not a major one. So why is improved record keeping required?

HMRC has indicated that it wishes to challenge offshore structures (especially offshore trusts) more robustly in the future. Here we are presented with two problems. The first can occur when an offshore trust makes a 'capital' payment to a UK resident. From the trust's point of view, the payment is of a capital nature; this can include prior years' income and gains converted to capital. HMRC will, however, treat prior years' income and gains as income and gains. As such, a trust 'capital' payment may be viewed as a remittance of income and/or gains by HMRC and be subject to UK taxation.

Consequences of the 2008 UK budget changes:

- Increased risk of UK tax residency for visitors
- Midnight UK presence test from April 6, 2008
- Exemption for transit passengers
- Need for records of visits to UK
- Improved record keeping procedures required for persons with offshore structures

How can a UK resident prove that monies remitted are tax-free capital remittances from a non-resident trust? In order to prove this, the taxpayer will need to provide evidence of all transactions entered into by the trust from inception analysed between capital, income and gains. This task can be particularly onerous if the trust was established many years ago. While trying to compile this history for new clients, we have become aware of many cases in which offshore trustees, including major institutions, either do not have the necessary data or lack the expertise to provide such data. In some cases, they are reluctant to provide data, citing trust confidentiality. This approach does not benefit the taxpayer. In the absence of evidence, HMRC can simply treat any remittance as taxable income and/or gains.

The second problem that can arise when a trust is opened up for inspection by HMRC is that of evidence of the source of funds for monies paid into the trust. Once again, evidence will be required to prove that such monies were of a capital nature (i.e. gifts by the settler); otherwise, HMRC can simply treat such monies as income and/or gains. This order ignores the other issue of proving the funds that were gifted into the trust were from taxed monies in the first place!

In summary, when following the 2008 UK budget, there is an increased risk of being treated as a UK resident, and better record keeping will be required to resist attacks by the taxman on residency and tax-free remittance issues.

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Monarch Gold: the classic investment opportunity?

Peter Cooper argues that Monarch Gold could be the right investment to make you into a millionaire.

Monarch Gold, a West Australian development company listed on the Dubai International Financial Exchange, is a classic example of a gold explorer about to turn into a gold producer. With the price of gold at its current levels, this company should be able to move from a situation of burning cash to literally minting it. Typically, the share price of a gold explorer that starts producing gold will double or triple in short order.

A media release from Monarch Gold on March 18 confirmed that the company's Davyhurst Gold Project is expected to have become cash positive by April/May 2008, with a production target of 60,000 ounces for the second half of the year.

Chairman Michael Kiernan says: "This production plan projects estimated cash costs to reduce to just below AUD700 per ounce by December 2008. Combined with a strong gold price, this will generate value for our shareholders. The company is carrying no bank debt and remains in an un-hedged gold position. We remain committed to a target of 125,000 ounces per annum at Davyhurst."

Kiernan is quite a local visionary in the West Australian mining world and has amassed a substantial business empire of local mining interests. But this has been just as well, as Monarch Gold has required more capital than anticipated to reach the production stage.

The company's last quarterly report revealed a US$7 million loan taken from another company run by Kiernan, India Resources. Kiernan's iron ore company, Territory Resources, also took up a quarter of a recent US$10 million placement. Auditors PricewaterhouseCoopers highlighted a working capital shortfall of US$13 million at the year-end, saying that the company's survival required more funding "as and when required".

That the wealthy Kiernan is willing to support Monarch Gold with his own money, even at the cost of annoying shareholders in his other companies, is highly significant. It also should not have been such a surprise to Monarch Gold shareholders when the company came out with a one-for-six rights issue of 29.9 million shares to raise US$13.5 million, offered to shareholders registered on April 1.

The rights issue is not underwritten, and it could be that the company will have to look for further cash injections in the future. But Arabian investors looking for a gold exploration company moving into production in an ultra-stable political region could be well advised to consider Monarch Gold at this critical junction in the group's future. It is really a case of clearing the last hurdle before a highly-profitable new West Australian gold producer emerges, probably at a time when gold prices stabilise above US$1,000 an ounce and may go much higher.

Big ambitions

Kiernan's assertiveness with Monarch Gold was especially demonstrated in last autumn's US$65 million acquisition of the Mount Magnet Gold Operations Project from South Africa's Harmony Gold. Says Kiernan: "Despite capital and credit markets changing substantially in recent times, we believe the fundamentals of the project, including the strength of the gold market, make a compelling investment case."

The Mount Magnet asset package comprises a resource inventory of 2.7 million ounces of gold, covering approximately 1,100 square kilometres. According to Kiernan, Monarch Gold will have to raise less than US$10 million to complete the purchase acquisition in June. Kiernan will then mothball existing operations for two years while the focus is on exploration activities.

"Drilling is due to commence in May on the most prospective advanced projects, including the Galaxy 'Big Pit' concept," says Kiernan. "Higher gold prices will have a significant impact on resource modelling."

This acquisition is a pretty aggressive one for a company with cash flow difficulties, but you have to admire Kiernan's confidence in the future of the gold price. He is a born opportunist and can see that the Mount Magnet disposal of a non-core asset by Harmony was just too good to miss in the current bull market for gold. Securing assets is vital at this time, as they can only rise in value and price.

Kiernan's ambition is to turn Monarch Gold into a 500,000-ounce producer by 2009, and the company is getting there. Monarch now has two world-class gold mining projects, Davyhurst/Mt Ida and Hill 50. It is already the biggest landholder in the Eastern Goldfields region of Western Australia and will be even bigger after the Mount Magnet acquisition.

In choosing to list on the Dubai International Financial Exchange, Monarch Gold has purposefully chosen to raise its profile in the Arab world, and it could yet be that significant local shareholders emerge to smooth the passage of Monarch Gold going forward. The 2009 ambition of 500,000 ounces per annum would give a prospective cash flow of US$450-700 million; not bad for a company presently struggling with a US$13.5 million emergency rights issue.

Yet, such a remarkable transformation in fortunes is perfectly in order for a gold exploration company moving into production, albeit not usually this dramatic. It is also to be expected that costs may over-run a little and operational start-ups may prove more difficult than forecast, as has been the case to date.

However, the fact of the matter is that starting to produce gold rather than looking for it immediately means that money is coming in rather than going out. And it is not as if Monarch Gold is asking shareholders to wait for long, as the production cycle is imminent.

If the whole start-up process appears a bit hand-to-mouth, then perhaps it is more a problem with the scrutiny of public shareholders than the business model itself. The management cannot really complain, though, as it took the company public to raise funds.

By raising capital through equity, Monarch Gold has ensured that it is not beholden to bankers and that it has more flexibility in developing its operations. As such, the brilliant and ambitious move to buy Mount Magnet was possible and will be financed through the capital markets. Imagine trying to get that past cautious bankers.

You have to ask yourself whether Kiernan would be putting so much of his own money and prestige on the line if he was not fully convinced that Monarch Gold would turn into a hugely profitable gold company in the relatively near future. Kiernan is also, like every other shareholder, taking a view of the future of the gold market, and this fact alone ought to argue in favour of an investment in Monarch Gold at this critical point in the development of the company.

Going for gold

While we sit and discuss gold's recent spike to over US$1,000 an ounce, and even ponder whether experts who think US$1,150-1,200 is possible this year are right, there is every probability of a gold bull market that will run to much higher levels. Just to regain its inflation-adjusted peak of 1980, gold should be around US$2,400 an ounce, and let us not forget that oil has recently gone beyond its former inflation-adjusted peak. Why not gold, then?

In truth, the forces behind the gold bull market are so strong that even a price correction in the first half of 2008 is unlikely to be more than another passing blip on the upward trend. If the gold price continues its ascent for the next three or four years and does indeed top US$2,000 an ounce in 2011, Monarch Gold would then be turning over more than US$1 billion a year and returning huge dividends to shareholders, and the share price would be many, many times higher.

If you applied a modest price-to-earnings ratio for a super-growth stock of 25, then Monarch Gold might be worth US$12 billion in 2011 compared with its market capitalisation of just US$75 million today. Of course, it could be that capital raising exercises fail in 2008 and the group is liquidated. But surely a knight in shining armor would appear with an eye for opportunity long before that happened, and the Middle East has many investors long on cash and short on decent investment opportunities.

Another gold stock listed on the Dubai International Financial Exchange, Unigold, is 33 per cent owned by Saudi billionaire Dr.Talal Ali Al Shair, chairman of Shairco, one of the top 100 family-owned companies in the Kingdom. Al Shair initially invested US$3.2 million in Unigold in January 2006 following a restructuring at CaribGold Resources, Inc. Shairco has since fully participated in fundraising exercises, and Unigold is developing a gold production project on a 1,000-square-kilometre area of the Dominican Republic.


Michael Kiernan

According to investors, though, Unigold was in financial dire straits prior to the investment by Shairco, and the company's prospects were transformed by this investment. Will another Middle Eastern investor emerge to inject capital into Monarch Gold? It may not be necessary, as the group is close to actual production, and capital raised through normal market mechanisms will probably work just fine. The current emergency rights issue will then fade from memory as a final twist in the story of the shift from exploration to production.

Meanwhile, global gold production is falling and investment demand is increasing as paper currencies are devalued and investors seek real assets. Monarch Gold is just on the brink of going into production and has tremendous expansion plans based on world-class proven reserves. Think of yourself as somebody walking through the Australian outback and just spotting the first glimmer of gold in the ground; except that all you have to do is buy the stock. Somebody else has already done all the hard work of operations and production.

The moment a gold explorer becomes a gold producer is a great time to hold the stock, and Monarch Gold's current financial problems should be seen as an opportunity to grab these shares, which should be a great long-term hold.

Arabtec: A builder of Arabian dreams

Arabtec has emerged as one of the most successful local construction companies to grow with the success of Dubai. As the region's investments gather momentum, the company is now pushing beyond the UAE borders for growth. **Richard Lee** analyses the company's future prospects.

Arabtec, formerly known as Arab Technical Construction Company, was established in 1975 as a local contractor to the UAE property market. From its humble beginnings, the company has grown leaps and bounds in recent years, alongside the booming economies in the emirates. Over the past 33 years, Arabtec has completed construction projects for many landmark buildings in the region. Its most notable project today is undoubtedly Burj Dubai, which is the tallest standing structure in the world. With a market capitalisation of AED8.7 billion, Arabtec is the largest construction company in Dubai and is one of the largest construction players in the MENA region.

With civil engineering and construction activities as the flagship business of the company, Arabtec has also broadened its operation to include architectural modelling, electrical contracting, project management, feasibility studies and quantity surveying, as well as oil and gas installation. Though most projects remain in the UAE, Arabtec is pushing its reach into fast-growing regional countries, namely Qatar, Syria, Jordan and Pakistan.

Industry dynamics

The key drivers for the property sector in this region are population growth and government spending and expenditure to cater to the rising number of tourists. Underpinning these drivers is the enormous liquidity generated by petrodollars, which are finding their way into real estate and other investments.

The construction industry is currently placed in a sweet spot over which other sectors can only salivate. With numerous giant-sized property development plans announced by Emaar, Nakheel, ALDAR and the like, the value of the region's total planned and ongoing projects has reportedly reached US$2.5 trillion. The construction capacity in this region, however, is not growing as fast as the demand growth. To illustrate this fact, Arabtec only delivered AED4.3 billion worth of projects in 2007 – a small amount compared to the total projects value to be realised over the next 10-15 years.

Construction players such as Arabtec stand to benefit from demand growth in three possible ways: more projects have been priced on a direct negotiation basis compared to open tender, contractors are able to add the clause of 'costs-pass-through' in the contracts so that their margins are protected from rising building material prices and labour costs and companies are able to pick and choose the projects that give them optimal profit.

Arabtec's key strengths

Arabtec is the largest construction company in the UAE and boasts a labour force of more than 40,000 (the biggest in the UAE). Its record in this region is unsurpassable, considering that it has delivered 7,000 residential villas in the past four years. Arabtec can also boast of excellent contract flow. The company has a backlog of AED16 billion, which should sustain its earnings for the next three years. Its backlog may rise by AED2-3 billion once the contract to build Al Wa'ab City for its client Nasser Bin Khalid Al-Thani & Sons Group in Qatar is confirmed.

In addition, due to the enormous demand for construction capacity, companies like Arabtec command

strong bargaining power when it comes to pricing. We understand that Arabtec has been able to maintain its margin in spite of rising labour costs and raw material prices.

Earnings analysis

Arabtec's earnings quality is excellent – high visibility over the next few years – thanks to the heavy backlog carried in its book. With consistent margins over the years and a proven ability to deliver projects on time, we do not foresee any performance deviation in the near term.

The company's recent quarterly results continue to show encouraging margin expansion, despite the challenges of a labour shortage and higher raw material costs. EBITDA margin rose to 13.5 per cent in FY07 from only 8.2 per cent in FY06 and only 6.3 per cent in FY05. While we do not foresee further expansion of margin in the coming years, we expect the numbers to stay close at 11-12 per cent for the next few years. To be conservative, we have assumed a small margin compression in view of rising operating expenses.

Based on the existing order book of AED16 billion, we are confident that Arabtec will be able to meet both our top line and bottom line earnings forecasts. Revenue is expected to jump 52 per cent in FY08 and then at a lower rate of 21 per cent in FY09, pushing its revenue up to AED8.5 billion in FY09.

Risks

Arabtec will not be spared if there is dramatic downturn in the property market. However, relative to the other property developers, Arabtec will be able to better withstand such an event, thanks to its robust balance sheet and low counter party risks. Arabtec has been able to circumvent other risks, such as rising labour costs and raw material prices, by building them into its prices.

At this juncture, we do not foresee any drastic downturn in the real estate industry in the region. Another concern is that the company may soon face capacity constraints due to the lack of skilled labour in the region. To address this issue, the company has made strategic acquisitions to strengthen its capacity. In the next few years, in our view, Arabtec should be able to continue delivering projects to its clients within the specific time frame.

Valuation

Arabtec's position as the leading construction company in the UAE is undisputable. Being the contractor of choice for most master developers in the UAE (Emaar, Dubai Properties, Nakheel and Damac), Arabtec has access to many big projects, thus sustaining the company's strong earnings in the foreseeable future. Being a proxy to the property boom in the MENA region, while not carrying the same risks as the property developers, Arabtec is expected to be re-rated higher. We value the stock at AED16.52, based on a combination of three valuation methods: DCF, PER and P/Book.

Recommendation

Arabtec has more than tripled in the past one year, outperforming the DFM General Index, which rose 46 per cent, by a wide margin of 118 per cent. The million-dollar question on investors' minds is, "Just when will the stock stop rising?" While our valuation model points to a fair value of AED16.52, offering a potential upside of 11 per cent, we feel that there will be a further share upside as the company continues to bag more construction contracts. MW

Richard Lee is a senior analyst with EIS Asset Management.

	Project	Location	Client	Award Date	Completion date	Contract Value AED m	Arabtec's Share %	Arabtec's Share AED m
1	Sanctuary Falls: To build 96 styled villas starting April 2008 at Jumeirah Golf Estates	Dubai	Shaikh Holdings	Mar 2008	2010 Q1	412	100%	412
2	Arabian Ranches: To construct 68 Polo homes at the Dubai Polo and Equestrian Club Dubai	Dubai	Emaar	Mar 2008	2010 Q3	521	100%	521
3	Abdali Development Project: To construct two buildings (one 36-storey and one seven-storey) worth AED227 million	Jordan	Damac Investments	Feb 2008	2010 Q3	227	50%	114
4	Eighth Gate Development in Syria: JV was awarded LoA to construct four buildings over 20 months	Syria	Eighth Gate	Jan 2008	2009 Q3	152	50%	76
5	Dubai Municipality: AES received LoA to carry out Al Nahda 1 & Mamzar Sewerage and Drainage contract	Dubai	Dubai Municipality	Jan 2008	2009 Q1	55	100%	55

GCC funds bouncing back

February saw some strong performance from GCC equity funds. But fund managers are increasingly diversifying their portfolios, increasing their exposure to the MENA markets. A **Markaz** report.

It was a good month for GCC markets, and therefore GCC equity funds, in February. While the MSCI GCC Index returned 6.3 per cent, fund managers on average delivered 6.7 per cent. Oman was the best performing market (+13 per cent), while Bahrain trailed (2.9 per cent). Managers remained bullish on equities, as reflected by the 93 per cent allocation to equities.

In recent months, allocation to Saudi Arabia has been consistently coming down from 35 per cent to 25 per cent, while GCC fund managers are diversifying into other Middle East and North Africa (MENA) markets in order to reduce risk.

GCC conventional equity funds

The Arab Gateway Fund was the best performer in February, with returns of 7.7 per cent compared to a loss of 4.4 per cent in January. During the month, the Arab Gateway Fund decreased its exposure to the Saudi market by two percentage points and increased exposure to other MENA markets and Bahrain by four and three percentage points respectively.

Shari'ah-compliant equity funds

The SABB Amanah GCC Equity Fund made a strong comeback in February, posting a return of 11.8 per cent. In January, the fund had performed poorly, registering a loss of 9.6 per cent. The Al-Tawfeek Gulf Equity Fund came in second with month on month returns of 9.1 per cent. While the fund increased its allocation in Saudi Arabia and Qatar, it reported a decrease in allocation to Kuwait, the UAE, Oman and other MENA markets. In January, the Al Ahli GCC Trading Equity Fund and the Gulf Industrial Companies Fund had reported a loss of 6.0 per cent and 5.9 per cent respectively. However, they performed well for February and posted returns of 7.5 per cent and 7.3 per cent respectively.

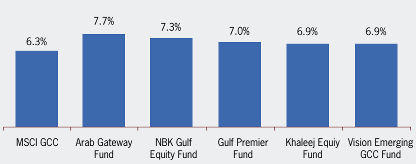
Asset allocation

Compared to other GCC markets, the Saudi market continued to show signs of weakness during the month. As a result, fund managers' allocation to Saudi Arabia has declined from 35 per cent to 25 per cent. Although the Omani market has performed exceptionally well in 2008, its fund allocation has increased by only one percentage point since December 2007.

In January, Bahrain witnessed a marginal decrease in fund allocation. Due to strong market performance, the allocation was brought back up to four per cent. GCC fund managers also diversified into other MENA markets and increased their allocation from two per cent to four per cent. While allocation to Kuwait (up two percentage points month on month) and Qatar (up one percentage point month on month) increased to 23 per cent and 13 per cent respectively, allocation to the UAE market was constant at 26 per cent.

Mutual funds reduced their exposure to equities by three percentage points in January. However, equity allocation in February was increased to 93 per cent, which mirrored the December 2007 level. The level of idle cash fell from nine per cent in January to five per cent in February – the lowest level of free cash available for these funds since April 2007. The bond exposure of these funds remained constant at one per cent.

Our asset allocation model is turning conservative as it increases the cash allocation to its maximum limit of 20 per cent, thereby being underweight on equities for April 2008. The model is mostly underweight on all major markets except Kuwait. Allocation to Saudi Arabia has been decreased from 67 per cent in March to 39 per cent in April. Even though Kuwait carries a neutral weight, the allocation is more than the strategic allocation weight of 19 per cent, due to the re-balancing of excess cash. The recommended asset allocation for April 2008 is as follows: Saudi Arabia (39 per cent), the UAE (10 per cent), Kuwait (23 per cent), Qatar (six per cent), Bahrain (one per cent), Oman (one per cent) and cash (20 per cent). MW



Top five conventional funds by monthly returns

February 2008			AUM (US$ mn)	Performance (%)				CAGR since inception (%)	Information ratio LTM	Tracking error LTM
	Fund name	Inception		Feb-08	YTD	2007	LTM Risk			
1	Arab Gateway Fund	Dec-99	444	7.68%	2.92%	49.28%	19.33%	20.33	4.84	3.44%
2	NBK Gulf Equity Fund*	Jan-05	NA	7.28%	1.52%	42.26%	13.88%	16.25	0.44	3.18%
3	Gulf Premier Fund	Apr-03	251	7.04%	5.51%	43.24%	14.77%	29.70	3.08	2.80%
4	Khaleej Equity Fund	Mar-04	94	6.90%	9.79%	44.13%	11.14%	28.38	3.48	3.97%
5	Vision Emerging GCC Fund	May-05	52	6.89%	6.16%	56.49%	11.32%	27.11	4.55	3.39%

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

Top Five Shari'ah-compliant funds by monthly returns

February 2008			AUM (US$ mn)	Performance (%)				CAGR since inception (%)	Information ratio LTM	Tracking error LTM
	Fund name	Inception		Feb-08	YTD	2007	LTM Risk			
1	Amanah GCC Equity Fund	Apr-06	44	11.80%	1.10%	29.24%	31.55%	-3.85	4.44	7.83%
2	Al Tawfeek Gulf Equity Fund	Aug-05	7	9.11%	4.23%	48.41%	19.47%	0.48	0.91	5.62%
3	Al Rajhi GCC Equity Fund	Oct-05	191	8.06%	2.46%	64.37%	17.12%	6.00	1.39	4.94%
4	Al Ahli GCC Trading Equity Fund	Oct-05	303	7.54%	1.14%	58.86%	23.95%	6.00	4.48	1.93%
5	Gulf Industrial Companies Fund	Apr-05	7	7.28%	0.91%	63.14%	24.49%	-0.37	1.88	6.97%

Source: Markaz Research. Note: Returns and risks 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 report and others. Queries can be addressed to M.R. Raghu, head of research, at rmandagolathur@markaz.com

The market remains fragile

Despite the slow return of stability, the market still remains fragile, especially with the US economy having entered a recession. **Peter Hensman** favours a cautious investment approach.

Market sentiment has stabilised in the month following the Federal-Reserve-engineered buy-out of Bear Stearns and the opening of the discount window to investment banks. As of April 16, the total return on the MSCI World Index since the March low was seven per cent in euro terms (to avoid the "money illusion" created by measuring price changes in terms of the declining US dollar). US 10-year treasury yields had risen by nearly 40 basis points from the springtime nadir of 3.3 per cent*, despite a continuing flow of poor economic news and further admissions of asset write-downs and fundraisings at a number of major banks. Clearly, the actions of the US authorities have had a positive effect on the availability of market liquidity and have succeeded in stemming the flow of forced sellers.

Nonetheless, the general backdrop remains fragile. There is little doubt that the US economy entered a recession in the first quarter of 2008. Indicators include the University of Michigan Consumer Confidence Index slumping to its lowest level since 1982 and the National Activity Index (which is produced by the Federal Reserve in Chicago and measures a broad range of economic data) dropping to recessionary levels. The limited extent of the success of the Fed in easing market constraints is reflected in the "TED" spread (the difference between US three-month interbank rates and three-month treasury bill rates) remaining at a wide 170 basis points, a level that is above the peak divergence from the turn of the Millennium. Similarly, the gap between interest rates on low-grade and high-grade commercial paper has hardly improved in the last few weeks.

In Europe, the divergence in performance of the Eurozone economies is becoming increasingly apparent. Conditions in Spain and Italy have clearly deteriorated sharply as the decade-long boost from entry into the euro and the associated decline in interest rates to German levels comes to an end (at least the Spanish government has the fiscal latitude to have been able to announce a fiscal stimulus package worth one per cent of GDP). The core economies of France and Germany continue to demonstrate reasonable momentum, with Germany in particular supported by the global demand for its manufacturing expertise. While a survey of German business confidence produced by the IFO Institute shows that expectations have eased slightly from their early summer 2007 highs, current conditions remain at very strong levels and, in March, improved to their best since May 2007.

In the meantime, the UK continues to act as a "mid-Atlantic" economy, fitting somewhere between the experience of mainland Europe and the US. However, with the UK housing market clearly having peaked and credit availability ratcheting lower as the banking sector becomes increasingly cautious, the UK seems far more likely to continue to head toward the more difficult economic backdrop faced by the US.

Inflation also continues to concern both investors and the authorities. This worry is most evident in the developing world, where the proportionately higher spending on food and energy means that the continued increases of basic commodity prices is particularly challenging. With local populations increasingly agitated at the erosion of living standards caused by these rising costs, the choice of many countries is seemingly to act to reduce the risk of social unrest. In many cases, this reaction is leading to an increase in interest rates and a greater willingness to allow currencies to appreciate. Consequently, there is an increased risk to the growth rates achievable in the emerging

world in the near term, even if the efforts to stem inflation in order to achieve steadier growth will be seen as positive in the longer term.

Against this backdrop, a relatively cautious investment position seems appropriate. Although market sentiment is likely to continue to improve in the short term, the economic impact of the credit crunch and tightening of policy in the developing world is likely to be more evident as we head towards 2009. Furthermore, with the Basel Committee on Banking Supervision calling for banks to set aside more capital against complex structured products and off-balance sheet vehicles, it will only add to the pressure on banks to boost their reserves. While this move will reduce the risk of failure, it is also likely to reduce future profit potential. Valuations in the banking sector still do not appear sufficiently attractive to expect anything other than the occasional correction in what is likely to be a continued trend of underperformance.

The writer is a global investment strategist with Newton Investment Management..

*Source: *Datastream as of 18/04/08. 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*

Malaysia's still good value

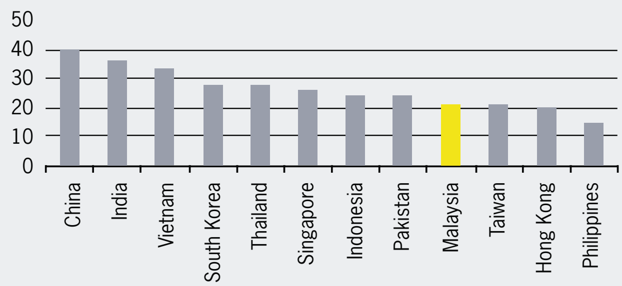
Valuations in the Malaysian stock market do not look stretched. Moreover, there is little reason to allocate assets away from Asia, writes **Dr. Oliver Stönner-Venkatarama**.

Following the surprising result of Malaysia's elections in March, the assessment of the country's attractiveness as an investment target diverges increasingly among financial investors. Certainly, the slowdown of the US economy is likely to have an impact on an economy where exports account for 100 per cent measured by GDP, while imports amount to 85 per cent.

Nevertheless, these figures underline the fact that Malaysia's economy is truly globalised. The US economy is still Malaysia's biggest export market, while trade with China is growing rapidly. Japan, in addition, remains one of Malaysia's key trading partners. In context with the recent increase in foreign direct investment inflows, these trends could lead onlookers to conclude that everything is "back to normal" compared to the aftermath of the Asian crisis in 1997/1998.

Malaysia: Fixed investment growth need to be stimulated

Fixed investment as % of GDP



While such a view appears justified, there is one important issue to be tackled: the level of investment activity is still rather low, not only within a regional context, but also within a global emerging markets context. This major challenge, with its important implications for employment and growth in personal incomes, should anchor future economic policy decisions; however, the political landscape might change.

One important aspect, which probably dampened corporate investment activities following the Asian crisis, has been weaker foreign direct investment inflows on the back of capital account restrictions imposed during the course of the crisis. The peg of the ringgit has been abolished in favour of a managed floating regime in July 2005, which removed uncertainties regarding a bigger revaluation. Therefore, the investment environment has improved. Consequently, the proper implementation of economic development plans may induce higher investment growth during the next few years.

On the one hand, the policy aims to strengthen the economy's competitiveness by improving the education system and facilitating corporate research and development activities. On the other hand, the policy targets a broadening of the industrial base of the economy. In other words, established sectors of the economy should move up the value chain, while the expansion of new sectors is being advanced by investment incentives on a regional basis.

In the southern part of the country, the Iskander project aims to attract global companies, particularly from the Gulf region. In the northern states, industrial clusters, such as the island Penang, which is still the main location for international and local export-oriented manufacturers, receive governmental support in order to facilitate the settlement of research and development activities. These measures are being complemented by development plans for sectors such as logistics, tourism and agriculture.

Finally, investments in the energy sector aim to increase the production capacity not only of traditional fuels, but also of biofuel. The structural impetus for the economy is likely to contain the projected easing in GDP growth from 6.3 per cent in 2007 to 5.8 per cent this year. As a result of the increase in investment activities, private consumption may benefit from a further improvement of the employment situation.

Risks for this overall positive outlook could arise from political uncertainty. The change in the balance of power in favour of the oppositional parties might lead to some modification of the outlined economic development plans, but it seems unlikely that the direction of economic policy will be completely reversed. Therefore, it is important to emphasise the fact that Malaysia provides investment opportunities beyond commodities and tourism, which mainly grab the headlines in good old Europe.

Furthermore, Malaysia offers opportunities for investors to diversify major positions in China and India, which remain vulnerable to changes in international investors' risk appetite. On top of that, the valuation of Malaysia's stock market does not appear stretched, similar to South Korea and Thailand. All in all, due to the region's well sustained economic growth, there seems to be little reason to allocate funds away from Asia. MW

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

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Is the greenback on track?

Some analysts expect the Fed to cut rates one final time and then stop the tightening cycle to give the economy a chance to rebuild itself. This is good news for the greenback, writes **Hussam Saba**.

Investors have strongly welcomed the positive first quarter results announced by large companies, financial and non-financial. Although we are indeed entering a recession, this encouraging news indicates that it will likely be a mild one.

As sentiment significantly improved following first quarter results from large financial institutions such as Citigroup and Merrill Lynch, equity markets rallied. Citigroup reported a US$5.1 billion loss in the first quarter of 2008, which is much lower than the US$10 billion loss reported for the last quarter of 2007. A consensus has now formed to suggest that the worst part of the credit market turmoil is firmly behind us and that the second quarter of 2008 will be more profitable. To further support this argument, technology stocks have also seen an improvement, as Google reported a 30 per cent rise in quarterly profits, well above expectations.

Foreign exchange markets have directly reflected this sentiment by increasing risk appetite and carry trade – the borrowing of low-yield currencies to finance high-risk stocks and assets, as well as higher-yielding currencies. The Japanese yen and the Swiss franc were sold off sharply across the board, as they are the favourite financing currencies for carry trade. Meanwhile, Australian and New Zealand dollars rose sharply, benefiting from their high yield.

The recovery of global equity and credit markets are likely to be perceived by some market participants as the bottoming out of the economic cycle. However, recent economic data mostly shows a sign of weakness beyond the US. In fact, US data strongly confirms the recession theory. Housing starts and pending home sales recorded a 16-year low, dropping by 11.6 per cent and 1.9 per cent respectively. Meanwhile, the trade deficit unexpectedly widened to -62.3 billion, while consumer confidence tumbled to 63.2, the lowest level since 1982. Analysts now expect the Fed to cut rates one final time, by 25 points to two per cent, and then stop the tightening cycle to give the economy a chance to rebuild itself.

These expectations have given the greenback a good push.

Last month's data from the Eurozone was mixed, as inflation was boosted from 3.3 per cent to 3.6 per cent, the highest in the zone's history. Moreover, the ZEW, the most important survey in Germany, disappointed the markets by dropping to -40, nearing an all-time low and reflecting the pessimism of the biggest economy leaders.

Meanwhile, a gain in the euro was limited by the G7 meeting in New York, as finance ministers and central bank governors strongly warned against excessive currency volatility. After that, Luxembourg's prime minister Jean-Claude Juncker, who also serves as the country's minister of finances, warned markets against underestimating the G7's statement on currencies. Juncker said that markets did not correctly understand the G7 message on currencies, adding that the euro's rise against the dollar is undesirable. The euro has hit a series of new records against the greenback, stopping just below the psychological level 1.6, and has recorded a new historical level against the sterling.

In the end, central bank meeting results were exactly as anticipated. The Bank of England cut rates by 25 points to five per cent, while the European Central Bank, the Bank of Japan and the Reserve Bank of Australia have kept their rates on hold at four per cent, 0.5 per cent and 7.25 per cent respectively. The months ahead will be quite important for the US economy, as we expect to see the beginning of some improvements. The low Fed rates will at least encourage borrowing and investing, while the current weakness of the greenback is likely to boost exports.

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

Energy prices headed north

Reports coming out of the energy space do not look good. Inventories are down and expected storms this year could see more shutdowns of refineries across the Gulf of Mexico coastline. An **MF Global** report.

So what has changed in the world of commodities over the past month? The energy futures complex has witnessed strong gains, despite worries over a slowdown in the US, the world's largest consumer of energy. Base metals have also gained, as more supply-related problems have cropped up and demand from China has increased. The precious metals complex, on the other hand, has remained volatile.

As for precious metals, gold failed to sustain momentum over US$1,000 per ounce and fell spectacularly to around US$887, following strength in the US dollar against the euro. Thereafter, however, gold clawed its way back up to around US$932 as crude oil prices touched record highs. Gold is considered an inflation hedge, apart from being a safe-haven investment. Yet, gold prices were trading seven per cent lower month on month at US$932.20. Silver has also witnessed a sharp fall of about 13 per cent to US$17.85 per ounce.

In the base metals complex, copper has risen by around five per cent to US$8,485 per tonne. Supply concerns have grown as Chile, the world's largest producer, faces energy shortages. Administration in Chile could be forced to ration electricity, as a drought has negatively impacted hydropower generation. Lower natural gas imports from neighbouring Argentina have also resulted in an energy crisis in Chile.

Imports of copper concentrate in China, a leading copper consumer, have seen strong growth. Imports during the January-March period stood at 1.37 million tonnes, up by 32 per cent over last year.

In the energy complex, declining stockpiles, refinery shutdowns in Mexico and sabotages in Nigeria have propelled crude oil prices to an all-time high of US$114.41 per barrel. Mexico's Petroloeos Mexicanos had to shut down its export terminal in Salina Cruz. Gulf of Mexico export terminals in Pajaritos, Cayo Arcas and Dos Boca were also closed due to strong winds and heavy rain. In Nigeria, Eni SpA's Nigerian venture had to shut down due to explosion.

As per a US Department of Energy report, crude oil inventories declined in the week leading up to April 4 by 3.20 million barrels, instead of an expected buildup of 2.20 million barrels. Crude oil inventories fell due to a drop in imports and a closure of refineries for a day due to fog in the Houston channel. Crude inventories have declined closer to a five-year average.

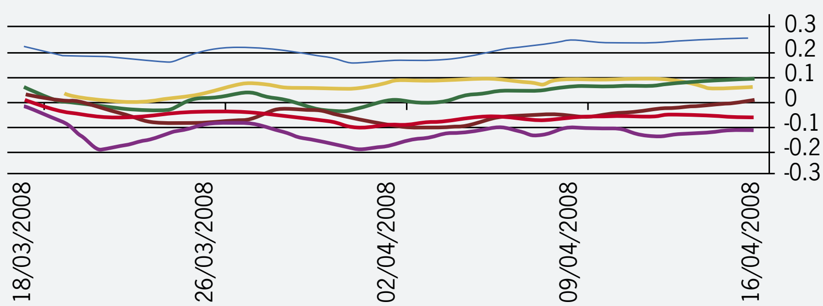
Gasoline inventories also fell sharply by 3.20 million barrels against the expectations of a drop of 2.60 million. Gasoline prices have gained by 23 per cent over past month to US$0.327.77 per gallon.

It is important to note that China, the world's second largest energy consumer, has stepped up its imports to meet the surging domestic demand during spring planting season. China's spring planting gets underway towards the end of March. China's March crude oil imports were at 17.30 million metric tonnes, up 25 per cent year on year. Similarly, China's diesel imports increased to 490,000 tonnes in March, a jump of 49 per cent.

Coal declined by nearly one per cent to around US$138 per tonne, after Indonesia quelled fears that it would limit its annual exports to 150 million tonnes. Coal prices, however, remain supported by production losses in Queensland, Australia and reduced imports from South Africa and China.

Going forward, the topic of an "above average" hurricane season has gathered momentum. Around 75 per cent of major hurricanes in the Atlantic are witnessed during August and September, due to warmer ocean temperatures. Such hurricanes cause shutdowns of refineries spread all across the Gulf of Mexico coastline. According to Colorado State University, the 2008 hurricane season could see 15 sub-tropical storms, eight hurricanes and four major hurricanes. This prediction is well above the average of 10, six and two, respectively, since 1980.

Percentage change in metals and energy



Source: Bloomberg. MF Global Research
Note: Percentage change has been calculated for futures prices

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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	$20,000	4.25%	Yly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	$100,000	4.10%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	3.50%	fiYly
Clydesdale Bank International	01481 711102	Instant Savings	None	$10,000	3.25%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	$50,000	2.75%	Yly
No Notice Euro Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	4.50%	fiYly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	€15,000	4.50%	Yly
Nationwide International Ltd	01624 696000	Tracker Premium	None	€50,000	4.50%	Yly
Northen Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.30%	Yly
Zurich Bank International Limited	01624 671666	Euro Reward	None	€5,000	4.25%	Yly
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	£10,000	6.65%	Yly
Scarborough Channel Islands	01481 712004	Offshore Reserve	None	£25,000	6.35%	fiYly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore 1	None (w)	£1,000	6.30%	fiYly
Scarborough Channel Islands	01481 712004	Lifestyle Fifty-Plus	None (s)	£5,000	6.20%	fiYly
Landsbanki Guernsey	01481 726885	International Access	None	£10,000	6.16%	Yly
Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	£10,000	6.82%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 32	32 Day (I)	£10,000	6.72%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 60	60 Day (I)	£10,000	6.65%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.60%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 30	30 Day	£5,000	6.50%	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker Access	None (I)	£10,000	6.35%	Mly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Income	7 Day	£5,000	6.25%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£10,000	6.20%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 90	90 Day (I)	£10,000	6.15%	Mly
Scarborough Channel Islands	01481 712004	Offshore Reserve	None	£50,000	6.15%	Mly
Fixed Rates						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	1 Yr Bond	£10,000	6.95% F	OM
Landsbanki Guernsey	01481 726885	Fixed Term Bond	1 Yr Bond	£10,000	6.70%F	OM
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	2 Yr Bond	£10,000	6.66% F	Yly
Landsbanki Guernsey	01481 726885	Fixed Term Bond	2 Yr Bond	£10,000	6.60%F	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed Term Bond	3 Yr Bond	£10,000	6.55% F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	4.07%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.555%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	3.45%	Qly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.00%	Mly
Standard Bank	01534 881188	Optimum	None	£50,000	2.56%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eSaver	None (W)	£1,000	6.40%	Yly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eIncome	None (W)	£1,000	6.00%	Mly
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None (W)	£1,000	5.45%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.40%	Yly
Abbey International	01534 885000	Tracker Term 7	04-09-08	£10,000	5.35%*	OM

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

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	1.95	2.45	2.95w	3.45	4.20	4.25	4.25	4.45	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	1.75 1.75	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	3.05 3.05e	3.05 3.05	3.05 3.05	3.05 3.05	3.55 3.55	3.85 3.85	3.85 3.85	3.85 3.85	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	2.75 - 2.75	2.75 - 2.75	2.75 - 2.75	2.75 4.25 2.75	2.75 4.50 2.75	2.75 4.75 2.75	2.75 4.90 2.75	2.75 5.00 2.75	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.10 0.30	0.15 0.35	0.90 1.15	160 1.85	1.85 2.10	1.85 2.10	1.85 2.10	1.85 2.10	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	1.00	1.25	1.25	1.25	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.25	2.25	2.25	2.625	3.00	3.062	3.062	3.062	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.85	1.85	2.45	3.20	4.20	4.35	4.35	4.35	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	3.625	3.875	4.625	4.625	4.625	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	4.25	4.25	4.50	4.75	5.00	5.00	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	1.93k	1.93	2.68	2.93	3.18	3.43	3.43	3.43	Qly	Yes

k = Rate applies from £3K. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: April 04, 2008 Source: Moneyfacts

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Issue 13, June 2008

€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	1.35w	2.00	2.00	2.25a	2.50	Yly	No
		Offshore Gold	-	0.50	1.00j	1.00	1.00	1.50	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.68	3.68	3.68	3.68	3.68	3.68	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.50	4.50	4.50	4.50	4.50	4.50	Half Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	2.65	2.65	2.75	2.85	3.00	3.30	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
Close Wealth Management Group	01481 746333	Advantage	-	1.80	1.80	1.80	1.80	2.30	Mly	No
	01624 643270	Advantage Plus	1.80	1.80	1.80	1.80	1.80	2.30	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.90	3.90	3.90	3.90	3.90	Yly	No
		Current	2.86	2.86	2.86	2.86	2.86	2.86	Mly	No
		Instant Savings	-	3.83	3.83	3.83	3.83	3.83	Mly	No
Fairbairn Private Bank		Accumulation	-	1.50	1.50	1.50	1.50	1.50	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.00a	3.25b	On closure	No
	01624 645000	Reserve	-	1.50	1.50	1.50	1.50	1.50	Qly	Yes
HSBC International	01534 616000	Offshore Bank	0.00	0.20	0.20	0.47	0.47	0.94	Mly	No
		Online Saver	-	-	3.54j	3.54	3.54	3.54	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	3.83j	3.83	3.83	3.83	Mly	No
		Premier Serious Saver	-	2.365	2.365	3.015	3.015	3.415	Mly	No
		Serious Saver	-	2.115	2.115	2.765	2.765	3.165	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.40v	3.40	3.40	3.40	3.75	3.75	Yly	No
		Instant Access	3.35v	3.35	3.35	3.35	3.69	3.69	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.50e	4.50	4.50	4.50	Yly	No
		Call	0.75r	0.75	0.75	1.25u	1.437m	1.875n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.45	1.30	1.60	1.85	2.20	2.70	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50t	2.50	2.55	2.55	2.55	2.60	Yly	No
		Euro Tracker Premium	4.20	4.20	4.20	4.50	4.50	4.50	Yly	
NatWest	01534 282300	Advantage International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Yly	No
		Offshore Euro Direct Saver	4.05	4.05	4.05	4.05	4.05	4.05	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.29	2.34c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	2.20	2.30	2.40	2.60	2.85	3.00	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	3.00u	3.00	3.25b	Mly	Yes
Standard Bank	01624 643643	Offshore Reserve	1.75	1.75	1.75	2.25	2.50	2.62	Half Yly	No
	01534 881188	Optimum	0.68	0.68	0.68	1.43	1.68	2.18	Qly	No
		Offshore Moneymarket Call	-	-	-	3.50	3.60	3.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.84j	2.08	2.33	2.82	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward	4.25	4.25	4.25	4.25	4.25	4.25	Yly	No
		Call	2.75	2.75	2.75	2.75	2.75	2.75	Qly	No

a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K. j = Rate applies from €20K.
m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K w = Rate applies from €7.5K.

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

US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call	0.00	0.50	0.50	0.75	1.25	1.35	Yly	No
		Offshore Gold	-	0.00	0.00	0.25	0.75	1.10	Qly	Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	4.00	4.00	4.00	4.00	4.10	4.10	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.50	3.50	3.50	3.50	3.50	3.50	fi Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	1.00	1.00	1.00	1.25	1.50	1.50	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver	-	-	-	2.50	2.50	2.50	Yly	No
		International Savings	0.45	0.45	0.65	0.75	0.95	1.15	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	2.00	Qly	No
		International Tracker	-	-	0.55u	0.55	1.55	1.75x	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	0.10	0.10	0.10	0.10	0.60	Mly	No
	01624 643270	Advantage Plus	0.10	0.10	0.10	0.10	0.10	0.60	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.25	3.25	3.25	3.25	3.25	Yly	Yes
		Current	2.23	2.23	2.23	2.23	2.23	2.23	Mly	Yes
		Instant Savings	-	3.20	3.20	3.20	3.20	3.20	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.50	On Closure	Yes
		High Interest Accumulation	-	-	-	-	1.25v	1.50x	On Closure	No
		Reserve	-	0.10	0.10	0.10	0.10	0.50	Qly	Yes
HSBC International	01534 616000	Offshore Bank	-	0.10	0.15	0.20	0.30	0.50	Mly	No
		Online Saver	-	-	1.88u	1.88	1.88	1.88	Mly	No
		Premier Offshore Bank	-	0.15	0.40	0.45	0.55	0.75	Mly	No
		Premier Online Saver	-	-	2.13u	2.13	2.13	2.13	Mly	No
		Premier Serious Saver	-	0.35	0.50	0.70	1.45	1.60	Mly	No
		Serious Saver		0.20	0.45	0.90	1.20	1.35	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10v	0.25m	Qly	No
Irish Permanent International	01624 641641	Instant Access	1.00	1.50	1.50	2.00	2.10	2.10	Yly	No
		Instant Access	1.00	1.49	1.49	1.98	2.08	2.08	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.25u	4.25	4.25	4.25	Yly	No
		Call	0.125k	0.125	0.125	0.125	0.125	0.25m	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.00	0.00	0.10	0.40	0.55	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	1.30h	1.30	1.35	1.45	1.90	1.90	Yly	No
		US Dollar Tracker Premium	2.45	2.45	2.45	2.75	2.75	2.75	Yly	No
NatWest	01534 282300	Advantage International	2.45	0.55	0.65	0.85	1.10	1.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.585	1.835x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.45	0.55	0.65	0.85	1.10	1.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	1.25	1.25	1.50r	Mly	Yes
Standard Bank	01534 881188	Offshore Reserve	0.20	0.20	0.20	0.40	0.70	1.00	Half Yly	No
	/01624 643643	Optimum	0.13	0.13	0.13	0.23	0.33	0.62	Qly	No
		Offshore Moneymarket Call	-	-	-	1.75	1.85	1.85	Mly	No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	0.25u	0.30	0.55	0.80	Qly	No
Zurich Bank International Ltd	01624 671666	Call	0.00	0.25	0.75	1.25	1.50	1.75	Qly	No

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

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For more information visit Moneyfacts

EXPATRIATE MORTGAGE TERMS - MAY 2008

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.74% 2 year tracker 5.89% 2 year fix	 85	2% 2%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	5.89% 2 year Fix 5.99% 2 year Fix 5.99% 5 year fix 6.09% full term tracker bank base plus 1.09%	75 80 80	GBP995 GBP995 GBP995 GBP995	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. New build flats 6.59% maximum
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1.25% Family occupation, LIBOR + 1% Foreign currency mortgage Cost of funds +1.5-2.0%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	6.09% 3 year fix	75	GBP1,499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years.
Heritable Bank	6.79% 2 year fix	85	0.5%	IMP Clients receive a special discount. 6% redemption penalty over the first two years. Maximum loan amount 250,000.
HSBC	Under review	80%-90% Repayment basis only 75% Interest only	Varies	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
Ipswich Building Society	6.24% via discount to 01/03/2010	80%	GBP395	Maximum of five properties to GBP1 million borrowing. Flexible mortgage.
Irish Permanent (Isle of Man)	Under review	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%	80	1%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	5.74% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	BTL Under review Family occupation 5.74%	75	£695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible BTL overpayments/ underpayments.
TMW	Under review	80 80 80	2 year fix 1.5% 1.5% 0.5%	5% during fix rate. 2 year tracker 5% in fixed period. 5 year fix 5% in fixed period. No new build flats.

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 @ 17/04/08 - 5% 3 month LIBOR 5.93%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

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Credit Cards — SAUDI ARABIA

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

Personal Loans — SAUDI ARABIA

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

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Financing	4.85% yearly	Up to 60 months	None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Al Mubarak Finance	4.4% yearly	Up to 60 months	None	Government employees must have min. salary of SAR3000 and must have been with current employer for three months. Private company employees must have min. salary of SAR4000 and must have been with current employer for one year.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha	Starts at 3.5% yearly	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Auto Lease	Starts at 5%	Up to 60 months	None	Minimum salary: 3,000. Three months service with current employer.	800 244 1005 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 4.95% yearly	Up to 60 months	None	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starts at 3.99%	Up to 60 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8.75 – 9%	Up to 42 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 108 months for nationals, up to 60 months for expats	120	800 766 66 www.bdof.org
Bank Muscat	Consumer Loan	9%	Up to 54 times salary for nationals, up to six times salary for expats	Up to 132 months for nationals, up to 24 months for expats	Nationals – 150 Expats - 250	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	9%	Depends on salary	Up to 96 months for nationals, up to 72 months for expats	300	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8.5%	Up to 51 times salary	Up to 132 months for nationals	250	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	9%	Up to 32 times salary for nationals, depends on end of service benefits for expats	Up to 108 months for nationals, up to 36 months for expats	150	247 06 265 www.omanab.com
Oman International Bank	Basma Personal Loan Scheme	9%	Up to 25 times salary for nationals, up to 8 times salary for expats	Up to 72 months	150	246 85252 (Head office) www.oiboman.com

Credit Cards — OMAN

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

Personal Loans — QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 9.5%	Up to 47 times monthly salary Up to 33 times monthly salary	3,000 5,000	Up to 18 years Up to 84 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	4,000	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: 10.25%	Up to 16 times monthly salary	3,000	Up to 48 months for expats, up to 72 months for nationals	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 8.5-11.5% 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 April 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — QATAR

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

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

Personal Loans — BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 9.5%	Up to 22 times monthly salary	300	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000, minimum 1,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 8.5-10.25%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 11%, for PIL 25% reducing balance rate	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for nationals, starts at 9.5% for expats	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200 for nationals 400 for expats	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 4.39%	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards — BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 300, Gold - 400	Standard/Gold – 2% on purchases, 4% on cash withdrawals	52 days	17221999
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	2% on purchases. 4% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance — BAHRAIN

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

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

Medical Insurance — BAHRAIN

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

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

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	6.25%	Up to 15,000	250	Up to 72 months	812000
Burgan Bank	Consumer Loan	6.25%	Up to 15,000	200	Up to 60 months	804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	10.25% 6.25%	Up to 70,000 minimum 10,000 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 180 months Up to 60 months	888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	9.75%	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, 400 for expatriates	Up to 60 months for expats, Up to 72 months for nationals	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	1.4% 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 April 2008 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance — UAE

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

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

Home Contents Insurance					UAE
INSURER/ PRODUCT	**STANDARD ANNUAL PREMIUM (AED)**	**EXCESS (AED)**	**COVER (AED)**	**COVER INCLUDES**	**CONTACT DETAILS**
Abu Dhabi National Insurance Company – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewelry and money	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householder's contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, Impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewelry; contents temporarily removed from the building while in any bank safe deposit or private dwellings where the insured or members of his family are residing or employed are covered; reasonable costs of the alternative accommodation in the event of building being rendered uninhabitable; standard policy may be extended to cover legal liability to landlord and third parties	02 672 1444 www.aldhafrainsurance.com
Al Ittihad Al Watani General Insurance Company – Householders Comprehensive Insurance	1,500-2,000	250	50,000	Cover against fire and perils. 10,000 limit on money are jewellery	04 282 3266 www.unic.ae
Arab Orient Insurance Company – Home Contents Insurance	750 minimum	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewellery (2,500 for each item), excluding cash	04 209 3705 www.insuranceuae.com
AXA / Norwich Union Insurance (Gulf) BSC(c) – Home Comfort Insurance	800	250	200,000	Home contents (0.4 per cent), personal belongings (1.4 per cent) lap top (2.5 per cent) plus tenants and legal liabilities, alternative accommodation, new for old, unexpected events and natural calamities, while you are away, Theft of keys AED1,000, frozen food AED2,500, contents in the open AED2,500, household removals; optional coverage includes domestic helpers, against loss of important documents, money and credit cards, accidental damage	Toll Free 800 4560 (HSBC) www.axa-gulf.com
Lebanese Insurance Company – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 www.lebaneseinsurance.com
Dubai Islamic Insurance & Reinsurance Company (AMAN) – Householders Comprehensive Insurance	1,500 and up to 2,000 if including all options	1,000 of each and every loss	1 million	Anything insurable in the house against material damage. Can be extended to people living in the house against personal accidents, third party liability, loss of accommodation. Also includes clothes, jewelry and other items, safe in the house, gold as long as kept in a safe.	04 319 3111 www.aman-diir.ae
Gargash Insurance – Home Contents Insurance	200	250	50,000	Cover against accidental damage, fire, and theft; everything inside the house such as furniture, landlord's fittings, permanent fixtures and fittings, interior decors, safety locks up to AED1,000, jewelry up to AED2,500, servants with extra charge (AED150 per person)	Dubai – 04 337 9800 Sharjah – 06 572 3434 www.gargashinsurance.com
National General Insurance – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 www.ngi.ae
Oman Insurance Company – Home Umbrella	200 minimum	250	50,000	Household contents covered against fire and allied perils, escape of water, theft or attempted theft, riot, strike and civil commotion, storm, flood and malicious damage, etc.; contents temporarily removed up to 10 per cent of contents sum insured within the geographic limit not exceeding 30 consecutive days; audio/video equipments, home computers, mirrors and glasses against accidental damage occurring in the private dwelling; loss or damage to goods contained in a deep freezer maximum of AED1,500; cost of alternate accommodation/loss of rent up to 50 per cent of contents sum insured for maximum period of six months; legal liability towards domestic servants maximum AED150,000, public liability maximum AED1 million, and tenant's legal liability for material damages caused to property of the landlord maximum AED200,000; personal accident (death) caused by fire or thieves for the insured and spouse max AED50,000 per person; all risks cover for jewelry, valuables and laptops is optional	Toll Free 800 4746 www.tameen.ae
Oriental Insurance Company LTD – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
Qatar Insurance Company – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
Royal & Sun Alliance Insurance Group – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 www.royalsunalliance.ae www.fasterquote.ae
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: **(1) Standard** – against loss or damage caused by fire/smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TV's/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and **(2) Extra damage option** – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

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

Credit cards — BY INTEREST/PROFIT RATE — UAE

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

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200, Platinum MasterCard-650	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-800	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collcted. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Visa, MasterCard (Silver, Gold, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate	Silver-250-300, Gold-500-550, Eppco-Citibank card-250, Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate.	04-311 4653 www.citibank.com/ae
Dubai First	Visa (Silver, Gold) Royale MasterCard	Silver – 150, Gold – 350 Royale MasterCard - by invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.	Toll-free: 800 5555 www.dubai-first.com
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travle and medical insurance options, rewards programme.	04-3160316 www.me.ae
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - 700, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts; until August 10, 5% cash back on all retail purchases, 2% after promotion.	Toll-free: 800 4444 www.nbd.com

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

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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	New cars starting at 3.95%, used cars staring at 5.25%	Up to 500,000 (Depends on salary)	Nil downpayment option for new cars, min. 10% for used cars	New cars - 72 months Used cars - 60 months	Approved companies 2,500; otherwise 3,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 400,000 with salary transfer, up to 350,000 otherwise	Nil for new cars, minimum 5% for used cars	New cars - up to 60 months Used cards - up to 48 months	3,000 for account holders; otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% flat rate	New cars: up to 90% Used cars: up to 70%, subject to maximum AED50,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	CBD custmers: 4.25% for new cars, 5.75% for used cars Non-customers: 4.5% for new cars, no financing for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	3,000	No
Commercial Bank International	Sayaraty	3.99% for new cars, up to 5.5% for used cars (depends on make and model)	Up to 300,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars	Up to 250,000	Minimum 10%	Up to 48 months	5,000	Yes
Mashreqbank	Mabrook Auto loan	4.25% for new cars, 5.25% for used cars	Up to 500,000	Nil downpayment option.	60 months for new cars 48 months for used cars	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.99% for new and used cars, without salary transfer 4.5%.	Up to 250,000	Nil downpayment option.	Up to 72 months - new cars, up to 48 months - used cars	4,000	No
Noor Islamic Bank	Noor Drive	3.75% for new cars, 4.75% for used cars	Up to 500,000	None	Up to 84 months for new cars, up to 72 months for used cars	2,500 with salary transfer, otherwise 3,000	No
Sharjah Islamic Bank	Vehicle Murabaha	With salary transfer: 3.99% for new cars, 4.25% for used cars. Without salary transfer: 4.25% for new cars, 4.5% for used cars.	Up to 250,000	Nil for new cars, minimum of 10% for used cars	Up to 72 months	3,000	No

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Starts at 9% reducing balance rate	Up to 250,000 (depends on salary)	Yes	Up to 192 months for nationals, 72 months for expatriates	2,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000	Yes	Up to 72 months for nationals, 60 months for expatriates	4,000	Yes
Dubai Bank	Sanad Personal Finance Souk Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor and salary)	Up to 25 times monthly salary, maximum 250,000	Yes	Up to 120 months Up to 60 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	3,000 with salary transfer, otherwise 2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 4.5% fixed rate with salary transfer, 4.75% fixed rate without salary transfer	Up to AED350,000	Yes	Up to 72 months	3,000	No
HSBC Amanah **HSBC Bank Middle East Ltd.**	Amanah Personal Finance Personal Loan	Profit rate: starts at 9% on reducing balance basis Starts at 9% on reducing balance basis	Up to AED250,000 Up to AED250,000	Yes Yes	Up to 84 months for nationals, up to 72 months for expats Up to 84 months for nationals, up to 72 months for expats	5,000 5,000	Yes Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-11.5%, depending on loan term and company status	Up to AED250,000 (depends on salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	2,500	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED250,000	Yes	Up to 60 months	5,000	Yes
United Arab Bank	Consumer Loan	From 9-11%	Minimum AED80,000, maximum AED250,000,	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	3,000	Yes

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

UAE

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

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to three times salary overdraft for nationals and up to two times for expats.	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED2,500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loand amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

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 April 2008 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	7% variable rate	Salaried: Up to 90% of value with salary transfer, up to 85% without salary transfer Self-employed: Up to 80% of value Salaried non-residents: Up to 70% Self-employed non-residents: Up to 60%	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer, 20% for self employed
Amlak (Shari'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	25 years for UAE nationals 20 years for residents 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.5% reducing balance rate	Up to 90% of property value	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	8% reducing balance rate	Up to 85% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	15% of the property market value
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starting from 8.5% reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.75 - 9.10% reducing balance rate	Up to 80% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Commercial Bank of Dubai	UAE residents	Up to 25 years	68 years for nationals, 65 years for expats	Minimum 6%	AED10 million for nationals AED2.5 million for expats	55% to 65% based on income levels	Min. 10% for salaried, min. 20% for self-employed
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	Starts from 8.5% fixed rate	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	Ijara - 3 month EIBOR + 3% with salary transfer, + 3.5% without. Murabaha - reducing balance rate 11% with salary transfer, 11.5% without.	Maximum up to AED5 million	Not more than 50% of the salary	Minimum 3% Maximum 10%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	Floating interest rate. More information not available.	Up to 90%; as much as AED5 million	Maximum 60%	10%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	Variable rate: EIBOR+2.5%	Up to 70% of the property value	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	8.10 - 8.25% reducing balance rate	Up to 85% of purchase price	60% overall debt on all regular commitments	Min. 15%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	8.5% variable, straight re-payment mortgage	Up to 70% for apartments and 80% for villas	Should not exceed 50%	Depends on property
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	Fixed rate: starts at 6.25% Variable rate: from 3.25% + 6-month EIBOR	Up to AED12 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
Mawarid Finance	UAE residents and non-residents	Up to 25 years	60-65 years	1 year EIBOR +3%	Up to 90% of property value	Depends on salary	Depends on property
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years Up to 50 years for investors in Abu Dhabi	65 years	Variable rate: 8.25%	Up to AED8 million for Abu Dhabi properties, up to AED5 million for other emirates	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
National Bank of Dubai	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer, starts at 7%; afterwards, EIBOR rate + 3.5%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.5% (Also offers Offset Home Loan - allows you to fast forward repayment of your mortgage and save on interest.)	Up to 80%; for select properties up to 90%, Plus AED5 million in Dubai	Residents: up to 60% Non-residents: up to 50%	Minimum 10% depending on the property
RAKBANK	UAE nationals, expats and non-residents	25 years	65 years	8.25 - 10% reducing balance rate	Up to 90% of property value	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	**Profit rate**. With salary transfer: 4.65% for 1 to 5 year tenor; 5% for 6 to 10 year tenor; 5.2% for 11 to 15 year tenor. Without salary transfer: 5% for 1 to 5 year tenor; 5.2% for 6 to 10 year tenor; 5.48% for 11 to 15 year tenor	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
Standard Chartered	UAE nationals, expats	25 years	65 years	Variable rate: 8.5%	Up to 90% or market value	Depends on the salary	Minimum 10%
Tamweel (Shari'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	**Depends on scheme.** Floating rate of 7.9%	Up to 95% of the property value. (Varies from property to property)	55% of salary	Minimum 5%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	8.5 % variable rate	Up to AED5 million	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + 2% for residents, +2.5% for non-residents	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	Yes	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	8,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	15,000	Yes	No	1% processing fee on the loan amount, subject to a maximum of AED10,000	Dubai Properties, Emaar, Nakheel, Union Properties, ALDAR, IFA Hotels and Resorts, KM Properties, ETA, Al Deyaar and more	Yes	No	Toll free: 800-CBD www.cbd.ae
Life and property insurance	15,000 for individuals with salary transfer, otherwise 20,000; 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	10,000	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	Case to case basis	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsbc.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	8,000 for salaried, 15,000 for self-employed	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	10,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 20,000 for non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	12,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

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

Independent Financial Advisers — UAE

Licence: The UAE Central Bank

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

Licence: MoE (Ministry of Economy)

Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Globaleye	P O Box 24592, Dubai	+971-4-3489330	+971-4-3489331	admin@globaleye.com	www.globaleye.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	pwealth@eim.ae	

Licence: DED (Dubai Department of Economic Development)

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

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)

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

Others

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

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

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

Licensed Financial Intermediaries — UAE

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

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

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

Related Services — UAE

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

Letter of the Month

Email: editor@moneyworks.ae

Letter of the month wins a complimentary annual subscription to MONEY*works*.

Dear editor,

Having read your guide last month on mutual funds, I am thinking about investing in a fund. In an attempt to diversify my personal portfolio, I am looking to invest in a real estate fund, rather than a bricks and mortar property investment. My challenge is that when I call up and ask for information on funds, the call centre doesn't inspire me with the confidence to part with my hard-earned cash. What sort of qualifying questions should I be asking of asset management companies on their funds before I invest in them?

- MF, Dubai

Good question. Although the list of questions can be long, the guide itself should be of help. My suggestion would be not to invest until you are fully convinced about a product, not only in the region, but anywhere in the world. Ultimately, it is your decision and your money, so you will have to be prudent and make your investment decision only when you have fully understood what is in a product. If the call centre fails to answer your questions, try calling a wealth manager or an advisor of the bank that is distributing the fund, or consult a properly-licensed financial adviser. The long and the short of it is that you should not invest in something that you do not fully understand.

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

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

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

From the Hip
James Thomas

Keeping it out of the family

James Thomas salutes the idea of giving, but considers the issues that arise when gifting mutual funds.

QUESTION

"I want to gift some of my investments in mutual funds to a friend's daughters. My relationship manager tells me there is no need to worry about creating a separate trust for them. He says the best thing to do is to gift them the proceeds of the investments when they mature. I'm not convinced, though. What do you think?"

This is an interesting question, as it is not often that people are so generous. It does raise a number of issues that should be considered. Your relationship manager could well be right, but he obviously hasn't taken the time to explain to you his reasoning or the best way to give the mutual funds, if you still wish to do so.

Firstly, let's consider the gifting of the mutual funds. Are you happy to give the funds to your friend's daughters and let them have complete control of the funds? This could mean that while they are very happy to receive the gift in the form of mutual funds, they can actually sell the funds straight away if they wish and spend the proceeds now, rather than using the funds for the purpose you had intended, such as towards a university education or a deposit on a house. If they are under the age of 18, then you won't be able to put the funds directly into their names; the funds will have to be held for their benefit by a guardian. Either way, you will lose control of the funds.

To allow you to maintain control of the mutual funds, but still give them to your friend's daughters, you were quite right to think that a trust would be the best option. With the right type of trust, you can achieve both objectives. There are two main types of trust: a bare trust and a discretionary trust.

The bare or absolute trust is the most straightforward type of trust. This is a trust in which the beneficiary, in this case the friend's daughters, has the right to both income and capital, and can request payment into their own name at any time. They are also entitled to take actual ownership and control of the trust property. Although there are trustees, they are effectively just nominees and must act according to the beneficiary's instructions. So, with this trust, you are giving up control as well as the assets.

With a discretionary trust, the beneficiaries to the trust fund are not fixed, but are determined by the criteria set out in the trust document by the settler, or the person giving the mutual funds. Discretionary trusts are discretionary in two respects. Firstly, the trustees usually have the power to select who receives a payment of income from the trust. Secondly, the trustees can select the amount of trust assets that each beneficiary receives.

The discretionary trust could be more useful, as it allows you, the settler, to be a trustee as well, thus having control over the mutual funds and when the benefits are paid out.

We've established the two main types of trust, but why might your relationship manager be wary of them? I believe the main reason would be cost. The fees to establish and maintain a discretionary trust can be expensive. The costs could easily add up to a few thousand dollars, and unless you were planning to gift a sizable amount to your friend's daughters, may be more than the initial gift that you are planning to make. If this is not the case, and you are happy to pay to establish the trust, it may be that the mutual funds that you wish to transfer are not able to be transferred or are held within a product that also cannot be transferred. If it is possible to transfer, there may be penalties involved that would affect the value of the assets and make it an unattractive option.

The question mentions waiting for the funds to mature, which would indicate to me that there are likely to be early encashment charges. That could be why the relationship manager is recommending waiting for the funds to mature and then transferring them.

If this is the case and you do not want to pay the penalty, but you would still like the funds to be transferred, I would recommend keeping the mutual funds in your name now, but adding a clause to your will so that in the event of your death, the funds will pass according to your wishes.

One final consideration is tax. Assuming that you are a UAE resident and the funds are held here, there will be no capital gains tax to pay on the transfer, but it is worth looking into if they are not held here. Also, if you are trying to reduce your estate for inheritance tax purposes, then the best way to arrange your investments should be looked at in more detail.

James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae.

This article is provided for information purposes only and should not be regarded as financial advice. Always remember that investments can go down as well as up.

Corruption? What corruption?

Everyone should be treated equally when dealing with corruption, says **Sheikh Sultan bin Saud Al Qasimi**.

In general, there are three kinds of accepted corruption that are standard in the world today: organised corruption, which includes gangs and criminals; petty corruption, which involves small amounts of money and business or political corruption, which, in the GCC, is yet to be officially recognised as a crime.[1]

Some GCC countries have ranked quite well in the 2008 Transparency International survey, achieving scores that are not too far behind established democracies. In the latest report, Qatar is 32nd, the UAE is 34th, Bahrain is 46th, Oman is 53rd, Kuwait is 60th and Saudi Arabia, the least corrupt country in the GCC, is 79th.

It is no surprise that Qatar and the UAE are ranked higher on the list than the other GCC countries. What is surprising, though, is that both countries rank just after Israel, which is 31st. What's wrong with that, you may ask? Well, quite a bit. Israel is a country that is currently investigating its head of government for the purchase of a house at a price below market value.[2] In the GCC, buying a house with favourable terms is, quite frankly, an advantage, if not a reason in itself to enter the government.

Fighting back

Bahrain and Kuwait, the two countries with the only active parliaments in the GCC, have stood out recently in terms of fighting corruption. Not many countries in the GCC are willing or able to do what Bahrain's daring Crown Prince Sheikh Salman did recently.

In the autumn of 2007, Sheikh Salman launched an anti-corruption campaign that shook the Kingdom. Officials from Aluminium Bahrain, Gulf Air and Arab Ship Building have been questioned or referred to public persecution for crimes ranging from pocketing commissions to misappropriation of funds. The Kingdom's pioneering telecom company, Batelco, also came under scrutiny after it was accused of paying US$30 million to secure a telecom firm in Jordon.[3] Batelco is not the first Bahraini firm to be accused of corruption there.

Such incidents have irked the Crown Prince so much so that he deliberately, and uncharacteristically for the GCC, took the route of an open exchange of letters with his father the King in order to secure the necessary power to root out corruption from the highest echelons of government. The Crown Prince vowed that the campaign would "not spare any minister implicated in corruption".[4]

Not too long after the letters were exchanged, the Prime Minister's son, a close cousin of the Crown Prince, was ousted from his position as head of Bahrain's airport authority.[5] Subsequently, a new law was introduced obliging most ministers in Bahrain to report directly to the Crown Prince's economic development board, thereby bypassing the office of the Prime Minister.

Kuwait has also shown courage in the field of fighting graft. In September 2007, a court slapped a life sentence on a former undersecretary of defence and fined him a staggering US$72 million for corruption.[6]

Issues ignored

The Saudi press has not been able to publish some of the more important scandals in the Kingdom; instead, there were reports of 500 petty bribery cases in Riyadh in 2007.[7]

In the UAE, a professor of administration at Emirates University has stated that if such international surveys were being carried out across the entire country and not only in Dubai, then the UAE would not have ranked so well because "corruption in the other emirates is higher", in addition to other unprintable allegations.[8]

In Qatar, two agriculture ministry officials were charged with embezzlement of funds totalling US$270 million in 2005 to build private villas and a residential complex.[9] Since then, however, not much has been heard about the matter.

So why is all of this important? According to Dr. Ahmad Belhasa, chairman of the UAE Contractors Association, the real estate industry is most prone to corruption in the GCC, as there is "no accountability and no punishments to companies or individuals involved in corruption".[10]

As the GCC countries proudly announce that they have hit the trillion-dollar mark in terms of construction deals, is it not surprising that in the GCC's largest economies, no one is brought to account, charged or even investigated. I wonder what Transparency International has to say to that.

(Editor's note: This column was written prior to the investigations on the alleged corruption by top officials at Deyaar.)

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

(Footnotes)

1 http://www.anticorruption.info/types_class.htm
2 http://news.bbc.co.uk/2/hi/middle_east/6276071.stm
3 http://www.arabtimesonline.com/client/pagesdetails.asp?nid=10629&ccid=12
4 http://www.arabnews.com/?page=4&section=0&article=102299
5 http://gulfnews.com/mobile/latest_news/10192151.html
6 http://www.arabnews.com/?page=4&section=0&article=102299
7 http://www.arabianbusiness.com/511762
8http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/theuae/2005/March/theuae_March909.xml&section=theuae
9 http://english.aljazeera.net/English/archive/archive?ArchiveId=9876
10 Ibid citation 8

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