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The Gulf region's first personal finance and investment magazine

MONEY*works*

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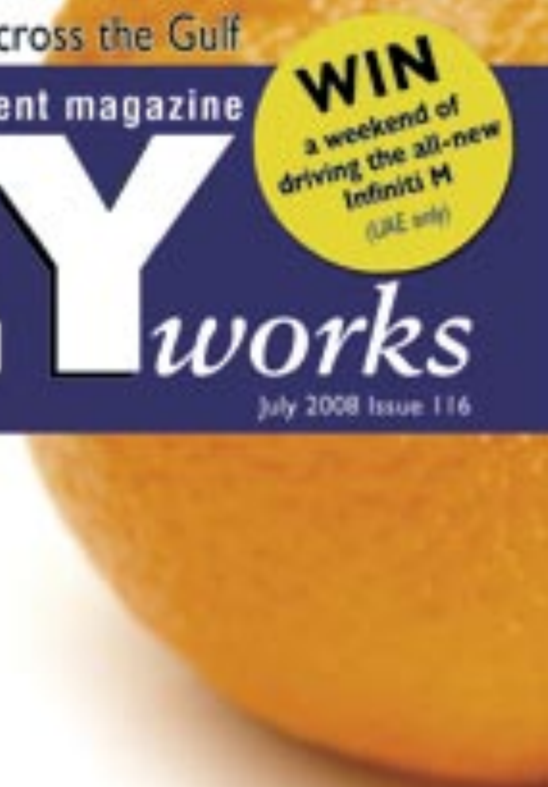

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It was the oil price again that dominated the financial world last month, as it almost breached the US$140 mark for the first time. In fact, one can now see that producers are finally turning around and questioning the way financial markets have been functioning much beyond the immediate economics of supply and demand.

I have always felt that there is a need for the oil industry to come out with some solid, easy-to-understand research that explains why there is a "super spike" in oil and why it is not sustainable or otherwise. There are so many comments from experts these days that the subject leaves you lost after a period of time. You end up nodding your head at whatever is being said and leave it to the financial markets to decide the course. Of course, you then have to pay the price at the end of the day. What else can you do?

One of the things I find worrisome is that consumer countries have been quite vociferous in asking producing countries to increase productivity time and time again. When the latter raises questions on the very functioning of the financial markets, though, the former is, at best, reluctant to entertain them. Does that mean that investigating financial markets will help? I don't think it is as simple as that. The only way forward, I think, is for all parties to work together sincerely to get to some kind of a solution where inflation is brought into check. In that regard, Saudi Arabia's initiative last month to host a meeting of the producers and consumers, led by King Abdullah himself, has to be lauded.

It is easy to lose sight of important developments at home when global issues like the price of oil bring heat to your doorstep. From a regional context, the agreement last month by all the GCC constituents to create a monetary council or a monetary authority by 2010 was a major development. The decision by the Gulf's central bankers to create the nucleus of a joint central bank next year is also a step in the right direction. It doesn't matter whether the single currency is actually achieved by 2010. The communication from the GCC member states of their intention of moving forward with the currency union brings a lot of confidence back into businesses. Everybody is waiting for it to happen so that bigger opportunities can be created in the years ahead.

Utpal Bhattacharya
Editor

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Shakeel Sarwar

SICO to launch three funds this year

Even as global uncertainty continues with high inflation and falling growth, regional fund houses have not stopped launching new funds. **MONEY***works* spoke to Bahrain-based Securities and Investment Company about its plans this year.

Bahrain-based Securities and Investment Company (SICO) is planning to launch two to three GCC-focussed investment funds before the end of this year in collaboration with various regional and international financial institutions.

The company's plans are in line with some of the other fund houses in the region that are planning to launch mainly property and equity funds at a time when the GCC is flush with petrodollars.

SICO's head of asset management, Shakeel Sarwar, refused to supply further details regarding the nature of the funds and the asset classes they will target, but said the funds will have a minimum capitalisation of US$50 million.

Speaking to **MONEY***works*, Sarwar said that although rising inflation is a cause of concern, positive factors like low correlation with the rest of the world, ongoing government reforms and enormous domestic liquidity are reason enough to be optimistic about the region. He added that investors in this region are more matured now, having recently gone through the ups and downs of the equity markets. Some of these investors are also looking for good funds to invest in rather than investing directly into the market to better manage investing risks.

Sarwar highlighted construction, real estate, telecommunications, banking and cement as some of the most promising sectors for investment in the region.

He also said returns from equity markets will be moderate in the near future compared to what was seen in the past at between 15 and 20 per cent. Better investment strategies from fund managers, however, could yield higher-than-average returns, he pointed out.

Speaking about SICO's strategy, Sarwar said: "We follow a bottom-up, value-driven approach with emphasis on stock picking. But we adopt a top-down approach to risk management."

He added: "Our team believes in investing in undervalued companies in stark contrast to benchmark and enhanced index investing. We do a lot of research before preparing our portfolio. From an overall investable list of 550-600 stocks, after short listing 150-200 companies, ultimately our investable portfolio only consists of 30-35 stocks based on a number of parameters like size, liquidity, valuation, price movement, business plan, forward earnings, etc."

"From an overall investable list of 550-600 stocks, after short listing 150-200 companies, ultimately our investable portfolio only consists of 30-35 stocks based on a number of parameters like size, liquidity, valuation, price movement, business plan, forward earnings, etc." *Shakeel Sarwar*

Most of SICO's existing funds have outperformed the market. Its Khaleej Equity Fund, for example, recorded annualised returns of 28.8 per cent, much above the benchmark return of 16.2 per cent. The annualised return for the SICO Gulf Equity Fund was reported at 20.1 per cent, far above the 5.9 per cent return of the MSCI GCC (ex Saudi) Index.

SICO's total assets under management as of April 2008 were at US$748 million, a significant increase from US$11 million in 1999. Out of the total assets under management, US$733 million or 98 per cent is contributed by institutions.

SICO's first fund, the SICO Selected Securities Fund, was launched in 1998. Today, the company manages three types of funds: SICO-owned funds, external funds where SICO has been appointed an investment manager by financial institutions to manage country-specific components of funds and funds under discretionary portfolio management accounts.

The company owns four funds of its own: the Khaleej Equity Fund, the SICO Gulf Equity Fund, the SICO Arab Financial Fund and the SICO Selected Securities Fund. Under external funds, it manages Shamil Bank's Al Aseel Islamic Equity Fund, Dubai Islamic Bank's Al Islami GCC Equity Fund, part of Riyad Bank's Gulf Equity Fund and Al Ahli Bank of Kuwait's Al Ahli Gulf Fund.

Incorporated in 1995, SICO specialises in asset management, corporate finance, brokerage and custody and fund administration, with a focus on the regional market.

Al Hilal Bank inaugurated; looks to add more branches this year

Al Hilal Bank, wholly owned by the Abu Dhabi Investment Council, was inaugurated last month in Abu Dhabi. The bank, with an authorised capital of over AED4 billion, is licensed to operate as an Islamic commercial bank and will provide products across all segments.

"Our vision is to become a leading Islamic bank in the region. With a fresh, innovative and modern approach, we want to differentiate ourselves mainly with the delivery of products and services," said Mohamed Jamil Berro, CEO of the bank.

Al Hilal Bank has also received approval to float a 100 per cent insurance subsidiary called Al Hilal Takaful. Expected to be operational by the end of the year, it will initially offer non-life products. Al Hilal Bank has further plans to set up a real estate development company in the future.

The bank has started with four branches, two in Abu Dhabi and one each in Dubai and Al Ain. Six more branches will be added by the end of 2008, including a presence in Sharjah and Ras Al Khaimah.

The first of its kind in the Middle East, the flagship branch of Al Hilal in Al Sahel Tower has introduced a shopping mall feel to consumer banking by bringing its products and services into a retail environment that has been designed to be interactive and engaging for customers. Various sections, like home loans, auto loans, personal banking and ladies banking, all have separate dedicated counters resembling shop fronts. The bank complex will have a kiosk, coffee shop, children's play area, theatre and even a car showroom to complement the concept of a mall experience.

Sheikh Mohammed Bin Zayed Al Nahyan, crown prince of Abu Dhabi, deputy supreme commander of the UAE Armed Forces and chairman of the Executive Council during the signing ceremony

Barclays opens flagship branch in Abu Dhabi with premier offering

Barclays has given a boost to its consumer banking with the recent launch of premier banking within its newly-opened flagship branch in Abu Dhabi. In addition to the premier banking offering, the full-service Abu Dhabi branch will provide the usual full range of retail and corporate banking services for customers.

Premier banking, which is aimed at the affluent market, is designed to give customers luxurious facilities and superior service. "Premier banking is a global initiative for Barclays that fits perfectly with the desire within the local market for tailored, exclusive services," said Ahmed Khan, chief executive of Barclays' global retail and commercial banking in emerging markets.

The bank also has plans to launch similar branches across the region. Second in line will be Dubai.

The enhanced service of Barclays premier banking includes individually assigned premier relationship managers and exclusive services like meeting and conference rooms that customers can book from anywhere in the world, which are equipped with internet connections, presentation facilities and so on. Barclays Premier customers in the UAE can benefit from numerous wealth management solutions, preferential finance terms and complimentary access to "Meet and Greet" services and lounges in both the Dubai and Abu Dhabi airports.

"Our aim is to give our customers the best environment in which to conduct their business," said Michael Miebach, the newly-appointed managing director of Barclays' global retail and commercial banking in the UAE.

Barclays newly-opened flagship branch in Abu Dhabi, which will also offer 'Premier Banking' to mass affluent customers

In addition, the branch will offer the first training academy in the UAE in the same premises. The move is supposed to help support the training needs of the new branch and strengthen Barclays' overall presence within the capital.

Barclays, which has been a member of the UAE business community for more than 30 years, opened its retail division only a year back. At present, it has a network of 25 ATMs, two branches, three service centres and one management office. While e-banking services are already in operation, the next enhanced service in the offing is mobile banking, according to Miebach.

Doha-based Al Khaliji keen on more acquisitions in the region

Doha-based Al Khaliji bank is keen on more acquisitions in the region following its sale and purchase deal with BLC Bank (France), which has four branches in the UAE.

Speaking to MONEYworks on the sidelines to announce the launch of its retail bank in Doha, Tariq Al Malki, chairman and managing director of Al Khaliji, said that the bank will continue to look for other prospects in the region. He refused to comment when asked if there are ongoing negotiations in this regard with the BLC Bank Group, which is headquartered in Beirut.

BLC Bank (France) is a wholly-owned subsidiary of BLC Bank. It was established in 1956, six years after its parent was launched, to consolidate the group's international and regional presence.

Malki said Al Khaliji is in the process of finalising the deal with BLC Bank (France) and that it is now up to the regulators to approve the transaction. He added that he is hopeful of getting all the legal and regulatory approvals by the end of the year to begin operations in the UAE.

Al Khaliji has acquired a non-banking licence from the Dubai International Financial Centre to overlook the acquisition of BLC Bank (France). Asked if the bank would seek to upgrade the DIFC licence in the near future, Al Malki replied that it is not a priority.

He also said that post-acquisition, the bank will need to hire staff for its UAE operations. But it will also offer retraining and rehabilitation programmes for existing employees of the bank.

The chairman further stated that BLC Bank (France) will be rebranded in the UAE once all approvals are in place. "We will have the orange bank in the UAE," he said.

Speaking about future retail banking plans, David Proctor, CEO of the bank, said that Al Khaliji will have six branches in Qatar to start with, apart from a network of ATMs, customer service centres and telephone banking services. He added that the bank's ATMs will have 15-inch screens that will be equipped with nano technology, which will enable the machines to remain clean and hygienic – meaning that these ATMs will not be spreading any diseases.

Tariq Al Malki

AED250 million IPO from Green Crescent Insurance Company

Green Crescent Insurance Company (GCIC), one of the first private health insurance companies in the region, announced the launch of its IPO on the Abu Dhabi Securities Market last month. It was further announced that the IPO would raise AED250 million.

Out of the total amount, the founders subscribed for 45 per cent of the offering totalling AED112.5 million. The remaining AED137.5 million (55 per cent) was to be raised from the public at an offer price of AED1 plus an issuance fee of 2.5 fils per share. The public offering opened on June 14 and closed on June 23. It was oversubscribed by more than 70 times. The company intends to refund excess money before July 8.

Aimed at the local, regional and global marketplace, GCIC will offer products targeted mainly towards the top end of the market segment and corporates. The company has also entered into an agreement with NYSE-listed Aetna Insurance Company, one of the largest health insurance providers in the world, to provide consultancy services and access to its US network. The products are expected to be launched by the fourth quarter of the current year, according to Carl Sardegna, CEO of GCIC.

"With health insurance becoming mandatory here, opportunities abound for specialised health insurance players, and we are confident in tapping the market with the right focus on people's needs, innovative products and superior services at competitive rates," he said.

Carl. J Sardegna with Dr. Sami Ali Al Amri, board member of GSIC, at the press conference announcing the company's IPO

The challenge in this sector is to successfully price products in anticipation of the mounting general inflation, he added.

Based on the current 26 per cent penetration of medical insurance in UAE households, the size of the health insurance market in the UAE, according to GCIC estimates, is around US$1.2 billion. With a projected 10-11 per cent annual rate of growth in this sector, GCIC is expecting to capture at least 15-20 per cent of the market within five to six years.

Dubai Public Prosecution and Emcredit tackle cheque defaults

Emcredit, the UAE's first private credit information services company, has signed an agreement with Dubai Public Prosecution to share litigation data of judged cases on cheque default cases of individuals and companies.

The data will be used to enable lenders and other businesses to better assess the risks associated with borrowers and partners.

Under the terms of the agreement, Dubai Public Prosecution will provide access to litigation data and data on historical cheque-honouring behaviour of individuals and companies to Emcredit. This information will in turn be used by Emcredit to complement its emBounce solution that provides clear, comprehensive and up-to-date records on defaulted cheques.

Yousef Hassan Al-Mutawa with Ali Ibrahim, vice chairman of Emcredit

"As the economy experiences unprecedented growth and businesses continue to flourish, tools are needed to ensure a stable financial sector and keep financial crime in check. Our partnership with Emcredit will enable businesses to identify cases of high financial risk and act as a self-discipline mechanism to reduce incidences of bounced cheques in the long term," said Yousef Hassan Al-Mutawa, senior advocate general of Dubai Public Prosecution.

Bahrain-based Ithmaar Bank and Kuwait- headquartered Global Investment House have mutually agreed to rebalance their stake in Bahrain-based retail bank BBK as part of their continued strategic cooperation as major shareholders.

Ithmaar Bank has announced that it has sold 20 million shares representing 2.47 per cent of BBK's issued and paid-up capital to Global Investment House at BHD0.724 per share. Ithmaar Bank and Global Investment House will now hold 24.38 per cent and 18.95 per cent respectively in BBK.

Earlier this year, Ithmaar Bank acquired 19.1 per cent of the issued and paid-up share capital of BBK after purchasing 147.6 million shares from Commercial Bank of Kuwait, previously BBK's largest shareholder. In May 2008, following initial acquisition, Ithmaar Bank increased its stake in BBK by 6.77 per cent by purchasing 54.9 million shares.

Qatar-based Islamic investment bank QInvest has released its financial results for the 11-month period ending March 31, 2008. The bank recorded a profit of US$67 million, achieving an annualised return on capital of 14.6 per cent. Total assets stood at US$934.2 million, with total equity amounting to US$587.3 million.

EFG-Hermes: Saudi banking sector amongst region's most profitable

EFG-Hermes has released a comprehensive research report on the Saudi Arabian banking sector. Entitled "Best of Both Worlds", the report provides an in-depth analysis of Saudi Arabia's banking sector – which is the second largest in the GCC region by asset size – currently estimated at US$290 billion.

The 56-page report includes a detailed look at the macroeconomic backdrop, sector and profitability outlooks, recent results and valuation. According to the report, low penetration and high profitability are two factors that characterise the prospects of the Saudi banking sector. The report adds that the Saudi banking sector is amongst the most profitable and efficient in the region.

In addition, the report provides a detailed analysis of the top Saudi Arabian banks. EFG-Hermes' recommendations are biased towards the larger banks, which it believes are in an ideal position to capitalise on a number of positive market dynamics. Top picks include Al Rajhi Bank, Arab National Bank, Banque Saudi Fransi, Riyad Bank and Samba Financial Group.

Mashreq gets "Best Bank" recognition

UAE bank Mashreq was named "Best Bank in the UAE" for the fourth time in the last 16 years at the 2008 Euromoney Awards for Excellence Middle East, which was held in Dubai last month.

The company's CEO, Abdul Aziz Al Ghurair, was given the "QFC Euromoney Award for Outstanding Contribution to Financial Services in the Middle East" for his work in promoting the UAE banking industry.

"Euromoney was impressed by the growth evident in all aspects of Mashreq's business – it has one of the strongest consumer franchises in the UAE," said Euromoney Magazine CEO Simon Brady. "Mashreq was selected as this year's best UAE bank based on key criteria such as transaction volume, market share, customer service, competitive pricing and innovative technologies."

Injaz Mena Investment has posted a 47.14 per cent increase in net profits for the year ending March 31, 2008. The key drivers of the company's results included good performance in the local and international equity markets, successful private equity deals and strong real estate project returns.

Saxo Bank, the online investment bank headquartered in Copenhagen, plans to have a presence in the Middle East, most likely in Dubai.

Wahb Ahmed, global private trading manager at Saxo Bank's sales trading desk for the Middle East region, said that the senior management of the bank is keen on having a physical presence in the region. Although a timeline is not yet set, it is likely to happen sooner than later, he added.

Ahmed said that Saxo Bank has a sizable client base in the Middle East, the majority of which comes from the UAE. He also said that there is tremendous interest in Shari'ah-compliant ETF products from the region.

Founded in 1992 by CEOs Lars Christensen and Kim Fournais, Saxo Bank officially attained European bank status in June 2001.

Almost three-quarters of Saudi Arabia now settles utility, phone and other bills by electronic means such as ATMs, phone banking and online, according to new statistics.

At the heart of the switch is Sadad, established by the Saudi Arabian Monetary Agency as the national bill presentation and payment service. Sadad links organisations and their invoices with local banks, enabling them to collect customer payments electronically through all banking channels 24 hours a day.

"The majority – 82 per cent in March this year – of bills in Saudi Arabia are now paid through Sadad. In addition, the value of bills paid through Sadad reached US$600 million in March and is on target to reach nearly US$1 billion a month by the end of 2008," said Nezar Al Murgen, director of business development for Sadad payment systems.

Region's first 'MEFX' showcases industry's latest financial products and services

The first Middle East International Banking, Financial Technology and Services Exhibition and Conference (MEFX) took place last month at the Dubai International Convention and Exhibition Centre from June 1-3.

An initiative of the Dubai International Financial Centre and the Dubai World Trade Centre, MEFX is the first trade show and conference in the region dedicated to technologies for the banking and finance sector. The event showcased the latest products and services in the industry, supporting Dubai's strategic objective of quadrupling the financial sector's contribution to the economy by 2015.

More than 70 regional and international exhibitors displayed the latest financial technology innovations at the exhibition. These included some of the biggest brands in the banking and finance industry.

The first day of the exhibition also saw the launch of the inaugural MEFX Summit, which focussed on identifying solutions and technological innovations to help financial institutions improve performance, increase profitability and raise the standards of their practices to meet international benchmarks.

Abdul Rahman Saif Al Ghurair, chairman of the Dubai Chamber of Commerce and Industry, and Helal Saeed Al Marri, director general of the Dubai World Trade Centre, inaugurate the event

For more on this story, go to www.moneyworks.ae and search key phrase 'MEFX'

Gulf Capital seeks funding from ADCB

Abu Dhabi Commercial Bank has approved a medium-term revolving facility of AED800 million to private equity firm Gulf Capital PJSC to help fund its growing pipeline of private equity transactions.

Gulf Capital is an alternative asset manager focussed primarily on private equity investments and buy-outs in the GCC region. It is one of the highest-capitalised investment companies in the UAE with an initial paid-up capital of US$330 million.

With a view to enhancing the return on its shareholders' equity, Gulf Capital has sought funding to leverage its current debt-free balance sheet.

HSBC signs MoU with UAE Higher Colleges of Technology

HSBC has signed an MoU with the Higher Colleges of Technology (HCT) to establish an HSBC professor of financial services at the HCT and to provide both local and international job opportunities for UAE nationals at the bank.

This is a three-year commitment by HSBC to sponsor one of the HCT's professors to be the ambassador for financial education by delivering sepcialised courses to HCT students.

Students of the HCT will also be given opportunities to develop skills and careers in the financial services industry and will undertake a range of initiatives including specialised seminars and training programmes relevant to banking.

Left to right: Youssef Nasr, CEO of HSBC Bank Middle East, and Sheikh Nahayan Mabarak Al Nahayan, minister of higher education & scientific research and chancellor of the HCT

Global Investment House (GIH) has announced the intention of Global MENA Financial Assets Limited to proceed with an IPO and to seek admission to trade shares on the London Stock Exchange. Global MENA Financial Assets will be managed by Global Capital Management Limited, a wholly-owned subsidiary of Global Investment House.

The company is looking to raise US$500 million through an offering to institutional and professional investors in certain jurisdictions, including the GCC. At, or shortly after admission, the company will acquire from GIH a portfolio of eight private equity investments in financial institutions predominantly in the MENA region.

Admission and dealing is expected on or around July 18, 2008.

Securities & Investment Company is still the most active broker on the Bahrain Stock Exchange (BSE) by value turnover for the ninth consecutive year. The firm's market share by value of all trades on the BSE for 2007 amounted to BHD191 million (US$506.7 million), or 48.7 per cent of total turnover.

The first-ever Ernst & Young Family Business Survey reveals that while half the regional family businesses surveyed agreed that going public was important to their survival, only 20 per cent of them are planning to go public. The survey was carried out in Saudi Arabia, Kuwait, Qatar, Oman, Lebanon, and Jordan.

The State of Qatar and NYSE Euronext have formed a strategic partnership through which NYSE Euronext will purchase a 25 per cent stake in the Doha Securities Market for US$250 million in cash. The move is aimed at building a new, internationally-integrated cash and derivatives exchange in Doha.

Damas International Limited, the jewellery and watch retailer, is to float on the DIFX at an offer price range of US$1 to US$1.14 per share. Listing and trading will become effective on, or around, July 8th. Shares will be offered to Middle East and international institutional investors outside of the US.

2007 inflation rate reached 11.1 per cent

Sultan Bin Saeed Al Mansouri, UAE minister of economy, said last month that the country's inflation rate reached 11.1 per cent in 2007. Research conducted by the ministry of economy's consumer price index division revealed that the 2007 rate resulted from varying increases in the consumer prices of all expenditure groups. The house rent and related house items category recorded the highest gain among all groups at 17.5 per cent, followed by other goods and services at 16.8 per cent. Increases in the average prices of other expenditure items ranged from three to eight per cent.

Sultan Bin Saeed Al Mansouri

For more on this story, go to www.moneyworks.ae and search '2007 inflation'

US$4 trillion in regional capital available

A new report from management consulting firm A.T. Kearney reveals that the potential of Middle Eastern capital available for investment, in both private and public sectors, is approximately US$4 trillion.

This high investment power is largely linked to sovereign wealth funds (SWFs). The assets under management of these funds have, at a global level, risen by 18 per cent between 2006 and 2007 to reach US$3.3 trillion, with Middle East SWFs accounting for 50 per cent. They are expected to reach US$5 trillion in 2010 and US$10-15 trillion in 2015.

"In the short term, the SWF can help to absorb the liquidity crisis. In the long run, they will be valuable partners for western companies to back their growth and to finance innovation" said Cyril Garbois, principal and expert for SWFs at A.T. Kearney Dubai.

The Dubai Multi Commodities Centre (DMCC) says that gold trade through Dubai reached US$7 billion in Q1, 2008, up 73 per cent from US$4.08 billion during the same period in 2007. Dubai's gold trade has witnessed consistent growth over the last six months, up 42 per cent over Q4, 2007 when it reached US$4.96 billion. Gold prices averaged US$925 per ounce during the Q1, 2008, says the DMCC.

According to the statistics department of Dubai World, 115 tonnes of gold were exported from Dubai in Q1, 2008, up 74 per cent from the corresponding period in 2007 and 49 per cent higher than exports during Q4, 2007. Statistics also revealed that 122 tonnes of gold were imported in Q1, 2008, with imports mostly comprising scrap and jewellery.

NASDAQ-based company to lists on DIFX

NetSol Technologies Inc. has begun trading its NASDAQ US-listed common shares on the Dubai International Financial Exchange (DIFX). NetSol will trade on the DIFX under the symbol "NTWK", complementing the company's current listing on the NASDAQ Capital Market. NetSol is the first NASDAQ US-based company to list on the DIFX.

Armen Papazian, senior vice president of the DIFX, and Najeeb Ghauri, chairman and CEO of NetSol Technologies

Standard Chartered Bank has opened a branch in Paris in response to the growth of its global corporates and financial institutions business in France.

Revenue from French corporates and financial institutions is showing significant growth in 2008 and France now accounts for approximately 10 per cent of all European client revenue.

According to Standard Chartered, the new branch will create a valuable proposition for French firms looking to capitalise on these flows and deepen their business in these regions.

HSBC is promoting its FuturePerfect saving programme, a structured contribution plan for its Status account holders. Participants in the plan have the ability to choose their savings options to suit their individual financial goals and needs. Customers can switch their holdings between funds up to 25 times per year without any charge. Participants can also make regular withdrawals and contribution breaks without incurring financial penalties.

The plan requires a minimum monthly contribution of US$1,000 or a lump sum investment of a minimum of US$60,000. It is available in multiple currencies.

Noor Islamic Bank has opened its first overseas representative office in Tunisia to offer banking services in the North African countries.

Integrated telecom service provider du has launched its "Freetime" offer. With Freetime, du mobile users can receive free credit every time they make an international call to any destination.

For every one second of every international call, the customer gets one fil of free credit. As such, a customer can potentially save as much as 60 per cent on international call rates, depending on the country they are calling and the time they are calling.

The Freetime offer is available to all du mobile customers during peak and off-peak times. The promotion does not include international calls made while roaming in other countries.

DMCC seeds Shari'ah-compliant funds

Barclays Capital and the Dubai Multi Commodities Centre (DMCC) have announced the first Shari'ah-compliant hedge funds to be launched on the Al Safi Trust alternative investment platform.

Al Safi is a comprehensive Shari'ah-compliant platform comprised initially of single-strategy alternative investment managers.

The DMCC has committed to seed five commodity hedge fund managers on Al Safi with US$50 million each – a total of US$250 million – for a Shari'ah-compliant fund of funds product to be offered under the Dubai Shari'ah Asset Management brand.

Al Safi is aiming to deliver Islamic investors the same high-quality managers and strategies available to conventional investors including comparable returns, competitive fee levels, diversification across asset classes and access to customised structured products.

For more on this story, go to www.moneyworks.ae and search 'Barclays Capital'

Franklin Templeton launches MENA Fund

Franklin Templeton Investments has launched the FTIF Franklin MENA Fund, a sub-fund of Franklin Templeton Investment Funds.

The fund is managed by Franklin Advisers, Inc. and is sub-advised by Dubai-based asset manager Algebra Capital.

The fund will invest in securities across the Middle East and North Africa (MENA) region.

"This is an opportune time to consider the MENA region as a portfolio diversifier. The MENA region represents one of the great frontier market investment opportunities, offering the potential for long-term growth and low correlations with other markets," said Ziad Makkawi, CEO of Algebra Capital.

Etisalat and Mashreq offer free talk time

Etisalat and Mashreq, in collaboration with Visa International, have announced the region's first co-branded loyalty card to earn customers free talk time with every dirham spent.

Customers holding an Etisalat Mashreq credit card will earn Etisalat 'More' points for every dirham spent on the card. Cardholders will earn additional points if they use the card to pay for Etisalat products and services. Etisalat and Mashreq are offering three cards: platinum, gold and classic.

Customers also get bonus points on the first purchase made on their cards. Platinum cardholders will receive 12,000 bonus points, while gold cardholders will receive 6,000 and classic cardholders will receive 3,000.

Following the first purchase, for every dirham spent, platinum cardholders get two points. Gold cardholders get 1.5 points and classic cardholders get one point. An amount of 2,500 Etisalat 'More' points are equal to AED25 of free talk time.

Emirates NBD to pilot contactless mobile payment service

Emirates NBD has announced a joint initiative with Etisalat to pilot a contactless technology using Mobile Near Field Communication, which will enable Emirates Bank and National Bank of Dubai customers to make payments using their mobiles.

This joint initiative will be the first of its kind in the Middle East and North Africa region to introduce this technology.

The service will enable Emirates NBD customers to use their Etisalat mobile phone as a means to pay for day-to-day purchases at stores or for transportation services. All a customer will have to do is wave his or her mobile phone at a Point of Sale machine to make an instant payment. The payment will then be charged to his or her bank card.

SBI and SGSS form joint venture to offer securities services

State Bank of India (SBI) and Societe Generale Securities Services (SGSS), part of Société Générale Group, have teamed up to offer securities services in India. SBI and SGSS will hold 65 per cent and 35 per cent respectively of the equity in the new company.

The new company, SBI SG Custodial Services, will be based in Mumbai and will offer a range of services to both foreign and domestic investors covering custody, depository, fund administration, registration and transfer agent services.

SBI will become the first public sector bank in India to enter the custody services market. Société Générale will help to channel foreign institutional investor business to the joint venture and will offer global custody facilities to eligible Indian clients of the joint venture.

Deepak Chawla, deputy managing director for corporate strategy and new business at SBI, said that apart from the growing interest in India among foreign institutional investors, the recent regulations permitting Indian mutual funds to invest abroad is likely to open an annual opportunity aggregating US$7 billion of Indian investments abroad.

For more on this story, go to www.moneyworks.ae and search 'SBI SG'

The Royal Bank of Scotland International has expanded its offshore presence with a new representative office in Dubai. The Dubai representative office will offer offshore services that are specifically designed for expats and international customers.

All products will be offered out of Jersey. Some of the services and products offered to customers will include fixtures and deposits, multi-currency accounts, investment and treasury products, internet banking and all the normal functions UK-based customers are accustomed to.

National Bonds recently launched a summer family rewards promotion where bondholders can win prizes worth AED1.5 million. As part of the promotion, anyone can purchase a minimum of AED100 or more in bonds to be eligible to qualify for a draw, which will be held during the first week of August. The promotion will run until July 31, 2008.

Dubai Bank has announced the opening of its 19th branch located on Abu Dhabi's Airport Road as part of a strategic plan to expand its current network of branches. The new branch will offer customers access to all of its Shari'ah-compliant products and services. Salaam Al Shaksy (right), CEO of Dubai Bank, helped to inaugurate the new branch.

Dubai First adds business credit card to cards portfolio

Consumer finance company Dubai First has launched a new business credit card offering flexibility for small and medium enterprises (SMEs).

Launched in association with Visa International, the business credit card offers a flexible interest rate mechanism, a flexible rewards programme that allows customers to redeem their points for cash and business services such as free car rentals, as well as the possibility of using the card at merchants where cards are not accepted through its 'dial-a-draft' facility.

A special interest rate is charged in the first three months of the business card membership. At the end of the quarter, the business card system measures the performance of the account based on monthly expenditure, repayment percentage and promptness of repayment. Based on these factors, a pre-defined interest rate value is calculated and levied on the outstanding balances for the next quarter. The card allows customers to achieve an annual percentage rate as low as 1.33 per cent per month.

CBI unveils new raffle savings scheme

Commercial Bank International (CBI) has launched a new raffle saving scheme called Mabrook. The scheme offers customers a savings account and the chance to win AED10,000 (for every AED100) saved in a raffle draw held each week. The scheme will also offer free accidental life insurance equal to the available balance with a maximum sum insured of AED100,000.

Falcom improves Saudi electronic services

Falcom Financial Services has launched its new version of Falcom-Watch, the first electronic financial service of its kind in the Saudi market. Falcom-Watch is a database with financial-specialised information for investors. The system has tools for investment analysis, market monitoring and trading.

Allianz announces two new equity funds

Allianz Global Investors has announced the opening of its Middle Eastern office in Bahrain and the launch of two Shari'ah-compliant equity funds for the region.

The firm will market two new Shari'ah-compliant equity funds. The first is the Allianz RCM Islamic Global Emerging Markets Equity Fund and the second is the Allianz RCM Islamic Global Equity Opportunities Fund.

The firm has seeded each one with US$50 million. Allianz Global Investors is the asset management arm of the Allianz Group and is one of the world's top five active asset managers with US$1.4 trillion under management.

al khaliji begins retail operations in Qatar

Following the successful launch of its retail banking operations, al khaliji announced last month the official opening of its first retail outlet, the al khaliji Q-post Centre, in Doha.

By the end of this year, al khaliji intends to have opened six branches and two service centres, as well as a 24/7 contact centre. The bank also plans to have rolled out over 10 ATMs throughout Qatar.

Having completed its negotiations to acquire the UAE assets of BLC Bank (France) and now awaiting regulatory approval, al khaliji also announced that it has received a licence from the Dubai International Financial Centre to operate in the UAE for non-banking activities as part of its plans to manage the operational processes associated with this expansion. The new company, al khaliji services LTD, has now been set up in Dubai.

First Gulf Bank (FGB) has launched Bancassurance – a range of life insurance and savings plans.

The range of FGB's Bancassurance products includes life insurance plans that provide customers with financial security in times of critical illness, disability, loss of employment and other uncertainties.

The bank has joined hands with Zurich International, AIG-ALICO, Friends Provident and Royal Skandia. For Islamic insurance solutions, FGB has also teamed up with SALAMA for Shari'ah-compliant Takaful products.

Al Mal Capital has launched its Al Mal MENA Equity Fund, which will invest primarily in listed equities of companies based in the Middle East and North Africa.

The fund is registered in Bahrain and denominated in US dollars. It will be an open-ended fund with weekly subscription and redemption.

Appointments - June 2008


Philip Lynch

Lehman Brothers has appointed **Philip Lynch** as its Dubai-based CEO for the Middle East and North Africa. Lynch is currently co-head of equities for Europe and the Middle East.


Mark Yassin

National Bank of Abu Dhabi has announced the appointment of **Mark Yassin** as senior general manager of the corporate and investment banking division.


Fares D. Noujaim

Merrill Lynch has announced that **Fares D. Noujaim** will be joining the company as president of the firm's business in the Middle East and North Africa. He will also be the global head of sovereign wealth funds.

Société Générale Asset Management (SGAM) has announced the appointment of **Olivier Leclerc** as CEO of its subsidiary, SGAM Alternative Investments.


Abdullatif Al Mulla

TECOM Investments has appointed **Abdullatif Al Mulla** as the group's CEO.


Ashraf Issa

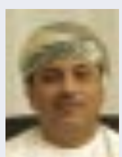
Ashraf Issa has joined **Credit Suisse** as global market leader, GCC and Saudi Arabia, for private banking in the Middle East. He will be based in Geneva.


Douwe Oppedijk

Commercial Bank International has announced the appointment of **Douwe Oppedijk** as its new CEO.

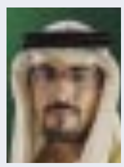

Fadel Al Ali

Dubai Banking Group has named a new management team at Dubai Bank to oversee the bank's expansion in global markets. **Fadel Al Ali** will lead the company as non-executive chairman, while **Salaam Al Shaksy** has been named the new CEO.


Salaam Al Shaksy


Philippe Aroyo

BNP Paribas has announced the appointment of **Philippe Aroyo** as head of territory for the UAE.


Abulhakeem Alkhayyat

Kuwait Finance House (Bahrain) has appointed **Abulhakeem Alkhayyat** as its CEO and managing director.

Barclays Bank has announced the appointment of **Michael Miebach** as managing director of global retail and commercial banking in the Middle East and North Africa with direct responsibility over UAE business.

Ahli United Bank (AUB) has appointed **Sawsan Abulhassan** as deputy group CEO for private banking and wealth management. She was previously AUB's group head of private banking for the Gulf.

Bank of London and The Middle East has appointed **Roscow Lucas** as its head of syndication.

The global Islamic banking experience challenge

Leading Islamic banks are trying to cope with the rising demand for Islamic bankers who are knowledgeable in Shari'ah. The subject was debated at the 33rd annual conference of Islamic Development Bank in Saudi Arabia last month. A MONEYworks report from Jeddah.

There has been tremendous demand for skilled Islamic bankers in recent years – in fact, rising demand has far outpaced supply. Given the pace of growth in the industry, it will probably take the market years to attain equilibrium. But this dearth of skilled persons has also prompted the industry to seriously consider what needs to be done.

Speakers on the sidelines of the 33rd annual conference of Islamic Development Bank (IDB), which was held in Jeddah last month, shared their views on the subject. According to Saleh Kamil, a prominent Saudi businessman and a pioneer in Islamic banking, 85 per cent of the more than 300,000 employees working in Islamic banks and financial institutions today lack knowledge of Shari'ah, as they have come from conventional banking systems.

Kamil is a well-respected exponent of Islamic banking and is the founding chairman of Jordan Islamic Bank for Finance and Investments, Arab Union Investment Company of Egypt and other financial institutions. It is individuals like Kamil and Prince Muhammad Al-Faisal who were instrumental in organising Islamic banking into what it is today: a full-blown industry recognised by international bankers and economists.

In his keynote speech at a seminar entitled "Human Capital Development for Islamic Financial Industry: Challenges and Initiatives", Kamil stressed the need to invest more in human capital development.

"Its [Islamic banking] tremendous progress also carries a lot of challenges for those who work in the field. We know that humans, the makers of progress and success, are also behind failures and collapses," he said, emphasising the urgent need for focussing more on education and training to strengthen the sector.

Dr. Mohammed Al-Beltagi, programme manager of Shari'ah-compliant banking at the Institute of Banking in the Kingdom, agreed with Kamil, adding that employees' lack of knowledge of Islamic banking principles will have a negative effect on the system because they will not be able to market products effectively.

Islamic banking is growing at an annual rate of 35 per cent worldwide, with assets of Islamic financial institutions amounting to a staggering US$600 billion in 2007. There are more than 470 full-fledged Islamic banks and financial institutions around the world. Their number rose from 276 in 2005 to over 470 in 2007.

Infrastructure investments

The IDB conference, held at the Jeddah Hilton from June 2-5, was described as a big success in terms of participation and resolutions. For one, it approved a landmark US$1.5 billion IDB initiative to solve the food crisis. This announcement holds special significance, given inflationary pressures around the world and a shortage in foodstuff leading to rising costs.

The Custodian of the Two Holy Mosques King Abdullah opened the conference on

Custodian of the Two Holy Mosques King Abdullah opens the IDB conference at the Jeddah Hilton as Bahrain's finance minister Sheikh Ahmed bin Muhammad Al-Khalifa looks on

King Abdullah kisses an Indonesian girl, one of the 1,000 orphans of tsunami victims sponsored by him during the opening session of the conference in Jeddah

June 2. It was attended by ministers of finance, economy, planning and agriculture in 56 member countries. The king's opening reflected his strong support for IDB Group, which is the most successful institution under the Organisation of the Islamic Conference.

In his keynote address at the opening session, IDB president Dr. Ahmed Muhammad Ali enumerated the bank's achievements over the past three decades, saying the bank had given US$53 billion to finance various development and welfare projects in member countries and Muslim communities in non-member countries.

Apart from ministers, hundreds of business leaders, bankers and economists attended the conference's brainstorming sessions. Presiding over a seminar on capital markets, Dr. Abdul Rahman Al-Tuwaijeri, governor of the Capital Market Authority, commended IDB's leading role in the development of Muslim countries.

"IDB has been making tremendous contributions for the progress of the Ummah," he said, adding that the seminar would help IDB member countries exchange expertise in capital markets and make use of each other's successful experiments.

It was also announced during the conference that IDB finance for development projects in member countries grew by 21 per cent to US$2.66 billion last year compared to the previous year. The bank also provided US$2.6 billion to finance trade deals among Muslim countries.

"Eighty-five per cent of the more than 300,000 employees working in Islamic banks and financial institutions today lack knowledge of Shari'ah, as they have come from conventional banking systems." Saleh Kamil

The Islamic Corporation for the Development of the Private Sector (ICD) also organised a seminar on the sidelines of the conference as part of its efforts to strengthen cooperation between private and public sectors in the member countries.

The ICD was established in 1999 with a mission to finance private sector projects. "ICD is also mandated to provide advisory and other services for promoting the private sector in the member countries," said Khaled Al-Aboodi, CEO and general manager of the ICD.

Until last year, the number of the ICD's projects reached 127, totalling US$803.8 million. About 89 per cent of ICD projects were financed through equity, leasing and instalments. The ICD is now active in 23 member countries.

Al-Aboodi said that projects in industrial, financial and transportation areas absorbed 70 per cent of their total investment since inception.

"PPPs are proving to be an innovative way to provide infrastructure and deliver infrastructure-related services. However, they also present a number of challenges for public and private sectors," he added.

According to a report issued by IDB, its 56 member countries are expected to invest nearly US$1.2 trillion in infrastructure projects over the next 10 years, especially in telecom, transport, power, water and other vital sectors. The report said some US$675 billion would be invested to finance new telecom and power projects, adding that half of the amount would be in the GCC states of Saudi Arabia, Qatar, the UAE, Kuwait, Bahrain and Oman.

The IDB countries will invest US$290 billion in expanding and upgrading air, sea and land transport infrastructure, with half of those investments going into Asia. The bank will also invest as much as US$115 billion in water projects to expand and improve the provision of water and sanitation services, the report said, adding that nearly 60 per cent of this investment would be in Arab and African member countries.

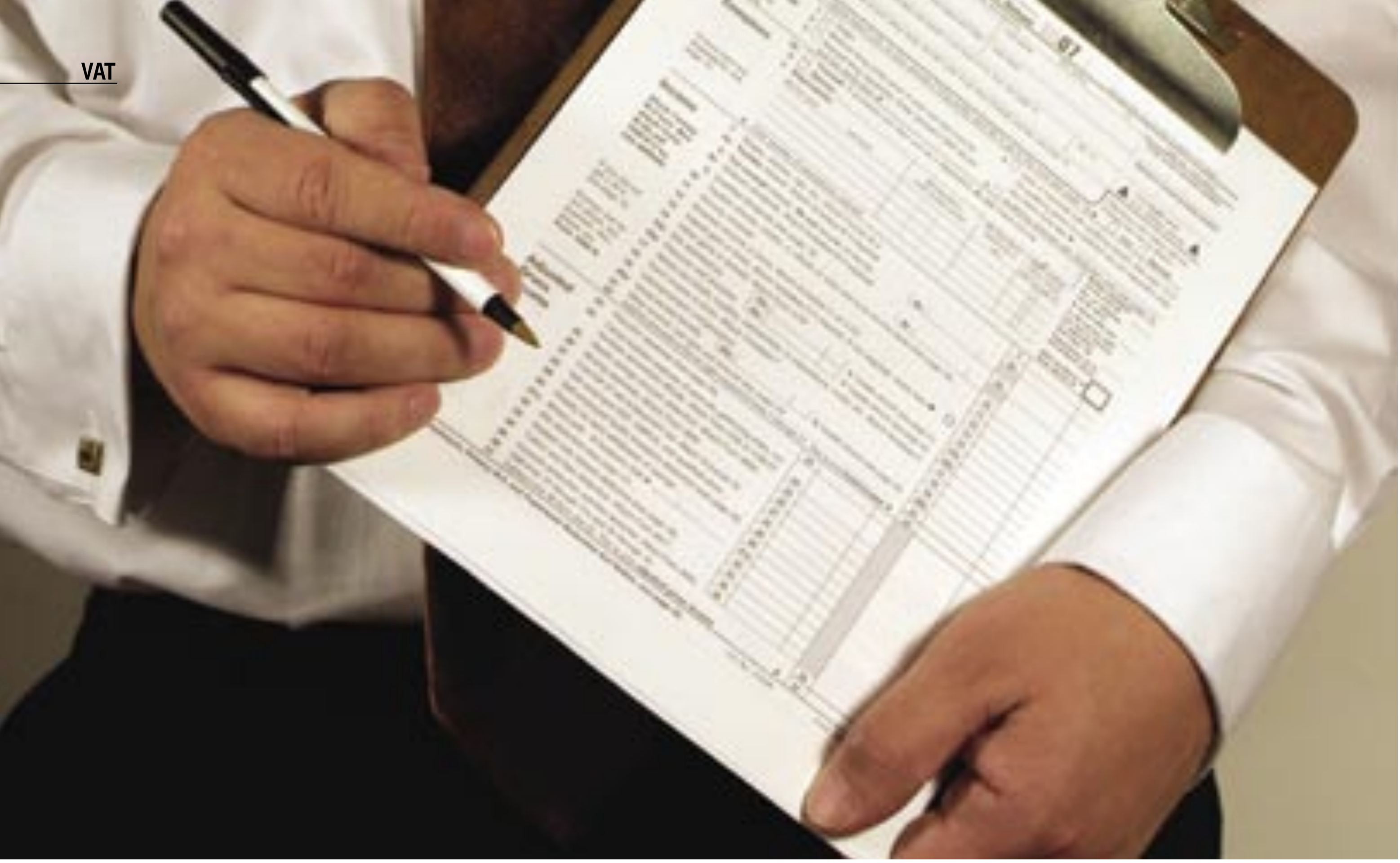
"While only a fraction of the investment requirements is currently being met by the private sector, IDB sees a greater private sector role in meeting demand for infrastructure services over the next decade," the report quoted Dr. Amadou Boubacar Cisse, IDB's vice president for operations, as saying.

According to Dr. Cisse, IDB will invest up to US$25 billion in infrastructure projects over the next 10 years, mainly in the power, transport and water sectors. MW

King Abdullah receives IDB governors after opening the conference

Dr. Ahmed Muhammad Ali, IDB president

Saleh Kamil



VAT knocks on the door

It now looks obvious that indirect taxation is about to come to the GCC and change the landscape of the region permanently. **Utpal Bhattacharya** looks at why introducing VAT will need careful planning, as well as what it will mean for consumers.

Finally, the cat is out of the bag. It looks like we are going to have value added tax, called VAT, after all. At least that's the Dubai government's intention – and they want to introduce it sooner than later.

Early last month, Dubai Customs held a press conference to announce that they have recommended to the UAE federal government a VAT of between three and five per cent for the UAE. Officials of Dubai Customs refuse to disclose any timeline for the introduction of VAT in the country, but say that it is a federal subject and that the onus now lies with the federation and the relevant authorities.

Ahmed Butti Ahmed, director general of Dubai Customs, also disclosed at the press conference that his department has already submitted a draft of regulations to regulate VAT to the finance ministry. The draft of the laws was drawn up with the aid of recommendations from the International Monetary Fund (IMF), he added.

Why VAT?

It is not easy for a government to take its public from a tax-free environment to a taxed one. That's why there have been rumours and doubts among the general public regarding the real intentions of the Dubai government in introducing VAT well ahead of the other GCC constituents. Even industry experts, including the IMF, seem doubtful that the UAE will be able to bring in indirect taxation at a time when the prices of goods and services are rising out of control.

Why are countries in the region considering introducing VAT, and why is Dubai so keen for the UAE

An illustration of how VAT is levied

	Manufacturer	Wholesale	Retailer	Final customer
Sales price	100.00	200.00	300.00	300.00
VAT 15%	15.00	30.00	45.00	45.00
Output tax	15.00	30.00	45.00	-
Input tax	-	15.00	30.00	-
VAT due	15.00	15.00	15.00	**45.00**

Source: Ernst & Young

to institute it first? According to Butti, the UAE will be entering into free trade agreements with a number of countries in the next 18 months – something that will make customs duties redundant for goods imported from these countries. And this will lead to a decline in tax revenues for the government, which can only be made up through alternative taxation routes like VAT.

"After several months of exhaustive study, Dubai Customs believes that the UAE is in a solid position to introduce VAT in place of its five per cent customs duties. The removal of customs duties is a major step forward on the UAE's path to becoming a major trade partner with Australia, China, the European Union, the US and other countries," says Butti.

However, it is not just the UAE that is entering into free trade agreements. The entire GCC is gearing up to sign these agreements with major trading nations or blocks around the world. Additionally, there is a larger free trade bloc covering intra-Arab trade that became effective in January 2005 under GAFTA, which covers 17 Arab member states in North Africa, Levant and the GCC region. And that's the reason why, according to Ernst & Young, the case for the introduction of a broad-based system of indirect taxation has become more compelling for the region in recent years.

Dubai has embarked upon huge infrastructure investments to transform the emirate into an international financial and trading centre, as well as a destination for regional tourism. As such, it is absolutely essential for the emirate to continue to generate income from alternative taxation when various free trade agreements kick in and collection from customs duties takes a hit. Unlike Abu Dhabi, Dubai does not generate significant oil revenues. Without revenues coming from customs duties, the need to tap other sources will arise.

Dr. Giyas Gokkent, head of National Bank of Abu Dhabi's research department, notes: "Dubai and the other emirates except Abu Dhabi do not have significant oil resources and would obviously benefit from VAT levy as an additional source of revenue."

Butti argues that VAT is going to bring in similar revenues to what is now generated from customs. Some experts, on the other hand, feel that VAT is likely to bring even more to the kitty, as it will tax not only goods, but also services like rent. Most agree that VAT is the best alternative taxation model for Dubai, as it is tax neutral on businesses and the obligation is passed on to the end-user of a product or service.

The big picture, of course, is that VAT will help the UAE and the rest of the GCC to diversify their sources of revenues, which mostly depend on oil at present.

It is not just a question of balancing revenues and offsetting the loss with the introduction of a new system, though. Introduction of taxation also brings significant transparency into the system of a country, as companies and individuals are forced to file tax returns, thus helping to

"After several months of exhaustive study, Dubai Customs believes that the UAE is in a solid position to introduce VAT in place of its five per cent customs duties." Ahmed Butti Ahmed

create a databank. With the help of these data, consumption patterns and demand can be mapped. Experts say that once VAT is introduced, it will be much easier for the GCC countries to build up their statistical infrastructures.

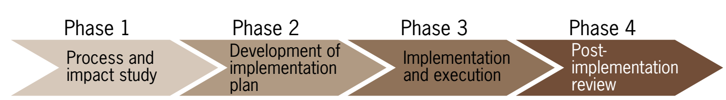
The other positive that VAT will bring to the UAE is the likelihood of a better credit rating. Dr. Gokkent points out that a lack of diversification in government revenues is a factor currently constraining the UAE's credit ratings. An additional revenue source other than hydrocarbon revenues will address this issue and could open up the path to a country rating upgrade, he explains.

"We at Dubai Customs genuinely believe that, of all the possible tax systems known to man, the VAT tax is the best tax system for strengthening the economy of the UAE," emphasises Butti.

VAT has been introduced in 145 countries and it is the world's fairest and most transparent form of taxation, he adds.

VAT implementation

VAT may be implemented by businesses using the following four-phased approach



Source: Ernst & Young

"The introduction of VAT will increase the prices of goods and services that are covered by it, which may lead to an increase in the overall price levels, unless other prices fall." Mohsin Khan

What is VAT?

VAT is a consumer tax collected by VAT-registered businesses on their supplies of taxable goods and services. Each business pays VAT on goods and services acquired for the business and charges VAT on goods and services supplied by the business. The difference between the VAT charged by the business and the VAT the business was charged must be paid to the tax authority. If the amount of VAT paid by the business exceeds the VAT charged by the business, the tax authority will repay the excess. This method ensures that VAT is ultimately paid by the customer and not by the business.

VAT is usually imposed on the supply of goods and services, importation of goods and importation of services. It is deductable as input VAT on certain purchases that have been subject to tax by suppliers. The VAT paid on these purchases is called "input" tax. As VAT operates on an offset system, a trader is eligible to deduct this input tax against output tax that he collects and is only required to pay the difference to the government.

There are four types of supplies for the purposes of VAT: standard rated, zero rated, exempt supply and out-of-scope supply. In the case of standard-rated supply of goods and services, VAT is applicable at the standard rate that the government imposes. The zero rate also concerns taxable supply, but on items that have zero rate of tax. The export of goods and services is an example of zero-rated supply, as VAT is applicable only on goods and services that are consumed by the domestic market.

In certain countries, governments exempt certain goods and services from VAT – these belong to the exempt category, while the out-of-scope supplies typically include transactions not touching the concerned country. For example, a UAE business purchasing goods in the UK to be exported directly to Yemen will be out of the scope of the UAE VAT.

The impact of VAT

In short, VAT is a consumption tax that affects only consumers. And consumers in the UAE are now worried about how it will impact their purses.

Economists and tax experts are quite reassuring, suggesting that the introduction of the new tax system will not be inflationary. Dr. Gokkent says that since VAT intends to offset a proposed cut in customs duties, it could be inflation-neutral. Post-implementation, however, there could be a one-time inflationary impact, he adds.

Howard R. Hull, partner of international tax services at Ernst & Young Dubai, agrees with Dr. Gokkent, adding that the closest resemblance the UAE's federal system can have is with Switzerland. Hull points out that when VAT was introduced in that country, inflation increased only marginally, by less than one per cent. That kind of price rise in the UAE will not make a difference, since inflation in the country is running as high as 11 per cent, he says.

Mohsin Khan, the IMF's director for the Middle East and Central Asia, has a similar opinion. "The introduction of VAT will increase the prices of goods and services that are covered by it, which may lead to an increase in the overall price levels, unless other prices fall," he maintains.

Khan says that a similar situation would happen with the introduction of any type of sales tax. Any increase would have a one-time effect, though, and should not affect inflation beyond the first year, he adds.

Khan also notes that given the modest rates being considered in the UAE, the effect on the overall price level should also be modest – a one to two per cent increase at the most. The effect may be smaller or

"Most systems start out with an idea of tax across the board, but are then forced to back off due to social and political pressures. Such a scenario could very well happen in the UAE." Howard R. Hull

negligible if, for example, customs tariffs are simultaneously reduced.

"The point I am trying to make is that with inflation running in double digits in the UAE, the effect of a low-rated VAT on overall inflation will be marginal," he stresses.

Earlier last month, Butti went on the record saying that Dubai Customs has recommended levying three per cent VAT across the board instead of the five per cent customs duties now levied. But other recommendations have suggested not having any exempt category. Dubai Customs officials have said that creating exempt categories is the beginning of complexities and that giving one exemption leads to another.

These statements are likely a bit worrying for residents, who might think that they will have to cough up tax for all services, including education and rent that together account for between 30 and 50 per cent of total earnings for the average salaried middle-class resident in the UAE.

Hull is somewhat sceptical however, and says that most systems start out with an idea of tax across the board, but are then forced to back off due to social and political pressures. Such a scenario could very well happen in the UAE, he adds.

"Typically, what we see in other parts of the world is that everyone starts with good intentions, but because of political dynamics, questions are raised as to whether there should be VAT for services like sports associations and education," Hull explains.

The VAT timeline

Dubai Customs has made it clear that it will be ready for the introduction of VAT whenever it is introduced. In fact, Dubai began a phased approach for introducing VAT as early as 2006. Dubai Customs and the IMF, in coordination with the UAE finance ministry, commissioned studies and critical research to ensure that any introduction of a VAT tax system would take place on a timeline that would be in agreement with the UAE's own economic goals and objectives.

Dubai Customs officials have even stated in presentations to the local media that they will ensure that both the VAT registration process and the process of payments will be available online for businesses.

However, experts like Hull feel that Dubai's readiness would not be enough for the UAE federation to introduce the new tax system. According to Hull, there are a number of aspects to the issue of readiness that will need to be put into place first.

The readiness of local companies to be able to pay VAT when it comes into force will be crucial in this regard, notes Hull. Companies will have to be given enough time to build in-house knowledge about the systems and the processes of implementation, apart from adding reporting and filing expertise within.

Hull points out that when Switzerland introduced VAT in 1995 to replace sales tax, the authorities gave companies between 12 and 18 months to prepare. And that was in a country where companies were already filing returns. In the UAE, not all companies are accustomed to such an exercise.

Moreover, all of the different UAE emirates would have to be ready to introduce VAT at the same time and would have to agree with the revenue sharing model that the federation would have to propose. All this could not happen in such a short period of time, says Hull.

"The GCC's agenda for introducing VAT is 2012. If it comes in the UAE before the end of 2009, I will be surprised," he declares.

Hull is not alone in his scepticism. Khan is also of the view that it would not be easy to implement the tax system at a time of record high oil prices, especially when all of the GCC countries are enjoying windfall oil revenues. Khan notes, however, that introducing VAT is a judgement for a government and is more of a political economy issue than a purely economic issue. The fact that it is difficult does not imply that it is impossible, he adds

"Dubai and the other emirates except Abu Dhabi do not have significant oil resources and would obviously benefit from VAT levy as an additional source of revenue." Dr. Giyas Gokkent

"The IMF has been advising the Gulf countries, including the UAE, on a GCC-wide VAT. The basic recommendation of the IMF to introduce VAT still stands. My only question is with the timing and not with the advisability of VAT in the GCC. Can it be done now? Perhaps for the UAE, which is well advanced on this matter, but I don't think yet for the other GCC countries," he says.

Going by what experts say, it seems obvious that for the rest of the GCC, the introduction of VAT is at least another three or four years off. There is no doubt, however, that the UAE is well ahead of the race and is poised to be the first in the region to institute VAT. Of course, it is not going to be this year, and if experts are to be believed, it may go beyond next year as well. MW

Long-term benefit schemes gaining acceptance

There is a lot of buzz building up around long-term savings and pension schemes in the region. **Ritwika Chaudhuri** speaks to experts to find out what's actually happening.

Remember the story about the ant and the grasshopper in Aesop's Fables? The industrious ant spends the year painstakingly collecting provisions for the winter, while the grasshopper flies around merrily enjoying the youthful spring, warm summer and pleasant autumn. We all know, of course, what happens when winter finally arrives!

The moral of the story: save for your future and create assets for tomorrow.

The philosophy behind long-term savings and pension schemes largely follows the same principle – keep aside part of today's earnings in order to make provisions for rainy days. If no social security schemes are available, the prudent approach is to regularly put away some amount of money as long-term savings.

Until recently, the bulk of employers in the Middle East were not aware of the importance of providing long-term benefits to their employees. Moreover, the absence of proper legislation and corporate governance, as well as the transient nature of the working population, did nothing to add to the popularity of long-term savings schemes.

In the UAE, for example, only nationals come under the government pension scheme. The vast majority of the expatriate population working in the country has to depend on an end-of-service payment (gratuity), which is calculated on the basis of the length of service period and the basic salary drawn on the last month of service.

But things are now beginning to change as a handful of local companies, along with a few Middle-East-based multinationals, have seriously begun to toy with the idea of introducing long-term savings or pension schemes. Some are even considering offering employee share ownership/stock option plans. These companies have realised that long-term benefits not only help to attract better talent, but also exist as a powerful retention tool for their existing workforces. Such benefits provide a sense of security amongst employees, as well as an opportunity to grow their wealth.

Experts' view of the past

Until some years back, the Middle East was perceived as a short-term haul for fortune seekers. Most experts feel it is the transient nature of the market that has kept companies from offering long-term benefits as part of the remuneration package to their employees.

"No long-term orientation, better remuneration compared to their home countries without a tax burden and assurance of gratuity altogether resulted in expatriates showing limited interest in long-term saving vehicles," says Harshendu Bindal, senior director for Central Eastern Europe, the Middle East and Africa at Franklin Templeton Investment Management.

Nigel Watson, sales and marketing director at Nexus, adds that paying higher salaries but not providing long-term benefits is not unusual for companies at all. "Multinationals are used to providing such schemes to their employees in their home countries. But overseas, these companies have not found alternative pension/incentive schemes conducive for their employees," he explains.

The changing landscape

Some argue that with the general working population being young in the GCC, employees are given to understand that a package with better pay and a handsome bonus are more important than the promise of long-term benefits.

Nick Savastano, associate director of the international development division at Invesco, puts forth a different perspective, attributing this particular attitude to a lack of proper guidelines from regulators, more in terms of accountancy standards.

"In most of the region, companies have no clear guidelines on gratuity provisions. Therefore, most are happy to deal with leavers with payments from working capital," says Savastano. "In fact, long-established companies with stable workforces are loathe to tie up large chunks of capital, as this is a growth market and they are nearly always in expansion mode."

Lynda O'Mahoney, senior manager of corporate fiduciary services at Standard Bank Group, also points to the lack of legislation in this part of the world, as well as the cost involved in introducing long-term savings and pension schemes.

The opening up of the Gulf region's property markets is bringing about

Expatriate Wealth Monitor Index

The second wave of the Wealth Monitor Index by Zurich International Life found that 65 per cent of expatriates in the UAE say that the current economic climate is impacting their financial priorities. For the first time, expatriates are feeling the pinch of a high cost of living and mounting inflation; hence, they have started looking at long-term savings options rather than spending on consumption.

The survey was conducted during April-May 2008 and asked 700 expatriate professionals in the UAE, Qatar and Bahrain about their lifestyles and approaches to financial planning.

Seventy-four per cent of the UAE expatriates surveyed claimed that their ability to save for the future had been affected and that they were mostly planning to save for their children's education. UAE expatriates are also spending less on luxuries. In contrast with the previous survey, 30 per cent fewer people in the second survey said that they were spending money on holidays, sports cars and away-from-home meals.

With few pension schemes offered by private local companies and even by multinationals, about one-third of the expatriates surveyed claimed to have started planning for retirement in their twenties. Less than 20 per cent of them said they had a company pension scheme, and of those expatriates who did have one, 43 per cent claimed to top up contributions. Thirty-five per cent of all expatriates surveyed said that they had started their own pension plan.

The attitude shift is triggered by a couple of factors. For one, expatriates in general have begun to consider staying in the region for a longer term. Additionally, remuneration packages are being localised with expatriate packages gradually becoming a thing of the past, observes Paul Haran, regional director of Zurich International Life. The way out, according to Haran, is the introduction of mandatory savings arrangements, which will ensure improvement in the savings market in the longer term.

Oddly enough, only 55 per cent of expatriates surveyed in the UAE said that their main motive of working overseas was financial windfall. Though admittedly the quality of life is much better here, a minority felt that they had grown worse off financially after becoming expatriates. Twenty-one per cent of expatriates surveyed in the UAE said that they were financially worse off.

Source: Zurich International Life

a change, as expatriates are purchasing properties and looking for long-term commitments in the region. For employers, ensuring security and stability for expatriate employees is becoming increasingly important, not only with private local companies and multinationals, but also with the government.

Dubai-based companies Emirates Group and Dubai Aluminium Company are two examples of private local companies that are initiating long-term savings schemes for their employees. The oil major Schlumberger Middle East also has such a scheme. In addition, a number of Dubai International Financial Centre (DIFC) companies offer various voluntary savings schemes over and above the legal gratuity option.

The stock option plan of Franklin Resources, which twice a year offers its employees the opportunity to buy company shares at a discounted rate, is an example of how international companies are using Employee Stock Option Plans (ESOPs) to attract talent. Franklin Templeton Investment Management is a subsidiary of Franklin Resources and it's employees benefits from the global scheme.

According to Standard Bank, Dubai-based DEPA group, which recently listed on the Dubai International Financial Exchange, has also announced an ESOP for all of its employees – a development that will not go unnoticed amongst locally-listed companies.

Emirates NBD, which has recently introduced corporate executive employee plans for its expatriate employees, intends to provide a similar benefit to its own employees in the future. "Though I cannot divulge our plans to this effect, we will definitely look at the right solutions for our employees once the merger is effective," says Julie Azharian, director of private banking at Emirates NBD.

The UAE government is thinking along the same lines. At the beginning of this year, the government announced its intention to bring expatriates under the national pension scheme. At present, a proposed pension savings draft law covering all expatriates working in the public and private sectors is being studied by the General Authority for Pensions and Social Insurance (GAPSI). Under the proposed law, the pension amount would be collected by an entity other than the companies of the employees through monthly subscriptions to be cut from their salaries in favour of their respective accounts with the GAPSI.

The UK-based Mercer survey on benefits and HR practices in the Middle East (covering Bahrain, Egypt, Kuwait, Qatar, Saudi Arabia, the UAE and Israel) highlights similar trends across all of the countries surveyed. Although only eight per cent of multinational companies surveyed in the UAE currently provide a supplementary pension plan to their employees, 65 per cent said they are looking to change their benefit provision – including setting up supplementary plans. These

Case Study – Emirates Group

The Emirates Group is perhaps the most successful example of a UAE company that has recognised the need to provide long-term savings to help employees save for the future. The group has been operating its own in-house provident scheme since 1991, and contributions are paid into the scheme by both the company and employees. The scheme is mandatory and applies to the company's expatriate senior management, managers, engineers and pilots.

The mandatory contribution is five per cent of the basic salary for employees, who also have the flexibility to pay additional voluntary contributions, either on a monthly basis through direct deduction from their salary or as a lump sum from time to time. The company's contribution is 12 per cent from the first day of employment, and the contribution increases with the service period of an employee. When an employee leaves the organisation, he is entitled to receive either the end-of-service gratuity, as required by the UAE Labour Law, or the cash sum from his provident scheme – whichever is greater. As the scheme is service linked, employees are required to have a minimum length of service to access the company's contributions.

Katrina Ciumei, senior vice president of HR (remuneration and planning) with the Emirates Group, stresses the importance of employees being provided with a savings vehicle as part of their overall compensation package. "The concept of a provident scheme is a relatively new one in this part of the world; hence, there is a lack of understanding and clarity about these types of schemes," she says.

Ciumei adds: "The size of the Emirates Group makes an investment of this nature in a comprehensive provident scheme a viable option. Smaller companies in Dubai would not necessarily benefit from such an investment."

Since its introduction in 1991, the scheme has undergone a number of reviews and subsequent amendments, with regular and comprehensive reviews. Reviews were completed in 2003 and more recently in 2006.

Ciumei explains: "One of the benefits of our scheme is that employees have full access to managing their money within the scheme. They can also opt for support from an independent financial adviser who can help them plan their investment strategy based on their individual requirements."

The scheme is governed by trustees to ensure that it operates in the best interests of its members and is managed by a dedicated administration manager. Watson Wyatt has recently been appointed as administration manager, while BlackRock, Fidelity Investments and Russell Investment Group are fund managers.

The provident scheme aside, Ciumei says that the Emirates Group ensures that its remuneration and benefits packages are structured to cover a range of benefits catering to the variable needs of staff, based on the employment group and personal circumstances, to provide well-structured and comprehensive compensation packages to employees.

plans are generally established on a defined contribution basis through offshore investment funds that are often associated with international pension plans.

"In most cases in the UAE, the benefits offered by companies are 'defined benefits' as against 'defined contributions', which is becoming popular in the western countries," notes Bindal. "With defined benefits, employees are assured a fixed sum by the end of their service term. However, in most cases, the returns are very low. That is primarily the reason why companies are increasingly thinking of the defined contributions approach where specific contributions by employees are invested in unit link schemes promising handsome returns."

Obviously, the long-term savings market is opening up in the region, and with it business opportunities as well. Private providers are starting to make a beeline with their savings and investment products in the region. "Since the savings market generates other financial needs, people who feel the urgency to take control of their savings and pension planning have started to think about generating as well as preserving wealth," Watson observes.

Savastano adds: "There is a huge opportunity for savings and investment products in the region. We have so many international institutions now coming here to offer wealth management solutions."

Employers, too, are finding out that there is a great benefit in introducing such schemes to their employees. "We believe employers here do actually see the benefit of such schemes. Our experience is showing us that this is a growing area of wealth management, and hence the whole area of employee benefits will grow exponentially over the coming years throughout the region," says Savastano.

There is a consensus amongst experts in the region that the


Harshendu Bindal


Julie Azharian


Katrina Ciumei


Lynda O'Mahoney


Nick Savastano


Nigel Watson

Employee Stock Option Plans

Although Employees Stock Option Plans (ESOPs) do not exactly fall under the category of long-term savings in conventional terms, they offer a similar benefit. ESOPs aim to offer shares to the employees of a company, wherein promoters decide to dilute their stake. The shares are offered to either a select group of employees or all employees in general at a price, which could be the same as or less than the market price. If the company has yet to come out with an IPO, the promoter decides the price of a share.

While established companies use ESOPs as a reward and retention tool, start-ups could offer ESOPs to hire people with complementary skills and set up a key management team; hence, it is a way to encourage employee ownership. Given in lieu of a higher fixed salary component, ESOPs act as a big motivator. As the company's performance and earnings go up, the value of its shares also increases, thus making the employees richer. For a company, there are no financial implications for giving ESOPs. For all the gains an employee gets, there is no payout for the company, as employees make money from the market. As such, the ESOP can be treated as a long-term instrument.

However, the terms and conditions may vary from company to company, as the ESOP is a legal contract between the company and its employees.

Both O'Mahoney and Savastano corroborate the fact that ESOPs are increasingly becoming a favourite tool with companies in the GCC.

"The benefit schemes we see stirring the most interest at this time are employee share ownership/stock option plans. Normally, such schemes are offered to senior executives and personnel who are key to the success of the company, although a Dubai-based company recently announced ESOPs for all its employees," O'Mahoney says.

Savastano adds that a perceived benefit of an ESOP scheme is higher productivity and better morale as a result of employee participation in such a scheme. It can also add to the financial well-being of the firm.

pension provision is a good retention tool, especially in an environment that has a very high turnover ratio. For employers, retention is becoming increasingly important as they discover that the cost of replacing employees can often be more expensive than providing the existing ones benefits to encourage them to stay.

Companies are also realising that they have a corporate governance responsibility towards their employees and that funding their retirement schemes is a good way to thank them.

"Employers are realising that in order to retain their key executives, they have to offer some form of ownership or long-term incentives," says O'Mahoney. "They also see the benefit as a way of aligning the interests of the employees with that of the shareholders, resulting in increased motivation and productivity."

Needless to say, the plan, if structured properly, provides the security of an independent third-party protection of the interests of both the employers and the employees.

Companies normally structure these schemes whereby their contributions only vest with the employee after a certain period – for example, two years. In these schemes, when an employee sees that the largest part of the investment comes from the employer, he is somewhat reluctant to leave prior to the vesting period.

The other way to do it is to add additional lump sums at stages of an individual's employment. Such an addition could be in the form of a retention bonus that is paid into the pension after three years, five years and so on, according to one expert.

Products and providers

Since the Middle East is a developing market, most companies do not have their own in-house provident or savings schemes. As such, the trend is mostly to resort to outside providers. In rare cases, however, companies do develop their own savings schemes with the help of external experts.

"We are seeing a significant increase in the interest shown in bespoke schemes designed to meet the specific needs of clients that are cost-sensitive and conducive to the objectives of the company. Until recently, employers did not have much choice; however, this is changing. As a result, employers are now more aware of what they want and don't want," O'Mahoney explains.

In the UAE, multinational banks like Citibank, Standard Chartered Bank and Standard Bank provide long-term savings schemes to corporates and individuals. HSBC, which has a dedicated wealth management division mainly targeted at individuals, is also planning to launch its corporate services soon. But the most common long-term savings providers are insurance companies. The unit link schemes from insurance majors like Old Mutual, Bermuda, Skandia, Zurich and Alico have already become popular with individuals.

Nexus, an independent financial adviser, also provides tailor-made savings and investment solutions to corporates and individuals.

Very recently, Emirates NBD announced a new corporate executive employee plan called Kanzi – which, in Arabic, means 'my treasure'. True to its name, the newly-introduced pension scheme, which has both Shari'ah-compliant and conventional versions, will include services like provident schemes, ESOPs and deferred compensation.

"We surveyed the Gulf scenario on whether the market requires long-term savings or pension schemes and what sort of value does it offer to employees. After extensive research and speaking to pension authorities across the US, the UK, Switzerland and other GCC countries, we realised that end-of-service benefits are extremely important for buying the loyalty of employees," says Azharian, who has been closely involved in the development of the scheme.

Azharian clarifies that this scheme is primarily aimed at offering solutions to institutions looking to attract and retain executive talent.

Standard Bank, which is negotiating with government and semi-government organisations to introduce similar schemes in the region, has already secured a handful of clients. The bank primarily acts as trustee and administrator to employee benefit schemes, most notably ESOPs and corporate pension schemes, apart from providing white label services to institutions wishing to broaden their range of services by offering employee benefits schemes to their corporate clients.

O'Mahoney says that apart from ESOPs, Standard Bank also structures pension/retirement/gratuity replacement schemes where an employer makes regular contributions on behalf of employees. These contributions may be matched by the employee and are invested in a range of funds pre-selected by the employer with the assistance of an investment adviser.

Building momentum

These are certainly interesting times for the region, as the buzz around end-of-service benefits is building up momentum. While there is a dearth of skill all around due to rapid economic growth, the GCC has been able to attract a greater number of skilled people than ever before. In addition, there is much greater focus on retaining that skill for a longer period of time, as that's what is required for institution building. The UAE and other countries in the region, Bahrain in particular, are definitely making progress in terms of employee benefits.

Experts say that business owners are now being forced to offer long-term savings and pension schemes as part of the remuneration package to executives, particularly those responsible for operations and profits. In order to satisfy the expectations of skilled employees, regional companies, especially in industries such as financial services, will eventually have no other option but to offer ESOPs and other long-term benefits not only to attract employees, but also to retain them and remain competitive in the long run.

Property syndicates and pension planning

As job markets in the Middle East become more sophisticated, investment houses in the region will have to design and offer property syndicates to their corporate and institutional pension fund clients, according to **Gary Envis**.

One can watch the evolution of a financial market by reference to the sophistication in financial instruments and the merging of the various investment sectors. I have just completed a project designing an investment product for company pension planning purposes that demonstrates the rapid evolution in the Middle East financial markets, which is driven by market forces such as employment needs and property prices. Allow me to introduce you to the property syndicate.

Now by itself, a property syndicate is not much more than a group of investors pooling their funds to acquire a property or a series of properties for investment purposes. In this way, the investors will share the risks and rewards associated with making the investment in the underlying property or properties.

The need to pool funds arises from the fact that quality property to be acquired for investment purposes comes at a price, which is often well beyond the means of any one individual investor (whether that be in terms of the actual cost or in terms of the percentage holding in property for portfolio asset allocation purposes).

Simply put, property syndicates are another breed of the collective investment fund, save for the fact that this will be a private (or syndicated) arrangement. Whether you participate will be a question of whether you are invited. How many investors make up a syndicate? Anywhere from four to 20 is usual, depending on the size of the project and the minimum investment required, which could be anywhere from US$50,000 upwards (it is more likely to be in excess of US$100,000).

Closed-ended investments

These syndicates are what we know as closed-ended investments. As such, once the money is invested, it is tied into the investment arrangement for a pre-determined period. It would be most unlikely that an investor would be able to exit from the syndicate before the investment maturity date (often between five and 10 years), unless another investor could be found to replace the investor wishing to exit. This regulation does, however, make syndicated property arrangements very suitable for long-term investment needs, such as those often seen in pension arrangements where there is a desire to generate annual revenue together with the prospect of a long-term capital appreciation in the asset.

Two different types of syndicates have been developed in terms of the structuring of the return. The type of syndicate used will very much depend on the target property (or properties), the return expected and the means by which this return will be provided (e.g. rental income or capital return on sale). The first type of syndicate is the structured return syndicate. In this instance, there would be a pre-determined annual return on the capital invested and a pre-determined maturity bonus. There would also be the possibility of a share in any profits that the syndicate realised on exit of the property (should this be a syndicate objective).

The second type of syndicate is the profit share syndicate. With this type of investment, there is no set return level – all returns are dependent on the final profit of the project. Anticipated returns are estimated at the start of the project to provide guidelines for an investor.

The property syndicate can be structured as a private limited liability company or a partnership. An offering memorandum would be prepared explaining the nature of the investment, the expected returns and the risks associated with the investment.

Each investor would acquire shares in the company or interests in the partnership. The company would then be managed and administered by professional "offshore" company administration service providers and the assets held in safe custody for the benefit of the investors.

Market potential

Having explained the concept of the property syndicate, the benefits are obvious for traditional collective investments in property. However, let's take a look at its potential in the pension planning market.

I have been working in the Middle East markets for over five years and have seen the interest in pension planning grow from virtually nothing (only the major airlines being in the market) to what is now interest across the board (literally!). In fact, a company that is not considering "employee benefits" as a means to attract and retain staff will soon notice that not only will it be losing employees to the competition, but also will not be able to persuade quality individuals to join the team.

For many years in the UK, pensions were either company pension schemes or insurance-company-provided personal pension plans. A conventional personal pension and the traditional company pension scheme generally involved the employee plan holder or the company paying money to an insurance company for investment in an insurance policy (which ultimately invested in the traditional equity markets). This means the money is invested with relatively little choice or freedom from the employee plan holder. As such, while the employee plan holder knew what money was being contributed to the pension plan, that employee had no means to influence the return on those funds.

Such limitations in pension investment options became unattractive and individuals were investing for retirement outside of the pension concept. This situation resulted in the development of two pension plan alternatives: small self-administered pension schemes (SASS), which are perfect for directors and other key individuals within small and family run businesses, and self-invested pension plans (SIPP), which in many ways are similar to a normal personal pension plan (the difference arising from what the investments underlying the arrangement can consist of).

Subject to a number of complex UK Inland Revenue restrictions, pension plans are now open to a wide range of investment opportunities including stocks and shares, commercial or industrial property and even loans to the company.

Furthermore, the pension arrangement gives the employee plan holder much greater freedom in what to invest in and for the plan to hold these investments directly. The employee plan holder can have control over the investment strategy or can appoint a fund manager or stockbroker to manage the investments.

This is where the property syndicate could come in. A pension plan properly structured could allow the employee pension plan holders the opportunity to invest in a commercial property syndicate, thereby providing the opportunity of greater diversified returns. The assets would be held in a trust for retirement purposes, so to a great extent, they would be protected from third-party claims (which would not be the case for investments held directly by an individual outside of the pension trust arrangements).

Increased options

At present, employees within the Middle East do not need to deal with the complications of having an Inland Revenue taxing income benefits (although over time this will undoubtedly change). Nevertheless, we can learn a considerable amount from the structuring of pension arrangements from the more mature financial markets, such as the UK.

Companies within the Middle East should not only be offering all employees basic pension arrangements, but should be considering how they can model pension plan arrangements for their key executives on SASS- or SIPP-based principles. They should also be looking at alternative investments that will make the pension fund attractive to the employee.

An employee with a diversified and profitable pension arrangement is less likely to be considering alternative employment arrangements. Companies should also be looking to build a business relationship with the company pension trustee (as permitted under the terms of the pension plan provisions) so that profits are generated to the pension plan rather than third parties (e.g. in relation to corporate lending). However, it is crucial that the pension plan is established and managed independently of the company and at full commercial terms.

Investors realise the long-term value of investment property as part of a diversified investment portfolio. There is also a realisation amongst employees of the need to plan for retirement and a realisation amongst employers of the use of pension incentives as being an ideal tool to attract and retain top quality employees. The use of a property syndicate as one of the investment options for pension provision brings these ideas together in an attractive way for all stakeholders in a business. Structured correctly, property syndicates could even be used as a means for corporates wishing to release capital on company property while putting the property under the control of the key employees of the business.

Undoubtedly, we will be seeing more of the investment houses in the Middle East designing and offering property syndicates to their corporate and institutional pension fund clients. Companies should now be working with experienced employee benefit consultants and investment advisors to consider how best to offer alternative pension investment options to their key employees and whether a property syndicate is an attractive option. MW

Disclaimer: This feature can only provide a brief overview and should be used for general information purposes only. It cannot be regarded as a substitute for specific professional advice.

Picture: Mary McGillivray Walker

It ain't bad being NBAD

Despite having lost its number one position in the UAE to the newly-merged entity Emirates NBD, National Bank of Abu Dhabi (NBAD) has not stopped calling itself the number one bank. Michael H. Tomalin, the bank's CEO, tells **Utpal Bhattacharya** why.

How does it feel to slip from the exalted number one position to the number two?

One can expect varied responses to this question from chief executives who have gone through a similar experience. NBAD CEO Michael Tomalin, however, laughs it off. He says that it took some time for the competition to catch up and get past NBAD, but not before two banks merged to become one. And two is always bigger than one, he quips.

The next question is, obviously, wouldn't NBAD want that coveted position back? Absolutely, says Tomalin. But he doesn't stop there. He goes on to explain that even back in 1999 when NBAD decided to call itself the number one bank in the UAE, it didn't actually occupy the position. In fact, it was number four in profitability after National Bank of Dubai, Emirates Bank and Abu Dhabi Commercial Bank. The statement was coined more to show what perception people had of NBAD. It was a mind thing, the CEO adds.

"We called ourselves the number one bank, as it was a kind of mind awareness that we were talking about – the perception that NBAD was the bank of reference, and so you have a share of the mind. In that sense, we are still a number one bank," argues Tomalin.

Retail banking

Self-belief and playing on perceptions are fine, but NBAD is also not sitting content. It is backing itself with some serious banking strategies to claw its way up the ladder once again and increase its market share from the current 15 per cent (27 per cent for Emirates NBD, which is at the number one spot after the merger).

NBAD's market share in the UAE has remained almost a flat line for the past few years. The bank has neither gained nor lost any ground, despite the UAE being such a competitive market. Tomalin says that Emirates NBD alone owns over a quarter of the market, while foreign banks account for the other quarter, leaving all the other players cluttered around the remaining half. Nonetheless, he believes that NBAD has enough muscle and brand recognition to build up its share in the coming months.

"We are confident that we can gain market share slowly. But you can also draw wrong conclusions sometimes when you look at the big headline figures. You have to look at the granularity of those figures to get it right. For example, we have gained significant market share in asset management, brokerage and corporate banking," he notes.

NBAD's relative weakness continues to be retail banking, but the bank has begun to address its disadvantage in this area. For one, NBAD has hired a new head of retail banking, John Malouf. The bank has also undertaken massive internal restructuring, taking into account the demand for the right resourcing and support to grow this leg of the business. It has, in fact, taken corporate banking out of domestic banking and clubbed it with its investment banking business, calling this line the corporate investment banking business – or, more appropriately, the wholesale business. As a result, NBAD's domestic banking now has to focus primarily on its retail and small and medium enterprise (SME) business, where it has actually lost market share.

"We know where we are strong: private banking, asset management, corporate banking and investment banking, treasury and money market. We know where we are relatively weak and we now need to concentrate on strengthening where we are strong and building where we are weak, like in the retail and SME segments," says Tomalin.

It is interesting that in the first quarter of 2008, the percentage of NBAD's retail book of the total balance sheet declined to 15 per cent from 17 per cent recorded in the corresponding period the previous year. These figures only indicate that the bank's wholesale banking activity is continuing to grow faster than its retail banking activity.

"Now you will see lots of action in our retail banking front. You will also be surprised how strong we are in some of these spaces, like in home finance," says Tomalin.

The CEO adds that the restructuring will allow the domestic bank, which owns the branches, telephone banking, home finance and credit card business, to concentrate all its energy on developing this business.

NBAD plans to open 28 new branches in the UAE in 2008, in addition to the 76 branches the bank already has. Of these new branches, five are planned for Abu Dhabi; the rest will be outside of the emirate. The bank currently has 43 branches in Abu Dhabi and 33 outside.

International banking

NBAD has also spent a number of years quietly building its international business. Tomalin says that the bank's approach has been cautious in this regard and that growth has come organically. In the nine years that Tomalin

"We called ourselves the number one bank, as it was a kind of mind awareness that we were talking about – the perception that NBAD was the bank of reference, and so you have a share of the mind. In that sense, we are still a number one bank." Michael Tomalin

"The average cost income ratio of the UAE banks is in their mid-30s, a lot lower than their counterparts in the developed market."
Michael Tomalin

has been with the bank, NBAD's Egyptian business has grown from half a dozen branches to 22 today. The bank has also taken a similar approach in Oman, where it began with one branch a few years back, building it up to six branches as of now. There are plans to add two more branches this year.

The bank has additionally opened in Bahrain and Kuwait, with plans to enhance its presence in those countries. In Qatar, it is expecting approval to set up a branch shortly. In Saudi Arabia, however, it continues to remain an outsider, preferring to service the Kingdom remotely.

"The Saudi banks are very strong and well positioned. We will have to ask ourselves what value we can bring to our clients being there. I am sure, in due course, we will be in Saudi Arabia, but it is not something that is on our immediate horizon," says Tomalin.

Outside the GCC, the bank's Middle East and North Africa ambitions have been well served by its growing Egyptian business, while Sudan has also been added. In addition, NBAD was recently given permission to open a representative office in Libya. As for Levant, the bank hopes to get permission to open in Jordan sometime in the future.

In the international markets, NBAD already has branches in London, Paris and the US, while it hopes to open in Hong Kong this year. The CEO discloses that NBAD has plans to expand and grow its Asian business with more branches in the future.

Tomalin adds that the strategy will continue to be one of organic growth, unless the bank finds the right entity at the right price.

"I am not saying that we will not make acquisitions. We will make small acquisitions, but not the headline types, and the right entity at the right price. We built NBAD without any new tier one capital being injected into the bank. The investment capital came from our retained earnings alone. We also feel that the price of acquisition is quite high and that it is easier to build rather than buy," he contends.

The price of growth

Like a number of its peers, NBAD is also hiring in large numbers this year to support its growth plans. According to Tomalin, the bank will add another 10-15 per cent this year to its existing headcount of 3,000 employees. And these recruitments will be made across all of the bank's business lines.

NBAD's business is structured into six lines. Apart from retail, international and corporate investment banking, the other three lines are the financial market business, the wealth management business and the Islamic banking business. NBAD's private banking business comes under its wealth management line, which also houses the brokerage and asset management businesses. The financial market business looks after the dirham and international currency capital markets. The bank's Islamic banking business is handled through a window in the bank; an Islamic banking subsidiary also fills some of the gaps that this window is not able to service.

Tomalin says the bank will expand across all of its lines during the year, although with the economy booming and two new banks launching in the UAE, there will be a scuffle for talent acquisition in the industry and growth of existing businesses will be costly.

"If you look at financial results of banks in the first quarter, you will generally see that operational costs are up 40-50 per cent year on year," he adds.

Tomalin attributes the high increase in operational costs to the combination of competition for talent (and therefore higher salaries) and growth in businesses in terms of more people on the payroll. It is also a function of much more competition between banks to build their brands, while in some cases, like that of NBAD, it is also due to heavier investments in IT. All banks are going to go through this situation of relatively high growth in their costs in the coming years, says Tomalin.

The question to ask, of course, is whether banks will be able to afford this high growth in costs in the future. The NBAD CEO feels positive about the situation and argues that strong economic growth and the relatively low cost income ratio of UAE banks will allow the industry to continue to do well in the country.

"The average cost income ratio of the UAE banks is in their mid-30s, a lot lower than their counterparts in the developed market. It means that if you increase your costs by 50 per cent, you need to increase your revenues only by 15 per cent, dollar basis. In that way, your cost income ratio deteriorates, but your profit line remains the same," Tomalin explains.

He also emphasises that it is possible for UAE banks to continue to grow their businesses without severely affecting their profits, even during these times of fast-rising costs. He says that if the cost income ratio shoots up to 60 per cent, which is more typical in the US and Europe, then of course it will become much more difficult. But then, in much of the developed world, the focus is on managing costs and trying to drive out as much cost as one can from the business in order to make profits. It is a different kind of managerial issue in this part of the world, where the issue is making sure that increasing costs are properly deployed, Tomalin maintains.

Whatever the increase in costs, NBAD is well on its way to deliver what the management has promised its shareholders. In fact, while the promise was 25 per cent return on equity, the first quarter results have given shareholders 29.7 per cent, which is the highest return on equity by any of the larger banks in the country. Tomalin, of course, cannot comment on the expected profits of the bank because of regulations, but quotes analysts predicting 20 per cent growth in profits for the year. If one goes by the 45 per cent growth in first quarter profits over the same period in the previous year, then these predictions look modest.

Financials apart, NBAD also seems to have made the decision to groom its own bankers, as the bank is planning to develop its own academy. Most likely to be called NBAD Academy, it will be located in the "Between Two Bridges" area in Abu Dhabi and will teach banking and finance to its students, mainly the NBAD staff. It's smart thinking, especially at a time when talent is in short supply across the world, not just in the UAE. The academy will certainly help solve some of the bank's problems when it comes to tapping the market for quality bankers in the future.

When rewarding loyalty, the sky's the limit

Capitalising on consumers' desire for freebies and rewards, retailers, airlines and bankers are all vying for their respective share in the retail arena, travel space and the sky above. **Ritwika Chaudhuri** finds out how innovative partnership deals can actually be financially rewarding for all parties concerned.

Co-branded cards and air miles coalition programmes have proven to be smart marketing tools for providers in terms of bringing in more revenue. Such programmes are often seen as a lure for consumers, encouraging them to spend much more than they would if there were no loyalty schemes.

In the Middle East, loyalty programmes are becoming increasingly popular because of the demographic make-up of the region's population, which includes a large number of expatriates with travelling compulsions. In fact, travelling and shopping are two of the top most priorities for people living in the region – especially those in the UAE.

Stakeholders in the payments industry have come up with an increasing number of loyalty programmes in recent years, targeting the travelling and shopping requirements of the region's population. Their ambitions have been further fuelled by the replacement of cash with plastic cards.

Card payments in the GCC region have jumped 30 per cent in the last year alone. According to Visa statistics, 1.53 million credit cards and another 2.72 million debit cards had been issued by the third quarter of 2007.

The travel and retail business has seen a similar trend. Spend in the UAE's travel market was expected to have crossed US$7.1 billion by the end of 2007, aided by 1,760 weekly flights departing from the UAE – half of which originated in Dubai. In addition, outbound traffic from the country is expected to increase at a rate of 12 per cent per annum until 2009, meaning more opportunity for loyalty programmes to target travellers.

A report by Abu-Dhabi-based Arab Monetary Fund sums up the overall sentiment of UAE residents when it comes to shopping and leisure. According to the report, UAE residents spend just under US$20,000 annually on consumer goods and services, representing the highest average of all Arab nations. In 2006, the UAE's private consumption covering spending by individuals and families on goods and services totalled US$84 billion. By 2009, retail spending alone in the UAE will reach almost AED37.44 billion per year, according to DMG World Media.

It is little wonder that airlines and credit card issuers are rushing to address the travel needs of UAE residents, while at the same time inventing tactics to boost consumerism.

Co-branding has been a particularly successful tactic. Back in 2000 in the UAE, Citibank and Skywards were the pioneers of this type of programme. Today, the idea is catching up with a number of smart bankers, while key players like Air Miles have also entered the scene.

The cards buffet

When it comes to co-branded credit cards and loyalty programmes – especially those that reward air miles and other travel benefits – consumers have a wide variety of options to choose from.

Citibank has tied up with Skywards to offer customers one Skywards mile for every US$1 that is spent on their credit or debit cards. With the Ultima card, which targets the higher end of the market, customers can earn two Skywards miles for every US$1 spent. Skywards miles can also be earned using a Citibank e-card.

Skywards has tie-ups with other banks in the UAE as well, such as Emirates Bank and Emirates Islamic Bank. Holders of any Emirates Bank Group credit card can earn three of the bank's own meMiles for every AED10 they spend on purchases worldwide. These can later be converted to Skywards miles at the rate of 0.8 Skywards miles for every meMile earned.

Emirates Islamic bank recently launched its first Islamic co-branded credit card with Emirates Airline and Visa. This card has one of the most rewarding conversion rates in the market, with cardholders earning one Skywards mile for every AED1 spent on the card. The miles are also redeemable against a number of offers, including reward tickets from Emirates and other partner airlines, hotel discounts, car rental deals, complimentary golf rounds and free E-Gate cards.

Apart from the UAE, Skywards has spread its wings into other GCC countries as well. Bahrain-based Ahli United Bank (AUB) has partnered with Skywards to provide AUB credit cardholders in Bahrain with the option to convert points they earn through the bank's Oyster Rewards programme. Cardholders can convert each Pearl point they have into one Skywards mile. The miles can then be redeemed for free flights, upgrades and other leisure and lifestyle rewards with Skywards' worldwide partners.

Travel & shopping a top priority

The preference of Middle East consumers is highly skewed in favour of travel and shopping, the latest MasterCard Consumer Lifestyle survey found out.

While most consumers surveyed in the UAE have lined up travel plans in the months to come, 78 per cent want to travel for personal reasons, five per cent for business reasons and another eight per cent for both. Ninety-nine per cent of those surveyed are planning to spend in the range of 11-50 per cent for personal purposes while travelling. Spending on business travel is poised to further increase, with 95 per cent of consumers willing to spend more.

In the survey, 59 per cent of UAE consumers mentioned shopping as their main activity while travelling. The majority of UAE travellers own some sort of payment card, whether it is a credit card (71 per cent), debit card (78 per cent) or pre-paid card (48 per cent).

Brian Labelle

Dave Battiston

Faisal Aqil

Premal Patel

Sangeeta Pendurkar

Air Miles

Air Miles is the world's leading coalition programme and the only regional coalition loyalty programme in the Middle East region. The Middle East chapter of Air Miles, known and managed by Rewards Management Middle East, covers the UAE, Qatar and Bahrain. It is owned 40 per cent by HSBC and another 60 per cent by the Loyalty Management Group of the UK, which has been running successfully in the UK, Canada, the Netherlands and Spain for the past 20 years.

Air Miles can be redeemed for a wide range of rewards including airline tickets, cruises, hotel accommodations, restaurant meals, perfumes, movie tickets, magazine subscriptions, tickets to theme parks and more. Unlike other loyalty programmes, Air Miles are easy to collect, as cardholders earn them on card spend as well as on spend in retail outlets.

Since its launch in 2001, the programme, which is free to join, has grown exponentially, with nearly two million members enrolled from over 700,000 households in the UAE, Qatar and Bahrain. Now, over 80 per cent of all Air Miles members have either redeemed their Air Miles or have enough Air Miles to do so, making Air Miles the largest and most active retail database in the region. In this region, some of Air Miles' major partners are Spinneys, Damas, Sun & Sands, Bin Sina Pharmacy, Royal & Sun Alliance and Lamcy Plaza.

According to Air Miles' CEO, Dave Battiston, it is hard to quantify a specific figure for the value of each Air Mile. Looking at typical shopping vouchers, the conversion starts at a minimum of 6,500 Air Miles for an AED100 voucher at one merchant, but it could convert from 24,000 air miles to an AED100 voucher for another merchant. "There are over 1,000 rewards that our members can redeem for. Services vary significantly from reward to reward. This could be affected by availability, discounts offered by the supplier (which are passed directly to our members) and achievability," he explained.

Skywards and Kuwait's Al Ahli Bank have also introduced a co-branded credit card that promises Kuwait residents three Skywards miles for every KWD1 spent on the card.

Brian Labelle, senior vice president at Skywards, says that globally, airline co-branded credit cards are amongst the most successful partnerships between frequent flyer programmes and banks. With different emerging market segments and varied target audiences, it is an opportunity for both organisations to expand the range of products and services offered to their members while expanding their membership bases. At the same time, this sort of partnership adds tremendous value to the mutual customers of the partners, he adds.

In March 2006, National Bank of Dubai (NBD) launched a credit card with Dnata, the Dubai-based travel provider. Apart from a range of competitive credit card benefits that include high credit limits, acceptance at millions of MasterCard merchants worldwide and 24-hour customer assistance, the NBD-Dnata MasterCard credit card allows its members to earn reward points redeemable for airline tickets, exotic holiday packages and various other services.

Abu-Dhabi-based Etihad airline is also heavily into rewarding loyalty travellers. The use of the HSBC Etihad Guest card entitles customers to earn Etihad Guest miles for every US$1 spent (the earning of miles varies with the type of card). While all frequent flyer programmes typically have a threshold for redemption, the Etihad Guest programme is unique in that cardholders can choose to redeem their miles with as little as one mile using the one-mile redemption feature and settle the difference in cash using the miles-plus-cash feature of the Guest programme.

Additionally, HSBC has tied up with Air Miles, the only regional coalition

loyalty programme. HSBC credit cards offer Air Miles to all cardholders on card spend. Cardholders can also collect Air Miles from over 1,500 participating outlets in the UAE. Air Miles can be redeemed for a wide choice of rewards that include airline tickets, cruises, hotel accommodations, restaurant meals, perfumes, movie tickets, magazine subscriptions, tickets to theme parks and more.

American Express, too, has tied up with Etihad to link their respective loyalty programmes and offer a host of lifestyle rewards for affluent customers across the world.

Win-win situation

In terms of who benefits, partners agree that co-branding and loyalty programmes are beneficial to all parties concerned.

Labelle explains: "For any venture to be successful, it has to be a win-win-win situation for the customer, the airline and the retail partner. The customer must be the very basis of all planning and strategy, while price, product, quality and service are the crux around which most policies are drafted and implemented. The benefits are thus customer-centric, but there are rewards for both banks and Skywards. Typically, with joint marketing efforts, we will expect to see an increase in the membership base, increase in activity and increased visibility."

This statement proves to be accurate if we look at the rise in membership that all concerned partners are enjoying. Launched only in November 2006, the HSBC Etihad Guest card already has 25,000 members. Skywards has drawn 3.5 million members from all over the world in the last seven years, while Air Miles, since its launch in 2001, has more than two million members from the UAE, Qatar and Bahrain.

"Research has shown us that our cardholders have a global lifestyle and constantly want to get more out of life. Travel rewards and benefits are an integral part of what they see as a true value-add from a credit card," says Sangeeta Pendurkar, regional chief marketing officer at HSBC. "Any reward programme or airline tie-up is designed to address this customer need, thereby resulting in increased customer satisfaction."

Faisal Aqil, general manager of retail at Emirates Islamic Bank, describes the bank's strategic partnership with Skywards as a commitment towards putting customers' needs above all else. "Travel is an integral part of the lives of many of our customers. Through this partnership, we have been able to add huge value to their travel and offer them many more benefits that complement their lifestyle," he says.

Aside from customer satisfaction, loyalty, retention and added value, revenue is a big driver for loyalty programme providers. Within the airline industry, the perception is that such programmes generate 15-20 per cent of revenue, which is no small amount.

"Of course there is a revenue aspect in every partnership. We are a profit centre and thus have to sustain ourselves in terms of commercial returns, growth and operations," Labelle admits.

Needless to say, having more members ensures more revenue. Through Air Miles, HSBC has witnessed a 30 per cent increase in card use every year and a 50 per cent increase in card acquisition. Similarly, other Air Miles partners like Lamcy Plaza and Damas have seen footfall increases of 31 per cent and 20 per cent respectively.

Dave Battiston, CEO of Middle East rewards management at Air Miles, notes that it is a natural tendency for retailers to introduce innovative tactics not only to retain existing customers, but also to attract new customers, as ultimately an increase in the level of loyalty will ensure more revenue, positive bottom lines and increased profitability.

"Air Miles gets discounts from suppliers and a small variable percentage from retailers, while companies make money in redemptions Air Miles pays for," explains Battiston. "Because the whole programme generates more customers, even after providing discounts, it works out to be cost effective for business establishments."

Premal Patel, senior marketing director at American Express Middle East & North Africa, agrees, adding: "We have seen card members enrolled in membership reward programmes generate around four times more spend – a compelling proposition for merchants that wish to attract an affluent audience."

For American Express, more than 60 per cent of point redemption takes place in the travel and hospitality sector. The company has recently experienced a 10-15 per cent increase in retail redemptions as well.

All indications are that loyalty programmes around cards are set to grow and explode over time. For consumers, the deals that they get through these programmes could be double-edged swords that eventually lead them to spend more than they earn. But for those who are prudent enough to get the most they can out of these programmes without overspending, it is time to start taking advantage of the many products available.

Skywards

Now celebrating seven successful years, the Skywards frequent flyer program of Emirates Airline is widely known to deliver benefits to its members that go beyond the mere travel experience. More than 3.5 million frequent travellers across the globe have joined Skywards since its launch in 2000.

Members earn Skywards miles on every flight with Emirates and its partner airlines. Skywards flight rewards start at 10,000 miles and all flight rewards are for return tickets. Members can also earn miles by staying at Skywards' partner hotels, using the services of other partners for car hire and leisure activities and when using co-branded credit cards in association with banks. Rewards for a passenger's loyalty and business include free flights and upgrades to hundreds of destinations, as well as free leisure activities and quality goods.

At present, Skywards offers three types of membership: blue, silver and gold. Skywards blue cardholders earn one Skyward mile for every mile flown, while silver cardholders receive 1.25 Skywards miles for every mile flown and gold cardholders earn 1.50 Skywards miles. Also, flying in business or first class ensures 50 per cent and 100 per cent more Skywards miles respectively. Available also are family bonus miles, where 20 per cent of the miles flown as a family add to the family head's account.

The fifth generation game

Adel Fakhro represents the fourth generation of a business that was started by his great grandfather in 1888 in Bahrain. Sitting at the helm of the successful business today as group managing director of Abdulla Yousif Fakhro & Sons, he tells **Ehab Heyassat** that doing business in the GCC has not always been easy.

There are not many four-generation businesses in the region. Tell us a little bit about how it all happened.

My children and nephews are now getting into the business, so we are already into the fifth generation.

My great grandfather started the business in 1888 and over the years, it has evolved and diversified in a big way. We started off as a traditional merchant house. My grandfather was at the helm of business from early in the 20th century until his death in 1952. He had five sons, and in the 1930s and 1940s, he had one each in India, Dubai, Bahrain and Iraq, and that was my father.

After the death of my grandfather, my father and uncles shared the companies and split up the business. My father ended up buying out most of the businesses from his brothers. I and my brothers helped him grow the group to where it is today.

At the moment, the group consists of 14 companies. We are always adding divisions and new initiatives in the group. Our major focus is now on building businesses in the Gulf. We have branches in Doha and Dubai, and we are in the process of building two others, one each in Abu Dhabi and Kuwait.

What activities are you involved in today?

The group is involved in several activities from restaurants to telecommunications to insurance, shipping, trading and car rental.

We are mostly focussed on the trading and services sectors. We have four companies in Dubai, one in Abu Dhabi and two in Doha. We have always felt that it was important for us to geographically diversify outside of Bahrain.

Our companies in Dubai today include a telecom equipment company, a telecom services company, a ship handling and supplies company, and a car rental business under our own brand. We also have a telecom equipment and services company in Abu Dhabi, while in Doha we have both the car rental and telecom services businesses.

Do you plan to have interests in Saudi Arabia in the near future?

We do work with some companies in Saudi Arabia, but we don't have our own presence on the ground there. We have plans to open in the Kingdom, but we have our limitations in terms of management resources. This is why we are expanding in a measured manner. We have to build it gradually; we will be there eventually. We would like to be in Saudi Arabia not today, but yesterday.

Will the business again split in the future?

That will never happen again. We will ensure that all our businesses remain as one group and are not broken up by individuals again. We have learnt lessons from that in the past.

What lessons have you learnt? Can you please elaborate?

As you can see, when a business owner dies, if the business is a sole proprietorship, it is inherited by his children, and then the business splits amongst them over time. But it certainly is not a good practice, as in the process the business gets smaller and fragmented instead of growing and expanding.

We have converted all our business divisions into companies with limited liability, or into closed subscribed companies. That way, it is ensured that the company will continue and not split up and get fragmented by the next generation. This is even more important now, especially when the new generation is coming to work in the group. In the future, they will all be working together, and this will be the case with their children. We will continue to remain as one entity.

How have you structured the group for that not to happen?

We have structured the main company into a BSC company. The law in Bahrain is not very clear on holding companies yet.

Have you organised your business with a board of directors, non-executive directors and a professional management structure?

We still have not. We run the group as a family business. But now we are planning for that to change. We have realised that over the medium term, we need to move to a professional management. When we have that structure in place, not all family members would be entitled to have managerial tasks in the group, though they would continue to own parts of it.

"In other words, all of the GCC is allowed to compete in our small Bahraini market, while we are restricted in the larger markets of the other member countries. I don't think that is a fair deal."
Adel Fakhro

Do you intend to dilute the stake of the family in the future?

Right now, the answer is no. As you know, one of the primary considerations of going public is the need for cash for expansion. In fact, 90 per cent of family businesses in the region are not in need of cash. They are in need of opportunities to invest the excess of cash generated by their businesses. This is true for us as well, and so the justification for us to go public is lost there.

We also feel that there are many negatives of going public. Firstly, you lose control of your business after dilution. A second reason is that we as a family own assets that provide a reasonable return on equity, whereas if we sell it, the proceeds or the generated cash from it will not give us that kind of return. So, from an investment point of view, it is a bad decision. Also, diluting our share will only be a logical decision when advantages outweigh disadvantages. Right now, it's the other way around – we see more disadvantages. I do not see dilution happening in the short to medium term, unless there is investment rationale to support such a decision. But I also do not see it happening beyond ten years either.

At this point in time, people are confusing between good management and corporate governance and the need for diluting family businesses. Many feel that they can appoint the best managers only by going public, as then they would not be obliged to have family members running the day-to-day operations of the business. I think these considerations are the wrong reasons for going public. You can introduce best practices and corporate governance by engaging professional management even without going public.

You do not intend to enter real estate and financial services?

We are not a property development company. But we do have real estate investments, although these are not under the companies of the group. These are private investments and assets.

As for financial services, we have been in the insurance business for about 55 years. We are insurance brokers. We have been recently thinking of increasing our footprint in the insurance sector and using that as a springboard to take us to other businesses in the financial sector. We want to bring the right management and foray into other financial products and services. I would say that in three to five years, we will be well established as a financial services company.

Will you mostly look at the retail side of financial services?

We will be looking at retail initially, such as distribution of third-party products, and then expand that into the wholesale sector.

How do you see inflation? Is it affecting your business?

Most of the products we sell are imported, so we are subject to the so-called imported inflation. Also, our government has allowed all sorts of companies to open up in Bahrain, resulting in prices coming under a lot of pressure. We maintained our prices in our McDonald's restaurants for the last 15 years. I don't think our competition managed to do that. That was phenomenal. But now with the fast rising of food prices, I don't think that will be possible any longer.

But you did raise prices recently, didn't you?

In December 2007, we raised the prices between three and four per cent across the board. There were exceptions where the increase was much less. By doing that, we wanted to give our customers the best value for their money, even as we absorbed as much as we could before passing on the rest of the burden to them.

You also have to understand that in this competitive landscape, you cannot raise your prices all the time. However, we were faced with a classic problem where we were losing key people. We had to raise the salaries significantly for our staff to adjust to the rise in the cost of living. I must also add here that if the price pressure continues, we will be forced to review our options once again later this year.

What do you think of the common currency? How will it help your business?

Without a doubt, the single currency will benefit all the GCC countries. We all know now that it is not going to happen by 2010. It was an aggressive timeline. But when it happens, it is going benefit everybody.

Are you planning to invest outside of the GCC?

Bahrain accounts for more than 70 per cent of the total revenue for the group. We have a diversified investment portfolio in other markets in the GCC as well, as I mentioned before. We are also exploring India; the two business lines we are looking at are insurance brokerage and car rental in that market. We believe in sticking to what we can do best to add value.

As you look at diversifying and growing your business, what are the challenges that you are faced with today?

We are part of the Bahraini business community. We have a buoyant economy, and we have a fairly good standard of living. Bahrain, as well as the other GCC countries, has also remained immune to regional conflicts.

I have to point out here that, as a business, many of our challenges are Bahrain-centric. The biggest, of course, is the political challenge. Legislation is a challenge; the lower house is driven by religious issues. The majority of members in the lower house represent religious parties from both sides. That is not entirely bad, but often they are not conducive to business.

We have a sectarian issue as well because of the regional make-up. So far, it has not affected the business as such; but it is a new phenomenon, something that we have not seen before.

Bahrainisation is another issue; we have to rely more on our people. The government has done little in this regard, and it's not enough. As a private sector, we have to work together to train skilled Bahraini workers.

> *"We also feel that there are many negatives of going public. Firstly, you lose control of your business after dilution. A second reason is that we as a family own assets that provide a reasonable return on equity, whereas if we sell it, the proceeds or the generated cash from it will not give us that kind of return. So, from an investment point of view, it is a bad decision.* Adel Fakhro

Do you believe that the government, or at least some members of the government, are against reforms?

I think there is a bit of frustration pent up in some quarters of the bureaucracy that creates impediments in the implementation process of the plans of the government. Businesses do not like bureaucracy; we seek profit and profit is a function of time. We do not like anything that delays things or puts obstacles in the way, as it eats into our profits.

However, as a business, we also feel very comfortable with the crown prince's approach in the recent months. Thanks to his efforts, we have an economic vision and a plan. I think it is a very good development. With such a clear vision, the country will recognise its strengths and weaknesses and will have the right approach.

Are there no challenges in doing business in the GCC?

There are challenges, of course. We have been limited by the obstacles that we face as Bahrainis in the rest of the GCC countries. I am very bitter about it, and I am saying this with all my heart. In Bahrain, we have opened up our market without any caveats. A quick visit to the Al Seef Mall will show you that a number of GCC companies are operational there. But we face obstacles in every market in the GCC that we try to do business in.

I reiterate that in the GCC, Bahrain is the easiest place to set up a business, while Qatar is the toughest. Dubai is a lot easier, but we still face restrictions – like Dubai will not allow us to open a branch and we have to register our companies there in our names as GCC citizens. In Abu Dhabi, activities like car rentals are not allowed. In Qatar, we cannot own properties. We can own only one property for residential use. In Oman, you can't own agricultural lands.

In other words, all of the GCC is allowed to compete in our small Bahraini market, while we are restricted in the larger markets of the other member countries. I don't think that is a fair deal.

Gold and silver juniors are the ticket to riches

In these times of inflation, precious metals, especially gold and silver, could fetch a bonanza for investors, argues **Peter Cooper**.

Investors face an uphill struggle protecting their portfolios against inflation. In theory, equities rise in value with inflation. In practice, though, their valuations suffer from the effect of rising costs on profit margins. Real estate can rise with inflation, but most global realty markets are deflating. Bonds are wiped out by high inflation. Only gold and silver are guaranteed to do well.

That the world is trapped in an inflationary cycle ought to be obvious to anybody surveying the global economy this summer. The root cause is loose monetary policy by the Federal Reserve, the old canard of debasing the currency to devalue debt and bail out debtors and the banks. The M3 money supply, a figure no longer published, is up 17 per cent year on year. Put too much money into the global economy and the price of goods and services has to rise accordingly, and that is inflation.

The world last experienced such an economic cycle back in the 1970s. Then as now, a stock market and housing bust followed excessively loose monetary policy and oil prices spiraled upwards on a surging money supply until a blow-off in 1980. Consumer price inflation rocketed all over the world and commodity prices surged. Gold hit US$850 an ounce in 1980 while silver hit US$54, a price still not repeated since then.

The big problem with inflation – aside from its distorting effect on the economy and investment – is that once released from the bottle, the genie will not go back in easily. It took high US interest rates and a painful recession in the early 1980s to get inflation under control.

The dilemma for the Federal Reserve today is that much as it would like to raise interest rates, this is impossible. The impact of higher interest rates on a massively-indebted US economy laden with derivative counterparty risk would be suicidal. The banking system would crash, something that last happened in the Great Depression of the 1930s and which the Fed will want to avoid at all costs.

That cost will be high and persistent inflation for the next few years. Eventually the US economy will recover sufficiently to take its nasty medicine, but with US house prices not expected to stop falling until the middle of next year at the earliest, that could be some years away. In the meantime, investors are going to suffer from a bear market in equities, falling global real estate prices and a rout in the bond market.

All of this will gradually convince even the skeptics that precious metals have value as an asset class. And as the number of alternative investment options fall away, more and more money will be corralled into gold and silver. It was the same story in the late 1970s when US president Jimmy Carter faced a similar inflationary spiral. The unlucky new president will be heading for the same showdown with precious metals.

Precious metals

Indeed, investors this summer should be looking beyond the end of the year and thinking about what a new US administration will mean for their portfolios. Is there any reason to expect monetary policy tightening that will tackle inflation and shore up the US dollar? My argument is that the US economy will not be fit enough to take this medicine. Therefore, high inflation and a further devaluation of the US dollar are inevitable. Since gold has an inverse correlation with the US dollar, that means much higher gold prices.

Some investors will not accept this thesis, which is basically a double-dip recession with another lurch downwards after the new president is installed in the White House. But then you are saying that the present financial crisis will be quickly over, while past financial crises have lasted on average for three years and have always resulted in considerable second round effects. Are we not just starting to see the impact of a credit crunch on business and consumers? Is there not a whole cycle of business contraction, job losses and consolidation to come? You cannot jump off a business cycle halfway through.

So, like in the 1970s, we have a period of high inflation and low growth. Not so bad, of course, for the Middle East, where the oil boom will be sustained for longer than generally expected by excess money finding its way into higher commodity prices. And then we will have a speculative boom in precious metals, just like in the late 1970s.

The question then is how to position your portfolio to profit best from this anticipated speculative boom in precious metals. All ships rise in a rising tide, but some will rise higher than others. And over the past couple of years, bullion or the physical metal has outperformed gold producer and junior explorer stocks.

Of course, this may well not continue as the precious metal cycle moves into its most exciting phase. After 1978, the best leverage to the surging price of gold and silver came from owning precious metal stocks, and the best performance of all came from the junior exploration stocks. The latter own the claims to land for future gold and silver production, and the value of this land shifts exponentially in the late stages of a boom, just as land prices advance most strongly in the final stages of a real estate boom.

If you are really convinced about inflation being with us for some years, then you should be out snapping up smaller gold exploration stocks. Fortunately, this asset class has recently been out of favour and has been through a boom-to-bust cycle of its own in this gold bull market. The dot-com stocks did the same in the late 1990s and still returned to deliver fantastic returns for investors.

But get a move on if you want to invest, as the big gold and silver producers are known to be planning their own merger and acquisition campaign among the juniors. Get in ahead of them – websites like www.goldseek.com and www.golddrivers.com are the places to search for juniors – and you could make a killing, as this takeover activity will be the trigger for a revaluation of the whole sub-sector. Silver will also outperform gold, just as it did in the late 1970s.

OCC gets the thumbs up

With soaring demand for cement in Oman and the GCC, **Global Investment House Research** gives a buy recommendation to Oman Cement Company.

Oman Cement Company (OCC) was established in 1977 by Oman's commerce and industry ministry. The construction of a 624,000-tonne-a-year plant was completed in October 1983. In 1994, OCC's capital was increased to its present level through a public subscription on the Muscat Securities Market (MSM), after which the company's shares were listed.

The government still owns 63.5 per cent of OCC's shares, with the ministry holding 43 per cent. OCC produces ordinary Portland cement and sulphate-resistant cement using limestone and silica, which are found near the plant in the Rusayl industrial estate, and iron ore and gypsum, which are quarried elsewhere in Oman.

All OCC's production is sold in Oman, but with the additional capacity, the company is seeking opportunities to start exporting.

The company has entered into an agreement with CBMEC, China, to build its third production line with a clinker production capacity of 4,000 tonnes per day. The project cost is estimated at approximately US$162 million, or OMR62.3 million. The project is expected to be completed by the fourth quarter of 2009 and the additional impact should reflect in the books by fiscal year 2010. OCC will be able to reach a clinker capacity of 2.4 mtpa against 1.2 mtpa and a cement capacity of approximately 2.6 mtpa by 2010 that currently stands at 1.87 mtpa.

The value of Oman's shares derived from the weighted average of the discounted cash flow and relative valuation methods is OMR9.88 per share. The stock closed at OMR8.612 on the MSM at the end of trading on April 10, 2008. The value of the stock has a potential upside of 15 per cent from its current price level. At the current price, Oman's shares are trading at a P/E multiple of 13.1x and 12.3x for 2008 and 2009 respectively. Therefore, we recommend a 'BUY' on the stock. (See Table 1)

Oman cement sector

The Oman cement sector comprises two listed companies: OCC and Raysut Cement Company (RCC). OCC, located near the capital of Muscat, serves the northern part of the country where most consumption is concentrated. RCC, on the other hand, is located in Salalah, which is relatively underdeveloped and the demand for cement is lower. As a consequence, RCC established a cement receiving facility at Port Sultan Qaboos in Muscat with a capacity of 15,000 tonnes to cater to the northern part of the country.

RCC is also in the process of establishing a similar cement receiving facility inside the Sohar Port with a cement capacity of 20,000 tonnes. Both facilities are supplied with cement through dedicated specialised cement carriers on long-term charter with the company. RCC focuses on the deficit markets of Yemen and the East African coast, where it has established cement receiving facilities at the ports of Mukalla and Aden with a total capacity of 27,000 tonnes. The current total capacity of clinker and cement with these two companies is 3.86 mtpa and 4.62 mtpa respectively.

The Omani cement market is relatively small compared to other GCC markets such as Saudi Arabia and the UAE. The two local producers have a current aggregate capacity of 4.62 mtpa (up from 3.63 mtpa in 2006).

A healthy demand for cement, riding on the back of a healthy pipeline of civil, industrial and infrastructure projects in Oman, has spurred both clinker and cement capacity expansions by both the existing companies. OCC's new capacity is expected to come online by the end of 2009 and would commission its production in 2010. The latest capacity expansion at RCC of 0.83 mtpa came on stream in July 2007.

The total sale of cement by the two Omani cement companies in 2007 was 4.10 million tonnes, 3.07 million of which were sold in the domestic market. The balance of 1.03 million tonnes was exported. (See Graph 1)

Cement consumption in Oman is directly linked to the scope of infrastructure developments undertaken by the government in recent years. Cement consumption and prices have therefore been highly sensitive to the volume of government-backed construction work in the Sultanate, as supply constraints

Earnings and Valuations ratios

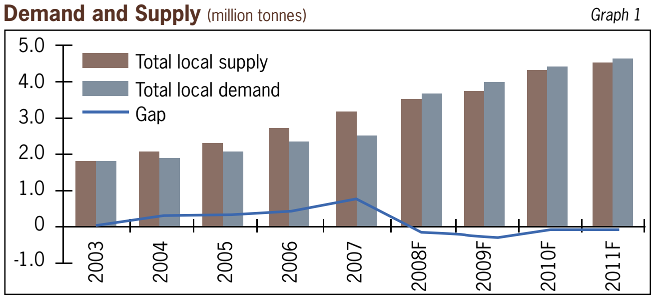
Table 1

	2006	2007	2008(F)	2009(F)	2010(F)	2011(F)
Net profit (OMR million)	20.6	17.6	21.7	23.3	27.7	30.7
GPM (%)	46.2	40.5	41.7	42.6	43.1	44.6
OPM (%)	42.1	34.9	36.3	36.8	37.6	38.9
NPM (%)	41.4	35.2	37.1	37.2	37.4	38.9
ROAA (%)	17.8	13.7	15.2	14.4	15.2	15.4
ROAE (%)	22.8	17.1	18.5	17.8	19.5	20.1
EPS (RO)	0.62	0.53	0.66	0.70	0.84	0.93
BVPS (%)	2.89	3.35	3.74	4.13	4.45	4.77

Source: Company annual reports and Global Research

Demand and Supply (million tonnes)

Graph 1



Source: Company reports and Global Research on locally-produced clinker has persisted throughout the past few years. In 2007, per capita consumption of Oman surpassed the 1,000 kilogram mark and is currently standing at 1,138 kgs. Looking at the pace of development in the country and expected future demand, it is estimated that the per capita consumption will reach as high as 1,362 kgs by 2011.

On the back of healthy demand, average realisations for both the companies rose during 2007, continuing the uptrend of the previous years. The average realisation for both the companies combined was OMR27.55/tonne, up 6.3 per cent over OMR25.9/tonne in 2006. While the average realisation for OCC rose by 1.7 per cent to OMR26.81/tonne, that for RCC rose by 11 per cent to OMR28.29/tonne during the year.

Financial Performance

The consolidated total revenue of the company was OMR50.01 million for the year ending December 2007 – an increase of one per cent from OMR49.71 million in the previous year. Average realisations firmed up to OMR26.81/tonne from OMR26.0/tonne in the previous year. Over 95 per cent of sales were in the domestic market in 2007, the same as in 2006.

The company's total cost of sales was OMR29.73 million during 2007, 11 per cent higher than the previous year. The increase in the cost of sales can be attributed to an increase in the input cost of clinker purchased from outside, as well as to an increase in energy consumption.

The gross profit declined by 12 per cent to OMR20.27 million in 2007. As a result of a steeper increase in the cost of sales as compared to that in the sales revenue, the gross profit margin decreased to 41 per cent in 2007 from 46 per cent in 2006. (See Table 2)

The operating profit of the company declined by 17 per cent to OMR17.43 million in 2007. The operating margin declined drastically to 35 per cent in 2007 from 42 per cent in 2006 as a result of a steeper increase in the total costs, as compared to that in sales revenue.

The finance cost of the company increased to OMR0.081 million during the year, eight per cent higher than in 2006. Total outstanding debt of the company, on the other hand, was OMR2.35 million at the end of 2007, 10 per cent lower than at the end of the previous year. The higher finance cost during the year was due to finance charges incurred by the company's subsidiary Sohar Praton Concrete Products (SPCP) for the full year 2007 getting reflected in the company's financials.

It is noteworthy that SPCP, with a shareholding of 25 per cent by OCC until August 7, 2005, was an associate of the latter until that date. Subsequently, after the increase of the shareholding by OCC in SPCP to 58.4 per cent, the year 2006 saw the financials of SPCP being consolidated with that of the parent company.

Sohar Praton Concrete Products, despite efforts made by the management to improve performance, continues to incur loss, and the extraordinary general meeting of the subsidiary has decided to go for liquidation.

The net profit of the company declined by 15 per cent to OMR17.27 million in 2007 from OMR20.43 million in 2006. The net profit margin simultaneously declined from 41 per cent in 2006 to 35 per cent in 2007. As a result, the EPS declined to OMR0.53 in 2007 from OMR0.62 reported in the previous year.

The total assets of the company rose by 10 per cent to OMR134.2 million at the end of 2007. While current assets increased by 54 per cent at the end of the year, account receivables witnessed a decline of three per cent to OMR4.76 million at the end of the year. Simultaneously, inventories decreased by 16 per cent to OMR4.32 million at the end of the year. Short-term deposits rose handsomely during the year to OMR18 million, 173 per cent higher, while long-term deposits amounted to OMR19 million, down 44 per cent at the end of the previous year. The net fixed assets declined by nine per cent to OMR44.6 million in 2007.

On the liabilities side, the account payables decreased by three per cent to OMR1.77 million at the end of 2007. Short-term loans rose by 46 per cent to OMR0.7 million at the end of the year. On the other hand, medium-term loans decreased by 25 per cent to OMR1.52 million at the end of the year. The paid-up equity capital of the company remained unchanged during the year at OMR33.1 million.

Financial Performance (OMR - 000's) *Table 2*

	2006	2007	Change %
Revenue	49,710	50,010	1
Cost of sales	26,757	29,737	11
Gross profit	22,953	20,273	-12
Operating expenses	2,021	2,838	40
Operating profit	20,932	17,435	-17
Financial charges	75	81	8
Other income	2,345	3,143	34
Share of results of Associates	28	17	-40
Impairment of Assets	-	785	-
Profit before tax	23,175	19,696	-15
Taxation	2,743	2,426	-12
Profit after taxation	20,432	17,270	-15
Assets	**122,330**	**134,265**	**10**
Liability	**14,791**	**14,500**	**-2**
Equity	**107,539**	**119,765**	**11**

Source: Company annual reports

Outlook for OCC

The company recently announced that it has sold all of its 50,000 shares (20 per cent stake) in Al-Batna Quarries LLC to Oman Chromite Company. The company also signed a turnkey project agreement with China National Building Material Equipment Corporation to build a new production line with a capital expenditure of US$162 million. The new production line, which is the company's third line, will have the capacity to produce 4,000 tonnes per day of clinker.

The company has also been given gas supply assurance from the government. The project is expected to be completed by fiscal year 2009 and the additional impact of this should reflect in the books by fiscal year 2010. OCC will be able to reach a cement capacity of approximately 2.6 mtpa by the end of 2009. The project is expected to be financed by way of debt (50 per cent) by liquidating fixed deposits and also through cash flow from operations. The full effect of the capacity expansion would come by 2010; until then, we believe the company has to take proactive measures in the coming years to control costs and increase margins.

When will interest rates turn?

Currency markets continue to show volatility, with interest rates and economic directions unclear in the US and the Eurozone. **Sachin Patki** explores the implications for the interest rate cycles in both of these key blocs.

With the US dollar reversing its recent trend of correction after comments by the Fed chairman Ben Bernanke, the direction of US interest rates is now looking for a hike by the end of 2008, with interest rates expected to climb higher in 2009. The tone of the Federal Reserve has changed from providing economic relief to the US in the wake of the mortgage crisis to now fighting the resulting inflation from the sharp cuts in interest rates in the first half of 2008.

The continued risk for the US remains on the unemployment front, where the seasonally-adjusted unemployment rate rose to 5.5 per cent in May from five per cent in April. The impact of this rise is on consumer spending and retail borrowing. A marked slowdown in these activities would materially impact the GDP for 2008, as around two-thirds of GDP growth comes from consumer consumption in the US.

This effect is also being seen in the UK economy, which "faces a period of rising inflation and falling economic growth" according to the Bank of England's governor Mervyn King. Growth is expected to slow down to a one per cent annual growth rate in the first quarter of 2009, which is the lowest growth since the last recession 17 years ago. Inflation in the UK has risen to around three per cent on the back of higher fuel costs; this is the upper end of the range for the Bank of England's inflation target.

A climb in interest rates is expected, with the potential to slide the economy further into a period of low growth or potentially at least a quarter of negative growth. The sterling has made another attempt at the 1.9975 area and the fallback indicates a lack of momentum to break it; this implies a potential correction towards 1.9500, 1.9430, 1.9370 and 1.9200. Only a clear weekly closing above 1.9775 would indicate that the sterling has the required buying support to take it towards 2.0020.

Usually we see growth in the Eurozone lagging behind that in the US and the UK by at least a year, and the same expectations are for the economy post the recent upsurge in growth.

Inflation is climbing higher and we expect the European Central Bank to step in with actions to lower money supply growth and inflation hot spots within the economy. The euro has made several attempts to break the 1.5770 level for a stab at the 1.5970/1.6010 level it touched in April this year. However, the currency does not seem to carry the steam for it, so expect a closing below 1.5560 to drive it lower towards 1.5490, 1.5380 and 1.5100. Against the sterling, the euro looks for a range to be maintained between 1.2460 and 1.2685, with little changed in the status quo.

The Japanese economy has been seeing some volatility that has been coming off, and we see the yen looking to follow the trend of a stronger dollar. The dollar/yen has broken out of a range of 104.90-105.40, and the recent move towards 107.50 leaves the move to hit resistance levels of 108.35, 108.90, 109.45 and 110.05. The potential to touch 111.30 and 112.50 does exist in a sharp move, in case of a break of 110.05.

The euro/yen cross is seeing some attempt at its earlier high of 166.15 and a break of this would see it attempt 167.55 and 169.00, its previous high reached a year ago. The sterling/yen is also looking for a clear break above 210.00 for a move to a new range of 207.65-214.50, with the potential to break the upside.

Look for potential turning points for the US dollar with the US authorities now calling for a stronger dollar, a clear reversal from their earlier position of a weaker dollar. The impact of higher oil, commodity and agricultural prices is driving inflation within the global economy, which will impact consumers and producers alike. This decade will probably be remembered for the moment when a humble farmer finally became a king.

The author is head of Mashreq Gold & Investments at Mashreq.

Views expressed are his own and not necessarily those of Mashreq. Data and comments are as of June 11, 2008.

GCC markets still volatile

All of the GCC markets posted healthy growth in April 2008, boosted by strong first quarter results. A **Markaz** report.

The gains posted for April 2008 can be primarily attributed to strong first quarter results and sustained macro-economic performance. The fund managers also increased their exposure to equities by 19 basis points to 93 per cent, while the exposure to bonds decreased by 32 basis points. Free cash held by GCC funds increased to seven per cent. On a weighted average basis, GCC equity funds mirrored the gains of the GCC markets and registered returns of 7.7 per cent during the month of April.

Among the six GCC markets, fund managers increased their exposure to the Saudi and Kuwaiti markets by approximately 268 basis points and 195 basis points respectively, whereas they decreased their exposure to the UAE market by around 182 basis points. The top performer during the month of April among conventional funds was the Arabian Opportunities Fund (Audi Saudi Arabia), which topped the charts with gains of 11.6 per cent. Among Shari'ah-compliant funds, the Al Tawfeeq Gulf Equity Fund (Al Tawfeek Co. for Investment Funds) led the pack, registering a month-on-month gain of 15 per cent in April.

Conventional equity funds

The top five conventional funds outperformed the MSCI GCC Index, which posted gains of 9.2 per cent in April. The Arabian Opportunities Fund (Audi Saudi Arabia) with returns of 11.6 per cent was the best performing fund in April. The fund's performance can be attributed to its significant exposure to the Saudi market, which accounts for 56 per cent of its investments. During April, the fund increased its allocation in Saudi Arabian Fertilizer Company and Arab National Bank, citing their strong fundamentals. The fund currently holds 6.8 per cent and 5.4 per cent in Saudi Arabian Fertilizer Company and Arab National Bank respectively. The Arab Gateway Fund (Shuaa Capital) registered month-on-month returns of 10.9 per cent and year-to-date returns of 8.1 per cent in April. The Oasis MENA Fund (Societe Generale Asset Management) and the Gulf Premier Fund (Gulf Investment Corporation) recorded monthly gains of 10.8 per cent and 10.6 per cent respectively.

Shari'ah-compliant equity funds

Among Islamic Funds, the Al-Tawfeek Gulf Equity Fund (Al Tawfeek Co. for Investment Funds) was the top performer with a month-to-date gain of 15 per cent during the month, as against a loss of 7.1 per cent in March 2008. The Jadwa GCC Equity Fund (Jadwa Investment) posted a month-on-month gain of 12.4 per cent and a year-to-date loss of 1.7 per cent in April. The Arab Islamic Gateway Fund (Shuaa Capital) made a strong comeback, recording month-on-month gains of 12 per cent in April compared to -6.0 per cent in March. The AlBasha'er GCC Equity Fund (Kuwait Finance and Investment Co.) took fifth position with month-on-month gains of 10.6 per cent and year-to-date gains of 7.6 per cent in April.

Asset allocation

The weighted average fund allocation to the Saudi market increased to about 28 per cent during April 2008. However, it continues to be lower than December 2007 levels. Allocation to Kuwait increased from 15 per cent in March to 17 per cent in April. The increase in exposure to the Saudi and Kuwaiti markets was offset by a decrease in allocation to the UAE and other Middle East and North Africa (MENA) markets. While allocation to the UAE decreased from 29 per cent in March to 27 per cent in April, the exposure to other MENA markets decreased from 10 per cent in March to eight per cent in April.

Allocation to Bahrain and Oman remained constant at four per cent during the month. Qatar was the top performer in April; the exposure of GCC equity funds to this market increased to 13 per cent. In April, GCC fund managers marginally decreased their exposure to bonds, as they held more cash. While their exposure to bonds fell by 32 basis points, allocation to equities increased by 19 basis points. Free cash held by funds increased from six per cent in March to seven per cent in April. MW

Top Five Conventional Funds by April 2008

April 2008

Fund Name	Fund Manager	Inception	AUM (US$ Mn)	Performance (%) Apr-08	YTD	2007
Arabian Opportunities Fund	Audi Saudi Arabia	Sep-07	31	11.57%	6.53%	24.77%
Arab Gateway Fund	Shuaa Capital	Dec-99	611	10.91%	8.09%	49.28%
SGAM Oasis MENA Fund	Societe Generale Asset Mgmt	Nov-07	74	10.84%	12.00%	7.26%
Gulf Premier Fund	Gulf Investment Corporation	Apr-03	211	10.61%	12.11%	43.24%
Vision Emerging GCC Fund	Vision Investment Services Co	May-05	52	9.82%	11.11%	56.49%

Source: Markaz Research

Top Shari'ah-Compliant Funds by April 2008

April 2008

Fund Name	Fund Manager	Inception	AUM (US$ Mn)	Performance (%) Apr-08	YTD	2007
Al-Tawfeek Gulf Equity Fund	Al Tawfeek Co. for Investment Funds	Aug-05	7	14.97%	11.39%	48.41%
Jadwa GCC Equity Fund	Jadwa Investment	Jun-07	15	12.37%	-1.68%	35.90%
Arab Islamic Gateway	Shuaa Capital	Sep-06	25	11.96%	8.16%	47.65%
Jadwa Arab Fund	Jadwa Investment	Jun-07	15	11.14%	-1.37%	36.24%
AlBasha'er GCC Equity Fund	KFIC	Jan-06	219	10.64%	7.59%	53.07%

Source: Markaz Research

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EM entry points look good

The credit condition in the US market needs a closer and cautious look, while emerging markets could be offering some good entry points as some of them overreact to inflation, argues **Peter Hensman**.

From the point at which the Fed opened the discount window to investment banks and reduced the perceived risk of a collapse of the financial system in mid-March, the focus of markets has remained transfixed on the oil price and the fear of inflation. This is evident in that for much of the last decade, equity and government bond markets have been negatively correlated, and factors that have been perceived to be negative for bonds have been considered good for equities.

In the last couple of months, equities and bonds have both struggled as the oil price has risen. This is arguably unsurprising, especially given the increasingly hawkish commentary from central banks around the world. At the forefront of this message from central banks has been M. Trichet, head of the European Central Bank (ECB), who suggested that the ECB only hesitated from increasing interest rates at its June meeting for fear of the market reaction to an unexpected rate hike. Even in the US, Federal Reserve chairman Ben Bernanke has expressed concern at the persistence of inflation pressures and for the first time has linked these pressures to the weakness of the dollar, a move that is widely viewed as a (belated) manoeuvre to stem the slide in the US currency.

Inflation concerns have not been restricted to the developed world. Given the higher share of expenditure on basic food and energy costs in the developing world, rising prices have arguably been of even greater concern in these lower-income economies. The change in sentiment is well reflected in the shift in priorities at the People's Bank of China, which has altered its emphasis from supporting growth to controlling price pressures as concerns over social disruption take priority over other longer-term economic aims. In several countries, this change has led to some marked currency weakness. China is one exception where the perception that the most effective means of controlling this global inflation threat will be to allow the currency to appreciate. As such, foreign exchange reserves (as a measure of capital inflows) increased by a record US$78 billion in May (versus a 12-month norm of US$40 billion).[1]

Given this market focus on the inflation threat, it is arguable that the timing of the US fiscal package could not have been worse in that the tax rebate payments that are arriving over the May/June period will help to underpin consumer spending and therefore support US activity just as evidence of some weakening growth would help to allay inflation concerns. Equally, the increase in bond yields that is following from these market concerns will arguably act as a squeeze on growth rates as we head towards 2009. This is not only an issue for consumers, for whom the interest rate on a 30-year jumbo mortgage loan has increased to 7.4 per cent as of June 6 (above the peaks of last summer), but also for companies.[2] The interest rate on a Baa-rated corporate bond has risen to 6.8 per cent, the highest since November 2002, despite the 3.25 per cent reduction in the Federal Reserve target rate.[3]

What is remarkable in these bipolar markets is how quickly the belief has built that the credit concerns have been resolved. Not only has the (temporary) relief from lower interest rates passed, but also unemployment is rising (the 0.5 per cent one-month increase in US unemployment in May was the largest increase since 1980), which is likely to exacerbate the problems in the housing market. Furthermore, the credit crunch is clearly not simply an issue for homeowners; it is also impacting commercial property. While corporate loan growth remains relatively robust, it likely reflects the drawing down of lending facilities set up when credit conditions were more favourable, and credit availability is likely to become more difficult to come by for the corporate sector as the financial sector continues to rebuild its capital base.

Against this backdrop, it would still appear appropriate to take a relatively cautious view on the financial sector and seek to stay closer to opportunities in the emerging markets as global growth continues to rebalance away from a US consumer-led cycle. Indeed, the price declines in some of the more domestically-oriented emerging market plays year to date – on concerns over the extent of growth slowdown that is likely to be needed to stem the inflation threat – could well provide some attractive entry levels as these price concerns ease.

Equally, there is likely to be some reasonable value built into government bond markets in the developed world, as the concerns regarding inflation risks are likely to be overdone given the constrained credit conditions that exist. German 10-year bond yields have returned to the 4.6 per cent yield high from last summer[4], despite the ECB being most deliberate in its message to the market that it will ensure inflation returns to its two per cent target, even at the expense of a sharp slowdown in activity.

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

(Footnotes) 1 Datastream, 2 Bloomberg, 3 Datastream as of June 16, 2008, 4 Bloomberg as of June 16, 2008.

The robust bigger picture

Despite near-term uncertainties, the big picture in the leading emerging markets looks robust, according to **Dr. Oliver Stönner-Venkatarama**.

In recent weeks, investing in the global financial markets has felt like having a cold shower and a hot bath at the same time. That is the best time to take a step back and look beyond the current turbulences. Fortunately, this perspective offers some bright spots in terms of underlying structural changes, which provide important fundamental support to the economic momentum particularly in the large emerging economies and regions.

First of all, Standard & Poor's recent decision to raise Brazil's rating to the investment-grade level emphasises the result of sound economic policies. Obviously, the political landscape in Latin America is much more colourful than daily headlines about an allegedly unambiguous political shift to the left. Furthermore, Brazil is likely to follow China and Russia as well as the Gulf countries by creating a sovereign wealth fund. Instead of investing in foreign assets, the government is aiming to facilitate the expansion of Brazilian companies abroad, which is also a common trend among the successful emerging economies.

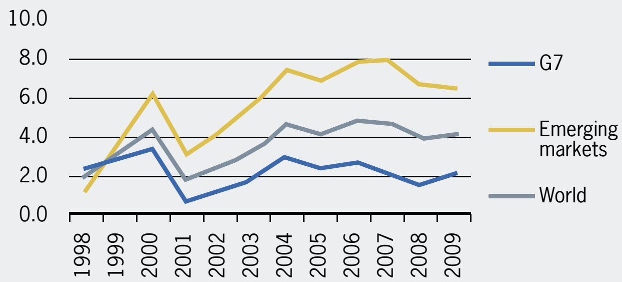
Corporate India is a perfect example of why the currently dull season in economic and financial market terms provides attractive opportunities for international acquisitions. Reliance Communication, for instance, acquired a stake in a UK-based company, while the Essar Group expanded in the US and smaller Indian companies are also active in foreign markets. These strategies underline the fact that corporate India has emerged as the most acquisitive corporate sector among emerging economies, according to a recent study from KPMG. As a result, Indian corporates should be in a much stronger position when the current global economic weakness turns into a recovery path. On top of that, the global approach reduces the companies' vulnerability to domestic uncertainties such as political risks. This may underpin longer-term confidence in Indian stocks despite current high valuations.

The moderation of China's economic growth has continued gradually due to a further strengthening of private consumption. In 2007, rebalancing economic growth from exports and investment towards private consumption made little progress, but the current weakness of the global economy may accelerate this process. Additional policy support for consumption growth is also important to dampen the cyclical risk arising from overcapacity in the course of slowing external demand. As a result, local and foreign companies will probably target mainly the domestic Chinese market in the coming months, providing a big opportunity for an accelerated development of the hinterland of the booming coastal areas.

In Russia, the formation of the political leadership supports market expectations of political and economic continuity. On top of that, Prime Minister Putin has announced several tax measures in favour of the oil and gas sector aimed at facilitating stronger output and export growth. In conjunction with strong domestic demand, a strengthening energy sector may stabilise Russia's economic growth on high current levels.

Global economic trends emerging markets outpace G7 countries

Real GDP, % change year-on-year



Finally, the recent progress of the Dolphin Gas Project between Qatar and the UAE may become a catalyst for an accelerated economic integration of the GCC countries. The concrete debate about common future energy needs in the GCC countries surrounding the implementation of the project may be more effective in advancing economic cooperation than lofty strategic goals. On the one hand, finding solutions for a better regional allocation of energy resources may provide a more solid base for investments in industrial projects. On the other hand, a more efficient local usage of energy implies an increase in energy supply for global markets, which should dampen the price trend.

The lesson from these longer-term thoughts is straightforward: promising structural changes in the larger emerging economies make them attractive for investors despite short-term uncertainties. Taking valuation levels into consideration, Russia and the GCC appear particularly attractive at present.

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

Is the bull starting to tire?

The rise of crude prices seems unstoppable – and so does inflation. An **MF Global** report on what's next for commodities.

Subprime losses, though an ever-prevalent threat, seem to have taken a back seat on the global economic worry list as crude oil prices hit new highs. With energy prices showing no sign of weakening, leading commodity futures regulators are furiously engaged in solving the whodunit of crude oil price rises.

Before we touch upon regulators' actions regarding commodity futures, let's look briefly at the happenings in precious and base metals, followed by energy complex.

Gold (near-month COMEX futures) and silver have weakened marginally by one per cent over the month to around US$871/ounce and US$16.52/ounce respectively. Although the US dollar has strengthened considerably, the erosion in the value of yellow precious metal, considered the next-preferred alternative to investing in US treasuries, seems contained. What may have possibly limited a steep fall in gold has been the inflation-hedge-related buying due to the steep rise in crude oil prices.

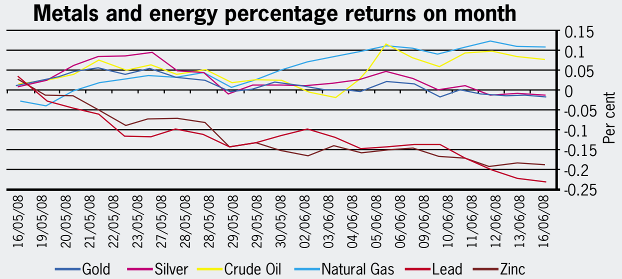
Base metals, after touching dizzying heights in February and March, seem to have subsided, as concerns over higher inflation hurting demand growth have become stronger.

Rising inventory levels at London Metals Exchange warehouses also remain negative for base metals complex. However, the tragic earthquake in China's Sichuan province has not affected the overall base metals output, as shown by the data for May. After the Sichuan earthquake, there were concerns that base metals output, particularly that of zinc, could be adversely affected. As per the data released by China's National Bureau of Statistics, though, zinc production in May increased by four per cent to 339,000 tonnes. With the exception of tin production, all other base metals have registered positive growth.

Lead (London Metals Exchange three-month forward contract) and zinc prices have witnessed the sharpest fall over the past month. Lead has fallen by around 23 per cent to US$1,760/ tonne, while zinc has fallen to US$1,760/tonne, down by 19 per cent month on month.

On the other hand, support for some base metals, like nickel and aluminum, could come in the form of gas supply disruptions in Western Australia following the June 3 explosion of Apache Energy's gas plant on Varanus Island off the state's northwest coast.

Metals and energy percentage returns on month



Source: Bloomberg, MF Global Commodities India

The energy complex, in the meantime, continues to outshine. Coal (ICE near-month futures) and natural gas (NYMEX near-month futures) are among the leaders of the pack, having risen by 16 per cent and 11 per cent to US$180/tonne and US$12.65/mmBTu respectively over the month.

Coal prices have gained steadily as exports from China have increasingly come under pressure due to rising domestic energy needs. Add to this the bottlenecks in shipping coal from Australia and South Africa, which have kept the view on coal positive.

Crude oil, after touching a record high of US$139/barrel, has subsided to US$134.07. However, the International Energy Association's cut in oil consumption for the fifth straight month in 2008 by 70,000 barrels to 86.77 million barrels has not hugely dented prices. Neither has the announcement from Saudi Arabia, which is the world's largest oil producer, that it will increase production.

The rising oil prices have also forced most Asian countries farther into the corner to cut fuel subsidies. India is the latest case after Malaysia, Indonesia and Taiwan. The crude oil prices boil has also triggered investigations by the US Commodities Futures Trading Commission (CFTC) to manipulate position limits on exchanges outside of its geographical purview, index trading and swap deals.

The CFTC, which was under fire from Congress for not having done enough to prevent speculation in oil, has stepped up its efforts on following fronts and has asked Inter Continental Exchange Europe to subject itself with the same regulatory oversight as its New York counterpart. The UK's Financial Services Authority, which regulated ICE Europe, normally has had informal accountability levels of 10,000 contracts in West Texas Intermediate crude, but no position limits.

In the latest developments, ICE Europe has agreed to make such permanent changes as a 3,000-contract position limit in the last three days of trading and a 20,000-contract accountability limit for some of its US-traded crude contracts. Pension and endowment funds, which have been pouring money in financial futures passively tracking the indices composed of a basket of commodities, have come under the CFTC lens. Many times, these funds buy index contracts through private swap (a derivative in which two counterparties agree to exchange one stream of cash flows against another stream) agreements with large investment banks.

Governments across the globe are also engaged in the herculean task of killing the inflation hydra. Just as they try to tackle food price inflation, they are forced to take the unpleasant task of raising fuel prices or cutting subsidies, which in turn feeds the inflation hydra. As world economic growth shows signs of weakening, an important question is raised: has the commodity bull run reached its last leg?

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	kaupthing-edge.co.in	Edge Savings	None (W)	$2,000	4.55%	Yly
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	3.60%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	3.50%	fiYly
Landsbanki Guernsey	01481 726885	Easy Access	None	$20,000	3.00%	Yly
No Notice Euro Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	€1,500	5.00%	Yly
Landsbanki Guernsey	01481 726885	Easy Access	None	€15,000	4.75%	Yly
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
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	£1,000	6.65%	Mly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	6.50%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	£10,000	6.40%	Yly
Irish Nationwide (IOM)	01624 696000	Instant Quarterly	None	£25,000	6.40%	Yly
Landsbanki Guernsey	01481 726885	Easy Access	None	£10,000	6.25%	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
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£15,000	6.65%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.60%	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	£1,000	6.65%	Mly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	6.46%	Mly
Landsbanki Guernsey	01481 726885	International 45	45 Day	£10,000	6.31%	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	Tracker Access 90	None (I)	£10,000	6.25%	Mly
Fixed Rates						
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	12 month Bond	£5,000	7.05%F	OM
Abbey International	0845 0544000	3 month Fixed Deposit Contract	3 month Bond	£30,000	7.00%	OM
Anglo Irish Bank Isle of Man	01624 698000	Privilege Fixed Interest	24 month Bond	£5,000	7.00%F	Yly
Yorkshire (Guernsey)	01481 724353	2 Year Fixed Rate Bond	31.07.10	£10,000	7.00% F	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	3 Yr Bond	£10,000	6.80%F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	3.89%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.475%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	3.20%	Qly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.00%	Mly
Fairbairn Private Bank	01624 64500	Reserve	None	£5,000	2.50%	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	5.75%	Mly
Abbey International	01534 885000	Tracker Term 8	05-05-09	£10,000	5.30%*	OM
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None (W)	£1,000	5.20%	Yly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.15%	Yly

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	1.55	2.05	2.55w	3.20	3.95	4.00	4.00	4.20	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	0.10 0.10	0.10 0.10	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	2.85 2.85e	2.85 2.85	2.85 2.85	2.85 2.85	3.35 3.35	3.65 3.65	3.65 3.65	3.65 3.65	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	2.50 - 2.50	2.50 - 2.50	2.50 - 2.50	2.50 4.00 2.50	2.50 4.25 2.50	2.50 4.50 2.50	2.50 4.65 2.50	2.50 4.75 2.50	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	0.55 0.90	1.25 1.60	1.50 1.85	1.50 1.85	1.50 1.85	1.50 1.85	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	0.75	1.00	1.00	1.00	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	2.00	2.00	2.00	2.375	2.75	2.812	2.812	2.812	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.55	1.55	2.15	2.90	3.70	3.85	3.85	3.85	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	-	-	-	3.505	3.755	4.505	4.505	4.505	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	-	-	4.00	4.00	4.25	4.50	4.75	4.75	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	1.50k	1.50	2.25	2.50	2.75	3.00	3.00	3.00	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: June 2, 2008 Source: Moneyfacts

Best Buy Tables - OFFSHORE

€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	0.10	0.10	0.37	0.37	0.84	Mly	No
		Online Saver	-	-	3.44j	3.44	3.44	3.44	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	2.015	2.665	2.665	3.065	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	3.40	3.40	3.40	3.40	3.75	3.75	Yly	No
		Instant Access	3.35	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
		Kaupthing Edge - Savings	5.00	5.00	5.00	5.00	5.00	5.00	Mly	No
Landsbanki Guernsey	04181 726885	Deferred Interest	-	-	4.75e	4.75	4.75	4.75	On closure	No
		Easy Access	-	-	4.75e	4.75	4.75	4.75	Yly	No
		Easy Access	-	-	4.65e	4.65	4.65	4.65	Mly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.45	1.30	1.30	1.55	1.55	1.55	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	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	-	-	-	-	2.45	2.50c	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	-	-	-	3.093u	3.093	3.343b	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	0.62	0.62	0.62	1.37	1.62	2.06	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.

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US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call	0.00	0.50	0.50	0.75	1.25	1.35	Yly	No
		Offshore Gold	-	0.00	0.00	0.00	0.50	0.75	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	0.75	0.75	0.75	1.00	1.25	1.25	Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker	-	-	-	2.25	2.25	2.25	Yly	No
		International Savings	0.40	0.40	0.55	0.60	0.75	0.85	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
		International Tracker	-	-	0.30u	0.30	1.30	1.50x	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	-	-	-	-	0.35	Mly	No
	01624 643270	Advantage Plus	-	-	-	-	-	0.35	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	2.84	2.84	2.84	2.84	2.84	Yly	Yes
		Current	1.85	1.85	1.85	1.85	1.85	1.85	Mly	Yes
		Instant Savings	-	2.80	2.80	2.80	2.80	2.80	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.50	On Closure	Yes
		High Interest Accumulation	-	-	-	-	1.00v	1.25x	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	0.25	0.30	Mly	No
		Online Saver	-	-	1.54u	1.54	1.54	1.54	Mly	No
		Premier Offshore Bank	-	0.15	0.25	0.35	0.45	0.55	Mly	No
		Premier Online Saver	-	-	1.88u	1.88	1.88	1.88	Mly	No
		Premier Serious Saver	-	0.35	0.50	0.65	1.20	1.35	Mly	No
		Serious Saver		0.20	0.35	0.50	0.85	1.00	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
		Kaupthing Edge - Savings	4.55	4.55	4.55	4.55	4.55	4.55	Mly	No
Landsbanki Guernsey	01481 726885	Deferred interest	-	-	3.00u	3.00	3.00	3.00	On Closure	No
		Easy Access	-	-	3.00u	3.00	3.00	3.00	Yly	No
		Easy Access	-	-	3.00u	2.96	2.96	2.96	Mly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.10	0.10	0.25	0.65	1.05	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	1.05h	1.05	1.10	1.20	1.65	1.65	Yly	No
		US Dollar Tracker Premium	2.20	2.20	2.20	2.50	2.50	2.50	Yly	No
NatWest	01534 282300	Advantage International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.155	1.405x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	1.093	1.093	1.343r	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	0.10	0.10	0.10	0.20	0.30	0.35	Qly	No
		Offshore Moneymarket Call	-	-	-	1.50	1.60	1.60	Mly	No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	0.10u	0.10	0.30	0.55	Qly	No
Zurich Bank International Ltd	01624 671666	Call	0.00	0.00	0.50	1.00	1.25	1.50	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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EXPATRIATE MORTGAGE TERMS - JULY 2008

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	70	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	6.29% 3 year fix 6.49% 3 year fix	75 75	 2%	Applicant must work for Govt Agency or Multi National Company. 2% early repayment charges
Cheltenham & Gloucester	6.14% 2 year Fix 6.14% 3 year Fix 5.99% 5 year fix 6.53% full term tracker bank base plus 1.53%	75 75 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 65% 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	6.49% 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. Free valuation/legals on re-mortgages
Heritable Bank	7.15%	75	0.5%	Maximum loan amount 250,000. No new build property
HSBC	Under review	80 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)	Temporarily withdrawn	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	Temporarily withdrawn	UK Expats 85% Foreign Nationals 75%	Loans to GBP350,000 GBP595 Loans to GBP500,000 GBP795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	Temporarily withdrawn	75		No repayment penalties at any time. Up to four buy to let properties. Totally flexible BTL overpayments/ underpayments.
TMW	6.99% 3 year fix 6.99% 5 year fix 7.24% lifetime tracker	70 70 70	0.75% 0.75% 0.75%	No new build flats No first time buyers Maximum loan 350,000

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 GBP250 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 @ 15/06/08 - 5% 3 month LIBOR 5.83%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.
www.international-mortgage-plans.com

Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa (Silver, Gold, Business, Electron) Mini Visa	Silver – 220 Gold - 420	N/A for purchases, SAR36 for cash withdrawals	45 days	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, Alarabi Silver, Alarabi Gold, Internet Card)	Al Mubarak Silver – 75 or 130, Al Mubarak Gold – 180, Alarabi Silver – 200, Alarabi Gold - 350	Al Mubarak cards: N/A on purchases and cash withdrawals Alarabi cards: 1.97% on purchases, 3.45% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards. Al Mubarak cards are Shari'ah compliant.	800 124 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: 2% on purchases, SAR75 on cash withdrawals Amanah card: 2% 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	8-8.5%	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%	Up to 71 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 107 months for nationals, up to 60 months for expats	120	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	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	8%	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%	Up to 51 times salary	Up to 132 months for nationals	250	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	8%	Up to 50 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	8%	Up to 50 times salary for nationals, depends on salary for expats	Up to 170 months for nationals Up to 60 months for expats	200	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%+OMR1 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%+OMR1 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%+OMR1 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%+OMR1 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%+OMR1 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%+OMR1 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: 10.25% 8% for nationals if salary more than 7,000	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	2,000	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 June 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: 8.5-9%	Up to 22 times monthly salary	250	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: for national 9%, for expats 9.5%	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	9%	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	500	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 4.49% (Depends on the salary and the loan amount)	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 - 2.5% and Gold – 1.75% 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 – 2.5% Emirates-Citibank card – 2.5% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	1.84% on purchases. 3% 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 June 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	8.75%	Up to 15,000	250	Up to 72 months	812000
Burgan Bank	Consumer Loan	8.75%	Up to 15,000	200	Up to 60 months	804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	8.75%	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	8.75%	Up to 70 times Up to 50 times	200	Up to 60 months Up to 180 months	805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	8.75%	Up to 15 times	250 for nationals, 350 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	1.18% 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	1.33% 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	1.1% 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 June 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 June 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 June 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 and 1.5% for e-Tijari Web Card for both	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	04 609 2222 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) Géant Hypermarket co-branded card	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards; 2.25% on cash withdrawals; Géant card - 0% interest for first three months	55 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
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.ae
Dubai First	Visa (Silver, Gold) MasterCard (Classic, Gold) Visa Business Card Royale MasterCard	Visa: Silver – 200, Gold – 400 MasterCard: Classic – 200, Gold – 400 Business Card – 1% of credit limit Royale MasterCard – 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. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubaifirst.com
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 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

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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 3.85%, 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	4.25% 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, 5.5% 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, 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	4.5% for new cars, 5.5% for used cars	Up to 250,000	Nil downpayment option.	60 months for new cars 48 months for used cars	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.99% for new and used cars, without salary transfer 4.25%.	Up to 200,000	10%	Up to 72 months - new cars, up to 48 months - used cars	With salary transfer 3,000, otherwise 4,000	No
Noor Islamic Bank	Noor Drive	4.5% for new cars, 5% for used cars	Up to 500,000	10% for used cars	Up to 84 months for new cars, up to 72 months for used cars	3,000	No
Sharjah Islamic Bank	Vehicle Murabaha	With salary transfer: 3.99% for 5 years, 4.25% for 6 years; Without salary transfer: 4.25% for 5 years, 4.5% for 6 years.	Up to 250,000	Nil for new cars, minimum of 10% for used cars	Up to 72 months	5,000	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	Minimum 4.5% with salary transfer, 5.25% with out salary trasfer	Up to 250,000 (depends on salary)	Yes	72 months with salary trasfer and 48 without salary transfer	With salary transfer 2,500, otherwise 4,000	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: 4.75% for one year tenure, 5% up to three years, 5.25% up to six years and 6.25 up to 10 years	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: Determined on case-by-case basis	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: 6.5% fixed rate with salary transfer, 6.65% fixed rate without salary transfer	Up to AED250,000	Yes	Up to 72 months for nationals, up to 60 months for expats	2,500	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	4.25-6%	Up to AED250,000	Yes	Up to 48 months	5,000	Yes
United Arab Bank	Consumer Loan	5%	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 loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during June 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	6.5% 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	7.75% 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	6.5% 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 7.5% 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	6 - 8.3%	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	For downpayment 10% or more: IBOR 3 month + 3% p.a. (minimum 7.5%) For downpayment less than 10%: IBOR 3 month + 3.5% p.a. (minimum 7.75%)	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 90% 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	Depends on the developer	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	7.5%	Up to 80% for apartments and 90% for villas	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 80% for investment and 90% for live in	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	6.95-8.95%	Up to AED8 million	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	**Profit rate**. 4.29% for 1 to 5 year tenor; 5.19% for 6 to 10 year tenor; 5.47% for 11 to 15 year tenor.	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
Standard Chartered	UAE nationals, expats	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	4.5-6.75%	Up to 55 times of monthly salary for expats, 60 for UAE nationals	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	No	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	6,000	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	20,000	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	20,000	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	7,000	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 Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.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	10,000	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	10,000	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 June 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
Nexus	P O Box 124422, Dubai	+971-4-3977779	+971-4-39744 22		www.nexusadvice.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 June 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

Write to MONEYworks - Reader's letters. All correspondence MUST carry a daytime telephone number (a mobile phone number will not suffice), there must be an address and the letter should be signed by the author. We cannot publish every letter, and those that are may be edited or excerpted.
Post to: *PO Box 10656, Dubai, UAE, Fax to: 00971 4 391 2173.* ***Email to:*** *editor@moneyworks.ae.*
Make the subject 'Readers' and don't forget that telephone number. Letter of the month wins a complimentary annual subscription to MONEYworks.

Dear Editor,

I've been reading your articles on derivatives and investment opportunities in the region, but I do not understand much about derivatives. Also as a Muslim, I'm not sure how Shari'ah-compliant investment products like futures really are. I would appreciate it if you could shed some light.

MH, Dubai

I'm not sure if this space will permit me to get into the various arguments for and against derivatives. All I can say is that there are two opposing views right now as to what's haram and what's not in derivatives. In Islam, of course, mostly anything to do with betting or gambling will be haram, but I think when it comes to certain types of derivatives, investors mainly use these products to hedge their investment risks. I guess any investment made with the purpose of betting could be argued to be un-Islamic.

However, I do feel that it is an asset class for which Islamic finance experts need to come up with standards to make it easy for everybody in the future.

It will also be worthwhile for you to keep a lookout for seminars that are held once in a while on the subject, especially now that we have a couple of exchanges in the UAE trading in derivative products. These forums are ideal to raise questions and get opinions to help you better understand how derivatives work.

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.*

It's in your interest

James Thomas looks at the best way to handle those pesky loan repayments.

QUESTION

"I am a 25-year-old college graduate and my salary is just over AED15,000 per month. I currently have AED37,000 in student loans outstanding at 5.4 per cent and a car loan of just over AED80,000 at a high interest rate of almost ten per cent – I suppose because I had no credit history having just finished college and the only bank that would lend me the cash to buy my dream (second-hand!) Mustang was one of the larger international banks operating here in the GCC.

After all my outgoings, I generally have some extra cash at the end of each month. My question is – should I pay off the student loan or put the extra money towards the car loan? Plus, any other savings tips and advice would be appreciated."

In an ideal world, the best solution is to repay both loans as soon as possible. Obviously, real life isn't always this straightforward. My initial thoughts would be pay off the car loan as soon as possible, as this has the higher rate of interest, and keep the student loan in place.

However, as with most things, it is worth assessing the situation in more detail before jumping to a conclusion. The following points should be considered to see if it's best to repay the car loan first. Does the lender charge any early redemption or overpayment penalties? Looking at the **MONEY***works* best buy tables, these range from nothing to five per cent, so this needs to be checked to avoid any additional cost. This should also be double-checked with the loan provider. If they do have penalties, then it could make it more attractive to repay the student loan first.

What term have you taken the car loan over? If it is a relatively short period of time, then the actual amount of interest that you will have to pay will be lower compared to the student loan. Student loans generally have a low rate of interest, but are repaid in smaller amounts over a longer period of time. The effect of this means that the actual amount repaid can be significantly higher.

Going back to the best buy tables, it appears that used car finance starts at a 4.5 per cent interest rate, so it may well be worth investigating whether you can repay the existing loan and take out another one with the preferential interest rate. That way you can look to reduce the term as well, as you will be able to pay more capital back due to the lower interest rate.

It is well worth analysing both loans to work out the best way to proceed, be it overpayment, repayment or indeed refinancing.

You raised an interesting point regarding your credit rating. In various other parts of the world, the amount you can borrow and at what interest rate is determined by your credit rating. This is calculated by looking at a number of factors, including your past borrowing history, how much you earn, whether you have ever defaulted on a loan and if you have ever been declared bankrupt.

However, here in the UAE, while a credit reference agency has been set up, very few banks have signed up to use the service, so it is unlikely that the rate you were offered was due to your credit rating.

If after sorting out your loans you still have some spare income at the end of the month, there are many options to consider. The first thing to do is build up a cash reserve to cover any unforeseen situations – for example, a repair bill for the car or (if you are an expat) an urgent flight to your home country to deal with an emergency there. I hope this never happens, but if it does, you will be able to pay the costs from your cash reserve without worrying where you will find the money.

The next thing to consider would be some form of longer-term saving. The earlier you start, and the longer you can save for, then obviously the more you will have to enjoy in the future. How much and where to save is an article in itself, but briefly, it should be an amount that is affordable and should be invested according to the level of risk that you are prepared to take.

I would also suggest that you review what protection you have in place. While you may not need life insurance, what would happen if you were unable to work due to illness or injury? This can be protected against in two ways. Firstly, you can obtain medical insurance to cover the cost of any treatment that you may require, and secondly, you can acquire income protection to actually protect the salary that you are not able to earn. MW

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

Oil at US$200 is still cheap

Sheikh Sultan bin Saud Al Qasimi on why the best thing for everybody everywhere is a high oil price.

Around the world, recent times have seen numerous demonstrations, strikes and marches concerning what some people call the high price of oil. Protests have erupted in Indonesia, deaths have been reported in Iberia and supplies in certain supermarkets in Europe are dwindling because of workers striking due to the oil price increases.

Oil and finance ministers all over the globe are holding summit after summit, trying to find a solution to the mounting price. Many of them are asking OPEC and Russia to increase production even more. Such a request is a double-edged sword for the producing countries. If they increase oil production too fast, then they risk repeating the scenario of the 1986 oil glut crisis when a slump in oil prices continued until the 1990 Gulf War.

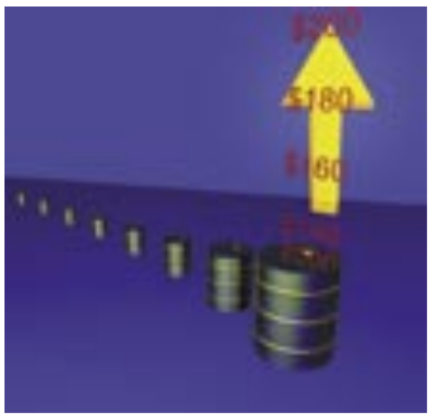
The truth is that oil barrels are only worth what the next buyer is willing to pay for them. But oil isn't just any commodity – it is one of the most important ingredients used in the industrial and developing world.

Oil extracts are used to manufacture plastic, without which there would be no toys for your children and no laptop for you to work on. Without oil, there would be no asphalt for your car to drive on, no wax to store goods and no travelling to work or to visit family and friends.

Without oil's derivatives, there would be no soap or detergents, no medicine bottles and no long-life canned food. The most famous photographs would not have been taken or stored, buildings would not be coloured since dyes are only derived from oil, perfumes would not exist and 80 per cent of world trade would stop because bunker fuel would not exist.

Food production would also suffer, as pesticides and fertilisers would not be produced. Greenpeace activists wouldn't be able to cycle to their protests because there would be no rubber for their wheels. We wouldn't be able to listen to the Beatles, Elvis or Maria Callas because LPs, CDs and cassettes would not be produced to store their music. Basically, the entire world as we know it would cease to exist.

Today, oil supplies are a direct victim of the rise of Asia, just like they were during the rapid development of the western world in the early 20th century. The industrial world must not give in to the demands of the protestors to artificially fix and subsidise oil prices and must draw a lesson from none other than former OPEC member Indonesia, which



has suddenly decided to raise oil prices at the pump by 30 per cent after many years of artificially fixing prices to accommodate proletariat requests that ended up costing the country up to US$10 billion a year.[1]

Frankly, nothing the G8 does is going to change the fact that oil was being sold too cheap for too long. There were no emergency G8 meetings to alleviate the economic hardships on the GCC and OPEC countries when oil was selling at single dollar digits, far below the breakeven point at which the UAE stands at US$25, Saudi Arabia at US$30 and Kuwait at US$17 per barrel.[2] No energy ministers, let alone heads of governments from Europe, visited Riyadh or Abu Dhabi to reassure us that oil prices would increase. In fact, there seemed to be no incentive for OPEC to increase investment in oil production.

In 2007, the world consumed and produced 85 and 81 million barrels of oil per day, a five per cent discrepancy on the consumption side. The solution for the western world is simply to produce more. That clearly cannot happen because the OPEC producers can't drill for oil, refine the product, sort out the pipelines and ship fast enough.

There is also the small issue of oil being a finite resource. Unlike our blatant disregard for oxygen when we tear down entire rainforests without the inconvenience of oxygen price hikes, oil is a different matter altogether. We cannot continue to consume a finite resource and find more uses for it to sell products to billions of people without expecting its value and price to rise fast.

With lower oil prices, producing plastics would be cheaper and people would travel more often and consume more ferociously, thereby polluting more and damaging the environment even faster – possibly irreversibly. China has shown us that it can produce such inexpensive goods in spite of the current high oil prices. What will the world look like if oil falls to US$9 a barrel once again?

The best thing that could happen for the future of this planet and its inhabitants is for oil to remain high. Oil at US$200 a barrel? Bring it on.

(Footnotes)

1 http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2008/06/14/cnoil114.xml

2 http://www.oil-price.net

Sheikh Sultan bin Saud Al Qasimi is the chairman of Barjeel Securities. He is also the chairman of the Young Arab Leaders in the UAE and can be reached at www.sultansq.blogspot.com.