

TABLES: credit cards, personal/auto loans, mortgages and insurance across the Gulf

The Gulf region's first personal finance and investment magazine

MONEY *works*

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PLAIN SAILING

Why Dubai will continue to attract foreign investors

Sayyid Khalid:
Scoring goals
for Oman



Global Equity
GCC debt market
Dubai property market
Home finance in the UAE
Iraq attracts serious investments

A DMG publication

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What a month of turmoil it was in December, with the whole world glued to Dubai and its debt worries. Stories in the media were another thing, as everybody had something negative to say. Of course, there has been a U-turn of sorts since the announcements that investors will get paid, and so the trade creditors. The Dubai credit default swap rate has dropped over 30 per cent after it spiked in late November and is likely to head south from here. The markets have discounted a lot of the bad news that was expected to come out of Dubai's excesses. Also, one of the major outcomes from the debt

worries is a move towards creating more transparency in the financial system of the emirate. A bankruptcy law promulgated at the Dubai International Financial Centre, specifically for the Dubai World debt, sets a precedent, while the latest move to create a better structure to manage finances of government-owned companies more transparently will only give international investors and lenders more confidence.

There is no denying that there is not another centre in the whole of the Middle East and North Africa that can claim any comparability with what Dubai has achieved in the last ten years. The infrastructure that the emirate has built is enviable, while its cluster economy model was too successful not to be emulated by others. Its ambition to become the region's financial and services hub and a hub of excellence was timely. Nothing can take away the fast-mover advantage that Dubai has in a number of initiatives, and nothing is likely to in the future. Debt restructuring and such other worries will be sorted out eventually. The fat will be shed, and the machinery of the emirate will only come out meaner, leaner and more competitive.

The current worries do not change the big picture of what Dubai aims to achieve. Most wise investors that I speak to, local or international, assure me of that. I believe them. The Dubai story will only get more exciting. As legendary investor Mark Mobius said last month, everybody now expects Dubai to lead the region into more transparency and good governance. I believe that we will see more of that sooner than later. Adversity brings the best out in winners. And the UAE as a federation has been a winner. The leadership of this country has been a winner.

Wish you all a very happy new year.

Utpal Bhattacharya
Editor



50:50?

When it comes to investing, don't just flip a coin.

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Since 1998

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 Legendary investor Mark Mobius is buying Dubai, and so are long-term players. Utpal Bhattacharya argues that investors should look beyond Nakheel and continue to buy into the Dubai dream

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Sayyid Khalid Hamed Hamood Al Busaidi, chairman of Oman's Sabco Group, spends most of his time developing Omani football, but doesn't take any of his attention away from his business. Utpal Bhattacharya finds out how he manages so much in 24 hours



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Iraq attracts serious investment commitments

With Iraq gradually opening its doors to international investors, Trade Bank of Iraq, one of the leading state-owned banks, is in the process of setting up an investment fund to attract investors for facilitating project finance. A **MONEYworks** report.

Trade Bank of Iraq (TBI) is setting up a US\$250 million investment fund this month to attract foreign investment in project finance, according to Hussein Al Uzri, president and chairman of TBI. The bank is currently finalising the investment fund's details.

Al Uzri was in Dubai last November to sign an agreement with Thomson Reuters to use its dealing trading services. As a result, TBI became the first bank in Iraq to connect to the international foreign exchange and money market community.

TBI, a state-owned bank operating mainly in trade finance, investment banking and project finance, was established in July 2003 to facilitate Iraq's international trade and the reconstruction of the country after the expiration of the UN Oil for Food programme. TBI has since built a relationship with a network of 120 banks covering 63 cities in 39 countries and was one of the first Iraqi banks to receive a line of credit from major international financial institutions.

TBI is one of the 40 banks present in Iraq. Out of these 40 banks, 11 are either 100 per cent owned or partially owned by international banks. Six are state-owned banks and the rest are private banks.

Al Uzri said: "We are seeing a revival of interest from the international investment community with the security situation improving."

Iraq is now writing new laws for the financial sector related to banking, investment and stock exchanges.

"The National Investment Commission, which was established in 2008, has started working this year and trying their best to attract investors from across the globe," said Al Uzri.

To encourage investment in the country, the government in Baghdad is offering companies tax-free status for 10 years, along with a promise not to nationalise them.

Iraq's parliament also passed an investment law on November 23, 2009 that allows foreigners to own land for housing projects and is designed to streamline regulations and applications for foreign investment, Reuters reported. Iraq's old real estate laws only allowed the lease of land to foreign investors for a limited time. The new law is now awaiting approval from Iraq's presidential council.

Iraq needs 2.5 million housing units to cater to its growing population. In fact, foreign direct investment soared in Iraq in 2009, rising 241 per cent compared to 2008 with some US\$156.7 billion of capital commitment, including multibillion-dollar real estate and mixed investment deals.

Year-on-year foreign investment into Iraq was US\$47.6 billion in 2008, up from a meager US\$3 billion the previous year, according to reports by US-based Dunia Frontier Consultants.

The UAE was one of the top investors in Iraq in 2009. It announced investments totalling US\$37.7 billion for the first nine months of 2009, mainly in the oil, gas and real estate sectors, thus accounting for 24 per cent of all investments in Iraq.

Abu-Dhabi-based developer Bloom Properties was in talks with the Iraqi government to build a large property development in Karbala valued at US\$18 billion, making it one of the largest property projects ever announced in Iraq.



Hussein Al Uzri

According to the *Wall Street Journal*, investments by UAE companies in Iraq in 2009 included the US\$20 billion Rasheed real estate development in Baghdad by Millennium Solutions and Bonyan International Investment Group and a US\$8 billion energy deal by Dana Gas and Crescent Petroleum that will eventually aim to supply gas to Europe through a giant pipeline starting in Central Asia. Damac Properties and Al Maabar are among other UAE companies that have plans to launch real estate projects in Iraq.

"We had almost no investment for the past 25 years. The UAE is among the first countries in this region to invest in Iraq and now the rest of the Gulf states are showing interest," said Al Uzri.

Apart from the UAE, Kuwait is the only other Gulf country that has made significant investments in Iraq. The country's investments total US\$6.8 billion.

Other countries eyeing major opportunities in the country include South Korea (US\$24.7 billion), the US (US\$22 billion), the UK (US\$10.5 billion) and Lebanon (US\$10.1 billion), according to a published report.

Tomorrow ain't as bad as it seems

Allen Quaye hopes that 2010 will prove to be a more positive year for all of us.

You'd think we'd have learned our lesson, wouldn't you? Reading some of last month's weeklies, it seems as though there are still those who would have us believe that money is around in abundance and that earning "magnificent extra income" or becoming part of a US\$3.7 trillion opportunity is as easy as one, two, three.

I'm referring to a couple of classified ads I came across last month promising grand profits and the possibility of working from home. One actually boldly stated: "RECESSION!! We don't know what it is!"

Apparently, all I need to make my fortune – according to these small classifieds – is a can-do attitude, a passion for achievement and strong communication. Of course, the ability to manage my time and work to tight deadlines is also a must, while attention to detail, the ability to multi-task, an entrepreneurial spirit and creativity are also good attributes. As is the ability to troubleshoot problems.

There were three ads like this, but none actually outlined what the job entailed. I was able to gather that it was something to do with financial advisory services, since one claimed to be licensed by the central bank. But since I wasn't sure, I sat and tried to work out what they were really looking for.

Here's what they're really saying.

The job is a sales position and is open to anyone at all, regardless of experience, ability, understanding of financial products, passion, soul or integrity. It's a position that requires a person who is happy to work with zero management guidance and who's OK with that (can-do attitude). The ideal candidate will have to work with no support structure by cold calling and soft-soaping potential clients (good communication skills). The role will be commission only (passion for achievement), the working hours will be after everyone else has finished work and gets home (time management and tight deadlines). It will require creativity (in that you have to vary the approach with whomever you're selling to) and that you should expect some uncooperative clients and phones being slammed down (troubleshooting ability).

Such is the lot for many financial advisers, of course, but not all. There are many well worth their salt.

But it didn't fill me with confidence for the year ahead. Simply the fact that we still have this approach to selling financial products, with greed as the main motivator, fills me with dread.

The thing is that if anyone calls me from any of these organisations, I can always say no or simply slam the phone down, which is perhaps the only course of action to take.

So, in light of this revelation, let's finish the year with a more upbeat attitude. You never know; it could become infectious.

Are 'things' improving slightly? I'd like to think that the answer is a cautious "yes". Economic news has been slightly better and data released not quite as bad as many feared. There has been improvement in the markets, which reveals an upturn in optimism at least.

Indeed, at the time of writing this at lunchtime on December 21, the FTSE, the Dax, the Cac 40, the Dow Jones and the BBC Global 30 were ALL up by a half to three quarters of a per cent or so. The Nasdaq was up a whopping 1.45 per cent. Now this doesn't mean a great deal, of course...but it certainly made a change to see slightly positive territory across the board.

Take the headlines of late: "UK banking sector more stable"; "Fragile UK recovery predicted"; "Japan's decline in exports slows"; "Irish Republic out of recession".

And, here in the region, the news on Dubai has improved slightly. Let's hope that the improved news continues and that 2010 proves to be a more positive year for us all.

Happy New Year!

To get in touch, email info@moneyworks.ae, marking your mail 'The Soapbox'. Every email published will receive a limited edition **MONEYworks** money clip in return. To blog online, just look for the 'Topic of the Month' at www.moneyworks.ae.

Credit Suisse reaches settlement with US authorities

Credit Suisse has reached a settlement with the New York County District Attorney's Office, the United States Department of Justice, the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York and the Office of Foreign Assets Control (OFAC).

The settlement relates to a previously disclosed investigation into US dollar payments during the period of 2002 to April 2007 involving parties that are subject to US economic sanctions.

As part of the settlement, Credit Suisse has entered into deferred prosecution agreements and an agreement with the OFAC. The financial services company will pay a total of US\$536 million combined.

DFM to acquire NASDAQ Dubai

The NASDAQ OMX Group has formed an agreement with Borse Dubai Limited that will change the ownership structure of NASDAQ Dubai to become a wholly-owned subsidiary of the Dubai Financial Market (DFM). NASDAQ Dubai, in which NASDAQ OMX currently holds a 33 1/3 per cent equity stake, will become a wholly-owned subsidiary of the DFM. In return, NASDAQ OMX will receive a one per cent ownership interest in the DFM, a publicly-traded company controlled by Borse Dubai. The market capitalisation of the DFM as of December 21 was US\$3.9 billion.

NASDAQ Dubai will continue to exist as a distinct exchange under the DFM's ownership, still registered in the Dubai International Financial Centre (DIFC) and regulated by the Dubai Financial Services Authority (DFSA). The DFM will continue to be regulated by the Emirates Securities and Commodities Authority. The new structure is subject to DFSA approval.

The transaction will result in a pre-tax, non-cash impairment charge of NASDAQ OMX's investment in NASDAQ Dubai. The initial total investment in February 2008 consisted of a US\$50 million cash contribution, in addition to specific technology and trademark rights, and was at the time valued at US\$128 million. It has a current carry value of US\$120 million. As of December 21, 2009, a one per cent ownership interest in the DFM was valued at approximately US\$39 million.

NASDAQ OMX has determined that there is a pre-tax, non-cash impairment charge, currently estimated at US\$81 million. When the restructuring transaction is completed, NASDAQ OMX may record a gain or a loss based on the then-current market price of DFM shares and the then-current carrying value of NASDAQ OMX's NASDAQ Dubai investment.

NASDAQ Dubai has welcomed the announcement made by the DFM. Jeff Singer, chief executive of NASDAQ Dubai, said that the new structure will help NASDAQ Dubai and the DFM attract more issuers.

Dubai government addresses impact of Dubai World on economy

The Dubai government, acting through the Supreme Fiscal Committee (SFC), announced a set of actions in relation to Dubai World last month. Dubai World had said earlier that it might not be able to commercially support its obligations.

The Dubai government worked closely with the Abu Dhabi government and the UAE central bank to address and assess the impact of Dubai World on the UAE economy, banking system and investor confidence, said Sheikh Ahmad Bin Saeed Al Maktoum, chairman of the SFC.

The Abu Dhabi government and the UAE central bank agreed to fund US\$10 billion to the Dubai Financial Support Fund that will be used to satisfy a series of upcoming obligations on Dubai World. As a first action for the new fund, the Dubai government authorised US\$4.1 billion to be used to pay the sukuk obligations that are due now.

The remaining funds will also provide for interest expenses and company working capital through April 30, 2010 on the condition that the company is successful in negotiating a standstill

as previously announced, said Sheikh Ahmad.

Sheikh Ahmad added that the Dubai government is focused on addressing the concerns of Dubai World trade creditors within Dubai. To help address those concerns, the Dubai government declared that the remainder of the funds provided would be used for the satisfaction of obligations to existing trade creditors and contractors.

In addition, the Dubai government issued a comprehensive legal framework based upon internationally accepted standards for transparency and creditor protection that will govern any future formal reorganisation and restructuring of Dubai World and any of its subsidiaries.

The decree established a tribunal of three to five internationally recognised judges, which will be empowered if necessary to supervise the financial reorganisation of Dubai World and its subsidiaries and will be authorised to adjudicate disputes relating to restructuring of the debt of Dubai World and any of its subsidiaries.



Up to the minute personal finance and investment news updates online at www.moneyworks.ae

PE firm Citadel Capital plans to go public

Private equity firm Citadel Capital, which has US\$8.3 billion in investments under its control, is planning to list its shares on the Egyptian Exchange (EGX). The listing will not include the offering of new equity in the firm at this time, said company officials.

"This listing will give Citadel Capital new flexibility in accessing equity capital markets at a later date, furthering our ability to invest in our own deals as a principal investor," said Citadel Capital chairman and founder Ahmed Heikal.

Citadel Capital typically invests 10-20 per cent of the equity in each of its deals alongside leading regional and international limited partners and is presently exploring new investments in

Saudi Arabia, Iraq, North Africa, East Africa and Egypt, Heikal noted.

In the five years since it began operations, Citadel Capital has generated more than US\$2.4 billion in cash returns for its limited partners on investments of US\$650 million.

Citadel Capital Partners, the vehicle through which senior management holds its equity in the firm, is not selling any shares at this time, said Heikal. He added that listing creates liquidity for existing financial investors in the firm at a time when that liquidity is becoming of greater importance than ever before.

Citadel Capital will announce its stock symbol and confirm a listing date in the coming period, said company officials.

Total volume on the Dubai Gold &

Commodities Exchange (DGCX) rose to a monthly high in November of 190,554 contracts, increasing 345 per cent on 2008.

Total commodity and currency futures transactions on the DGCX had an underlying value of US\$10.86 billion in November, the second-highest monthly value achieved since inception in November 2005.

The exchange achieved an average daily volume of 9528 in November, compared to 2140 contracts in the same period of 2008.

November's volume surpassed the previous high of 186,842 contracts achieved in July 2008 and the recent monthly high of 162,969 contracts in June 2009. Trading volume on the exchange was driven by currency and gold futures, which grew by 379 per cent and 233 per cent respectively.

GE Capital lists US\$500 million sukuk on NASDAQ Dubai

GE Capital, the finance arm of General Electric, listed a recently completed US\$500 million sukuk on NASDAQ Dubai last month.

The sukuk was the first to be issued by a major US company and was sold to investors across the Middle East, Asia and Europe on November 27, 2009.

"We continually strive to diversify our funding base. The sukuk platform helps complement and solidify GE's growing presence in the region and allows us to attract incremental liquidity from Islamic investors," said Aris Kekedjian, president and CEO of GE Capital Middle East & Africa.

NASDAQ Dubai now has 22 listed sukuk with a nominal value of US\$17.2 billion. Other issuers on the exchange are based in Bahrain, Kuwait, Saudi Arabia, Malaysia and the UAE.

GE Capital's five-year, fixed-rate dollar-denominated sukuk is an ijara-based structure and was issued through GE Capital Sukuk, a subsidiary of GE Capital. The assets underlying the sukuk are



Jeff Singer, chief executive of NASDAQ Dubai, and Aris Kekedjian

interests in a portfolio of aircraft and rental payments from the lease of such aircraft.

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

Investors are looking forward to 2010 as

a year of moderate economic growth, benign inflation and solid returns in global equities, according to the BofA Merrill Lynch Survey of Fund Managers for December.

Optimism about the economy strengthened last month. A net 80 per cent of respondents said they expect the world economy to grow over the next 12 months, compared with a net 69 per cent in November. Two-thirds of investors expect equity markets to return to traditional growth levels or better.

Expectations for corporate profits were at their highest level last month since December 2003, supporting demand for greater capex. A net 48 per cent of investors said that companies are under-investing. At the beginning of 2009, most investors thought companies were over-investing. Concern about inflation remained subdued. The positive outlook came in spite of sharp movements out of bank stocks. A net 28 per cent of respondents said they are now underweight bank stocks, compared with 11 per cent in November, a monthly swing of 17 per cent.

Investors' views on the fortunes of major world currencies firmed significantly last month, with the panel convinced that the US dollar will strengthen and the yen weaken. A net 37 per cent projected that the dollar will appreciate over the coming 12 months, compared with just five per cent taking that view in October.

Gulf jobs and pay rises hit hard by downturn, says study

Professionals working in the Gulf region have been hit hard by the downturn, with almost two-thirds not receiving any pay increase and one in ten losing a job in 2009, according to a new study from GulfTalent.com.

Based on the study's findings, average salary increases across the six GCC countries over the 12-month period to August 2009 fell sharply to 6.2 per cent, compared with 11.4 per cent over the same period of 2008.

The drop was most severe in the UAE, where average salary increases fell from 13.6 per cent to just 5.5 per cent in 2009. Kuwait also saw a significant drop in pay rises from 10.1 per cent to 4.8 per cent after the value of its financial investments collapsed.

Pay rises in Saudi Arabia stood at 6.5 per cent in 2009, compared with 9.8 per cent in 2008, the smallest fall among the GCC countries. Massive spending by the Saudi government on infrastructure projects in 2009 helped maintain economic activity.

In terms of job categories, audit professionals received the largest pay rises at 7.5 per cent, as demand for their services surged following the collapse of major global institutions in 2008.

With recruitment no longer a priority for

businesses, human resource professionals received the region's lowest pay increases at just 4.8 per cent.

According to the study, reduced demand for talent and greater availability of candidates both regionally and internationally shifted the balance of power from candidates to employers, easing upward pressure on salaries. Sixty per cent of professionals surveyed did not receive any pay increase at all in 2009, compared with only 33 per cent in 2008.

For the first time in years, average pay rises in most Gulf countries have exceeded the rate of inflation. As a result, some residents saw an improvement in their quality of life and saving potential in 2009, particularly in Dubai and Doha, where rents have fallen by over 30 per cent.

Across the Gulf, 10 per cent or one in ten professionals reported being made redundant. This figure was highest in the UAE at 16 per cent and lowest in Oman at six per cent. On a sector basis, real estate had the most drastic cuts, with 15 per cent losing their jobs.

In terms of demographics, segments with the highest redundancies included senior executives at 13 per cent and western expatriates at 13 per cent.

Masterplan unveiled for US\$375 million Al Waha development

Abu-Dhabi-based Al Maabar has unveiled the masterplan for its US\$375 million Al Waha development in Libya.

Al Maabar is implementing the project through its joint venture, Libya for Real Estate Investment and Development, with the Libyan Investment and Development Company.

On completion, the development will span over 65,000 square metres and will include a 31-storey luxury hotel, 100 serviced apartments, a 28-storey office tower, 11 mid-rise residential buildings, a health club and a shopping mall that will include a supermarket, a food court and a five-screen cinema.

Abdul Hameed Al Dabeeba, chairman and general manager of the Libyan Investment and Development Company, said that approximately 6000 people will live and work in the community when the development becomes operational in 2012.



Al Waha

Real estate financier Amlak reports net loss

Real estate financier Amlak reported a net loss of AED45 million for the third quarter of 2009. The total nine-month period loss stood at AED178 million.

Operational profit before provisions and impairments stood at AED39 million for the nine-month period and total provisions for financing business stood at AED313 million cumulatively as of September 30, 2009.

Impairments on corporate and international investments stood at AED115 million, bringing the overall balance sheet provisions to AED428 million as of the end of September 2009.

At the end of September 2009, Amlak's

total assets stood at AED14.7 billion and its financing portfolio stood at AED9.3 billion, compared to AED15.7 billion and AED 9.8 billion respectively in September 2008.

"Although the long-term outlook for the property sector in the UAE looks robust, we have adopted a policy of prudence and this is reflected in our level of provisioning in this year," said Ali Ibrahim, vice chairman of Amlak.

Ibrahim added: "We are also close to a final announcement by the federal government regarding their decision, which will further fortify our business operations and investor confidence."

Baniyas Investment and Development

Company has launched new apartments within its Bawabat Al Sharq project in Bani Yas City.

The Bawabat Al Sharq apartments include a total of 500 apartments spread across 14 buildings within six different blocks. The buildings are surrounded by landscaping and water views and include deluxe suites, one-, two- and three-bedroom apartments and penthouses with terraces and Jacuzzis.

The apartments feature only four apartments designed for a single floor. They also offer separate storage space on the ground floor for almost every apartment.

The new Bawabat Al Sharq buildings are part of phase two of the project, the construction for which is due to commence in early 2010. The entire phase two of Bawabat Al Sharq, including the new apartments and villas, is scheduled for handover in the third quarter of 2011.

For GCC personal finance and investment news go to www.moneyworks.ae

Tulip to hand over developments in Jumeirah Golf Estates this year

Tulip said that it is targeting a handover of its two luxury residential developments in Jumeirah Golf Estates – Olive Point and Sienna Lakes – this year.

The developments together will offer 111 villas ranging from four to six bedrooms. The residential projects are valued at AED1.2 billion and are in the final stages of construction, said the developer.

According to Masoud Sangi, president of Tulip Business Developers, Tulip has invested its own finances in the development of the project as part of its commitment to deliver the projects as scheduled.

"We envisage Jumeirah Golf Estates to become one of the most prestigious residential golf communities in the world. The development has become synonymous with style and sophistication and is targeted at the connoisseurs of luxury," he said.



Olive Point

MONEYworks.ae Online poll results
December 2009

Q: GOLD. Will it hit US\$1,500 in 2010

For sure	: 7%
It'll get close	: 21%
Doubt it	: 50%
I like silver	: 21%

Go to www.moneyworks.ae to give your opinion if you're going for e-payments over cash in 2010.

Visa and UAE Exchange have joined

forces to launch the Visa Money Transfer service in the UAE. The service will be offered through UAE Exchange's network of 80 branches across the country.

Visa Money Transfer will allow consumers to send funds directly to recipients' Visa cards domestically and internationally. Senders can initiate a Visa Money Transfer to make person-to-person payments, send funds to friends or family members or make account transfers.

The launch will allow a remitter in the UAE to go into any UAE Exchange outlet, register the beneficiary's Visa debit, credit or prepaid card and send funds to that card anywhere in the world. The recipient will receive the funds in his or her Visa card account and be able to use those funds at point of sale or withdraw cash from any Visa ATM without having to go to an agent location or wait in queues for cash.

Sachin Bountra, Visa's business development director for the Middle East, said that the launch will initially focus on the UAE-Philippines corridor.

Beltone Securities International unveils brokerage operations in Libya

Beltone Securities International, a subsidiary of Beltone Financial Holding, has launched its brokerage operations in Tripoli, Libya. Beltone Securities International will provide trading services on the Libyan Stock Exchange to its Libyan, regional and international clients.

Beltone provides a full array of services to its clients in Libya including securities brokerage, equity research, investment banking, asset management and private equity.

"Libya's changing social and political climate has signalled that it is the right time to invest in Libya. Libya's economy is growing rapidly as a consequence of

increased infrastructure spending, improved local consumption and foreign direct investment," said Aly El-Tahry, chairman of Beltone Financial Holding.

Increasing revenues from tourism and a fast-expanding industrial and services sector are also pushing economic growth across the wider economy, he added.

Over the past few years, Libya's GDP per capita has risen to reach US\$16,000 per annum. Over US\$55 billion of investment is planned for major infrastructure projects in electricity production, the petrochemical sector, water and real estate across the country.

For more on this, go to www.moneyworks.ae and search 'Beltone Securities'

NBAD launches Hong Kong operations

National Bank of Abu Dhabi (NBAD) has launched its first branch in Hong Kong, heralding the beginning of its operations in Asia.

The new branch will offer commercial and corporate banking, trade finance, treasury, correspondent banking and selective personal banking services in order to meet the needs of clients in Hong Kong, China and the region.

The bank's clients will include financial institutions, corporates, government institutions and quasi-government bodies, as well as selective private customers, said NBAD officials.

Founded in 1968 and listed on the Abu Dhabi Securities Exchange, NBAD has 95 branches in the UAE and 45 international branches in Oman, Kuwait, Bahrain, Egypt, Sudan, Libya, the UK, France, Switzerland and now Hong Kong. The bank also has a wholly-owned subsidiary in the US.

NBAD is due to open a full-fledged commercial branch in Jordan in January 2010.



Senior NBAD officials announcing the launch of the Hong Kong branch

Abu Dhabi Finance opens new branch

Home finance company Abu Dhabi Finance said that its new branch in the Tourist Club area of Abu Dhabi is now open for business.

Several mortgage advisors will be based at the new branch, which will be open for appointments and drop-ins between 8:00 a.m. and 8:00 p.m. Saturday to Thursday.

Abu Dhabi Finance offers mortgages with a wide range of benefits with loan-to-value ratios of up to 85 per cent, loan terms of between three and 30 years and debt service ratios of up to 55 per cent.



Ali Eid Al Mehairi, chairman of the board, and Mansour Al Mulla, board member

Dubai Islamic Bank Pakistan opens 10 new branches

Dubai Islamic Bank's fully-owned Pakistani subsidiary, Dubai Islamic Bank Pakistan, has opened 10 new branches across Pakistan.

With the 10 new branches, Dubai Islamic Bank Pakistan has strengthened its network to a total of 35 branches across 15 major cities in Pakistan.

The bank has also reported its financial performance for the first nine months of 2009, posting a pre-tax profit of PKR280 million (AED12.3 million), up 207.5 per cent compared to the corresponding period last year.

Dubai Islamic Bank Pakistan commenced



A Dubai Islamic Bank Pakistan branch launch

operations in Pakistan in 2006 and offers an array of Shari'ah-compliant products and services catering to institutions, small and medium-sized businesses and individuals.

The bank has an asset base of PKR32 billion (AED1.4 billion) and deposits of over PKR25 billion (AED1.1 billion).

For GCC personal finance and investment news go to www.moneyworks.ae

SALAMA ties up with Allfunds Bank to offer Islamic funds

SALAMA Islamic Arab Insurance Company has joined hands with Allfunds Bank to offer Takaful and Shari'ah-compliant funds across the Middle East.

As part of the tie-up, SALAMA will offer a range of Shari'ah-compliant funds intermediated by Allfunds Bank, along with its Islamic insurance cover, on a common platform.

As a result of the tie-up, SALAMA customers will have direct access to the largest Shari'ah range of Islamic funds through SALAMA products.

Noel D'Mello, general manager of

SALAMA Family Takaful, said that the tie-up is a major step towards SALAMA's strategy to further expand its presence in the region.

Allfunds Bank, with assets under intermediation of approximately AED164 billion, specialises in delivering open architecture solutions to banks, insurance companies, asset managers and independent financial advisors by offering as many as 16,000 funds from 350-plus international and local fund houses on a purely automated dealing platform.

HSBC Bank Middle East and Euler Hermes

have teamed up to offer HSBC commercial banking customers a risk transfer solution for their outstanding commercial invoices.

The insurance solution enables companies to continue to supply their clients on an open account basis with the confidence that they will be paid. Credit insurance indemnifies companies against the non-payment of an open account trade. In addition, the insurance solution enables a company to select potential new buyers, offer open account payment terms and extend credit to existing customers.

Euler Hermes, which operates under the sponsorship of Alliance Insurance in the UAE, has established a team of credit insurance specialists in the GCC able to advise clients on administering their credit insurance policies and also a credit underwriting team to support them on taking credit decisions for local and international companies.

Emirates Islamic Bank has launched its

super investment savings account. Through the new offering, super savings account holders will be entitled to a complimentary bonus, as well as ongoing Skywards miles. The latter will be rewarded on a quarterly basis based on deposit balances maintained or salary transfers (subject to the bank's terms and conditions).

The new account will also offer a 50 per cent waiver on the first annual fee for a Skywards EIB credit card, free 24-hour roadside assistance including a free car registration service and other benefits covering account-related facilities and lifestyle benefits.

Emirates Islamic Bank is also offering an additional incentive of 5000 bonus Skywards miles for the first 500 customers availing the new product.

Al Ansari Exchange opens 88th branch in the UAE

Al Ansari Exchange has opened its 88th branch in the UAE in Umm Al Quwain. The inauguration of the newest branch follows the company's recent expansion to Global Village, Al Khail Mall and Jafza View Tower.

Al Ansari's future plans include operating 100 branches across the UAE, in addition to strengthening its partnerships with over 150 correspondent banks and agents worldwide.

Established in 1966, Al Ansari Exchange offers products and services including worldwide money transfer, foreign exchange, transfers through Western Union and Cash Express and door-to-door delivery of remittance. The company also provides ancillary services such as cash advance and encashment against credit cards, credit card bill payment, issuance of National Bonds certificates, travellers' cheques and e-exchange.



Mohammad Al Ansari, managing director of Al Ansari Exchange

Dutch-Belgian law firm Stibbe gains approval for Dubai office

Dutch-Belgian law firm Stibbe has been granted a licence by the Dubai Financial Services Authority to operate from the Dubai International Financial Centre (DIFC).

The DIFC office will be used by the law firm as a base to operate and service existing and new clients across the Middle East North Africa region.

Stibbe has its main offices in Amsterdam and Brussels, as well as offices in London and New York. Together with its alliance partners Herbert Smith and Gleiss Lutz, the firm has nearly 1700 lawyers in 20 different jurisdictions (including Abu Dhabi, Jeddah, Dammam and Riyadh).

Stibbe's Dubai office will have a special focus on structuring investment funds and tax-efficient holding and investment structures generally, as well as advising on M&A transactions and corporate (Islamic) finance.



Abdulla Mohammed Al Awar, CEO of the DIFC Authority, David Meijeren, senior officer and corporate lawyer at Stibbe, and Dhafer Mohammed Bin Dhafer, executive director of ancillary services at the DIFC Authority

Mubasher has completed the development

of a new service that provides website users and investors in the Middle East with real-time financial information from Beirut.

The new service, offered in Saudi Arabia, Jordan, the UAE, Egypt, Kuwait, Oman, Qatar and Bahrain, is in line with the agreement earlier signed by Mubasher and the Beirut Stock Exchange, which sought to give institutional and retail investors greater flexibility and more confidence to make informed investment decisions.

Appointments - December 2009

Bank Julius Baer has appointed **Peter Schaer** as CEO of Julius Baer Middle East in Dubai, effective April 1, 2010.

Laurent Lavigne du Cadet has joined Taylor-DeJongh as deputy CEO.

Deloitte has appointed **Daud Vicary Abdullah** as global leader of the Islamic finance industry group.

Anthea Ameer, a former Merrill Lynch executive, has joined ARINDON as managing director of the Bahrain-based company.

Triago has appointed **Basel al Kasem** as senior advisor to help the company develop its operations across the Middle East.

Friends Provident International has appointed **Shahid Mohammed** to the newly-created role of regional sales manager.

Dubai Islamic Bank has named **Faisal Hameed** group chief internal auditor.

Dubai Islamic Bank launches wealth management service

Dubai Islamic Bank has launched Wajaha, its new invitation-only wealth management service for ultra high net worth individuals.

"In this period of global financial uncertainty, wealth preservation has become even more important, underlining the criticality of sound financial advice and solid relationships," said Dr. Adnan Chilwan, chief of retail and business banking at Dubai Islamic Bank.

The bank's new Wajaha services include Islamic investment products and personalised benefits including a specially-designed Wajaha infinite debit card, a diamond-studded Al Islami infinite credit card offering a high credit limit and a number of value-added services. Wajaha members also have access to the Wajaha Takaful savings programme.

Wajaha members are given free access to airport lounges in 600 airports worldwide and can also take advantage of an international concierge service



Dr. Adnan Chilwan and Abdulla Al Hamli, CEO of DIB

available 24 hours a day, seven days a week. The concierge service is available in more than 400 cities in 120 countries worldwide.

Wajaha clients are also given travel insurance, roadside assistance, special travel offers and cash delivery/pick-up services.

Canada-based Scotiabank has received a licence from the Dubai Financial Services Authority to operate within the financial district. Scotiabank will be the first Canadian bank to operate from the Dubai International Financial Centre (DIFC). The licence will allow the bank's ScotiaMocatta division – a global leader in precious metals trading, financing and physical products – to open its own branch in the DIFC.



DUBAI

Smart money begins to move in

Legendary investor Mark Mobius is buying Dubai, and so are long-term players. The local market at these levels gives an opportunity to buy, most long-term players say. **Utpal Bhattacharya** argues that investors should look beyond Nakheel and continue to buy into the Dubai dream.

People are fickle, said legendary emerging market investor Mark Mobius, executive chairman of Templeton Asset Management.

Mobius was answering questions on the prospects of a recovery of confidence among international lenders to Dubai, and he was indicating that one good piece

of news can change everything. The emerging market investment guru not only surprised journalists by telling them the recovery of confidence among lenders could be quick, but also put all his weight behind Dubai, saying that the emirate would continue to lead the region in terms of transparency and governance and in

the area of financial services, where it has a first-mover advantage.

Like any another far-sighted investor, Mobius seemed quite pleased that Templeton was investing in Dubai stocks when the announcement came through that Dubai World was asking all of its creditors and those of its large-scale



developer Nakheel to stand still and extend debt maturities for six months until May 2010 for the purpose of debt restructuring.

A US\$3.5 billion Nakheel bond was due in December, and the announcement of extending debt maturities took the market by storm, taking the Dubai credit default swap (CDS) rates much beyond 600 points. However, once news came through of Abu Dhabi's support of US\$10 billion and the Dubai government's assurances of payment, the CDS rates dropped sharply below 500 points and continued to head south.

"We were buying the Dubai market during the crisis because we felt that there were great opportunities, which do not come often. We have been investing in property, diversified companies like ports and financial services," Mobius disclosed to journalists.

What's the problem then?

However, despite the opportunity that Mobius spoke of, there are short- to medium-term worries about the excesses that some of the Dubai entities like Nakheel got into. Mobius said: "Negative news will be there, like the concerns of

the debt ratings from rating agencies, who mostly provide a rear-view mirror picture." Beyond that, Dubai will have to address the leverage concerns of a number of entities in the emirate before continuing on with its ambitious projects.

Before proceeding any further, it is important to distinguish between independent commercial enterprises like Dubai World and the Dubai government, so as to put the debt story of the emirate into perspective. While the Dubai government generally does not guarantee debts issued by various entities under Dubai World and Dubai Holding, the sovereign guarantee is available for some selected loans issued by entities under Investment Corporation of Dubai (ICD), and obviously for the bonds issued directly by the Dubai government. Sandeep Raghuwanshi, vice president of Millennium Finance Corporation, says that these guarantees are comfortably spread out in maturity and adequately covered by the cash flows of the Dubai government¹.

Raghuwanshi also argues that while Dubai World, which is a state-backed holding company but an independent commercial enterprise, is indeed seeking to reschedule US\$22 billion of debt, this is not by any means a sovereign default of Dubai, as misconstrued by a section of international media.

However, as we go to print, there is a lot of speculation going on as to what debt is likely to be restructured and what, if any, assets will be sold. Of course, there will be much more clarity in the weeks ahead, but it looks likely that Dubai World will try to ring fence some of its good assets from the bad assets while it negotiates with the creditors on debt restructuring, including possibilities of a haircut, rolling or seeking an extension of payments.

The investment vehicles

Dubai, which has risen from being an extremely successful trading entrepot in the last century to becoming a modern tourism destination, as well as a hub for regional financial and service sectors, invested heavily in the new millennium to achieve its goals. Investments were made through a plethora of companies, but mainly through three holding companies: Dubai Holding, ICD and Dubai World.

The Jumeirah Group, TECOM Investments, Dubai Group, Dubai Properties Group, Tatweer, Sama Dubai, Dubai International Capital and others are under the umbrella of Dubai Holding. Some of the companies under the ICD umbrella are Dubai Aerospace, DEWA, Borse Dubai, a few other investments and partial ownership of Emaar. The Dubai World companies include Nakheel, Limitless, Istithmar, DP World, Dubai Dry Docks, Jebel Ali Free Zone, P&O Ferries and others.

Out of the above groups, only selected ICD entities have government guarantee. All others are mostly companies backed by the government, but not guaranteed.



Mark Mobius

Nakheel's trust certificates that matured last month were guaranteed by Dubai World, which is backed by the Dubai government. In other words, the sukuk did not have a Dubai government guarantee. The prospectus of the Nakheel's sukuk clearly says: "Investors should note, however, that the government of Dubai does not guarantee any indebtedness or any other liability of Dubai World." It also goes further to explicitly highlight risk for international investors. It reads: "Until the ports operating businesses currently owned by Ports, Customs and Free Zone Corporation (PCFC) are consolidated within

Dubai World, the majority of the assets of Dubai World are located within the UAE. As a result of the majority of the assets of Dubai World being located in the UAE, there may be insufficient assets of Dubai World located outside the UAE to satisfy in whole or part any judgment obtained from an English court relating to amounts owing in connection with the certificates."

Moreover, while Dubai World is guarantor, the Islamic sukuk has limited recourse to the underlying trust assets only and not a bond or a debt obligation of issuer. This is stated in very easy-to-understand language of the Limited Recourse paragraph, which says: "The certificates are not debt obligations of the issuer. In particular, the certificates do not represent bonds or notes issued by the issuer. The certificates attached represent entitlements solely to the trust assets."

Gross domestic product at basic current and constant prices - Emirate of Dubai* 2006 - 2008

Value in million AED											
2006 = 100											
Economic activity	Growth rate Current prices 2007-2008	Growth rate Current prices 2006-2007	Growth rate Constant prices 2006-2007	GDP 2008			GDP 2007			GDP 2006	
				Percentage contribution %	Current prices	Percentage contribution %	Constant prices	Percentage contribution %	Current prices	Percentage contribution %	Current prices
Non-financial corporations sector	14.8%	19.2%	9.9%	92.81	279,899	92.18	224,906	92.32	243,882	91.61	204,600
Agriculture, Live stock and Fishing	5.8%	5.1%	-2.5%	0.41	1,234	0.44	1,082	0.44	1,167	0.50	1,110
Mining and Quarrying	6.2%	-16.0%	-24.0%	2.11	6,370	2.22	5,425	2.27	5,999	3.20	7,139
Manufacturing	10.9%	10.2%	5.8%	14.12	42,582	15.12	36,880	14.54	38,400	15.61	34,855
Electricity, Gas & Water	19.3%	-11.8%	14.0%	0.85	2,557	1.14	2,771	0.81	2,144	1.09	2,431
Construction	20.4%	33.5%	16.2%	9.66	29,130	8.63	21,058	9.16	24,186	8.11	18,118
Wholesale, Retail trade and Repairing services	18.1%	27.4%	14.8%	38.56	116,310	36.37	88,735	37.28	98,492	34.61	77,301
Restaurants and Hotels	6.7%	9.1%	2.9%	2.50	7,532	2.73	6,657	2.67	7,056	2.90	6,468
Transports, Storage and Communication	9.5%	16.5%	15.1%	8.44	25,445	9.41	22,948	8.80	23,234	8.93	19,937
Real Estate and Business services	13.2%	15.6%	5.2%	14.73	44,419	14.64	35,721	14.85	39,228	15.20	33,944
Social and Personal services	8.6%	20.6%	10.1%	1.43	4,319	1.49	3,629	1.51	3,976	1.48	3,297
Financial Corporations sector	10.2%	8.8%	6.4%	8.25	24,879	9.05	22,070	8.54	22,571	9.29	20,743
Government Services sector	2.9%	14.5%	8.3%	2.75	8,297	3.13	7,625	3.05	8,061	3.15	7,041
Domestic services of households	-2.6%	9.9%	9.9%	0.41	1,249	0.53	1,283	0.49	1,282	0.52	1,167
Less : Imputed Bank service	9.5%	13.9%	16.4%	(4.22)	(12,728)	(4.87)	(11,886)	(4.40)	(11,622)	(4.57)	(10,207)
Gross domestic product	14.2%	18.3%	9.2%	100.00	301,596	100.00	243,998	100.00	264,174	100.00	223,344

* Preliminary estimation. Source: Dubai Statistics Centre

The trust assets are a piece of land at the Dubai waterfront and recovering that asset by the lenders could also mean a very complex and lengthy legal process.

The issues relating to the Nakheel sukuk do create precedence in Dubai. However, with the assurance of payment now, investors can look forward to being paid. Still, it is very likely that lenders will be faced with some sort of haircut, depending on negotiations that are ongoing as we go to print.

There is still speculation about what will happen to debts given to entities other than Dubai World in Dubai. The concerns remain in the short term, but Dubai is expected to keep pushing for more transparency and better governance of companies in the future. The creation of insolvency laws on the Dubai International Financial Centre last month to handle any disputes with regard to the Dubai World debt is one such move, while another very important step taken was to create more accountability and transparency among government entities when it came to investing government monies in projects.

The big picture

While the Nakheel sukuk did provide a lot of gunpowder for headline news in the media late November and December last year, most writers did not question the risk management tools and techniques of lenders that lent to enterprises in Dubai like the one in question. Suffice to say, it is not uncommon to see enterprises go belly up because they bite off more than they can chew, especially during a downturn when liquidity becomes scarce. It is also not uncommon for lenders to get excited and lend much more than they should in boom times, when logic actually dictates lending to remain in the market. In fact, many banks have closed in the US and other parts of the world following the global downturn, and there are talks of consolidation of the industry in the region and in the UAE.

But what does all of this mean in the longer term for investors in Dubai? Probably not much, as these events do not alter the big picture



Abdul Majeed Al Fahim

or take away the vision or the infrastructure that the emirate has built.

Abdul Majeed Al Fahim, chairman of Pearl Dubai FZ LLC, a large property development project in Dubai, wonders why people fail to see that nothing can take away what Dubai has already created for itself.

"Dubai offers sophisticated services and great infrastructure. I would bet my chips on Dubai. In fact, what debt is the world talking about? Look at the fundamentals of the country. We have a large current account surplus and all debts can be paid off in three years if the oil price remains at the US\$70 per barrel level," he argues.

Al Fahim, who hails from Abu Dhabi, urges the world to look at the UAE as a country. He says the various emirates in the UAE are fiercely competitive, as in any other federation globally. And investors have to analyse their investments in Dubai from that perspective, he adds.

Al Fahim also says that Dubai's core was built around Jebel Ali and trading. Now that the whole infrastructure has developed around it, the emirate is poised for reaping the dividends. The global unwinding and rebalancing of assets will impact economies like Dubai in the short term, but once these difficult times are past and everything is adjusted to the new environment, there is nothing to deter the big picture and the ambition of the emirate's leadership, according to him.

The inherent strengths

The UAE as a federation has certain fundamentals that are unmatched in the region. While the underlying oil assets of Abu Dhabi give the country a strong platform, combined with Dubai's commercial expertise and a tolerant, cosmopolitan society, investing in the UAE becomes compelling for investors looking for regional assets.



Sandeep Raghuvanshi

"Unlike many other cities in the Middle East, Dubai has shown its willingness to accept expert advice from outside and it has been willing to put expatriates in positions of responsibility. And it has already become an international city in that sense," emphasises Mobius.

Al Fahim agrees, adding that the country has 204 nationalities working and living together.

In fact, many of Dubai's success stories have sustainable competitive advantages, and the fundamentals are largely unrelated to the construction and real estate sector.

According to Raghuvanshi, there are three areas where Dubai has sustainable global and regional leadership: Emirates Group, the Jebel Ali Free Zone and DP World and the financial and service hub for the region.

In fact, the well-known Emirates airline is only one division of a complete aviation business model comprising world-class airports, aircraft leasing and aviation-related services, duty free zones, cargo zones and a successful cargo airline, etc. Success of each piece rests on others and together they bring a formidable competitive advantage.

Raghuvanshi says that the success of Emirates is based less on the origin and destination traffic to and from Dubai and more on transfer passenger traffic as a global airline of choice for long-distance travel. It is against this backdrop that its strengths must be analysed. It is, arguably, the only major airline of global reach that can connect any two major cities on our planet with only one stop. This advantage comes from the fact that Dubai is located almost in the centre of the world, and from Japan to Brazil, no major agglomeration is further than 8000 nautical miles or one single flight away from Dubai, he adds.

Raghuvanshi also points out that the lack of strong competitors in Dubai's populous immediate neighbourhood of South Asia and the Middle East, as well as a dearth of potent flag carriers altogether

in geographies like Africa, makes Emirates the carrier of choice for the long-haul travellers of the entire region. Emirates also benefits from a low-cost home airport base, a young fleet and no legacy costs, while the final cherry comes from the excellent service, both on the ground and in the air.

Another similar success story that has little to do with the real estate construction industry is the cargo logistics infrastructure and services provided by the Jebel Ali Free Zone and DP World combined. Jebel Ali is one of the world's largest free zones situated next to one of the world's largest seaports and the upcoming world's largest cargo airport. This is a unique and formidable combination situated in the heart of the rapidly growing economies of South Asia, the Middle East and Africa, together comprising over two billion people.

Raghuwanshi argues that DP World's business is not just dependent on Dubai. It is one of the world's leading port operators managing almost 50 terminals spread across 31 countries, all the way from Australia to Argentina in the southern hemisphere and South Korea to Canada in the northern hemisphere. Part of its strength comes from the rapidly-growing economies of Asia, where the impact of the current financial crisis was very limited and industrial production levels are already higher than pre-crisis levels. For example, almost 40 per cent of India's container traffic is managed by DP World.

More recently, over the past decade or so, Dubai has invested time, money and effort to emerge as a financial and services hub for the region. Several factors play into the competitiveness of centres including business environment, market access, infrastructure and governance. According to the City of London's rankings, Dubai ranked 23rd globally as the most attractive financial hub in 2009, far ahead of any other GCC city (the next being 43rd). Given the nature of the financial industry, this lead might not be as sustainable as in other sectors, but Dubai does have inherent strengths and a first-mover advantage in several areas.

Notes Raghuwanshi: "First and foremost, Dubai is a truly global city – arguably more global than most international cities. It is uniquely tolerant and cosmopolitan, with almost every nationality represented. This, coupled with state-of-the-art infrastructure and very efficient public services, make it a city of choice for international professionals. On top of this, it has existing free-trade agreements with most of the developed and booming economies and a tax-free code. While some or all of these might be replicable, it may take several years to do so."

Mobius adds that although two financial centres can co-exist side by side, like Hong Kong and Singapore, more activity will be assured only in the freer city and in this case the former. He expects Dubai to play the same role as Hong Kong, given its cosmopolitan makeup, growing transparency and free exchange of ideas.

Raghuwanshi agrees, adding: "Post World War II, London emerged as a finance and services hub in Europe, largely on the back of its strategic location and its pre-war strengths. Later on, Frankfurt and Paris made strong efforts to replace London as the hub,

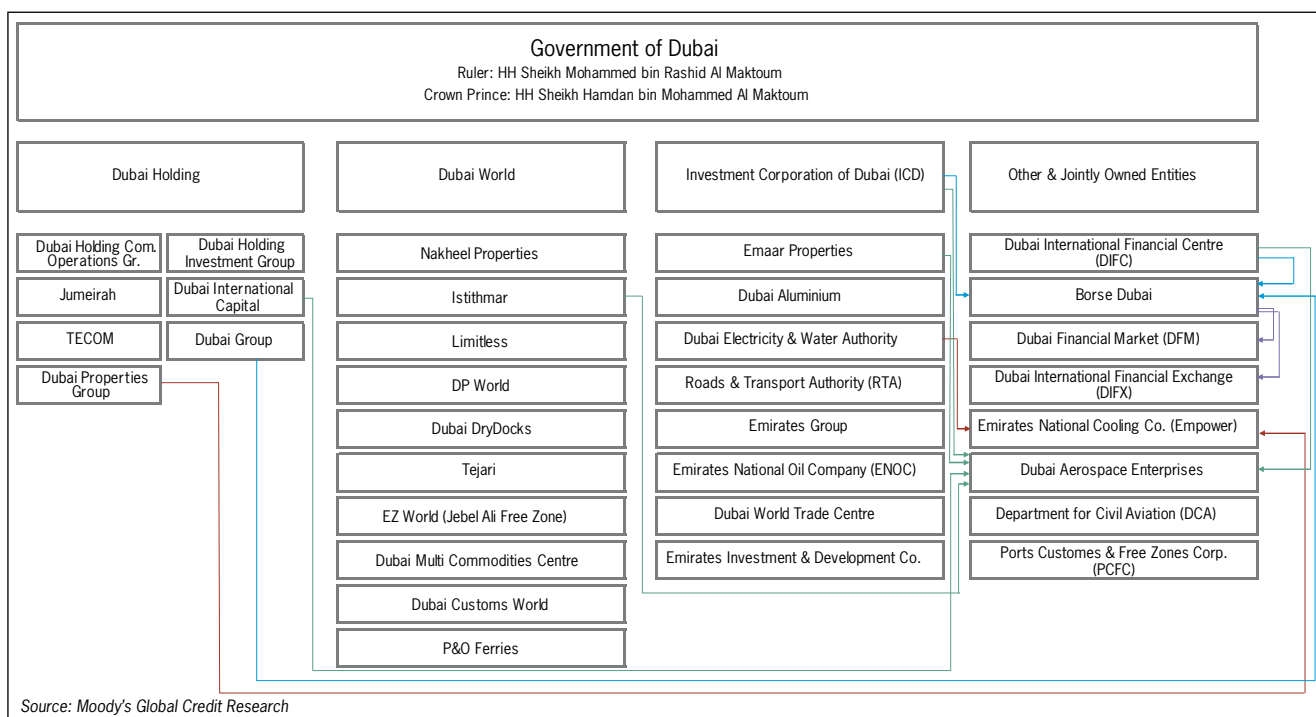
and at one point seemed to close the gap rather quickly. But in the long run, London not only managed to retain its leadership position, but even emerged much stronger."

The way forward

Dubai would never have had any problems of servicing its debt if it had taken long-term debt. And lenders would have happily lent long term, according to Al Fahim. It is also important to understand that major economies in the world were built on long-term debt, like the British funded the railways in the US with long-term debt, points out Mobius. And that's why a dynamic bond market would be very important for Dubai in the years to come, as the emirate will continue to build.

One of the other important areas to note is the over-concentration of the GDP in the real estate and construction sector, as Dubai had more than a quarter of its GDP coming from real estate and construction in the recent past. This will have its negative impact in the medium term, as the market will be hit by a supply glut, thus keeping the sector subdued until recovery happens beyond





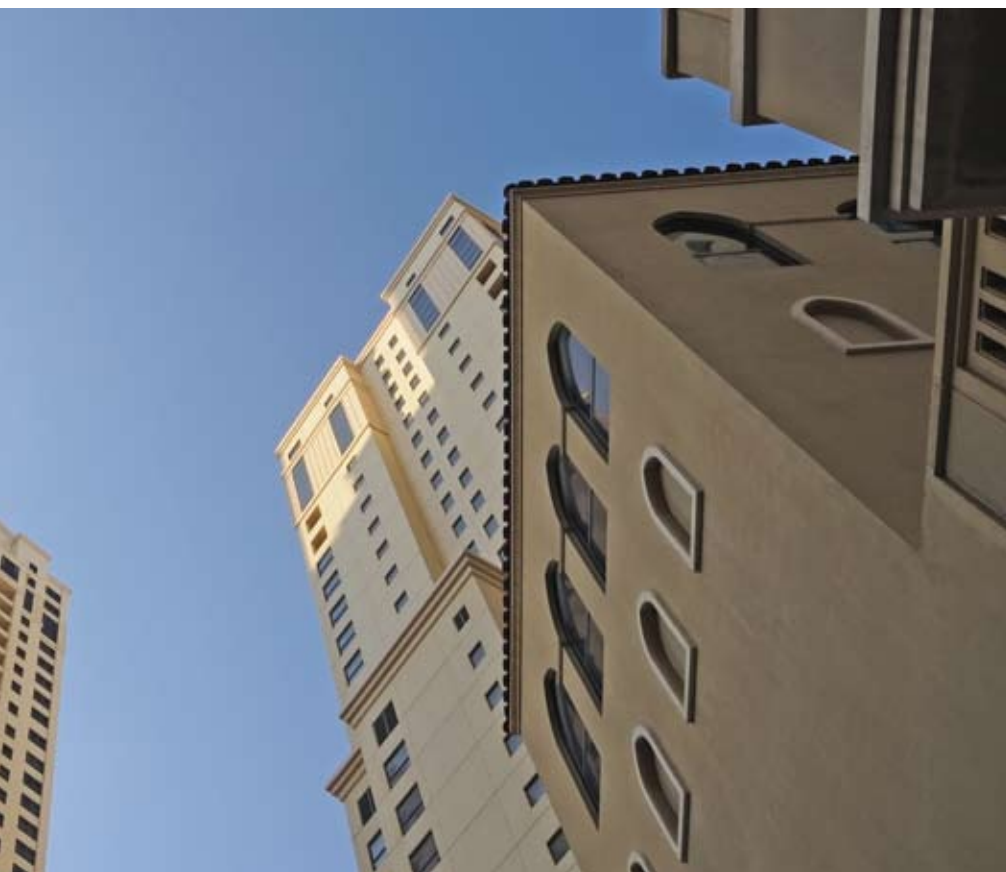
2010. But on the other hand, Dubai's positioning as a healthcare destination, a media hub, home to technology companies, a centre of education and financial services and so on will continue to help the emirate diversify its economy from real estate in the months ahead.

But that does not mean that real estate is no longer a lucrative asset class in Dubai. Investors from the region have already started to move into Dubai's property market with a longer-term view. Besides, with an over US\$2 trillion-dollar surplus in China and with that country

already invested up to its ears in US Treasury and commodities, some of that liquidity could come into Dubai. Real estate is a very good asset, Mobius points out.

In the immediate future, however, it will be important for the government of Dubai to remain focused in ensuring that the debt crisis is contained within the four walls of Dubai World. In the medium to long term, the picture does not change much, as there is no shift in the long-term goals of Dubai. It is also expected that energy prices will remain strong with continued growth in the Asian economies, and this will also ensure strong liquidity flows into the region. Dubai is part of the region and will benefit from the high price of oil indirectly.

"We must remember that Dubai does not directly benefit from the liquidity coming from the energy market, as the emirate does not have much oil or gas. Hence, Dubai's focus would remain on developing an economy similar to that of Singapore or Hong Kong that leverages on all the growth happening around it and act as a gateway to the region," notes Raghuwanshi.



Footnotes
 1 The viewpoints of Sandeep Raghuwanshi in this article are his own and not those of Millennium Finance Corporation.



GCC debt market tested

Pricing in the GCC debt market will be tested in the future after the Dubai debt worries that hit the global market in late November. **Matein Khalid** wonders how investors will price issues that have implicit government guarantors after Dubai.

The events of November 27 have, naturally, unsettled the attitude of emerging debt fund markets toward investing in the GCC sukuk, sovereign and corporate debt markets. Despite Abu Dhabi's decision to lend US\$10 billion to Dubai to avoid a ruinous Nakheel default, implicit guarantees on quasi-sovereign debt no longer

have any intrinsic value in investor calculus of repayment risk. Implicit guarantees, like offplan flipping and bank name lending, will not survive the endgame of the 2008-2009 financial debacle in the Gulf capital markets. On a more immediate basis, I believe risk premiums will remain exceptionally high in the Gulf for a protracted period of

time as Dubai Inc. restructures its colossal external debt. This means that Gulf borrowers, governments quasi sovereign and corporates will pay a higher spread above the risk-free US Treasury note rate for all maturities. It is, after all, significant that Abu Dhabi and Qatar sovereign debt sold off after the shock of the Nakheel standstill



announcement on November 27, meaning contagion from Dubai debt is a reality in the GCC debt markets. In any case, it is also significant that credit default swaps for Dubai and Abu Dhabi, which plummeted after the bailout, have nowhere near returned to the levels that existed before the Nakheel standstill announcement.

The Abu Dhabi bailout stabilised the UAE financial markets, but it also highlighted the fact that communications among Gulf governments cannot be accurately predicted by investors. The Nakheel sukuk was, after all, investment grade, yet it twice traded more than

50 per cent below its par value, an unsettling scenario for offshore fund managers forced to mark to market their holdings of GCC debt. This has naturally led to lower allocations to GCC debt and even equities, where an illiquid, smallish stock market can close limit down or up for successive trading sessions.

While Abu Dhabi's decision permits the repayment of the sukuk maturing December 2009, it is conditional upon Dubai World concluding a successful standstill with its myriad creditors. This means that a complex, protracted international restructuring of Dubai World is inevitable. This Abu Dhabi support means that trade, contractor and bank creditors to Dubai World will not be forced to take a painful haircut.

Negative impact

Fitch, Moody's and Standard & Poor's have all cut ratings of UAE banks and state-owned companies, as implicit government guarantees that once commanded two to five notch credit ratings are no longer viewed as credible by both analysts and investors. The three rating agencies will not upgrade or reverse their credit downgrade on UAE borrowers as long as the Dubai World restructuring does not come to a successful endgame, a prospect I can easily envisage as another six months away. Dubai World is quite possibly the most complex business conglomerate in the Middle East, with the highest debt held by dozens of banks all over the world. These include vastly different businesses like Nakheel, DP World, Istithmar, Limitless, Dubai Drydocks, Jebel Ali Free Zone, P and O Ferries and real estate holdings everywhere from the City Center complex in Las Vegas to hotels in New York.

When all is said and done, the Dubai debt shock reminds the world that the post-Lehman-Brothers global financial crisis is

still not over and despite the trillion-dollar central bank easings and government fiscal stimuli, the world economy is still fragile. Dubai, after all, was not the only example in the world that amassed cheap debt to finance a construction boom that overheated the emirate's domestic economy, triggering off a spectacular asset bubble whose collapse precipitated the Nakheel debt shock. As the fall in the Gazprom bond suggests, investors are no longer willing to trust implicit state guaranteed by a credit as strong as the Russian Federation, with its US\$500 billion in hard company assets. Downside risk in quasi-sovereign borrowers simply cannot be calculated, as investors do not know how to price implicit government guarantors after Dubai.

This will have a negative impact on the valuation of markets dominated by banks, insurers and property developers owned by the state, an existential reality across the Gulf. Government policy will become mission critical in investing, as debt shocks in countries as diverse as Dubai, Latvia, Greece, Ireland and Spain suggest that dimensions of systemic risk are mispriced by the capital markets. The linkages between Dubai and the broader emerging markets are not linear, the reason the markets stabilised after a savage sell-off on November 28. Yet, I do not consider it a coincidence that gold has lost US\$100 an ounce in the last month, crude oil is down from US\$80 to US\$69, that the euro has fallen from 1.5150 to 1.4500 and that the US Dollar Index surged from 74 to 77 in a fortnight. Risk is, after all, a four-letter word in emerging market investing, and so is ruin. Caveat emptor!

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



Scoring goal after goal

Sayyid Khalid Hamed Hamood Al Busaidi, chairman of Oman's Sabco Group, is a versatile man. These days he spends most of his time developing Omani football, but doesn't take any of his attention away from his business. **Utpal Bhattacharya** finds out how he manages so much in 24 hours.

You are a second-generation businessman. But during your tenure as the chairman, the group has seen tremendous growth. Can you give us a brief rundown as to how it all happened?

My father started Sabco LLC in the early 1970s. Since he has always been associated with the government, business was not exactly his priority. He set up the business primarily for his children. Sabco LLC started off as

a trading company. It also represented many international companies that started operations in Oman in the early 1970s. At that time, the country was starting to invest in various infrastructure projects, roads and hospitals.

Sabco later diversified into a plethora of activities, including manufacturing and services. We went into financial services, property development, media and communication and investing in many associated companies. Today

we are a diversified corporate group in Oman.

You brought significant changes in doing business to the group when you became its chairman.

I studied in Oxford and also did my MBA in the UK. When I came back, I had new ideas. And when I took over as the chairman of the Sabco Group in 1998, my first step was to re-engineer and restructure the group.

We were the first group in Oman to create a governance structure

for the family business. We put in place quite a solid structure, where today we have the family assembly. We meet every year – all the family members from kids to elders – to review all the businesses of the group. Below the family assembly we have a board of trustees, which has senior family members – only four persons. Then we have the board, of which I am the chairman. We also restructured all the group companies. We created this governance structure to guarantee the continuation of our family business for generations to come. The restructuring happened very smoothly and was accepted very well in the family.

The second step I took was to redefine our short-term and long-term objectives. Since then, we have seen successful, rapid growth in all areas of businesses. We put in new systems and policies and created transparencies. Today we manage the Sabco Group as a public company. Although it is not a public company, we have managed to put the culture of public company governance in all our group companies. I think this guarantees the long-lasting success of the group companies.

In my tenure, we as a group have also come up with many new ideas, while also opening up to the idea of joint ventures in Oman and elsewhere in the world.

“We have a few companies that are publicly traded. I think more and more family companies in the region will become public in the future. The benefit of companies becoming public is that it allows you to enter and exit the business any time. Liquidity is never an issue and you can unlock value at any point of time. Of course, there are businesses that prefer to remain close.”

So there's been a lot achieved in the last 10 years at Sabco.

We have always maintained a sense of responsibility towards the development of Oman, mainly because of our association with the government and because of family relations with the royal family of Oman. We have always maintained that whatever we do should add value to the economy of Oman.

We are very happy to see the group emerging as a player in the economic development of the country. We have created brands like Amouage. It is today one of the elite brands of the world in terms of perfumes, fragrances and cosmetics. We have got great aspirations for Amouage to take it further to become a fashion house

of international calibre from this part of the world.

In fact, we are considering a couple of options of expanding Amouage's reach globally through takeover of associated businesses in the fashion industry, outside the region. We want to see Amouage established very quickly as a world-class brand.

What about other group companies?

We have been pioneers in mineral water bottling in the country and the region. The Natural Mineral Water Company owns 40 per cent of the market share of water business in Oman. It is a public limited company and today we have got into a joint venture with Isklar, a Norwegian company, where we have exported the experience of bottling water into the project. Isklar is one of the four most popular premium water brands in the UK. We are hoping to emulate this success in other European markets.

We have also been pioneers in shopping malls in Oman. We started the Sabco Centre as the first shopping mall concept in the country in the early 1980s. Since then, Sabco Centre has played an important role in developing Qurum into a shopping district.

We are also very much into recycling. We are majority shareholders in a huge recycling

plant in Fujairah and we see new technologies and awareness creating opportunities for this business line. We are also doing a PET recycling plant in Fujairah, which is the largest in the region today.

In all our businesses, we are focused on high quality, which is also the value that the family brings into the enterprise.

Have you employed professionals to help you with the family office?

We have an organisational structure. Each company has its own independent management and we meet as a group board and set the objectives, analyse the financials and business reports and set business plans. In addition, we have what we call the family investment office, which sits between the chairman and the board of trustees. That office is responsible for any new growth opportunities, investments or disinvestments. It also manages the entire market portfolio. That's a separate entity, mainly an investment-focused entity. The other businesses are independent companies run by CEOs. They have independent budgets and certain objectives to achieve. We do not operate as a centralised operation. Part of our restructuring was to do with decentralisation and creating accountability, but it was also done to give professionals enough space to bring out their best.

What about taking the group public?

We have a few companies that are publicly traded. I think more and more family companies in the region will become public in the future. The benefit of companies becoming public is that it allows you to enter and exit the business any time. Liquidity is never an issue and you can unlock value at any point of time. Of course, there are



"It is all about time management and it is all about delegation. Being the chairman of such a large diversified portfolio is not a problem if you manage people in the right direction. I am a composer as well. I make music. That is something that helps me a lot in managing some of the problems that arise."

businesses that prefer to remain close.

We have taken a few companies public and we see a huge benefit in doing that. We are, as a group, also very much ready to go public today in terms of our internal systems, internal governance structure, etc. However, I feel that instead of unlocking the value of the main family holding company, group companies should be taken to public. The approach should be that you build a company, create value in it and then unlock it.

It is almost like a PE approach.

Something like that.

Is it more of a trend now for family companies to go public?

I think it is a trend and it is the result of the growth of the economy and the opportunities that are there. The region

remained dependant on oil revenues for a long time. But today you have new leaders and new entrepreneurs. They are increasingly looking beyond oil to create new business opportunities. So definitely it is a new trend and it is a positive trend.

What does it take to manage so many different entities and your other interests? How much do you work?

It is all about time management and it is all about delegation. Being the chairman of such a large diversified portfolio is not a problem if you manage people in the right direction. I am a composer as well. I make music. That is something that helps me a lot in managing some of the problems that arise.

I like playing music late at night. It gives me energy. It calms me down and at the same time gives me ideas for the next day.

Is it an inspiration thing, the music?

I love music and since my childhood I have been playing various instruments. I have composed so many music pieces. I do it as a hobby and as a passion. And music certainly helps to reevaluate the day and plan the future.

You have contributed a lot to Omani football. What brought you to the game?

I came to football after I finished my university studies in the 1980s. My elder brother, who passed away in the 1980s in a car accident, used to be the president of the Fanja football club. I used to be his vice president. I became the president of the football club after he passed away. And I stayed the president for three years. During my presidency, the club managed to win Oman's first-ever Gulf Cup for Clubs. Never since then had an

Omani club won a Gulf Cup. It is still a record.

After my term as president of the club, I focused entirely on my business, but three years ago, when FIFA enforced changes to football rules around the world and said football associations have to be fully elected, I was called by many of the clubs. They told me that they wanted to elect me as the first elected president of the Oman Football Association (OFA). I gave it a thought and I saw opportunities for football in the country, given the huge passion for the game. I felt we ought to think of football as a business rather than just some social activity. I did my research and found out how countries have managed to transform football into business.

I came up with a strategy document for football in Oman that looked at transforming Omani football into an industry. And I campaigned for it. I visited 43 clubs and discussed with them how to transform football into a business. The clubs supported me and I was elected. There were three people running for the seat. Out of 43 seats I got 29 votes, which was very good.

This is your second year as president of the OFA. What have you achieved?

In the last two years we have managed to change the perception of the community that football is not a social activity. Of course, we have lot more to do. But we are very happy today to see association with big companies in Oman like Omantel that believe in our strategy and vision.

We have plans for football to transform into a professional league in Oman. We are working very closely with FIFA and the Asian Federation, and also with the English Barclays Premier League, to help us set up the fundamentals for professional football in Oman. We also have plans for development of



“We have plans for football to transform into a professional league in Oman. We are working very closely with FIFA and the Asian Federation, and also with the English Barclays Premier League, to help us set up the fundamentals for professional football in Oman.”

grassroots and women’s football, in addition to beach football. We started beach football last year, and in our first year, we won the golden medal of Asia.

We won the Gulf medal for the first time ever and now we are competing to be in the World Cup of beach football.

We also lifted the Gulf Cup for senior teams in January 2009 for the first time ever. We have brought teams like Brazil to play in Oman. And this type of event puts tremendous focus on the game, as to what it can bring to the country in terms of promoting Oman, promoting tourism in Oman and creating wonderful opportunities for partnership and advertisers here in terms of communications, merchandising, buying and selling players, creating value for clubs and benefiting clubs from practising football.

Around the world, you see countries that are only known for football. And football is the main source of revenue. Of course, that wouldn’t be the case in Oman, but there is potential to make football an important player in our society that will also help in the development of the country, boost tourism in the country, help the youth and, hopefully, bring more medals for Oman. The majority of the Omani population are young people. They love football and play football everywhere. Why can’t we take that as an opportunity and see how to make football a successful industry earning significant revenues?

How much of your time do you devote to football and how much to your own business?

In the last two years, I have given a lot of time to the football association. I spent more time here [OFA] than my other office. But I have my Blackberry with me and it helps. It is important in the first couple of years to set up the fundamentals for the growth of football. And that’s what we did in the last two years. We revamped the whole governance structure. We are working with FIFA, the English Barclays Premier League, the Asian Football Federation and others in setting fundamentals for professional football in the country and then trying to tie up with more partners for the football association to create a base of funds, which is required to execute our plans for the game’s growth. Once we put that in place, football management will take off and will start running on its own steam. It is a matter of setting up the fundamentals at this moment. And hopefully, things will move smoothly later on.

Which is your favourite team?

My national team, of course. My favourite international team is Brazil and there are two favourite clubs: Real Madrid of Spain and Manchester United.

A new decade for global equity opportunities

As the markets enter 2010, value-oriented equity manager **Ron Holt** and growth-focused manager **Tom Davis** analyse strong global equity prospects in emerging markets, technology, natural resources and China.

Recovering equity markets around the world posted significant gains in 2009. But as the global economy continues to be fragile and valuations higher, investors probably shouldn't look for a repeat of 2009 in terms of performance. That said, there are ample opportunities, not only for 2010 but on a longer-term basis for fundamental equity investors.

Room for growth

The recovery has been stellar, not just in the emerging market asset class, but also in equities in general. A lot of the rebound has to do with how low equity prices got in early 2009. The MSCI Emerging Markets Index is up 73 per cent through November. But if we look back at 2008 and factor in that emerging markets were one of the worst-performing asset classes with the index down more than 50 per cent, then the prospects for continued growth today appear reasonable.

On a longer-term basis, emerging markets should be an area that provides a significant opportunity for global investors. In fact, investors may be underinvested in this asset class. The perception of higher levels of risk in emerging markets may not be accurate anymore. For example, as we come through this most recent financial crisis and look at what has happened in the global economy, the real epicenter of the crisis was in the US and the developed world.

Unlike 1998, this time emerging markets have been the stars in the global economic recovery phase. It has been the developed world that really took it on the chin – and in all likelihood will take longer to recover. According to consensus research, GDP estimates for 2010 include Brazil growing close to five per cent, China likely exceeding nine per cent and India at around 7.5 per cent. That contrasts with GDP estimates for many developed nations, where France, Germany and the UK are expected to grow around one per cent and the US at three per cent. This shows that growth still remains overwhelmingly in favour of emerging markets.

Sectors poised for growth

Technology, more specifically consumer-related electronics such as computers, televisions and mobile handsets, looks to be a solid area of growth over the next few years. Areas where there is expansion or improvement in market penetration, again, are in emerging markets and particularly in China, where there is still a long way to go for wireless communication penetration and expansion. One example of a company with strong fundamentals and involved in the manufacturing of LED technology – which is rapidly being deployed in flat-panel television sets – is South Korea's Samsung Electro-Mechanics.


With an upward online sales trend occurring, Internet-related areas – both on the search side and e-commerce – are other interesting tech areas. There are some new growth opportunities in the Internet travel space. In fact, there is now a Chinese version of Priceline called C-Trip.

Favourable dynamics are in place in the materials sector as well. With a limited amount of resources in the world, companies that own actual physical assets that are in the ground probably give them some competitive advantages going forward. Raw materials, in particular iron ore, copper and metallurgical coal – which is a key component to steel making – are also potential growth opportunities. This area ties closely into the broader global economic recovery theme, because there can be no true recovery without a global recovery in construction.

Broadly speaking, in the energy and materials sector, the valuations have moved up quite a bit in 2009, so that is cause for concern. But fundamentally, the energy and materials sector appears to be a great place in which to be investing.

Sustainable growth in China

As China's economic growth accelerated to 8.9 per cent in the third quarter of 2009, many investors may wonder if this growth rate is sustainable. It does appear to be quite sustainable. In fact, if US and European economies come out with some better-than-expected

A large, traditional Japanese torii gate, illuminated with a warm orange glow, stands prominently in the center of the frame. The gate is reflected in the dark water below. In the background, a dark, silhouetted mountain range is visible under a night sky. To the left and right, some distant lights from buildings or boats are scattered across the horizon.

results, we could actually see perhaps even stronger growth, and if not stronger, a better mix or quality of growth because we will see some of the exports come back as well.

In the absence of that, though, we have seen a fairly significant stimulus come from the Chinese government, which is focused on the domestic economy and starting domestic demand. Therefore, a lot of the stimulus will not only boost consumption of big-ticket items like automobiles and appliances, but also it should benefit the long-term development of the country – including improving the railway and

transportation systems in China and finding ways to improve the healthcare system.

Playing China for the recovery stimulus with companies in the property sector and infrastructure worked well in 2009. Moving forward, a shift toward domestic consumption, the consumer and Internet-related names may provide more growth opportunities. Overall, given the underlying growth in China and the way it has been able to power through the global crisis, it is certainly a place where good opportunities can be found, and we believe good opportunities will continue to exist.

BRIC markets

There should be a good resumption of growth in Brazil in 2010. Brazil was one of the last countries to enter the global downturn in 2008 and one of the first to recover. Reasonable political stability for a number of years now, along with considerable improvement in the fiscal situation and underlying economic situation, has aided Brazil's progress.

Unemployment has turned positive again, while wages and income trends are encouraging – and that all feeds into support for domestic consumption. Development of the banking sector both on the wholesale and commercial retail side are other positive signs. Brazil is also in an enviable position of having natural resources such as iron ore and oil. Plus, it has a large and rather young population. There should be a continuation of further development of this market as the middle class develops.

Overall, looking at economic growth, the BRIC nations appear to have superior growth rates, and it most likely will be that way for an extended period of time. This does not appear to be a short-term phenomenon. It is a longer-term rebalancing of the global economy that is going on. These markets will be important in terms of being a significant part of that rebalancing.

A good portion of the world's population is located in these four countries that are moving from an emerging state or an

underdeveloped state to one where they are very quickly developing a significant level of the middle class, developing the infrastructure and developing the overall economy. That could be a significant story over the next 25 to 50 years.

From a valuation standpoint, most of the BRIC markets are generally still looking pretty attractive. China looks to be trading in the mid-teens multiple of earnings on 2011 numbers, Brazil in the mid- to upper teens multiple of earnings and Russia in the low to mid-teens multiple of earnings. Those are not particularly expensive multiples given where some of those countries have historically traded.


The only exception is India, which does look a bit expensive trading north of 20 times earnings in 2011. India is a more isolated economy and did not suffer as much on the downturn. But at the same time, it does not look as economically stable either. There are big deficits there. India does not have the kind of economic firepower that China does to power its way through from a stimulus standpoint or investment standpoint. The one bright spot investors like to play is the IT consulting business in India.

Moving over to Eastern Europe, Russia is not only the biggest producer of oil in the world, it is the largest supplier of natural gas in the world and has a lot of good, solid natural resources. Russia is one emerging market that continues to be cheap in terms of price/earnings ratio. A lot of that lower valuation comes from concerns about higher levels of political risk, which is certainly warranted. However, high-quality companies in Russia can be bought at very attractive multiples. Also, there are some select banks and wireless telecommunications firms in Russia with good fundamental growth opportunities.

Commodity prices

The rapid rise we have witnessed in commodity prices in 2009 is cause for concern. With that said, longer term there

is still scope for higher prices in commodity markets. A continuation of volume growth – driven from demand coming from the resource-intensive emerging markets and the recovery expected to be ongoing in the developed markets – appears to be a likely scenario for 2010.

Taking a look at the lofty prices of gold, it remains hard to make the case for this precious metal. Gold is not really used in construction, and nor for most of the things involved in an economic recovery. So to justify the current gold prices would be a bit of a stretch. 

Writers are Ron Holt, CEO, Hansberger Global Investors and Tom Davis, Global Growth Portfolio Manager, Loomis Sayles & Company; two global equity experts from Natixis Global Asset Management, the parent company of Natixis Global Associates.



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AGB finds huge potential in the Middle East and Africa

Goodhealth Worldwide has now officially rebranded as AGB. Outside of the US, the company's home market, the Middle East and Africa will be the biggest area of growth for AGB. **Ritwika Chaudhuri** reports.

AGB (Aetna Global Benefits), the international arm of Aetna Inc, one of the top three players in the US health insurance market with a US\$37 billion revenue, is confident that its double-digit growth will continue in the next few years. Outside of the US, the company's home market, the Middle East and Africa (MEA) region will perhaps be its biggest and most important growth area, according to Mark Jardin, senior executive officer and managing director of AGB MEA.

AGB membership went up from 50,000 in 2000 to 400,000 in 2009. In the US, Aetna Inc has a membership of 19 million.

Since 1999, AGB has had a presence in the Middle East through Goodhealth Worldwide, the healthcare unit of Royal and Sun Alliance, as its general managing agent or general managing underwriter. In 2007, AGB bought Goodhealth Worldwide, obtaining a global footprint in the arena of health insurance.

On November 1, 2009, Goodhealth Worldwide officially rebranded as AGB. However, since AGB is not a licensed insurer in the UAE, it will continue to be the exclusive administrator and service agent for Royal and Sun Alliance health products. Outside of the UAE, however, AGB is authorised to sell Aetna-licensed products. In the MEA region, AGB operates with over

100 employees across four offices.

"We are excited by the opportunities that operating under the power of the Aetna umbrella will present in the region," says Jardin. "Our unique combination of a global presence and local market expertise enables us to continue to offer new, innovative benefits solutions, as well as cutting-edge tools and resources that meet the needs of our diverse customer base in the Middle East."

With the transition complete, in addition to expanding its brand, AGB is also enhancing its global service capabilities, health solutions offerings and provider network. This year, AGB has plans to introduce a spectrum of products in the health insurance segment covering high-end, low-end, custom-made and standardised products in the MEA region. It also plans to introduce lifestyle and wellness products.

AGB expatriate offerings include medical, dental, vision, life, disability and emergency assistance. Aside from regular health insurance products, AGB is also involved in the health services business, working

as a consultant and providing care and health management tips, administrative services, predictive modeling and data analysis. The organisation's health management business collaborates with healthcare systems, government entities and plan sponsors around the world to design and build locally-applied health management solutions to improve health, quality and cost outcomes.

"We provide health insurance to private parties where that is allowed. A lot of governments are not willing to move to a private model like in the UK but want to partner with private companies in the health management segment, which reduces costs as well," Jardin notes.

AGB is associated with the National Health Authority of the UK to provide similar services. The Middle East is the second region where an AGB team will be engaged in public-private health management partnerships across the region.

With Dubai as the regional headquarters for AGB's MEA operations, Jardin and Mustafa Asaad, deputy managing director of AGB MEA, are extremely

"We provide health insurance to private parties where that is allowed. A lot of governments are not willing to move to a private model like in the UK but want to partner with private companies in the health management segment, which reduces costs as well." Mark Jardin

upbeat about the growth potential in the region.

Although health insurance is the second-most important personal insurance line being bought in this region next to motor insurance, penetration of the former continues to be relatively low.

In the region, healthcare has been made mandatory only in Abu Dhabi and Saudi Arabia. In Abu Dhabi, two million people (expatriates and nationals), as per 2008 statistics, are covered under health insurance. In Saudi Arabia, around seven million expatriates are being issued health insurance. Health insurance is yet to be made mandatory in Dubai, but around 400,000-500,000 people in the emirate are covered under private health insurance, taking the total figure to approximately 2.5 million in the UAE (out of which 1.5 million are expatriates).

As far as the other GCC countries are concerned, Oman is seriously looking into mandatory health insurance, while Qatar and Bahrain are planning to implement it soon. Kuwait has partly implemented mandatory health insurance.

With increasing demand for health insurance by a growing expatriate population and the current thrust by the regional governments to make health care mandatory, health insurance is likely to flourish in the Middle East, say AGB officials.

"There is huge demand for health insurance in the Middle East due to increasing costs of healthcare, hence the government wanting to reduce spending on healthcare and trying to find means to involve private sectors by sharing the cost," says Jardin.

Jardin adds that even Africa, despite being less populated with a huge land mass, is coming out with interesting demand for health insurance services, mainly



Mark Jardin

"There is huge demand for health insurance in the Middle East due to increasing costs of healthcare, hence the government wanting to reduce spending on healthcare and trying to find means to involve private sectors by sharing the cost." Mark Jardin

from the growing expatriate population there. While employers are focusing on Africa, insurance companies and brokers are asking for partnerships for solutions in Africa.

"With the involvement of healthcare in this region and the presence of a globally-mobile population, five years down the line we will have more countries in this region coming under compulsory insurance coverage and more countries trying to shift the cost to the private sector. Hence, that will create opportunities for us," says Jardin.

AGB is also concentrating on other markets in the MEA region like Saudi Arabia, Bahrain, Morocco and South Africa, and is trying to expand to countries like Qatar and Kuwait. In the next five years, AGB plans to foray into the Asia Pacific region and also hit the Indian Subcontinent.

AGB currently operates from key locations throughout North America, Europe, Asia and the Middle East.

Although the current year was a concern for AGB, with smart employers and consumers trying to cut corners and save more, the company has been able to run a profitable portfolio, mainly because of its specialisation and focus in the offering, Jardin points out.

Aetna Inc was born in 1853 in the US. According to Jardin, being one of the oldest insurance companies in the US has earned it a good reputation. It was only after 1960 that the company started its international operations, followed by acquisitions during the 1990s.

The company was further restructured during 2000 to focus on health and health-related services by selling its casualty and services division. Out of the 17 legal entities around the globe within Aetna Inc International (All), its Bermuda entity AGB was kept in the All family due to its exposure to corporate expatriates in the healthcare services sector.

"Our chairman believes that we should follow our customers. One of the reasons why AGB was allied with the Aetna family was to follow customers' needs," Jardin explains.

Jardin believes that AGB, with its now expanded base and brand expansion through the complete takeover of Goodhealth Worldwide, has made it possible for Aetna to be nearer to its globally-mobile customers.



Success doesn't come easy

There was a lot of speculation last month about how Dubai was faring with its debt repayment commitment. At the core of it was property, and the market suffered.

Manjula Menon investigates where the Dubai property market is headed now.

The passage of the foreign property ownership law in March 2006 heralded a period of unprecedented and unexpected inflow of money into the real estate sector in Dubai. Supported by low mortgage rates, as the UAE monetary policy is a de facto copy of the US Fed policy, the property market flourished, achieving prices and rents beyond normal supply and demand mechanisms, ultimately leading to unhealthy and unsustainable levels. The large

external exposure of the UAE (especially Dubai) did not help, as the global meltdown triggered a collapse of the local real estate market.

Quo vadis?

Despite early signs of stabilisation, property prices in Dubai might not have bottomed out yet. After the distressed selling in the first half of 2009, the third quarter of the year saw renewed investor interest in projects, from

phone enquiries to actual visits and investors exploring new opportunities in the real estate market. However, the vast majority of investors have held back from making actual investments, hoping to enter at the first signs of a revival, which still seems some distance away. The talks and speculations around the debt restructuring of Dubai World and other entities is also not working in favour of the market.

Property investing in Dubai has



come a long way since the heydays of the early years of this decade, when speculators made hay as the sun never set. The market has since become better regulated, but some of the changes that came along the way in regulations actually hurt the flow of money into the emirate, including the uncertainty of the visa rules.

Experts say there are still concerns around transparency in property ownership in the emirate, while changing visa regulations for owners, a tenuous legal system and weak enforcement of existing rules are making it much harder to attract much-needed international

investors. Experts explain that a decisive factor that induced many expatriates to invest in the UAE real estate market was the government's promise of a three-year residency visa for freehold property owners, even the jobless. But, after a period of uncertainty, this promise was replaced last May by a rule that entitles only those owners who have a minimum fixed income of AED10,000 and a minimum property holding of AED1 million to a six-month multiple entry visa. This rule has excluded a number of owners who do not fulfil the criteria and is a significant dilution of the original regulation. In

fact, the rule has become more of an impediment than an incentive for investors to engage in the property market, experts note.

Demand and supply

A recent UBS report released in November 2009 predicted a further 20-30 per cent drop in Dubai property prices over the next 18 months, on top of the 50 per cent decline from the 2008 peak levels. The report expects Dubai's residential property market to be oversupplied by nearly 25 per cent by the end of 2011. The number of existing vacant units and planned further units, against the backdrop of a declining population in the emirate, will invariably result in a further drop in prices, according to the report. UBS also indicates that a significant portion of non-performing loans is yet to find its way into banks' books, further dampening the outlook of the property sector.

Boston Consulting Group does not foresee a turnaround in the sector in the near future. The global consulting firm notes that the shaky confidence of banks, combined with stringent financing rules and higher financing costs, will place hurdles for investors who wish to enter or re-enter the real estate sector.

Experts also argue that the level of distressed property assets in 2009 will prompt smart investors to focus primarily on tier-one developments that display favourable characteristics in terms of location, high quality construction and finishing, as well as predictable revenue streams.

In the rental lease market, overall population growth will be the single-most important driving factor. An expatriate-led population outflow from the country will put major pressure on the housing market and is likely to keep its growth potential to a minimum for some time to come. Contradictory figures

and reports are out in the market about whether the ramifications of the financial crisis have resulted in a net inflow or outflow of Dubai residents at this point. The need of the hour is credible and transparent official data, without which predictions about the property market's movements are doomed to remain pure speculation.

The other important factor is supply. Consensus estimates of the peak-to-trough drop in Dubai property prices vary from 40-60 per cent. Most do not see any recovery before 2011. They also see 90,000-140,000 units hitting the market between 2009 and 2011. With this major oversupply in different sectors of Dubai, it is hard for investors to see good chances for their target return on investment.

Occupancy levels have already been driven down, prompting the rental decline to be more pronounced than the price correction. According to Landmark Advisory, apartment rents fell by 17 per cent in the third quarter, with the agency predicting that these are likely to keep falling due to weak supply fundamentals. Developers and homeowners who find it difficult to sell their properties are being forced to offer their units for rent, thus pushing up the supply of rental units even further. For high-end units, there is a

visible oversupply in Dubai, which makes it difficult to achieve full occupancy.

According to Global Property Guide's third quarter 2009 housing report, the magnitude of the UAE real estate market's fall has been as spectacular as its rise. While property prices rose 61.5 per cent in the UAE in the third quarter of 2008 compared to the year before, they dropped more than 48 per cent year-on-year in the third quarter of 2009. This is a stark contrast compared to most other real estate markets worldwide, where changes on a year-on-year basis have been much more moderate. For example, Australia had a year-on-year house price change of -3.45 per cent in the third quarter of 2008 and a +4.91 per cent change in the third quarter of 2009. Canada had a change of -1.07 per cent in the third quarter of 2008 and a -2.14 per cent change in the third quarter of 2009. Even Spain, where the housing market had taken a severe thrashing, had much lower adjustments. The country saw a -4.31 change in the third quarter of 2008 and a -7.00 per cent change in the third quarter of 2009 (refer to tables).

The story in Abu Dhabi is somewhat different from Dubai, with a number of deep-pocketed expatriates having moved to the capital and putting further pressure on the undersupplied rental market. Market fundamentals there are favourable, with Mubadala's subsidiary Abu Dhabi Finance estimating undersupply to jump up to 100,000 by 2015, a housing shortage caused by financing difficulties, delay and cancellation of projects and investor caution. Clearly, property owners are blessed in this situation, while those seeking to rent are in a bit of a soup. In line with equilibrium laws, however, oversupply of residential units in one emirate and undersupply in another will lead to spill-over effects and create distortions in both the Dubai and Abu Dhabi real estate markets in the medium term, with demographic movements expected to gravitate towards the more affordable Dubai area.

Owners' cartel

Some experts attribute the recent premature price improvements in Dubai rents to two phenomena. The first, they say, is property developers and consultants painting a positive picture of prices and talking up rents. The other reason lies with homeowners' behaviour. Landmark Advisory's third quarter 2009 report entitled "Delaying the inevitable: Owner behaviour preventing rent floor" blames the illogical recent price movements on distortions in owner behaviour, as well as relocation of tenants from other emirates seeking to benefit from lower rents in Dubai. The report argues: "Assuming that landlords are exiting the market due to lower rents, this behaviour will prevent Dubai's leasing market from reaching a rent floor. The momentary respite in the rent correction process, caused by supply distortion, is only temporary and will reverse as soon as those properties come back onto the market. Real rents will be determined by what Dubai residents are willing to pay."

An unknown number of property owners are also holding back from renting out, as they are unwilling to let their property at the going rates or sell it at a drastically discounted price. By taking their listings off the market, however, they are just postponing the bottoming out of the rental market, as the drop will inevitably

House price change (Inflation adjusted)				
Country	year-on-year (%)		q-o-q (%)	
	2008 Q3		2009 Q3	2009 Q3
Israel	-3.79	↑	10.15	0.68
Australia - 8 cities	-3.45	↑	4.91	3.19
Switzerland	2.22	↑	4.28	1.33
China-Shanghai	18.01	↓	3.97	2.66
Hong Kong (RVD)	13.22	↓	3.60	9.19
Hong Kong (HKU)	16.82	↓	3.08	11.12
Norway	-6.56	↑	2.00	1.78
New Zealand	-9.02	↑	1.98	0.60
Portugal	-7.60	↑	1.48	0.30
Finland	-4.04	↑	0.92	2.02
Sweden	-2.42	↑	0.78	2.93
Indonesia-14 cities	-8.34	↑	-0.86	-1.02
Canada	-1.07	↓	-2.14	0.17
US (FHFA)	-11.22	↑	-2.18	-0.45
Germany	-2.97	↔	-2.78	0.59
UK (Nationwide)	-14.44	↑	-4.34	3.40
Netherlands	-0.39	↑	-5.34	-0.33
Spain	-4.31	↑	-7.00	-0.49
South Africa	-7.73	↘	-7.10	0.55
Ireland	-13.75	↑	-7.20	-2.93
US (Case-Shiller)	-20.74	↑	-7.45	1.19
UK (Land Registry)	-9.90	↘	-10.02	2.09
Singapore	1.62	↓	-10.96	14.30
Thailand	-3.13	↓	-13.18	-6.10
Slovakia	14.12	↓	-15.28	-1.23
Russia	6.42	↓	-19.47	-3.76
Iceland	-8.95	↓	-21.21	-4.18
Bulgaria	13.01	↓	-28.66	-3.91
UAE	61.50	↓	-48.05	n.a.
Latvia-Riga	n.a.		-59.70	-6.75

↑ = more than 1 percentage point increase in house price change
 ↗ = less than 1 percentage point increase in house price change
 ↘ = less than 1 percentage point increase in house price change
 ↓ = more than 1 percentage point decrease in house price change compared to same period of last year

Source: Various series, data descriptions and sources here

occur at a later point in time. This artificial undersupply of units naturally ends up in overestimating rent projections. There will, however, be a time and budget limit as to how long property owners refuse to rent out, as maintenance of vacant property and unfunded mortgage payments will eventually increase the opportunity cost of holding back versus renting out at current levels.

Smaller homeowners who hold on to their properties and do not rent out feel caught in the situation. Even though they still manage to generate cash flow, they view their projected cash surplus as negative, with rentals projected to drop further versus their mortgage obligations. They also expect further supply to hit the market once other owners in a similar situation exit the market. However, given the serious lack of confidence and widespread pessimism in the market, some are of the view that the worst has been discounted in the prices and rents already and that the bottom might be close. These owners prefer taking a contrarian approach to the market.

Is a real recovery in sight?

A prevailing perception among some commentators is that job losses in the UAE are not yet a haunting ghost of the past. Job losses still continue to be a major threat, while salaries could take longer to recover. Combine this with a rise in the supply of units in the months ahead and the quality that is both available and affordable. In fact, this situation could act as deterrence for investors and tenants alike to put their eggs in the Dubai basket. With a strong and attractive real estate market in India and opportunities arising in western markets, albeit at a slower pace, a considerable number of expatriates are reconsidering how to most reasonably allocate their budgets going forward, probably benefiting the more established markets back home. For converting potential interest from end-users and investors in the UAE into action, economic recovery in the country has to be sustainable and laws of residency visas might need to be adjusted to last beyond a 30-day grace period to leave the country, once expatriate residents are faced with unemployment.

Real estate consultancy Colliers International reported a seven per cent increase in the overall value of residential properties in Dubai between July and September 2009, the first increase since the market plummeted in 2008. But the consultancy shied away from predicting any full-fledged recovery.

A Jones Lang LaSalle report in October predicted that the price recovery in Dubai would occur well after the second half of 2010, despite a slight improvement in sentiments. There is also a consensus among experts and consultants that as long as prices and rents do not realistically reflect fundamentals and valuations, it will be an uphill climb for the sector. Some also suggest that in an effort to mainstream and put an end to speculators' dominance that distorts prices in the emirate, the Real Estate Regulatory Authority should support the rental system by temporarily introducing not just recommendations, but actual obligatory ranges for rents, which would be set according to the property's specifications and regularly adjusted to market developments. This might help bring about a much-needed catharsis, they argue.

House price change (Nominal)

Country	year-on-year (%)		q-o-q (%)	
	2008 Q3		2009 Q3	2009 Q3
Israel	1.95	↑	13.65	2.67
Australia - 8 cities	1.36	↑	6.25	4.19
Norway	-2.16	↑	3.78	1.78
New Zealand	-4.43	↑	3.71	1.89
Switzerland	5.26	↓	3.27	0.90
Hong Kong (RVD)	18.48	↓	2.70	8.12
China-Shanghai	24.23	↓	2.63	2.98
Hong Kong (HKU)	22.24	↓	2.19	10.04
Indonesia-14 cities	2.56	↔	1.88	0.23
Finland	0.35	↔	0.17	1.77
Portugal	-4.82	↑	0.00	-0.34
Sweden	1.83	↓	-0.40	2.89
South Africa	2.58	↓	-1.15	2.18
UK (Nationwide)	-10.33	↑	-2.95	4.03
Canada	2.32	↓	-2.98	0.28
Germany	0.01	↓	-3.03	0.81
US (FHFA)	-6.51	↑	-3.76	0.23
Netherlands	2.76	↓	-5.07	-1.23
Thailand	-1.53	↓	-6.88	-6.24
Spain	0.39	↓	-8.02	-0.94
UK (Land Registry)	-5.58	↓	-8.71	2.71
US (Case-Shiller)	-16.53	↑	-8.95	1.87
Russia	22.34	↓	-10.82	-2.60
Singapore	8.31	↓	-10.96	15.75
Iceland	3.86	↓	-12.54	-2.17
Ireland	-10.00	↓	-12.87	-3.91
Slovakia	19.91	↓	-14.27	-1.49
Bulgaria	26.76	↓	-27.98	-4.98
Ukraine- Kiev	24.01	↓	-34.41	-8.48
UAE	80.00	↓	-47.00	7.00
Latvia-Riga	n.a.		-59.07	-8.51

↑ = more than 1 percentage point increase in house price change
↔ = less than 1 percentage point increase in house price change
↓ = more than 1 percentage point decrease in house price change
compared to same period of last year

Source: Various series, data descriptions and sources here

Overall, the crisis should be an eye-opener for both authorities and market participants that real estate speculation needs containing and balancing with real supply and demand in the economy. One of the lessons from the ongoing crisis is to discourage the quick-profit herd mentality that built into the property market in past years and build a robust long-term strategy for sustainable growth of the sector. Let us also not forget that Dubai opened its property market less than 10 years ago, while other emirates followed it. It needs time to settle down and mature now, as this is the first boom-bust cycle for the market. Some projects may not be viable anymore and investments have gone bad. But nobody is going to take away Dubai's infrastructure and what it has already built.

We must also not forget all of Dubai's incredible achievements over the last five to six years. Once real estate investing finds its footing again, it will undoubtedly be one of Dubai's pillars of strength and a star in the country's quest for diversifying away from an overdependence on oil into viable and sustainable areas of growth. After all, there are costs on the road to success.

CMII: Valuations to improve in 2010

Investors can expect a significant jump in the earnings of Construction Materials Company SAOG in FY 2010 as its 200 metric tonnes per day of additional lime capacity in Sohar goes on stream. A report by **FINCORP**.

Construction Materials Company SAOG (CMII) is a leading producer of lime, crushed limestone products and calcium silicate bricks in the Sultanate of Oman. Quick lime is made up of calcium oxide (approximately eight per cent by weight) used in the manufacture of calcium silicate bricks/blocks. Hydrated lime is made up of calcium oxide (approximately 68 per cent by weight) used in oil drilling, paints, water/sewage treatment, soil stabilisation and sugar refining. The company also produces calcium carbonate in different grades for the oil and gas drilling industry.

Lime constitutes CMII's largest business segment and contributed nearly 62 per cent to its total turnover during the first nine months of 2009. The company focuses on growing its market share in the GCC as well as in new territories such as India. The company has completed construction of an additional lime production capacity of 200 metric tonnes per day at its existing lime plant in Sohar.

CMII is almost debt free, funding its recent expansions at its Sohar and Quriyat plants through a preferential rights issue. It currently has a paid-up share capital of OMR8.5 million, held closely by its promoters.

The GCC region, excluding Oman, is

CMII's largest market by geography, accounting for 56 per cent of its FY 2008 sales, with the UAE being a key market. Oman accounted for 43 per cent of the company's turnover in FY 2008, while the remaining one per cent was derived from other markets such as India, Sri Lanka and the African Horn nations. CMII has a strong clientele in Oman such as Petroleum Development Oman, Pepsi and Jotun Paints.

High demand

The company's management says that demand for lime products continues to remain strong despite recession, as they are used in various applications such as the manufacture of paints, glass and building material. The company's focus on the timely delivery of quality products to its customers at competitive prices is expected to enhance its market share in the future. The company appears to be confident of operating its lime plant in Sohar at its full capacity of 300 metric tonnes per day next year.

CMII also has ambitious plans of commencing production of silica from its quarries in Quriyat. Fuel supply for its plants in Sohar and Quriyat has been upgraded to dual fuel system, natural gas and diesel in order to prevent

production disruption due to unforeseen events.

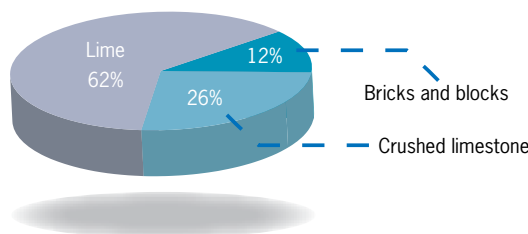
Improving margins

According to the management, the company faces no direct competition with respect to lime products in Oman. However, it faces competition from GCC players. It also faces the risk of relocation of its production unit in Quriyat owing to population expansion near its quarries. CMII has already been asked by the ministry of environment to vacate its brick plant in Al Amerat near Muscat due to environmental damage complaints from residents of the area. This situation, however, will not impact the company much, as it is planning to exit from brick manufacturing completely and focus on its other two business lines.

Transportation costs account for 24 per cent of the total cost of sales. Since the company has not yet received approval from the government to operate its quarries in Wadi Al Jizzi near Sohar, it is forced to transport crushed limestone from its quarries in Quriyat.

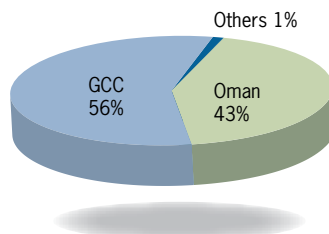
The management believes that it will be able to reduce transportation costs by at least OMR150,000 per year if the company is allowed to harness its Wadi Al Jizzi quarries. CMII is striving hard to

Figure 1: Sales by product - 9M 2009



Source: Company financial statements

Figure 2: Sales by region- FY 2008



Source: Company financial statements

	2009E	2010E
P/E	15.9	10.1
P/BV	1.0	0.9
EV/EBITDA	16.9	10.1

Source: FINCORP Investment Research

get consent from the ministry of regional municipalities and water resources. A favourable resolution for the company can improve its margins going forward.

Revenues growing

The company is expected to achieve a 22 per cent compounded annual growth in revenues for the period of 2005-2010E.

Net revenues for the first nine months of 2009 amounted to OMR2.24 million, 4.2 per cent lower on a year-on-year basis. The lower sales in the first nine months of 2009 were attributable to a lower price realisation in lime, offset to some extent by a higher volume. Production volumes of crushed lime stone and bricks were also lower in the current fiscal. However, a lower cost of sales due to the fall in raw material costs helped the company to post a 10 per cent year-on-year increase in its gross profit to OMR0.69 million for the first nine months of 2009.

Total operating expenses for the company were marginally higher year on year with a 3.4 per cent year-on-year decline in general and administration expenses, offset by a 20 per cent increase in selling and distribution expenses. The company's operating profit for the first nine months of 2009 rose 16.5 per cent to OMR419,000, as against OMR360,000 in the same period of 2008.

Indicators	Abu Dhabi National Company for Building Materials	Fujairah Building Industries	Cement Gypsum Products Company	Construction Materials Industries and Contracting	Mean
CMP	AED 2.13	AED 4.61	OMR 1.000	OMR 0.111	-
MCAP MN	US\$ 174	US\$ 159	US\$ 3.90	US\$ 24.50	-
P/E (TTM)	11.53	12.00	12.10	15.44	12.76
P/BV	1.58	2.65	(2.23)	1.01	1.74
ROE (TTM)	14.73%	22.86%	-17.79%	5.01%	6.20%

Source: Zawya, FINCORP Investment Research

The operating profit margin improved to 18.6 per cent for the first nine months of 2009 from 15.3 per cent in the first nine months of 2008.

Other income in the form of an insurance receipt for damage caused by cyclone Gonu to the tune of OMR92,000 and a lower net interest expense helped in a higher bottom line of OMR0.44 million (plus 34 per cent year on year). However, EPS remained unchanged at six baisas on account of equity dilution following the company's rights issue. We expect an EPS of seven baisas for the full year, which implies a 2009E P/E multiple of 15.8x. This looks expensive compared to the broad market in the short term.

Attractive valuation

This stock is likely to see a significant improvement in its valuation next year, once its newly-added lime production capacity goes on stream. Commercial production is likely to begin in the first quarter of 2010. The company is targeting export of lime products (from its newly-added capacity) to markets such as India, Kuwait and Bahrain, while its existing

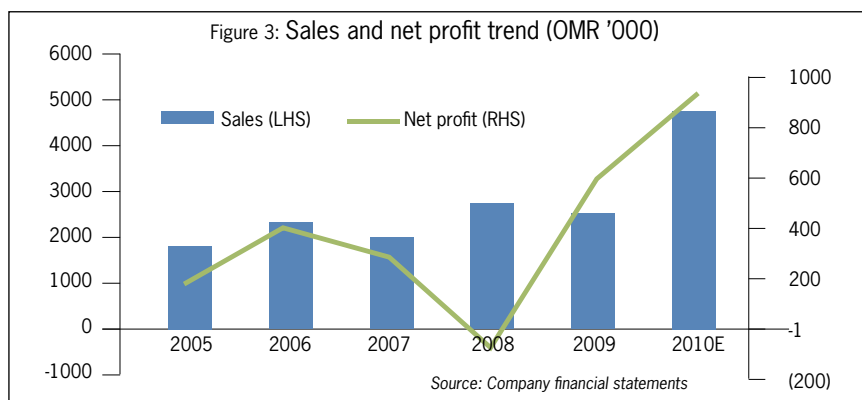
capacity of 100 metric tonnes per day will continue to meet demand in Oman and the UAE.

CMII's lime plant operated at 100 per cent capacity in 2008 and is likely to repeat in 2009. According to the company's nine-month financial statements, it has already achieved an 84 per cent utilisation rate. On a conservative basis, we expect production of lime products to touch 91,250 metric tonnes next year, assuming a delay of one quarter in the commencement of operations.

At an average sale price of OMR45.439 during the first nine months of 2009, sales of lime products translates to OMR4.15 million. Total sales in 2010 are expected to be around OMR5.21 million. Assuming a lower net profit margin of 18 per cent due to higher freight costs, net profit is likely to be around OMR0.94 million. This implies an EPS of 11 baisas. The stock currently trades at 10x, which is attractive.

We arrive at a target price of OMR0.152, which is likely to be achieved in the next twelve months based on DCF analysis and peer multiple comparison. At our forecasted price, CMII trades at 13.8x FY 2010E EPS, which looks reasonable.

The stock deserves a higher valuation, given that it has little competition in Oman besides its foray into larger markets such as India. Any rebound in the construction industry in the region in 2010 is likely to trigger a valuation re-rating.



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GCC, Regional and World Benchmarks - Conventional

As of December 15, 2009

All data courtesy of MSCI Barra, correct as of date indicated.

MSCI data on these pages have been selected to show comparative returns in the GCC for the financial/telecoms and real estate sectors against the overall GCC countries index.

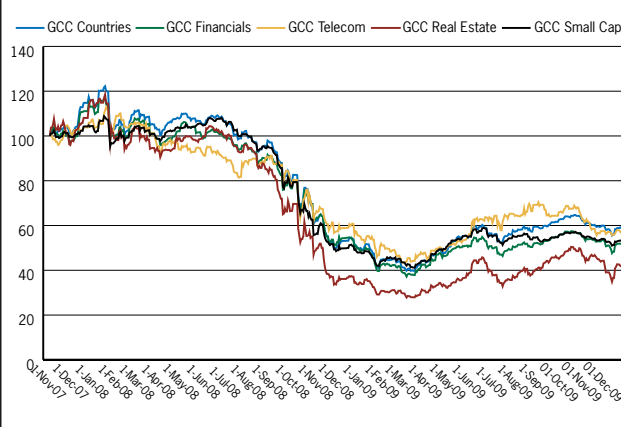
World Comparative Returns and Valuation Ratios contrast the MSCI World, the Emerging Markets, the GCC Countries, the Jordan+Egypt+Morocco and the Arabian Markets indices.

The Performance Values table takes into account eight regional/international and sector-specific indices to show month, quarter and year-to-date performance levels.

GCC: Comparative Returns

Comparative returns for four MSCI GCC indices

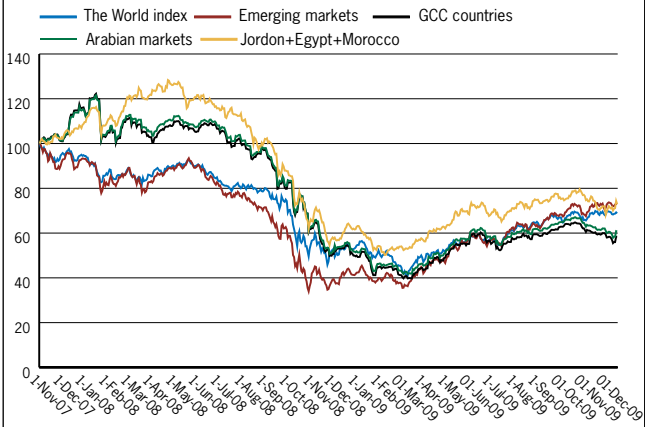
(Period: October 31, 2007 to December 15, 2009, rebased to 100)



WORLD: Comparative Returns

Comparative returns for five MSCI indices

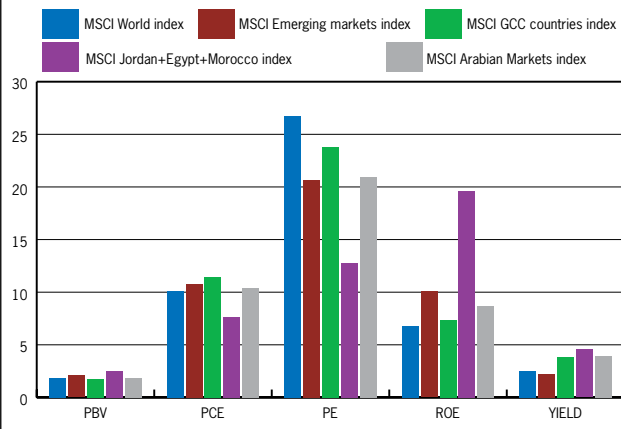
(Period: October 31, 2007 to December 15, 2009 rebased to 100 on October 31, 2007)



Valuation Ratios

November month-end valuation ratios

(Five MSCI indices PBV, PCE, PE, ROE and YIELD)



Performance Values

QTD, MTD, YTD performance in US\$

(Eight indices as of December 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
Arabian Markets	-0.588	-1.571	18.066
Emerging Markets	2.296	16.147	71.947
GCC countries	-1.693	-1.475	18.263
GCC Financials	-2.247	-1.129	5.438
GCC Real Estate	-0.426	0.983	22.917
GCC Telecom SVC	-0.334	-18.56	6.777
Jordan+ Egypt +Morocco	6.982	-2.688	15.390
The World index	0.769	6.655	25.822

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GCC, Regional and World Benchmarks - Islamic

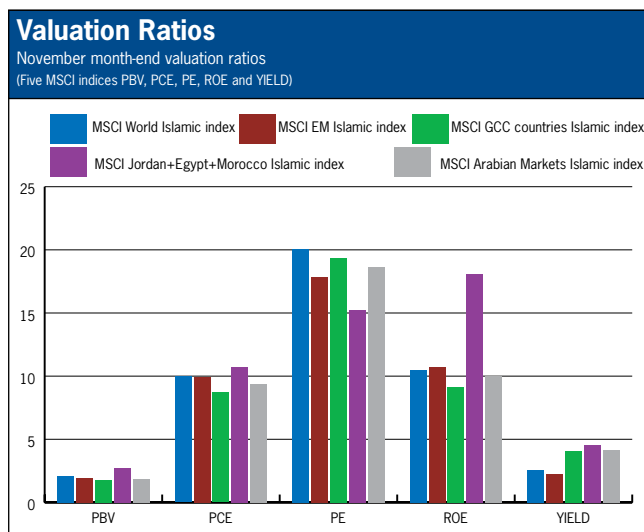
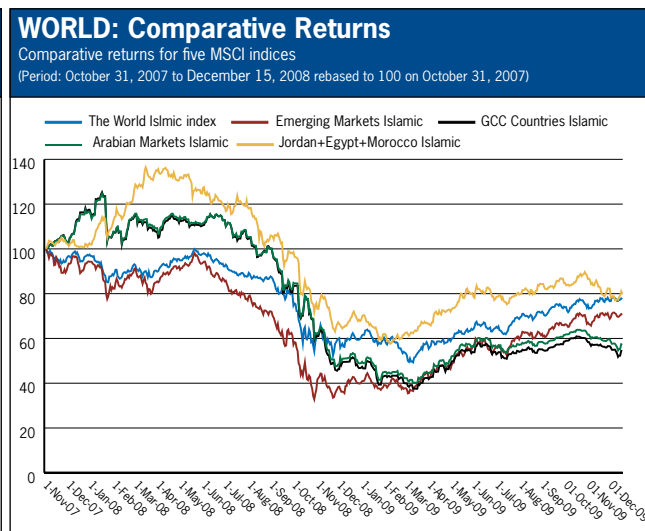
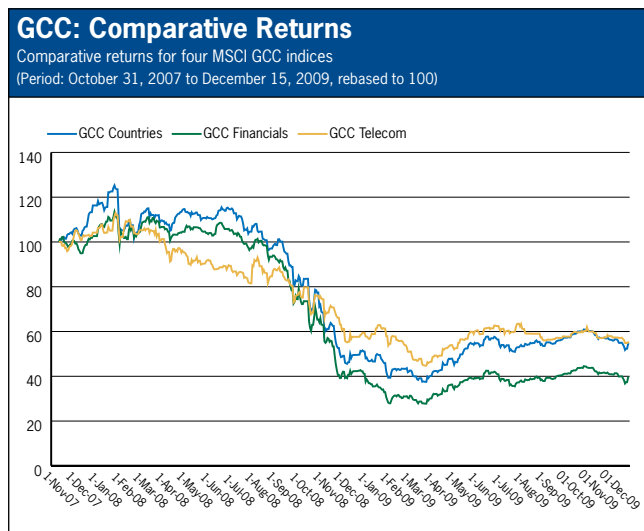
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The Performance Values table takes into account eight regional/international and sector-specific indices to show month, quarter and year-to-date performance levels.



Performance Values

QTD, MTD, YTD performance in US\$
(Eight indices as of December 15, 2009)

Index	Performance in % US\$ (MTD) this month	3 month performance in % US\$ (3M)	Performance in % US\$ (YTD)
Arabian Markets Islamic Index	-2.441	-1.827	16.696
Emerging Markets Islamic Index	1.657	15.884	71.912
GCC Countries Islamic Index	-3.057	-0.935	16.467
GCC Islamic Financials Index	-3.463	1.060	11.206
GCC Islamic Telecom Services Index	-3.974	-2.327	-6.463
Jordan+ Egypt +Morocco Islamic Index	2.061	-5.374	13.329
The World Islamic Index	1.162	8.588	25.754

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Markets come back after jitters

The steady, high oil price will generate another surplus year in budgets for the GCC countries, which should use this surplus to kick start investments to impact stock markets positively. A **Markaz** report.

Events in Dubai took the centre stage of the global financial markets in November. The shock that came off reports suggesting that Dubai Holdings could also restructure its debt, in addition to requesting a six-month standstill on repayments, sent jitters through developed and emerging markets alike. Regional CDS spreads jumped, in some cases by 100 per cent (Dubai), while markets reeled with the impact. The Dubai market fell 15 per cent in the four days following the announcement.

In November, the MSCI GCC total return index posted a decline of 4.44 per cent, the highest decline since March 2009. However, markets were quick to assess that the damage may be more localised and manageable. Abu Dhabi stepped in at the last minute with a US\$10 billion lifeline, US\$4.1 billion of which was for

the repayment of the maturing Nakheel sukuk, while the remainder is for covering Dubai World costs as it negotiates with creditors.

Despite the resolving of the Nakheel sukuk issue, GCC markets continue to be a mess of their own making. There continues to be a pervasive sense of uncertainty among professional and retail investors alike as markets vacillate in response to economic news, corporate announcements and, as always, mere hearsay. There continues to be a slight negative bias in GCC markets, with Saudi being the worst performer so far in December [as of December 16, 2009], while Abu Dhabi has gained 3.7 per cent thus far in December. On a YTD basis, GCC markets are again showing wildly divergent performance, from a high of 28 per cent in Saudi Arabia to a low of

20 per cent in Bahrain. Many reasons have contributed to this, including the Dubai episode. With banks and financial services still licking their wounds, earnings uptake seems to be a distant dream.

Gross GCC earnings fell a whopping 43 per cent during 2008. However, the expected growth for 2009 is nearly six per cent. This makes the markets rich in valuation and, therefore, poor in attractiveness. Pricing continues to be based on very thin volume, leading to hyper-speculation. Continued steady oil price is the only silver lining, as governments may realise yet another surplus year in budgets. However, if they do not use that surplus to support and kick start investments, the impact may not get translated to stock markets soon.

Market indicators								
Indicators	Mid cap (US\$ bn)	Last close (16-Dec-09)	MTD	Nov-09	YTD	2008	P/E	P/E
			%	%	%	%	2008	2009
Saudi (TASI)	319	6154	-3.18	1.00	28.13	-56	23	17
Kuwait (Wghtd Index)	99	394	1.75	-6.00	-3.17	-43	NA	10
Abu Dhabi (ADI)	80	2768	3.73	-8.31	15.81	-48	11	9
Qatar(Doha SM)	58	7168	-0.36	1.00	4.09	-28	13	11
Dubai (DFMGI)	40	1890	-2.60	-7.30	15.50	-73	63	8
Oman (Muscat SM)	17	6247	-1.73	0.00	14.82	-40	17	11
Bahrain (BAX)	16	1448	0.64	-6.00	-19.76	-35	NA	12
MSCI GCC Index	448	412	-0.86	-4.44	19.27	-57	10	9

Source: Excerpt from Markaz Daily Morning Brief, December 17, 2009, December Market Review

Disclaimer: This is an excerpt from research published by Kuwait Financial Centre (Markaz). Please visit www.markaz.com in order to access this report and others. Queries can be addressed to M.R. Raghu, head of research, at rmandagolathur@markaz.com.

The return of capital flows

Expectation from emerging markets should moderate in 2010 compared to the previous year, but the asset class is very likely to outperform, predicts **Stefen Hofer**.

Emerging market equities are set to deliver over 50 per cent performance in 2009, more than double the returns of mature markets. Indian equities top the list at 80 per cent. South Africa's 20 per cent is the lowest among the major emerging markets, but still a respectable outcome. Heading into 2010, investors should consider how the landscape may change and what this means for potential returns in the emerging markets. In sum, our assessment is that while expectations should moderate, the backdrop for the asset class will likely be very conducive to outperformance. It should be another good year.

First and foremost, the return of capital flows will likely be the dominant factor supporting emerging markets. Second, favourable comparisons with developed world growth and fiscal positions will continue to be a focus. The growing role of domestic demand and the associated decoupling theme appear to be a structural, not cyclical, phenomenon. And last, the advent of key elections will likely reintroduce politics-driven volatility over the shorter term.

Given the employment backdrop in the US and the developed world, we believe

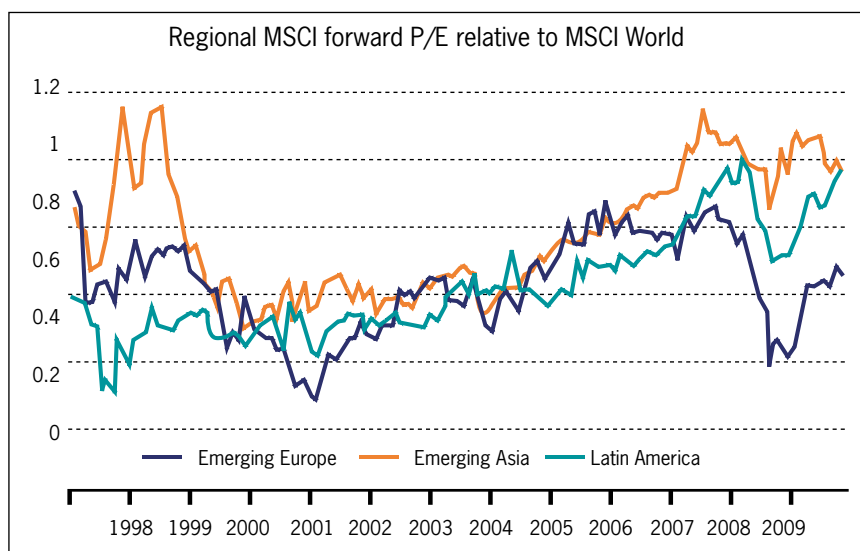
that G3 interest rates will remain at or near record low levels for 2010. Further, the gradual and orderly withdrawal of quantitative easing measures is only likely once central bankers feel confident that prevailing real economy conditions are strong enough. For emerging markets, this means that the carry trade environment that has been so supportive of risky assets in recent months is likely to stay in place. In 2009, the risk rally helped lift most, if not all, boats. Even if markets pay closer attention to country-specific issues in 2010, the liquidity impulse being generated in the developed world is such that a substantially greater differentiation by investors may not materialise.

Turning to politics, the headline event in 2010 will be Brazil's general elections, scheduled for October. While this may not be a focus today, given Brazil's large weight in both equity and fixed income benchmarks, the election will likely dominate emerging markets for much of next year. Investors have been in the enviable position of not having to worry too much about Brazilian politics since Lula da Silva first took presidential office in 2003. And even though our base case



scenario is that the market-friendly and successful policy framework will remain intact following the race, an increase in Brazilian asset price volatility looks almost certain. Higher volatility for other emerging markets on the back of the Brazilian election appears likely as well.

Are investors paying too much for emerging market stocks? Trading at a moderate discount to the MSCI World, emerging market valuations are not especially compelling. To be fair, this has been an off-heard criticism of emerging equity markets throughout the risk rally of 2009, yet narrowing valuation discounts have done little to impede further performance. Prudent investors should take note of the low spread levels of emerging market bonds to US Treasuries, however, which have already returned to pre-Lehman-Brothers levels. As a proxy for country risk, markets seem to be pricing a fairly generous scenario given that 2010 is an important election year. In other words, valuations pose some downside risk, all else being equal, but given emerging markets' growth leadership and earnings momentum, a major downward re-rating should be easily avoided.



The writer is a research analyst at Bank Julius Baer.

Carry trades to remain high

With certain economies raising interest rates, carry trades are likely to remain high in 2010. **Sachin Patki** says that smart money will continue to chase interest rate differentials.

December was an uncharacteristically volatile month. The regional equity and bond markets were rocked by news of the debt restructuring of Nakheel and related companies, which have raised the possibility of discussions over other similar global entities. The issues being discussed are how much government risk should be assumed in quasi-government or government-sponsored entities, what the basis for credit rating is and what the degree of transparency required is.

In 2010, global growth is expected to be in the region of four per cent, with developed economies likely to grow around two per cent and the emerging markets at around 6.5 per cent. Economies like China, India, Brazil and other Asian countries are expected to see higher growth rates, with China leading the pack. China is also expected to overtake Japan as the second-largest economy in the world in 2010.

Recent economic releases in the US indicate some positive signs in unemployment trends. There are expectations

that the festive season will aid retail sales and consumer spending to end the year on a better note. Recent comments indicate that the US government will phase out its bailout programmes, which should contribute towards better fiscal status. However, as fiscal policy is likely to remain in expansionary mode, the sovereign risks would translate into higher inflation risk, rather than the risk of default of debt. The government retains the right to print more money to meet its requirements, but at the risk of longer-term price stability. A similar situation is seen in the UK and to a certain extent in the Eurozone, where the fiscal outlook stays very uncertain.

The large scale use of government funds to rescue financial firms and corporate entities using public funds will have longer-term social costs, as other initiatives have been denied during the same period. The new policies introduced by the regulators for trading positions are bound to have a negative impact on volumes flowing through London. At the other extreme, we have the Australian economy, which has seen a reversal in its employment trends despite raising interest rates three months in a row and avoiding a recession during 2009. The outlook for this economy remains bright during 2010-2011 as global economic recovery gives it stimulus with higher exports of iron ore, gold and other metal exports.

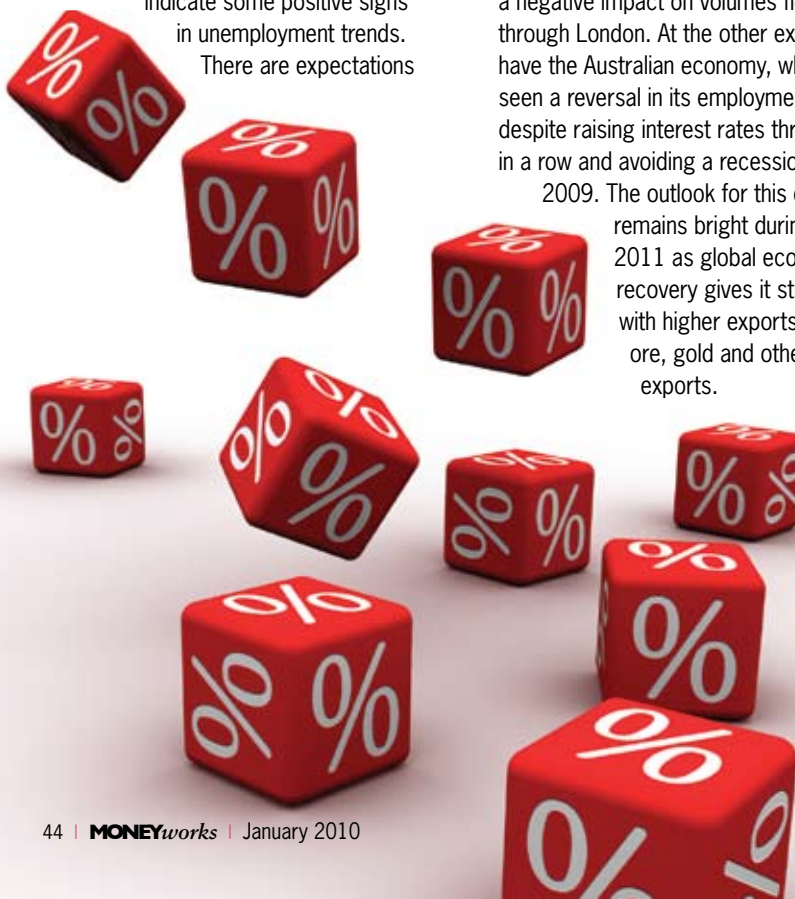
The higher interest rate environment in Australia and certain other countries is likely to drive the movement of currencies, as carry trades are likely to remain high with smart money chasing higher interest rate differentials. This also means currencies like the yen will remain strong on overseas borrowing demand in a low-interest-rate economy. The Australian dollar looks to consolidate near the 0.900 range, with an attempt possible at 0.9520, 0.9670, 0.9880 and 1.0020. A clear break above 1.0020 would indicate that the trend is yet to find a top and the upswing could carry it higher towards 1.0160 and 1.0450. Failure to break clearly above the 0.9880 region would indicate a top formation for the currency to correct down to 0.9170 and onward to 0.8650. A similar situation exists for the Canadian dollar, whose mineral exports give it an underlying support as it looks to break the 1.0460 region for an attempt at 1.0150, 1.0080, 0.9685 and 0.9500.

The euro has tried to break back above the 1.5170 region, but has come off. If it slides to the 1.4315 region, then we can expect some further downside towards 1.3930 and 1.3780, with downward pressure taking it further to 1.3100. For the sterling, the area around 1.6560 is now becoming a barrier on the upside, and the break below 1.5860, 1.5655 gives us 1.5300 and 1.5010. The dollar/yen looks to make another attempt at 85.00 and strike new ground near 84.60, 83.70 and 82.85. A break back above 91.10 would give us the potential to see 93.70 and 98.50, with continued volatility expected.

While we all hope 2010 is better than a very bruising 2009, we need to be cautiously optimistic, picking our way through multiple value investment options globally.

The writer is head of Mashreq Gold & Investments with Mashreq.

Views expressed are the author's and not necessarily those of Mashreq. Data and comments are as of December 12, 2009.



Gradual economic recovery

Investors can expect 2010 to continue with the gradual economic recovery and outperformance of risk assets, writes **Peter Hensman**.

Last year proved to be a year that demonstrated a remarkable turnaround in fortunes. While at the end of 2008 it was possible to recognise that an extraordinary degree of effort was being applied to forestall the unfolding financial crisis, what was less clear was whether, or when, this would prove successful. The recent confession from the Bank of England that it provided emergency loans to both Royal Bank of Scotland and HBOS in October 2008, because the bank believed both were potentially within hours of needing to stop withdrawals of customer deposits from cash machines, is just one of many demonstrations of the strain that the financial system was under. The legacy of the financial turmoil in 2008 will likely be evident for a generation and can be expected to have a significant bearing on market trends in the next 12 to 24 months.

The dominant theme behind the investment portfolios at Newton in recent years has been the belief that the over-indebtedness of the developed world represented a significant threat to the sustainability of growth in these economies. What was also demonstrated in 2009 was the determination of the authorities to avoid the inevitable debt deflation and returning the economy to solid footing.

The outlook for 2010 represents something of a conundrum. The fragile state of the developed economies and financial systems is likely to mean the policy backdrop remains extremely supportive. Arguably, the best mix for financial markets would be to see a continuation of the recent trend of moving toward some fiscal consolidation that in turn would allow monetary conditions to remain more supportive. Such a backdrop would be likely to see an extension of the trend evident in 2009, and it is the unintended beneficiaries of the loose policy stance where the largest risk-adjusted capital gains are made. With interest rates in these circumstances held lower for longer, the race to the bottom in currency markets would likely continue. The

benign neglect of the US dollar evident in the attitude of the US authorities is reminiscent of former US Treasury secretary John Connolly, who told his European counterparts in 1971: "The dollar is our currency and your problem." With few willing to countenance a large currency appreciation for fear of the impact on the performance of the export sector, the loose US monetary stance forces easier policy settings elsewhere. Absent a policy shift in the US, those who do raise interest rates are likely to be swamped by capital inflows that will support credit availability and go a long way in offsetting the tightening desired by the authorities.

With policy concentrated on growing the economy away from the problems associated with too much credit, equity markets and other risk assets are likely to be underpinned by reasonable valuation and positive earnings momentum. The US government bonds are also unlikely to produce the best returns in 2010, and neither are the negative returns feared by some as the consequence of an unsustainable debt mountain likely.

Inflation is unlikely to be a major issue beyond the first quarter. Despite the enormous money printing in 2009, the vast majority has simply been parked at central banks as the financial sector now chooses to operate with a higher level of liquidity than before the credit crisis. While commodity prices have been more resilient than might have been anticipated given the scale of the downturn in global activity, this is not necessarily an indication of larger future increases in overall price indices. Instead, this may well reflect a shift in relative prices that is arguably the converse of events of the late 1990s. Then, in the aftershock of the emerging market crises, commodity prices remained soft, despite a recovery in activity into the turn of the Millennium. The quid pro quo from this softer background for internationally-traded products was the underpinnings for the boom in non-traded

domestic prices in the developed world. The stronger underpinnings for the prices of globally traded products in the current environment is more likely to be a drag on prices of non-traded items in the developed world than the start of a cost-push inflation.

After the experience of the last 18 months, it would be foolish to suggest that this outlook is not without risk. Arguably, foremost amongst these is that this relatively sanguine view overestimates the ability of the authorities to control the near-term direction of markets and the economy. The current loose stance of policy is clearly intended to sustain some unhealthy underlying distortions to help achieve a more gradual adjustment process. There is a significant threat that this fails, and the return of risk aversion contributes to a downward adjustment in asset prices as market liquidity fails and a double-dip recession ensues. Largely ignored in many outlooks is the impact of Japan on the world economy. Despite nominal GDP being back at the same level as 18 years ago, Japan is still the second-largest economy and is the largest non-US holder of Treasury securities, as well as being a large holder of overseas assets generally. Should the new Democratic Party of Japan consolidate its hold on power in the Upper House elections in the summer, there is the potential for some significant policy changes that could have global repercussions.

None of the above considers geopolitical events that are always an unforecastable unknown. Despite the likely occasional events, 2010 can be expected to see the continuation of gradual economic recovery and outperformance by risk assets. The main threat to this is the unexpectedly early tightening of interest rate policy in the US, which would likely contribute to a reversal of dollar weakness.

The writer is director of investment management, global strategy, at Newton Investment Management.

Commodities continue to shine

The precious base metals and energy sector witnessed strong growth in 2009, largely tracking the gains in global equities and on hopes that the global economy would see a quick recovery. A report by **MF Global**.

The year 2009 was marked by increased voicing against bulging government debts, rapid recovery in Asian and some Latin American economies and losses caused by a global pandemic, swine flu.

Precious metals witnessed a sterling year, as gold touched a new life high at US\$1215 (Comex near-month futures) per ounce. Gold's allure increased as it became a must-have in the portfolios of individuals and central banks. A steady and sharp rally in gold beyond its previous high of US\$1034 finally compelled gold miners to drastically cut their hedges and mounting losses on account of the size of their hedge books, which totalled over 16.69 million ounces at the start of 2009 and was left to near 11.55 by the end of third quarter. Silver, which has benefited from a price rebound in industrial metals and gold, was up 52 per cent on year at US\$17.37 per ounce.

In the base metals sector, improved demand from Asia did little to overcome the sharp fall from Europe and the US. Production cuts in response to the aftermath of the credit crisis could not match the rate of demand fall, leading to most of the base metals moving into a surplus from January through October, according to WBMS data. Yet, base metal prices (LME three-month forwards) rose steadily, largely driven by China's stocking reports and fund buying on expectations that the rally in equity markets could improve demand outlook.

China almost singularly rescued base metals, stepping up stocking during the initial half of 2009. It also engaged in a series of unique deals like buying equity stakes in resource companies or signing agreements, which would provide loans in return for resource supplies.

Meanwhile, base metals were helped as automobile consumption showed some signs of revival, mainly because of government incentives. Base metals, however, ignored the steady and sharp jump

in warehouse stocks at the London Metals Exchange, as larger portions of these stocks have been tied in financing deals. However, the excess supply is reflected in the high carry between cash-forward prices.

Going forward

Among the group, lead has gained the most from the start of 2009, rising by 165 per cent. Lead is followed by copper (114 per cent), zinc (80 per cent), aluminium (41 per cent), tin (29 per cent) and nickel (25 per cent).

A rebound in equities also prompted a rally in energy, with crude oil rallying by 16 per cent to US\$71 per barrel (NYMEX near-month futures) in this period. However, in terms of actual crude oil demand, 2009 was the worst year since 1982. According to an OPEC report, world demand contracted 1.6 per cent, as the demand in countries belong to the Organisation for Economic Cooperation and Development plunged by over 3.9 per cent in 2009.

The natural gas market remained in oversupply, as new methods of drilling have allowed companies to tap unconventional gas deposits from onshore shale gas fields. Gasoline has gained sharply, rising 67 per cent to US\$1.86 a gallon in 2009, helped by supply constraints due to refinery shutdowns, improved demand outlook due to forecasts of a frigid winter and a rebound in crude oil.

Going forward, OPEC has forecast an increase in global crude oil demand by nearly one per cent to 85.13 million barrels per day in 2010. The demand is expected to rise during the second half of the year following the recovery of the world's largest consumer, the US. In base metals, recent

mixed economic data from the US and the Eurozone is pointing towards an uneven pace of economic recovery and a stuttering industrial activity and consumer confidence. Improvement in household consumption in the US and Europe is likely to be painfully slow, as labour market conditions and credit availability remain tight. This, in turn, remains bearish for auto and housing sectors in these economies. The picture remains



quite the opposite in Asian countries and certain Latin American countries like Brazil and Chile, which should support demand for base metals. However, while a full-scale global recovery does not take root, the actual demand outlook will remain fragile.

With respect to precious metals, gold is likely to continue its multi-year bull run. Central banks looking to lighten dollar reserves will be in search of an opportune drop in gold to further build up their reserves. Although gold predominantly remains a dollar play, it will remain supported as the economic uncertainty continues following the debt worries of Dubai and a spate of sovereign rating downgrades for Portugal, Italy, Ireland, Greece and Spain.

The information in this column is provided by MF Global. For further details, write to: customercaresdubai@mfglobal.com or call +971 4 332 5052, +971 4 332 8894. Source: Bloomberg, MF Global Commodities India.

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	\$5,000	1.51%	Yly
Skipton International Ltd	01481 727374	International US Dollar	None	\$25,000	1.00%	Yly
Halifax International	Via website	International Web Server	None (W)	\$25,000	0.90%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$50,000	0.75%	Yly
Nationwide International	01624 696000	Tracker Premium	None	\$50,000	0.50%*	Yly
No Notice Euro Accounts						
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access	None	€5,000	2.26%	Yly
Skipton International Ltd	01481 727374	International Euro	None	€25,000	1.75%	Yly
Irish Permanent International	01624 696000	Instant Access	None	€100,000	1.50%	Yly
Halifax International	halifaxinternational.com	International Web Server	None (W)	€25,000	1.45%	Yly
Zurich Bank International	01624 671666	Euro Reward	None	€5,000	1.25%	Yly
No Notice Accounts						
Halifax International	01534 846555	International Bonus Server	None	£2,500	3.04%*	Mly
Skipton International Ltd	01481 727374	International Bonus Iss 2	None	£100,000	3.00%	Yly
Anglo Irish Bank Corporation (International)	01624 698000	Privilege Access II	None	£5,000	2.82%	fYly
Alliance & Leicester International	www.alli.co.im	eSaver Offshore 2	None (w)	£15,000	2.76%	Yly
Nationwide International	01624 696000	Base Rate Tracker Premium	None	£25,000	2.60%*	Yly
Notice Accounts						
Alliance & Leicester International	www.alli.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	3.00%	Yly
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.00%	Qly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.75%	Yly
Alliance & Leicester International	01624 641888	Select 50 International 1	50 Day	£25,000	2.75%	Yly
Yorkshire (Guernsey)	01481 724353	Global 90	90 Day	£100,000	2.60%	Yly
Monthly Interest						
Halifax International	01534 846555	International Bonus Saver	None	£2,500	3.04%*	Mly
Alliance & Leicester International	www.alli.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	3.00%	Mly
Skipton International Ltd.	01481 727374	International Bonus iss3	None (P)	£100,000	2.94%	Mly
Bradford & Bingley International	01624 695000	Global Saver	60 Day	£5,000	2.75%	Mly
Alliance & Leicester International	01624 614888	Select Income International 1	60 Day	£25,000	2.75%	Mly
Fixed Rates						
Clydesdale Bank International	01481 711102	Term Deposit	60 month Bond	£10,000	5.10% F	Yly
Yorkshire (Guernsey)	01481 724353	5 Year Fixed Rate	30.11.14	£10,000	5.00%F	Yly
The Co-operative Bank	01481 710527	Fixed Term Deposit	36 month Bond	£5,000	4.50% F	OM
Skipton International Ltd	01481 727374	5 Year International Bond	24.1.15 (B)	£100,000	4.20% F	Yly
Clydesdale Bank International	01481 711102	Term Deposit	36 month Bond	£10,000	4.25% F	Yly
Current Accounts						
Abbey International	01534 885000	Offshore Gold	None	£100,000	1.50%	Qly
Royal Bank of Scotland International	01534 724365	Royalties Cheque	Instant (A)	£5,000	0.25%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£100,000	0.12%	Mly
Clydesdale Bank International	01481 711102	Current	None	£2,500	0.10%	Mly
Standard Bank	01534 881188	Optimum	None	£3,000	0.05%	Qly
Accounts for Non UK Residents						
Lloyds TSB Offshore Banking	01624 638000	International Bonus Saver	None	£5,000	2.53%*	Mly
Bradford & Bingley Int. Ltd.	www.bbci.co.im	eAccess 2	None (W)	£1,000	2.50%	Yly
Bradford & Bingley Int. Ltd.	www.bbci.co.im	eAccess 2	None (W)	£1,000	2.50%	Mly
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	0.65%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Savings A/C	None	£25,000	0.05%	Mly

All rates are shown gross. * = Introductory variable rate for limited period. A = £9 fee per month F = Fixed Rate. H = Operated by Internet, Post or Telephone OM = On Maturity. W = Operated by Internet
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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	Gold	0.00	0.00	0.00	0.00	1.49	1.75	1.75	1.75	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	0.00 0.00e	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.15 0.00	0.00 0.25 0.00	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.05	0.05	0.05	0.05	0.05	Qly	No
Isle of Man Bank	01624 63700	Gold Account	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.00	0.00	0.05	0.05	0.05	0.05	0.05	0.05	Mly	Yes
NatWest Offshore	01534282828	Advantage Cheque	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	0.06	0.12	0.305	0.305	0.305	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	0.05k	0.05	0.05	0.05	0.05	0.05	0.05	0.05	Qly	Yes

k = Rate applies from £3k. 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: December 03, 2009 Source: Moneyfacts

EXPATRIATE MORTGAGE TERMS - JANUARY 2010

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
BM Solutions	4.70% 2 year tracker 5.40% 3 year fixed	75 75	3.00% 2.5%	Applicant must work for Govt Agency or Multi National Company. Rental calculation 125% at payrate.
Cheltenham & Gloucester	4.59% 2 year fix 5.09% 3 year fix 5.99% 5 year fix 3.49% 2 year tracker	75 75 75 75	995 895 995 995	Limited offers via IMP Every case has to be agreed with an underwriter before submission. Will not lend to Self employed expat applicants. Employed applicants need to work for large companies. Available for main UK residence only. Free property valuation and low cost legal fees for remortgages. No other UK mortgaged properties permitted.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	Purchase 60 Remortgage 50	Up to 0.75%	Minimum loan GBP500,00 Minimum income GBP150,000
Fortis Bank Group	Sterling mortgage LIBOR + 1% Foreign currency mortgage Cost of funds +1.25%	70 70	GBP500 GBP500	Minimum Loan £150,000 - 75% owner/family occupation. Loans to offshore companies and trusts.
Halifax PLC	4.89% 2 Year Fix Max GBP500K 3.79% 5 Year tracker Max GBP500K	Purchase 75 Purchase 75	GBP999 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to the UK within 3 year period. 6 months bank statements required. Redemption Penalties Year 1 - 5%, Year 2 - 4%, thereafter - 3%
HSBC	Rates on request	60	Varies	Applications accepted from HSBC Premier Customers only. Minimum savings investments £60,000.
Ipswich Building Society	3.95% base tracker	75	GBP499	Base + 3.45% to 01/02/2012 IMP exclusive expatriate residential scheme No early repayment penalties at on 50% of the advance. Booking fee GBP150.00. Free basic valuation. Legal fees paid on remortgages.
Irish Permanent (Isle of Man)	2.75 - 3.00% over base	70	1%	Minimum property value is GBP100,000. Loans to offshore companies and trusts.
Natwest Bank	Base rate + 3.24	60	1%	New build flats maximum 55% loan to value.
Royal Bank of Scotland International	Base + 3.24% 2 year tracker Base + 3.34% 2 year tracker	60 65	1% 1%	Minimum GBP100,000 New build flats maximum 55% loan.

This table is supplied by IMP, 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 six months interest in the first five years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. 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 0.25 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 4/4.5%. Bank rate @ 05/11/09 - 0.50% 3 month LIBOR 0.611%, 11/11/09. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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www.moneyworks.ae

Credit Cards						SAUDI ARABIA
PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa/MasterCard (Silver, Gold) Laki for Women Qassit Mini Visa Internet card	Silver/Gold/Laki for Women/Qassit - 275 Mini Visa - 100 Internet card - Free	Nil for purchases 18.5% on cash withdrawals from the bank, otherwise 27.5%	45 days for Visa/MasterCard (Silver, Gold) Laki for Women and Internet card. Qassit card - 5% or SAR100 whichever is higher than the amount due with no increase or profit.	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, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. 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 – 215, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.95% on purchases, 3.0% 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, Amanah and Conventional), Visa (Platinum), MasterCard - Premier,	Silver – 225, Gold – 350, Amanah Silver - 225, Amanah Gold - 350, Visa Platinum - 475, MasterCard Premier complimentary for SABB Premier customers	Silver and Gold cards: 2.22% on cash and retail purchases, 2% on purchases and cash withdrawals for Platinum and Premier	25 days	ICSABB rewards, Premier privileges and discounts at over 19,000 outlets in over 160 countries, complimentary road side assistance, air port pick and drop and priority pass for Platinum, local KSA discounts on all cards, cash advance up to 50% of credit limit, free supplementary cards, purchase protection, travel insurance & optional credit shield	800 124 8888 www.sabb.com
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 Finance						SAUDI ARABIA
PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Al Rajhi Bank	National Programme for Personal Finance	Up to 16 times of salary	5,000	Up to 60 months for Nationals, 48 months for expats		800 124 1222 www.alrajhibank.com.sa
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	Up to 16 times of salary for Nationals Up to 50,000 for expats	2,300	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	Up to 16-17 times of salary	3,000 for Nationals 5,000 for expats	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)	Up to 15-17 times of salary	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	Murabaha or Tawaruq	Up to 15 times of salary	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 for Nationals, 350,000 for expats	2,500 for nationals, 5,000 for expatriates. At least 3-5 months service	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	3,000 for Nationals 4,000 for expats	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	Up to 15-16 times of salary	5,000	Up to 48 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

Auto Finance						SAUDI ARABIA
PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Finance	3.99 - 5.49%	Up to 60 months	10%	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,000.	800 124 4141 www.alrajhibank.com.sa
	Car Lease	10.5%	Up to 60 months	None		
Arab National Bank	Auto Lease	7-9.30%	Up to 60 months	10%	Minimum salary SAR3,000. At least three months service with the current employer and minimum 20 years old.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha or Tawarruq	9-11%	Up to 60 months	15%	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Murabaha	9.15% 6% for Murabaha 3.15% for Insurance	Up to 60 months	10%	Minimum salary: 3,000 for Nationals. Three months service with current employer.	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 5.5% yearly	Up to 60 months	10%	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Murabaha	4.99% for Nationals in public sector; 6.49% for expats; 5.99-6.49% for companies	Up to 48 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 Finance						OMAN
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8%	Up to 68 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 120-180 months for nationals, up to 24 months for expats	250	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	Up to 75,000 for nationals, up to 50,000 for expats	Up to 72 months for nationals, up to 24 months for expats	300	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	8%	Up to 40,000 for nationals, up to 20,000 for expats	Up to 84 months for nationals, up to 60 months for expats	500 for Nationals 700 for expats	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8%	Up to 68 times salary for public sector Up to 54 times for private sector	Up to 180 months for public sector and 120 months for private	200 for public 300 for private	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 for public 200 for private	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 24 months salary	Up to 72 months	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	Visa: Classic - 30, Gold - 50 MasterCard: Standard - 30, Gold - 50, Platinum - 70	Classic/Standard: 250, Gold: 500, Platinum: 1,500	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 www.bankdhofar.com
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum)	Classic: Free for life Gold: 15	Classic: 200-300 Gold: 500 Platinum: Invitation only	Nil on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 www.bankmuscat.com
HSBC	Visa/MasterCard (Classic, Gold, Platinum) In-Site Virtual Card	Classic: 30, Gold: 50 In-Site: 10	Classic/Gold: 700	Purchases: Classic - 2.2%, Gold - 2%, 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 Business - 37 days	246 85252 (Head office) www.oiboman.com

Personal Finance						QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan	Fixed rate: 10.00%	Up to 200,000	5,000 for Nationals 10,000 for expats	36-84 months	4324327 www.ahlibank.com.qa
Arab Bank <i>Note: Temporarily suspended all new loans</i>	Personal Loan	10.99% fixed rate	Up to 18 times monthly salary	20,000	Up to 84 months for national Up to 48 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.75% Depends on salary	Up to 10 times of monthly salary	8,500	Up to 84 months for nationals Up to 60 months for expats	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 8.99% for Nationals 9.49% for expats	Depends on salary	Nationals : 3,000 Expats : 7,500	Up to 84 months for nationals Up to 60 months for expats	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.99-10.49%, depends on the loan tenor	Up to 20,000	10,000 for Nationals 20,000 for expats	Up to 60 months for nationals, up to 48 months for expats	4382100 www.qatar.hsbc.com
Mashreqbank	Al Hal Loan for nationals Personal Loan for expats	8.5 - 11.5% for Nationals 9.74% for expats	Up to 1 million for Nationals Up to 350,000 for expats	5,000	12-72 months	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 11.50%	Up to 2.5 million for Nationals Up to 250,000 for expats	2,000 for Nationals 10,000 for expats	Up to 84 months for nationals and 60 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	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, thereafter Classic - 200, Gold - 400	5,000	1.75% on purchases, 4.5% on cash withdrawals	45 days	4324327
Arab Bank <i>Note: Temporarily suspended all new cards.</i>	Visa (Silver, Gold), Internet Shopping Card	Silver - 200, Gold - 300	Silver - 20,000, Gold - 35,000	0.25% on purchases, 2.49% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa/MasterCard Classic, Visa/ MasterCard Diners Club (Gold Plus, Platinum), Q-miles	Classic - 200, Diners - 500, Platinum - 500, Gold Plus - 400	Classic - 4,000, Gold Plus 7,500 Platinum - 15,000 Diners club - 7,500	2.75% on purchases, 4.0% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard (Dream, Platinum)	Dream - Free for life, Platinum - 500	Dream - 3,500, Platinum - 35,000	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 - 350, Platinum - 450, In-site - 50	Classic and In-site - 10,000, Gold - 15,000, Platinum - 20,000	Classic 2.5%, Gold 2.25%, Platinum 1.9%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic - 50, Gold - 100	Classic/Gold - 2,500	2.25% on purchases, 2.5% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Silver - 300, Gold - 400, Platinum - 500, Qatar Airways Co-branded MasterCard Silver - 300, Gold - 400, Platinum - 500, e-card - 50	2,000 for Nationals, 10,000 for expats	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	250	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 QAR5,000	+974 428 2222 gqic-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 December 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider for further information.

Medical Insurance						QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	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 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 qic@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 simplified 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. These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during December 2009. Information contained in these tables is subject to confirmation and is provided for information only.

Personal Finance						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%	Depends on salary	350 for Nationals, 1,000 for expats	Up to 84 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) Fixed rate: 5.5%	Up to 40,000	1,000	Up to 36 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 9-10%	Up to 50,000	200	Up to 84 months	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for Nationals 11% for expats	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: 7.25-15%. Depends on company status	Up to 60,000 for nationals, up to 20,000 for expats	500	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	7.85%	Up to 30 times monthly salary	200 for Nationals 300 for expats	Up to 84 months	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 3.99% (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, Platinum)	Standard - 10, Gold/Platinum - 25	Standard - 500 for expats, 300 Nationals Gold - 1,000 for Nationals and expats Platinum - 2,500 for Nationals and expats	Standard - 2.5% and Gold - 1.75%, Platinum - 1.5% on purchases, 4% on cash withdrawals	52 days	17221999	
Bahrain Islamic Bank	Classic, Gold, Platinum	Free for life	Classic-300, Gold-2,000, Platinum-3,000	Nil on purchases, 4% on cash withdrawals	25 days	17515151	
Bahraini Saudi Bank	Visa (Silver, Gold)	Free for life	1,000	1.62% on purchases, 4% on cash withdrawals	52 days	17578999	
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold, Platinum)	Free for life	Classic - 300, Gold - 800, Platinum - 2,000	Nil on purchases, 4% on cash withdrawals	25 days	17207777	
Citibank	Visa/MasterCard (Silver, Gold, Platinum) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver - 25, Gold - 50, Platinum - 200, Emirates-Citibank card: Silver - 30, Gold - 55	Silver - 300, Gold - 800, Platinum - 1,500, Emirates-Citibank card - 800	Silver/Gold/Platinum 2.59% 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 300, Gold- 1,500, In-site - 50-300	Classic - 2.25%; Gold - 2%; In-site - 2%; 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 for Nationals 350 for expats	1.84% on purchases, 4% on cash withdrawals	21 days	17214433	
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic - 15; Gold - 25	300	One-off fee on guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777	
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802	

Home Contents Insurance						BAHRAIN
INSURER / PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS	
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.arabiansurance.com aicbn@batelco.com.bh	
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	
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	
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	
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	
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	
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.takafuluweb.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 December 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital services, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US\$35,000), medicine and appliances (US\$2,500), medical evacuation and repatriation, dental (US\$5,000) and optical (US\$7,500) covers	+973 1727 5000 www.fakhro.com www.ihl.com
Interglobal Healthcare Plan	Ultracare Plus: From 332 (child) to 10,825 up to ages 70-74 Ultracare Comprehensive: From 258 (child) to 8,819 up to ages 70-74 Ultracare Select: From 235 (child) to 8,003 up to ages 70-74 Ultracare Standard: From 162 (child) to 5,551 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area Ultracare Select: In-patient benefits Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L. +973 1721 1700 www.alhimaya.com www.interglobalpml.com Bahrain National Life +973 1758 7333 www.bnbgroupp.com bnl@bnhgroupp.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 Finance							KUWAIT
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT	
Bank of Kuwait and Middle East <small>Note: Temporarily stopped Personal loans</small>	Consumer Loan	6.75%	Up to 70,000 for Nationals Depends on salary and years of service for expats.	300 Nationals 1,000 for expats	60 to 72 months	1812000	
Burgan Bank	Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 10 times monthly salary for expats	400	Up to 60 months	1804080 www.burgan.com	
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 15 times salary for expats	350	Up to 180 months	1888225 www.cbk.com	
Gulf Bank	Al Afdal Loan for Nationals Consumer Loan	6.00%	Up to 70,000 for Nationals Up to 22,000 for expats	350 for nationals 1,000 for expats	Up to 180 months Up to 12-36 months	1805805 www.e-gulfbank.com	
National Bank of Kuwait	Consumer Loan Expatriate Loan	6.00%	Up to 70,000 for Nationals Up to 50,000 for expats (Depends on salary)	400	Up to 84 months Up to 60 months	1801801 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 20, Gold 40, Platinum 75, CyberSmart 5	250	0.95% 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	1812000
Burgan Bank	Visa/MasterCard (Classic, Gold, Platinum)	Classic 20, Gold 50, Platinum 100	Classic/Gold - 400 Platinum - 1,200	Nil on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	1804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic - 20, Gold - 40, Platinum - 60, Infinite card - 100, StarNet Card - 10	350	Nil on purchases, 4% on cash withdrawals, 5% on other banks card	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	1888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, Visa Infinite, Visa Internet	Free for the first year, thereafter, Classic - 25, Gold - 40, Platinum - 100, Visa Infinite - 100, Visa Internet - 5	350 for Nationals 400 for expats	Nil 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	1805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum, Titanium), Visa Internet Shopping card, DinersClub card, Visa pre-paid, Master Lucky Titanium, Black Visa	Free for first year. Classic - 30, Gold - 40, Platinum - 100 Internet Shopping Card - 5, DinersClub - 40, Visa pre-paid - 5, Master Lucky Titanium - 50, Black Visa (By invitation)	Classic - 250 Gold - 750 Platinum - 1,000 DinersClub - 600 Master Lucky Titanium and Black Visa (Up on request)	Less than 1% on purchases, 5% 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	1801801

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 December 2009 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you to be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance						UAE
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT	
AXA/Norwich Union Insurance (Gulf) BSC(c)	Global Area 1: From 14,869 (0-10) to 50,576 up to ages 61-65. Global Area 2: From 4815 (ages 0-10) to 14,789 up to ages 61-65. Regional 1: From 3962 (ages 0-10) to 10,866 up to ages 61-65. Regional 2: From 2905 (ages 0-10) to 7878 up to ages 61-65. Local: From 2,177 (0-10), 6,309 (61-65)		Global Area1: AED5million Global Area2: AED2.5 million Regional 1: AED1 million Regional 2: AED500,000 Local: AED300,000	Global Area 1 & 2: Worldwide excluding US Regional 1: Middle East, Indian subcontinent, North Africa and South Asia Regional 2: Middle East, Indian subcontinent, North Africa and South Asia Local: Any of the GCC countries * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com	
Alliance Insurance (P.S.C.)	*With deductibles Universal Plan: From 3,704 (ages 0-17) to 13,806 up to age 65 Universal Plus Plan: From 5,501 (0-17) to 21,578 up to ages 61-65 International Plan: From 2,469 (0-17) to 7,317 up to ages 61-65 Basic Plan: From 2,151 (0-17) to 6,273 up to ages 61-65 Local Plan: From 2,114 (0-17) to 6,017 up to ages 61-65	Deductibles of: Universal Plan: AED200/150/100, Universal Plus Plan: AED200/150, International Plan: AED150/100/75, Basic & Local Plan: AED150/100/75/50	Universal Plan, Universal Plus Plan and International Plan: AED1 million Basic: AED500,000, Local: AED150,000	Universal Plus Plan: Worldwide Universal Plan: Worldwide exc. USA and Canada International Plan: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Basic: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Local: 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 checkups, etc.	04 341 5580 info@expatservices.ae www.expatservices.ae	
Aetna Global Benefits (ME) LLC	Major Medical: From 1,696 (ages 0-17) to 9,965 up to age 64 Foundation: From 1,741 (ages 0-17) to 10,219 up to age 64 Lifestyle: From 3,680 (ages 0-17) to 23,383 up to age 64 Lifestyle Plus: From 5,126 (ages 0-17) to 30,084 up to age 64	Major: Nil, US\$1,000/5,000 Foundation: Nil, US\$50/100/250/500/1,000/2,000/5,000 Lifestyle: Nil, US\$50/100/250 Lifestyle Plus: Nil, US\$50/100/250	Major Medical: US\$1.6 million Foundation: US\$1.6 million Lifestyle: US\$1.6 million Lifestyle Plus: US\$1.6 million	Major Medical: Treatment as an in patient and day patient, oncology treatment, CT and MRI scans, outpatient surgery and organ transplants Foundation: Includes all coverage provided by Major Medical, with the addition of full outpatient benefits, including primary care consultations, alternative medicines and outpatient psychiatric treatment Lifestyle: Includes all coverage provided by Foundation with the additional of routine management of a chronic condition and evacuation extension to the country of your choice Lifestyle Plus: Includes all coverage provided by Lifestyle with the addition of routine pregnancy and childbirth, routine and major restorative dental	04 04 438 7500 MiddleEastSales@aetna.com 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 US, Australia and New Zealand Plus: From 1,331 (Child) to 14,768 up to ages 70-74 Comprehensive: From 1,036 (Child) to 12,007 up to ages 70-74 Select: From 945 (Child) to 10,897 up to ages 70-74 Standard: From 653 (Child) to 7,571 up to ages 70-74	Standard: US\$850, US\$1,700, US\$4,250, US\$8,500 Plus/ Comprehensive/ Select: 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	Area 1: Europe, Area 2: Worldwide excluding US, Area 3: Worldwide including US, Area 4: Australia and New Zealand	04 272 5505 info@interglobal.ae www.interglobal.ae	
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 90 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia International Plan: Worldwide exc. USA, Canada and the Caribbean Global Plan: Worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae	
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: From 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: From 1,700 (ages 1-15) to 9,500 up to ages 66-99; International: from 2,200 (ages 1-15) to 13,000 up to ages 66-99; Global: from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		Abu Dhabi Plan In & Out-Patient: AED250,000 UAE Plan In & Out-Patient: AED250,000 Regional Plan: AED1 million 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 1,765 (14 days-17 years) to 3,575 (56 - 60 years) Plan 2: From 2,600 (14 days-17 years) to 5,250 (56 - 60 years) Plan 3: From 2,820 (14 days-17 years) to 5,672 (56 - 60 years) Plan 4: From 4,350 (14 days-17 years) to 8,750 (56 - 60 years) Plan 5: From 5,020 (14 days-17 years) to 10,100 (56 - 60 years) Plan 6: From 4,560 (14 days-17 years) to 9,200 (56 - 60 years) Plan 7: From 5,270 (14 days-17 years) to 10,575 (56 - 60 years)	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, South East Asia excluding Singapore and Hongkong Plan 4: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide exc. US, Canada Plan 5: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada Plan 6: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada Plan 7: UAE, Arab countries, South East Asia excl. Singapore and Hongkong, extended to worldwide incl. US, Canada	Toll Free: 800 4746 ocicm@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.royalson.com www.royalsonalliance.ae www.fasterquote.ae	
<p>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 Karagolan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US\$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. Tip: Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. Notes: These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product; they are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during December 2009. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.</p>						

Home Contents Insurance					UAE
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
Abu Dhabi National Insurance Company – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewellery and money	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householders' contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewellery; 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.lameen.ae
Oriental Insurance Company LTD – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
Qatar Insurance Company – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
Royal & Sun Alliance Insurance Group – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 www.royalsunalliance.ae www.fasterquote.ae
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: (1) Standard – against loss or damage caused by fire/ smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TVs/Hi-Fis/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 December 2009. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEYworks** recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards		BY INTEREST/PROFIT RATE			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic and Gold), World MasterCard e-Tijari Web Card, INFINITY	Classic-200, Gold-400, e-Tijari Web Card-200, World MasterCard - 600*, INFINITY - 900* . * (free for first year)	2% on purchases, 3% on cash withdrawals and 2.0% for e-Tijari Web Card for both	55 days	Toll-free: 800 223 www.cbd.ae
Dubai Bank	Visa Covered Cards (Silver, Gold, Platinum)	Free for life	2.5% on purchases and 3% on cash withdrawals	51 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum, Platinum Plus) Charge cards (Classic, Gold, Platinum)	Fixed monthly fee for Visa Islamic cards: Classic-75, Gold-150, Gold Premium-300, Platinum/Platinum Plus-500 Annual fee for Charge cards: Classic - 200, Gold - 400, Platinum - free for VIP customers otherwise 1,000	N/A on purchases and AED60 for cash withdrawals	40-45 days	04 609 2222 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards/Mother Brand cards (Classic, Gold, Gold Plus, Platinum, Platinum Plus) Skyward Credit Card (Gold, Gold Plus, Platinum, Platinum Plus)	Visa Islamic Credit Cards/Mother Brand cards: Classic - 100, Classic Platinum - 250, Gold - 200, Gold Plus - 250 Platinum - 300, Platinum Plus-350, Skyward Credit Card Gold - 300, Gold Plus - 375, Platinum - 400, Platinum Plus - 450	N/A on purchases, AED90 for cash withdrawals of AED100 - 3,000	25 days	04 316 0234 www.emiratesislamicbank.ae
LloydsTSB	Visa (Classic, Gold)	Free for life	1.99% on purchases and 2.5% cash withdrawals	50 days	04 342 2000, www.lloydstsb.ae
Mashreqbank	Visa, MasterCard (Classic, Gold, Platinum), Etisalat, Mashreq credit card, Mahreq Millionaire card, Grand entertainment card (Titanium), VIP, Mashreq Air Arabia Visa card (Classic, Platinum)	Classic, Gold, Etisalat mashreq credit card and Mahreq Millionaire card - No annual fee, Platinum - 650, Grand entertainment card (Titanium) - 350, VIP-200, Mashreq Air Arabia Visa card (Classic - 100, Platinum - 200)	On purchases: Classic/Gold/Titanium/Platinum - 2.74%, 2.99% on cash withdrawals for all cards	30-55 days	04 424 4444 www.mashreqbank.com
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Titanium) Co-branded card (Géant La Carte, NMC)	Free for life	0% interest on retail purchases for first three months, thereafter 2.35% on retail purchases; 2.75% on cash withdrawals	25 days	04 213 0000 www.rakbank.ae
SAMBA	VisaMaster card (Silver, Gold, Platinum, Titanium)	Silver: free for life; Gold and Titanium - 300, Platinum - 500	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
Union National Bank	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold), International Travel card, Egypt Air Visa co-branded card (Extra Credit Card), Cash Back card (Classic, Gold)	Visa Classic - 250, Gold - 350, Platinum - 600 MasterCard (Classic - 250, Gold - 350, International Travel card - free for first two years for new customers otherwise free for life , Egypt Air Visa co-branded card - 250, Extra Credit card - free for life, Cash Back card - Classic, Gold - 250	2.39% on purchases and cash withdrawals with salary transfer otherwise 2.59% on purchases and .3% for cash withdrawals	55 days	Toll-free: 800 2600 www.unb.co.ae

Credit cards		BY VALUE ADDED FEATURES			UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Gold: free for life, Platinum - 500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, UAE/Gold, Gold Rainbow, Charge Cards: Green, Gold, Platinum and Black Centurian	DDF/AMEX Blue -175, AMEX Gold-395, UAE/Gold-395, Gold Rainbow - AED395, Charge Cards: Green-US\$120, Gold-US\$175, Platinum-US\$750, Black Centurian - up on invitation only.	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millennium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae	
Barclays Bank	Barclaycard (Gold, Titanium, Platinum) British Airways Barclaycard (Priority & Prestige)	Preferred option: Visa/Master (Classic & Gold) free for life Priority option: Visa (Classic/Gold/Platinum): 300, MasterCard (Classic/Gold) - 300; Prestige option: Visa (Platinum) 550, MasterCard Titanium-300	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 22725297 www.barclaycard.ae	
Citibank	Emirates-Citibank Credit Cards (Ultima/Ultimate/ Gold/ Silver) Citi Travel Pass, Citibank Credit Cards (Ultimate/ Gold/ Silver)	Emirates-Citibank Credit Cards - 3,000/1,000/550/300, Citi Travel Pass - 400, Citibank Credit Cards - 1,000/ 550/300; 5 Supplementary Cards - Free, (Special promotional rates also apply)	Unlimited Skywards Miles/Citi Travel Pass points/CitiDollar rewards.Double miles with Miles Accelerator.Upto 15% airticket discounts.Special offers across UAE and Citibank World Privileges worldwide at over 40,000 establishments.Loans as low as 0.91%. Exclusively for Ultima/Ultimate customers-25000 sign up Skywards Miles(Ultima), free Priority Pass Membership,International Concierge, upto 3 Free nights stay in Marriott Paris,ME&A, Travel insurance for Ultima cardholders.	04-311 4000 www.citibank.ae	
Dubai First **NOTE* Temporarily suspended credit cards.	Visa (Silver, Gold) MasterCard (Classic, Gold) Royale MasterCard, SecureCard	Visa: Silver - 200, Gold - 400 MasterCard: Classic - 200, Gold - 400 Royale MasterCard - Invitation only, SecureCard - Free	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.dubairfirst.com	
Dunia Finance	Silver, Gold, Platinum, Diamond	Silver-100, Gold-150 to 400, Platinum -200 to 400, Diamond -1,500	1% cash back on Silver card, 1.5% on Gold and 2% on Platinum. 15-20% discount on dining promotion, 15% discount at Aramex for Gold and Platinum cardholders. 5% discount at MMI travel for all cardholders. Reward points can be exchanged at Jumbo Electronics. 15-20% discount on health and leisure promotion.	04-423 8642 www.dunia.ae	
Emirates-NBD	EBI cards: Visa, MasterCard (Silver, Gold), MasterCard Infinite Credit card and MasterCard Platinum for Shaheen customers, Diners club NBD cards: Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Silver, Gold), WebShopper MasterCard, Skyward (Infinity, Platinum)	EBI cards: Silver - 150, Gold-400, Platinum - 700, Infinite - 1,500, EmiratesDIC-200 Diners club - 200 NBD cards: Classic - 150, Gold - 400, Platinum - 700, NBD-Dnata MasterCard - Silver-200, Gold-500, WebShopper MasterCard - 50, Skyward Infinity - 1,500, Platinum - 700	EBI cards: 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. NBD cards: 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, 1% cash back on all retail purchases.	Toll-free: 600 540000 www.emiratesnbd.com	
Mashreqbank	Visa, MasterCard (Classic, Gold, Platinum), Etisalat mashreq credit card, Mahreq Millionaire card, Grand entertainment card (Titanium), VIP, Mashreq Air Arabia Visa card (Classic, Platinum)	Classic, Gold, Etisalat mashreq credit card and Mahreq Millionaire card - No annual fee, Platinum - 650, Grand entertainment card (Titanium) - 300, VIP - 200, Mashreq Air Arabia Visa card (Classic - 100, Platinum - 200)	5% cash back on all international spends, 0% easy payment plans, International spends - Campaign, win 1 million points everyday, 5% cash back on Utility Bill payments, Grand entertainment Card - 50% off on cinema tickets across all grand cinemas in the uae. Grand prizes: Chance to win a jearneau luxury boat, a Harley Davidson motorcycle, a trip to Universal Studios or 6 day stay at the exclusive lost chambers suite at Atlantis every month. Enjoy up to 50% discount on adventure sports, golf, spas and more. Complimentary airport lounge access at all Marhaba lounges in the UAE	04 424 4444 www.mashreqbank.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfur card, Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfur card - 25 for accountholders, otherwise 50, Dubai E-government Prepaid Card - 50	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	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Titanium) Co-branded Cards (NMC, Géant La Carte)	Free for life	0% interest on retail purchases for first three months; 5% cashback on international spends; upto 3% cashback on domestic spends; win millions on RAKBANK MasterCard; Titanium lifestyle privileges offers from more than 80 premium branded outlets across categories; RAKfast Dining Discount Programme; special monthly usage offers; Convenience of credit card cheques and attractive balance transfer facility	04 213 0000 www.rakbank.ae	
RBS	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, RBS Weekend Card & RBS Williams Platinum Card	Free for life	All cards: Free Wild Wad, Ski Dubai and Cinema; chip card for enhanced security, purchase protection; access to utility bill payment, smart cash loan. Visa Classic & Gold: dining discounts; reward points redeemable in many outlets. MasterCard Smart Traveller Gold: 10% cashback on travel. Jumbo Card: discounts and extra reward points at all Jumbo stores; easy payment plan 36 equal instalments at 0.99%. NRI card: points redeemable for domestic flights in India, 5% cash back on flights to India, discounts domestically; Al Ameera: dining discounts; reward points redeemable in many outlets. Weekend Card: 2% cashback on all spend Thurs-Sat, 1% all other times; discounts in many outlets; Williams Platinum monthly prize draw to win a weekend at one of the 2009 Grand Prix.	04 4266000 www.rbsbank.ae	

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Auto Finance		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	In Dubai : New cars: 4.25%, used cars: 4.99% In Abu Dhabi and Al Ain : New cars: 4.25%, used cars: 4.99%	Up to AED500,000	New cars: Nil Used cars: Depends on the car	60 months for news cars, 48 months for used cars	5,000 with salary transfer otherwise 8,000	No
Abu Dhabi Islamic Bank	Car Finance	New Cars: 4.50% with salary transfer, otherwise 4.95% Used cars: 5.50% with salary transfer, otherwise 5.95%	Up to AED400,000 with salary transfer, otherwise AED350,000	New cars: Nil Used cars: 5%	New cars: 60 months Used cars: 48 months	5,000	No
Al Hilal Bank	Murabaha	New cars: 4.99% Used cars: 6.5%	Up to AED500,000	New cars: 10% Used cars: 20%	Up to 48 months with salary transfer, otherwise 60 months	8,000	No
Arab Bank	Car Loan	New cars: 4.5% Used cars: 5.5%	Depends on salary	New cars: Nil Used cars: 15%	New cars: up to 48 months Used cars: up to 36 months	20,000	Yes
Dubai Bank	Markaba Auto Finance	5.25% for new cars (Depends on the dealer) Used cars: 5.95%	Up to AED250,000	New cars: Nil Used cars: 10%	New cars: 60 months Used cars: 48 months	12,000	No
Dubai Islamic Bank	Al Islami Auto Finance	New cars: 4.75% Used cars: 5.52% (Depends on model of the car)	Up to AED250,000	Depends on the salary	Up to 60 months	8,000	No
Commercial Bank International	Car Loan	New cars only, 4.75% with salary transfer otherwise 5.00%	Up to AED350,000	5%	Up to 72 months	15,000	No
Emirates Islamic Bank	Intaleq	New cars: with salary transfer 4.50%, otherwise 5.95% Used cars: with salary transfer 5.50%, otherwise 5.75%	Up to 250,000	10-25%	New cars: 72 months Used cars: Depends on the model	With salary transfer - 5,000 otherwise 6,000	No
Emirates-NBD							
Emirates Bank Int.	Car Loan	New cars: 4.75% with salary transfer, otherwise 5.50% Used cars: 5.60% with salary transfer, otherwise 6%	Up to 12 times of monthly salary	10%	Up to: 60 months	With salary transfer - 7,000 otherwise 10,000	No
National Bank of Dubai	Car Loan	New cars: 4.75% with salary transfer, otherwise 5.50% Used cars: 5.00% with salary transfer, otherwise 6.0%	Up to 10 times of monthly salary or up to AED200,000	10%	New cars: 60 months Used cars: 84 months		No
National Bank of Abu Dhabi	Motori	New cars: 4.75% with salary transfer, otherwise 5.50% Used cars: 5% with salary transfer, otherwise 6%	Up to AED350,000 with salary transfer, otherwise AED200,000	New cars: Nil with salary transfer, otherwise 10% Used cars: 15%	New cars: up to 60 months Used cars: up to 48 months	7,000 for account holders, otherwise 10,000	No
Noor Islamic Bank	Noor Drive	New cars: 4.5% Used cars: 5.5%	Up to AED250,000	New cars - 10% Used cars 15 - 20%	New cars: up to 60 months Used cars: up to 96 months	5,000	No
RAKBANK	Auto Loan	New cars: 5.25% Used cars: 6.25%	Up to AED250,000	New cars - Nil Used cars - 10%	New cars: up to 84 months Used cars: 72 months	5,000 for new cars 15,000 for used cars	No

Personal Finance		Some of the deals available now					
PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	9.25% on reducing balance basis	Up to AED250,000	Yes	Up to 72 months	5,000	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 6.25% fixed rate	Up to AED250,000	Yes	Up to 60 months	4,000	Yes
Al Hilal Bank	Goods Finance only for Nationals	Profit rate: 8.99%	Up to AED150,000	No	Up to 48 months with salary transfer, otherwise 36 months	8,000	No
Arab Bank	Personal Loan	10.50% on reducing balance basis	Up to AED250,000	Yes	Up to 60 months	20,000	Yes
Dubai Bank	Sanad Personal Finance	5.50%	Up to AED250,000	Yes	Up to 72 months	Nationals: 12,000 Expats: 8,000	Yes
Dubai Islamic Bank	Goods Finance	Profit rate: 6.3% with salary transfer, without 8 - 9%	Up to 125,000	No	Up to 60 months	6,000	No
Emirates Islamic Bank	Imtalk	Profit rate: 7%	Up to AED150,000	Yes	Up to 72 months	5,000	Yes
HSBC Amanah	Amanah Personal Finance	Profit rate: 6.75%	Up to AED250,000	Yes	Up to 60 months	20,000	Yes
Noor Islamic Bank	Goods Finance	Profit rate: 6 - 6.25%	Up to AED250,000	No	Up to 60 months	7,000 for account holders, otherwise 10,000	No
Sharjah Islamic Bank	Goods Murabaha	Profit rate: 8%	Up to AED250,000	Yes	Up to 48 months	12,000	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 2003 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 AED500 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be (German -10 years, American/ European - 8 years, Korean - 6 years) or newer	No	Rewarded for early redemption	Free postponement for salary transfer, Free Islamic Visa card	Islamic products, No processing fees	Toll-free: 800 2288 www.adib.ae
Used cars must be 2005 model or newer	No	Nil		No processing fee	Toll-free: 800 666666 www.alhilalbank.ae
Used cars must be 2005 model or newer	Yes	1% of outstanding loan, 5% for bank buyout	Free credit card for the first year	No processing fee	Toll-free: 800 27224 www.arabbank.ae
Along with the usual documents, copy of ID freezone and quotation of the vehicle. Used cars must be less than 8 years old. Subject to bank approval	No	Nil	Islamic Takaful insurance offered	AED500 processing fee	Toll-free: 800 5555 www.dubaibank.ae
Used cars must be 1999 model or newer	No		Free credit card	AED400 processing fee	04-609 2424 www.alislami.ae
	No	2% of total outstanding loan		No processing fee	Toll-free: 800 224 www.www.cbuae.com
Post dated cheques required along with usual documents. Used cars must be 3 years old or newer	No	Nil	Free EIB account	AED500 charged as processing fee, if salary is not tranfered, otherwise no fees	04 316 0101 www.emiratesislamicbank.ae
Depends on the model of the car and the company should be listed. Used car must be at least 7 years old	No	4% of total outstanding loan		Processing fee: New cars AED300, used cars: AED500 Processing fee: AED500	Toll-free: 600 540000 www.emiratesnbd.com
Used cars must not be older than 4 years. Loan only applies to Japanese cars	No	3% outstanding value of the loan		0.5% of loan amount or minimum AED300 charged as processing fee	Toll-free: 800-2211 www.nbad.com
Used cars must not be older than 5 years.	No	None		AED300 - 500 processing fee	Toll-free: 800 NOOR www.noorbank.com
Used cars must not be older than 4 years.	No	5% of the outstanding loan amount.	Free RAKBANK credit card, insurance	1% processing fee	04-213 0000 www.rakbank.ae

Criteria: Interest/profit rate less than 5.5% on new cars

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Need to provide security cheque, salary certificate, bank statement and original passport.			1.5% processing fee of the loan amount, minimum AED500. 0.75% charged as 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 original passport. The applicant should be atleast 21 years old.	None		No processing fee	Toll-free: 800 666666 www.alhilalbank.ae
Approved companies only. Need to provide security cheque, salary certificate, bank statement and original passport.	2% of outstanding loan, 5% for bank buyout	Free credit card for the first year	1% processing fee, minimum AED250	Toll-free: 800 27224 www.arabbank.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa. Minimum age - 25 years	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	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Need to provide salary certificate, bank statement, quotation, cheque book and original passport.	None		AED400 as processing fee	04 609 2424 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	AED250 as 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 AED2,500	Toll-free: 800 4792 www.hsbccamanah.com
Approved companies only. Need to provide salary certificate, bank statement and original passport.	None		1% processing fee	Toll-free: 800 6667 www.noorbank.com
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		1% processing fee, minimum AED250	Toll-free: 800 742 www.sib.ae

Criteria: Interest/profit rate less than 10.5%

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 December 2009 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-centers.

Home Finance							
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	9%	Minimum AED10 million Loan-to-value (LTV): Up to 90% with salary transfer otherwise 85%	Up to 65% for all	15% for ready properties with salary transfer, otherwise 20% 20% for under construction properties with salary transfer, otherwise 25%
Abu Dhabi Finance	UAE nationals and UAE residents	Up to 30 years	70 years	8.5 - 9%	Depends on salary	Up to 55% for salaried applicants - Up to 50% for Self Employed applicants.	Minimum 15% for salaried applicants and minimum 20% for self-employed applicants
Amlak (Shar'ah compliant) **NOTE** On November 20, 2008 Amlak froze all new mortgage lending.	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for expats 15 years for non-residents	60 for salaried employees, 65 for self-employed	8.75% reducing balance rate	Up to 80% LTV: up to 90% - depending on eligibility and criteria	10-20%	Minimum 10%
According to recent newspaper reports (April 18th 2009), the Amlak/Tamweel merger is going ahead and the merged entity will be trading soon.							
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	8.00% on reducing balance rate	Up to AED5 million LTV: up to 80%	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	70 % for completed properties and 60% for properties under construction
Bank of Baroda **NOTE** Temporarily stopped new mortgage lending.	UAE nationals, expats	Up to 15 years	65 years	7.5% on reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.15%	Up to AED7.5 million for villas, AED5 million for apartments LTV: up to 80% of market value for villas and 75% for apartments	50% of the monthly income for UAE residents, 40% for non-residents	25%
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 25 years	65 years for nationals 60 years for expats	8.00 - 8.5% on reducing balance rate	Up to AED5 million	Depends on the salary	20% for ready properties
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	8.75%	Up to AED5 million	Depends on the loan amount and salary	20%
Emirates-NBD	UAE nationals, expats and non-residents	25 years for nationals, 21 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	7 to 8% on reducing balance rate	Up to AED10 million	Residents: Up to 60% Non-residents: Up to 50%	20% for ready properties, otherwise 25%
Emirates Islamic Bank	UAE nationals	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years	10% with salary transfer, 11% without	Up to AED3 million	Not more than 50% of the salary	Nil
First Gulf Bank	UAE nationals	25 years	65 years	8.5% on reducing balance basis	Up to AED20 million	Maximum 60%	10%
Habib Bank AG Zurich **NOTE** Temporarily stopped new mortgage lending.	UAE nationals and expats	Up to 15 years	60 years	9.5%	Up to 70%	Max. 60% of income including all loans	30%
HSCB Bank Middle East Limited	UAE residents and non-residents	25 year period or up to the age of 65 years, whichever comes first	65 years	7.5 - 8.5%	Up to AED10 million LTV for Flexi and EIBOR: up to 75% LTV for Amanah Home finance up to 65%	60% overall debt on all regular commitments	25% for ready villas 30% for ready apartments 50% for under construction
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	Financing available for VILLAS ONLY 8.5%	50%		50%
Mashreq	UAE residents and non-residents	Up to 20 years	65 years for salaried 70 years for self-employed	8%	Up to AED8 million	55% including all loans	10%
Mawarid Finance **NOTE** Temporarily stopped new mortgage lending.	UAE residents and non-residents	Up to 15-20 years	60-65 years	8.5%	AED5 million LTV: 80%	Depends on salary	5-20% (Only for completed properties)
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals; Up to 50 years for investors in Abu Dhabi	65 years	8.69%	Up to AED5 million Up to 75% for Abu Dhabi properties and 50% for other emirates	Up to 50% of monthly salary for expats	50% for Dubai properties and 75% for other emirates
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	8.5-10.35%	Up to AED13 million LTV: Upto 85% Abu Dhabi/Al Ain properties: AED8 million	60% of monthly salary for salaried individuals	10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 10 years	65 years for UAE nationals, 60 years for others	Profit rate: 11% on reducing balance basis	Up to AED2 million	50%	50%
Standard Chartered	UAE nationals, expats	20 to 25 years	65 years	7% on reducing balance basis	Up to AED10 million In Asset Back Lending (ABL) scheme: upto 40%; Standard Mortgage Product (SMP) scheme: 75%. ABL and SMP are offered just for Emaar Properties that are to be delivered in nine months	Depends on the salary	25%
Tamweel (Shar'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	8.9% on reducing balance basis	Up to AED5 million LTV: Up to 90%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	9% on reducing balance basis Financing for ready properties only.	Up to AED4 million for villas Up to AED3 million for apartments	Up to 65% of monthly salary	20%
United Bank Limited 'Baitna' **NOTE** Temporarily suspended all new mortgage lending.	UAE residents and non-residents	Up to 20 years	65 years	8%	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
<p>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, Khulassat 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.</p>							

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	10,000 for Nationals 20,000 for expats	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.	Abu Dhabi: ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya Dubai: 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
Life cover for the full amount and term. Buildings insurance on completed villas	10,000	No	No	Application fee: AED 3,000 (non refundable, but offset against your processing fee) Processing fee: 0.8% of original loan amount (maximum of AED 100,000) if fee is added to loan amount; 0.75% of original loan amount (maximum AED 50,000) if fee is paid upfront Early repayment charges (ERC): For buy out: 4% of outstanding loan amount; On sale of mortgaged property or where early repayment is made from borrower's own resources: 2% of any amount repaid, if repayment is made in the first 3 years of the loan term. No ERC payable if early repayment is made at any time thereafter. Valuation: AED3,000	Abraj (Ras Al Khaimah), Green Emirates, RAK Properties, ALDAR, Sorouh, TDIC, Capitala, Profile Group and many more to come	Yes	Yes	Toll-free: 800 ADF (233) www.adf.ae
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	Abu Dhabi: Sorouh, ETS, Manazel, Emirates Financial Towers Dubai: 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.amiakfinance.com
Life and property insurance	20,000	Yes	Yes	Processing fee is AED3,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Israqaa	Yes	Yes	Toll-free: 800 27224 www.arabank.ae
Property insurance	10,000	Yes	Yes	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount in case of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 313 6666 www.bankofbaroduae.ae
Life and building insurance	10,000	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 AED5,000. 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 for Nationals 15,000 for Expats	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	18,000	No	No	Processing fee is AED400.00	No Abu Dhabi properties financed Dubai: 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	04 609 2424 www.alislami.ae
Life and property insurance	National - 20,000 Expats - 25,000 to 50,000	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	Abu Dhabi: ALDAR, Sorouh Dubai: Emaar, Nakheel and Dubai Properties	No	Yes	04 316 0316 www.nbd.com
Life and property insurance	25,000	No	No	No processing fee. Evaluation fee: AED1,500	Abu Dhabi: Manazel, Al Reef Dubai: Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	15,000	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15% AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers' City (only for nationals); Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 800 525500 www.first Gulf bank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	Yes	1% of the loan amount is levied as arrangement fee for the mortgage or a minimum of AED5,000. No early settlement fees	Emaar Villas & Townhouses: The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omnyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 366 9052 www.hsbc.ae
Life and building insurance	25,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED5,000 mortgage registration; AED2,500 valuation fee; AED1,000 non-refundable commitment fee; AED1,000 discharge fee	Emaar, Dubai Properties (Jumeirah Beach Residence) Union Properties (The Green Community & UPTOWN Miraf), Nakheel	No	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	9,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available), Evaluation fee: AED1,500	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 424 4444 www.mashreqbank.com
Property and life insurance	15,000	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	20,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: 0.5% of the loan amount. 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	10,000	No	No	Processing fee 1%, no early settlement fee	Abu Dhabi: Al Raha Beach, Yas Island, Shams Dubai: Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	30,000	Yes	Yes	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 2% 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	Yes	Yes	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Al Union Properties	Yes	Yes	600 522288 www.standardchartered.com/ae
Life and property insurance	15,000	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)	Abu Dhabi: Sorouh (Golf Gardens), Manazel (Al Reef Downtown) Dubai: Nakheel (Marina Residence), Tamweel (Tamweel Tower), Jumeirah Village	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	20,000	Yes	Yes	Processing fee of 1%, min. of AED5,000. A non-refundable application fee of AED3,000. 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.urb.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	04 608 5302

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 December 2009 for MONEYworks magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early repayment. 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@moneymoneyworks.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	H.O: P O Box 23940, Dubai Abu Dhabi office: DHL Building, 2nd Street Airport Road	+971-4-3328582 +971-2-6327462	+971-4-3317572 +971-2-631-2325	info@acuma.ae	www.acuma.ae	
Continental Financial Services	P O Box 62817, Dubai	+971-4-3353433	+971-4-3352553		www.continental-intl.com	
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com	
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com	
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsahel.com	
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp	
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com	
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai office: P O Box 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.unfcae/	

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	
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com	
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	
Joie De Vivre International Insurance Brokerage LLC	M 03, Al Abbas Building, Khalid bin Waleed road, Dubai, UAE	+971 4 352 3351	+971 4 352 7884	mgmt1@dvinsurance.ae	www.jdvinsurance.ae	
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.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	
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	info@pioneerwealth.a	www.pioneer-wealth.com	

Licence: DED (Dubai Department of Economic Development)						
Name	Address	Telephone	Fax	E-mail	Website	
Citico Dubai	P O Box 58066, Dubai, UAE	+971-4-3432666	+971-4-3436613	fdsouza@citico.ae	www.citico.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
Name	Address	Telephone	Fax	E-mail	Website		
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	+971-4-351 6112	+971-4-355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com		
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	+971-4-228 3003	+971-4-223 7237	easttrust@emirates.net.ae	www.easterntrustllc.com		
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	+971-4-268 6844	info@medubai.com	www.lmedubai.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 December 2009. 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 have been investing in the UAE's stock markets in 2009, and I have made reasonable profits, until the recent talks of a debt crisis hitting Nakheel. While I am still bullish about the local markets going into 2010, I wonder if it is worth waiting and watching how the scene unfolds before increasing my exposure. What are large investors thinking?
MH, Dubai

It is difficult to answer your question about what large investors think

because there are different types of large investors. There is, however, a lot of institutional money waiting on the sidelines. And since cash is not earning them anything, it will not be long before you will see some of these monies entering the market. The immediate very short-term view of the UAE markets is not bright because of the ongoing debt negotiations between Nakheel and its lenders. But if you are a longer-term investor, then this is the right time to take a new position. The world is poised for recovery led by the US towards the latter part of the year. The UAE will benefit from that, while the oil price will only rise from the steady US\$70-80 a barrel range that it has been moving on.

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.



Money can be hard to come by

James Thomas offers a few suggestions on improving your chances of obtaining a mortgage loan in the UAE.

“I have decided to purchase a house in the UAE, given that the market is quite low and it seems I can afford to pay the mortgage bill, despite the setback to increments. However, I am also paying a mortgage for a small apartment in the UK. My banker in the UK refuses to fund my purchase in Dubai. Part of that is because of some of the bad press the emirate is getting, but part of that is because he thinks I might default despite my good records. I have been trying to explain to my banker back in the UK that the rent I am paying in Dubai is quite high and is nearly equal to the instalment that I will be paying if I get a mortgage from the bank. Of course, it will take my debt burden ratio to slightly over 50 per cent, but that’s what it is now if I take into account the rent I am paying every month. For your information, I am 45 years old. Can you please advise?”

This is an interesting question and one that isn’t being asked very much at the moment, but I believe it is very relevant and raises a lot of issues. My first comment would be that I am not surprised that you are struggling to obtain finance. Regardless of your financial position, money can be very hard to come by, and banks are less than keen to lend unless they are sure that they are not exposed to a large risk.

There are a number of factors that could help to improve your chances of obtaining a loan. First, I would recommend speaking to an expert here in the UAE, rather than to your banker in the UK. Even in good times, UK banks are often unwilling to lend outside of the UK. They are also likely to

lend in sterling rather than dirham, so you would have an exchange rate factor to consider.

The amount you wish to borrow will have an impact on whether you will be able to obtain a mortgage. The lower the loan to value ratio, the higher the chance of the banks being willing to lend. Given that you state that your debt ratio will be slightly over 50 per cent, I would assume that you are putting down a significant deposit, which would count in your favour. That’s because if there were further falls in property values, it would be your capital that was eroded and not the bank’s.

Your occupation will also have a big impact on whether you are able to borrow. Certain professions and industries are simply not able to obtain finance, as banks view them as currently too high risk to lend to. This may well change as the economic climate settles down and the financial situation becomes clearer. In the meantime, even if the bank does agree to offer you a loan, be prepared to pay a high level of interest. Looking through the **MONEYworks** best-buy tables, the lowest rate of interest being offered is just under seven per cent, while the highest is over nine per cent. It is worth noting that the UAE dirham interbank rate is currently around 2.5, so there is a considerable risk margin priced into the interest rate, which means that the banks are still not particularly keen to lend.

The type of property that you wish to purchase will also have an impact on the finance that is available to you. If you are looking to buy a villa, there are generally more banks willing to lend against this type of property than if you are looking

to purchase an apartment. That’s not to say you can’t secure a mortgage for an apartment, but you may well be more restricted in who will lend to you and also on the terms offered. For example, they may insist on a higher deposit for an apartment, they may lend over a shorter length of time and they may charge a different rate of interest.

The reason for this is simply that a lot more apartments have been built, so there are more on the market. Such oversupply may be deemed an issue to the future values.



As I mentioned at the beginning of the article, there appears to be very little interest in property purchase at the moment, which is understandable given the current economic climate, but if you are in a position to be able to purchase a property, now is arguably a good time to buy. Prices have fallen significantly, sellers are more willing to negotiate and developers are keen to move stock. As with property markets around the world, select the right property in the right location. It should make a great home and investment as well.

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Sometimes a gamble pays off

Sultan Sooud Al-Qassemi on how some made profits out of the negative headlines on Dubai World.

Every once in a while, a person may be tempted to take a risk and buy into an investment that may or may not prove to be a wise decision. I have always tried to be a conservative investor, steering clear of risky endeavours. Recently, however, I watched how a friend's gamble paid off. It was late November and Dubai World (DW) had just announced that it would be requesting a standstill from creditors. The entire world went into a spiral that was perpetuated by the global media. There was a sense of desperation and opacity.

My friend is an educated thirty-something executive who took a giant leap of faith and decided to buy the bonds when they had gone down in value to 44 cents. Although I do not know the amount of money he invested, I do know that he was on a high for a number of days when the bond payment was announced. It was a big risk. He had not borrowed the money, though, and it was money that he could afford to risk.

According to this individual, it was more an external factor that prompted him to invest. He had studied the composition of the DW creditors and realised that a major bondholder was New-York-based hedge fund QVT Financial LP. QVT has previously led creditor committees that have successfully lobbied to strip down assets of firms that filed for bankruptcies in which it was a creditor, such as former New-York-based financial services company Refco.¹

QVT, a US\$8.5 billion firm, was undoubtedly the most active of DW's bondholders, going as far as organising an investor conference call to discuss picking a law firm to represent bondholders and a possible law suit that

would attempt to seize assets of DW if the bonds weren't paid.²

In fact, QVT's 25 per cent holding in the bond was exactly the amount that would have allowed it to disrupt any agreement that DW could have reached with bondholders since, according to the terms of the bond, 75 per cent of its holders had to agree to the restructuring.³

On December 8, a source from the foreign bondholders that QVT gathered told Reuters: "We sent a letter last week saying we do not accept the standstill, and we expect to be paid."⁴

The logic of my friend was that if QVT had done it before successfully, then there is a strong chance that they would be able to pull it off once again in the UAE, especially because DW subsidiaries hold assets in dozens of countries around the world, including the US.

This is a case of being careful what you wish, as you might actually get it. The UAE has been trying very hard over a number of years to attract and invite international money to invest in the country's projects, but it wasn't ready for the international money mentality that comes with it. It would have been unlikely for UAE investors to threaten suing a Dubai government-owned investment firm out of respect, but international players operate on a different level altogether.

The truth is that after all of the agony that we went through in the UAE thanks to DW's mismanagement, there was a strong argument to proceed with the debt standstill and offer the creditors a take it or leave it discount. It is clear now, though, that the restructuring of the US\$60 billion DW debt will proceed for two very good reasons. It would be

very challenging for DW to come up with this kind of money to pay back future instalments. The government of Dubai, DW's owner, is probably more concerned with financing strategic assets like Emirates airlines' massive airplane order than it is with the DW's QE2 liner.

The other major development was the introduction by the Dubai government of new bankruptcy laws in the DIFC that would make it easier for DW's debt to be restructured in local courts. A tribunal to adjudicate on potential claims against the firm has also been set up.⁵ This bankruptcy court was established for a reason.

I do not expect that all creditors will be so pleasantly surprised in the 11th hour in the future. Also, officials told the media that the scenario of a last-minute Abu Dhabi bailout should not be seen as a precedent for other state-owned firms' debt.⁶ *The Financial Times* said in an editorial that the way to make money in Dubai is to back sound businesses – not just ones that are also being backed by the state.⁷ In this case, my friend's gamble paid off. But keep in mind that no matter what risk-takers tell you, it was a lucky move in a dangerous game of Russian roulette. Long-term sound investments remain a much better strategy.

Footnotes

- [1 http://online.wsj.com/article/BT-CO-20091201-714132.html](http://online.wsj.com/article/BT-CO-20091201-714132.html)
- [2 http://www.zawya.com/story.cfm/sidZW20091127000074/3http://www.thenaational.ae/apps/pbcs.dll/article?AID=/20091127/NATIONAL/711279794](http://www.zawya.com/story.cfm/sidZW20091127000074/3http://www.thenaational.ae/apps/pbcs.dll/article?AID=/20091127/NATIONAL/711279794)
- [4 http://uk.news.yahoo.com/22/20091208/tbs-uk-dubai-nakheel-debt-4210405.html](http://uk.news.yahoo.com/22/20091208/tbs-uk-dubai-nakheel-debt-4210405.html)
- [5 http://www.reuters.com/article/idUSLDE5BE1C620091215](http://www.reuters.com/article/idUSLDE5BE1C620091215)
- [6 http://www.ft.com/cms/s/0/e0aac7a2ea7611de-a9f5-00144feab49a.html?catid=6&SID=google](http://www.ft.com/cms/s/0/e0aac7a2ea7611de-a9f5-00144feab49a.html?catid=6&SID=google)
- [7 http://www.ft.com/cms/s/0/8147737a-e8e4-11de-a756-00144feab49a.html](http://www.ft.com/cms/s/0/8147737a-e8e4-11de-a756-00144feab49a.html)

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