

Tables: Credit cards, loans, mortgages and insurance across the Gulf

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July 2007 Issue 104

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FUNDS

Designing an
investment fund

CAPITAL RAISING

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IPO on DIFX

HiTs Africa raising
US\$300 million

PROPERTY

Real estate investing
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MANAGED FUTURES

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Bahrain.....BHD1.0
Kuwait.....KWD1.0
Oman.....OMR1.0
Qatar.....QAR10
Saudi Arabia...SAR10
UAE.....AED10

MONEYworks magazine

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Published by

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BPA audit applied for December 2006

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Global warming has arrived on our very doorstep now - if this is what Gonu represents. Apparently, the Omani economy got away without much of a scratch, as did the insurance providers, from a cyclone that added new lakes to the map of Oman. The Muscat general index also hardly showed any impact, although this is understandable, as the insurance sector is not represented within the index. But I must say that we have been lucky in the GCC not to have been too badly hurt by this cyclone that could have led to significant business losses. Also, I think it's high time for businesses as well as individuals in the region to take insurance against natural disasters more seriously and look for the best options available.



There were also some very positive developments in the region last month, including the launch of the Dubai Mercantile Exchange. The exchange has been trading an average of around 2,000 contracts daily since its launch on June 1, something that should be praised, especially with the kind of scepticism that was in the air prior to the launch. Transparent price discovery of sour crude has finally become a reality in the very markets that produce the crude.

The equity markets in the GCC are now looking more stable, although if the Saudi market continues to suffer the way it has in the past few weeks, it could have a negative impact on other markets as well. But analysts say that we could see some action in the Kingdom's market in select counters, as valuations have become quite attractive. If that happens and the positive feeling sustains, we could see some sort of a rally building up during the later part of the year after summer and Ramadan across the GCC.

The price of oil has continued to remain at high levels recently and liquidity has been pouring in, although, unlike in the recent past, a significant part of the incremental liquidity is being recycled into international markets. So, even the regional private equity space seems to be quietening down right now. One of the reasons investment bankers attribute that to is a lack of good deal flows. The supply side in the region looks weak, they say. On the other hand, the region's primary market seems to be getting ready for some action, both in debt and equity. And, if you read our "Business Leader" interview, you will find some more information on a new IPO listing coming soon on the Dubai International Financial Exchange.

Utpal Bhattacharya
Editor

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30 RETIREMENT PLANNING

You may have dozens of things you would rather do than think about your long-term savings plans. The choice between the dentist and a meeting with your IFA about just that - I can tell you're booking that appointment with the dentist right now. To spare you as much pain as possible, I've attempted to answer all your questions about planning for the future in just one easy-to-read Q&A. Dull? Maybe. Essential? Definitely. **Wendy Jackson** reports.

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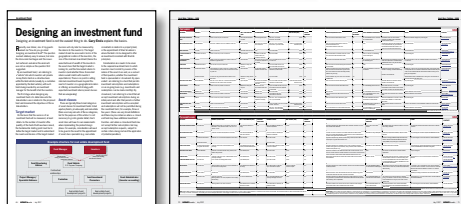
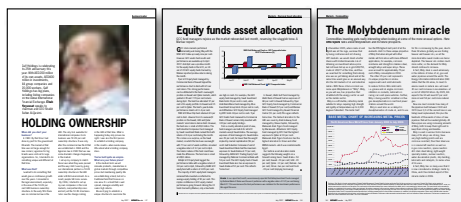
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Family is important, but when it comes to investments, investors must prioritise according to what they want their money to do. Sheikh Sultan bin Saud Al Qasimi introspects



Peter Sands

The DIFC operations of the bank are now being beefed up with important jobs moving out of London to the Middle Eastern financial centre as its fourth global hub.

StanChart creates global resource hub in DIFC

Standard Chartered PLC is setting up a global resource hub at the Dubai International Financial Centre (DIFC). **Utpal Bhattacharya** finds out from Peter Sands, group chief executive officer of Standard Chartered, about the bank's plans in the region and globally.

Standard Chartered will, among others, headquarter the bank's Islamic banking operations as well as its entire African operations apart from a number of regional activities in the newly created DIFC resource hub.

Sands said that Dubai has now become one of the four global resource hubs of the banking group. Singapore is the operational headquarters for consumer and wholesale banking for Standard Chartered, while the corporate headquarters are run out of London and the operational processing and technology development through Chennai and Kuala Lumpur. The DIFC operations of the bank are now being beefed up with important jobs moving out of London to the Middle Eastern financial centre as its fourth global hub.

The CEO also said that Standard Chartered will continue to consolidate its stronghold in its traditional markets, including the Middle East, and the DIFC initiative is a clear indication of that. There is no reason for a change of strategy that the bank set for itself in 2003, he added.

"We will continue to focus our business in Asia, Africa and the Middle East. The strategy of focusing in these markets was one that Mervin Davies, who is the chairman of the bank now, and I devised together in 2003. And I see no reason to change it. We have a great footprint and a great franchise, and I have no intention of venturing off into other parts of the world," he said.

He further added that despite the bank's increased attention towards project finance and expansion into commodity derivatives and capital market activities, there will be no dilution in the bank's consumer banking business.

"I find both our businesses to be very attractive and I don't want to target a particular mix of these businesses. Our intention is to continue to grow both businesses and have a balanced business. However, I do not know what the precise balance will end up being in the next five years, as they are a function of a number of factors."

Sands said that on wholesale banking, Standard Chartered has developed broad product capability, including advisory and corporate finance. The bank has also ventured into a whole range of derivatives, structured trade and project finance,

while in the region it is already active in debt and fixed income instruments.

The CEO, however, emphasised that the bank is unlikely to develop its asset management business any further, especially now that it has decided to sell off its asset management interests in India.

Speaking about the bank's consumer banking activities, he said that apart from traditional products and services, in the last couple of years, the bank has been focusing on wealth management and SME business. While these have grown rapidly to become two growth engines for the future growth of the bank, today Standard Chartered has created two more powerful engines, although they are in very early stages of development, private banking and consumer finance, he added.

Last month, Standard Chartered announced the launch of its private bank. In addition to Dubai and Singapore, the private bank will operate in 10 markets, including Hong Kong, Shanghai, Beijing, Seoul, Mumbai, New Delhi, London and Jersey.

Asked if the banking group has any plans for acquisitions in the Middle East and Africa region, he said Standard Chartered's primary focus will continue to be organic growth, while acquisition could be a useful complement as part of the bank's global strategy.

"We will always look at acquisition opportunities right across our footprint in Asia, Africa and the Middle East. But there is a big difference to looking at things and actually doing it or making an acquisition," he said.

Describing acquisition as not core to the strategy of the bank, he also clarified that Standard Chartered had acquired entities in the past with the objective of either building a much stronger position in a geographic franchise such as Korea, Pakistan or Taiwan, or to strengthen its product capability.

"In the future you will see us do a mix of capability-based and geographic acquisitions. It could be in this region; I will not rule that out," he added.

Standard Chartered has shown strong revenue growth from its Middle East and South Asia region. Last year, the revenue growth was 32 per cent from the region, Sands said.



Dr. Mohamed A Bahabri

The issue price of the shares in the second round of fund raising is yet to be decided, but the company expects the price to be in excess of US\$2 per share.

HiTs Africa raising US\$300 million

HiTs Africa is raising US\$300 million through private placements to fund acquisition of greenfield and existing telecom companies in Africa. **Ehab Heyassat** finds out more.

Saudi Arabian ICT company House of Integrated Technologies and Systems (HiTs) is in the process of doing private placements to raise up to US\$300 million in equity capital for its 100 per cent subsidiary HiTs Africa. The proceeds of the capital raised will be used for supporting the commercial roll out of the first wave of networks of HiTs Africa, which plans to invest US\$1 billion in acquisitions and greenfield projects in Africa and emerge a major telecom company with presence in eight to 10 countries in that continent in the next five years.

HiTs Africa's fund raising has been structured around two closings. The first closing targeted for early next month seeks to raise at least US\$50 million to be mainly used towards the initial phases of license and company acquisitions. The company will issue up to 100 million new class B shares with a par value of US\$1 each in the first round. These newly issued shares will represent up to 50 per cent of the total equity of the company at the first closing if fully subscribed. The subscription prices will be US\$1.55 each, giving an aggregate of US\$155 million if fully subscribed.

The company aims to start the second part of the fundraising in November 2007 to complete the equity capital raising in HiTs Africa to a cumulative US\$300 million. The issue price of the shares in the second round of fund raising is yet to be decided, but the company expects the price to be in excess of US\$2 per share. The equity capital raised from the second closing will be used to roll out the first wave of country operations.

Bahrain's Ithmaar Bank and Palace Ventures of the UK are the joint placement advisors of the issue, while the legal advisors are Squire, Sanders & Dempsey.

Established in 2002, HiTs is today a leading information and communications technology company in Saudi Arabia. HiTs led the HiTs Unitel consortium to successfully acquire the third GSM licence in Yemen and also successfully led and coordinated the ITC consortium that won the second fixed and

data line licence in Saudi Arabia. HiTs owns 100 per cent of Qanawat, QPay, HiTs Yemen Distribution and HiTs Egypt Distribution. The company owns 85 per cent in 4Run and retains minority stakes in HiTs Unitel and ITC.

Dr. Mohamed A Bahabri, board member of HiTs, said that HiTs Africa aims to have between four and six million subscribers across eight to ten country operations in five years. He said that the Africa-focused company is in the process of finalising both greenfield and acquisition opportunities for mobile and wireless assets.

"HiTs Africa is aiming to be the first truly converged regional operator, combining both mobile and wireless networks to deliver a next generation platform for mobile telephone services," he added.

HiTs acquired a universal licence in Uganda in March this year, while it also acquired 45 per cent stake in a promising local Liberian telecom company LiberCell. In this deal HiTs has an option to buy up to 75 per cent of the company in the next 15 months. LiberCell is considered today second in the market.

The company is also in advanced negotiations to acquire an interest in a company which holds the first converged license and the fifth GSM license in the Democratic Republic of the Congo. HiTs expects to acquire 65 per cent of that entity and provide operational management. In addition, the company is also likely to acquire a universal licence and the fifth GSM licence in Tanzania owning around 65 per cent of the shares in the vehicle that used to hold the licence and provide operational management. In fact, Africa offers 40 potential acquisition targets across the region apart from greenfield licences, said Dr. Bahabri, quoting a recent study conducted by McKinsey & Co in association with HiTs.

Significantly, HiTs Africa has already tied up with Huawei Technologies as its international equipment vendor responsible for network building, rollout and technical support. It also tied up with Singapore-based MSM to provide project planning and management services. 



Ali Samir Al Shihabi

“We took the decision to go public strategically in the company, but we are still waiting to see some sort of momentum on the DIFX. The timing of the launch of our IPO is linked to the liquidity situation in the DIFX.” Ali Samir Al Shihabi

Rasmala to acquire Omani brokerage

Rasmala Investments is expanding to Oman through an acquisition, while the company also has plans to be actively involved in the private equity space in Saudi Arabia. A **MONEYworks** report

Dubai-based investment bank Rasmala Investments plans to expand to Oman with the acquisition of a brokerage company in the Sultanate shortly. The company, which recently got a licence from the Saudi Capital Market Authority and the ministry of commerce in the Kingdom to establish Rasmala Investments (Saudi), also plans to acquire iHilal Financial Services through the Saudi subsidiary.

Ali Samir Al Shihabi, founder and CEO of Rasmala, said that Rasmala Saudi will emerge as the Islamic subsidiary of Rasmala Holding, which is a Dubai International Financial Centre company. He said that all the Islamic activities of the group will be routed through Rasmala Investments (Saudi). The acquisition of iHilal Financial Services, which is today 70 per cent owned by the Dubai-based Rasmala, is part of that strategy of bringing the group's Islamic assets under the Saudi subsidiary. Post-acquisition, Rasmala Saudi will be 80 per cent owned by Rasmala Holding, while the rest will remain with other Islamic investment entities, who today own 30 per cent of iHilal Financial Services.

“The iHilal brand is likely to disappear after the company's acquisition by Rasmala Saudi because we need to integrate and have one brand to build on, and that is Rasmala, which is a strong brand. Also as Rasmala, we will have two investment arms, one in Dubai, which is the conventional investments arm of the holding company, while Rasmala Saudi will be our Islamic investments arm,” he explained.

Rasmala Holding was a Bermuda-based company before gaining its licence from the Dubai Financial Services Authority.

Speaking about Rasmala's plans in Oman, he said that the company is in an advanced stage of negotiations with a brokerage company for acquisition. Al Shihabi refused to give further details about the acquisition, but said that the deal will be announced shortly.

“Our expansion in Oman is again in line with our strategy to focus mainly in the three GCC markets of Saudi Arabia, the UAE and

Oman, as our definition of the GCC market is narrowed to these three countries and maybe Qatar,” he said.

Rasmala doubled its capital to AED370 million last month, attracting 10 prominent investors from Saudi Arabia, Abu Dhabi, Dubai and Oman through private placements. As part of the capital increase, Deutsche Bank now holds 18 per cent of the company, up from 11 per cent prior to the private placement, making it the largest shareholder in the company. Saudi Arabian bank Samba holds four per cent post capital increase.

“Doubling Rasmala's capital has broadened our shareholder base and will further strengthen our financial position to support our strategy of aggressive growth in the region,” said Al Shihabi.

Speaking about Rasmala's plans to IPO, he said that the strategic decision to go public has been taken, although the timing of the public offering will depend on activity on the Dubai International Financial Exchange (DIFX), where Rasmala will seek a listing.

“We took the decision to go public strategically in the company, but we are still waiting to see some sort of momentum on the DIFX. The timing of the launch of our IPO is linked to the liquidity situation in the DIFX,” he added.

Rasmala currently operates eight funds in the regional and international markets. The company's assets under management in equity markets are in the range of US\$400-500 million. The company has also recently tied up with Commercial Bank of Dubai (CBD) to establish an asset management joint venture company in the DIFC. This JV company, which is owned 70 per cent by Rasmala and 30 per cent by CBD, will be mainly used as a distribution channel for Rasmala funds for retail investors.

“We have eight funds today, and CBD has asked us to create four more investment funds for them. We will use the DIFC joint venture to distribute these funds and our earlier funds for retail investors,” explained Al Shihabi.



Nazem Al Kudsi

NBAD considering outsourcing indices

National Bank of Abu Dhabi’s (NBAD) Asset Management Group is restructuring and setting up a strong research-based infrastructure looking at the future prospects of the region. It is also considering outsourcing its indices. A **MONEYworks** report.

NBAD’s Asset Management Group (AMG) is considering outsourcing its market indices to a major international index provider as part of the group’s ongoing restructuring process.

The AMG currently has four indices and has been a pioneer index provider in the UAE.

Nazem Fawwaz Al Kudsi, AMG’s chief investment officer, said that NBAD is currently in talks with four international index providers, but a final decision is yet to be taken on the choice.

“Right now we are communicating with four major index providers—MSCI, S&P, FTSE and Dow Jones—but we have not made our final decision on which provider to go with. Also, NBAD will not have any stake in the index provider and will simply pay for the service,” Al Kudsi said.

Explaining why AMG is considering outsourcing its indices, he said that this would mean avoiding any challenge of conflict of interest arising from creating indices and then managing assets that are benchmarked to those indices.

“Recently, international providers have begun to see a growing global interest in the UAE and the GCC equity markets, and thus started creating new indices to track those markets. It is worthwhile to keep in mind that historical data from all NBAD indices will always serve as a valuable source for newly created indices,” he said.

AMG today offers a wide array of investment products and is the largest

local mutual fund manager in the UAE with assets under management of circa AED3 billion across four local funds. In addition, AMG offers five offshore funds and numerous individual portfolios. AMG supports a full range of customer requirements from individual to international and regional institutions, said Al Kudsi.

AMG is currently restructuring to optimise current market changes. The group has a two-phased action plan in place. In the first phase AMG will focus on the UAE market and capitalise on its local knowledge and extensive network, while in the second phase, as it builds up its capabilities, the group will be moving into the GCC and other Middle East and North African markets.

“We are currently investing in both people and systems. We are hiring high calibre experienced portfolio managers as well as revamping the systems infrastructure by acquiring state of the art comprehensive solutions. On the research side, we are building a first class international style research unit. This unit will provide macro, fundamental, technical and quantitative analysis,” he said.

Aligned to the fund strategy, the current plans are to prioritise coverage of large cap companies within the UAE and the GCC with a particular interest in real estate, construction, materials, telecoms and financial services, he added.

In the first phase AMG will focus on the UAE market and capitalise on its local knowledge and extensive network, while in the second phase, as it builds up its capabilities, the group will be moving into the GCC and other Middle East and North African markets.

		YTD as of May 31, 2007		
NBAD Fund name	Inception	Performance %	Benchmark %	Outperformance %
UAE Islamic Fund* (Al Na'eem)	Jan-05	14.94	10.54	4.40
UAE Growth Fund**	Nov-00	14.53	12.28	2.25
UAE Trading Fund**	Feb-04	13.67	12.28	1.39
UAE Distribution Fund** (Mizaat)	Feb-06	13.22	12.28	0.94
NBAD Mutual Funds do not use overdraft facilities.				
*Benchmarked to NBAD Islamic-Listed Index. **Benchmarked to NBAD Emirates General Index				

Calls for a central Shari'ah council for Islamic banking future

Sheikh Salah Abdallah Kamel, president of the Dallah Al-Barakah Group and chairman of the General Council of Islamic Banks and Financial Institutions (GCIBFI) has called for a streamlining of the Shari'ah Council system to help deal with the different interpretations of Shari'ah compliance between jurisdictions across the Islamic world.

Speaking in an exclusive interview with the Oxford Business Group (OBG), Sheikh Salah expressed his concern that some institutions tended to simply re-brand conventional financial tools without understanding the meaning of true Shari'ah compliance.

"The challenge is whether the owners, directors and employees truly understand

what Islamic banking means. At GCIBFI we are working with key partners to implement a new model whereby fatwas would be issued by a single entity," explained Sheikh Salah.

"I hope that this will assist in helping to define the concepts and problems of the differing interpretation of Shari'ah compliance," he said.

The plan is that the GCIBFI, Islamic Development Bank and ISFB want to have a central Shari'ah council for issuing fatwas, in addition to a Shari'ah council for each bank for further control.

Sheikh Salah outlined his vision for addressing such factors with intentions for an

Islamic "mega-bank" involved with all aspects of the sector on a global scale. "GCIBFI represents 130 banks in 40 countries and we are developing a new model to enable us to work with all of them in every Islamic country," he said. "The Dallah Al-Barakah Group will be looking to invest between US\$100 million and US\$200 million in the management portion of this new model."

The exclusive interview is one of some 300 meetings with business leaders, politicians and foreign investors in the Kingdom as part of the research for OBG's 'The Report: Emerging Saudi Arabia 2007', which will be available in the second quarter of this year.

RAHALA, a MENA Region Hospitality and Tourism Investment Company, was launched recently. RAHALA is one of the first Saudi domiciled, Shari'ah compliant investment companies focused on the hospitality and tourism sectors.

Ibrahim Mardam-Bey, Siraj CEO, says RAHALA has negotiated the exclusive rights in Saudi Arabia to one of the world's leading three star hotel brands, Express by Holiday Inn, and will be investing in at least 10 hotels over the next five years at a cost of close to US\$200 million. In addition, a co-development agreement has been signed for the four star brand, Courtyard by Marriott, and investment commitments have been made for other projects, such as a joint venture with Kempinski for a new, Shari'ah compliant, five star hotel brand, SHAZA and a significant investment in the Dubai Wellness Centre, a US\$350 million development in Dubai Healthcare City.

Following advice from its members and the regional steel trading community, Dubai Gold and Commodities Exchange announced that it has revised the launch of the world's first internationally accessible steel futures contract - the Dubai Domestic Steel Rebar Futures Contract - until after the summer, with a view to giving adequate time to the trading community to prepare itself fully for commencing trade.

Emcredit teams up with Dubai Police

Dubai Police and Emcredit have signed a data sharing agreement that paves the way for the launch of 'Embounce', Emcredit's new credit reporting tool to provide records on defaulted cheques reported to Dubai Police. The service, which will be available to registered financial institutions and commercial entities, is expected to go live at the end of August, with Dubai Police data shared with Emcredit and updated on a daily basis.

At the launch, Dubai Police General

Commander Lt. General Dhahi Khalfan Tamim said the new service will enhance transparency in the financial and security sectors, a priority set forward in the Dubai Strategic Plan 2015 by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Lt. General Tamim also noted that he would rather dishonoured cheques were a civil, not criminal, matter. "We don't want to put people in prison," he said, and pointed to the importance of 'knowing your client' and the responsibilities of financial institutions to customers. "If banks don't observe the rules and regulations, we cannot help them," he said.

Problems have been on the increase, with 16,005 cases of dishonoured cheques reported since 2002. He cited one example of an individual who issued cheques for AED100,000 for goods in just three months...all of which bounced. He believes a radical change is required and advocates a minimum period of residence before people are permitted to open a current account - and the opportunity to write cheques.

"Our partnership with Emcredit provides a new way to serve Dubai and our society," said Lt. General Tamim. "If the economy in our country is healthy, so is everything else," he said.



Lt Gen Dhahi Khalfan Tamim

IIB announces US\$65 million Abu Dhabi property fund launch

International Investment Bank has announced the launch of a new US\$65 million property fund which will invest in the development of land located within the Danet Abu Dhabi Master Development Project in Abu Dhabi.

The new fund, IIB-Abu Dhabi Properties 1, will be 66.7 per cent owned by IIB with the

remaining 33.3 per cent owned by United Friends Company, a UAE based company. The fund will purchase two plots of land at Danet Abu Dhabi and will develop the land into a mixed-use, 21-storey twin-tower building. One of the towers will comprise exclusively office units, whilst the other

will be a mix of office and residential units. The building will also include retail and entertainment units. The office and residential units will be let initially and then sold. The fund will exit from the investment within four years and is targeting an Annual Internal Rate of Return of 24 per cent.

National Bank of Dubai recently celebrated the graduation of nine PAL (Programme for Accelerated Learning) trainees who successfully completed the challenging 18 month graduate training programme.



SMARTRAC investment earns 63 per cent

Investing in a Dutch RFID manufacturer has proven successful for Injaz Mena Investment Company, with a 63 per cent profit to its co-investors in 14 months. UAE Central bank-licensed Injaz Mena has investments in the GCC and MENA region, the US, Western and Eastern Europe,

Pakistan, India and East Asia. Injaz Mena acquired shares in SMARTRAC N.V. in February 2006 as a private equity investor and was instrumental in its successful public listing on the Frankfurt bourse in late July, with a five per cent stake in the company.

Second Sukuk mandated by Dar Al Arkan Real Estate Development Company

Saudi Arabia-based Dar Al Arkan Real Estate Development Company (Dar Al Arkan) has mandated ABC Islamic Bank E.C., Arab National Bank, Deutsche Bank AG, Dubai Islamic Bank PJSC, Gulf International Bank B.S.C., Kuwait Finance House Malaysia Berhad and Unicorn Investment Bank B.S.C. (c) (the "Joint Lead Managers") to arrange a five-year Sukuk al Ijara issue on behalf of the company. The joint lead managers are also the joint bookrunners for the transaction, whilst Unicorn Investment Bank is the structuring agent and Shari'ah advisor.

This Sukuk marks Dar Al Arkan's second issue in the International Capital Markets and follows the success of Dar Al Arkan's US\$600 million three-year landmark Sukuk issue which closed earlier this year. The

first Dar Al Arkan Sukuk marked the first international Sukuk to be issued by a Saudi corporate and received an overwhelming response from investors across Europe, South East Asia and the GCC region. Initially launched as a US\$425 million issue, the Sukuk was significantly oversubscribed, with Dar Al Arkan opting to increase the issue size upon closing. The Sukuk was recently listed on the Dubai International Financial Exchange (DIFX). It is the sixth Sukuk to list on the DIFX and the first from a Saudi issuer.

The funds raised by the second Dar Al Arkan Sukuk will be used to finance residential developments across Saudi Arabia. Investor presentations for the second Dar Al Arkan Sukuk will be held in Riyadh, Manama, Dubai, London, Kuala Lumpur and Singapore.

Ahli United Bank (AUB) has signed an MoU with Alliance Housing Bank SAOG (AHB) of Oman. Under the terms of the MoU, AUB will acquire 35 per cent of AHB through its full subscription of AHB's proposed new capital increase. AUB will acquire a total of 113 million common shares for a total consideration of OMR50.9 million subject to obtaining all necessary regulatory and shareholder approvals in Bahrain and Oman.

Dubai Investments PJSC has partnered with the Fujairah Investment Establishment, the investment arm of the Fujairah Government, to launch Al Taif Investments, a new investment company based in Fujairah.

Dubai Islamic Bank has launched the sixth round of its training programme "Emarati", which aims to enhance the banking and professional skills of UAE national graduates. The programme runs for six months.

Rasmala Investments has announced the successful wind up of the Rasmala Private Equity Fund 1, a fund launched in 2000 with the objective of investing in the financial services sector in the GCC. "We returned to investors over three times their capital in just over six years, equating to an annual return of 22 per cent per annum" commented Ali al Shihabi, founder and CEO of Rasmala Investments.

Rasmala Investments currently manages eight funds in regional and global markets.

Sakana Holistic Housing Solutions has doubled authorised capital from BHD10 million to BHD20 million and increased paid-up capital from BHD5 million to BHD12.5 million.

Tamweel gets property ownership certificate from Land Department

Tamweel PJSC recently became the first home finance provider in the UAE to receive a property ownership certificate, or Title Deed, from the Government of Dubai Land Department.

UAE-based home finance providers and financial institutions that offer mortgages will now receive a Title Deed, which is a legal document providing evidence of ownership of property.

For Shari'ah compliant mortgages, the name of the buyer will also be included on the Title Deed. The Title Deed guarantees the transfer

of ownership from the lessor, or home finance provider, to the lessee, or buyer, once the Shari'ah-compliant Ijara contract has been completed. Therefore, the rights of both the lessor and lessee are fully guaranteed.

The first Title Deed issued to a buyer, and Tamweel, was for a property in the Arabian Ranches community, which will be leased to the buyer as per the Ijara terms of the offering. Once the lessee has fulfilled his obligations to the mortgage provider, under the Ijara terms, property ownership is now automatically transferred to the named owner.



Senior officials of Tamweel with the Title Deed issued by Dubai Land Department. From left to right: Abdul Ghaffar A. Mohammed, operations manager; Adel Al Shirawi, CEO; Mansoor Mirza, operations officer; Madhusudhan Pamalapati, head of operation and Kashif Haq, senior operations officer.

Standard Chartered Bank's new building

located in the Gate complex of the DIFC is central to the bank creating a world class business hub in the UAE to capitalise on its strong business growth in the region.

"The Gulf Region has undergone a major transformation in recent years with the modernisation and diversification of the economy, and is now playing an increasingly pivotal role in world investment and trade flows - a trend we expect to continue," said Peter Sands, group chief executive officer of Standard Chartered. "The creation of the DIFC is a positive development for the region's growing financial and capital markets, and creating a hub in the DIFC enables us to enhance both our capabilities and our commitment to the region."

Shayne Nelson, regional chief executive officer Middle East & North Africa, Standard Chartered Bank, said: "Next year marks Standard Chartered's 50th year in the UAE, and with a strong foundation built over four decades, the Bank has now become recognised as a market leader in the UAE."

Bahrain's first credit issuer and acquirer

CrediMax brought nine fraudsters operating in Bahrain to justice in 2006. Visa recently held a ceremony to recognise the efforts of CrediMax and several merchants. In 2006, fraudsters were brought to justice when they attempted to purchase gold jewellery from several outlets in Bahrain. The collective efforts of CrediMax and merchants have led to the capture of fraudsters utilising more than 61 counterfeit cards and several stolen cards.

NBD wins 2007 Asian Banker Award for Best UAE Retail Bank

National Bank of Dubai (NBD) has been awarded the prestigious Asian Banker Award for Best Retail Bank in the UAE for the year 2007. The award recognises NBD as an outstanding player in the retail financial services industry. Suvo Sarkar, group head of retail banking, received the award on behalf of the National Bank of Dubai in Shanghai recently.

NBD was selected by an international panel consisting of prominent figures in the world of retail banking. Winners were selected on the basis of a scorecard of ten categories used to rank banks and their retail banking units. Among the criteria used are retail banking

performance, long-term prospects of the bank, retail sales figures of the bank, how well the retail bank is managed and the quality of staff training.

"We are delighted to receive this esteemed award from Asian Banker. This international recognition is a testament to the tremendous success we have had over the last few years in developing and delivering a full suite of retail products and services. NBD is today a leading provider of retail financial services in the UAE and is committed to providing our customers with innovative value-added products and the highest levels of customer service," said Sarkar.

Selektpoints wins global innovation award

Dubai based Selektpoints, the first global loyalty coalition programme, has been presented the 'Best Innovation in a Loyalty Programme' award at the prestigious Cards International Global Awards for 2007. At the May event in Berlin, Joanne Robinson, MD of Cards International, said: "Selektpoints has truly turned the loyalty model upside down by making it a source of revenue for the banks - something new and unique in a very competitive industry." Bob Buchan, Selektpoints chairman, said: "We are pleased that Selektpoints is being recognised for its innovation and its unique offering to banks and their customers."



Regional asset management market worth US\$200 billion soon

With current assets under management in the MENA region at approximately US\$70 billion, Algebra Capital predicts an annual growth of at least 23.5 per cent p.a. to reach over US\$200 billion by 2012.

Concurrently, the rapid development of regional capital markets, including Shari'ah compliant products, is increasing the ratio of regionally focused funds to their international comparables and the ratio of Islamic to conventional products.

"Our geographic footprint includes some of the world's fastest growing economies, namely the Middle East, and also the GCC and North Africa, as well as emerging Asia," said Ziad Makkawi, founder and CEO, Algebra Capital Ltd. "Currently, the industry trend is towards local asset management, and this is being reinforced by fast developing capital markets and attractive investment opportunities. Three years ago we predicted that regional assets under

management would hit US\$75 billion by 2010. We have almost passed that mark three years early and see this trend continuing in the future to exceed US\$200 billion.

The potential for growth in both public and private markets is sizeable. The region has a current ratio of assets under management (AUM) to market capitalisation of less than 7.2 per cent compared to an emerging market average of 25 per cent



Ziad Makkawi

and developed market averages ranging between 70 and 80 per cent. Makkawi continued, "The potential in the asset management business is too significant to ignore. To almost triple the size of regional AUMs, an industry growth rate of 23.5 per cent over five years is comfortably in line with growth rates recorded in other emerging markets during earlier stages in their respective capital markets development. Singapore, Brazil and China all grew at compounded annual growth rates between 20 and 40 per cent."

Research shows that total cross-border investments between the GCC and Asia are predicted to climb from US\$15 billion today to US\$300 billion over the next decade. "The GCC economic boom, combined with increased liquidity and wealth, is spurring demand for more sophisticated financial services such as asset management and advisory services," stated Makkawi.

DIFC investments lists Sukuk on DIFX

DIFC Investments LLC has listed a US\$1.25 billion Sukuk on the Dubai International Financial Exchange, taking the total value of Sukuk listed on the exchange to US\$10.43 billion. The five-year Sukuk, the first one to be entirely documented under DIFC Law, attracted a high level of international participation, with 67 per cent of the Sukuk's subscription originating

outside the region. Of the US\$1.25 billion, 20 per cent comes from Asian investors, 47 per cent from European investors and 33 per cent from investors in the Middle East. The total breakdown was 54 per cent to banks, 35 per cent to fund managers, seven per cent to central banks and government agencies and four per cent to insurance and pension funds.

Morgan Stanley becomes KHI market maker

Morgan Stanley has signed a market making agreement with DIFX, under which it will provide continuous buy and sell prices in the shares of Kingdom Hotel Investments on the exchange. The agreement provides further liquidity in the company's securities.

Top 13 winners of DFM online stock game

Dubai Financial Market (DFM) has distributed awards to winners of its online stock game. The top 13 winners generated AED13.4 million in "profit" during the game.

Hussein Assaad Sadaka, a business administration student at UAE University, came out on top. His "profits" totalled AED1.323 million, followed by Hasan Bassam Adi with a total profit of AED1.315

million and Yazen Assaad Sadaka with a total profit of AED1.312 million.

Among female students participating in the contest, Farah Sabbar from Skyline College placed first with a profit of AED1.162 million, followed by Trupti Ashar from Skyline College with AED1.062 million and Sana Hafeez from Skyline College with AED859,718.

Dubai Financial is acquiring a controlling

60 per cent stake in TAIB Bank, the Bahrain-based investment bank engaged in private banking and wealth management services. The transaction is subject to the approval of the Central Bank of Bahrain and other regulatory authorities in the countries in which TAIB's subsidiaries operate. When the transaction closes, Dubai Financial will control the TAIB Board and Soud Ba'alawy, executive chairman of Dubai Group, will become chairman. Iqbal G. Mamdani will continue as the vice chairman and chief executive officer of TAIB.

Abraaj Capital has closed the largest

private equity acquisition in the history of the Middle East and North Africa, a US\$1.41 billion leveraged buyout acquisition of 100 per cent of the shares of Egyptian Fertilisers Company, a private joint stock company and one of Egypt's largest private-sector fertiliser manufacturers and exporters. The acquisition was made by the firm through its Infrastructure and Growth Capital Fund and Abraaj Buyout Fund II.

ABN AMRO to sell 40 per cent stake in Hollandi Bank: report

ABN AMRO is seeking to sell its 40 per cent stake in Saudi Hollandi Bank, according to the Arabic daily Al-Riyadh. Quoting the bank's chairman Suleiman Al-Suhaimi, the paper said in its June 13 issue that the bank's investors were looking to sell their stake to other banks. Though Al-Suhaimi was quoted as saying the stake would be sold to other

banks, the paper quoted unnamed sources as saying that ABN wanted to sell the stake through the Saudi stock market.

It was the first time Saudi Hollandi had confirmed its main shareholder was seeking to sell its stake, worth US\$1.1 billion based on the bank's closing share price on June 12.

A Reuters report in November had said that Standard Chartered was vying with two other lenders for ABN AMRO's stake in Saudi Hollandi. Standard Chartered has repeatedly declined to comment on the matter. National Bank of Kuwait later said it was bidding against Standard Chartered for ABN's stake.

Standard Chartered reports that it has exceeded the 38 per cent nationalisation targets set by the UAE government for the year ended 2006.

Standard & Poor's Ratings Services has today assigned its 'A+' local and foreign currency long-term corporate credit ratings to Saudi Electric Co. The outlook is stable.

DIFC-based investment bank Rasmala Investments has recently doubled its capital from AED185 million to 370 million, having attracted 10 prominent investors from Saudi Arabia, Abu Dhabi, Dubai and Oman through a private placement. As part of the capital increase, Deutsche Bank has raised its stake in Rasmala from 11 per cent to 18 per cent, making it the largest shareholder in Rasmala.

Bahrain's Khaleej Finance and Investment (KFI) has a new corporate identity. Capinvest is the new name of the bank, which is specialised in Islamic compliant investment activities. Chief executive officer Nabil Hadi said that transformation to Capinvest is one of the milestones of growth that KFI has witnessed during the past years. He also said that the new name is a combination of two words 'Capital' and 'Investment', and was selected due to its simplicity and direct expression of the nature of our business.

The Dubai Gold & Commodities Exchange is to launch a portfolio of four plastics futures contract products.



Omar Mousa Jeab from Jordan was the winner of our **MONEYworks** Gold Coast holiday competition. He's off for a week's holiday on Australia's Gold Coast, at the Palazzo Versace hotel, inclusive of business class flights on Emirates. The competition ran over three months in **MONEYworks**. Thanks once again to Gold Coast Tourism, Palazzo Versace Hotels, Emirates and everybody who entered the competition. Seen are Anne Jamieson, Palazzo Versace Hotels; Omar Khader, senior holiday representative for Emirates Holidays; the winner, Omar Mousa Jeab; Mark Freeman, sales and marketing manager, the **MONEYworks** group of magazines and Julie Muirhead, regional manager, Gold Coast Tourism-GCC Office.

UK's CBI welcomes government pension boost

The CBI has welcomed the government's proposals for personal pension accounts aimed at boosting retirement saving for the most financially vulnerable.

John Cridland, deputy director-general of the business organisation, said: "Not enough people are saving sufficiently for an adequate retirement - and doing nothing is simply unsustainable.

"The government's package for personal accounts will go a long way towards addressing the problem of pension saving for lower earners. However,

personal accounts will not be the answer for everyone - people will have to understand they should save more through occupational schemes if they want to be as comfortable as they expect to be.

"The cap on personal accounts contributions strikes a sensible balance between ensuring the less well-off can contribute sufficiently to a scheme without undermining the personal pensions market. We hope these measures will provide the foundation for a national consensus on tackling the long-term pensions needs of the UK."

BNP Paribas asset management rebrands

BNP Paribas' Asset Management has achieved expertise in recent years, and these specialised capabilities have now been brought together under the brand name of BNP Paribas Investment Partners

to offer investors easy access to all the latest innovations in asset management and is an attempt to strengthen its position as a key player in multi-specialist asset management.

Australia's Monarch Gold lists on DIFX

Monarch Gold Mining Company Limited has become the third Australian company to list its shares on the Dubai International Financial Exchange (DIFX).

Monarch is the 10th company to carry

out an equity listing on the DIFX and is the third gold mining company to list on the DIFX. Monarch is already listed on the Australian Stock Exchange (ASX: MON).



FORSA kickstarts investments for women

FORSA, the investment company dedicated to women investors from Dubai World, is now offering its first wave of investment projects starting with a major real estate venture.

"This is a very exciting time for FORSA and women investors. We believe that this real estate venture will be the start of greater things in store for women

investors in the UAE, giving them a more prominent role in the country's economic growth," said FORSA CEO Shamsa Rashid.

FORSA's inaugural investment package has been designed to offer attractive returns to women investors who are willing to invest AED1 million.



Financial centres news - June 2007

DUBAI

Mizuho Corporate Bank Ltd has been granted a licence by the Dubai Financial Services Authority to operate as an authorised firm; **Goldman Sachs** has inaugurated its new offices at the DIFC; **CALYON**, the corporate and investment banking division of the Cr dit Agricole Group, has been granted a full service licence to provide investment banking and capital markets services; **Citi** has inaugurated its Middle East regional office at DIFC and Dr. Omar Bin Sulaiman, governor of the DIFC, presided at the inauguration of the new office of the **Sumitomo Mitsui Banking Corporation** at the DIFC.

QATAR

The Qatar Financial Centre Regulatory Authority (QFCRA) has signed an MoU with the Isle of Man Financial Supervision Commission and the Isle of Man Insurance and Pensions Authority to formalise arrangements for cooperation and information sharing between the QFCRA and the Isle of Man financial services regulators.

TAIB Bank B.S.C. (c) has received QFCRA approval for the incorporation of a wholly owned subsidiary in Qatar, TAIB Bank Qatar LLC. And, Citi has now received its banking licence approved by the QFCRA.

Appointments June 2007

European Islamic Investment Bank plc in Bahrain has appointed **Zohaer Eitani**, who will be responsible for Middle East sales and marketing. **Nasreen Majeed** will be responsible for product control.

In London, **Nadia Bucci** has been appointed European sales manager, asset management, and **David Nassif-Farah** has been appointed manager, product development. Both appointments are within the asset management department.

In addition, **Sue Clark** is now working with EIIB as an advisor, real estate, covering its offices in London and Bahrain.

ALDAR Properties PJSC has appointed **John Bullough** as chief operating officer. Bullough is currently retail director of Grosvenor Britain & Ireland.

The DFSA has appointed **Marc Hamback** as head of anti-money laundering (supervision), **Michael Golden** as head of insurance, **Stephen Glynn** as head of enforcement, **Sameer Sheth** as head of finance and **David Haswell** as head of internal audit.

Lloyds TSB has appointed **Bert de Ruiter** as managing director for its Dubai based Middle East operations.

The Board of British Islamic Insurance Holdings announced that **Bradley Brandon-Cross** has been appointed as its chief executive officer.



Bert de Ruiter



Bradley Brandon-Cross



Anthony Rawlinson



Mohamed Qasim Al Ali



Lara Shukralla

GE Energy has appointed **Joe Anis** as region executive for the Middle East.

Merrill Lynch has appointed two new financial advisors, **Anthony Rawlinson** and **Lara Shukralla**, to strengthen its global private client business in the Middle East.

Ashok K. Gupta has taken over as chief executive officer of Bank of Baroda, UAE & Oman operations.

National Bonds Corporation has appointed **Mohamed Qasim Al Ali** as deputy chief executive officer.

Barclays launches retail banking and credit cards in the UAE

Barclays Bank PLC had a busy month last month, launching retail banking services in the UAE, as well as a range of Barclaycard credit cards.

Using technology and a mobile sales force, Barclays is set to take its banking services to the customer and, in addition to credit cards, current and savings accounts, Barclays is offering NRI banking and personal loans. The bank promises that walk-in customers will walk out 15 minutes later with a debit card, cheque book and welcome pack.

The bank is expanding its operations in Dubai and Abu Dhabi with two offices currently operating, along with a brand new electronic banking unit on Bank Street in Bur Dubai, open 8 am to 8 pm. By the end of the year, Barclays' network will include

two branches, three service centres and an ATM network.

The new range of Barclaycard credit cards features classic, gold or platinum

cards with a choice of "the right bundle of benefits, rewards and pricing options to suit." For more on Barclaycard features, see the table on page 69.



Ahmed Khizer Khan, GRCB chief executive for emerging markets; Amin Habib, GRCB managing director for the UAE and GCC and Frederik Seegers, GRCB global chief executive, at the launch of Barclays retail banking in the UAE

AXA Insurance Gulf has just received its medical licence from the General Authority for Health Services in Abu Dhabi.

Abu Dhabi headquartered Finance House PJSC has opened a branch on Sheikh Zayed Road in Dubai. Finance House offers a range of products and services for the consumer and commercial segments from credit cards to project and mezzanine finance.

Khaleej Finance and Investment based in Bahrain, Kuwait Investment Company and Kuwait Finance House Baytak in Kuwait have signed a partnership agreement to manage and promote the 'Indian Private Equity Fund', a Shari'ah compliant US\$200 million fund targeting a variety of activities with controlled risks in growing sectors, notably real estate and industry in India.

ACE International Life has formally opened its UAE office, having received a licence to conduct life insurance business from the ministry of economy in March. The company will offer pure protection to investment products in the UAE.

E*TRADE to offer US research in Arabic

E*TRADE, a US-based financial services provider that mostly uses online delivery channels for conducting its business, plans to offer US market research in Arabic in the Middle East. The company currently offers an online stock trading platform to regional customers to trade in the US markets.

Speaking to **MONEYworks**, Mikhaal Abdulla, general manager and group vice president, Middle East, said that E*TRADE also has plans to build regional markets access on its trading platform in the second phase of the company's expansion plans in the region.

"In our second phase, we want to offer our platform for customers to be able to invest in the US and the region. We are currently working on our strategy, but what I can tell you is that today when we offer a product in the

US that gives global access to our customers, it is not available to the regional markets. But in six to nine months, these products will be available to seven international markets, including Dubai," he said.

E*Trade offers multi-currency accounts and has access to 40 markets, according to Abdulla.

"Our strategy is to build a global multi-market, multi-currency and multi-regulatory platform that we can take globally and allow investors in any given market to invest in their local markets or any other international markets," he added.

E*TRADE, which holds just under US\$200 billion in client's assets, apart from on-line brokerage, offers on-line banking, integrated savings and checking accounts and mortgage products.

MONEYworks expands in Saudi Arabia

Rasalmal Financial Publishing FZ LLC, the publishers of **MONEYworks**, are to merge two of the region's most respected and read financial titles. After five years of publishing, the logical evolution for **MONEYworks** Saudi edition was to upgrade it and merge it with **MONEYworks** magazine. **MONEYworks** (the edition you're

currently reading) is now available across Saudi Arabia.

According to Rasalmal chairman Saudi Al Amri, "Our research confirms that this augmentation of **MONEYworks** Magazine will create two unparalleled regional financial magazines, **MONEYworks** in English and **MONEYworks** Al Arabiya in Arabic."

NBD Investment Bank opens up its Aafaq investment funds

NBD Investment Bank has announced that its asset management division's Aafaq Investment Funds, which are UAE dirham denominated, are now available for subscriptions from retail investors, corporations and institutional investors.

One of the funds, the Gulf Balanced Fund (GBF), which invests in GCC equities and

fixed income instruments, has achieved 63.4 per cent return for investors since its launch in November 2004. In 2006, it was the best performing GCC fund on a like-for-like basis.

The bank has also announced that it has reduced its annual management fee for the GBF fund from 1.75 per cent to 1.5 per

cent and introduced a performance fee. The fund has moved to daily liquidity, in common with other funds managed by the asset management division. Administration of the fund has been outsourced to Apex Fund Services Ltd, while custody will continue to be managed by Gulf Investment Corporation.

CBD offers Al Dana wealth management

Commercial Bank of Dubai (CBD) has launched its new Al Dana Wealth Management Program for the bank's high net worth customers, named after the most precious type of pearl found in the waters of the Arabian Gulf. Building on the ties between CBD and Rasmala, Al Dana customers get

access to a multi-managed, open-architecture, Shari'ah compliant and conventional range of investment funds and a competitive mortgage product. They also get exclusive and personalised current accounts, Al Dana Visa Infinite and World MasterCard, customised loans facilities and online brokerage services.

Standard Chartered Bank has opened its Private Banking Middle East headquarters at the DIFC. The Standard Chartered Private Bank will operate in 10 markets including Hong Kong, Shanghai, Beijing, Seoul, Mumbai, New Delhi, London and Jersey.



DIFC and Standard Chartered officials at the recent launch

Dubai Islamic Bank has launched five-year

Capital Protected Notes issued by Deutsche Bank (DB) and linked to "DB-GSAM ALPS Index" (Deutsche Bank - Goldman Sachs Asset Management). The DB-GSAM ALPS Index reflects the performance of a customised fund of hedge funds managed by Goldman Sachs Asset Management. The notes will track the performance of the DB-GSAM Hedge Fund through a Shari'ah-complaint mechanism. The fund targets a volatility of less than nine per cent and offers access to one of the largest institutional hedge fund managers in the world.

The new Skipton Guernsey Limited one-year Fixed Rate Bond (Issue 15) is paying 6.10 per cent gross pa/AER on balances from GBP25,000 to GBP500,000.

Phase one of the "Save and Invest"

campaign, organised by the UAE ministry of social affairs and supported by National Bonds Corporation, the Shari'ah compliant national savings scheme of the UAE, has begun. It's hoped the campaign will encourage the concept of saving and investment among families and raise awareness of good spending habits.

Emirates Islamic Bank has launched the

Islamic Alternative Strategies Fund. The fund is open to institutional and retail investors and, by investing in Shari'ah compliant investment vehicles, will offer the prospect of high risk-adjusted returns.

This product is now available for investment to Ethmar clients at minimum ticket sizes of US\$25,000. The fund is Jersey registered with monthly liquidity and no initial lock-in period.

Emirates Bank partners with Internet City

Emirates Bank has partnered with Dubai Internet City to launch the first co-branded contactless payment card in the region. The card, a non-contact smart chip credit card, is due out in Q3. The bank has also launched its Infinite credit card, a by invitation only product. The card comes with a high credit limit and a

range of value added benefits. For more, see page 69.

Also, the bank's meLADY package currently has a promotion open to all ladies who successfully apply for a meLADY gold or silver credit card or personal/car loan offering 'The Entertainer' discount book for free.

Emirates Islamic Bank has launched

'Al Reem', a specialised banking service for women in the UAE. AL REEM features women-only staffed sections, lounges/ service desk, discounts on bank products and services, retail outlets, a chip based debit card, customised cheque book, road side assistance programme, invitations to attend ladies-only social events and more.

Mubasher has launched a new service

for regional investors to trade on major international stock markets such as Nasdaq, Nikkei, London Stock Exchange and also DIFX, through one portfolio. Mubasher's new service also allows trading in the commodities, gold, silver and currency exchanges such as the Dubai Gold and Commodities Exchange.

3i Capital to launch real estate fund targeting Saudi market

3i Capital, which soft launched the Dubai Growth Fund targeting small investors with a minimum entry level of AED1,000, plans to launch a real estate fund targeting the Saudi Arabian market towards the end of the year.

Dr. Akram Yosri, managing partner of 3i Capital Group, told **MONEYworks** that 3i is in talks with top players in the Kingdom in this regard. He also said that 3i has plans to launch a European real estate fund and an exchange traded fund in the UAE in the future.

Speaking about the Dubai Growth Fund,

also known as Enmaa, he said that the fund will primarily invest in high-growth equities and pre-IPO opportunities in the Middle East and selected international markets following the Dow Jones Islamic Indexes criteria. He also added that the fund is open-ended and that the company intends to make it available to subscribers across the Middle East and North Africa in the future.

"Most investment funds in this region target the upper-end of the market, but we are interested in the rest of the market, the 98 per cent, who cannot afford to

subscribe to these funds. With Enmaa, our intention is to make available a scheme that would be an alternative to pension for small investors. And that's why we want to take this fund across the region," Dr. Yosri said.

He also said that the Dubai Growth Fund has had tremendous interest in its soft launch in the last couple of months, with 33 per cent of its investors being women.

"We want to create a Fidelity model in the region and offer small investors options to invest for education of their children to pensions," he added.

EIS Asset Management (EIS AM) has

launched the Emirates Global IPO Fund, a new equity fund registered through the Emirates Bank fund management structure in Jersey. The fund will offer weekly liquidity and offers the opportunity to participate in global IPOs on a professionally managed basis where, traditionally, it has been hard for individual investors to gain exposure.

Emirates Bank announced recently

extended banking hours (8-8, Saturday to Thursday) at its Dubai Festival City, Mizhar, Mirdif Trade Center and Green Community branches.

HSBC has expanded its customer service

unit network to eight following the opening of its unit in Al Garhoud area. The centre is open from Saturday – Thursday 8:00 am to 10:00 pm.

Tamweel has launched a new home

refinancing product. Soyoola, Arabic for "liquidity", is a Shari'ah compliant product for resident and national property owners in the UAE. Individuals who own freehold or private property that is free of lien or mortgage can now get refinancing against the value of their home.

Dubai Islamic Bank has opened a new

branch on Al Ittihad Road, Dubai, raising its branch network to 39 across the country.

NBD launches exclusive platinum card

National Bank of Dubai has introduced its Platinum Visa Credit Card, targeted at high net worth individuals with a special promotion of five per cent cash back on all purchases until August 10, 2007. Two per cent cash back on all retail purchases applies after the promotion period - as well as a number of value added benefits.



DGCX launches the world's first Indian rupees futures contract

The Dubai Gold and Commodities Exchange (DGCX) has launched its Indian Rupee FX contract. It's the first time in the world that an Indian rupee currency contract will be traded on an organised exchange.

Each DGCX Indian rupee contract represents two million rupees. Prices will

be quoted in US cents per 100 Indian rupees, with a minimum price fluctuation of 0.000001 US dollars per rupee (US\$2 per contract). At any point in time, DGCX will list the current and next two calendar months, plus the next three calendar quarterly months.

BankMuscat offers zero per cent interest loans in aid of Cyclone Gonu victims

BankMuscat has announced the launch of Oman's first zero per cent interest loans in aid of cyclone victims. Al A'awn (support) loans are now available for all existing BankMuscat customers in the Muscat Governorate and Sharqiya who have their salaries assigned to the bank (on the date of the launch of the programme) and who draw a monthly salary of OMR500 or lower.

Loans of up to three times a person's salary are on offer with no bank charges until August 15.

BankMuscat is also accepting donations from nationals and residents to His Majesty's Cyclone Victims Relief Fund in association with the Oman Charitable Organisation. Deposits can be made at any of the bank's branches via account # 3950150.

New Shari'ah compliant private equity fund from CORECAP

Regional investment and advisory firm CORECAP has launched its first US\$150 million CORECAP Islamic Private Equity Fund I (CIPEF I). CIPEF I will fund Shari'ah compliant private equity investments in the MENA region via equity participation and a unique Shari'ah compliant mezzanine

structure. The fund will acquire majority stakes in stable and mature businesses through funding growth capital, MBOs, MBIs, LBOs and recapitalisations. It's the first private equity fund that offers a Shari'ah compliant mezzanine structure worldwide.

According to CEO and board member Khaled Hassan Rashed, "CIPEF I is a closed-end six year fund targeting a minimum internal rate of return of 25 per cent and open to institutional and high net worth and investors with a minimum investment requirement of US\$3 million.

mashreq 'Opens the Way' with the latest mortgage solutions

mashreq has launched a zero down payment mortgage. It's achieved by acquiring the down payment in the form of a conventional investment product, which offers customers a fixed return. Also launched recently is the mashreq commercial mortgage – a non-residential mortgage offered to end-users, investors and speculators.

Plus, DIFC-licensed INVESCO Asset Management Limited has signed a distribution agreement with Mashreq. All INVESCO's off-

shore funds will now be available to Mashreq customers.

In other news, Mashreq has unveiled its new corporate identity at the opening of its branch in King Faisal Road, Bahrain Chamber of Commerce and Industry Building.

The bank has also launched its new website www.mashreqbank.com. Among other things, the site has a new section called "Perspectives" - a new financial education area that offers customers and non-customers perspectives on financial lifestyle needs.

Dubai Islamic Bank has launched a US\$47 million US Retail Real Estate Fund, which invests in eight retail properties in the US. The Shari'ah-compliant fund is a five-year closed-end fund and requires a minimum investment of US\$25,000.

Abbey International has increased interest on its Gold account and Instant Access Savings accounts. The Instant Access Savings account now pays up to 5.40 per cent gross p.a./AER, with a minimum opening balance of GBP3,000.

Advert



Time to upgrade ATMs

The ATM channel has emerged as the most preferred banking channel for consumers and financial institutions. **Kara Sensoli** reviews some of the developments of recent years and the future of the channel.

As we enter a new generation of automated banking, it is time to wave goodbye to the days when an ATM was only good for dispensing cash. In fact, if we're lucky, we may even be able to part ways with the recurring nightmare of standing in front of an ATM only to learn that it is entirely out of cash or, worse, entirely out of service.

Undoubtedly, consumers have come to rely heavily on their favored ATMs. As such, it is up to financial institutions to ensure that their machines are consistently functioning at all times. Moreover, as the ATM channel continues to be considered the most preferred banking channel by consumers, financial institutions

are finding it necessary to respond to an increasing demand for more services and a better overall experience at the ATM.

Although some parts of the world have lagged behind others in terms of technology upgrades, it is likely that banks around the globe will soon realise the need for cutting edge technology in order to retain customers, attract more customers and collect maximum returns on their ATM investments.

Windows takes the lead

For the first several decades of the ATM industry, software and systems that ATMs used rarely changed. A bank would purchase ATM hardware

from a specific manufacturer, and then the ATM would run software provided by that same manufacturer. All ATMs used IBM's OS/2 operating system, and each hardware manufacturer had its own platforms and protocols that financial institutions were obligated to follow.

However, this procedure changed when IBM announced that it was withdrawing its support from the OS/2 system. As banks were left to consider other options, we began to see an increasing shift from OS/2 to Microsoft Windows as the dominant operating system used by ATMs.

The biggest change using Windows has brought to banks is that they are no longer dependent on their

hardware providers to supply them with software. Rather, the open Windows environment allows banks to choose from a wide variety of software offered by innovative software vendors, who are strictly focused on developing the edgiest solutions to assist banks in getting the most out of their ATMs.

With a choice of software providers, financial institutions are not only able to launch new and advanced features at the ATM, but are also able to develop and customise their own solutions. Moreover, instead of having to make service calls and outsource upgrades, financial institutions can remotely make changes on all of their ATMs and can introduce new automated processes across their entire networks.

According to UK-based Retail Banking Research Ltd, 64 per cent of Europe has already migrated to Windows, and while OS/2 continues to remain dominant in the US, Boston-based Dove Consulting estimates that by 2008, 63 per cent of all US financial institutions will have made the switch. It seems that in other parts of the world as well, use of OS/2 has decreased and will likely be phased out over the coming years.

A better experience

New ATM features that the Microsoft Windows platform and inventive software applications have made possible include more attractive ATM screens, cheque/cash acceptance (where the ATM recognises cheques or currency without using envelopes), biometrics (where authorisation of transactions is based on scanning of a customer's fingerprint, iris, face, etc.), media dispensing (e.g. phone cards), personalisation and targeted marketing messages.

Although not all of these features have reached worldwide acceptance, more and more financial institutions around the globe are beginning to consider these appealing

alternatives, especially if it would mean satisfying customer demand for a greater number of functions and features at the ATM.

At the end of last year, Diebold (one of the world's leading technology solutions and services providers) released the results of a research study suggesting that customers would view financial institutions more favorably if they offered more advanced features at the ATM. The study, which surveyed more than 2,000 ATM users across the US, found that customers would be more impressed with banks that offered them a wide range of convenience features.

In the study, Diebold asked consumers what advanced functions would make them think more positively about their bank. Seventy-two per cent said that biometrics would create a positive feeling toward their bank, while 41 per cent said they thought more positively of their bank when an ATM could remember their preference settings.

It's true that most people tend to feel more comfortable when they are greeted not only with speed and efficiency, but also with a personal touch. As such, software providers



The UAE goes biometric

Barclays, which has just launched its retail business in the UAE, intends to install its first biometric ATM by the end of this year. This ATM will be capable of identifying users through fingerprints and will likely be the first ATM in the UAE to offer this service. Eventually, Barclays plans to have 45 ATMs, the majority of which will be biometric.

like Diebold, NCR and Wincor Nixdorf International have launched a number of products aimed at increasing personalisation and customer relationship management at the ATM.

Language and cash withdrawal preferences are two functions that have been introduced at the ATM to personalise a customer's experience. NCR's Apra Relate programme, for example, allows ATMs to greet customers by name in their preferred language. Customers can also save their preferred transaction amount and receipt option for added speed and convenience in future transactions.

Additionally, banks can utilise ATM software that allows reminders or targeted marketing messages to be delivered on-screen. Such messages might remind customers that a payment is due, that insurance needs to be renewed or make them a special offer based on the information the bank holds about them.

Eliminating down time

As banking becomes more competitive and financial institutions want to introduce more services at the ATM, they will have to place increasing focus on maintaining their ATMs, which means testing them to ensure that they are functioning properly. As manual testing leaves room for human error, it has become important for banks to automate the testing process.

Level Four, a UK-based software provider with a strong presence in

ATM History

The world's first ATM cash machine appeared in 1967, installed in a branch of Barclays in Enfield, north London, 40 years ago last month.

Its inventor, John Shepherd-Barron, says inspiration struck while he was in the bath.

"It struck me there must be a way I could get my own money, anywhere in the world or the UK. I hit upon the idea of a chocolate bar dispenser, but replacing chocolate with cash."

Barclays was convinced immediately. Since plastic cards hadn't been invented, the machine used cheques impregnated with the mildly radioactive substance carbon 14. The machine detected it, then matched the cheque against a Pin number.

The machine paid out a maximum of GBP10 (AED70) a time. A lot of money in those days!

One by-product of inventing the first cash machine was the concept of the Pin number. Shepherd-Barron came up with the idea when he realised that he could remember his six-figure army number. But he decided to check that with his wife, Caroline. "Over the kitchen table, she said she could only remember four figures, so because of her, four figures became the world standard," he laughs.

He says he and his wife realised the importance of his invention only when they visited Chiang Mai in northern Thailand and saw a farmer arriving on a bullock cart, who removed his wide-brimmed hat to use the cash machine.

"It was the first evidence to me that we'd changed the world," he says.

But even though he invented the ATM, Shepherd-Barron is predicting its demise soon. He believes that our society will no longer be using cash within a few years. "Money costs money to transport. I am therefore predicting the demise of cash within three to five years." He reckons we will all soon be swiping our mobile phones at till points, even for small transactions.

Source: BBC News

the Middle East, is one company that has provided a tool allowing banks to automate the entire testing of their ATM applications. Instead of lining up expensive ATMs in their IT departments just to do manual testing, banks can automate the testing process and thus introduce new services to their entire network, test them in minutes and have them out on the ATM network almost immediately.

Level Four has taken this kind of testing a step further with its recent launch of Bridge:control, a tool that allows banks to monitor all of their ATMs from a central location, take directive action and ensure that their ATM service runs uninterrupted.

With Bridge:control, an agent is installed on the ATM and then talks to the central application residing on the bank's server, providing information about all aspects of the ATM. If there is a problem with the cash dispenser, hardware or software, the agent will notify the central application so the bank can solve the problem before customers are affected.

According to Issa Keshek, general manager of Level Four Middle East, this new application is seen as a significant development by the ATM industry. While many solutions in the market inform banks that an ATM is down, those solutions do not communicate why the ATM has gone down or even when it went down. Bridge:control, on the other hand, gives banks time to ensure that the failure of one or more of their ATMs does not occur.

"Before the ATM is down, you might get an alert saying, 'The ATM is short on cash, go back and replenish it before it goes down'. Or it might say, 'We think the application on the hard disk is not behaving the way it should be'. We will send an alert to the central server so that somebody would actually go and do something about it before the ATM completely comes down," said Keshek.

It is this kind of technology that will retain customer satisfaction,

as those who want to use an ATM will always find it up and running. Additionally, the added efficiency and reliability combined with personalised services added to the ATM will allow customers to have a much more rewarding ATM experience.

Security risks

The downside of leaving OS/2 behind is that Windows brings with it greater security risks and more avenues for exploitation by worms, viruses and hackers. In the old OS/2 environment, set protocols were simple and straightforward. However, because Windows is much more complicated and interacts with a number of other systems, security risks are significantly increased.

Nevertheless, most vendors agree that the benefits reaped from using Windows far outweigh the risk of possible viruses. If banks protect their ATMs and do frequent tests to ensure that everything is functioning properly, then the inconvenience caused by enhanced security risks can be avoided.

Conclusion

In order to take full advantage of the many opportunities that Windows and other software applications offer, a fairly significant investment is required for banks to make the necessary upgrades. Perhaps this is why migration to Windows has not progressed more quickly in some parts of the world. Moreover, many banks have not paid attention to the new possibilities that have emerged within the ATM industry.

However, as a substantial number of banks in the world have made ATM upgrades a priority, it is only a matter of time before the other financial institutions are compelled to follow suit. And, since financial institutions will have their choice of software providers, as well as the ability to experiment and develop their own solutions, it will be interesting to see what more they come up with.

Retirement planning

You may have dozens of things you would rather do than think about your long-term savings plans. The choice between the dentist and a meeting with your IFA about just that - I can tell you're booking that appointment with the dentist right now. To spare you as much pain as possible, I've attempted to answer all your questions about planning for the future in just one easy-to-read Q&A. Dull? Maybe. Essential? Definitely.

Wendy Jackson reports.



First a short story...

Nigel is a 65 year old sales manager who has consistently earned good money for many years. His colleagues, friends and family define him as a prosperous yet "spontaneous" man. From as far back as he can remember, Nigel has always hated planning and believes that his "spontaneity" and ability to think creatively while implementing new ideas has made him successful.

For the past 30 years or so, Nigel believes that his non-planning methodology has worked well for him. Now tired of the working rat race, Nigel suddenly decides that it is time to retire and have some fun. He doesn't know what he'll do exactly when he retires in six months, other than have a good time. However, he knows that he won't plan his days and will do whatever pleases him.

Let's take Olaf, a 60-year-old solicitor who is also financially secure. He is

the complete opposite of Nigel and has planned everything in his life to the last minute detail. And not unlike Nigel, who believes his "spontaneity" has made him successful, Olaf believes his love of planning and his impeccable organisational skills have enabled him to accomplish all of his goals. Some might say that Olaf is a bit boring, but he disagrees and believes that his planning methodology has served him very well the past 35 years or so. Like Nigel, Olaf is ready to retire. He's had enough of the hustle and bustle of being a senior partner in a big law firm and is ready to retire so that he can pursue one of his lifelong dreams of becoming a volunteer for several organisations.

However, unlike Nigel, Olaf had already started planning out his goals, activities and has designed a financial plan that will enable him to retire in less than six months to pursue his dreams.

Fast-forward six months; as planned,

Nigel is now retired and is having a great time doing things on the spur of the moment, going on weekend fishing trips, playing golf and hanging out at the health club. The trouble is, Nigel didn't have a financial plan on place to pay for this lifestyle and is already running out of money. He is even considering going back to work or perhaps taking on some work projects to give him some extra income.

On the other hand, Olaf is having the time of his life. In the first few months of his retirement, he relaxed and enjoyed himself immensely. And now he has transitioned to his non-paid volunteer activities and has become a valuable resource to two prominent non-profit organisations. Olaf is truly enjoying his retirement and looks forward to a busy, scheduled day of providing volunteered activities. With the added bonus of no money worries, he can afford to work for free and still afford to do all of the other things he loves to do.

So, what has this taught us? It has taught us that planning for your retirement is more than simply deciding that you have had enough and wish to retire on a certain date to take part in pastimes and activities and to pursue your dreams. It is also about making sure you will have enough money to accomplish all of your retirement goals. In fact, according to one Dubai-based IFA, "Many professionals don't actually plan for their retirement. Although they evaluate how they'll actually spend their time day in and day out, they don't actually plan their finances and are sure that they can support their lifestyles, and then find out too late that they can't. This 'lack of planning' often leads to intense boredom and dissatisfaction with their newfound freedom. As a result, many of these professionals go back to work part or full-time to obtain some extra money. This could have been avoided by simply planning out their future goals and working hard to save for the future."

With this in mind, I've talked to a number of different IFAs and financial institutions on the subject of 'planning for your future' and collated the following information. I hope it gets you thinking.

THE OPENERS

What is retirement?

Views on retirement are changing. And people are living longer. No longer are people dreaming of doing nothing during their formative years, and in a world where 70 is the new 40 (a slight exaggeration, but you know what I mean), the image of retirement needs to change. People need to look at today's retirement reality and be informed on how to prepare for it.

And the reality is that governments, employers and individuals cannot afford to shy away from the enormous challenges and opportunities presented by the world's rapidly ageing population. The key is we can no longer rely on anyone else to look after us in our old age. We need to plan for our retirement ourselves.

How will we pay for retirement?

People are finally recognising that governments will not be their sole source of support in old age. How do we pay? Private savings.

When should we retire?

When to retire is no longer the key issue. Most people reject the enforced withdrawal from the workplace at a fixed age. Some people want to work longer and some people want to retire early. The real issues are down to retirement planning, with most people looking forward to a retirement where they can devote more time to pastimes they enjoy without knowing what needs to be done to allow them to do so. Therefore...

THE REALITY

Are we saving enough for our retirement and our future livelihood?

Are our pension plans on track?

Most people look forward to a retirement where they can devote more time to the pastimes they enjoy. However, when it comes to retirement planning and pensions, a veil of confusion tends to cloud their perspective.

The essential fact about retirement planning is that it is simply making provisions out of your current income and investing for the time when you come to retire. Although most states provide some retirement income, at the end of the day it is up to the individual to make provision. In this way, providing for retirement is no different from setting aside money for any other future purpose such as a new car, a house deposit or a holiday.

The significant difference between retirement planning and other investment objectives is one of magnitude. In retirement, we expect a continuation of, at the very least, our current standard of living. Given that we spend an increasing proportion of our lives in retirement and that state benefits are reducing, the need for early, effective retirement planning has never been greater.

You can retire on less than you think

What annual income do we need to live comfortably when we retire?

The answer to this question is very different for many people. Some of us will need much more and others a lot less. With this in mind, it makes sense for us to come up with a personal estimate.

One way to estimate our retirement-income needs is to consider our future outgoings.

You can arrive at a figure by considering the lifestyle you expect to lead when you retire, which we can all do fairly easily. Some big factors to remember are:

- Whether you expect to own your home outright
- Where you will live
- How big your house will be
- Whether you will be married, single or divorced
- Whether you still have dependants
- How active and healthy you will be.

Clearly we can't know the exact answers to these questions in advance, which is why it's sensible to consider each of the scenarios you think are quite likely, so you can estimate worst-case figures.

To ensure you don't miss any expenses, consult your old bill statements and receipts, and don't forget to add a realistic amount for entertainment and luxury goods.

Here are some more tips:

- You'll probably use the heating a lot more.
- You'll use your own toilets more (which affects those with metered water).
- You'll make more drinks at home now that you don't go to work.
- Consider every little detail, such as newspapers, books and pets.

There's no point spending hours on this unless you're planning to retire soon, because the future is uncertain. In addition to the variables listed, there are others we can't influence, such as the income tax rate on pensions, which might change depending on where you decide to live.

However, carrying out this exercise is better than simply pulling a figure out of the air. Figures often come in lower than expected.

It's worth re-visiting this every now and again to make sure you're still on track as your expectations for retirement change, and of course you will need to factor in inflation (the rising price of goods we buy), because the figure you come up with now will be worth less as time goes by.

Everything you need to know about retirement planning

Who really needs a 'pension' or long term savings plan?

Ageing populations are putting huge pressure on states and governments all over the world who can no longer promise the retirement funds they once put aside for those reaching retirement age. The UN states that by 2050, the number of people aged 60+ will reach almost two billion – 22 per cent of the world's population.

The key is that we can no longer rely on anyone else to look after us in our old age. We need to plan for our retirement ourselves. This one decision – to save or not to save – will have the biggest impact on the quality of your post-work life.

When should you start a 'pension' or long term savings plan?

It's never too early (or too late) to plan for the future. An illustration.

As you can see from the graph to the right, even though each person invested the same amount of money, they have significantly different amounts at retirement. For example, Investor A began investing AED5,000 a year when she was 25 years old and stopped when she was 35. For the next 30 years, she didn't contribute any more money and she didn't withdraw any money. She just left the account alone.

Investor B, on the other hand, waited until he was 35 years old and contributed AED5,000 a year until he was 45. As you can see, that difference of a decade is substantial. At retirement, Investor A has AED422,561 more than Investor B – over twice as much.

In fact, each investor in the chart above has more than twice as much as the person who started 10 years later (except for Investor D, of course, but she's a lot better off starting at age 55 than someone who waited until age 65). As you can see, three things – that are completely under your control – can have a sizable impact on your retirement: 1) how much you invest, 2) the rate of return you earn on your investments and 3) the number of years those investments have to grow. No matter how old you are, the sooner you start, the more money – and options – you'll have.

What should you consider before taking out a 'pension' or long-term savings plan?

If you are in urgent need of your cash, then forget about a long-term savings plan. Long-term savings contracts can last for up to 25 years,

and you need to be sure the product will be able to cater for changes in your lifestyle and that you can, of course, afford the money you are committing to the fund. Before you choose, be sure to shop around – many, though not all, are inflexible with high charges and hidden penalties. You must check the small print.

Most financial advisers will rightly suggest you start making 'retirement saving' contributions as soon as you start work. Of course, this is not always possible for everyone. If you are short of money, it may be better to sort out your finances first and build up an emergency cash reserve before locking your funds away in a long-term savings plan.

That said, contributions made at the age of 22 could get 30 or 40 years of investment returns, making them hugely more effective than the contributions you pay in the last five years of your working life.

If you want to retire early, then you will need to look at putting substantial amounts aside. Although it is impossible to predict exactly what you will end up with, an adviser should be able to give you some indication.

Make sure you seek advice from a professional if you are uncertain about which plan to choose – ideally this should be an independent financial adviser.

Don't ever feel pressurised into buying – all advisers will either earn commission or charge you fees – and it's your money and your retirement.

Other areas to examine before taking a pension are your personal attitude to risk and the amount of flexibility you need. For example, whether you are considering a career break. Again, it's best to seek advice on different plans and their pros and cons.

If your employer offers a scheme, consider this as a useful way of getting into the habit of saving. And if you work for a company that offers a contributory scheme – where the employer pays or tops up your own contributions – then consider joining.

If you are getting on in years and can only put aside a small amount, it may not be worth your while and you should look at alternatives.

However, modern society is told by TV adverts, children's demands, etc. that immediate gratification is the only way. So how do you marry up these two key ideals?

Basically, the answer is DON'T DELAY! The cost of delaying the savings process can have a dramatic effect on both the amount you need to invest and the impact this will make on your lifestyle.

As such, the questions we all need to ask are:

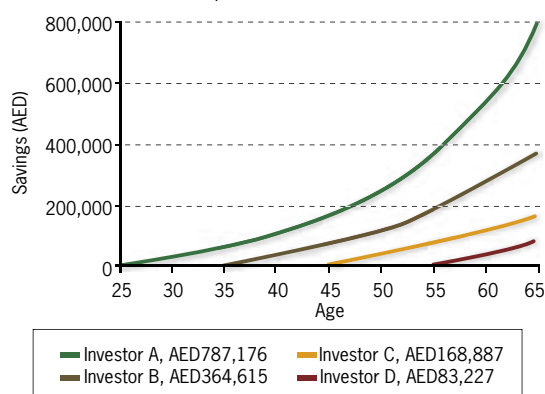
"Is this going to be sufficient to maintain our lifestyle in retirement?"

"Is this enough to do all the extra things in retirement, like travelling, that we might want to do?"

"What about inflation, what about annuity rates falling further?"

The value of starting early

AED5,000 invested each year for 10 years, with no additional contributions. Graph assumes an 11% annual return.



All of these points mean that two things are vital, firstly that saving for retirement starts as soon as possible and secondly that plans are reviewed regularly.

What you can afford to contribute to ensure your future depends on many factors including current, ongoing financial commitments.

But the true cost of delay is not being able to achieve your goals and dreams, not the cost of saving money now.

As someone who doesn't have any plan for saving money for the long term, how would I start?

Getting people to sit down and talk about their future is a challenge. By

getting people to recognise the need to set financial goals is half the battle. It's been documented that households with a financial plan accumulate twice as much wealth as those that don't.

The first thing you need to do is figure out what you're saving for. Most finance experts say to break down your goals into short-term, intermediate and long-term goals. A common breakdown of those time periods is less than three years for short-term, three to 10 years for intermediate and more than 10 years for long-term.

Examine your circumstances. For example, you might decide that compressing those time frames might make more sense for your particular situation.

Then, make some decisions about what you want to save money for. A common short-term goal is to build an emergency fund, which would contain three to six months of living expenses. Such a fund would prevent you from going deep into debt if you experience a sudden loss of income.

Common intermediate goals include saving for a home down payment, a car or a dream vacation. Long-term goals often include saving for retirement or a child's college education.

The thing to remember is financial goals must be specific to be workable. For example, instead of 'save for a car', state your goal with an amount and a time period, i.e. 'Save AED100,000 in the next five years for a new car'. Then, do the calculations. To save AED100,000 in 60 months (five years), you would need to save AED1,667 a month. That doesn't include any interest the money would earn, but you can use this simple formula to get you started. Each year, revisit your goals to see how you're doing.

Another important trick is to save for short-term, intermediate and long-term goals all at the same time. While it may be tempting to put off long-term goals for later, you could lose by doing so. Saving even a small amount regularly and letting it earn compound interest pays off in the long run.

For example, let's say you save AED100 a month in a college fund beginning

when your child is born. You would invest AED21,600 over 18 years, but at five per cent interest, that account would grow to nearly AED35,500. If you waited until your child was 10 and tried to catch up by saving AED250 a month, your money would build only to barely over AED30,000 by the time your child was 18 – even though you invested more money – a total of AED24,000 – in that time.

You probably feel a little overwhelmed and decide financial goals aren't for you? Don't let yourself take that path. If your initial financial goals don't fit your current fiscal reality, simply re-adjust. Start small and take the long view. At the end of

the day, today's savings - no matter how small - will get you that much closer to tomorrow's financial security.

What are the consequences of not considering retirement now?

The cost of delaying the savings process can have a dramatic effect on both the amount you need to invest and the impact this will make on your lifestyle now and when you retire. The point is that however you decide to enjoy your retirement, your retirement planning strategy will play a major role. The quality of life you want in the future will depend on what you contribute in the present.



THE CONCLUSION

Who can anybody interested in sitting down and planning for the future get in touch with?

There are a number of IFAs and banks. But the key thing is to get the proper advice through someone who can take you through what needs to be covered and advice according to your situation. Whether you're just starting out in the world or looking forward to retirement, life continually races ahead and things can change in a matter of months. It's therefore important to make sure your long term financial arrangements keep up and that you constantly review your situation with a qualified financial expert.

Are there any other considerations?

You must consider writing a will, estate planning and should have any insurances (life, critical illness etc.) that are needed in place. Your financial advisor can help and advise on what you need.

Are there any other possibilities?

OK, so we won't get help from our governments and it is clear that

the quality of our retirement is well and truly up to us. Or is it? Or more specifically, does it have to be all on us? What about employers? It is about time we got involved our company? Isn't this what happened in the good old days?

It's true to say that it's on the corporate side where things are really starting to develop in the UAE. Therefore...

Are corporate plans the way forward?

Many residents in the GCC hail from a society where companies offer a long-term savings plan, in some form. Saving via a corporate scheme is an easy, attractive way for employees to plan for the future and for employers to greatly enhance staff retention and aiding with provision for gratuity commitments.

According to most corporate pension advocates, in a competitive and changing environment, one of the key challenges facing employers is attracting and retaining the best quality staff to help them grow and prosper. It is expected that regional benefit programs will eventually follow international trends to become one of the key reasons quality people select their employers.

Unfortunately, whilst international

companies here in the Gulf have had to become increasingly imaginative and flexible in employment package structuring, it rarely includes a retirement provision.

It appears that companies are still reluctant to and it will take employees to encourage their employers to offer schemes to them. Much of the problem with saving is the willpower and discipline, something that many of us don't have in droves. Ask anyone. Long-term savings plans are all well and good, but there is nothing safer or more disciplined than saving for retirement via a scheme.

The employer who doesn't play ball

Yet should it be your employer that shoulders the responsibility of your saving for your future plans? I caught up with the HR director of a company here in the Gulf, employing a number of people outside of the region but who chooses not to offer a corporate pension. As there are two sides to every story, I decided to look at the company side for a change. And I asked him:

Why don't you have or why haven't you considered a corporate pension scheme for the employees of your company? What are the reasons for not doing it?





He replied:

"There are several reasons why as a company we do not offer a corporate pension scheme. The first is that we are uncomfortable with the product regulation in this market. I have no doubt that it is improving, but it is still a concern for us when there is so much money at stake. On a similar note, there have been pension mis-selling scandals reported in the media over the past few years. This can reflect badly on a company in that if an employee loses everything as a consequence of a product mis-sold to the company.

"Lastly, expatriates are often here for the short-term. Many are young and not interested in a long-term savings plan – at least for the time being. The region as a whole is a transient place and corporate schemes are often associated with a 'job for life' type scenario. The demand from employees in this part of the world is simply not there."

The next question:

Is a pension scheme/gratuity funding product something you would consider to be useful? What gratuity provisions – if any – do you have in place?

His reply:

"I see these as two completely separate issues. And to be honest, I don't know enough about such a

product to know whether it would be something that would be considered. As far as gratuity provision goes, it is accounted for on the company's balance sheet. The company then has a choice on how to invest that money: keeping it on deposit or investing it back into the company."

The last question:

What is your argument about attracting and retaining quality staff– do you buy this argument given by most corporate pension providers?

And his reply:

"They do have valid point. Of course a pension scheme is attractive and it's free. But for an employer, it is an expensive perk. The money used on a corporate pension scheme could be re-routed to offering perks such as accommodation allowances and free flights home, all of which are just as attractive, or maybe even more so to employees who are living away from their home country. These perks are much less expensive for employers.

"In my experience, there have been occasions when a company has offered this perk and at the end of the day couldn't really afford it and have gone bust. Offering perks that you are not contracted to pay out on frequently can equally attract and retain staff as well as keeping the balance sheet looking healthy."

HAPPY RETIREMENT

So there you are. There is no right or wrong answer here. The providers put forward their argument – both solid and obvious. But there are some valid reasons for a company not committing to a corporate pension scheme, which could be linked to size and capitalisation.

In an ideal world, governments, employers and lottery tickets would take care of us in our old age, giving us enough money to have a fabulous retirement without the worry of saving for it now.

But we don't live in an ideal world, so whilst governments should perhaps be offering a helping hand and companies should be encouraged to offer pension perks, the message that keeps cropping up is that we need to take control of the situation ourselves. No one else is going to do it for us. We can all make a difference to our future and our life after work. The trick, if you can call it that, is 'Don't rely on anyone else, take control and RELY ON YOURSELF'.

Here's to a happy retirement... 

Gulf Holdings is celebrating its 25th anniversary this year. With AED200 million of its own assets, AED400 million in investments, 44 group companies and 20,000 workers, Gulf Holdings has big plans, including listing companies on the Dubai International Financial Exchange. **Ehab Heyassat** speaks to chairman and CEO Sheikh Sultan Al-Qasimi.



HOLDING OWNERSHIP

When did you start your business?

In 1982. By that time I had done my part for the government (Sharjah). The market at that time was not large enough for newcomers; agencies for big brands were sold out to large organisations. So, I decided to do something unique and different at that time.

What was that?

I wanted to do something that would give us continuous growth over the years. I innovated in the legal environment, especially in the area of the 51:49 per cent UAE business ownership structure. In the early '80s there was no commercial law in the

UAE. The only tool available for international companies to do business was 51:49 per cent ownership structure. It was only after the commercial law No.8 that was established in 1984 and the Agencies law in 1982 that we saw some dramatic changes happening in the market.

I set up my company to match these laws when they were passed and the way I did it was by giving our international partners a 51:49 ownership structure in the UAE under a British environment. As a result, people felt more secure.

By 1996, I started to set up my own companies in the local markets, real partnership ones and not just the 51:49 structures. I also saw the change coming

in the UAE at that time. What is happening today only proves me right. I was also the first person to establish a holding company in the country, when people knew little about what a holding company does.

You've built quite an empire. What are your future plans?

In the medium-term we will innovate products and manufacture in global markets through competitive prices, but maintaining quality. We are establishing a fund, but not a traditional fund that focuses on one area. It is a fund that is well spread, manages volatility and seeks high returns.

We are trying to establish a unique structure to overcome the



expected over-subscription from investors. We have to develop a system to neutralise the over-subscriptions simply because a fund like this will be bought by a lot of investors.

Can you provide us with some details of this fund?

It is an investment fund that will invest partly on our group companies and operations, while the rest will be invested in the market. The fund size will be around Euro25-35 million.

Will you domicile the fund in the UAE?

I couldn't dream of a better place. We have a highly regulated environment in the UAE today.

Will you establish other funds?

We will create specialised funds, property funds, manufacturing funds, emerging markets funds, etc. As part of our core business,

we are aiming to launch 15 new operations and partner with 100 to 140 new international companies.

Do you plan to IPO some of your group companies?

We have a very important IPO coming later this year. In September we will IPO Stanton Technologies on the DIFX. Stanton Technologies is a cutting edge technology company offering large downloads over the 3G mobile networks. We are diluting 30 per cent of the company on the DIFX.

What about other companies?

We have a large construction support company that does district cooling and other things that we want to take public. We haven't yet got down to the details, but our aim is to raise over AED1 billion from that IPO on the DIFX.

Can we say that you are planning to be the first UAE based company to list on the DIFX?

Yes, indeed. We aim to be the first.

Business plans apart, has your position as part of a royal family helped you in doing business?

Royalty is beautiful, especially in the UAE. The Sheikhs in the UAE are intelligent, humble, fair and remarkable business and statesmen. Being royal is by birth, but establishing your character is the key. I did not sell myself as royalty, but I sold knowledge, experience and the ability to understand and cause change. I work as a catalyst, for a lot of companies in all markets. When companies work with you, they find out that you come from a royal family and they get impressed, as there is this perception that royals do not work or don't need to work, or are not supposed to work. Sheikhs in the UAE are different,

starting from His Highness the President and rulers along the way; all members of the royal families in this country are different than this clichéd perception, otherwise we wouldn't have succeeded.

Did you use your influence to change things?

Not at all, I had no authority to change things; it was not through any government route. I sold myself to the business community here and overseas using tools that were available. I did not change laws, but grew my business through innovation using existing tools.

History seems to be repeating itself. Your own sister (Sheikha Lubna) is the catalyst behind the new UAE companies law, which is likely to be published by the end of this year. Do you have any influence over her? Also, are you an insider or privy to what is happening with the laws?

An insider, definitely not. I only get news from newspapers. And there's no influencing either.

Innovation can be structured and can be proactive. Our innovation was based on our ability to identify change, and then identify the means for developing and redeveloping the product. Now, in the absence of the right tools to establish companies, you have to innovate. To come back to your question, I've asked her

We have a very important IPO coming later this year. In September we will IPO Stanton Technologies on the DIFX. Stanton Technologies is a cutting edge technology company offering large downloads over the 3G mobile networks. We are diluting 30 per cent of that company on the DIFX.

about the law and she replied that it's available in the economic department. I'm going to pull a draft and read it.

A 100 per cent ownership under the new companies law in the UAE means an opportunity loss for local businessmen. How do you think they will react to it?

We are traders. There was this generation who took advantage of sponsorship requirements to establish businesses. But the new generation is more sophisticated as investors and businessmen, and we are part of the global economy today. We are another Switzerland or London. So, sponsorship is no longer an issue

Take the example of this successful family in the UAE that has a motorcar agency. They now don't care if there are agencies laws or not. That family became powerful, efficient and competitive over time. The manufacturer, who is one of the top five globally today, does not take any decision on a new line without consulting them. In other words, we have become a global influence all around the world. We emerged as big players.

Then am I right to say that you are a supporter of free trade agreements?

Interesting question! Am I a supporter of the new companies law which allows 100 per cent foreign ownership? Yes. If you want to go further and continue to be

a global player, yes I am. Am I a supporter of the free ownership, yes I am. It's reciprocal. I can go any place and buy a property; why not allow them to buy here?

When you talk about free trade agreement as a global affair, we have to pull up our socks in this country; we have to be competitive and we have to be efficient. I guess all Asians and Arab expats enjoy excellent standards of life in this country, but with free trade things could become different.

With human rights, for example, there are a few smaller contractors who mistreat and fail to offer good standards to their workers - but you can't tar all companies with the same brush. So, we are compelled to tackle some of these issues first before opening up. The good thing about this country is that we see a lot of change and it's a continuous change towards the better.

When do you think the UAE will be unconcerned with opening up fully?

Do we need to open up? If you were a company outside, you would need to pay social security tax of over 35 per cent and inheritance tax of over 105 per cent. Our companies here are already opened up. We are no old-fashioned society. We are traditional when it comes to religious and social matters, but when it comes to business we are sophisticated and a forward-looking country.

Sometimes you cannot open up completely for political and social



reasons. Besides, fully opening up is sometimes considered dangerous. For instance, that could give the west and the US the power to run my life and determine when and how I leave my home and when I come back. Controlling where I get my money, it's not their business, we did not do anything wrong in this country— our market is so liquid and progressive. We don't need to steal or launder money; we don't need it. Everybody in the world chases money, but here money chases us!

So if you were consulted on opening up, what would you say?

Not thinking about the issue is like sticking our heads in the sand like ostriches do; we can't afford to not look at it. But then again, we can't just open up and offer citizenship for all just because people work here for a few months or a year or two.

STANTON TECHNOLOGIES LIMITED IN DIFC

Trading name: Stanton Technologies Limited
 Registration certificate no.: 0392
 Date of issue of certificate of registration: May 14, 2007
 Type of entity: Company Limited by Shares
 Type of service: Non-regulated
 DFSA license: N/A
 Country of registration: N/A



Real estate investing through funds (Part I)

The region's asset management industry has had a phenomenal run in this decade. **Martin Saldamando** finds out what's happening with real estate investment funds.

If you want to participate in the real estate market, but would rather have dividends paid to you on a regular basis and would also prefer that your investment portfolio is handled by a professional manager, an option worth considering is investing in Real Estate Funds.

These are private equity funds that buy up shares of Real Estate Investment Trusts (REITs) and/or make investments in real estate companies and related projects within the residential, commercial, retail, leisure and hospitality sectors that show potential for strong investment returns.

REITs normally take the form of a security that sells like a stock on the major exchanges and invests in various kinds of real estate-related assets, such as hotels, office buildings, shopping centres and mortgages secured by real estate, by pooling together funds of many individual and institutional investors. REITs own, develop, manage and sell these real estate assets, giving investors access to a professionally managed portfolio of real estate properties. The REIT pays out returns on these investments based on the income it generates by collecting rent and selling the properties.

Most funds' investment portfolios are continually adjusted under the supervision

of professional managers, who forecast the future performance of investments appropriate for the fund and choose those which he or she believes will most closely match the stated investment objective.

The fund manager trades the fund's underlying securities, realising capital gains or losses, and collects the dividend or interest income. The investment proceeds are then passed along to the individual investors, after deduction of management and other related fees.

Real estate funds are considered investor-friendly because they are relatively free of the complexities of other types of investment vehicles and offer a breadth of diversification that is not possible when one directly invests in the real estate market by buying a physical property.

Since real estate projects and companies in which the funds invest are all traded like stocks on the major exchanges, it makes it far easier for fund managers to buy and sell the assets or the shares than to buy and sell physical (bricks and mortar) real estate in private markets, and hence the enhanced liquidity of funds.

On the level of individual investors, funds give people who may not want to invest directly in a villa or apartment at one of the

UAE's freehold or leasehold developments an opportunity to also have some exposure to the local property market. This is especially appealing to foreign investors who neither have much understanding of the local market nor the time to research it themselves.

According to many local financial institutions and market analysts, there is certainly a niche to fill among foreign investors and the large institutional investors who prefer to diversify their property holdings in many markets and would welcome an avenue to get into the local UAE market.

Regional asset management

Currently, there are some 80 players that offer access to mutual funds in the region, according to market analysts. These comprise mostly commercial banks that offer funds as part of their retail product mix. However, many commercial banks then outsource the actual asset management. The real players – actual asset managers, either at investment banks or stand-alones – number no more than two dozen for the entire region.

Investment banks typically divide their asset management operations between retail funds, open to institutions and to the public, and portfolios, which are usually bespoke for

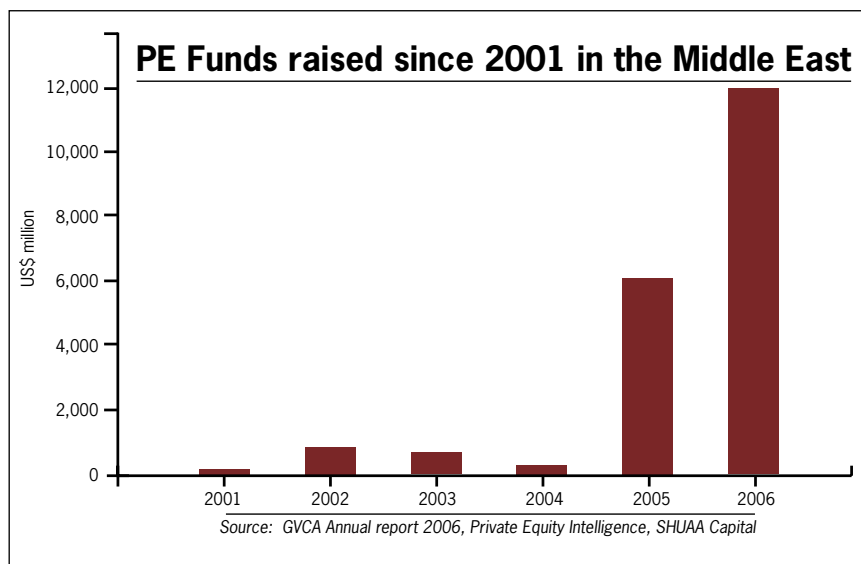
special high net worth clients and institutional investors.

According to a 2007 equity research report by SHUAA Capital, it is estimated that current assets under professional management (AUMs) within mutual funds and in managed portfolios total US\$80 billion for the GCC region plus Egypt, of which US\$52 billion are spread across some 500 funds. The UAE is estimated to currently have a base of about US\$6.5 billion of assets under management.

Saudi Arabia is by far the largest market, with almost half of regional funds, and it also has the highest number of funds. Kuwait ranks second in terms of number of funds, followed by the UAE and Bahrain.

As an asset class, equity funds are by far the most popular – some 65 per cent of all funds are equity funds. Money Market funds are also popular, with some eight per cent of total funds, as are dedicated real estate funds, with some six per cent. Also, according to the SHUAA Capital report, about 54 per cent of total assets under management are invested in funds that are Shari'ah (Islamic Law) compliant, and 64 per cent of all such funds are in Saudi Arabia.

The Arab world accounts for only a small share of global Private Equity (PE) activity. In 2006, some US\$400 billion was raised globally in PE funds, of which only about 2.5 per cent was in the MENA region. Since 2005, the Middle East saw its PE fundraising double from US\$4.3 billion to around US\$10 billion.



According to SHUAA Capital researchers, private equity as an asset class has been receiving increasing interest in the MENA region since 2005. A combination of economic growth, booming but underdeveloped capital markets and investor appetite for novelty helped to place PE squarely on the region's financial menu.

Essentially, the region lends itself well to PE because market mechanisms are still being developed to cope with the growth of the private sector. As many businesses are still family-owned, these often prefer to attract capital and expertise in the form of a PE fund rather than face the hassle of listing shares and going public directly.

While Abraaj Capital started the show in 2003 with its first buy-out fund, a series

of funds have come to the market. Other notable regionally focused firms include Global Investment House from Kuwait, Gulf Finance House, NBK Capital, HSBC Private Equity, Citadel Capital, Injazat Capital, Foursan Group, Swicorp and SHUAA Partners. Even major global players, such as The Carlyle Group, have established a presence. Other major private equity participants use the region as a base, but typically target developed markets for deal flow, including Investcorp, Istithmar and Dubai International Capital.

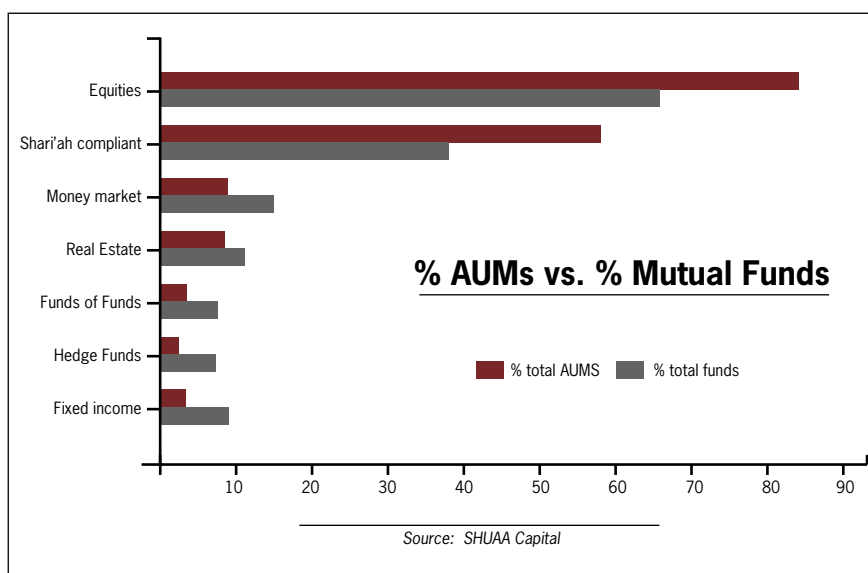
Another significant angle is that fund sizes have increased substantially over the past few years, now reaching an average of US\$248 million for 2006, versus about US\$220 million in 2005, and under US\$150 million in 2004.

Real Estate funds have registered the most prominent increase in size, from an average of US\$45 million in 2004 to US\$1.9 billion in 2006, according to the Gulf Venture Capital Association (GVCA) annual report 2006. The average time to raise funds has also shortened considerably, with well-established players raising hundreds of millions of dollars in a matter of months.

Uses of funds

Egypt and the UAE have historically been the most popular regional investment destinations.

In terms of investment profile, surprisingly real estate has not featured prominently as an investment sector since 1998, but rather the financial sector has been more



prominent, with 28 per cent of all buys. Transport comes in next, with 15 per cent.

PE firms based out of the UAE have undertaken the majority of investments made by firms based in the MENA region. Total investments by UAE private equity firms aggregate US\$5.1 billion, or 78 per cent of the total investments by MENA-based PE firms since 1998. The market outlook for the future is positive, and it is expected that more foreign fund flows may enter into the market, which have historically been absent. Experts say that this will result from the regional market gradually taking its natural place as a conventional global market, and more active participation of the to-date elusive international institutional investors would offer the market a fresh pool of liquidity with a new perspective.

Challenges of regulations

A key determinant of the rate of growth of the asset management industry throughout the region is how the regulatory landscape develops. As it stands, the regulatory landscape in most of the GCC is rather barren, according to market analysts. Distinctions between types of financial institutions and product categories are vague or nonexistent, and general oversight is poor. Banks and asset managers often face difficulties in developing products that could enhance market participation and foreign institutional interest.

Mustafa Abdel-Wadood, managing director of Abraaj Capital, believes that the regulatory environment in many Middle Eastern countries has improved in recent years, but says there is still more that could be done to encourage private equity investments.

"I think the GCC countries, from a capital markets perspective, have only recently started evolving their capital markets regulation, opening it up a little bit more to foreigners, having a proper pricing process," he says.

"For a private equity investor, the issue is that if you're doing public to private deals you need capital market regulations that are clear and allow you to do that."

He cites the UAE's rules restricting the purchase by investors of more than 50 per cent of a company's shares as a regulation that poses challenges to private equity.

Real Estate funds offer investors

- Lower cost of entry than direct investment into bricks and mortar properties
- Opportunity to effectively spread one's risk across many types of assets
- A stable income stream in the form of dividends
- Active management of the fund by a professional

"If you're doing buyouts; that is what you're looking at ultimately: control," says Abdel-Wadood.

"It's obviously a bit of a hindrance when you're not allowed to have that structure that gives you proper ownership."

Another problem is that there is hardly any synchronisation between the laws of each country. Bahrain has made an effort to differentiate itself by regulating more actively and has attracted many funds in this fashion. Kuwait has traditionally been a step ahead in legislating financial institutions and requires all banks to seed their funds with KWD5 million of their own money to align their interests to that of their clients.

Saudi Arabia has made some progress in its financial regulation; for example, the Capital Markets Authority (CMA) recently passed a law forbidding listed companies to invest assets directly through brokerage accounts. Instead, companies must outsource the management of allocated assets to specialised firms licensed by the CMA.

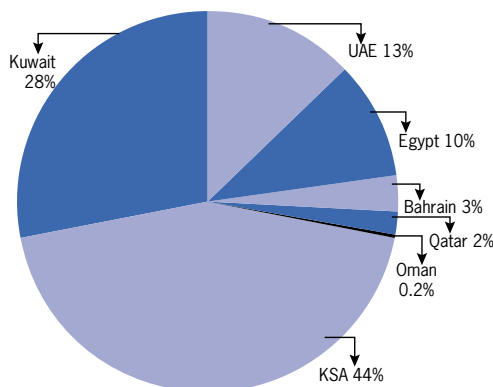
The UAE lags behind in terms of regulation, as no single authority is clearly in charge and no rules have been made clear.

UAE real estate

After the enactment of The Real Property Registration Law No. (7) of 2006, and the official commencement of property registration in the name of expatriate buyers with full freehold rights in Dubai, as well as Law No. 19 of 2005 Regarding Property Ownership in the Emirate of Abu Dhabi, a series of real estate funds have come to the local market launched by some of the major players, which had previously shied away from the market when it was not regulated.

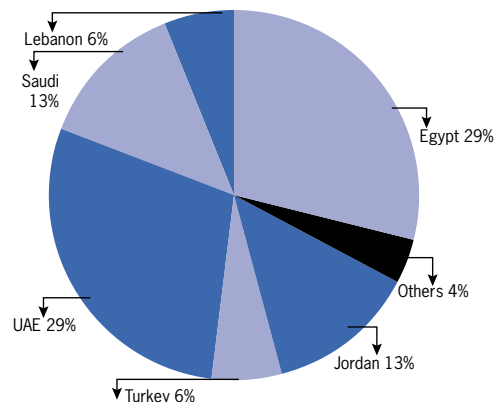
These real estate funds aim to diversify their risk by investing in

Mutual Funds AUMs



Source: Central Banks, Zawya, SHUAA Capital

PE investments in the Middle East since 1998



Source: GVAC annual report 2006, SHUAA Capital

both existing developments in the UAE and those that are still under development, and are also showing a keen interest in commercial property.

Investors in these funds are looking for risk adjusted returns and stability for their portfolios, as well as geographic diversification, liquidity of investments and transparency through monthly and quarterly updates.

Investment managers are designing such funds to concentrate on companies that are focusing their main activity in the real estate industry and are listed on local or national securities markets across the MENA region.

Additionally, most funds tend to require that the companies they invest in should (i) derive at least 50 per cent of their revenues or profits from the ownership, leasing, management, development, financing or sale of residential, commercial, hospitality or industrial real estate or, (ii) have at least 50 per cent of the value of their assets invested in residential, commercial hospitality or industrial real estate.

The increased local interest in private equity funds today is mainly due to the correction in many regional stock markets that has left many investors looking elsewhere for returns. There also seems to be less resistance from local businesses to private equity now as investors can see cases where the cash injection has made a positive difference.

However, most real estate funds focused on the GCC markets are open only to Gulf investors, due to restrictive real estate rules that dictate that non-GCC investors cannot be the owners of properties in most areas.

In Dubai, for instance, foreigners may only buy properties in designated 'freehold and long-lease' areas. Some regional fund managers don't like to restrict what their fund can buy, and so are put off from tailoring their funds to foreign investors as the most high-yield properties are not located in the freehold areas.

These regional fund managers think there is a lot more value in the non-freehold areas in Bahrain, Kuwait, Oman and the UAE. Their investments are mostly located in properties that are not located in foreign-ownership allowed freehold areas.

But the fact is that if more real estate funds become available for

Key trends in PE and VC funds

Some of the key trends that have emerged over the years in the private equity and venture capital industry in the MENA region as reported in the 2006 annual report of the Gulf Venture Capital Association include:

- The average size of investments increased from around US\$33 million in 2005 to over US\$100 million in 2006. Prior to 2005 the average size of investments was much smaller and averaged about US\$10 million to US\$20 million.
- The average fund size has increased to US\$284 million, a threefold increase from that in 2003, when the average fund size was between US\$80 million and US\$100 million.
- Advent of Mega funds and influx of international fund managers.
- Greater focus on funds with buyout profiles.
- Geographical shift in the focus of funds with more emphasis on MENA and GCC region.
- Preference to hold a majority stake in the investee companies.
- Reduced focus on Technology funds and increasing focus on asset backed industries such as Infrastructure and Real Estate funds.
- Targeting Pre-IPO and trade sale.

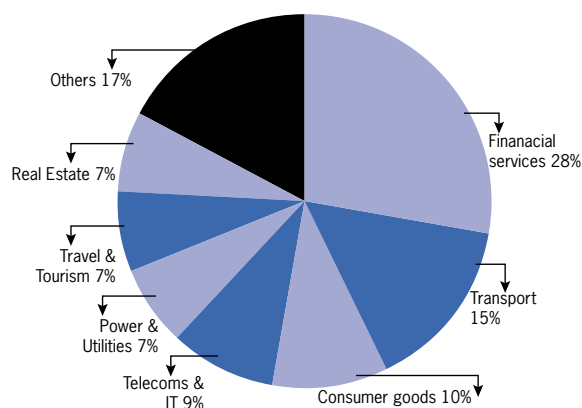
international investing, they can impact the local market in a big way by not only bringing in new investment and minimising the investment risk for investors, but also by pioneering new financing structures in the region.

Also, since local real estate prices are moving upwards at the present time, individual investors are finding it more and more difficult to afford physical properties, whereas investing in a fund can provide them an opportunity to be exposed to that asset class without having to pay a very high cost.

According to some market analysts, a security based on the UAE property market can be listed and then traded on the Dubai Financial Market, Abu Dhabi Securities Market, Dubai International Financial Exchange and even on one of the Asian or European stock exchanges.

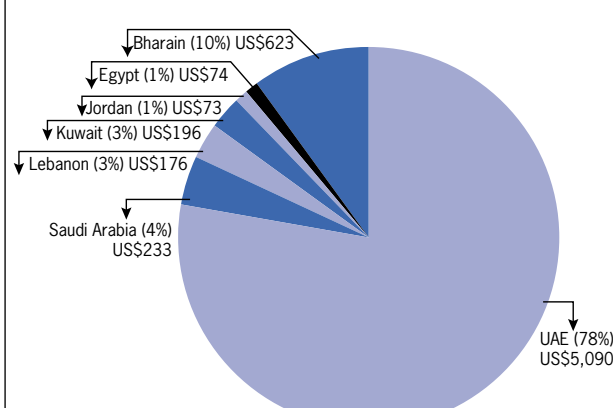
Some of the requirements needed in order to attract further interest from managers of real estate funds to the local market include expansion of the UAE's current investment areas and thereby reducing the limits on foreign ownership, as well as more consistency between the laws of each individual emirate.

Types of PE investments since 1998



Source: GVAC annual report 2006, SHUAA Capital

Types of PE investments since 1998



Source: Zawya.com

An asset class as yet undiscovered

A combination of non-correlation and broad diversification across many markets helps managed futures funds to create huge profits and reduce the overall portfolio risk, writes **Christian Baha**.



The record is clear.

Over the past 30 years, established managed futures funds have out-performed stocks and bonds and have produced average annual returns of between 17 per cent and 20 per cent. To all of my fellow investors, that's "Annual" with a capital "A".

Do I have your attention yet?

I travel around the world speaking to world class investors like Warren Buffet at the 2007 annual Berkshire Hathaway shareholder meeting, large financial advisors and CEOs of multi-national companies. It always surprises me that some of the most sophisticated investors in the world do not know about the advantages of one of the most profitable asset classes available today: managed futures.

To me, that is shocking, considering that the best managed futures funds in the world like Bill Dunn's or Campbell's had excellent performances with between 17 and 20 per cent annual average returns for the past 30 years. If you would have invested just US\$1,000 with Bill Dunn in 1975 you would have made US\$300,000 30 years later. With that record of performance, how can it be that many of the world's most educated investors are not utilising this asset class?

The truth is that many of them are not even sure what a

managed futures fund really is, or know that it is a highly diversified investment that buys and sells the goods of every day of our lives. These goods include all our daily needs, such as agricultural products, metals, energies, meats, soft commodities but also currencies, bonds and stock indices. When technology booms bust, we are still using daily commodities. When markets crash or corporations fail, we are still using daily commodities. In the long-term, investing in managed futures is always a good thing, and profitable thing, to do.

"But aren't managed futures risky?" one of my investor friends once asked me.

I just smiled at him and shook my head.

In relation to other investments, managed futures are actually much less risky than stocks. As I explained to my friend, some of the greatest economic theorists of our time have shown that an asset class, like managed futures, can not only help a portfolio of stocks and bonds perform better and with less risk, but can also reduce the risk of the entire portfolio.

The business school experts call this phenomenon "non-correlation". Between us, it simply means that just because your stocks go down, doesn't mean your managed futures funds will too.

Because managed futures funds utilise more than 100 financial and commodity futures markets – from cotton to currencies to stock indices - and can be long or short, meaning that they can profit from up and down trends, they are not dependent on a bull market to make a lot of money. Even during a market crash, managed futures funds can be profitable.

Due to this long-short possibility, they have virtually no

Because managed futures funds utilise more than 100 financial and commodity futures markets – from cotton to currencies to stock indices - and can be long or short, meaning that they can profit from up and down trends, they are not dependent on a bull market to make a lot of money. Even during a market crash, managed futures funds can be profitable.



long-term correlation to traditional asset classes like stocks, bonds, real estate or even hedge funds. In addition, the correlation between one commodity and another (like coffee to corn, lean hogs to cotton or gold to rice) is also very low. This combination of non-correlation and broad diversification across many markets helps to create huge profits and to reduce the overall portfolio risk.

One of the questions I'm always asked is "With futures, how do you know when to buy and when to sell?"

Well, many managed futures funds use proprietary systematic trading programs to identify trends in the markets. It's called trend following. This is nothing more than sheep or herd behavior, but you can also call it trend following. These systems are developed by software engineers who back test these programs to see how they would perform over time, in previous market conditions.

Let me give you a more entertaining example.

Have you noticed how it takes only a few people in a football stadium to stand up and initiate a "wave"? Or how a singer like Madonna, for example, can show off a new hair style or dress and four weeks later it's a trend around the world?

History shows that the basics of human psychology and human emotion don't change over time and haven't changed for thousands of years. In fact, human behaviour reveals

itself in trends that are very predictable and probably will be for thousands of years to come.

Most successful managed futures funds use their systematic trading programs to identify those trends or patterns, and then try to follow the trend for as long as it moves in one specific direction; either up or down. To minimise risk, the stop loss limit is always trailed and in the market. Those of us in managed futures just love the predictability of human behaviour. It has made a lot of money for many high net worth individuals who have been using managed futures for over 30 years. And that's a pretty impressive record!

HW

Disclaimer: Christian Baha is the founder of the Superfund group of investment companies, which are leading providers of managed futures funds for institutional and private investors, with 370 employees world wide, a 11 + year track record and US\$1.6 billion in assets under management from more than 50,000 investors (12/06). Superfund managed futures funds have received more than 40 international awards and the Superfund flagship fund averaged net returns of more than +18 per cent per annum since inception in March 1996. For more information visit www.superfund.com

Designing an investment fund

Designing an investment fund is not the easiest thing to do. **Gary Envis** explains the basics.

Recently over dinner, one of my guests asked me “how do you go about designing an investment fund?” The question seemed relatively easy to answer, but once the discussion had begun and the issues had surfaced, explaining the approach was not as simple as the question first suggested.

By an investment fund, I am referring to a “vehicle” into which investors will provide money that is held on a collective basis within the fund vehicle (usually by a custodian appointed by the fund vehicle), with such funds being invested by an investment manager for the benefit of all the investors.

The first stage when designing any investment fund is to determine who the stakeholders are in relation to the proposed fund and document the objectives of those stakeholders.

Target market

On the basis that the success of an investment fund will be measured, at least initially, by the number of investors/the quantity of the funds that have been raised, the fundamental starting point must be to define the target market and to understand the needs and desires of the target market

(success will only later be measured by the returns to the investors). The target market should be assessed in terms of the geographical location of the investors, the size of the minimum investment (hence the expected level of wealth of the investors), the asset class that the target market is looking for and the forecasted returns to investors (and whether those forecasted returns would match with investors’ expectations). There is no point in setting minimum investment levels beyond the reach of investors in a geographical location or offering an investment strategy with expected investment returns/asset classes that are unappealing!

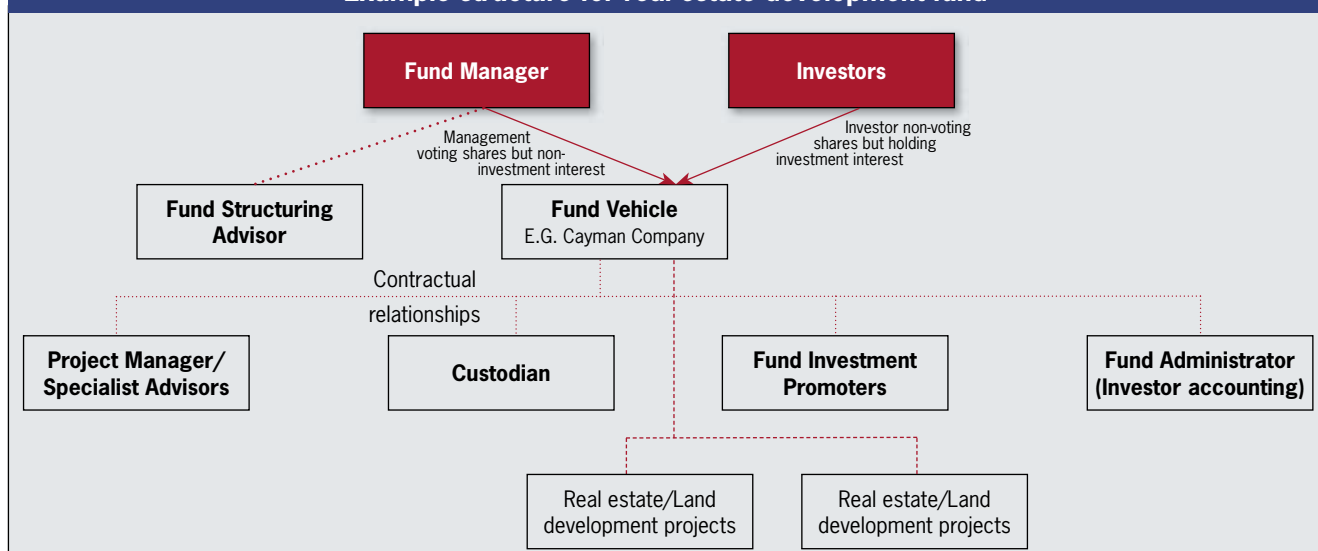
Asset classes

There are typically three broad categories of asset classes for investment funds: listed equities/bonds, private equity and real estate (there are many sub-sets of these categories, but for the purposes of this article it is not necessary to go into greater detail). Each asset class will have its own requirements when implementing the product design phase. For example, consideration will need to be given to the need for the appointment of asset class specialists (e.g. real estate

consultants in relation to a property fund, or the appointment of Shari’ah advisors where the fund is to be designed to offer an investment consistent with Shari’ah principles).

Consideration also needs to be given to the required investment term to which investors must commit by reason of the nature of the asset class and, as a sub-set of that question, whether the investment fund is open-ended or closed-end. By open-ended I am referring to a fund that permits investment subscriptions and redemptions on an on-going basis (e.g. investments and redemptions can be made monthly). By closed-end, I am referring to a fund that will accept investment subscriptions during an initial period and after that period no further investment subscriptions will be accepted and redemptions will not be permitted during the investment term; for example, three or five years (these are very broad definitions and there may be instances where a closed-end fund may have additional investment tranches, and where a closed-end fund may not accept further subscriptions but may accept redemption requests, subject to certain criteria being met and the application of potential penalties).

Example structure for real estate development fund



Some asset classes lend themselves to the concept of an open-ended fund because they are liquid investments and can be valued on a regular basis (e.g. quoted investments/bonds), thereby making it possible for additional investments to be made and for investments to be redeemed. Other asset classes such as real estate and private equity are much more illiquid and cannot be valued so easily. In these cases, investors will be expected to commit the invested funds for a minimum defined period, which may be extended at the discretion of the manager. Therefore, if the target market is looking for possible access to the funds, then the design of a closed-end fund would not be appropriate.

Asset allocation

Asset allocation is a very important factor when addressing issues such as diversification and, consequently, the risk profile of the investment fund. For example, what split should be made between cash, equities and bonds; what percentage of property should be in say Europe, India, China, the US, etc.; what percentage of private equity should be from the emerging markets and what should come from the more established markets? These questions and the consequential risk profile of the investment fund will be of fundamental importance to the target market. Each asset class will have its own risk profile, and that risk profile will be adjusted according to other factors such as geographical location of the asset class, political stability of the asset location and the price volatility of the asset class.

The fund vehicle

The fund vehicle will be a legal entity with which investors will make the investment. There are a considerable variety of fund vehicles from trusts (where investors will be granted unit interests in the trust), partnerships (where investors will be granted partnership interests) and companies (where investors will be granted shares in the company – almost always being non-voting shares). In some jurisdictions, there is also the concept of a segregated portfolio company, which is a corporate vehicle that contains a number of limited liability cells within the overall company wrapper. This

unique vehicle enables a number of funds to be launched under the one corporate umbrella.

In addition to the type of vehicle, there is also the location of the fund vehicle. The decision on location must be made in light of the type of vehicle needed, the assets to be held by the fund vehicle (for example there may be ownership restrictions on certain assets preventing a particular fund vehicle jurisdiction from being used), the likely preference of the target investors and, perhaps most important of all, the regulatory impact of a jurisdiction.

Regulatory impact

Having decided the asset class(es) to form part of the investment strategy of the fund, and the location of the target geographical market for the fund raising, consideration needs to be given to the regulatory impact of those factors, together with the regulatory impact associated with the location of the fund vehicle, the fund manager and the custodian.

The regulators in each geographical location will have their own rules governing what investment funds can be sold and how investments funds may be sold. There may also be requirements as to the regulated status of the manager and the custodian. Picking a location for a fund vehicle that is forbidden by the regulator in a chosen fund raising market defeats one of the primary objectives of the investment fund. This is one area where considerable caution needs to be exercised.

Roles and responsibilities

The diagram (page 46) shows a typical investment fund structure relating to a real estate development fund. The parties to the fund can be described as follows:

The Fund Structuring Advisor – the complexity of modern day investment funds will usually mean the appointment of professional advisors to assist the fund manager with the design and implementation of an investment fund. This may include preparing the fund documentation.

The Fund Manager – the fund manager is responsible for the investment decisions of the investment fund. The manager is also responsible for the investment policy, purchase and sale of individual investments,

and compliance with the investment and borrowing restrictions. The manager will receive a management fee from the assets of the fund.

The Fund Investment Promoters – these will be the appointed agents of the fund employed to generate investments into the fund. The fund promoters will be paid a fee by the fund vehicle, usually taken from any “initial charges” made by the fund vehicle in relation to the investment.

The Custodian – will be appointed to hold the assets (including the fund’s cash) for the benefit of the fund investors. The fund vehicle will pay a fee for the services of the custodian from the assets of the investment fund.

Fund Administrators – will be appointed by the fund manager and the fund vehicle to be responsible for all investor correspondence, providing the fund accounting and dealing with any administrative matters relating to the functioning of the investment fund. The administrator will be paid a fee from the assets of the investment fund.

Project Manager/Special/Shari’ah Advisors – depending on the nature of the asset class of the fund, it may be necessary to appoint a project manager (where the fund is going to develop real estate, for example) or other specialist advisors. These specialist advisors will be paid from the assets of the investment fund.

Conclusion

It might have been thought that designing an investment fund is relatively straightforward – I can hear the bank’s CEO declare, “Today we will launch a real estate fund!” However, I hope what has been demonstrated is that the design and implementation of a successful investment fund requires a lot of work at the early design stages. The factors to be taken into account are varied. If those factors have been properly addressed, raising the funds should not prove difficult and there is a high chance of customer satisfaction, both with the administration of the fund during the investment period and (subject to market forces) the expected return!

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

Bringing on the good times

Positive macro economic fundamentals combined with a number of other factors make India a compelling investment for any investor's portfolio. **Deepak Lalwani** explains why.

India celebrates 60 years of independence on August 15, 2007, with high economic growth of 9.4 per cent, companies like Tata Steel acquiring Corus and India now becoming the second largest investor by a number of projects in London that have pushed the country on to the front pages.

But what is the real story - the journey and economic progress since independence? Why and where is the country now? And where is it headed? Also, investors might ask, is this emerging market worthy of serious attention and is recent growth unsustainable? To appreciate where India is today, one needs to understand its history and policies that shaped its journey post-independence.

Despite modern day images of poverty and deprivation, India was a rich nation, like China, until around 1700.

Christopher Columbus set out to discover India in 1492 because of tales of wealth. Unfortunately, he took the wrong route and discovered America instead! According to Angus Maddison, the noted Cambridge economic historian, around the 17th century India and China accounted for about 50 per cent of world output. Europe accounted for 20 per cent and the US did not exist.

Invasion by different European countries in 17th and 18th centuries changed history for India. Colonial rule by Britain for nearly 200 years economically impoverished India, but also brought many benefits which the country counts as positive legacies; for example, the English language, a civil service, a judiciary, commercial and legal practices, railways, hospitals, schools and universities. At India's independence in 1947, the first Prime Minister, Nehru, chose democracy modelled on Westminster. His economic thinking was formed in the "hungry thirties", a time of some economic turbulence in the West where the Wall Street crash of 1929 plunged the US into a deep recession while Europe was afflicted by the onset of World War II.

Western capitalism and imperialism were viewed with suspicion as being exploitive and inappropriate. The Soviet Union presented, rightly or wrongly, an economic model that appealed in terms of autarky. Self-sufficiency and fear of economic dependence on foreigners after two centuries of overseas rule shaped early thinking at independence in 1947. So, what was India like then?

It was an overwhelmingly rural, agricultural and impoverished country with 90 per cent of the population living in villages. From 1900-1950, economic growth had been just one per cent every year. In the first census taken in 1951, the population was 320 million, with literacy at 17 per cent and an average life expectancy of 32 years. Nehru modelled the economy on Soviet socialist lines of central control and state-run firms dominating the economy. Nehru's plan for a closed economy dominated by the state

came with the blessing of Britain's post-war Labour government, which had agreed to Indian independence and nationalised far more of its own industrial base than Nehru did in India.

In order to promote self-sufficiency, barriers to the outside world were erected. Policies of high import tariffs and duties, controls on production, public sector monopolies and isolating India to the outside world were followed. Although such policies seemed appropriate then, in retrospect Nehru's policies seemed idealistic and served India poorly. The unintended results were an economy shackled by regulation, excessive bureaucracy, corruption and the crowding out of an entrepreneurial private sector.

1950-90: The License Raj

Poor economic growth resulted because the economy was stifled by socialist red tape, excessive bureaucracy and regulation



("the license raj"), and consisted of many state run monopolies run by bureaucrats with little commercial experience. Corruption was nurtured. Private industry was starved of badly needed funds that went to state-run firms, often loss-makers. Poor allocation of scarce resources to unproductive channels resulted.

The period from 1950-1980 saw average annual economic growth rise to 3.5 per cent, higher than the one per cent during British rule. The decade from 1981-1991 saw some loosening of red tape and introduction of first generation reforms; GDP rose to a more respectable 5.4 per cent per annum, but still below peers, especially the Far East Asian "tigers". India lagged economically and, as a result, also in human development indicators.

1991: The turning point

It is sometimes said that the most difficult decisions, which are normally hard to take, are best thrust upon us. So it was with India. A Balance of Payments crisis in 1991 pushed the country to near bankruptcy as foreign exchange reserves fell to a mere US\$1.5 billion, barely enough to meet three weeks of imports. India's gold had to be transferred to London as collateral, the rupee devalued and economic reforms were forced in return for an IMF bailout.

That humiliation and low point in 1991 was also the turning point to transform the economy through badly needed economic reforms. Controls started to be dismantled, tariffs, duties and taxes progressively lowered, public sector monopolies broken, the economy was opened to trade and investment, private sector enterprise and competition were encouraged and globalisation was slowly embraced.

Economy accelerates

The economic reforms process is irreversible now as it is accepted by all political parties, but the speed is often held hostage by coalition politics and vested interests. Economic growth witnessed in the decade 1992-2002 rose to an annual average of 5.9 per cent.

The latest annual GDP growth figure of 9.4 per cent in March 2007, the best in

almost 20 years, suggests a structural shift in the US\$1 trillion economy which is the second fastest growing major economy after China. The average annual growth rate for the last four years is 8.6 per cent, despite poor infrastructure which the government estimates shaves about 1.5 – 2 per cent of GDP annually. The forecast growth for next year is 8.5 per cent.

Cumulative economic reforms, increasing globalisation, cheap credit, rising incomes and a growing middle class that fuels consumption have contributed to this higher growth. Foreign exchange reserves stand at US\$205 billion versus US\$1.5 billion in 1991. Foreign investors regard India as a "cannot ignore market". The Sensex is near its record high at the time of writing, as corporate earnings have grown for 16 consecutive quarters. Over the last 16 years, since the economic reforms process started, the Sensex has returned an annual average of 22.2 per cent versus the Dow Jones Industrial of 11.1 per cent and FTSE of eight per cent. However, the volatility for India is much higher being an emerging market; but, despite steeper falls than many other markets, the Sensex recovers and goes on to test new highs.

The large population of 1.1 billion people creates a huge domestic market that is not export reliant and makes it better insulated than many Far East economies against any global slowdown. Importantly, favourable demographics will fuel consumption and be one of the main engines of growth in the future. In about 10 years, roughly half the population will be under the age of 25 years. This demographic dividend is expected to last for 30 years. In comparison, Japan, China (one child policy of 1960s) and Europe face an ageing population.

A bright future

There is a new confidence in India as the economy does well and enables companies to leave a footprint overseas. Acquisition of foreign companies has increased and in 2006, Indian companies spent US\$22 billion overseas versus US\$4.5 billion in 2005 and US\$1.5 billion in 2004. Sectors targeted include steel,

India at a glance

- **Population:** 1.1 bn ; Largest English speaking country (350m+)
- Largest stable parliamentary democracy in the world. Independent & secular
- Free and vibrant media
- Legal, commercial and administrative systems based on British model
- **Latest GDP:** US\$1 trillion (y/e 3/07); GDP growth 9.4%
- **GDP growth:** 1900-1950: 1.0% p.a.
1950-1980: 3.5% p.a.
1981-1991: 5.4% p.a.
1992-2002: 5.9% p.a.
2003 onwards: 8.6% p.a.
- **Credit rating:** Investment grade
- **Bombay Stock Exchange mkt cap:** US\$1 trillion. Listed firms have to report quarterly. 120 listed firms with mkt cap of US\$1bn +
- **Literacy:** 1950: 17%; 1990 : 52%; 2000: 65%; 2010 (est) : 80%
- **Middle class:** 1980: 8% (65m people); 2000: 22% (220m); 2010(est): 32% (368m)
- **Demographics:** currently 70% under 35 years. By 2015: 50% under 25
- **% below poverty line:** 1950: 50% of population; 2004: 22% - reducing by about 1% per year

I.T., pharmaceuticals and auto ancillary. It's a trend that is set to continue.

India is the largest stable parliamentary democracy in the world. It will have high and sustainable economic growth of at least seven to eight per cent for several years, high corporate earnings, a demographic dividend, rising incomes and a growing educated middle class. Continuing economic reforms will open more sectors of the economy.

Risks include domestic politics (for example coalition governments), geo-politics, a global economic slowdown, environmental degradation and oil shocks.

In an update to its original 2003 BRICS report, Goldman Sachs upgraded India's sustainable economic growth from 5.7 per cent to eight per cent. It suggests that India's GDP will overtake the UK by 2015 and the US by 2042 to be the second largest global economy after China and India's influence on the world economy "will be bigger and quicker" than implied in the 2003 report.

The journey ahead for India, as with all journeys, will not be without its ups and downs. Significant challenges lie ahead; but so does the potential for huge profits.

Disclaimer: Deepak Lalwani is a director at London Stockbroker, Astaire & Partners Ltd. He is a qualified UK accountant and became a member of the London Stock Exchange. He comments on international TV on India regularly and is a guest lecturer at the Master's programme at business schools in London.

Burgan Bank a good buy

Burgan Bank looks a good buy at the current levels, according to analysts at Global Investment House Research.

Established in 1977 as a public shareholding company, Burgan Bank (BB) serves both retail and commercial markets and is active both domestically and internationally.

The bank's strategic plan is to focus on sustained profitable growth based on the bank's three pillars of strength, which are creating far-reaching, diverse, innovative products for its clients with customer-focused service, leveraging its technological and operational capabilities and preparing its staff to meet the future challenges.

In the period between 2003 and 2006, Burgan Bank was seen relying more on customer deposits in the liabilities side. In this period, the bank's customer deposits grew by 9.9 per cent CAGR, while its external funding grew at a CAGR of 4.3 per cent. Deposits from customers as a percentage of total external funding increased from 55.5 per cent in 2003 to 65 per cent in 2006, while share of deposits to total balance sheet increased from 48.5 per cent in 2003 to 56 per cent in 2006. In this period, the bank also continued to expand its branch network and enhance its technological base to help the bank strengthen its deposit franchise.

During the last three years, BB's total operating cost grew at a CAGR of 7.6 per cent, while total income grew at a higher CAGR of 17 per cent resulting in a cost-to-

income ratio decline from 34.8 per cent in 2003 to 27.1 per cent in 2006. The total income growth outstripped operating overheads increase, resulting in the decline in cost-to-income ratio.

Operating expense (Opex) as percentage of average assets is a better indicator to gauge operating efficiency. Opex to average assets increased from 1.04 per cent in 2003 to 1.16 per cent in 2006. For the year ended 2005, opex to average assets was 1.14 per cent. Despite the necessary investment in technology, manpower and distribution channels to support the on-going and new business initiatives, operating efficiency has improved during the period under consideration.

Based on the current market price of US\$3.7, the stock is trading at 12.6x 2007E earnings and 3.1x 2007E book value. BB is listed at the Kuwait Stock Exchange. Based on strong fundamentals, improving asset quality and comfortable capital adequacy to support growth, we recommend a BUY on the stock with a target price of US\$4.1.

Banking sector outlook

Banks in Kuwait benefited from strong economic growth during the last three years on the back of high oil prices and production. The strength of domestic demand continues to fuel momentum in

non-oil activities. Growth of the private sector is on the back of increased investment in infrastructure and expansion projects.

The Kuwaiti government's efforts to diversify the economy and improve the investment climate through regulatory and structural measures in various sectors augur well for the banking sector. Buoyancy in the capital market activity helped banks register strong profitability by way of enhanced fee income and gains on their investment portfolio. Despite the correction in regional markets in 2006, banks continued to register earnings growth on the back of strong core banking business. The near-term view for the Kuwaiti banks is likely to be influenced by developments in the domestic economy, fluctuations in the oil price and the level of public spending. High oil prices are resulting in high liquidity in the banking system and increased government spending. Going forward, a buoyant operating environment, increased government spending and positive business and consumer sentiment are likely to be the key drivers for the banking sector.

In a nutshell, core underlying banking income is likely to remain strong. Government thrust towards providing further impetus to economic growth is likely to benefit the banking sector. In

Financial Analysis			
US\$ millions	2004	2005	2006
Net interest income	114.3	150.6	186.3
Total non-interest income	74.2	92.3	119.3
Net profit	103.3	147.9	194.4
Loans and advances (net)	2,841.7	2,790.6	3,200.2
Investment securities	294.6	327.1	375.7
Customer deposits	3,657.6	4,070.5	4,317.3
Asset size	6,066.6	6,593.3	7,711.6

Profitability			
	2004	2005	2006
Return on average assets	1.6%	2.3%	2.7%
Return on average equity	14.1%	18.1%	22.0%
Net interest income/total operational income	63.9%	60.7%	58.0%
Non-interest income/total operational income	36.1%	39.3%	42.0%

Valuation and Multiples	
	2007(E)
Net interest income	221.9
Operating income	343.0
Net profit	234.3
EPS (USD)	0.3
PE (x)	12.6
PBV (x)	3.1
<i>Figures are in US\$ million, otherwise specified. PE and PBV based CMP</i>	

our opinion, the long-term outlook for the Kuwaiti banking sector is positive on the back of buoyant core banking activities.

Burgan's fundamentals

During the period 2003-06, BB's customer deposits grew by 9.9 per cent CAGR. In this period, the bank's reliance on customer deposits increased. Continued thrust towards customer deposits resulted in share of deposits to total balance sheet increasing from 48.5 per cent in 2003 to 56 per cent in 2006. The continued thrust towards branch expansion and enhancing technological base will help the bank to strengthen its deposit franchise.

In this period the bank's gross loans grew at a CAGR of three per cent. We believe the bank is comfortably placed in terms of credit deployment due to its strong deposit franchise. Increasing thrust towards lending is likely to result in an improving loan-deposit ratio coupled with increasing core income. Gross loans to customer deposits increased from 71.9 per cent in 2005 to 77.7 per cent in 2006.

In the year 2006, the bank redeemed government debt bonds to the tune of US\$169.4 million. The contribution of government debt bonds to overall asset size declined from 7.1 per cent in 2003 to 6.5 per cent in 2004 and further to 3.3 per cent in 2005. The share of these bonds to total balance sheet for the year ended 2006 was 0.6 per cent.

Investments (both debt and equity)

registered a CAGR of 7.4 per cent during the period 2003-06. Debt investments increased at a CAGR of 9.2 per cent for the period under consideration and equity portfolio grew at a CAGR 7.3 per cent. Investment securities (both debt and equity) to customer deposits declined from 9.3 per cent in 2003 to 8.7 per cent in 2006.

Profits grew at a CAGR of 39.9 per cent during the last three years. The contribution of investment gains to pre-provision operating and net profits have declined significantly during this period. This has been due to the management's conscious decision to focus on core banking operations. Due to the buoyant capital markets, most banks witnessed significant investment gains resulting in strong growth earnings. Contribution of investment gains to pre-provision profits decreased from 32.9 per cent in 2003 to four per cent in 2006. As a percentage of net profits, investment gains contributed 57.6 per cent in 2003 to 4.6 per cent in

2006. Concerted effort to deliver strong and sustainable growth from core banking operations has been the key highlight.

During the period 2003-06, the bank's return ratios, namely return on average assets and return on average equity (ROAE), have improved dramatically, backed by a strong growth in net interest income. Since 2002, return on average equity has been higher compared to the previous year, constantly maximising shareholder's value. The ROAE increased from 10.9 per cent in 2003 to 25.6 per cent in 2006. Even return on average assets increased from 1.1 per cent in 2003 to 2.7 per cent in 2006.

We believe that the return ratios are likely to improve further over the next two years due to the buoyant economic and business environment in Kuwait. The bank's ability to deliver strong growth in core income, increase fee income and improve asset quality, thereby resulting in lower provisioning requirement, will drive earnings growth.

Peer Comparison			
	BB	CBoK	ABK
Balance sheet size (US\$ mn)*	8,729.5	10,859.4	9,714.3
Net profit (US\$ mn)	234.3	431.9	258.3
EPS (x)	0.3	0.4	0.3
PE (x)	12.6	13.1	11.8
PBV (x)	3.1	3.9	3.5
Based on current market price. *2007 (E)			
BB was established as a public shareholding company in 1977. The other two banks taken for peer group comparison are Commercial Bank of Kuwait (CBoK) and Al Ahli Bank of Kuwait (ABK). The three banks are similar in terms of balance sheet size. BB is trading at a lower P/BV multiple as compared to CBoK and ABK.			

SWOT Analysis

Strengths

- Strict and prudent lending policies have helped the bank to consistently improve its asset quality. The bank's conscious decision to focus on risk-return trade-off has paid off well. The deliberate effort not to grow its asset base at the cost of quality has helped the bank to monitor and control incremental slippage. Gross NPLs ratio reduced from 6.4 per cent in 2003 to 3.6 per cent in 2006.
- The management's conscious decision to focus on core banking activities has resulted in the contribution of investment gains to pre-provision operating and net profits have declined significantly. Due to buoyant capital markets, most banks witnessed significant investment gains resulting in strong growth earnings. Contribution of investment gains to pre-provision profits decreased from 32.9 per cent in 2003 to four per cent in 2006. As a percentage of net profits, investment gains contributed 57.6 per cent in 2003 to 4.6 per cent in 2006. Concerted effort to deliver strong and sustainable growth from core banking operations has been the key highlight.

Weaknesses

- With reforms in the regulatory regime expected and government plans to accelerate privatisation, the buoyancy on the lending front is likely to remain strong. On the other hand, government spending on infrastructure projects and growth in the real estate market kept the construction sector buoyant. Economic slowdown is likely to affect the overall spending.

Opportunities

- For the year ended 2006, the bank's capital adequacy ratio stood at 16.48 per cent, much higher than the minimum requirements of the Central Bank of Kuwait of 12 per cent. The bank's Tier I ratio as at the end of 2006 was 14.24 per cent. The bank has enough headroom in terms of CAR to support strong growth in risk-adjusted assets, going forward.
- An array of services like advisory, portfolio management, distribution of innovative products, etc. are likely to bolster fee income revenue stream. Non-interest income increased at a CAGR of 4.6 per cent for the period 2003-06. Fee and commission income recorded 11.8 per cent CAGR for the period 2003-06. Contribution of fee income to total non-interest income increased from 47.9 per cent in 2003 to 58.5 per cent in 2006.

Threats

- With more banks offering innovative products to shore up their fee-based revenue stream, banks will compete aggressively on volumes and incentives. Stiff competition is likely to affect pricing power.
- Oil price-led liquidity in the economy was positive for the Kuwaiti banking sector, which saw excellent growth in the last few years. High dependence on oil could pose a potential threat in case of decline in oil prices.

Time for select stock picking

Valuations across the GCC have become richer from the recent rally. But **Fahd Iqbal** indicates that there are compelling investment opportunities that investors need to be aware of.

Markets have reverted to a more stable state after last month's powerful rally. Most of the GCC markets have risen by double-digit levels since the beginning of the quarter, the only exception being the Saudi market which has now dropped some 12 per cent. Valuations across the Gulf have become markedly richer, but remain compelling with respect to the growth prospects the region has to offer.

Some of the strong performance could partly be attributed to high oil prices at present. But this argument only holds true for markets such as Qatar (+21 per cent quarter-to-date) where direct exposure can be found on the stock market. No doubt many foreign investors, accounting for a small but growing share of equity ownership in the GCC, will see the current US\$70 and above levels of oil price as being positive for the region's stock markets. However, it is worth noting that historically there has been no correlation between the oil price and local stock markets and neither would we expect

any going forward. Government budgets have traditionally been set with extremely conservative forecasts for oil prices, leaving stock markets affected by fundamental and local factors only.

In the UAE, the focus has once again come back to Emaar, where rumours abound of a forthcoming announcement that will provide investors with the much needed details behind Emaar's land-for-equity swap with Dubai Holding. It is impossible to say when such news may come out, but once it does, it should offer a clear trigger for the rally in the UAE to resume. For one thing, Dubai has lagged Abu Dhabi's performance by some 20 per cent and has substantial catching up to do. For another, the retail segment of the investor base has yet to re-enter the stock market to the extent it has in previous years. The inflow of liquidity that will surely result with the entry of this kind of investor will likely propel the UAE index substantially. Much of this comes down to timing, of course. The summer season, followed by Ramadan, is approaching, and has

historically been marked by quiet levels of trading.

Oman has been surprisingly resilient to the effects of Hurricane Gonu. The only evidence is a small and short-lived blip of minus three per cent the day after the hurricane, with an immediate recovery in the Muscat General Index the very next day. This is understandable, given that the sector we would expect to be hardest hit in the country, insurance, is not represented within the index. Moreover, the effect on the insurance sector is likely to be somewhat tempered by the failure of policy holders to cover for storm or flood-related damage. According to some estimates, this number could account for as much as 40 per cent of total vehicle insurance claims.¹

Within Saudi Arabia, the negative performance has been fairly broad-based. However, the heavily-weighted industrial and bank sectors exerted the biggest impact. The bank sector has de-rated a substantial 17 per cent quarter-to-date, with many companies falling 20-25 per cent. While many companies within the industrials sector have fallen materially, the sector overall has only declined four per cent. However, its contribution to the index as a whole is high thanks to the index benchmark SABIC, which accounts for a mighty 22 per cent of total market cap. This performance stands in contrast to SABIC's recent activities, which include the US\$11.6 billion acquisition of US-based GE Plastics. With its earlier purchases of DSM Petrochemicals and Huntsman Petrochemicals, SABIC is now a leading global player in the petrochemicals sector. On 2006 trailing numbers, the stock currently trades at a reasonable 13x.



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

(Footnotes)

¹ Source: Zawya, Oxford Business Group

Equity funds asset allocation

GCC fund managers rejoice as the market rebounded last month, reversing the sluggish tone. A Markaz report.

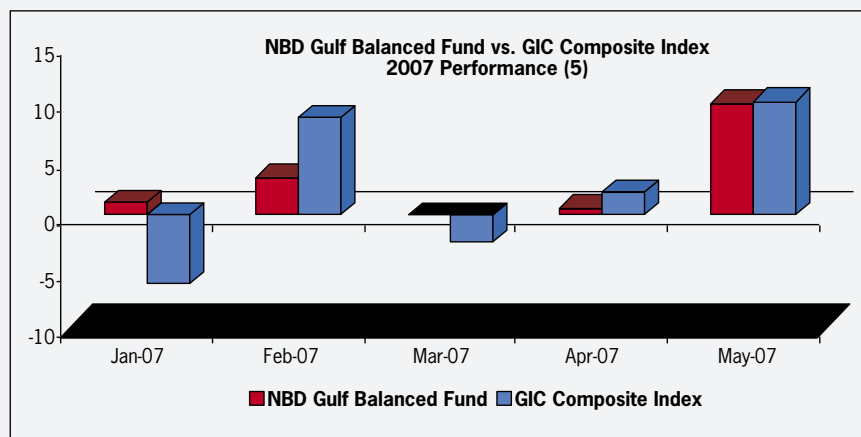
GCC stock markets performed remarkably well during May with the MSCI GCC Index up nearly nine per cent. However, GCC equity fund results and performance are available up to April 2007. And April was a positive month for the equity funds in the GCC, as 18 out of 20 GCC equity funds tracked by Markaz reported positive returns during the month.

Tijari GCC Equity fund managed by Commercial Bank of Kuwait topped the performance chart in April with 6.5 per cent return. This strong performance can be attributed to the fund's overweight position on Kuwait and Qatar markets, which yielded 4.78 and 7.70 per cent returns during April. The fund has allocated 57 per cent of its equity portfolio to Kuwait and 15 per cent to Qatar. The fund's year-to-date performance stands at 11.4 per cent.

TAIB GCC Blue Chip fund returned 4.9 per cent in April, drawing from its overweight position on the Kuwait, UAE and Qatar markets' good returns during April. However, the fund size is small at US\$2 million. The Gulf Industrial Companies Fund managed by Saudi Investment Bank ranked third with returns of 4.6 per cent during the month. This comes as a surprise, as the Saudi market, on which the fund was overweight with 77 per cent of equity portfolio, provided a negative return of 3.2 per cent in April. The Islamic nature of this fund could have made the difference. The fund size is small at US\$5 million.

Al-Rajhi GCC Equity fund lagged the performance table with a negative return of 2.8 per cent in April, followed by SAAB GCC equity fund with a return of -0.09 per cent.

The majority of GCC equity fund managers remained fully invested as reflected by average equity holding of 90 per cent. This implies confidence in GCC equity market performance going forward. Among the 22 funds tracked by Markaz, only a few funds



are high on cash. For example, the GCC equity fund managed by Saudi Investment Bank holds 26 per cent in cash, while Arab Bank Mena Fund managed by Atlas Investment Group holds 26 per cent in cash and Al'Basha'er GCC Equity Fund managed by KFIC holds 18 per cent in cash. Tijari GCC Equity Fund managed by Commercial Bank of Kuwait remains fully invested with 100 per cent equity holdings.

From a country allocation point of view, fund managers are bullish for all GCC markets except Saudi Arabia. The average exposure of fund managers to Saudi Arabia was 29 per cent, far lower than the weight implied by market capitalisation (56 per cent). Gulf Industrial Companies Fund of Saudi Investment Bank had the maximum exposure to Saudi Arabia at 77 per cent, followed by AlAhli GCC Trading Equity Fund managed by National Commercial Bank with 53 per cent. The GCC Equity Fund of Saudi Investment Bank also has an exposure to Saudi Arabia at 52 per cent. This reflects 'home bias'.

In Kuwait, Alahli Gulf Fund managed by Alahli Bank of Kuwait had an exposure of 68 per cent to Kuwait followed by Tijari GCC Equity Fund managed by Commercial Bank of Kuwait (57 per cent) and Markaz GCC Fund managed by Kuwait Financial Center (51 per cent). This again reflects home bias. The highest allocation to the UAE was seen by Arab Gateway Fund managed by Shuaa Capital, followed by Markaseb Arab Tigers Fund managed by Marakaseb. AlBasha'er GCC Equity Fund managed by KFIC had the highest exposure to Qatar at 24 per cent. Markaseb Arab Tigers Fund also has the highest allocation to Oman and other MENA markets, which was predominantly Egypt.

Our tactical asset allocation model suggests the following weights on a forward looking basis: Saudi Arabia - 54 per cent; Kuwait - 29 per cent; UAE - 20 per cent; Qatar - 12 per cent; Bahrain - two per cent, Oman - two per cent and cash - 20 per cent (implying borrowing).

Errata: In our report last month, we erroneously reported that Aafaq Investment Funds managed by National Bank of Dubai was the worst performer with a negative return of 2.37 per cent during March 07. This was because the fund performance was mistaken for the benchmark performance. We regret this error.

The Molybdenum miracle

Commodities investing gets really interesting when looking at some of the more unusual options. Here **Otto Spork** talks about Molybdenum and its future prospects.

In December 2005, when crude oil and gold was all the rage, we knew that by being contrarian and not chasing HOT markets, we would stand a better chance with limited downside risk of obtaining an investment whose price had not been bid up as in gold US\$750, crude oil US\$77 at the time, and thus we searched for something that nobody else was as yet talking about and at the same time would give us an unusual way into the Hot markets of oil and industrial metals. With these criteria in mind, we came upon Molybdenum or "Moly". Moly, as you will see, has properties that straddle both the energy sector as well as the metals sector.

Moly is a soft ductile, refractory metal suitable for alloys requiring high strength and rigidity at temperatures up to 3,000 degrees Fahrenheit. The metal itself

has the fifth highest melt point of all the elements. And it is these unique properties of Moly that when alloyed with other metals will form alloys with many different applications, for example, corrosion resistance and strength in stainless steel, wrought alloys and super alloys. These uses account for approximately 75 per cent of Moly consumption in 2004.

The other 25 per cent represents its unique properties in smoke suppressants and solid lubricants to reduce friction, Moly lubricants (e.g. grease and oil engine corrosion inhibitors in coolants), lubricants in racing cars and space vehicles. Further, Moly is being used for scrubbers in flue gas desulphurisation in coal fired power stations around the world.

Moly is used also as a catalyst in desulphurisation of crude oil, and its use

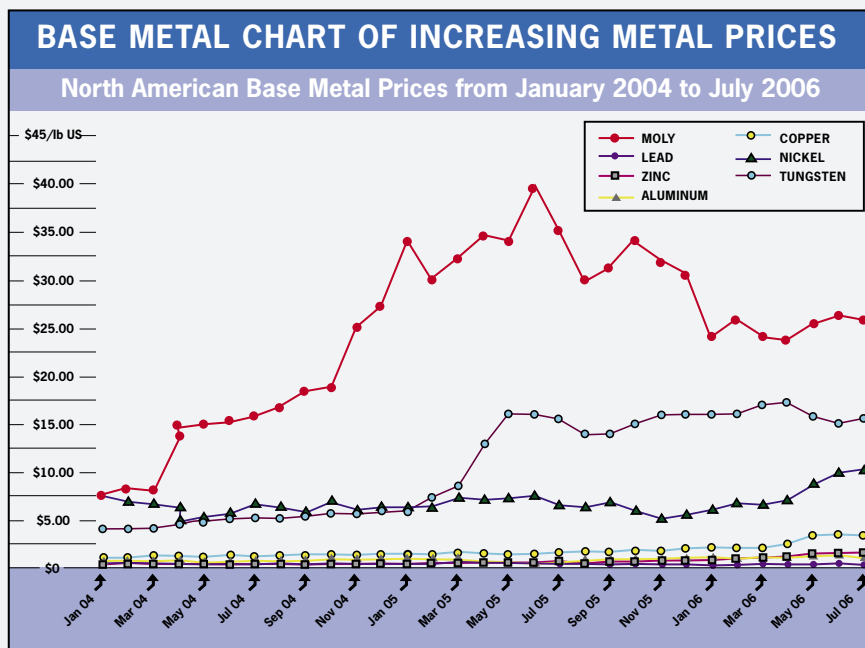
for this is increasing by the year, due to Peak Oil where globally we are finding heavier and heavier oils, as all the more desirable sweet crudes are being depleted. The heavier oils contain much more sulfur, so the demand for Moly should continue to increase.

In fact, Moly steel is used extensively in the millions of miles of oil, gas and water pipelines around the world. The Energy Information Administration (EIA) states that the US alone, to meet its energy needs in natural gas, will need 30 per cent increase in gas-pipelines, at a cost of US\$150 billion. By 2025, EIA expects the US will need 47 per cent more oil and 54 per cent more natural gas.

Now one must consider how many of the pipelines built between 1930 and 1970 (over 2/3 of the current lines in use today) need replacement; this plus the hundreds of thousands of miles of new pipelines that will be needed globally. All these pipes are using increasing amounts of Moly, both to keep them light and to keep them strong and durable.

Moly is used in various forms because many of its alloys are strong, have very high melting points and are corrosive resistant, thus their ideal use is in spacecraft reactors as well as in gas core reactors, space reactors drill stem steel tubing, light weight specialty metals, nuclear reactors, water de-salination plants, ship building, lubricants and catalysts, to name a few of its uses.

In fact, Moly has so many uses that it is now considered a strategic metal by China, and it has limited export of this miracle metal in 2006.



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Carry trades are continuing

With no expectation of an interest rates rise in Japan anytime soon, the market focus is again on carry trades, writes **Rajesh Prabhurajan**.

Currencies were fairly mixed during the past month with the US dollar making gains against the euro, yen and the Swiss franc and losing ground against the sterling and Australian dollar. The Dollar Index ended up by 0.62 per cent during the month. The US dollar has been closely tracking moves in the bond market, rallying as benchmark US Treasury yields climbed to five-year highs partly driven by a series of solid US economic data that has led investors to erase expectations that the Federal Reserve will cut interest rates this year.

The Japanese yen has hit record lows versus the euro and languishes near a four-and-half-year trough against the dollar as investors continue to sell the low-yielding currency for higher-yielding assets. The yen has fallen across the board since the Bank of Japan kept interest rates on hold at 0.5 per cent and Governor Toshihiko Fukui said he had no preconceived ideas about a future rate rise, dousing expectations of a hike in July. Most market players are looking for the BOJ to raise rates to a 12-year high of 0.75 per cent in August, but such a move is not expected to dull the allure of carry trades - borrowing cheaply in low-yielding units to buy higher-yielding currencies. Japanese household investors are also big yen sellers, pouring funds into mutual funds which hold a high proportion of overseas assets in search of better returns.

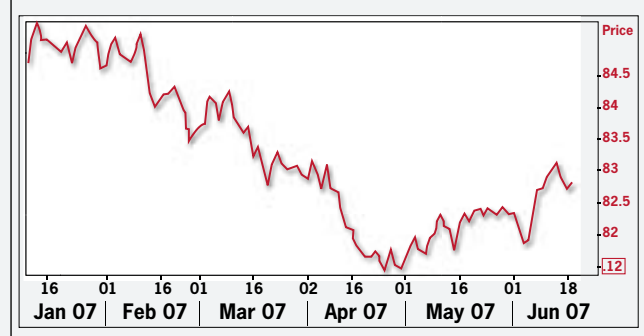
The Swiss franc, another funding currency for the carry trade, hovers near an all-time low against the euro, while the high-yielding Australian and New Zealand dollars, among the most popular currencies for carry trade investments, hover near 16-year and 20-year highs respectively against the yen. Investor risk appetite is running high, thanks to buoyant global growth and driving risky assets such as equities higher at the expense of low-yielding units such as the yen and Swiss franc.

However, there are signs that this trend may be coming to an end, and devotees of carry trade in foreign exchange markets are facing turbulent times as benign market conditions fostering the popular one-way bet are being tested on several fronts.

With 10-year Japanese bond yields close to two per cent, we may see some repatriation by Japanese funds to Japanese bonds as yields become more attractive for domestic investors, which will be yen supportive. Low volatility and a heightened sense of adventure with risk have been central to the practice of borrowing cheaply in low yielding currencies to fund purchases of higher return assets. But such trades - while proving popular for profit over time - are loaded with risk, not least because of the sheer volume of money involved. Having weathered a rocky patch in February when the stock

Performance against the Dollar: Past 30 days			
	18 May 07	20 June 07	Change%
Euro	1.3508	1.3413	-0.73
British Pound	1.9743	1.9831	+0.45
Japanese Yen	121.1	123.29	-1.81
Swiss Franc	1.2273	1.2418	-1.18
Australian Dollar	0.8225	0.8429	+2.48
Canadian Dollar	1.0883	1.0717	+1.53
Indian Rupee	40.6850	40.7625	-0.19

THE DOLLAR INDEX: UP BY 0.62%



market tumbled and volatility soared, the economic sense of carry trades was questioned again recently as fears of rising global interest rates drove investors to seek solace in the US dollar.

The Reserve Bank of New Zealand triggered another assault on carry trades when it intervened to weaken the New Zealand dollar - a popular target for carry with interest rates at eight per cent. Recent comments from US Treasury Secretary Henry Paulson that investors should see recent rises in interest rates as a "wake-up call" call attention to some of the potential excesses out there. But analysts are still loath to predict a major unwinding. Even allowing for other potential upsets, the investment remains attractive. With predicting the end of the carry trade strategy seeming just as impossible as gauging its size, a major unwinding could be as simple as a switch in sentiment.

Which way for interest rates?

Interest rates are a drag to the housing market. But now it is affecting other sectors as well and outside the US too, writes **Peter Hensman**.

Equity markets wobbled in early June as US 10-year treasury yields that rose back above five per cent finally capitulated on the view that the Federal Reserve was nearing a rate cutting cycle. The big shift was not in interest rate expectations for 2007. The Eurodollar interest rate forward contract for December 2007 had shown rate expectations were already hardening; where this was pricing the prospect of three quarter point rate cuts for 2007 in the fourth quarter of last year, by early May the contracts showed little chance of a rate cut. Instead, it is the prospects for 2008 and 2009 that have seen a big swing in sentiment. As recently as early May, the December 2008 and 2009 contracts still implied that when the next move in US rates came, it would be likely to move lower. As of June 15, these forwards are more normally priced, showing Eurodollar interest rate expectations of around 5.5 per cent. This is now back above the level projected for December 2007.¹

For all the market talk of a rising inflation threat, this move appears to have been less about a shift in inflation expectations and more about increased confidence that the cyclical dip in activity has passed. This view is supported by the fact that the shift in bond yields has been driven by a rise in real yields, not by investors pricing a higher inflation risk premium. While this suggests there is some vulnerability of further increases in bond yields, the pace of the recent rise in yields has been extreme and has occurred globally; 10-year yields in Japan have risen by almost as much as those in the US, despite a number of indicators that suggest Japan could once again be back in recession. Furthermore, the US housing market was already under pressure before this latest increase in financing costs. Mortgage delinquencies are rising in the prime section of the

market, not just in the sub-prime area that has received so much media attention. This is occurring at a time when homebuilders appear to have capitulated on prospects for home sales. Although new home sales leapt by 16 per cent in April to the highest level since December, this was achieved by reducing the median new home price by 15 per cent on a seasonally adjusted basis. This is the largest monthly decline in real terms in the last 40 years by far.² The one reason to doubt these figures is the volatility of the series and the large scale of revisions that occur on a monthly basis.

The evidence that the housing market deterioration is not just confined to the US raises further uncertainty over the bond market signalling of increasing confidence in the longevity of the global cycle. In Europe, the property markets in Spain and Ireland that have been near unstoppable for the last decade are showing signs that higher interest rates are starting to bite. Spanish house price growth has slowed to seven per cent yy in Q1, well below the 10 per cent plus norm that has held for much of the last decade.³ In Ireland, data from ESRI & Permanent TSB suggests that having slowed sharply at the turn of the year, house prices fell in March and April such that prices are now lower than they were six months ago for the first time since early 2002. This is backed by mortgage lending data from the Irish Banking Federation that shows a 7.5 per cent drop in net home loans in the first quarter of 2007 versus the level of a year earlier. Equally in the UK, net mortgage lending has slowed sharply in April, while the number of loans being made has been dropping since November.⁴

While equity market leadership has remained broadly unchanged for much of the last 12 months, at the margin there are some shifts that suggest that interest rate increases are having an effect. Where

the initial impact was in the decline in the US homebuilding and mortgage sectors, more recently other leveraged sectors have come under pressure. The broader real estate sector that includes commercial as well as residential property companies has underperformed since February. More recently, there are signs that the related utilities and infrastructure areas are coming under pressure from the rise in bond yields. Furthermore, small cap stocks that are typically more sensitive to changes in economic growth rates and the pricing environment than their large cap counterparts have started to underperform.

This change in market dynamics is reflected in the narrowing sector leadership. For the year to mid-June, the top ten performing equity sectors have contributed nearly 40 per cent of the 8.4 per cent total (capital plus income) return generated by the FTSE World Index. Yet, these sectors constitute just 18 per cent of the market capitalisation of the FTSE equity index. The ten worst performing sectors have only contributed 22 per cent of the year-to-date return, but make up 45 per cent of the market cap. This narrowing of the leading group is typical of a period that precedes a rotation in leadership and a change in the market drivers.⁵

The jump in bond yields cannot be completely disregarded, particularly as the increase in US 10-year treasury yields has broken the declining trend that has been in place since 1981. That this has been caused by an increase in real yields, and not by inflation expectations, suggests that the moves to date do not indicate an end to the disinflation era. With the signs of change in equity market sector leadership and central bankers adamant that they will not allow inflation to run out of control, even if this takes further rate increases, it seems unlikely that the current trend will persist.



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

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Bank of Scotland International Ltd	01534 613500	Halifax G'teed Saver	None	\$50,000	5.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	\$5,000	5.25%	fYly
Alliance & Leicester Int Ltd	01624 663566	US Dollar Savings	None	\$5,000	5.00%	Yly
Nationwide International Ltd	01624 696000	US Dollar Savings	None	\$1,000	4.30%	Yly
Irish Permanent International	01624 641641	Instant Access	None	\$500	4.25%	Yly
No Notice Euro Accounts						
Bank of Scotland International Ltd.	01534 613500	Halifax G'teed Saver	None	€35,000	4.25%	Yly
Northern Rock (Guernsey)	01481 728555	Euro Direct Saver	None	€5,000	4.05%	Yly
Alliance & Leicester Int Ltd	01624 663566	Euro Savings	None	€5,000	3.86%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	3.80%	fYly
Irish Permanent International	01624 641641	Instant Access	None	€500	3.15%	Yly
No Notice Accounts						
Alliance & Leicester Int Ltd	www.alli.co.im	eSaver Offshore q	None (W)	£1,000	6.15%	Yly
Alliance & Leicester Int Ltd	01624 663566	Base Rate Tracker III	None	£15,000	5.85%	Yly
Irish Nationwide (IOM)	01624 673373	Instant Quarterly	None	£25,000	5.85%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	£5,000	5.80%	Half Yly
Derbyshire Offshore	01624 663432	Limited Edition Tracker	None	£5,000	5.75%	Yly
Notice Accounts						
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	6.00%	Yly
Landsbanki Guernsey	01481 726885	International Tracker 90	90 Day	£10,000	5.96%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege 90	90 Day	£5,000	5.90%	Yly
Alliance & Leicester Int Ltd	01624 663566	Offshore 120 Plus	120 Day	£10,000	5.90%	Yly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.86%	Yly
Monthly Interest						
Bradford & Bingley Int. Ltd.	01624 695000	Income 180	180 Day (P)	£25,000	5.76%	Mly
Landsbanki Guernsey	01481 726885	International 60	60 Day	£10,000	5.71%	Mly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Base Rate Tracker 180	180 Day (I)	£25,000	5.65%	Mly
Derbyshire Offshore	01624 663432	Income 60 Tracker	60 Day	£10,000	5.62%	Mly
C&G Channel Islands Ltd	01481 715422	Base Rate Tracker 180	90 Day (I)	£10,000	5.61%	Mly
Fixed Rates						
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	2 Yr Bond	£10,000	6.41%	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	3 Yr Bond	£10,000	6.41%	Yly
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	1 Yr Bond	£10,000	6.35%	OM
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	4 Yr Bond	£10,000	6.26%	Yly
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	5 Yr Bond	£10,000	6.26%	Yly
Accounts with Cheque Book Facility						
Bank of Scotland International Ltd	01534 613500	Current	None	£5,000	4.50%	Mly
Fairbairn Private Bank	01624 645000	Reserve	None	£5,000	3.25%	Qly
Abbey International	01534 885100	Offshore Gold	None	£10,000	2.75%	Qly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2 Day	£5,000	2.50%	Qly
Barclays Bank	01534 880550	International Cheque	None	£10,000	2.50%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess	None	£1,000	6.10%*	Yly
Abbey International	01534 885100	Tracker Term 6	6-05-08	£10,000	5.80%	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.65%	Yly
Lloyds TSB Offshore Banking	01624 638000	International Sterling	None	£25,000	2.85%	Mly
Lloyds TSB Offshore Banking	01624 638000	International Saving	None	£25,000	2.85%	Mly

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

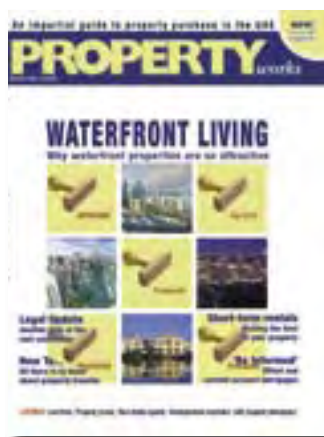
	Telephone	Account Name	£1K	£2.5K	£5K	£10K	£25K	£50K	£100K	£250K	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	-	-	2.00	2.50	3.00w	3.50	4.25	4.30	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Current	-	-	4.50	4.50	4.50	4.50	4.50	4.50	Mly	Yes
Barclays	01534 880550	International Cheque	-	0.10i	0.10	2.50	2.50	2.50	2.50	2.50	Qly	Yes
	01481 723176	International Premier Chq	-	-	0.10	2.50	2.50	2.50	2.50	2.50	Qly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	-	3.00	3.00	3.00	3.00	3.00	3.00	On Closure	Yes
		High Interest Accumulation	-	-	-	-	-	4.25	4.50	4.75	On Closure	Yes
		Reserve	-	-	3.00	3.00	3.00	3.00	3.00	3.00	Qly	Yes
HSBC International	01534 616000	Offshore Bank	-	-	0.12	0.62	1.42	2.12	2.37	2.37	Mly	Yes
		Premier Offshore Banl	-	-	0.37	0.87	1.67	2.37	2.62	2.62	Mly	Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	-	0.05	0.10	1.25	1.75	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	-	-	2.50	2.50	2.50	2.875	3.25	3.312	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	Overseas Club Sterling	0.10t	0.10	1.55	2.50	2.85	3.60	4.55	4.70	Mly	Yes
NatWest	01534 282828	Advantage Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	-	3.655	3.905	4.655	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534 724356	Royalties Cheque	0.75e	0.75	1.00	1.50	1.50	1.50	1.50	1.50	Mly	Yes
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	-	4.437	4.437	4.687	4.937	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	-	2.06	2.06k	2.06	2.81	3.06	3.31	3.56	Qly	Yes
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	-	0.25	0.25	0.25	0.25	0.25	Qly	Yes

e = i = Rate applies from £1. i = Rate applies from £2K. k = Rate applies from £3K. t = Rate applies from £100. w = Rate applies from £20K. . All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: June 1, 2007 Source: Moneyfacts

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Best Buy Tables - OFFSHORE

EURO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call Offshore Gold	0.75 -	1.25w 0.50	1.75 0.75j	1.75 0.75	2.00a 0.75	2.25 1.25	Yly Qly	No Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.61	3.61	3.61	3.61	3.61	3.61	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.80	3.80	3.80	3.80	3.80	3.80	Half Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve International Savings	- 1.50	- 1.60	- 1.70	4.00h 1.95	4.00 2.15	4.00 2.15	Yly No	No No
Barclays	01534 880550	International Cheque International Tracker	0.60 -	0.60 -	0.85e 2.20e	1.10 2.20	1.10 2.50a	1.50b 3.00b	Qly Qly	No No
Bristol & West International Ltd	01624 644333	Euro Savings	-	2.65	2.75	2.85	3.00	3.30	Yly	No
Fairbairn Private Bank		Accumulation High Interest Accumulation Reserve	- - -	1.50 - 1.50	1.50 - 1.50	1.50 - 1.50	1.50 2.75a 1.50	1.50 3.00b 1.50	On closure On closure Qly	Yes No Yes
First Active Bank Channel Islands Ltd	01481 710400	Offshore Demand Offshore Demand	- -	2.45 2.42	2.45 2.42	2.50 2.47	2.55 2.52	2.55 2.52	Yly Mly	No No
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	0.20 - 0.45 - 2.115 1.865	0.20 3.35j 0.45 3.59j 2.765 1.865	0.47 3.35 0.72 3.59 2.765 2.515	0.47 3.35 0.72 3.59 2.765 2.515	0.94 3.35 1.19 3.59 3.165 2.915	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	3.15 3.11	3.15 3.11	3.15 3.11	3.15 3.11	3.40 3.34	3.40 3.35	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	1.625r	1.625	1.625	1.75u	1.812m	2.375n	Qly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expires only)	0.35	1.15	1.45	1.65	1.95	2.45	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.50	2.50	2.55	2.55	2.55	2.60	Yly	No
NatWest	01534 282300	Advantage International	1.95	2.05	2.15	2.35	2.60	2.75	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver Offshore Euro Direct Saver	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	4.05 3.80	Yly Mly	No No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.03	2.28c	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	1.95	2.05	2.15	2.35	2.60	2.75	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	2.687u	2.687	2.937b	Mly	Yes
Standard Bank	01624 643643 01534 881188	Offshore Reserve Optimum Offshore Moneymarket Call	1.31 0.25 -	1.31 0.25 -	1.31 0.25 -	1.81 1.00 3.25	2.06 1.25 3.35	2.18 1.75 3.35	Half Yly Qly Mly	No No No
Standard Chartered (Jersey) Ltd	01534 704000	International Access	-	-	0.25e	0.25	0.25	0.25	Qly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	1.62	1.86	2.10	2.59	Qly	No
Zurich International Ltd	01624 671666	Call	2.50	2.50	2.50	2.50	2.50	2.50	Qly	No

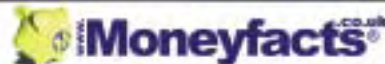
a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K.
j = Rate applies from €20K. m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K.
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US\$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	\$5K	\$10K	\$25K	\$50K	\$100K	\$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US\$ Call Offshore Gold	2.50 -	3.75 2.00	3.75 2.25u	4.00 2.75	4.25 3.25	4.50 3.50	Yly Qly	No No
Alliance & Leicester International Ltd	01624 663566	US\$ Savings	5.00	5.00	5.00	5.00	5.20	5.20	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	5.25	5.25	5.25	5.25	5.25	5.25	fi Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Saver International Savings	- 1.75	- 1.75	- 2.25	5.50 3.75	5.50 4.15	5.50 4.35	Yly Yly	No No
Barclays	01534 880550	International Cheque International Tracker	0.10 -	0.10 -	2.41u 3.55u	2.41 3.55	2.82 4.55	3.17x 4.75x	Qly Qly	No No
Bristol & West International Ltd	01624 644333	Easy Access	3.50	3.50	3.60	3.75	4.00	4.00	Yly	No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	3.00 - -	3.00 - 3.00	3.00 - 3.00	3.00 - 3.00	3.00 4.25v 3.00	3.00 4.50x 3.00	On Closure On Closure Qly	Yes Yes Yes
HSBC International	01534 616000	Offshore Bank Online Saver Premier Offshore Bank Premier Online Saver Premier Serious Saver Serious Saver	0.00 - - - - -	1.48 4.85u 1.73 5.10u 2.225 1.975	1.90 4.85 2.15 5.10 2.795 2.545	2.45 4.85 2.70 5.10 3.075 3.455	2.96 4.85 3.21 5.10 4.495 4.245	3.07 4.85 3.32 5.10 4.615 4.365	Mly Mly Mly Mly Mly Mly	No No No No No No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.25	0.50v	1.50m	Qly	No
Irish Permanent International	01624 641641	Instant Access Instant Access	4.25 4.17	4.75 4.65	4.75 4.65	4.95 4.84	5.00 4.89	5.00 4.89	Yly Mly	No No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Call	4.125k	4.125	4.375t	4.375	4.437v	4.437	Qly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc. (Expires only)	0.75	1.60	2.10	2.35	2.65	2.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	4.30h	4.30	4.35	4.45	4.90	4.90	Yly	No
NatWest	01534 282300	Advantage International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	3.875	4.125x	Mly	No
Royal Bank of Scotland Intl. Ltd	01534 286850	Royalties International	3.45	3.55	3.65	3.85	4.10	4.25	Qly	No
Schroders (CI) Ltd	01481 703700	High Interest Call	-	-	-	4.156	4.406	4.406	Mly	Yes
Standard Bank	01534 881188 /01624 643643	Offshore Reserve Optimum Offshore Moneymarket Call	2.50 1.75 -	2.50 1.75 -	2.50 1.75 -	2.75 2.25 4.75	3.12 2.75 4.85	3.37 3.00 4.85	Half Yly Qly Mly	No No No
Woolwich Guernsey	01481 715735	US\$ International Gross	-	-	3.22u	3.26	3.50	3.74	Qly	No
Zurich Bank International Ltd	01624 671666	Call	2.75	3.25	3.75	4.25	4.50	4.75	Qly	No

h = Rate applies from \$1K. k = Rate applies from \$3K. m = Rate applies from \$150K. t = Rate applies from \$15K. u = Rate applies from \$20K. v = Rate applies from \$75K. x = Rate applies from \$200K.
All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: June 1, 2007 Source: Moneyfacts

For more information visit



EXPATRIATE MORTGAGE TERMS - JULY 2007

LENDER	INTEREST RATE%	MAX. % AD-VANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Labor+/-1%	85	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.79% 2 year tracker 5.99 3 year fix	85	1.5%	Applicant must work for Govt Agency or Multi National Company.
Cheltenham & Gloucester	4.98% 2 year Fix 5.98% 2 year Fix 5.99% 5 year fix 5.89% full term tracker bank base plus 0.39%	85	2.5% of loan amount £999 £999 £799	Limited special offer via IMP Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies.
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1% LIBOR GBP 5.33% Foreign currency mortgage LIBOR +1.25% Multi Currency available in Libor rates YEN 0.56% CHF 2.10% EUR 3.73% HKD 4.00% USD 5.36% GBP 5.33%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	Under review	75 75	GBP499 GBP499	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years, Tracker 1% in first year
Heritable Bank	6.13% 2 year discount	85	0.5%	IMP Clients receive a special discount. Redemption 3/2/2% 3 year penalty 85% to £200,000 purchase price.
HSBC	Rates under review	80%-90% Repayment basis only 75% Interest only	GBP399	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants
Irish Permanent (Isle of Man)	Base +0.65% - 1.25%	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Portman B S Family occupation only	6.14% 5.75% 3 year fix 5.79% 5 year fix rate 5.54% 2 year tracker base rate plus 0.4%	90 90 90	GBP499 GBP599 GBP199 GBP299	Tracker Mortgage No Repayment Penalties daily interest. Portman Schemes only available for Owner occupation where a spouse will be residing in the property. All schemes to 90% for family occupation.
Royal Bank of Scotland International	Base +1-1.5%	80	0.5%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	6.24% Bank of England base + 0.74%	UK Expats 85% Foreign Nationals 75%	Loans to £350,000 £595 Loans to £500,000 £795	Maximum holding £1.5 million. Up to three buy to let properties.
Stroud & Swindon	5.74% 2.3% discount until 28/5/10	75	£695	No repayment penalties at any time. Up to 3 buy to let properties. Totally flexible overpayments/ underpayments.
TMW	4.89% 6.14% 6.24% 5.98%	80 80 80 80	2 year fix 0.5% 2 year fix 1.5% 0.5% 0.5%	2 year fix 5/5/5/4/3/2% early redemption. 5% during fix rate. 2 year tracker 5% in fixed period. 5 year fix 5% in fixed period.

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

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

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1 per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 21/06/07 - 5.5% 3 month LIBOR 5.75%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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

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

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

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

OMAN

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

OMAN

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

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

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Personal Loans						SAUDI ARABIA	
PROVIDER	PRODUCT	LOAN TENOR	MAX. AMOUNT	MIN. SALARY (SAR)	VALUE ADDED	CONTACT	
Arab National Bank	Al Arabi Personal Finance	Up to 84 months	SAR1,000,000	Govt. sector 3,000 Private sector 4,000	Free credit card for one year, top-up facility available. Remaining installments waived in case of death, no early redemption penalties. Al Arabi cash assist added to the account.	8001244040 www.anb.com.sa	
	Al Arabi Cash Assist	Up to 84 months	80 per cent of monthly salary	Govt. sector 3,000 Private sector 4,000	Can withdraw up to 80% of monthly salary even if there is no balance. Salary must be transferred	8001244040 www.anb.com.sa	
	Al Arabi Mubarak Finance	Up to 60 months	N/A	Govt. sector 3,000 Private sector 4,000 Pensioners 2,000	Shari'ah compliant, Bank buys the products and sells to the client at the purchase price plus an agreed profit. Bank representatives will visit you at your convenience.	8001244141 www.anb.com.sa	
Banque Saudi Fransi	Personal loan package	Up to 60 months	SAR1,200,000	3,500, at least six months service with the current employer	Salary transfer.	8001240006 www.alfransi.com	
	Ready Credit Plan	Up to 12 months	Up to 90% of monthly salary	4,000		8001240006 www.alfransi.com	
	Murabaha Financing Plan	Up to 60 months	N/A	3,500, at least six months service with the current employer	Shari'ah compliant, salary transfer.	8001240006 www.alfransi.com	
National Commercial Bank	Personal loan	Up to 60 months	SAR700,000	N/A. At least two years service with the current employer	Additional five months if payment deferred during Ramadan. Loan approved in three working days	8002441005 www.ncb.com.sa	
	Secured finance	Up to 36 months	Depends on the fund in the account	50,000	Access capital invested in Time deposit, Investment Account or Share certificates, deferral during Ramadan	8002441005 www.ncb.com.sa	
	Salary Advance	Up to 24 months	Upto 40% of the monthly salary	4,000	Minimum 6 months with the current employer. Salary transfer is a must	8002441005 www.ncb.com.sa	
	Murabaha Al Ahli	Up to 60 months	From SAR 20,000 - 1.5 million	3,000 for nationals and 3 months on the job, 4,000 for expats and one year on the job.	Shari'ah compliant, Ramadan deferral option and salary transfer	8002441005 www.ncb.com.sa	
Riyad Bank	Personal Loan by Murabaha/ Tawaruq (non salary assignment)	Up to 48 months for nationals Up to 36 months for expats	SAR2,000,000	5,000 with min 6 months of service	Shari'ah compliant, instant approval over phone, management fee SAR500-1,500 to be paid once loan is approved. Remaining installments waived in case of death.	8001242020 www.riyadbank.com	
	Murabaha Finance	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant. Bank buys the product and sells to the client, no salary transfer.	8001242020 www.riyadbank.com	
	Tawaruq with local commodities	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service	Shari'ah compliant.	8001242020 www.riyadbank.com	
	Personal Loan	Up to 60 months	SAR1,500,000	2,500 with min 3 months of service		8001242020 www.riyadbank.com	
	Murabaha Home Finance	Up to 20 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. No advance payment. Cooperative insurance in case of death or disability caused by accident. Transfer of the property owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com	
	Ijarah (leasing with a promise of ownership)	Up to 25 years	Up to SAR2 million	5,000 with min 6 months of service	Shari'ah compliant. 5% advance payment. Cooperative insurance in case of death or disability caused by accident. Joint application by husband and wife.	8001242020 www.riyadbank.com	
	Murabaha Land Finance	Up to 10 years	Up to SAR1 million	4,000 with min 6 months of service	Shari'ah compliant. No advance payment. Transfer of the land owner to the customer name. Joint application by husband and wife.	8001242020 www.riyadbank.com	
SAMBA	Personal Finance	Up to 60 months	Up to 15 times of monthly salary	2,500	For nationals, at least three month with current employer. For expatriates, end of service benefits have to cover the finance amount. Age limit upto 59 years, no guarantor required, free credit card for the first year. Remaining installments waived in case of death.	8001241010 www.samba.com.sa	
Saudi British Bank	Amanah Personal Finance	12-60 months	Up to 1.5 million with salary transfer, otherwise 100,000, depends on status and requirement	3,000, at least three months service with the current employer, in case of salary assignment, one year without salary assignment	No salary assignment, guarantor, security or any collateral required. Provides quick short-term cash liquidity, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa	
	Manazel Home Ownership	25 years lease available for properties not more than 12 months old	Up to SAR2.5 million	SAR5,000	Shari'ah compliant. Joint applicants (husband & wife) also permitted, remaining installments waived in case of death or permanent disability caused by an accident	8001248888 www.sabb.com.sa	
Saudi Hollandi Bank	Murabaha Program (Al Yusr Personal Finance)	Up to 60 months	Up to SAR1 million	3,000, at least three months service with the current employer	Shari'ah compliant. No guarantor required, instant approval, remaining installments waived in case of death or permanent disability caused by an accident.	8001242525 www.shb.com.sa	
Interest rates vary from 5.5% to 7%. Personal Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.							
Car Loans						SAUDI ARABIA	
PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	VALUE ADDED	CONTACT	
Al Rajhi	Cars installments program	6% yearly	Up to 60 months	None	Available for Saudis and expats. Minimum salary SAR2,500, approved companies only, no guarantor required. Salary transfer required.	8001241222 www.alrajhibank.com.sa	
Arab National Bank	Mubarak Finance	4.4% yearly	Up to 60 months	None	Salary transfer is a must. Shari'ah compliant	8001244141 www.anb.com.sa	
Banque Saudi Fransi	Murabaha Finance	4.5% yearly	Up to 60 months	None	New cars only, salary transfer is a must. Shari'ah compliant, min. salary SAR5,000	8001240006 www.alfransi.com	
National Commercial Bank	"Yatiek Khairha" Murabaha auto program Auto Loan	from 5% for Saudi nationals and 7% for expats 7.25% yearly (incl. insurance)	Up to 60 months Up to 60 months	None 10%	Salary transfer is a must. Shari'ah compliant. No guarantor, instant approval, possibility of deferral of payment during ramadan Min. salary SAR3,000, three months service with the current employer, can be purchased only from approved garages, maximum installment can't exceed more than 50% of the salary	8002441005 www.ncb.com.sa	
Riyad Bank	Murabaha Finance	4.95-6.5% yearly with salary transfer otherwise 9.5%	Up to 60 months	None	No salary transfer required. No guarantor required	8001242020 www.riyadbank.com	
Saudi British Bank	Murabaha Finance	6% yearly	12-84 months	None	Salary transfer is a must. No guarantor. Shari'ah compliant	8001248888 www.sabb.com.sa	
Saudi Hollandi Bank	Sayarat Al Yusr	Starting from 3.99% for nationals and 5.49% for expats	Up to 60 months for nationals up to 48 months for expats	None	Shari'ah compliant. Salary transfer is a must. No guarantor required. Outstanding loan can be waived in case of normal death of the borrower	8001242525 www.shb.com.sa	
Auto Loan Criteria: Interest rate, interest-free credit, annual fee and value-added features.							

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

Personal Loans							QATAR
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT	
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 6.9.5% Fixed rate: 9.5%	Up to 70 times monthly salary Up to 32 times monthly salary	3,000 5,000	Up to 18 years Up to 60 months	4324327 www.ahilbank.com.qa	
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary for nationals	3,500	Up to 216 months for nationals	4387777 www.arabbank.com.qa	
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 350,000	4,000	Up to 60 months	4490000 www.cbq.com.qa	
Doha Bank	Personal Loan	Fixed rate: 9.99%	Up to 250,000	1,500	Up to 72 months	4456000 www.dohabank.com.qa	
HSBC Bank Middle East	Personal Loan Special loan for nationals	9.75%, depends on the company	Depends on salary	3,000 10,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com	
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 9.75% Starts at 4% (depends on the status)	Up to 50 times monthly salary Up to 450,000	4,000 3,000	120 months for nationals Up to 60 months for expats	4418880 www.mashreqbank.com	
Qatar National Bank	Personal loan	Fixed rate: 10.25% for expats 9.99% for nationals	Up to 350,000	2,000	Up to 240 months for nationals and 60 months for expats	4407777 www.qnb.com.qa	
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	5,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa	
Credit cards							QATAR
PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT	
Ahli Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for life	2,500	1.75% on purchases, 4.75% on cash withdrawals	30 days	4324327	
Arab Bank	Visa (Silver, Gold), Internet Shopping card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	1.75% on purchases, 4% on cash withdrawals	45 days	4387878	
Commercial Bank of Qatar	Visa/MasterCard (Classic, Gold), WOW Visa Platinum, Diners	WOW – free, Classic – 200, Gold – 400, Platinum – 500 Diners - 500	Classic - 4,000, Gold - 7,000, Platinum/Diners - 15,000, WOW account holders only	2% for all cards, WOW 2.25% on purchases, 4% for Diners and 4.5% for all cards on cash withdrawals	45 days	4490000	
Doha Bank	Visa (Classic, Platinum) MasterCard (Standard, Gold)	Free for life	Classic and Standard - 2,000, Gold 7,500 - Platinum 20,000	1.5% on purchases, 4.5% on cash withdrawals	28 days	4456000	
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100	
MashreqBank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49% on purchases, 2.75% on cash withdrawals	55 days	4418880	
Qatar National Bank	Visa/MasterCard (Standard, Gold) MasterCard Platinum, Qatar Airways co-branded MasterCard (Standard, Gold, Platinum), MasterCard E-Card	Free for first year, thereafter, Standard 200, Gold 300, Platinum 400, E-card for credit card holders 15	Standard 2,000 for account holders otherwise 3,000, Gold - 6,000, Platinum - 12,000 -	1.75% on purchases, 4.5% on cash withdrawals	45 days	4407777	
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic – 200, Gold – 400, MasterCard: Standard – 250, Gold - 500	Classic with account - 2,500, Classic without account - 3,000, Gold with account - 5,000, Gold without account - 7,000	2% on purchases, 3.5% on cash withdrawals	50 days	4658555	
Home Contents Insurance							QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS		
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 www.axa-gulf.com		
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	200	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR4,000	+974 428 2222 qgirc-tec@qatar.net.qa		
Qatar Insurance Company HomeCare Household Insurance	500 650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 www.qatarinsurance.com onestop@qic.com.qa		
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 www.qiic.net		
Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. Disclaimer: These listings are NOT meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during June 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.							
Medical Insurance							QATAR
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QR)	EXCESS	COVER	COVER INCLUDES	CONTACT		
AXA Insurance *In reference to ages 0-10, cheaper premium for ages 11-20 by up to 500 depending on plan	Global Area 1: From 10,801 (ages 11-21) to 29,098 up to age 65. Global Area 2: From 3,638 (ages 11-21) to 9,541 up to age 65. Regional Plus: From 2,078 (ages 11-21) to 5,433 up to age 65. Regional: From 1,787 (ages 11-21) to 4,673 up to age 65		Global Area 1: QAR5 million Global Area 2: QAR2.5 million Regional Plus: QAR1 million Regional: QAR500,000	Global Area 1: Worldwide Global Area 2: Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland Regional Plus: Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan Regional: AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com		
Qatar General Insurance and Reinsurance Company Interglobal Healthcare Plan MedicalCare Health Insurance Plan	Interglobal Healthcare Plan Ultracare Plus: From 3,298 (child) to 107,663 up to ages 70-74 Ultracare Comprehensive: From 2,565 (child) to 87,710 up to ages 70-74 Ultracare Select: From 2,341 (child) to 79,599 up to ages 70-74 Ultracare Standard: From 1,616 (child) to 55,211 up to ages 70-74 MedicalCare Health Insurance Plan (up to 65 years old only) In-patient treatment: 399, In-patient and out-patient treatment: 899	Interglobal Healthcare Plan Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500 MedicalCare Health Insurance Plan In-patient treatment: 10% of claim amount for each and every claim Out-patient treatment: QAR25 per visit	Interglobal Healthcare Plan Ultracare Plus: US\$3.4 million Ultracare Comprehensive: US\$1.7 million Ultracare Select: US\$1,275,000 Ultracare Standard: US\$850,000 MedicalCare Health Insurance Plan In-patient: QAR100,000 Out-patient: QAR50,000	Interglobal Healthcare Plan *With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide. Ultracare Plus: Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage. Ultracare Comprehensive: In and out-patient benefits, 45 days emergency coverage outside of chosen area. Ultracare Select: In-patient benefits. Ultracare Standard: Limited out-patient benefits, 30 days emergency coverage outside of chosen area MedicalCare Health Insurance Plan (selected hospitals and clinics in Qatar) In-patient treatment: Hospital accommodation, surgical, medical and nursing, services and supplies, private room and board, ambulance services. Out-patient treatment: Consultation (general medicine, pediatric, obstetrics and gynecology, ophthalmology and dermatology), lab tests, x-ray and ECG diagnostics, prescribed drugs and medicines. Optional: Worldwide coverage in case of emergency excluding Canada and USA while on trip not exceeding 30 days and treatment in home country excluding Canada and USA up to QAR25,000	+974 428 2222		
Qatar Islamic Insurance Company	Balsam Gold: From 3,826 (child) to 7,699 up to age 60. Balsam Silver: From 2,114 (child) to 4,199 up to age 60. Ordinary Balsam: From 1,067 (child) to 2,118 up to age 60	50 per out-patient consultation	Ordinary Balsam: QAR100,000 Balsam Silver: QAR300,000 Balsam Gold: QAR500,000	Ordinary Balsam: Qatar Balsam Silver: Worldwide excluding Europe, USA and Canada Balsam Gold: Worldwide excluding USA and Canada	+974 4413 413 www.qiic.net qiic@qatar.net.qa		
Disclaimer: All medical insurance policies include the standard inpatient and outpatient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US\$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information.							

Personal Loans							BAHRAIN	
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT		
Ahli United Bank	Consumer Loan	Reducing balance rate: 9%	Up to 22 times monthly salary	300	Up to 72 months	17221999		
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000)	350	Up to 84 months	17787225		
Bahraini Saudi Bank	Personal Loan	Reducing balance rate 10.25%	Up to 40,000	200	Up to 84 months	17578888		
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: 8.5-10.25%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777		
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 11%, for PIL 25% reducing balance rate	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484		
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	17569999		
National Bank of Bahrain	Personal Loan	Reducing balance rate: 6.75% for nationals, starts at 9.5% for expats	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for expats	200 for nationals 400 for expats	Up to 84 months for nationals, up to 60 months for expats	17214433		
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: 4.75%	Up to 75,000	300	Up to 84 months	17878777		
Standard Chartered	Personal Loan	Flat rate: 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802		

Credit Cards							BAHRAIN	
PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT		
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Standard - 10 , Gold - 25	Standard - 250, Gold - 400	Standard/Gold – 2.5% on purchases, 4% on cash withdrawals	45 days	17221999		
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.62% with account, 2.74% without account on purchases, 4% on cash withdrawals	52 days	17578999		
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777		
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800	Visa/MasterCard – 2.39% Emirates-Citibank card – 2.49% on purchases, 4% on cash withdrawals	52 days	17582484		
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999		
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for life	200	1.67% on purchases. 4% on cash withdrawals	21 days	17214433		
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on guarantee of 6.5% or 0.6% per month on purchases, US\$10 on cash withdrawals	51 days	17878777		
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802		

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

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Medical Insurance					BAHRAIN
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	Almas: From 275 (child) to 1,042 up to age 65 Dana: From 148 (child) to 582 up to age 65 Delmon: From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	Almas: Worldwide Excluding USA and Canada, travel worldwide Dana: Bahrain, Arab countries, Southeast Asia, travel worldwide Delmon: Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium Hospital Plan: From 847 (ages 10-25) to 1,631 up to age 60+	None, US\$400, US\$1,600, US\$5,000 or US\$10,000	Hospital Plan: US\$1.8 million	Hospital Plan: comprehensive inpatient cover (hospitalisation expenses such as hospital 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.interglobalpmi.com Bahrain National Life +973 1758 7333 www.bnlgroupp.com bnlbnlgroupp.com
AXA Insurance	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan Global Area 1: From 1,080 (ages 11-21) to 2,909 up to ages 60-65 Global Area 2: From 363 (ages 11-21) to 954 up to ages 60-65 Regional Plus: From 207 (ages 11-21) to 543 up to ages 60-65 Regional: From 179 (ages 11-21) to 467 up to ages 60-65		Global Area 1: BHD500,000 Global Area 2: BHD250,000 Regional Plus: BHD100,000 Regional: BHD50,000	Global Area 1: Worldwide Global Area 2: Worldwide excluding USA, Singapore, Japan, Hong Kong & Switzerland Regional Plus: Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan Regional: AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Bahrain Kuwait Insurance Company	Shefa'a Gold: From 520 (child) to 1,636 up to ages 60-65 Shefa'a Max: From 305 (child) to 957 up to ages 60-65 Shefa'a Plus: From 190 (child) to 598 up to ages 60-65 Shefa'a: From 44 (child) to 141 up to ages 60-65		Shefa'a Gold: BHD50,000 Shefa'a Max: BHD35,000 Shefa'a Plus: BHD10,000 Shefa'a: BHD10,000	Shefa'a Gold: In-patient and out-patient treatment, family doctor treatment, prescription medication, home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA Shefa'a Max: Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA Shefa'a Plus: In-patient and daycare treatment as well as out-patient consultations in Bahrain Shefa'a: In-patient and daycare treatment in Bahrain	+973 1753 1555 www.bkic.com info@bkic.com
Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US\$ are converted to BHD using the 0.37 conversion rate for consistency purposes. Please contact the insurance providers for more information.					

Personal Loans							KUWAIT
PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT	
Bank of Kuwait and Middle East	Personal Loan	9.75%	Up to 15,000	250	Up to 72 months	812000	
Burgan Bank	Consumer Loan	6.25%	Up to 15,000	200	Up to 60 months	804080 www.burgan.com	
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	10.25% 6.25%	Up to 70,000 minimum 10,000 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 180 months Up to 60 months	888225 www.cbk.com	
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	10.25%	Up to 15 times salary maximum 15,000 Up to 50 Times salary maximum 70,000	200 350 for nationals	Up to 60 months Up to 180 months	805805 www.gulfbankonline.com	
National Bank of Kuwait	Consumer Loan Expatriate Loan	10.25%	Up to 15,000	250 for nationals, 600 for expatriates	Up to 60 months	801801 www.nbk.com	

Credit cards							KUWAIT
PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.25% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US\$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card 10	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.3% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3.5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping Card	Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.2% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	801801
Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during June 2007 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391 2173, or by email to info@moneyworks.ae . All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.							

Medical Insurance				UAE	
PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan Global Area 1: From 10,801 (11-21) to 29,098 up to ages 60-65, Global Area 2: From 3,638 (ages 11-21) to 9,541 up to ages 60-65, Regional Plus: From 2,078 (ages 11-21) to 5,433 up to ages 60-65, Regional: From 1,787 (ages 11-21) to 4,673 up to ages 60-65		Global Area 1: AED5million Global Area 2: AED2.5 million Regional Plus: AED1 million Regional: AED500,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland Regional Plus: AGCC countries, major trading nations of the Indian subcontinent and South East Asia Regional: Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles Global Area 1: From 4,561 (ages 0-17) to 18,428 up to age 65 Global Area 2: From 3,071 (0-17) to 12,270 up to ages 61-65 Global Area 3: From 2,048 (0-17) to 7,045 up to ages 61-65 Regional Plus: From 1,782 (0-17) to 6,675 up to ages 61-65 Regional: From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: Global Area 1: AED200/150, Global Area 2: AED200/150/100, Global Area 3: AED150/100/75, Regional Plus and Regional: AED150/100/75/50	Global Area 1: AED1 million Global Area 2: AED1 million Global Area 3: AED1 million Regional Plus: VIP: AED1 million A: AED500,000, B: AED250,000 Regional: VIP: AED300,000 A: AED150,000, B: AED75,000	Global Area 1: Worldwide Global Area 2: Worldwide exc. USA and Canada Global Area 3: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional Plus: UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines Regional: UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	Essential: From 2,598 (ages 0-15) to 33,650 up to age 82-120, Classic: From 3,743 (ages 0-15) to 46,707 up to age 82-120, Gold: From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US\$160/US\$400/US\$800/US\$1,600	Essential: US\$900,000 Classic: US\$1.2 million Gold: US\$1.6 million	Essential: Hospital treatment as in/day-care patient Classic: Plus specialist medical treatment Gold: Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Goodhealth Worldwide	Major Medical Plan: From 1,921 (ages 0-17) to 11,298 up to age 64 Foundation Plan: From 4,037 (ages 0-17) to 23,673 up to age 64 Lifestyle Plan: From 4,663 (ages 0-17) to 29,634 up to age 64 Lifestyle Plus Plan: From 5,892 (ages 0-17) to 34,577 up to age 64	Major: Nil, 1,000/5,000 Foundation Plan: Nil, 50/100/250/500/1,000/2,000/5,000 Lifestyle: Nil, 50/100/250 Lifestyle Plus: Nil, 50/100/250	Major Medical Plan: US\$1.6 million Foundation Plan: US\$1.6 million Lifestyle Plan: US\$1.6 million Lifestyle Plus Plan: US\$1.6 million	Major Medical Plan: Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing Foundation Plan: Plus traditional Chinese medicine, hormone replacement therapy Lifestyle Plan: Plus evacuation extension to the country of your choice Lifestyle Plus Plan: Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand Plus: From 3,298 (Child) to 107,662 up to ages 70-74 Comprehensive: From 2,565 (Child) to 87,709 up to ages 70-74 Select: From 2,340 (Child) to 79,598 up to ages 70-74 Standard: From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US\$42.50, Nil Excess 10% overload, US\$85, US\$170, US\$425, US\$850, US\$1,700, US\$4,250, US\$8,500	Plus: US\$3.4 million Comprehensive: US\$1.7 million Select: US\$1,275,000 Standard: US\$850,000	Plus: Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover Comprehensive: Compassionate emergency visit Select: Compassionate emergency visit, emergency medical treatment outside area of cover Standard: In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalpmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate Emirates Plan: From 1,603 (1-16) to 3,018 up to age 55 Emirates Plus Plan: From 1,775 (1-16) to 3,353 up to age 55 International Plan: From 1,978 (1-16) to 5,780 up to age 55 Global Plan: From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	Emirates Plan: AED100,000 Emirates Plus Plan: AED250,000 International Plan: AED1 million Global Plan: AED2 million	Emirates Plan: UAE Emirates Plus Plan: UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia International Plan: UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean Global Plan: UAE and up to 60 days per annum while traveling worldwide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	Basic (Abu Dhabi Plan): For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): UAE: from 1,400 (ages 1-15) to 8,000 up to ages 66-99; Regional: from 1,700 (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: AED500,000 International Plan: AED2.5 million Global Plan: AED5 million	Abu Dhabi Plan In & Out- Patient: Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only UAE Plan In & Out- Patient: Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) Regional Plan: UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide International Plan: UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide Global Plan: Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18:25 by up to AED300 depending on plan Plan 1: From 1,470 (14 days-45 years) to 2,980 up to age 60 Plan 2: From 2,170 (14 days-45 years) to 4,380 up to age 60 Plan 3: From 2,350 (14 days-45 years) to 4,730 up to age 60 Plan 4: From 3,630 (14 days-45 years) to 7,290 up to age 60 Plan 5: From 4,180 (14 days-45 years) to 8,400 up to age 60 Plan 6: From 3,800 (14 days-45 years) to 7,650 up to age 60 Plan 7: From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	Plan 1: AED50,000 Plan 2: AED100,000 Plan 3: AED100,000 Plan 4: AED200,000 Plan 5: AED200,000 Plan 6: AED300,000 Plan 7: AED300,000	Plan 1: UAE, Plan 2: UAE, Plan 3: UAE, Arab countries, Indian sub-continent, Philippines Plan 4: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada Plan 5: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada Plan 6: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada Plan 7: UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 ocem@ameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to AED800 depending on plan **Visit www.fasterquote.ae for personalised quote. Columbus: From 2,727 (ages 0-20) to 14,879 up to age 99 Ulysses: From 2,353 (ages 0-20) to 12,631 up to age 99 Marco Polo: From 2,040 (ages 0-20) to 10,756 up to age 99 Local Health: From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	Columbus: AED1 million Ulysses: AED500,000 Marco Polo: AED300,000 Local Health: AED100,000	Columbus: Worldwide Ulysses: Worldwide exc. USA and Canada Marco Polo: UAE, Arab Countries, South East Asia, Iran and Afghanistan Local Health: UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae
Disclaimer: All medical insurance policies include the standard inpatient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as part of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nacso Karaglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US\$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. Tip: Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. Notes: These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during June 2007. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list. Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneymoneyworks.ae . All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helpline and/or call centres. Please call your chosen provider direct for further information.					

Home Contents Insurance					UAE
INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
Abu Dhabi National Insurance Company – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewelry, money	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householder's contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewelry; contents temporarily removed from the building while in any bank safe deposit or private dwellings where the insured or members of his family are residing or employed are covered; reasonable costs of the alternative accommodation in the event of building being rendered uninhabitable; standard policy may be extended to cover legal liability to landlord and third parties	02 672 1444 www.aldhafrainsurance.com
Al Ittihad Al Watani General Insurance Company – Householders Comprehensive Insurance	1,500-2,000	250	50,000	Cover against fire and perils. 10,000 limit on money are jewellery	04 282 3266 www.unic.ae
Arab Orient Insurance Company – Home Contents Insurance	750 minimum	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewellery (2,500 for each item), excluding cash	04 209 3705 www.insuranceuae.com
AXA / Norwich Union Insurance (Gulf) BSC(c) – Home Comfort Insurance	800	250	200,000	Home contents (0.4 per cent), personal belongings (1.4 per cent) lap top (2.5 per cent) plus tenants and legal liabilities, alternative accommodation, new for old, unexpected events and natural calamities, while you are away, Theft of keys AED1,000, frozen food AED2,500, contents in the open AED2,500, household removals; optional coverage includes domestic helpers, against loss of important documents, money and credit cards, accidental damage	Toll Free 800 4560 (HSBC) www.axa-gulf.com
Lebanese Insurance Company – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 www.lebaneseinsurance.com
Dubai Islamic Insurance & Reinsurance Company (AMAN) – Householders Comprehensive Insurance	1,500 and up to 2,000 if including all options	1,000 of each and every loss	1 million	Anything insurable in the house against material damage. Can be extended to people living in the house against personal accidents, third party liability, loss of accommodation. Also includes clothes, jewelry and other items, safe in the house, gold as long as kept in a safe.	04 319 3111 www.aman-diir.ae
Gargash Insurance – Home Contents Insurance	170	250	50,000	Cover against accidental damage, fire, and theft; everything inside the house such as furniture, landlord's fittings, permanent fixtures and fittings, interior decors, safety locks up to AED1,000, jewelry up to AED2,500, servants with extra charge (AED150 per person)	Dubai – 04 337 9800 Sharjah – 06 572 3434 www.gargashinsurance.com
National General Insurance – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 www.ngi.ae
Oman Insurance Company – Home Umbrella	200 minimum	250	50,000	Household contents covered against fire and allied perils, escape of water, theft or attempted theft, riot, strike and civil commotion, storm, flood and malicious damage, etc.; contents temporarily removed up to 10 per cent of contents sum insured within the geographic limit not exceeding 30 consecutive days; audio/video equipments, home computers, mirrors and glasses against accidental damage occurring in the private dwelling; loss or damage to goods contained in a deep freezer maximum of AED1,500; cost of alternate accommodation/loss of rent up to 50 per cent of contents sum insured for maximum period of six months; legal liability towards domestic servants maximum AED150,000, public liability maximum AED1 million, and tenant's legal liability for material damages caused to property of the landlord maximum AED200,000; personal accident (death) caused by fire or thieves for the insured and spouse max AED50,000 per person; all risks cover for jewelry, valuables and laptops is optional	Toll Free 800 4746 www.tameen.ae
Oriental Insurance Company LTD – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
Qatar Insurance Company – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
Royal & Sun Alliance Insurance Group – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 www.royalsunalliance.ae www.fasterquote.ae
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: (1) Standard – against loss or damage caused by fire/ smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TVs/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and (2) Extra damage option – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com
Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. Disclaimer: These listings are NOT meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during June 2007. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, MONEYworks recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.					

Credit cards		BY INTEREST/PROFIT RATE				UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT	
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari web card	Classic-200, Gold-400, e-Tijari web card-100	1.5% on purchases, 3% on cash withdrawals	52 days	Toll-free: 800 223 www.cbd.ae	
Commercial Bank International	MasterCard (Silver, Gold)	Free for life	1.25% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com	
Dubai Bank	Visa Covered cards (Silver, Gold, Platinum)	Free for life offer until July 17, 2007	0% APR for first three months if applied by July 17. 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubai.bank.ae	
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fees. Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A for purchases and AED60 for cash withdrawals	50 days	Toll-free: 800 4008 www.alislami.ae	
Emirates Islamic Bank	Visa Islamic cards (Classic, Gold, Platinum, Infinite)	Classic-300, Gold-700, Platinum-1,400 (every 3 months) Infinite-700 per month	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae	
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com	
LloydsTSB	Visa (Classic, Gold)	Free	0.99% per month or 11.9% per annum	50 days	04 342 2000, www.lloydstsb.ae	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, NMC, Titanium)	Free for life	1.5% on purchases for MasterCard cards, 1.9% for Visa cards 2.25% on cash withdrawals	55 days	04 213 0000 www.rakbank.ae	
Standard Chartered	Saadqi Visa Gold credit card	600	N/A on purchases, AED125 for cash withdrawals	50 days	04 313 8888 www.standardchartered.com/ae	
United Bank Limited	MasterCard (Silver, Gold)	Free for first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847	
Credit cards		BY VALUE ADDED FEATURES				UAE
PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED		CONTACT	
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders.		04 308 0000 www.abnamro.ae	
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-500	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collected. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.		Toll-free: 800 2030 www.adcb.com	
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US\$120, Gold-US\$210, Platinum-US\$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millennium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.		Toll-free - 800 4931 www.americanexpress.co.ae	
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards: 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.		Toll-free - 800 4286000 www.barclaycard.ae	
Citibank	Visa, MasterCard (Silver, Gold, Eppco Citibank card, Emirates-Citibank Silver/Gold Card, Citibank eCard), Citibank/Emirates Ultima Card, Citibank/Emirates Ultimate	Silver-250, Gold-500, Eppco-Citibank card-250, Emirates-Citibank Card-300 (Silver), 550 (Gold), Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate.		04-311 4000 www.citibank.com/uae	
Dubai First	Visa (Silver, Gold)	Silver - 150, Gold - 350	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalization and assistance. Free life insurance up to AED50,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. Easy purchase plan in 6 to 24 monthly instalments, one year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, lost/stolen card indemnity, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to Dubai Dinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service.		Toll-free: 800 33 www.dubai-first.com	
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instant Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US\$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 instalments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travel and medical insurance options, rewards programme.		04-3160316 www.me.ae	
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Ethnad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Ethnad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopsy service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Ethnad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accommodation, shopping rewards, etc.		Toll-free: 800 4440 www.uae.hsbc.com	
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surler card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surler card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.		Toll-free: 800 2211 www.nbad.com	
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - by invitation only, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts; until August 10, 5% cash back on all retail purchases, 2% after promotion.		Toll-free: 800 4444 www.nbd.com	
RAKBANK	Visa (Classic, Gold) MasterCard (Standard, Gold, NMC, Titanium)	Free for life	Free supplementary cards, purchase protection, credit shield, travel inconvenience insurance, shopping and dining discounts, cash advance of up to 95% credit limit. Quarterly million dirham draws on all MasterCard products. For Titanium cards, up to 2% cash back on all retail purchases, global discounts and privileges on premium brands and hotels. NMC cardholders receive discounts at New Medical Centre hospitals, pharmacies, opticians and beauty salons.		04 213 0000 www.rakbank.ae	

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

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Car Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	4.25% for new cars, 5% for used cars	Up to 500,000 (Depends on salary)	Nil downpayment option	New cars - 72 months Used cars - 60 months	2,500	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 250,000	Nil for new cars, minimum 5% for used cars	New cars - up to 72 months Used cars - up to 60 months	3,000 for account holders otherwise 4,000	No
Bank of Baroda	Car Loan	3.85% for new cars	Up to 90% of the car price	10%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	4.25% for new cars, 5.75% for used cars	Up to 250,000	Depends on make and model for new cars 10-20% for used cars	Up to 60 months	2,000	No
Commercial Bank International	Sayarati	3.99% for new cars, maximum of 5.25% for used cars (depends on payment term)	Up to 250,000	Nil for new cars, up to 30% for used cars (depends on car model)	Up to 72 months for new cars, 60 for used cars	3,500	No
Dubai Bank	Markaba Auto Finance	4.5% for new cars, 5% for used cars	Depends on salary and car price	Nil	Up to 60 months for new cars Up to 48 months for used cars	4,000	No
Dubai Islamic Bank	Al Islami Auto Finance	Fixed profit rate of 4.75% for new cars, 5.25% for used cars less than two years old, 5.5% for used cars less than 12 years old	Up to 250,000	Nil with salary transfer, otherwise minimum 10%	Up to 72 months with salary transfer, otherwise up to 48 months	3,000	No
	Al Islami Flexi Drive	For new cars only, profit rate same as above for first three years	Depends on salary and the car price	Nil	Up to 60 months	7,000	Yes
Emirates Islamic Bank	Vehicle Murabaha	New cars - 4.1%, Used cars - 4.5% with salary transfer otherwise new cars 4.25%, used cars 4.60%	Up to 350,000	Nil for new cars, depends on make and model for used cars	Up to 60 months with salary transfer, otherwise up to 48 months	3,000 with salary transfer, otherwise 3,500	No
Finance House	Auto loan	4.29% for new cars, 4.69% for used cars	Depends on salary and car price	None for new cars Up to 30% for used cars	Up to 72 months for new cars, up to 60 months for used cars (depends on the model)	4,500	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars	Up to 250,000	Minimum 10%	Up to 48 months	5,000	Yes
MashreqBank	Mabrook Auto loan	4.25% for new cars, 4.99% for used cars	Up to 500,000	Minimum 10%	60 months for new cars 48 months for used cars	3,000	No
meBANK	meDrive	4.75% for new cars, 5.25% for used cars	Up to 250,000	Nil downpayment option, depends on company	New cars - up to 72 months, Used cars - up to 60 months	3,000	No
National Bank of Abu Dhabi	Sayyarati	3.99% for new and used cars	Up to 250,000	Nil	Up to 72 months - new cars, up to 48 months - used cars	3,000 with salary transfer otherwise 5,000	No
United Arab Bank	Auto Finance	4.25% for new cars, 5% for used cars	Up to 150,000	Nil	New cars - up to 48 months Used cars - up to 36 months	3,000	Yes

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	Reducing balance rate: 6 to 24 months - 8.5%, 25 to 48 months - 9.5%, 49 to 60 months - 10%, 61 to 72 months - 10.5%	Up to 250,000 (depends on salary)	Yes	Up to 132 months for nationals, 60 months for expatriates	2,500	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate (depends on loan tenor)	Up to 250,000 (depends on salary and company)	Yes	Up to 72 months for nationals, 60 months for expatriates	3,000	Yes
Dubai Bank	Sanad Personal Finance	Profit rate: 4.5 - 5% fixed rate (depends on loan tenor)	Up to 250,000	Yes	Up to 120 months	4,000	Yes
	Souk Goods Finance				Up to 60 months		
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: Starts from 4.55% (depends on the company)	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 60 months, depends on goods or services required	2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 6.5% fixed rate with salary transfer, 6.95 without salary transfer	Up to AED250,000	Yes	Up to 60 months	2,500	No
HSBC Amanah	Amanah Personal Finance	Profit rate: starts from 4.95 - 7.99% (depends on the company's package)	Up to AED250,000	Yes	Up to 120 months	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan	8.75 - 14.25% on reducing balance basis	Up to AED250,000	Yes	Up to 120 months	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate from 8.75-10.5%, depending on loan term and company status	Up to AED250,000 (depends on the salary)	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% fixed rate	Up to AED100,000	Yes	Up to 36 months	3,000	Yes
United Arab Bank	Consumer Loan	Fixed rate: 4.5-4.75% Reducing balance: min. 9.5%, depends on the company and the salary	As much as AED250,000	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	Reducing balance rate: starts from 8.5%	Up to AED250,000 for nationals, 150,000 for expats	Yes	Up to 84 months for nationals, 48 months for expats	2,500	Yes

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

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Only account holders can finance used cars. Used cars must not be older than 2003 model.	No	None for cash, 3% of outstanding loan for bank buyout		1% processing fee	Toll-free: 800 223 www.cbd.ae
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card. Special offer: On all KIA models, 0.99% interest rate for one year loan tenor	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 www.ctiuae.com
Used cars must not be older than 8 years at the time of loan maturity	No	None	Special insurance rates	No processing fee	Toll-free: 800 5555 www.dubaiabank.ae
At least six months service with current employer. Used cars must not be older than 12 years at the time of loan maturity for those with salary transfer, otherwise 10 years only.	No	In some circumstances, money will be refunded	Preferential insurance deal with Oman Insurance Company, free AAA membership	As DIB says, "choose your car and inform the bank". They will then make "a transparent offer in accordance with Shariah" that will include the price of the car, the profit that DIB will make and the method in which you can make your repayments".	Toll-free: 800 4008 www.alislami.ae
Listed companies only. Cars must cost a minimum of AED50,000.	Yes		Insurance can be financed	Different interest rates if extended to two more years. Loan amount can be paid at lumpsum after three years	
Used cars must not be older than four years	No		Payments deferred for first three months, insurance can be financed	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Used cars must not be older than 2001 model	No	4% of outstanding value of the loan	Free credit card for life, 13 months comprehensive auto insurance cover starting from 3.25% on saloon cars and 4x4 vehicles	No processing fee	Toll-free: 800 3434 www.fh.ae
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, www.habibbank.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance deals	AED100 charged as processing fee	04 217 4800 www.mashreqbank.com
Used cars must not be older than 7 years	No	2% of the outstanding amount for cash and 5% for bank transfer	Defer first installment up to 60 days, special interest rates available for certain makes and models	No processing fee	04 316 0316 www.me.ae
Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
For account holders only. 2003 models and newer.	Yes	3% of outstanding for cash payment and 5% for a bank buyout		AED250 charged as processing fee	04 332 2032 www.uab.ae

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

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to two times salary overdraft	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaiabank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived. For customers taking out a loan of at least AED50,000, free return flight voucher for select destinations in Europe, the Middle East, Asia and the Indian subcontinent	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uaehsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	If company is not in approved list, loan can be arranged with Osool Finance Company. 1% processing fee, minimum AED250 and maximum AED500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 6667 www.nbs.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

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

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

Mortgages							
PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	Retail base rate (RBR) is 5.5% Salaried residents: RBR plus 2.75%; Self employed residents: RBR plus 3%; Non residents: RBR plus 3%	Could be as much as AED3.5 million; depends on personal circumstances and property developer	Up to 65% for all	Minimum 10% with salary transfer, 15% without salary transfer, 20% for self employed
Amlak (Shar'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	25 years for UAE nationals 20 years for residents 15 years for non-residents	60 for salaried employees, 65 for self-employed	Variable rate (residents): 8.5% Variable rate (non-residents): +1% more than residents. Fixed rate is 11% for residents for seven years and 14% thereafter (+1% for non-residents)	Up to 90% of property value	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments	60 years	Starting from 7.5% for the first year	Up to AED5 million or 90-95% of the property market value	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	10% of the property market value
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.75 - 9.10% variable rate	Up to 80% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years for Ijara Property Finance Up to 8 years for Murabaha facility	65 years for nationals 60 years for expats	Ijara: 8.15 - 9.15% variable rate Murabaha: 4.5 - 5% fixed rate for 1 year; 4.75 - 5.25% for 1 - 3 years; 5 - 5.5% for 3 - 6 years; 5.25 - 5.75% for 6 - 8 years (depends on company and salary transfer)	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 15 years for 'Real Estate' Up to 25 years for 'Freehold'	70 years for nationals 60 years for expats	Floating profit rate. More information not available	Up to 90% of the property value; as much as AED5 million for 'Freehold', AED2.5 million for 'Real Estate'	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 15 years for Murabaha	65 years for nationals 60 years for expats	Murabaha - 9% reducing balance rate for five-year tenor Murabaha - 10% reducing balance rate for 10-year tenor	Maximum up to AED2.5 million	Not more than 50% of the salary	10-15%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	8 - 9.75% on reducing balance basis	Up to 90%; as much as AED5 million	Maximum 60%	10%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	Floating rate, will not exceed 7.5%	Up to AED3.5 million	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	7.25 - 7.75% reducing balance rate	Up to 90% of market value or original price, whichever is lower	60% overall debt on all regular commitments	10%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	8.5% variable, straight re-payment mortgage	Up to 70% for apartments and 80% for villas	Should not exceed 50%	Depends on property
Mashreqbank	UAE residents and non-residents	Up to 25 years	60 years for salaried 65 years for self-employed	Fixed rate: starts from 7.49% Variable rate: from 3.29% + EIBOR	Up to AED5 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years	65 years	8% fixed rate	Up to 80% finance, as much as AED5 million; depends on salary, age and property value. Up to AED8 million for Abu Dhabi properties	Up to 50% of monthly salary for expats	10% for properties in Abu Dhabi; 20% for properties in Dubai and 30% for other emirates
National Bank of Dubai	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer, starts at 6.49%; afterwards, EIBOR rate + 3% Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.25%	Up to 85%; as much as AED5 million	Residents: up to 60% Non-residents: up to 50%	Minimum 15% depending on the property
Rakbank	UAE nationals, expats and non-residents	25 years	65 years	8 to 9.5% on a reducing balance basis	Up to 90% or AED5 million	60% of monthly salary for salaried individuals	Minimum 10%
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 12 years	65 years for UAE nationals, 60 years for others	Profit rate. With salary transfer: 4.65% for 1 to 5 year tenor; 4.92% for 6 to 10 year tenor; 5.19% for 11 to 15 year tenor. Without salary transfer: 4.92% for 1 to 5 year tenor; 5.19% for 6 to 10 year tenor; 5.47% for 11 to 15 year tenor	Up to AED1 million for account holders, up to AED100,000 for non-account holders	50%	20% for account holders, 30% for non-account holders
Standard Chartered	UAE nationals, expats	20 years	65 years	Will not exceed 8.5%	Up to AED3.5 million for apartments and up to AED7.5 million for villas	Depends on the salary	From 15%; depends on salary and type of property
Tamweel (Shar'ah compliant)	UAE nationals, expats and non-residents	25 years	65 years for nationals, 60 years for expats	Depends on scheme. Floating rate of 7.9% applies to loan tenors of 5-25 years (changes every six months). Fixed rate from 9.5% for five year tenor, 10.5% for 10 year tenor, 10.8% for 15 year tenor. (Also offers 'usur' or adjustable repayment mortgages, lowers the installments in the first three years up to 30%)	Up to AED7 million	55% of salary	From 10%, Depends on property
Union National Bank	UAE nationals, expats	Up to 20 years	65 years for UAE nationals, 60 years for expats	Minimum 6.75% flat rate	As much as 55 times salary	Up to 65% of monthly salary	As low as 10%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	8.4% (5.4% EIBOR rate + 3%)	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

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

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INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	Yes	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount, or AED 10K-20K, whichever is lower. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlfinance.com
Life and property insurance	8,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraqaa	Yes	Yes	Toll-free: 800 27224 www.arabank.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	15,000 for individuals with salary transfer, otherwise 15-20,000 10,000 for joint	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaiabank.ae
Life and property insurance	10,000	No	No	Info not available	'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 800 2700 www.firstgulfbank.ae
Life and property insurance	12,000	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	No	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nakheel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omnyat and Al Hamra in Ras Al Khaimah	Yes	Yes	Toll-free: 800 404442 www.uae.hsb.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Miraf), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: For fixed rate - 1% or maximum AED12,000. For variable rate - 1% or maximum AED15,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	10,000	Yes	Yes	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	Residential only for expats, looked at on a case-by-case basis	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 25,000 for non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	13,000	No	No	Loan processing fee of 1% on loan amount. 5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 6667 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
"Property Takaful" through AMAN and "Family Protection Plan" through Salama Insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondas and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during June 2007 for **MONEYworks** magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fine print very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Advert

Independent Financial Advisers

UAE

Licence: The UAE Central Bank					
Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.cibme.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsahel.com
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 62658, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	synergy2@eim.ae info@synergyfinancial.ae	www.synergyfinancial.ae
Union National Financial Consultancy LLC	11th Floor, UNB Head Office Building, Salam Street, Abu Dhabi, UAE.	+971-2-678-2822	+971-2-678-2825	unc@emirates.net.ae	www.unfc.ae/

Licence: MoE (Ministry of Economy)					
Name	Address	Telephone	Fax	E-mail	Website
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma-international.com	www.acuma.ae3
GlobalEye	P O Box 24592, Dubai	+971-4-3979550, 800-4558	+971-4-3979551	admin@globaleyeegroup.com	www.globaleyeegroup.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com

Licence: DED (Dubai Department of Economic Development)					
Name	Address	Telephone	Fax	E-mail	Website
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	+971-4-3291614	+971-4-3291619	info@ofsdubai.com	www.ofsdubai.com

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

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

Licensed Financial Intermediaries

UAE

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

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

Disclaimer: This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during June 2007. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae. (Source: UAE Central Bank Website, last updated March 31, 2003)



Letter of the Month

Email: editor@moneyworks.aeLetter of the month wins a complimentary annual subscription to **MONEYworks**.

Dear Editor,

I could not help but roll over with laughter at the words Sheikh Sultan was using in describing this questionable company at best. It is the shareholders who were taken for a ride by the management who went out of their way to waste their shareholders' money.

This company has not fulfilled any of the promises that they promised their shareholders and locked their money for three years doing nothing but getting a fat

salary for keeping the money idle in the bank. Shame on the management to take advantage of the trust bequeathed on them by their shareholders. In any other country, this would be considered mismanagement and the shareholders would be entitled to suing the management for not fulfilling their promise.

Sheikh Sultan should be praised for being the conscience of the market by talking about such a sad episode. He said that he is a shareholder, so I feel his pain. I wonder if

the management of Dana Gas feels it as well? M.K., Dubai

Your letter further reinforces the fact that there are voices that are looking to pose open questions at publicly listed companies. This is essential to build up a robust, healthy market and a good corporate culture in the long term. We at **MONEYworks** hope that we get more such readers writing to us raising issues that concern shareholders, both big and small, because unless we ask questions, we don't get answers.

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.

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



From the Hip
James Thomas

Get started as soon as you can

James Thomas on when and how to start saving and the key elements of a sound financial plan.

QUESTION:

"I'm something of a novice when it comes to financial matters, so bear with me. My wife and I have just had our first child, we're both quite young - in our early twenties - and are still really only just starting to climb the corporate ladder. I have two questions. First, if both parents die and leave behind debt, are the children responsible? And, second, what are the keys elements of a successful saving plan? Is it really as simple as deciding what WE want for our family, or are there other considerations that I should take into account? Plus, how much and how regular do you think is sensible? Thanks, J.O., Dubai."

Everyone has to start somewhere, and it is great that you realise that you have some issues that need to be addressed and are seeking advice. A good adviser will help to educate you and guide you through the maze of financial planning. You will then have a clearer idea of the areas that need to be addressed and the best way to achieve your goals.

Your first question regarding debt is a very interesting one, and there is not a simple answer. It will depend on the type of debt as to whether it would need to be repaid on your death. Debt that is secured against something, for example a mortgage on a property, will still be payable after the death of the debtor. The loan is usually set up in this way to protect the bank, as it is lending a sizeable sum of money.

The asset would have to be sold to repay the outstanding loan, with any residue returned to the deceased's estate, unless of course the deceased had other funds that could be used to repay the debt. However,

it is not actually the children's responsibility to repay the debt, but they could obviously be affected by the sale of the property. This is usually avoided if life assurance is implemented to accompany the loan, so that the loan is repaid on death and the property is then released to the estate without having to be sold.

In the UK, for other debts such as personal loans or credit cards, these will die with the person and will not have to be repaid by the estate. However, here in the UAE, you normally have to supply a blank cheque when you apply for a loan, and I believe it would be presented to repay the outstanding debt on death.

It is also worthwhile putting a power of attorney in place that can be used on death, because as soon as the deceased's bank is informed, their accounts will be frozen until the formalities are completed, which can make things very difficult for the surviving family.

Moving on to the second question, there are a number of key elements to a successful savings plan. Firstly, yes, it really is as simple as deciding what you want for your family. Everyone's circumstances are different, so the solution should be tailored to meet your particular needs.

If you bear in mind the following points when considering your savings plan, you will find the most appropriate policy for you. Consider the investment term and the level of contributions. Your financial advisor will discuss these with you and help you come to a decision that is suitable for you. Then consider where your money is going to be invested, based on your attitude to risk, which again will be discussed during the planning stage of the policy. Once the plan is up and running, it should be reviewed regularly to make sure it continues to

perform as it should and changes can be made if necessary.

When considering how much to invest, it really depends on what you can afford, and also what you want from the policy at the end of the term. Then you can try to match the two. The larger the sum you want at the end of the term, the larger the contributions required to achieve this sum. Sometimes at the start of the policy it is not possible to contribute the amount you need in order to achieve your goal, but it is still better to start at an affordable level than not to start at all, as the early contributions will produce the most growth.

As to how often to save, I would say that monthly is the most popular option, simply because people are generally paid monthly, so the payment can be built into the monthly budget. If the contributions are set at an affordable level, they will not make a large impact on your budget, and after a short period of time will be barely noticed. However, if you prefer, you can contribute quarterly or annually.

Given your circumstances as a young family, it would be useful to carry out a full review of your financial situation to make sure all issues have been reviewed and discussed. As I have mentioned in previous articles, there are three generic questions to assist with your overall financial planning:

- What would happen if you died before you have financial security for your family?
- What would happen if you lived too long and your money runs out?
- And finally, what would happen if you get sick in the meanwhile?

These points may already have been addressed, but a good advisor will run through all the issues relating to these points to make sure you and your family are in a healthy financial position.

HW

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



The importance of family

Family is important, but when it comes to investments, investors must prioritise according to what they want their money to do. **Sheikh Sultan bin Saud Al Qasimi** introspects.

By the time that Gulf Finance House (GFH) lists its GDRs on the London Stock Exchange, it will be one of the most listed firms in the world, counting four stock exchanges which now include the Dubai Financial Market, as well as the Bahrain and Kuwait Stock Exchanges. Investors who have bought into GFH shares have profited handsomely, more so even than those who invested in their funds¹.

Essam Janahi, the dynamic CEO of this relative newcomer to the world of GCC finance, has proven to be shrewd, launching several multi-billion dollars worth of local, regional and international projects in a short span of time. He is one in a list of a few people, including Nemir Kirdar and Atif Abdulmalik, founders and CEOs of Investcorp and Arcapita respectively, who have brought Bahrain back into the financial limelight after years of suffering from allegations of government corruption² and political unrest. GFH's chief executive, who also happens to be chairman of the Bahrain Financial Harbour Holding Co., a subsidiary of GFH, has also been entrusted to supervise the BFH development; coincidentally, the contract for the lead consultant to design the US\$1.3 billion financial free zone was awarded to a firm called Ahmed Janahi Architects³, owned and operated by managing director Ahmad Janahi.

It is also quite a coincidence (there are more than one of them in this case) that Abu Dhabi Investment House (ADIH), the GFH partner of choice in the UAE, the second biggest economy in the MENA region, is a company founded and managed by Rashad Janahi, who happens to be the brother of GFH's CEO. GFH

was kind enough to include the relatively inexperienced ADIH in several of their regional initiatives including the massive US\$8 billion Prince Abdul Aziz Bin Mousaed Economic City⁴ in Saudi Arabia, a spectacular US\$30 billion⁵ Egyptian transportation infrastructure fund and a smaller US\$150 million Shari'ah compliant oil fund⁶, as well as other less extravagant but equally opportunistic collaborations.

But it hasn't been smooth sailing all the way. Early this year, GFH fell into trouble with the Kuwaiti Stock Exchange, which issued a statement to the Kuwaiti press concerning a number of high profile firms including GFH, which did not disclose the names of shareholders with stakes above five per cent⁷. GFH also had its share of trouble in Jordan with the Greater Amman Municipality after a fire broke out on August 25, 2006 on the eighth floor of the 40-storey US\$300 million Jordan Gate project, resulting a full three weeks later in the collapse of the same floor of the building killing four workers and injuring 15 others⁸. Work was suspended and it was revealed that the building contractors had not even received a licence to commence construction, which led to a five month delay - not to mention a barrage of criticism from Jordanian officials concerning location and underrepresented traffic figures⁹, as well as protests over the value of the land sold¹⁰.

GFH, which has a market capitalisation of US\$1.5 billion¹¹, is beyond doubt the star of the sombre Bahrain Stock Exchange. It is also one of the best performing stocks in the GCC region in the past few years, with investments diversified in places ranging from Morocco to India to China. It has a consistently high dividend cash

payout averaging at about 58 per cent in the last four years¹², with regional investment banks regularly including it in their buy recommendations and prestigious awards being bestowed upon it by the likes of the London-based Euromoney journal.

GFH was also a pioneer in developing the highly perplexing pipe-line investment structure to market their new projects. The scheme starts in the Cayman Islands, and after several linked boxes with similar sounding names, ends up owning a smaller part of the firm in which investors were invited to participate in the first place. This pipe-line structure was emulated by other investment banks in the region, including Abu Dhabi Investment House. GFH, to its credit, also publishes a glossy bilingual private placement memorandum with each subscription agreement that includes a glossary as well as a guide to their use of the funds, biography of the management team and a step-by-step guide of how the money will be utilised.

But, ultimately, it all boils down to one single question.

Do superior dividend returns and growth in stock value justify investing in a business with family connections?

You decide.

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(Footnotes)

1 http://cm2.zawya.com/researchreports/kmfefic/20061017_KMEFIC_082107.pdf

2 <http://www.state.gov/g/drl/rls/hrrpt/2004/41719.htm>

3 <http://www.zawya.com/story.cfm/sidZAWYA20030717084808>

4 <http://www.zawya.com/story.cfm/sidZAWYA20060704042521>

5 <http://www.zawya.com/story.cfm/sidZAWYA20060808032842>

6 <http://www.zawya.com/story.cfm/sidZAWYA20070528042708>

7 <http://www.zawya.com/story.cfm/sidZAWYA20070106062207>

8 <http://www.zawya.com/story.cfm/sidZAWYA20060924030644>

9 Ibid

10 <http://www.zawya.com/story.cfm/sidZAWYA20050701070223>

11 <http://www.ft.com/cms/s/75779046-1238-11d0-b963-000b5df10621.html>

12 http://cm2.zawya.com/researchreports/kmfefic/20070205_KMEFIC_064547.pdf