

Best year in UFC's success

UNITED Finance Company (UFC) has come a long way since its inception. It is a major accomplishment by Team UFC. A milestone successfully achieved. This is a benchmark to be proud of and a stepping stone to achieve further milestones. From a very humble beginning in 1997 with \$13.35 million capital with a few employees, today it has reached a capital of RO16 million with 156 employees, seven branches across the country and with a gross loan book size exceeding RO 260 million.

The 'growth for all' vision and mission of UFC had endeared itself by providing timely and optimised levels of finance. In fact, Jamal Said Al Otaifi, Chairman of United Finance Company SAOG, says that one of the most important decisions that proved to be a major turning point was the conscious decision to achieve and maintain a balanced mix of corporate and retail portfolio.

Raghavan K. Murti, CEO of United Finance Company SAOG, attributes the success of UFC to the efforts of the government in giving a conducive atmosphere for the Financial Institutions (FI). "In sporting parlance it's the government which provides the playground, umpires, spectators and regulators. Likewise a sound economy, a growing market, an equal playing field, a booming stock market, a judicious regulator like Central Bank of Oman are the support from the benevolent government of Sultanate of Oman which made us achieve the no. 1 position in the fraternity of FLCs within 10 years despite the market being over 20 years old," Raghavan said.

Central Bank of Oman is the patron and regulator. Being a public company, UFC is equally governed by Capital Market Authority. "We are looking at Ministry of Commerce and Industry for structural corrections like introduction of a leasing law, equity in taxation issues etc.," Raghavan said.

Last few years we have received great boost with the economic development at a very fast pace. The projects of a few billion Riats in implementation and similar numbers in various stages prior to implementation make us buoyant. 2007 is likely to be third year in a row of 25 per cent plus growth for UFC. We attribute this to the visionary government initiatives in infrastructure development."

UFC has introduced its non-conventional product with the brand name "Al Nemu", truly depicting the spirit of non-conventional financing. In non-conventional financing there is no application of interest on the basis of time value of money. Rather a

mutual negotiation with the customer, a profit sharing arrangement or a mark up on the sale and purchase transaction is maintained. Thus non-conventional financing is structured to suit the way of life for the discerning customers.

Yet another initiative from the company to its customers is the Exclusive Ladies Section which provides the required privacy, comfort and convenience of dealing loan related matters through women staff for the lady customers of the company.

The newly custom built Head Office building has a training centre in theatre-style, a library, roof garden, dining hall, work stations with high-tech working environment.

Some of the landmark achievements during these 10 years of excellence are: 1997 - IPO of RO 5.19 million was oversubscribed by 109 times, setting an unbroken record. Company has at present around 1,000 shareholders.

1998 - First NBF1 to be licensed by Central Bank of Oman for working capital financing.

- Further proving its commitment to SME's, UFC becomes the first NBF1 to introduce composite loans for SME's.

1999 - Secured Central Bank of Oman's approval for debt factoring and financing of receivables.

2000 - Winner of Oman Award for Excellence as the Investment Project of the year 2000.

- UFC begins to provide its stock to its employees, annually.

2001 - Established branches in Ibra, Firg and Falaj Al Qabail.

Took lead in sponsoring first GCC SME Summit in Oman and continues to do so as a member of Gulf SME advisory board.

2002 - First company to issue convertible bonds to general public in Oman.

- First NBF1 in Oman to get a credit rating.

- Established branch office in

Salaha.

- Took on board ten young Omanis for a structured training programme in an arrangement with the Ministry of Manpower.

2003 - Successful completion of rights issue of 945,000 equity shares.

- First company to get its shares listed on Bahrain Stock Exchange denomination in US dollar.

- Begins to consistently receive the Green Card status from the Ministry of Manpower for successful Omanisation programme.

2004 - Successfully completed a private placement of 1,121,937 shares with a financial institution in Kuwait.

- Successful completion of second public issue of bonds. Issued secured floating rate non-convertible bonds aggregating to RO 4 million.

2005 - Opening of new branch office in Bri.

- First NBF1 to offer loans with insurance, introducing 6 Year Complete Car loan - a completely new finance product for retail customers.

- Successful completion of second rights issue to its shareholders.

- Recognised as the No. 1 finance company in Oman by *Business Today* in the first ever ranking of finance companies.

2006 - Laying of foundation and commencement of construction of own office premises in Watayah.

- Launching of Corporate Deposit programme.

- Induction of 12 young Omani trainees in coordination with Ministry of Manpower.

2007 - Opened branches in Barka and Mawalah.

- Established a Ladies Section to exclusively cater to the needs of lady customers.

- Introduced a new product called 'Al Nemu' non-conventional financing.

- Opened its own customised new Head Office in Watayah

The year 2007 would be one of the best years amongst the 10 years of UFC's success story - very fitting to this joyous occasion. We expect assets to grow over 50 per cent and profits to grow over 100 per cent above 2006 numbers. Hats off to the team."

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