



ANNUAL REPORT 2023



اتحاد مصارف الإمارات
UAE BANKS FEDERATION



UAE Banks Federation
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Chairman's Message



In 2023, the banking sector in the UAE achieved strong growth, and exceptional achievements. The innovative and diversified initiatives, along with the stable investment and economic environment in the UAE, have succeeded in realizing continued growth and prosperity despite the uncertainty in the global economy.

UAE Banks Federation (UBF) has accomplished many achievements, continuing its role in facilitating cooperation, coordination and interaction with strategic partners to develop the banking sector in the country. This has been in alignment with the vision of the wise leadership and the directives of His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice-President and Deputy Prime Minister of the UAE, Chairman of the Presidential Court, Chairman of the Board of Directors of the Central Bank of the United Arab Emirates, and in full cooperation with the Central Bank of the United Arab Emirates, supported continuously by all members of UBF and its partners in the state.

The achievements of UAE Banks Federation, during its journey of more than four decades since 1982, provide a solid foundation to showcase our ability to deal with the challenges and developments witnessed by the banking and financial sector locally, regionally and globally. This enhances transparency, governance, compliance and the application of the highest standards, consolidating the UAE's position among



the most prominent financial centers in the world, characterized by high levels of transparency and discipline. This confirms the importance of the efforts exerted by UBF in its constant endeavor to support the application of the best banking practices by all its members, the provision of digital channels and technological infrastructure, the innovation of advanced digital solutions and the fight against fraud. This is done hand in hand with UBF's strategic partners, such as the Central Bank; Police of Abu Dhabi, Dubai, Sharjah and Ajman; the Cybersecurity Council; the Telecommunications Regulatory Authority; the Securities and Commodities Authority; the Ministries of Finance, Justice and Economy; Dubai Courts; the Dubai Judicial Institute; the Dubai and Abu Dhabi Global Financial Markets; among others, all aiming to provide a secure and seamless banking experience.

During the past year, UBF continued to cooperate with its strategic partners to ensure that regulations, policies and best practices are in line with the international systems and regulations, aligning with the UAE strategies and the vision of its wise leadership. UBF also continued its efforts to support the acceleration of the digital transformation journey and innovative solutions that employ artificial intelligence, blockchain and data analytics, to provide services tailored specifically to meet the requirements and expectations of all customers, while ensuring that the digital infrastructure of cybersecurity is enhanced to provide a secure and seamless banking experience for all customers.

The performance of the banking and financial sector in 2023 has shown its resilience and ability to face challenges. We witnessed a remarkable growth in assets, credit, deposits and investments, with good levels of provisions to face any emerging emergencies, with a stable outlook, high levels of liquidity and strong capitals, supported by the strength and solidity of the UAE national economy. This reflects the success of the strategies and policies of the Central Bank of the United Arab Emirates in setting the necessary frameworks to achieve sustainable growth

in the country. These successes motivate us at UBF to continue our achievements and play our role in developing the sector to contribute to sustainable economic development, which is a key pillar to achieve the objectives of UBF members in providing safe and seamless banking services to various customers in the country, and strengthen the UAE's position as a leading financial and banking center.

It is worth noting that the banking sector in the UAE has ranked first globally in the customer satisfaction index according to the annual confidence index survey for 2023. The survey was conducted by UBF in cooperation with a global institution specialized in studies, data and market research in the field of financial and banking services. The customer satisfaction index increased to 90% in 2023, compared to 84% in 2022. This reflects the continuous development of the UAE banking sector, and its progress on global and leading financial and banking centers.

In 2023, the UAE succeeded in bringing the world together, uniting efforts, reaching an international consensus, and putting the world on the right path of climate action after reaching the historic "UAE Agreement", which was agreed upon by 198 parties from around the world. This established new standards for global climate action through the UAE's organization of the United Nations Climate Change Conference (COP28), which was a testament to the country's leading position in addressing global environmental challenges.

In line with this major global event, UAE Banks Federation (UBF) announced its initiative to provide support for sustainable finance worth AED 1 trillion by 2030 to deepen and accelerate the transition to sustainable practices in the banking and financial sector and contribute to enhancing the UAE's sustainable financing ambitions.

The total assets of the banking sector in the country exceeded the AED 4 trillion barrier for the first time in its history, according to Central Bank statistics. This enabled the UAE to consolidate its position among

the most prominent financial centers in the world. The efforts exerted in the country contributed to attracting the most prominent asset management institutions and developing local institutions specialized in this field, in light of the developed financial markets and legislative and regulatory frameworks that keep pace with the latest trends in global markets. This established the UAE's position as a destination for managing assets and wealth in the region. The signing of the MoU with the Securities and Commodities Authority (SCA) is an example of the continuous cooperation between the two parties to work together to improve the investment environment as well as asset and wealth management, aligning with the vision of the Central Bank of the UAE and the directives of all stakeholders in the financial and economic sector in the country. We take this opportunity to thank all members of the UBF and its advisory and technical committees, which play a vital role in exchanging banking knowledge and expertise to enhance cooperation and develop unique banking policies and initiatives to keep pace with developments in the sector.

In conclusion, on my own behalf and on behalf of all the members of the Board of Directors of UAE Banks Federation, I would like to express our deep gratitude to the Central Bank of the UAE for its constant support and guidance for all our initiatives. We are confident that we will continue to work with the Central Bank, our valued strategic partners and members of UAE Banks Federation to contribute to elevating our beloved country in the world. We aim to direct the helm of our banking and financial sector so that its competitive performance will continue to be the highest in terms of strength, protection, efficiency, solvency and flexibility. Again, thanks also to the Ministry of Community Development and the Department of Community Development (Abu Dhabi).

AbdulAziz Abdullah Al-Ghurair
Chairman of UAE Banks Federation



UAE Banks Federation

Established in 1982, UAE Banks Federation (UBF) is a professional representative body of member banks and special status members operating in the UAE. It advocates members' interests and enhances cooperation and coordination among them so as to upgrade the banking industry for the benefit of the overall financial sector and national economy.

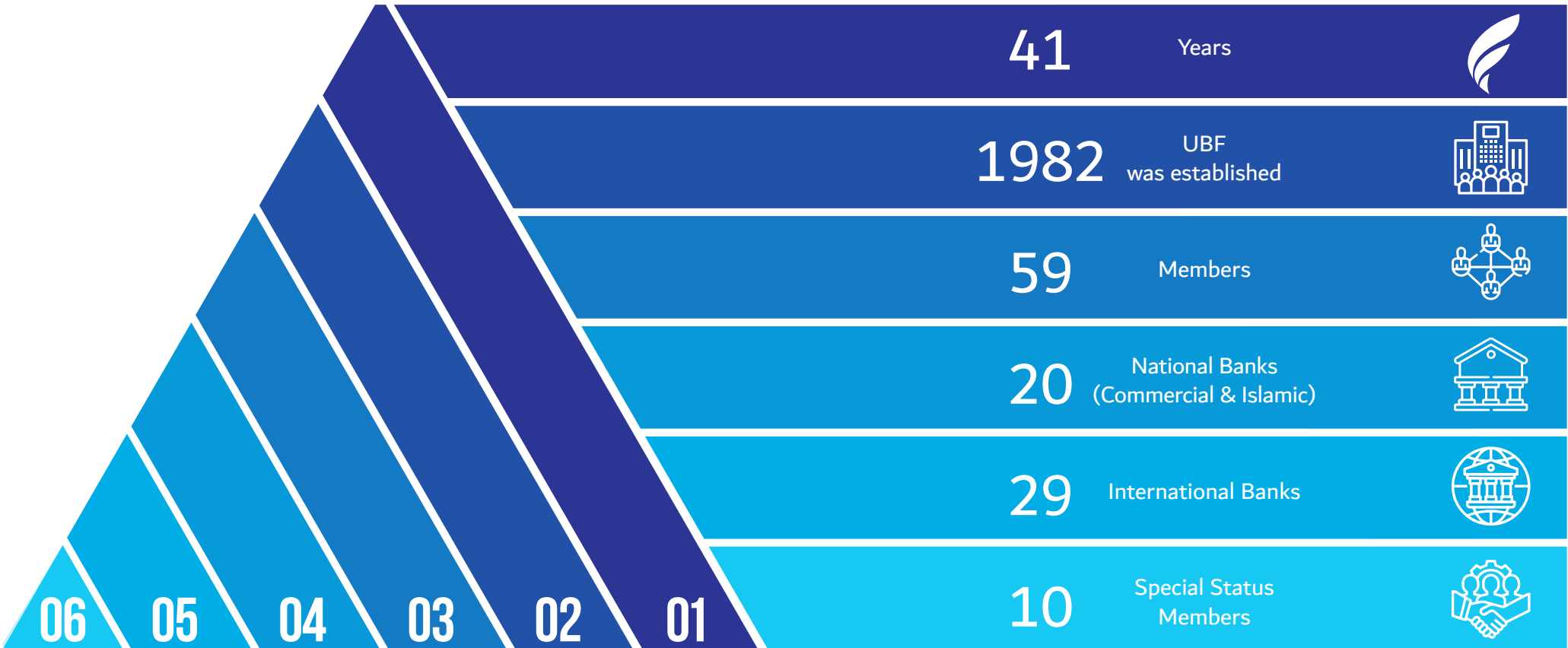
UBF is managed by a nine-member Board of Directors elected every three years. The Board of Directors is responsible for planning, policy-making and supervision of UBF's activities. The Board of Directors is chaired by H.E. AbdulAziz Abdullah Al-Ghurair, Chairman of Mashreq Bank.

The Advisory Council of Chief Executive Officers/ General Managers consists of the CEOs of the national banks in addition to the largest international and GCC Banks, who oversee policy implementation, follow up on UBF's activities and take the necessary decisions for the banking sector.

The 26 technical committees and 3 advisory committees are specialized in all banking domains. They prepare studies on all topics related to the banking industry, which are then referred, by the General Secretariat, to the Advisory Council for approval.

UBF has also formed a CEO's consultative council in 2022. The council comprises of the high level management of UBF members.

UBF has reached 59 members in 2023.



Profile

UAE Banks Federation (UBF), a not-for-profit organization representing 59-members operating in the country, is the sole representative for the UAE financial sector. Being the official representative body of the rapidly growing banking industry in the UAE, UBF considers the provision of exceptional professional representation and distinctive collective voice for UAE banks to be its foremost mandate.

Since its inception in 1982, UBF continues to advocate the interests of its members; providing a platform that facilitates the exchange of knowledge and experience. It also facilitates enhanced cooperation, communication and interaction with stakeholders in order to upgrade and develop the UAE financial industry. UBF

addresses prevailing market challenges faced by members by innovating solutions that enhance governance standards, legal frameworks and encourages the adoption of best banking practices. It also plays a fundamental role in raising public awareness about the distinctive financial, economic and social contributions of members.

All 59 members lend their experience and expertise within the organization regarding pressing issues relevant to policy, management, finance and the economy. The members consist of 20 national banks (Commercial and Islamic), 29 international banks, and 10 special status members. They are all expected to comply with the standards of ethics and conduct set forth by UBF. The Federation

enables its members to build competitive and sustainable businesses to support the economy, its customers and society.

With a mission to advance the UAE banking sector, UBF and its committees are focused on collaborative efforts between members, consumers and financial stakeholders. UBF has 26 diversified technical committees and 3 advisory committees comprising thought leaders and market experts who together offer extensive expertise on different banking sub-sectors. The technical and advisory committees contribute significantly to facilitating the exchange of banking expertise and knowledge, enabling members to collaborate while developing new banking policies and initiatives.



Our Views

UAE Banks Federation (UBF), established in 1982 is the sole representative for the UAE financial sector, with 59 members bank on board.

As the official representative body of the rapidly growing banking industry in the UAE, UBF considers the provision of exceptional professional representation and a distinctive collective voice for UAE banks and special status members to be its foremost mandate. Its primary aim is to make the UAE banking sector grow in a sustainable way that benefits, protects and enhances the interests of banks, consumers, society and the economy of the UAE.

Mission

Promote cooperation, communication and interaction among members on common issues.

Represent and advocate the interests, needs and concerns of the banking community.

Empower and upgrade banking performance standards and the quality of human capital in the banking sector, especially Emarati cadre, to be in line with best international practices.

Enhance visibility, promote the image of the banking industry, and elevate public awareness regarding the valuable and unique financial, economic, and social contributions made by the members.

Facilitate platforms for members to exchange ideas, share opinions, and updates.

Offer representational leadership for members through the development of solutions that meet the changing needs of the marketplace.

Assist and enable members to build competitive and sustainable businesses which support customers, society and the economy.

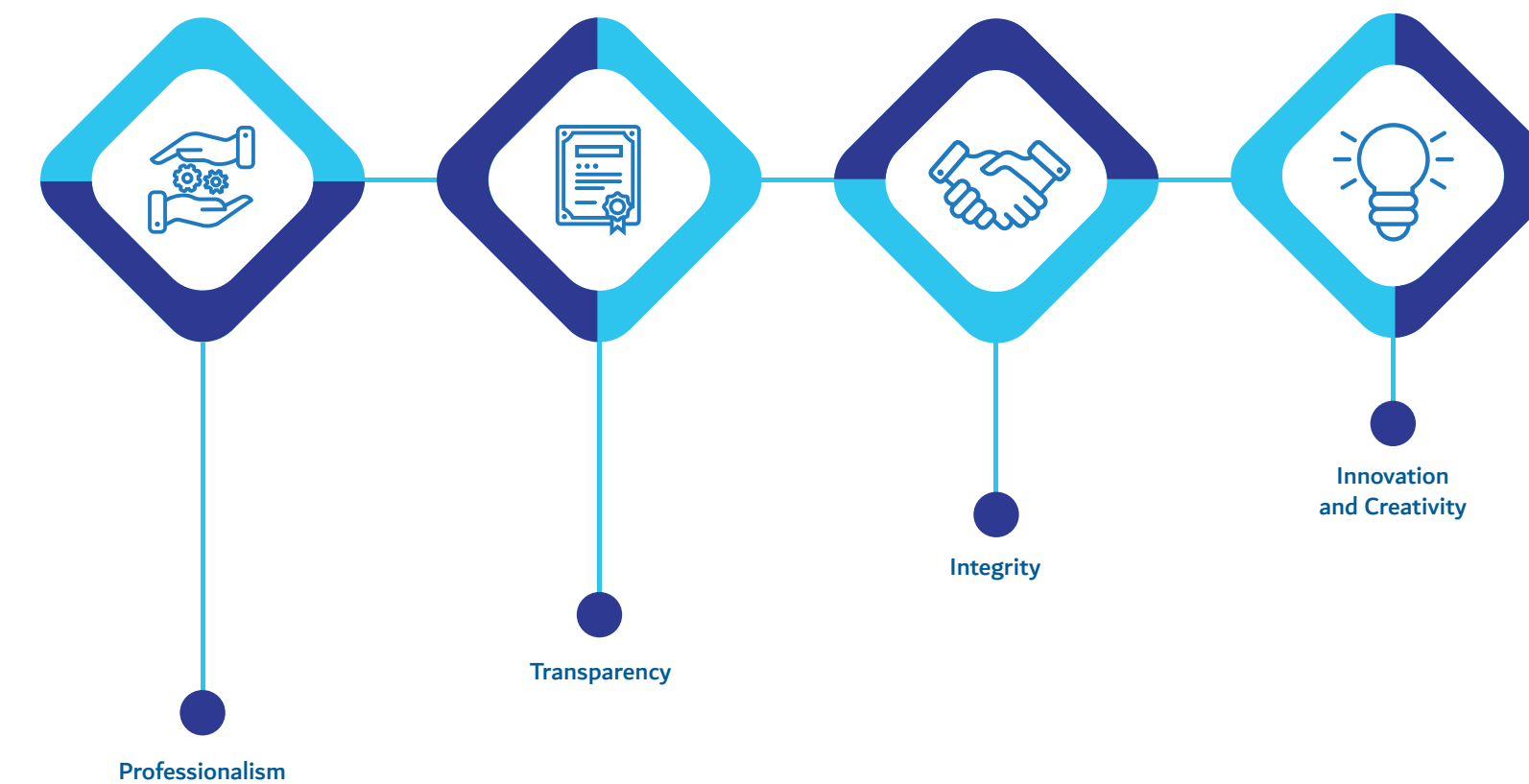


Vision

To be recognized as:

- ◆ The distinguished professional representative.
- ◆ The collective voice of the banking industry in the UAE.

Values





Governance

UBF advocates sound governance model to ensure clear responsibility and accountability to drive transparency and build stakeholders' trust in the activities of UBF to support and advance the banking sector and manage possible threats and opportunities.

UBF's governance model is distinguished by five tiers that address strategic vision, supervision, execution and follow up respectively.

1

Chairman and Board of Directors
Sets the strategic direction of UBF.

2

CEOs' Advisory Council
Provides support to the Board of Directors and supervises the operations of UBF and its technical committees.

3

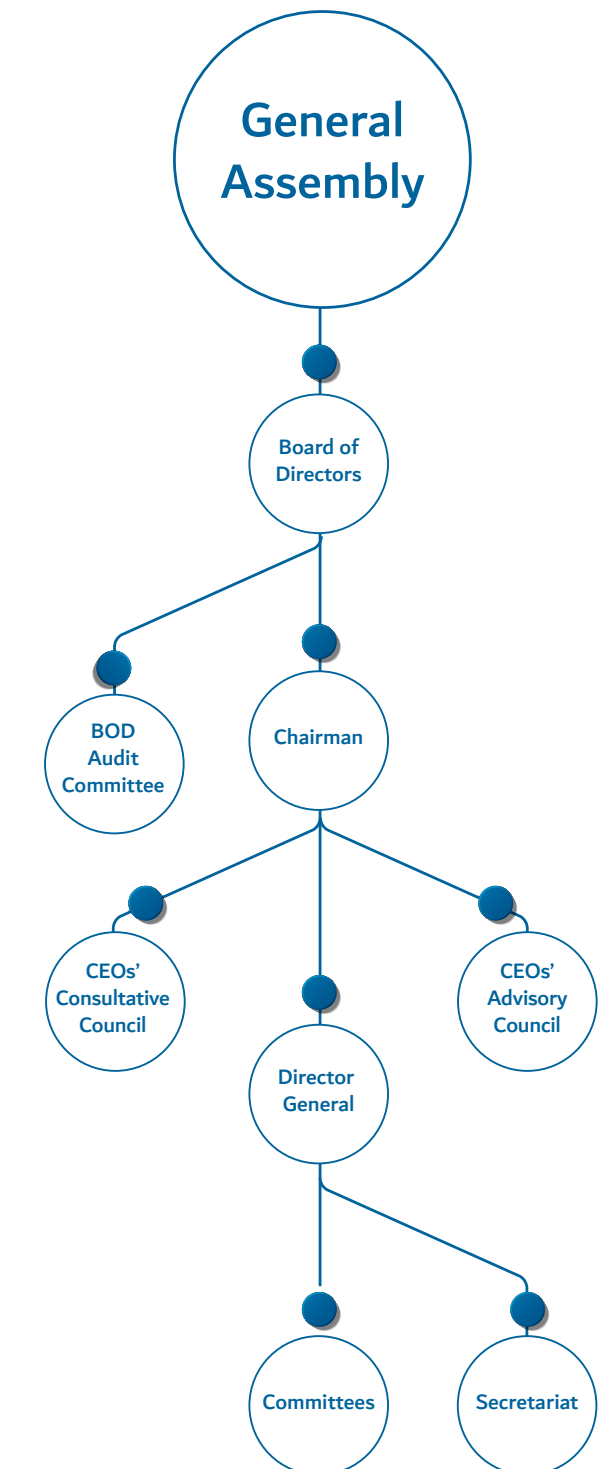
CEOs' Consultative Council
Serves as a complementary entity to the CEOs' Advisory Council. It offers advice to the Board of Directors and provides oversight of UBF and its technical committees. This council facilitates the expression of CEOs' perspectives, thereby enhancing broad-based participation in decision-making processes.

4

Director General
Leading and overseeing the daily operations of the Federation, including the establishment and composition of UBF Committees, and the successful execution of all mandated initiatives.

5

UBF Technical Committees
Execute and institute UBF's mission while balancing policy goals and safeguarding the banking industry's integrity, efficiency and factuality.





Board of Directors

UBF Board of Directors comprises nine members who are elected every three years. It provides strategic direction and guidance in line with the vision and mission of UBF. The Board's role involves providing governance and responsive leadership on strategic issues concerning the UAE banking sector.

The Board is also responsible for planning, policy-making and supervision of UBF's activity.



H.E. AbdulAziz Abdullah Al-Ghurair
Chairman - Mashreq Bank



H.E. Mohammad Omran Al Shamsi
Vice Chairman - National Bank of Ras Al Khaimah



H.E. Ahmed Julfar
Member - Commercial Bank of Dubai



H.E. Hamad Mubarak Bumaim
Member - Dubai Islamic Bank



H.E. Ahmed Mohamed Sultan Al Dhaheri
Member - First Abu Dhabi Bank



Dr. Sulaiman Mousa Al Jassim
Member - National Bank of Fujairah



Ms. Maha Al Qattan
Member - Abu Dhabi Islamic Bank



Mr. Marwan Hadi
Member - Emirates NBD



Mr. Adnan Al Ismail
Member - Abu Dhabi Commercial Bank



Board of Directors Meetings

UBF Board of Directors (BOD) held its 1st meeting for the year 2023 on 16th March 2023. They reviewed the latest developments in the banking sector, as well as UBF's initiatives aimed at developing and sustaining a thriving banking sector in the UAE.

The BOD discussed the mutual/joint initiatives UBF has with CBUAE. The meeting also highlighted UBF technical committees' 2023 endeavors and projects, reviewed the notes and observations of UBF BOD's Audit Committee, the estimated budget for 2023, UBF's strategic plans for 2023, and UBF's memberships, including new members who joined UBF in 2022 & 2023. Additionally, they reviewed UBF's 2022 Annual Report, UBF's 2022 audited financial statements, the auditors' report, and the agenda for UBF's ordinary general assembly meeting.

The UBF Board of Directors (BOD) held its 2nd meeting for the year 2023 on 20 November 2023, and reviewed latest developments in UAE banking sector, as well as UBF's initiatives that are aimed at developing and sustaining a thriving banking sector in the country.

The UBF BOD discussed the mutual/joint initiatives which UBF has with CBUAE. The BOD also reviewed the notes of UBF BOD's Audit Committee, estimated budget for 2024, UBF's strategic plans for 2024, and UBF's memberships, including new members who joined UBF in 2023. Additionally, they reviewed UBF activities until September 2023, UBF's new logo, and the MoU between UBF and Binance.



General Assembly Meeting

UBF's Ordinary General Assembly Meeting (AGM) was held on 13th April 2023 via video conference, after obtaining the approval from Abu Dhabi Department of Community Development (ADDCD) to hold the meeting.

During the meeting, members reviewed and approved the minutes of the previous General Assembly Meeting (held on 21st April 2022), and absolved UBF's Board of Directors and Auditors for the financial year ending 31st December 2022. Members also approved the Annual Report for the year 2022, the Audited Financial Statements and the Auditors' Report for the year 2022, and the appointment of Auditors for 2023. Members also approved the objectives and strategic plans for 2023, which aim to further develop the banking sector and strengthen its position. The objectives of the plan include strengthening Emiratisation in line with the UAE banking sector's goal of employing 5,000 UAE nationals by 2026 to increase Emirati participation in the banking and financial sector.

Members commended the initiatives and programs undertaken by UBF in the past year, underlining the importance of the national anti-fraud campaign, which has helped to raise customer awareness and strengthen confidence in the banking and financial sector. The meeting renewed its support for the awareness and training programs and workshops organized by UBF to enhance knowledge of the latest developments and provide appropriate platforms for exchanging ideas and opinions that contribute to the advancing banking sector.

Participants at the meeting highlighted the valuable efforts of UBF in advancing cybersecurity, increasing the level of security and protection of digital infrastructure, and raising awareness, such as the organization of the largest cyber wargame in October 2022, which contributed to capacity building detection and mitigation of cyberattacks. They also underlined the importance of such workshops for sharing experiences and knowledge to improve the banking sector's preparedness against threats.

Members called for the continuation of initiatives to support small and medium enterprises by providing banking services that support the essential role played by them in the country's economic development. Participants also praised the role of the UBF General Secretariat in

strengthening cooperation with banking associations and federations in friendly countries, thus enabling dialogue and knowledge sharing.

Members also commended the role of the General Secretariat in expanding membership by adding more regional, international, and digital banks operating in the country, contributing to increased cooperation among all banks and financial institutions under the Federation, which now has 59 members.

H.E. UBF Chairman thanked CBUAE, UBF Board members, and all UBF members for their significant role in 2022. Chairman also thanked the Abu Dhabi Department of Community Development team and The Ministry of Community Development representatives for their attendance.





CEOs' Advisory Council

UBF is guided by a CEOs' Advisory Council comprising Chief Executive Officers and General Managers from 22 national, GCC and international banks.

With a mission to empower and enhance the potentiality of the UAE banking sector, the Council convenes regularly throughout the year to develop UBF's strategies, oversee the implementation of policies and supervise the initiatives of the technical committees.



Hana Al Rostamani
Group CEO
First Abu Dhabi Bank



Ala'a Eraiqat
Group CEO
Abu Dhabi Commercial Bank



Shayne Nelson
Group CEO
Emirates NBD



Raheel Ahmed
CEO
RAKBANK



Maria Ivanova
CEO
Citi Bank UAE



Nasser Al Awadhi
CEO
Abu Dhabi Islamic Bank



Mustafa Al Khalfawi
CEO
Ajman Bank



Ali Sultan Rakkad Al Amri
CEO
Commercial Bank International



Adnan Al Awadhi
CEO
National Bank of Umm Al Quwain



Ahmed Abdelaal
Group CEO
Mashreq Bank



Rola Abu Manneh
CEO
Standard Chartered Bank



Adnan Chilwan
Group CEO
Dubai Islamic Bank



Charles Doghlass
Acting CEO
Al Masraf



Bernd van Linder
CEO
Commercial Bank of Dubai



Shirish Bhide
CEO
United Arab Bank



Ahmad Abu Eideh
CEO
Invest Bank



Vince Cook
CEO
National Bank of Fujairah



Andrew Mortimer
CEO
Barclays Bank



Omar Wahby
CEO
Al Ahli Bank of Kuwait



Feras Darwish
CEO
Arab Bank



Ahmed Al-Naqbi
CEO
Emirates Development Bank



Khaled Abbas
Regional Director - UAE
Gulf International Bank



CEOs' Advisory Council Meetings

During its 1st meeting of 2023, UBF's CEOs Advisory Council discussed UBF's key initiatives and latest developments in the banking industry as well as UBF's projects that are aimed at developing and sustaining a thriving banking sector in the UAE.

During the meeting, the Council reviewed UBF's various discussions with CBUAE and UBF committees' proposals on the following issues: Secured Lending (New CBUAE Law), CBUAE/UBF discussions, CEOs and Committees members attendance, Incentive Scheme (clawback table), LG Format template (Advance payment guarantee format), and National e-KYC.

Further, UBF DG briefed CEOs on several recent letters sent to CBUAE and other stakeholders based on requests from UBF Committees such as: UBF OpsCom's request to extend deadline for CBUAE Notice on "Outsourcing Services to CIT Companies in UAE", UBF's Meeting with FERG (and its secretary) on 9th February, UBF's letter to Abu Dhabi Police suggesting the formation of a "high-level committee" with Dubai Police, UBF, Cyber Security Council, CBUAE, and others to fight Cyber Fraud, UBF's discussion with Federal National Council regarding the impact of market regulations on economic changes in the country, UBF's discussion with MoF on "Personal Insolvency Law", HSA's discussion on "Calculation of profit amount of long-term Murabaha and profit of short term", CBUAE Open Finance implementation plan, UBF and U.S. Treasury cybersecurity team meeting,

UBF's discussion with MoE regarding M2 Project: Making the UAE a Capital of Wealth.

Additionally, the DG updated attendees on UBF's other activities including forming new "Transaction Banking Committee", Arab Financial Services (AFS) membership at UBF (new member), Edward Altman's session on "Where are we in the credit cycle, and SME credit dynamics", UBF's virtual webinar on "Countering Trade-Based Money Laundering (TBML)" held on 28th February, UBF's virtual webinar on "Plan for the LIBOR Transition with global expertise" held on 20th February, the MoU signed between UBF and Azerbaijan Banks Association, and other additional topics raised by members regarding foreign banks corporate tax and UBF ESG project.



During its 2nd meeting of 2023, UBF's CEOs Advisory Council discussed UBF's key initiatives and latest developments in the UAE banking industry as well as UBF's projects that are aimed at developing and sustaining a thriving banking sector in the UAE.

During the meeting, the Council reviewed UBF's various discussions with CBUAE and UBF committees' proposals on the following issues: Secured Lending (New CBUAE Law), UBF Trust Index report for 2022, UBF's revised NDA, SCA Collaboration, Year of Sustainability, Emiratization/Point System, FPC proposal on mandating checking IBAN against account name for all banks in the UAE as part of Beneficiary Validation, National e-KYC, High-level committee (to peruse with AD/Dubai Police and others to form high-level committee to combat fraud on country level), and Foreign Banks corporate tax.

Further, UBF DG briefed CEOs on UBF's several recent letters sent to CBUAE and other Stakeholders based on requests from UBF Committees such as: MoF's invitation to attend UAE-Switzerland Financial Dialogue, Swiss Banking Association-UBF Cooperation, Meeting with Austrian Bankers' Association (Bankenverband), CBUAE-UBF Digitalization Forum (held on 10th May), meeting between FIU and UBF Fraud Prevention Committee to curtail frauds, CBDC mBridge project and Issuance Layer.

Moreover, another point was raised regarding NPSS and Domestic Card Scheme in terms of operational challenges faced by some banks.

During its 3rd meeting of 2023, UBF's CEOs Advisory Council (CADV) discussed UBF's key initiatives and latest developments in UAE banking industry as well as UBF's projects that are aimed at developing and sustaining a thriving banking sector in the country.

During the meeting, the Council reviewed UBF's various discussions with CBUAE, and UBF committees' proposals on the various issues including: National e-KYC Project, UBF's Domestic Card Scheme, UBF's Unified LG Format Template, Emiratization/Point System, implementing IBAN Validation solution, Secured Lending notice, 2nd Report on Score/Collective Index for Banking Industry, Global Wealth Hub Initiative, draft Credit Risk Standards, 3rd National Cyber Wargaming (CWG) Exercise, Further, UBF DG briefed CEOs on UBF's several letters sent to CBUAE and other stakeholders, many are based on requests from UBF Committees, such as: New VAT Recordkeeping Requirements for E-commerce transactions.

During its 4th meeting of 2023, UBF CEOs' Advisory Council (CADV) discussed UBF's key initiatives and latest developments in UAE banking industry as well as UBF's projects that are aimed at developing and sustaining a thriving banking sector in the UAE.

During the meeting, CADV reviewed UBF's various discussions with CBUAE, UBF committees' proposals on various issues including Consumer Protection Regulation (CPR), UBF's project on "Impact Assessment of Federal Decree on Lending", and Emiratization Strategy.

UBF Director General briefed CEOs on UBF's letters that were sent to CBUAE and other stakeholders, many were based on requests from UBF Committees, such as: IPI Threshold Increase and Pricing Review, challenges for the banking industry, AFAQ Advisory Forum's Meeting, UAEPass and banking services discussion (with TDRA, CBUAE, and UBF FPC), CBUAE technical session on CBDC mBridge and Issuance Layer Onboarding, and an update on launch plans for ADGM's SME Financing Platform (Numou).

Also, DG updated attendees on UBF's other activities including UBF's new logo, National Day video, update on UBF Committees Governance, Sibos 2028, unification of ATMs, and CBUAE's session at COP28. Additionally, attendees discussed topics proposed by attendees.



CEOs' Consultative Council

The UBF CEOs' Consultative Council, was established in accordance with the resolutions passed by the General Assembly and the Board of Directors of the UBF during the December 2021 and April 2022 meetings, as a complementary body to the UBF CEOs' Advisory Council, allowing the CEOs to express their opinions and making use of their wide expertise in order to deepen the base of participation in decision-making.

The new board is an important pillar for the UBF along with the CEOs' Advisory Council, which carries out its role in representing the banking sector in the best way since its establishment ten years ago, making the two boards a comprehensive advisory platform in which various issues that are in the interest of the banking and financial sector in the UAE in particular, and the country's economy in general.



Francois Regnier
CEO
BNP Paribas



Mohammed Al Marzouqi
CEO
HSBC Bank Middle East



Farid Al Mulla
CEO
Emirates Islamic Bank



Moh'd Ali Jawaid
CEO
BOK International Bank



Khalid Alawadhi
Country Manager - UAE
Al Khaliiji (France) S.A.



Mohamed Ahmad Abdulla
CEO
Sharjah Islamic Bank



Hatem Masmoudi
CEO - MEA
Crédit Agricole Corporate and
Investment Bank



Mohammed Khayata
CEO
Al Maryah Community Bank



Mohanad Al-Borno
CEO
National Bank of Kuwait



Waldemar Rotfuss
CEO
Deutsche Bank



Rania El Sheimy
Country Head - UAE
Arab African International Bank



Mohamed Khadiri
CEO
Bank of Sharjah



Gudni Stiholt Adalsteinsson
Acting CEO
Doha Bank



Jagdish Tungaria
CEO
Bank of Baroda



Sun Gang
General Manager
Industrial & Commercial Bank of China



Zahid Hussain
General Manager
United Bank Limited



Hojatolla Malek Mohammadi
Acting Regional Manager
Bank Saderat Iran



Abdul Shakeel Aidaroos
CEO
Al Hilal Bank



Walid Muncef Koubaa
CEO
Habib Bank Limited



Michel Adwan
Country Manager
Banque Banorient



Gaurav Shah
CEO
Emirates Investment Bank



Jamal Alvi
CEO
Habib Bank AG Zurich



Khaled El Bialy
CEO
Banque Misr



Manbir Dhillon
General Manager
Saudi National Bank



Yogesh Kale
CEO
National Bank of Bahrain



Jie Chen
General Manager
Bank of China



CEOs' Consultative Council Meetings

The CEOs Consultative Council of UAE Banks Federation, the representative and unified voice of banks in the UAE, held its first meeting of the current year on 21 March 2023 under the chairmanship of H.E. Mohammed Omran Al Shamsi, Vice Chairman of UAE Banks Federation and Chairman of the CEOs Consultative Council, which was attended by the Chief Executive Officers and Managing Directors of member banks operating in the UAE.

The meeting discussed developments in the banking and financial sector, the Federation's plans for the current year and the progress the Council has made since its inception in line with the decisions of UAE Banks Federation General Assembly and the Board of Directors.

Participants at the meeting called for the continuation of efforts by UAE Banks Federation under the direct supervision and guidance of the Central Bank of the UAE to maintain the highest level of governance, transparency and risk management in the sector. They commended the ongoing initiatives by the Federation to combat fraud and in advancing of the digital infrastructure of the banking sector to ensure the provision of safe and smooth banking services.

The CEO Consultative Council welcomed Hatem Masmoudi, CEO of Crédit Agricole Bank in the UAE, to participate with other members of the Council to expand the participation in the decision-making to support the role of UAE Banks Federation in the development of the financial and banking sector in the country.

Members of the Council reviewed plans and topics of the specialised workshops and meetings that the Federation intends to organise in the coming period as part of its annual plan to keep pace with the rapid developments in the banking and finance sector to ensure that its members adopt the best banking practices and stressed the importance of coordinating with the various committees under the Federation to advance their efforts.

Mr. Jamal Saleh, Director General of UAE Banks Federation, presented an overview of the programmes and initiatives that UAE Banks Federation plans to implement in 2023 to consolidate the leadership position of the banking and finance sector in the UAE and to develop, implement and follow the latest systems and policies, especially in terms of compliance, governance and transparency.

He praised the efforts of UAE Banks Federation in promoting Emiratisation and the adoption of the Emiratisation Plan in the banking and financial sector last year (2022) under the supervision of the Central Bank of the UAE, which aims to employ 5,000 UAE Nationals in banks and insurance companies by 2026 in coordination with financial institutions and banks operating in the country to strengthen the base of UAE National working in banks and insurance companies.

Notably, the establishment of the CEOs Consultative Council complements the CEOs Advisory Council, enabling the CEOs from all member banks to express their views and benefit from their extensive experience and deepen the basis for participation in decision-making. The Consultative Council is an important pillar of the Federation alongside the CEOs Advisory Council, which has represented the banking sector optimally since its inception 11 years ago. The two councils provide a consultative platform to discuss banking-related issues and make decisions that strengthen UAE Banks Federation's role in supporting the development of the banking sector in the UAE in particular and the country's economy in general.



UBF's CEOs Consultative Council (CCON) held its 2nd meeting of 2023 on 26th September 2023 in Ras Al-Khaimah highest mountain. H.E. Mohammed Omran Al-Shamsi, Vice Chairman of UBF's Board of Directors and Chairman of RAKBANK, welcomed attendees and stated that the aim of the meeting is to discuss agenda items which usually made mostly similar to the agenda of UBF's CEOs Advisory Council (CADV) meeting that was held on 25th September 2023, then to update members on what was agreed on during the said CADV meeting in regards to each agenda item. He also encouraged members to share suggestions/ideas/views throughout the meeting. Vice Chairman also welcomed the new CEOs who will present their banks on the council, namely: CEO of EIB, CEO of BOS, CEO of NBK, and GM of Bank of China.

During the meeting, CCON members reviewed the following topics: Unified LG format template, CBUAE Prioritization of Projects, Implementation Plan of Domestic Scheme/NPSS and Open Finance, 2nd Report of Score/Collective Index for Banking Industry – Ethical Selling Framework, Global Wealth Hub Initiative, Credit Risk Standards,

National Cyber Wargaming (CWG) Exercise.

Members also discussed topics including the Foreign Banks Emiratisation Target Point and overall Emiratisation percentage requirement, Economic Substance Regulation (ESR), and the New Corporate Tax Law in the UAE and its implementation, considering the existing tax of 20% applied on Foreign Banks.

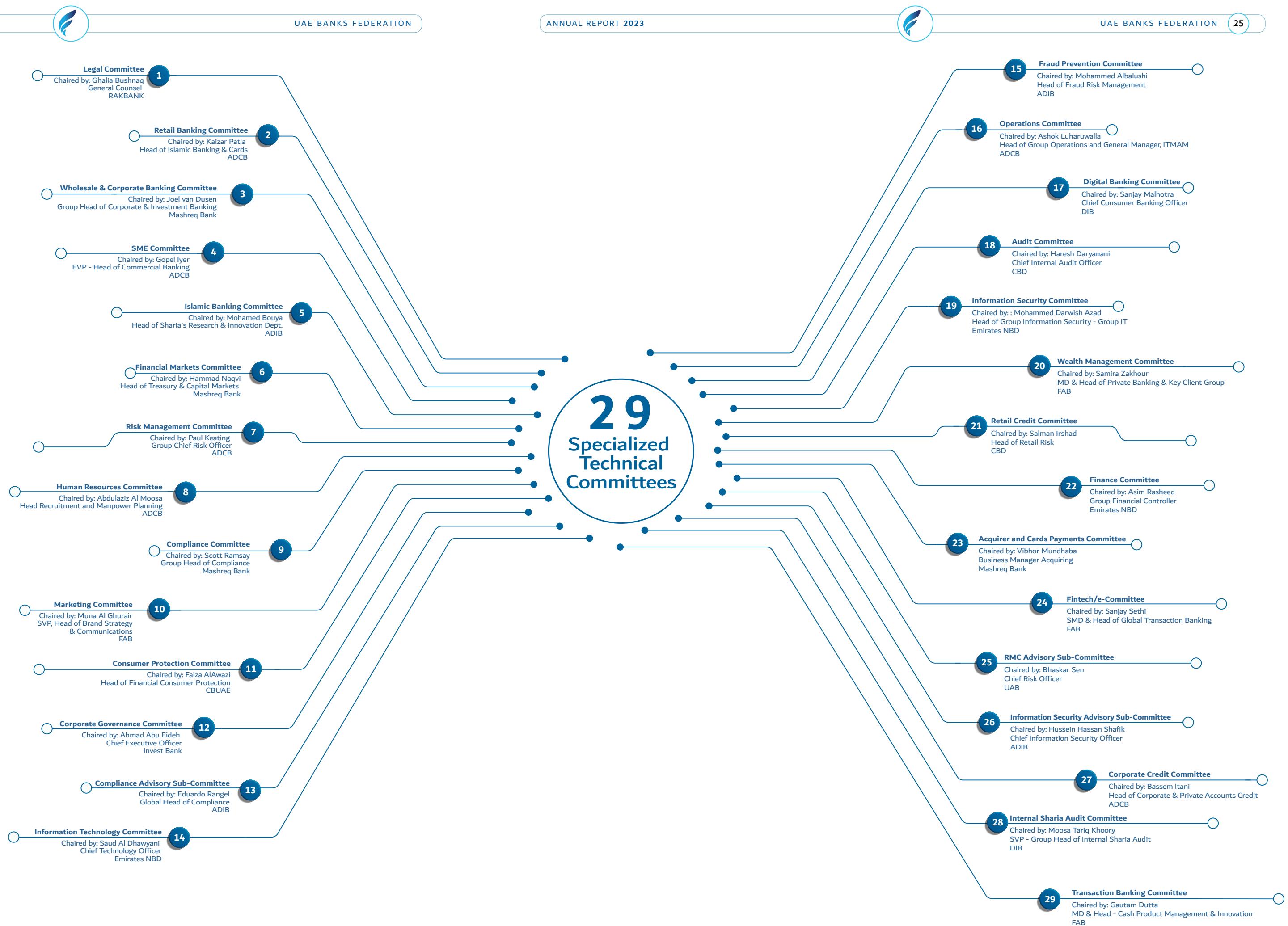
Also, UBF DG briefed CEOs on UBF's several letters sent to CBUAE and other Stakeholders, many based on requests from UBF Committees, such as: New VAT Recordkeeping Requirements for E-commerce transactions, Dubai Courts Meetings, FPC letter to CBUAE, and UBF FPC's proposals on Fraud Management Minimum Standards and Fraud Typologies and Prevention Methods.



Committees

UAE Banks Federation (UBF) composes of 26 specialized technical composes and 3 advisory committees that include opinion leaders and experts in the banking and financial sectors, who provide their extensive experience on various banking issues, such as wealth management and financial technologies. Each committee consists of 11 representatives from the members, one of whom is preferred as the head of the committee.

All committees make sustained and determined efforts to work harmoniously together to discuss topics and issues of interest to banks in the UAE, look into them and submit their relevant recommendations and observations.





Committees Meetings

UBF Committees Chairpersons' Annual Meeting

UBF held its Annual Committees Chairpersons' Meeting on 23 November 2023 in Dubai with the Chairpersons of UBF's 29 UBF Committee, and discussed each committee's performance, challenges, achievements, key initiatives during 2023, as well as each Committee's priorities for 2024.

The meeting stressed the importance of supporting the efforts of the Federation in its continuous cooperation with Central Bank of the UAE towards promoting sustainable finance and digital transformation of the financial and banking sector. This is backed by strategies and visions based on studies and research through the Technical Committees in terms of environmental governance and sustainability.

During the meeting, the Chairman of UAE Banks Federation, H.E. AbdulAziz Abdullah Al-Ghurair, honoured the distinguished committees and members who implemented strategic initiatives in 2023 that had a significant impact on the development of banking and finance in recognition of the efforts made by the members of these committees to achieve the Federation's vision of excellence, leadership in representing member banks and the interest of the banking sector, as well as in enabling collaboration and interaction among member banks on common issues. As a result, it provides an ideal platform for the exchange of ideas, opinions and information, leading efforts in member banks to develop optimal solutions that meet customer needs. The committees' efforts empower banks to build and grow competitive and sustainable businesses that support customers, society and the economy. At the end of the meeting, the chairpersons of the committees were presented with a certificate of appreciation from the Federation.



BOD Audit Committee Meeting

UBF its Q4-2022's BOD Audit Committee Meeting on 7th March 2023 via MS-Teams.

UBF presented its Fourth quarter report, which included the Minutes of the previous meeting (17 November 2022); UBF's Outsourced Internal Auditors Report for the months of October, November and December 2022; Q4-2022 Budget Monitoring Reports, including Income/Revenue Budget Monitoring, Expenses Budget Monitoring, Consultation Budget, Open/Ongoing Projects; UBF Financials (prepared by both UBF and the internal auditor), Cash Flow Projections, and Bank Balances.

UBF convened its Q1-2023's BOD Audit Committee Meeting on 7th June 2023 via MS-Teams.

UBF presented its 1st quarter report, which included the Minutes of the previous meeting (7th March 2023); UBF's Outsourced Internal Auditors Report for the months of January, February and March 2023; Q1-2023 Budget Monitoring Reports, including Income/Revenue Budget Monitoring, Expenses Budget Monitoring, Consultation Budget, Open/Ongoing Projects; UBF Financials, Cash Flow Projections and Bank Balances.

UBF convened its Q2-2023's BOD Audit Committee (BODAC) Meeting on 30th August 2023 via MS-Teams.

UBF presented its 2nd quarter report, which included approval of minutes of the previous meeting (7th June 2023); UBF's Outsourced Internal Auditors Report for

the months of March, April, and May 2023; Q2-2023 Budget Monitoring Reports, including Income/Revenue Budget Monitoring, Expenses Budget Monitoring, Consultation Budget, Open/Ongoing Projects; UBF Financials, Cash Flow Projections and UBF Bank Balances.

UBF convened its Q3-2023's BOD Audit Committee (BODAC) Meeting on 14th November 2023 via MS-Teams.

UBF presented its 3rd quarter BODAC report, which included approval of Minutes of the previous meeting (30th August 2023); UBF's Outsourced Internal Auditors Report for the months of July, August, and September 2023; Q3-2023 Budget Monitoring Reports (including Income/Revenue Budget Monitoring and Expense Budget Monitoring), Consultation Budget, Open/Ongoing Projects; UBF Financials, Cash Flow Projections and UBF Bank Balances.

Supreme Fraud Prevention Committee

UBF formed a Supreme Fraud Prevention Committee in May 2023. The purpose of this committee is to curtail/fight fraud in the banking and financial sector. The committee consists of Abu Dhabi Police, Dubai Police, UAE Cybersecurity Council, CBUAE, and UBF (represented by DG and Chairperson of UBF Fraud Prevention Committee).

UBF has compiled the most significant risks and required initiatives from each member so that all parties can collaborate to address these issues. The committee has held 4 meetings to date and is currently reviewing the points that have been collected from all members, which were all discussed and shortlisted/ranked by the committee.

UBF held the 4th meeting for the Supreme fraud prevention committee on 11th September 2023 to follow-up on previous action points from each entity and to follow up on the initiatives that were raised, such as the suggestion to establish a new joint operation working group that included representatives from FPC of member banks, Abu Dhabi police, and Dubai police. UBF has also suggested to collect the list from all banks to set a hotline in case Authorities want to reach banks immediately in case any serious activity arises.

Other subjects that were deliberated upon included cyber insurance and CCTV standards for ATM rooms (the new regulation that came out in September 2023), as well as OTP and its associated risks for both customers and banks. Additionally, discussions included how the banking sector can apply best practices and provide customers with alternative options.



UAE Economy

10 key milestones witnessed in the Emirates economy process in 2023.

The UAE's economy is moving towards broader horizons in 2024, having succeeded during the past year in achieving qualitative leaps and exceptional achievements thanks to a stable investment and economic environment capable of continuing to grow and prosper despite the uncertainty in the global economy.

Over the past year, the UAE's economy has achieved strong growth, and the innovative and diverse initiatives launched by the country have played a pivotal role in driving comprehensive economic development towards further growth enhanced by supportive legislative and regulatory measures, continuous efforts to develop economic sectors, and improve the business environment.

Reflecting these achievements, the country's non-oil GDP at constant prices recorded a remarkable growth rate of 5.9% for the first nine months of 2023, compared to the same period in 2022, while the country ranked first globally in more than 215 development, economic and human indicators in international report.

Partnership Agreements

During 2023, the Comprehensive Economic Partnership Agreements Program continued its path of successes that began with its launch in September 2021. Three agreements entered into force in 2023, and two others were officially signed in preparation for ratification and subsequent implementation after completing the necessary procedures. Additionally, the terms of four agreements were reached following successful talks with partner countries. This brings the total number of comprehensive economic partnership agreements for the UAE to ten since the launch of the program. These agreements are with countries strategically important for trade and investment on four continents, representing a significant expansion of the country's foreign trade network, and providing more opportunities for the private sector and the UAE business community in some of the world's most vibrant economies.

In 2023, three comprehensive economic partnership agreements for the UAE came into effect. This led to the removal or reduction of customs duties, the elimination of trade barriers, and the opening up market opportunities for exporters and investors. The comprehensive economic partnership program, which also includes the partnership agreement with India that came into force in May 2022, is expected to increase the UAE's exports by 33% and contribute more than AED 153 billion to the country's GDP by 2031. It represents a growth of approximately 10% compared to 2022.

Foreign Investment

The UAE has continued to maintain its global attractiveness in attracting foreign direct investment (FDI) flows, despite a decline in these flows in many regions of the world. This success is the result of the forward-looking vision of the wise leadership to further open up investment and trade to the world and to continuously upgrade the business environment in the country. These efforts aim to increase the UAE's ability to attract foreign direct investment flows, entrepreneurs, global talents, and people with creative minds and

ideas looking to achieve their dreams in an environment that supports innovation and sustainable economic growth.

New foreign investment projects in the UAE increased significantly in 2023, with an increase of 28% compared to 2022. This marks the second highest increase in the number of new foreign investment projects around the world, following the United States of America, which ranked first, according to the report of the United Nations Conference on Trade and Development (UNCTAD).

BRICS Group

The UAE officially joined the BRICS Group last year after the five founding countries approved their application to join the group. This reflects the country's commitment to multilateralism in supporting peace and development to achieve the welfare and prosperity of peoples and nations around the world.

The UAE's accession to the BRICS group contributes to opening new horizons for cooperation and strengthening relations with many countries, especially those in the group, which represent a group of promising and major economies. Together, they account for more than 42% of the world's population, according to United Nations data, and more than 23% of global GDP, according to World Bank data.

Global Competitiveness

National efforts have enhanced the country's global leadership, with the UAE achieving first place globally in 215 international competitiveness indicators in 2023 compared to 186 indicators in 2022. Regionally, the UAE topped in 364 global indicators, and it became one of the top 10 countries in the world in 604 international indicators according to global competitiveness reports and international organizations.

The UAE won first place in the competitiveness index of Arab economies, reflecting improvements in key sectors, including macroeconomics, investment environment and attractiveness, according to the Arab Monetary Fund.



Local Stocks

The UAE capital markets succeeded in keeping pace with the rapid prosperity and growth witnessed by the national economy during the past year, with its market value rising by about 13%, equivalent to AED 444.5 billion, exceeding the AED 3.6 trillion barrier. This reflects the march of prosperity, development and growth of the national economy, which has contributed to strengthening its position at both regional and global levels.

The continuous achievements of the local stock markets come amid ongoing efforts to double the market value of the Abu Dhabi and Dubai Financial Markets, aiming to reach AED 6 trillion in the coming years. This is part of an integrated strategic plan developed by the Securities, Commodities and Financial Markets Authority aimed at achieving leadership and supporting the growth of the national economy, in accordance with the best international standards and practices, thereby enhancing the country's competitiveness in various indicators, reports and international forums.

The capital markets in the UAE witnessed eight initial public offerings (IPO) of new public shareholding companies during 2023, a step that contributed to increasing market depth, enhancing investment attractiveness, and attracting a new segment of investors. This had consolidated the position of the financial markets in the country as one of the most important financial and business markets in the world.

The initial proposals raised approximately AED 22.4 billion amid record demand from investors, sovereign funds and global investment portfolios. Total demand for six of these offerings reached more than AED 1.43 trillion, reflecting the strong economic approach adopted by the UAE in its major companies and institutions.

Conference of the Parties "COP28"

The UAE hosted the Conference of the Parties (COP28), successfully bringing the world together, uniting efforts and reaching an international consensus that put the world on the right path of climate action. The historic "UAE Agreement", which

was agreed by 198 parties from around the world, established new standards for global climate action, and provided an ambitious response to the results of the global outcome to assess progress in the Paris Agreement that contributes to maintaining the possibility of achieving the 1.5°C target.

COP28 in the UAE was the most inclusive session of the COPs so far, representing all groups and opinions in the decision-making process. The presidency of the conference took bold and decisive measures to achieve achievements beyond the terms of the negotiating text, contributing to a qualitative leap at the global economic and social levels, in addition to developing climate finance mechanisms, protecting people and nature, and improving lives and livelihoods.

Industrial Sector

The industrial sector in the UAE has witnessed many qualitative initiatives to enhance its competitiveness, such as the launch of the "Made in the Emirates" label, the Industrial Technology Transformation Index, the UAE Drone System, and the reduction of fees for industrial companies registered in the National Content Program. Additionally, a number of standard technical regulations for vital industries were issued to enhance the quality of products manufactured in the country.

These achievements included the growth and expansion of the industrial sector in the country, contributing to advancing the national economy in the medium and long term by implementing an integrated system of legislation and policies, launching initiatives, programs and projects, and enhancing coordination, partnership and cooperation with all strategic partners at the federal, local, regional and international government levels, as well as the private sector. This approach ensures stimulation of qualitative partnerships, attracting more industrial investments, especially in vital and priority sectors, supporting entrepreneurship and innovation, and enabling new small and medium enterprises in the industrial sector.

Distinguished Tourist Destination

Over the past year, the UAE has maintained its regional and global leadership as a distinguished tourist destination that meets the tastes of all tourists, and remains a preferred place to live, work and visit. The country has launched unique projects and tourism initiatives aimed at supporting the growth and leadership of the tourism sector, attracting tourists from all over the world, creating new investment opportunities in the travel, tourism and aviation sectors, and attracting more international tourism companies to the country's markets.

The UAE has become a sustainable destination for tourists from around the world, thanks to its high-level hotel facilities, diverse tourist and heritage destinations, security and stability, strategic location, and various events, thus maintaining its regional and global leadership as a distinguished tourist destination that meets the tastes of all tourists and strengthens its leading position on the global tourism map as one of the main destinations driving the growth of the tourism sector globally.

National Carriers

By the end of 2023, national carriers continued to expand their passenger destinations to 586 destinations around the world, including shared and cargo destinations. This expansion was supported by the recovery in travel demand and the UAE's position as a preferred global destination for tourism and business, enabling it to increase the travelers' choice and expand its network worldwide.

The national carriers outperformed many of their regional and global counterparts in terms of the number of destinations, operational performance and passenger services, benefiting from a broad base of expertise and achievements that turned challenges into opportunities, continuing to fly towards new heights of growth. This reflects the recovery of the aviation sector in the UAE after recovering from the repercussions of Covid-19 pandemic.



UAE Banking Sector

The UAE's banking sector continued its growth momentum in 2023 with record levels of growth in assets, credit, deposits and investments, supported by the strength of the national economy. As the sector prepares for further growth and recovery, it continues to consolidate its regional and global leadership.

The indicators of rising assets, financing and capital adequacy ratios reflect the sector's flexibility and ability to adapt to global changes, in addition to its ability to continue its role in providing the appropriate conditions to achieve economic and social development goals while adhering to international standards in governance and risk management.

For the first in its history, the total assets of the banking sector in the UAE exceeded AED 4 trillion, according to the latest statistics of the Central Bank of the UAE. In its November 2023 Monetary and Banking Developments Report, the Central Bank of the UAE revealed that total banking assets, including bank acceptance certificates, increased on a monthly basis by 0.8% to AED 4.026 trillion at the end of last November, compared to AED 3.996 trillion in October 2023. Total bank credit rose by 1% to AED 1.994 trillion at the end of November compared to AED

1.974 trillion at the end of October, with a 0.8% rise in domestic credit and 2.8% in foreign credit.

The Central Bank attributed the rise in domestic credit to a 5%, 2% and 6% rise in credit to the public sector (government-linked entities), the private sector, and non-bank financial institutions, respectively. Total bank deposits reached AED 2.444 trillion at the end of November, and resident deposits increased by 0.4% as a result of a 1.9% increase in private sector deposits, while deposits of non-bank financial institutions were unchanged.

Moody's: Stable "Future Outlook" of UAE Banks

Moody's Investors Service Agency confirmed that the UAE's banking system has a stable outlook, supported by high levels of liquidity and strong capital margins, as well as an ongoing economic recovery and expectations of continued economic expansion over the next 12 to 18 months.

The Agency expects strong profits recorded by UAE banks in 2022 to finance an expected credit growth of 5% in 2023, thereby supporting broadly stable capital reserves. In a previous

report, the Agency highlighted that UAE banks maintained strong capital reserves, with an overall tangible common equity ratio of 14.8% overall in December 2022. They anticipate that strong profit generation will be sufficient to fund the expected credit growth of 5% in 2023 and maintain stable robust capital buffers on a large scale.

According to the Agency, the four largest UAE banks, namely First Abu Dhabi Bank (rated Aa3/A3 stable), Emirates NBD (A2/baa3 stable), Abu Dhabi Commercial Bank (A1/baa3 stable), and Dubai Islamic Bank (A3/ba2 stable), which collectively accounted for 77% of banking assets in September 2022, recorded a consolidated net profit of \$9 billion (AED 33 billion) in 2022, up from \$8 billion (AED 29.36 billion) in 2021 and \$8.3 billion (AED 30.46 billion) in 2019. The combined gross profitability of the four largest UAE banks, namely First Abu Dhabi Bank, Emirates NBD, Abu Dhabi Commercial Bank and Dubai Islamic Bank, exceeded pre-pandemic levels in 2022, reflecting strong growth in interest income and usual provision charges. The report noted that net profits increased significantly for most banks in 2022, by 15% overall, exceeding pre-pandemic levels in terms of absolute value.



Rise of Consumer Confidence Index

The high consumer confidence index in our banks confirms the continuous development of the sector in the country.

The UAE Banks Federation (the representative and unified voice of UAE banks) revealed high customer confidence in the banking sector, with UAE banks recorded an average of 90% customer confidence in 2023. This data comes from the annual confidence index survey conducted by the Federation in cooperation with a global institution specialized in studies, data and market research in financial services, which conducts the same survey in a large number of countries around the world.

The performance of the banking sector in the UAE exceeded the global average of the global banking confidence index of 67% (compared to 90% for the UAE), placing the UAE in second place globally and first in Asia, Africa and Europe. This surpasses several advanced global financial centers in the field of financial and banking services such as Singapore, Hong Kong, Taiwan, Malaysia, Canada, the United States of America, the United Kingdom, China, Japan, France and Germany.

For the second consecutive year, the banking sector maintained its first position

as the most trusted sector in the UAE. The sector's index has risen steadily over the past four years: from eighth place in 2019 to sixth place in 2020, then to first place in both 2021 and 2022.

The banking and financial sector in the UAE has achieved significant milestones, strengthening the UAE's position as a regional and global financial hub. The sector has embraced advanced technology to provide smooth and secure banking services. The digital transformation strategy launched by the Central Bank of the UAE lays solid foundations for secure and efficient digital banking infrastructure, leveraging technological capabilities, artificial intelligence solutions and data processing.

Under the guidance and continuous cooperation with the Central Bank of the UAE, the UBF works to sponsor and support its member banks, ensuring the delivery of top-tier banking services to customers and driving digital transformation. Efforts are focused on maintaining high levels of electronic security and privacy, developing Emirati human capital, enhancing cybersecurity, and employing advanced technology to improve risk management and operational efficiency. Continuous compliance with local and global regulations, policies, and legislation is prioritized.

It is worth mentioning that the UBF

launched in 2015 the first version of this annual questionnaire to measure the level of customer confidence in banks, which came out of the Federation's keenness to identify and implement solutions and initiatives aimed at improving banking services and to raise and enhance the level of customer confidence in the banking sector, as this questionnaire provides annually data and information that help the UBF identify basic steps that must be taken at the level of all member banks to improve services to achieve customer satisfaction, which is the role assigned to Union. Since 2015, the Union has annually measured the level of customer confidence levels in UAE member banks, reflecting significant increases over the past four years. These efforts underscore the Central Bank of the UAE's rigorous oversight of the banking sector and the UBF's support to its member banks in advancing collectively, ensuring the UAE's financial and banking sector remains globally competitive.



Administrative and Organizational



After Al-Maryah, WIO Bank and Zand Bank, Arab Financial Services (AFS) has now joined UBF as an "Associate Member", effective 3rd March 2023.

American Express - AMEX (Middle East) also joined as an "Associate Member", effective 26th July 2023.

The number of UBF members for the year 2023 has now reached 59.



UBF formed a (Supreme Fraud Prevention Committee) in May 2023. The purpose of this committee is to prevent fraud acts in the banking and financial sector.

The committee consists of Abu Dhabi Police, Dubai Police, UAE Cybersecurity Council, CBUAE, and UBF (represented by DG and Chairperson of UBF Fraud Prevention Committee).



UBF has re-formed the following committees:

1. Wealth Management Committee
2. Digital Banking Committee
3. Operations Committee
4. Consumer Protection Committee
5. Legal Committee
6. SME Committee
7. Fraud Prevention Committee
8. Acquirer and Cards Payments Committee



Key Initiatives

Emiratization Strategy in the banking and insurance sectors

In collaboration with UBF's HRC Committee, UBF mandated a top consultancy firm to prepare a study for the feasibility of employing UAE Nationals, via studying supply market. A Steering committee was formed from the CEOs of ADCB, HSBC, DIB, and FAB to discuss the plan with the consulting firm and arrive at findings/outcomes for implementation of the plan along with the Working Group formed from within HRC members. The consultant provided customized PPTs for each relevant authority in order to communicate the recommendations of the project, and UBF sent the study to CBUAE, where a meeting was held between UBF Chairman/UBF DG with H.E. CBUAE Governor and CBUAE team. Accordingly, and after sharing with CBUAE all the required information related to the newly proposed "Emiratization" plan, CBUAE approved the new "Emiratization" plan that proposed hiring 5,000 Emiratis over the coming 5 years (3,500 UAE Nationals in the banking sector and 1,500 in the Insurance sector).

UBF Partnership with Oxford Business Group-OBG for Abu Dhabi 2023 report

UBF has partnered with Oxford Business Group (OBG), a renowned research and consulting firm that provides strategic analysis and insights across industries to produce OBG's 2023 report.

OBG will be conducting a comprehensive analysis of the banking and finance industry in the UAE for the upcoming edition. UBF partnership with OBG underscores UBF's commitment to transparency and the provision of reliable information and insights on the banking and financial sector.

With global presence in over 30 countries, spanning the Middle East, Africa, the Americas, and Asia, OBG is recognised internationally as a distinctive and respected provider of on-the-ground intelligence on world's fastest-growing markets.



The Report, which will be titled Abu Dhabi 2023, will mark the culmination of more than six months of field research that was carried out by a team of analysts from OBG. It will be a vital guide to many facets of the UAE, including macroeconomics, infrastructure, banking and other sectoral developments, and will contain contributions from leading representatives across public and private sectors.

Growing UAE into a Global Wealth Hub

UBF mandated Consulting company to develop a "Wealth Management Roadmap for the UAE" in line with international best practices. Project's "CEOs Steering Committee", which consists of 7 bank CEOs (FAB, CITI, SCB, DIB, Emirates Investment Bank, Barclays, and Mashreq) were overseeing project recommendations, whereas UBF's WMG was working on implementing recommendations proposed by the Consulting company as part of WMG's annual priorities, which have been divided into 3 Working Groups covering: (1) Legal and Regulatory Processes, (2) Products & Services, and (3) Investor Rights.

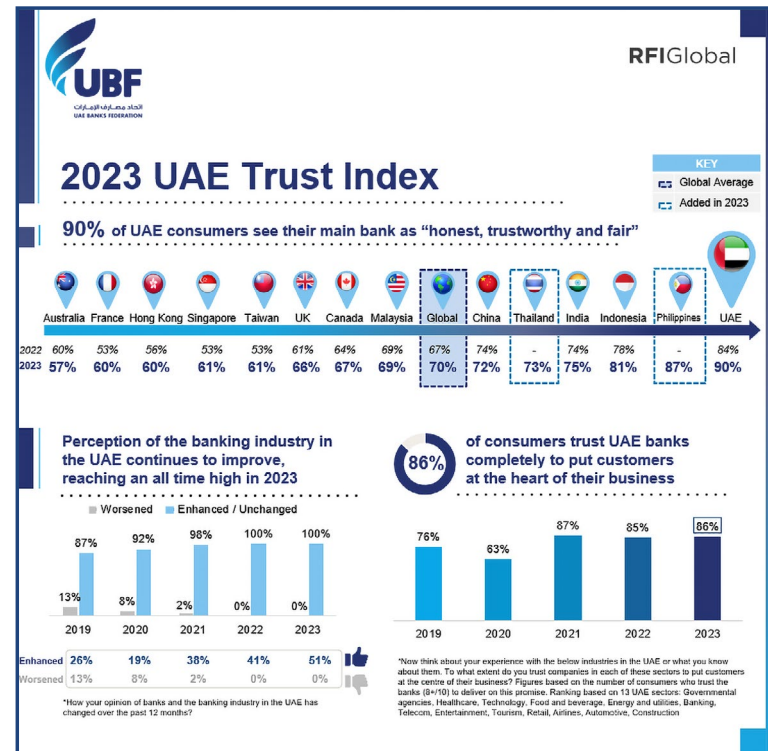


Sustainable Finance Strategy and Roadmap

The Central Bank of the UAE (CBUAE) and the UAE Banks Federation (UBF) have established a 'Steering Committee and Sub-committee on Financial Sustainability' comprising CEOs and representatives from 10 banks: Dubai Islamic Bank, Abu Dhabi Islamic Bank, First Abu Dhabi Bank, Emirates NBD, Emirates Islamic Bank, Standard Chartered Bank, HSBC, Mashreq, Abu Dhabi Commercial Bank and RAKBANK. The objective of the Steering Committee is to standardize and promote the sustainability practices of Islamic finance in the UAE, creating a new business space focused on sustainability/green products and services. It aims to set standards and guidelines for sustainable, green and social sukuk, leveraging its leadership and expertise in sustainable finance within Islamic banking. Several meetings were held between the UBF team and the Central Bank of the UAE's High Sharia Board to discuss proposals and appoint a consultant to assist the committee/team in defining objectives and scope.

UBF has communicated with numerous consultants and received multiple offers. A meeting on 15th May 2023 between UAE Banks Federation and the CEOs of the ESG Working Group discussed progress in promoting sustainable practices and responsible behavior in the banking sector. During the meeting, CEOs agreed to engage a major consulting firm for the project, involving both Islamic and conventional banks. The meeting served as an important forum for CEOs to review project phases, exchange ideas and discuss challenges and opportunities in integrating ESG principles into the concerned institutions. Banks' adoption of ESG practices with the global focus on sustainable finance and responsible investing. By integrating environmental, social and governance (ESG) considerations, banks mitigate risks, enhance transparency and to contribute to the environment and social well-being.

Discussion between the Consulting Company and UBFS's Environmental, Social and Governance Practices Working



Team included a comprehensive study of the sustainable finance proposal. The dialogue covered the proposal, project plan, evaluation report and other substantive steps. The project plan outlined a roadmap for implementing sustainable finance, detailing timelines, milestones and responsibilities to ensure smooth implementation. It addressed practical application, feasibility and scalability issues. The evaluation report provided an in-depth analysis of the proposal's impact, risks and potential benefits and alignment with ESG objectives, sustainable finance principles and regulatory requirements. This informed decision-making on stakeholder engagement, regulatory compliance, and integration with existing financial products and services. These steps play a pivotal role in ensuring the successful implementation of the sustainable financing proposal, as they help bridge the gap between conceptual framework and practical application. Overall, these discussions highlights the commitment of the UBF's ESG Working Team to explore innovative approaches aligning green finance with sustainability goals, reflecting collaborative efforts to build advance ethical, environmentally responsible and socially beneficial financial practices globally.

The UBFS's Environmental, Social and Governance (ESG), Working Team, together with the Consulting Company, held several meetings to review the assessment report and create a robust strategy to integrate ESG practices into the financial environment. The Consulting Company's evaluation provided a comprehensive analysis of sustainable finance in the UAE, highlighting challenges and opportunities to integrate sustainability in banking operations. The meetings witnessed fruitful discussions on green finance, environmental and social



risk management and governance, and sustainable investment products. UAE Banks Federation members shared insights from their experiences and international best practices. An outcome of these meetings was an action plan where banks committed to specific timelines and key performance indicators, demonstrating collective dedication to promoting sustainable finance. Recognizing the power of collaboration, the meetings emphasized potential partnerships with regulators, international financial institutions, and other sectors to amplify the impact of sustainable finance initiatives. The UBF's ESG Working Team underscored sustainable finance's pivotal role in fostering a resilient, environmentally conscious banking sector. Discussions highlighted the need for a unified strategy and collaborative efforts to drive substantial change in UAE's banking sector.

An important meeting on 16th October 2023 between the Central Bank of the UAE's Higher Sharia Board, and the UBF's ESG Working Team, and the Consulting Company reviewed the progress on the sustainable finance project. Discussions focused on developing robust policy and regulatory frameworks supporting sustainable finance practices. The meeting addressed challenges in implementing sustainable finance

practices, focusing on solutions to overcome these obstacles. Attendees discussed setting clear benchmarks and objectives, ensuring that the project's progress is measurable and aligned with international sustainability standards. The meeting underscored UAE's banking sector commitment to adopting and advancing sustainable finance practices. It reflects collective efforts to position the UAE as a leading hub for sustainable banking practices.

The green financing of six leading UAE banks (First Abu Dhabi Bank, Abu Dhabi Commercial Bank, Emirates NBD, Dubai Islamic Bank, Mashreq Bank and Abu Dhabi Islamic Bank) totaled more than AED 190 billion (US\$ 51.8 billion) by the end of 2022. These funds allocated to various projects in renewable energy, waste-to-energy and green technology. The significant growth in total green finance from member banks comes as a result of the Central Bank of the UAE's initiatives and directives to promote green and sustainable finance. Sustainability is a strategic priority for the Central Bank, with several initiatives launched to ensure ESG compliance, supporting initiatives during the 'Year of Sustainability' and UAE's hosting of the United Nations Climate Change Conference (COP28).



Conferences and Activities

Ethical Selling - Phase 2

UBF mandated a leading consultant to prepare a study to implement Phase2 of subject project, in cooperation with UBF Retail, SME, and Wealth Management Committees. A steering committee was formed from the CEOs of CBD, RAKBANK, and NBF to oversee the project with the consulting firm, and discuss its findings and outcomes for the implementation of Phase 2.

During project development, CBUAE issued its Consumer Protection Regulation (CPR) which also included standards for Ethical Selling. As a result, UBF changed the scope for “Ethical Selling Framework – Phase 2” to help banks build industry metrics to assess bank’s progress in relation to CPR Regulation including defined KPIs for areas under consumer protection that relate to Ethical Selling, to help banks use the KPIs as part of their CPR implementation. During UBF’s CEOs Advisory Council meeting, RBC presented an update on “Ethical Selling Framework” Phase2 Project and the achievements related to the same including the “self-Assessment” tool highlighting that this tool is optional for banks and can bring consistency in the industry. Accordingly, CEOs supported the use of the tool, on voluntary basis.

National Cyber Wargaming Exercise - Phase 2

UBF’s Information Security Committee (ISC), CBUAE, and six large local banks (NBF, HSBC, FAB, Mashreq, ENBD, and ADIB) participated in “National Cyber Wargaming Exercise – Phase2” in 2022. This main observer was CBUAE. The selected specialized company that was engaged by UBF provided a simulation environment for each bank.

The simulation environment was infected and compromised using techniques employed by advanced hackers and threat groups. Banks had to determine how infections occurred and how to contain, eradicate, and remediate them, i.e., Incident Response. On October 6, 2022, UBF hosted the region’s largest Cyber Wargaming Exercise under CBUAE’s supervision. Financial and banking cybersecurity experts attended. It used a simulation experiment to assess cybersecurity teams’ response to attacks and identify strengths and weaknesses by tackling virtual attacks created by experts.

During the event, UBF and CBUAE developed all scenarios with several strategic partners. UAE Cyber Security Council, Abu Dhabi Digital Authority, Abu Dhabi Police, Dubai Police, Dubai Center for Electronic Security, Gartner, and GCC Central Bank representatives attended the event. Cyber Wargame helps identify, detect, and respond to cyberattacks by providing information on attacker techniques, methods, and threat factors. The heads and members of information and cyber security teams and CEO representatives from member banks (FAB, ENBD, Mashreq, HSBC ME, NBF & ADIB) and financial institutions participated in this exercise to exchange experiences and knowledge to improve the UAE banking sector’s cyberattack readiness.



UBF Hosts Lecture on Risk Management by Global Expert Professor Edward Altman

UAE Banks Federation organised a lecture by Professor Edward Altman, Professor of Financial Sciences at New York University and a global expert in the field of risk management and developer of the ZScore/ZValue theory, on 17 March 2023, which was attended by a large number of executives and employees from UBF member banks and financial institutions.

Professor Edward Altman discussed the so-called ghost companies that manage to continue operating for a relatively long time despite their inability to make profits or meet their obligations and defined the factors that favour those companies and the ways to apply the credit risk management models to counter them. He also gave an overview of the application of the ZValue model, which was used by banks in more than 20 countries from 1990 to 2021.

Professor Altman also gave an overview of the evolution of resilient capabilities by companies and financial institutions in the current credit cycle, the factors that contribute to determining the phases of the credit cycle, the particular expectations associated with high-interest rates on bonds, the non-performing loan rate in Europe, the US and China; debt yields, and the positive and negative factors in each credit cycle.

Professor Edward Altman explained the Z-Score models for credit risk management and bankruptcy hedging models, which he has developed over five decades, highlighting the comparison of the models between 2019 and 2022. Since their introduction in the late 1960s, the Z-Score models have been applied in many sectors of the economy in both developed and emerging markets, where financial professionals are adopting many new risk management methods.

Professor Edward Altman’s research and study include bankruptcy analysis, credit and lending policies, risk management, banking laws, institutional finance and capital markets.

Professor Edward Altman has served as a Professor of Finance specialising in Bankruptcy, Restructuring and Credit Risk Management in the Executive Education Risk Management Programme at the Stern School of Business at the prestigious New York University and the Global Executive Master of Business Program. He was the Director of Debt and Credit Market Research at the Solomon Center for the Study of Financial Institutions at New York University.

He also served as Chair of the MBA programme at Stern University for 12 years and has been a consultant to several US government agencies, major financial institutions and accounting firms. Professor Altman has given countless presentations in North America, South America, Europe, Australia, New Zealand, Asia and Africa.



UBF and Azerbaijan Banks Association Sign MoU to Enhance Financial Sector Cooperation

UBF signed a Memorandum of Understanding (MoU) with the Azerbaijan Banks Association, the umbrella organization of banks and financial institutions in the Republic of Azerbaijan, on 15th February 2023 to enhance cooperation and exchange of experiences and promote the growth of the financial and banking sectors in both countries.

The MoU was signed by Mr. Jamal Saleh, Director General of UAE Banks Federation, and Mr. Zakir Nuriyev, President of the Azerbaijan Banks Association, to further strengthen ties and develop the business of the financial and banking institutions of both sides under the direct supervision and guidance of the Central Bank of the UAE and the Central Bank of Azerbaijan.

The scope of the MoU includes organising various activities in the finance and banking sector jointly by both parties in order to exchange knowledge and experience through events such as workshops, training and awareness programmes. CEOs supported the use of the tool, on voluntary basis.

The signing of the MoU comes in light of the significant increase in trade exchanges and joint investments between the two countries, which increased by more than 100% in 2022 compared to 2021. The Republic of Azerbaijan recently opened a representative trade office in the UAE, a global trade and logistics hub.



UAE Banks Federation organises meeting with Chief of Cyber Threat Intelligence Group at the US Department of Treasury and member banks

The UAE Banks Federation, the representative and voice of UAE banks, organised a meeting with the Chief of the Cyber Threat Intelligence Group United States Department of the Treasury, Mr. Ryan Brick and the accompanying delegation. Senior cybersecurity officials from the US Department of the Treasury and UBF member bank attended the meeting.

The two parties discussed the latest developments in the banking sector in the UAE and the US on the diverse cyber threats faced by banks and the continuous efforts to enhance cybersecurity and follow best practices to increase the level of protection of the digital infrastructure of the banking and financial sector and create a secure environment for customers.

Mr. Jamal Saleh, Director General of the UAE Banks Federation, coordinated the meeting, which discussed critical developments in the financial and banking sectors in the UAE and the USA.

Mr. Ryan Brick noted the importance for financial institutions to exercise due diligence in risk management and take adequate action and advanced cyber security measures to protect customers and address threats and challenges that are evolving each day.

The meeting was organised with the support and guidance from the Central Bank of the UAE to provide member banks with an opportunity to discuss with Mr. Ryan Brick and senior cybersecurity officials from the US Treasury Department the procedures and solutions adopted by banks in the US and the UAE to address fraud and cyber threats. The meeting reaffirmed the Central Bank of the UAE's support and guidance to all banks and their ongoing work to ensure compliance with all anti-money laundering laws and regulations and reduce the risks to federation member banks.

Mr. Ryan Brick thanked UAE Banks Federation for organising the meeting and bringing the two parties together to exchange views.



UBF, CBUAE and Mastercard Explore Future Threats in Banking with Threatcasting Exercise

Mastercard contacted UBF in regard to a forward-looking threats exercise which Mastercard had performed in the past in various countries, such as the United States and Ireland. This exercise, known as "Threatcasting", focuses on future threats to industries such as artificial intelligence, quantum computing, etc., for the next 5-15 years ahead.

Threatcasting builds on expert knowledge to create detailed frameworks which organizations can use to plan and invest the resources that they need to tackle or avoid looming dangers for 10 or more years in the future.

Mastercard was looking for a potential partnership with UBF, UAE Cybersecurity Council, and potentially CBUAE, in order to host a Threatcasting exercise.

The exercise will add a new perspective for banks in regard to future threats. UBF has arranged a few meetings between CBUAE, Mastercard, and UBF InfoSec committee to discuss the scope and the requirements of the same, and discussion are currently in progress.

CEOs supported the use of the tool, on voluntary basis.



UBF Hosts Lecture on Inflation Impact by Economist and Author Stephen D. King

As part of its efforts to encourage knowledge-sharing and exchange of ideas, which contribute to the development of the banking sector and the economy, UAE Banks Federation (UBF), the sole representative and unified voice of UAE banks, organised a lecture by economist and best-selling author Stephen D. King, Senior Economic Advisor at HSBC Banking Corporation (HSBC), on global economic developments and their effects on the banking industry.

The lecture was held on the 8th of June 2023 at Mashreq Bank headquarters with the participation of His Excellency Abdulaziz Al-Ghurair, UBF Chairman, who welcomed Mr. Stephen D. King and Mohammed Al Marzouqi, Chief Executive Officer of HSBC, along with other HSBC executives and a large number of CEOs from the member banks of the federation. The lecture delved into the effects of rising inflation in mature economies on the global economy and the banking sector and ways to address them, followed by a Q&A session wherein Mr. Stephen D. King answered many of the questions raised by the audience.

Mr. Stephen D. King highlighted essential lessons from his popular book, "We Need to Talk About Inflation: 14 Urgent Lessons from the Last 2,000 Years", released in April this year and elicited broad interest from global economic circles. The Financial Times described his book as "indispensable for policymakers around the world."

Mr. Stephen D. King presented a comprehensive overview of the causes and effects of inflation, noting that "the biggest challenge is knowing the nature of inflation, as it can be temporary or continue to persist." He further explained the many reasons that have led to the current wave of inflation, such as quantitative easing to reduce interest rates through buying government bonds on a large scale. He noted that monetary expansion during the Covid-19 pandemic has led to an increase in cash surpluses without any direct action being taken to address high inflation rates; for example, the UK inflation rate rose from 0.3% to 10% in two and a half years because no action was taken to curb it.

According to the Central Bank of the UAE, inflation rates are expected to fall to 3.2% this year from 4.8% last year (2022) as economic growth continues and is poised to reach 3.9% this year.

It is worth noting that economist Stephen D. King's books are of great interest among professionals and people interested in the world economy as he provides specialised insights. His analyses address the dynamics of global trade and the impact of globalisation on economies, the challenges facing policymakers and individuals in the global economy, which is marked by constant change, and the development of innovative approaches to face economic challenges.

One of his most important books is, "When Money Runs Out: The End of Western Wealth", which was published in 2013 and examines the long-term economic impact of excessive debt, demographic changes and resource scarcity, and argues that Western economies have relied heavily on debt-driven growth, which has led to unsustainable debt levels that, in turn, slow down economic growth and require major monetary policy adjustments.

He also published "Losing Control: Risks to the West's Prosperity", which was published in 2010.





UBF and Mastercard Collaborate on Innovative Threatcasting Initiative for UAE Banking Sector Security

UAE Banks Federation, the sole representative and unified voice of UAE banks, emphasised the importance of continuously improving the banking sector and staying up-to-date with the latest trends to maintain its leading position in protecting digital infrastructure and enhancing the security of payment solutions. The Federation also noted that it is critical to keep pace with the rapid developments and transformation in technology in line with the directives of the Central Bank of the UAE to support, accelerate and advance digital infrastructure while providing the highest level of security and cybersecurity.

This was during an event recently organised by the Federation's Information Security Committee and Information Security Advisory Sub-Committee in collaboration with Mastercard to discuss future threats (Threatcasting). Participants at the event focused on potential future threats to cutting-edge technologies such as quantum computing and artificial intelligence.

The Threatcasting event is a part of UAE Banks Federation's continuous efforts to ensure a safe banking experience in light of the rapid technological advancements in the banking and financial sector, which makes it vital to anticipate potential future threats to know the most expected risks that can occur in light of the adoption of these modern technologies, and to develop appropriate solutions to deal with them.

Mastercard is working with futurist Brian David Johnso, Professor of Practice at Arizona State University's School for the Future of Innovation in Society, and a number of economic, social and cultural experts and professionals in the public and private sectors to conduct workshops and exercises to develop practical models to anticipate and understand potential future threats over the next ten years.

The event saw participants from the various member banks of the Federation divided into groups, with each group to study potential threats and their effects on the financial and banking sector and the best possible ways to deal with these threats in order to ensure the safety of the digital infrastructure, and that customers are not affected by any threats.

It is worth noting that the threatcasting strategy focuses on different aspects that can affect a specific sector. Thus, its application in the banking and financial sector contributes to the development of appropriate scenarios and solutions for fraud prevention, expected changes in the legal and regulatory framework and maintaining customer confidence by recognising and responding effectively to threats. This strategy also helps to provide the banking sector with operational flexibility in dealing with rapid developments and crises so that it can better protect its systems, data and the interests of its customers and promote a safer and more flexible financial environment.





Strategic Meetings

UAE-Switzerland Financial Dialogue

Upon MoF's request, UBF attended UAE-Switzerland's 5th Financial Dialogue held on 2nd May 2023 in the Swiss capital, Bern. The UAE was represented by the Ministry of Finance (MoF). Both parties discussed means of bolstering strategic relations and bilateral cooperation in various development, economic and financial fields of common interest.

His Excellency Younis Khoori, Undersecretary of Ministry of Finance, headed the UAE delegation, which included Her Excellency UAE Ambassador to the Swiss Confederation, ADGM's CEO, CEO of Financial Services at ADGM; Head of International Affairs-Executive Director at ADGM; Chief Strategy, Innovation & Ventures Officer at DIFC, Director of Federal Debt Management Office at MoF, Director of International Tax Department at MoF, Financial Policy and Stability Sector at CBUAE, Head of European Economic Affairs section at MOFAIC, Head of Exchange of Tax Information Section at MoF, and Director of Prudential, Supervision, Dubai Financial Services Authority, along with UBF DG and Executive Office of Anti-Money Laundering and Counter-Terrorism Financing.

From the Swiss side, Her Excellency Secretary for International Finance at the Swiss Federal Department of Finance, Deputy Secretary for International Finance, as well as senior officials from the Swiss National Bank (SNB), the Ministry of Foreign Affairs, the Federal Office for the Environment (FOEN), and the Swiss Bankers Association attended the meeting.



UBF hosts seminar on future of open banking and finance

UAE Banks Federation (UBF), the sole representative and unified voice of UAE banks, organised a virtual seminar on the prospects of open banking and finance on the 22nd of June, 2023. Several experts from the financial technology and banking sectors and senior executives of member banks of the federation attended the seminar.

The seminar was organised as part of UAE Banks Federation's continuous efforts aimed at consolidating the leadership of the banking sector through supporting digital transformation and implementing advanced technologies to provide banking services that meet changing customer requirements. This is in line with the directives and policies of Central Bank of the UAE, which has established a comprehensive framework for open finance through the use of pre-approved customer data, supporting the development of innovative financial solutions and services while ensuring that retail customers, SMEs and corporates have better control over their data.

Meeting between UBF and KBA team

A meeting was held on 15 November 2023 with Kuwait Banking Association's delegation (KBA) to discuss mutual interest and ways for further cooperation.

Meeting with Federal National Council (FNC)

At the request of FNC, a meeting was held between UBF DG, UBF Legal member, and FNC representatives to discuss the impact of labor-market regulations on economic changes in the country.

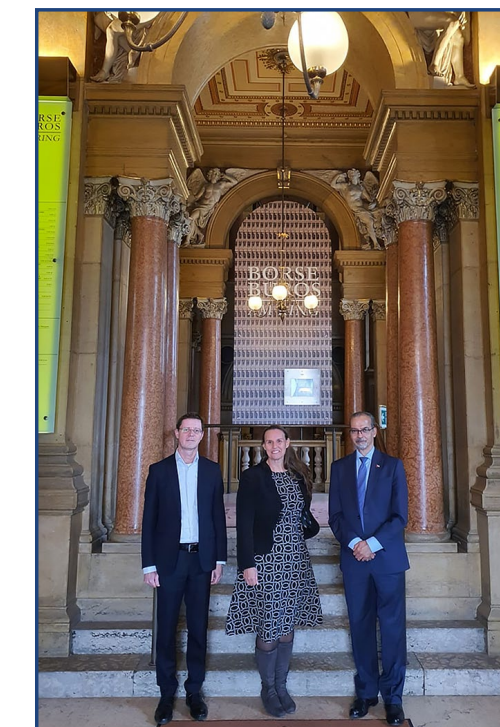
Following the meeting, FNC requested UBF to provide them with a list of all regulations and laws which banks are facing issues with, as they promised to take it for further discussion at highest level. UBF's list was sent to FNC on 20th February 2023.

Austrian Federation of Banks and UBF

A meeting was held on 4th September 2023 between the Managing Director of Austrian Federal Economic Chamber, who chairs the Austrian Banks Association, and UBF DG to discuss issues of mutual interest and ways for further cooperation between both parties.

Meeting with Austrian Bankers' Association (Bankenverband)

A meeting was held between UBF DG and representatives of Austrian Bankers' Association to discuss collaboration and exchange experiences, and possible MOU.



Meeting with FinCERT - Central Bank of Jordan

A meeting was held between UBF and FinCERT of Central Bank of Jordan on 7th February 2023 to discuss areas of collaboration in threat intelligence and cyber security. Participants at the meeting discussed the importance of greater collaboration and information-sharing between Jordanian and UAE banks and financial institutions in addressing common cyber security threats and vulnerabilities.

The meeting aimed to improve both countries' understanding of the cybersecurity landscape and to identify areas where collaboration would be mutually beneficial. UBF discussed its expertise in threat intelligence and cyber security, as well as recent initiatives to promote best practices in the UAE.

UBF also took benefit of the opportunity to learn about the latest cyber security trends in Jordan and gain insight into the country's approach to cyber security from FINCERT. Overall, the UBF-FinCERT meeting was an important step toward strengthening relationships between banks in the UAE and Jordan, as well as promoting greater collaboration and information-sharing in the areas of cyber security. As the cyber security landscape evolves, financial institutions must collaborate to mitigate risks and protect their customers and stakeholders from potential harm. Working together, banks can help to stay ahead of the curve in cyber security and ensure the financial services sector's continued resilience.

Meeting between UBF and Sri Lankan Bankers Association

A meeting was held on 6th December 2023 between UBF DG and the Vice President and General Secretary of Sri Lankan Bankers Association to discuss issues of mutual interest and ways for further cooperation between both.



UBF and UAE IAA Host First Regional GAM Conference in Abu Dhabi

At the request of UBF Audit Committee, a meeting was held on 5th October 2023 between UBF DG and the Chairman of IAA to discuss matters of mutual interest between UBF and UAE IAA including IAA's conference GAM (Great Audit Minds), which is organised by UAE IAA (Institute of Internal Auditors) and was held on 6–8 November 2023 at Yas Island in Abu Dhabi. For the first time, the Great Audit Minds (GAM) Conference was hosted outside the United States, attracting over 1,000 internal audit professionals.

The conference featured panel discussions, bringing together elite professionals from various UBF committees. Many global topics were discussed, including companies aiming to achieve the UAE's ambitious goals in reaching carbon neutrality and the role of essential services in these initiatives. Distinguished experts in sustainable finance in the United Arab Emirates shared their experiences and discussed relevant policies.

CBUAE, ADGM, and UBF Collaborate on New SME Funding Platform

UBF met with ADGM and CBUAE on 25th January 2023 to discuss ADGM's "SME Financing Platform" which will support SMEs' growth and will focus on helping SMEs obtain debt financing (working capital, trade finance) then expand to other types of financing (equity, venture capital) and non-financing services (especially managed services) in an attempt to minimize operational effort for banks and SMEs.

UBF then arranged a "Walkthrough" of ADGM's SME Platform Bank Journey on 8th March and included UBF RBC, RCC, & SME members in addition to selected RMC and CCC members, which was a bilateral walkthrough of the current state of the bank user journey that is purely business-level including the following agenda: Introduction, Walkthrough of the Bank user journey, Review of loan application data on the platform, discuss possible loan products that bank will offer.

UBF ISAC (Internal Sharia Audit Committee) met UAE Internal Auditor Association

A meeting took place on 2nd May 2023, between ISAC (Internal Shariah Audit Committee) and IAA (The UAE Internal Auditors Association). The meeting was attended by the Chairman of UAE IAA, and the Chairperson of ISAC, and members from IAA & UBF ISAC. The establishment of a certification program for Sharia Internal Auditors was discussed, which holds significant importance in the field of Islamic finance and auditing. Such a program serves multiple crucial purposes. Firstly, it will ensure that professionals engaged in Sharia compliance and internal auditing possess the necessary knowledge and expertise in Islamic principles and transactions. Secondly, it will help maintain the integrity of Sharia compliance within financial institutions, ensuring that auditors are equipped to effectively assess and verify adherence to Islamic principles. Also, this certification program for Sharia Internal Auditors will enhance the trust and confidence among stakeholders, including clients, investors, and regulatory bodies. The presence of certified professionals demonstrates a commitment to upholding the highest standards of ethical conduct and Islamic finance practices. This, in turn, promotes transparency and credibility within the Islamic financial industry. Additionally, the certification program will provide a standardized framework for the development of specialized skills and competencies specific to Sharia compliance and internal auditing. It enables professionals to acquire in-depth knowledge of Islamic transactions jurisprudence, internal audit methodologies, and relevant regulatory frameworks. By elevating the level of expertise in the field, the program contributes to the overall professionalization of Sharia Internal Auditors.

Furthermore, several updates followed this meeting. Firstly, Al Wasl University submitted a proposal to develop the introduction to Islamic transactions jurisprudence, which is currently under review by UBF ISAC.

UBF-Binance MoU

A Memorandum of Understanding (MoU) between UBF and Binance represented a significant milestone in the financial and blockchain industry. This partnership signifies a commitment to fostering collaboration and innovation within the realm of cryptocurrency and blockchain technology.

Through this MoU, UBF and Binance aim to explore opportunities for mutual growth and development in areas such as digital assets, blockchain solutions, and fintech innovation. The collaboration will enable both parties to leverage their respective strengths and expertise to drive advancements in the financial sector.

Key objectives of this MoU include joint initiatives, knowledge sharing, regulatory compliance, and development of frameworks to promote responsible and secure cryptocurrency usage within the UAE's ecosystem.

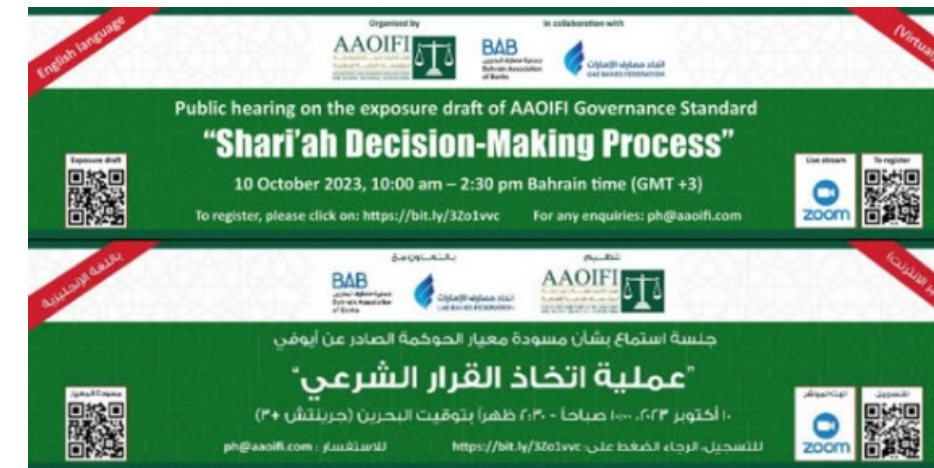
This partnership underscores UAE's commitment to embracing emerging technologies and positioning itself as a global hub for fintech and blockchain innovation. As UBF and Binance work together, they will contribute to the evolution of financial services in the digital age, paving the way for enhanced efficiency, security, and accessibility in the financial sector.



AAOIFI Public Hearing "Shari'ah Decision-Making Process"

UBF, in collaboration with AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) and Bahrain Association of Banks (BAB), held a public hearing on the exposure draft of AAOIFI Governance Standard on "Shari'ah Decision-Making Process" on 10 October 2023.

The purpose of the public hearing was to receive views from stakeholders in the Islamic financial industry in the form of questions, recommendations, comments, and suggestions which will be presented to the relevant working group and AAOIFI Board of Directors for consideration.



Meeting between UBF and Korea's KOFIA

On 27 October 2023, UBF DG met with the new chairman of KOFIA (Korea's Banking Association) as well as the accompanying Korean delegation, who had come to the UAE to review the current financial trends and developments and seek assistance from UBF.



More 300 Experts Attend 2023 ACFE Fraud Conference Middle East

UAE Banks Federation, the representative body and voice of UAE banks, highlighted the effectiveness of the UAE's efforts in combating financial fraud supported by the many initiatives and measures being implemented by the sector under the guidance and supervision of the Central Bank of the UAE, which is taking proactive steps to combat financial fraud, at the 2023 ACFE Fraud Conference Middle East. The Central Bank of the UAE is constantly taking proactive steps to combat financial fraud and is developing laws and regulations and employing advanced technology to prevent and detect fraud.

The conference hosted by the Association of Certified Fraud Examiners (ACFE), with support from strategic partners, including UAE Banks Federation, took place in Dubai on 8-9 May and was attended by more than 300 experts and professionals in the field. Participation in this important annual conference is part of the Federation's efforts to help member banks build and develop competitive and sustainable business models that benefit customers and economic and social development by combating fraud and providing a secure and streamlined banking and financial system.

The conference discussed the key challenges and topics in dealing with fraud, especially in the digital age, which is witnessing a remarkable rise in fraud cases that threatens the security of financial and banking institutions as well as individual and institutional customers.

The UAE has been proactively improving compliance and fraud-related laws and regulations, raising awareness of fraud risks, and providing training and support to all banking employees to enhance their knowledge and skills in fraud prevention and detection.

The conference was attended by experts and high-ranking officials in the regional banking and finance sector, including H.E. Mariam Mohammed Al Amiri, Assistant Undersecretary for Financial Management at the Ministry of Finance, who delivered the keynote address. Other key speakers were Hala Bou Alwan, an expert in compliance, financial crime, governance consulting and training, and Nina Schick, an entrepreneur, a writer specialising in artificial intelligence and author of the book "deepfakes", published last year (2022), which deals with the staggering crimes based on cutting-edge technologies.



Swift

Swift User Group UAE (SUG) Annual General Meeting (AGM)

UAE's Swift User Group held its 2023 Annual General Meeting (AGM) on 16th May 2023. The meeting was presided over by the Chairman of UAE's Swift User Group – UBF DG.

Attendees discussed latest Swift updates relevant to the UAE banking sector, assessed progress of SUGSCNMC's action plan for 2023, explored collective actions and strategies to improve payment performance and promote a robust, efficient and secure banking system in the UAE, and the participation of member banks in the upcoming Sibos 2023 - the annual conference organized by Swift for the global financial industry which is scheduled to take place in September 2023 in Toronto, Canada, which brings together major institutions and technology providers to discuss and showcase the latest developments and technologies. Furthermore, 3 members from UAE Swift Users were selected to attend Sibos conference in Toronto for this year.

SUG (UAE) members approved the minutes of their last meeting that was held on 10th June 2022, reviewed activities and outcomes during the year 2022, and approved the budget for 2023, as well as the audited financial statement for the year ending 31st December 2023.

AGM reaffirmed the importance of initiatives taken by Swift-UAE User Group Steering Committee to keep pace with latest trends in the banking sector, improve payment processes, and enhance the efficiency and security of bank transfers. The meeting also urged banks to benefit from progressive steps taken by the Central Bank of the UAE in meeting the needs of stakeholders, especially in terms of technological development, innovation, flexibility and security to promote innovative and secure payment solutions.

During the meeting, UBF's DG shared with members a glimpse of Swift's Global Country Watch Report of 2022 and highlighted the position of the UAE which keeps improving its rank, year after year, and is now at 16 to 29, versus 33 to 36 previously.



Swift Chairpersons Meeting

UBF DG, Chairperson of Swift User group (UAE) attended Swift Chairpersons meeting held on 17th September.



Swift Learning Centre (Training Program)

UBF conducted its 5th and 6th training programs (2 batches) on the topic of "Your Route to ISO-20022 CBPR + Certification Exam" in cooperation with Swift Dubai Office in May 2023, virtually via MS-Teams.

There were 40 members registered for the first and second batches.

UBF conducted its 3rd batch training program in October 2023 on the topic of "Your Route to ISO-20022 CBPR + Certification Exam" in cooperation with Swift, virtually via MS-Teams. There was a total of 24 attendees registered for the 3rd batch.

The first and second training program was conducted in Q1 2022. The third training program was conducted in Q2 2022. The fourth training program was conducted in Q4 2022.

4th SUGCNMG Meeting - Swift Dubai Office

UAE's SWIFT User Group Steering Committee & National Member Group (SUGSCNMG) held its 4th 2023 meeting to take stock of progress and challenges and to plan for the year ahead. The meeting was chaired by UBF's Director General, Chairman of UAE SWIFT User Group (SUG).

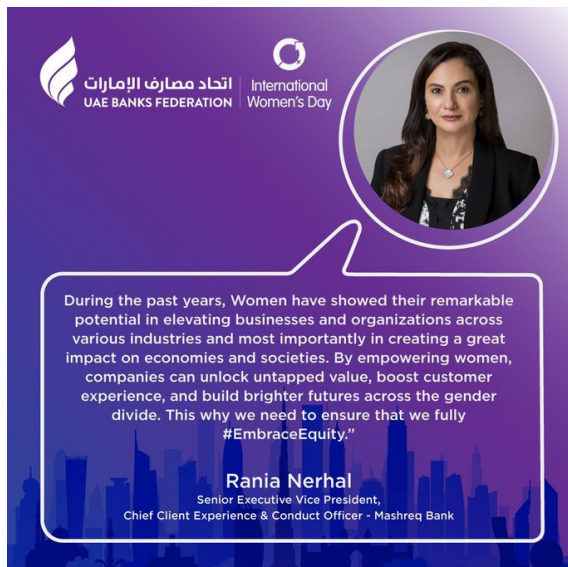
The meeting approved SUG's annual budget for 2024 and ratified the appointment of auditors for 2024. Members also reviewed SUGSCNMG's activities of 2023, including the annual SIBOS conference for 2023 and SWIFT Chairpersons Meetings held in September 2023, and approved the action plan for 2024.





Special Publications

International Women's Day



Al-Bayan Interview – 3 pages (5th June 2023)

السوق المحلي | البيان | 21

16 ذو القعدة 1444 / 05 يونيو 2023 | العدد 6686 | الشّين

المدير العام لاتحاد مصارف الإمارات لـ«البيان»:

المعاملات المصرفية الرقمية في الإمارات ضمن الأعلى عالمياً

جـيـ وائل البليدي

قال جمال صالح المدير العام لاتحاد مصارف الإمارات: إن تسارع التحول الرقمي في الإمارات يسهم في توفير الكثير من الوظائف الجديدة في القطاع المصرفي والمالي وتطوير طبيعة بعض الوظائف الحالية في القطاعين. وتوقع صالح في حوار مع «البيان» أن تزداد الحاجة إلى خبراء التكنولوجيا المالية من أجل تقيّم الشركات وتحديد الاتجاهات الناشئة وتوجيه البنوك في تنفيذها حلول التكنولوجيا المالية لتعزيز القدرة التنافسية وتحسين تجربة العملاء، مشيراً إلى أن المعاملات المصرفية الرقمية في الإمارات تصل اليوم إلى أكثر من 95% من إجمالي المعاملات المصرفية، وهي من أعلى المعدلات في العالم، وفيما يلي نص الحوار:



جمال صالح:

«التحول الرقمي يرفع الطلب على الوظائف المصرفية والمالية الجديدة»
«توفير أفضل الخدمات للعملاء في بيئة مصرفية موثوقة وآمنة»
«3.7 مليارات درهم استثمارات البنوك المحلية في التقنيات الرقمية»



ما الوظائف التي ستحتاجها البنوك في المرحلة المقبلة ولماذا؟

في الوقت الذي يزداد فيه الحديث عن استخدامات وتطبيقات التقنيات المتطورة والذكاء الاصطناعي، لا بد من الإشارة إلى أن هذا التوجه وهذه التقنيات ليست جديدة في القطاع المصرفي والمالي، بل بدأت منذ سنوات، حيث نشهد تنامياً في الطلب على الخدمات الرقمية، الأمر الذي دفع القطاع المصرفي في دولة الإمارات لتسريع وزيادة جهوده في تطوير وتوظيف الحلول الرقمية من أجل توفير أفضل الخدمات للعملاء في بيئة مصرفية آمنة وموثوقة. وأشير هنا إلى أن البنوك المحلية استثمرت أكثر من 3.7 مليارات درهم خلال السنوات الخمس الماضية في هذا المجال، وقامت بتحديث البنية التحتية التقنية وتحسين واجهات برمجية التطبيقات والحوسبة السحابية وتحسين القنوات الرقمية. ونتوقع أن تسارع التحول الرقمي بشكل عام، وفي القطاع المصرفي والمالي بشكل خاص، يسهم في توفير الكثير من الوظائف الجديدة وتطوير طبيعة بعض الوظائف الحالية.

الأجهزة الذكية

كيف أثرت عملية التحول الرقمي على المعاملات المصرفية الرقمية؟

أسهمت رحلة التحول الرقمي، والتي تفت تحت إشراف وتوجيه مصرف الإمارات العربية المتحدة المركزي، بلا شك في زيادة الاعتماد على الخدمات المصرفية الرقمية، حيث تصل نسبة المعاملات المصرفية الرقمية إلى أكثر من 95% من إجمالي المعاملات المصرفية وهي من أعلى المعدلات في العالم، كما تصل نسبة الخدمات المقدمة عبر الأجهزة الذكية إلى أكثر من ذلك ويبلغ بعضها 100%، حيث تشهد نسبة الاعتماد على القنوات الرقمية تزايداً مستمراً.

تأهيل الكوادر

كيف تقوم البنوك بتهيئة رأس المال البشري للتكيف مع متطلبات العمل الجديدة في القطاع؟

بالفعل فإن التحول الرقمي في البنوك دفع القطاع المصرفي للاستثمار في تأهيل رأس المال البشري، خاصة الإداري منه، لمواكبة متطلبات التحول ووضع الحلول المناسبة وتوظيف التكنولوجيا بشكل مبتكر، حيث قامت باستقطاب وتأهيل وتدريب الكوادر التي يتطلّبه العصر الرقمي مثل مصممي ومهندسي وعلماء البيانات.

ومع زيادة التوجه للحلول الرقمية، يمكن الإشارة إلى بعض الوظائف التي يتوقع أن يزداد الاعتماد والطالب عليها في القطاع المصرفي والمالي مثل خبراء تحليل البيانات والذكاء الاصطناعي وخبراء التعلم الآلي بهدف الاستفادة من البيانات الهائلة في تحسين إدارة المخاطر وتسريع العمليات وتعزيز تجارب العملاء وتطوير الخدمات المالية والمصرفية للأفراد والمؤسسات والتسويق وخدمة العملاء.

وتتوقع أن تزداد الحاجة إلى خبراء التكنولوجيا المالية من أجل تقييم الشركات وتحديد الاتجاهات الناشئة وتوجيه البنوك في تنفيذها حلول التكنولوجيا المالية لتعزيز القدرة التنافسية وتحسين تجربة العملاء. كذلك، فإن ارتفاع المخاطر السيبرانية يعزز الاعتماد على الأخصائيين في الأمن السيبراني لحماية بيانات العملاء والحماية من الهجمات السيبرانية بشكل عام، وضمن الامتثال للوائح والظم واللوائح المحلية والعالمية.

ومع اكتساب تقنية البيوكشين قبولاً أوسع، نتوقع زيادة حاجة القطاع إلى المتخصصين في هذه التقنية لتطوير وتنفيذ حلول للمعاملات الآمنة والشفافة والعقد الذكية والتحقق من الهوية. ولا شك أن التركيز على الاستدامة والمسؤولية الاجتماعية سيفع البنوك إلى زيادة الانعام بتوظيف خبراء تقييم العوامل البيئية والاجتماعية والحوكمة لمختلف جوانب العمل المصرفي،

ووضع استراتيجيات تتماشى مع مفاهيم الاستثمار والتمويل المستدام، وقد بدأت البنوك في التركيز على هذه الجوانب خلال الفترة الماضية.

ورغم التطور التكنولوجي والاعتماد على الحلول الرقمية، ستظل الخبرة البشرية مهمة للغاية في تقديم الاستشارات المالية والاستشارية المباشرة وخدمة العملاء والامتثال التنظيمي للوائح والمعايير والقوانين والشفافية والحكومة وإدارة المخاطر. ويمكن القول إن الوتيرة السريعة للتقدم التكنولوجي وتنامي متطلبات العملاء ستؤدي إلى تغيير طبيعة العديد من الوظائف الحالية أيضاً بحيث تتطلب هذه الوظائف أهمية مواكبة التطور التكنولوجي وتطوير المواهب والقدرات للعاملين.

استقطاب المواهب

كيف أثرت التقنيات الحديثة -وعلى رأسها الذكاء الاصطناعي- على عملية التوظيف في البنوك؟

تسهم التقنيات الحديثة في تحسين عملية التوظيف في القطاع المصرفي والمالي، وتذليل السبل التي تقوم بها البنوك في استشراف وتوقع المتطلبات واستقطاب المواهب والخبرات وتقييمها مثل القدرات الواسعة والدقيقة لهذه التقنيات في البحث عن المرشحين المناسبين في العديد من المنصات الرقمية لتحديد المرشحين المحتملين بناء على معايير محددة، وفحص وتحليل السير الذاتية بكفاءة، وتحديد المهارات والخبرات والمؤهلات، إضافة إلى ذلك، فإن رزونات المحادثة والمساعدين الافتراضيين المدعومة بتقنيات الذكاء الاصطناعي تستطيع التعامل مع المتقدمين للوظيفة المرشحين والإجابة عن الأسئلة

35 ألفاً من أصحاب الكفاءات في مصارف الإمارات

أكد جمال صالح أن عدد العاملين في مصارف الإمارات يتجاوز 35 ألفاً من الكفاءات المصرفية والمالية، مشيراً إلى وجود إقبال كبير على العمل في القطاع المصرفي في الوقت الراهن، بالإضافة إلى إقبال العاملين الحاليين على برامج التدريب والتأهيل لمواكبة التطورات في القطاع ومنها التقنيات المتطورة. وأضاف: «ولا شك أن قدرة دولة الإمارات على استقطاب أفضل الكفاءات والمواهب من مختلف أنحاء العالم، وتأهيل وتدريب الكوادر المواطنة أسهم في ترسيخ مكانة الدولة كمركز مالي ومصرفي رائد في المنطقة وفي العالم، حيث أصبحت تعتبر ضمن أفضل 7 مراكز مالية على مستوى العالم، ويقوم اتحاد مصارف الإمارات بدور مهم في دعم تأهيل وتدريب العاملين في القطاع المصرفي في مختلف المجالات، حيث تضم أجنحة الاتحاد الكثير من الدورات وورش العمل التي تركز على تطوير القدرات ومواكبة التطورات للعاملين في القطاع المصرفي، كما قام الاتحاد بتأسيس مراكز تدريب متخصصة ورائدة بالتعاون مع كبرى المؤسسات العالمية المتخصصة مثل سويتفت.

العقود الماضية مثل التأثير الكبير لاستخدامات الكمبيوتر بحد ذاته على مجالات العمل المختلفة.

ولأن القطاع المصرفي كان رائداً في تبني التطورات التكنولوجية والتقنيات الحديثة، فقد قامت المؤسسات المصرفية والمالية الأعضاء في اتحاد مصارف الإمارات، وما زالت تقوم حتى الآن، بإعادة وترقية تأهيل الموارد البشرية التي كانت تعمل في المجالات التي أصبحت التقنيات تقوم بها بشكل كبير، بحيث تكون هذه الكوادر البشرية مؤهلة وقادرة على القيام بمهام أخرى والتدريب على الاستفادة من هذه التقنيات لزيادة قدرات العاملين في أداء مهامهم، وبالتأكيد فإن اكتساب مهارات جديدة هو أمر أساسي لكل العاملين لمواكبة المتطلبات المتغيرة. وكما أوردت في حديثي سابقاً، هناك الكثير من الوظائف الجديدة التي يوفرها التحول الرقمي وتوظيف التقنيات المتطورة مثل الذكاء الاصطناعي. وأود هنا التركيز على الأهمية التي يولها اتحاد مصارف الإمارات لبرامج تدريب وتأهيل العاملين في القطاع المصرفي وخاصة الشباب الإماراتي منهم، وذلك تحت الإشراف المباشر لمصرف الإمارات العربية المتحدة المركزي، وبالتعاون مع كافة البنوك الأعضاء في الاتحاد، الأمر الذي يسهم في تعزيز الأداء وتحسين تجارب العملاء في الوقت نفسه الذي يسهم في الاستفادة من قدرات العاملين ومواكبة التطورات المتسارعة.

تحسين الإنتاجية

كيف يمكن أن تساعد أدوات الذكاء الاصطناعي مثل «نشات جي-بي-تي» موظفي البنوك في تحسين أدائهم وإنتاجيتهم؟

لا يمكنني التعليق على تطبيق بعينه، ولكني أقول وكما أسلفت إن توظيف التقنيات المتطورة مثل الذكاء الاصطناعي يسهم في تعزيز قدرات العاملين للقيام بمهامهم، وتختلف كيفية ذلك التعزيز حسب عوامل كثيرة منها توجه المؤسسات التي يعملون فيها ومدى اعتمادها على التقنيات، وطبيعة المهام التي يقوم بها العاملون.

خطط التوظيف

هل يمكن أن يساعد الذكاء الاصطناعي في زيادة نسبة التوظيف في القطاع المصرفي؟

يمكن أن يساعد الذكاء الاصطناعي في تحليل كميات هائلة من البيانات لتحديد الاتجاهات المتعلقة بالتعيينات الناجمة وأداء الموظفين، وتقييم القدرات المعرفية للمرشحين والمهارات أو تحليل نتائج هذه التقييمات، الأمر الذي يدعم إدارات التوظيف والموارد البشرية في اتخاذ قرارات تعتمد على البيانات وعلى تحسين استراتيجيات التوظيف.

بالإضافة إلى ذلك، فإن التقنيات المتطورة والذكاء الاصطناعي يمكن أن يلعب دوراً مهماً في البرامج التدريبية للموظفين الجدد، كما يمكنها تحسين أدوات تقييم رضا الموظفين وتحديد الجوانب التي تتطلب التطوير وتقديم توصيات لتعزيز أداء العاملين. ورغم الفوائد الكبيرة التي توفرها التقنيات الحديثة، فإن العنصر البشري يعتبر أساسياً لضمان عمليات توظيف أمثل.

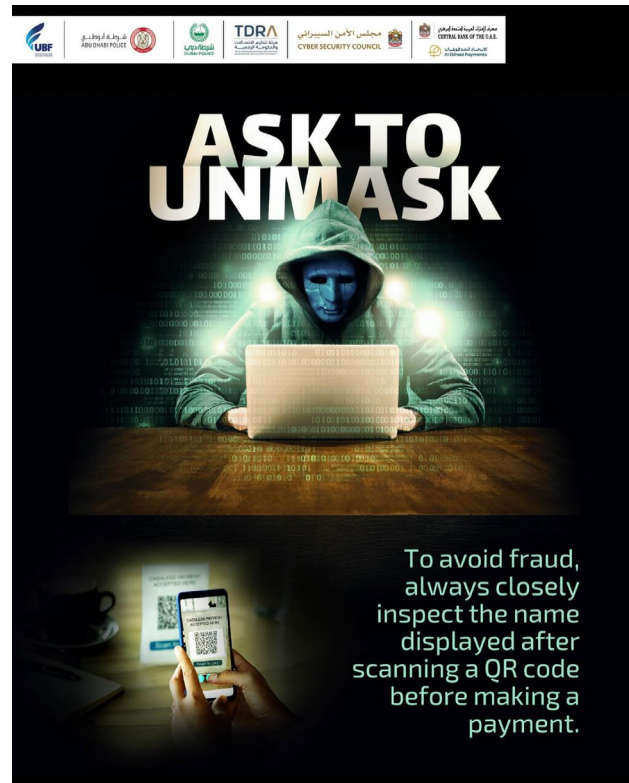
الذكاء الاصطناعي

هل يمكن أن يكون موظفو البنوك أكثر عرضة لفقدان وظائفهم في المرحلة المقبلة بسبب الذكاء الاصطناعي؟
من المهم الإشارة إلى أن أي تطور تكنولوجي يسهم في ثلاثة اتجاهات أساسية فيما يتعلق بالوظائف في مختلف القطاعات، وهذه الاتجاهات هي أولاً: انقفاء الحاجة لبعض الوظائف، وثانياً: تغيير طبيعة بعض الوظائف، وثالثاً: خلق فرص وظيفية جديدة. ولقد شهدنا هذه التحولات مع تبنينا الكثير من التقنيات خلال

أكد جمال صالح أن عدد العاملين في مصارف الإمارات يتجاوز 35 ألفاً من الكفاءات المصرفية والمالية، مشيراً إلى وجود إقبال كبير على العمل في القطاع المصرفي في الوقت الراهن، بالإضافة إلى إقبال العاملين الحاليين على برامج التدريب والتأهيل لمواكبة التطورات في القطاع ومنها التقنيات المتطورة. وأضاف: «ولا شك أن قدرة دولة الإمارات على استقطاب أفضل الكفاءات والمواهب من مختلف أنحاء العالم، وتأهيل وتدريب الكوادر المواطنة أسهم في ترسيخ مكانة الدولة كمركز مالي ومصرفي رائد في المنطقة وفي العالم، حيث أصبحت تعتبر ضمن أفضل 7 مراكز مالية على مستوى العالم، ويقوم اتحاد مصارف الإمارات بدور مهم في دعم تأهيل وتدريب العاملين في القطاع المصرفي في مختلف المجالات، حيث تضم أجنحة الاتحاد الكثير من الدورات وورش العمل التي تركز على تطوير القدرات ومواكبة التطورات للعاملين في القطاع المصرفي، كما قام الاتحاد بتأسيس مراكز تدريب متخصصة ورائدة بالتعاون مع كبرى المؤسسات العالمية المتخصصة مثل سويتفت.



National Fraud Awareness Campaign (prepared in 4 languages)



“Fulfilling the Vision” - Featured in MEA Finance Magazine, September 1, 2023

COVER INTERVIEW

Fulfilling the Vision

Jamal Saleh Director General of the UAE Banks Federation, provides detailed insights into the main objectives, key concerns, the bold successes and the contribution that the proficiency of the UAE's banks and the Federation make to the establishment of the nation as a global financial hub

What is currently top-of-mind at the UAE Banks Federation?

As the sole representative and unified voice of UAE banks, we at UAE Banks Federation (UBF) are always guided by a major responsibility that is entrusted to the Federation, which can be summarised as enhancing the cooperation among UBF member banks to upgrade the banking sector for the benefit of the overall financial sector and the UAE national economy.

Our primary mandate is to fulfil UAE leadership's strategic vision of cementing the UAE's position as one of the forefront developed economies, as well as Central Bank of the UAE's objectives of ensuring that the UAE financial sector remains resilient and most compliant. This is achieved through driving the adoption of innovative practices and through the implementation of advanced solutions in the financial and banking sector to enable the members of the sector to play a

vital role in socio-economic plans, meeting customer needs, as well as the protection thereof, placing human development requirements (especially the Emirati cadre), sustainability and compliance to local and international regulations at the centre of all efforts and initiatives.

UBF's 2023 strategy includes focused plans to advance sustainability and digital transformation to strengthen the position of the sector globally under Central Bank of the UAE's direct supervision. This strategy includes increasing Emiratisation, which is a top priority for us.

In addition to compliance, resilience and customer service, we continue to work with our member banks, under the guidance of Central Bank of the UAE, to foster and accelerate digitalisation efforts while contributing positively to the technical advancement of the financial sector.

We stay focused on promoting a conducive ecosystem to ensure that our banking sector is meeting the growing needs of all retail and institutional customers in a safe, convenient and seamless way. Doing so entails various campaigns and initiatives on the part of UBF, including raising awareness, training and upskilling, keeping pace with latest solutions and technologies, and regularly updating systems and practices that are in place to ensure members' adherence to rules and laws.

What are UAE banks doing to combat the proliferation of fraud in today's digital environment?

Digital interactions between banks and customers are becoming the primary mode

Jamal Saleh Director General of the UAE Banks Federation

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DG's Article in The National Newspaper “How the UAE is Building a Sustainable Finance Sector”

SUSTAINABLE FINANCE

OCTOBER 2023

Produced By MEDIA REPUBLIC

In collaboration with the commercial department of The National

HOW THE UAE IS BUILDING A SUSTAINABLE FINANCE SECTOR

The nation leads by example on the regulatory front, taking steps to deliver sustainable banking solutions

Jamal Saleh
Director General of the UAE Banks Federation (UBF)

Sustainable finance has become a priority for the UAE. The nation has committed to decarbonising its economy, reducing greenhouse gases by up to a quarter by the year 2030, and achieving net-zero carbon emissions by 2050. Achieving these and other sustainable development goals will necessitate sustainable financing, or investments in line with environmental, social and governance (ESG) best practice.

“More than \$30 trillion is required by 2050 in the Middle East, Southeast Asia, and Africa to enable the net-zero transition so the potential is huge,” said Lukasz Rys, Managing Director and Partner at K&N. “However, most local green products are traded in distant markets, such as Frankfurt, London, Luxembourg, Singapore.”

Thanks to green finance investments by public entities and sovereign wealth funds, the UAE has the capability and track to position itself as a leading marketplace for

Sustainable finance, with a focus on Islamic sustainable finance, he added.

The issue has come into focus as the UAE gears up to host COP28, the UN's annual climate change conference. The nation's COP28 presidency has described “financing climate finance” as a priority for the summit.

Jamal Saleh, Director General of the UAE Banks Federation (UBF), said sustainable finance has become immensely important in today's financial landscape. “The global banking sector's proactive role in addressing climate change through green finance initiatives and climate-related actions is a critical enabler for a sustainable future,” he said.

The federation is the unified voice of UAE banks and works with its members under the supervision of the UAE Central Bank (CRAU) to deliver sustainable banking solutions in line with the

regional CSSF finance, with a focus on Islamic sustainable finance, he added.

At the global level, United Nations has spearheaded a Net-Zero Banking Alliance, an alliance comprising several major banks. In the UAE, a key UBF initiative has been establishing a high-level ESG Steering Committee composed of UBF subject matter experts. The committee is instrumental in driving the efforts of ESG and green finance in line with the UAE's endeavour, to incorporate sustainability principles into management and operations, Mr Saleh said.

As energy supplies have become ever more valuable, investing in new, diversified energy sources is more rewarding and more crucial, said Sal Jafar, CEO, ESG, MENA, a knowledge hub dedicated to the sector.

“It's essential that finance is truly sustainable, and greenwashing is

unfortunately prevalent worldwide – a major barrier to securing a sustainable transition. However, regulators and corporations alike are working hard to address this malpractice by adding additional layers of scrutiny,” he said.

In line with its efforts to lead the way on the energy transition, the UAE has been working to build a sustainable finance regulatory framework. Since the 2012 launch of the UAE Green Growth Strategy, which aims to build leadership in sustainable economic development, there have been several notable declarations and initiatives at both the federal and emirate levels. Both Dubai and Abu Dhabi issued sustainable finance declarations in 2016 and 2019, respectively.

At the federal level, the UAE Sustainable Finance Working Group (SFWG) was established in 2019, bringing together ministers, regulators and stock exchanges to encourage

UBF's Fraud Prevention Campaign Headlines 12-Page Feature on Digital Banking and Online Fraud in The National Newspaper

DIGITAL BANKING AND ONLINE FRAUD

UNDERSTANDING BANKING'S NEW CYBERSECURITY PARADOX

Artificial intelligence is driving advances in banking – but fraudsters are also leveraging the technology to create parallel digital ecosystems. UBF's Director General Jamal Saleh says banks, regulators, and law enforcement must work together to combat this growing threat.

DIGITAL BANKING AND ONLINE FRAUD

FRAUD DETECTION AND PREVENTION ARE AT THE CORE OF RISK MANAGEMENT FOR BANKS IN THE UAE

In digital ecosystems, key new players have emerged, and cybercriminals continue to grow, presenting, detecting and investigating fraud is becoming more complex.

DIGITAL BANKING AND ONLINE FRAUD

TIME OF TRANSFORMATION AHEAD FOR UAE BANKS

As the digital banking sector matures, a window of opportunity opens to redefine customer relationships – even as competition increases

DIGITAL BANKING AND ONLINE FRAUD

SECURE YOUR PRIVACY

Limit what you share online. The more information you share, the more you put yourself at risk of identity theft and fraud.

DIGITAL BANKING AND ONLINE FRAUD

DANGER LURKS IN UNLIKELY FORMS. FOR THE FUTURE, AND THERE'S NO TIME TO WASTE

ADIB

DIGITAL BANKING AND ONLINE FRAUD

REDEFINING THE THREAT WITH VIOLENCE AND SMART BANKING

UBF

DIGITAL BANKING AND ONLINE FRAUD

KNOWLEDGE IS A SUPER-POWER

The UAE Banks Federation appreciates that awareness of risk is key to preventing fraud

DIGITAL BANKING AND ONLINE FRAUD

SMART AND SAFE BANKING

Ganeshan Chandra, Executive Vice President, Head of Fraud Prevention and Intelligence, Mashreq, has advice on protecting your money in the digital age

DIGITAL BANKING AND ONLINE FRAUD

BUILDING A FUTURE-PROOF BUSINESS

Invest Bank is transforming its operations using digital technology

DIGITAL BANKING AND ONLINE FRAUD

MAKING THE MOST OF NEW TECHNOLOGY

NBE is right by your side in the changing world of banking

DIGITAL BANKING AND ONLINE FRAUD

TACKLING DIGITAL BANKING AND ONLINE FRAUD

Blackbox Sec, Chief Risk Officer at United Arab Bank, looks at the key ways to use the data

DIGITAL BANKING AND ONLINE FRAUD

PUTTING PEOPLE FIRST

ADIB has the words of its customers at its heart

DIGITAL BANKING AND ONLINE FRAUD

A TEAM EFFORT KEEPS YOU SAFE

How Emirates NBD is keeping its customers secure from online fraud

DIGITAL BANKING AND ONLINE FRAUD

A Smart Money Management Boot Camp for Gen Z

UBF's new initiative aims to educate young adults on financial literacy and digital banking safety



UBF Director General Discusses UAE Banks Federation's Net Zero Target in Gulf News Interview

4 UAE NET ZERO BY 2050 - FOCUS ON BANKING

Monday, January 16, 2023

UAE Net Zero target will be achieved before 2050: UAE Banks Federation

Promoting green projects and practices among customers, SMEs, suppliers and vendors to be part of the group's activities



By Suneeti Ahuja-Kohli

The vision for the UAE leadership to achieve net zero carbon emissions by 2050 will require a shift. However, like all other initiatives that have been announced and accomplished by our leadership, this goal too will be achieved well before 2050, says Jamal Saleh, Director General of UAE Banks Federation.

Currently, green finance is still in the early stages in the UAE. There are a few green sub-sectors, and just a handful of banks who are involved in this space on a voluntary basis," says Saleh, adding, "However, I see this scaling up considerably; similar to the growth that we have seen in Islamic banking."

"We now have seven fully fledged Islamic banks in the UAE, four of which are featured among the top 20 global banks in terms of asset size. And, the UAE has established the first Islamic bank globally. Hence, I see the same replication, with green financing taking off well in the UAE."

Talking about the role of the

banking industry in helping the UAE achieve net zero emissions, Saleh says, "There are three main channels through which our UBF member banks will be helping the economy achieve net zero emission targets. First, by fostering and promoting green projects. Second, promoting green practices among individual customers - SMEs, suppliers and vendors. And, last, by measuring and efficiently managing every member bank's own carbon footprint."

Banks are stewards of economic transformation. And, our banking industry can play a seminal role in tapping significant opportunities in the UAE, in particular, and the region, in general.

There is a growing interest in projects with a strong Environmental, Social, and Governance (ESG) angle. In the first half of 2021, green financing linked to sustainability projects in the Middle East and North Africa (MENA) reached \$6.4 billion, exceeding the amount raised through the whole of the year before, according to Bloomberg's EY 2021 Capital Markets League Table.

Shouting up support at the international level, the United Nations has convened a Net-Zero Banking



Alliance that brings together a global group of banks. The group currently represents over 40 per cent of global banking assets, and are committed to aligning their lending and investment portfolios with net zero emissions by 2050. In the UAE, some UBF members have joined this UN-led alliance.

On the local level, UBF is creating a similar alliance with 10 of its largest member banks. "We have built a top-notch steering committee comprising subject matter experts, to drive our ESG endeavours, and a subpart of it will be targeting the environment and carbon footprint," says Saleh.

The starting point of this alliance will be measuring the footprint of each member bank and drawing plans on how UBF will help its member institutions reduce the carbon footprint.

Saleh says, "We plan to publish positive achievements for our member banks in the course of time. For now, there are three or four banks who are already publishing details on their carbon emissions and footprint in their annual reports, and in due course we expect this to become common for our UBF members."

By the way, this is how corporate governance was introduced in the UAE. Initially, only a few of our UBF members volunteered and introduced a section on corporate governance in their annual reports, but eventually it has become a norm for all."

Banks finance carbon-emitting businesses as well as projects that are linked to the decarbonisation of the economy. How effectively the industry addresses financed emissions can make a significant difference.

Saleh is highly optimistic that the UAE banking industry and UBF members would soon set a benchmark for the region and play seminal roles in helping the UAE economy achieve its net zero targets. "Once regulations are introduced, every UBF



We have a top-notch steering committee comprising subject matter experts, to drive our ESG endeavours, and a subpart of it will target the environment and carbon footprint."

JAMAL SALEH
Director General,
UAE Banks Federation

member will have a window to set their own targets, which will be done in consultation between members and UBF, of course under the oversight, directives and guidance from our regulator, the Central Bank of the UAE.

"UBF members will need to have plans on how they are going to manage the carbon footprint, and when."

Much like credit risk scores, green finance is expected to introduce a sort of covenant for

customers and eventually will have a score for carbon footprint, notes Saleh.

"Customers will be expected to reduce and manage their carbon footprint over a time period."

According to PWC, green investments in six key GCC industries could have a profound impact by 2030, unlocking up to US\$2 trillion in cumulative GDP contribution, creating more than one million jobs, and encouraging more foreign direct investment (FDI).

The upcoming COP28 meeting in the UAE, which is planned for this year, could also prove to be a pivotal moment for the banking industry in the UAE. Saleh expects a few initiatives that will pave way for green finance and set a timeline for achieving goals of net zero emissions.

"We have come a very long way in the past few years with our regulators, where everything is done hand in hand with clear regulators' guidance and oversight. We are consulting with all our partners — our primary partner being the Central Bank of the UAE, as well as the Ministry of Finance, Ministry of Economy, Ministry of Commerce, Ministry of Justice, and many others. And, I cannot see a better opportunity for us to drive transformation in a fast way than COP28."

The challenge for banks in the UAE, however, will be the extent of diversification within the country, and hence the scope of projects that qualify for green financing.

"There is a shift that has to happen in the UAE, says Saleh. "It will happen through awareness extended by the banking industry in educating its customers, and through the oversight and regulation by our Central Bank of the UAE. We know that they have done amazingly well on tough mandates before, and I am most confident that they will do as well on this front too."

UAE Banks Spearhead Sustainable Finance Growth: Business Chief, August 30th, 2023



Article • Sustainability

How UAE banks are driving sustainable finance growth

By Kate Birch

August 30, 2023 • 6 mins



There has been a significant increase in green financing by UAE banks

Green financing and green-focused funds are proving popular for UAE banks in meeting sustainability commitments and helping the emirates achieve net zero

Article in Khaleej Times regarding COP 28

Khaleej Times

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COP28 in UAE: How banks are spearheading sustainability drive with \$51 billion in green financing

Apart from financing, banks have been adopting innovative technologies and embracing digitisation to reduce their carbon footprints



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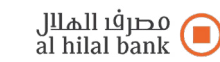
The UAE's banking sector has been toeing the line in tandem with UAE Net Zero 2050 and the energy diversification strategy, launching sustainability frameworks and financing some of the biggest renewable projects, all the while fighting climate change with environmental campaigns and activities, a top official said.

"This reaffirms the sector's commitment to UN Sustainable Development Goals (SDGs) and climate action, especially



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