



اتحاد مصارف الإمارات  
UAE BANKS FEDERATION



# ANNUAL REPORT 2020





### **UAE Banks Federation**



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# CHAIRMAN'S MESSAGE



I am pleased to congratulate our wise leadership, and all citizens and residents of the Arab and Islamic nation, on the success of Hope Probe mission, making UAE the first Arab nation to enter Mars orbit. We at UAE Banks Federation are proud of this historic achievement, which sets the most successful example of excellence, determination and perseverance to overcome the most complex challenges. In spite of the great difficulties imposed by COVID-19 pandemic, the people of the UAE continue to underline their global achievements in all fields and demonstrate day after day that they truly believe nothing is impossible.

The year 2020 has witnessed many unprecedented challenges due to the repercussions of COVID-19 and its direct effects on various areas of life, in particular the economy and social interactions. This situation has led businesses to come to a complete halt in some countries around the world.

But thanks to the vision and directives of our wise leadership, the UAE was one of the fastest countries to adopt a systematic plan to confront the consequences of this pandemic. The UAE established an ideal model and gave an inspiring example worldwide on how to successfully deal with crises in an efficient, experienced and professional manner that corresponds to the highest international standards. While

economic support packages and initiatives provided by the Federal Government and Local Governments since the outbreak of the pandemic totaled more than AED395 billion, many of these successful measures were taken to provide ease in doing business and reduce fees and costs to ensure continued momentum of commercial and economic activity.

Central Bank of the UAE (CBUAE) had a strategic and effective role to play in confronting the repercussions of COVID-19 and maintaining the stability of the financial and banking monetary system in the UAE by taking timely practical measures as needed for this stage in the pandemic. To this effect, CBUAE launched a comprehensive economic stimulus package as represented in the 'Targeted Economic Support

Scheme' and a set of measures related to financing, liquidity, lending, capital adequacy and many other regulatory facilities, which provided the necessary support to enable banks and their affiliated financial institutions to play their role effectively and successfully. This was aimed at boosting the banking sector's capability to support individuals, institutions and companies affected as a result of the pandemic.

The banking sector in the UAE has shown resilience in confronting the crisis and has played a pivotal role in supporting the plans adopted by our prudent government for the UAE to remain safe and prosperous. Member banks of UAE Banks Federation have also provided all possible assistance to customers who have suffered

from repercussions of the pandemic by modifying many of the expenses and fees for those affected and postponing payments of their monthly installments. In addition, the banking sector has also put the health and safety of its customers and employees at the forefront of its work priorities and has protected their financial interests as part of its bid to promote social responsibility in general. To this effect, the banking sector took many precautionary measures as part of the plan that the UAE Banks Federation developed in close co-operation and guidance of the CBUAE.

Despite the negative effects of the pandemic, the UAE's GDP is expected to grow by 3.6 per cent by the end of 2021, according to CBUAE preliminary estimates. In October 2020, the UAE ranked first in the Arab world in the COVID-19 Economic Recovery Index issued by the Horizon Research Group, which is composed of a panel of experts from the United Nations and the World Economic Forum.

Based on the keenness of UAE Banks Federation and all its members to protect the interests of UAE citizens and residents during the pandemic, we launched in 2020 the first nationwide campaign to raise awareness against financial and electronic fraud in close co-operation with CBUAE, Abu Dhabi Police and Dubai Police. This joint campaign was organized in light of the increasing risks of financial fraud and fraudsters' exploitation of the circumstances imposed by COVID-19. The campaign aimed at boosting customers' awareness and protecting consumers from all forms of financial fraud.

Finally, I can affirm that we are immensely confident in our ability to overcome this crisis and become stronger by virtue of the concentrated efforts and co-operation of all sections of our society. This will enable us to resume our success towards achieving all the aspirations of our beloved country and to create a better future for upcoming generations. On behalf of myself, UAE Banks Federation and its board members, I would like to thank first Central Bank of the UAE for its support and guidance during 2020. I would like also to thank the UAE banking sector and all the honorable members of the UAE Banks Federation for their continuous co-operation, commitment and participation in UAE Banks Federation's initiatives and projects to promote the UAE banking industry in the face of the crisis. This is in line with His Highness's Sheikh Mohammed bin Zayed's message when he said: "Do not be worried", message came at a historic moment to give hope and reassurance to the hearts of all UAE residents and to confirm that this time will pass and that it is imperative that we face this difficult situation through the co-operation of all individuals and institutions to overcome this crisis.

**AbdulAziz Abdullah Al Ghurair**  
Chairman of UAE Banks Federation

“It has been a privilege to see UAE Banks Federation playing a significant role in facilitating positive developments and transformations that are taking place across the banking sector. Despite the unprecedented global conditions that we are witnessing in this period, as well as the challenging environment of COVID-19 pandemic, we are proud of UBF's achievements during 2019 and year to date 2020, particularly in relation to key initiatives aimed at protecting customers and banks against – for example – cyber attacks, as well as enhancing fraud prevention across the banking landscape, in addition to many innovative banking solutions being brought on board.”

“With the introduction of the 6 new committees and despite the effects of COVID-19 pandemic, UBF's 26 Committees achieved new milestones by introducing several initiatives and strengthening our collaboration with Central Bank of the UAE and other stakeholders. Committees have been playing a vital role in the financial ecosystem for the benefits of the wider country. I would like to extend my deepest gratitude to the chairpersons and members of our committees for their outstanding performance and continuous support to develop and implement innovative initiatives to support banks as well as the community in line with our association's overall mission and vision. We will work together to sustain the success of our initiatives in 2021 as well as in the years to come.”

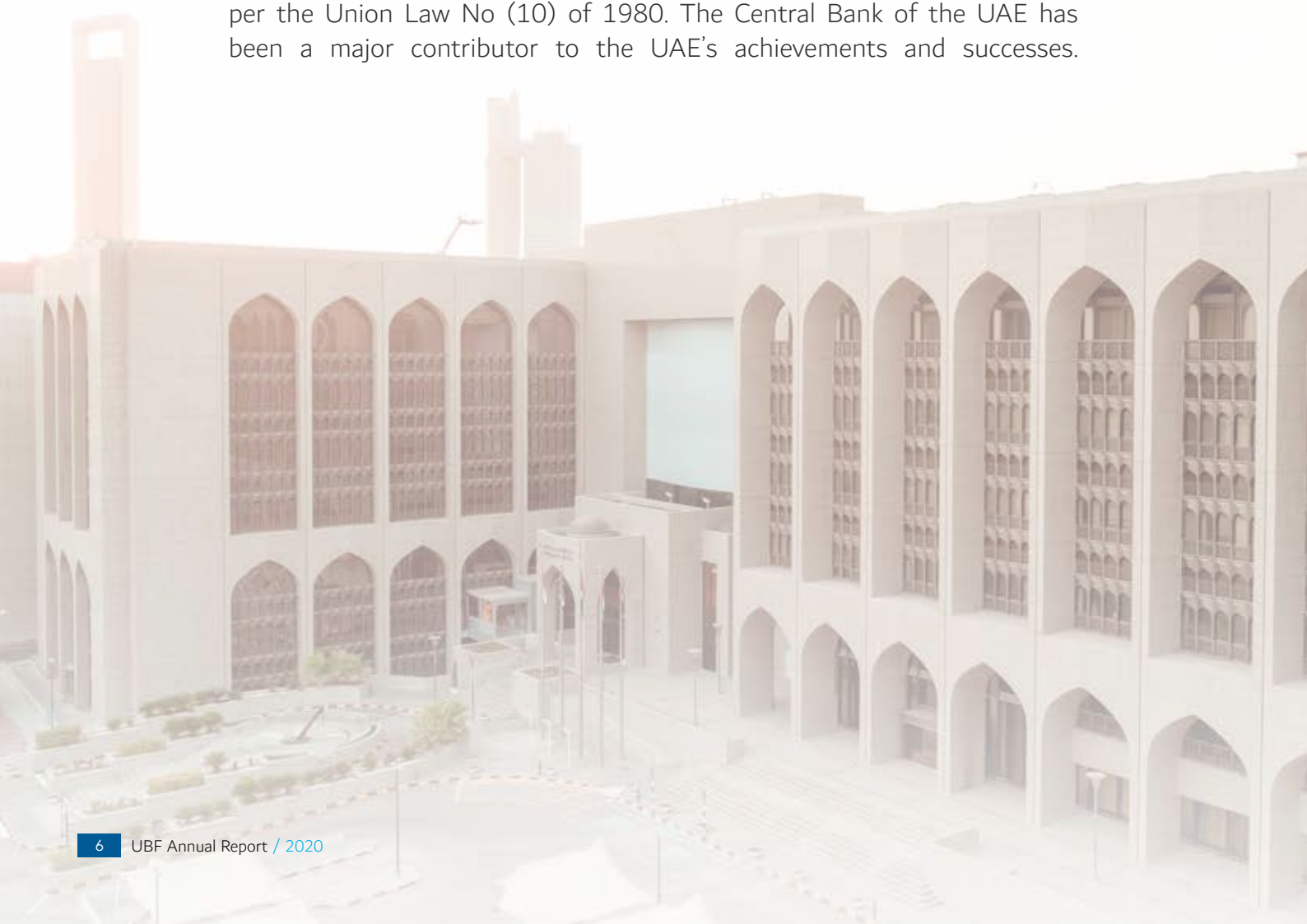
“Technology is constantly evolving and changing, increasing operational efficiencies for businesses while improving the day-to-day lives of consumers. The UAE banking industry has already made tremendous progress in this regard, adopting digital technologies to create a more robust, efficient financial ecosystem that supports the UAE's vision to empower society at all levels. The imminent launch of “klip” is the next significant milestone in our digital transformation journey, as we seek to reduce the circulation of cash in the UAE economy therefore removing the inherent risks and costs associated with it. We are confident that this pioneering initiative will not only further strengthen the economy, but also add real value to businesses and consumers across the country.”

“Trust is an essential underpinning element of the banking sector. For traditional banks in particular, it is a fundamental asset that must be preserved and strengthened to give banks a competitive edge over new players entering the industry. However, trust is no longer inherent or awarded by default – it must be continuously earned. UAE banks are no different, and they've consistently worked tremendously hard to instill confidence in customers. The latest edition of UBF's Trust Index Survey strongly reflects this, and is a clear indicator of the UAE banking industry's collective commitment to excellence and improvement, time and time again.”



## The Central Bank of the UAE marks 40 years of achievement since succeeding the UAE Currency Board

The UAE's economic and financial journey spans more than 47 years, starting in 1973 when the UAE Currency Board was established and mandated with issuing the UAE Dirham, the UAE's national currency. The 10<sup>th</sup> of December 2020 marks the 40<sup>th</sup> anniversary of the Central Bank of UAE's (CBUAE) establishment, replacing the UAE Currency Board, as per the Union Law No (10) of 1980. The Central Bank of the UAE has been a major contributor to the UAE's achievements and successes.



# ABOUT 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 foreign and GCC Banks, who oversee policy implementation, follow up on UBF's activities and take the necessary decisions for the banking sector.

The 23 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 reached 52 members in 2020.

## PROFILE

UAE Banks Federation (UBF), a not-for-profit organization representing 52-members operating in the country, is the leading industry association for the UAE banking sector. Being the official representative body of the rapidly burgeoning 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 banking 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 52 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 foreign banks, and 3 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 23 diversified technical committees and 3 advisory committees comprising thought leaders and market experts who together offer extensive expertise on different banking subsectors. 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.



**1982**  
**UBF was established**



**52**  
**Members**



**20 National Banks**  
**(Commercial & Islamic)**



**29 Foreign**  
**Banks**



**3 Special Status**  
**Members**

# WHAT WE STAND FOR

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As the official representative body of the rapidly burgeoning banking industry in the UAE, UBF considers the provision of exceptional professional representation and 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.

## VISION

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To be recognized as:

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

# MISSION

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- 1 Promote cooperation, communication and interaction among members on common issues.
- 2 Represent and advocate the interests, needs and concerns of the banking community.
- 3 Enhance visibility, promote the image of the banking industry, and raise public awareness to the benefit and distinctive financial, economic and social contribution of the members.
- 4 Empower and upgrade banking performance standards and the quality of human capital in the banking sector to be in line with best international practices.
- 5 Provide platforms for idea exchanges, opinions and information between members.
- 6 Offer representational leadership for members through the development of solutions that meet the changing needs of the marketplace.
- 7 Assist and enable members to build competitive and sustainable businesses which support customers, society and the economy.

# VALUES

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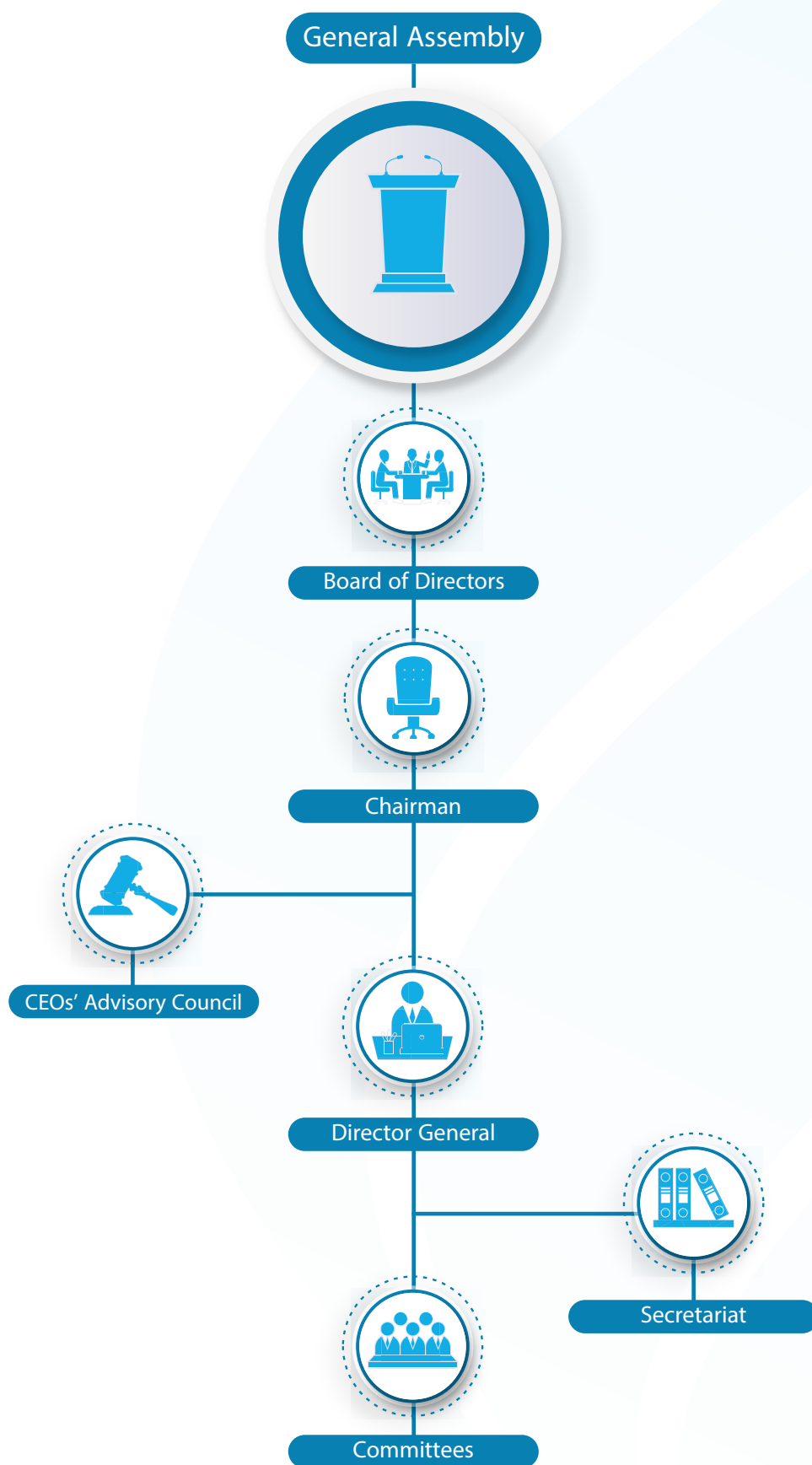
- Professionalism
- Transparency
- Integrity
- Innovation and creativity

# 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 four 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:** advises the Board of Directors and oversees the activities of UBF and its technical committees.
- ③ **Director General:** manage the day-to-day affairs of the Federation as well as the composition and formation of UBF Committees and execution of all mandated initiatives.
- ④ **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. Khalifa Al Suwaidi  
Vice Chairman - First Abu Dhabi Bank



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



Mr. Khamis Buharoon  
Member - Abu Dhabi Islamic Bank



Mr. Abdulla Qassem  
Member - Emirates NBD



Mr. Adnan Al Ismail  
Member - Abu Dhabi Commercial Bank



Mr. Omran Abdulla Omran Taryam  
Member - Invest Bank



Mr. Hamed Ahmed Kazim  
Member - Commercial Bank of Dubai



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

# BOARD OF DIRECTORS MEETINGS

● UAE Banks Federation (UBF) held its General Assembly Meeting on October 13th, 2020 via videoconferencing. The meeting was chaired by H.E. AbdulAziz Al-Ghurair, Chairman of UAE Banks Federation, and was attended by UBF's Board of Directors and representatives from UBF's members and Ministry of Community Development. During the General Assembly, members reviewed and approved the minutes of the previous General Assembly Meeting held on 22 April 2019, the Annual Report for the year 2019, the Audited Financial Statements, the Auditors' Report for the year 2019 and the appointment of Auditor for 2020. They ratified the budget for 2020, approved strategic objectives and an action plan for the year 2020. Other topics and items on the agenda were also discussed and attended to as well as approved during the meeting. Finally, the members wished the Federation more success and progress in the future.



● The Board of Directors held its first meeting on 30 March 2020 and reviewed the latest developments in the banking sector, the progress of the industry's response to COVID- 19 pandemic, as well as UBF's initiatives aimed at developing and sustaining a thriving banking sector in the UAE. In addition, they discussed UBF strategic objectives, an action plan for 2020, activities and initiatives launched during 2019, agenda of the extraordinary and ordinary general meetings, budget of the year 2020, Audited Financial Statements and Auditors' Report for year 2019.



● The Board of Directors of UAE Banks Federation held its second virtual meeting on 8 December 2020, to review the progress of UBF's top priorities for the year 2020 and to approve UBF's strategic plan for 2021. The meeting highlighted the mutual and joint discussions and initiatives with Central Bank of the UAE to contain the influence of COVID-19 on the banking industry during the year 2020, in addition to the "Vehicle Security Benchmarking" project, the progress of the "Ethical Selling" project, Emiratization's strategy in the banking sector, developing the "Wealth Management Roadmap in UAE", working on a wider adoption of Emirates Digital Wallet (KLIP), and the huge success of UBF's National Fraud Campaign in coordination with Central Bank of the UAE, Abu Dhabi Police and Dubai Police.



# CEOs'

## ADVISORY COUNCIL

UBF is guided by a CEOs' Advisory Council comprising Chief Executive Officers and General Managers from 26 national, GCC and foreign 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.



**Andre Sayegh**  
Group CEO  
First Abu Dhabi Bank



**Abdulfattah Sharaf**  
CEO  
HSBC Bank Middle East



**Mohamed Amiri**  
CEO  
Ajman Bank



**Ahmed Abdelaal**  
Group CEO  
Mashreq Bank



**Ahmad Abu Eideh**  
CEO  
United Arab Bank



**Gaurav Shah**  
CEO  
Emirates Investment Bank



**Faisal Galadari**  
CEO  
Al Masraf



**Lloyd Maddock**  
CEO  
Invest Bank



**Peter England**  
CEO  
RAK Bank



**Varouj Nerguizian**  
Group CEO  
Bank of Sharjah



**Ala'a Eraiqat**  
Group CEO  
Abu Dhabi Commercial Bank



**Elissar Farah Antonios**  
CEO  
Citi Bank UAE



**Ali Sultan Rakkad Al Amri**  
CEO  
Commercial Bank International



**Rola Abu Manneh**  
CEO  
Standard Chartered Bank



**Bernd van Linder**  
CEO  
Commml Bank of Dubai



**Vince Cook**  
CEO  
National Bank of Fujairah



**Abdallah Asha**  
General Manager  
National Bank of Kuwait



**Adnan Chilwan**  
Group CEO  
Dubai Islamic Bank



**Ramachandra Iyer**  
General Manager  
National Bank of Umm Al Qaiwain



**Manbir Dhillon**  
General Manager  
Samba Financial Group



**Shayne Nelson**  
Group CEO  
Emirates NBD



**Sandeep Chouhan**  
Acting CEO  
Abu Dhabi Islamic Bank



**Andrew Mortimer**  
CEO  
Barclays Bank



**Salah Mohammed Amin**  
CEO  
Emirates Islamic Bank



**Mohamed Ahmad Abdulla**  
CEO  
Sharjah Islamic Bank



**Abdul Shakeel Aidaroos**  
CEO  
Al Hilal Bank

# CEOs' ADVISORY COUNCIL MEETINGS

UBF is guided by a CEOs' Advisory Council, comprising Group Chief Executive Officers, Chief Executive Officers and General Managers from 26 national, foreign and GCC banks. With a mission to empower and enhance the potential of the UAE banking sector, the Council convenes regularly throughout the year to oversee implementation of strategy and policies as well as supervise the initiatives of the technical committees.

- During its first meeting on 23 March 2020, UBF's CEOs' Advisory Council discussed UBF key initiatives and the latest developments in the banking industry and reviewed the progress of the industry's response to the COVID-19 pandemic as well as UBF's initiatives aimed at developing and sustaining a thriving banking sector in the UAE. Topics discussed during the meeting were an update on UBF Performance, CBUAE Projects, Committees and Consultations list, National Fraud Awareness Campaign, Wealth Management Mandate, World Government Summit 2020 and other matters.

- During its second meeting on 20 May 2020, UBF CEOs' Advisory Council discussed UBF upcoming projects on (Willful Default Analysis, Vehicle Security Benchmarking, Trust Index in the UAE for 2019, UBF Annual Report 2019, UBF Evaluation Survey for 2019), Ethical Selling (Phase 2), Insurance Investment Scheme, and the Cyber Wargaming Exercise Project.

- During its third meeting on 16 September 2020, UBF's CEOs' Advisory Council discussed meetings with Dubai Customs Authority on MIRSAL System, Emiratization through Human Resources committee, cooperation with CBUAE FinTech Office, upcoming projects, and UBF Evaluation Survey for 2019. After the conclusion of UBF's CEOs' Advisory Council's 3rd 2020 meeting, EDW's 15 shareholding banks' CEOs held a virtual

meeting and discussed EDW's update, where the CEO of EDW presented a brief update and actions taken since 1<sup>st</sup> of August 2020.

- During its fourth meeting on 8 Dec 2020, the CEOs' Advisory Council's meeting focused on reviewing the year-long achievements of UBF's 26 specialized technical committees as well as UBF's main initiatives and events, including "Ethical Selling", mutual and joint discussions and initiatives with Central Bank of the UAE, financial literacy program "Ghaya" supported by Authority of Social Contribution "Ma'an" which is a government entity under Community Development Authority in Abu Dhabi, as well as UBF's "Regulatory Compliance Webinar" which was held on 25-26 November 2020. CEOs also took note of and guided UBF's 2021 endeavors and projects/initiatives that UBF intends to launch, including the wider adoption of its Emirates Digital Wallet (KLIP).



# COMMITTEES

UBF's 23 technical and 3 advisory committees are tasked with specialized duties and responsibilities to facilitate smoother internal and external operations. All committees make an active effort to work in harmony with one another, and are led by an experienced chairperson tasked with ensuring that their respective sector remains in line with the organizations overall mission and vision. The committees are expected to research, consider, recommend and give feedback regarding key banking issues.



## Annual meeting of Chairpersons of UBF's technical committees in 2020

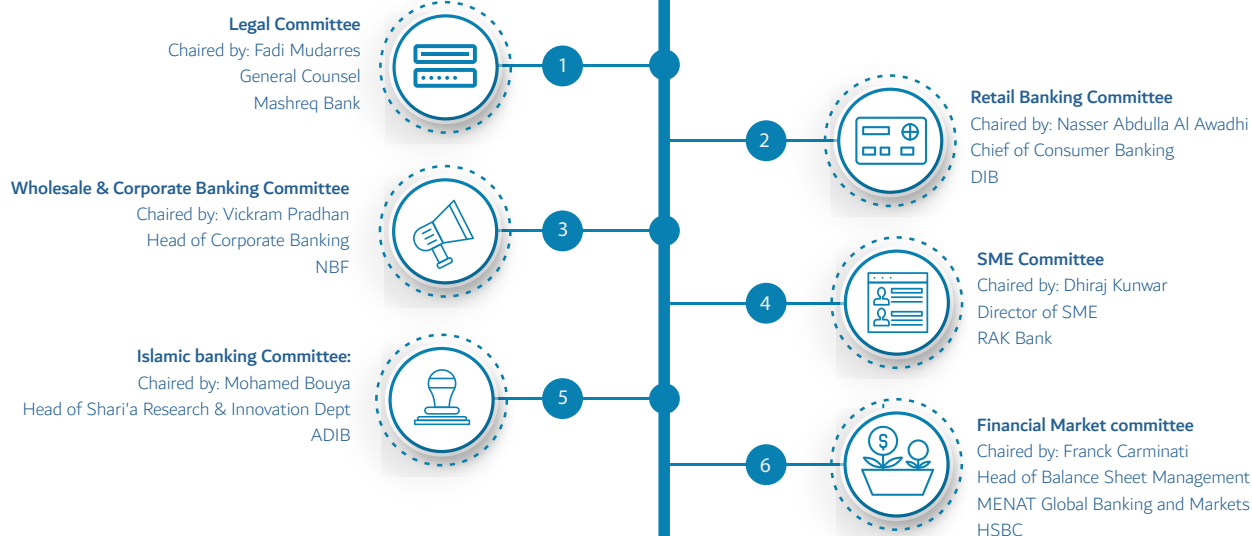
UBF held its Annual Committees Chairpersons' Meeting virtually with 26 specialized committees and discussed committees' performance, challenges, achievements, and key initiatives for the year 2020, as well as their priorities for 2021.

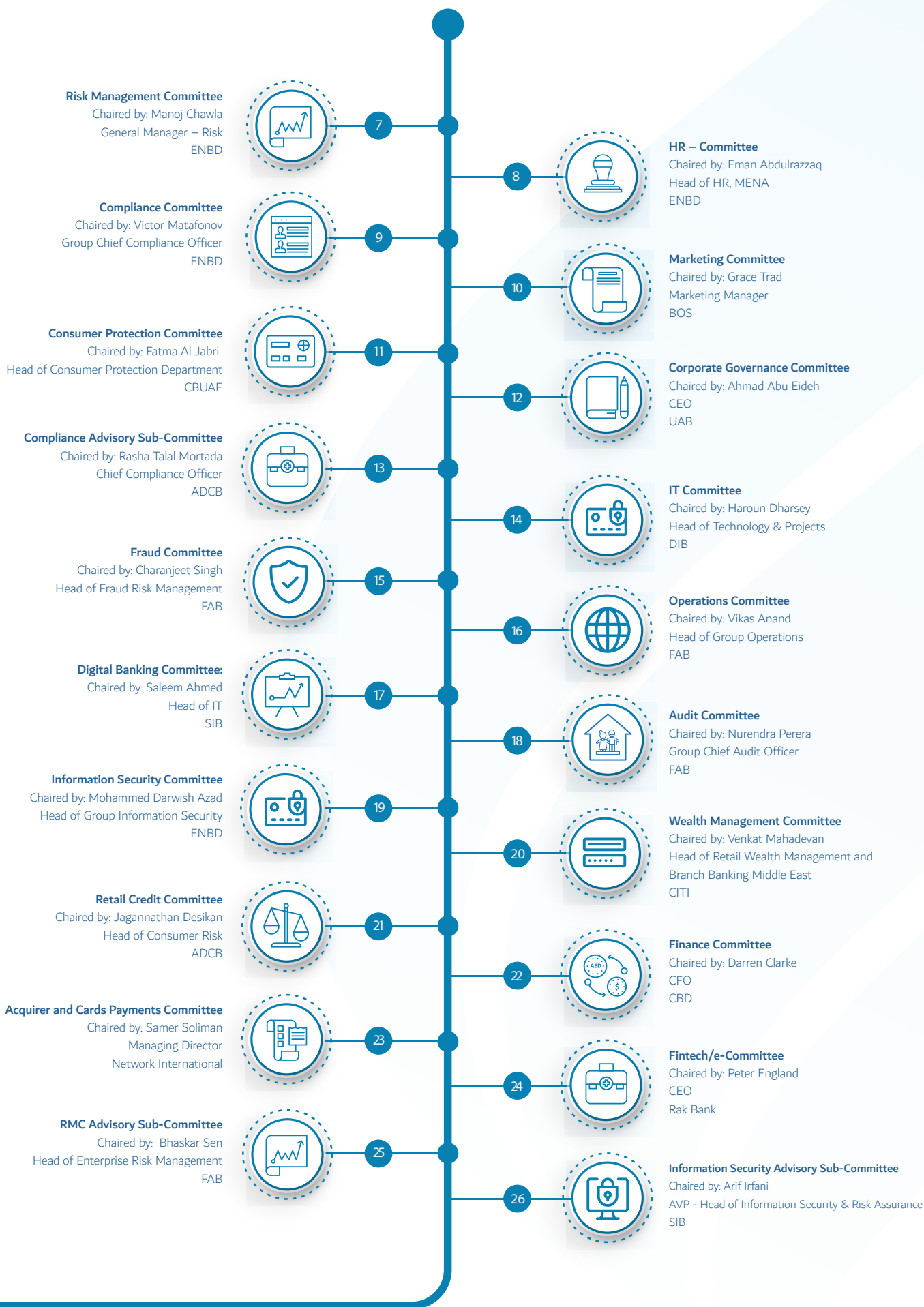
H.E. UBF Chairman informed the attendees regarding the six new Committees that have been formed during 2020 and asked each Chairperson to summarize the list of Committee's priorities and future plans and mention any potential costs associated with each plan/initiative in order to circulate all Committees' priorities to CEOs' Advisory Council, and UBF Board members. The Committee Chairpersons were also asked to provide their views on how to improve the working methodology of each Committee.

Finally, UBF Director General informed the members that they will receive a Certificate of Appreciation signed by H.E. UBF Chairman for their valuable efforts and contributions throughout the year.

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## SPECIALIZED TECHNICAL COMMITTEES





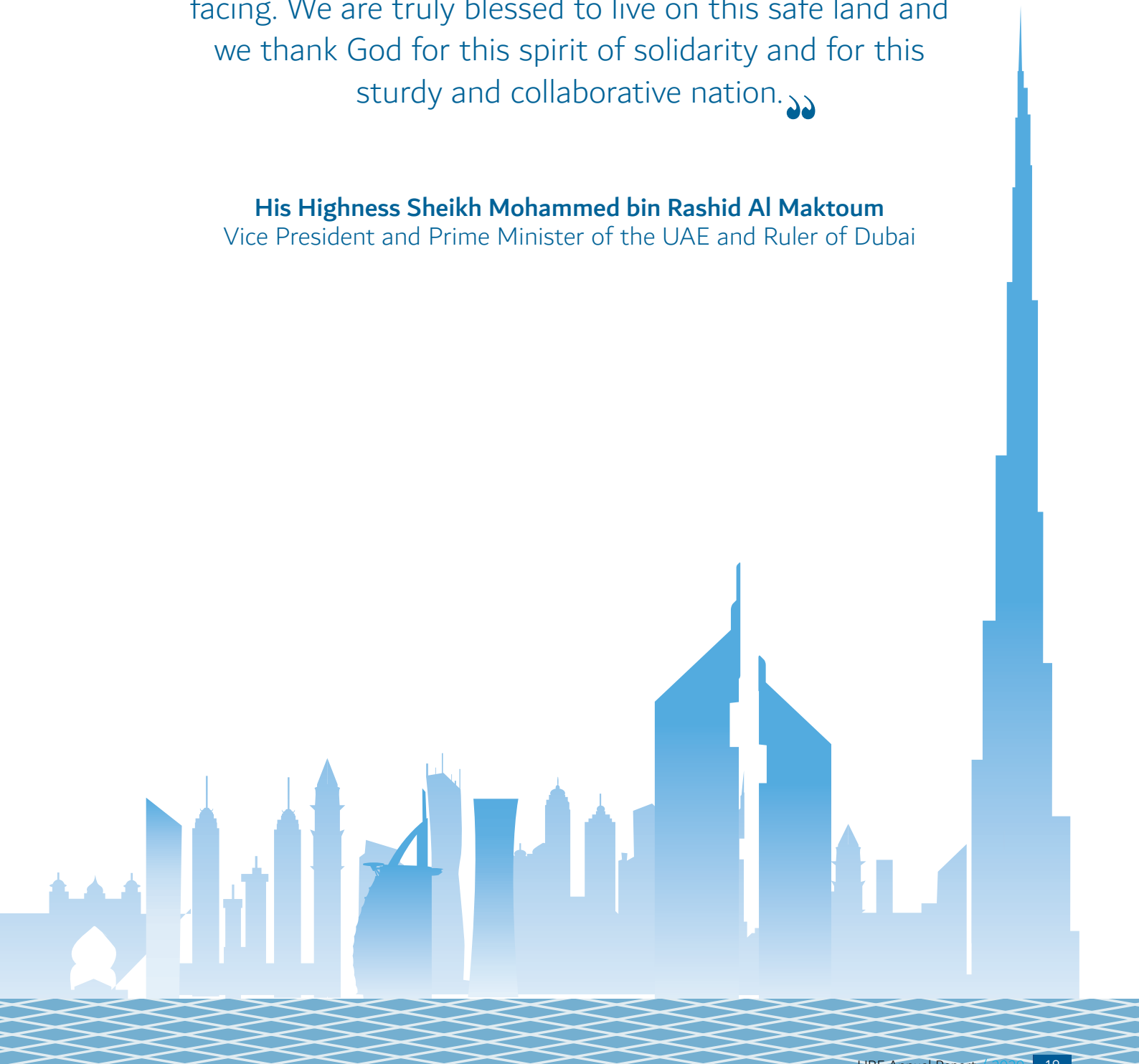
# ADMINISTRATIVE AND ORGANIZATIONAL

- 1 Foreign Exchange and Remittance Group (FERG) and Mastercard joined UBF during the year 2020, as “Special Status” members.
- 2 “Consumer Protection Committee” was established in February 2020 and comprised 9 members and 2 members from CBUAE Consumer Protection Dept (CPD). The 9 members will be from current members represented on various UBF committees, covering all aspects of consumer banking affairs and its peripherals. The mandate of this committee is to look after all Consumer Protection issues in the UAE banking sector and propose/drive improvements thereto.
- 3 UBF’s 3 advisory committees for Risk, Compliance, and IT Risk & Security were established in February 2020. These advisory committees were formed due to the interest of most members in obtaining a seat at these committees, in addition to the need for wider participation and more experiences.
- 4 Governance Committee was formed in May 2020 and comprised 11 members, the Chairperson of the committee is the CEO of United Arab Bank. The committee will cover all aspects of corporate governance.



“During this crisis, the UAE has shown to the world it is a single cohesive team, one family moving in unison to overcome the exceptional circumstances we are currently facing. We are truly blessed to live on this safe land and we thank God for this spirit of solidarity and for this sturdy and collaborative nation.”

**His Highness Sheikh Mohammed bin Rashid Al Maktoum**  
Vice President and Prime Minister of the UAE and Ruler of Dubai



# GLOBAL ECONOMY

## **The world is experiencing the worst recession and largest economic lockdown in history**

Never has the world economy witnessed a crisis like that caused by the outbreak of COVID-19. The repercussions of the pandemic affected all aspects of the economy and the incurred losses were estimated at \$28 trillion, according to the International Monetary Fund (IMF) in its latest statistics last October. While the growth rates of the economy slowed down, the elements of supply and demand were badly affected due to the imposition of quarantine, and a state of panic prevailed among consumers on the back of fears that those repercussions may continue and other waves of infection are expected.



The year 2020 was different; everything changed within weeks of the outbreak and spread of COVID-19. As so many lives were tragically lost, governments had no choice but to close borders, airports, markets, schools and everything that could lead to human gathering. It was indisputably the largest economic lockdown ever.

Everything stopped and entire cities were under lockdown in an attempt to curb the spread of COVID-19 that had hit hundreds of millions and killed hundreds of thousands of people.

Carrying out necessary quarantine operations and applying social distancing practices to contain the pandemic led to what was labelled as the 'Great Lockdown', where economic activity collapsed at an unparalleled size and speed.

As it was an unprecedented crisis, which led to a massive wave of unemployment, governments had to intervene to stop the bankruptcy of companies and save as many jobs as possible. Policymakers, meanwhile, provided unprecedented support to households, companies and financial markets.

Nevertheless and as was expected, the crisis subsided so significantly in the second half of the year that the IMF raised its forecast for global economic growth in 2021 and positively modified its downturn-related outlook sparked by COVID-19 in 2020 to be less by around a full percentage point than previous estimates.

Launch by countries of vaccination campaigns raised hopes for the end of the pandemic and its negative effects on the world economy and major sectors, particularly tourism and aviation. As part of these effects, around 90 million people slipped below the extreme poverty line and large numbers of people suffered from direct or disguised unemployment in many countries including the United States.

The world economy shrank globally by up to 3.5 per cent in 2020, a better reading thanks to a stronger than expected momentum in the second half of 2020. According to the IMF, growth is likely to be in the range of 5.5 per cent in 2021, particularly with vaccines being administered on an accelerated schedule and more support measures being taken in the United States, Japan, Europe and some other large economies.

## What is Next?

The global economic conditions started to improve in the third quarter of 2020; the global economy's performance for the whole year was better than expected, thanks to the faster recovery recorded by private consumption and the rapid adaptation to remote work procedures, which boosted global demand and eased potential restrictions on the supply side. It should also be noted that all major economies - United States, Eurozone, Japan and China - outperformed in the second half and recorded positive quarterly growth, suggesting that the worst is over.

The global growth for this year is expected to be stronger. Indeed, the IMF has raised its forecast for global growth this year to 5.5 per cent, based on increased stimuli through fiscal and monetary policies in large advanced economies as well as the development of many effective vaccines and remedies and the efforts made to contain COVID-19.

Naturally, recoveries will vary from one country and territory to another, resulting in uneven paths to economic normalization. The strength of the expected recovery will vary depending on the severity of the health crisis, the extent of supply chain disruption associated with the structure of the economy and its dependence on highly connected sectors, the deployment of effective vaccines, and the effectiveness of support from economic policies to reduce persistent damage.

According to the IMF, the economies of oil-producing countries in the Middle East and North Africa (MENA) region are expected to recover and to record an average growth of 3.3 per cent in 2021 though the growth will continue strongly and the real gross domestic product of these countries will be 4 per cent by 2022.

Thanks to their stronger performance, the GCC countries were able to reduce the overall contraction that hit the entire world in 2020 to -3.8 per cent. As for the MENA countries in general, the real growth is expected to reach 3.1 per cent in 2021 and to rise to 4.2 per cent in 2022.

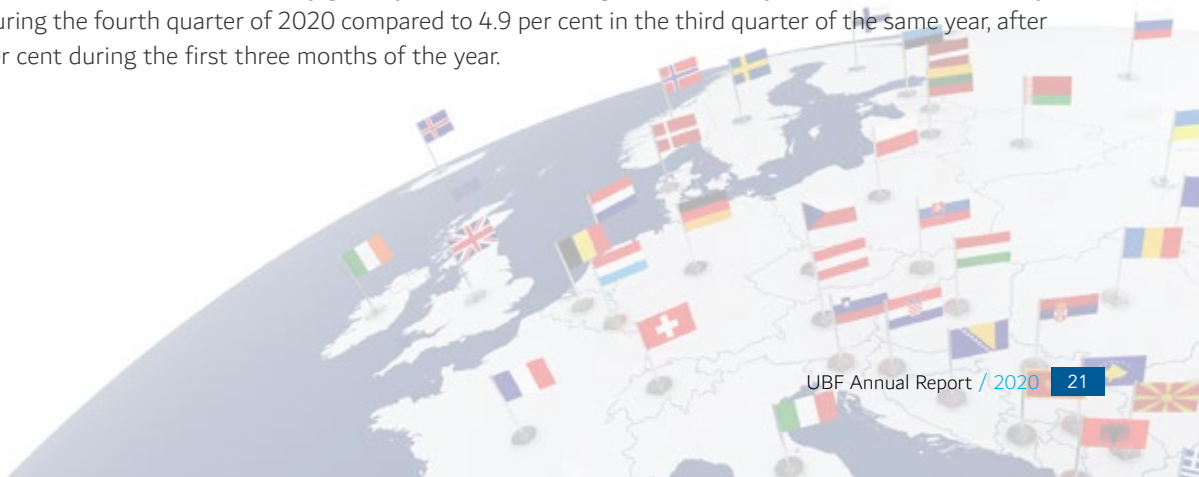
While the world economy is expected to grow by 5.5 per cent in 2021, its growth will decline to 4.2 per cent in 2022. The US economy is expected to grow by 5.1 per cent in 2021 before retreating to 3.1 per cent in the following year.

The IMF lowered its forecast for the growth of the Eurozone to 4.2 per cent in 2021, while the Chinese economy is expected to grow by 8.1 per cent. As for advanced economies, they are expected to grow by around 4.3 per cent this year, after a contraction of 4.9 per cent in 2020. The IMF also estimates the growth of emerging and developing markets at around 6.3 per cent this year, after a decline of 2.4 per cent in 2020.

Despite the 'exceptional uncertainty' surrounding the underlying forecast, the balance of risks is quite even. On the positive side, expectations about a rapid elimination of the pandemic may increase due to the flow of more positive news about vaccines, which would boost the confidence of companies and families.

In general, despite the short-term challenges associated with the new waves of COVID-19 and the slowing pace of recovery in Europe, the outlook for the world economy is generally positive.

The world is currently looking optimistically at the future determined to improve the lives of those affected and support the American economy that is facing the worst economic crisis in the modern era. As far as the second largest economy is concerned, official data showed that China's economy grew by 2.3 per cent during the pandemic year. The Chinese economy grew by 6.5 per cent during the fourth quarter of 2020 compared to 4.9 per cent in the third quarter of the same year, after a contraction of 6.8 per cent during the first three months of the year.

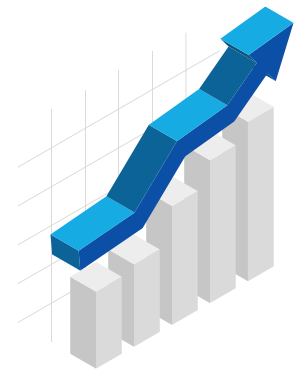


# UAE ECONOMY

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## **A unique global model that transcends challenges and continues building process**

Throughout 2020, the world was experiencing one crisis after another due to the outbreak of COVID-19. The UAE was able to continue providing exemplary leadership with its rapid action in containing the outbreak, while simultaneously providing ways to confront the challenges as well as the negative impacts of the pandemic. The UAE established the best model in planning for a rapid return to semi-normal life, thanks to its way of managing the crisis with standards that surpassed many countries around the world.



This model did not come into existence in 2020, but years before that during which the UAE continued its process of building and development and hence had the necessary skill sets to confront both foreseen and unforeseen challenges alike. Therefore, if 2020 was the year of crises for many countries around the world, for the UAE it was a year to continue building while preparing for a new era. In 2021, the UAE will celebrate its 50th anniversary, and a new journey to write history begins. History will remember that during the year of the pandemic, UAE was successful in the “Hope Probe” mission, a milestone which marked the Arab world’s entry alongside global weights in the space race and placed the UAE as the first Arab nation, and the fifth in the world, to reach the red planet. This demonstrates that nothing is deemed impossible for the nation.

## **Business Sector Support**

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For the UAE, 2020 witnessed very significant legislative developments related to the national economy in particular and business sectors. These major regulations included the new amendments to the Companies Law, amendments to the Bankruptcy Law, allocation of grants and incentives to tourism establishments, amendments to the Commercial Transactions Law and decriminalization of dud cheques. Also included was a reduction in fees and taxes on the tourism sector, enhancing the flexibility of the labor market, and the Comprehensive Economic Support Scheme issued by the Central Bank of the UAE to enhance liquidity in the UAE financial and banking sector.

In addition, the legislative developments included laws promoting foreign direct investment by amending the Commercial Companies Law, through which the UAE aimed at increasing the number of companies operating in the UAE to one million over the next 10 years, up from about 300,000 companies currently. These include public and private joint stock companies, limited liability companies, partnerships and limited partnerships, of which national companies account for 99.3 per cent. By virtue of its decree amending the new Commercial Companies Law, the UAE permitted foreigners to establish their own businesses in the UAE and allowed them 100 per cent ownership without the need for an Emirati sponsor.

## Creating opportunities

The UAE is seeking to promote an optimal business climate in the country, increase its ability to attract foreign investments in new economic sectors, diversify the economic base, develop non-oil income, create new job opportunities, boost market movement, localize technology and develop skills and human resources. Ever since COVID-19 surfaced, the UAE has been keen on introducing billions-worth of stimulus packages to support the business sectors. The UAE did not stop at this but rather formed a committee to co-ordinate and follow up with the implementation of an economic scheme for recovery and advancement. No sooner the year ended and the UAE had made new and significant strides in supporting the national economy and accelerating the pace of recovery of various vital sectors from COVID-19 repercussions. The economic support packages and initiatives provided by the UAE federal government and local governments since the pandemic appeared totaled approximately AED390 billion. This contributed to business continuity and helped commercial activities increase momentum and enhance their ability to grow and compete in all vital sectors.

The recovery route of the package of initiatives is based on empowering the new economy, developing priority sectors, opening new markets locally and globally, providing financing support, easing lending standards, streamlining tourism, attracting and retaining highly qualified cadres and stimulating innovation.

## First on recovery route

The UAE ranked first in the Arab world for the COVID-19 economic recovery index published by the Horizon Research Group, which assesses countries' capabilities and assets to overcome and recover from the crisis with the aim of developing effective policies to deal with this challenge and support the efforts made to ensure full recovery in all sectors.

According to the results of the index, which covered 122 countries, the UAE came at the forefront of Arab countries, supported by many factors and strengths including the robust institutional system, high digital capabilities of all sectors and population's educational attainment.

The strong performance that the UAE - represented by all its institutions - showed in dealing with the pandemic from its outbreak up until now has been reflected in the results that they achieved. The UAE ranked among the top 25 countries worldwide in many sub-indices: it ranked 5th in the population health index, 15th in the labor market strength index, 17th in the debt indicator, 19th in the governance and social capital index and 21st in the digital economy index.

The Bloomberg News Economy Forum also classified the UAE as a model for the emerging economy in the post-pandemic region based on its economic reforms and opportunities despite the array of economic challenges witnessed in the world in general and the region in particular.

For the fourth year in a row, the UAE topped the countries of the Middle East and North Africa (MENA) in the World Competitiveness Center's Global Competitiveness Index 2020, a report in which the UAE ranked 9th worldwide among the most competitive countries in the world. Similarly, the UAE occupied leading positions in other indices to reflect its strong economy and its ability to deal with the challenges imposed by the pandemic.

As far as international reports are concerned, international institutions, particularly the International Monetary Fund, the World Bank and the Institute of International Finance (IIF), were optimistic about the recovery of the UAE from the COVID-19 repercussions and about its economic growth. According to the World Bank, the local economy is likely to start recovering in 2021, recording a growth rate of up to 1 per cent. In addition, the local economy will continue to recover and grow, recording an expected real growth rate of 2.4 per cent next year.

## Infrastructure

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The UAE has a diversified economy, which benefits from their strong sovereign assets and high financial reserves. The effective measures imposed by the government to contain the pandemic and keep it under control have relied on the use of modern technology, which in turn, contributed to opening the economy gradually and improved the country's chances of reaching full recovery in a record time. This infrastructure also contributed to taking the same lockdown measures, as the country's digital infrastructure has made it easy to run a business remotely and administer distance learning. According to the IIF, the pandemic has largely highlighted the importance of digital transformation. In its report, the IIF pointed out that the UAE has fortunately been a pioneer at this level and made long strides in all paths of digitalization including e-commerce and financial technology (FinTech) services. This development, coupled with structural reforms, would help the UAE diversify its base of economic growth, reduce dependence on oil and support growth opportunities, as said by the IIF.

Nowadays, the UAE is among the world's top 15 countries in the Information and Communication Technology Index issued by the World Economic Forum. It is also one of the world's top 10 countries in terms of developing smart transportation infrastructure.

## Optimism about UAE's economic recovery from pandemic repercussions

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This optimism is based on the principle that the health effects of the virus in the country were limited thanks to its effective precautionary measures including the number of tests, the successful follow-ups of infected cases in hospitals and the extensive vaccination campaign in which the UAE has set another model in responsible and prompt treatment of emergency cases. Other measures included the government's relentless bid to launch initiatives and stimuli for the UAE to ensure the safety of its citizens and residents and carry on its unique process of development, looking to the future through planning and hard work.

“ I ask you all to arm yourselves with positivity and optimism in the face of all challenges. Challenges are opportunities for success. Our fathers and forefathers faced many challenges with patience, hope, and optimism. Let us, today, take their lead and make their attitudes our example. ”

**H.H. Sheikh Mohammed bin Zayed Al Nahyan**

Crown Prince of Abu Dhabi  
and Deputy Supreme Commander of the UAE Armed Forces



# UAE BANKING SECTOR

## Banking sector proves successful when put to real test

The UAE banking sector has maintained a strong presence and was capable of quickly adapting to all 2020 updates despite the COVID-19 shock that struck the world and the world economy.

While banks around the world faced a state of uncertainty when dealing with the economic challenges resulting from the outbreak of COVID-19, the banks operating in the UAE dealt with these repercussions effectively and proved to be successful when put to a real test, which showed that they were able to excel and keep moving forward efficiently. The success was attributed to the UAE banking sector's strong financial fundamentals as well as the wise management and high efficiency of the Central Bank of the UAE (CBUAE). It was His Highness Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister, Minister of Presidential Affairs and Chairman of CBUAE, who launched an initiative to transform the CBUAE into one of the top 10 central banks in the world.



Optimism about the strong recovery of the UAE economy including the banking sector is confirmed day by day by the promising indicators, which show an imminent return to growth. On the other hand, the financial figures presented by banks and financial institutions were encouraging, as shown by the growth of the total assets of the banking sector and the high liquidity and solvency indicators, H.E. Abdul Hamid Mohammed Saeed Al Ahmadi, CBUAE Governor, said.

He pointed out that the early signs of this growth were seen in the late 2nd half of 2020 and the pace of normalization continues as global trade picks up and protection barriers created on movement slowly disappear. In a speech that included a summary of the 2020 events and a future outlook for next stage expectations, H.E. The Governor said China's positive performance and a co-ordinated effort by governments across the globe has meant that the right elements for normalization are out there and beginning to help.

According to H.E. The Governor, the UAE's GDP growth estimates indicate a contraction of approximately 3.5 per cent and 6 per cent in 2020, while the rapid pace of the UAE vaccination process signals a return to normal life. Economic activity is still subdued, but recovering, he said, adding that a strong return to growth in GDP is predicted for the UAE in 2021 as the government continues to diversify the economy, provide strong infrastructure spending and encourage private investment both as a measure of growth and private employment.

## Targeted Economic Support Scheme

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The Targeted Economic Support Scheme (TESS), which was launched by the CBUAE in March / April 2020 to support the UAE's economy in facing the COVID-19 repercussions, had a significant positive impact on the banking sector and hence on all business sectors.

The CBUAE launched an integrated set of measures to support the banking sector in such areas as financing, liquidity, lending and capital. Later, the CBUAE extended to June 2021 the applicability period of the AED50-billion zero cost facility.

The banks and finance companies participating in the TESS provided loans and facilities to customers negatively affected by the pandemic within the terms set by the scheme.

The TESS succeeded in enhancing the financial system's ability to support individuals and companies affected by the COVID-19 repercussions. Hundreds of thousands of individual customers, SMEs and hundreds of private sector companies benefited from it.

## Strong performance in figures

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Actually, the financial figures presented by banks and other financial institutions for year-end 31 Dec 2020 show the resilience that the banking system has built over time. The banking system's gross assets, deposits and lending have all increased, albeit slightly. The banks' assets rose to AED3.188 trillion by the end of December 2020, up by 3.4 per cent compared to end of 2019.

The more than adequate levels of capital (18.2 per cent, tier 1 of 17.1 per cent) and eligible liquid asset ratio (18.4 per cent) in the system, alongside sufficient levels of provisioning, mean that banks and financial institutions in the UAE have displayed robustness in the face of the pandemic's onslaught. Whilst profit may be down for some banks, they are a natural result of a bad year, rather than a fundamental shift in solvency and the appetite to do business.

## Challenges and exceptions

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H.E. The Governor said in his message: "The year 2020 has been challenging, to say the least, for businesses, the government and our wider community. Whilst doomsday predictions abounded in 2020, we are still here, continuing to do business and looking optimistically ahead towards various opportunities that have come to light as a result of a new world order."

"The intervention of the CBUAE, through the TESS and various regulatory relaxations, was timely and meant that the required level of support was provided and helped banks through clearly very testing times. The Government of the UAE implemented various successful measures to facilitate ease of doing business and applied various relaxations on fees and costs to ensure the continued momentum of business activity," he added.

According to H.E. The Governor, by the end of December 2020 there were a number of very encouraging positive indicators as embodied in the gradual return to normalcy for stock markets and the issuance of a number of bonds and sukuk with the return of activity in the capital markets.

“While inflation remained in the negative space, more consumer confidence as defined by their spending came back to normal in December of 2020. The signs of recovery in the 4th quarter of 2020 were also validated by a number of data points, which included the Purchasing Managers Index (PMI) having been above the 50 threshold, as well as employment rate in the UAE in December, proxied by the CBUAE Wage Protection System, increased by 1.7 per cent on a month-on-month (MoM) basis. Real estate sales prices, which were at a standstill for some time, showed an increase on a MoM basis, specifically in terms of valuations and rental yields,” he said.

### Stimulation of activity

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H.E. The Governor emphasized that the UAE as a country is blessed with strong natural resources, as well as a government both willing and able to stimulate economic activity and a population comprised of both citizens and expatriates with strong determination and will to face challenges. “In 2020, we have seen various geo-political issues being resolved and new trade and investment opportunities emerge, which were previously not available,” he said.

“I invite the business and banking community to take part in this new era to kick start the investment cycle, to expand credit appetites, help customers in need and forge a roadmap which is different from before,” he said.

He affirmed that banks and other financial institutions need to go back to the drawing board and redefine their goals and strategies in a new world with redefined geo-political lines; a global economy that is rapidly digitalizing, new trade maps and consumers that demand the best services.

### Cybersecurity

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In light of the rapid changes witnessed in 2020, remote work developments and the growing demand for electronic financial services, the banking sector prepared a superior infrastructure to meet the growing demand in this domain. Likewise, the CBUAE, which was also alert to the accompanying challenges, urged the banks operating in the UAE to strengthen their immunity against cyberattacks and keep developing their IT infrastructure and cybersecurity capabilities in accordance with the world’s best practices and standards.

The CBUAE continued to co-operate with all the sector’s staff with the aim of enhancing its resilience and protecting the national financial system against threats.

In co-operation with the UAE Banks Federation, the CBUAE organized a cyberattack simulation workshop, which was the first of its kind and was designed to test the sector’s resilience and immunity in the face of any potential cyberattacks. As per CBUAE guidance, the workshop showed that the participating banks were fully ready to reduce the risks of cyber threats, which may lead to disruptions that could affect financial and economic stability.

## Promoting insurance sector

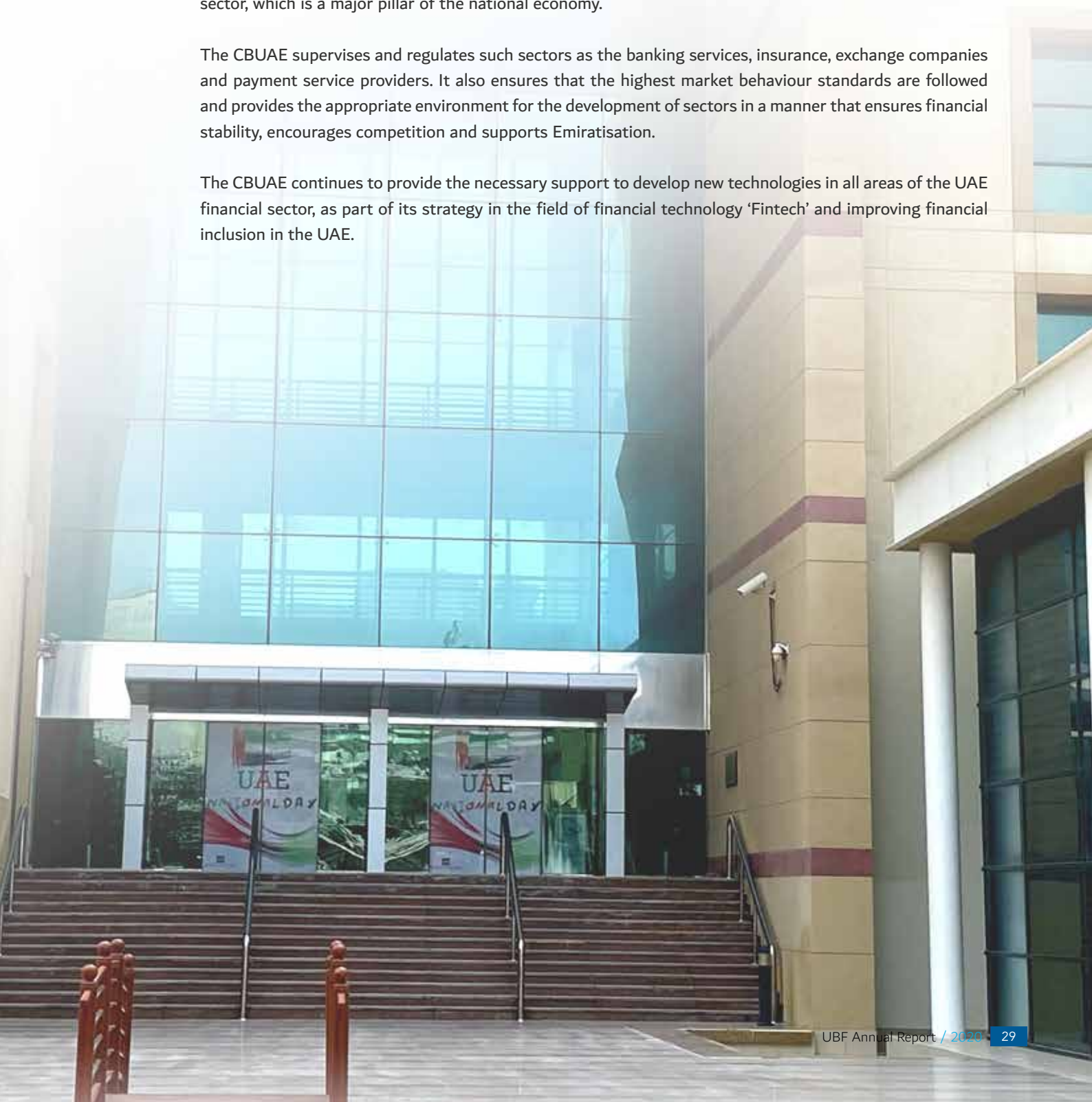
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The year 2020 saw the CBUAE assuming responsibility for overseeing and regulating the insurance sector in implementation of the federal decree-law no. 25 for 2020, under which the Insurance Authority was decided to be merged with the CBUAE.

This step underlines the wise leadership's keenness on developing the performance and indicators of federal institutions and unifying efforts to achieve the desired results, especially from the financial and banking sector, which is a major pillar of the national economy.

The CBUAE supervises and regulates such sectors as the banking services, insurance, exchange companies and payment service providers. It also ensures that the highest market behaviour standards are followed and provides the appropriate environment for the development of sectors in a manner that ensures financial stability, encourages competition and supports Emiratization.

The CBUAE continues to provide the necessary support to develop new technologies in all areas of the UAE financial sector, as part of its strategy in the field of financial technology 'Fintech' and improving financial inclusion in the UAE.



# KEY INITIATIVES

## EMIRATES DIGITAL WALLET “KLIP”

UBF proposed expanding the strategic partnership among the participating banks in the Emirates Digital Wallet which aims to enhance the customers' confidence, as this initiative will greatly help to expand the range of solutions and development among consumers, traders and other banks. This will provide an appropriate and safe solution for consumers in the UAE to conduct their daily financial transactions and transfer money using their smartphones and other modern digital devices, which will help achieve the goal of a no-cash society.

During the CEOs' Advisory Council Meeting held on 16<sup>th</sup> September, CEO of EDW provided a general brief overview on EDW for all attendees.

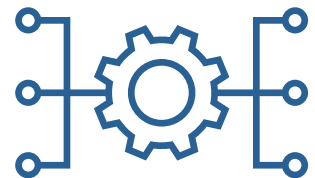
Several meetings were held between UBF Director General, Marketing Committee's Chairperson at UBF, CBUAE's concerned team, and Emirates Digital Wallet team on the subject project and other payments apps.



## MIRSAL SYSTEM- DUBAI CUSTOMS AUTHORITY

Several meetings were held between UBF's Compliance, Legal and Operations Committees with Dubai Customs experts and CBUAE's concerned team and discussed Dubai Customs system (MIRSAL). Dubai Customs requested to work with UBF members to have a channel of discussion wherein each bank, and UBF sent a list of banks' representatives to be the contact point with Dubai Customs.

UBF's Operations and Compliance committees sent their concerns and recommendations to Dubai Customs on the technical points of Dubai Customs system (MIRSAL).



## EMIRATIZATION STRATEGY IN THE BANKING AND INSURANCE SECTORS

UBF's HR Committee was working with CBUAE on developing an Emiratization Strategy in the banking sector, and it was agreed that UBF will hire a consultant to discuss and design ways to proceed with HR Committee's plan.

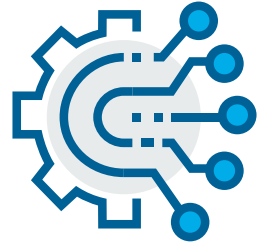


## NATIONAL CYBER WARGAMING EXERCISE

UBF mandated a specialized consultant to run “National Cyber Wargaming Exercise” to test the resilience of the information security system in line with international best practices.

The exercise was held at FAB Business School with the supervision of UBF’s Information Security Committee (ISC) and CBUAE’s concerned team and the participation of 3 large local banks (ENBD, FAB, & Mashreq) to build multi-dimensional cyber resilience and response capabilities for the financial fraternity in UAE. Cyber-drill is a key discipline of cybersecurity and helps in building response capabilities for internal and external use cases “Muscle Memory”.

The exercise is a key test to build the cyber resilience capabilities of financial institutions in the UAE, during which relevant parties encounter detailed, complex, and interrelated attack scenarios that will run concurrently, and participants are required to understand the dynamics, allocate their focus accordingly, and collaborate with each other.



## WEALTH MANAGEMENT ECOSYSTEM

UBF mandated a special consultant to implement a project on “Developing the Wealth Management Roadmap for UAE” in line with international best practices, to make the UAE an Investment/Wealth Management hub by focusing on key areas of major pain points to grow UAE onshore wealth and ways for improvements. A steering committee from UBF Wealth Management Committee was formed from the CEOs of the following banks: Barclays, FAB, CITI Bank, SCB, DIB, Emirates Investment Bank, and Mashreq, to ensure the robustness of the recommendations by bringing forth varied perspectives and facilitate discussions with the larger committee on aligned recommendations, and to set the challenges facing the UAE today, which are a stumbling block and should be amended. It was agreed that UBF will go through the action points of this meeting and will mandate Legal and HR committees to get their comments and views, and getting more clarity on the relevant topics.



## VEHICLE SECURITY BENCHMARKING

UBF mandated a specialized legal firm to implement a project on “Vehicle Security Benchmarking” to review the concerned laws and regulations of its establishment and implementation as well as procedures of its legal notices, warranty, auction and the required time to complete these processes, in addition to cost and ways to evaluate, develop and improve methodology that is applied in courts, relevant entities and banks in the country. The project will include an analytical study and comparative criteria for what is being followed in several countries around the world, such as Bahrain, England & Wales, France, Hong Kong and Singapore. The full report was shared with the relevant authorities and the “list of main points”, which includes proposals and recommendations, was discussed.



## UBF CHAIRMAN HOSTED A PRESS CONFERENCE TO DISCUSS EFFECTS OF COVID-19 ON THE BANKING SECTOR

His Excellency Chairman of UAE Banks Federation (UBF), held a video press conference on 12<sup>th</sup> April 2020 and discussed the effects of COVID-19 on the banking sector, and the measures being taken by UBF's members to mitigate its impact on the economy.



## FRAUD PREVENTION AWARENESS CAMPAIGN

Based on UBF's CEOs' Advisory Council approval, and in coordination with UBF's Marketing and Fraud Prevention committees, UBF in coordination with CBUAE, Abu Dhabi Police and Dubai Police, has launched the "National Fraud Awareness Campaign" under the title "Together Against Fraud" on 15<sup>th</sup> April 2020 until December 2020. The campaign covered 8 types of Fraud such as: Phone Fraud, Lottery Fraud, Magic Ink Fraud, Email Fraud, Data privacy Fraud, ATM Fraud, Fund Transfer Fraud, and Sim Swap Fraud. Banks' clients can report any fraudulent activities by using Abu Dhabi and Dubai police (e-crime links) posted on the campaign page at UBF's website: <https://www.uaebf.ae/en/fight-fraud>



Also, UBF, in cooperation with Gulf News, issued two special supplements on the subject Campaign which were published in April 2020 and October 2020. The supplements provided awareness to all banks' customers of potential frauds and provided information about how to combat and prevent these fraudulent attacks, covered cybercrime in the age of COVID-19, tips to safeguard against cybercrime, as well as interviews with senior professionals from the banking sector. You may reach the supplements through the following links:

<https://www.uaebf.ae/en/publications/special-editions.html>  
UAE-Together-Against-Fraud-20-Oct-2020.pdf (uaebf.ae)

## SIM SWAP FRAUD

A meeting was held between representatives of UBF's Fraud Prevention, Information Security, and Operations Committees with Telecommunications Regulatory Authority (TRA) to discuss UBF initiative on SIM SWAP fraud, that directly affect the banking sector in UAE, and to apply the necessary requirements and procedures, which resulted in much appreciated steps by (TRA) thus leading to significant reduction in the SIM Swap fraud's incidents.



## WILLFUL DEFAULT ANALYSIS

UBF's Legal Committee has hired a legal consultant to prepare a detailed analysis of the current applicable UAE legal framework in relation to the misappropriation of funds and/or "willful default" (such term being defined as a unilateral action or omission by a party to default or cause an occurrence of an event of default, in one or more of its obligations under a contractual agreement which would directly or indirectly result in a financial loss to its counterparty); and this analysis detailed and substantive recommendations on how best to implement the "willful default" legal concept in the UAE to protect the banking sector from such illegal actions. The recommendations included suggested amendments to the existing legislations.



## DUBAI PORTS

UBF Director General met the management of the company, who have been tasked by Dubai Ports, and discussed “World Logistics Passport (WLP)” Project and “Silk Road Strategy”, as well as the potential participation of UAE banks in this initiative and the benefits and advantages that could be extended to the banks. UBF conducted an introductory meeting on 18<sup>th</sup> November 2020 between UBF members and the management team of WLP to present the program to banks’ representatives in order to know further about the initiative and integrate banking services to the WLP program, and understand more the role of banks.



## MORTGAGE PROCESS

UBF has mandated a specialized legal firm to implement a project on the issues and areas of consideration in relation to the “Mortgage Process”, to review the laws and regulations on mortgage process in terms of registration, purchase, mortgage, and ways to develop and improve practices that are applied in UAE courts and banks. The review also included all forms of mortgage operations, an analytical study and comparative standards and benchmarking of what is followed in several countries like Bahrain, England & Wales, France, Hong Kong and Singapore. Several joint meetings were held with Dubai Land Department as well as Department of Urban Planning and Municipalities in Abu Dhabi to discuss and share views with UBF’s Legal Committee, to work with the experts in the field and to benefit all concerned parties. The final report was presented with the views, amendments and recommendations of all participating parties.



UBF Director General held a joint meeting on 16th June 2020 with the concerned authorities in Dubai and Abu Dhabi and the Chairperson of UBF’s Legal Committee. The cooperation of all parties was agreed during the meeting.

### “Ghaya” Initiative - Financial Literacy Program

UBF and the Authority of Social Contribution (Ma’an) - a governmental entity under Abu Dhabi Department of Community Development - in partnership with ADGM academy and London Institute of Banking & Finance (LIBF), have contributed to the launch of the Financial Literacy Program “Ghaya”, which is the first of its kind to participate and volunteer in the region.

The first edition of “Ghaya” aimed to provide 50 beneficiaries of UAE nationals in Abu Dhabi with the basics of financial management, and strengthened their personal and family standards enabling them to manage their financials more efficiently. The initiative provides the necessary methods of training to upgrade their level of practical financial knowledge allowing them to make better informed decisions in terms of finance management, through focusing on various areas including how to save money, how to financially balance between income and expenditure, and structured planning of the best ways to invest.

At UAE Banks Federation, we are proud to participate in this initiative through securing 49 volunteers of specialized staff in the banking sector from UBF members which includes: First Abu Dhabi Bank, Citi Bank, National Bank of Fujairah, Emirates NBD, Bank of Sharjah, Emirates Islamic Bank, HSBC, Abu Dhabi Islamic Bank, United Arab Bank, BNP Paribas, and United Bank Limited. This urges volunteer member banks’ staff to give back to society by sharing their knowledge and experience to help create positive and healthy behavioral change towards responsible fund management, while simultaneously enhancing the level of financial culture of the UAE Nationals’ families benefiting from this program. UBF would like to affirm our happiness and willingness to further support and be a part of this significant social project in its upcoming editions and training batches.

# COMPREHENSIVE ECONOMIC SUPPORT PLAN FROM THE CENTRAL BANK OF THE UAE (CBUAE)

In an effort to support the national economy and protect consumers and companies, the Central Bank of the UAE (CBUAE) adopted a number of financial measures and monetary policies at the federal level. These measures include the approval of loan eligibility, reduction of capital requirement and the adoption of new policies.

A financial support plan which includes AED 50 billion from the CBUAE funds through collateralized loans at zero cost to all borrowing banks operating in the UAE and AED 50 billion funds freed up from banks' capital buffers.

Allowing banks to free-up their regulatory capital buffers to boost lending capacity and support the UAE economy.

All banks operating in the UAE will have access to loans and advances extended at zero cost against collateral by the CBUAE.

Banks to defer due payments for a period of 6 months to their corporate and individual clients.

The CBUAE confirms that the foreign currency reserves which amount to AED 405 billion is adequate to safeguard the stability of the national currency and achieve monetary and financial stability in the State.

Banks to grant temporary relief from the payments of principal and interest on outstanding loans for all affected private sector companies and retail customers in the UAE.

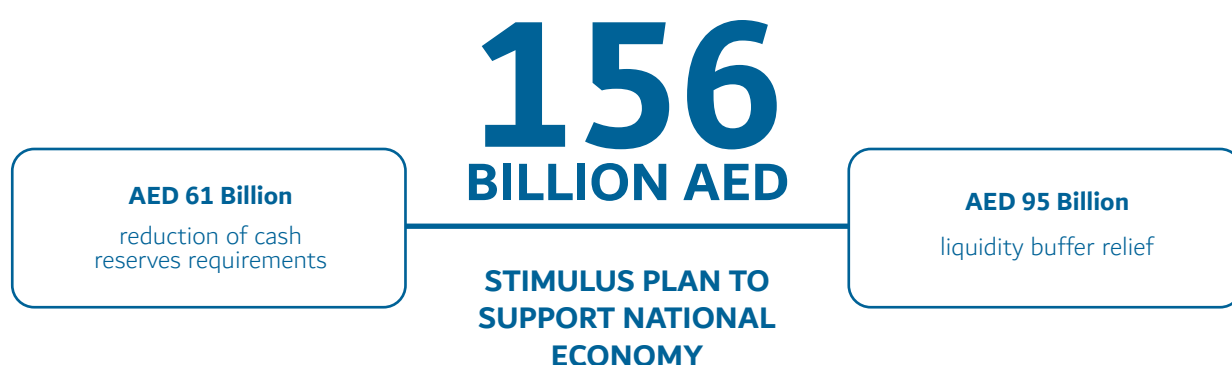
Adopting new systems to reduce fees incurred by merchants when their customers pay by debit or credit cards.

Approving new regulations to set limits on fees imposed by banks on small and medium enterprises, and stipulating that banks cannot demand a minimum account balance exceeding AED 10,000.

# 100 BILLION AED

**ECONOMIC SUPPORT  
PLAN FOR RETAIL AND CORPORATE  
CUSTOMERS AFFECTED BY  
COVID-19**

# THE FEDERAL GOVERNMENT SUPPORT TO MITIGATE IMPACT OF COVID-19



The economic stimulus plans and initiatives launched by the government aim to reduce the economic burdens caused by the COVID-19 crisis and prevent any negative impacts on the various sectors in the country. The new decisions offer reassurance and comfort to citizens, residents, and visitors. The initiatives protect their health and safety, and ensure the continuity of government operations across all sectors.

- Extending residence permits expired on March 1 for a period of 3 months and waiving administrative fines on expired permits until the end of 2020.
- Waiving administrative fines for violations of the services provided by the Federal Authority for Identity and Nationality starting April 1, 2020.
- Granting a temporary license to digital transaction technology within the Notary Public's works in order to help citizens and residents complete their judicial transactions.
- Extending the validity of government services ending on March 1, 2020 for a period of 3 months.
- Directing factories to support the needs of the health sector in the country.
- Approving a number of procedures to support the stock market and bonds, namely extending the deadline of submitting financial statements for 2019.
- Approving the registration of vehicles without paying traffic fines or conducting technical examination of the vehicle.
- Reducing electricity and water consumption bills for customers in the tourism, hospitality and trade sectors by 20% for a period of 3 months with a total amount of AED 86 million.
- Postponing the collection of installments on service reconnect.

# STRATEGIC MEETINGS

## **CBUAE's FINTECH OFFICE AND UBF's FINTECH COMMITTEE**

In coordination with CBUAE, UBF formed a Core Fintech Team consisting of 9 members of comprising talented expertise from various UBF committees to work with CBUAE's newly established Fintech Office on e-matters such as e-KYC and to discuss topics of mutual interest and ways to strengthen the cooperation and execute shared initiatives/projects of Fintech nature. CBUAE held an introductory meeting on 15th September 2020 in this regard.



## **U.S. TREASURY**

UBF Director General and members of several UBF technical committees held a meeting with H.E. Dr. Geoffrey Okamoto, U.S. Treasury Assistant Secretary for International Finance and Development, and his team to discuss how FinTech is reshaping the UAE banking sector as well as related UBF initiatives.

## **MINISTRY OF JUSTICE**

Several joint meetings were held with the Department of Technical Experts Affairs in Ministry of Justice to discuss common issues between both parties, as well as to discuss the development of the MoU concluded with UBF and Central Bank regarding the appointing of banking experts.

## **DUBAI FINANCIAL SERVICES AUTHORITY (DFSA)**

UBF Director General met the Director General of DFSA and discussed topics of mutual interest.



## **UNION OF ARAB BANKS**

UBF Director General met the Director General of UAB, and discussed topics of mutual interest.

## **JOINT MEETING BETWEEN UBF AND FEDERAL AUTHORITY FOR IDENTITY AND CITIZENSHIP**

UBF Director General and the Chairpersons of UBF's Retail Banking and IT Committees, have met with the concerned team at ICA and discussed ways of cooperation between them specially the Personal Banking Committee's proposal on API Gateway, which makes the process easier for residents and citizens of UAE to set up an API gateway to update the expiry date alone upon renewal, since all other details remain unchanged. The process would eliminate the existing tedious manual workflow and enable a fast and efficient option for customers. This would be a fast and efficient solution that would also be in line with UAE's vision of digitization of services.



## **AL ETIHAD CREDIT BUREAU**

The Steering Committee which includes representatives of UBF and Al Etihad Credit Bureau held first meeting in 2020 and discussed topics of common interest.

## **UBF's MEETING WITH EMIRATES DEVELOPMENT BANK**

UBF Director General met with the management of EDB to share UBF's views on a survey related to points that were addressed in the context of government entities such as main challenges and opportunities facing entities in relation to economic diversification and entrepreneurship, to allow the biggest growth potential for SMEs in UAE (region, sector, size).



## **MEETING WITH IRAQI PRIVATE BANKS LEAGUE**

UBF Director General met the CEO of Iraqi Private Banks League and discussed the mutual cooperation and topics of common interest between both associations.

## **MEETING WITH THE REPRESENTATIVE OF THE ITALIAN CENTRAL BANK FOR THE GCC**

UBF Director General met the representative of the Italian Central Bank for the GCC and discussed the mutual cooperation and topics of common interest between both parties.

# CONFERENCES AND ACTIVITIES

## HASHTAG (ALL OF US, WITH ALL OF US)

A promo video, designed and prepared by UBF staff, concerning awareness against COVID-19 and promoting our hashtag #كلنا-مع-كلنا (all of us, with all of us) was sent to all CEOs of UBF members. The video was posted on UBF's social media platforms.



## ANTI-FRAUD CONFERENCE MIDDLE EAST 2020

In cooperation with UBF's Fraud Prevention Committee, UBF has participated as a strategic partner in the "Fraud Conference Middle East 2020", initiated by the Association of Certified Fraud Examiners (ACFE), hosted between 23- 25 February 2020, under the patronage of H.H. Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum. More than 400 experts and specialists in Anti-fraud have attended the conference to review solutions that will contribute to support efforts to combat fraud and strengthen accountability and transparency principles in both public and private sectors.



## SIBOS 2020 (VIRTUAL)

UBF's Director General and Chairperson of SWIFT User Group (UAE) attended SIBOS 2020, the most prominent event in the world of the financial services' sector, which was organized virtually by SWIFT from the 5th to the 8th October 2020.



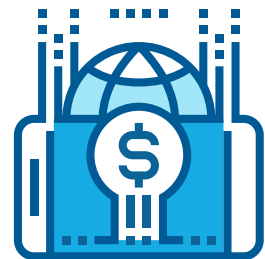
## 2ND INTER-BANK FOOTBALL TOURNAMENT (IBFT)

As part of its commitment towards Corporate Social Responsibility, and to bolster relations among banking community members, UBF organized its 2<sup>nd</sup> Inter-Bank Football Tournament (IBFT) which started in February 2020 and was supposed to take place every Friday until 13<sup>th</sup> March 2020. All proceeds of IBFT was going to be donated to charity. 22 teams from leading local, regional and international banks in the UAE have participated at IBFT 2020 which was held at GEMS Heritage School. Only 30 matches of the tournament were conducted (groups' stage) and the tournament was suspended at the beginning of March 2020 before the start of the final stage of the top 16 teams, due to UBF's managements fear of having a large number of bankers in one place, a decision which later proved to be forward looking and well thought of as the situation later deteriorated into the COVID-19 pandemic.



## FINANCIAL LITERACY AWARENESS - DIGITAL SERVICES

UBF & CBUAE released a press release to encourage banking customers to take advantage of digital and online banking services as a measure to protect the health and safety of UAE residents.



## FINANCIAL LITERACY AWARENESS

UBF participated on a panel discussion day, organized by Central Bank of the UAE during Youth EXPO 2020 to spread financial literacy awareness for younger generations to allow them achieve future goals and live a financially sustainable life.



## VIRTUAL FINTECH ABU DHABI FESTIVAL

Central Bank of the UAE, in cooperation with ADGM, has held the fourth “Fintech Abu Dhabi Festival”, virtually, on the 24th -26th November 2020.

The conference was attended by leading intellectuals, policymakers, major financial and technological institutions and academic specialists, and was permeated with a speech by UBF Chairman, H.E. AbdulAziz Al Ghurair.

Since its launch in 2017, “Fintech Abu Dhabi” has contributed to pioneering initiatives that support the growth of start-ups and financial services in Abu Dhabi and the region. It has become the main financial technology platform that reflects Abu Dhabi’s position and the country as a partner of innovation, research, talent development and collaboration in the financial technology sector in the Middle East and North Africa.



## DUBAI POLICE - NATIONAL FRAUD AWARENESS CAMPAIGN



Dubai Police held a meeting with UBF DG on 10<sup>th</sup> December 2020, in which they requested urgent support from UBF members to boost their Fraud Awareness campaign.

Accordingly, UBF shared the same with UBF’s marketing committee members, who promoted and shared the content of the Police campaign through their social media platforms. Participating banks were: FAB, BOS, NBF, RAKBANK, ADCB, Standard Chartered Bank, and Bank Saderat.

On the other hand, UBF has nominated Head of Fraud Risk Management ADIB, and Member of UBF’s Fraud Prevention Committee, to represent UBF at the Fraud Prevention Workshop hosted by Dubai Police to talk about fraud trends.

## UBF SUPPORTS THE INTERNATIONAL FRAUD AWARENESS WEEK (IFAW)

UBF continued as an official supporter for the International Fraud Awareness Week (IFAW), which is initiated annually by “Association of Certified Fraud Examiners (ACFE)”, and was held on 15-21 November 2020. Upon the recommendation of the UBF’s Fraud Prevention Committee, UBF shared an invitation to all member banks to be part of this event by creating awareness of fraud trends and activities for their clients and staff.



**November 15-21, 2020**

## REGULATORY COMPLIANCE ACROSS UAE & “COMBATING FINANCIAL CRIME” (25-26 NOVEMBER 2020)



UBF organized a 2-day virtual Regulatory Conference webinar in November 25-26, with special focus on efforts made by UAE banks Federation to develop and adopt global best practices and guidelines, and address global developments, emerging issues, and risks in banking compliance. The event included a series of presentations and topics that addressed consumer protection regulations, its implications on banks, and how banks should comply with standards, actions taken by UAE financial sector to enhance regulatory financial crime implementation, highlighting key recommendations and best practices in risk assessment, and action plans to address emerging challenges faced amid the wide adoption of digital platforms. It was attended by almost 300 senior personnel from Compliance, Financial Crime, Risk, Tax, Business, IT, from various local and foreign banks in the UAE including exchange houses and other financial institutions in addition participation from UBF, Central Bank of the UAE, Consulting and other digital expert firms.

# UBF'S INITIATIVES TO COMBAT THE COVID-19 PANDEMIC

Several urgent joint meetings were held between UBF Director General along with Risk Management Committee and CBUAE concerned team and discussed the major risks and concerns of banks and their inputs in relation to achieving CBUAE's objective to mitigate the adverse effects of COVID-19, as well as their assessment of the situation, and whether they have suggestions or recommendations in this regards.



Several urgent joint meetings were held between H.E. UBF Chairman and UBF Director General with the CEOs of leading local banks and large international banks to prepare a collective paper of UBF's Points on the current situation.

UBF & CBUAE released a press release to clarify prioritizing working remotely for the majority of the workforce in banks, financial institutions and exchange houses that are under CBUAE's supervision, except for 30% of those working in critical positions are required to work from the office. In addition, banks and exchange houses are entitled to take the decision in relation to reducing working hours and temporary closure of some of their branches as long as the services offered to customers are not interrupted, effective Sunday 29<sup>th</sup> March 2020, for 2 weeks extendable. The remote working system prioritizes certain categories including pregnant women, mothers of children in G-9 and below, people of determination, employees with respiratory problems and weak immune system, in addition to employees aged 60 and above, in line with the UAE government efforts to ensure the health and safety of all UAE nationals and residents.



H.E. UBF Chairman raised many quotes to the media commenting on CBUAE's several announcements on the phases of the economic stimulus package, stated that the move will further mitigate the impact of the COVID-19 pandemic on the UAE economy. By increasing liquidity in the banking sector, it will provide further stability in these uncertain times, and allow banks to offer additional lending and support to critical sectors of the economy.

“ 2020 was a very productive and successful year for UBF and its members despite the impact of COVID-19. We took great care in reviewing the work of our 26 specialized committees and we approved the proposed action plan for the year ahead. We acknowledged the important role of the Central Bank of the UAE in guiding, supporting, and coordinating with UBF and member banks to ensure the overall long- term health and soundness of the banking system.”

**H.E. AbdulAziz Abdullah Al Ghurair**  
Chairman of UAE Banks Federation



# SWIFT

## UBF AND “SWIFT” HELD USER GROUP MEETING TO ELEVATE UAE BANKING STANDARDS

UBF in association with “SWIFT”, the Global Interbank Financial Communications Association and the world’s leading provider of secure financial messaging services, held the SWIFT User Group meeting in Abu Dhabi. The meeting brought together 100 senior banking experts to discuss the latest SWIFT updates relevant to the UAE banking sector.

## “SWIFT” OUTLINED THE BENEFITS OF RICH DATA AND STRESSED THE IMPORTANCE OF ADOPTING NEW “ISO 20022” MESSAGING STANDARDS

UBF in partnership with SWIFT, the leading provider of secure financial messaging services, held on 13<sup>th</sup> July 2020 a virtual meeting with UAE SWIFT user’s group, as well as the importance of adopting new messaging standards to further promote a secure and robust banking ecosystem. SWIFT’s objective is to support the evolving payments and securities business of financial institutions. Over the next two years and beyond, it will fundamentally transform what it does — innovating to facilitate instant and frictionless payments from account-to-account anywhere in the world, with an end-to-end solution that combines international and domestic capabilities.

## SWIFT USER GROUP MANAGEMENT COMMITTEE MEETING HELD ON 2ND JUNE 2020 & SWIFT USER GROUP ANNUAL GENERAL ASSEMBLY MEETING HELD ON 14<sup>TH</sup> JUNE 2020

Swift User Group Management Committee held its first meeting for 2020 and discussed different related topics.

## “SWIFT” USER GROUP - ANNUAL GENERAL ASSEMBLY 2020

Swift User Group’s AGM was held on 14<sup>th</sup> June 2020 virtually and was attended by 45 users and discussed different related topics. Following the meeting, a workshop was conducted by SWIFT (Dubai Office).

## SWIFT USER GROUP MANAGEMENT COMMITTEE (SUGC) MEETING

UAE SWIFT User Group’s Steering Committee (SUGSC) held its last 2020 virtual meeting in December, presided over by Mr. Jamal Saleh, Chairman of SUG (UAE) and UBF Director General. Members joined UBF Director General welcoming the new committee member from ADIB.

During the meeting, SUGSC members announced the establishment of a “National Member Group (NMG)” and suggested to accordingly change SUGC’s name to become “SWIFT User Group Steering Committee & National Member Group - SUGCNMG” while preserving all terms and conditions, charter, and group structure, and while adopting a wider agenda approach in which it would become customary to invite related stakeholders and experts to SUGCNMG future meetings.

The meeting discussed SWIFT’s new Training Centre in the UAE, where SWIFT User bankers will be invited to a customized and dedicated virtual user training programs by SWIFT. The committee also confirmed that the two UBF nominations (from First Abu Dhabi Bank and Sharjah Islamic Bank) will represent UBF on SWIFT’s Customer Security program - CSCF Working Group & Consultation in 2022.



# UBF MEMBERS

## NATIONAL BANKS

 بنك أبوظبي الأول First Abu Dhabi Bank	 بنك أبوظبي التجاري	 المشرق WE MAKE POSSIBLE	 بنك دبي التجاري Commercial Bank of Dubai	 بنك دبي الإسلامي Dubai Islamic Bank
 بنك الإمارات دبي الوطني Emirates NBD	 الإمارات الإسلامية EMIRATES ISLAMIC	 المصرف AL MASRAF	 مصرف الشارقة الإسلامية Sharjah Islamic Bank	 بنك الشارقة Bank of Sharjah
 البنك العربي المتحد UNITED ARAB BANK	 بنك الاستثمار Invest bank	 RAKBANK	 CBI	 بنك دبي الوطني nbf
 بنك أم القيوين NBQ	 بنك أبوظبي دبي ADIB	 مصرف الهلال al hilal bank	 مصرف عجمان Ajman Bank	 بنك الاستثمار للإسثمار EMIRATES INVESTMENT BANK

## INTERNATIONAL BANKS

 البنك العربي ARAB BANK	 بنك مصر BANQUE MISR	 बैंक ऑफ बड़ोदा Bank of Baroda	 بنك البحرين NB	 بنك البحرين الوطني NBB
 BNP PARIBAS The bank for a changing world	 HSBC	 البنك الأفريقي العربي arab african international bank	 الخليجي al khaliji	 البنك الأهلي ABK
 BARCLAYS	 HBL HABIB BANK حبيب بنك	 Standard Chartered	 Standard Chartered	 citibank
 بانک صادرات ایران Bank Saderat Iran	 بنك الصين	 BLOM BANK FRANCE	 UBL where you come first	 بنك الدوحة DOHA BANK
 سامبا samba	 Deutsche Bank	 ICBC	 MUFG	 الوطني NBK
 بنك الخليج الدولي GiB	 中國銀行 BANK OF CHINA	 بنك أوكي BOK	 CRÉDIT AGRICOLE	

## SPECIAL STATUS

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