

## **The 4th. MEED Retail Banking Conference**

Tuesday, 29th. November 2005 - 9:10 hrs.  
Courtyard by Marriott Hotel, Green Community, Dubai

Distinguished Guests,  
Ladies and Gentlemen,

It is a great pleasure to be here with you today at the outset of this important conference. I want to start my short address by emphasizing the prominence of retail commercial banking services in our developing economies in the GCC countries and the UAE.

Therefore, we feel, within the banking supervisory community of the GCC, that we need to pay extra attention to retail commercial banking services, because such services touch-upon the day-to-day affairs of almost all citizens and residents of our region. I will focus my short speech on few initiatives we are undertaking in the UAE in this direction, in the following areas:

- Regulatory & Supervisory Framework
- IT Systems
- Transparency

### **Regulatory & Supervisory Framework**

#### **A) Implementation of Basel II**

Last year, we arranged high level meetings with Bank CEOs to discuss our programme for Basel II. Our programme was divided into stages; stage one was for raising awareness through short seminars, which we have done six of them since the beginning of 2005. Now we are embarking on stage two, which is a market study and taking early steps of implementation. This will take most of 2006. We intend to engage the services of a professional company at this stage. Central Bank examiners have good practical experience in the areas to be covered under Basel II, and they will undertake a lot of work relevant to Basel II as well. The third stage which is the trial implementation stage will start in 2007. During 2006, we will work on Corporate Governance, as it is an essential element for the successful implementation of Basel II.

### **IT Systems**

IT systems are great tools in delivering retail banking products. So, the Central Bank will continue to develop the commonly used IT systems for all banks, in order to improve services to personal customers of banks. One important system we have implemented to serve banks, is the "Fund Transfer System", which we are now upgrading to take bulk transfers. Once the system is fully upgraded, which is expected in January 2006, it will provide banks a great tool to service their personal customers. Another important system, we are actively developing now, is the "Image Cheque Clearing System", which would enable banks to provide faster cheque clearing service for their customers across the UAE.

### **Tranparency**

The final subject is transparency, which we have taken several steps in improving, especially for services that are meant for personal customers. In this environment, we need, as banking regulators, to build and enhance a culture that would adopt transparency principles and be fair to consumers of banking products. Central Banks these days implement "Consumer Protection Principles" and one important element of consumer protection is "Transparency".

Ladies and gentlemen, before I conclude, I must thank MEED for all the arrangements and for giving me the opportunity to address you at this important conference.

Thank you for your attention,

H.E. Sultan Bin Nasser Al-Suwaidi,  
Governor of Central Bank of the UAE  
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