



Mohamed Khadiri CEO, Bank of Sharjah

UAE: Sharjah |
Financial Services

INTERVIEW

What role do you see banks playing in Sharjah's longterm economic development and diversification?

MOHAMED KHADIRI: Banks in the emirate play a crucial role in providing financial services, capital and investment opportunities to businesses and individuals. They support economic growth by providing loans, facilitating trade, and promoting saving and investment among individuals. Additionally, banks contribute to the diversification of the economy by financing projects in sectors such as infrastructure, manufacturing, tourism and technology, thereby reducing dependence on oil revenue.

To what extent are banks in the emirate aligning their investment strategies with environmental, social and governance (ESG) considerations?

KHADIRI: Banks are in the process of integrating ESG criteria into their decision-making processes, recognising the global emphasis on sustainable practices. This ensures their financing activities promote environmentally friendly practices, social responsibility and good corporate governance. Such alignment benefits the environment, mitigates risks and enhances the long-term viability of investment projects.

In what ways is digitalisation affecting the evolving relationship between financial technology (fintech) companies and traditional banks?

KHADIRI: Digitalisation is significantly impacting the emirate's banking sector. It has enhanced efficiency and the customer experience, and resulted in innovative services, including online account opening and personalised financial management tools. Fintech companies are collaborating with traditional banks to leverage their technological expertise and bring new financial solutions to customers. This evolving relationship between fintech companies and traditional banks is characterised by partnerships, acquisitions or investment, leveraging the strengths of both parties to drive innovation and meet the demands of customers.

How do you see the role of cross-border partnerships in shaping the future of the sector?

KHADIRI: Sharjah has witnessed a substantial surge in the renewal of industrial licences, solidifying its appeal as a favoured destination for ongoing operations and future expansion. This growth spans diverse industries, including petrochemicals, plastics, textiles and automotive components, making the emirate a key investment destination, contributing 16.7% to Sharjah's GDP.

The banking sector serves as a gateway for international investors seeking access to the UAE's economy. Collaboration with global partners enables the transfer of advanced financial technologies, fosters knowledge exchange and best practice adoption, and develops tailored services for international clients. International connectivity not only streamlines cross-border transactions but also stimulates trade and attracts foreign investment, thereby enhancing the sector's efficiency, growth and competitiveness in Sharjah.

Where do you identify the need for regulatory changes to adapt to the evolving payments landscape and ensure customer security?

KHADIRI: The evolving payments landscape requires regulatory changes to ensure the stability and security of the banking sector. Banks must adapt to technological innovations while addressing potential risks associated with using cryptocurrencies. Regulatory and policy changes should focus on establishing clear guidelines for cryptocurrency transactions, combatting fraud and money laundering, and enhancing customer security in the digital space. Banks can play a crucial role in ensuring customer security by implementing security measures, providing financial education and awareness, and leveraging technologies such as encryption and biometrics to protect customer information and transactions. The UAE is at the forefront of deploying technology in all aspects of business activities, especially in the areas of cryptocurrencies and virtual assets.