

Traditional banking to see renaissance worldwide: UAE official

DUBAI, Nov. 21 (Xinhua) -- With margins in investment banking on the decline and job cuts on the rise, lenders with traditional business models such as small and medium enterprise (SME) financing, trade financing and granting consumer loans would have a bright future, said Kevin Birkett, managing director for business development of the Dubai financial free zone (DIFC) Wednesday.

Speaking at the sidelines of the DIFC Forum, Birkett said that Indian banks could play a role model in the current trend shift.

Although Indian banks never expanded investment banking as Western banks did, their tradition banking model which stresses SME financing, trade financing and consumer banking have saved them from suffering badly during the global financial crisis, he explained.

Global banks like Citigroup, Bank of America, HSBC and Switzerland's UBS and Credit Suisse said in recent months they would slash tens of thousands of jobs, most of them in their investment banking units as trading turnover at global stock exchange eroded this year and the Euro zone debt crisis kept investors and new listings away.