

Case Summary

Name of organisation :

The organization is the Commercial Bank of Dubai.

Risk assessment

Summary :

Financial risk assessment is the process of identifying, evaluating, and managing potential risks that could negatively impact an organization's financial stability and performance.

Business and industry analysis

Industry :

The company operates in the financial services industry, specifically focusing on banking and financial solutions. It provides a wide array of services through its distinct business segments: Institutional Banking, Corporate Banking, and Personal Banking. Institutional Banking caters to institutional clients, including government-related entities, offering services such as loans, credit facilities, deposits, trade finance products, and e-commerce solutions. It focuses on delivering comprehensive financial products tailored to large institutions' unique needs. Corporate Banking targets regional corporate clients, providing them with financial solutions like loans, working capital financing, trade finance, and deposit products. This segment is dedicated to assisting businesses in managing their financial operations efficiently and supporting their growth strategies. Personal Banking serves individual clients, offering a variety of products such as current accounts, savings accounts, fixed-rate deposit accounts, personal loans, overdraft facilities, vehicle finance, and mortgage products. It aims to meet the personal financial needs of individuals, providing them with accessible and tailored banking solutions. Overall, the company operates by strategically aligning its services to meet the diverse needs of different customer segments within the banking industry, with an emphasis on customization and comprehensive financial support.

Underwriting considerations

Proposed loan :

Borrower's cash flow and financial capacity refer to the borrower's ability to generate sufficient income and manage financial resources to meet debt obligations.

Business Profile

Brief description of the company in 2 lines :

The Commercial Bank of Dubai (CBD) is a leading financial institution headquartered in Dubai, United Arab Emirates, specializing in providing innovative banking solutions with a strong digital focus, catering to both individual and business customers. The bank operates through its wholly-owned subsidiaries and holds interests in associates to offer services such as brokerage, manpower supply, and support for SMEs.

What is the specialization and the Unique selling proposition of the company? in 2 lines :

The company specializes in digital banking solutions, offering innovative products such as Supply Chain Financing on a globally leading digital platform and instant banking services for SMEs. Its unique selling proposition is its focus on being 'Default Digital,' enhancing customer experience with real-time communication and transparency.

Description on the market and the target segment company is trying to provide services to? in 2 lines :

The company targets institutional, corporate, and personal banking clients, focusing on areas like retail mortgages, asset-backed lending for corporate customers, and digital banking services for SMEs and retail customers. They aim to support growth in these segments through innovative digital solutions and strategic partnerships.

Brief Description of Competitors, Challenges , market condition and market sentiment in relation to company industry segment ? :

I'm sorry, but I don't have specific information about competitors, challenges, market conditions, or market sentiment related to a particular company's industry segment. My data is limited to the context provided and general knowledge up to October 2023. For specific insights, it would be best to refer to industry reports, market analysis, or company disclosures.

Business Model

What are the revenue streams of the company with emphasis on critical revenue? in 2 lines :

The company's revenue streams include property-related income, rental income, and fee income, with critical revenue derived from rental income recognized on a straight-line basis over the lease term.

Which customer segment it is Company targeting and how effective it is ? in 2 lines :

The company targets Small and Medium-Sized Enterprises (SMEs) and retail customers with its digital banking services. This has been effective, as evidenced by a near doubling of their retail customer base in 2021 and recognition through multiple industry awards.

What are the Key activities company performs to maintain profitability and sales? in 2 lines :

The company maintains profitability and sales by delivering record net profit and cash dividends, growing revenues and operating profits by 7% year-on-year, and prudently provisioning for non-performing loans while reducing impairments by 17.5%. Additionally, the company focuses on maintaining market-leading return-on-equity and cost-to-income ratios.

What are the Channels the company uses for selling and service other than website? in 2 lines :

The company utilizes digital platforms such as Digi accounts, virtual cards, and Digi loans, along with digital self-service portals like iServe for corporate clients, to enhance customer experience and service. They also offer instant remittances and digital account opening capabilities for SMEs and mortgage customers.

What are the Value proposition the company is offering ? in 2 lines :

The company offers innovative financial solutions like Asset Backed Lending, Supply Chain Financing, and digital self-service portals to enhance customer experience, while also investing in talent development and corporate social responsibility initiatives.

Management Structure

Classify the company on the basis of Size, Ownership and the type of ownership in few lines :

Based on the provided context, the classification of the company is as follows: - **Size**: The context does not provide explicit information about the size of the company. - **Ownership**: The company operates as a Group with subsidiaries, indicating it may be a larger organization with multiple entities under its control. - **Type of Ownership**: The company appears to have consolidated financial statements, which suggests it might be a publicly held or a large privately held company. The ownership type is not explicitly stated in the context provided. For a more accurate classification, specific details about the company's size and ownership type would be required.

Stake Holder's analysis for the company in few lines :

The shareholders of the company, as of 31 December 2021, include Abdul Wahed Al Rostamani AWR Group LLC with a 6.61% share, Al Majid Investments holding 5%, and the general public owning 35.72%. The company aims to maintain a strong capital base to ensure investor confidence and balance returns with security. The solid financial performance is attributed to the employees' contributions, and the company has demonstrated a strong Return-on-Equity and Cost-to-Income ratios.

Who is the CEO, Managing director, COO, CIO of the company :

The information provided does not specify the CEO or Managing Director of the Commercial Bank of Dubai. However, it does mention the Chief Operating Officer (COO), who is Mr. Othman Bin Hendi. The Chief Investment Officer (CIO) is not mentioned in the provided context.