

Case Summary

Name of organisation :

Commercial Bank of Dubai (CBD)

Risk assessment

Summary :

Financial risk assessment involves identifying, analyzing, and managing potential risks that could lead to financial losses, ensuring the stability and performance of an organization.

Business and industry analysis

Industry :

The company operates in the financial services industry, specifically within the banking sector. It provides a range of financial products and services tailored to both institutional and corporate clients. The Institutional Banking segment offers loans, credit facilities, deposits, trade finance products, and e-commerce solutions to institutional clients, including government-related entities. Meanwhile, the Corporate Banking segment focuses on providing loans, working capital financing, trade finance, and deposit products to mid-sized and emerging corporate clients. The company is committed to supporting the nation's ambitions and aims to be the best bank for its customers. With branch locations across six emirates and a network of 14 branches and 118 ATMs, the company has a significant presence in the region. It has received accolades such as being named the Number One Bank in the UAE by Forbes in its World's Best Banks 2022 Report. The company emphasizes strong core values, including collaboration, ownership, delivery, and excellence, which are integral to its operations and future growth strategies. Additionally, it focuses on digitization, governance, enhancing customer experience through strategic partnerships, and developing UAE national talent.

Underwriting considerations

Proposed loan :

Borrower's cash flow and financial capacity refer to the borrower's ability to generate sufficient income to meet contractual payment obligations.

Business Profile

Brief description of the company in 2 lines :

Commercial Bank of Dubai (CBD) operates in six emirates with 14 branches and 118 ATMs, aiming to be the best bank for customers. It has received numerous awards, including being named the Number One Bank in the UAE by Forbes in the 2022 World's Best Banks Report.

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

The company specializes in forming strategic partnerships to enhance customer experience and support business growth, particularly for SMEs in key sectors. Its unique selling proposition includes digital innovation, strategic collaborations, and a focus on empowering talent and providing exceptional

service.

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

The company targets institutional and corporate banking clients, including government-related entities and mid-sized emerging corporations, focusing on trade finance, loans, and strategic partnerships to support SMEs in key industries. The aim is to enhance digital offerings and customer relationships while supporting economic growth in a post-oil UAE.

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

I don't have specific information on competitors, challenges, market conditions, and market sentiment related to a specific company's industry segment based on the context provided. However, I can offer general insights if you provide more details about the specific industry or company in question.

Business Model

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

The company's critical revenue streams include institutional and corporate banking services such as loans, credit facilities, deposits, and trade finance products, with significant growth in transaction banking and treasury activities. Additionally, the bank's digital solutions and asset-backed lending have also contributed to revenue growth.

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

The company is targeting selected market segments with a focus on mortgages and investment solutions, leveraging market-leading digital offerings. Its effectiveness is reflected in a strong retail performance in 2022 and high digital adoption rates, with 91% of customers registered for digital services.

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

The bank deepens relationships with core franchise customers, increases fee income through transaction banking and treasury activities, and focuses on digital transformation and expanding asset-backed lending and supply chain financing portfolios.

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

The company uses digital channels like a mobile banking app and partnerships with FinTechs such as HelloPaiza for services like instant remittances. Additionally, they focus on strategic partnerships and programs to support SMEs and expand financial services.

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

The company is offering strategic partnerships to enhance customer experience and supporting customers in business growth, alongside a focus on recruiting, developing, and retaining UAE national talent.

Management Structure

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

The company, Commercial Bank of Dubai, can be classified based on the following criteria: 1. **Size**: It is a large entity, as it operates as a group with wholly-owned subsidiaries and interests in associates, indicating significant operations and resources. 2. **Ownership**: The company is part of a group structure, holding 100% interest in its subsidiaries, suggesting it is wholly-owned by a larger parent entity. 3. **Type of Ownership**: It is privately owned, as the subsidiaries are registered as limited liability companies under Federal Law No. 32 of 2021 in the United Arab Emirates.

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

The company's stakeholders likely include institutional and corporate clients who utilize its banking services, such as loans, credit facilities, and trade finance products. Additionally, regulatory bodies like the CBUAE play a role due to compliance with financial regulations, especially concerning Islamic banking. The Internal Sharia Supervision Committee is another key stakeholder, ensuring alignment with Sharia governance. Furthermore, charitable organizations in the UAE are stakeholders, benefiting from the bank's community support initiatives. Finally, the Board of Directors, senior executives, and investors are crucial stakeholders, involved in strategic decisions and financial performance monitoring.

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

The Chief Executive Officer (CEO) of the Commercial Bank of Dubai is Dr. Bernd van Linder. The Chief Operating Officer (COO) is Mr. Ali Imran. The provided context does not mention a Managing Director or Chief Information Officer (CIO).