

# Case Summary

## ***Name of organisation :***

The organization is the Commercial Bank of Dubai.

# Risk assessment

## ***Summary :***

Financial risk assessment involves identifying, evaluating, monitoring, and managing potential risks that could negatively impact a financial institution's stability, performance, and reputation.

# Business and industry analysis

## ***Industry :***

The company operates in the financial services industry, specifically in the banking sector. Its operations are categorized into several business segments, including Institutional Banking, Corporate Banking, and Personal Banking. Institutional Banking involves providing loans, credit facilities, deposits, trade finance products, and e-commerce solutions to institutional clients, including government-related entities. Corporate Banking focuses on offering loans, working capital financing, trade finance, and deposit products to corporate clients. Personal Banking caters to individual customers with services such as current accounts, saving accounts, fixed-rate deposit accounts, personal loans, overdraft facilities, vehicle finance, mortgage products, and other personal financial products. The company's management and internal reporting structure are designed to allocate resources and assess performance through these segments. The financial services industry is highly competitive and regulated, requiring institutions to continuously adapt to changes in market conditions, regulatory environments, and technological advancements to meet customer needs effectively and maintain profitability.

# Underwriting considerations

## ***Proposed loan :***

A borrower's cash flow and financial capacity refer to their ability to generate income and manage expenses to meet financial obligations.

# Business Profile

## ***Brief description of the company in 2 lines :***

The Commercial Bank of Dubai is headquartered in Dubai, United Arab Emirates, and offers comprehensive banking solutions, emphasizing digital transformation and support for SMEs. The bank operates through its wholly-owned subsidiaries providing brokerage and manpower services.

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

The company specializes in providing innovative digital banking solutions and asset-backed lending, with a unique selling proposition of being "Default Digital" to enhance customer experience through efficient self-service portals and instant banking services.

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

The company targets a diverse market, providing services to retail customers, SMEs, corporate, and institutional clients, focusing on digital solutions and instant banking services. Their offerings span from personal banking products to corporate financing and supply chain support.

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

I don't have specific information about competitors, challenges, market conditions, and market sentiment related to a specific company or industry segment as of October 2023. For detailed information, I recommend reviewing industry reports, market analyses, or financial statements of the company or industry in question. These resources typically provide insights into competitive landscapes, challenges faced, and current market conditions.

## **Business Model**

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

The revenue streams include reward program sales proceeds, property-related rental income, and dividend income, with critical revenue derived from property 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 is targeting Small and Medium-Sized Enterprises (SMEs) and retail banking customers with digital services. This strategy has been effective, as evidenced by the doubling of their retail customer base in 2021.

***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 profits and dividends, while growing revenues and operating profits by 7% year-on-year and expanding net loans and total assets by over 17%. They also manage balance sheet liquidity and reduce impairments by 17.5% due to improved economic conditions.

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

The company uses digital platforms like the iServe digital self-service portal and the CBD Digi app for selling and servicing. They also engage in partnerships with entities like Dubai Economy and Jebel Ali Free Zone for instant banking services.

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

The company offers a robust value proposition through its innovative digital platforms, such as Supply Chain Financing and iServe, enhancing customer experience with efficient, transparent services, and supports talent development to foster a high-performance culture.

# 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 company can be classified as: - **\*\*Size\*\***: The company is part of a "Group," which suggests it is a large entity, likely with multiple subsidiaries or segments. - **\*\*Ownership\*\***: The company appears to have a complex ownership structure, as it involves both equity holders and non-controlling interests (NCI). - **\*\*Type of Ownership\*\***: The company manages fiduciary activities and owns subsidiaries, indicating it operates as a corporation with both control over subsidiaries and fiduciary responsibilities for client assets.

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

The stakeholders of the Commercial Bank of Dubai include Abdul Wahed Al Rostamani AWR Group LLC with a 6.61% ownership, Al Majid Investments with a 5% stake, and the general public holding 35.72%. The bank maintains a strong capital base to ensure investor, creditor, and market confidence, balancing higher returns with a sound capital position. The stakeholders benefit from the bank's solid financial performance, which is attributed to the contributions of its employees, and the bank's focus on managing risks through an integrated ICAAP Framework. The Board of Directors, senior executives, and wholly or partially owned subsidiaries also play crucial roles in the bank's governance and operations.

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

Based on the information provided, the Chief Operating Officer (COO) of Commercial Bank of Dubai is Mr. Othman Bin Hendi. However, the CEO, Managing Director, and Chief Information Officer (CIO) are not mentioned in the provided context. Therefore, I don't have that information.