

Case Summary

Name of organisation :

Commercial Bank of Dubai (CBD)

Risk assessment

Summary :

Financial risk assessment involves identifying, evaluating, and managing potential financial risks to ensure stability and performance.

Business and industry analysis

Industry :

The company operates in the financial services industry, specifically within the banking sector. Its operations are divided into several business segments, including Institutional Banking, Corporate Banking, and Personal Banking. Institutional Banking provides loan and credit facilities, deposit services, trade finance products, and e-commerce solutions to institutional clients, including government-related entities. Corporate Banking offers loans, working capital financing, trade finance, and deposit products to corporate clients. Personal Banking caters to individual customers, offering current accounts, savings accounts, fixed-rate deposit accounts, personal loans, overdraft facilities, vehicle finance, mortgage products, and other financial services. The company's business segments are designed to address the diverse financial needs of its clients, ranging from large institutions to individual consumers. The segments also interact with the Treasury for funding cost allocations, ensuring efficient financial management. This structure allows the company to streamline its operations, focusing on specific client needs and optimizing resource allocation to enhance performance and profitability.

Underwriting considerations

Proposed loan :

Borrower's cash flow and financial capacity refer to the ability of a borrower to generate sufficient cash inflow to meet their financial obligations and sustain their financial health.

Business Profile

Brief description of the company in 2 lines :

The Commercial Bank of Dubai (CBD) is a financial institution based in Dubai, UAE, offering a wide range of banking solutions with a strong digital focus, and operates through 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 financial solutions, including retail mortgages, asset-backed lending, and supply chain financing, with a strong focus on digital transformation and customer experience. Its unique selling proposition lies in its comprehensive digital self-service and

instant banking offerings, enhancing convenience and transparency for customers.

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

The company targets retail customers with digital banking services and corporate clients through solutions like Asset Backed Lending and Supply Chain Financing, aiming to enhance the offering to Small and Medium-Sized Enterprises (SMEs) in line with the UAE's growth vision.

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 for a particular company or industry segment. The data provided does not include details about these aspects. You might need to refer to industry reports, financial analyses, or market research specific to the company or industry segment you are interested in for this information.

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, fees and commissions, and dividend income, with critical revenue from rental income recognized on a straight-line basis over lease terms.

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

The company is targeting the Small and Medium-Sized Enterprises (SMEs) segment, partnering with authorities to provide instant banking services. Their digital offerings have been effective, nearly doubling 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 managing liquidity risk through active presence in global money markets, maintaining a portfolio of highly marketable assets, and ensuring a prudent approach towards provisioning for non-performing loans. Additionally, it achieves record net profits and cash dividends, driven by strong revenue growth and market-leading financial 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 iServe, a digital self-service portal, and alternative digital platforms for transactions and services. Additionally, they have expanded instant remittance corridors and offer products like Digi accounts, Digi loans, and virtual cards.

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

The company offers a robust value proposition through innovative financial solutions such as Asset Backed Lending and Supply Chain Financing, alongside enhancing customer experience with digital self-service portals like iServe. Additionally, it focuses on talent development and corporate social responsibility, ensuring a high-performance culture and community contribution.

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 Group can be classified as follows: - **Size:** The context does not provide explicit information about the size of the Group. Thus, it cannot be determined from the available information. - **Ownership:** The Group engages in fiduciary activities, indicating it manages assets on behalf of clients, but it does not specify the ownership structure of the Group itself. - **Type of Ownership:** The Group is involved in wealth management and consolidation of subsidiaries, suggesting it may be a corporate entity with ownership interests potentially involving equity holders and non-controlling interests, but specific details are not provided. Without additional information, a more precise classification cannot be made.

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

The stakeholder analysis for the Commercial Bank of Dubai includes key shareholders such as Abdul Wahed Al Rostamani AWR Group LLC with a 6.61% share, Al Majid Investments holding 5%, and the general public owning 35.72% as of December 31, 2021. The bank emphasizes maintaining a strong capital base to ensure investor and creditor confidence, while balancing shareholder returns with a sound capital position. The board of directors and senior executives, such as H.E. Humaid Mohammad Obaid Yousuf Al Qutami, play significant roles in governance and strategic decision-making. The bank also engages stakeholders through quarterly and annual presentations of financial and operational performance.

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

The document provides information about the Chief Operating Officer (COO) of the Commercial Bank of Dubai, who is Mr. Othman Bin Hendi. However, it does not mention the CEO, Managing Director, or Chief Information Officer (CIO) of the company.