



## CBD receives excellence award in Gold Category



Six-year partnership with  
Meydan Racecourse



Youth Athletics  
Competition concludes in  
high spirits



Empowering Emiratis in  
the banking sector



# Message from the CEO

Dear Colleagues,

Commercial Bank of Dubai has recently published its 2012 full year financials, where we showed an increased net profit of AED 853 million and one of the strongest capital adequacy ratios in the country at 23 percent. Although these numbers are encouraging, we anticipate that in 2013, the Bank should be able to increase its business at significantly higher growth rates, especially in the context of the expected growth of the UAE economy going forward.

After having set up an improved and more effective sales organization in 2012, we are planning to grow our revenues in 2013. To do this, we have added two new client segments. CBD has designed new services to cater to very large corporate clients as well as the Small-Medium Enterprises (SME). These two segments will complement our existing four client segments: corporate, commercial, personal, and Al Dana.

For 2013 we will focus on cross-selling our products across our client segments to ensure that we are the preferred bank of our clients. This will allow the Bank to further increase its fee income and forex business, while a larger part of the turnover of our clients will be routed through our branches and other delivery channels.

In order to support sales and create more awareness regarding our products and services, the Bank allocated a substantially larger budget for advertising in 2013. CBD will be seen and heard more often in the media going forward. Moreover, we have implemented a new and enhanced call center system, which will further increase service levels for our clients. On top of that, a new state-of-the-art website will be launched to highlight CBD's focus on innovation.

We have come a long way in upgrading the efficiency and service levels of our support departments and we will continue to improve further where our clients require us to do so. We have received the preliminary results of the Employee Engagement Survey 2012 and I'm pleased to note that the results have improved from last year. In particular, there has been a much better rating to the role that line managers are fulfilling.

I am sure that the Bank's future looks bright and I'm confident that we will achieve even better performance numbers in 2013. Again, I would like to thank you for your commitment and dedication, which has contributed greatly to the continued success of our Bank!

With best regards,  
**Peter Baltussen**

## Editorial Team

Faisal Galadari  
Badr Soueidan  
John Tuke  
Shamsa Al Suwaidi  
Areej Al Yousuf  
Saba Sultan  
Hussain Al Qalaf

Published on behalf of CBD  
by:



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# CBD sponsors Meydan Racecourse for 6th straight year



CBD had sponsored the 2013 Meydan Racecourse as part of its CSR Program. The Bank has been supporting the sporting event for six consecutive years. CBD sponsored a six-race card during the eighth meeting of the 2013 Dubai World Cup Carnival (DWCC) at the Meydan Racecourse which was attended by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai along with other sheikhs and senior officials.

The Bank also sponsored a six-race card last November 22 for the second meeting of the 2012/13 season.

As a responsible corporate citizen, Commercial Bank of Dubai is keen on giving back to society and the community by supporting community relations and sponsoring social, educational, cultural, and sporting events directed at the welfare and development of the country.

During the event, the Chairman of the Racing Committee, Malih Al Basti, said: "Commercial Bank of Dubai is involved in both domestic and international racing in Dubai, recognizing the need to nurture racing at home. The Bank also helps enhance Dubai's worldwide reputation as an elite racing center."

Yaqoob Yousuf Hassan, Deputy Chief Executive, said: "We, at Commercial Bank of Dubai, are delighted and proud to be a regular patron of Meydan Racing and the DWCC.

"Racing at Meydan has gained a lot of prominence and recognition locally, as well as internationally, over the years. Based on CBD's vision that its role is not limited to just being a financial institution, social responsibility has been among one of the Bank's top priorities.

"On behalf of the bank, I would like to thank Dubai Racing Club and the Meydan Group for welcoming us to partner with them."



## YOUTH THEATER FESTIVAL

# Cultivating arts and culture in the community

CBD sponsored the sixth edition of the Dubai Festival for Youth Theater, held under the patronage of His Highness Sheikh Majid bin Mohammed bin Rashid Al Maktoum, Chairman of Dubai Culture and Arts Authority.

This is the Bank's fourth consecutive year to sponsor the event which advocates the cultivation of arts and culture within the community. The sponsorship is a reflection of the Bank's vision of being a financial institution that also extends its services to the community.

As a national institution which puts social responsibility on top of its priorities, the bank remains committed to developing and supporting local creative talent in



various fields of sports, cultural and social activities.

Mr Faisal Galadari, General Manager for Business Group, said: "We are proud to sponsor this cultural festival because it recognizes the hard work being put in by talented young Emiratis in theater and their role in preserving our cultural heritage."

Saeed Al Naboodah, Acting Director General of Dubai Culture & Arts Authority, said: "The Dubai Festival for Youth Theater is considered a leading initiative launched by the Dubai Culture and Arts Authority to showcase talented Emiratis. CBD's sponsorship supports our effort to activate the UAE theater scene in the artistic and cultural community."

# Driving Emiratization forward through Tawdheef Career Fair



Attracting UAE nationals to its workforce is one of the strategic initiatives of the Commercial Bank of Dubai, which already has achieved more than 40 percent Emiratization. Taking this initiative further, CBD participated in the Tawdheef Career Fair, held at the Abu Dhabi National Exhibition Center on January 29-31, 2013.

Minister of Culture, Youth and Community Development, Sheikh Nahyan bin Mubarak Al Nahyan officially inaugurated the Tawdheef Recruitment Show, the UAE's leading careers event that supports Emiratization. The minister visited CBD's stand.

The Bank measures the success of its Emiratization drive not just by the total number of nationals among the bank staff, but also by the number of citizens who are in leadership positions.

It believes that career exhibitions are great opportunities for the Bank to communicate directly with nationals from universities as well as graduates from the Higher Colleges of Technology and familiarize them with career development plans and training programs available at the state-of-the art Training & Development Center in CBD.



## CBD receives excellence award in Gold Category

Commercial Bank of Dubai won the 10th Sharjah Economic Excellence Award – Gold Category.

His Highness Sheikh Abdullah bin Salem bin Sultan Al Qasimi, Deputy Ruler of Sharjah, presented the award to CBD's Chief Executive Officer, Peter Baltussen, at the prestigious ceremony at the Sharjah Chamber of Commerce and Industry Headquarters.

Mr Baltussen expressed his delight and pride on the occasion and said: "The Sharjah Economic Excellence Award – Gold Category is an affirmation of the Bank's sustained commitment and perseverance in its pursuit of business excellence based on the bank's vision. It is a great honour for us to receive the award, which will encourage us to explore new frontiers and attain greater

heights in the years to come."

Winning this award marks yet another step in the Bank's diligent endeavour to continue the journey towards excellence. It is also a testament to the sound policies and principles adopted by the bank as well as its consistent financial performance over the years.

Mr. Baltussen thanked both the staff and clients for this achievement: "This accomplishment would not have been possible without the support of our shareholders and clients, and the dedicated efforts of our staff. The Bank's commitment to innovation and its pronounced adherence to quality and service leadership are the factors that will continue to be seen in the years ahead."





## Empowering Emiratis in the banking sector

CBD sponsored the 15th National Career Exhibition to show its support to the country's Emiratization campaign. This year, the Bank was a Gold sponsor for the career fair held at the Expo Centre Sharjah held on February 20-22, 2013.

The exhibition offered job opportunities for young Emiratis to join the banking and finance industry, as well as the public sector. The event was organized by the Banking Sector Human Resources Development Committee and Emirates Institute for Banking and Financial Studies in coordination with Sharjah Chamber of Commerce and Industry.

The exhibition was opened by His Highness Dr. Sheikh Sultan bin Mohammed Al Qasimi, Member of the Supreme Council and Ruler of Sharjah. Also present were Ahmed Mohammed Al Midfa, Chairman, Sharjah Chamber of Commerce and Industry and Said

Mohammed Al Midfa, Director-General, Expo Centre Sharjah. Sheikh Sultan visited the CBD stand where he was received by the bank's senior management and employees. His Highness was given an update on CBD's efforts in Emiratization, which reached more than 40 percent in 2012. The bank also shared its future plans on improving and upgrading the skills and expertise of nationals with appropriate training. His Highness applauded the bank's participation in the event and its continuous efforts in employing and training UAE nationals.

During the exhibition, Emiratis in senior management positions were honoured for their excellent leadership. Mahmoud Mohammad Hadi, Chief Operating Officer and Othman bin Hendi, Head of Credit were given plaques of recognition for being an inspiration to young Emiratis.

## Nationwide Emiratization initiative signed by five banks



Commercial Bank of Dubai, along with four other banks, signed an agreement with the Emirates Institute of Banking and Financial Studies (EIBFS) during the National Career Exhibition in Expo Centre, Sharjah.

The new "MASRAFI" Emiratization initiative of EIBFS was signed by: CBD, Emirates NBD, Dubai Islamic Bank, Abu Dhabi Commercial Bank, and HSBC Middle East.

Mr Jamal Ahmed Al Jassmi, General Manager of EIBFS said: "This initiative aims to recruit and train 1,000 Emiratis in the banking sector for the year. These banks all confirmed their commitment towards

Emiratization in the banking sector as a general policy and priority adopted by the country for the benefit of locals."

Shorouk Habib Al Redha, Head of Human Resources, signed the initiative on behalf of the Bank to show its commitment in supporting the Absher Initiative launched by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, and the declaration of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, that 2013 will be the year of Emiratization.



# Youth Athletics concludes in



Under the patronage of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Dubai Sports Council (DSC), Commercial Bank of Dubai in partnership with DSC welcomed students to another year of sportsmanship and camaraderie at the CBD Youth Athletics Competition 2013.

On its second year, the competition had more than 1500 athletes from 66 different schools competing in eight different sport events. The Olympics-like event started in November and the final games were played on February 9, at the Dubai Police Stadium where the students were cheered on by their classmates, teachers, and families.

During the closing ceremony, prize-giving and raffle draws were held for the enjoyment of those who did not compete in the sports events. The overall school champion received Dh360,000, while a total of Dh67,000 was given to gold, silver, and bronze medalists for all the sporting events.

UAE National Football Team coach, Mahdi Ali, was honored for leading the national team at the 2012 London Olympics





# es Competition n high spirits



and for winning the UAE's second Gulf Cup. Mahdi Ali gave an inspirational speech to the young athletes to persevere in their trainings and encouraged them to participate in more athletic competitions.

Faisal Galadari, General Manager, Business Group, said: "This competition embodies the vision of our government, led by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, to strengthen school sports into a springboard from which promising talents can blossom to carry our nation's flag high on the world stage."

Galadari added: "Commercial Bank of Dubai is proud to fulfill one of its social responsibility objectives through this important initiative. Not only will it give the youth entertainment and exercise from a social perspective. From an educational perspective, it also teaches youth vital lessons about spending their leisure time productively by staying healthy and motivated."



Dubai National School - Barsha



Nad Al Hamar School





Al Muhallab School



Nad Al Hamar School



GEMS - Our Own English High School



Dubai National School - Barsha



Mohammad bin Rashid School





# TianLong Chinese Banking to cater to Chinese residing and visiting the UAE



TianLong comprehensive Chinese banking service was launched by CBD to highlight the bank's expertise in offering creative financial services to the Chinese community in the UAE and 150,000 Chinese visitors a year.

CBD's main target is the Chinese Wholesale Market and Small and Medium Enterprises (SME) segment in Dubai, besides the wider Chinese business community in Abu Dhabi, Sharjah and Ajman. Its mission is to serve the commercial and personal banking needs of Chinese SMEs and their business-owners through the Bank's product and delivery platforms dedicated to their requirements.

The launch of the TianLong service was formally celebrated at Al Qasr Hotel, Madinat Jumeirah.

UAE-China trade increased to \$36.6 billion in 2011, and it is expected to grow to \$60 billion in 2015. CBD CEO Peter Baltussen said: "CBD intends to be a financial partner that understands the needs of its Chinese clients and supports them with the right solutions. The bank is the first financial institution in the Gulf to build such a comprehensive platform."

The TianLong service includes Chinese language documentation, tailor-made products and services, Chinese-speaking relationship managers, and even a dedicated Chinese-speaking call center

hotline. Clients can have their own renminbi (RMB) account to "feel at home with CBD", said Baltussen. He said that "the one very unique part of this platform" was the CBD China UnionPay Prepaid card which allows one to make purchases in both Emirati dirham (AED) and RMB. The China UnionPay is a prepaid card that can be used to withdraw local currency from all ATMs in Mainland China and most ATMs in Hong Kong and Macau. It is also accepted for purchases at over 1.3 million retailer outlets.

Addressing the Chinese community, Baltussen said, "We are the first financial institution outside of China to issue this dual currency card, and one of the very few worldwide who have taken the step to create such a comprehensive window for our Chinese customers. We look forward to building a stronger and ever-more fruitful relationship with all of you. Let us all work together to build a successful bridge between our countries, cultures, and businesses."

As one of the most innovative financial solution providers in the UAE, this move highlight CBD's critical role in the financial cooperation between the UAE and China.

## CBD corporate card enhances expense management

CBD's Corporate Card is a unique instrument for expense management. It enables a company to keep a streamlined account of employee spending on dining, travelling and other business-related activities, while greatly reducing the cost associated with tracking and documenting all that expenditure. The Visa card functions both like a credit and ATM card so corporate employees with expense accounts no longer need to use their own cards.

A company subscribing to the CBD Corporate Card gets to retain all the control over its business travel and entertainment policies, and at the same time, gets an interest-free period of 53 days to settle card

dues, making it easier for the user to regulate his/her cash flow.

An additional feature of the CBD Corporate Card is the corporate liability waiver insurance. This protects a company against losses caused by card theft or any other card fraud. The free insurance feature gives a company greater security.

Another insurance feature is the automatic cover under a comprehensive travel policy when fares are charged to the card. The benefits include: emergency medical expenses (accident and sickness), emergency medical evacuation, flight delay, baggage loss, baggage delay, death repatriation, and covers for Schengen visa.





## Shahrazad program remodelled to fit UAE ladies banking needs



CBD has remodelled its Ladies Banking services, in line with the Bank's move to enhance its customer relations and expand its services to cater to all clients. Shahrazad, which is available in conventional and Shariah compliant banking, is designed to fit the needs of ladies living and working in the UAE.

Women are now rising in status and power in the business community. Hence, their purchasing power has become stronger and their banking needs have increased.

Rana Al Marzooqi, Head of Ladies Banking, said: "CBD recognizes the uniqueness of ladies in the UAE, thus we have remodelled our banking services to give our female clients a comprehensive range of world-class privileges and advantages to give them flexible and convenient financial solutions.

"In Shahrazad, we make sure that women feel that they are taken care of wherever they go and that they are given utmost priority. We cater to the lifestyle of our female clientele by giving them membership benefits that will ease their day-to-day life, and help them to succeed in their careers."

The newly remodelled Shahrazad program was launched during the eighth meeting of Dubai World Cup in Meydan. Shahrazad offers services that best suit different positions that women are now taking on the business world.

Besides banking, Shahrazad also established itself as a pillar of support for the advocacies of women, for women, by sponsoring and co-organizing the annual pan-UAE breast cancer awareness initiative of the Friends of Cancer Patients, Pink Caravan, as part of the grand launch.

Her Highness Sheikha Futtaim bint Mohammed bin Rashid Al Maktoum attended the launch of Shahrazad and congratulated the ladies of Shahrazad for organizing the event and honored them for their support in the Friends of Cancer

Patients initiative.

Her Highness said during the event: "This event deserves tremendous honor and support in recognition of its milestone achievements. In light of the results achieved on the ground, the initiative truly deserves great respect and appreciation."

### **SPECIAL BENEFITS:**

- Free for life Credit Card with complimentary Attijari Rewards Points upon activation
- 25% off on the Safe Deposit Locker fees for the first year
- 50% off on Standing Order charges
- Preferential interest rate discounted by 0.5% in the normal rate on Personal Loan
- Waiver of minimum balance charges only when any lending product is availed
- Specially designed Cheque Book and Debit Card

There are even more benefits if you apply for any of the three exclusive membership categories: Individual, Executive and Business Owner.

### **MEMBERSHIP BENEFITS:**

- Free remittances
- Priority in banking transactions
- Special workshops, seminars and networking events
- Special shopping, dining and leisure discounts/vouchers
- Entry into draws to win fabulous gifts (once a year for Member only)
- Free valet parking at designated malls, cinemas, government offices and airports
- Free access to Marhaba Airport Lounge (once a year and for Member only)



# Sharjah Economic Development Department partner with CBD for economic cooperation

Commercial Bank of Dubai signed a cooperation agreement with Sharjah Economic Development Department in the latter's headquarters in Sharjah. The terms of the agreement focus on promoting the services offered to clients and investors to meet the highest quality and excellence standard, and streamline the process for efficiency. This is in accordance with the directives of His Highness Dr Sheikh Sultan bin Mohammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, under the guidance of His Highness Sheikh Sultan bin Mohammed bin Sultan Al Qasimi, Crown Prince and Deputy Ruler of Sharjah and the President of the Executive Council.

HE Sultan Abdullah bin Haddah Al Suwaidi, Chairman of SEDD and Mahmoud Mohammad Hadi, Chief Operating Officer of CBD signed the agreement in the presence of directors and officials from the both parties.

The agreement allows CBD clients and investors access to various services from SEDD, like trade license inquiry through the SEDD website. These services are part of the integrated strategy of SEDD to encourage investors by providing them with all the services that will help their businesses and projects through state-of-the-art technological standards.

HE Al Suwaidi said on the partnership: "Signing this agreement with CBD is one crucial step in this strategy, and we expect it to yield positive results for both parties. CBD is considered one of the leading banks in the UAE, it has a wide base of clients, and offers



diverse products to its clients. This is why we value this agreement with CBD, and appreciate the fruitful and constructive cooperation shown by CBD's officials to sign this agreement which will benefit a vast sector of investors and clients"

For his part, Hadi highlighted the distinguished role played by SEDD in servicing the economy of Sharjah.

He added: "The general policy of CBD is to target as large a number of clients as possible, and signing this agreement with SEDD will undoubtedly help accomplish this goal in an effective and direct way, thanks to the enormous base of clients and investors that CBD has."

## NEW PREPAID CARD LAUNCHED IN PARTNERSHIP WITH AL AHLI CLUB



The Bank is committed to supporting the sports movement in the United Arab Emirates, and in line with the Bank's aim to provide its customers with cashless convenience, the Bank signed a partnership agreement with Al-Ahli Club Dubai to develop co-branded CBD – Al Ahli Club prepaid Visa cards.

Faisal Galadari, General Manager, Business Group said: "The agreement bore fruit with the first prepaid card collaboration, which is the prepaid card for Al Ahli Club Employees. We look forward to further enhancing this constructive cooperation with Al-Ahli Club, which is one of the oldest sports organizations in the UAE. We are fully confident that this will bring specific

advantages for athletes in general, and the family of Al-Ahli Club in particular.

"It is our objective to help employees of various organizations to better manage their accounts. Through the CBD and Al-Ahli Club pre-paid card, they will be able to track and manage their spending 24/7. They can also manage their spending more effectively and get peace of mind. Instead of carrying cash in your wallet, you can have the convenience of carrying a prepaid card, which you can use worldwide wherever debit cards are accepted."

Al Ahli Club Dubai CEO, Mr Ahmed Khalifa Hammad said: "Such a partnership with CBD will enable Al Ahli Club Dubai to handle finances with ease due to such a partnership with one of the leading financial institutions in the UAE," adding that this collaboration will benefit athletes and the entire sports sector in the UAE. CBD is proud of its investment in this field and wants the relationship with Al Ahli to grow. This initiative is yet another of the Bank's many pioneering activities to support youth and sports in the country.





## Attijari Al Islami hosts client seminar



In line with the Bank's aim of continuously strengthening customer relations, the Islamic Banking Division, Attijari Al Islami held a seminar for its clients under the theme, "Honesty in Work".

The seminar was attended by a large number of CBD's clients and staff, who were interested in learning about the value of honesty and integrity in work, as a core principle in Islam.

The guest speaker was the famous Islamic scholar and Imam of Anas bin Malek Mosque in Oneiza Governorate in the Kingdom of Saudi Arabia, Sheikh Suleiman Alajabilan.

Sheikh Alajabilan stressed the importance of honesty as a major feature of the Muslim person, particularly when doing his work, "Islam instructs to permanently observe Allah in our works, because if we do not see him, he always sees us," he said. He used verses and quotes from the Sunnah of Prophet Mohammad "peace be upon him", who was known as "Assadiq Al-Ameen," which means the sincere and honest man.

Mr Nabil Tayeb Khoury, the Head of Islamic Banking Department, said: "Caring for our clients is one of our top priorities in CBD, this is why we hold these seminars and forums to provide our customers with valuable and useful information."

## Clean Up UAE Campaign on its 11th annual cycle

The Clean Up UAE Campaign was recently held simultaneously in four Emirates - Dubai, Sharjah, Ajman, and Abu Dhabi. As main sponsors for Clean Up UAE for the Dubai and Abu Dhabi sites, Commercial Bank of Dubai (CBD) CEO Mr Peter Baltussen stated: "CBD is proud to return as one of the main sponsors of the 'Clean Up UAE' campaign, organized by the Emirates Environmental Group (EEG). This year, we are the main sponsors of this important initiative for Dubai and Abu Dhabi."

The Bank's continued support for this annual event lies upon the program's sheer value and necessity. Sponsoring events such as the 'Clean Up UAE', which helps create awareness about the damaging effects of indiscriminate use of resources and irresponsible disposal of litter is in line with its CSR values.. CSR is about considering the impact of the Bank's activities on customers, suppliers, employees, shareholders, communities and other stakeholders, and most



importantly, the environment. This is seen to extend beyond the statutory obligation to comply with legislation and encourages the Bank to voluntarily take further steps to improve the quality of life of the community and the environment it thrives in, and improve very limited awareness about recycling.

## CBD sponsors the third Manar Forum

Commercial Bank of Dubai sponsored the third Manar Forum on the occasion of the international observance of White Cane Safety Day on October 15, 2012.

The Manar Forum celebrates the achievements of the visually impaired, highlights their potential and capabilities, identifies and fulfills their needs, with the aim of helping them overcome their handicaps, extracting their latent creativity, and helping them integrate successfully into society.

This sponsorship is in line with the Bank's CSR framework. Sponsoring this event allows CBD to show its support to the community and its appreciation for the work and efforts of the physically challenged.

The event was held in the presence of HE Mariam Mohammed Khalfan Al Roumi, Minister of Social Affairs; HE Fares bin Rumi Al-Nuaimi, Qatar's Consul General in Dubai and Northern Emirates; Major General Mohammad Ahmad Al Merri, Director



General of the General Directorate for Residency and Foreigners Affairs in Dubai; Sheikh Suleiman Alajabilan from Saudi Arabia; Dr Hayat Khalil Nazar, and the General Director of Al-Noor Institute for People with Visual Impairments in Qatar.

Mr Nabil Tayeb Khoury, the Head of Islamic Banking Division in CBD, said: "CBD has always involved itself in matters of the community and upheld its social role as part of its service. We have supported the integration of handicapped people in society and practical life. They deserve this honour and recognition as they have proven that they are real significant assets and human fortune, which need to be preserved."



# “Fixed Income and Beyond”



**“FOR MOST INVESTORS, RETURN OF CAPITAL IS TODAY MORE IMPORTANT THAN RETURN ON CAPITAL. THAT IS WHY, DELIVERY ON EVERY PROMISE MADE IS CRUCIAL IN THE CURRENT BUSINESS ENVIRONMENT,” SAYS MOUKARRAM ATASSI, HEAD OF INVESTMENT GROUP TELLS COMMERCIAL BANK OF DUBAI, ATTIJARI AL YOUUM**

Addressing investors’ key concern for capital preservation and delivering consistently on the promises made are top priority for the Investment Group at Commercial Bank of Dubai. While the majority of assets under management today are deployed in the fixed income space because regular income and stability of capital are the key demands of our client base. The bank is working on extending its product offering, looking at other asset classes with similar features and risk-profile to complement the existing fund range.

**The IMF very recently cut the world economic growth forecast on the basis of continuing Euro zone problems and actions around the US deficit. How do you assess the UAE’s position in the global economy today?**

Overall, the sentiment in the UAE, and Dubai in particular, is picking up, buoyed by renewed growth in trade, healthy tourism trend, real estate market recovery, record occupancy of hotels and busy restaurants, among others. In some cases, numbers surpass the peaks of 2008. Banks have started seeing bottoming of their non-performing loans and are on the path to recovery. There are many reasons to be more optimistic. However, since the UAE is an open economy, it is affected by external factors such as regional or global trends. But looking domestically, UAE’s economic situation has greatly improved. We may not see the pre-2008 frenzy. What we have now is a more paced and sustainable growth – slower but steadier.

**Two years ago, the investors were risk-averse. Is this still the case?**

Investors are more conscious of return of invested capital – “am I going to get back my capital?” they ask. They emphasise more on this rather than return on capital – “how much am I going to earn?” Given the recent experience and the investment losses, investors today are much more careful. This translates into investing with trusted

counterparties, reputation and experience of investment managers and product features like liquidity and transparency. Today, investors have become more discerning and are not necessarily attracted to high potential returns alone. Among the top features demanded by clients is distribution of regular income. Also, given the low deposit rates, they are prepared to take little calculated risks. Investors are still fairly hesitant, at this stage, to move into riskier assets like equities where potential returns could be higher. This is despite the fact that major equity markets around the globe have rallied significantly over the past five years, and in many cases, have surpassed their pre-crisis peaks.

**How is CBD capitalising on this situation?**

CBD was one of the first banks to anticipate the change in client buying behaviour and reducing risk appetite. Back in Feb 2009, we conceptualized and launched a UAE Fixed Income product. We followed it with a GCC fixed income fund, we strengthened our Global Fixed Income Fund, and restructured our Sharia compliant Murabaha Sukuk Fund. Today, our GCC Fixed Income fund is one of the largest in the country.

The nature of our business demands that we speak to clients, anticipate their needs, innovate and create products that take into account the cyclical nature of the markets, and offer an opportunity to diversify and manage asset allocation.

**The GCC income fund is mostly in investment-grade bonds. Are the returns attractive?**

The investment policy of the fund is fairly conservative. The policy ensures wide diversification while capping exposures to single names or sectors or markets. The fund does not use leverage. Today, we are more focused on managing the interest rate risk given the cycle-low interest rates. We are managing the duration and reducing it to



**“ CBD was one of the first banks to anticipate the change in client buying behavior and reducing risk appetite. Today, our GCC fixed income fund is one of the largest in the country.**

minimize this risk. We are delivering on the promise made to our clients. Last year, we made a total return of 13.8 percent, of which 6 percent was paid out in dividends. This year, we are on target to delivering a dividend of around 5 percent.

**When you talk about the investment business of CBD, the first thing that comes to mind is fixed income portfolio. Is there anything else that's keeping you busy?**

Majority of our assets are currently in fixed income. Before the crisis, fixed income used to represent a small portion of the total assets under management because clients had different expectations of returns. In those days if you said, “I have a fixed income fund that will distribute 7 or 8 percent in dividends and appreciate another 2 to 4 percent per annum,” they would say, “Thank you very much, but I can make these kind of returns in a week investing in the stock market or real estate.”

Today the world has changed. Heavy losses experienced in the stock market or real estate are still fresh in the collective memory. Equity funds are in low demand. We feel that there is merit in an asset allocation approach that gives equity some consideration in the overall portfolio, given the reasonable valuations in that space today.

This asset allocation can be achieved through a wide range of CBD funds that span regional and global markets across equities and fixed income apart from our collaboration with a leading Swiss private bank.

Within the equity space, we would prefer a strategy focusing on income generation through dividends given that good companies are likely to continue to increase their dividend payouts over the medium term. We are looking at launching an equity-dividend income fund sometime in early second quarter of this year.

We are also considering other asset classes that can generate fixed-income while remaining non-correlated to interest rates or equity market cycles. We have not finalized anything yet but we are reviewing leasing or Ijara funds.

**You mentioned asset allocation and helping clients. How do you plan to do that?**

In our endeavor to provide relevant solutions and advice, we put together the Investment Advisory working closely with the asset managers covering a cluster of branches to provide

investment advisory services to all client segments of CBD: Personal Plus, Al Dana, Commercial, and Corporate.

Investment Advisors work in close coordination with the relationship managers in order to meet top clients, and conduct detailed financial planning discussions around clients assets and liabilities situation, try to gauge the client's risk taking appetite and investment time horizon apart from other preferences.

Based on these detailed discussions, the advisors provide customized, relevant solutions that respond to clients' needs and the market conditions. They stay in touch with the clients and review the allocation based upon changing dynamics.

This team of specialists is very much appreciated by our clients and have had a very positive impact on the business. We believe that this business model will provide us a sustainable market differentiation.





# AN ENCHANTED NIG

Commercial Bank of Dubai's Annual Staff Gala Dinner, held at the Grand Hyatt Hotel on January 10, 2013, was an elaborate evening that was seasoned with entertainment and excitement.

The Chairman of the Bank, HE Saeed Ahmed Ghobash, welcomed everyone with a heart-warming speech. HE Ghobash expressed his gratitude to the CBD family for their hardwork and dedication that contributed to the positive results achieved by the bank in 2012. He inspired the staff to continue to implement the Bank's strategic initiatives, and strengthen each other's support to further boost the Bank's reputation in customer service.

HE Ghobash said: "Our success and the goodwill that we have created among our clients is the result of efforts made by employees at every level of our banking operations. So, we would like to express our gratitude and appreciation to all who have contributed to the bank's success in 2012."

To highlight CBD's feats in 2012, bank employees were honored for their outstanding performance during the Staff Recognition ceremony. Recognizing the commitment



