

Companies in the UAE See Opportunity; Banks Can Help Them Achieve It

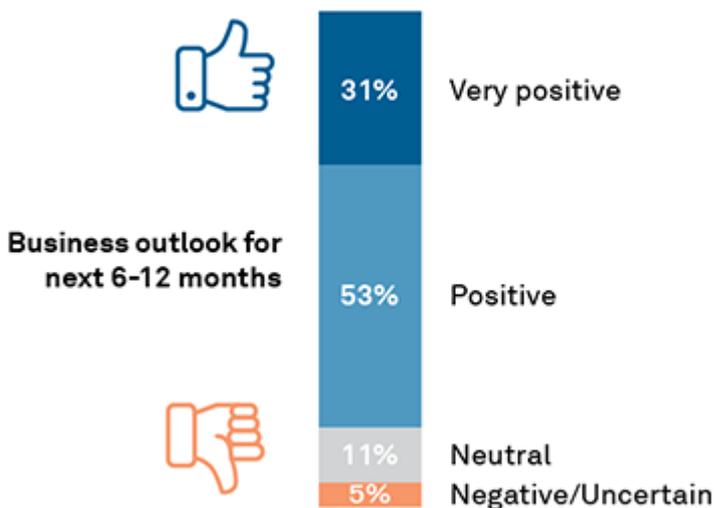
April 5, 2022

Approximately 85% of the nearly 200 companies in the UAE participating in the annual Coalition Greenwich Middle East Large Corporate Finance Study have a positive outlook for their businesses for the next six to 12 months.

That result suggests that businesses in Dubai/Abu Dhabi and other parts of the UAE are far more confident about the near-term economic environment than their counterparts in Europe and Asia. By far the biggest driver of that optimism is the reawakening of the national and global economy as COVID-19 subsides (hopefully permanently) in parts of the world.

However, corporate executives cite a range of additional positive factors, including increased government support for businesses, a boom in international business opportunities and a surge in tourism. “The airline industry is back in business and travel and tourism are booming,” says one corporate executive. “Due to Dubai Expo 2020 and surrounding events, we are seeing tourist volume coming back,” adds another.

Most UAE Companies Have a Positive Business Outlook



Note: Outlook for the next 6–12 months based on responses from 196 corporates.
Source: Coalition Greenwich 2022 Middle East Large Corporate Finance Study

The positive business outlook also reflects the impact of reforms by the UAE government intended to develop the economy and diversify away from energy. At the start of this year, the UAE officially shifted its national

workweek from the Sunday-through-Thursday schedule traditional in most Middle East countries to a Monday-through-Friday model more in line with global economies.

In 2021, the UAE introduced one-year residency permits for remote workers. A relocation to the UAE is seen as attractive by some remote workers due to the favorable tax structure in the country, the vibrancy of life in Dubai, and the fact that, in terms of time zones, the UAE straddles Europe and Asia, allowing workers to more easily cover both regions.

Despite possible headwinds in the form of geo-political and economic fallout from the war in Ukraine and the potential for new surges in the pandemic, corporate priorities for 2022 reflect the positive outlook. Like companies around the world, corporates in UAE are working to optimize balance sheets, enhancing working capital and liquidity management.

But in the current year they are also focused on securing financing for both their ongoing businesses and growth opportunities they see emerging within the UAE and internationally. A quarter of companies in the study rank inorganic growth and overseas expansion as a top priority for 2022. Most international growth strategies are targeted on Saudi Arabia and other Gulf Cooperation Council (GCC) countries, as well as Egypt.

Focus on Growth

This focus on growth, especially international growth, is creating a window of opportunity for banks hoping to win corporate business in the MENA region. Corporate executives made the following comments when asked how banks can help them achieve their goals for 2022:

- “Bring potential acquisitions deals and opportunities to us. Provide research and insights into the new geographies and market that we are entering into.”
- “Provide funding for overseas projects and growth. Our banking partners can support us with sufficient capital for acquisitions.”
- “They can help us via their banking networks in the areas that we are venturing into for M&A.”
- “Banks can help digitize cross-border payments, vendor management, credit facilities.”

Leading the Pack in Digital Transformation

The final comment in that list—“Banks can help digitize cross-border payments, vendor management, credit facilities”—reflects the other top priority companies have for 2022: digital transformation. The rapid digitization of the UAE’s corporate sector is being driven by several powerful trends. The first, of course, is COVID-19. Although UAE’s pandemic lockdowns were not as severe as those imposed in other cities and countries, COVID-19 disruptions nevertheless accelerated the switch to e-commerce and digital banking among both companies and consumers.

Second, over the past decade, the UAE has launched a series of initiatives it describes as designed to automate government services “as a part of the 4th industrial revolution, which depends on digitization and information technology.” This effort has pushed the country to the front of the pack in the MENA region in digital transformation, and it is carrying UAE companies along with it.

In some ways, companies in the UAE are skipping an entire generation of transitional treasury infrastructure, moving directly from paper-based manual processes to sophisticated digital systems. Nine out of 10 UAE companies now use online banking, and more than half use mobile banking. Three-quarters of study participants have plans to adopt mobile banking. Perhaps even more impressively, 70% of companies plan to adopt host-to-host banking channels, and 58% have plans to start using APIs.

How Banks Can Win Business and Help UAE Companies Achieve Their Goals

For banks competing for the business of MENA companies, digital capabilities are now a make-or-break feature. When picking cash management providers, companies rank electronic banking capabilities as their second most important criteria, just slightly behind pricing.

However, in a culture that values personal relationships, banks should not forgo real-life interaction. Face-to-face meetings and phone calls remain companies' preferred method for engaging with banks. That said, companies are becoming more accustomed to email and more open to video calls (used by 57% of companies), webinars (used by 42%) and text/IM (used by 25%).

The following table, based on data from our study, shows the services and products MENA companies want most from their bankers in 2022 and beyond.

What UAE Companies Want from Their Banks

	Corporate priorities	How banks can help
 <p>Balance sheet optimization</p>	<ul style="list-style-type: none"> • Enhancing working capital and liquidity management • Secure and optimize financing options 	<ul style="list-style-type: none"> • Regular updates and advice in light of volatile market • Show better understanding of business needs and provide support
 <p>Cost reduction</p>	<ul style="list-style-type: none"> • Operating model review: pre-COVID vs. new normal • Streamlining operations 	<ul style="list-style-type: none"> • Support in business analysis—industry/peer benchmarking • Introduce case studies for optimization (e.g., digital solutions)
 <p>Inorganic growth/ Overseas expansion</p>	<ul style="list-style-type: none"> • Generating higher growth • Explore M&A opportunities in domestic/international markets 	<ul style="list-style-type: none"> • Introduce/identify suitable targets based on understanding of their business and market • Access to financing
 <p>Digital transformation/ Enhancements</p>	<ul style="list-style-type: none"> • Upgrading internal systems and hardware • Automating selected process for transactions 	<ul style="list-style-type: none"> • Provide potential digital solutions for finance operations (e-documentation, APIs) • Advise on industry best practices

Source: Coalition Greenwich 2022 Middle East Large Corporate Finance Study

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent

ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2026 Crisil Ltd. All rights reserved.