



2024

Investor Presentation

for the 3 months ended 31st March 2024

24 April 2024

Dr Bernd van Linder
Chief Executive Officer

Mr Darren Clarke
Chief Financial Officer

بنك دبي التجاري
Commercial Bank of Dubai

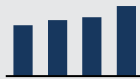


Executive Summary



- **Record net profit result**
- **Outstanding return on equity** supporting future growth and the dividend payout
- **Strong balance sheet** with all liquidity, funding and capital ratios well above regulatory limits
- **Sharply improved asset quality** with lower Non-Performing Loans and a high coverage
- **Well positioned** to back our customers' ambitions

Financial Highlights Q1 24



Net Profit
before tax

AED 770m

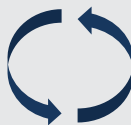
▲ 33.9% from Q1 23



Operating
Profit

AED 1,057m

▲ 11.5% from Q1 23



Gross Lending

c 4.6%

UAE Loan Market Share

23.16%

▲ 312 bps from Q1 23

Return on Equity
before tax

2.37%

▲ 42 bps from Q1 23

Return on Assets
before tax

Earnings Snapshot – *Excellent financial result driven by loan and CASA growth, interest rates, Non-Funded Income (NFI) and disciplined expenses offset by cost of risk*

AED m

| | Q1 24 | Change Q1 24 - Q1 23 | Change (%) Q1 24 - Q1 23 |
|-----------------------------------|--------|-------------------------|-----------------------------|
| Net profit before tax | 770.1 | 194.9 | 33.9% |
| Net profit after tax | 701.0 | 125.8 | 21.9% |
| Return on equity (RoE) before tax | 23.16% | 312 bp | 15.6% |
| Return on assets (RoA) before tax | 2.37% | 42 bp | 21.5% |
| Interest margin | 3.16% | (23) bp | (6.8%) |
| Cost to income ratio | 22.96% | (42) bp | (1.8%) |
| Credit Impairment on gross loans | 1.24% | (20) bp | (14.0%) |
| CET1 ratio | 12.41% | (33) bp | (2.6%) |

Financial Performance Snapshot – Q1 24

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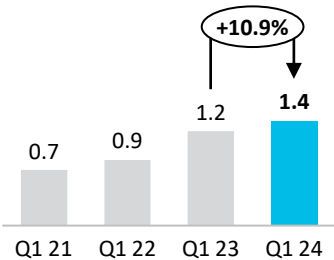
Shareholder Value Creation

Solid Balance Sheet

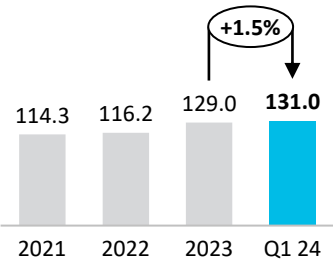
Robust Core Ratios

Solid Operating Performance

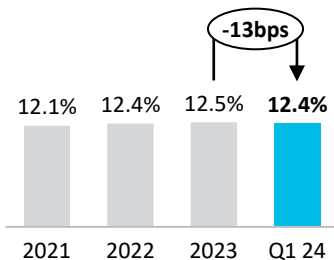
Revenues



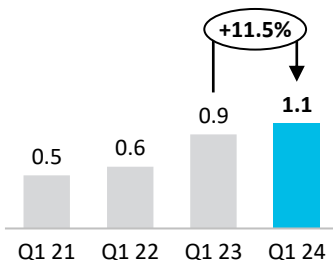
Assets



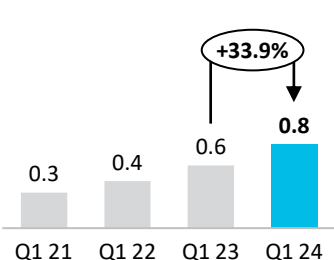
CET1 Ratio



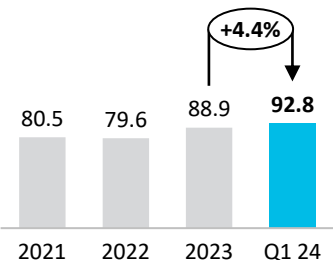
Operating Profit



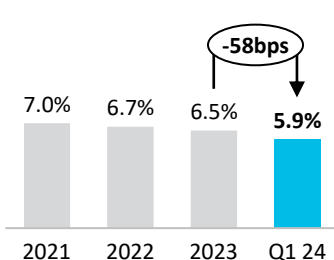
Net Profit before tax



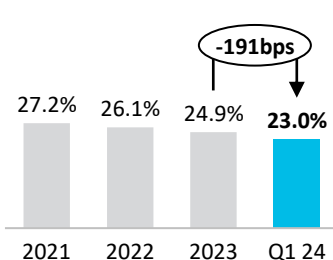
Gross Loans



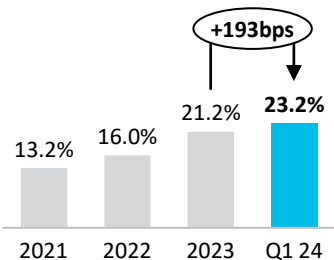
Non-Performing Loans



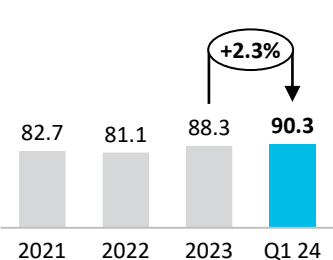
Cost to Income Ratio



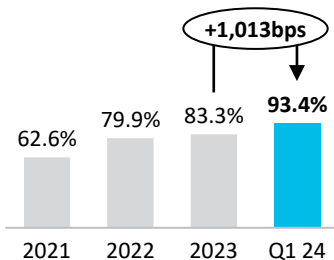
RoE before tax



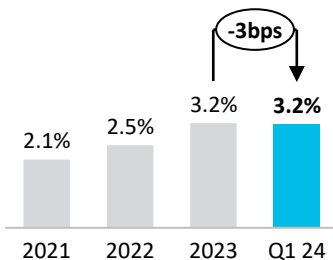
Customer Deposits



Coverage Ratio



Net Interest Margin



Progress against Strategic Execution Q1 24

Achieve Financial Results



Interest rate tailwinds supported by **growth in Loans and CASA**



Higher fees from improved **transactional activity**



Focused investment in digitisation



Ongoing **sound portfolio** credit quality



Strong liquidity and capital ratios and a stable and diversified Balance Sheet

Become Employer of Choice



Recruiting, developing and retaining **UAE national talent**



Emirati Leaders graduated **Said Business School**



Empowering our talent across the organisation



Driving upskilling through **Learning Experience Platform** and **Digital Accelerator Program**

Customer Focus



Deepening customer relationships through service excellence



An established **Voice of Customer Program**



Strategic partnerships providing enhanced customer experience



Embedded ESG with a focus on **sustainability financing** and **initiatives**

Default Digital



% of **wholesale** transactions initiated **digitally**



97% of customers are registered for digital



★★★★★ 4.8
App Store
★★★★★ 4.6
Google Play



Expanding **technological capability** for our customers

Backing the nation's ambitions

Financial Guidance 2024 estimate –

Underlying business activity and momentum supports forward looking sustainable net profit growth

Looking Ahead

- Loan growth **well above system**
- **Sharply improved** asset quality with lower Non-Performing Loans and higher coverage ratio
- Healthy margins supported by **market interest rates** and **diversified** funding
- Investments targeted towards **digital and technology** with expected market driven **inflationary** impacts
- Returns to remain above industry benchmarks, **generating capital for growth**

2024e Financial Guidance



Loan growth mid-high single digit growth



Cost of Risk < 115 bps



Net Interest Margin 3.05 % - 3.15 %



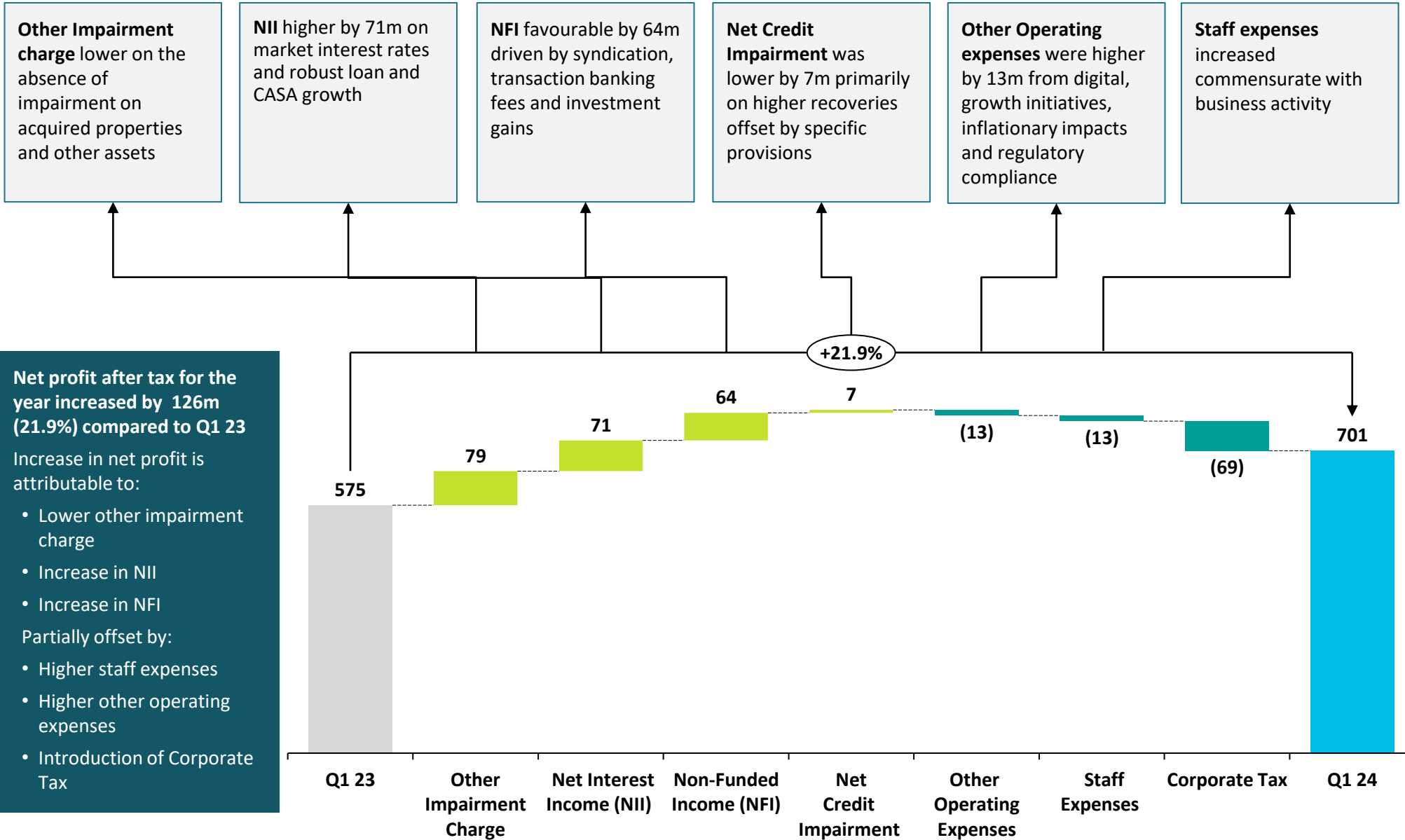
Cost to income < 26 %



Return on Equity > 20.0 %

Net Profit Bridge on Prior Year – *Excellent net profit with higher NII, lower impairment, higher fees offsetting the introduction of corporate tax*

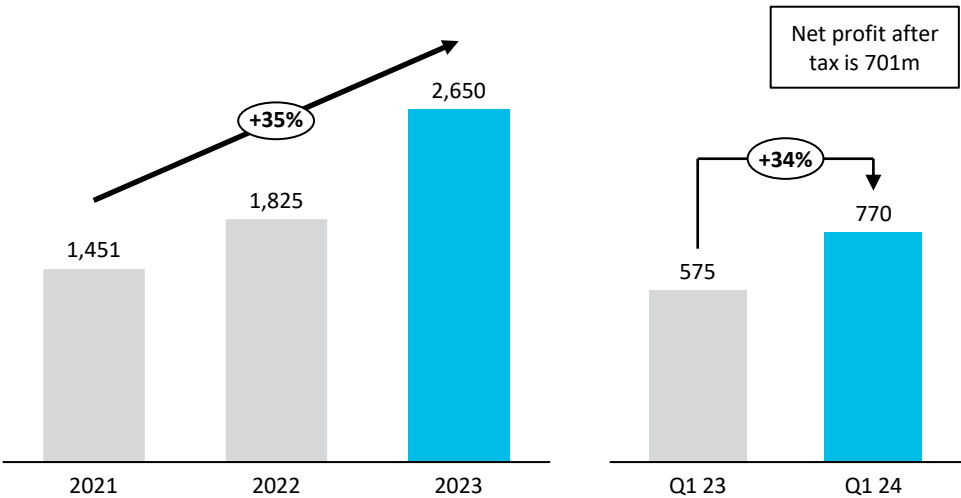
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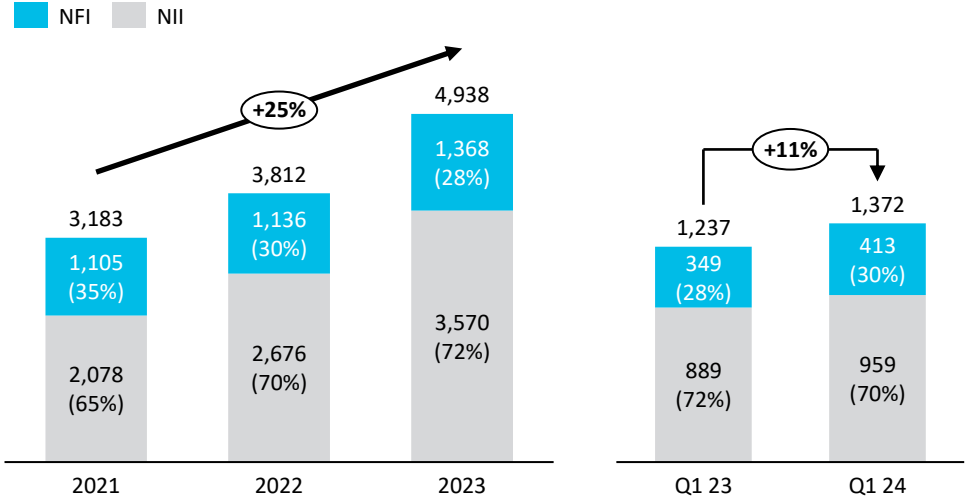
Core Performance Trends – *Excellent loan and CASA growth delivering a strong revenue outcome supported by market interest rates and NFI*

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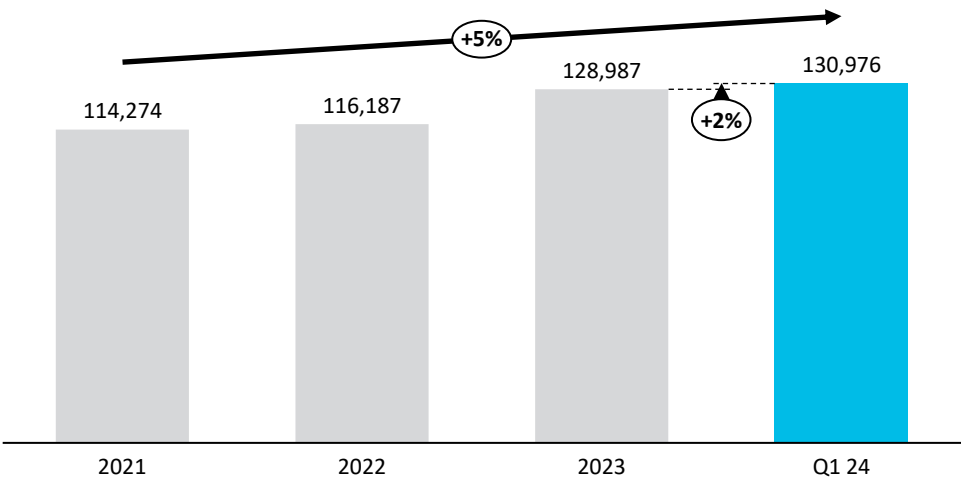
Net profit before tax



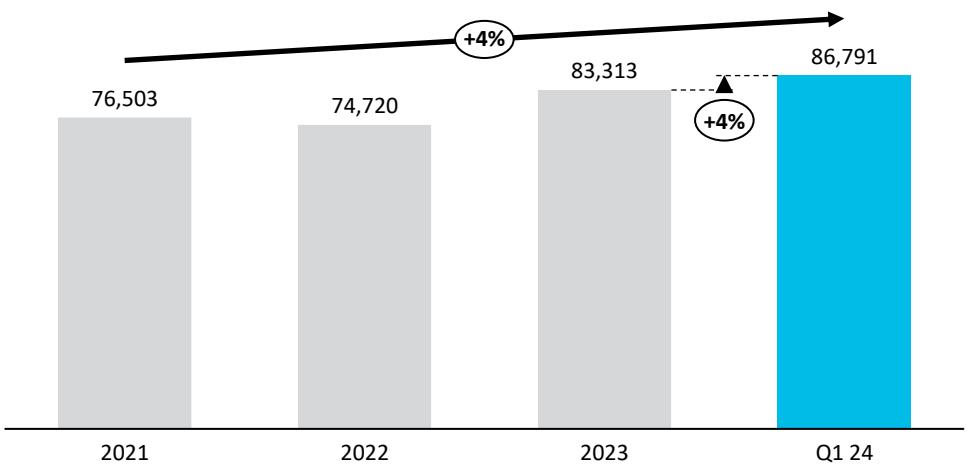
Revenue



Assets

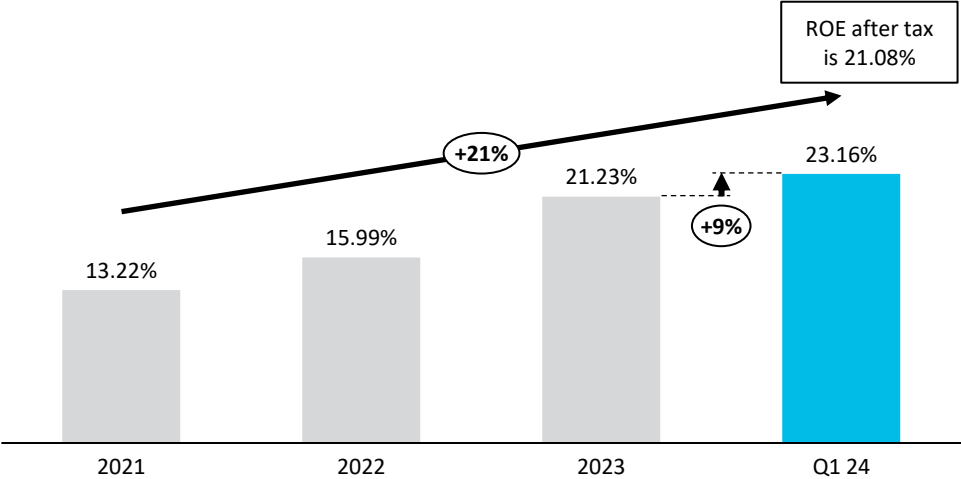


Net loans

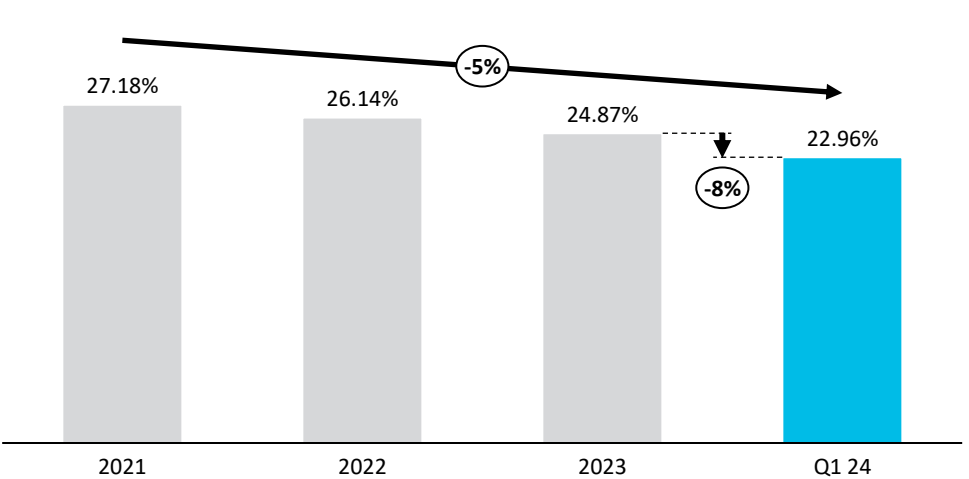


Strategic Financial KPI's – *Strengthen customer relationships, increased interest income and non-funded income, uplifting return on equity and assets*

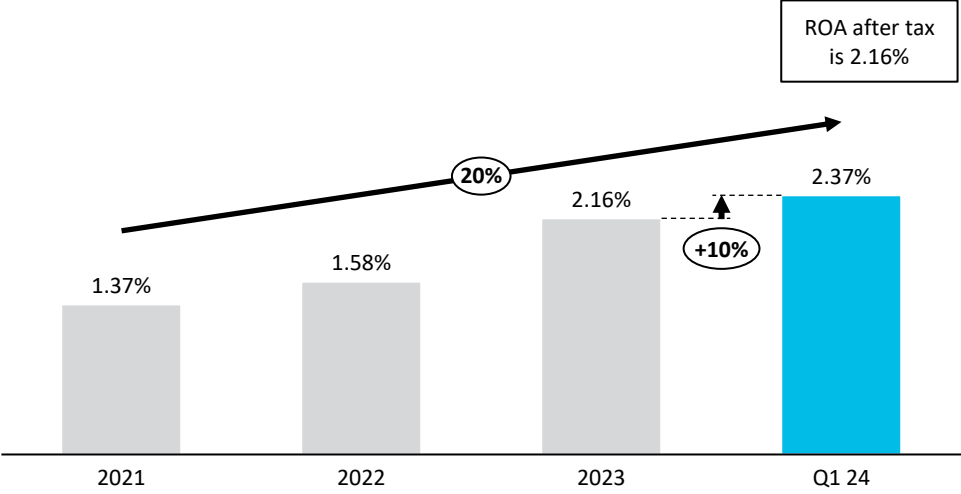
Return on Equity (ROE) before tax



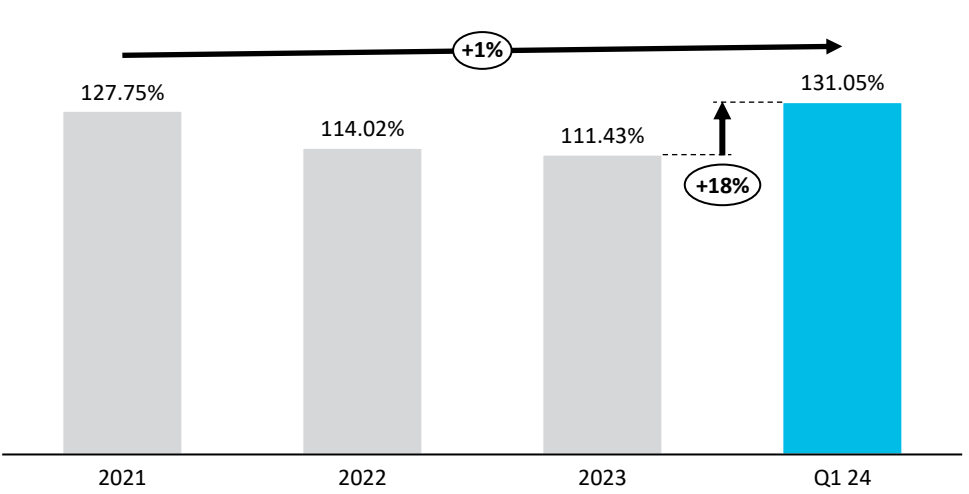
Cost to Income Ratio



Return on Assets (ROA)

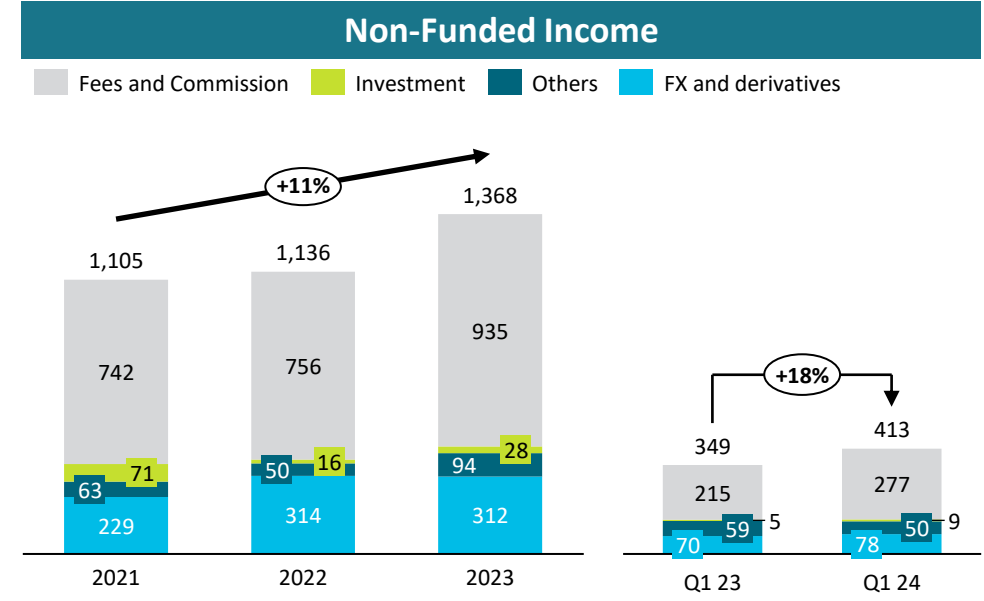
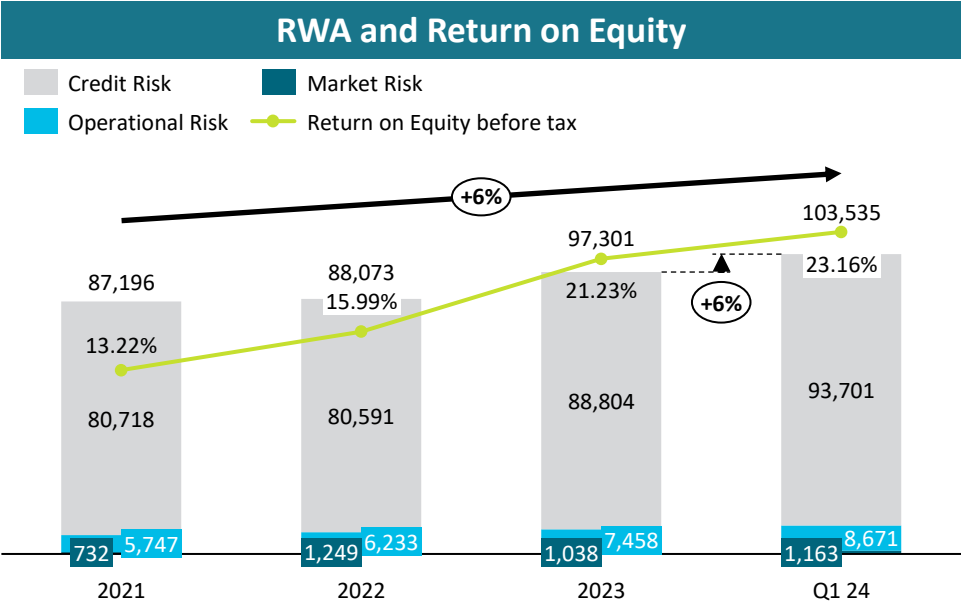
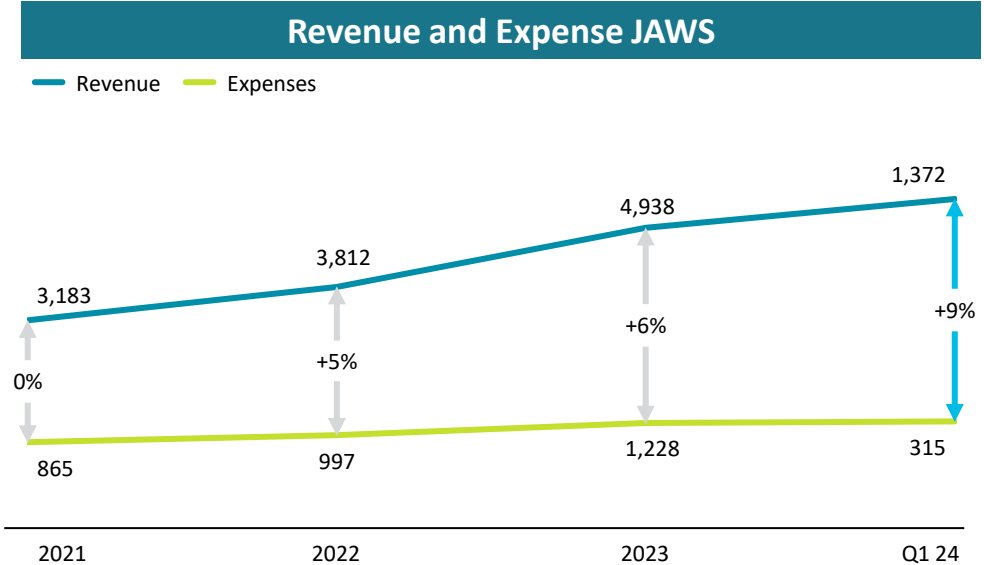
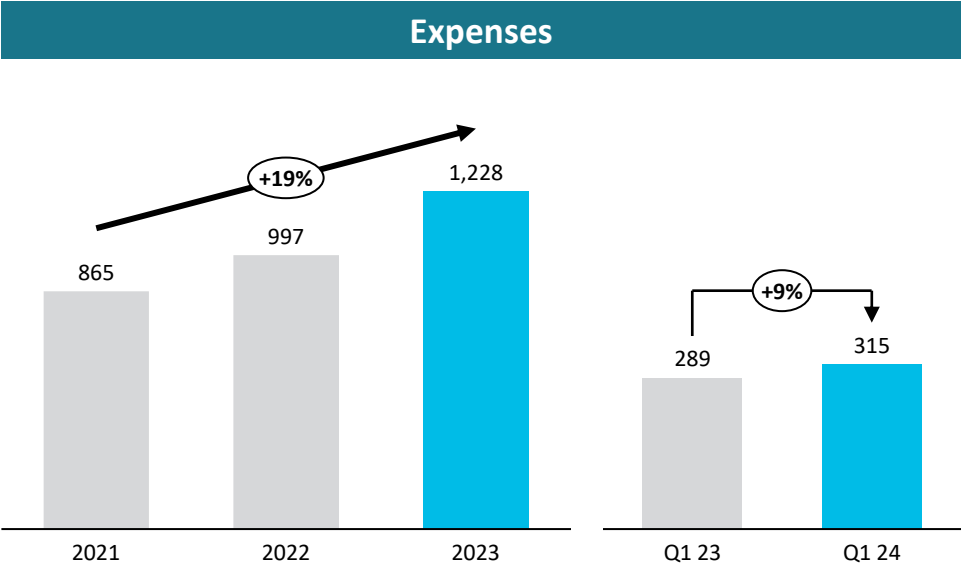


Non-Funded Income as % of Expenses

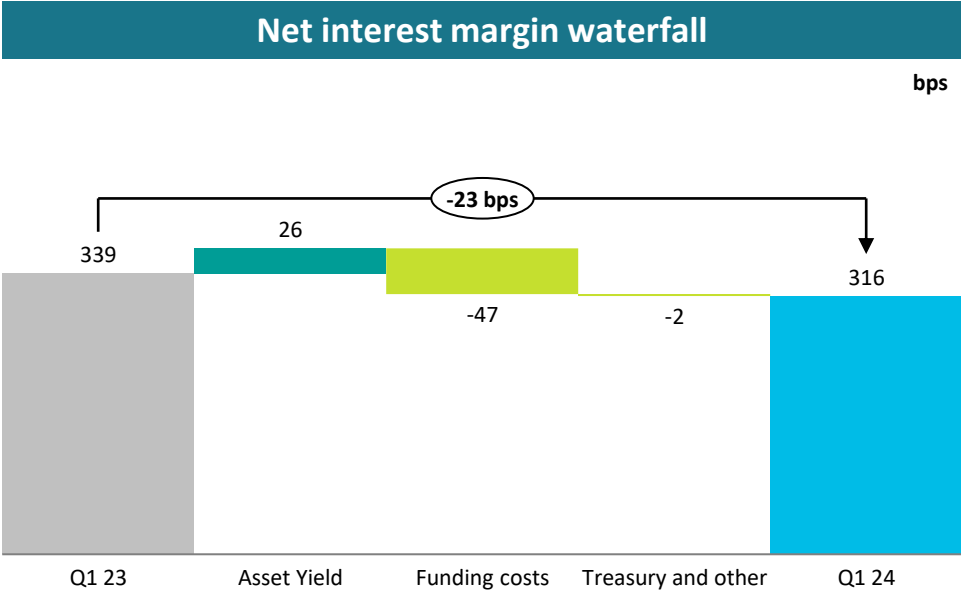
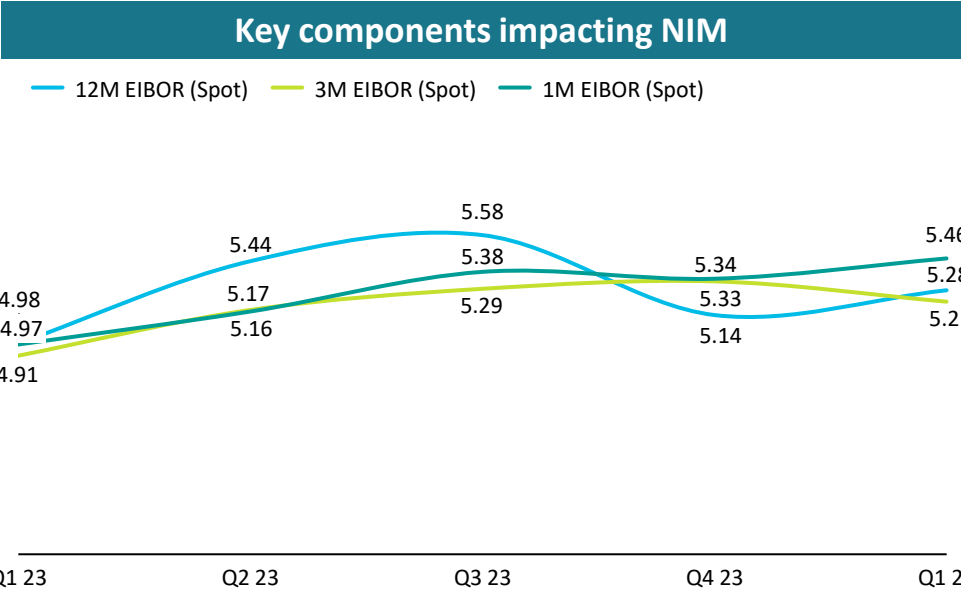
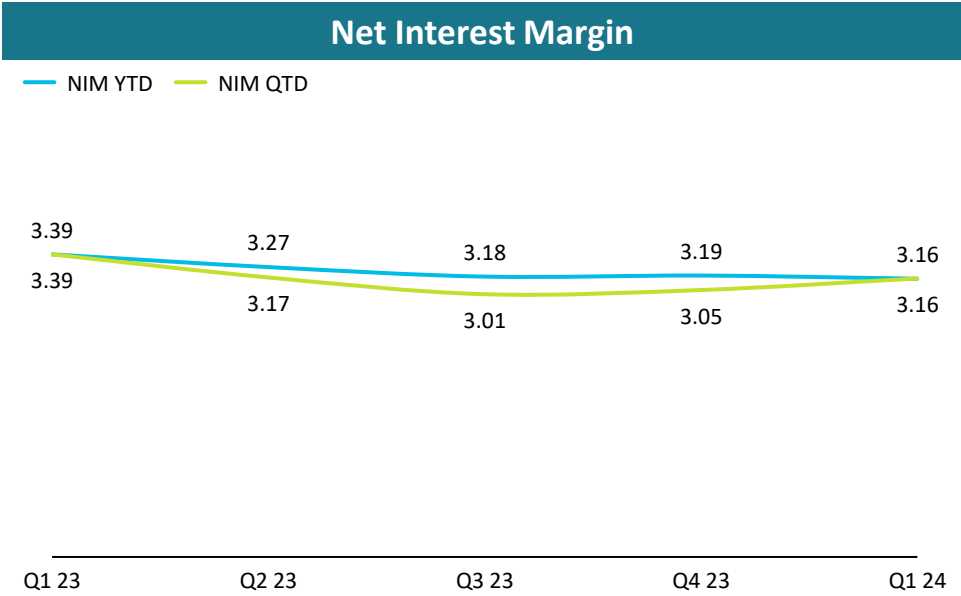
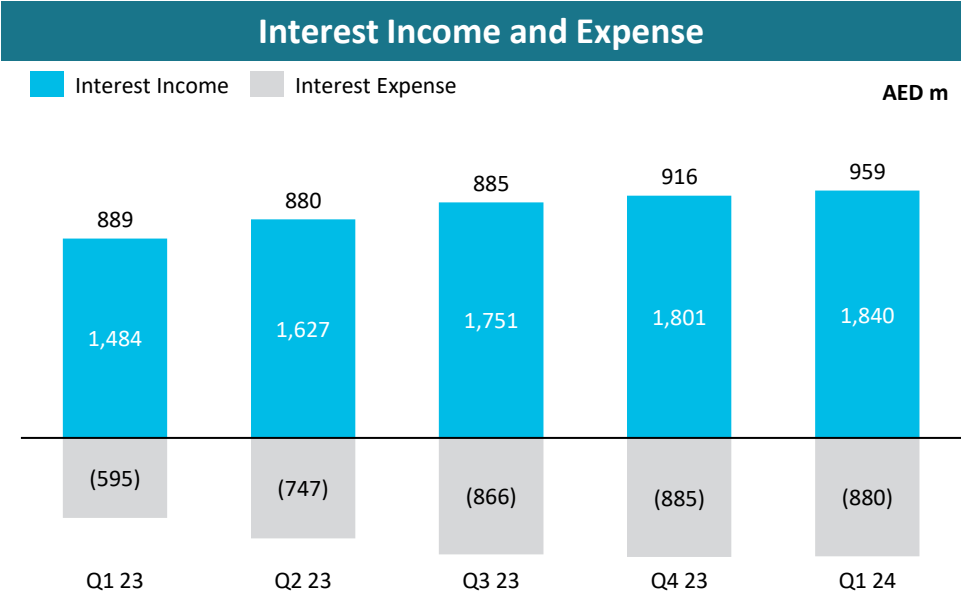


Profitability and Returns – Revenue performance driving outstanding returns and positive jaws despite increase in expenses

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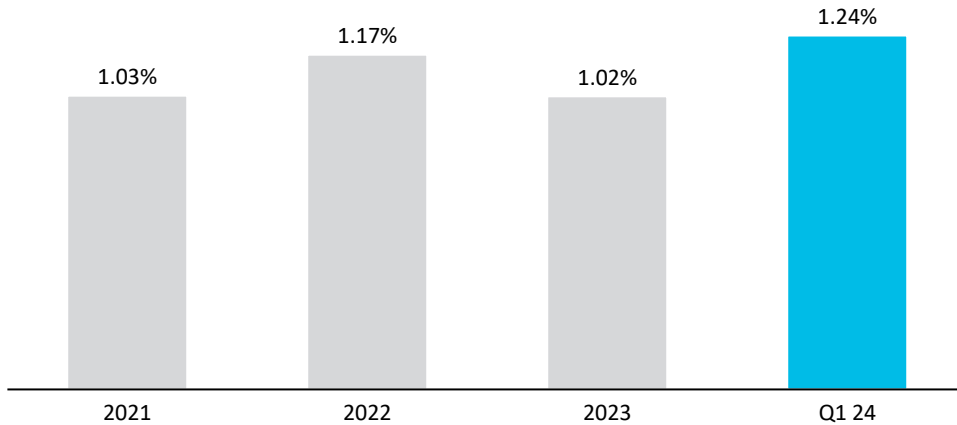
Net Interest Margin – *Strong NII benefitting from high market interest rates and CASA performance notwithstanding pressure on customer margins*



Asset Quality and Impairments – *Sharply improved asset quality with a lower non-performing loan ratio and higher coverage*

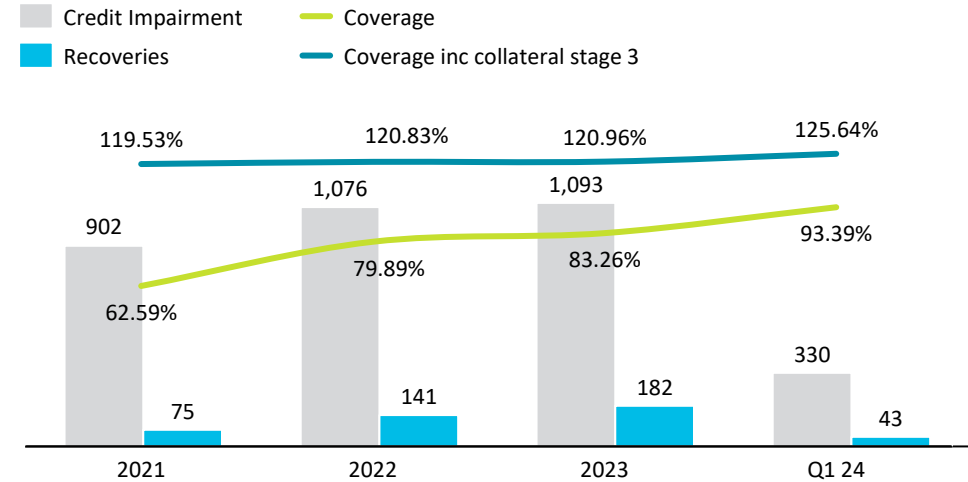
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Cost of Risk

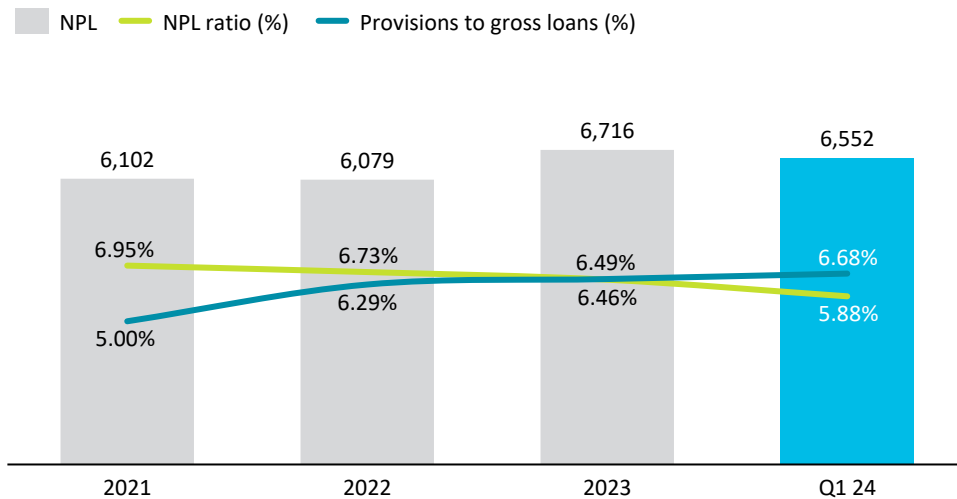


Based on Spot Loan Balances

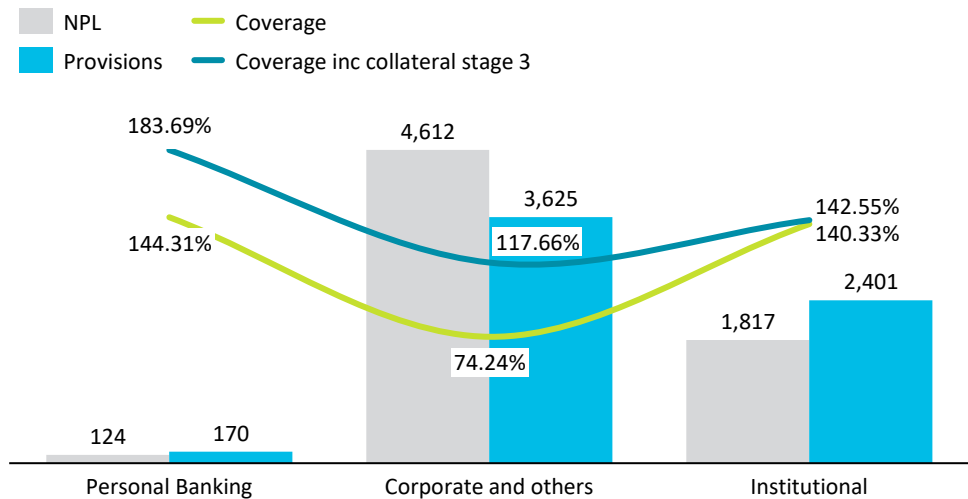
Credit Impairment Charges and Recoveries



NPL Ratio



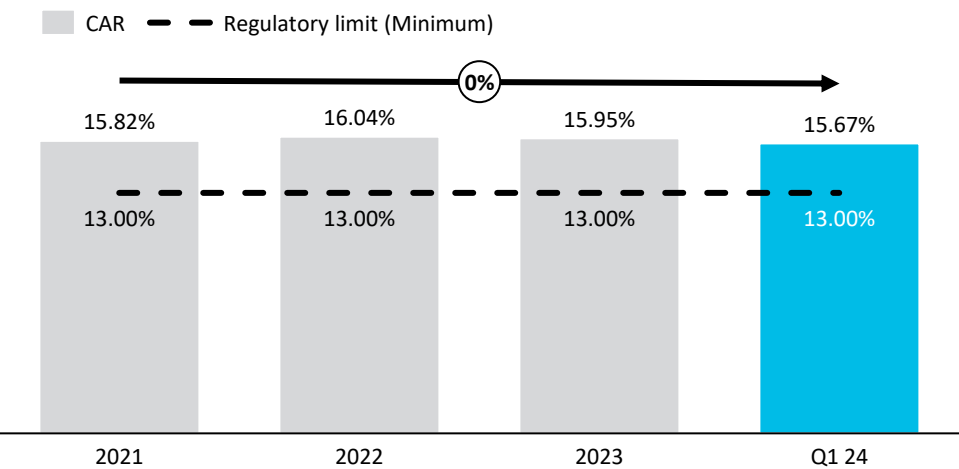
Expected Credit Provisions – Segment



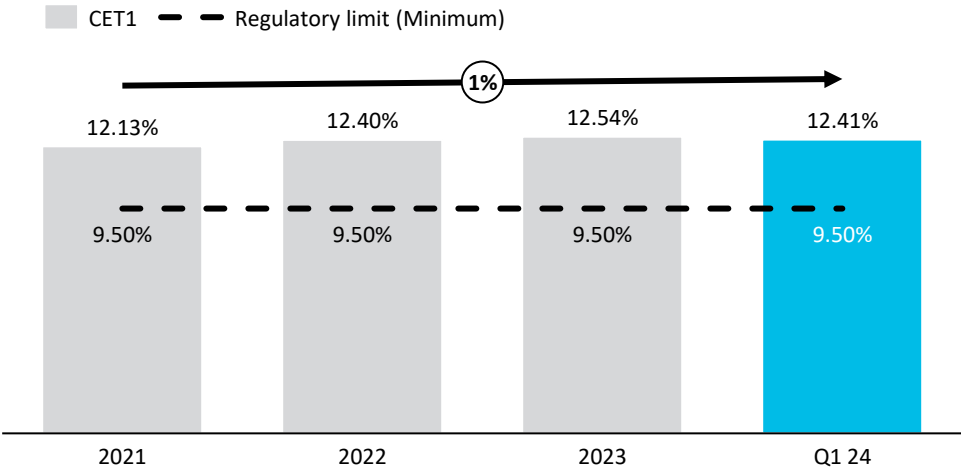
Note: ECL/Provisions are defined as ECL on loans, advances and Islamic financing, ECL on unfunded exposures and IFRS9 impairment reserves.

Balance Sheet and Capital Strength – *Capital ratios remain well above regulatory requirements*

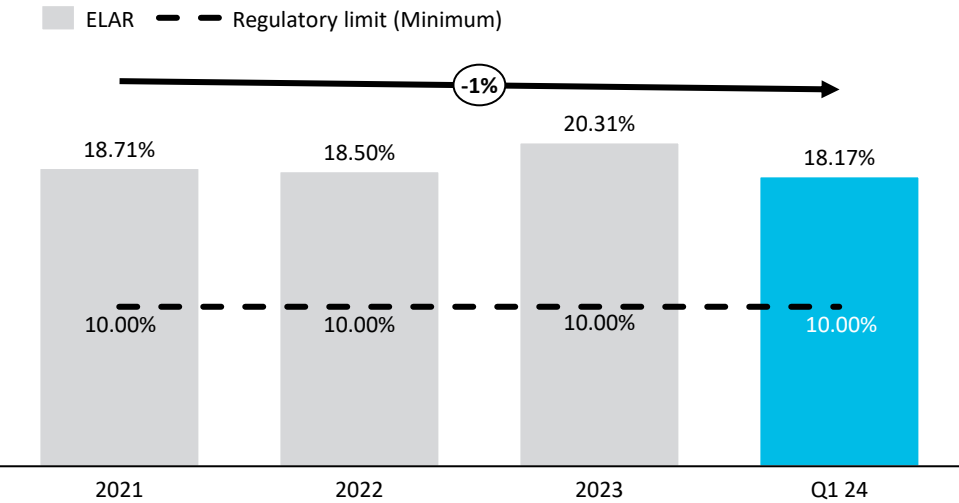
Capital Adequacy Ratio (CAR)



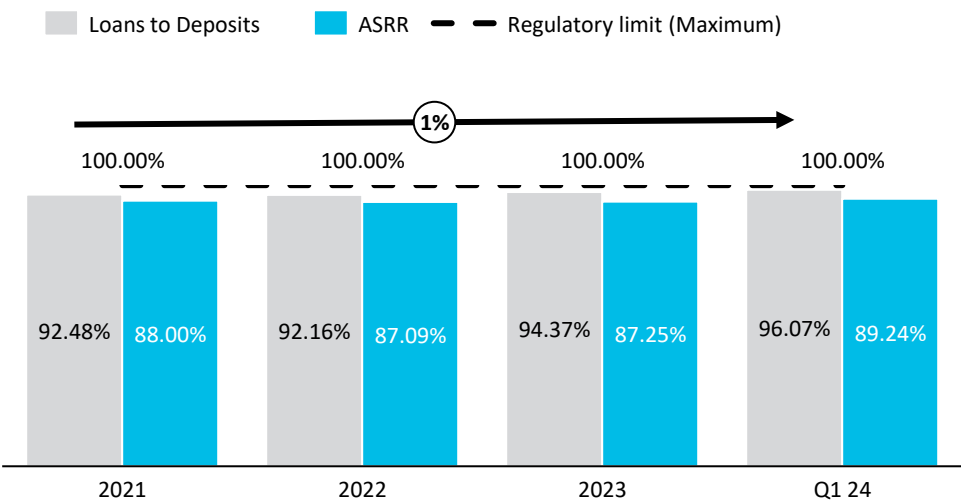
Common Equity Tier 1 (CET1)



Eligible Liquid Assets Ratio (ELAR)

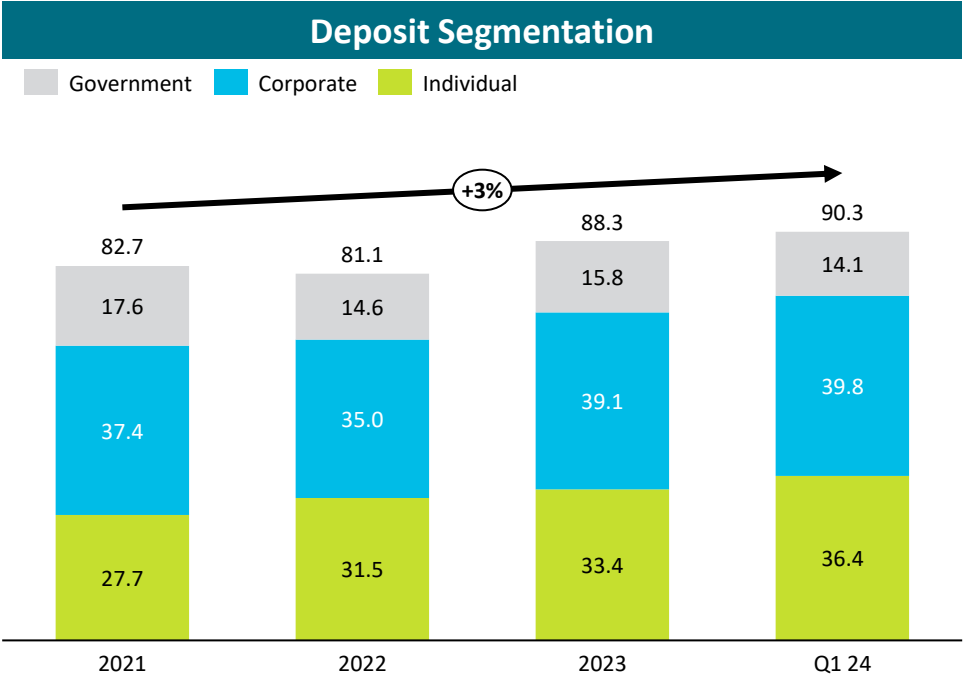
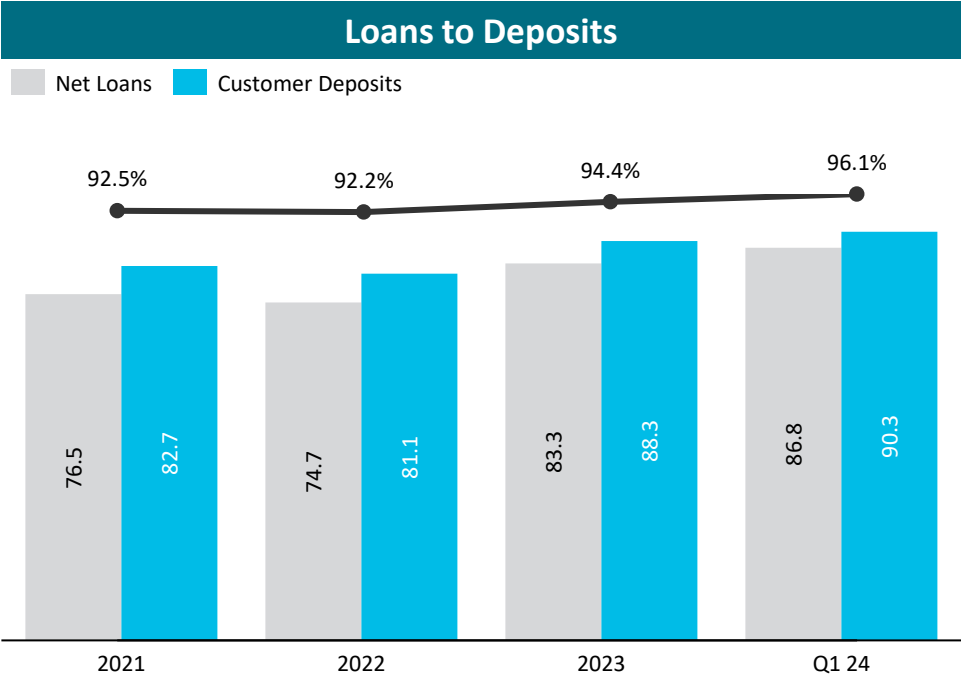
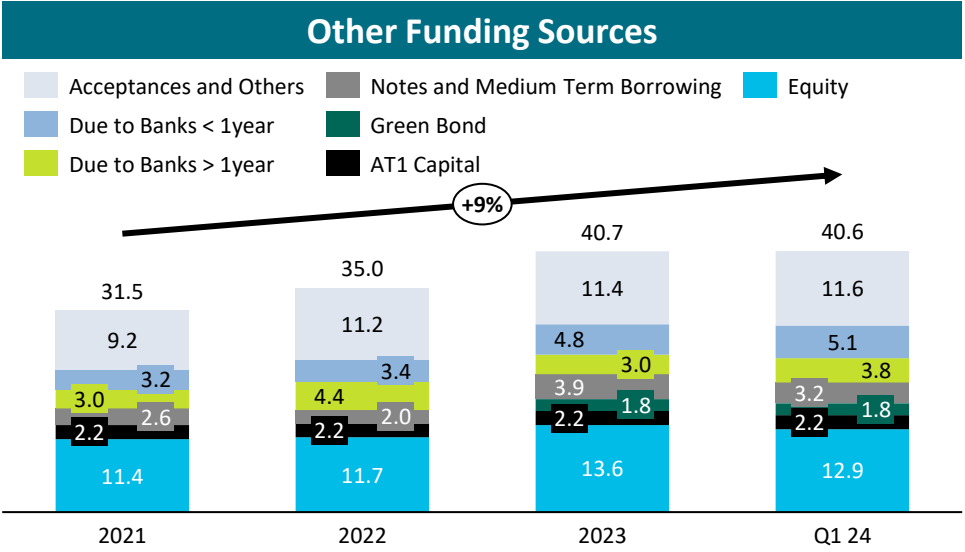
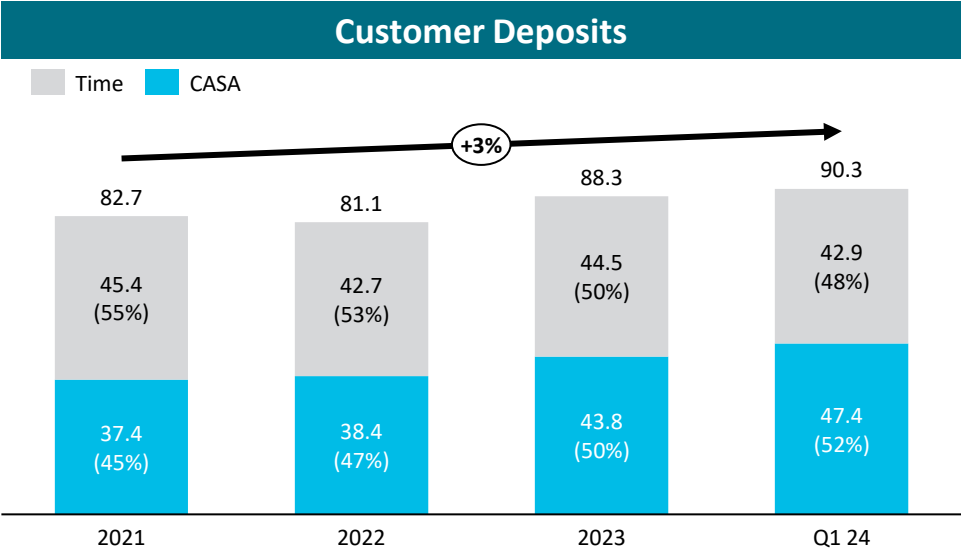


Loans to Deposits and ASRR



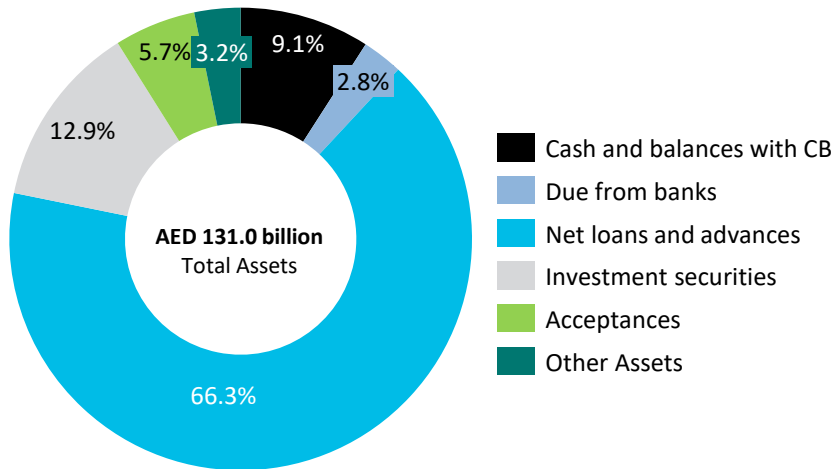
Funding and Liquidity – Diversified deposit base with increased franchise CASA

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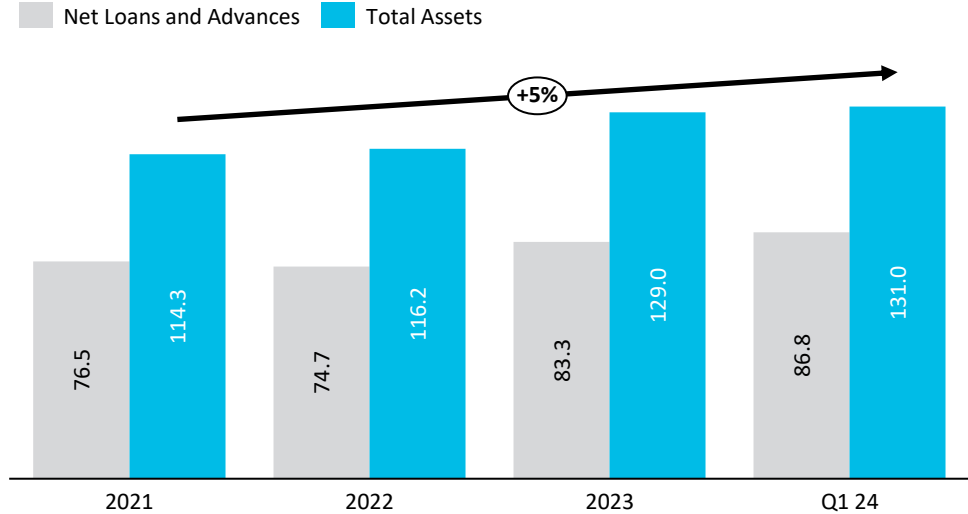


Balance Sheet Analysis – *Backing customer ambitions across all market sectors of the UAE economy*

Assets Mix



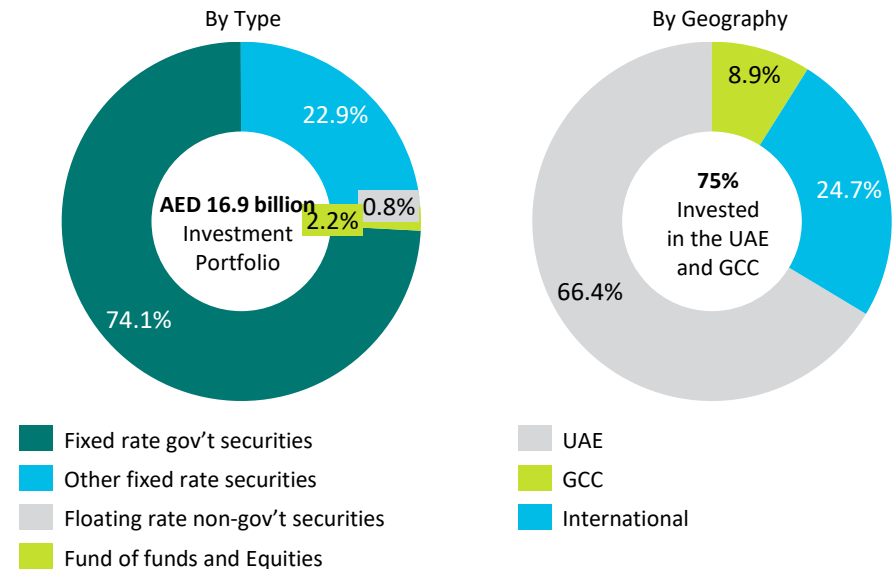
Assets and Loans



Gross Loans and Advances by Sector

| Sector | Mar 24 | Dec 23 | Var % |
|------------------------------------|-------------|-------------|------------|
| Transportation and storage | 3.3 | 2.8 | 17.9 |
| Others | 6.9 | 6.0 | 15.0 |
| Trade | 11.0 | 9.6 | 14.6 |
| Government entities | 3.0 | 2.7 | 11.1 |
| Manufacturing | 7.3 | 6.8 | 7.4 |
| Services | 6.7 | 6.3 | 6.3 |
| Financial and insurance activities | 9.2 | 8.7 | 5.7 |
| Personal - mortgage | 13.0 | 12.4 | 4.8 |
| Individual Loans for consumption | 5.1 | 5.0 | 2.0 |
| Real estate | 18.4 | 18.4 | - |
| Hospitality | 2.7 | 2.8 | (3.6) |
| Construction | 5.0 | 5.9 | (15.3) |
| Individual loans for business | 1.2 | 1.5 | (20.0) |
| Total | 92.8 | 88.9 | 4.4 |

Investment Securities Portfolio



Diversified business mix – Improving returns through ongoing economic cycles

Revenue
Diversification



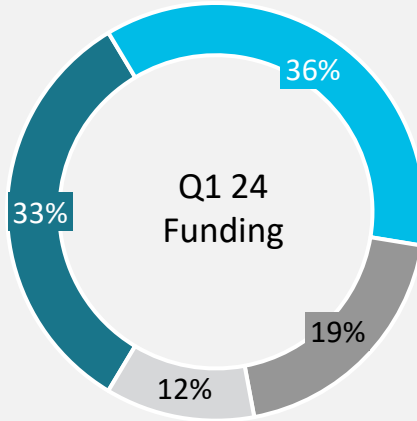
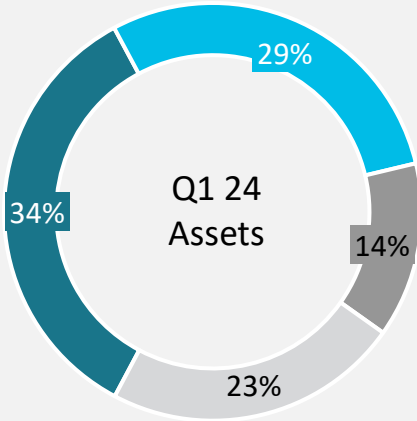
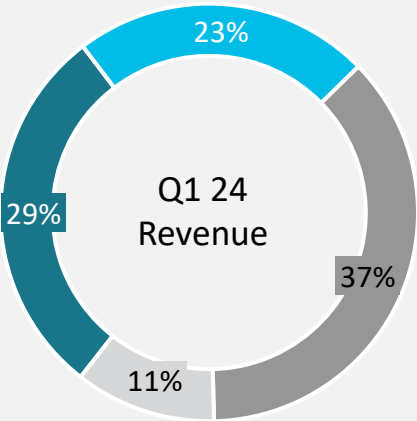
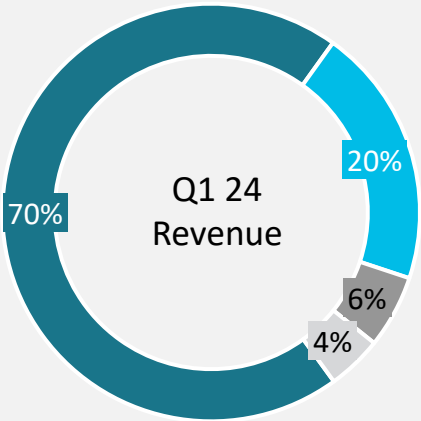
Revenue
Segmentation



















Asset
Diversification



Funding
Diversification

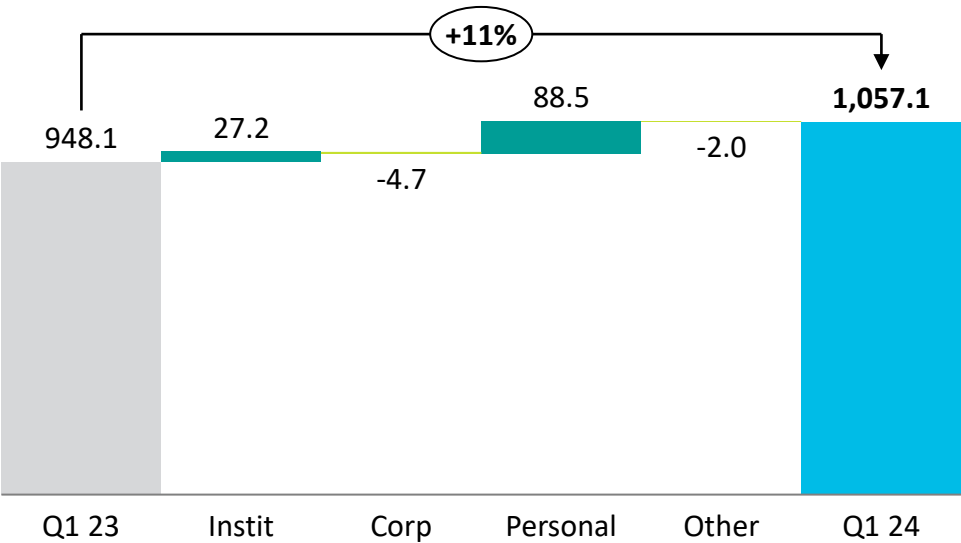


| | | | | | | | |
|---|---|--|---|--|---|--|---|
| 70% NII | 30% NFI | 52% Wholesale | 48% Others | 63% Wholesale | 37% Others | 69% Deposits | 31% Others |
|  Net Interest Income |  Fee income  FX income  Other income |  Corporate banking  Institutional banking |  Personal banking  Trading and other |  Corporate banking  Institutional banking |  Personal banking  Trading and other |  Time  CASA |  Other funding  Equity |

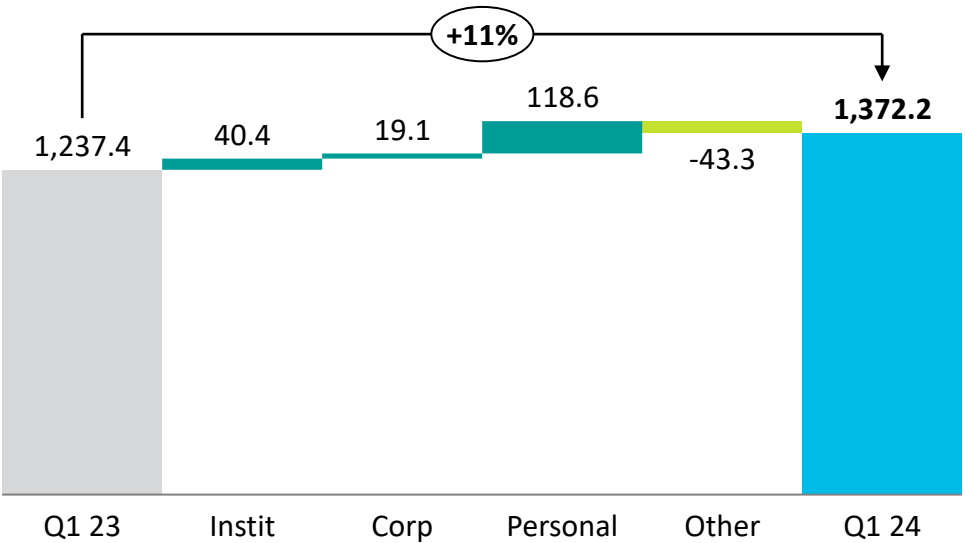
Divisional Contributions – *Broad based performance across all business lines with excellent diversification and increased market share*

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Divisional operating profit movement



Divisional revenue movement

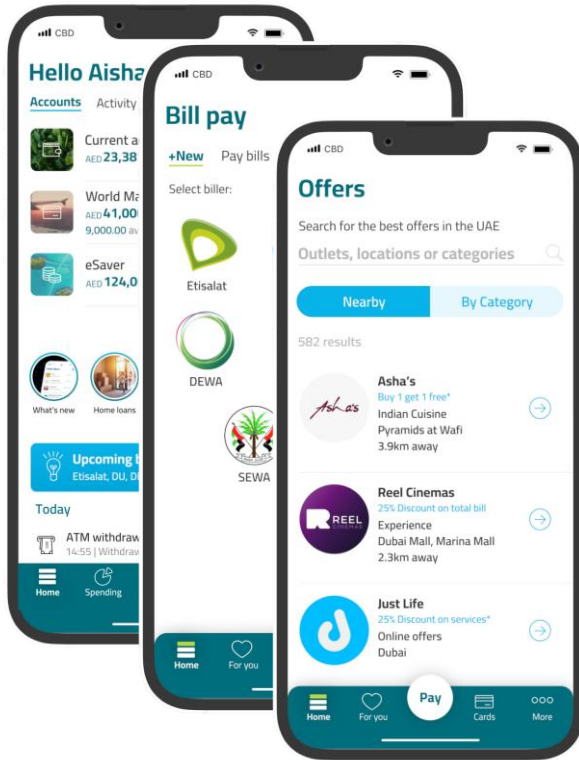


| Q1 24 | Institutional | Corporate | Personal | Other | Total |
|-----------------------------|---------------|-----------|----------|-------|---------|
| Operating Income | 316.0 | 399.3 | 507.1 | 149.8 | 1,372.2 |
| Expenses | (68.4) | (79.1) | (188.6) | 21.0 | (315.1) |
| Operating Profit | 247.6 | 320.2 | 318.5 | 170.8 | 1,057.1 |
| % of Group Operating Profit | 23.4 | 30.3 | 30.1 | 16.2 | 100.0 |

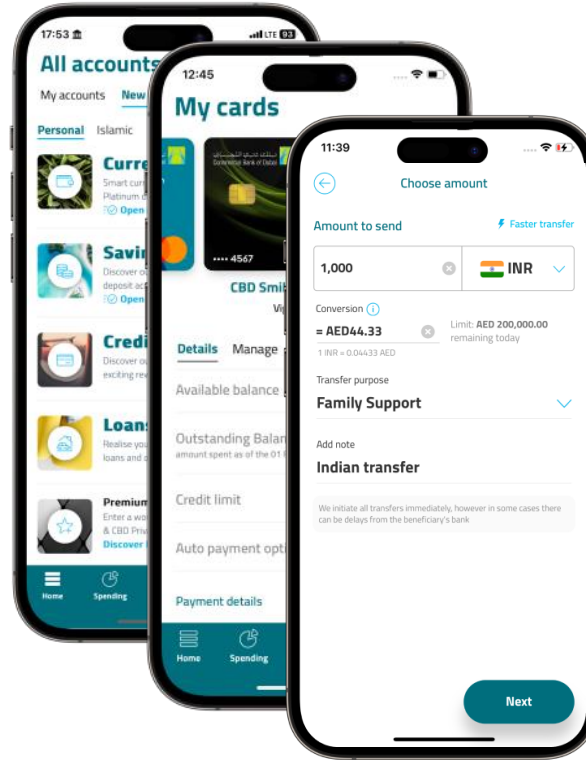
Innovating in Digital – *Investing in award winning and industry recognized digital customer experience*



CBD Digital App and Features



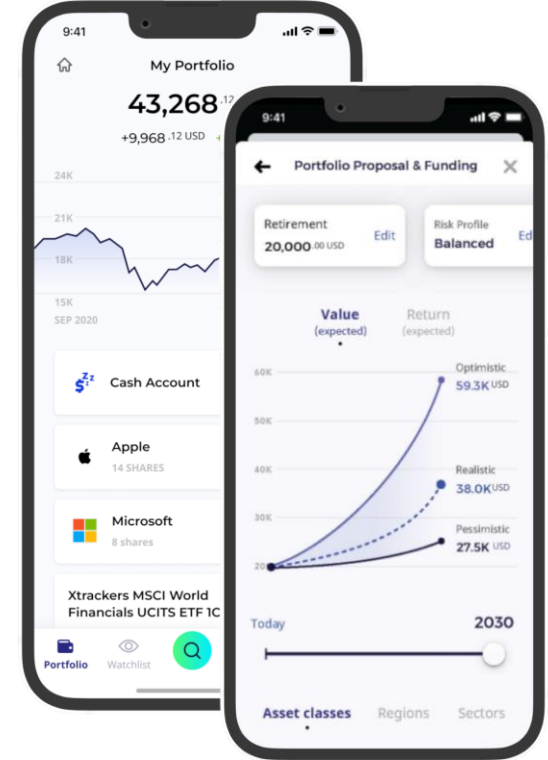
- App rated 4.8 on App store and 4.6 on Google Play
- 97% of customers are registered for digital (web and mobile)



- Instant Account opening
- Tailored Offerings - Credit Cards and Quick Loan
- Instant Global Transfers to popular corridors and Bill Payment at one touch



CBD Investr



- Best Innovation in Investment Banking and Best Robo Advisory Provider – MEA Finance
- Outstanding Robo Advisory and Most Effective Investment Service Offering – Digital Banker

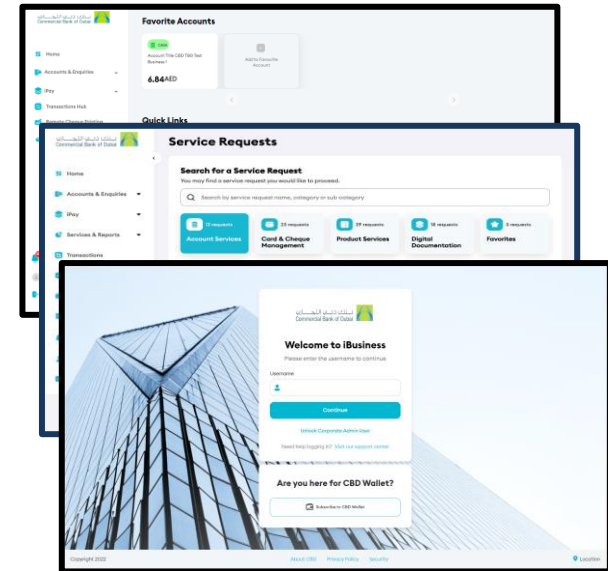
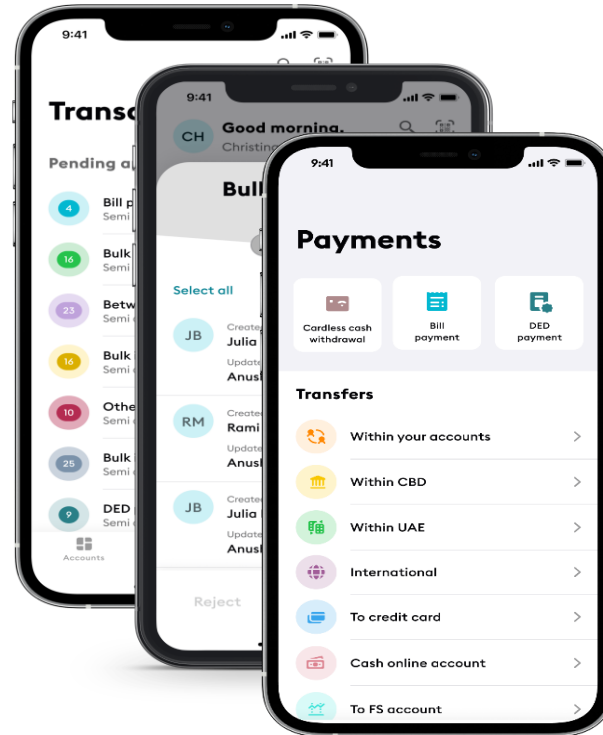
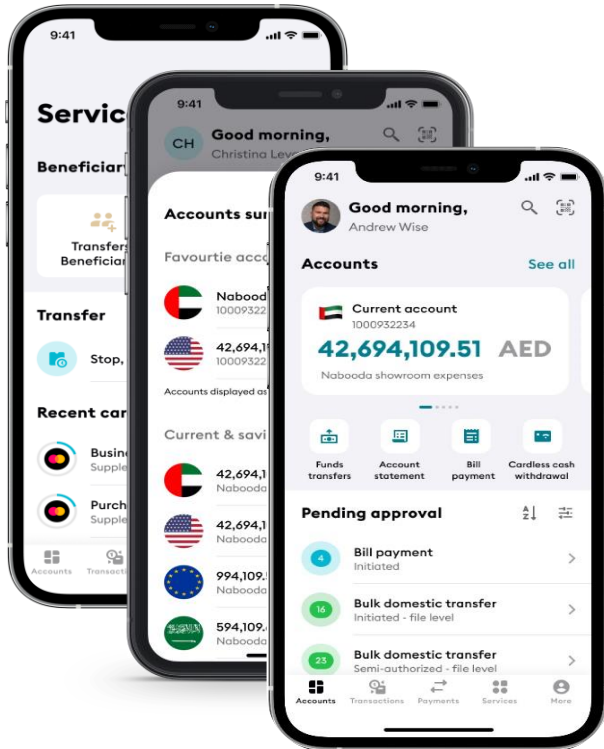
Innovating in Digital – *Investing in award winning and industry recognized digital customer experience*



CBD iBusiness App and Features



CBD iBusiness



- Best Mobile Banking Service Implementation – MEA Finance
- Significant increase in adoption rates with seamless corporate banking on the go

- Transaction Approvals – Unique QR code feature
- 3 step Payment journey including beneficiary management
- Real-time tracking of Payments

- CBD's Next Generation online banking with biometric login authentication
- Tailored Digital products including Trade, CBD wallet and Cash and Liquidity Management





















ESG Framework – *Five key pillars of the ESG framework*

|  Environment |  People |  Financial Inclusion |  Governance |  Community |
|---|---|--|---|--|
| <p>We hold ourselves to account while supporting our society and our customers’ environmental ambitions.</p> | <p>We promote Emiratization and a healthy, up-skilled and engaged workforce.</p> | <p>We are default digital, all-inclusive and aspire to share in our customers’ success.</p> | <p>We protect our stakeholders by taking accountability for risk management at Board level.</p> | <p>We are a local bank, backing businesses and residents of the UAE with our products and services.</p> |
| <p>Our priorities:</p> <ul style="list-style-type: none">• Sustainable Finance• GHG reductions• Environmentally Friendly Procurement• Environment-focused Products• Promoting the “Year of Sustainability” | <p>Our priorities:</p> <ul style="list-style-type: none">• Emiratization• Diversity and Inclusion• Wellness• Employee Engagement• Learning and Development | <p>Our priorities:</p> <ul style="list-style-type: none">• Digital Offerings across customer segments• Financial Literacy & Education• SME lending• Customer Experience• Access & Affordability | <p>Our priorities:</p> <ul style="list-style-type: none">• ESG as part of Risk Management• Board Oversight• Business Continuity• Anti-corruption (AML/CTF)• Three lines of defense | <p>Our priorities:</p> <ul style="list-style-type: none">• Community Volunteering• Social Advocacy• Local Sponsorships• Local Sourcing• Philanthropic Donations• Supporting Minorities |






Aligned to thirteen key United Nations sustainable development goals

Our commitment – Further progress across all 5 pillars of our ESG Framework during Q1 2024

| Environment | People | Financial Inclusion | Governance | Community |
|---|---|---|---|--|
|  Environment |  People |  Financial Inclusion |  Governance |  Community |
|  Signed agreement with United For Wildlife |  Upgraded Head Office working environment |  97% digital registration of retail customers |  Elected new Board with female membership |  Hosted Suhoor gathering for customers |
|  Initiated energy audit for GHG reduction |  Launched people of determination internship |  Launched next gen Corporate Internet Banking |  Participated in Climate Risk Thematic Review |  Launched CBD Digital Factory in DIFC Innovation Hub |
|  Defined transition finance approach for customers |  Emirati leaders graduated Said Business School |  Awarded “ Best Use Case of AI Solutions ” |  Enhanced ESG risk assessment process |  Partnered with Dubai Club for People of Determination |

Upcoming focus on material initiatives throughout 2024

| | | | | |
|--|---|--|---|--|
|  Publish Green Bond Allocation and Impact Reports |  Continued focus on attracting and retaining Emirati talent |  Mobilize Service Hub for SME customers |  Conduct readiness assessment for ISSB reporting standards |  Advance carbon footprint retail banking solutions |
|  Improve customer access to sustainable finance |  Roll-out enhanced leadership training program for colleagues |  Evolve market propositions for ‘ Emerging Corporate ’ customers |  Implement Sustainability training program for Board |  Review our community investment pillars to assess impact on environment |

Awards and Achievements

“Best Use Case of AI Solutions”
– Middle East Banking AI & Analytics Summit 2024



“In the Top 10 UAE Banks”
– Forbes 30 Most Valuable Banks in Middle East 2024



“Best Digital Wallet Award”
– MENA Banking Excellence Awards 2023

#1

“Number One Bank in the UAE”
– Forbes World’s Best Banks 2022 Report

“Best Digitization Initiatives”
– ME Banking AI Awards 2023



“Excellence in Retail Banking”
– Finnovex Middle East Awards 2023



“Payments Innovation of the Year”
– MEA Finance Leaders in Payments Awards 2023



“Best Instant Payments Platform Implementation”
– MEA Finance Awards 2023

“Best Mobile Banking Services”
– MEA Finance Magazine Banking Technology Awards 2023



“Best Instant Payments Technology Implementation”
– MEA Finance Leaders in Payments Awards 2023



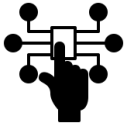
Concluding remarks



Record **net profit** result



Excellent **loan and CASA growth** increasing market share



Targeted investment in **end-to-end digital** solutions



Delivering outstanding shareholder returns with **momentum to continue** throughout 2024 and beyond



CBD is **well positioned** to successfully execute our ongoing **strategy**

Board of Directors and Executive Committee

Board of Directors



H.E. Ahmad Abdulkarim Julfar
Chairman



H.E. Ahmad Abdulla Binbyat
Vice-Chairman



Mr. Buti Saeed Al Ghandi
Director



Dr. Abdulla Mohamed Al Karam
Director



Mr. Abdul Wahed Al Fahim
Director



Mr. Saod Mohamed Obaidalla
Director



Ms. Moza Omar Abdulla Hamad Al Futtaim
Director



Mr. Ali Fardan Al Fardan
Director



Mr. Khalid Abdulwahid Hassan Al Rustamani
Director



Mr. Hadi Mohammad Taher Badri
Director



H.H. Sheikh Maktoum Hasher Al Maktoum
Director

Executive Committee



Dr. Bernd van Linder
Chief Executive Officer



Mr. Darren Clarke
Chief Financial Officer



Mr. Fahad Al Muhairi
*General Manager,
Institutional Banking*



Mr. Othman Bin Hendi
*Chief Sustainability and
Customer Officer*



Mr. Abdul Rahim Al Nimer
*General Manager,
Corporate Banking*



Mr. Khaled Ahmed AlHamadi
*General Manager,
Personal Banking Group*



Mr. Sultan Al Mahmood
Chief Human Resources Officer



Mr. Mark Zanelli
*General Manager, Treasury and
Asset & Liability Management*



Mr. Alan Grieve
Chief Credit Officer



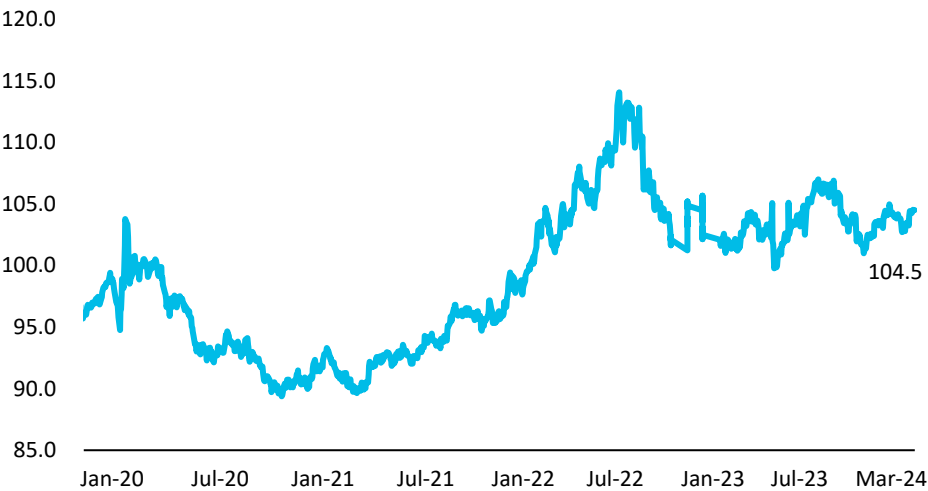
Mr. Rupert Rogers
Chief Risk Officer



Mr. Ali Imran
Chief Operating Officer

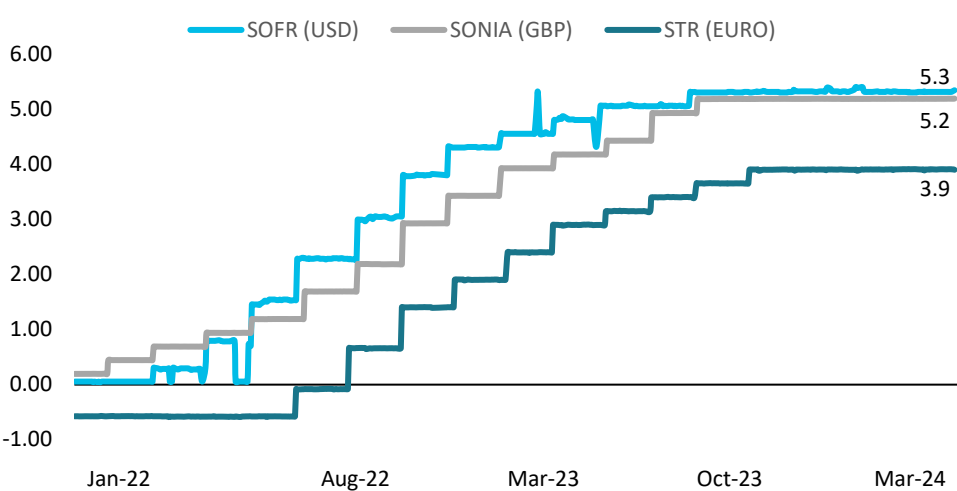
Global Economic Update – *Stubborn inflation and high central bank interest rates*

US Dollar Index



Source: investing.com

Central Bank Overnight Rates



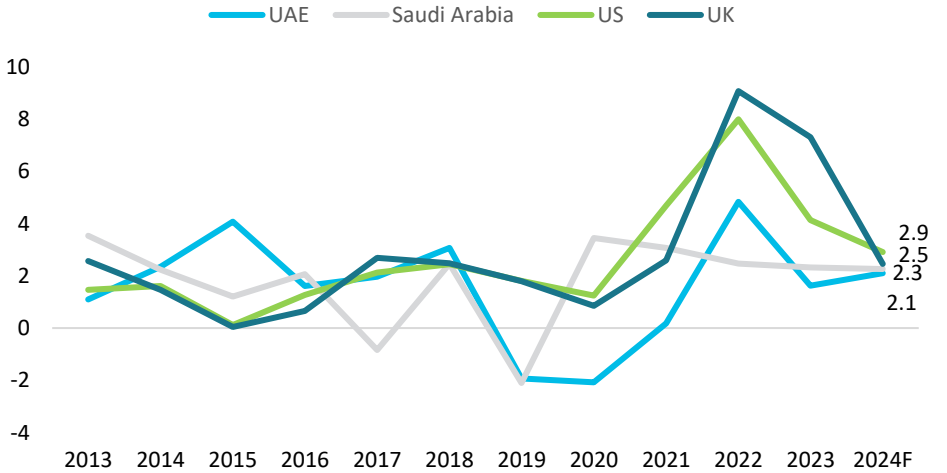
Source: newyorkfed.org, bankofengland.co.uk, fred.stlouisfed.org

S&P 500 (Indices)



Source: S&P 500, investing.com

Inflation by Country

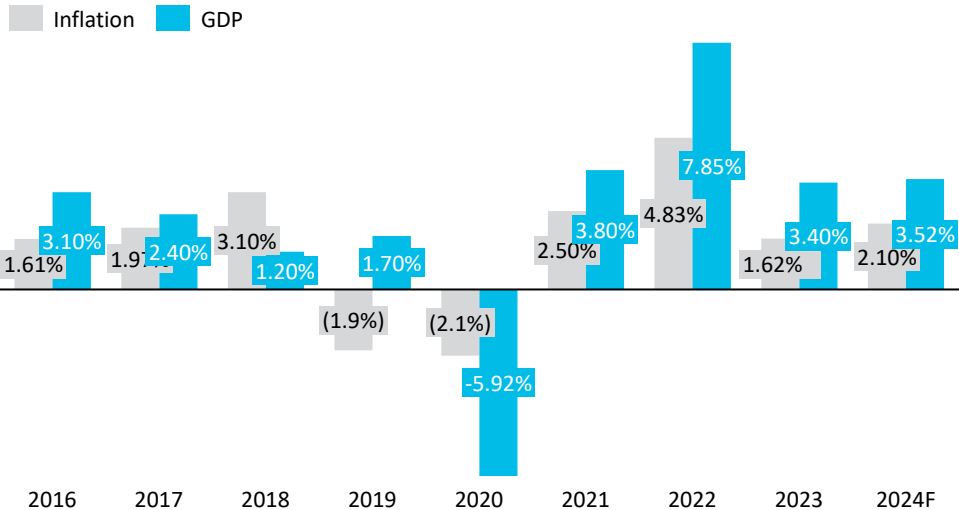


Source: IMF W.E.O Apr 2024

UAE Economic Update –

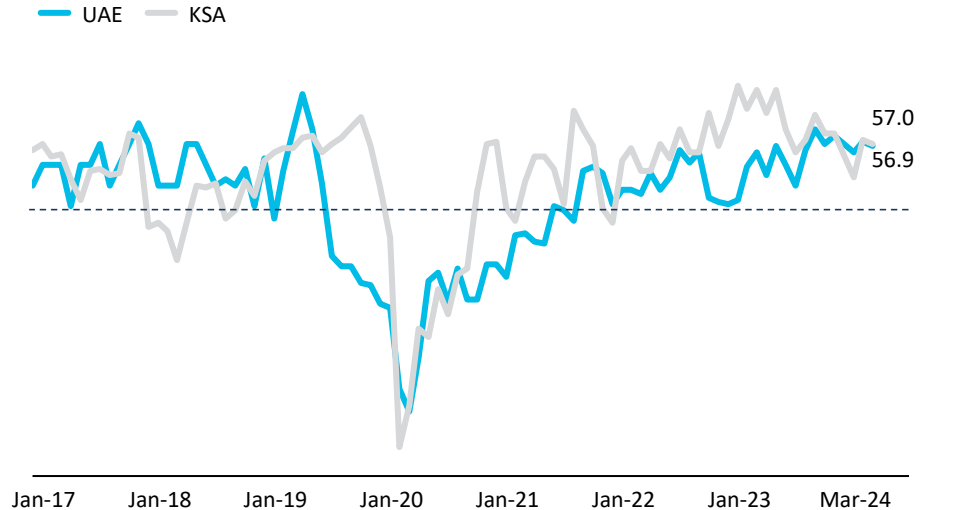
Broad based business performance with population growth driving economic activity and confidence

UAE GDP and Inflation Growth



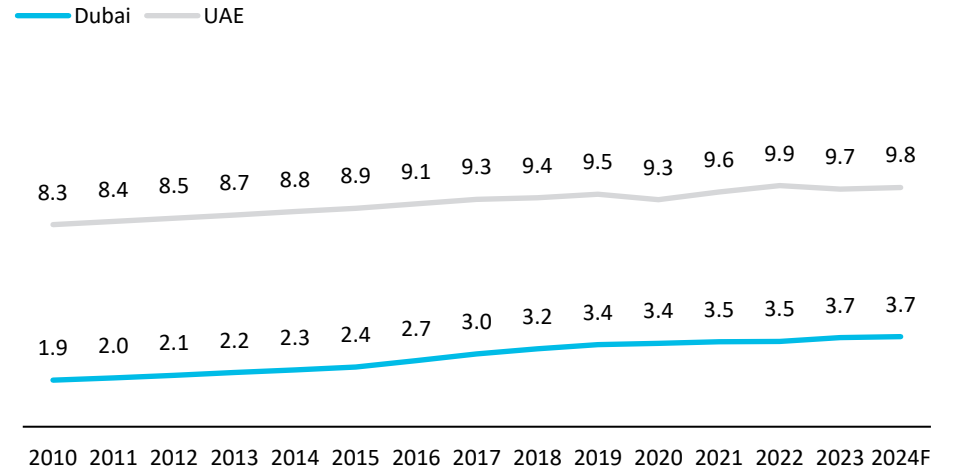
Source: UAE Ministry of Economy, fcsa.gov.ae, IMF W.E.O Apr 2024

Purchasing Managers Index



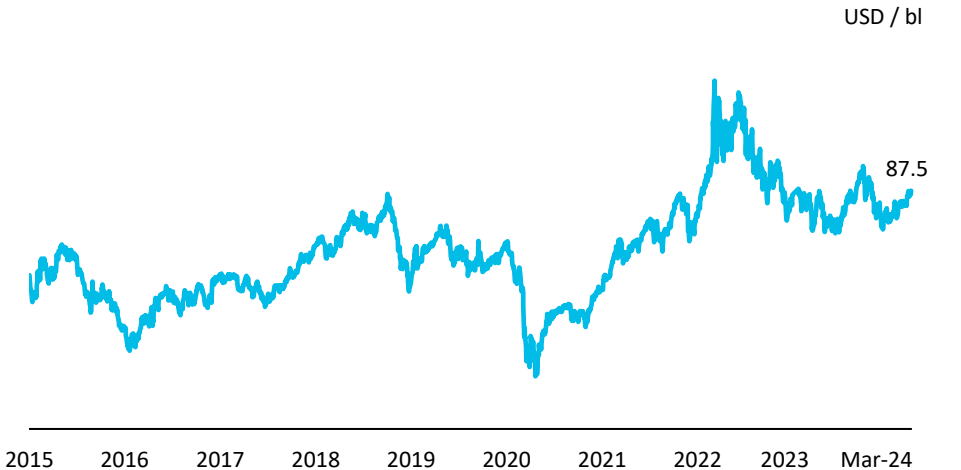
Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

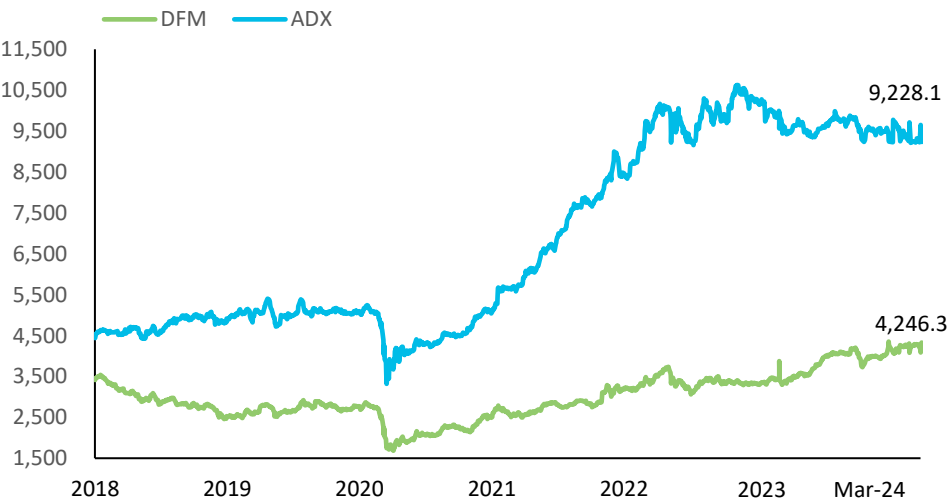
Brent oil



Source: investing.com

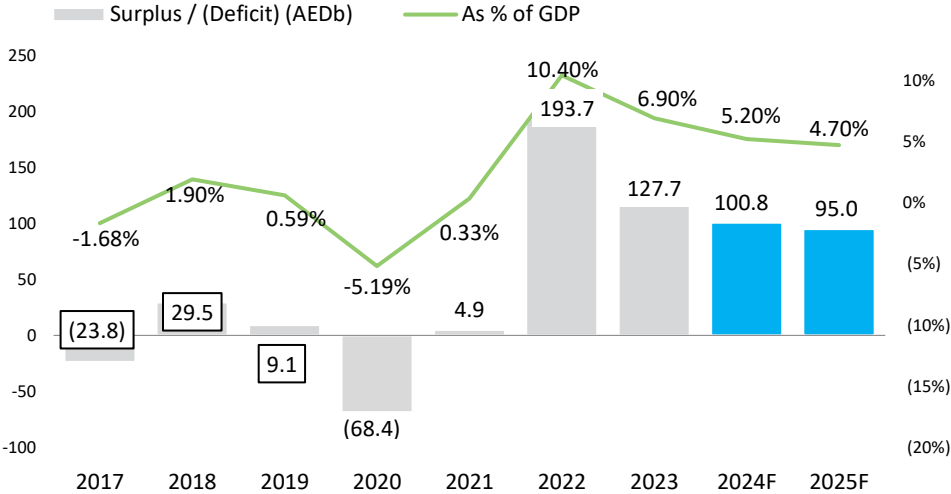
UAE Economic Update – Sound fiscal measures boosting economic growth

UAE Stock Market Indices



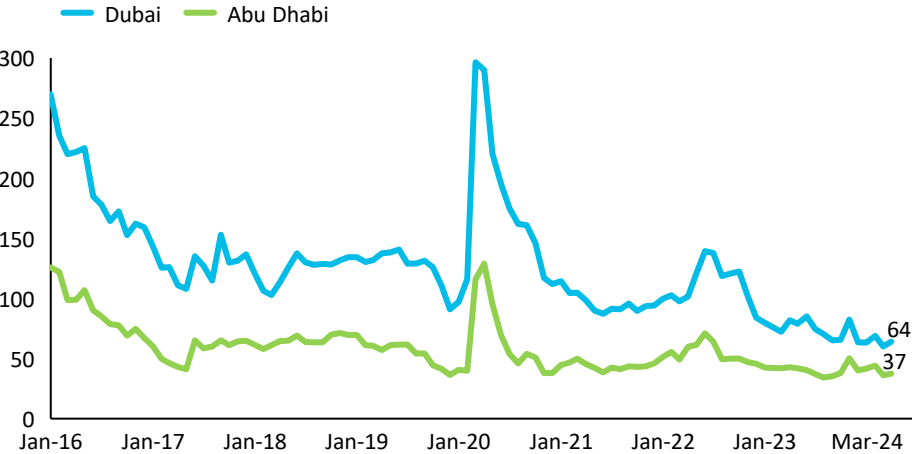
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

UAE Fiscal Position



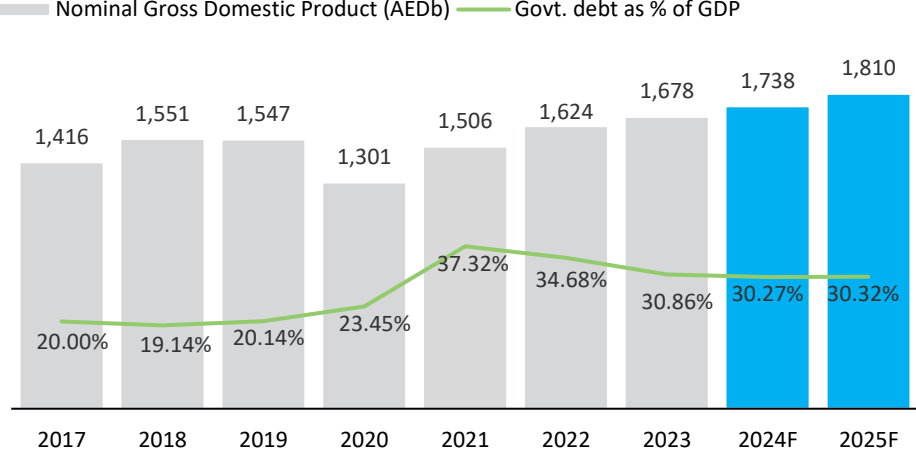
Source: IMF World Economic Outlook Apr 2024

5 Year CDS



Source: Bloomberg

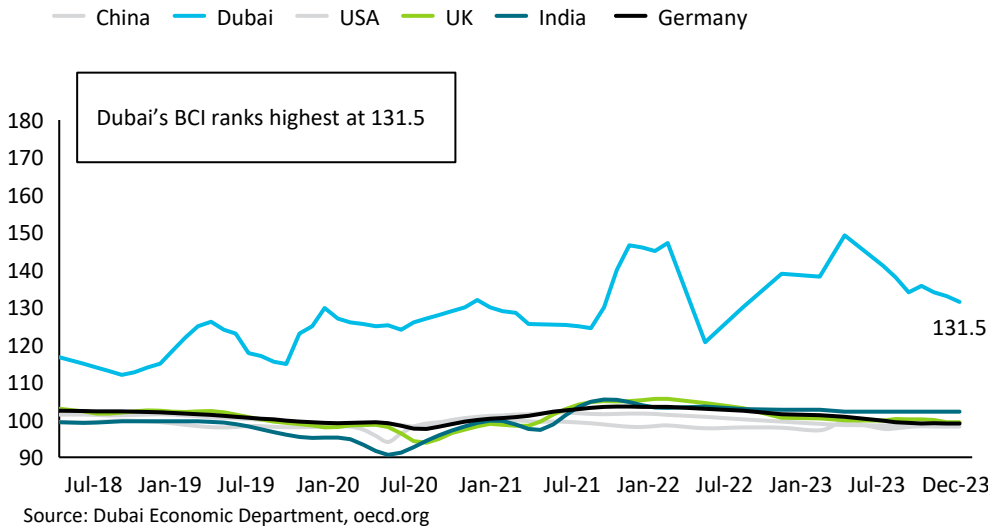
UAE GDP and Government Debt



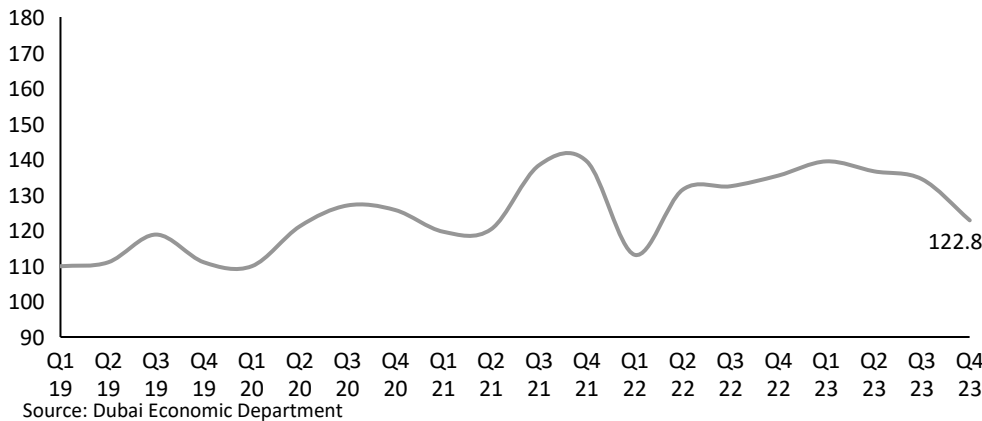
Source: IMF World Economic Outlook Apr 2024

Dubai Economic Update – *Business confidence remains strong notwithstanding high global market interest rates*

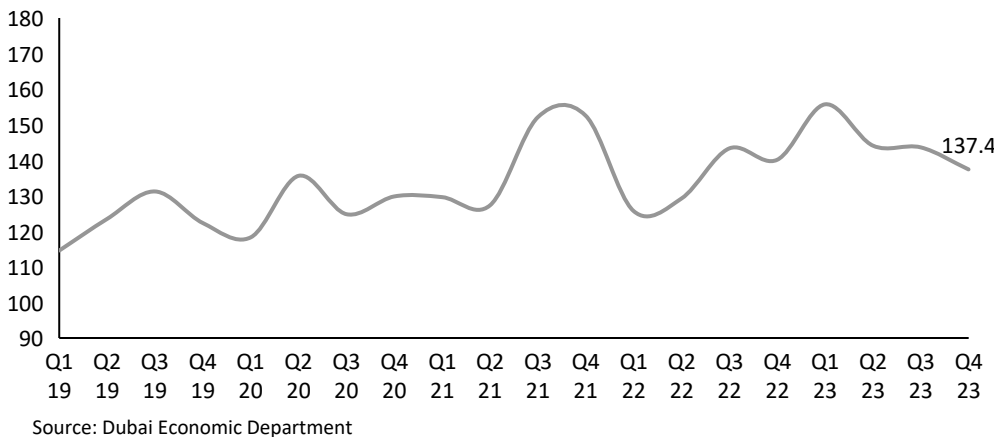
Business Confidence Index



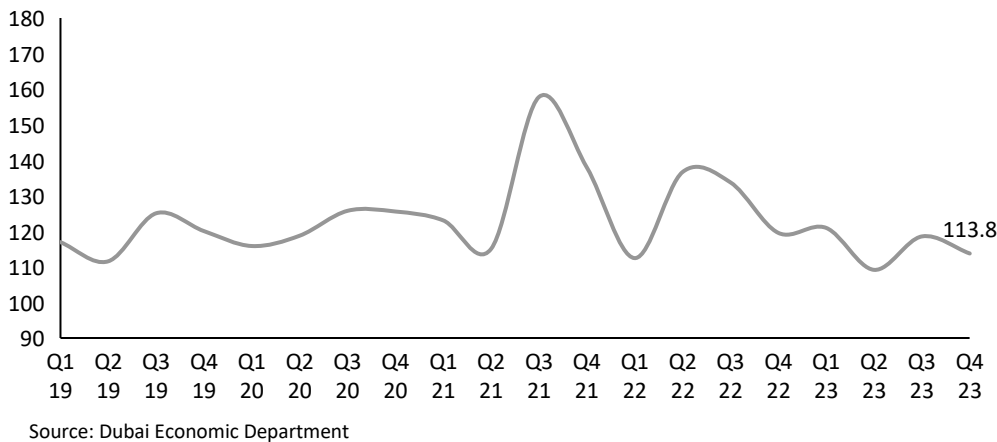
SME Index Trend



Large Company Index Trend

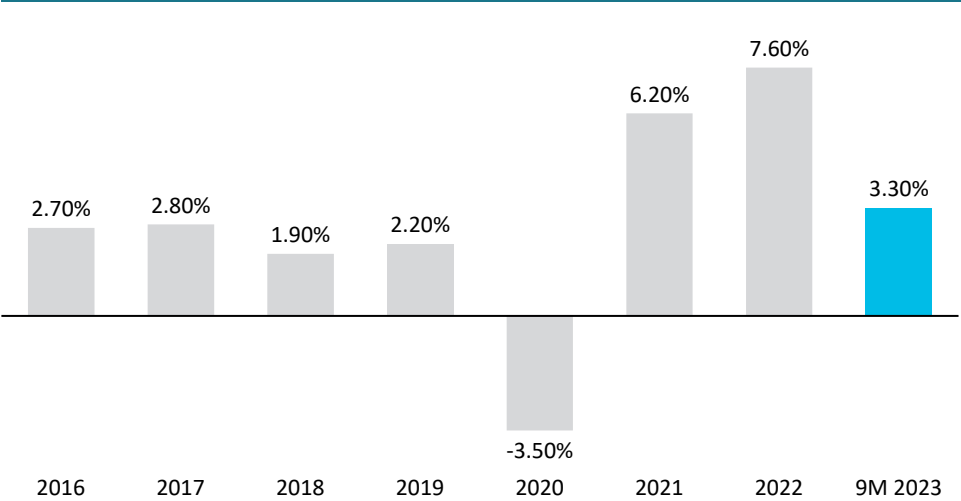


Exporters Confidence Index Trend



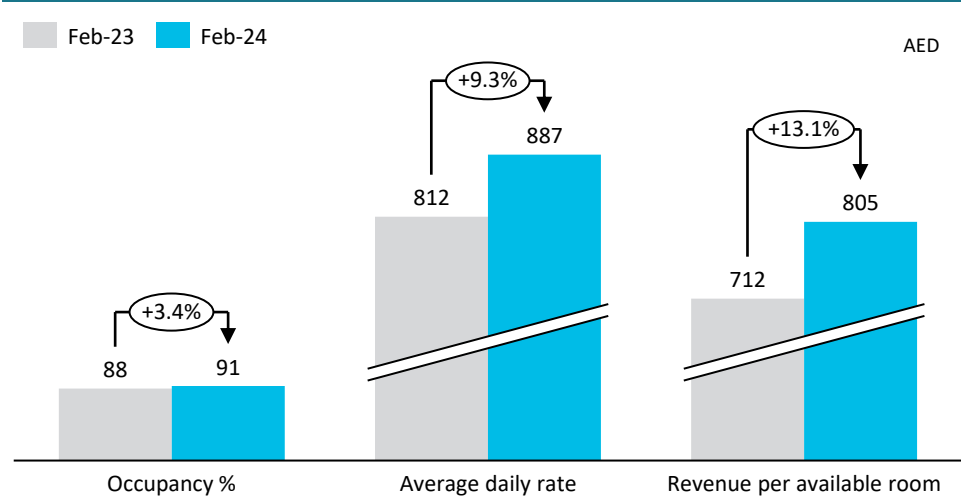
Dubai Economic Update – *Strong economic activity and business confidence*

Dubai GDP growth



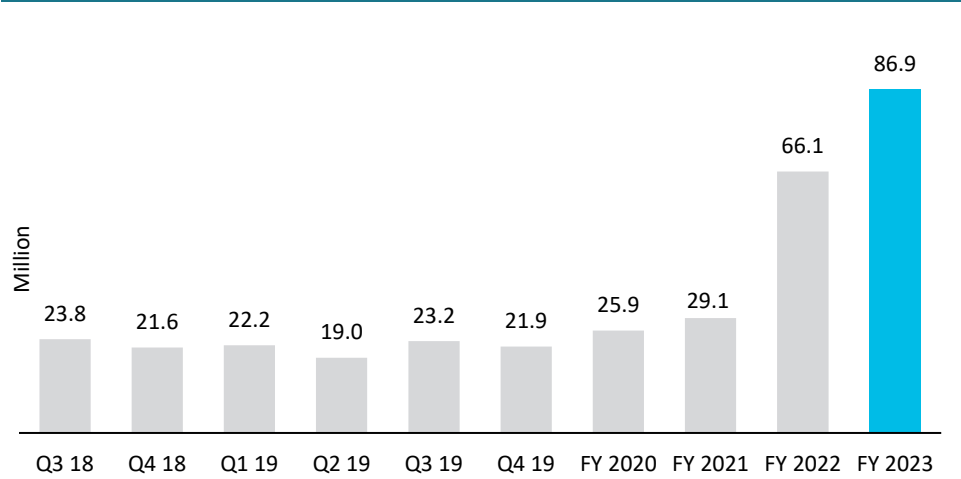
Source: Dubai Statistics Centre, Dubai Economic Department

Dubai hospitality



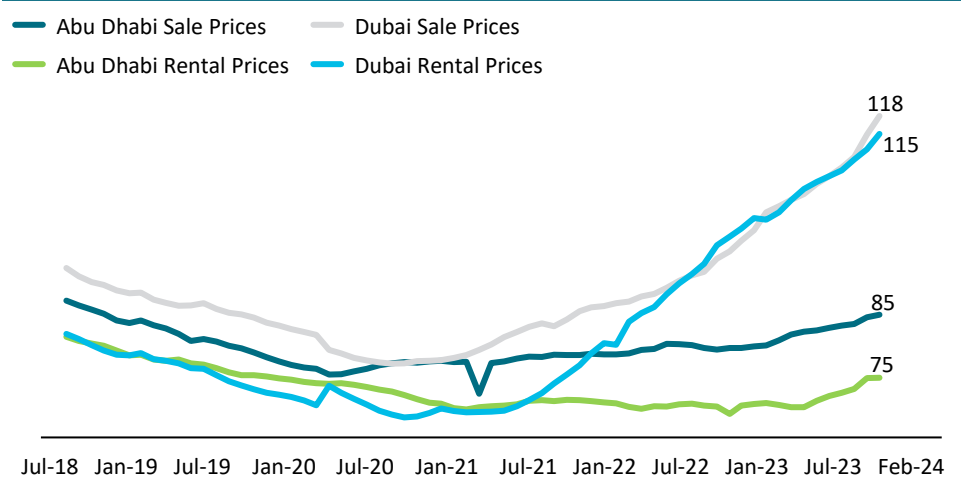
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



UAE Banking Sector – Key part of the UAE economy, supporting business ambition

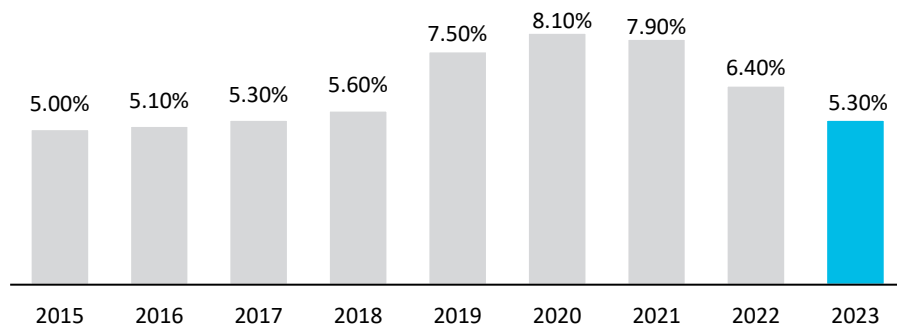
Key industry indicators

| AEDb | 2021 | 2022 | 2023 | Jan-24 | YTD |
|----------------------------|-------|-------|-------|--------|----------|
| Total assets | 3,322 | 3,669 | 4,075 | 4,109 | ▲ 0.8% |
| Customer deposits | 1,997 | 2,222 | 2,522 | 2,540 | ▲ 0.7% |
| Loans and advances | 1,794 | 1,881 | 1,992 | 1,996 | ▲ 0.2% |
| Loan to deposit (%) | 89.8 | 84.7 | 79.0 | 78.6 | ▼ 0.4% |
| CAR (%) | 17.2 | 17.3 | 17.9 | 17.9* | ▲ ▼ 0.0% |
| Tier 1 ratio (%) | 16.1 | 16.1 | 16.6 | 16.6* | ▲ ▼ 0.0% |

* Ratios available every quarter, latest as at December-23.
Source: Central Bank of the UAE

Industry asset quality

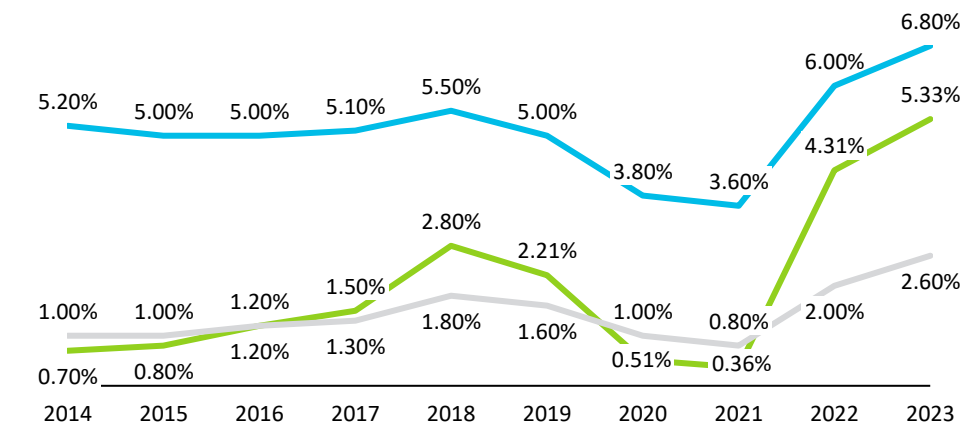
■ NPL Ratio



* Ratios available every quarter, latest as at December-23.
Source: Central Bank of the UAE

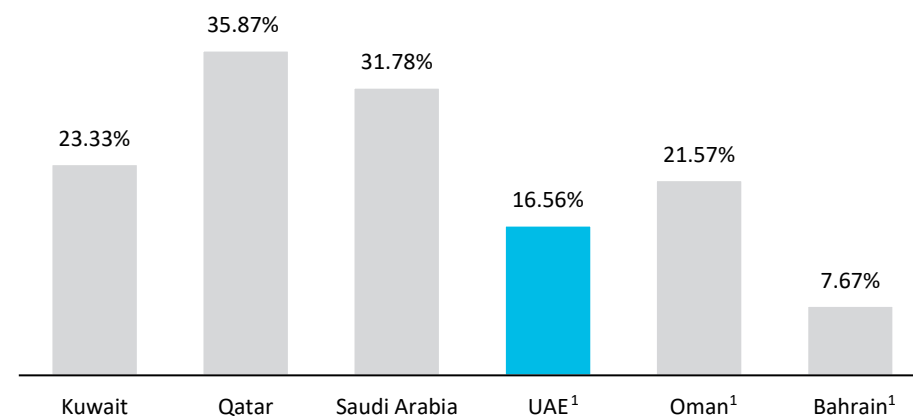
Average Loan Yield & Cost of Deposits vs 3M EIBOR

— 3M EIBOR — Yield on Loans — Cost of Deposits



Source: Central Bank of the UAE

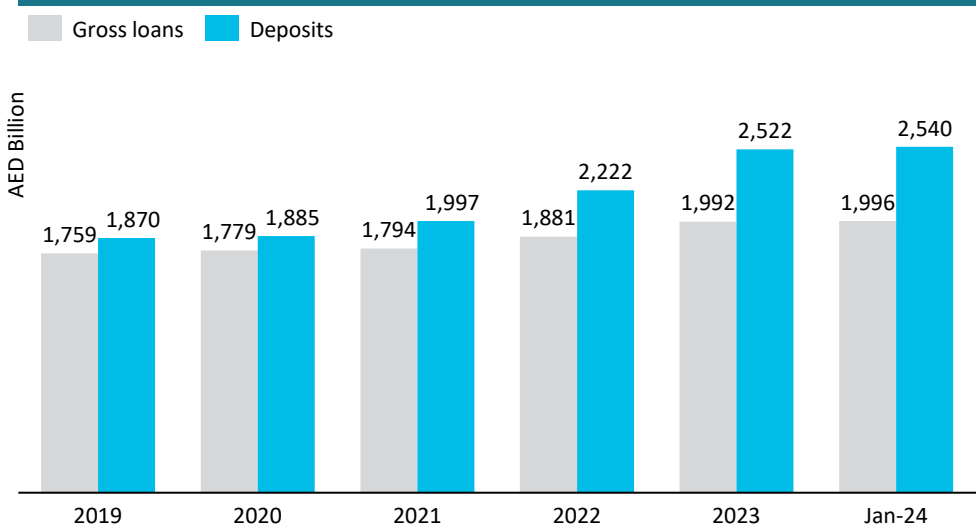
Government deposits as % of total deposits



Source: Central Bank of country
¹as at Jan 24, remainder are Feb-24

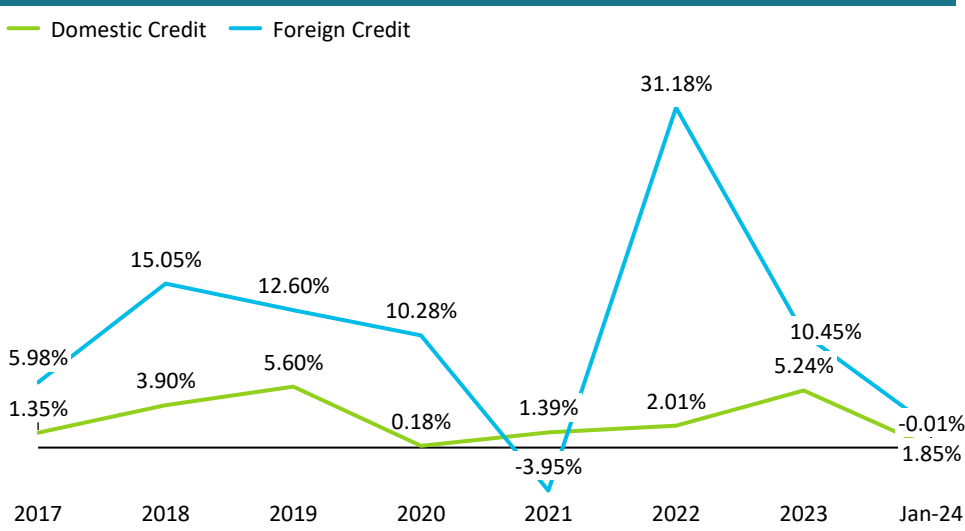
UAE Banking Industry – Credit growth moderating with high market interest rates

System-wide Gross loans and deposits



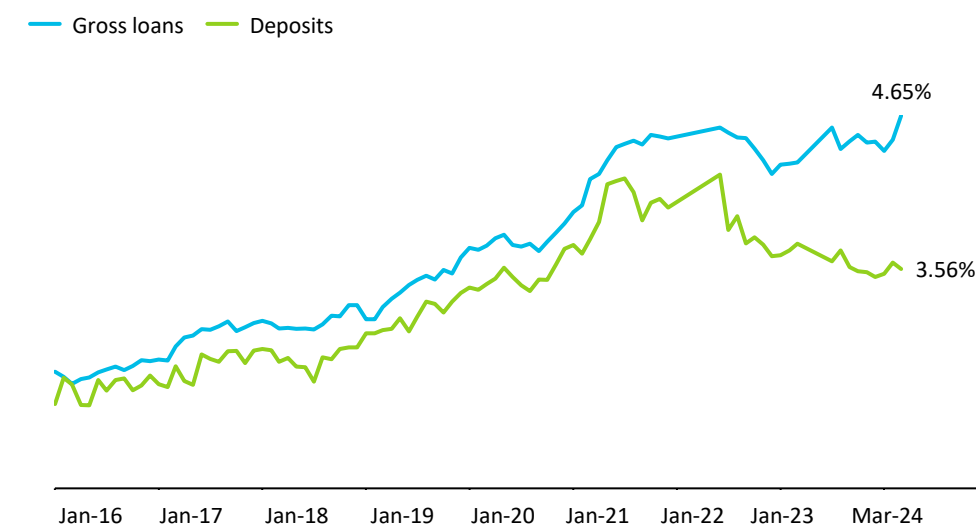
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



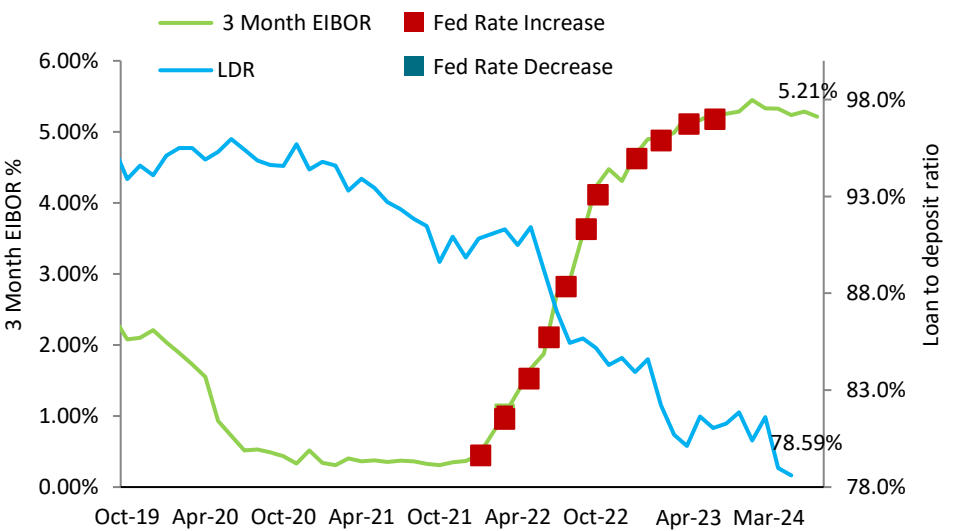
Source: Central Bank of the UAE

CBD market share



Source: Central Bank of the UAE

3 Month EIBOR and UAE loan to deposit ratio



Source: Central Bank of the UAE

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