

YEARS

عاماً

Together We Rise نرتقي معاً

1969 ~ 2019

Investor Presentation Highlights Full Year 2019
February 2020

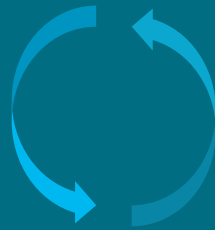
Dr Bernd van Linder
Chief Executive Officer

Mr Darren Clarke
Chief Financial Officer

Commercial Bank of Dubai 2019 Overview



Net Profit
AED 1,400m
▲20% from FY 18



Gross Lending
3.7%
UAE Loan Market Share



Employees
~1500



15 Branches
150
ATM/CDM



Corporate Social
Responsibility
Sponsored **Jebel Ali**
horse race for season
2018/2019
Marked **CBD's 50th**
Anniversary



Credit Rating
A- (Fitch)
Baa1 (Moody's)

Awards

Best Call Centre, Best Cash Management, Best Digital Transformation Services
- Banker ME Product Awards

Best UAE Payments Bank, Best ERP Integration
- Asian Banker Middle East Transactions Awards 2019

Best Mobile Banking App
- Global Finance - Best Digital Bank Awards 2019

Earnings Snapshot – a stand out record result for the bank

(AED m)

	FY 19	Change FY 19 - FY 18	Change (%) FY 19 - FY 18
Net profit	1,400.2	238.1	20.5%
Return on equity (RoE)	14.61%	114 bp	8.5%
Return on assets (RoA)	1.75%	18 bp	11.7%
Interest margin	2.46%	(23) bp	(8.4%)
Cost to income ratio	29.18%	(232) bp	(7.4%)
Impairment charge to gross loans	1.16%	(10) bp	(8.2%)
Capital adequacy ratio	14.17%	(39) bp	(2.7%)

Financial Performance Snapshot – FY 2019

Shareholder Value Creation

Revenues
AED 3,033m
▲11% from FY 18

Net Profit
AED 1,400m
▲20% from FY 18

Return on Equity
14.61%
▲114 bps from FY 18

Focus on Growth

Assets
AED 88.1bn
▲19% from FY 18

Customer Deposits
AED 63.3bn
▲19% from FY 18

Gross Loans
AED 64.0bn
▲18% from FY 18

Strong Balance Sheet

Capital Adequacy Ratio
14.17%
▼39 bps from FY 18

Non-performing Loans
5.94%
▼24 bps from FY 18

Return on Assets
1.75%
▲18 bps from FY 18

Improved Operating Performance

Operating Profit
2,148m
▲15% from FY 18

Cost to Income Ratio
29.18%
▼232 bps from FY 18

Non Funded Income/
Operating Expenses
120.61%
▲2,584 bps from FY 18

Performance Achievements 2019

- Record sustainable full year profit
- Loan growth well above system with improved market share
- Deepened and broadened customer relationships with sharply higher non funded income
- Excellent progress on the journey towards “Default Digital”, e.g. through Direct From Customer
- Continuing prudent non performing loan provisioning
- Solid balance sheet with all applicable ratios above regulatory limits

Strategic Execution in 2019

Achieve Financial Results

- Net profit up 20%, Operating profit up 15%, Revenues up 11%
- Return on equity up 1.1%, Cost to Income down 2.3% to 29.2%
- Strong loan growth, positioning well for 2020

Become Employer of Choice

- Recruiting, developing and retaining UAE national talent
- Embedding high performance culture
- Sharply improved engagement score across the bank

Customer Focus

- Direct From Customer, CBD One for retail clients
- SCDMs, cardless ATM withdrawals for our corporate clients
- Deeper and broader customer relations as visible in NFI

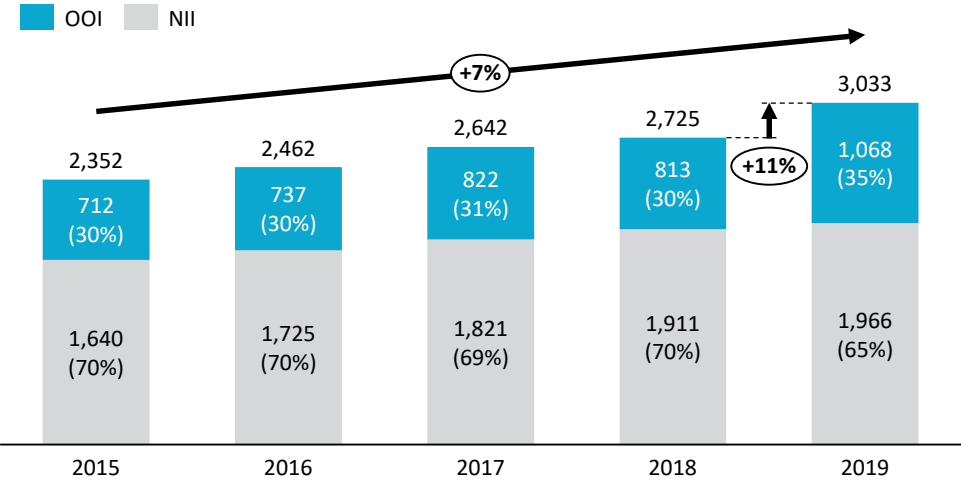
Default Digital

- Bank wide employee innovation challenge, yielding 100s of ideas
- Implementation of AI-based transaction monitoring system
- Machine learning based Chatbot

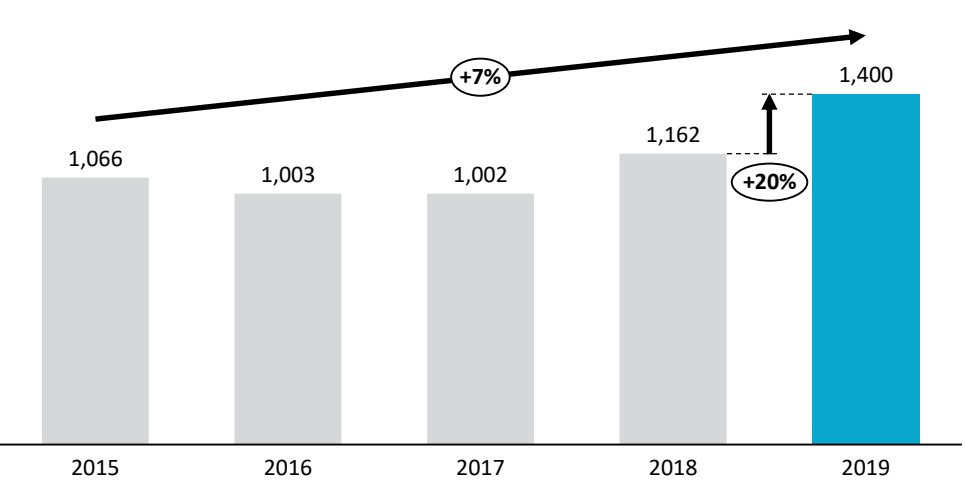
Core Performance Trends – year of outstanding performance for CBD

(AED m)

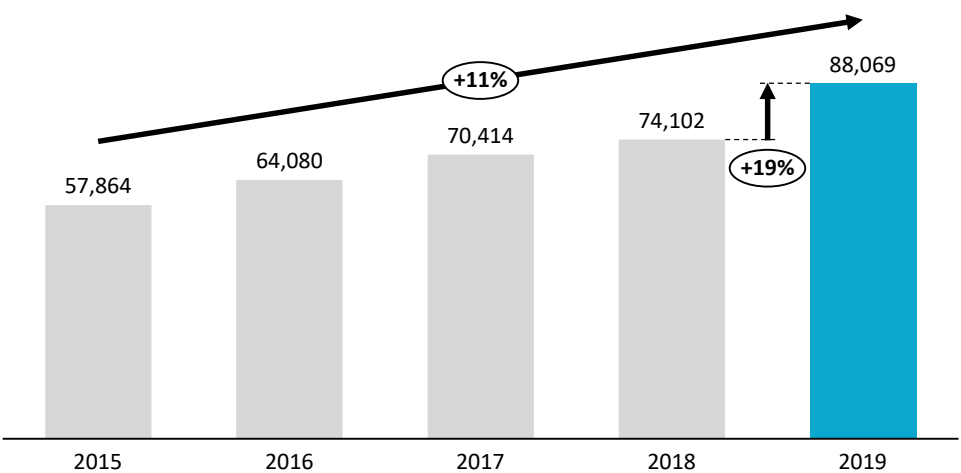
Revenue



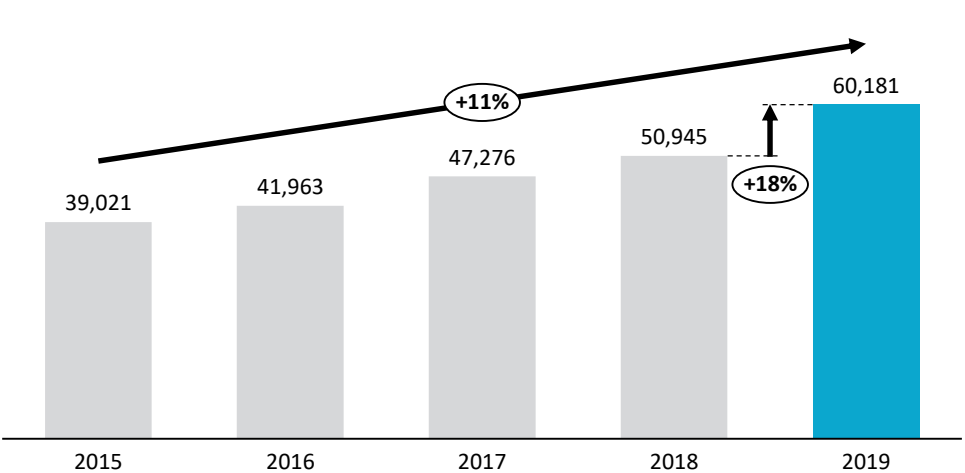
Net profit



Assets



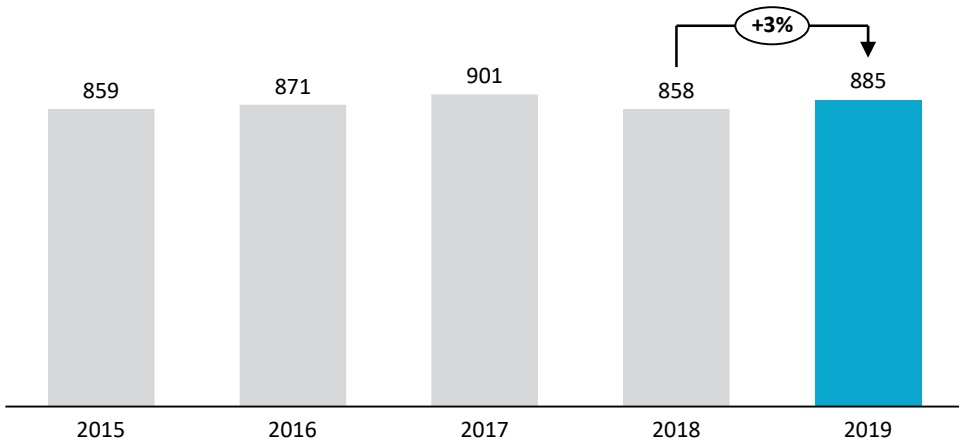
Net loans



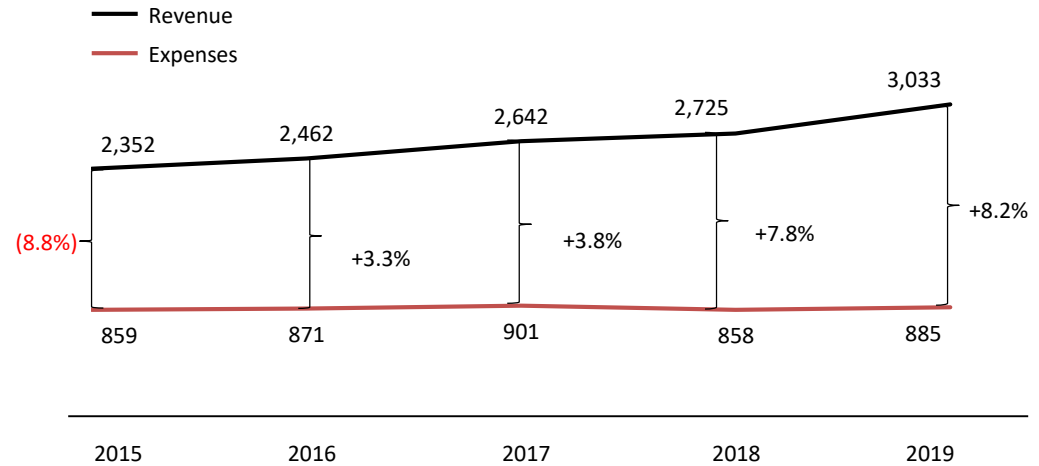
Profitability and Returns – all key metrics exceeded strategic plans

(AED m)

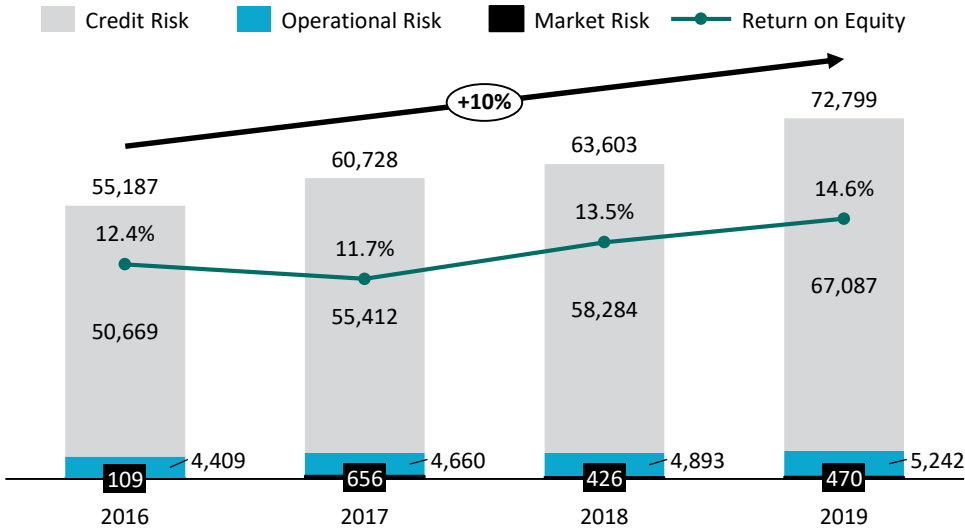
Expenses



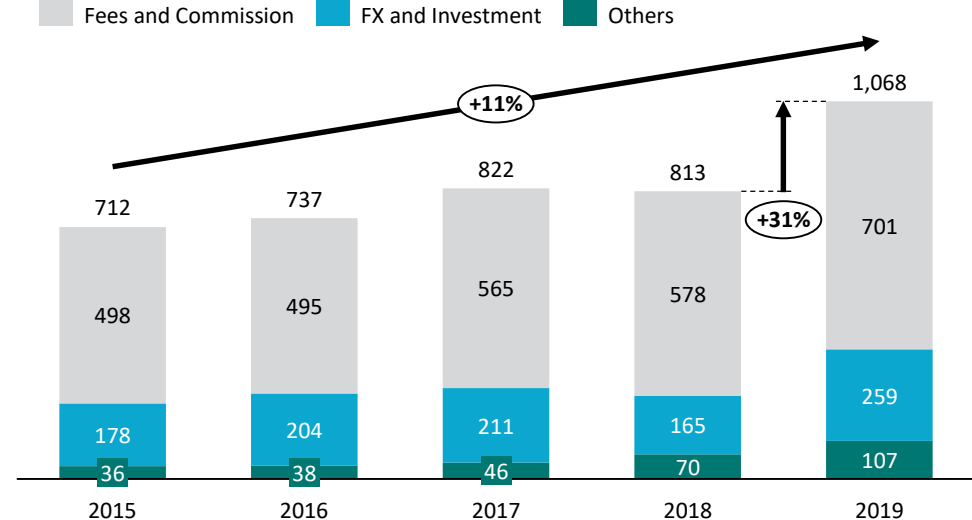
Revenue and expense JAWS



RWA and Return on Equity

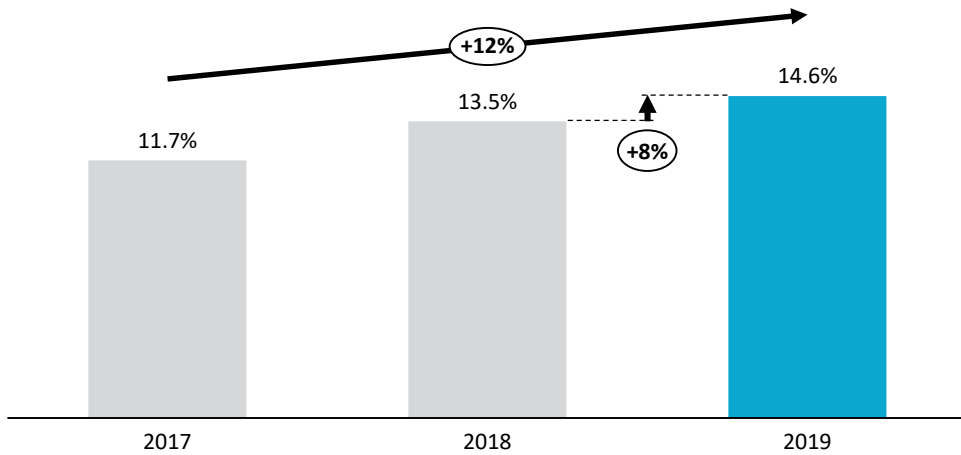


Other Operating Income

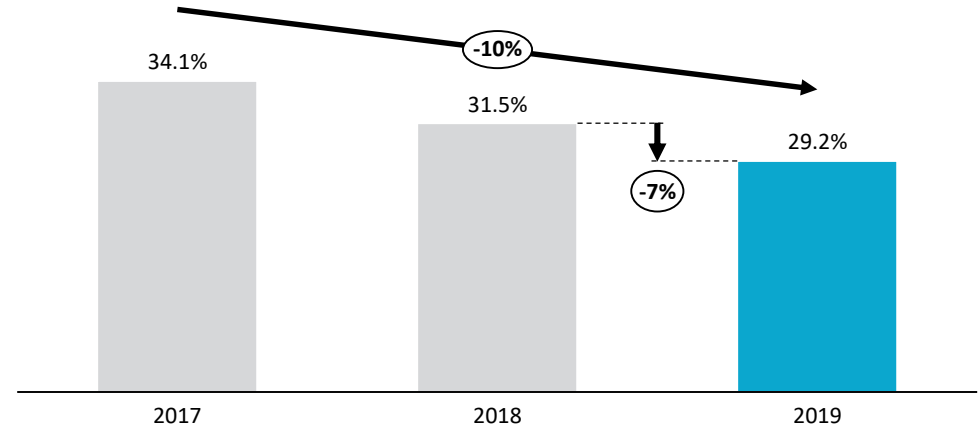


Strategic Financial KPI's – broad based business improvements

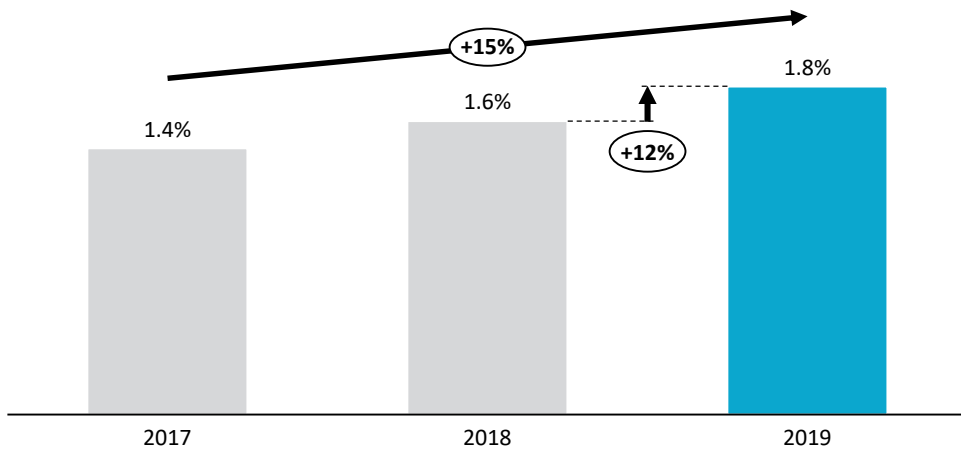
Return on Equity (ROE)



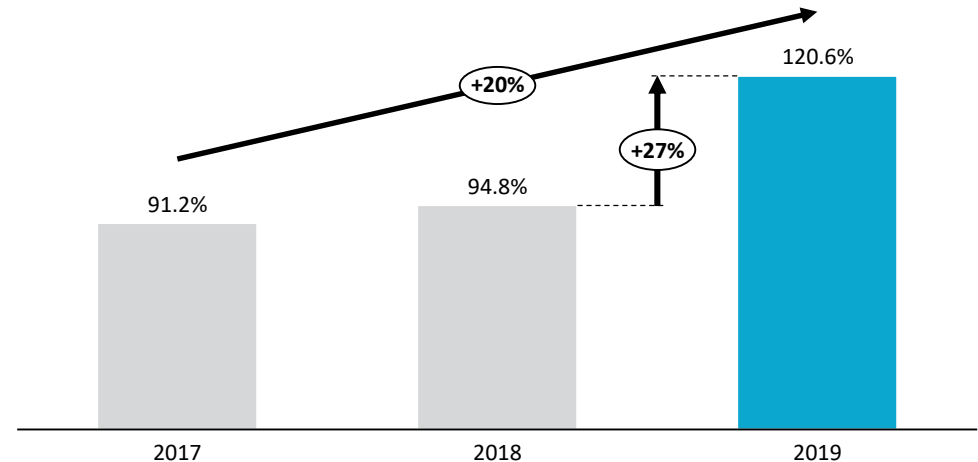
Cost to Income Ratio



Return on Assets (ROA)

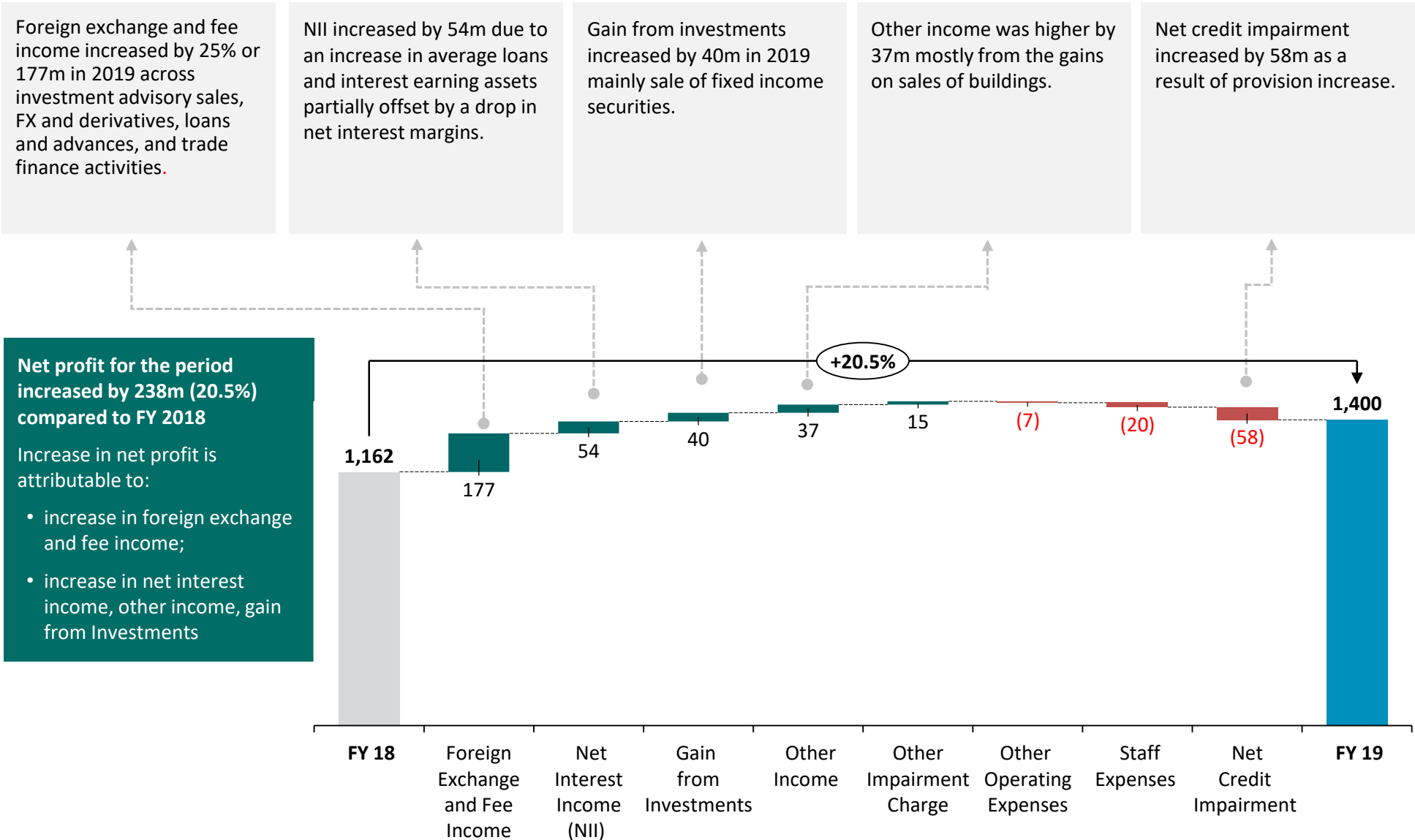


Other Operating Income as % of Expenses



Net Profit Bridge on Prior Year – a substantial uplift in other operating income

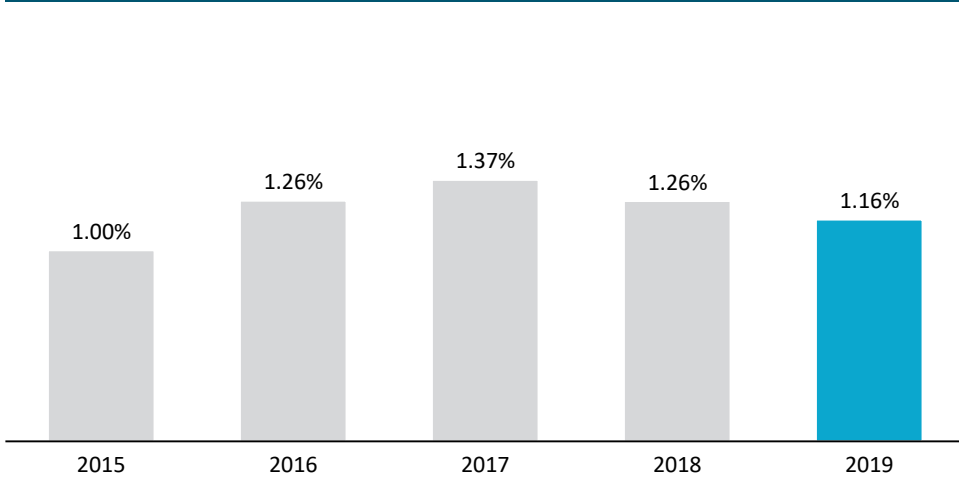
(AED m)



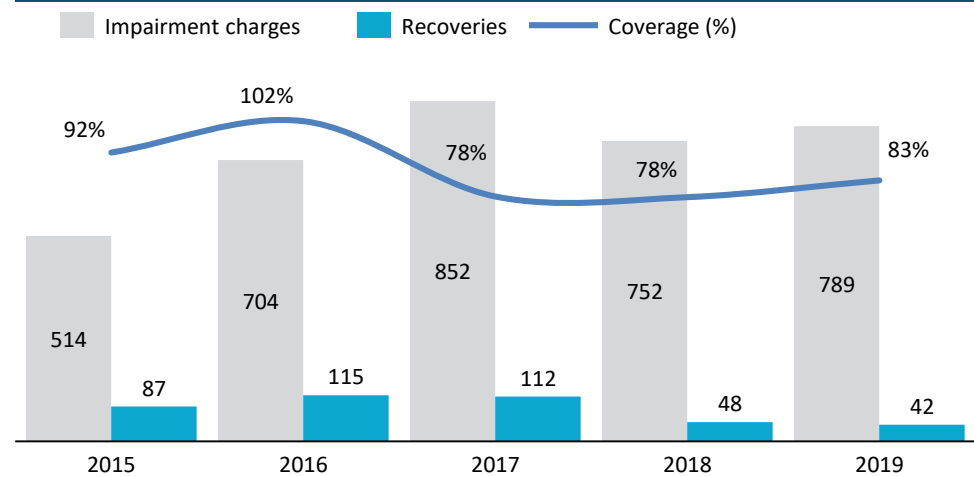
Asset Quality and Impairments – prudent provisioning increased the coverage ratio

(AED m)

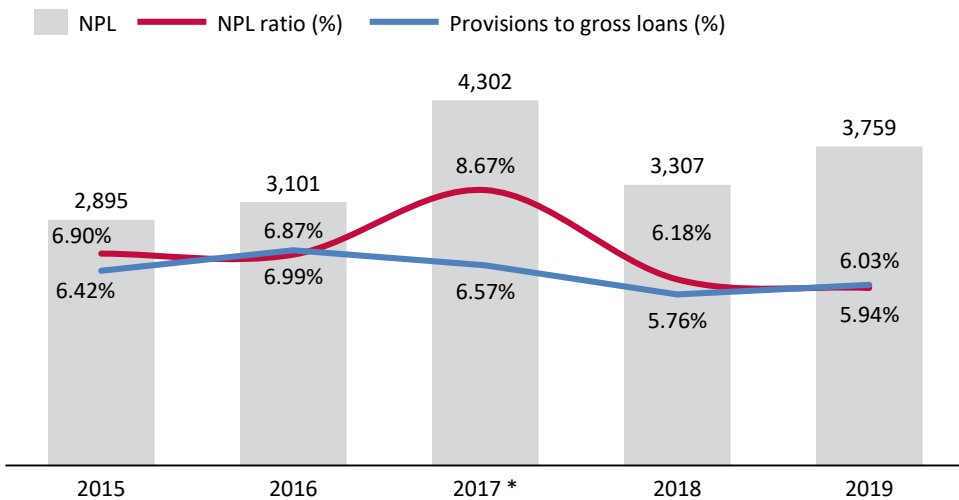
Cost of Risk



Impairment Charges and Recoveries

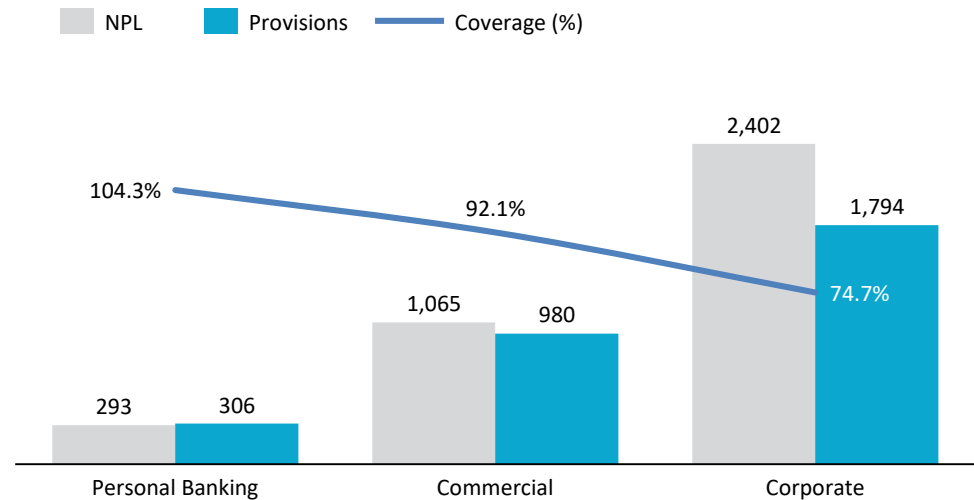


NPL Ratio



* IFRS 9 transition.

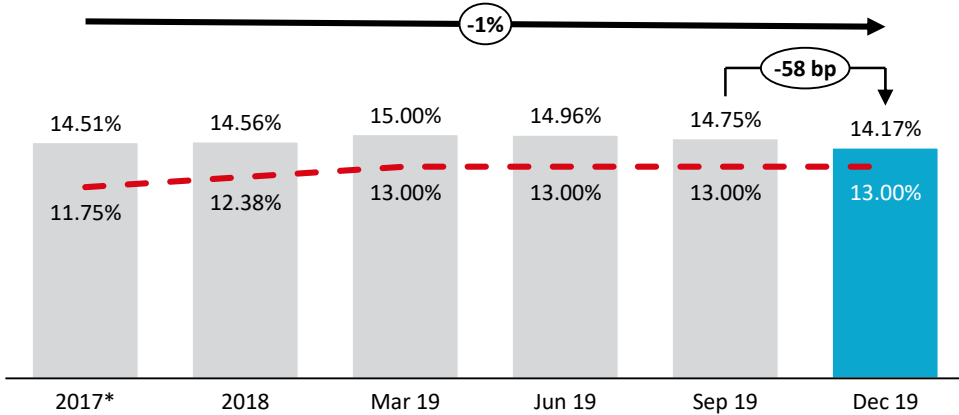
Expected Credit Provisions – Segment



Balance Sheet and Capital Strength – strong balance sheet

Capital Adequacy Ratio (CAR)

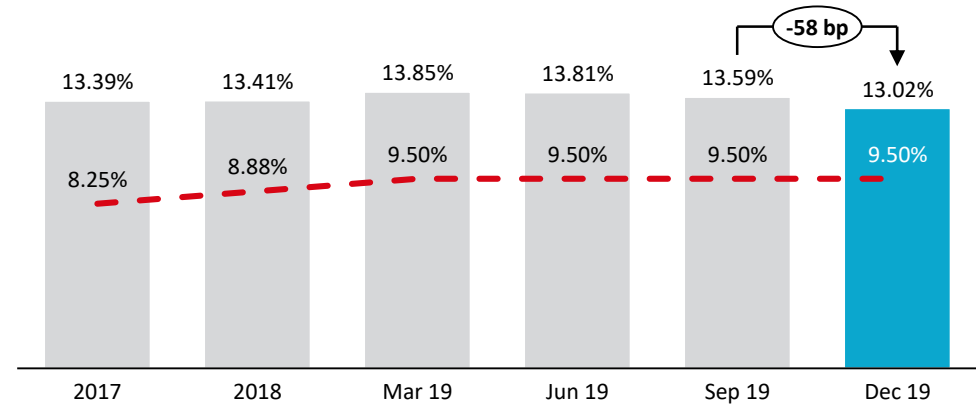
■ CAR - - - Regulatory limit (Minimum)



* 2017 retained earnings have been updated by 397m for IFRS9 opening adjustment to be 2.6b instead of 3.0b

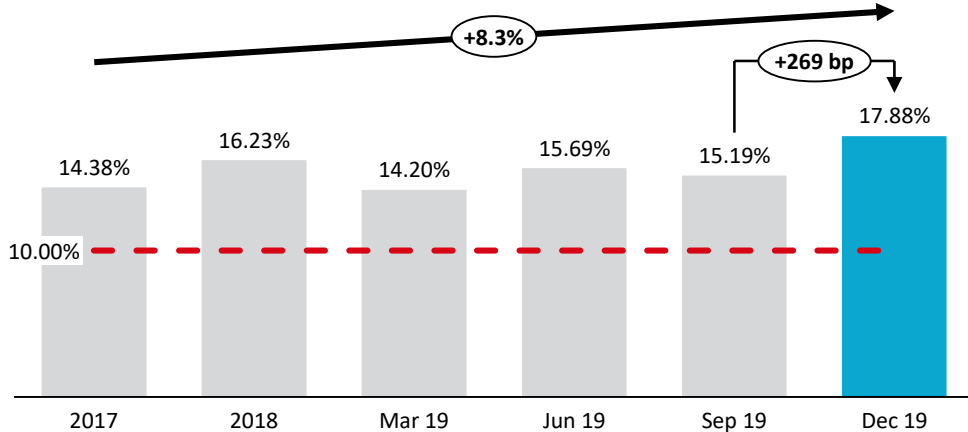
Common Equity Tier 1 (CET1)

■ CET1 - - - Regulatory limit (Minimum)



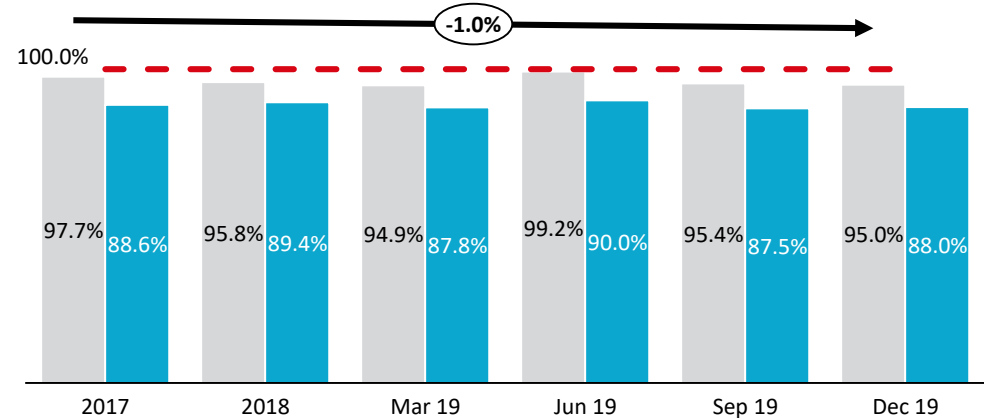
Eligible Liquid Assets Ratio (ELAR)

■ ELAR - - - Regulatory limit (Minimum)



Loans to Deposits and ASRR

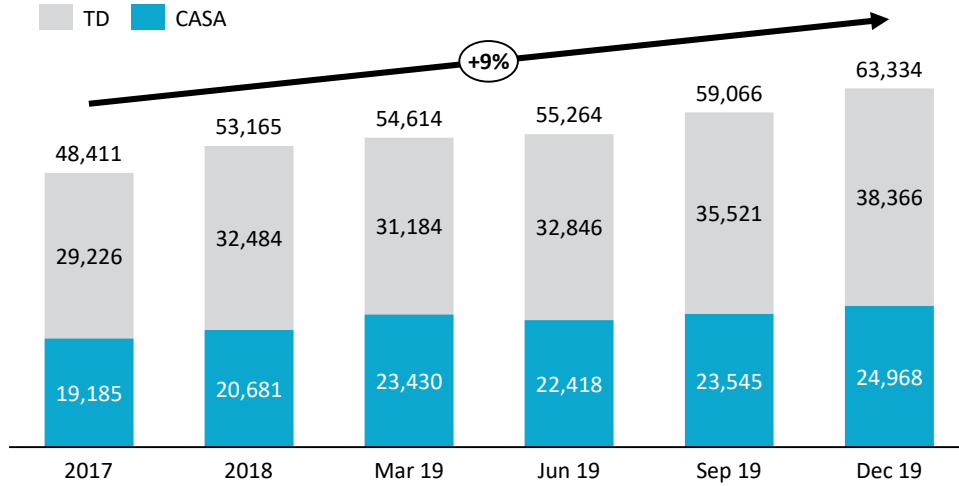
■ Loans to Deposits ■ ASRR - - - Regulatory limit (Maximum)



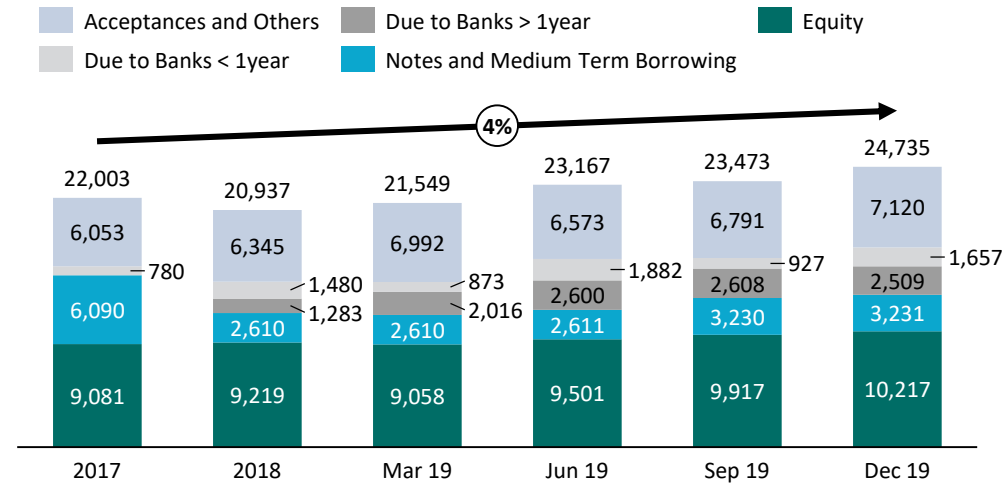
Funding and Liquidity – diversified and stable funding supporting franchise loan growth

(AED m)

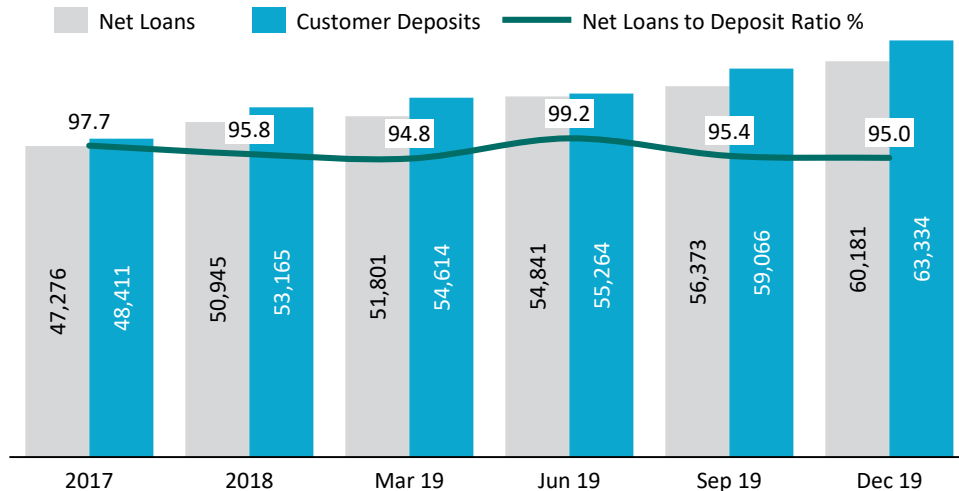
Customer Deposits



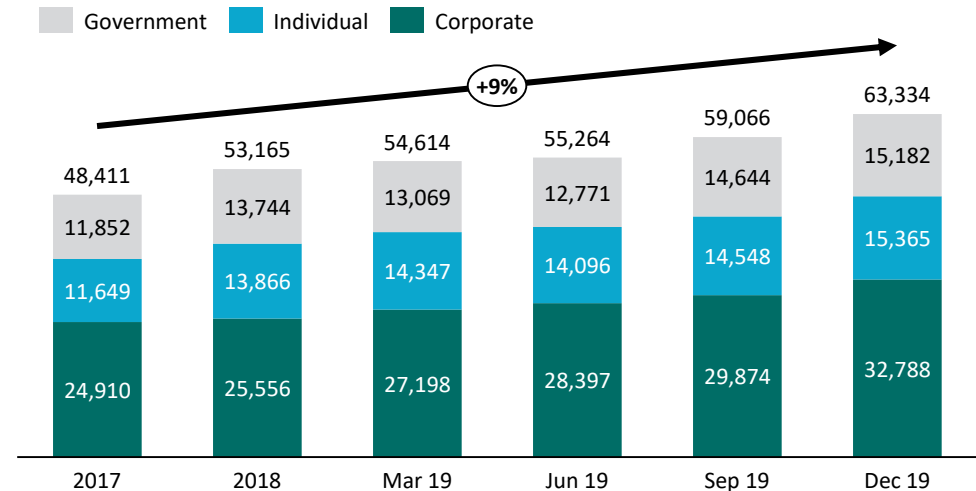
Other Funding Sources



Loans to Deposits



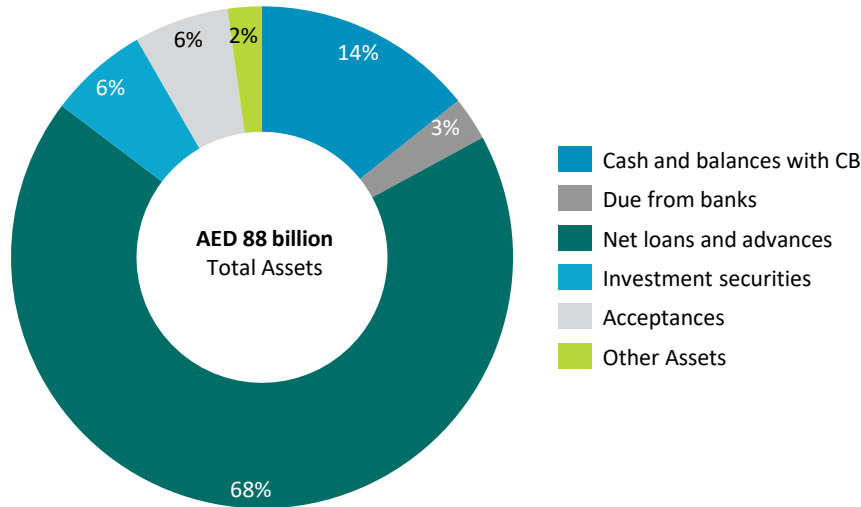
Deposit Segmentation



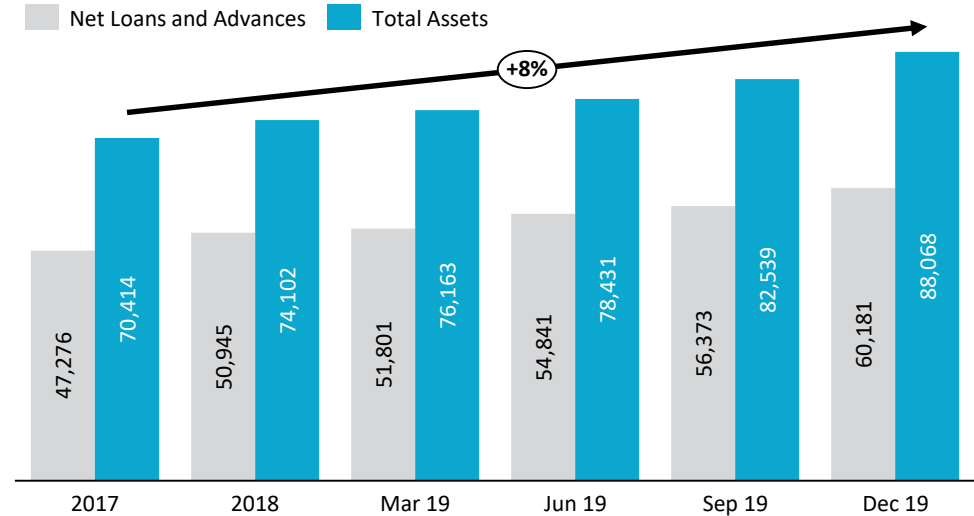
Balance Sheet Analysis – strong business growth and diversified investment portfolio

(AED m)

Assets Mix



Assets and Loans

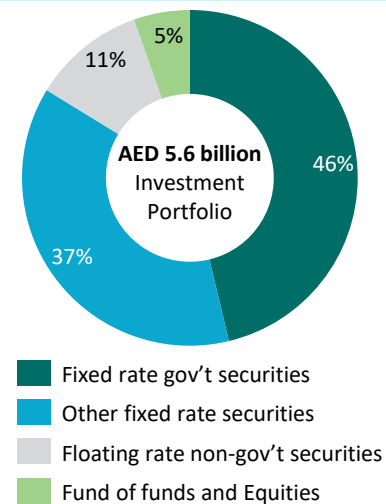


Gross Loans and Advances by Sector

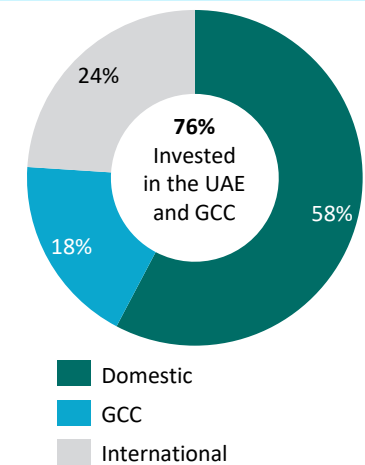
Sector	Dec 19	Sep 19	Var %
Manufacturing	2,432	1,956	24.3
Others	1,331	1,200	11.0
Real estate	22,695	20,610	10.1
Personal - schematic	4,691	4,309	8.9
Financial and insurance activities	8,185	7,581	8.0
Personal - mortgage	3,308	3,068	7.8
Hospitality	2,574	2,485	3.6
Services	5,715	5,538	3.2
Individual loans for business	1,760	1,714	2.7
Trade	5,741	5,660	1.4
Construction	4,383	4,321	1.4
Government entities	274	273	0.3
Transportation and storage	951	1,215	(21.7)
Total	64,039	59,929	6.9

Investment Securities Portfolio

By Type



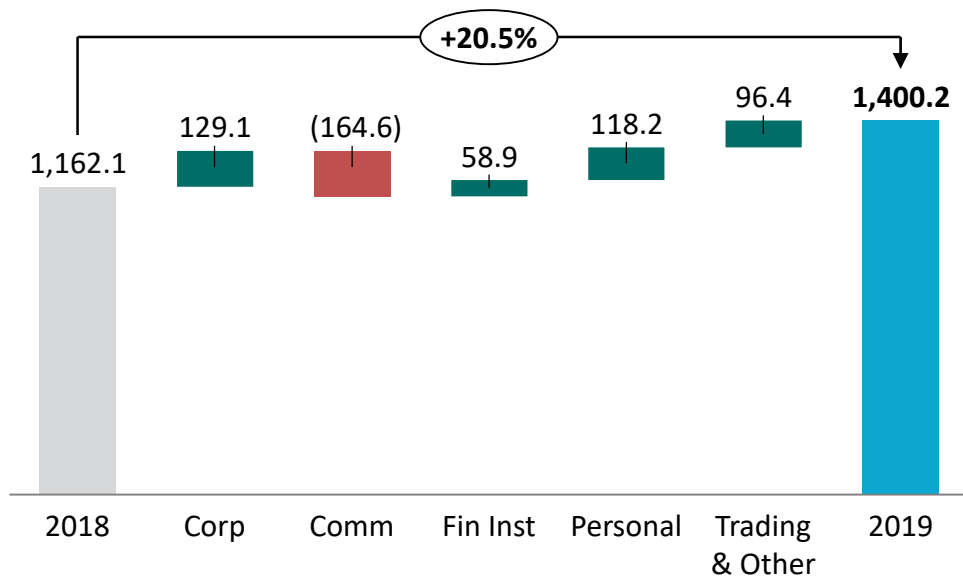
By Geography



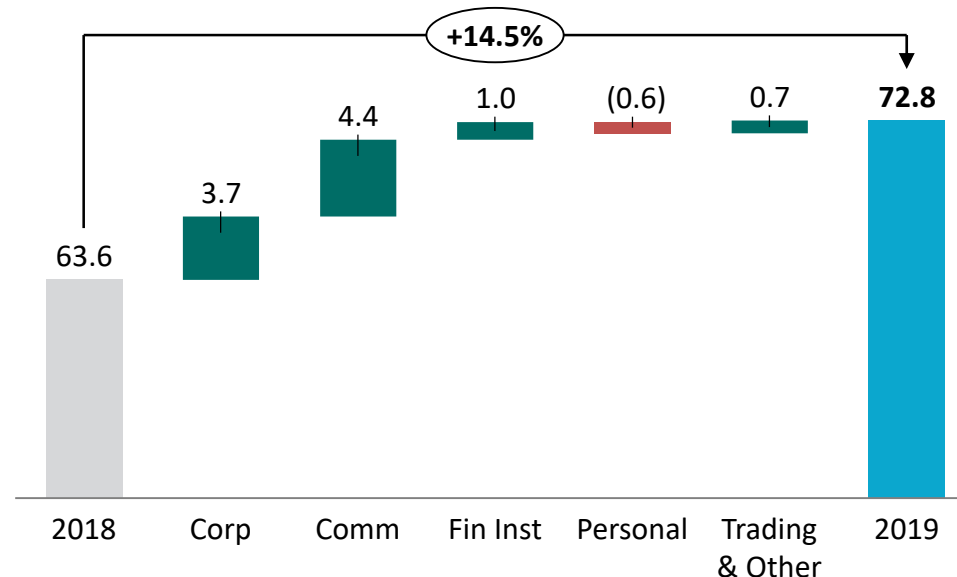
Divisional Contributions - *specialist business lines supporting our customers*

(AED m)

Divisional net profit movement



Divisional RWA movement



2019	Corporate	Commercial	Financial Institutions	Personal Banking	Trading and Other	Total
Operating Income	1,010.3	827.4	76.7	689.7	429.2	3,033.2
Expenses	(205.2)	(234.0)	(23.8)	(419.5)	(2.6)	(885.2)
Operating Profit	805.1	593.4	52.9	270.2	426.5	2,148.0
Impairment (charges) / benefits	(356.7)	(322.4)	33.2	(94.9)	(7.1)	(747.9)
Net Profit	448.4	271.0	86.1	175.2	419.5	1,400.2
% of Group Net Profit	32.0	19.4	6.1	12.5	30.0	100.0

CBD History – 1969 to 2019 Celebrating 5 decades

The First Decade

1969

Establishment of CBD with the first branch in Deira



1975

First Chairman H.E. Hussain Khansaheb appointed

1979

First Annual Report published



**THE COMMERCIAL BANK
OF DUBAI LTD.**

The Second Decade

1982

CBD became a National Public Shareholding Company

1987

Inauguration of CBD Head Office in Bur Dubai



1988

First ATM Launched

The Third Decade

1990

First Credit Card launched



1991

First Drive-thru ATM launched



1994

First Debit Card launched

1999

First Website for the bank released

CBD History – 1969 to 2019 Celebrating 5 decades

The Fourth Decade

2004

Inauguration of CBD Head Office in Deira



2004

Call Centre Launch



2004

Attijari Online Banking Launch

2005

CBD Financial Services Launch

دبي التجاري للخدمات المالية
CBD Financial Services



2005

Winner of the Mohammed Bin Rashid Al Maktoum Business Award



2005

H.H. Sheikh Mohammed visited CBD's Head Office



2007

Winner of the Dubai Quality Award - Gold Category



2008

Islamic Banking Launch

التجاري الاسلامي
Attijari Al Islami



2008

Winner of the Mohammed Bin Rashid Al Maktoum Business Award



CBD History – 1969 to 2019 Celebrating 5 decades

The Fifth Decade

2010

Winner of the Sheikh Khalifa Excellence Award – Gold Category



2011

Winner of the Mohammed Bin Rashid Al Maktoum Business Award

2012

First Mobile Banking App launched

2012

Winner of the Sharjah Economic Excellence Award



2014

Launched the first Facebook Branch in the Region



2015

Launched first Digital Kiosk for CBD

2016

Launch of UAE's First Digital Bank – CBD Now



2018

Innovation Lab inaugurated

2019

Celebrated CBD's 50 Year Anniversary



Board of Directors and Management Team

Board of Directors



Mr. Humaid Mohammad Al Qutami
Chairman



Mr. Ahmad Abdulkarim Julfar
Vice-Chairman



Mr. Abdullah Salim Alturifi
Director



Mr. Abdulla Saif Al Hathboor
Director



Mr. Abdul Wahed Al Fahim
Director



Mr. Ali Fardan Al Fardan
Director



Mr. Buti Saeed Al Ghandi
Director



Mr. Hamed Ahmed Kazim
Director



Mr. Khalid Abdul Wahed Al Rostamani
Director



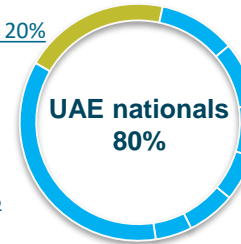
Dr. Omar Mohammad Ali Alqaizi
Director



H.H. Sheikh Maktoum Hasher Al Maktoum
Director

Shareholders

Government of Dubai* 20%



Al Futtaim Private Co. 10.51%

Orient Insurance PJSC. 8.84%

Abdulla Hamad Al Futtaim 6.95%

A W Rostamani Group 6.61%

Ghobash Trading & Inv. 6.37%

Al Majid Investments 5%

General public 35.72%

*Investment Corporation of Dubai (ICD)

Management Team



Dr. Bernd van Linder
Chief Executive Officer



Mr. Darren Clarke
Chief Financial Officer



Mr. Fahad Al Mheiri
General Manager,
CBD Al Islami



Mr. Othman Bin Hendi
General Manager,
Corporate Banking



Mr. Abdul Rahim Al Nimer
General Manager,
Commercial Banking



Mr. Hassan Al Redha
General Manager, Institutional &
Transaction Banking



Mr. Amit Malhotra
General Manager,
Personal Banking Group



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



Mr. Gareth Powell
Chief Human Resources Officer



Mr. C. Krishna Kumar
Chief Operating Officer



Mr. Alan Grieve
Chief Risk Officer

Corporate Social Responsibility – *fulfilling our social commitments*

The elements of CBD's CSR framework:

Education

Commercial Bank of Dubai targets the support and development of educational programmes aimed at UAE Youth.

Health

Commercial Bank of Dubai serves to foster the health and wellbeing of people living in the UAE through wellness programs, public health, safety and cultural health initiatives by UAE federal and Dubai governments.

Financial Literacy

Commercial Bank of Dubai aims to provide financial training programs geared toward university and schools students in order to build their competencies and knowledge in financial literacy. The Bank also supports small and medium enterprises, significant creators of employment in the UAE, by facilitating relevant investments and providing the working capital required to expand their businesses. It also provides non-financial support such as technical assistance.

Charity and volunteer programs

Commercial Bank of Dubai is engaged in various charitable activities and sponsorships which must be in line with above framework and support the involvement of its employees in such activities by volunteering programs.

Q4 CSR Activities



50th Anniversary

The Commercial Bank of Dubai 50th Anniversary celebration was attended by the Vice President and Prime Minister of UAE and Ruler of Dubai HH Sheikh Mohammed Bin Rashid Al Maktoum. CBD volunteers' efforts were commendable with the 38 volunteers scoring around 250 hours of volunteering to make the event a success. The CBD volunteers were awarded during a reception held in CBD auditorium to recognize their efforts.

Jebel Ali Horse Race 2019/2020

Commercial Bank of Dubai has partnered with the Jebel Ali horse race course for more than 20 years. The sponsorship is part of CBD's support of the UAE's Culture and sports heritage.



Awards and Achievements

Launched the new CBD ONE credit card



Launched the new co-branded CBD Smiles credit card in collaboration with Etisalat



Recognized with “Best Call Centre”,
“Best Cash Management”,
“Best Digital Transformation Services”
– Banker Middle East Product Awards 2019



Celebrated 50th Anniversary of CBD



Sponsored the CBD Run on the Palm



Recognized with “Best Payments Bank in the UAE” and “Best ERP Integration Initiative, Application or Programme” - Asian Banker Middle East Transactions Awards 2019



Partnered with Dubai Economic Department to provide banking services for investors



Partnered with Tawazun Strategic Dev. Fund to provide funding for SMEs

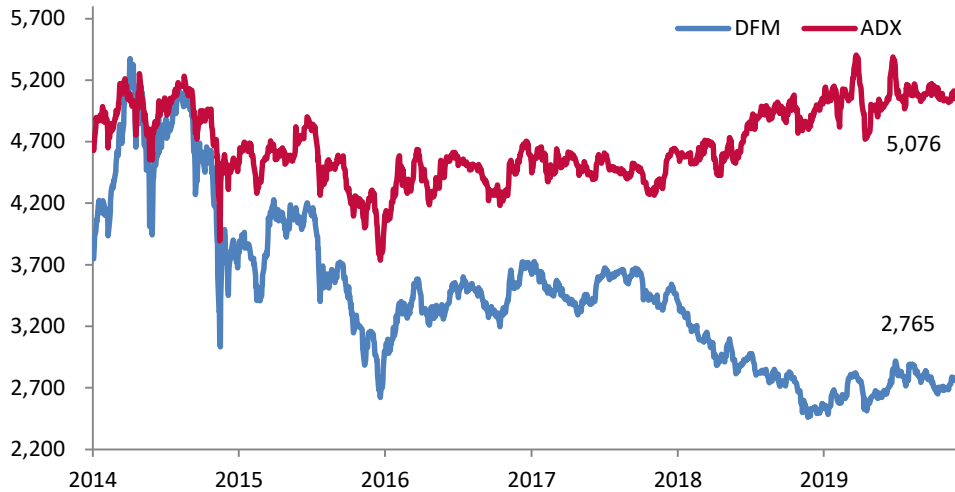


Recognized with “Best Mobile Banking App”
at the Global Finance - Best Digital Bank Awards 2019



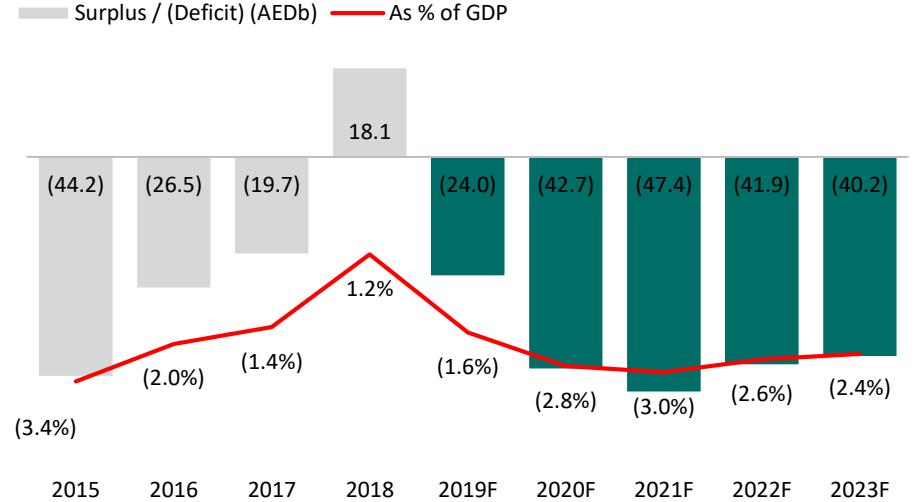
United Arab Emirates – the second largest economy in the Arab world

UAE Stock market indices



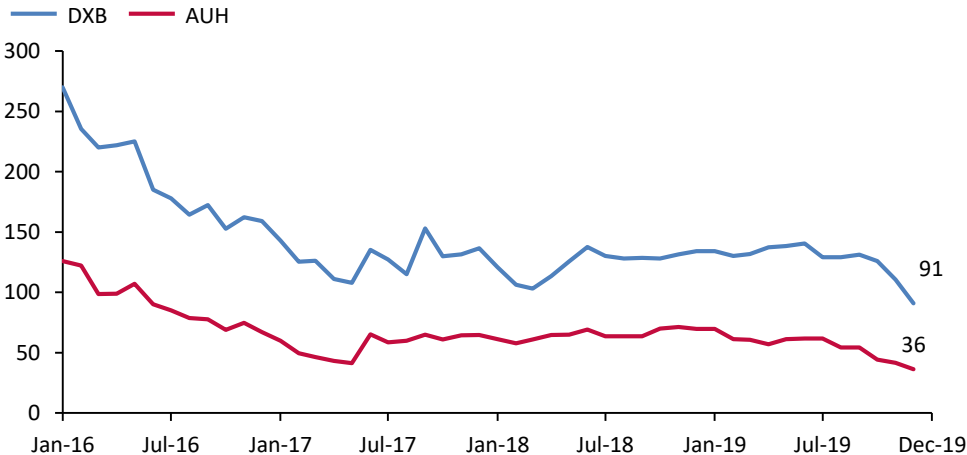
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

Fiscal Deficits to be posted



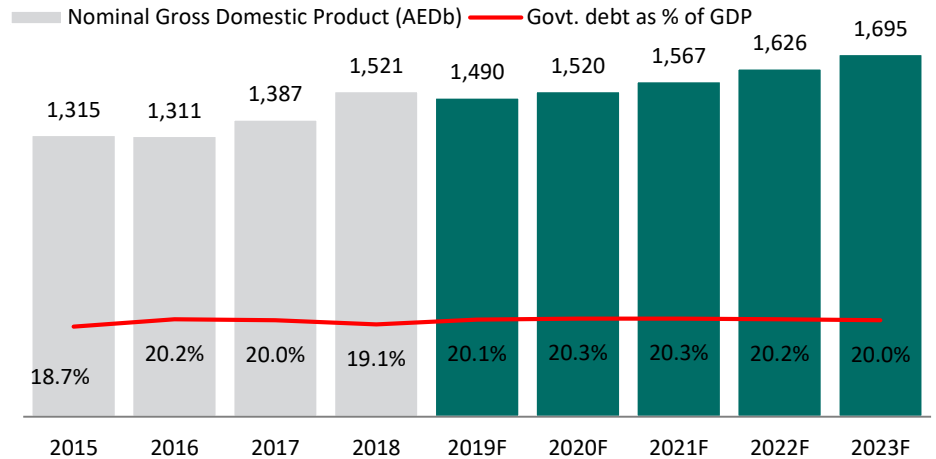
Source: International Monetary Fund

5 Year CDS



Source: Bloomberg

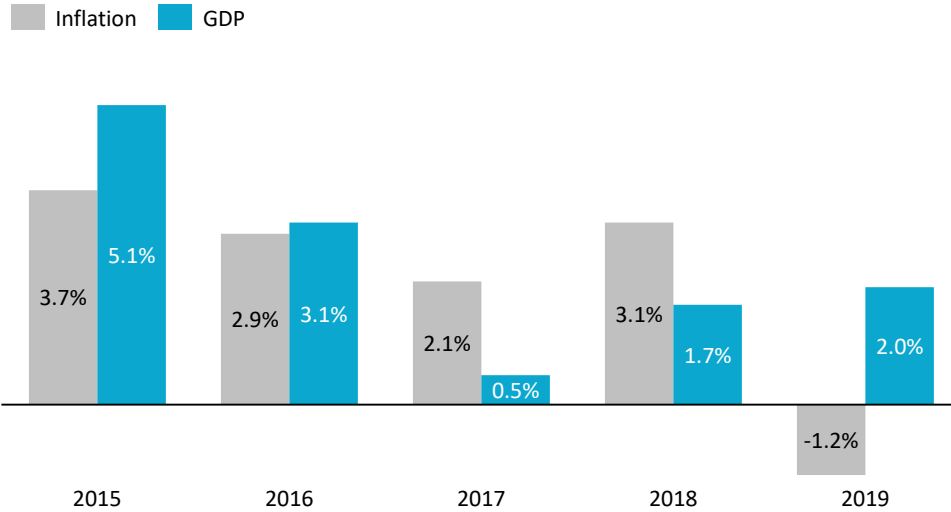
UAE GDP and Government Debt



Source: International Monetary Fund

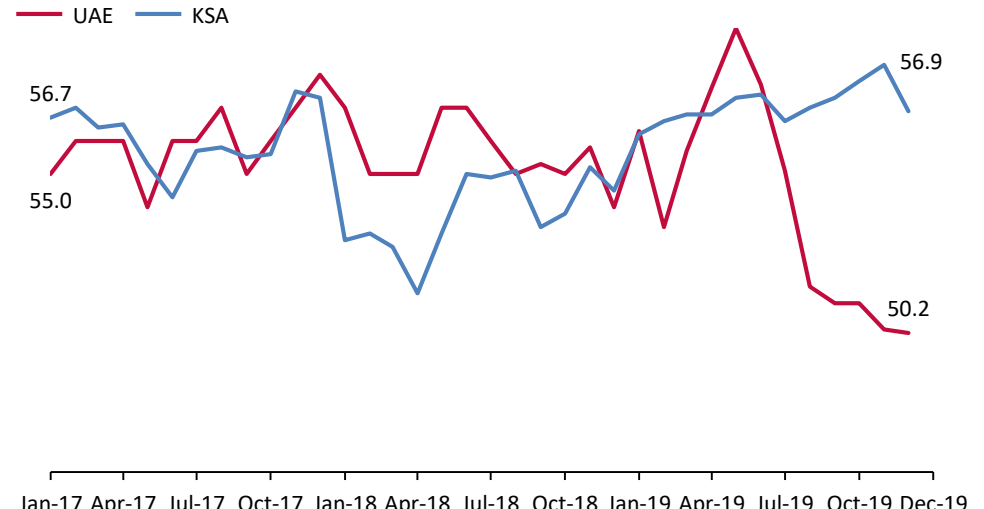
UAE Economic Update – mixed business conditions, looking ahead to Expo 2020

UAE GDP and Inflation Trend



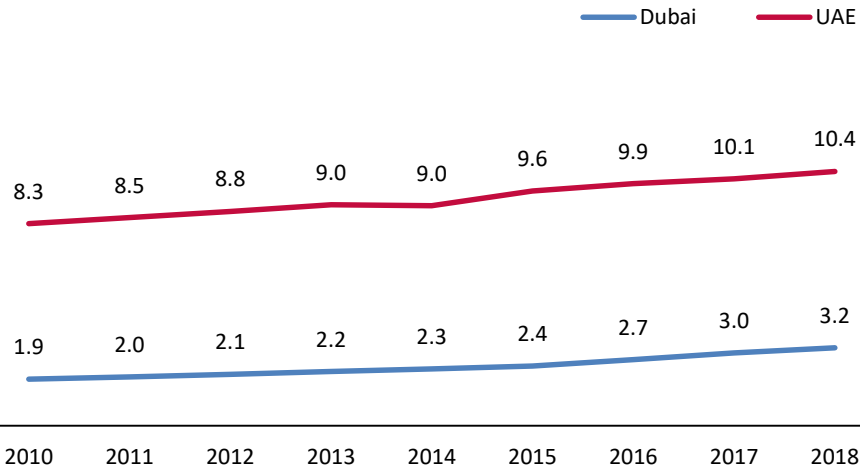
Source: UAE Ministry of Economy, fcsa.gov.ae

Purchasing Managers Index



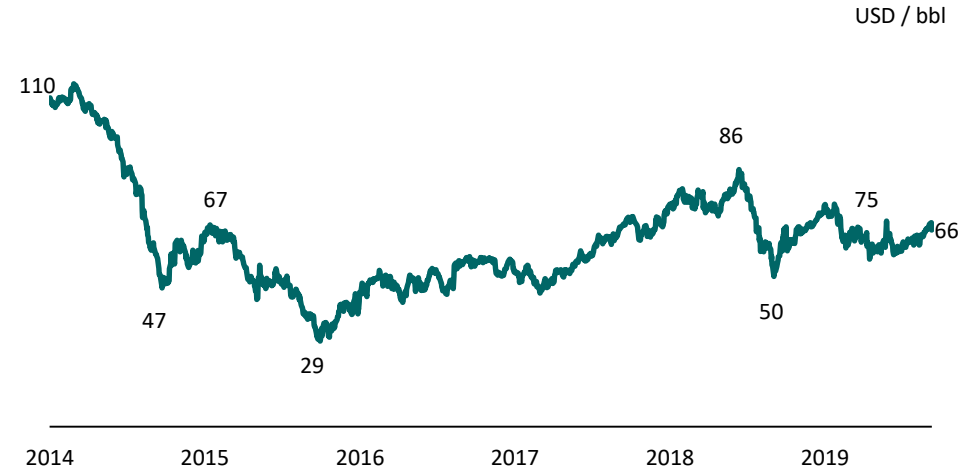
Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

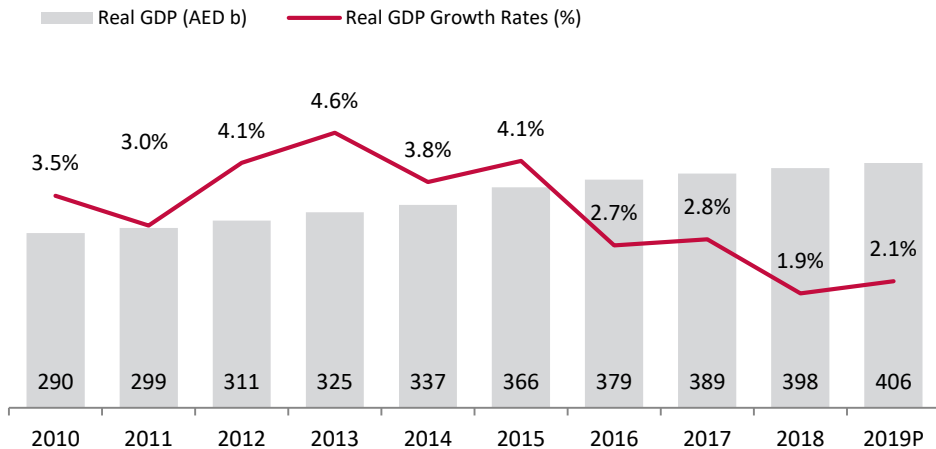
Brent oil



Source: investing.com

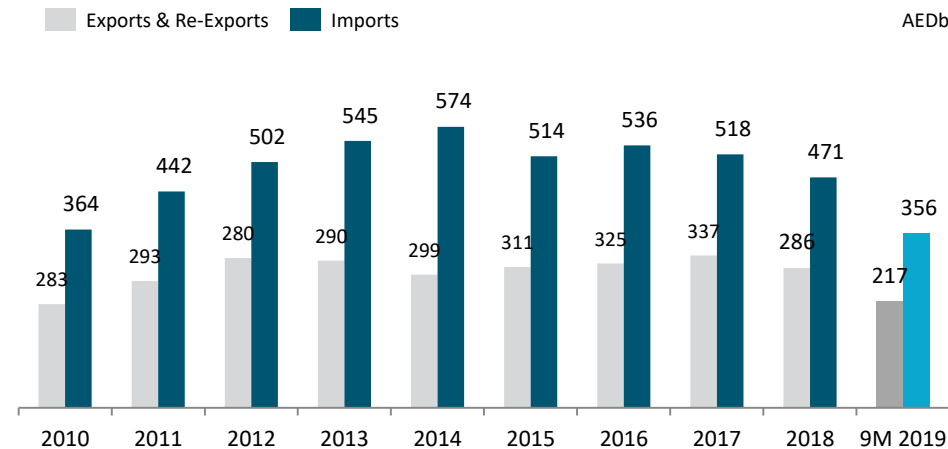
Dubai – a bell weather trading centre for the global economy

Growth in Economy



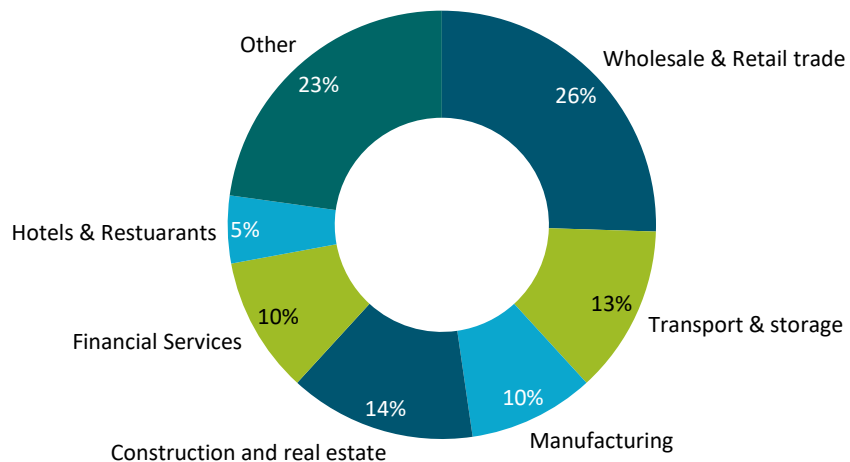
Source: Dubai Statistics Centre, Dubai Economy Department

Foreign Trade



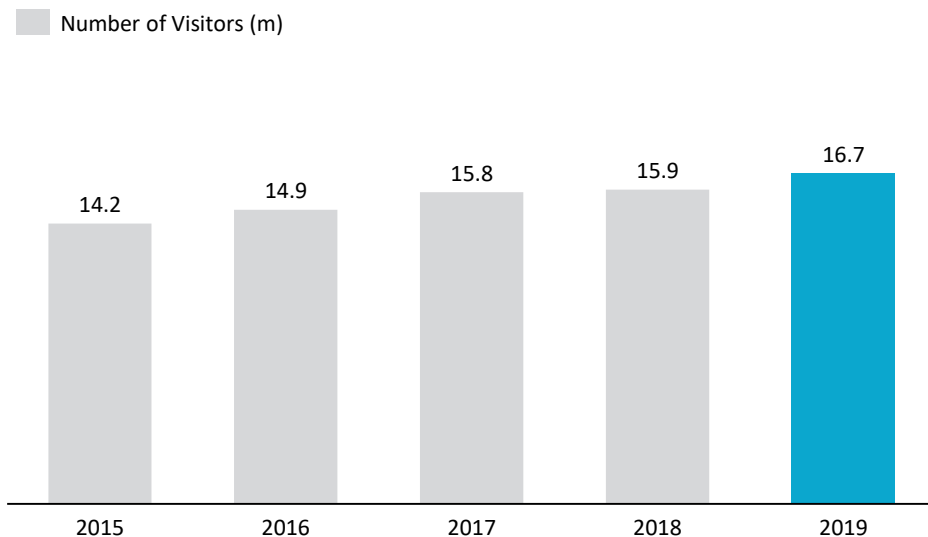
Source: Dubai Statistics Centre

Dubai GDP by sector (H1 2019)



Source: Dubai Economic Report

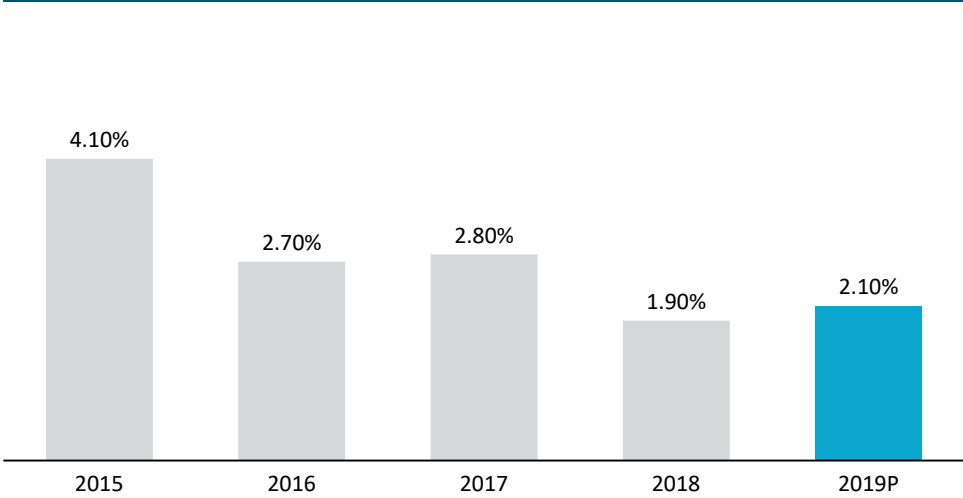
Tourism remains robust



Source: Dubai Statistics Centre

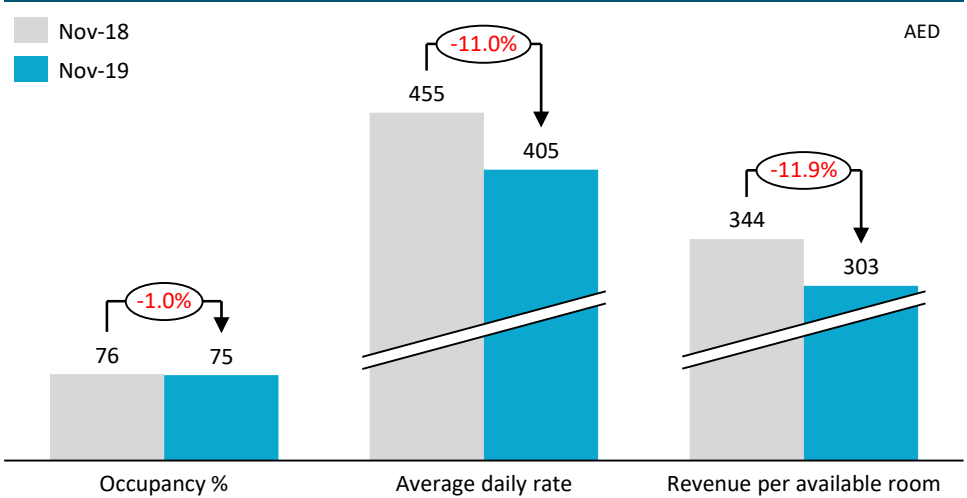
Dubai Economic Update – softer real estate prices and generally weaker business conditions

Dubai GDP growth



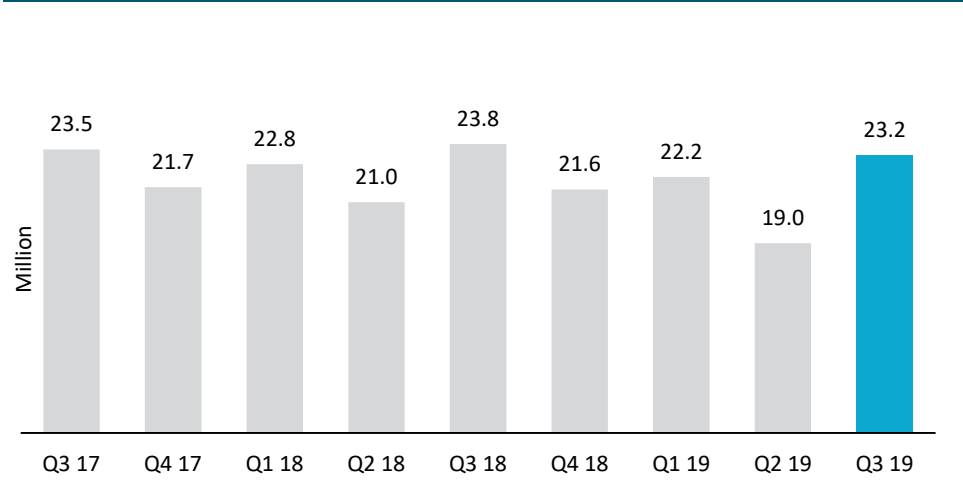
Source: Dubai Statistics Centre, Dubai Economy Department

Dubai hospitality



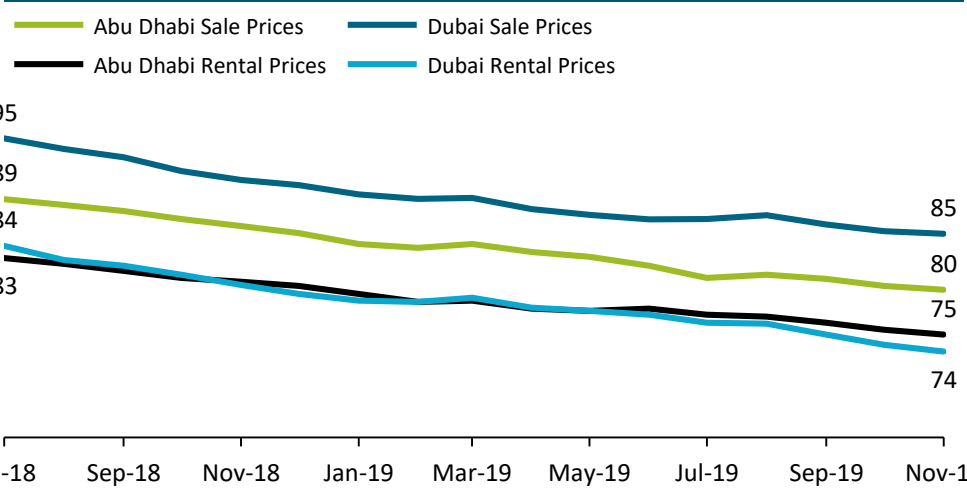
Source: Dubai Tourism

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



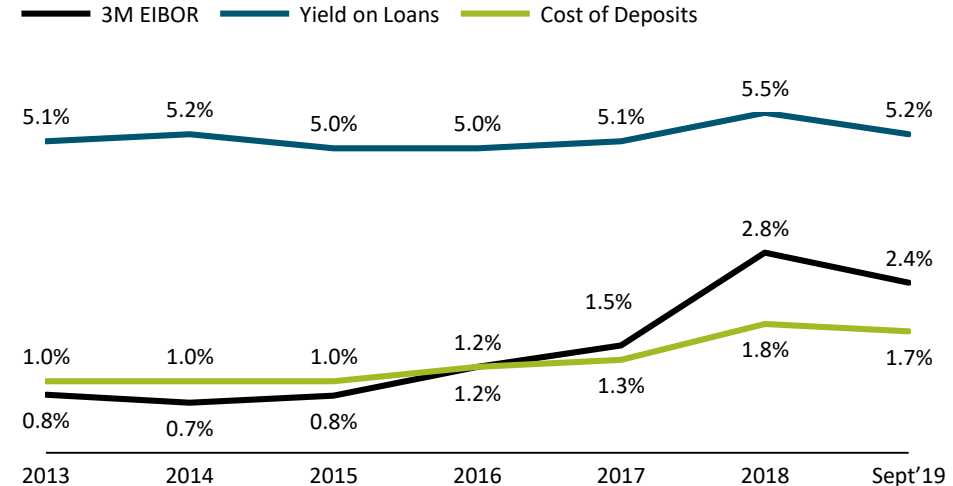
UAE Banking Sector – adapting to changing business conditions

Key industry indicators

AEDb	2016	2017	2018	Nov-19	YTD
Total assets	2,593	2,694	2,869	3,043	▲ 6.1%
Customer deposits	1,563	1,627	1,756	1,820	▲ 3.6%
Loans and advances	1,554	1,580	1,657	1,722	▲ 4.0%
Loan to deposit (%)	99.4	97.1	94.3	94.6	▲ 0.3%
CAR (%)	18.9	18.1	17.5	17.7	▲ 0.2%
Tier 1 ratio (%)	17.3	16.6	16.2	16.5	▲ 0.3%

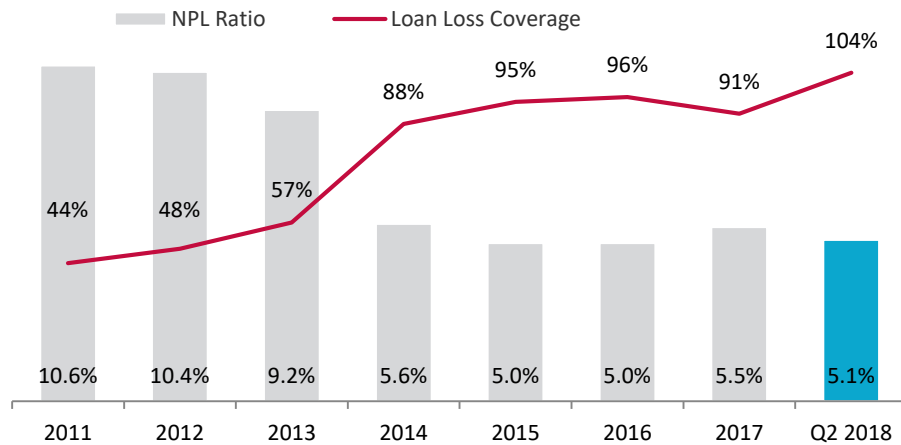
Source: Central Bank of the UAE

Average Loan Yield & Cost of Deposits vs 3M EIBOR



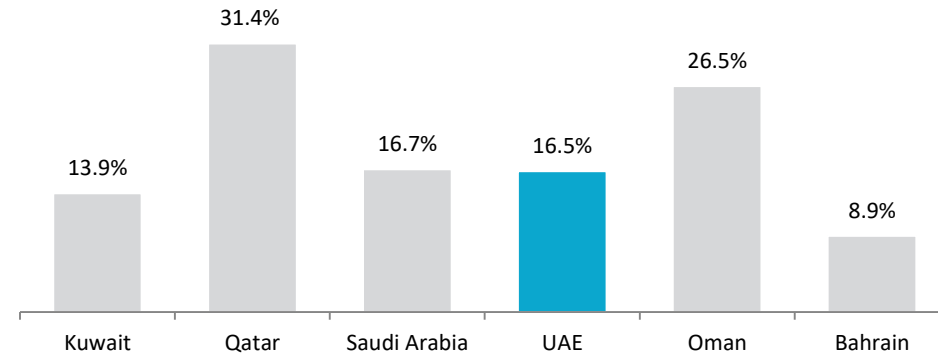
Source: Central Bank of the UAE

Improving industry asset quality



Source: Central Bank of the UAE

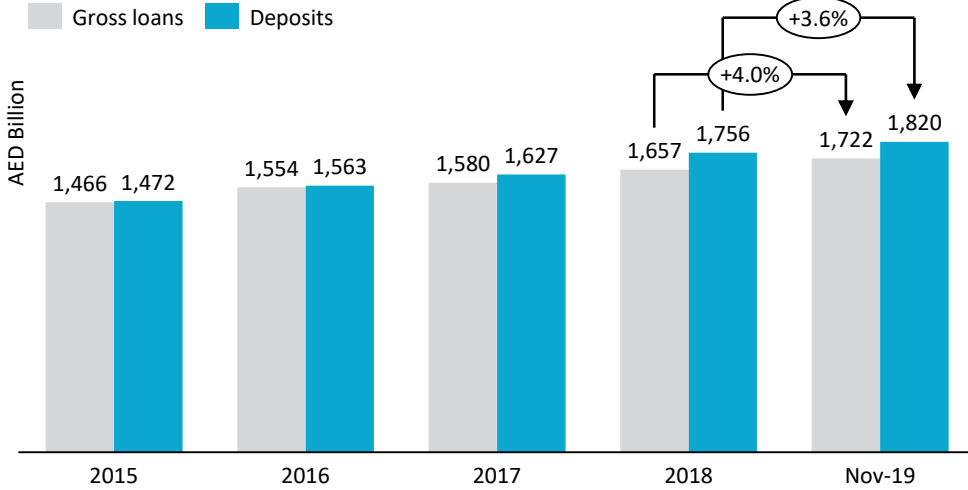
Government deposits as % of total deposits



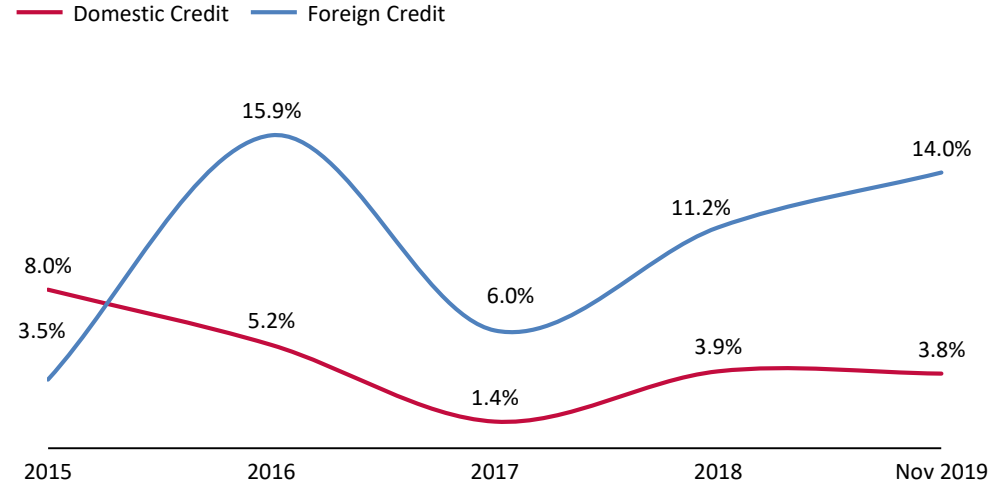
Source: Central Bank of country, October/November 2019

UAE Banking Industry – CBD execution delivering well above system growth

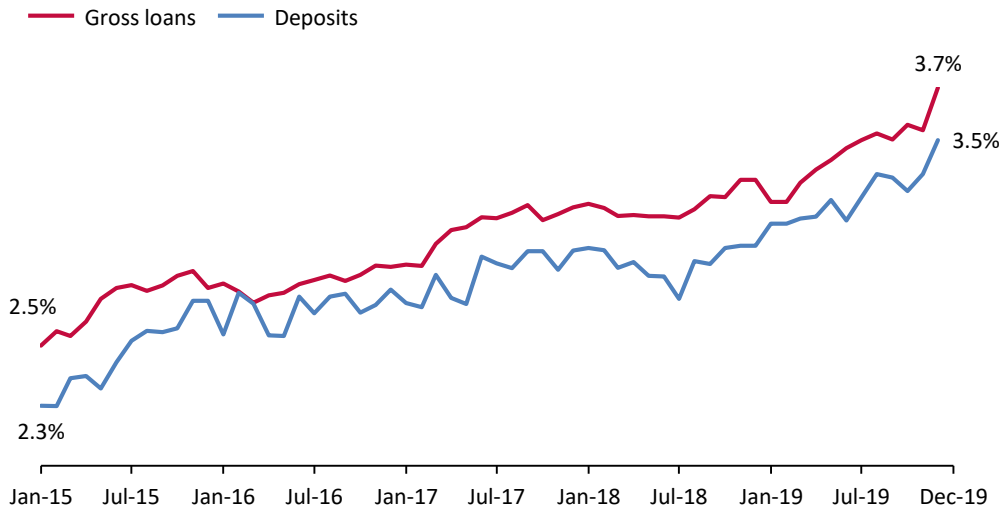
Gross loans and deposits



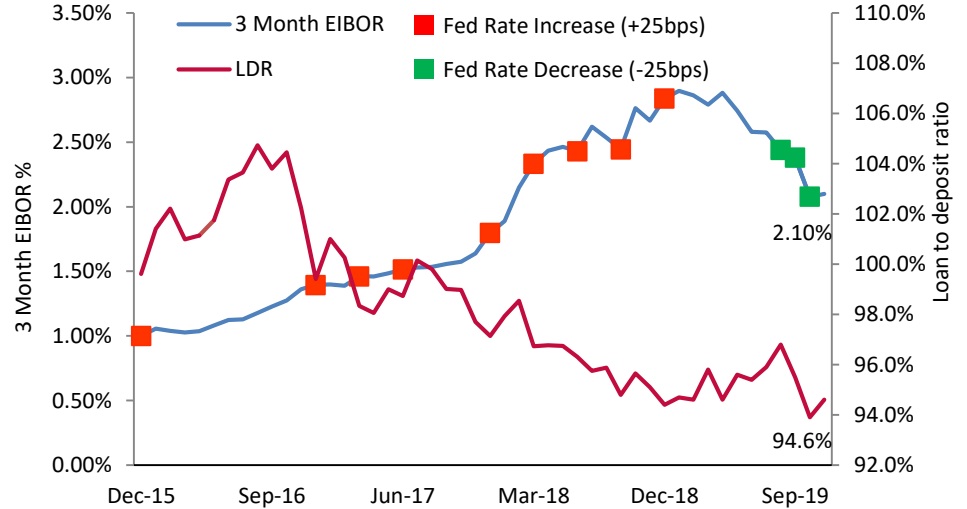
Credit Growth in the UAE Banking Sector



CBD market share



3 Month EIBOR and UAE loan to deposit ratio



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