

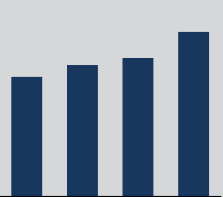


Investor Presentation
Financial Highlights

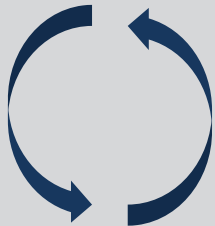


Dr Bernd van Linder
Chief Executive Officer
Mr Darren Clarke
Chief Financial Officer

Commercial Bank of Dubai 9M 2020 Overview



Net Profit
AED 816m
▼23.3% from 9M 19



Gross Lending
3.7%
UAE Loan Market Share



Employees
>1300



15 Branches
150
ATM/CDM



Corporate Social
Responsibility
Contributed to the
**Back to School 2020
Campaign with UAE
Red Crescent**



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

Awards

**Best Mobile Banking App and
Best in Lending in the UAE**
– The Global Finance Digital
Bank Awards 2020

**Best Customer Orientated
Transformation**
– The Transformers Awards
2020

**Best Cash and Liquidity
Management in ME/Africa**
– Treasury Management
International 2020

Earnings Snapshot – COVID-19 business conditions have resulted in lower net interest income, increased provisions

AED m

	9M 20	Change 9M 20 - 9M 19	Change (%) 9M 20 - 9M 19
Net profit	815.8	(247.4)	(23.3%)
Return on equity (RoE)	10.76%	(428) bp	(28.5%)
Return on assets (RoA)	1.22%	(60) bp	(33.2%)
Interest margin	2.01%	(51) bp	(20.3%)
Cost to income ratio	28.07%	(104) bp	(3.6%)
Impairment charge to gross loans	1.39%	23 bp	20.1%
Capital adequacy ratio	14.40%	(35) bp	(2.4%)

Financial Performance Snapshot – Q3 2020

Shareholder Value Creation

Revenues
AED 2,107m
▼6.0% from 9M 19

Net Profit
AED 816m
▼23.3% from 9M 19

Return on Equity
10.76%
▼428 bps from 9M 19

Focus on Growth

Assets
AED 92.8bn
▲5.3% from FY 19

Customer Deposits
AED 64.0bn
▲1.1% from FY 19

Gross Loans
AED 66.5bn
▲3.8% from FY 19

Strong Balance Sheet

Capital Adequacy Ratio
14.40%
▲23 bps from FY 19

Non-performing Loans
6.97%
▲103 bps from FY 19

Return on Assets
1.22%
▼60 bps from 9M 19

Improved Operating Performance

Operating Profit
AED 1,515m
▼ 4.7% from 9M 19

Cost to Income Ratio
28.07%
▼ 104 bps from 9M 19

Non Funded Income/
Operating Expenses
124.10%
▲ 1,107 bps from 9M 19

Performance Highlights Q3 2020

Supporting our customers during the challenging business conditions via economic support measures, and extending credit across the economy

Low interbank interest rates adversely impacted net interest income, these headwinds were partially offset by growth in loan volumes

Increased expected credit losses attributable to the Covid-19 external economic environment

Other operating income significantly higher on increased underlying business activity

Accelerated business transformation reducing operational expense

Maintained a strong balance sheet with solid liquidity, capital and asset quality

Continued leading organic market share growth, significantly above system

Strategic Execution in Q3 2020

Achieve Financial Results

- Net profit down 23.3% compared to 9M 2019
- Sharply lower interbank interest rates impacted net interest income
- Increased provisions related to COVID-19 impacts

Become Employer of Choice

- Supporting employees through the COVID-19 crisis
- Embedding high performance culture
- Recruiting, developing and retaining UAE national talent

Customer Focus

- Provided extensive relief measures for customers under the TESS scheme
- Accelerated pace of digital services for all customer groups
- Sustained uninterrupted banking services throughout the pandemic

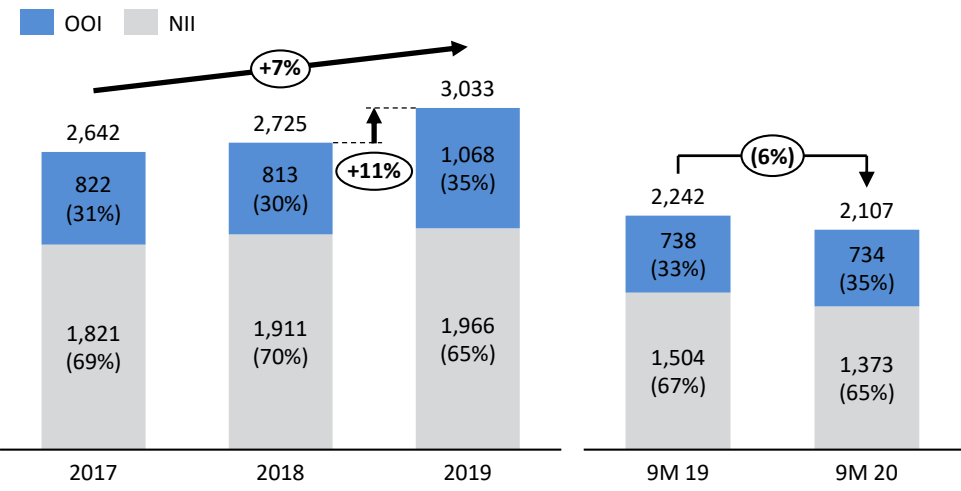
Default Digital

- Record high levels of digital adoption across Wholesale Banking
- Accelerated the transformation program optimising the expense base
- New offerings of real time cross border transfers, a remittance solution and a Robo-advisory platform

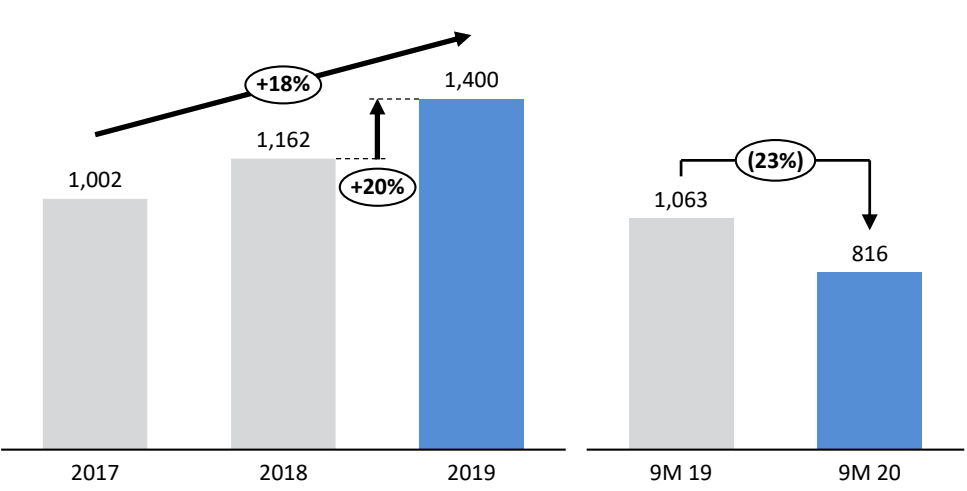
Core Performance Trends – lower results from specific credit losses and decreased net interest income

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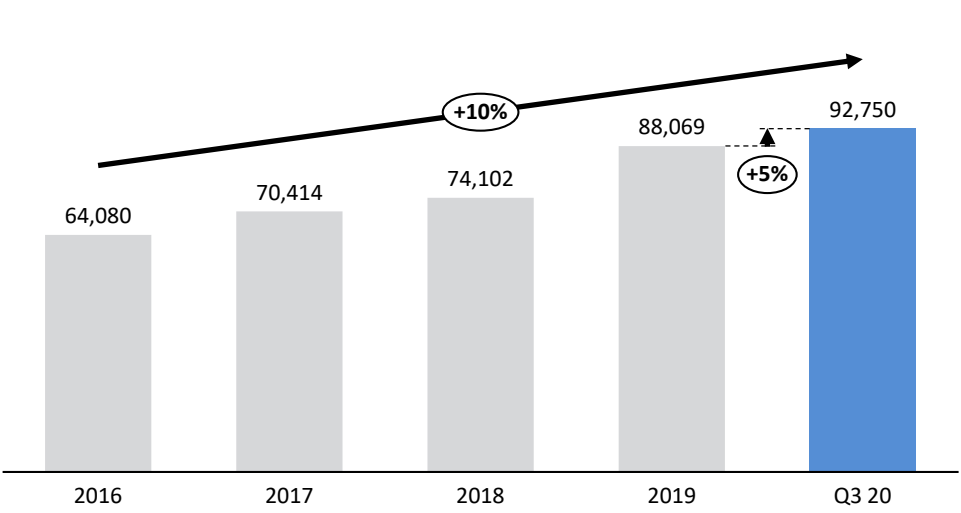
Revenue



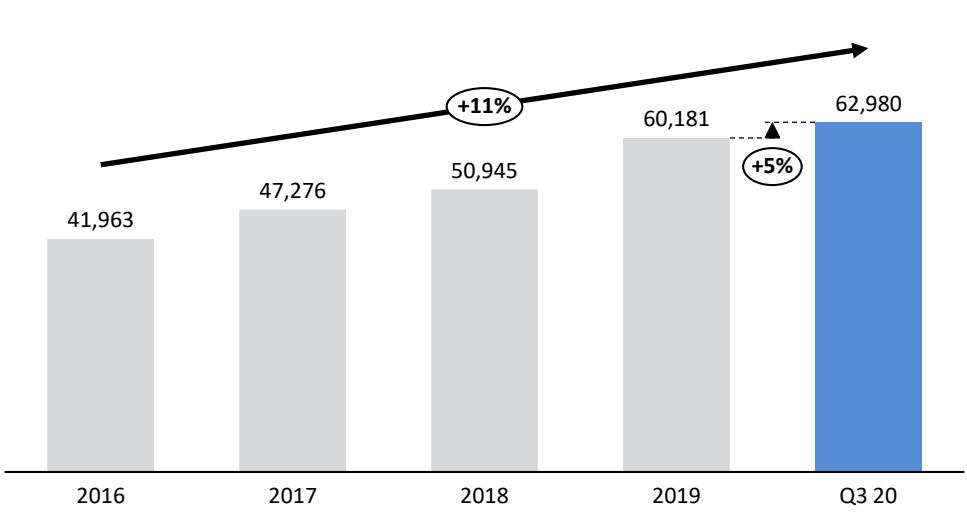
Net profit



Assets



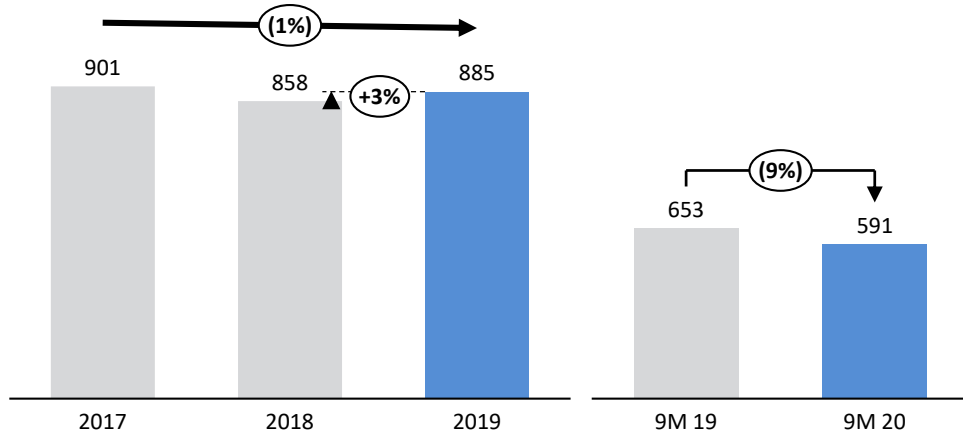
Net loans



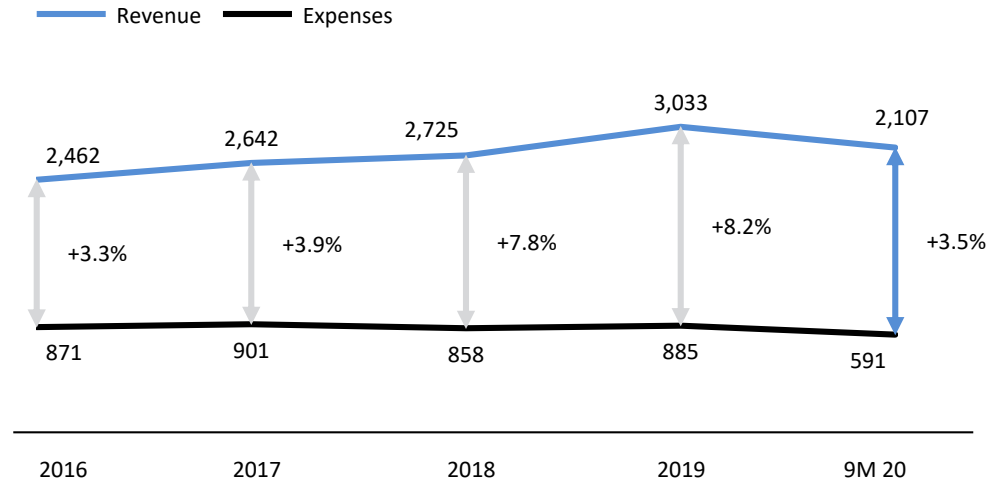
Profitability and Returns – accelerated expense optimisation, restrained business activity

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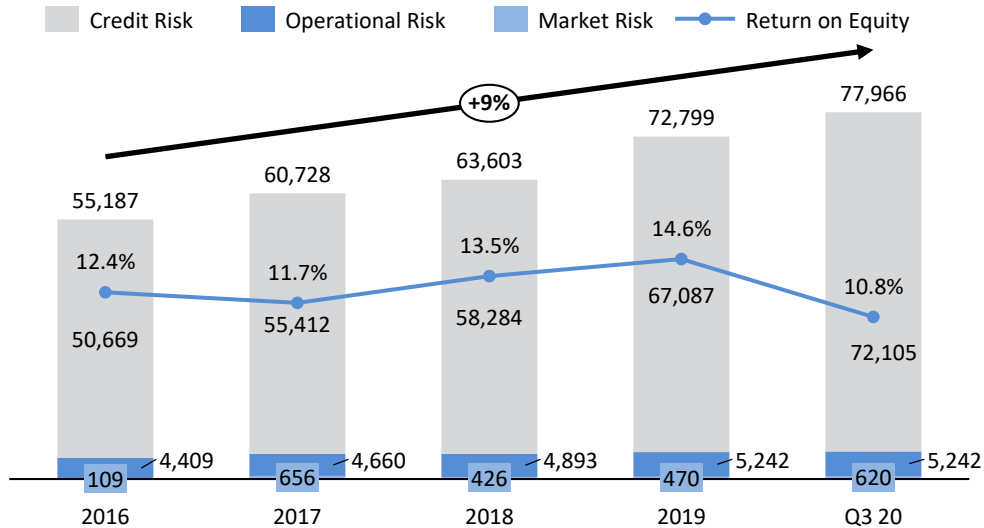
Expenses



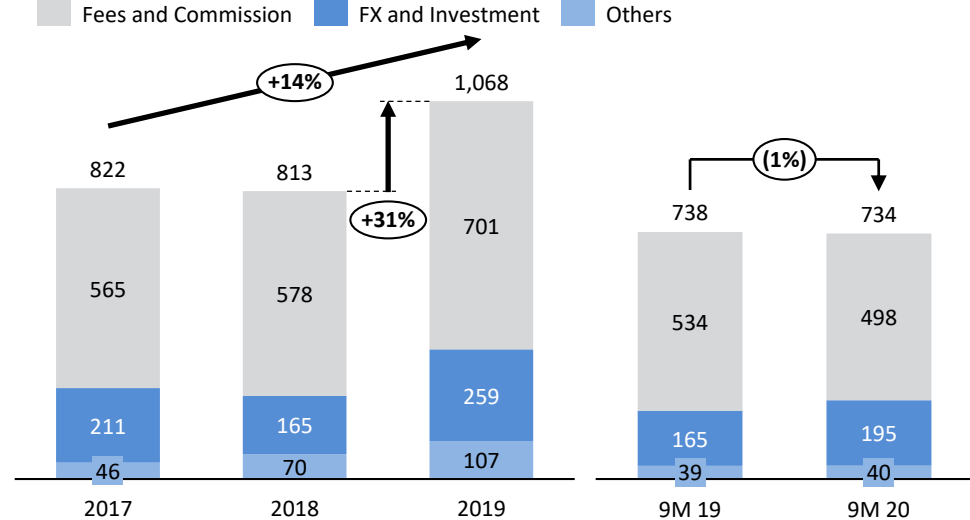
Revenue and expense JAWS



RWA and Return on Equity

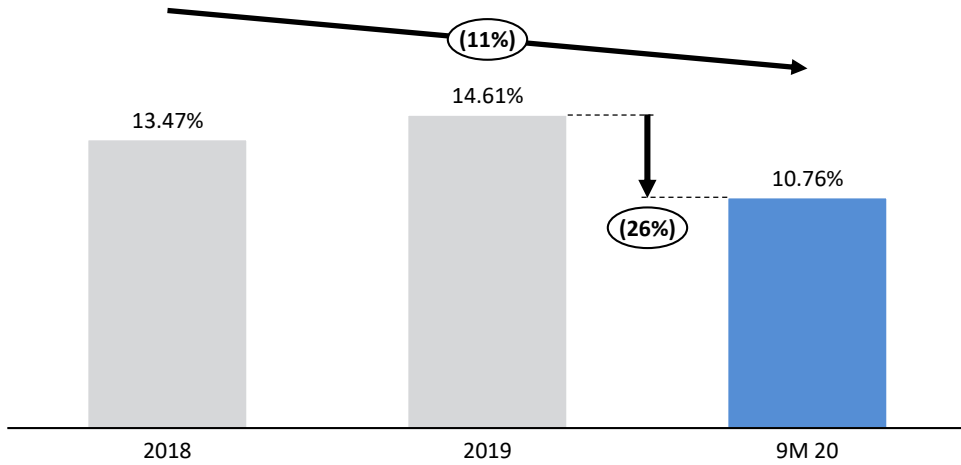


Other Operating Income

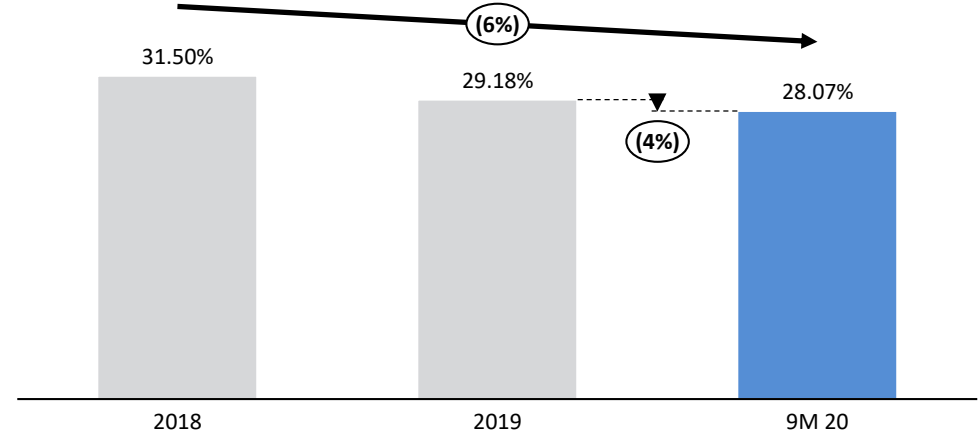


Strategic Financial KPI's – returns impacted by the unprecedented market environment

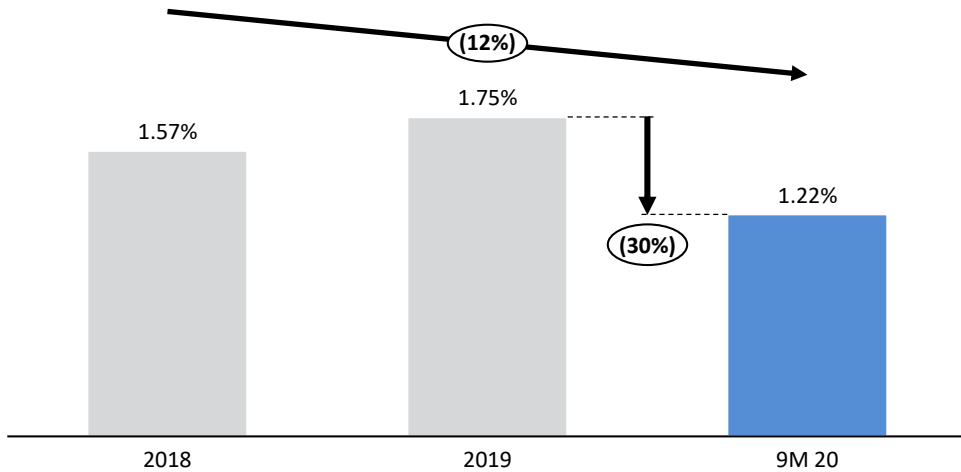
Return on Equity (ROE)



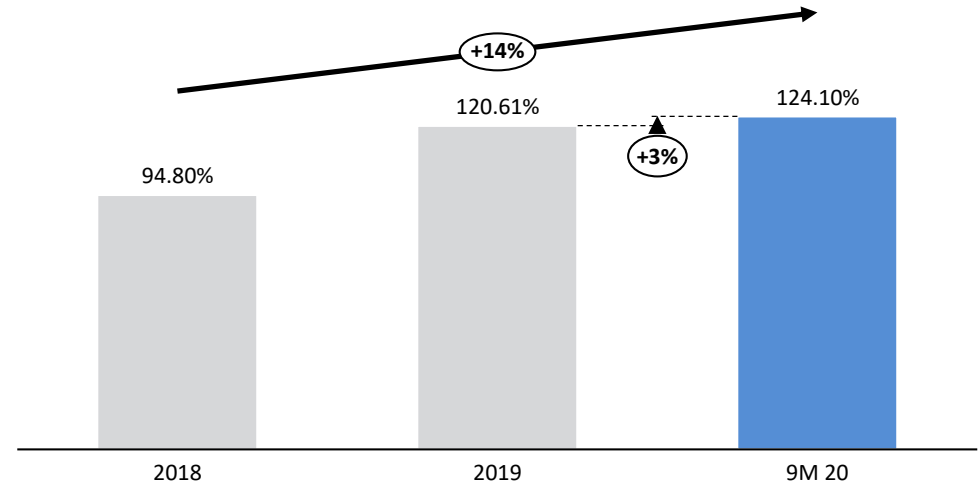
Cost to Income Ratio



Return on Assets (ROA)

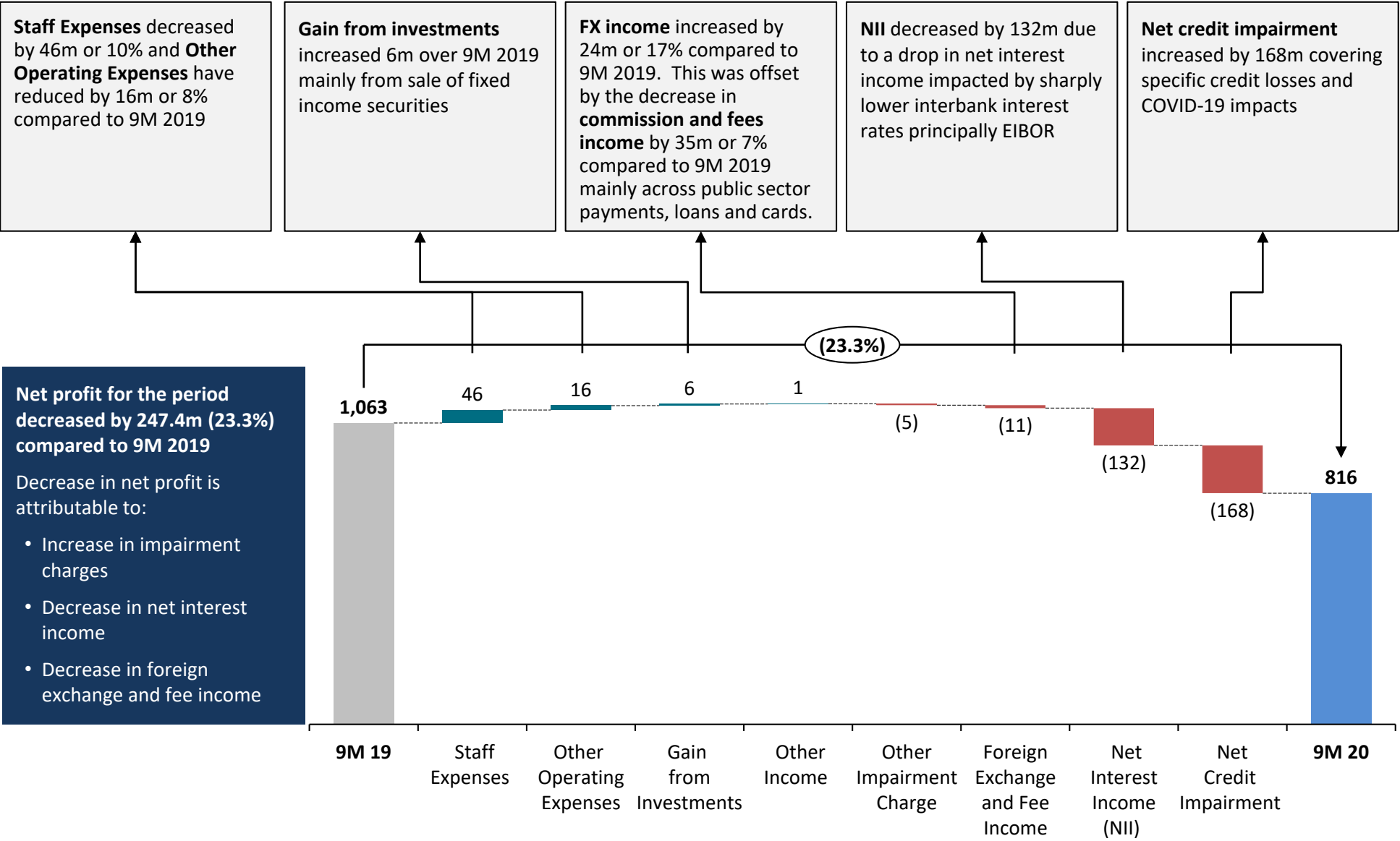


Other Operating Income as % of Expenses



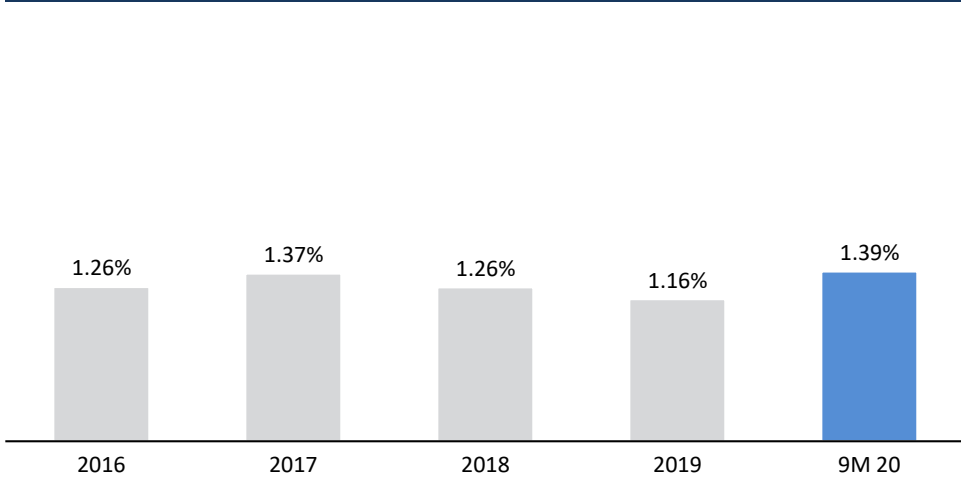
Net Profit Bridge – below prior period due to lower interest income and specific credit losses

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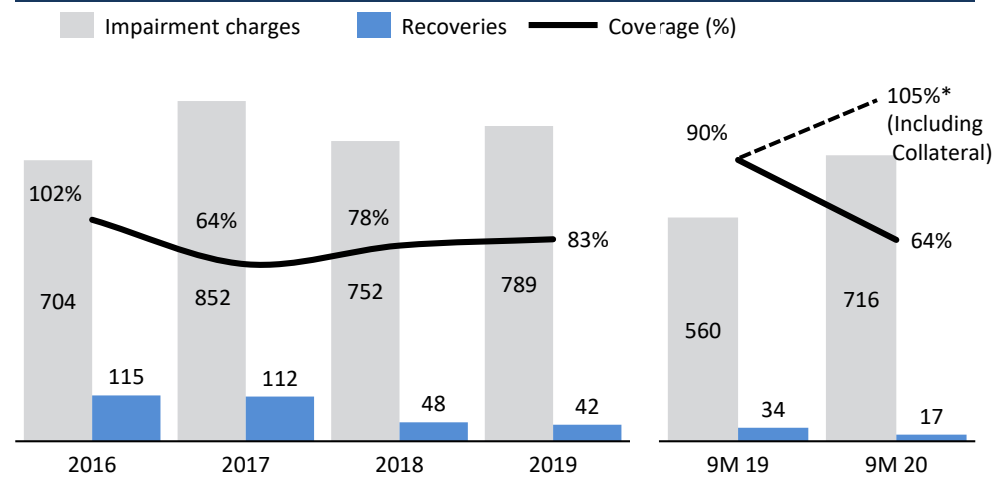


Asset Quality and Impairments – system wide asset quality headwinds

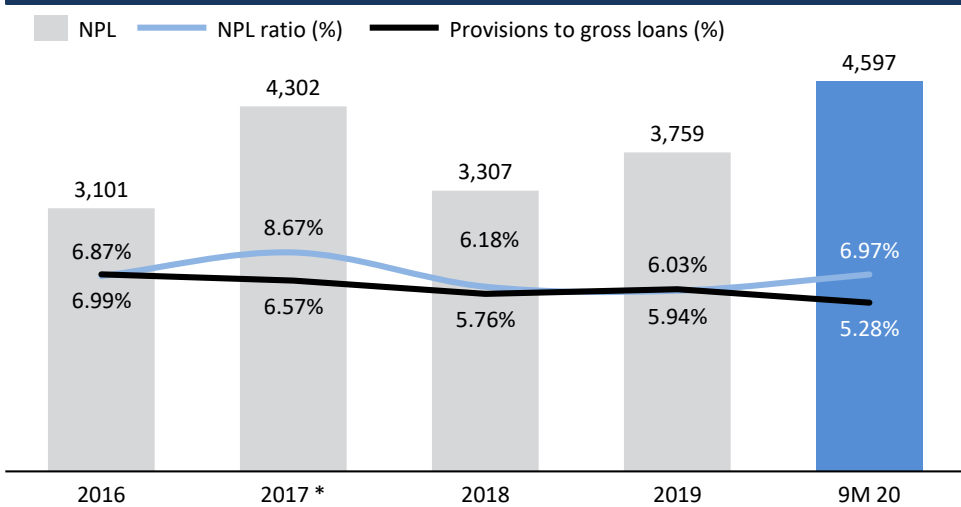
Cost of Risk



Impairment Charges and Recoveries

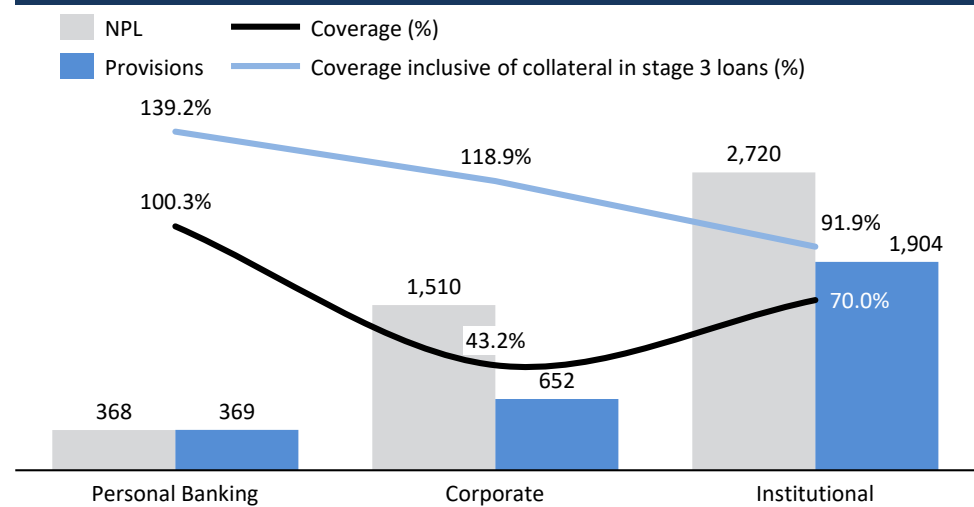


NPL Ratio



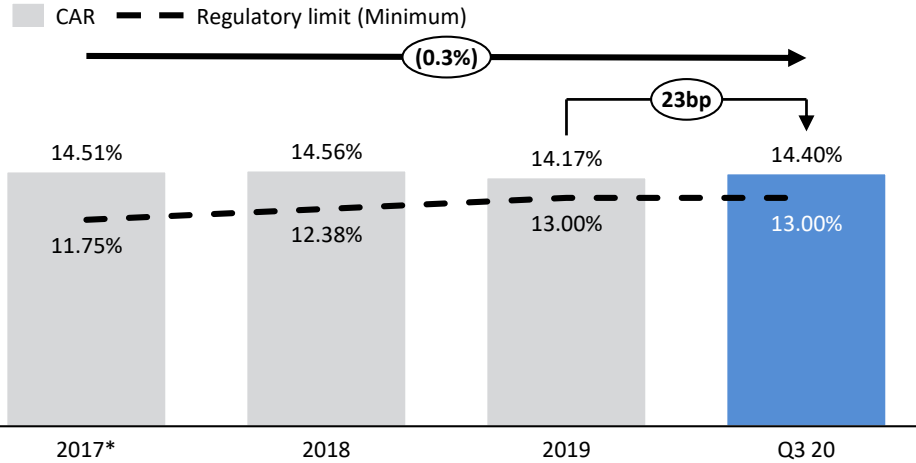
* IFRS 9 transition.

Expected Credit Provisions – Segment



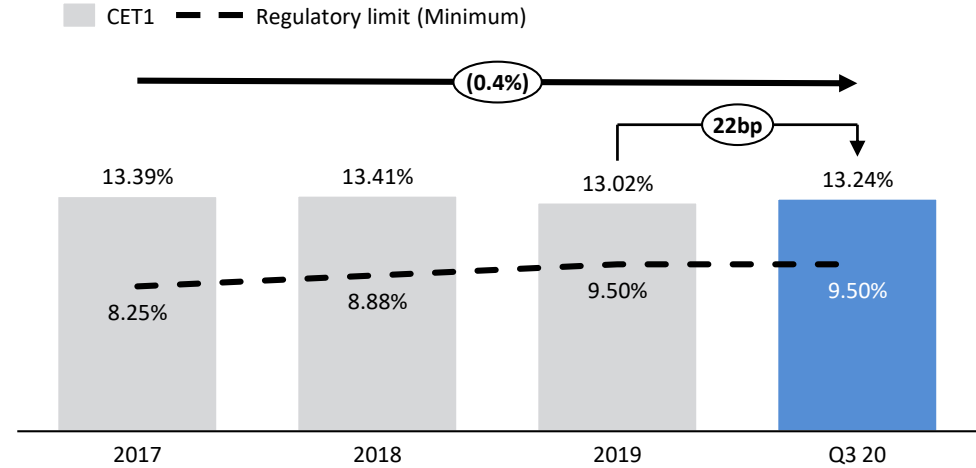
Balance Sheet and Capital Strength – capital ratios above regulatory minimums

Capital Adequacy Ratio (CAR)

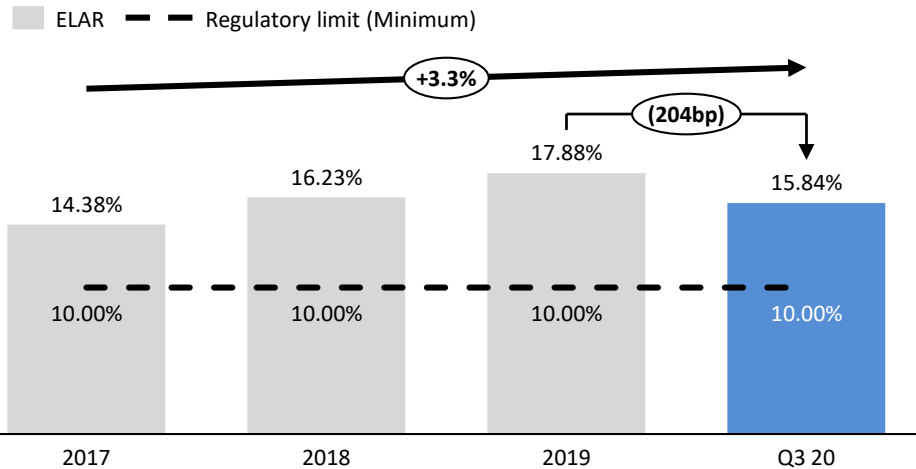


* 2017 retained earnings have been updated by 397m for IFRS9 opening adjustment to be 2.6b instead of 3.0b

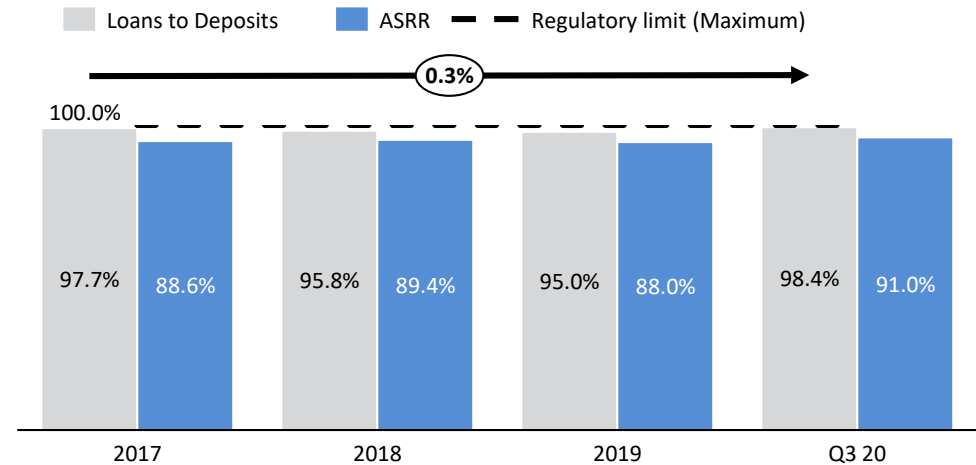
Common Equity Tier 1 (CET1)



Eligible Liquid Assets Ratio (ELAR)



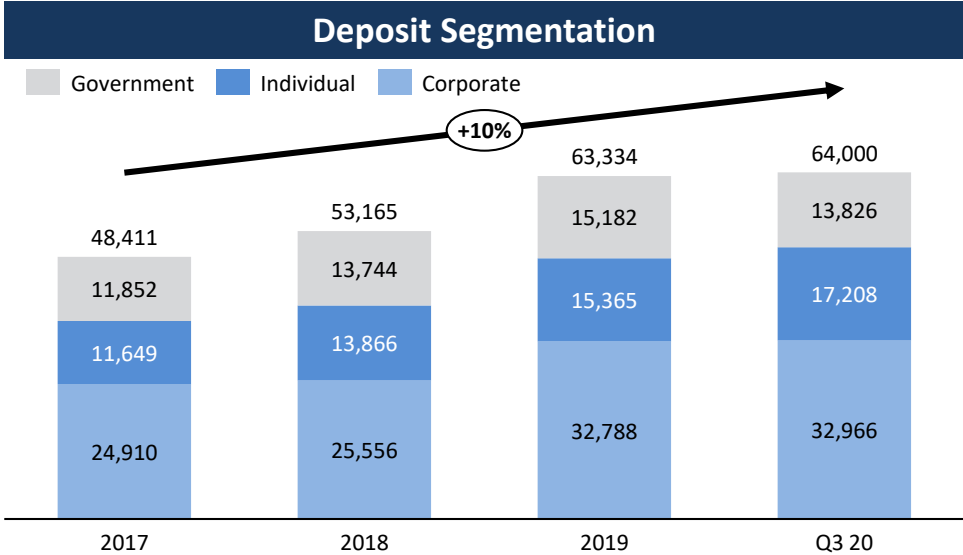
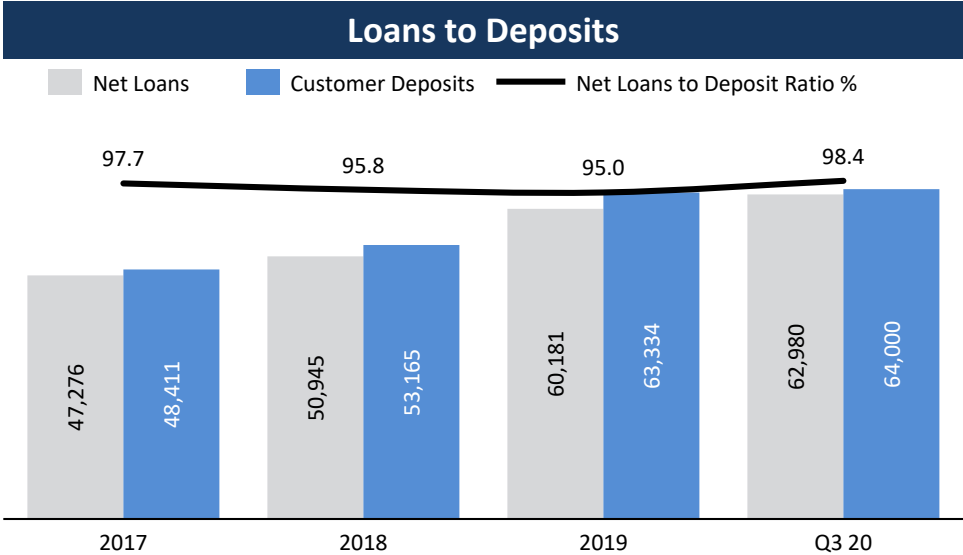
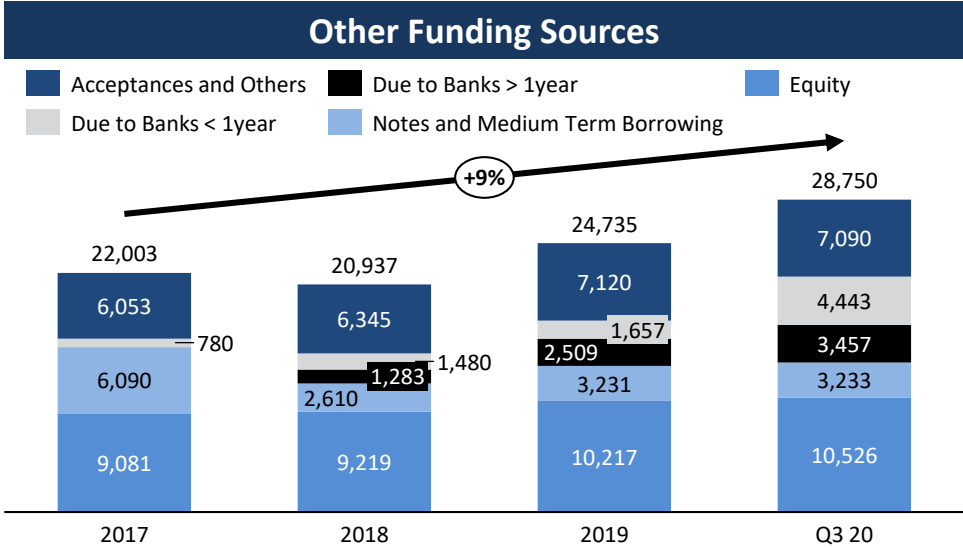
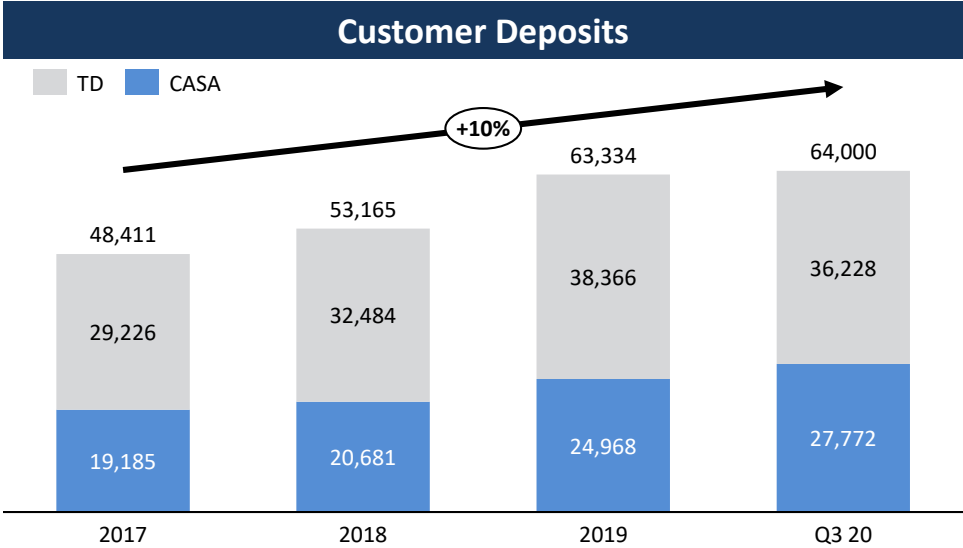
Loans to Deposits and ASRR



As at 21st of October 2020, CBD has successfully completed the issuance of the inaugural USD\$ 600m (AED 2,200m) AT1 bonds. This will lift CAR to a pro-forma 17.22%.

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

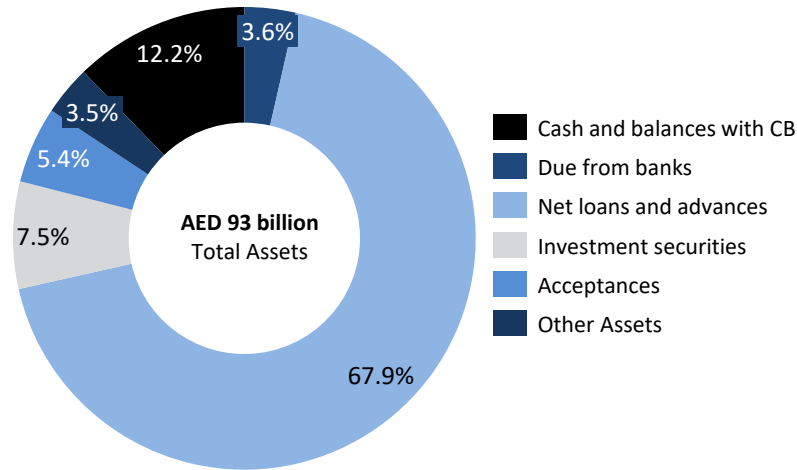
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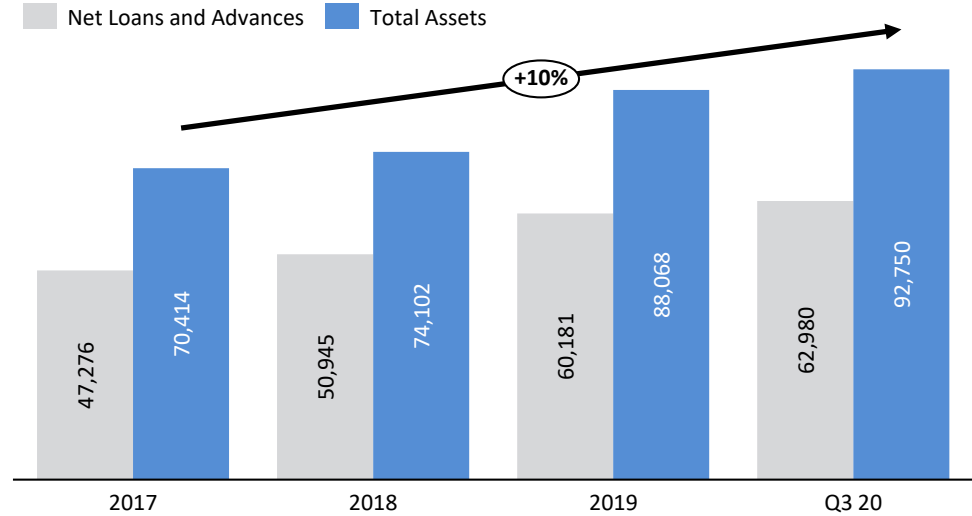
Balance Sheet Analysis – supporting customers across sectors and product portfolios

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Assets Mix



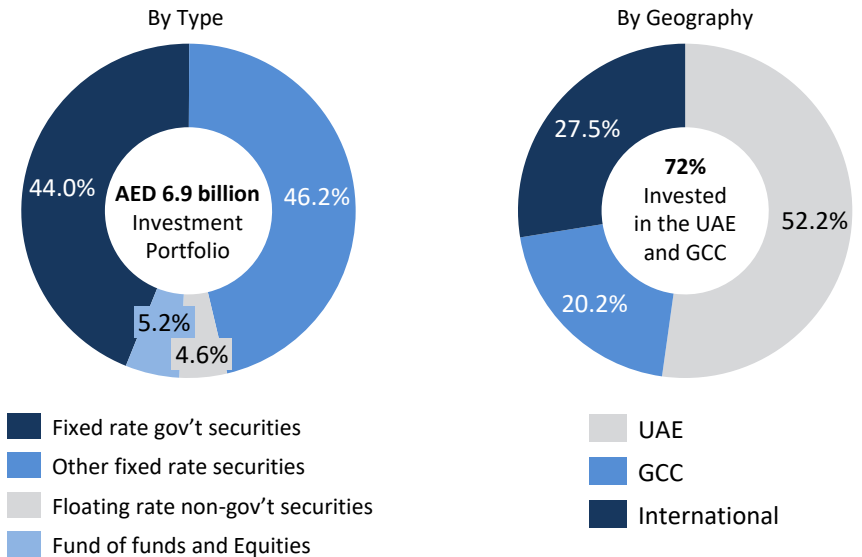
Assets and Loans



Gross Loans and Advances by Sector

Sector	Sep 20	Dec 19	Var %
Transportation and storage	2,131	951	124.0
Government entities	538	274	96.7
Others	2,172	1,331	63.1
Trade	7,402	5,741	28.9
Personal - mortgage	3,746	3,308	13.2
Construction	4,851	4,383	10.7
Manufacturing	2,651	2,432	9.0
Real estate	23,611	22,695	4.0
Hospitality	2,629	2,574	2.1
Services	5,739	5,715	0.4
Personal - schematic	4,210	4,691	(10.3)
Individual loans for business	1,464	1,760	(16.8)
Financial and insurance activities	5,346	8,185	(34.7)
Total	66,490	64,039	3.8

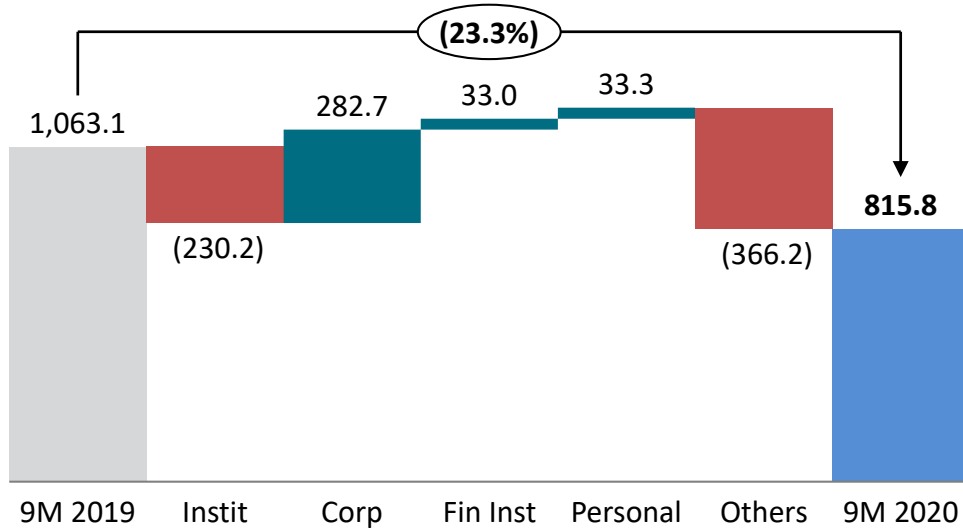
Investment Securities Portfolio



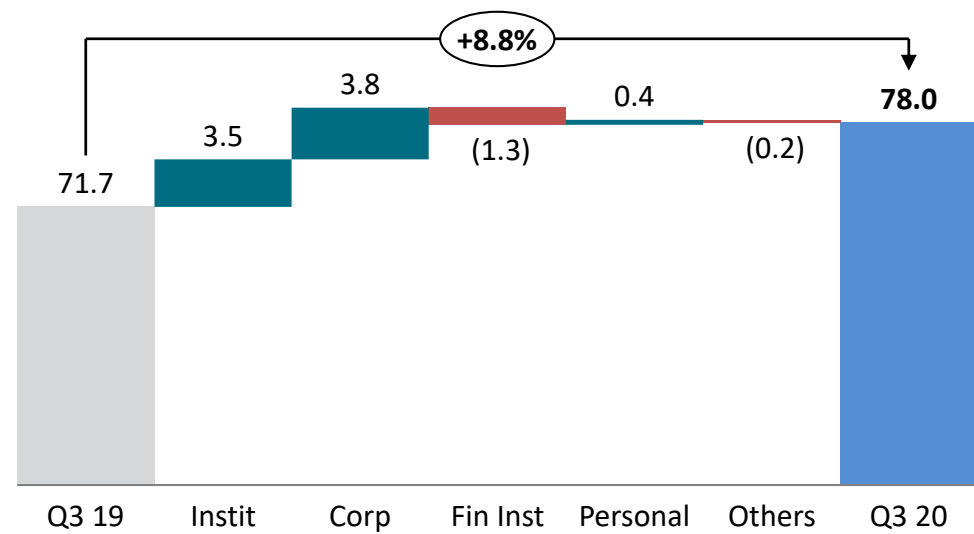
Divisional Contributions – dedicated segments supporting our customers

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Divisional net profit movement



Divisional RWA movement



9M 2020	Institutional	Corporate	Financial Institutions	Personal Banking	Others	Total
Operating Income	642.8	755.7	58.4	742.5	(92.9)	2,106.5
Expenses	(93.0)	(92.9)	(13.1)	(374.6)	(17.6)	(591.3)
Operating Profit	549.8	662.8	45.2	368.0	(110.5)	1,515.2
Impairment (charges) / benefits	(535.7)	(73.1)	16.8	(97.3)	(10.2)	(699.5)
Net Profit	14.1	589.7	62.1	270.7	(120.7)	815.8
% of Group Net Profit	1.7	72.3	7.6	33.2	(14.8)	100.0

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

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, Institutional Banking



Mr. Abdul Rahim Al Nimer
General Manager, Corporate Banking



Mr. Hassan Al Redha
General Manager, International & 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. Stefan Kimmel
Chief Operating Officer



Mr. Alan Grieve
Chief Risk Officer

COVID-19 – The global challenge of our generation

Pandemic spread across the globe

“The COVID-19 pandemic is inflicting high and rising human costs worldwide, and necessary protection measures are severely impacting economic activity”

– IMF April 2020

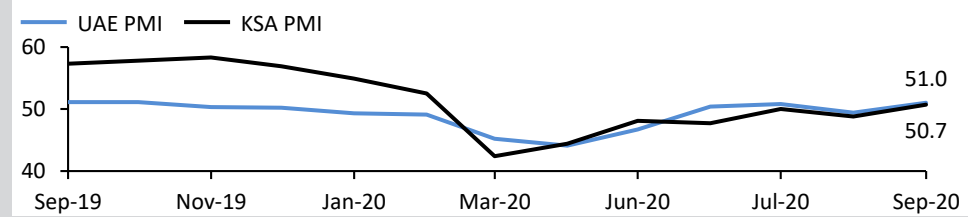
Present in >200 Countries Over 35m Cases Globally

1 million + Deaths Approx. 3% Mortality Rate

Source: WHO as of 7th October 2020

Supply chain disruption

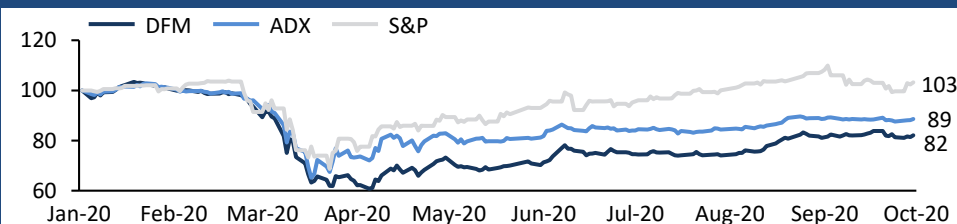
Borders are closed, there are significant restrictions on global travel which has effectively brought supply chains to a halt in many industries.



Source: investing.com

Fall in financial markets

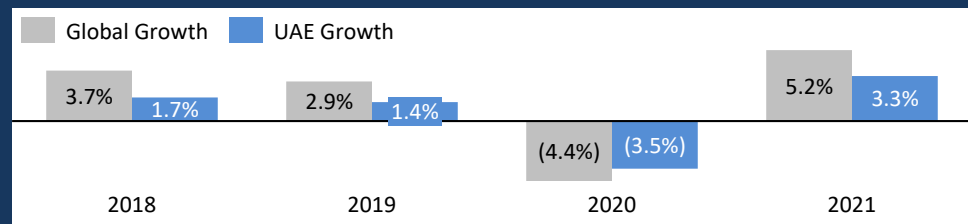
Indexes globally have seen large falls with investors fearing the spread of COVID-19 will destroy economic growth.



Source: Abu Dhabi Securities Exchange, Dubai Financial Market, sglobal.com

Flat to negative growth globally in 2020

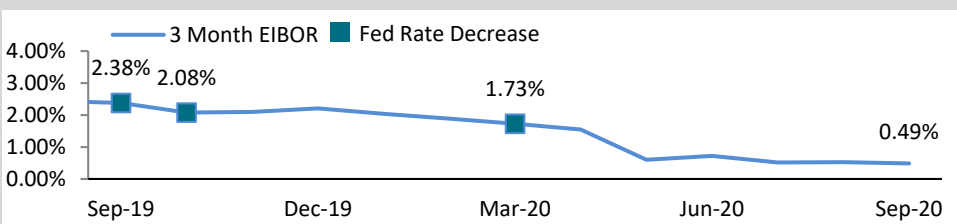
The IMF initially forecast global growth of 3.3% in 2020, however the sudden onset of COVID-19 pandemic has pushed these forecasts negative.



Source: International Monetary Fund

Central Bank rate cuts

Central Banks in many countries have slashed interest rates in order to support the economy, EIBOR rate cuts have similarly been made by the UAE Central Bank.



Source: Central Bank of the UAE, Federal Reserve Bank USA

Economic stimulus packages announced

Countries across the globe are also passing coronavirus aid packages to support the economy. Similarly the UAE Central bank has announced a AED 256 billion Targeted Economic Support Scheme which includes:

- AED 50 billion capital buffer relief
- AED 50 billion zero cost funding support
- AED 95 billion liquidity buffer relief
- AED 61 billion reduction of cash reserve requirements

Source: Central Bank of the UAE

COVID-19 Economic impact and stimulus

Economic impacts

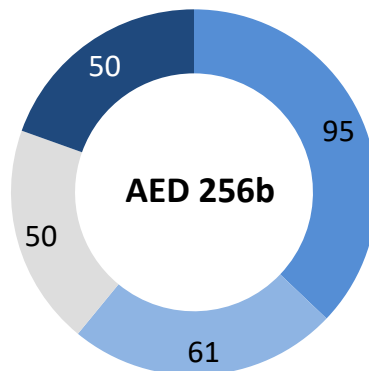
- The **COVID-19** pandemic has become an unprecedented challenge for the global society and the medical system.
- The coordinated effort to contain the spread of COVID-19 has consequences for the **global economy and the banking sector**.
- Most economists have predicted a **material slowdown** impacting most sectors in all major economies.
- Specifically in the region, the situation has been exacerbated with the **drop in the price of oil** to multi-year lows, due to low demand and the fallout of the deal between OPEC and Russia.

UAE economic stimulus

- Governments and Central banks have responded with **stimulus packages and other fiscal measures** to sustain the economy.
- UAE has announced **economic stimulus** packages through debt deferrals, rental and government fee waivers.
- The CBUAE's **Targeted Economic Support Scheme (TESS)** provided zero cost funding and relaxed capital buffers.
- TESS allows clients impacted by COVID-19 to **reschedule payments** on interest and/or principal until the end of the year.
- CBUAE policy actions **to sustain liquidity** increased the total government stimulus **to AED 256bn**.

UAE stimulus allocation

- Relaxed liquidity buffers
- Relaxed capital buffers
- Lower cash reserve
- Zero cost funding

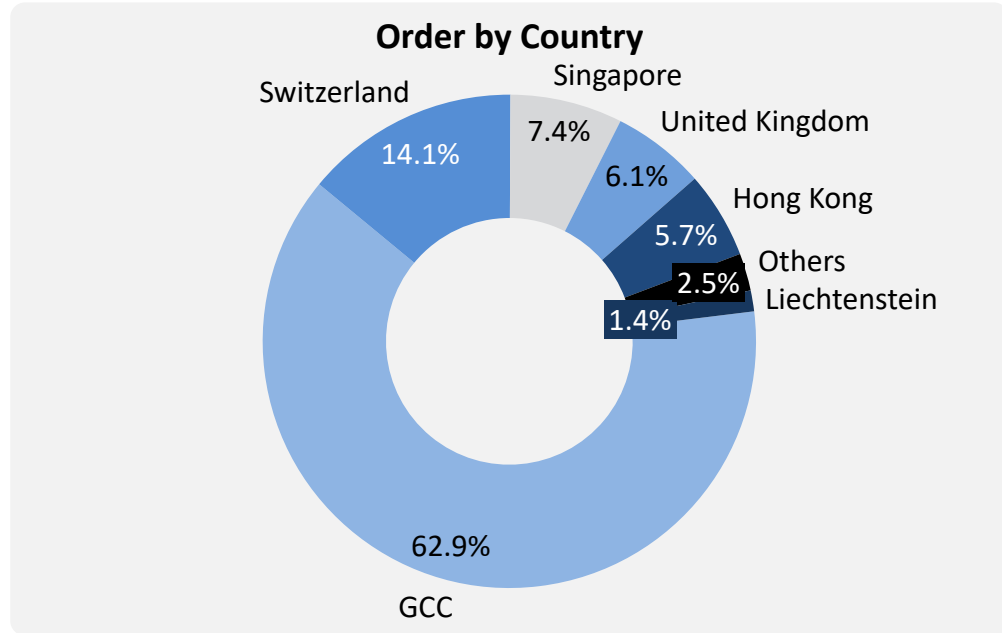
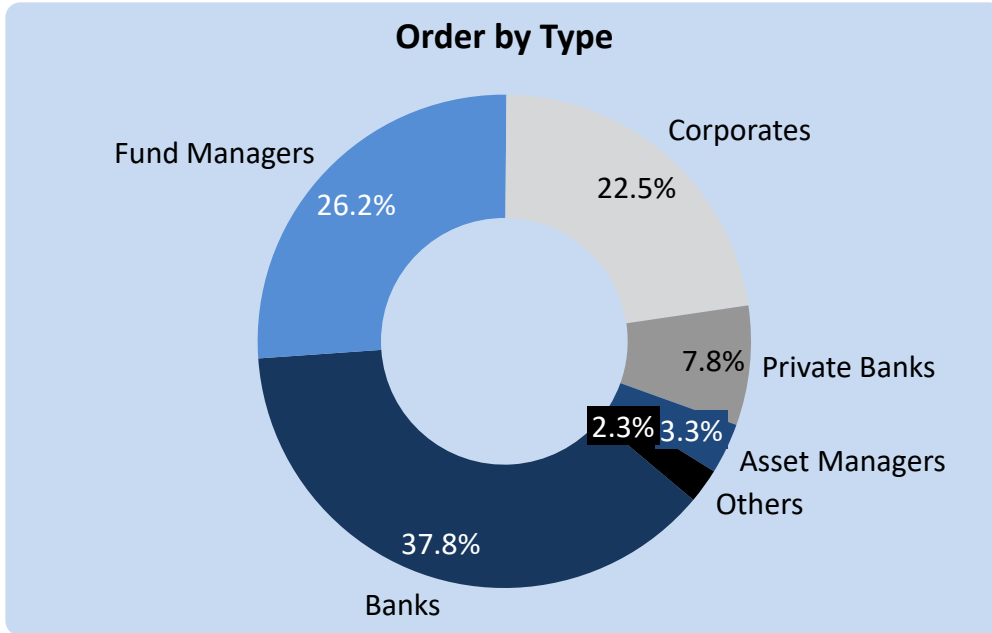


Possible recovery path

- Global indices and macro-economic data point to the potential deep economic impact, with the shape of the recovery post the lockdown uncertain
- The SARS outbreak whilst far more insignificant, was followed by a swift rebound in business conditions and demand.
- Several economists have projected that lockdowns should **flatten the curve**, followed by gradual relaxation in distancing norms, leading to economic recovery.

USD\$ 600m AT1 Issuance – landmark AT1 issuance setting the course of the future

AED m



Transaction Summary

- On 12 October 2020, CBD announced a new mandate for AT1 Perpetual Non-Call six year unrated bond.
- Following positive reception to the transaction from global accounts on 14 October 2020, orderbooks exceeded \$1.4b.
- Despite a busy primary market backdrop, CBD benefitted from a high quality orderbook that allowed CBD to price and set the yield on 6.0% for a \$600m size.
- Strong investor engagement was reflected in the Management’s efforts and dedication to ensuring a comprehensive outreach exercise which included over 50 investors.
- CBD’s return to the capital markets after 5-years and debut AT1 transaction was well-received by the market. The issuance strengthens CBD’s capital position, optimizes the capital structure and successfully raised cost-effective capital.

Transaction Highlights

- Debut bank capital transaction for CBD & return to debt capital markets since 2015
- **Lowest coupon from a Dubai bank issuer to date**
- Over 100 global investors at the peak of the book build including asset managers, insurers, pension fund, and banks / private banks
- Engaged with 20 top global investors on group calls with an additional 26 investors joining the Global Investor Call
- High quality investors reflected their appreciation of the CBD credit with strong orders with tightened pricing
- 37.5bps tightening from IPTs to landing on the back of a high quality \$1.4bn orderbook
- Second AT1 transaction from the GCC with a 6-month par call

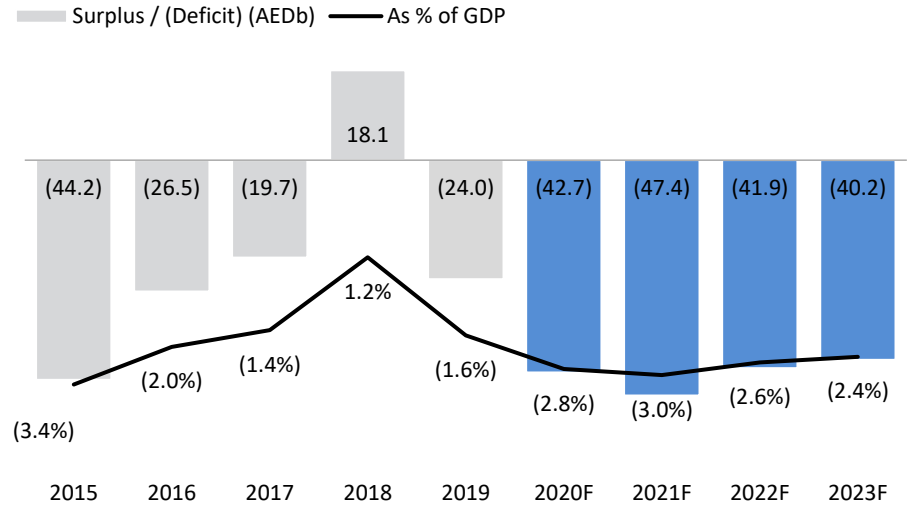
United Arab Emirates – the macro environment has deteriorated due to the COVID-19 pandemic

UAE Stock market indices



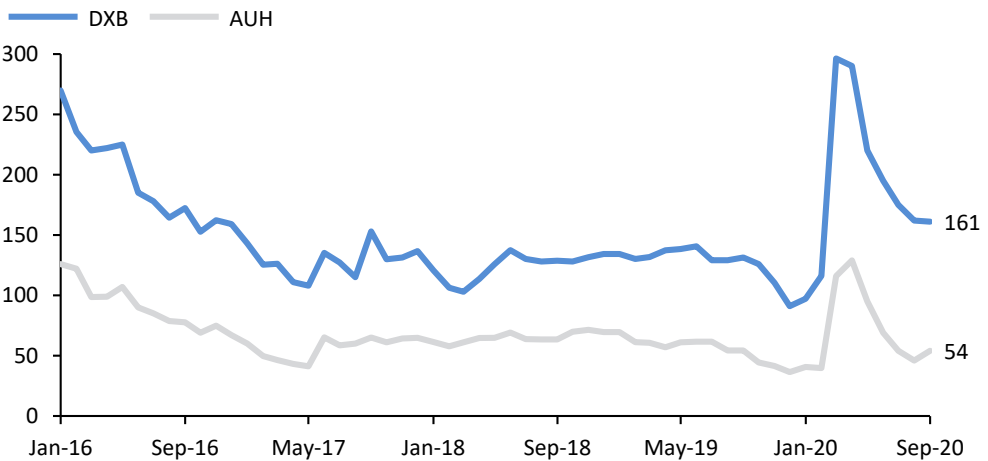
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

Fiscal Deficits to be posted



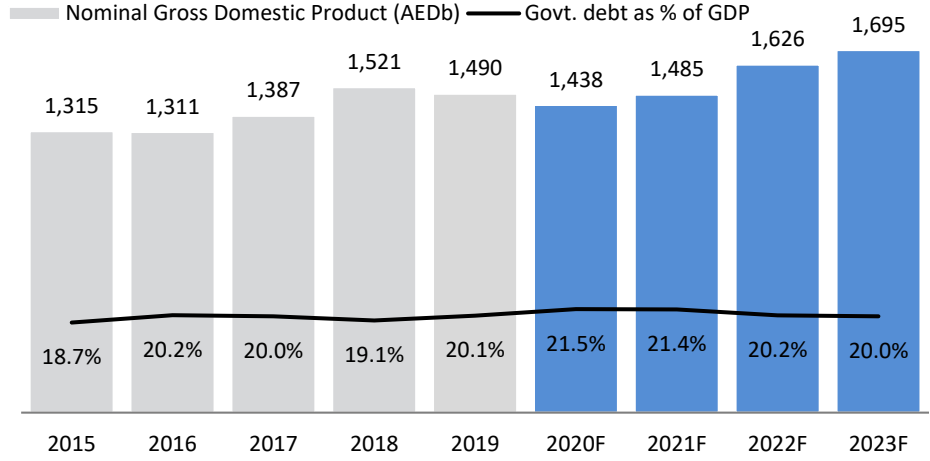
Source: International Monetary Fund (October 2019 Dataset)

5 Year CDS



Source: Bloomberg

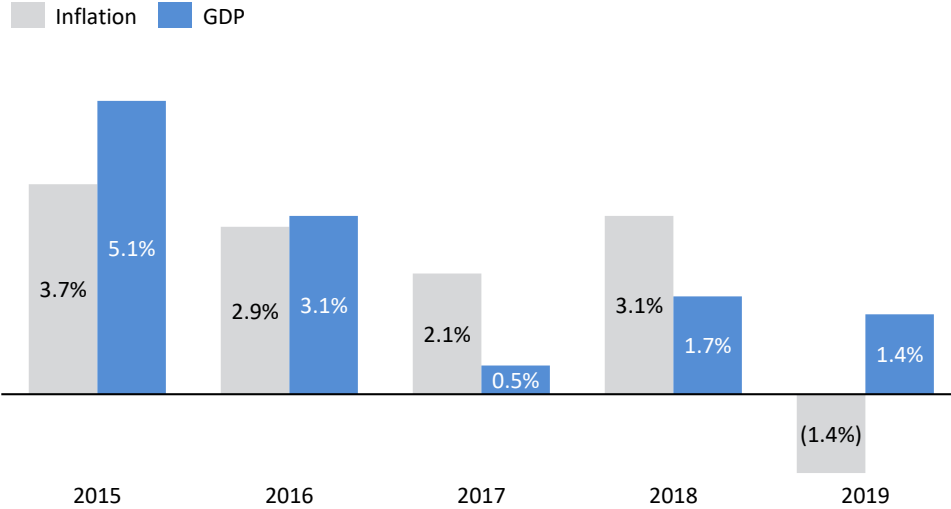
UAE GDP and Government Debt



Source: International Monetary Fund (October 2019 Dataset)

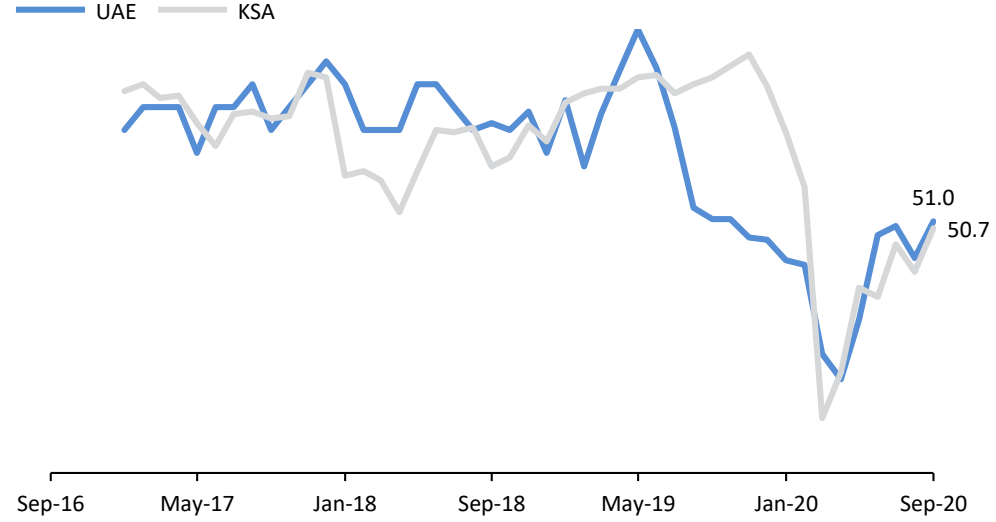
UAE Economic Update – GDP expected to contract in 2020, oil prices under downward pressure

UAE GDP and Inflation Trend



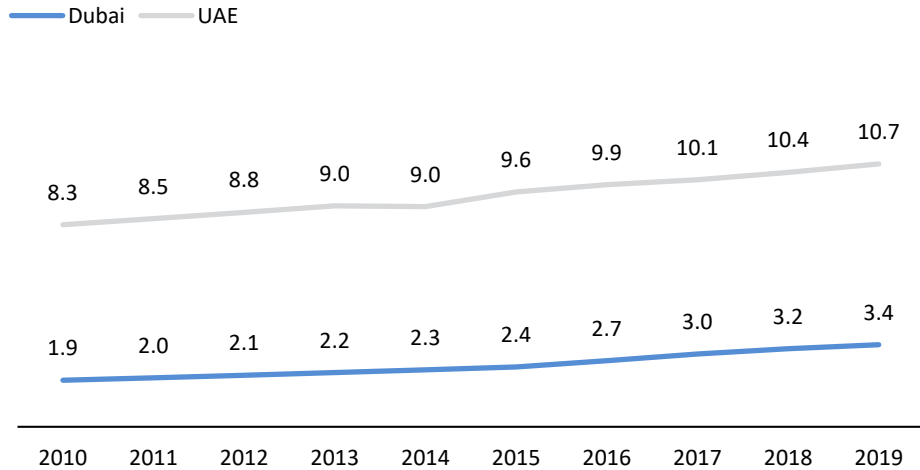
Source: UAE Ministry of Economy, fcsa.gov.ae

Purchasing Managers Index



Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

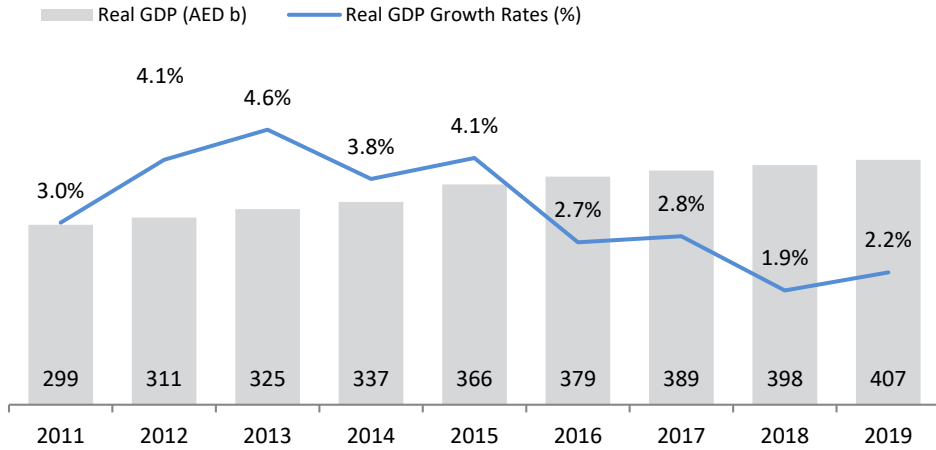
Brent oil



Source: investing.com

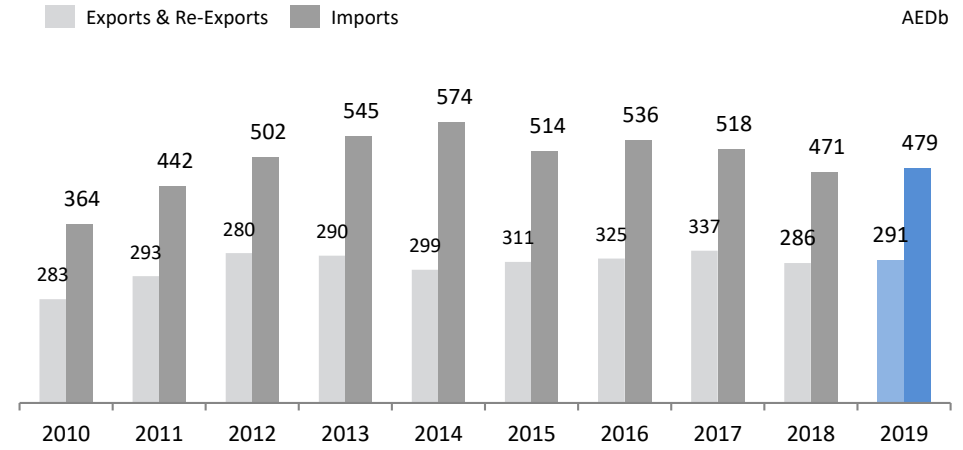
Dubai – external headwinds continue with all sectors impacted to varying degrees by COVID-19

Growth in Economy



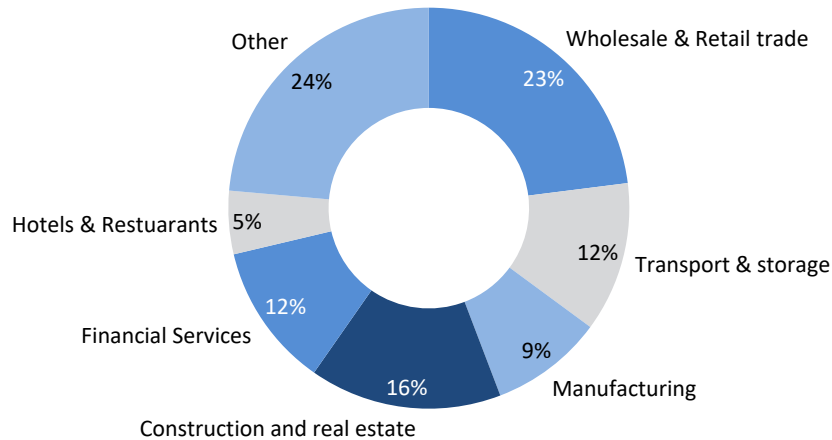
Source: Dubai Statistics Centre, Dubai Economic Department

Foreign Trade



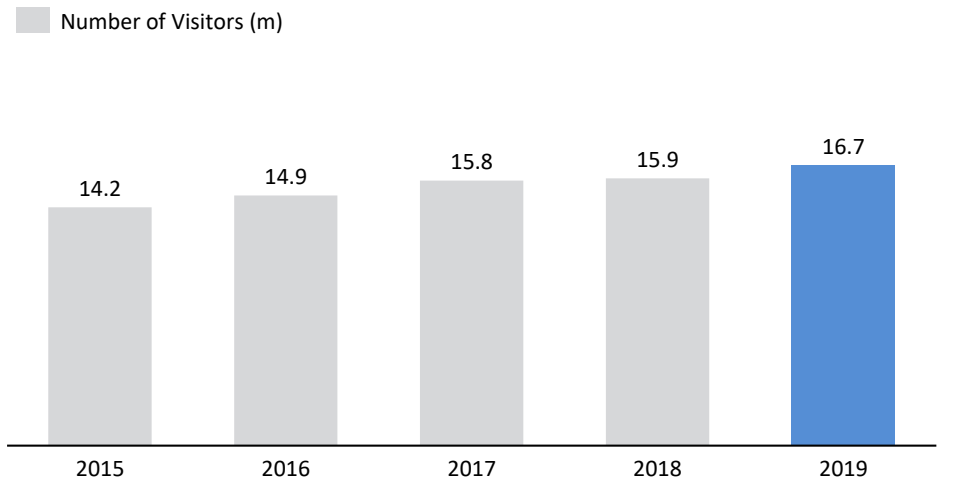
Source: Dubai Statistics Centre

Dubai GDP by sector (Q1 2020)



Source: Dubai Economic Report

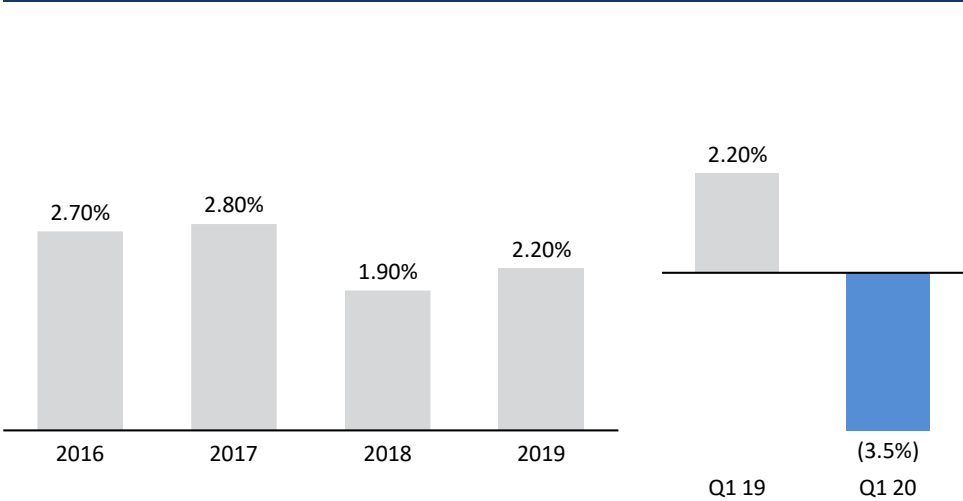
Tourism



Source: Dubai Statistics Centre

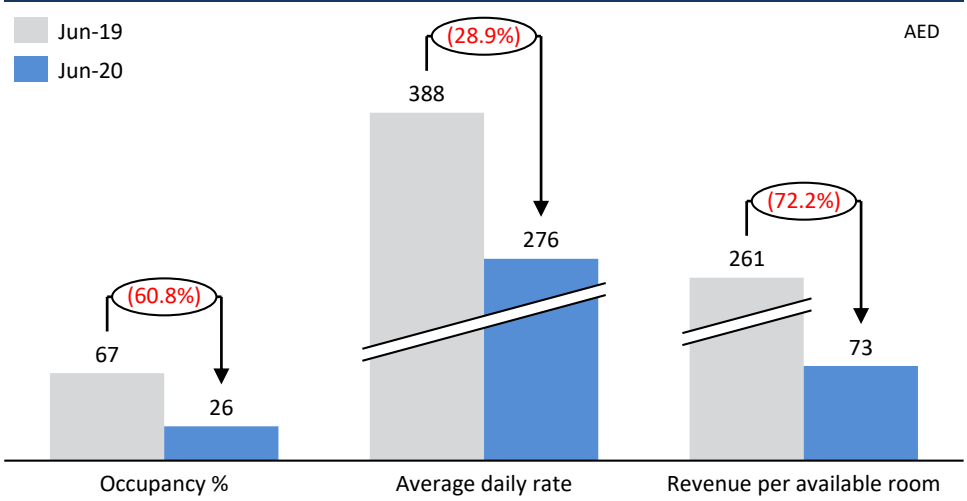
Dubai Economic Update – challenging real estate prices, business conditions and confidence

Dubai GDP growth



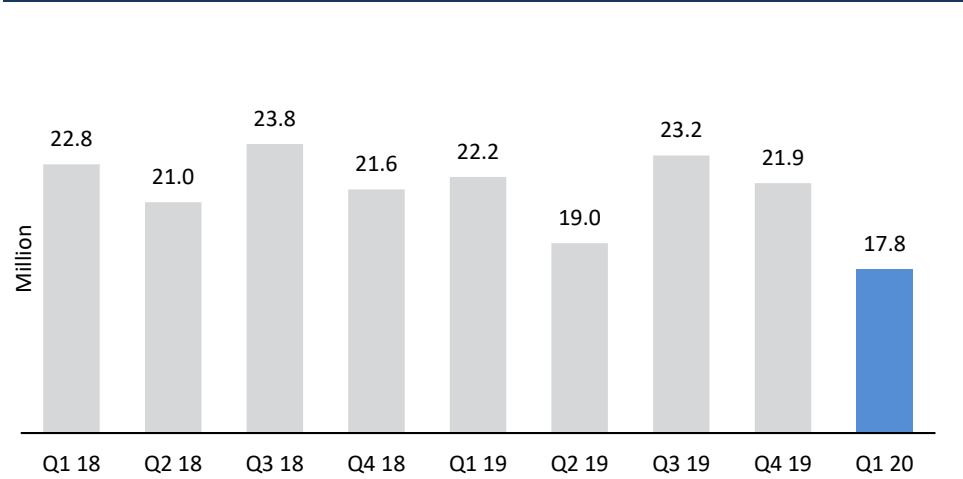
Source: Dubai Statistics Centre, Dubai Economic Department

Dubai hospitality



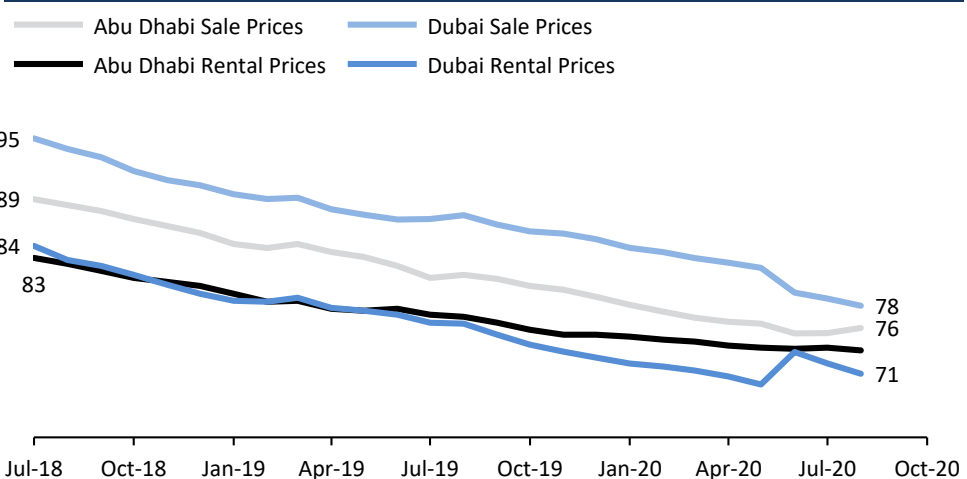
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



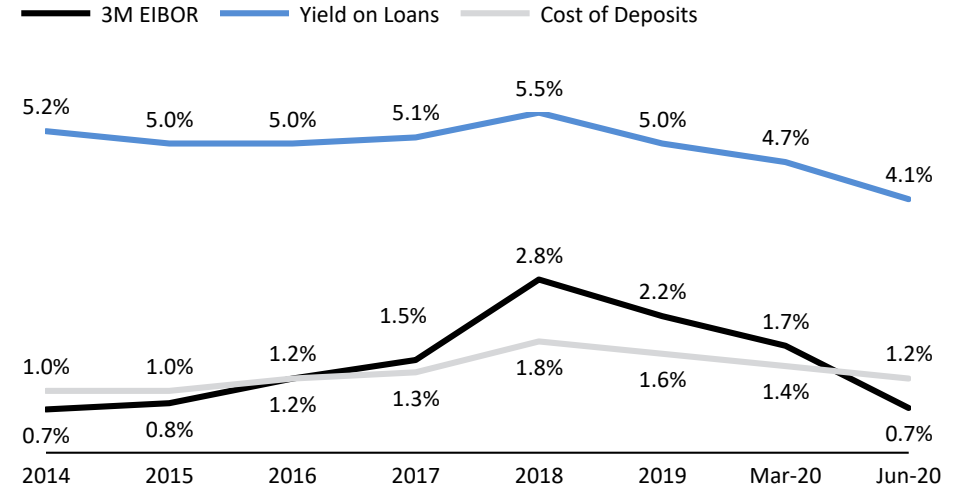
UAE Banking Sector – critical industry to support the UAE recovery post crisis

Key industry indicators

AEDb	2017	2018	2019	Aug 20	YTD
Total assets	2,694	2,869	3,083	3,223	▲ 4.6%
Customer deposits	1,627	1,756	1,870	1,899	▲ 1.5%
Loans and advances	1,580	1,657	1,759	1,801	▲ 2.4%
Loan to deposit (%)	97.1	94.3	94.1	94.8	▲ 0.7%
CAR (%)	18.1	17.5	17.7	17.6*	▼ 0.1%
Tier 1 ratio (%)	16.6	16.2	16.5	16.4*	▼ 0.1%

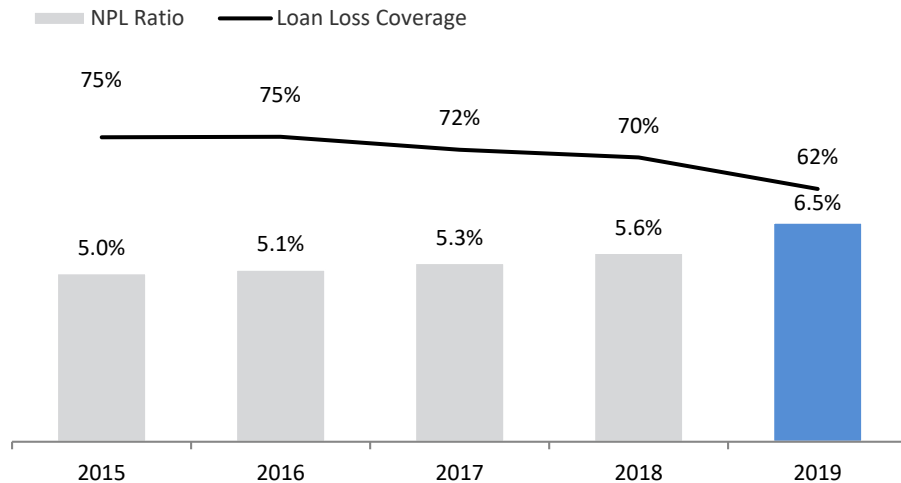
*Ratios as of June-20. Source: Central Bank of the UAE

Average Loan Yield & Cost of Deposits vs 3M EIBOR



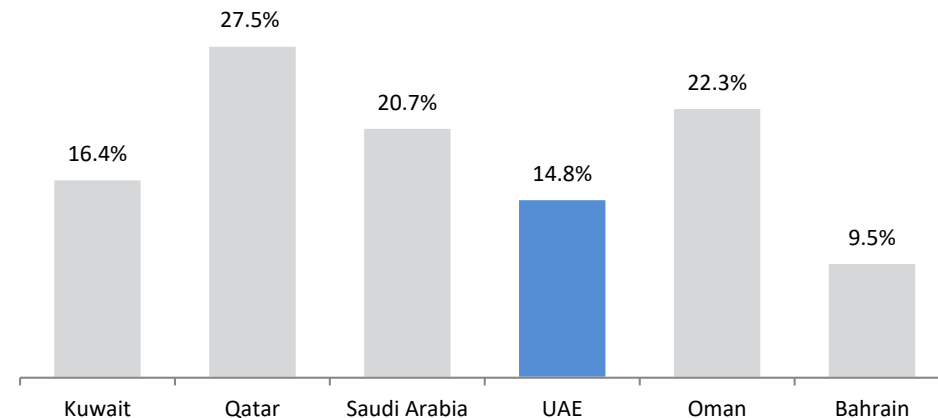
Source: Central Bank of the UAE

Reduction in industry asset quality



Source: Central Bank of the UAE

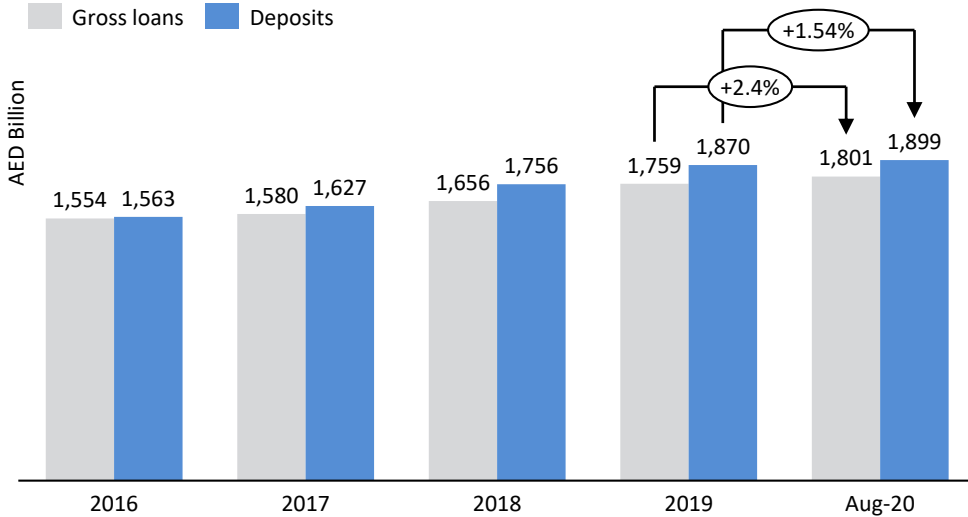
Government deposits as % of total deposits



Source: Central Bank of country, March/April 2020

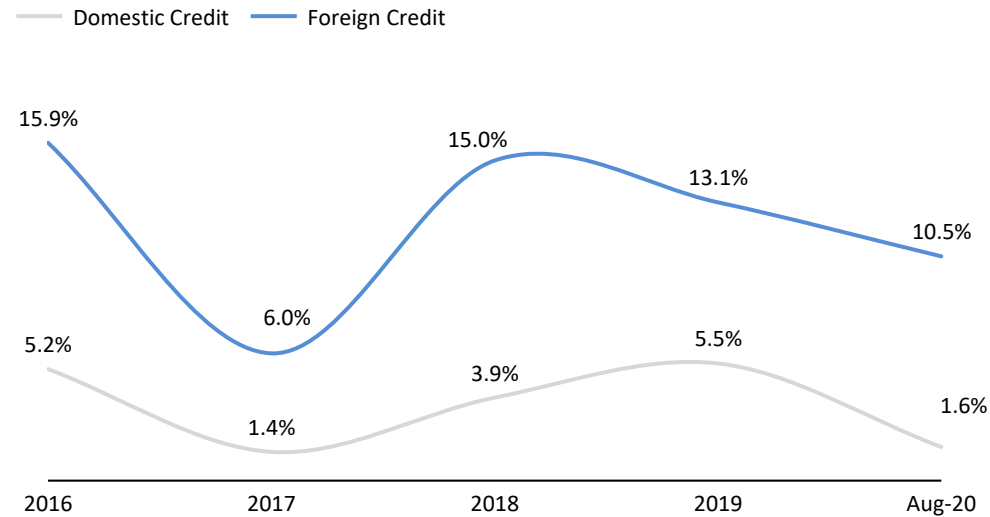
UAE Banking Industry – CBD execution delivering continued growth, EIBOR rates remain low

Gross loans and deposits



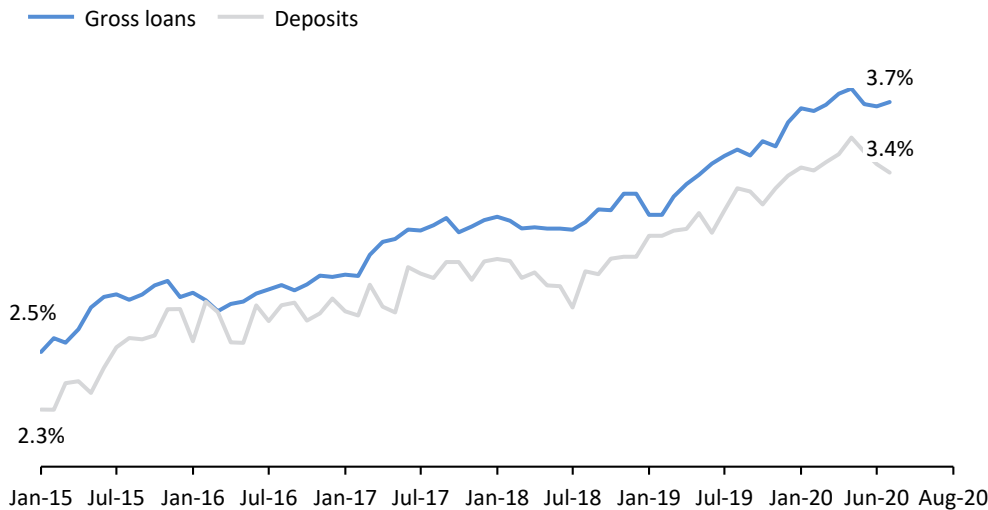
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



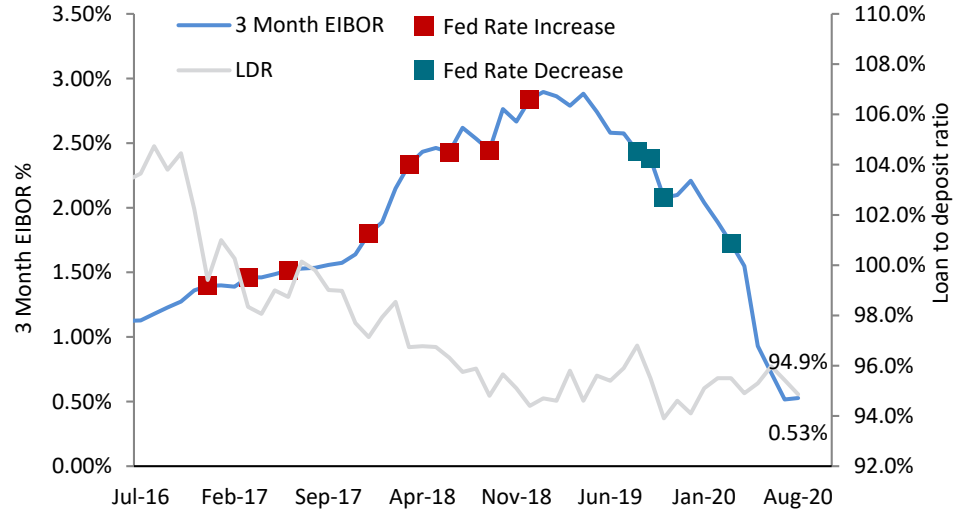
Source: Central Bank of the UAE

CBD market share



Source: Central Bank of the UAE

3 Month EIBOR and UAE loan to deposit ratio



Source: Central Bank of the UAE

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.

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.

Q3 2020 CSR Activities

Education & Charity and volunteer programs

CBD consistently endorses charitable initiatives supporting the education and empowerment of the UAE youth. CBD also encourages its employees to give back to the community by volunteering through the programs available.



“Back to School 2020” CSR Initiative

“Back to School 2020” initiative in affiliation with UAE Red Crescent

The “Back to School” program has been operating at CBD for the past four years to support those less fortunate than us in providing items for their children’s educational well-being and happiness at the start of the new academic year. For 2020, the initiative was held from the 16th of August until the 5th of September 2020.

The Bank’s staff, families and friends in affiliation with UAE Red Crescent have donated over 30 large boxes of essential items for this year’s initiative.

Awards and Achievements

Joined the UAE Business Relief Package to support the UAE Economy

بنك دبي التجاري
Commercial Bank of Dubai



A record 90% of wholesale banking customers adopt CBD digital platforms



CBD partnered with NOW Money to provide financial inclusion across the UAE



Partnered with Thunes to offer real time international remittances



CBD became the first bank in the UAE to integrate its Mobile App with UAE Pass



CBD welcomed 35 talented UAE graduates under the Tumoo7 program



Recognized with “Best Mobile Banking App” and “Best In Lending” in the UAE – The Global Finance Digital Bank Awards 2020



Recognized with “Best Customer Orientated Transformation” – The Transformers Awards 2020



Recognized with “Best Bank for Cash and Liquidity Management in the Middle East and Africa” – Treasury Management International 2020



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