



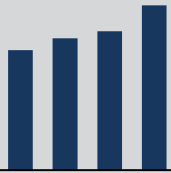
Investor Presentation Financial Highlights

Dr Bernd van Linder
Chief Executive Officer


Mr Darren Clarke
Chief Financial Officer



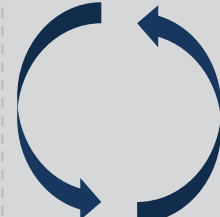
Commercial Bank of Dubai H1 2021 Overview



Net Profit
AED 676m
▲ 27.5% from H1 2020




Operating Profit
AED 1,163m
▲ 13.4% from H1 2020




Gross Lending
4.3%
UAE Loan Market Share



Employees
~c1300



Corporate Social Responsibility
Leading contribution towards youth education initiatives, financial literacy, charity and volunteer programs



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

Awards
Best Innovation Processes and Best Customer Experience
– Transformers Awards 2021

Best Local Bank in UAE, CEO of the Year and Best Product Launch in the Middle East
– EMEA Finance Awards 2020

Most Innovative Bank of the Year
– Leaders in Fintech Awards

Earnings Snapshot – *strong loan growth, other operating income and stable net interest income lifting performance*

AED m

	H1 21	Change H1 21 - H1 20	Change (%) H1 21 - H1 20
Net profit	676.1	145.6	27.5%
Return on equity (RoE)	12.67%	195 bp	18.2%
Return on assets (RoA)	1.29%	6 bp	5.0%
Interest margin	2.01%	(11) bp	(5.3%)
Cost to income ratio	26.01%	(135) bp	(4.9%)
Impairment charge to gross loans	1.21%	(24) bp	(16.5%)
Capital adequacy ratio	15.69%	166 bp	11.8%

Financial Performance Snapshot – H1 2021

Shareholder Value Creation

Revenues
AED 1,572m
▲ 11.4% from H1 2020

Net Profit
AED 676m
▲ 27.5% from H1 2020

Return on Equity
12.67%
▲ 195 bps from H1 2020

Focus on Growth

Assets
AED 112.8bn
▲ 15.8% from FY 2020

Customer Deposits
AED 79.8bn
▲ 14.4% from FY 2020

Gross Loans
AED 78.3bn
▲ 13.4% from FY 2020

Strong Balance Sheet

Capital Adequacy Ratio
15.69%
▼ 96 bps from FY 2020

Non-performing Loans
6.44%
▼ 33 bps from FY 2020

Return on Assets
1.29%
▲ 8 bps from FY 2020

Solid Operating Performance

Operating Profit
AED 1,163m
▲ 13.4% from H1 2020

Cost to Income Ratio
26.01%
▼ 135 bps from H1 2020

Other Operating Income / Operating Expenses
137.52%
▲ 1,264 bps from H1 2020



Performance highlights H1 2021

- **Strong, broad based loan growth driving increased market share**
- **Improved revenues** supported by loan growth and increased share of wallet
- **Net Interest Margin stable** on lower cost of funds
- **Market leading cost-to-income** on disciplined expense management
- **Credit quality metrics improved** with a higher coverage ratio
- **Top quartile Return-on-Equity** on improved non-funded income
- **Strong balance sheet** with all capital and liquidity ratios above regulatory limits

Strategic Execution in H1 2021

Achieve Financial Results

- Net profit up 27.5% in H1 2021 compared to H1 2020
- Higher volumes and lower cost of funds improved net interest income
- High credit costs moderated somewhat by higher recoveries

Become Employer of Choice

- Supporting employees throughout the COVID-19 pandemic
- Embedding a high performance culture
- Recruiting, developing and retaining UAE national talent

Customer Focus

- Launched CBD Investr, the first robo-advisory app in the Middle East
- Launched asset backed lending capability for core customers
- Strategic partnerships providing better customer experience

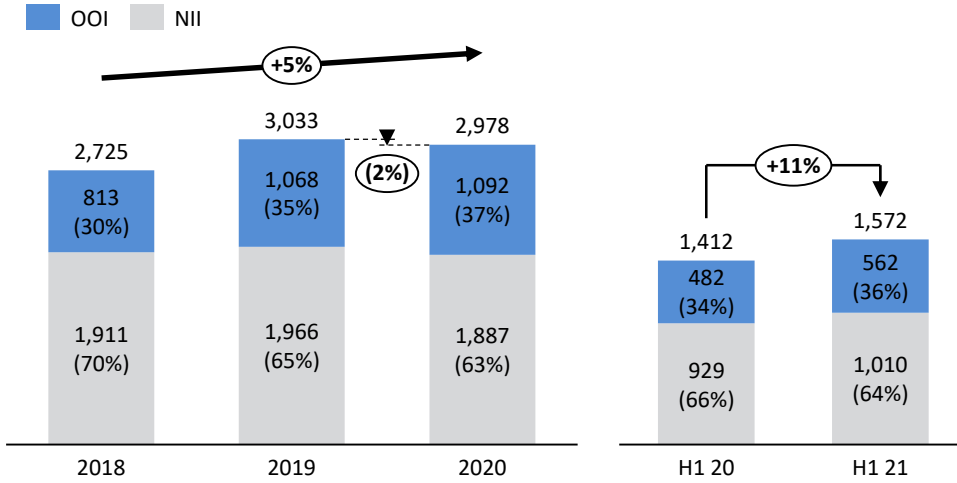
Default Digital

- Awarded “Best Innovation in Retail Banking” for the CBD Digi Account
- Accelerated the transformation program digitising processes
- Awarded “Most Innovative Bank of the Year” at the Leaders in Fintech Awards

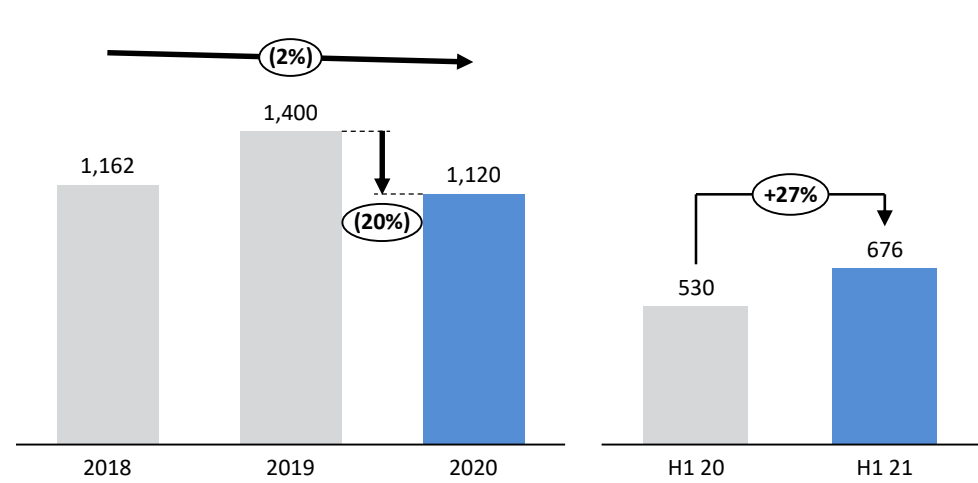
Core Performance Trends – *strong loan growth with higher non-funded income underpinning revenue and net profit performance*

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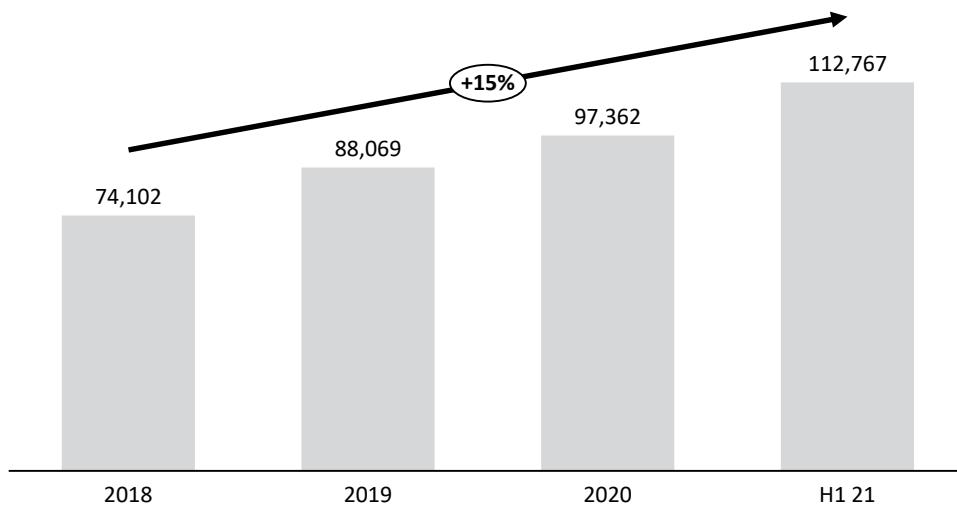
Revenue



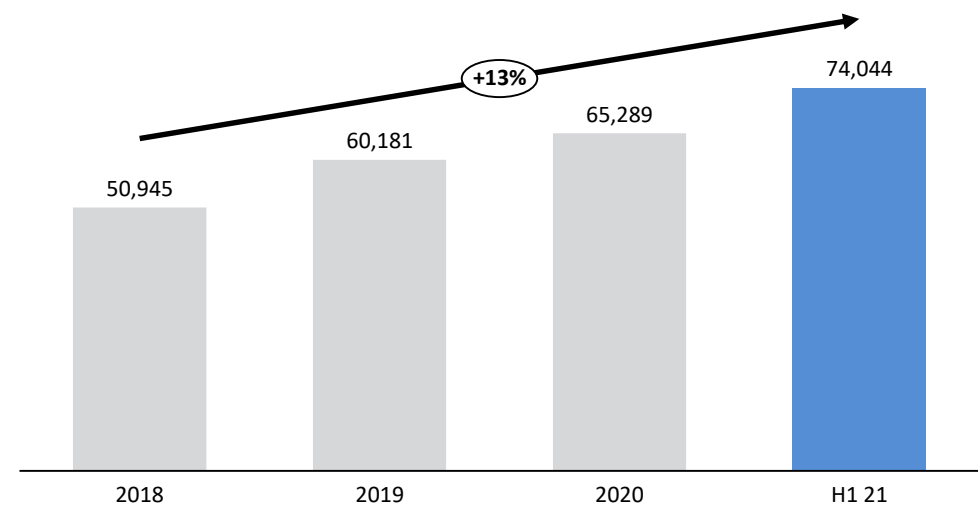
Net profit



Assets

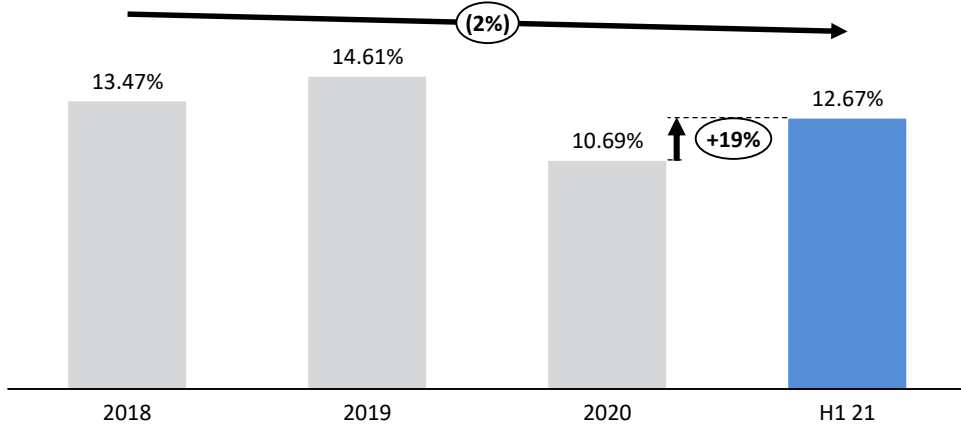


Net loans

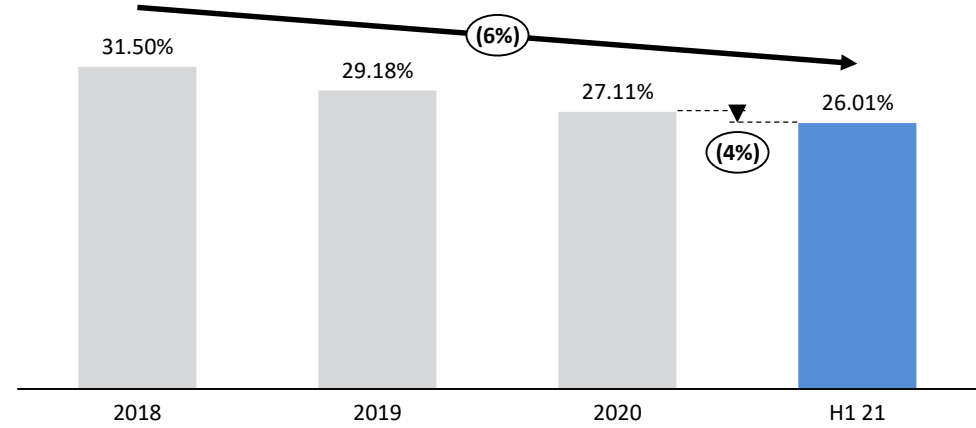


Strategic Financial KPI's – *digitisation and enhanced product capabilities lifting returns*

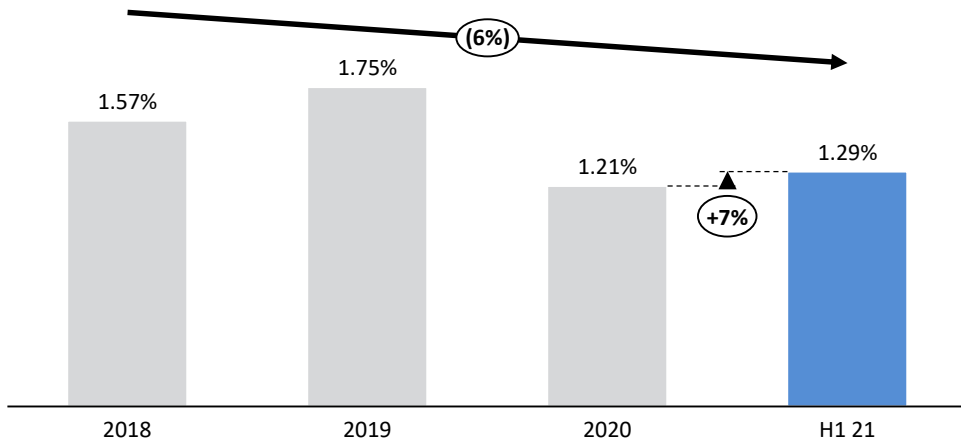
Return on Equity (ROE)



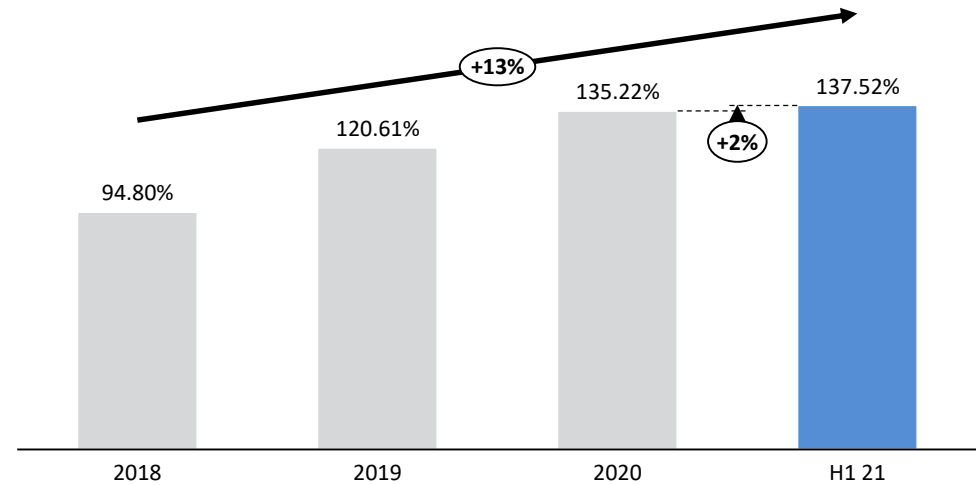
Cost to Income Ratio



Return on Assets (ROA)



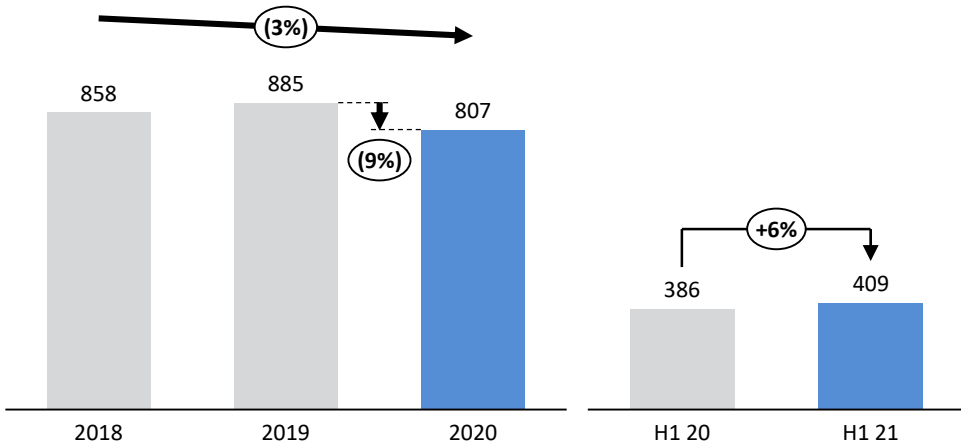
Other Operating Income as % of Expenses



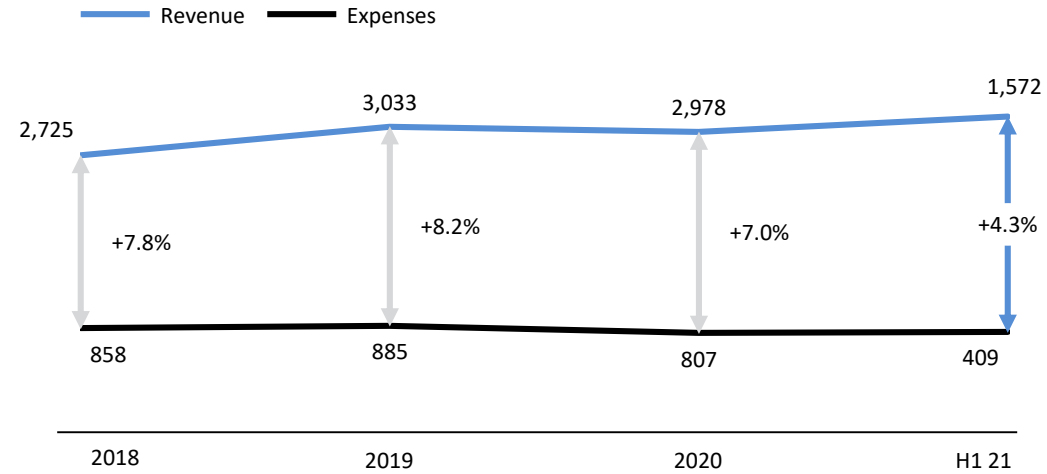
Profitability and Returns – *non-funded income outperformance and expense discipline driving improved return on equity*

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Expenses

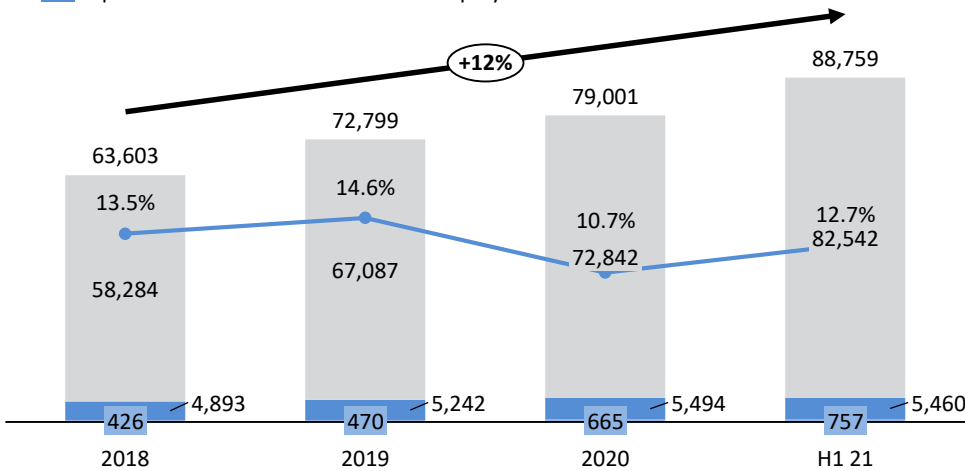


Revenue and expense JAWS



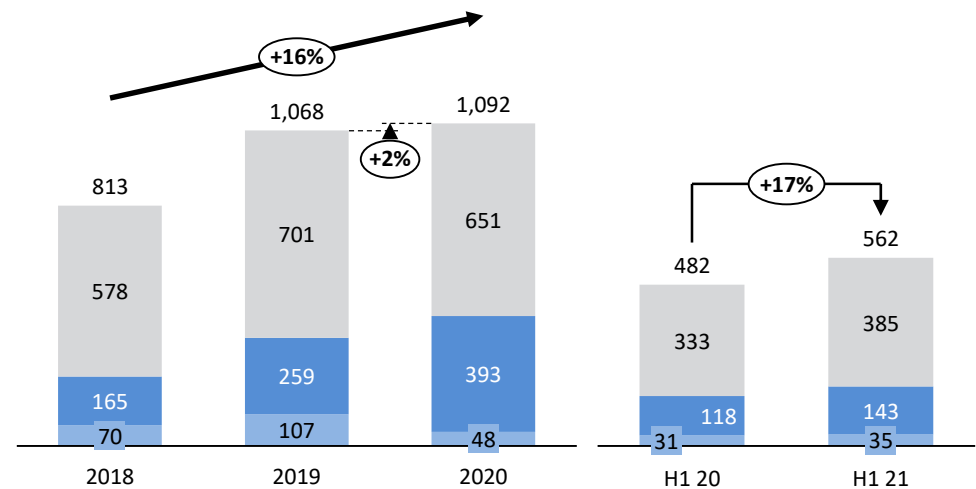
RWA and Return on Equity

■ Credit Risk ■ Market Risk
■ Operational Risk —●— Return on Equity



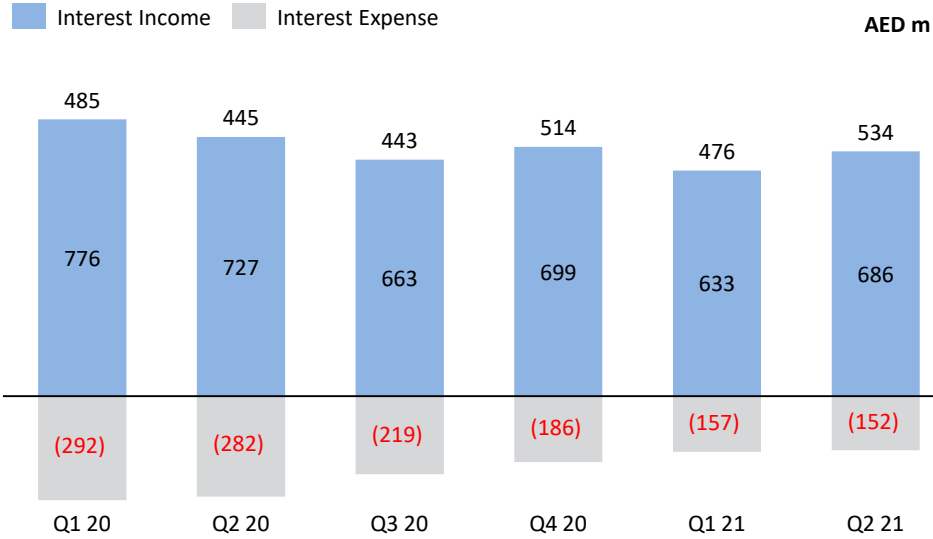
Other Operating Income

■ Fees and Commission ■ FX and Investment ■ Others

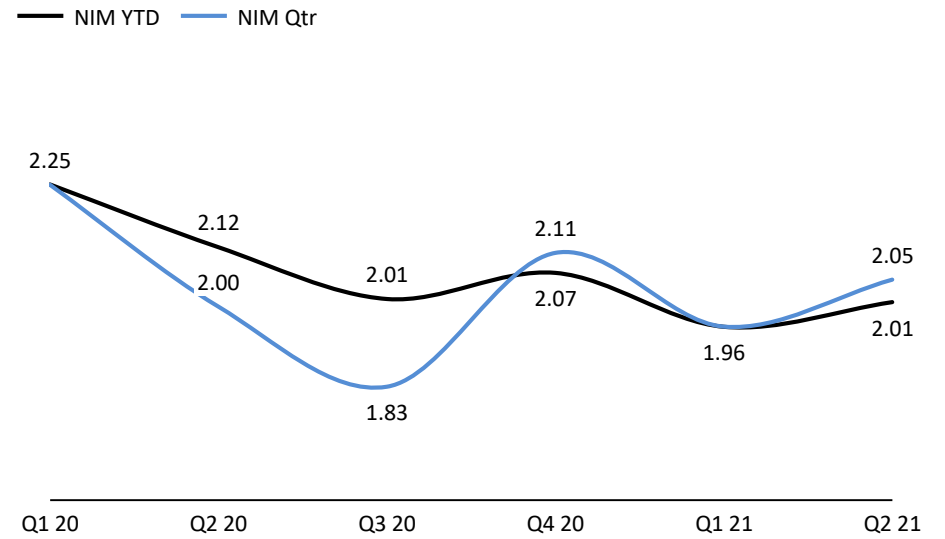


Net Interest Margin – stabilized margins as lower cost of funds outweighs asset growth

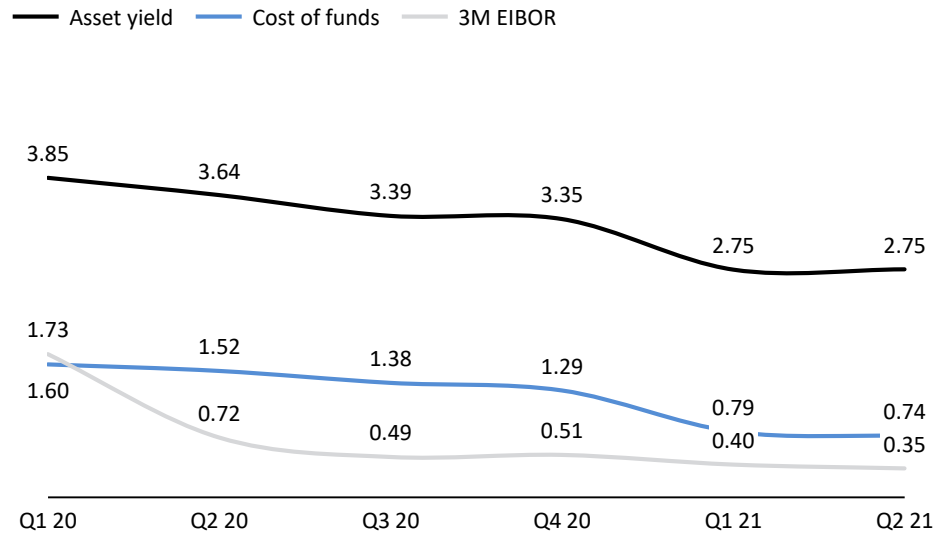
Interest Income and Interest Expense



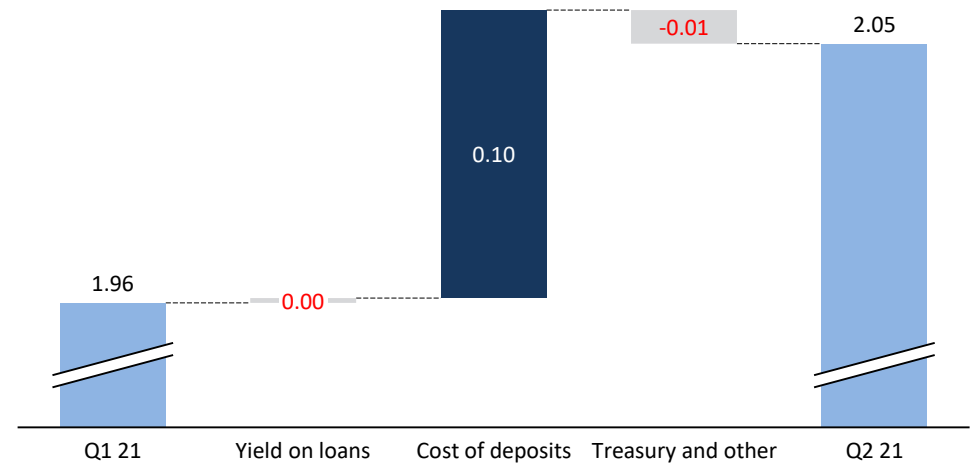
Net Interest Margin



Net interest margin components and EIBOR



Net interest margin waterfall Q-o-Q



Net Profit Bridge on Prior Period – *above prior period due to higher operating income*

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NII increased by 80m on account of higher asset volumes and lower cost of funds

Fee and other income was higher by 28m mainly due to improved business activities in syndication and investment advisory

Gain from Investments grew by 17m from sales of FVOCI fixed income securities and increased share of profit of associate

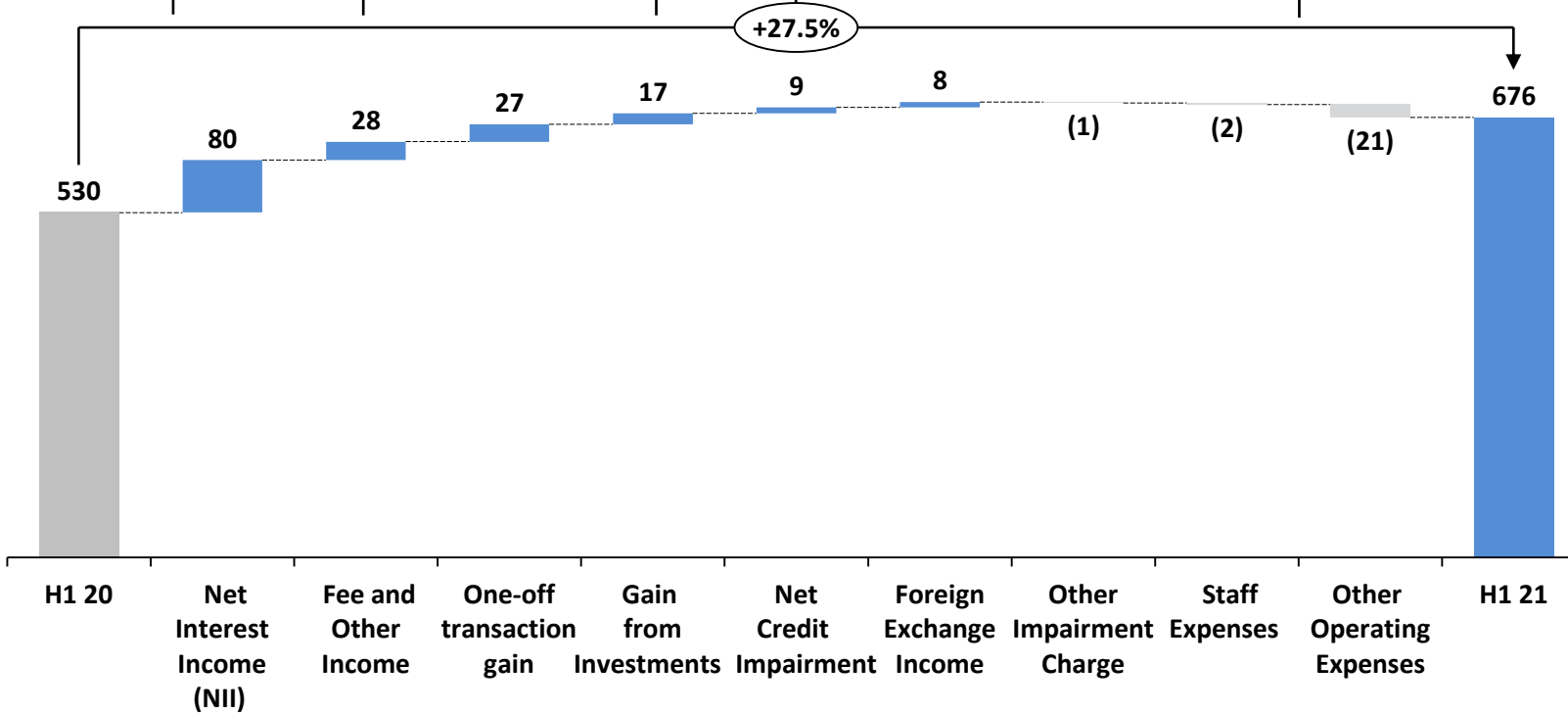
Net Credit Impairment remained elevated, however, declined by 9m mainly due to higher recoveries

Higher Other Operating Expenses due to digital and transformation expenses attributable to growth initiatives

Net profit for the period increased by 145.6m (27.5%) compared to H1 2020

Increase in net profit is attributable to:

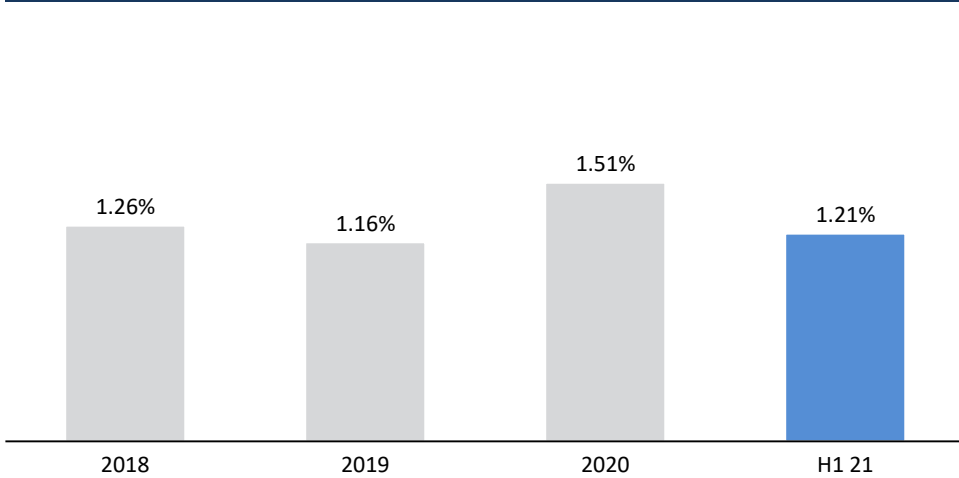
- Increase in NII
- Increase in fees and other income
- Increase in gain from investments
- Decrease in net credit impairment



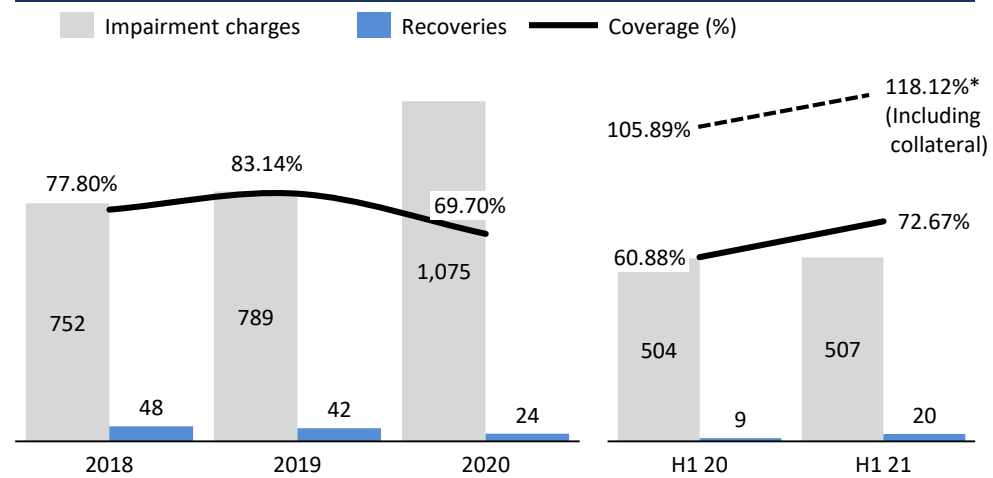
Asset Quality and Impairments – cost of risk still elevated but starting to show signs of recovery

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Cost of Risk

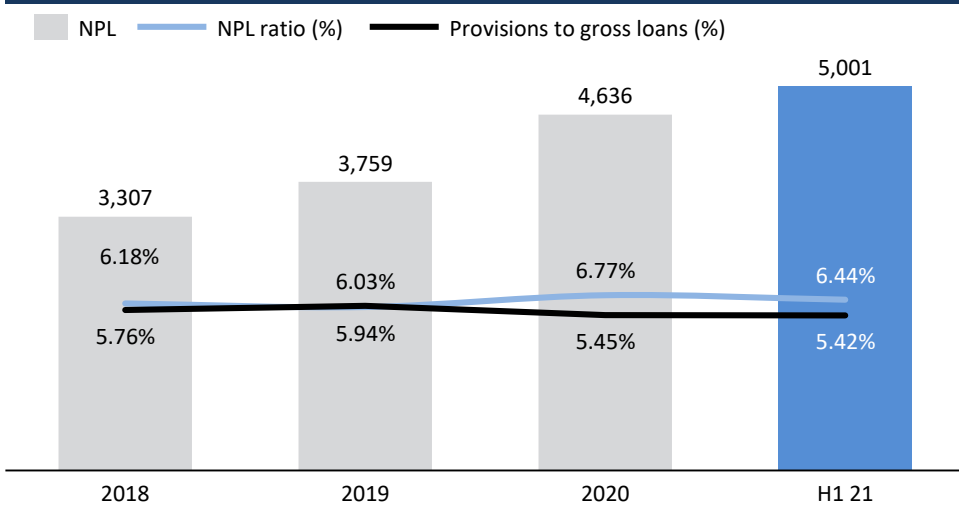


Impairment Charges and Recoveries

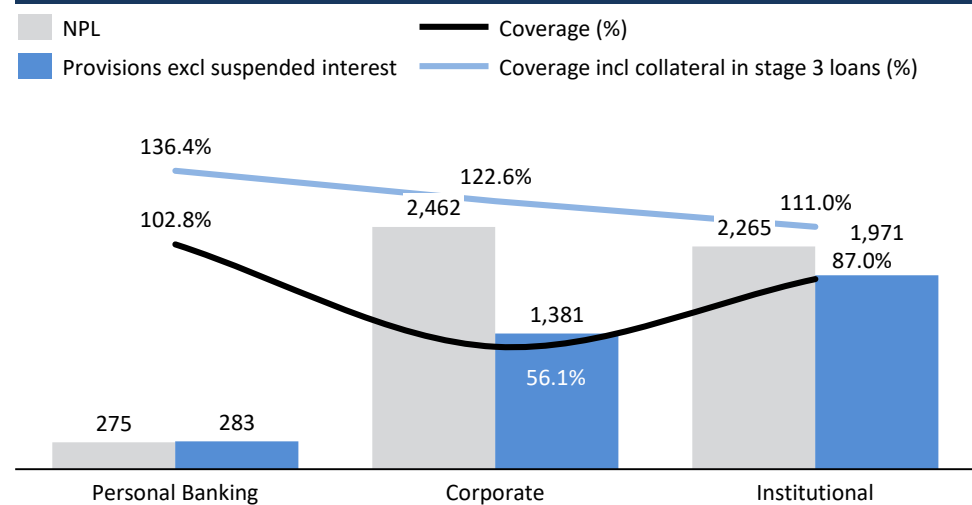


* Coverage inclusive of collateral in stage 3 loans.

NPL Ratio



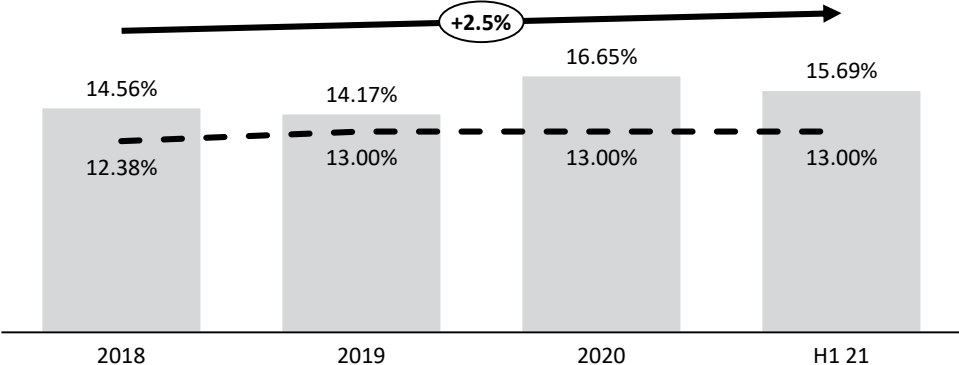
Expected Credit Provisions – Segment



Balance Sheet and Capital Strength – *capital ratios well above regulatory minimums*

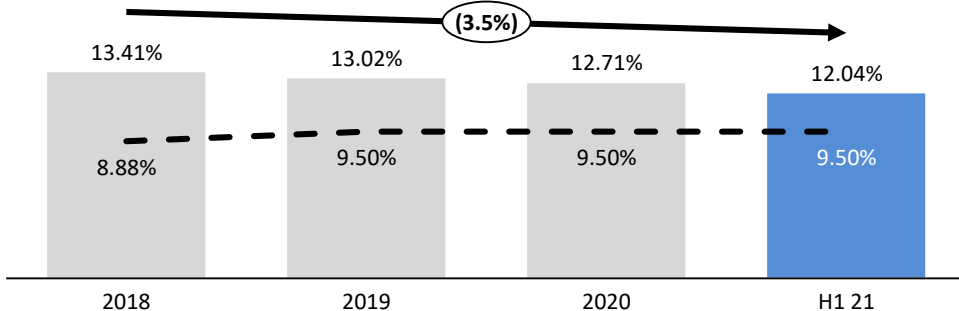
Capital Adequacy Ratio (CAR)

■ CAR - - - Regulatory limit (Minimum)



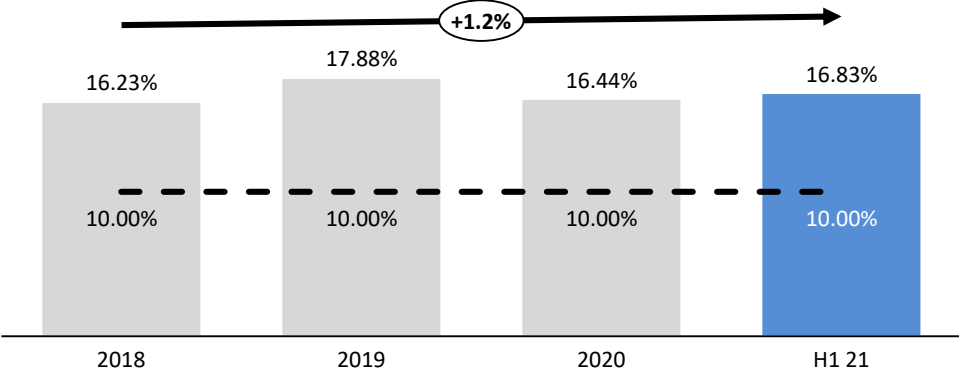
Common Equity Tier 1 (CET1)

■ CET1 - - - Regulatory limit (Minimum)



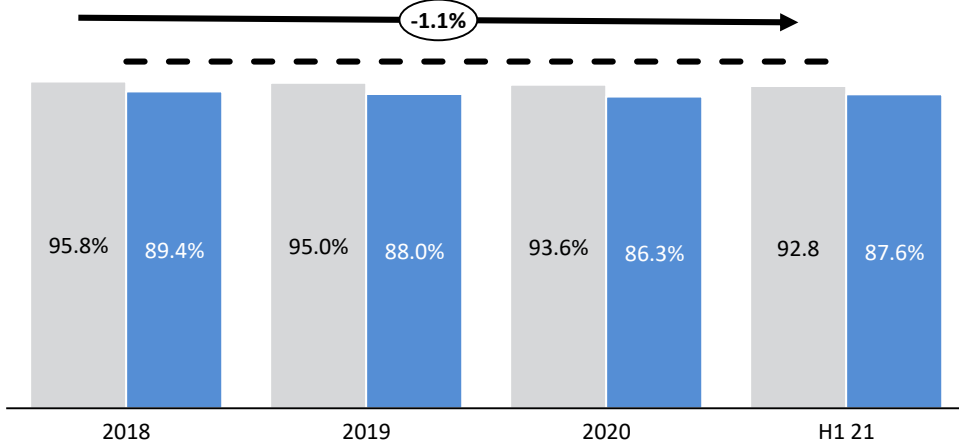
Eligible Liquid Assets Ratio (ELAR)

■ ELAR - - - Regulatory limit (Minimum)



Loans to Deposits and ASRR

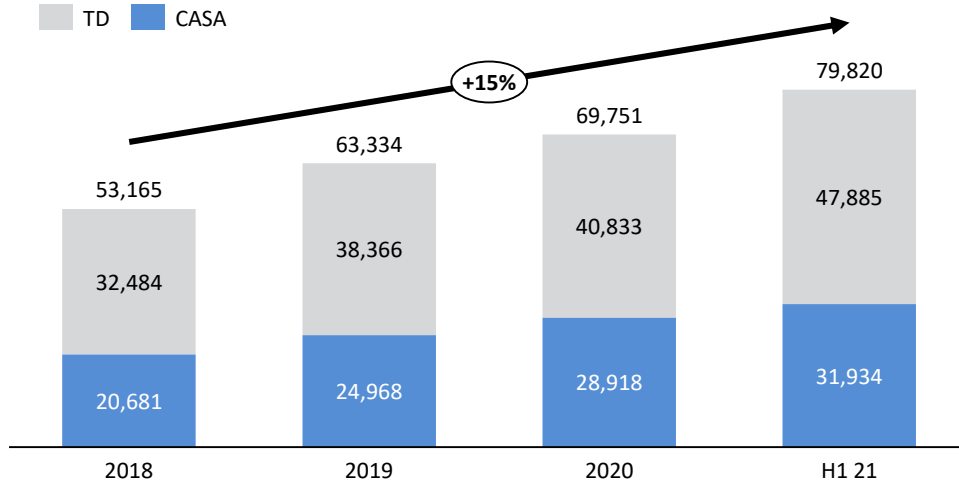
■ Loans to Deposits ■ ASRR - - - Regulatory limit (Maximum)



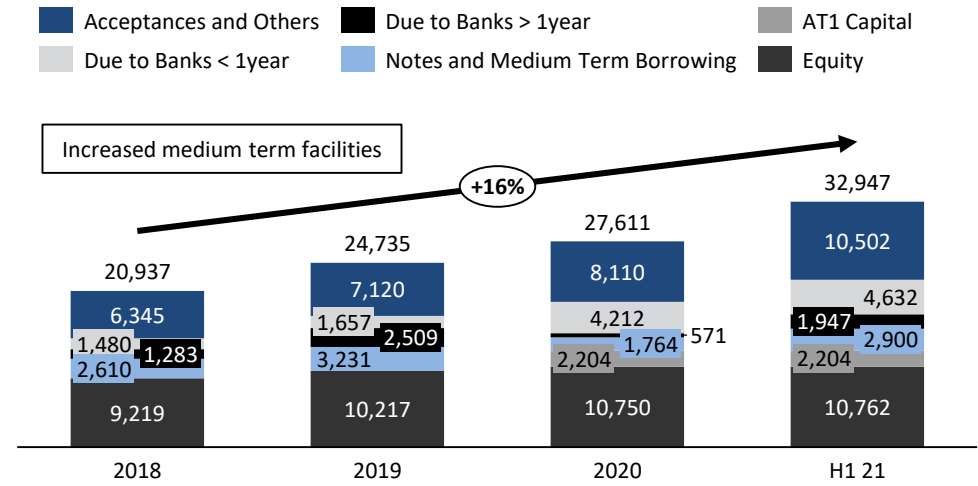
Funding and Liquidity – diversified and stable funding supporting franchise loan growth

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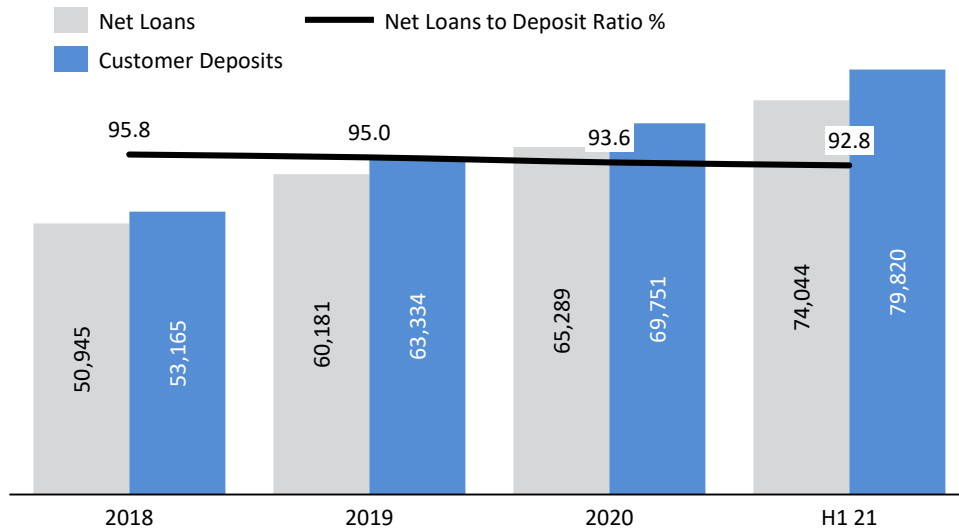
Customer Deposits



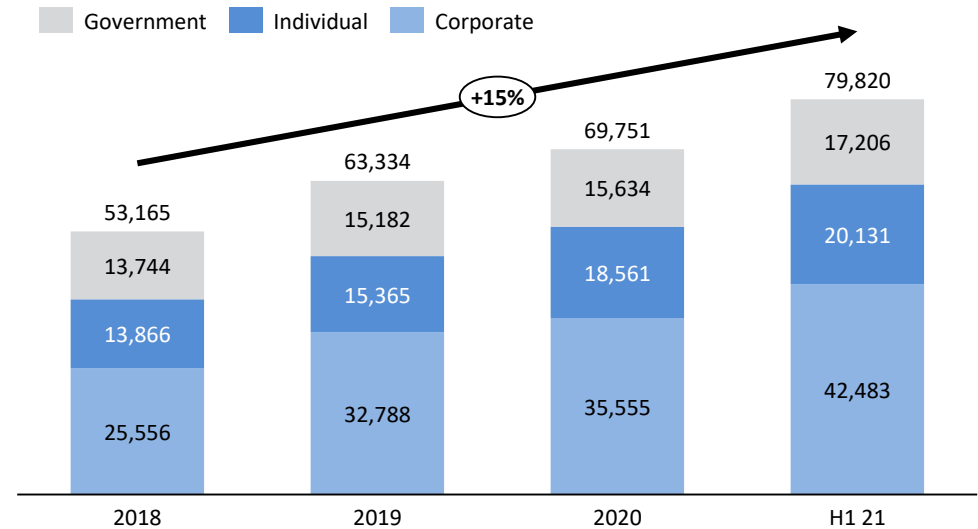
Other Funding Sources



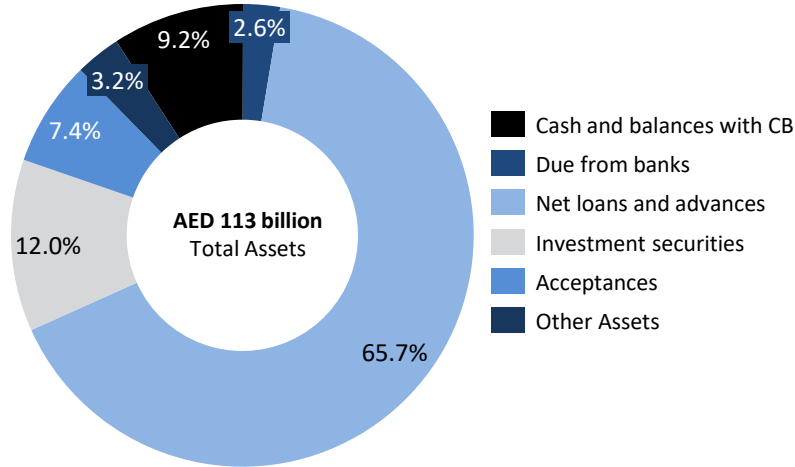
Loans to Deposits



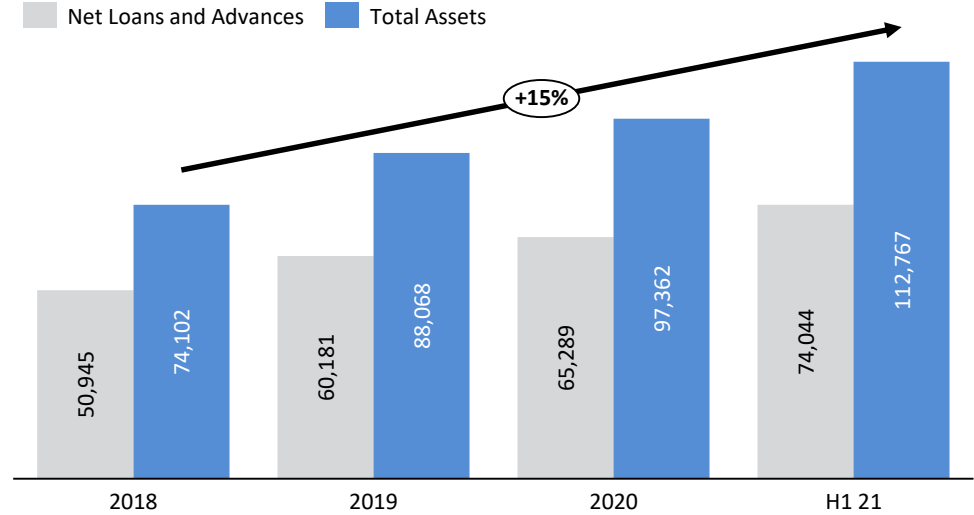
Deposit Segmentation



Asset Mix



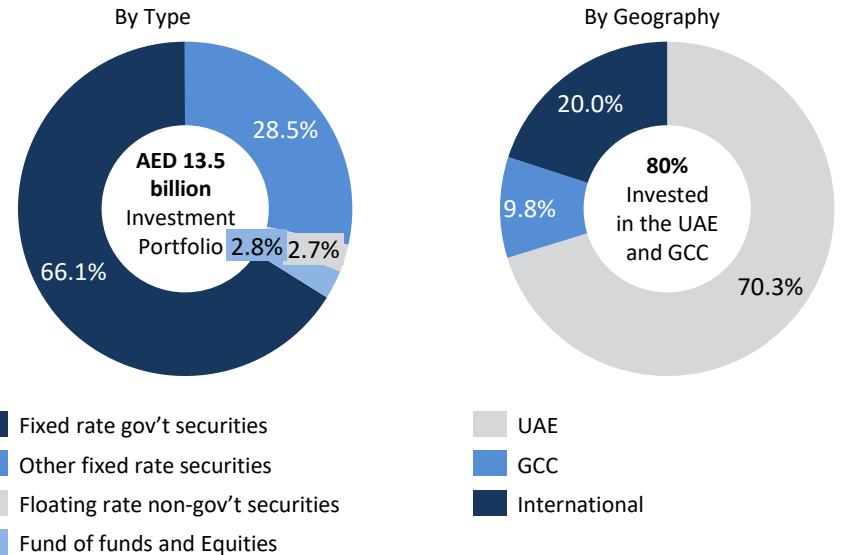
Assets and Loans



Gross Loans and Advances by Sector

Sector	Jun 21	Dec 20	Var %
Government entities	2,170	1,334	62.7
Personal - mortgage	5,633	4,037	39.5
Financial and insurance activities	7,700	5,814	32.4
Others	3,500	2,772	26.3
Personal - schematic	6,078	4,953	22.7
Transportation and storage	3,286	2,720	20.8
Trade	7,817	6,580	18.8
Manufacturing	3,670	3,329	10.3
Real estate	25,096	23,373	7.4
Hospitality	2,602	2,576	1.0
Services	5,335	5,320	0.3
Construction	4,351	5,000	(13.0)
Individual loans for business	1,047	1,241	(15.7)
Total	78,286	69,049	13.4

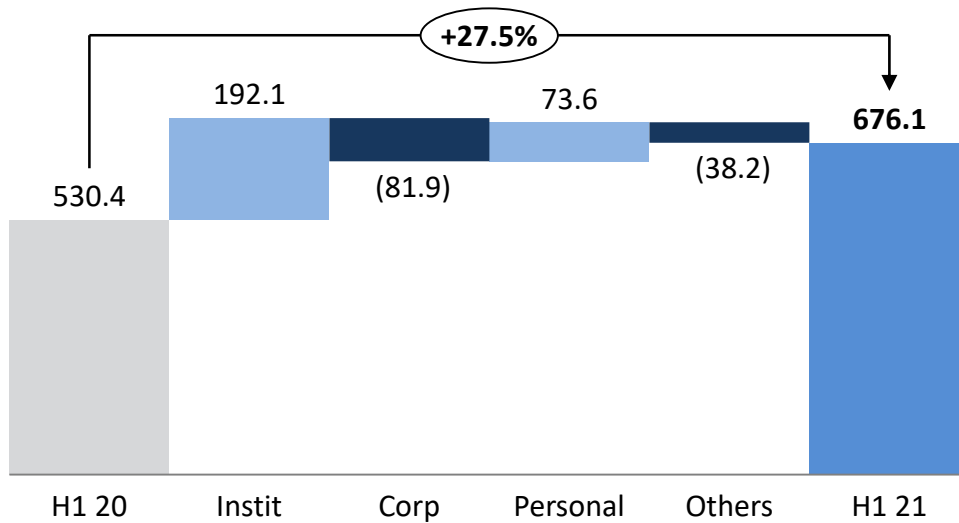
Investment Securities Portfolio



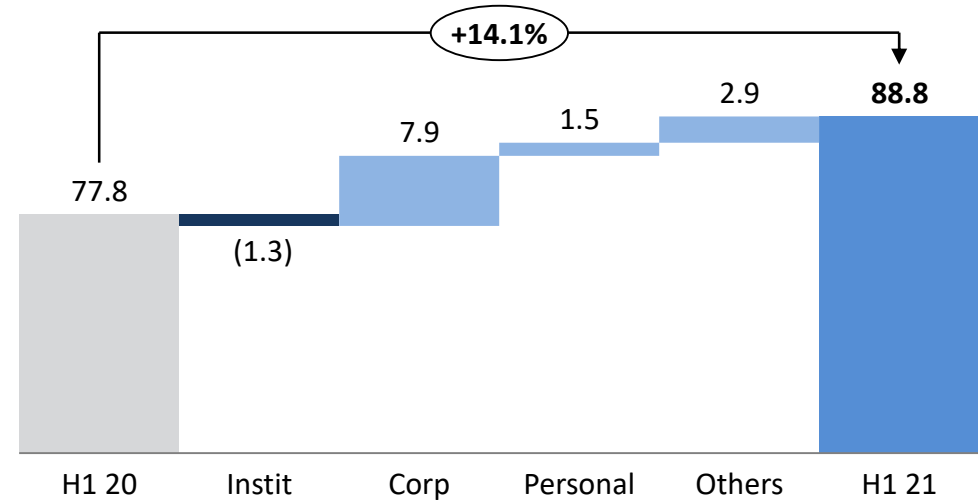
Divisional Contributions – dedicated segments backing businesses across the UAE

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Divisional net profit movement



Divisional RWA movement



H1 21	Institutional	Corporate	Personal Banking	Others	Total
Operating Income	437.1	679.7	519.6	(64.2)	1,572.2
Expenses	(83.1)	(72.3)	(226.0)	(27.5)	(408.9)
Operating Profit	354.0	607.4	293.6	(91.7)	1,163.3
Impairment (charges) / benefits	(203.1)	(254.8)	(15.9)	(13.5)	(487.2)
Net Profit	150.9	352.6	277.7	(105.2)	676.1
<i>% of Group Net Profit</i>	22.3	52.2	41.1	(15.6)	100.0

Board of Directors and Management Team

Board of Directors



Mr. Humaid Mohammad Al Qutami
Chairman



H.E. Sultan Saeed Mohamed Nasser Al Mansoori
Vice-Chairman



Mr. Abdullah Salim Alturifi
Director



Mr. Ahmad Abdulkarim Julfar
Director



Mr. Abdul Wahed Al Fahim
Director



Mr. Abdulla Saif Al Hathboor
Director



Mr. Buti Saeed Al Ghandi
Director



Mr. Ali Fardan Al Fardan
Director



Mr. Khalid Abdul Wahed Al Rostamani
Director



Mr. Hamad Omar Abdulla Hamad Al Futtaim
Director



H.H. Sheikh Maktoum Hasher Al Maktoum
Director

Management Team



Dr. Bernd van Linder
Chief Executive Officer



Darren Clarke
Chief Financial Officer



Mr. Fahad Al Muhairi
General Manager, Institutional Banking



Mr. Othman Bin Hendi
Chief Customer Officer



Mr. Abdul Rahim Al Nimer
General Manager, Corporate Banking



Mr. Stefan Kimmel
Chief Operating Officer



Mr. Amit Malhotra
General Manager, Personal Banking Group



Mr. Alan Grieve
Chief Risk Officer



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

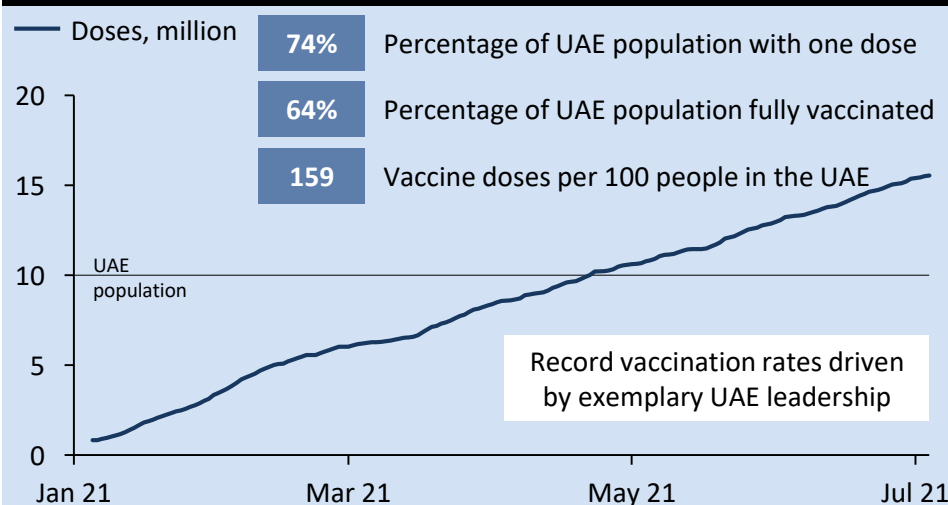
COVID-19 – UAE economy rebounding on vaccine and economic stimulus

COVID-19 global health statistics

11 Mar 20	Declared pandemic by WHO
185m	Total cases
169m	Total recoveries
4.0m	Total deaths
20	Vaccines approved (6 by WHO)
3.2b	Vaccine doses given
874m	People fully vaccinated

Source: wikipedia.org, ourworldindata.org, who.int, worldometers.info

UAE vaccination drive



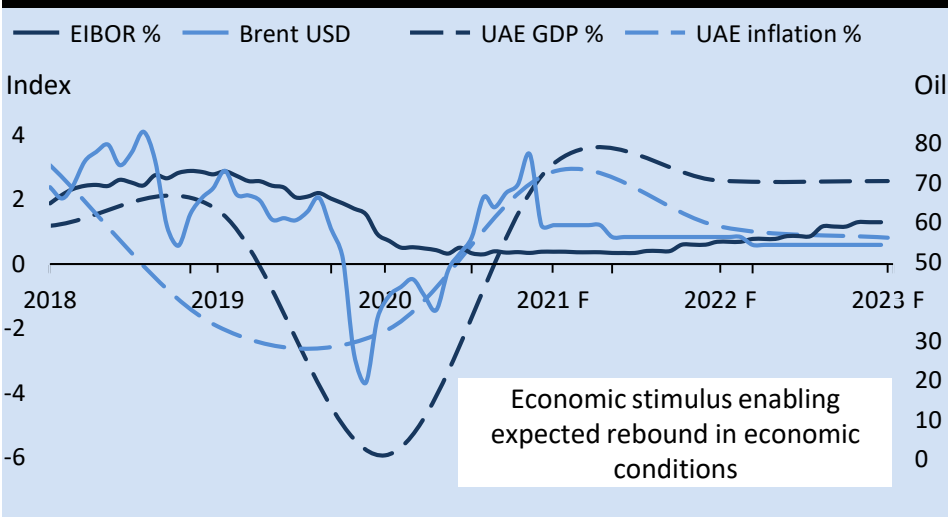
Source: worldometers.info, ourworldindata.org, mohap.gov.ae

Signs of economic recovery

Indicators of economic recovery across the UAE economy

- Record low interest rates stimulating the economy
- Brent oil increased to USD75 from USD19 in April 20
- Dubai real estate sales volumes registered a 93% increase in H121
- Dubai airport traffic up to 1.5m in May 21 from 42k a year earlier
- Dubai hotel occupancy up to 59.4% in April 21 (April 20 - 23.6%)
- EXPO 2020 scheduled to take place in October 2021

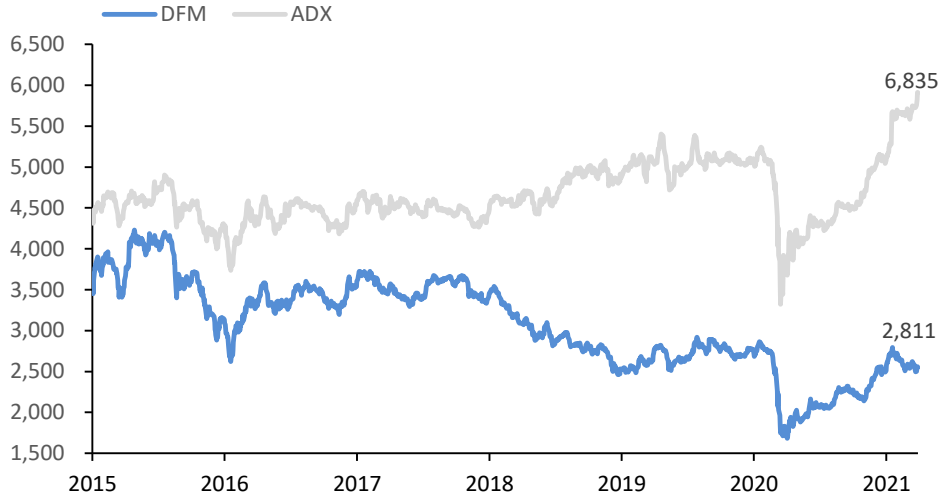
UAE economic indicators



Source: IMF World Economic Outlook April 2021, CBUAE, investing.com, Bloomberg

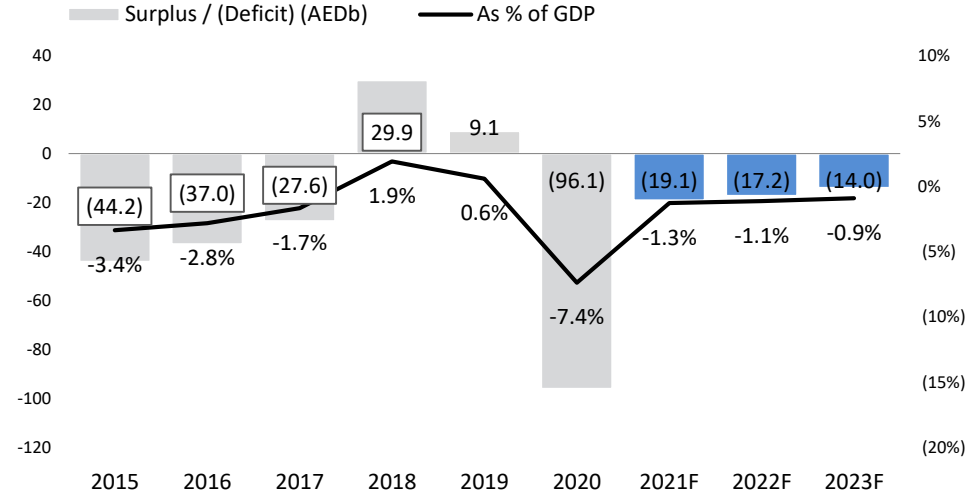
United Arab Emirates – *the macro economic environment is demonstrating signs of recovery through 2021-22*

UAE Stock market indices



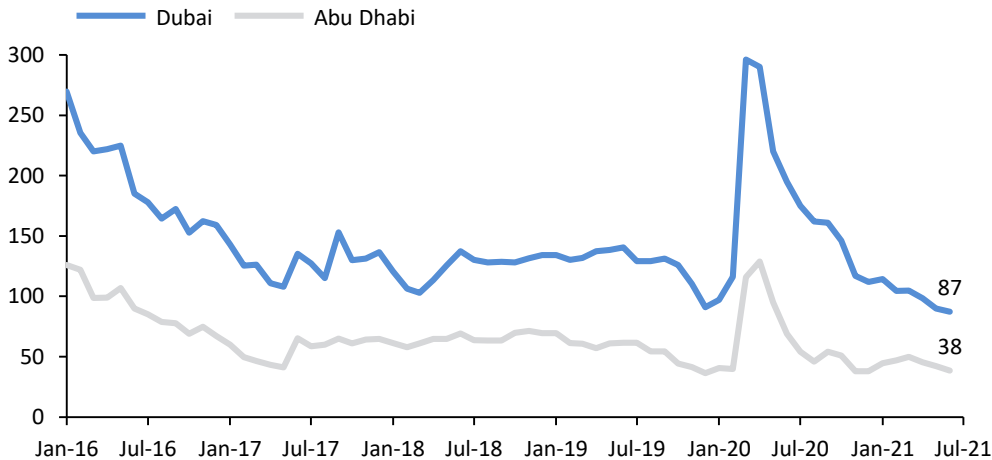
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

UAE Fiscal Deficits to be posted



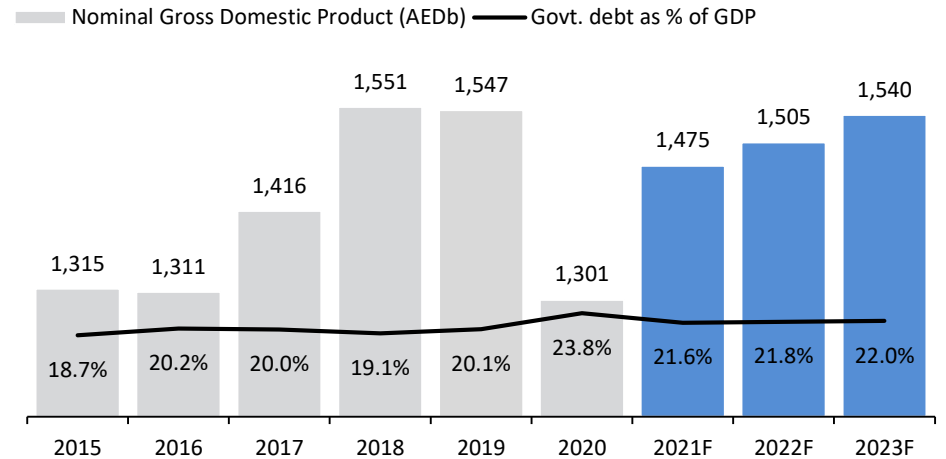
Source: IMF World Economic Outlook Apr 2021

5 Year CDS



Source: Bloomberg

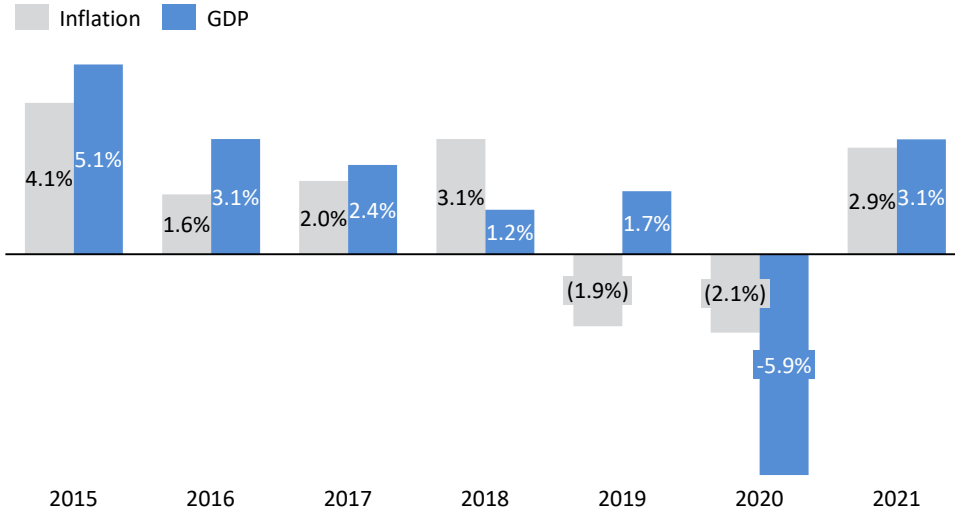
UAE GDP and Government Debt



Source: IMF World Economic Outlook Apr 2021

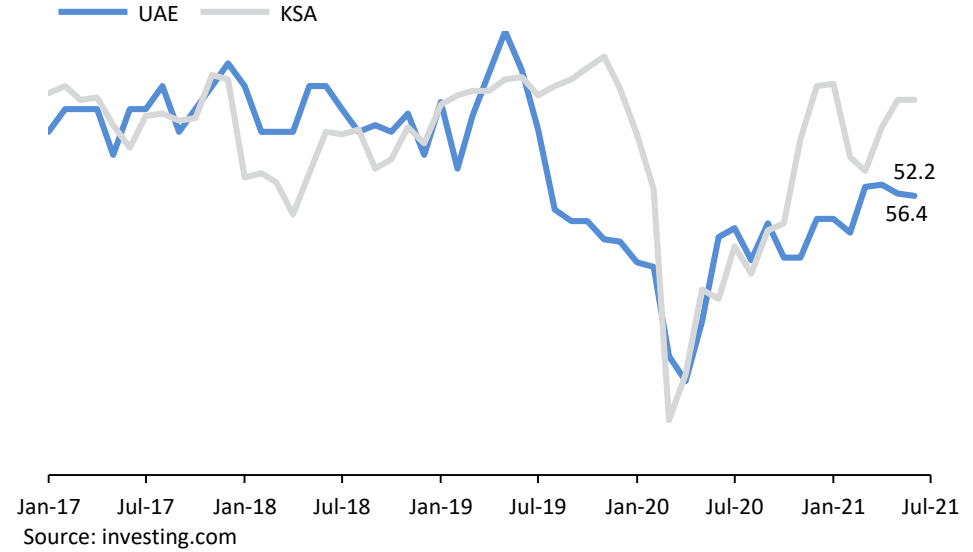
UAE Economic Update – GDP expected to increase in 2021, oil prices, tourism, real estate to recover

UAE GDP and Inflation Trend



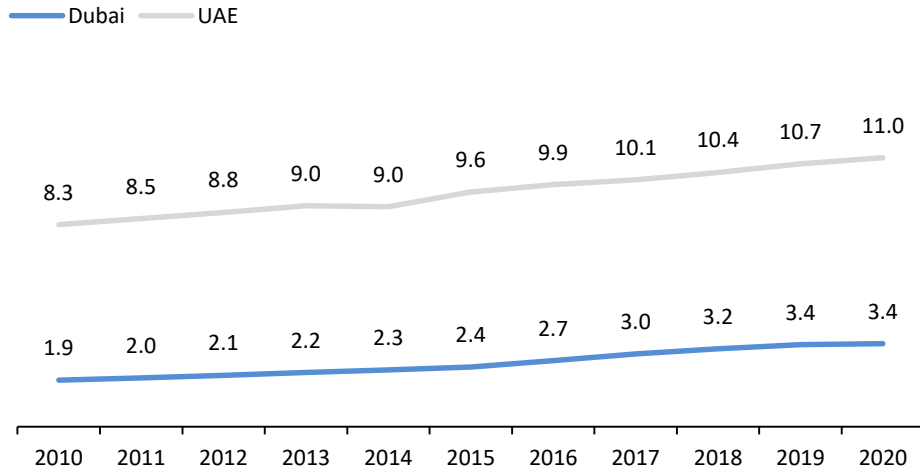
Source: UAE Ministry of Economy, fcsa.gov.ae

Purchasing Managers Index



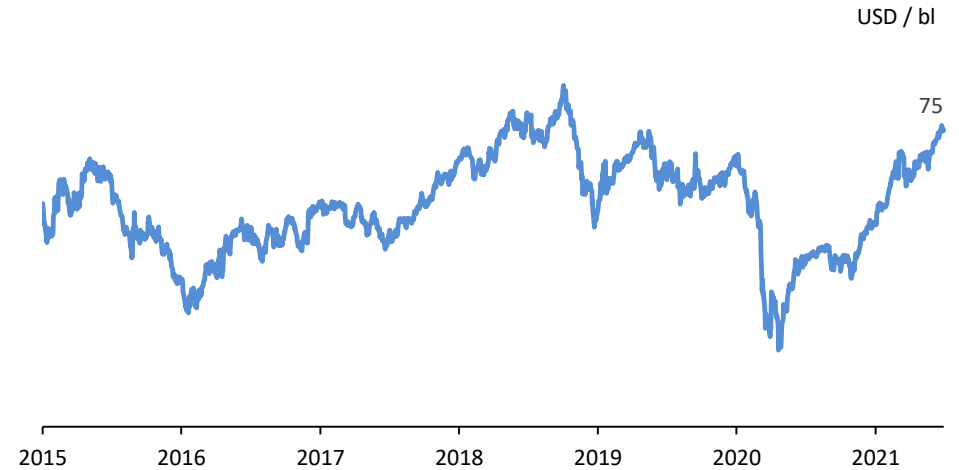
Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

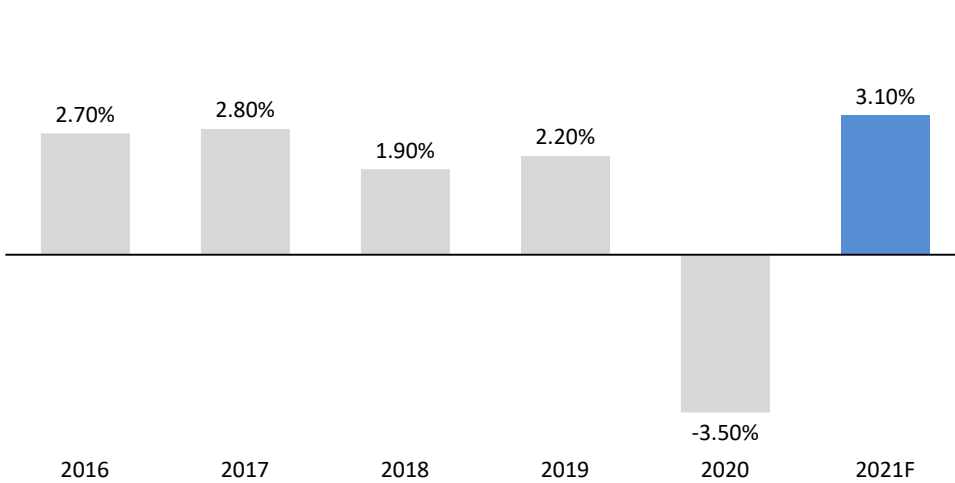
Brent oil



Source: investing.com

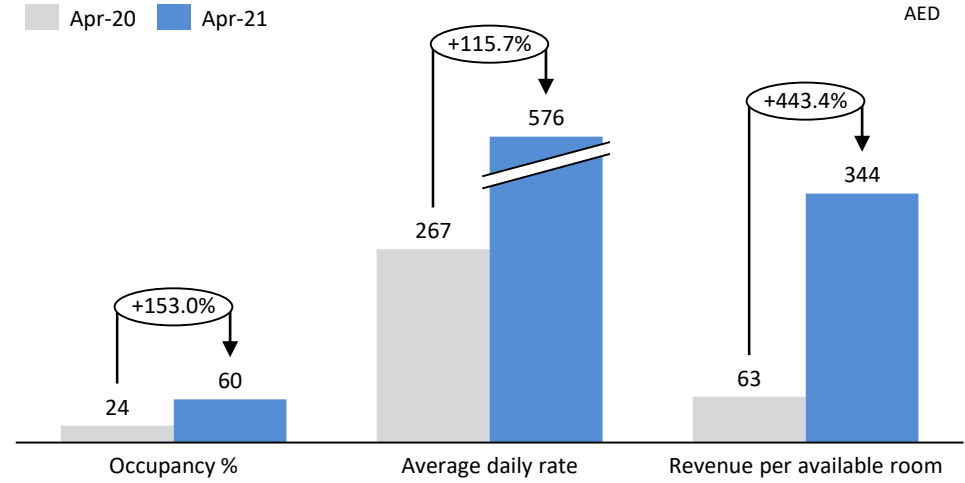
Dubai Economic Update – *real estate prices picking up, business conditions and confidence cautiously ticking up*

Dubai GDP growth



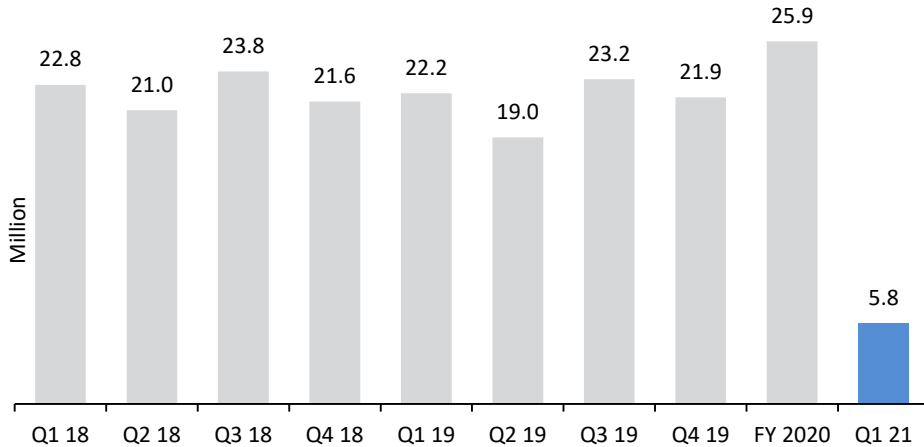
Source: Dubai Statistics Centre, Dubai Economic Department

Dubai hospitality



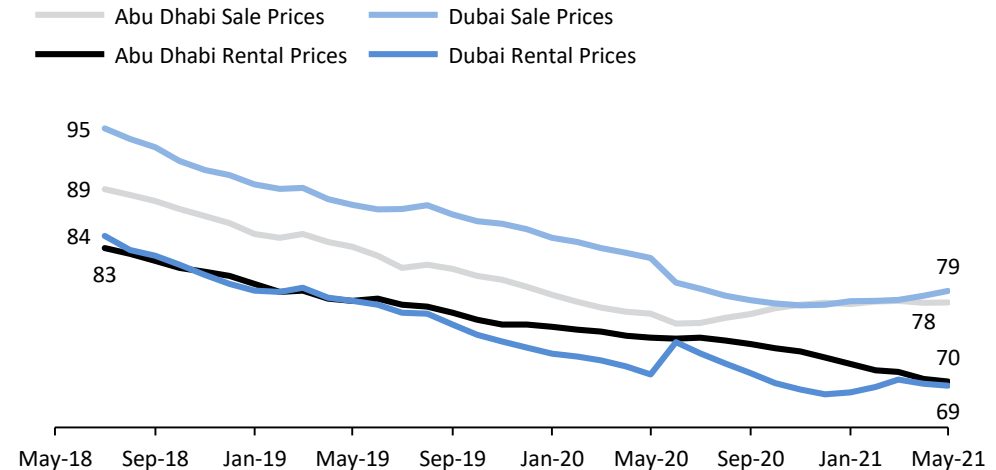
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



UAE Banking Sector – critical industry to extend credit and support the UAE economic recovery

Key industry indicators

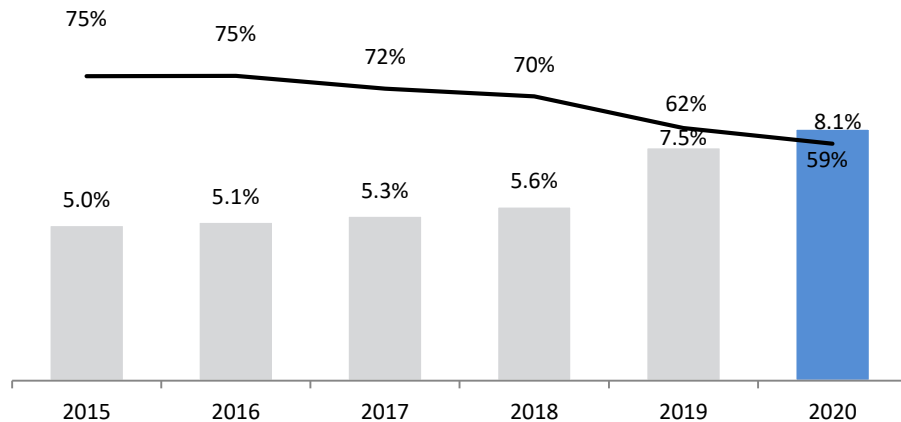
AEDb	2018	2019	2020	May-21	YTD
Total assets	2,869	3,083	3,188	3,182	▼ 0.2%
Customer deposits	1,756	1,870	1,885	1,875	▼ 0.5%
Loans and advances	1,657	1,759	1,779	1,752	▼ 1.5%
Loan to deposit (%)	94.3	94.1	94.4	93.4	▼ 1.0%
CAR (%)	17.5	17.7	18.2	17.9*	▼ 0.3%
Tier 1 ratio (%)	16.2	16.5	17.1	16.7*	▼ 0.4%

*Ratios are only available every quarter, latest ratios available are as of March-21.

Source: Central Bank of the UAE

Reduction in industry asset quality

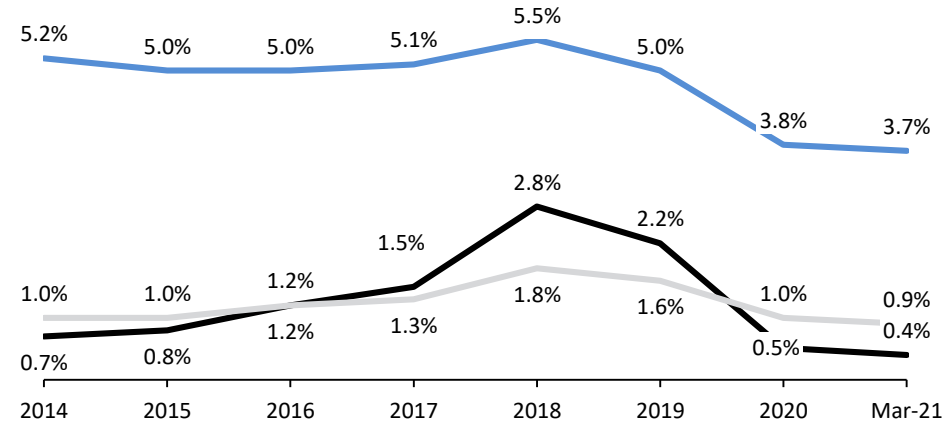
■ NPL Ratio — Loan Loss Coverage



Source: Central Bank of the UAE

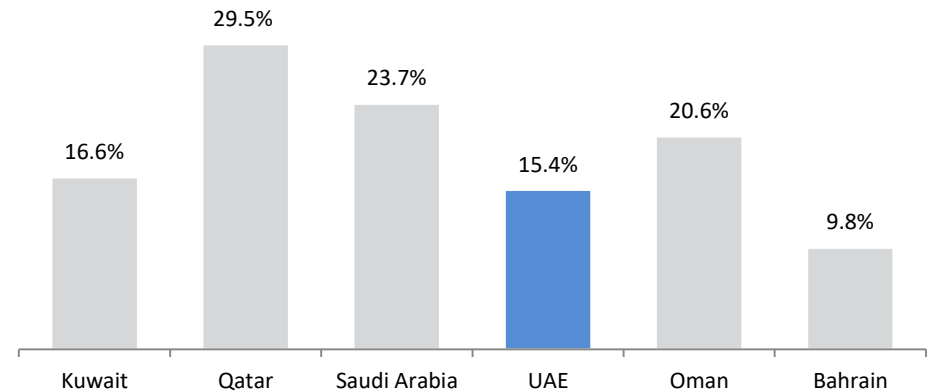
Average Loan Yield & Cost of Deposits vs 3M EIBOR

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



Source: Central Bank of the UAE

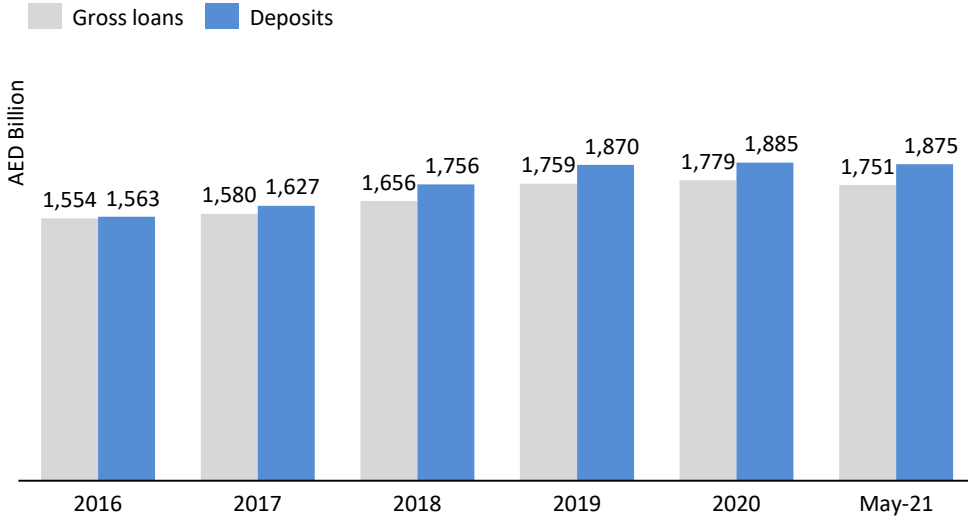
Government deposits as % of total deposits



Source: Central Bank of country, April/May 2021

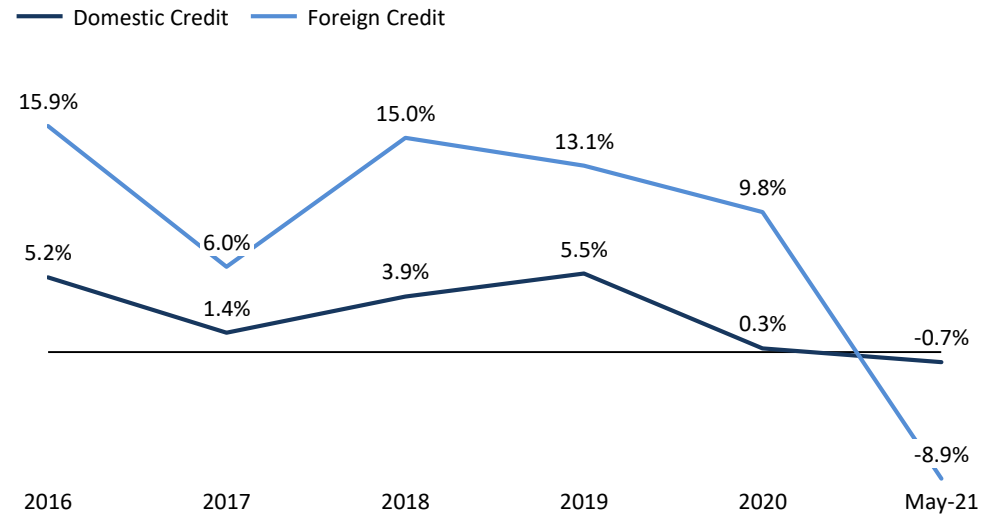
UAE Banking Industry – CBD execution delivering continued growth with EIBOR to remain low

System-wide Gross loans and deposits



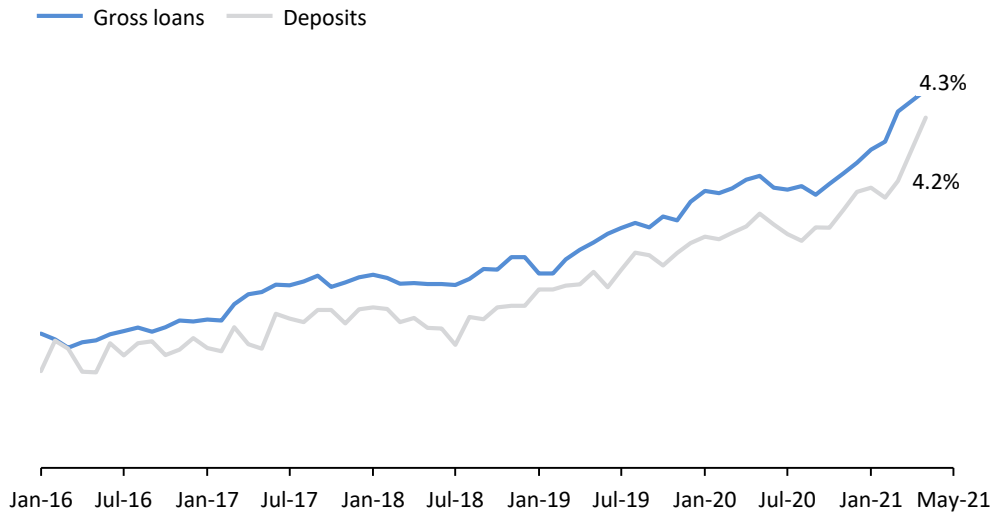
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



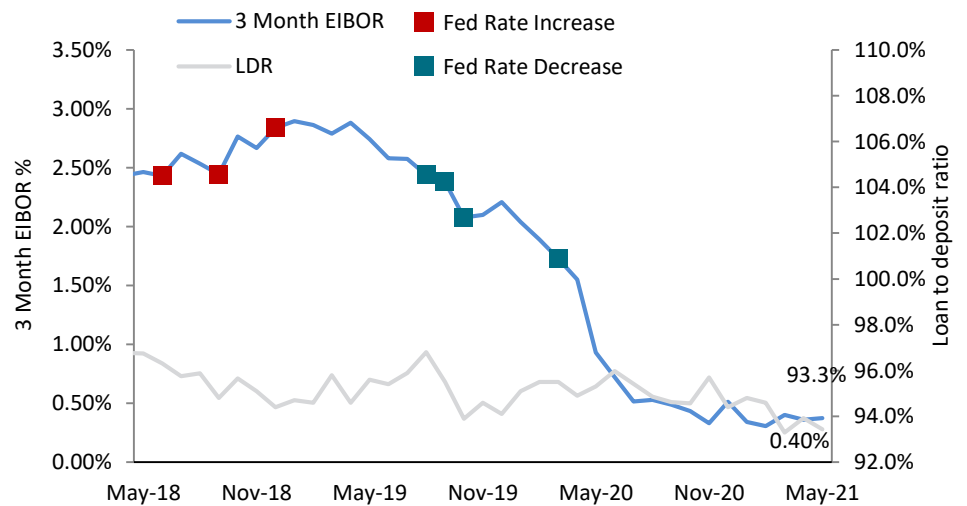
Source: Central Bank of the UAE

CBD market share



Source: Central Bank of the UAE

3 Month EIBOR and UAE loan to deposit ratio



Source: Central Bank of the UAE

Corporate Social Responsibility – *engaging with our community, fulfilling our social commitments*

The elements of CBD's CSR framework:

Education

Commercial Bank of Dubai targets the support and development of educational programs 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 government.

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 is in line with the CSR framework and support the involvement of its employees in such activities by volunteering programs.

Q2 2021 CSR Activities

A visit to Al Noor Training Centre

Commercial Bank of Dubai acknowledges the importance of accepting and embracing people of determination. CBD encourages its employees to spend quality time with the students of Al Noor Training Centre and learn more about their achievements and life at the center.

Zayed Humanitarian Work Day

UAE celebrated Zayed Humanitarian Day following the legacy of the late Sheikh Zayed. On this occasion, Commercial Bank of Dubai has donated to 31 charitable, educational, research, training and rehabilitation centers for people of determination across UAE.



Awards and Achievements

CBD signs MOU with Emirates Development Bank on credit guarantee, co-lending program for SMEs



CBD partners with DMCC to provide banking services to their License Holders



CBD partners with MBME Pay to enable topping-up of e-Dirham Cards



CBD signs an agreement with Gargash Car Rental to provide asset backed lending finance



CBD has gone live with the UAE KYC blockchain called FIDES



CBD launched CBD Investr a robo-advisory app designed to users save and invest



CBD wins “Best Innovation Processes” and “Best Customer Experience” – Transformers Awards 2021



Recognized with “CEO of the Year”, “Best Local Bank in UAE” and “Best Product Launch in the Middle East”– EMEA Finance Awards 2020



Recognized with “Innovation in Retail Banking” and “Best Mobile Banking Services” – MEA Finance’s Banking Technology Awards



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