



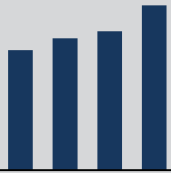
# Investor Presentation Financial Highlights

**Dr Bernd van Linder**  
Chief Executive Officer


**Mr Darren Clarke**  
Chief Financial Officer



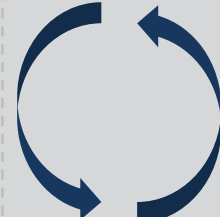
# Commercial Bank of Dubai 9M 2021 Overview



Net Profit  
**AED 1,051m**  
▲ 28.8% from 9M 2020



Operating Profit  
**AED 1,764m**  
▲ 16.4% from 9M 2020




Gross Lending  
**4.5%**  
UAE Loan Market Share



Employees  
**~1300**



Corporate Social Responsibility  
Actively participating in youth education initiatives, financial literacy, charity and volunteer program



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

Excellence in Innovation – Retail Banking  
– Finnovex Middle East 2021

# Earnings Snapshot – *robust loan growth, stable other operating income and lower cost of funds lifting performance*

AED m

	9M 21	Change PCP	Change (%)
Net profit	1,051.1	235.3	28.8%
Return on equity (RoE)	12.94%	218 bp	20.3%
Return on assets (RoA)	1.37%	15 bp	12.3%
Interest margin	2.01%	(0) bp	(0.2%)
Cost to income ratio	26.13%	(194) bp	(6.9%)
Impairment charge to gross loans	1.16%	(22) bp	(16.2%)
Capital adequacy ratio	16.16%	176 bp	12.2%



# Financial Performance Snapshot – 30 September, 2021

## Shareholder Value Creation

Revenues  
**AED 2,388m**  
▲ 13.4% from 9M 2020

Net Profit  
**AED 1,051m**  
▲ 28.8% from 9M 2020

Return on Equity  
**12.94%**  
▲ 218 bps from 9M 2020

## Focus on Growth

Assets  
**AED 107.8bn**  
▲ 10.7% from FY 2020

Customer Deposits  
**AED 75.8bn**  
▲ 8.7% from FY 2020

Gross Loans  
**AED 78.9bn**  
▲ 14.3% from FY 2020

## Strong Balance Sheet

Capital Adequacy Ratio  
**16.16%**  
▼ 49 bps from FY 2020

Non-performing Loans  
**6.93%**  
▲ 16 bps from FY 2020

Return on Assets  
**1.37%**  
▲ 16 bps from FY 2020

## Solid Operating Performance

Operating Profit  
**AED 1,764m**  
▲ 16.4% from 9M 2020

Cost to Income Ratio  
**26.13%**  
▼ 194 bps from 9M 2020

Other Operating Income / Operating Expenses  
**131.49%**  
▲ 738 bps from 9M 2020



## Performance highlights Q3 21

- Solid **net profit result** with good momentum heading into 2022
- **Net interest margin** improved on lower funding costs
- Disciplined expense management driving a **leading cost to income ratio**
- Improving economic conditions supporting a **positive asset quality outlook**
- Improved **return on equity** generating internal capital for growth
- **Strong balance sheet** with all capital and liquidity ratios above regulatory limits

# Strategic Execution - 30 September, 2021

## Achieve Financial Results

- Net profit up 28.8% for the nine months to 30 September, 2021
- Higher volumes and lower cost of funds improved net interest income
- Robust non-funded income, digital remittances implemented

## Become Employer of Choice

- Supporting employees throughout the COVID-19 pandemic
- Recruiting, developing and retaining UAE national talent
- On-boarded 40 Tumoo (UAE National Graduates)

## Customer Focus

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

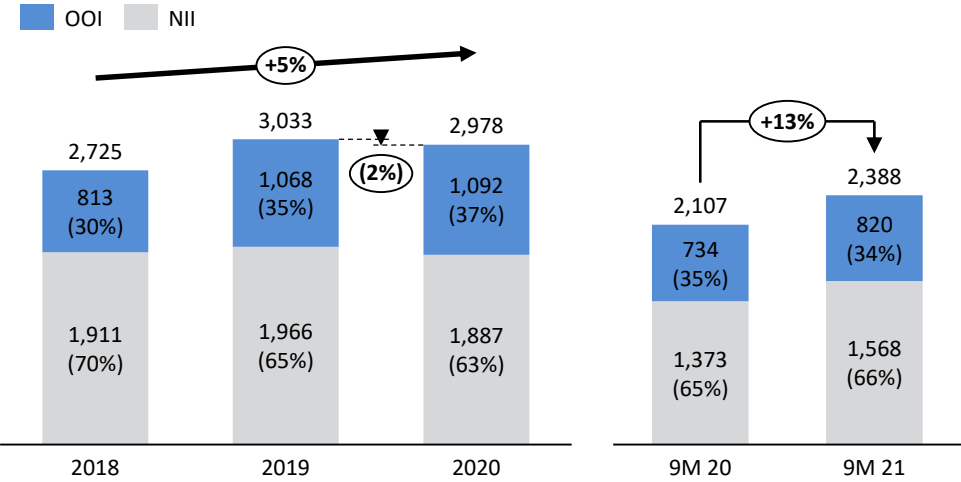
## Default Digital

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

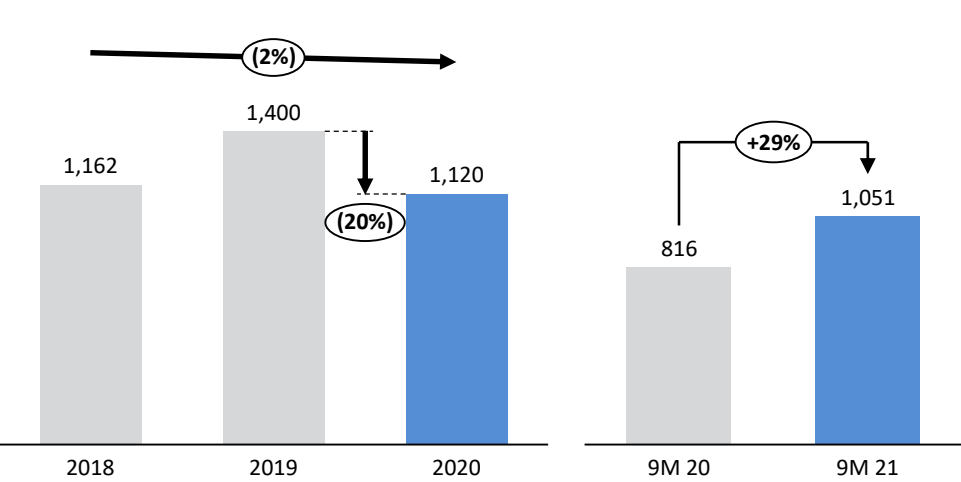
# Core Performance Trends – *strong loan growth, lower cost of funds with robust non funded income underpinning net profit performance*

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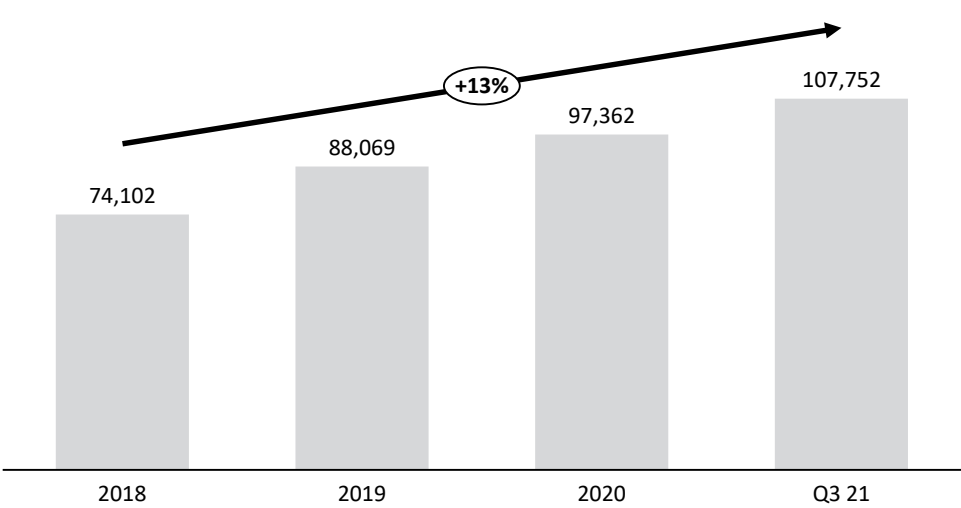
## Revenue



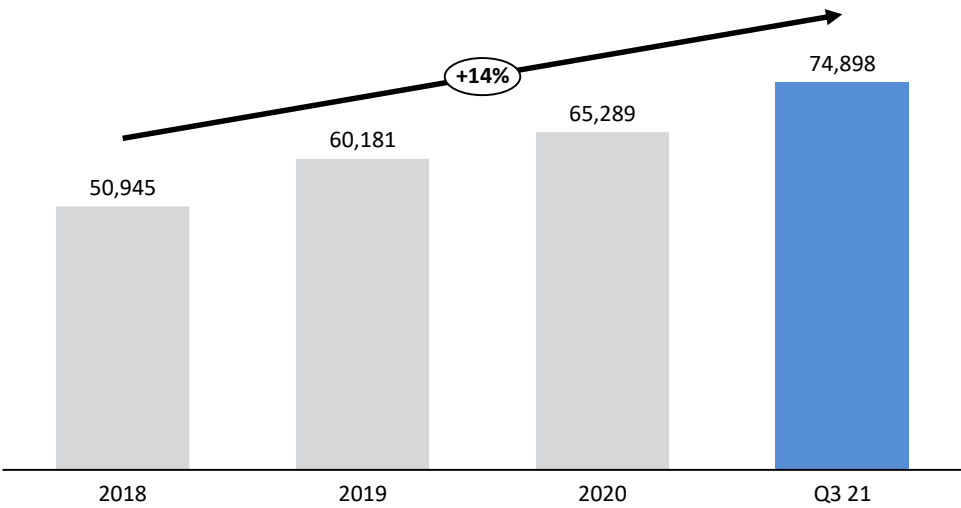
## Net profit



## Assets

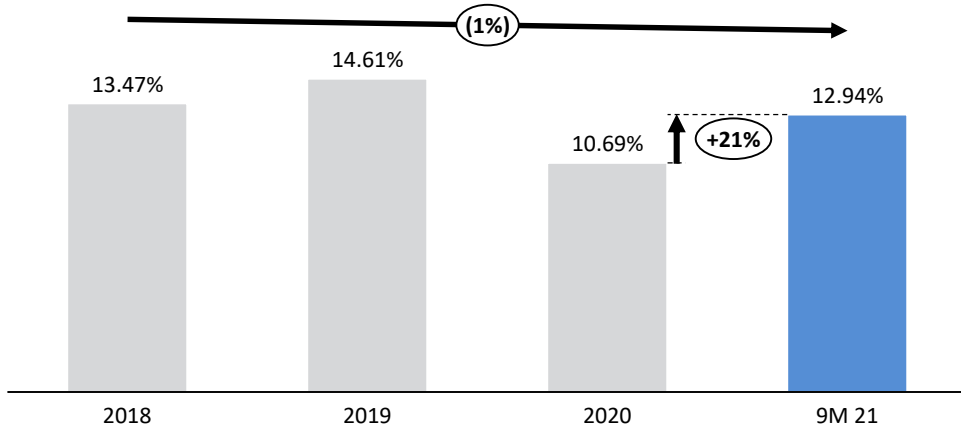


## Net loans

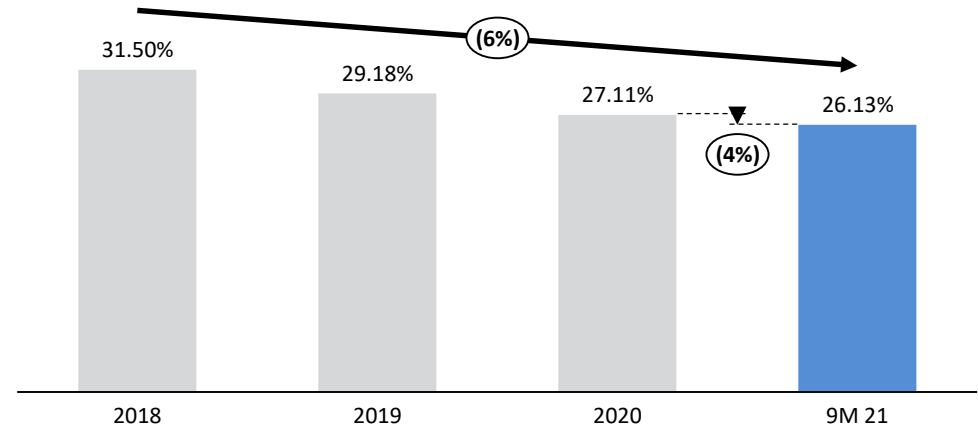


# Strategic Financial KPI's – *digitisation and enhanced product capabilities lifting returns*

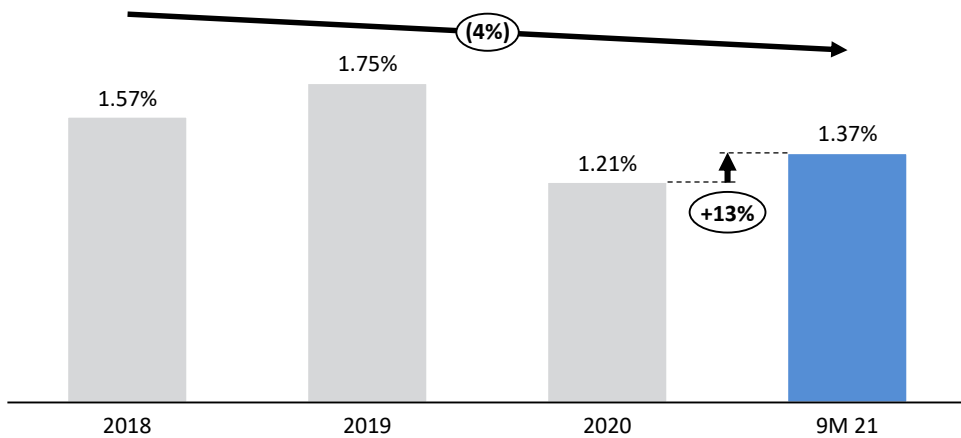
## Return on Equity (ROE)



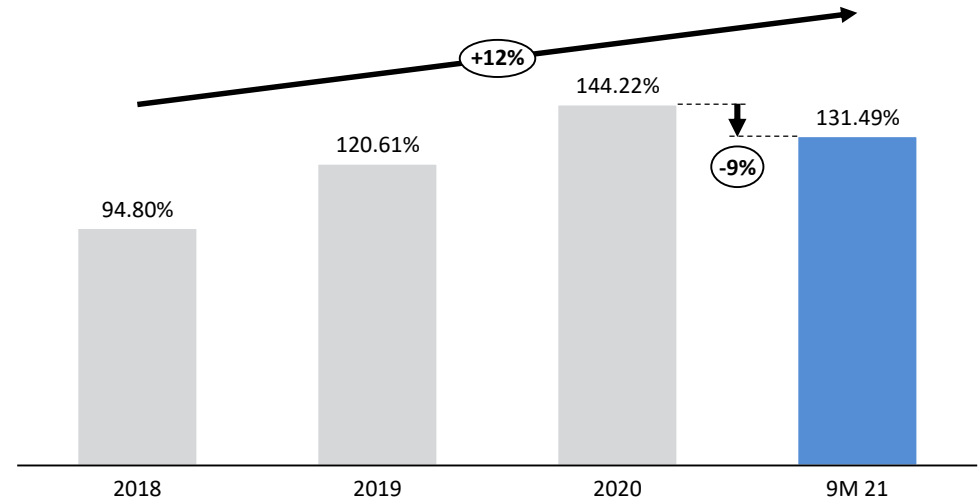
## Cost to Income Ratio



## Return on Assets (ROA)



## Other Operating Income as % of Expenses

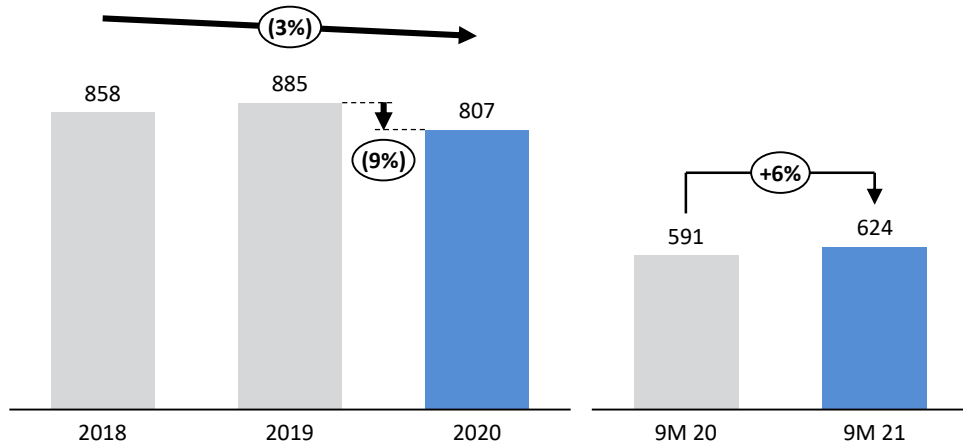




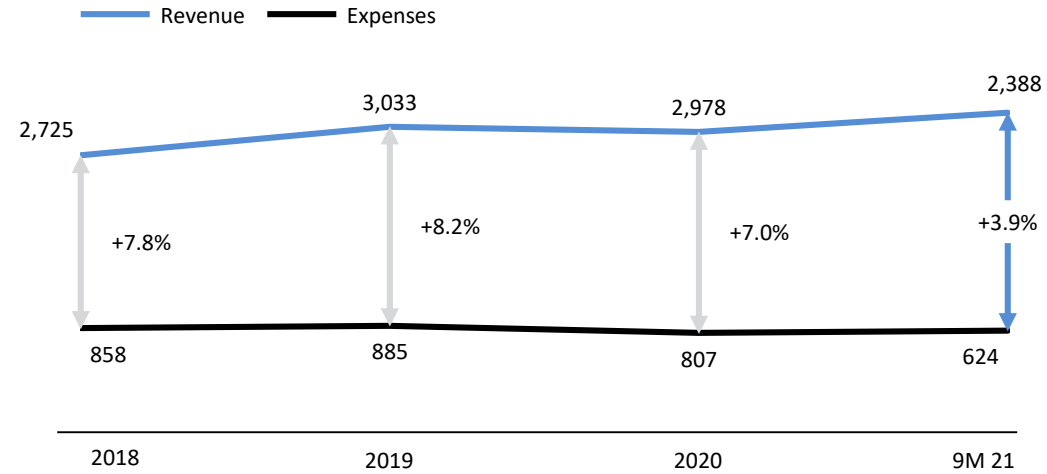
# Profitability and Returns – *robust other operating income and expense discipline driving upward momentum in returns*

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## Expenses

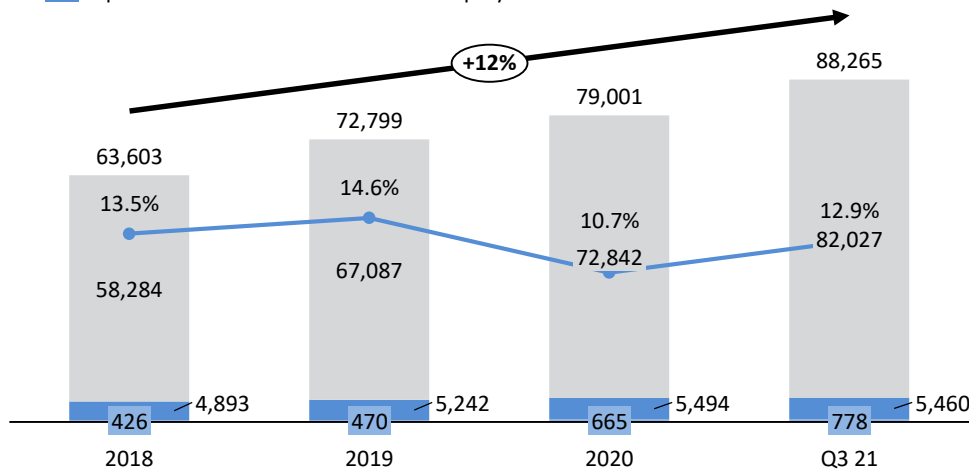


## Revenue and expense JAWS



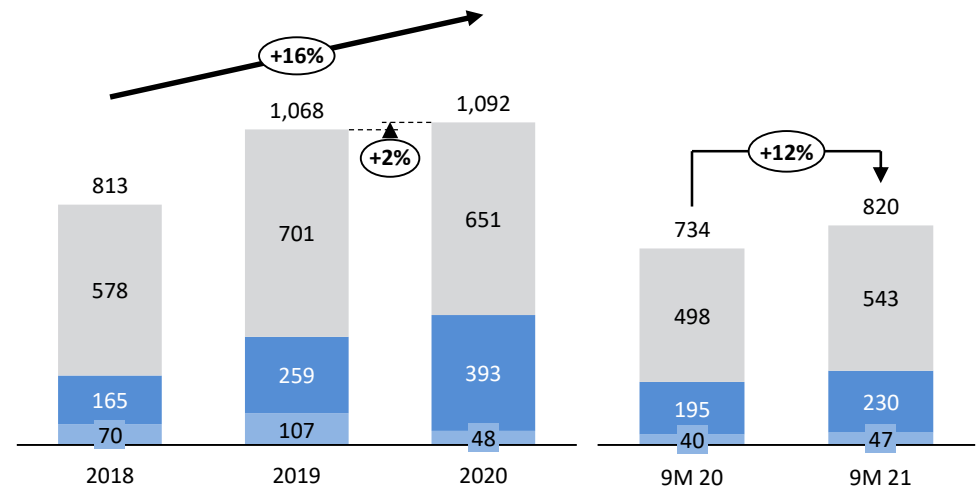
## RWA and Return on Equity

- Credit Risk
- Market Risk
- Operational Risk
- Return on Equity



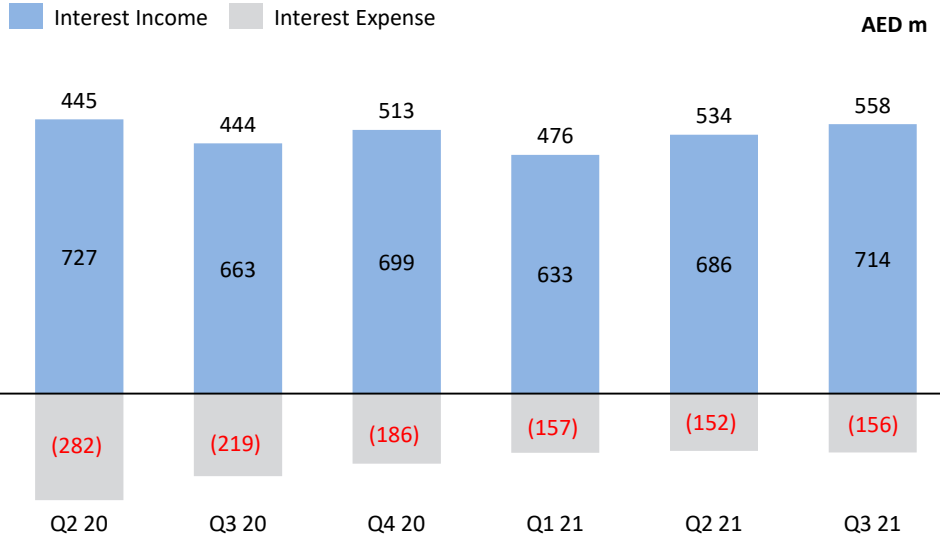
## Other Operating Income

- Fees and Commission
- FX and Investment
- Others

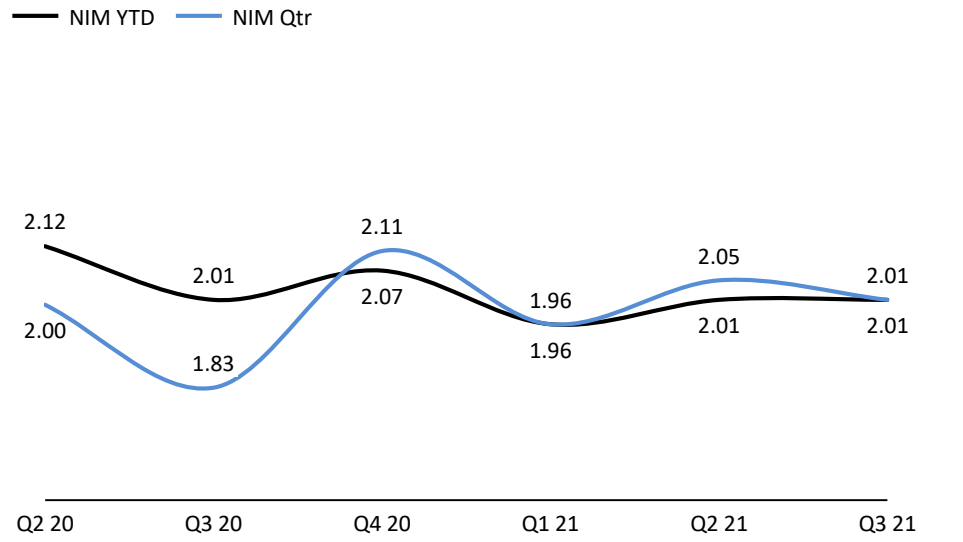


# Net Interest Margin – stable net interest margin in Q3 which is expected to carry forward into 2022

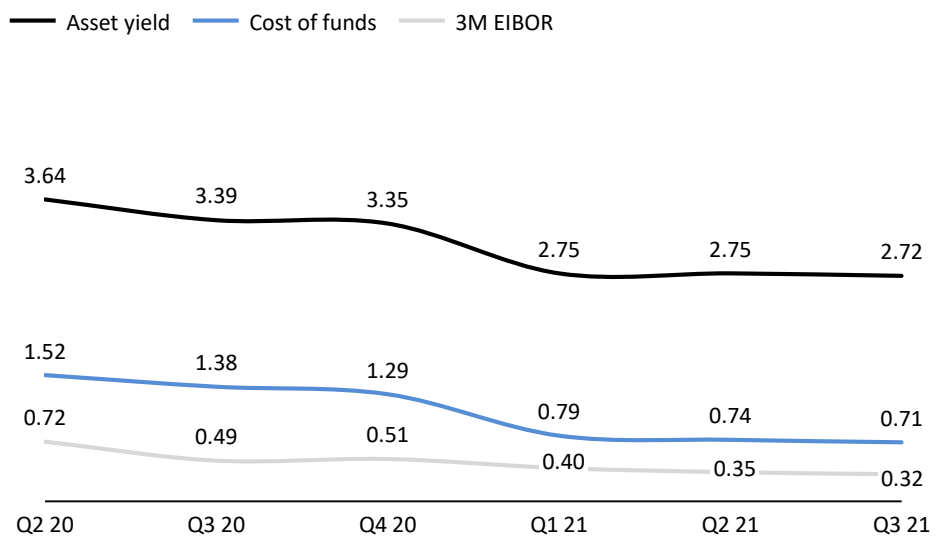
## Interest Income and Interest Expense



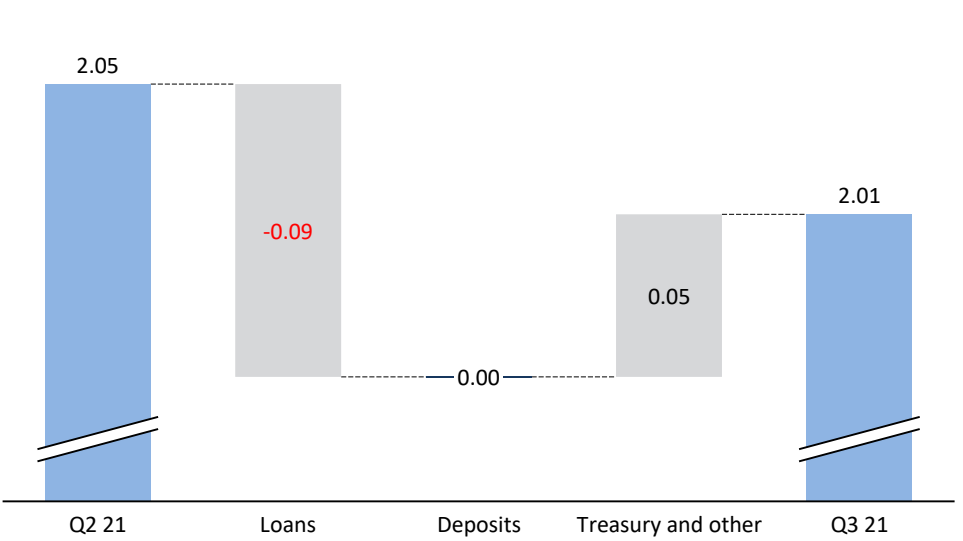
## Net Interest Margin



## Net interest margin components and EIBOR

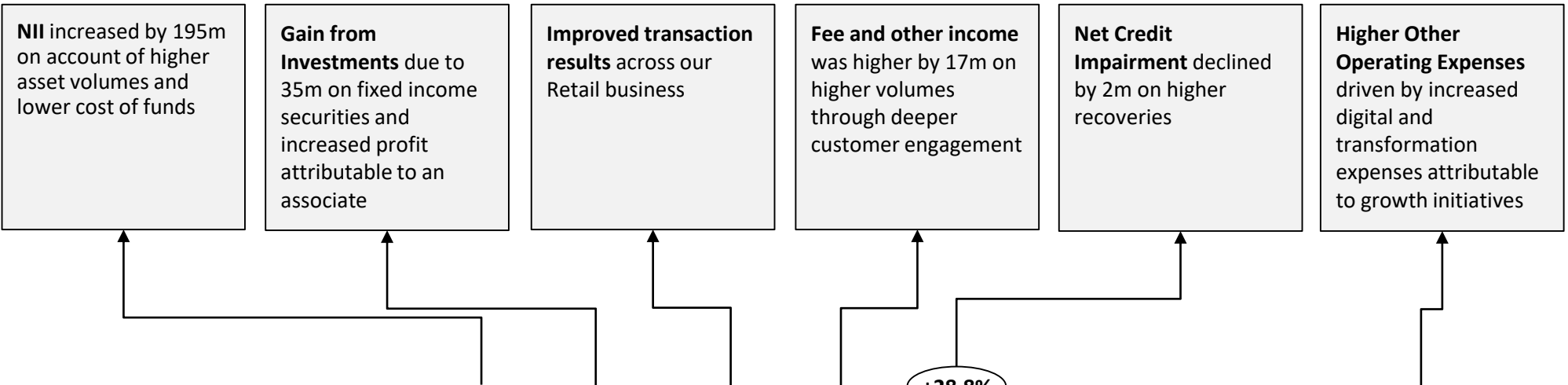


## Net interest margin waterfall Q-o-Q



# Net Profit Bridge on Prior Period – increased net profit on higher volumes and lower cost of funds

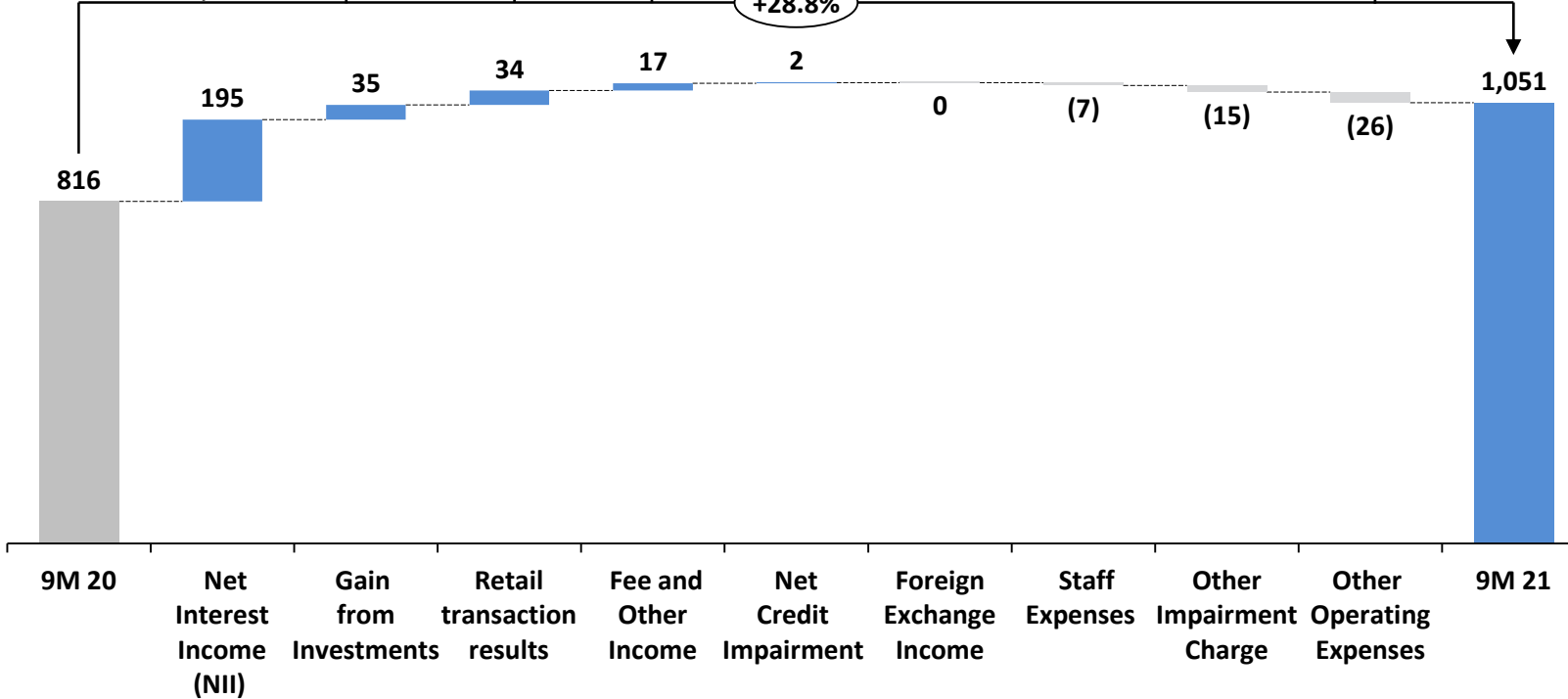
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**Net profit for the period increased by 235.3m (28.8%) compared to 9M 2020**

Increase in net profit is attributable to:

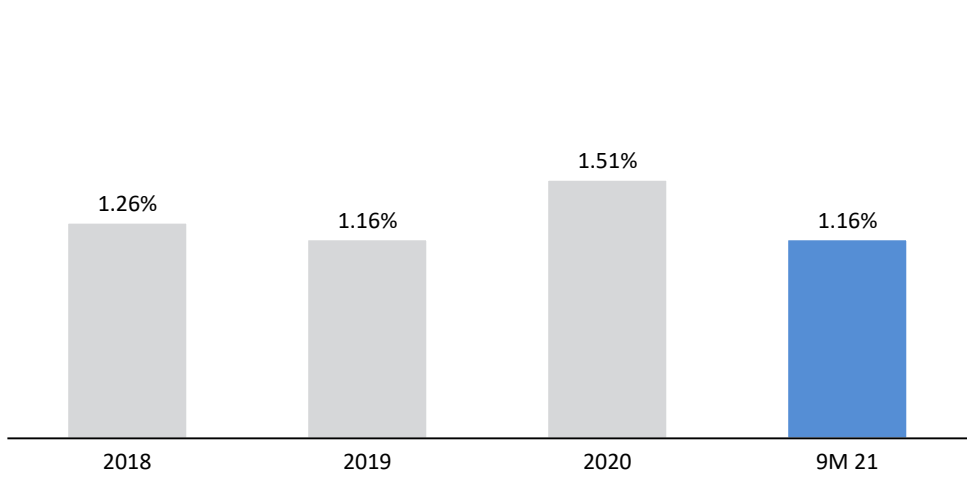
- Increase in NII
- Increase in fees and other income
- Increase in gain from investments
- Decrease in net credit impairment



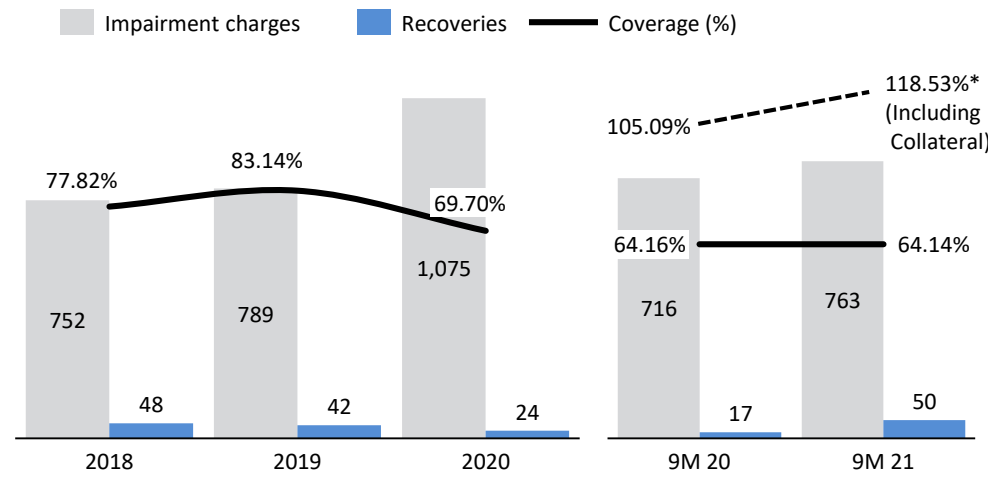
# Asset Quality and Impairments – *cost of risk elevated with asset quality forecast to improve in 2022*

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## Cost of Risk

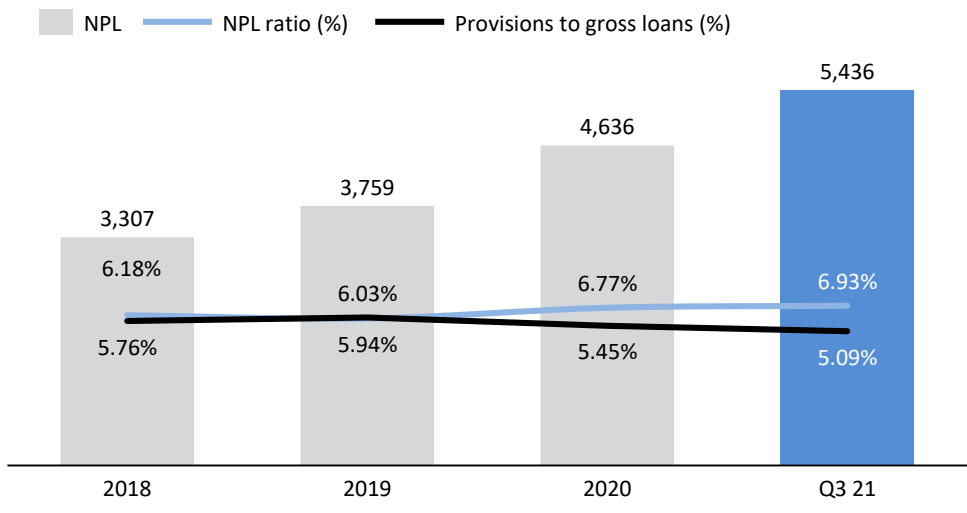


## Impairment Charges and Recoveries

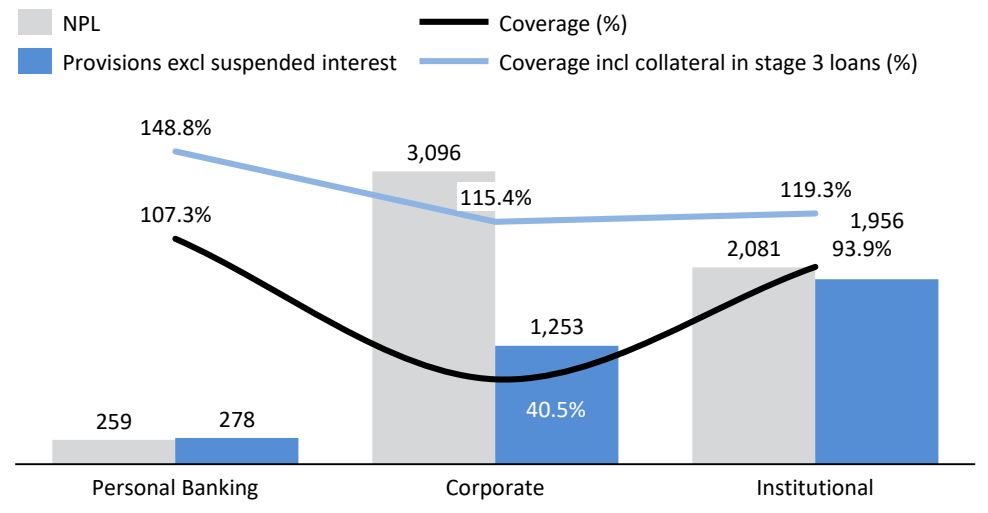


\* Coverage inclusive of collateral in stage 3 loans.

## NPL Ratio



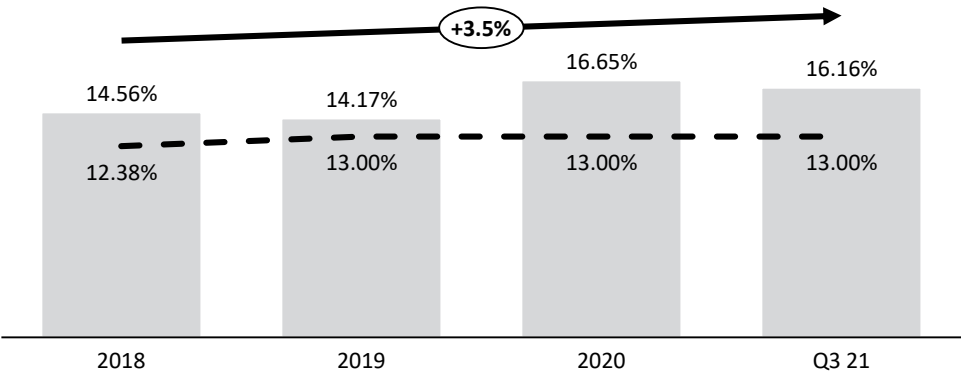
## Expected Credit Provisions – Segment



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

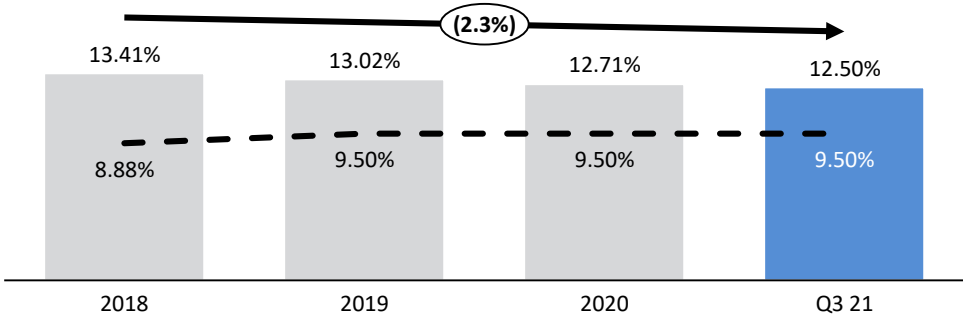
## Capital Adequacy Ratio (CAR)

■ CAR    - - - Regulatory limit (Minimum)



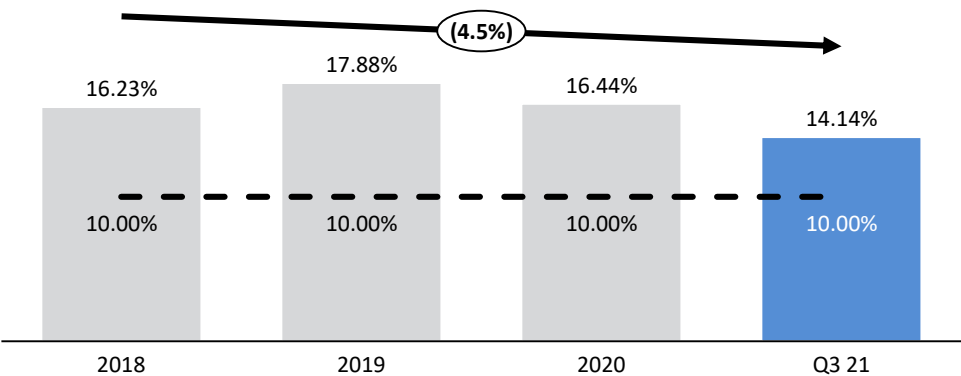
## Common Equity Tier 1 (CET1)

■ CET1    - - - Regulatory limit (Minimum)



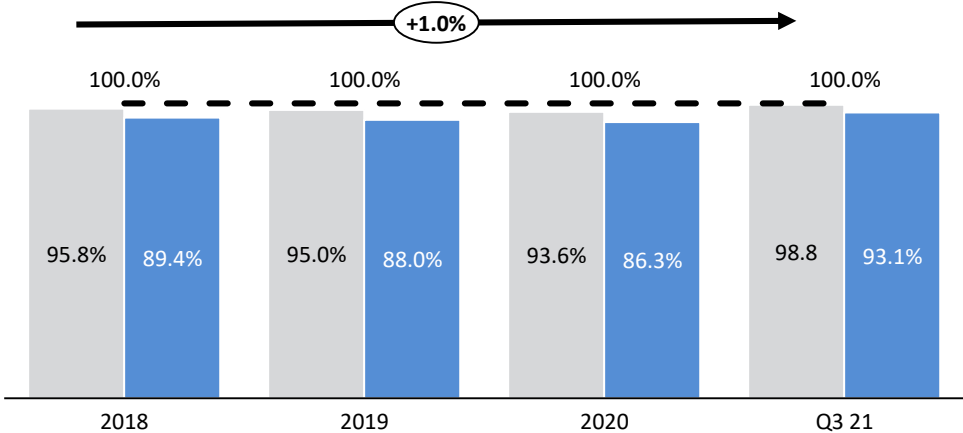
## Eligible Liquid Assets Ratio (ELAR)

■ ELAR    - - - Regulatory limit (Minimum)



## Loans to Deposits and ASRR

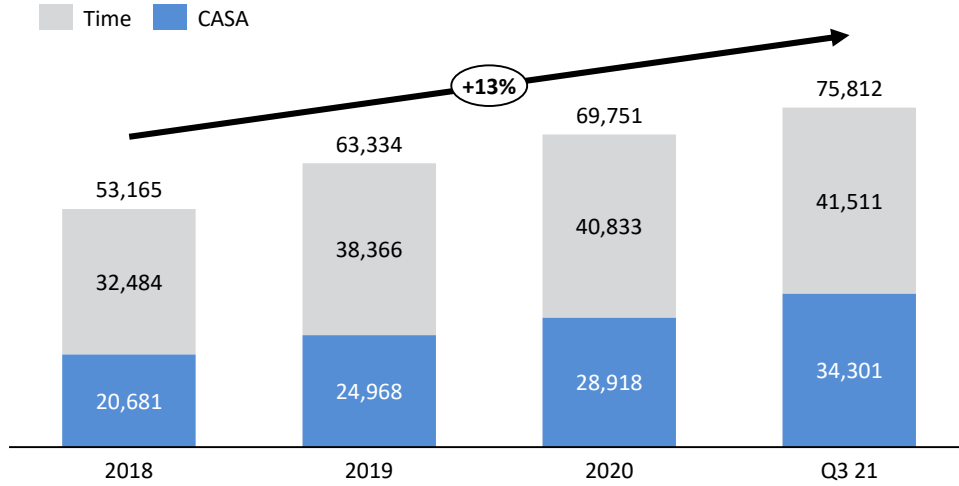
■ Loans to Deposits    ■ ASRR    - - - Regulatory limit (Maximum)



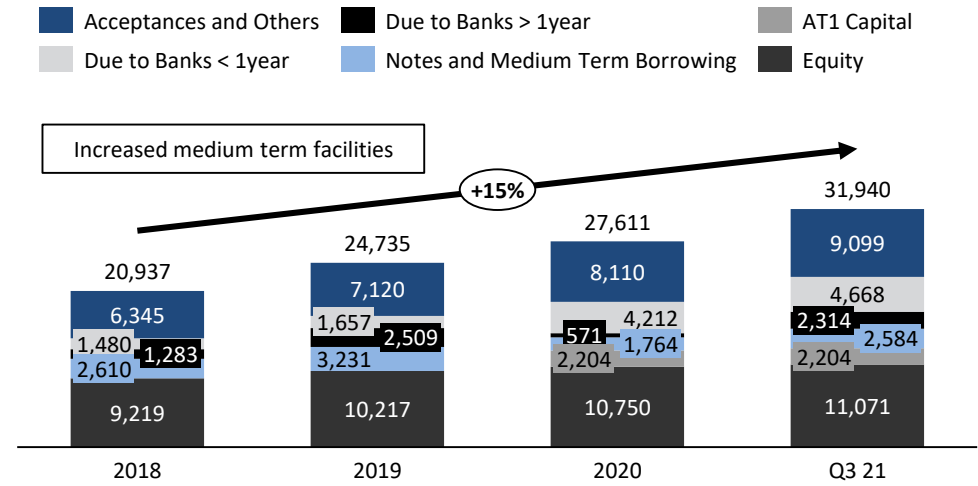
# Funding and Liquidity – diversified and stable funding supporting franchise loan growth

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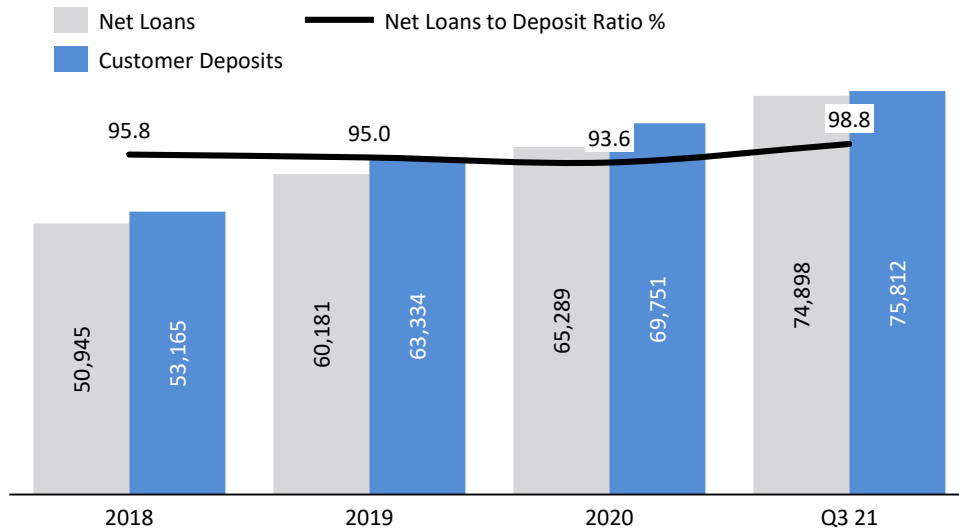
## Customer Deposits



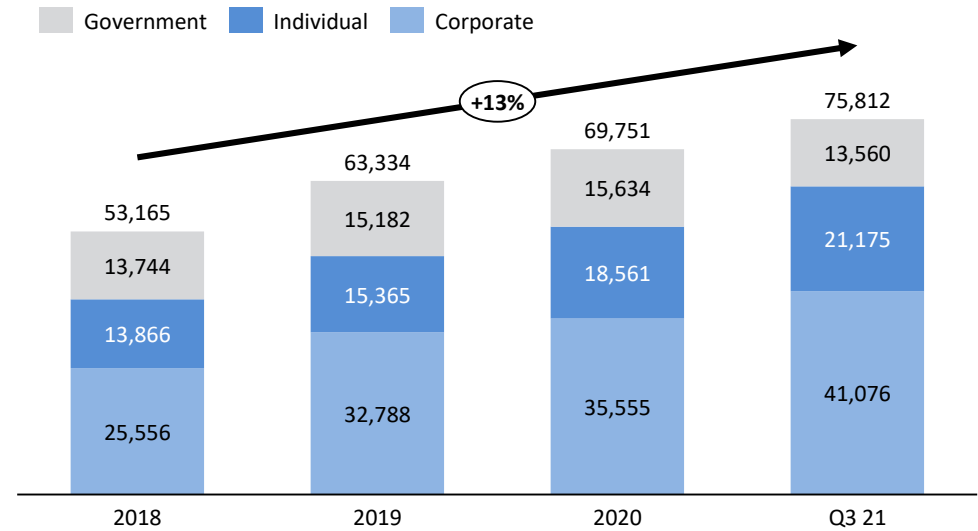
## Other Funding Sources



## Loans to Deposits



## Deposit Segmentation

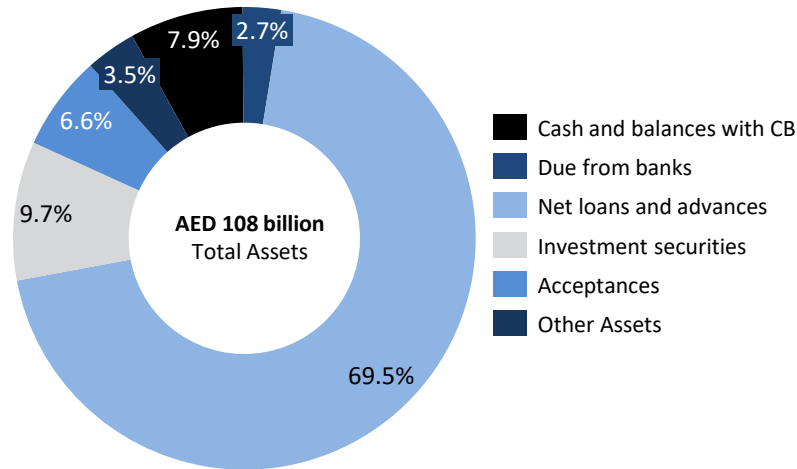




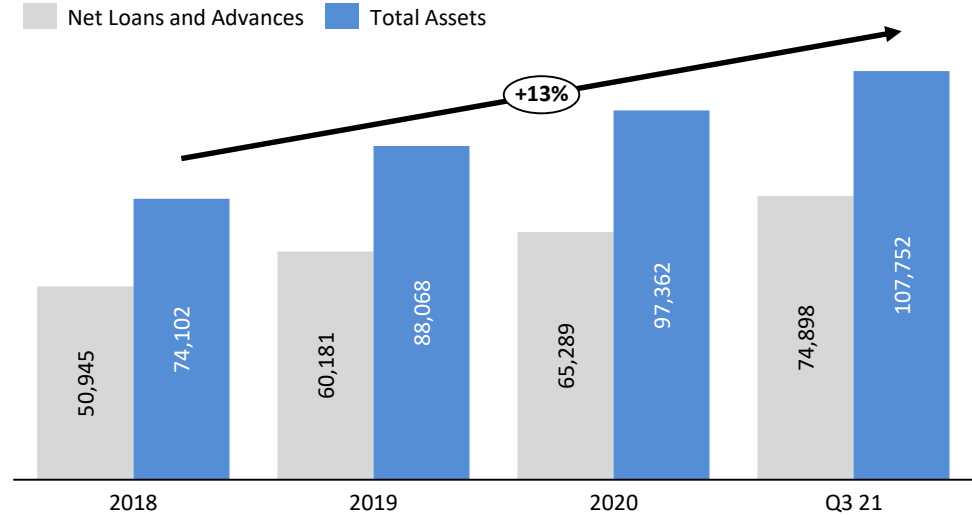
# Balance Sheet Analysis – supporting businesses across all market sectors of the UAE economy

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## Assets Mix



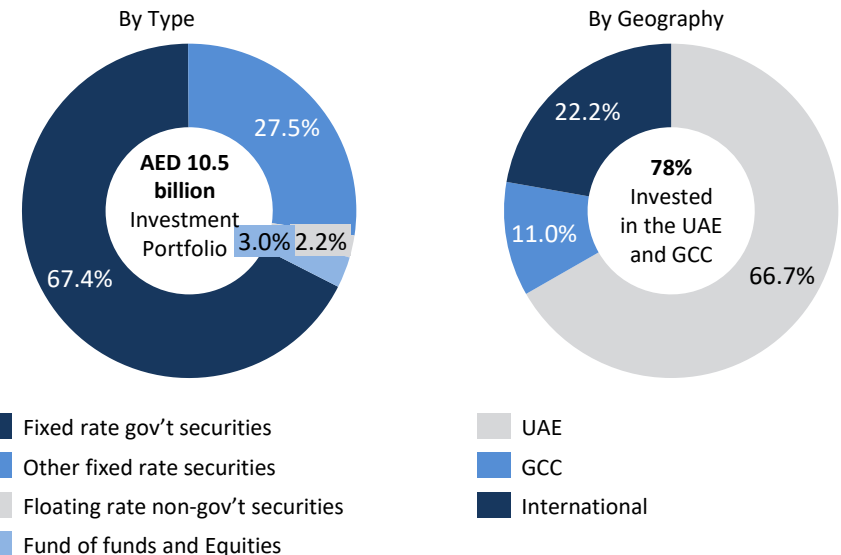
## Assets and Loans



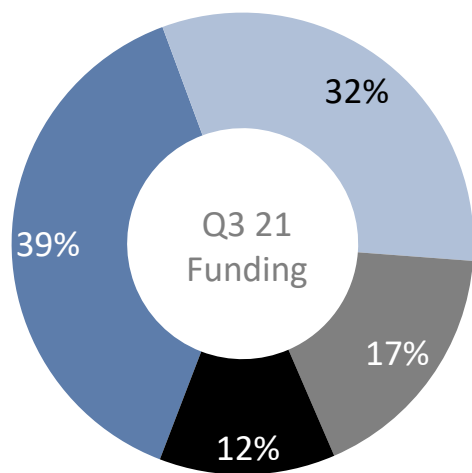
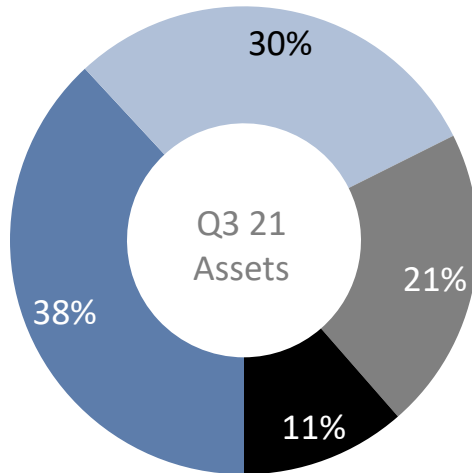
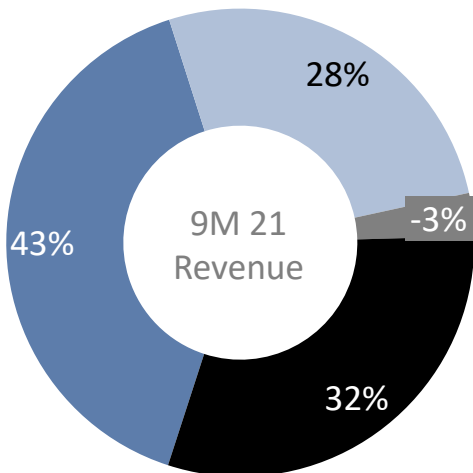
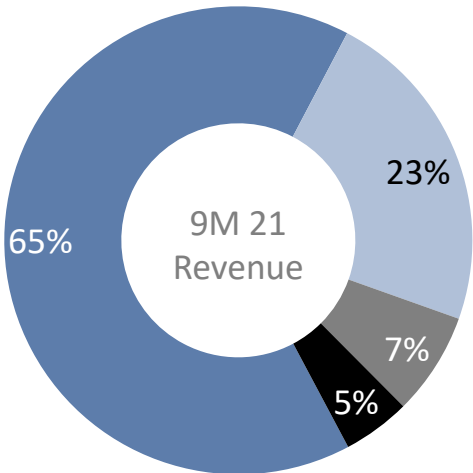
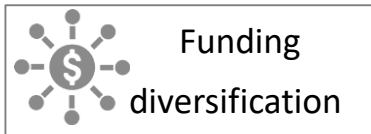
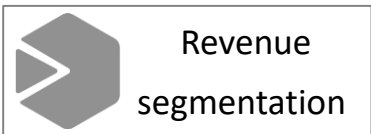
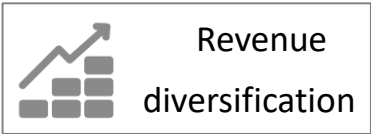
## Gross Loans and Advances by Sector

Sector	Sep 21	Dec 20	Var %
Personal - mortgage	6,628	4,037	64.2
Others	4,139	2,772	49.3
Transportation and storage	3,671	2,720	35.0
Financial and insurance activities	7,470	5,814	28.5
Government entities	1,693	1,334	26.9
Manufacturing	3,873	3,329	16.3
Personal - schematic	5,571	4,953	12.5
Trade	7,210	6,580	9.6
Real estate	25,147	23,373	7.6
Construction	5,066	5,000	1.3
Services	5,089	5,320	(4.3)
Hospitality	2,375	2,576	(7.8)
Individual loans for business	983	1,241	(20.8)
<b>Total</b>	<b>78,915</b>	<b>69,049</b>	<b>14.3</b>

## Investment Securities Portfolio



# Diversified business mix – supporting returns through economic cycles

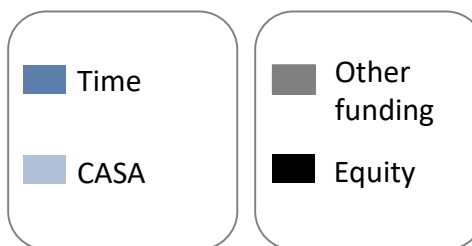
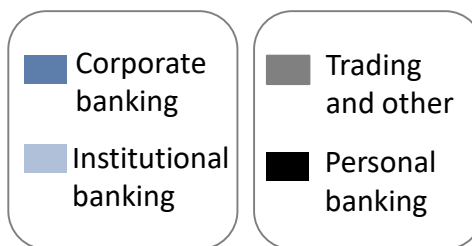
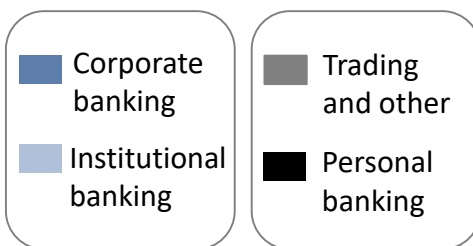
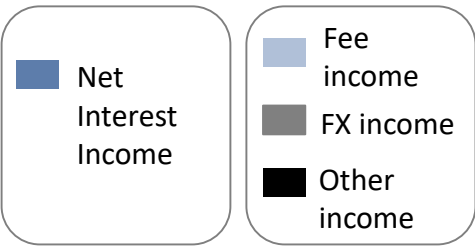


65% NII  
35% OOI

71% Wholesale  
29% Others

68% Wholesale  
32% Others

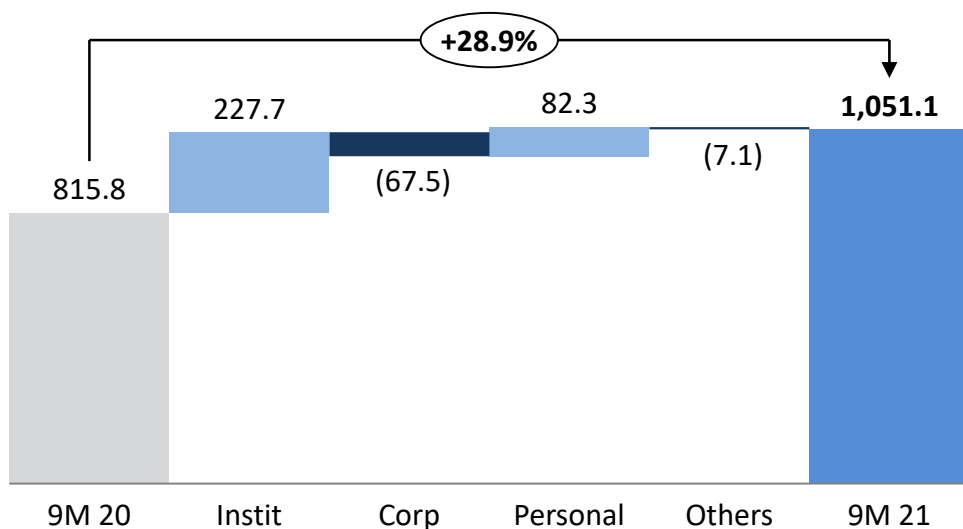
71% Deposits  
29% Others



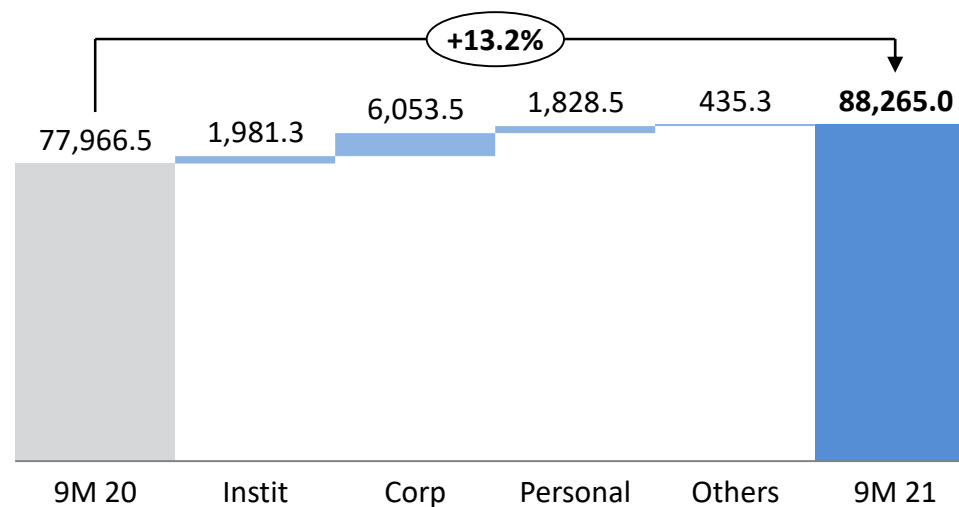
# Divisional Contributions – dedicated segments backing businesses across the UAE

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## Divisional net profit movement



## Divisional RWA movement



9M 21	Institutional	Corporate	Personal Banking	Others	Total
Operating Income	673.0	1,017.8	772.9	(75.6)	2,388.1
Expenses	(123.9)	(107.4)	(341.7)	(51.0)	(624.0)
<b>Operating Profit</b>	<b>549.1</b>	<b>910.4</b>	<b>431.2</b>	<b>(126.6)</b>	<b>1,764.1</b>
Impairment (charges) / benefits	(294.3)	(356.9)	(36.6)	(25.2)	(713.0)
<b>Net Profit</b>	<b>254.8</b>	<b>553.5</b>	<b>394.6</b>	<b>(151.8)</b>	<b>1,051.1</b>
<i>% of Group Net Profit</i>	<i>24.2</i>	<i>52.7</i>	<i>37.5</i>	<i>(14.4)</i>	<i>100.0</i>

# Board of Directors and Management Team

## Board of Directors



**H.E. 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*



**Mr. 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*

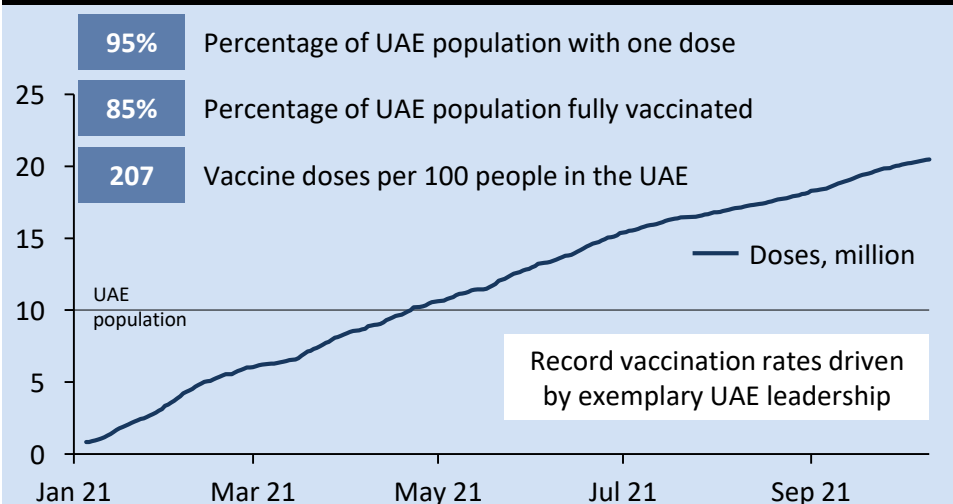
# COVID-19 – UAE economy rebounding on vaccine and economic stimulus

## COVID-19 global health statistics

<b>11 Mar 20</b>	Declared pandemic by WHO
<b>240m</b>	Total cases
<b>217m</b>	Total recoveries
<b>4.9m</b>	Total deaths
<b>22</b>	Vaccines approved (6 by WHO)
<b>6.54b</b>	Vaccine doses given
<b>2.78b</b>	People fully vaccinated

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

## UAE vaccination drive



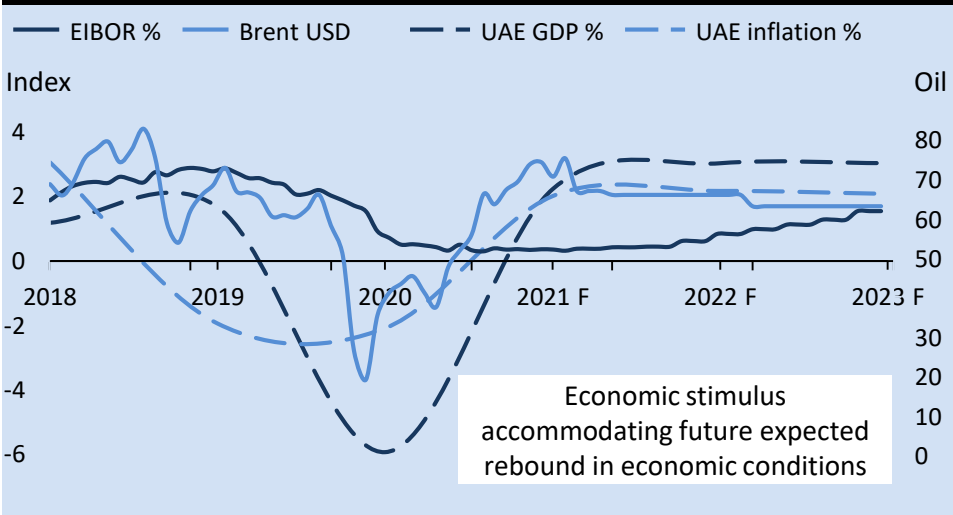
Source: worldometers.info, ourworldindata.org, mohap.gov.ae

## Signs of economic recovery

### Indicators of economic recovery across the UAE economy

- Record low interest rates stimulating the economy
- Brent oil increased to USD79 in September 21 from USD19 in April 20
- Dubai real estate sales volumes up 109% in 9M21 over 9M20
- Dubai airport traffic up to 2.3m in August 21 from 0.9m in 2020
- Dubai hotel occupancy up to 58.9% in August 21 (August 20 - 41%)
- EXPO 2020 commenced, to run through to March 2022

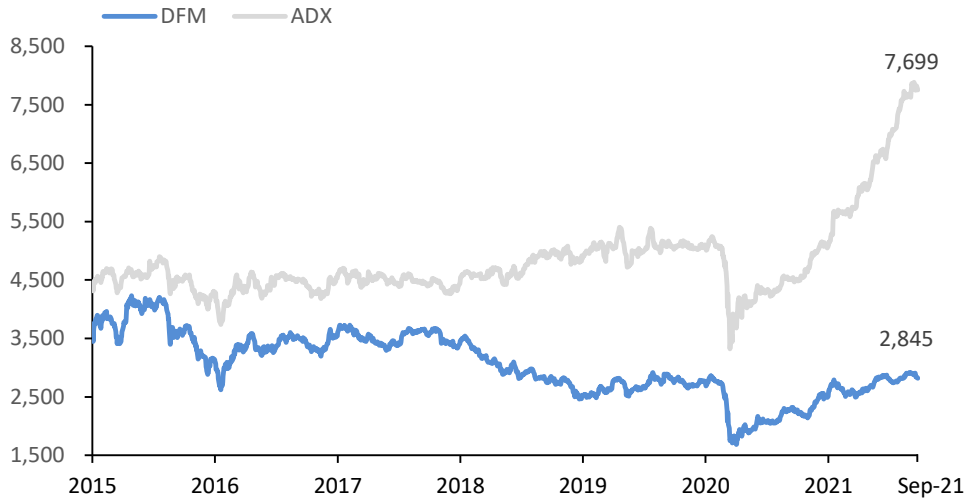
## UAE economic indicators



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

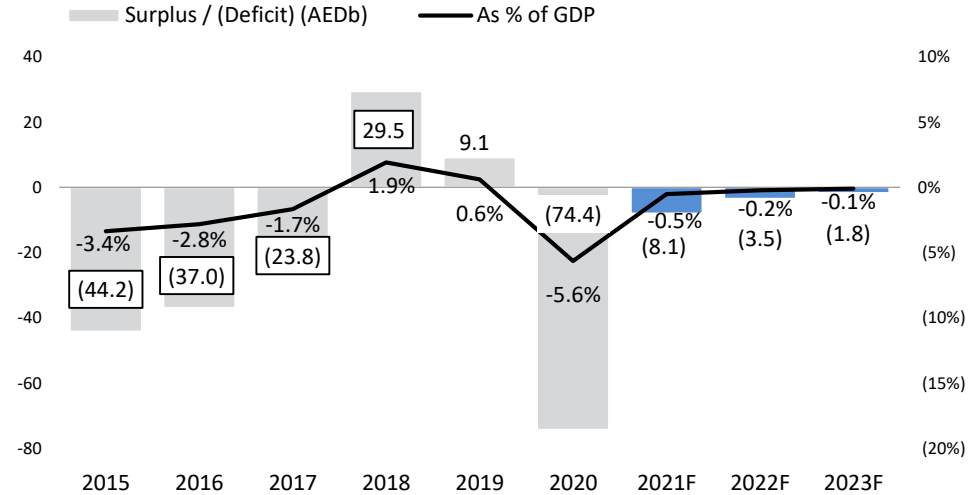
# United Arab Emirates – *the economy is recovering with signs of increased business activity and confidence*

## UAE Stock market indices



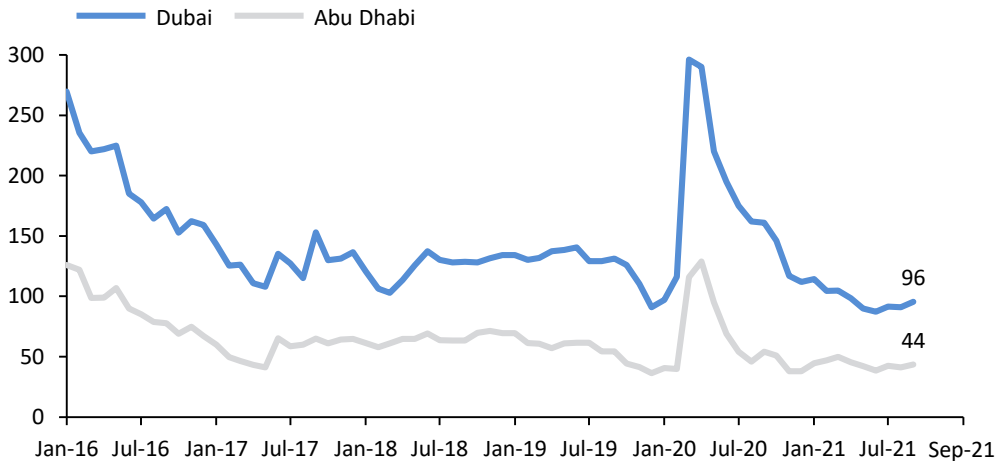
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

## UAE Fiscal Position



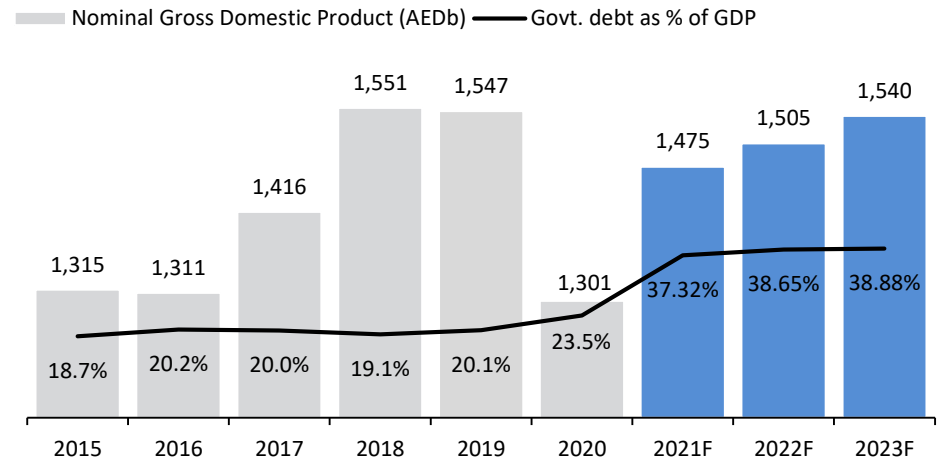
Source: IMF World Economic Outlook Oct 2021

## 5 Year CDS



Source: Bloomberg

## UAE GDP and Government Debt

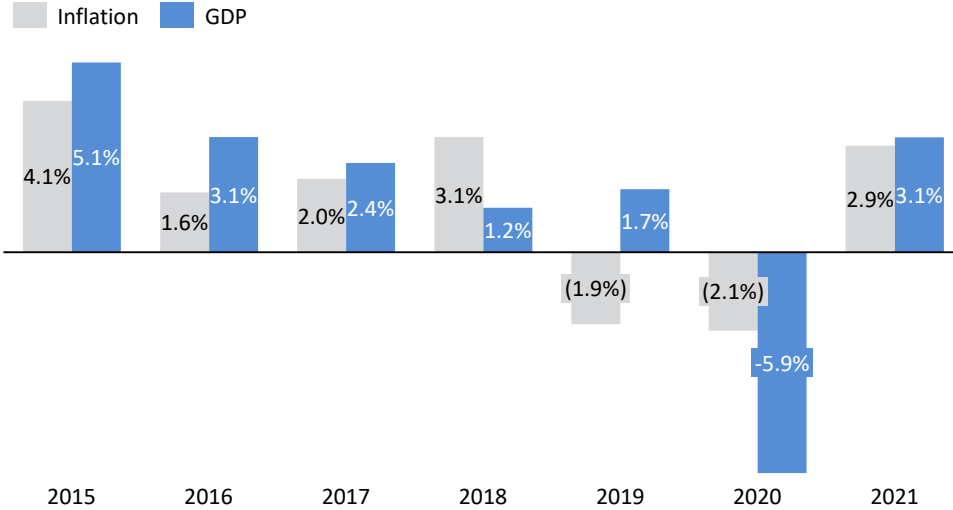


Source: IMF World Economic Outlook Oct 2021



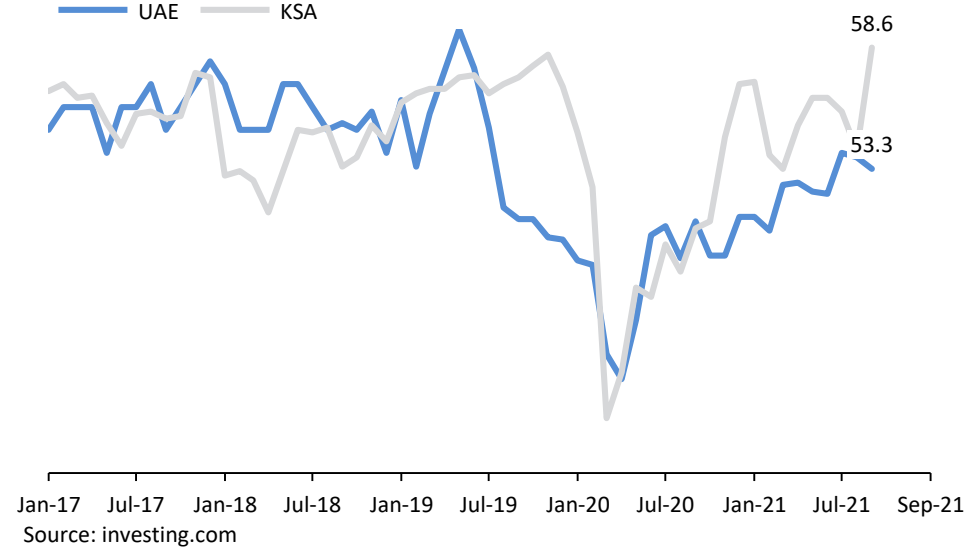
# UAE Economic Update – *signs of economic recovery with oil prices, real estate activity and prices, tourism and hospitality all improving*

## UAE GDP and Inflation Growth



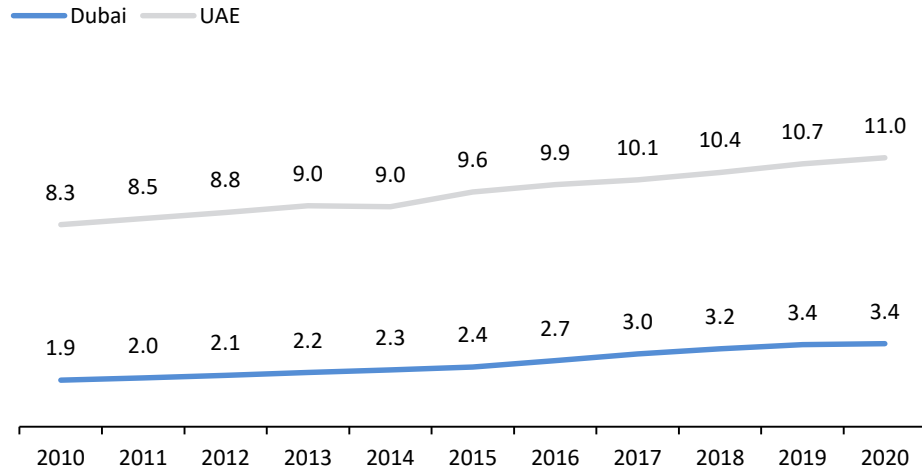
Source: UAE Ministry of Economy, fcsa.gov.ae

## Purchasing Managers Index



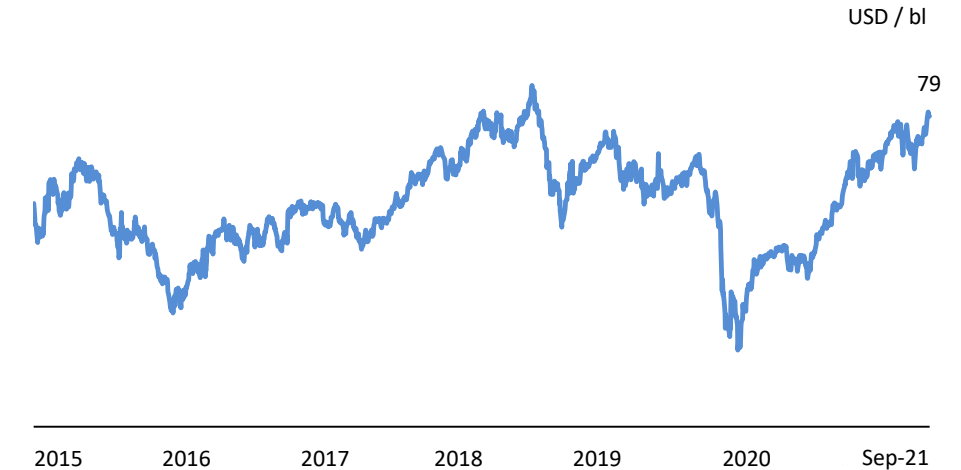
Source: investing.com

## UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

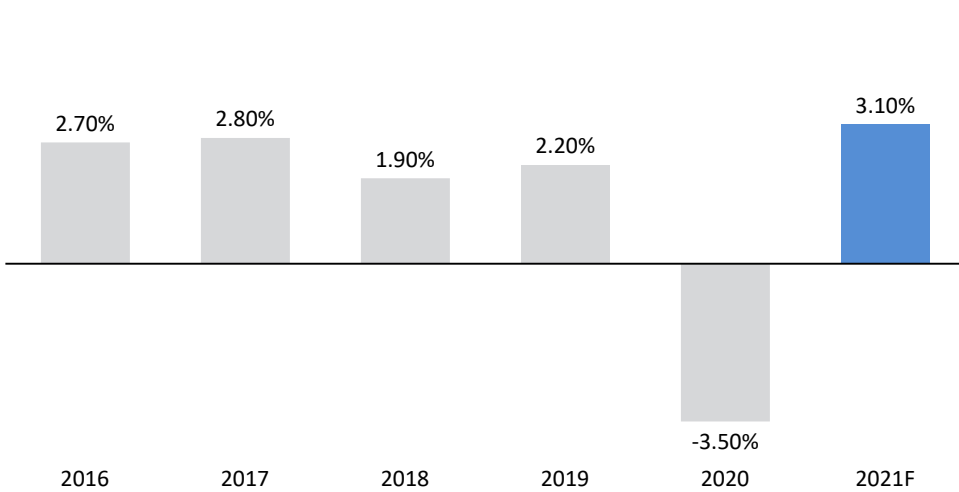
## Brent oil



Source: investing.com

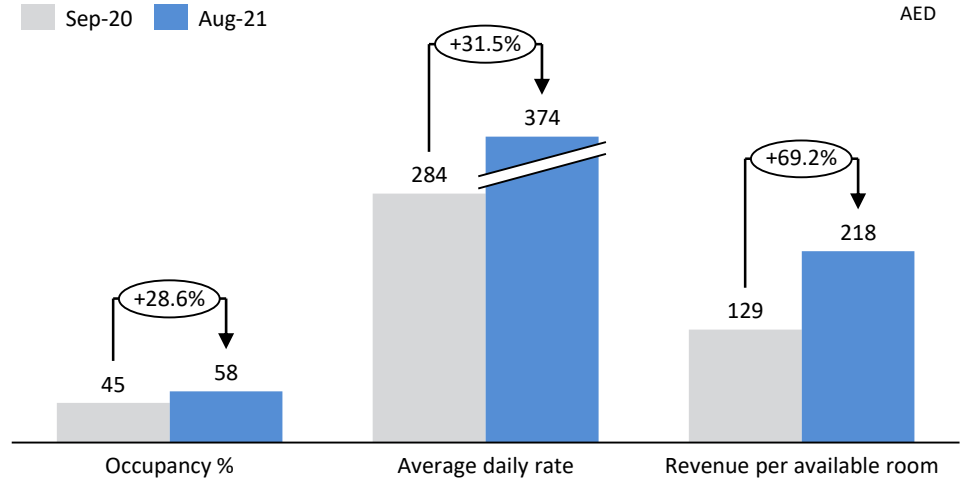
# Dubai Economic Update – *real estate prices picking up, business conditions and confidence building*

## Dubai GDP growth



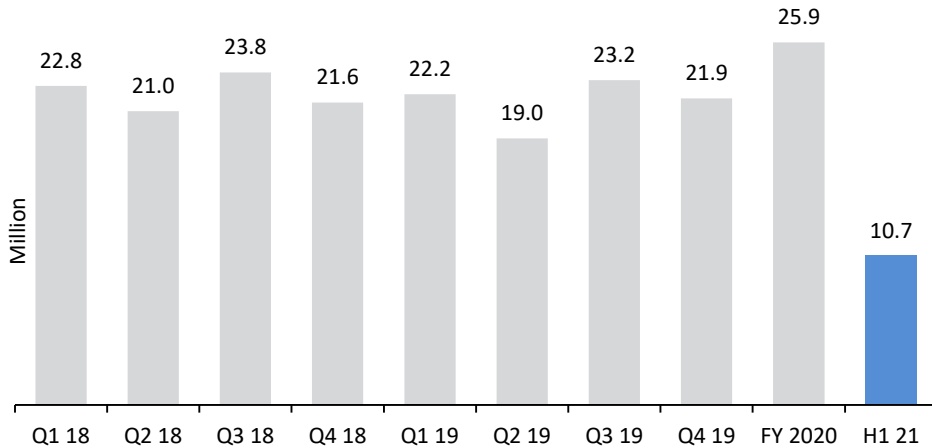
Source: Dubai Statistics Centre, Dubai Economic Department

## Dubai hospitality



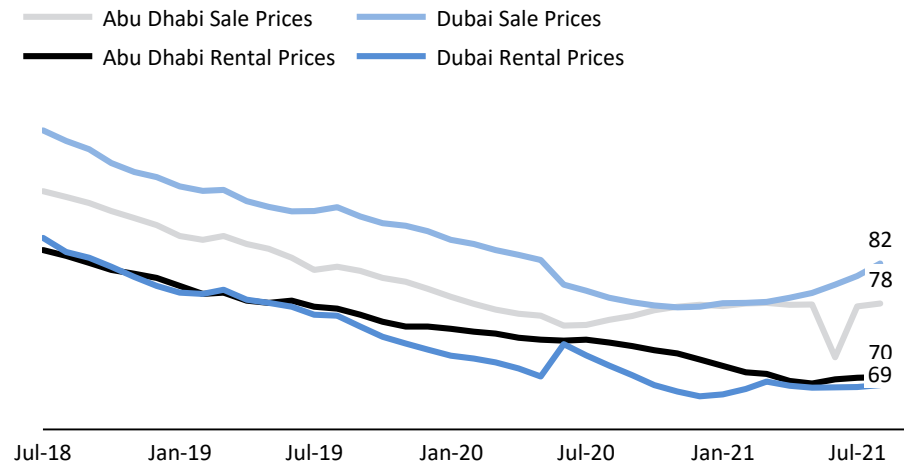
Source: STR Global

## 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

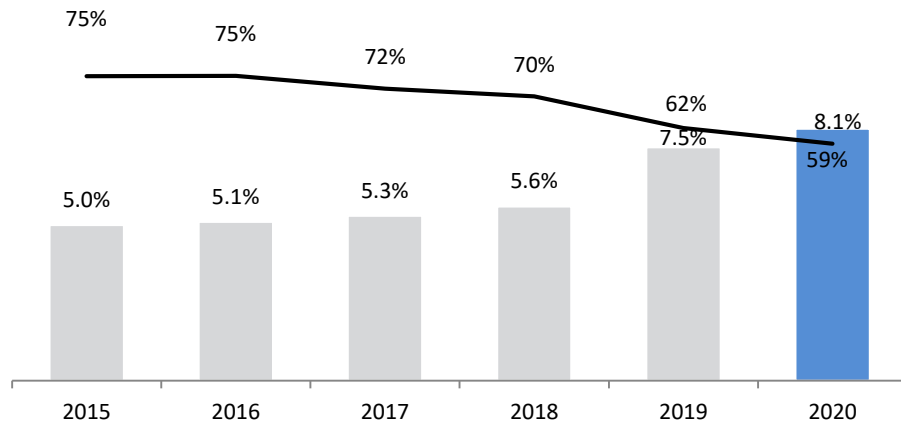
AEDb	2018	2019	2020	Aug-21	YTD
Total assets	2,869	3,083	3,188	3,229	
Customer deposits	1,756	1,870	1,885	1,929	
Loans and advances	1,657	1,759	1,779	1,771	
Loan to deposit (%)	94.3	94.1	94.4	91.8	
CAR (%)	17.5	17.7	18.2	17.5*	
Tier 1 ratio (%)	16.2	16.5	17.1	16.3*	

\*Ratios available every quarter, latest as at June-21.

Source: Central Bank of the UAE

## Reduction in industry asset quality

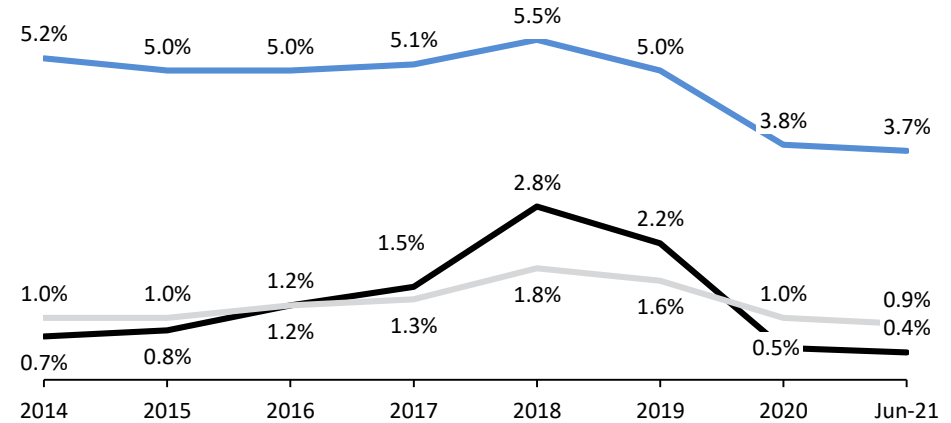
■ NPL Ratio — Loan Loss Coverage



Source: Central Bank of the UAE

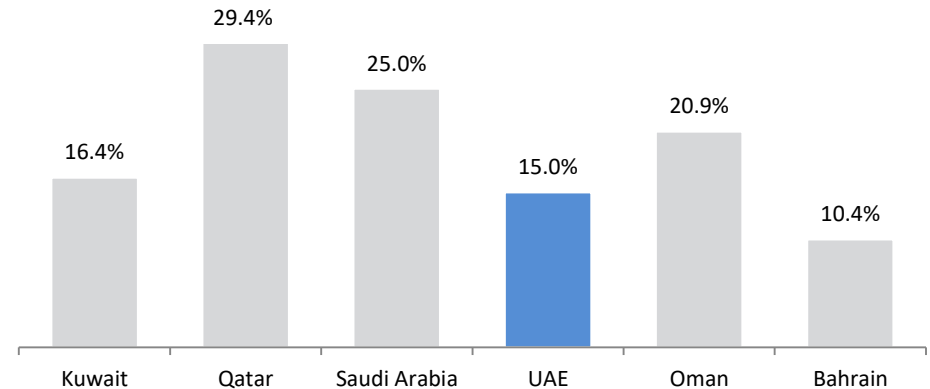
## Average Loan Yield & Cost of Deposits vs 3M EIBOR

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



Source: Central Bank of the UAE

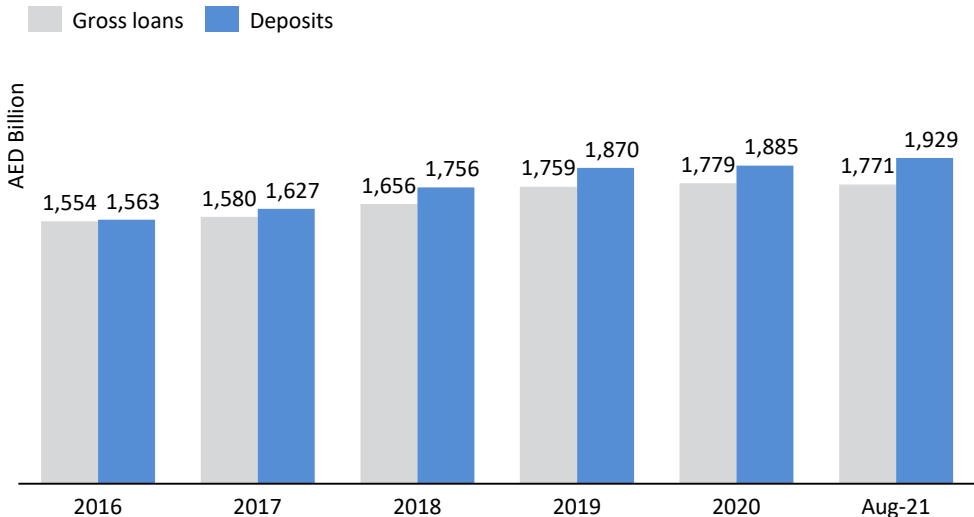
## Government deposits as % of total deposits



Source: Central Bank of country, Jul/Aug 2021

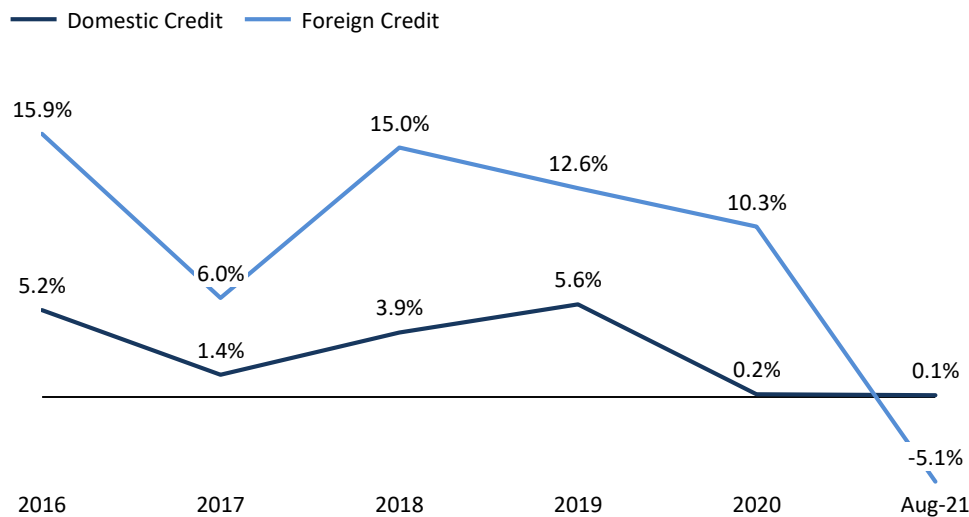
# UAE Banking Industry – credit system remains subdued, CBD consolidating market share gains

## System-wide Gross loans and deposits



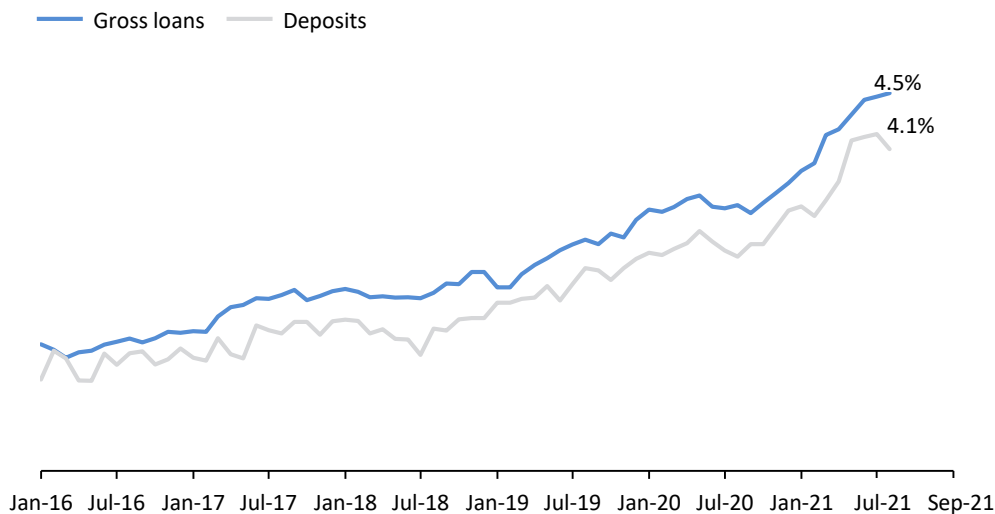
Source: Central Bank of the UAE

## Credit Growth in the UAE Banking Sector



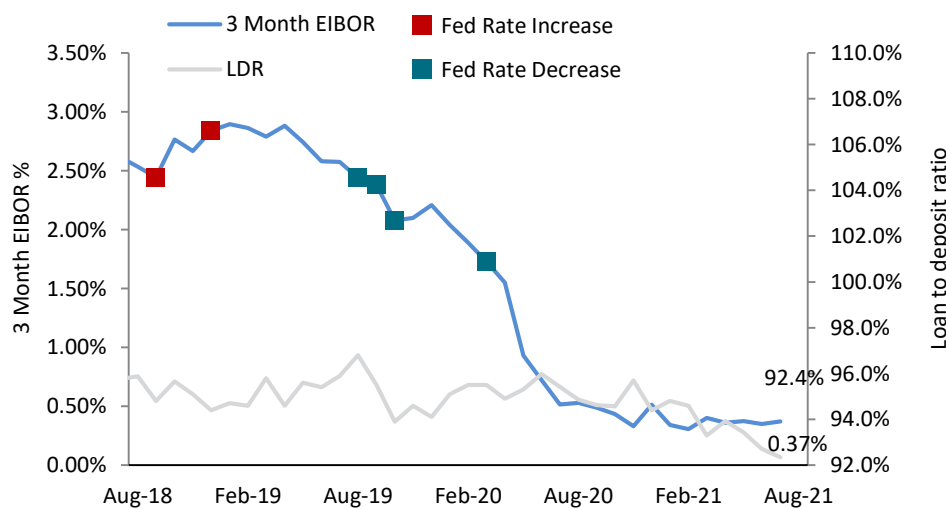
Source: Central Bank of the UAE

## 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 towards 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.

# Q3 2021 CSR Activity

## Back to School Campaign

CBD has partnered with the UAE Red Crescent to provide less fortunate children with educational items such as books, stationery and clothing through a donation drive conducted with CBD employees.



“The real asset of any advanced nation is its people, especially the educated ones, and the prosperity and success of the people are measured by the standard of their education.”

- His Highness Sheikh Zayed Bin Sultan Al Nahyan,  
Father of the Nation



# 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 Invest a robo-advisory app designed to users save and invest**



**Recognized with “Excellence in Innovation – Retail Banking” – Finnovex Middle East 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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