

2023

Investor Presentation

for the 3 months ended 31st March 2023

3rd May 2023

#1 Bank in the UAE

WORLD'S BEST BANKS
Forbes 2022

Dr Bernd van Linder
Chief Executive Officer

Mr Darren Clarke
Chief Financial Officer

بنك دبي التجاري
Commercial Bank of Dubai

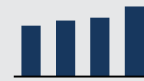


Executive Summary



- **Strong net profit result** with outstanding growth in revenue and operating profit
- **Well positioned** to back our customers' ambitions
- **Excellent return on equity** generating internal capital for growth
- **Strong balance sheet** with all capital and liquidity ratios well above regulatory limits
- **Improved asset quality** with higher provision coverage

Financial Highlights Q1 23



Net Profit

AED 575m

▲ 33.4% from Q1 22



Operating Profit

AED 948m

▲ 52.2% from Q1 22



Gross Lending

c 4.4%

UAE Loan Market Share

20.04%

▲ 433 bps from Q1 22

Return on Equity

1.95%

▲ 47 bps from Q1 22

Return on Assets

Earnings Snapshot – *A strong financial performance on higher market interest rates and non-funded income, partially offset by increased expenses and cost of risk*

AED m

	Q1 23	Change Q1 23 - Q1 22	Change (%) Q1 23 - Q1 22
Net profit	575.2	143.9	33.4%
Return on equity (RoE)	20.04%	433 bp	27.6%
Return on assets (RoA)	1.95%	47 bp	31.8%
Interest margin	3.39%	137 bp	67.8%
Cost to income ratio	23.38%	(409) bp	(14.9%)
Credit Impairment on gross loans	1.44%	60 bp	71.9%
Capital adequacy ratio	16.33%	72 bp	4.6%

Financial Performance Snapshot – Q1 23

AED b

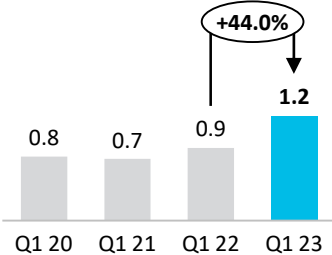
Shareholder Value Creation

Solid Balance Sheet

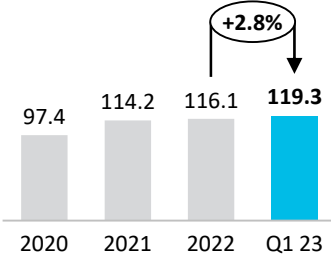
Robust Core Ratios

Solid Operating Performance

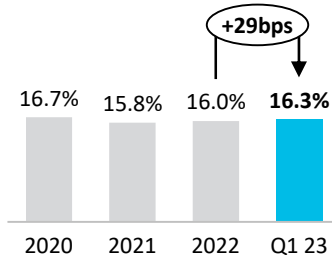
Revenues



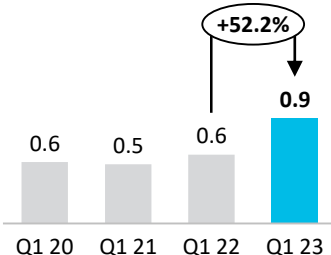
Assets



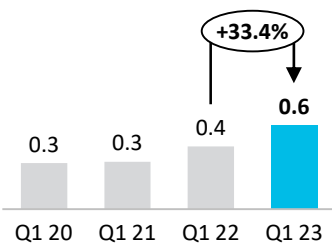
Capital Adequacy Ratio



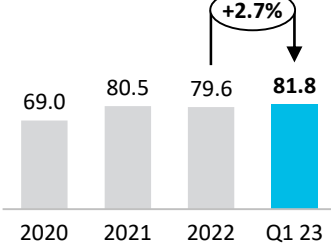
Operating Profit



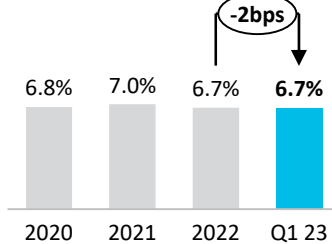
Net Profit



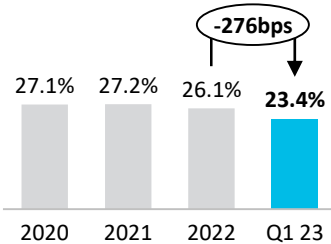
Gross Loans



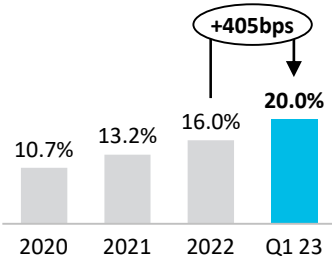
Non-Performing Loans



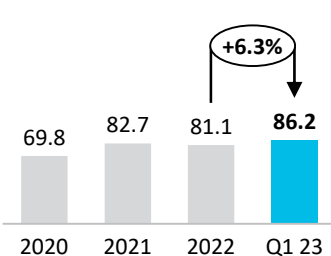
Cost to Income Ratio



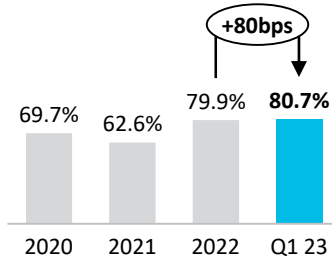
Return on Equity



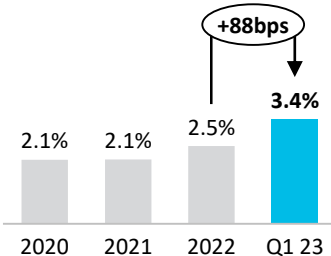
Customer Deposits



Coverage Ratio



Net Interest Margin



Progress against Strategic Execution Q1 2023

Achieve Financial Results



Interest income tailwinds supported by **rise in CASA**



Generating higher fees from improved **share of wallet**



Focused investment in digitisation



Continued **sound portfolio** credit quality



Strong liquidity ratios and a stable and diversified Balance Sheet

Become Employer of Choice



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



Launched the new **Bedayati Program** for High School graduates



Empowering our talent across the organisation



Driving upskilling through the **Digital Accelerator Program**

Customer Focus



Deepening customers relationships through service excellence



Acting on our **Voice of Customer Program**



Strategic partnerships providing enhanced customer experience



Supporting customers looking to grow their business

Default Digital



99% of **wholesale** transactions initiated **digitally**



92% of customers are registered for digital channels



★★★★★ 4.8

App Store

★★★★★ 4.4

Google Play



Augmenting **technological capability** for our customers through direct connectivity

Backing the nation's ambitions

Financial Guidance 2023 estimate –

Underlying business conditions support continued forward looking net profit growth

Looking Ahead

- **Above System** loan growth with continued **diversification**
- **Cost of Risk** expected to moderate in remaining quarters of 2023
- Robust margins supported by **higher interest rates** partially offset by **increased cost of funds**
- Investments focused on **digital, technology** with expected market driven **inflationary** impacts
- Continued excellent returns **generating capital for growth**

2023e Financial Guidance



Loan growth

Low-mid single digit growth



Cost of Risk

< 140 bps



Net Interest Margin

2.75 % - 3.50 %



Cost to income

< 26 %



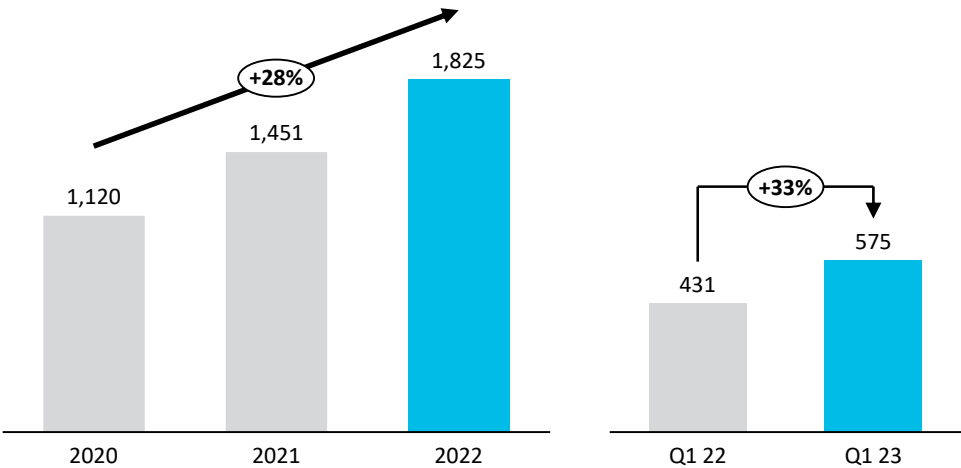
Return on Equity

> 17.0 %

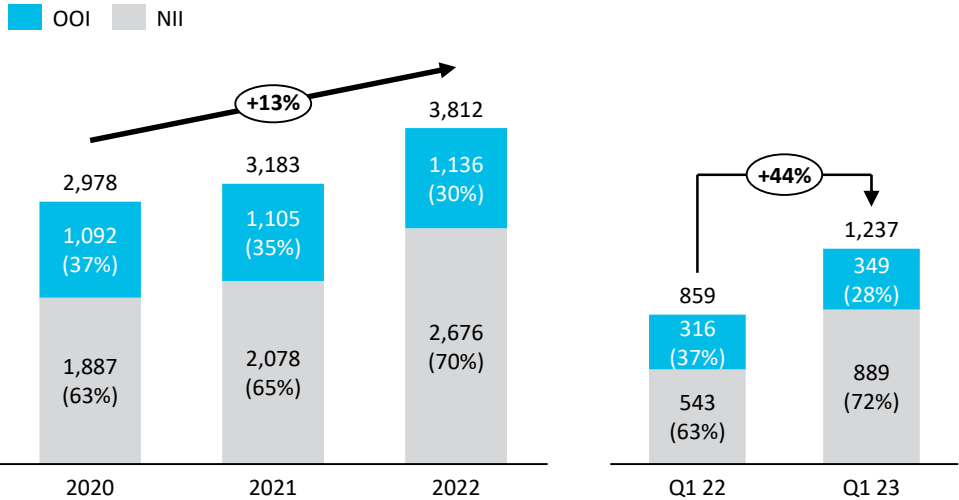
Core Performance Trends – *strong revenue outcome supported by higher interest rates and non-funded income*

AED m

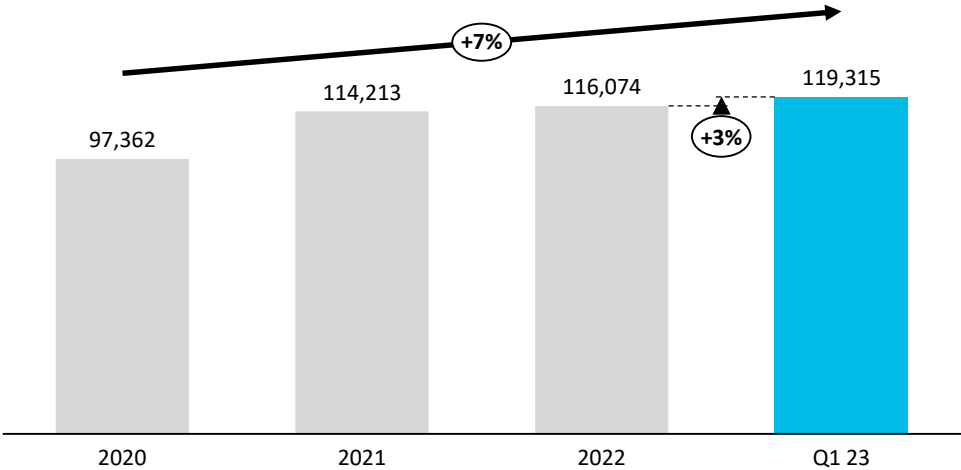
Net profit



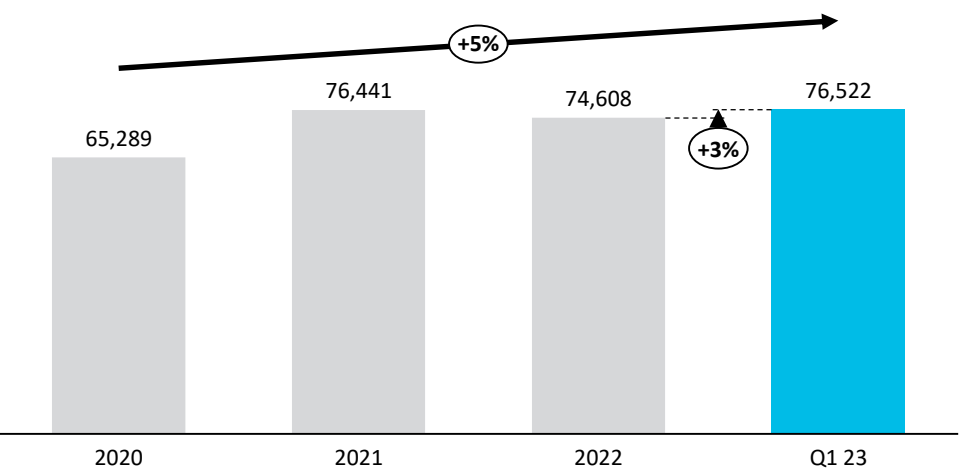
Revenue



Assets

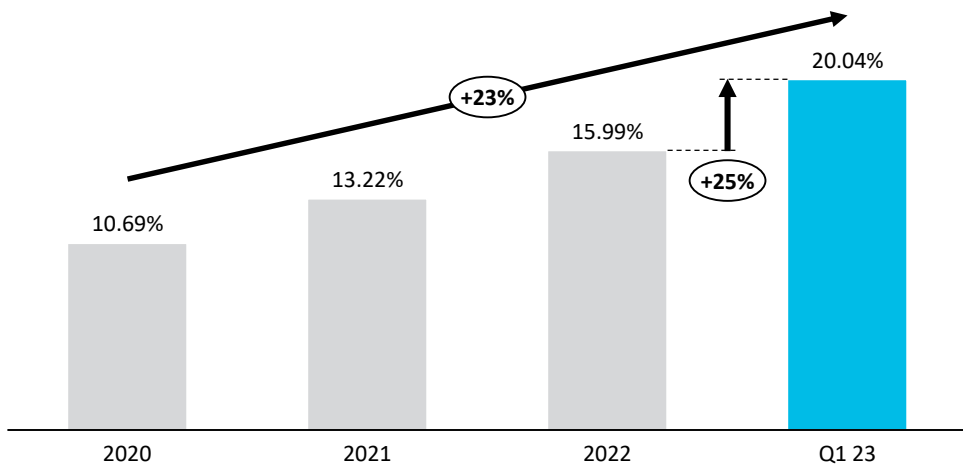


Net loans

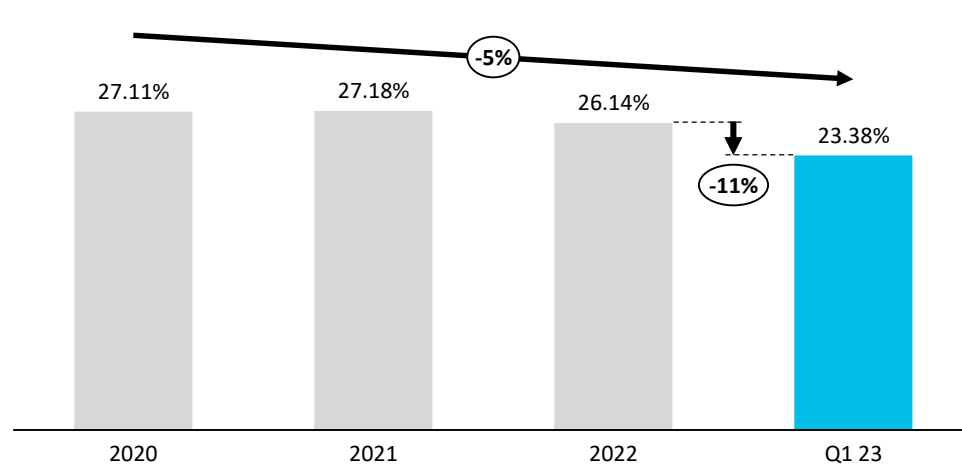


Strategic Financial KPI's – *deepening customer relationships, higher interest income and NFI, boosting return on equity and assets*

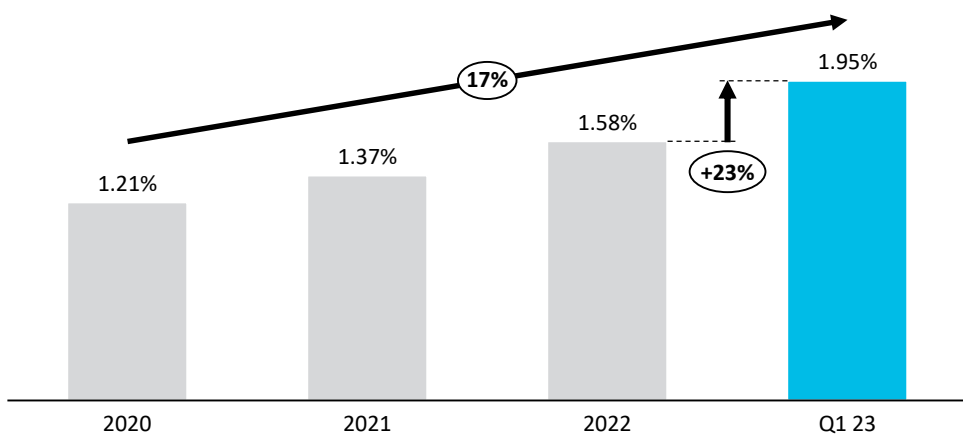
Return on Equity (ROE)



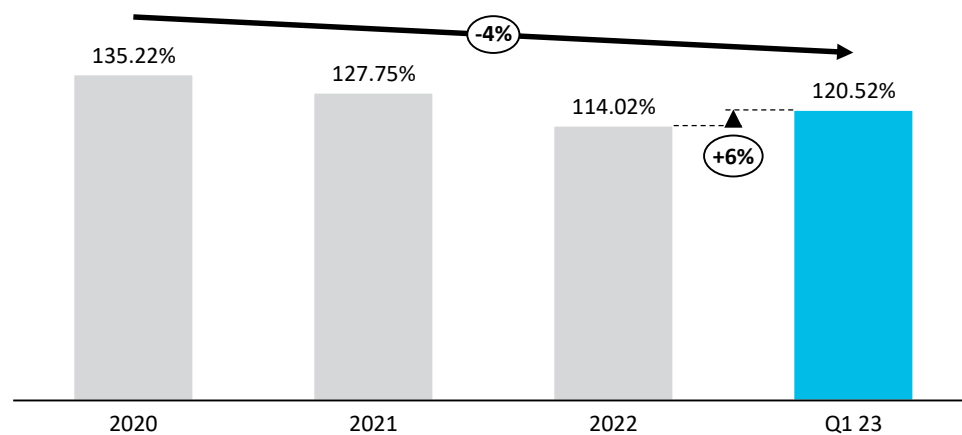
Cost to Income Ratio



Return on Assets (ROA)



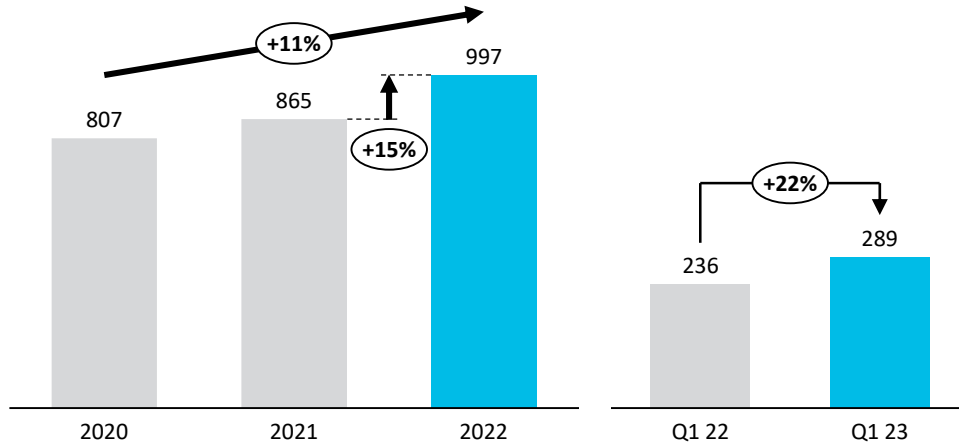
Other Operating Income as % of Expenses



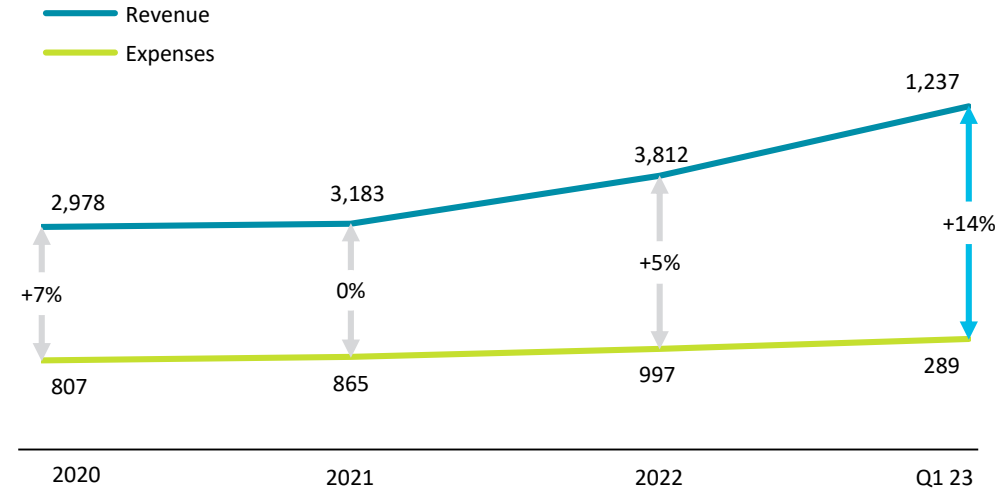
Profitability and Returns – revenue outperformance driving excellent returns and positive jaws despite increase in expenses

AED m

Expenses

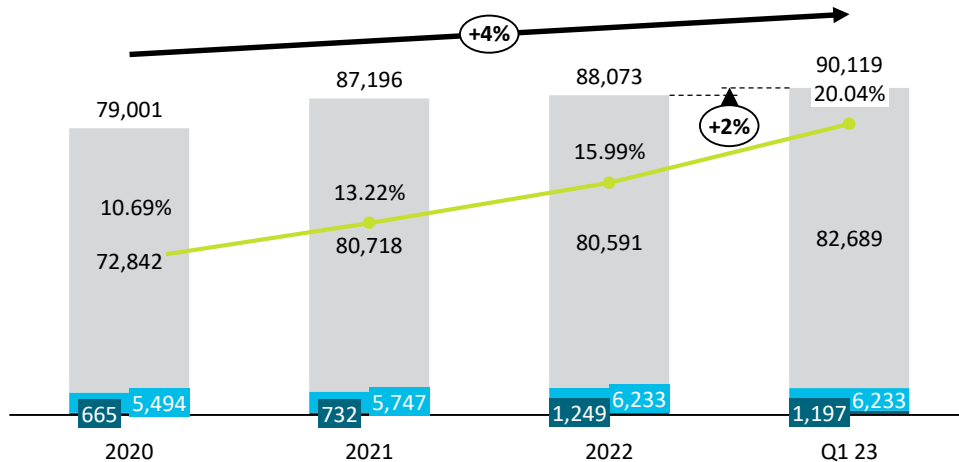


Revenue and Expense JAWS



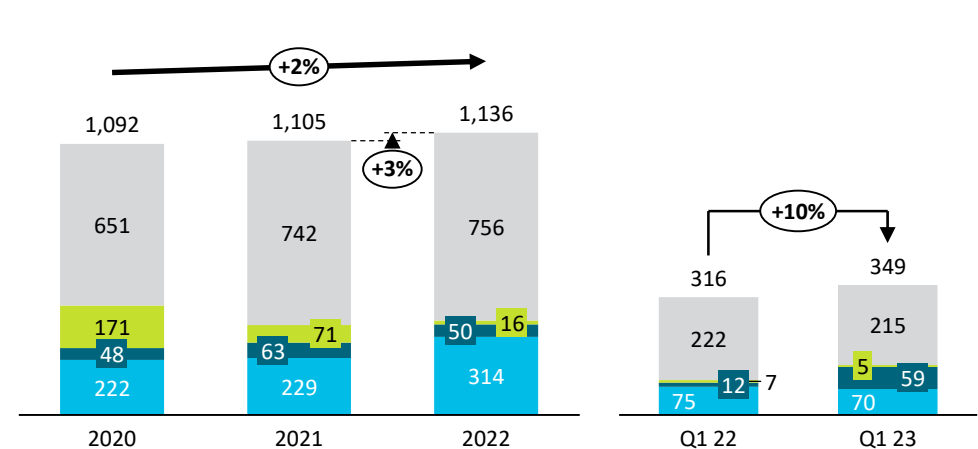
RWA and Return on Equity

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



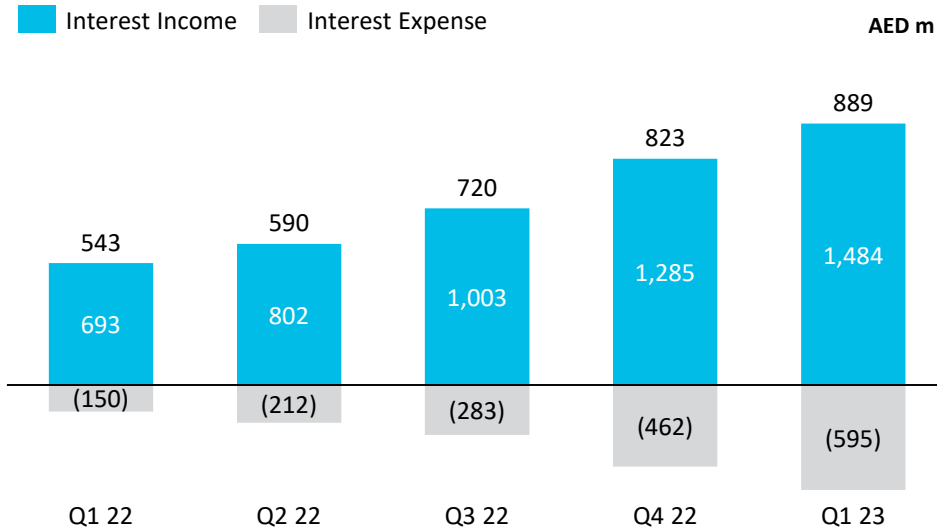
Other Operating Income

■ Fees and Commission ■ Investment ■ Others ■ FX income

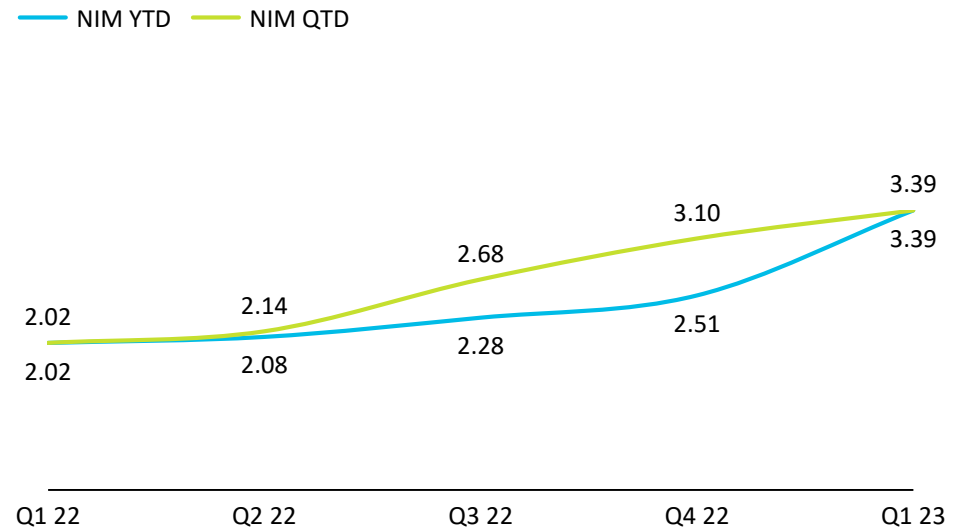


Net Interest Margin – *net interest income increased on higher benchmark interest rates notwithstanding higher funding costs and heightened competition*

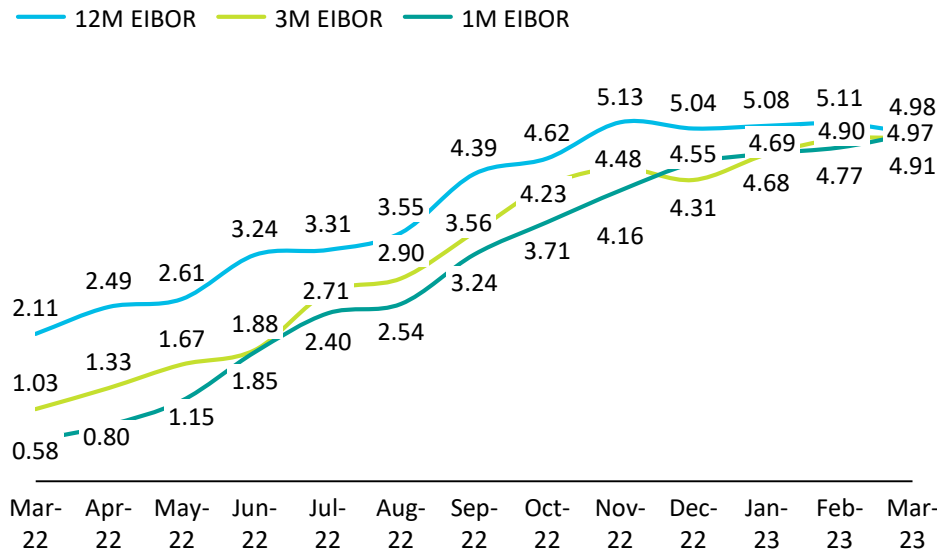
Interest Income and Expense



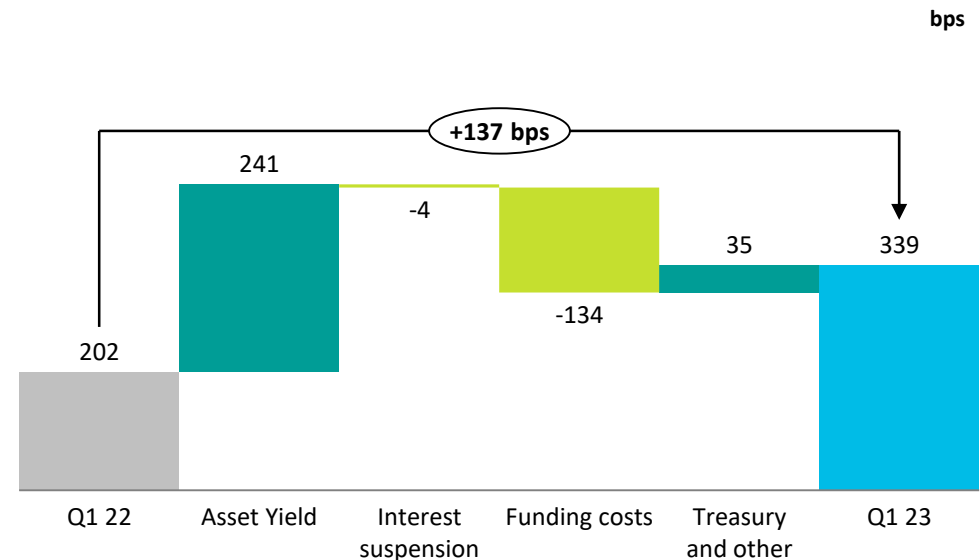
Net Interest Margin



Key components impacting NIM

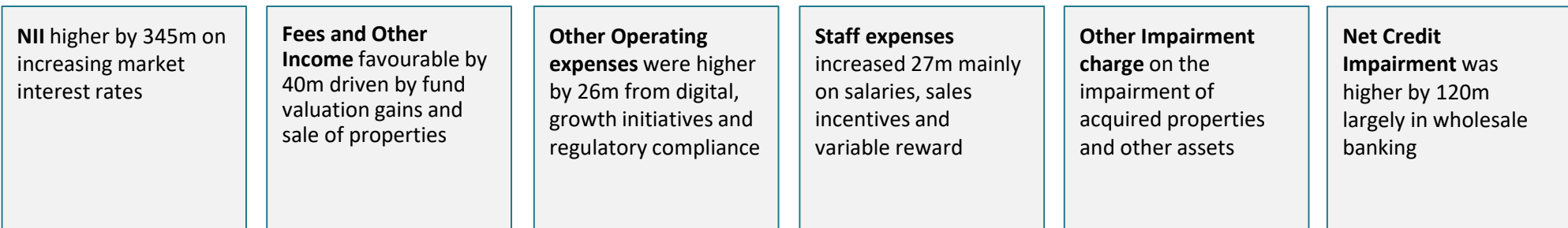


Net interest margin waterfall



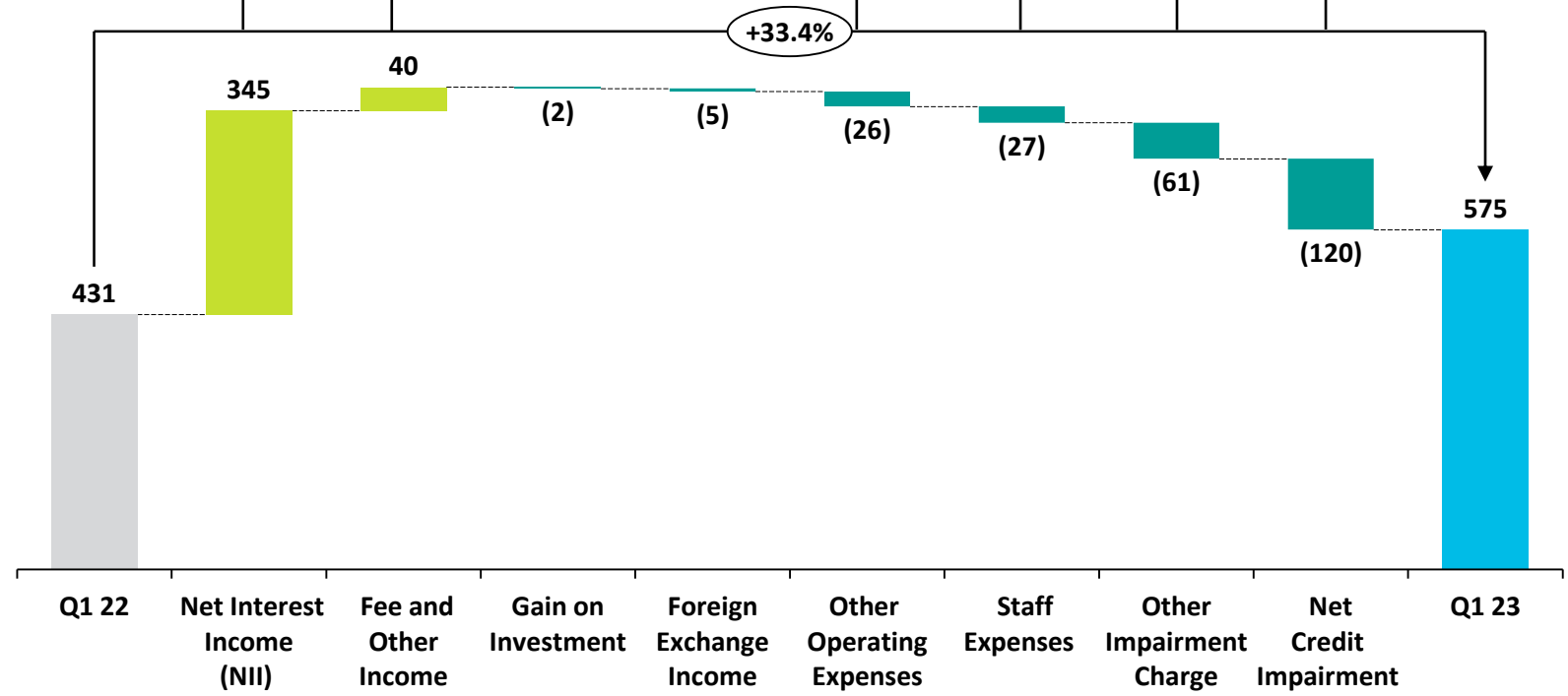
Net Profit Bridge on Prior Year – *strong profit driven by higher NII and OOI partially offset by expenses and specific impairments*

AED m



Net profit for the period increased by 144m (33.4%) compared to Q1 22

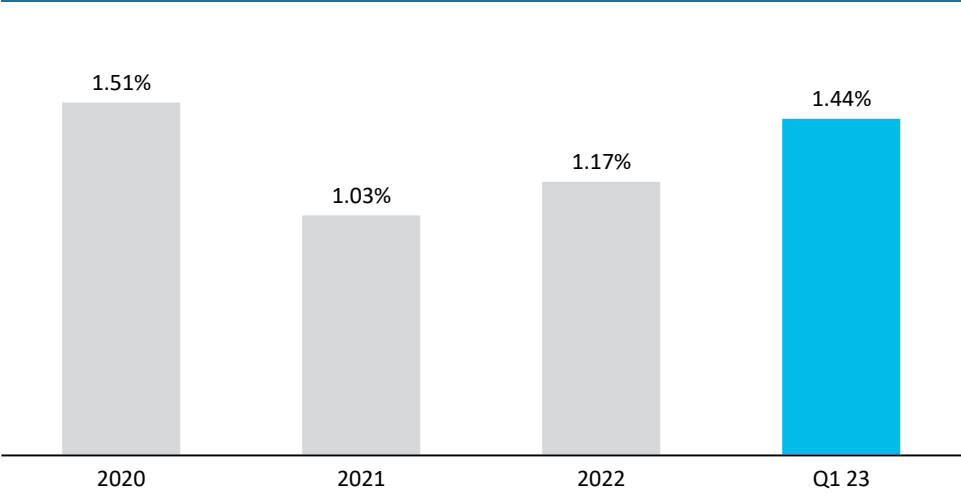
- Increase in net profit is attributable to:
- Increase in NII
 - Increase in Fee and other income
- Partially offset by:
- Increase in impairments
 - Higher staff expenses
 - Higher other operating expenses
 - Lower FX
 - Lower gain on investment



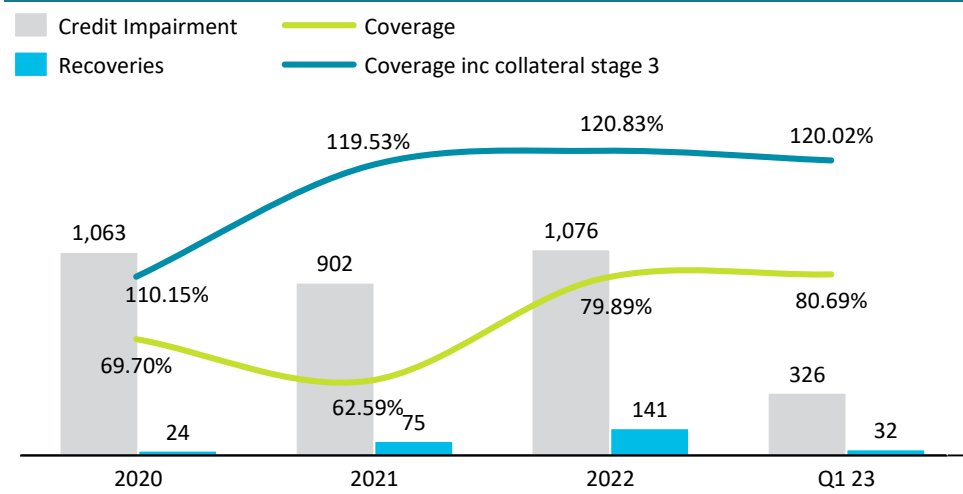
Asset Quality and Impairments – higher coverage with improved underlying asset quality

AED m

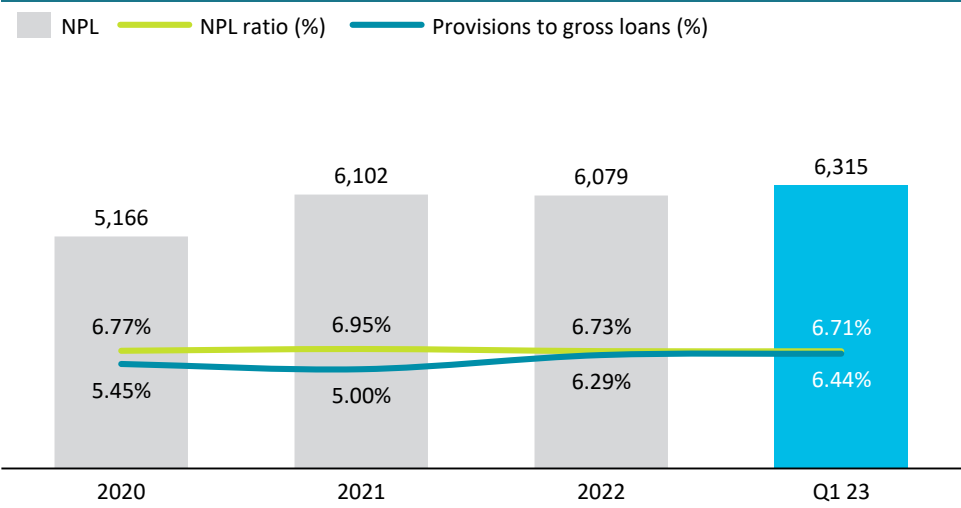
Cost of Risk



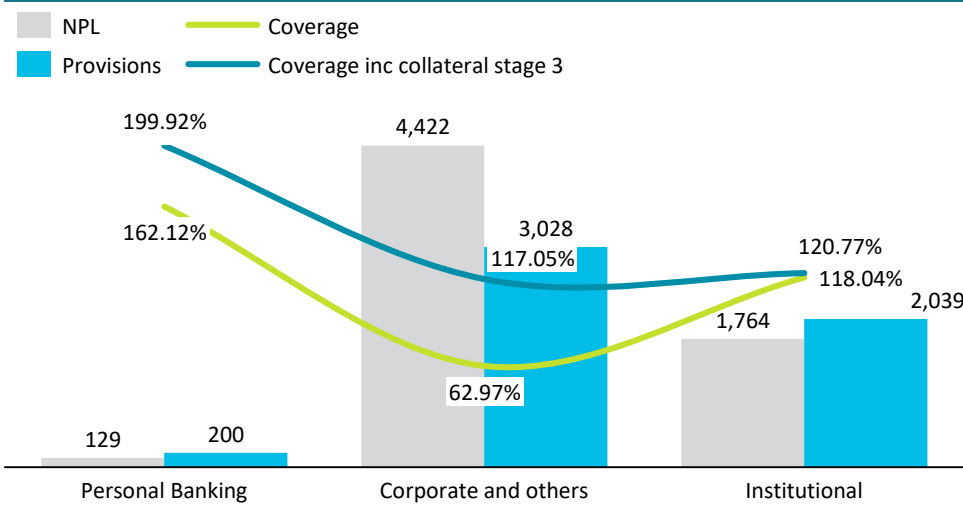
Impairment Charges and Recoveries



NPL Ratio



Expected Credit Provisions – Segment

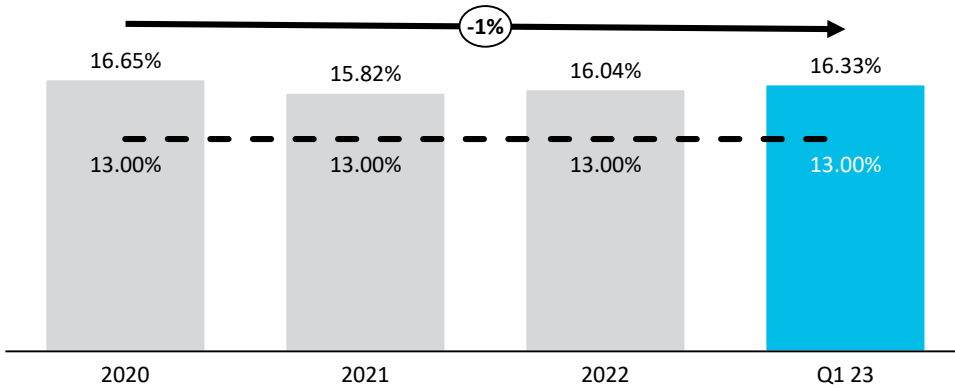


Balance Sheet and Capital Strength –

capital ratios sequentially higher, well above regulatory requirements

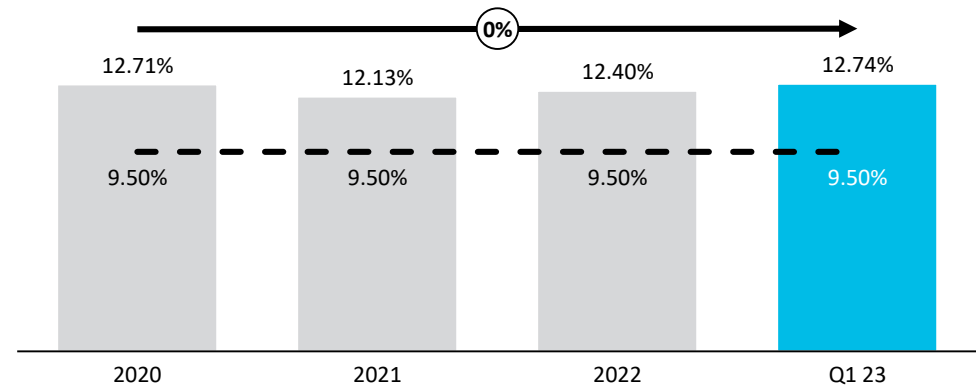
Capital Adequacy Ratio (CAR)

■ CAR - - - Regulatory limit (Minimum)



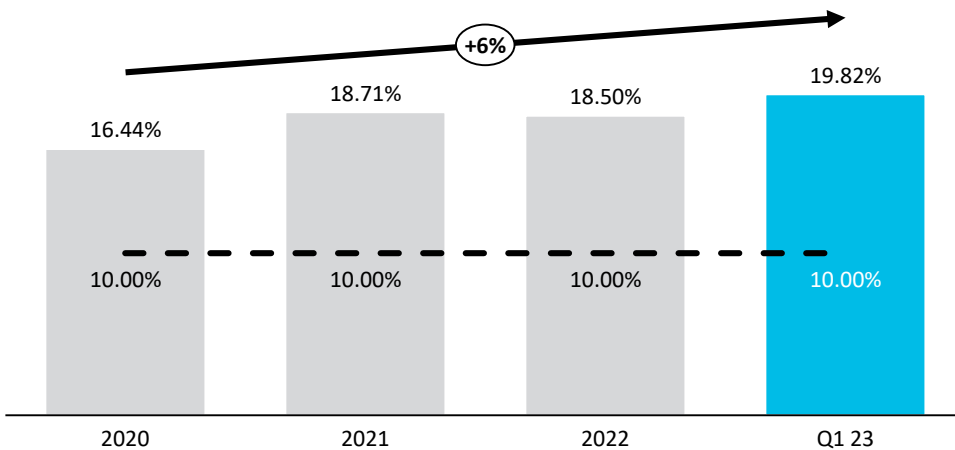
Common Equity Tier 1 (CET1)

■ CET1 - - - Regulatory limit (Minimum)



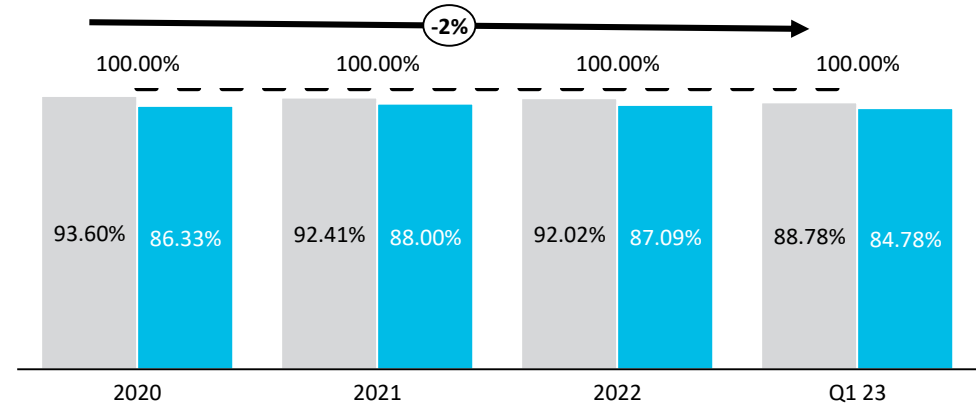
Eligible Liquid Assets Ratio (ELAR)

■ ELAR - - - Regulatory limit (Minimum)



Loans to Deposits and ASRR

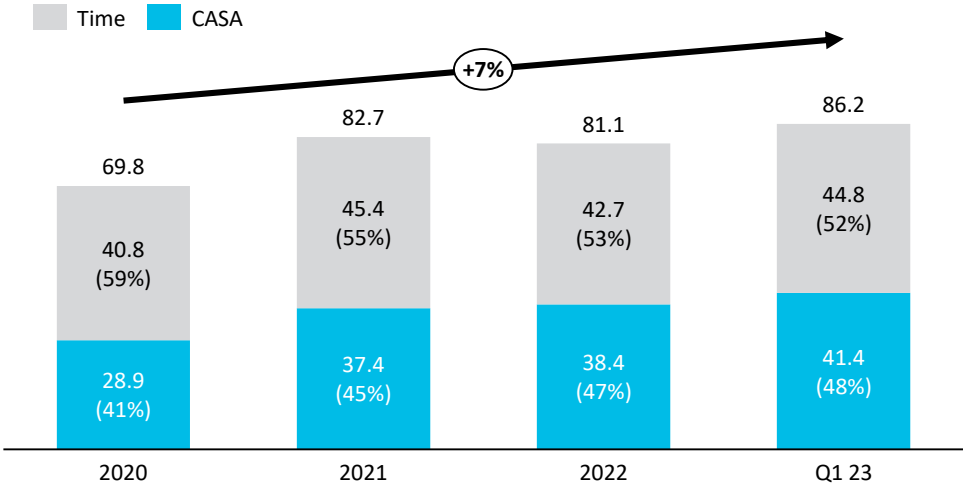
■ Loans to Deposits ■ ASRR - - - Regulatory limit (Maximum)



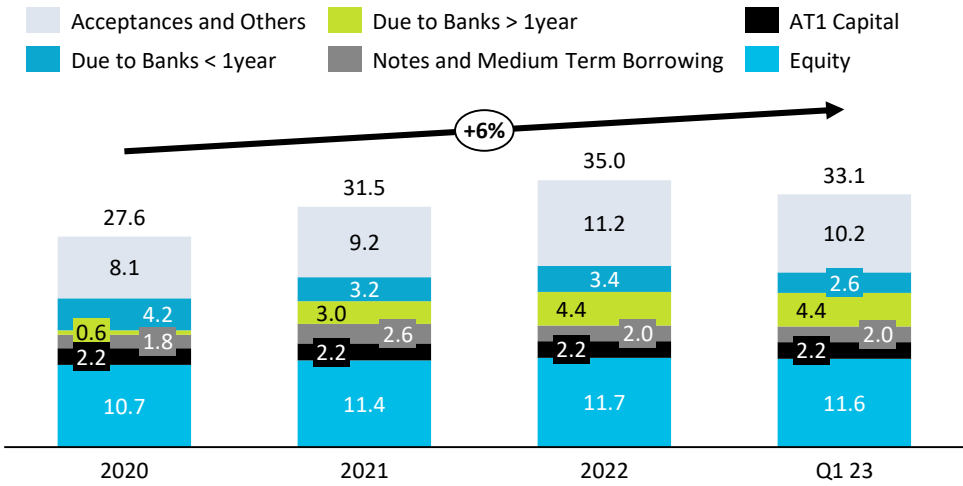
Funding and Liquidity – diversified deposit base with increased franchise CASA

AED b

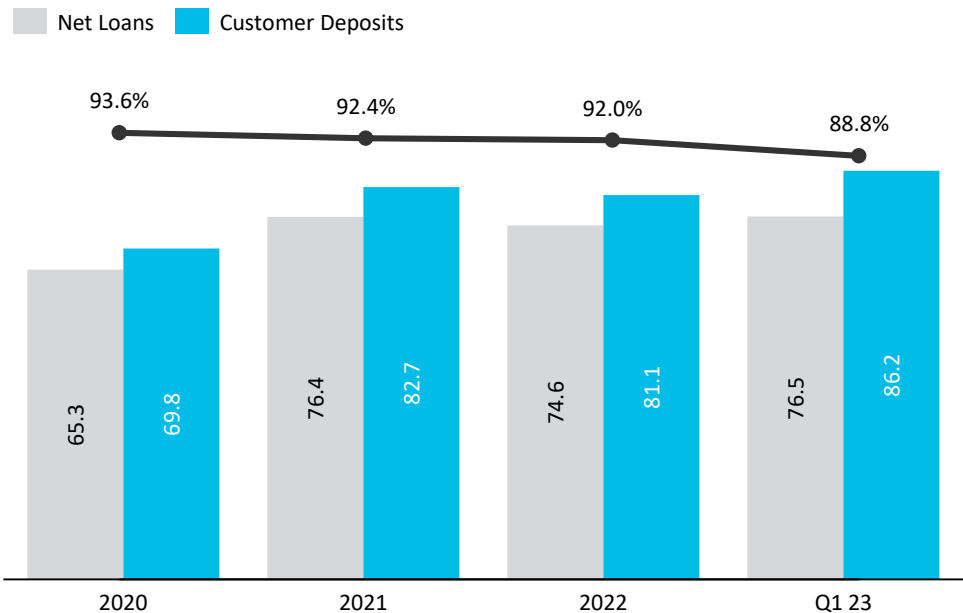
Customer Deposits



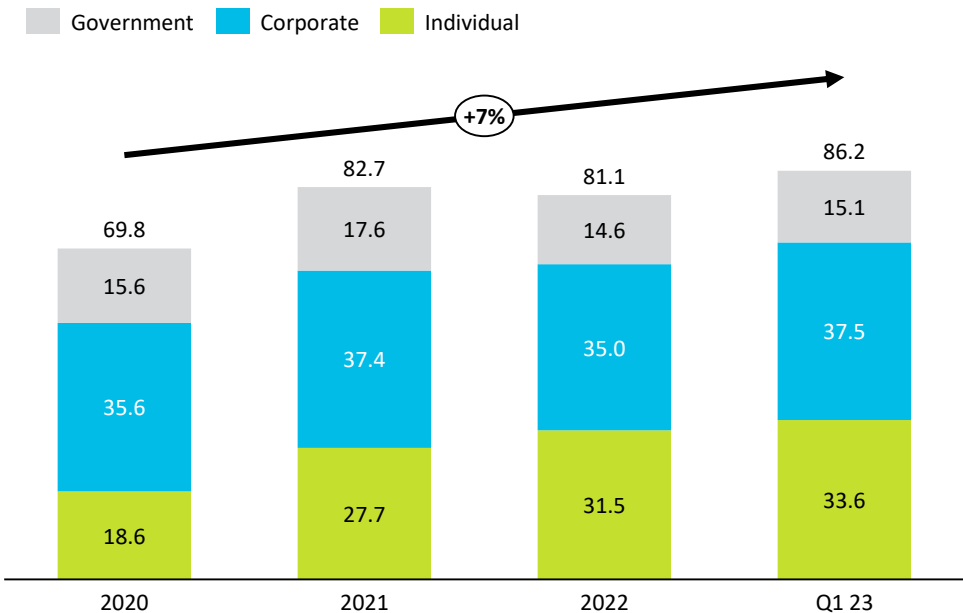
Other Funding Sources



Loans to Deposits

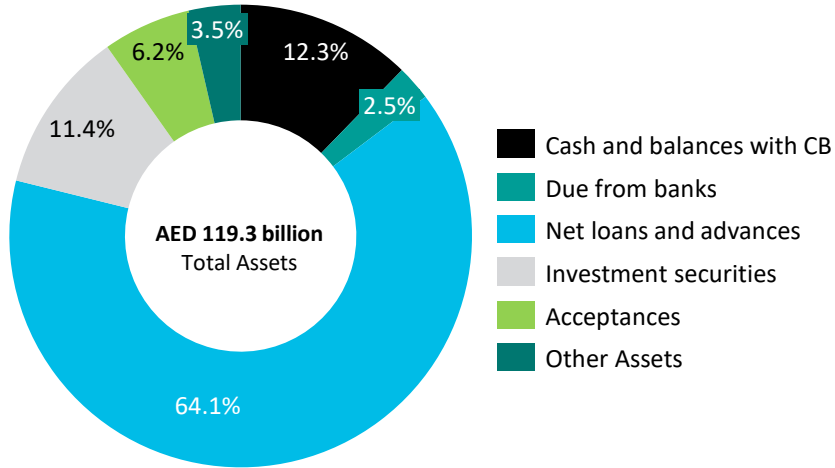


Deposit Segmentation

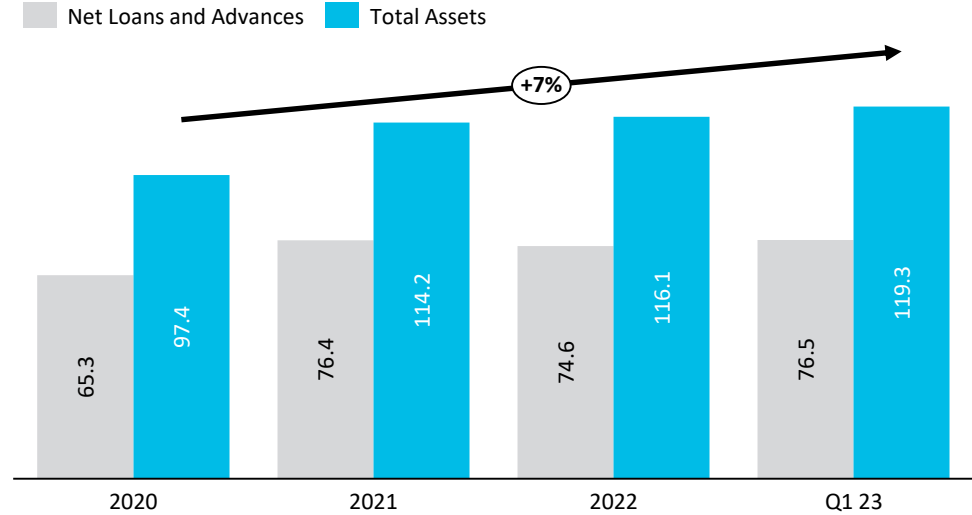


Balance Sheet Analysis – *backing customer ambitions across all market sectors of the UAE economy*

Assets Mix



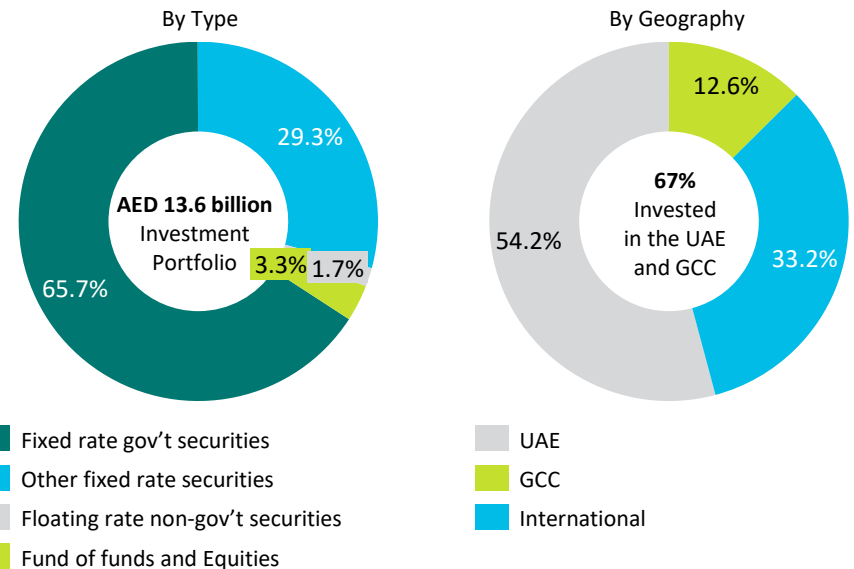
Assets and Loans



Gross Loans and Advances by Sector

Sector	Mar 23	Dec 22	Var %
Financial and insurance activities	7.4	5.9	24.3
Others	5.6	5.0	11.9
Trade	9.8	9.2	6.2
Transportation and storage	2.5	2.4	5.0
Personal - mortgage	10.8	10.3	5.0
Construction	5.5	5.3	4.3
Individual loans for business	1.5	1.5	3.6
Manufacturing	5.7	5.6	2.5
Real estate	18.9	19.1	(1.3)
Individual Loans for consumption	4.2	4.5	(5.9)
Services	5.5	6.0	(8.6)
Government entities	1.5	1.7	(9.1)
Hospitality	2.9	3.2	(9.7)
Total	81.8	79.6	2.7

Investment Securities Portfolio



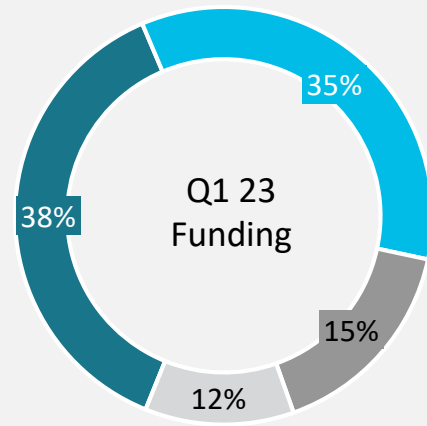
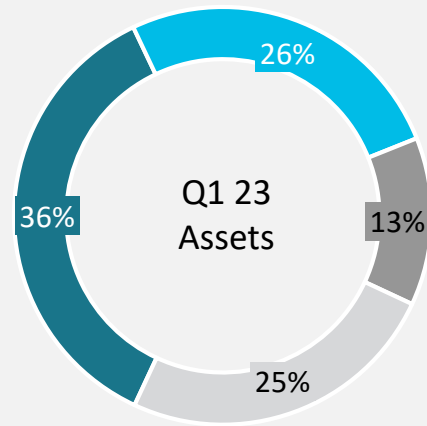
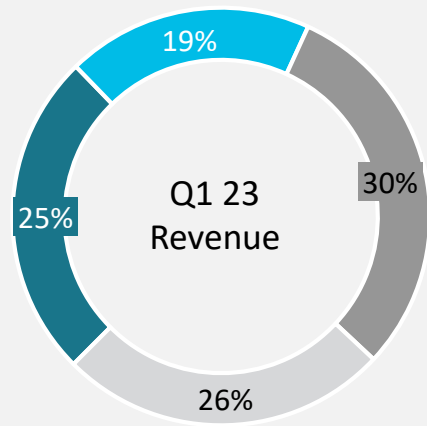
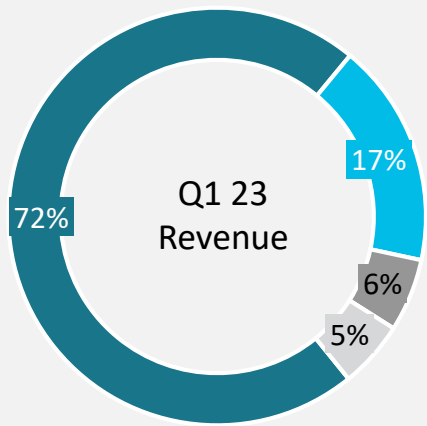
Diversified business mix – improving returns through economic cycles

Revenue Diversification

Revenue Segmentation

Asset Diversification

Funding Diversification



72%
NII

28%
OOI

44%
Wholesale

56%
Others

62%
Wholesale

38%
Others

73%
Deposits

27%
Others

Net Interest Income (Dark Teal)

Fee income (Light Blue)

FX income (Grey)

Other income (Light Grey)

Corporate banking (Dark Teal)

Institutional banking (Light Blue)

Trading and other (Grey)

Personal banking (Light Grey)

Corporate banking (Dark Teal)

Institutional banking (Light Blue)

Trading and other (Grey)

Personal banking (Light Grey)

Time (Dark Teal)

CASA (Light Blue)

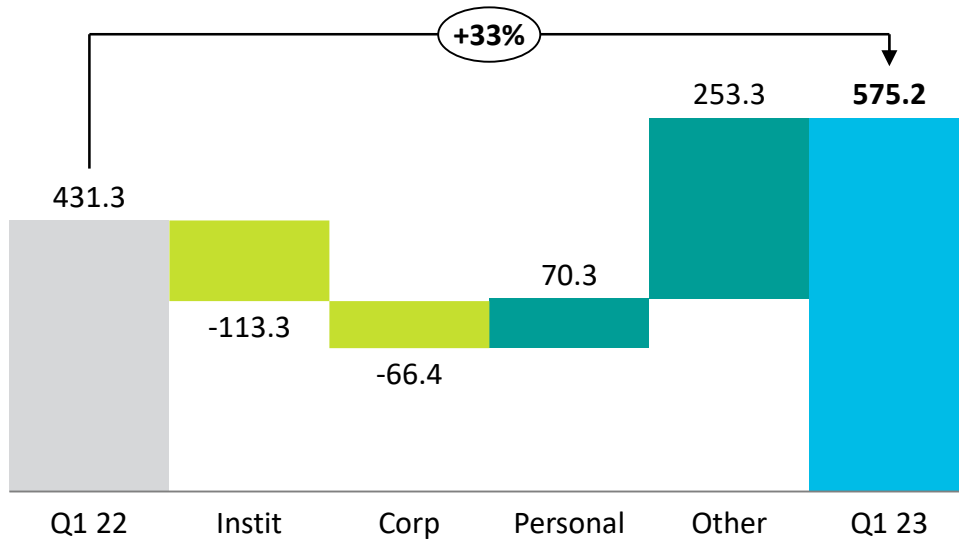
Other funding (Grey)

Equity (Light Grey)

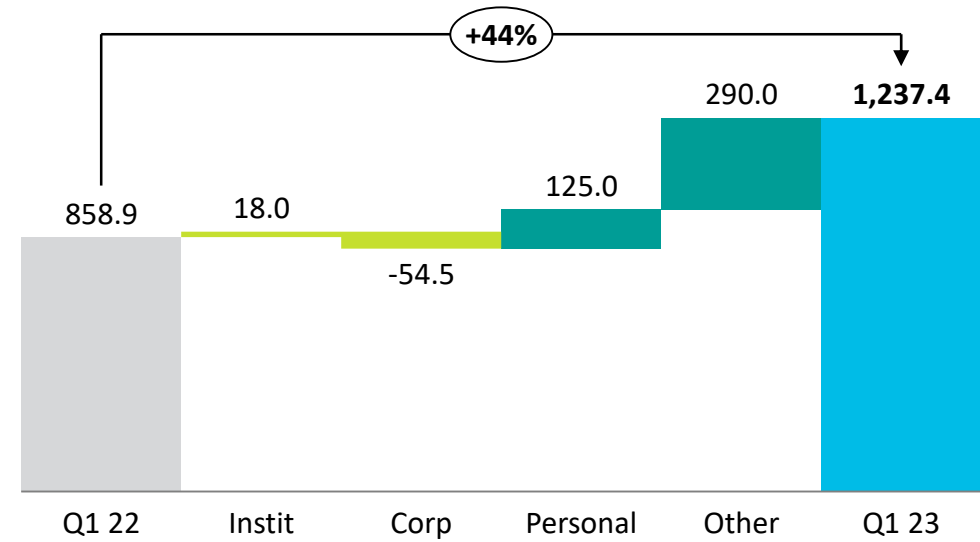
Divisional Contributions – Personal Banking Group the main net profit contributor

AED m

Divisional net profit movement



Divisional revenue movement



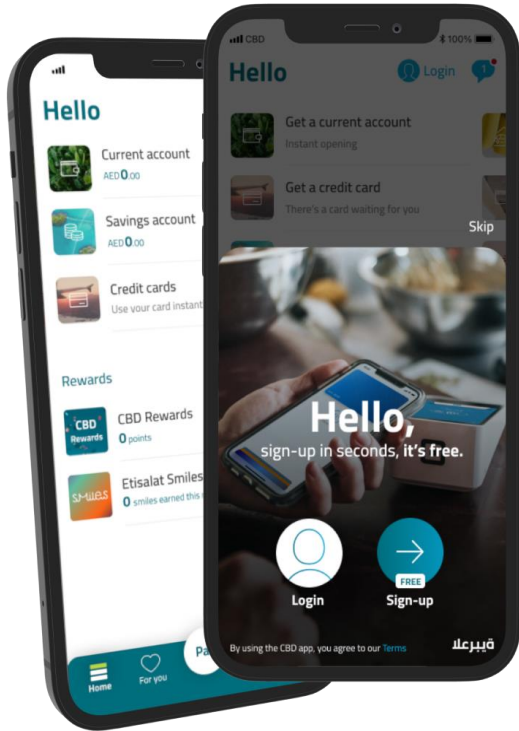
Q1 23	Institutional	Corporate	Personal	Other	Total
Operating Income	236.2	312.5	372.9	315.8	1,237.4
Expenses	(55.2)	(55.3)	(158.5)	(20.3)	(289.3)
Operating Profit	181.0	257.2	214.4	295.5	948.1
Impairment (charges) / benefits	(133.6)	(139.1)	(21.5)	(78.6)	(372.9)
Net Profit	47.4	118.1	192.9	216.9	575.2
<i>% of Group Net Profit</i>	8.2	20.5	33.5	37.8	100.0

Innovating in Digital –

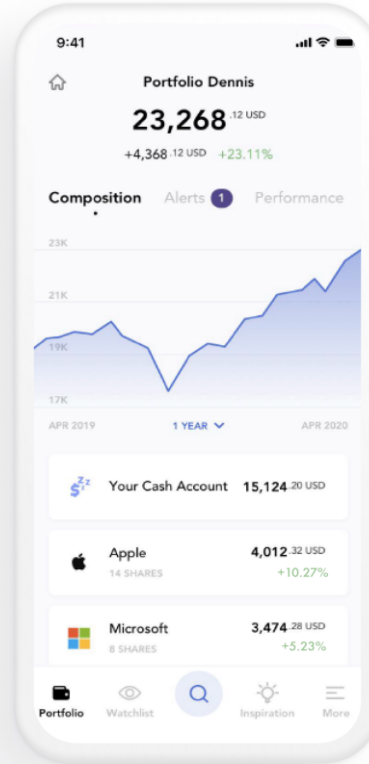
Investing in award winning and industry recognized digital customer experience



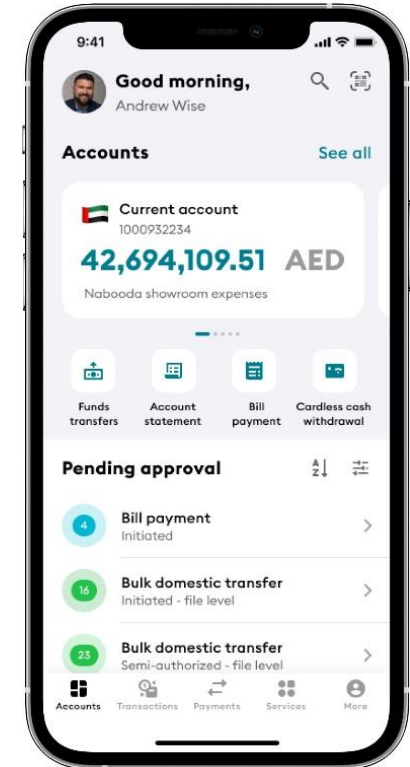
CBD Digital App



CBD Investr



iBusiness Mobile App



- App rated 4.8 on App store and 4.4 on Google Play
- 92% of customers are registered for digital (web and mobile)

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

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

Benefits of our investments – *Driving growth through innovation, partnerships and digital transformation*

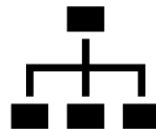
Value drivers and key initiatives



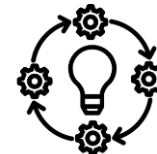
DEFAULT DIGITAL EXPERIENCES



INSIGHTFUL DATA



SIMPLIFICATION



SMART AUTOMATION



EMBEDDED RESILIENCE

VALUE DRIVER

Backing customer and employee experience and engagement

Improved business decisions and customer insight

Rationalise legacy systems and develop and integration of capabilities

Progress with efficiency

Strengthen operational risk management and resilience

KEY INITIATIVES

Corporate Digital Banking

Reimagine Retail Digital

Workplace transformation

Data Strategy and Governance

Enterprise Intelligence and Analytics

Corporate Treasury & Liquidity Solutions

Digital Trade 2.0

Digital Operations

Intelligent Automation

Frictionless Payments

Next-Gen Transaction Monitoring system

Journey to Cloud

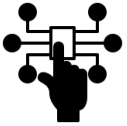
Concluding remarks



Strong **net profit growth** at outstanding returns



Backing customers and employees to **accomplish** their growth ambitions



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



Delivering higher shareholder returns with **growth to continue** throughout 2023 and into 2024



CBD is **well placed** to successfully deliver on our **strategy**

Board of Directors and Executive Committee

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

Executive Committee



Dr. Bernd van Linder
Chief Executive Officer



Mr. Darren Clarke
Chief Financial Officer



Mr. Fahad Al Muhairi
General Manager, Institutional Banking



Mr. Othman Bin Hendi
Chief Customer Officer



Mr. Abdul Rahim Al Nimer
General Manager, Corporate Banking



Mr. Khaled Ahmed AlHamadi
General Manager, Personal Banking Group



Mr. Sultan Al Mahmood
Chief Human Resources Officer



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



Mr. Alan Grieve
Chief Credit Officer



Mr. Rupert Rogers
Chief Risk Officer



Mr. Ali Imran
Chief Operating Officer

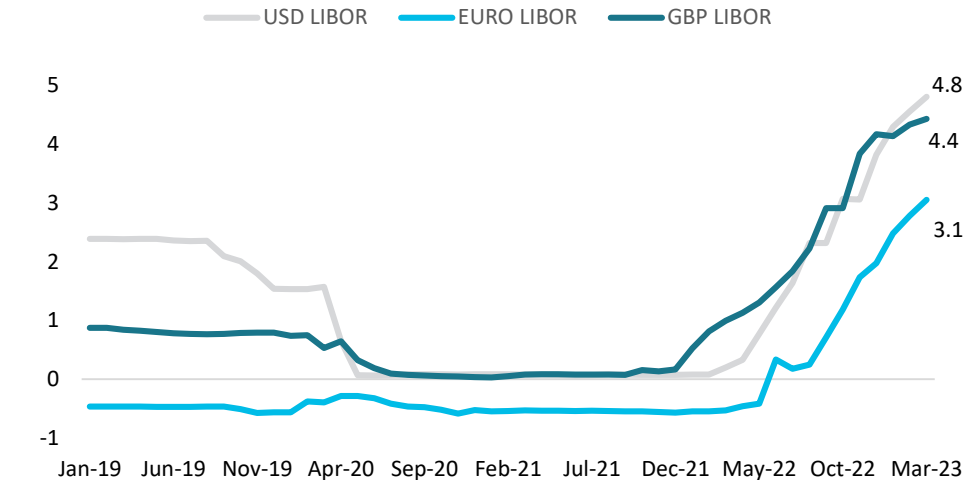
Global Economic Update – rising inflation and increasing central bank interest rates

US Dollar Index



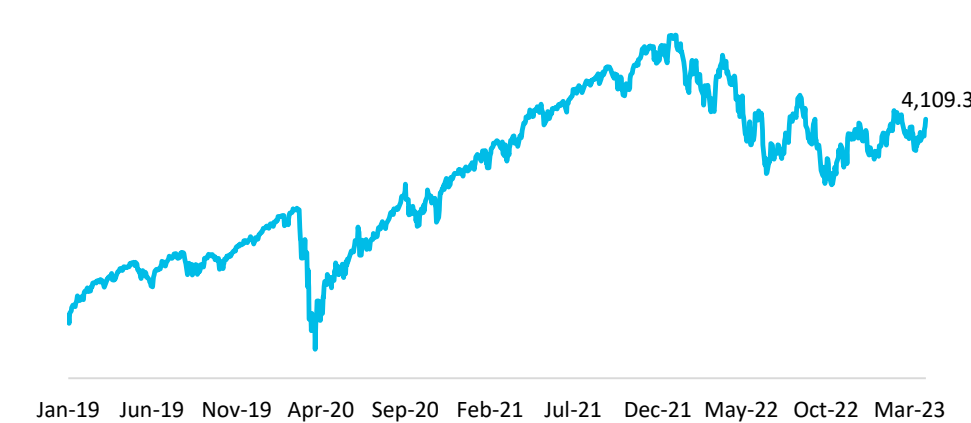
Source: investing.com

Interest Interbank Rates



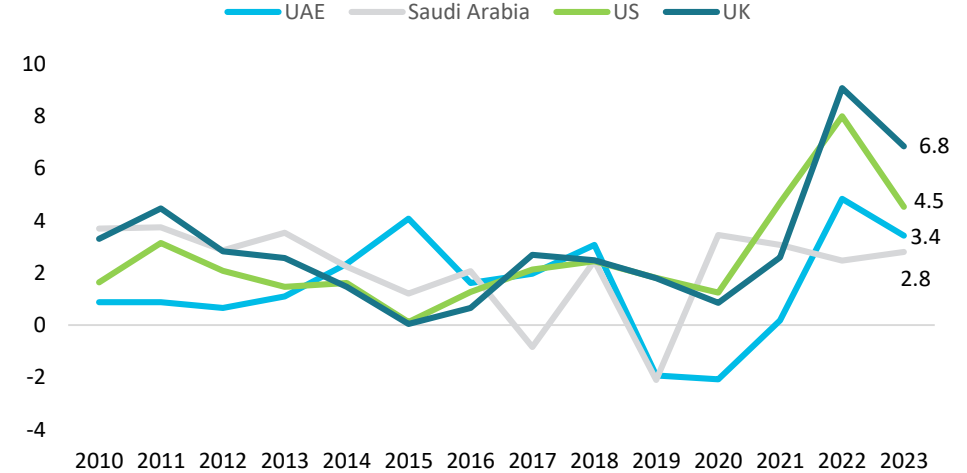
Source: Overnight rates from global-rates.com

S&P 500 (Indices)



Source: S&P 500, investing.com

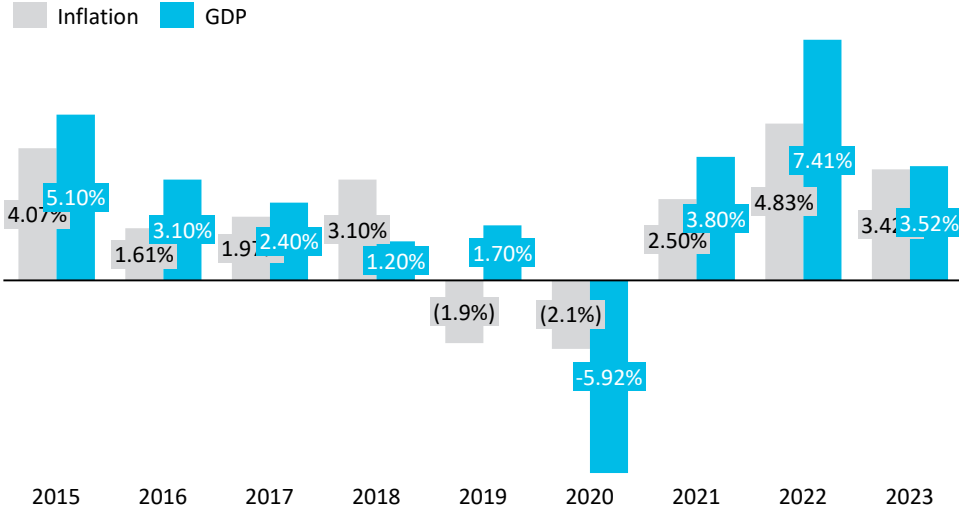
Inflation by Country



Source: IMF W.E.O Apr 2023

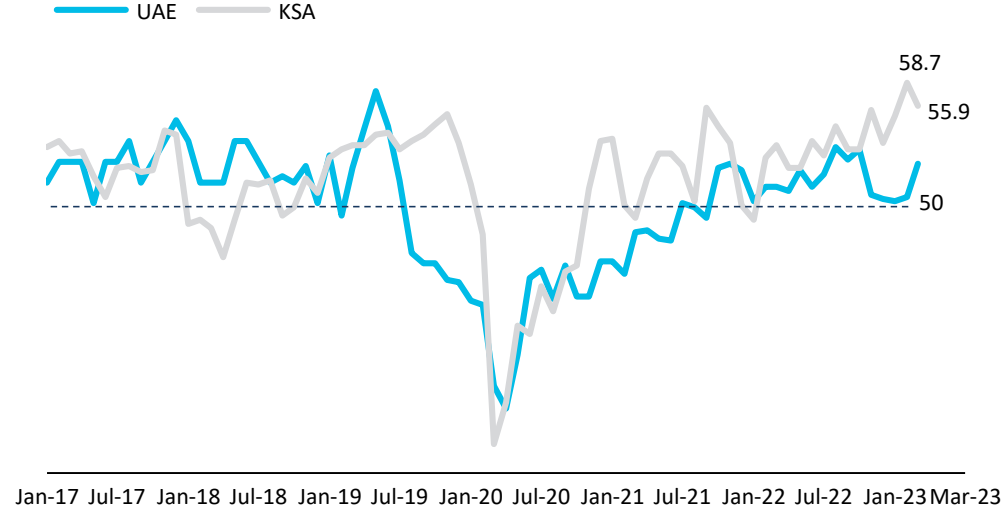
UAE Economic Update – *sustained recovery in real estate and tourism sectors, strong oil prices and population growth driving economic activity and confidence*

UAE GDP and Inflation Growth



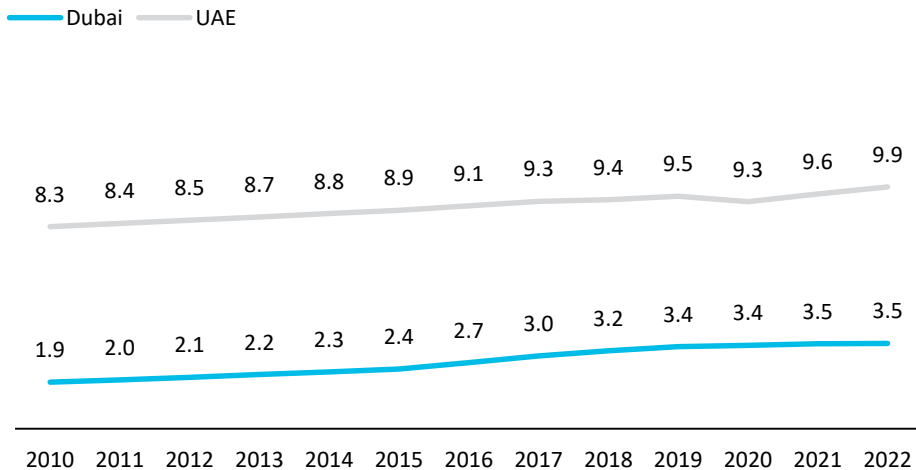
Source: UAE Ministry of Economy, fcsa.gov.ae, IMF W.E.O Apr 2023

Purchasing Managers Index



Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

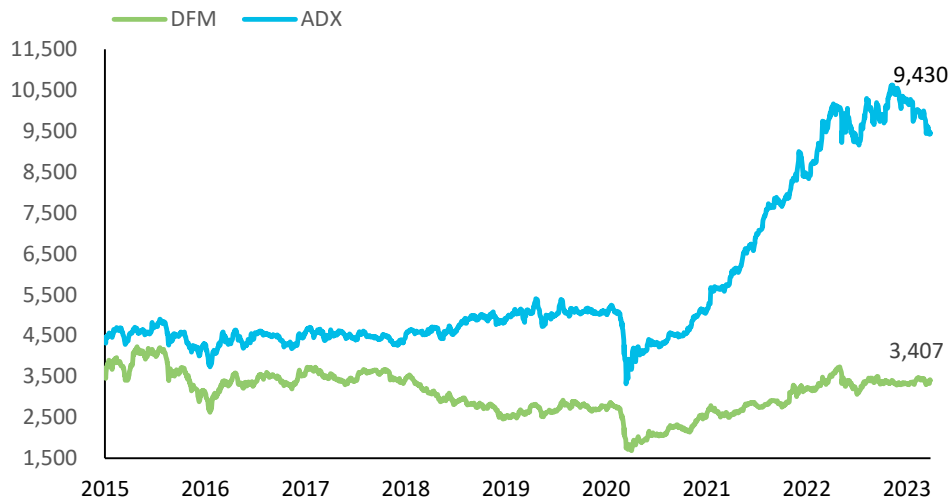
Brent oil



Source: investing.com

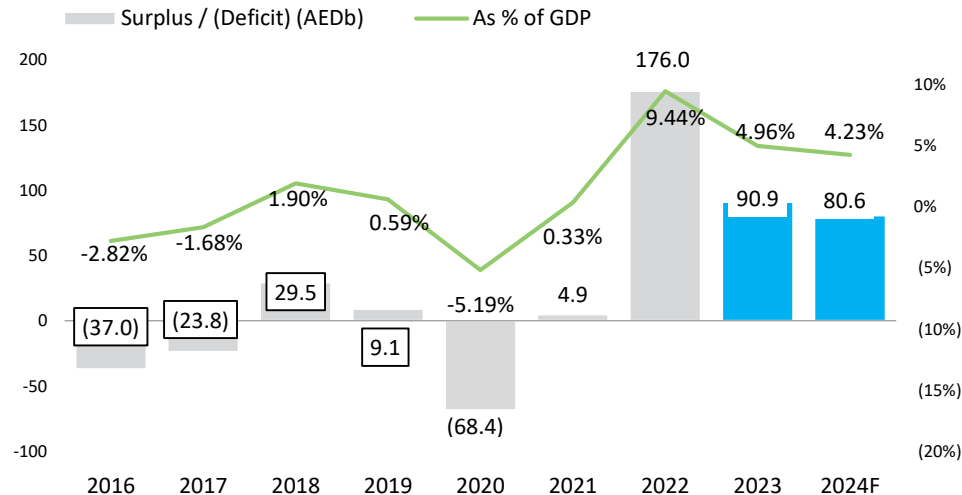
UAE Economic Update – sound fiscal measures boosting economic growth

UAE Stock Market Indices



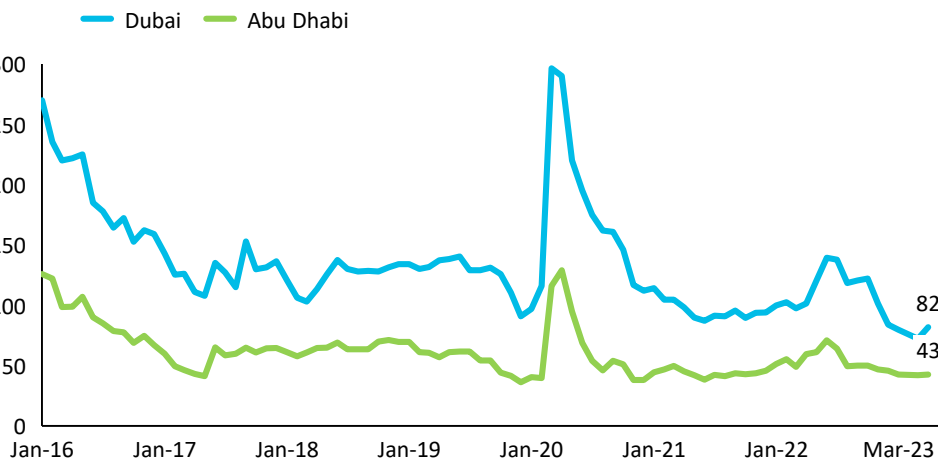
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

UAE Fiscal Position



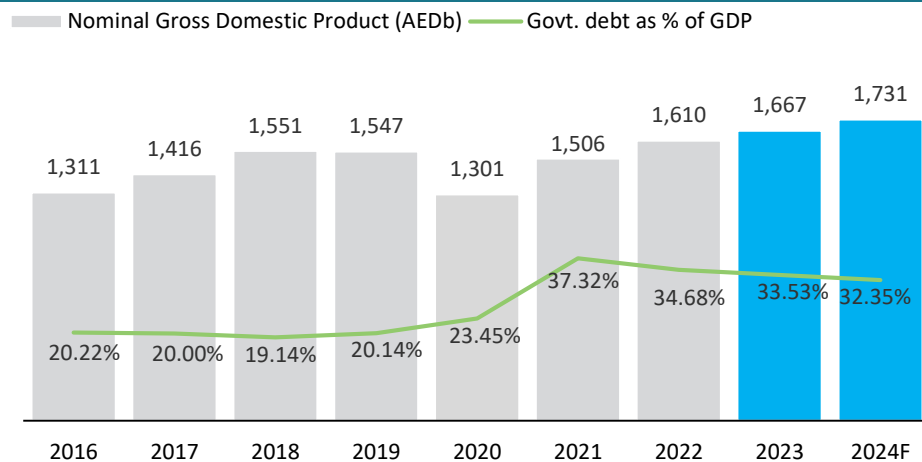
Source: IMF World Economic Outlook Apr 2023

5 Year CDS



Source: Bloomberg

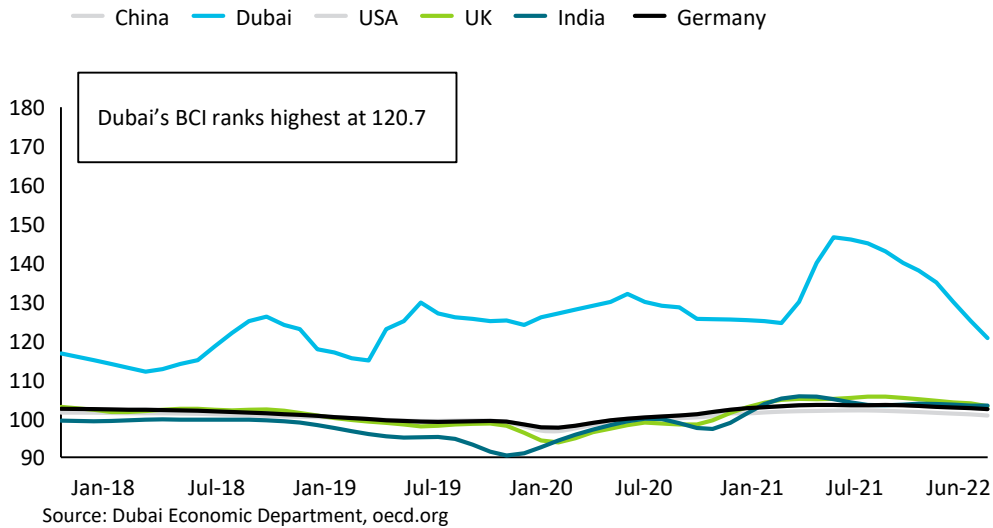
UAE GDP and Government Debt



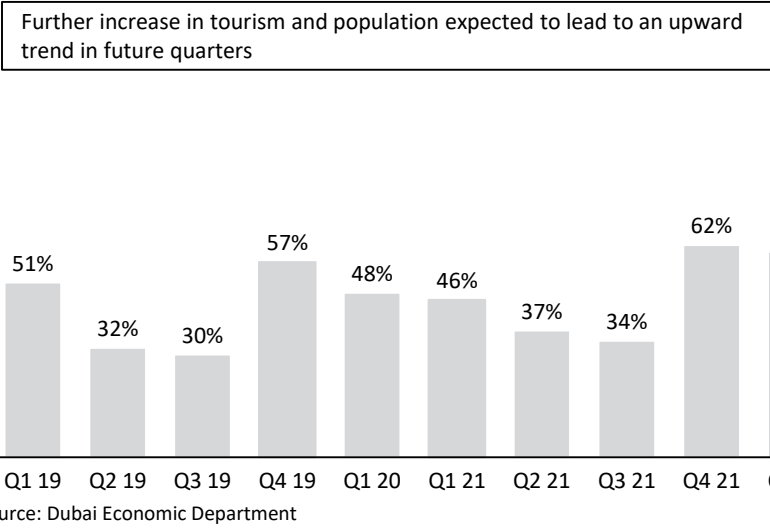
Source: IMF World Economic Outlook Apr 2023

Dubai Economic Update – *Business confidence remains robust with recent short term indicators influenced by higher global market interest rates*

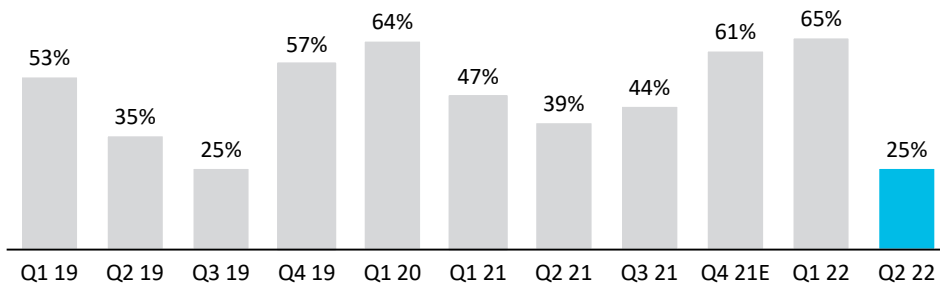
Business Confidence Index



Outlook on Sales for Overall Services Sector

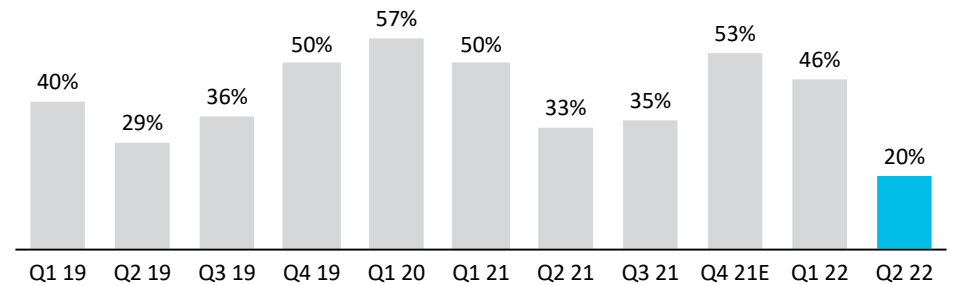


Outlook on Sales for Manufacturing Sector



Source: Dubai Economic Department

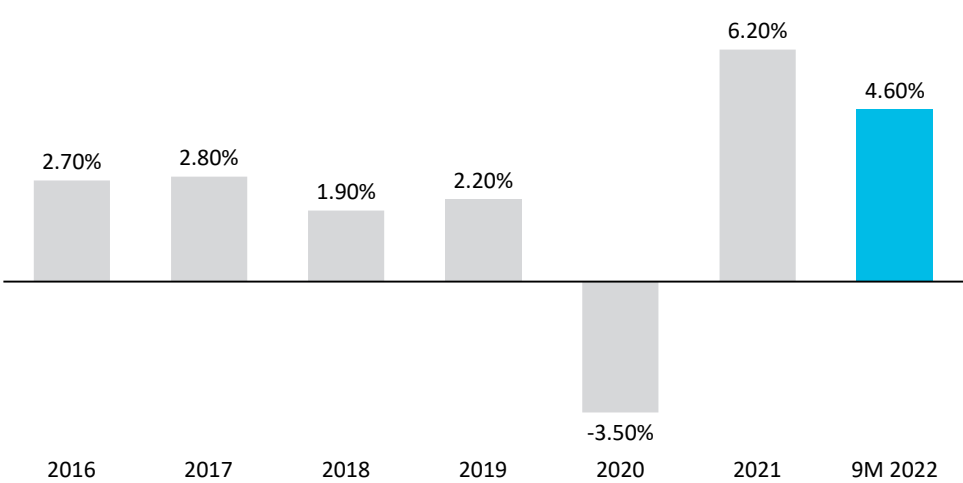
Outlook on Sales for Trading Sector



Source: Dubai Economic Department

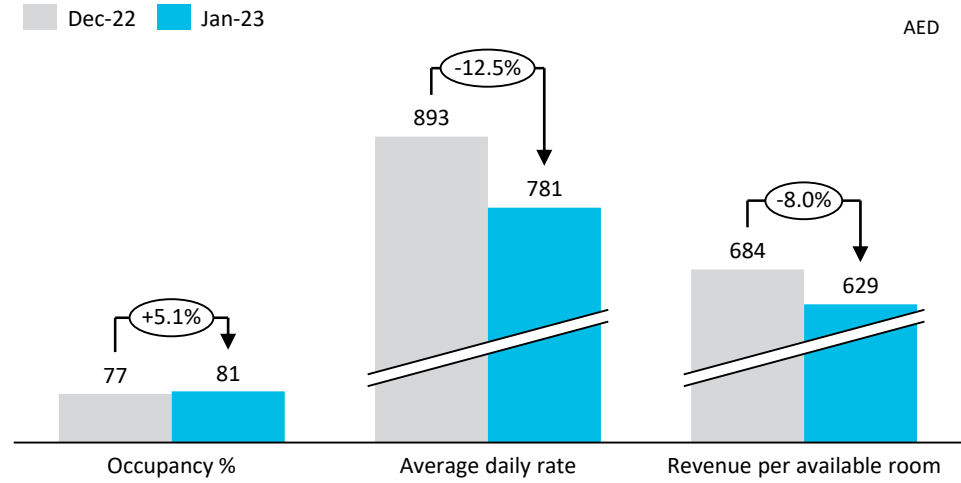
Dubai Economic Update – strong economic activity and business confidence

Dubai GDP growth



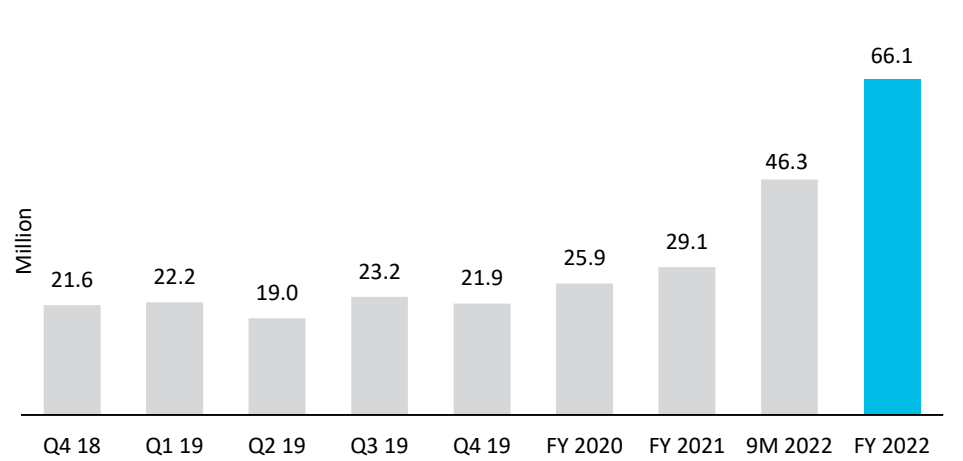
Source: Dubai Statistics Centre, Dubai Economic Department

Dubai hospitality



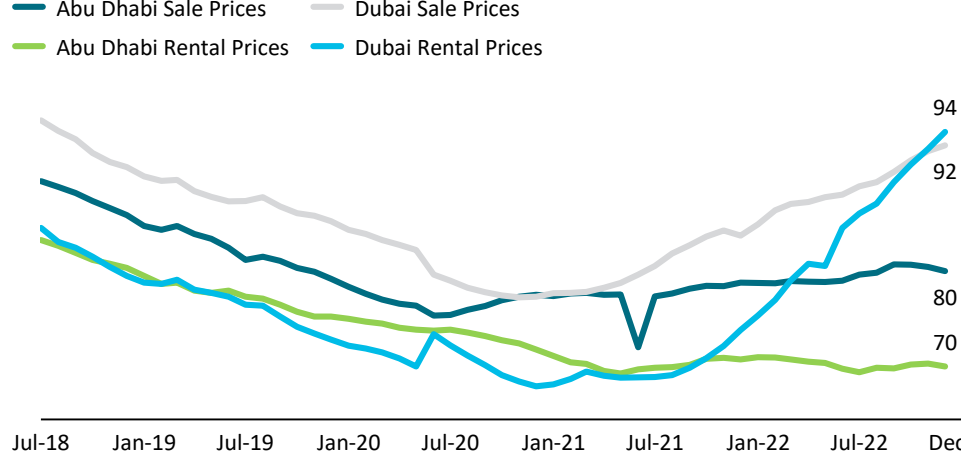
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



UAE Banking Sector – backbone of the UAE economy and supporting business ambition

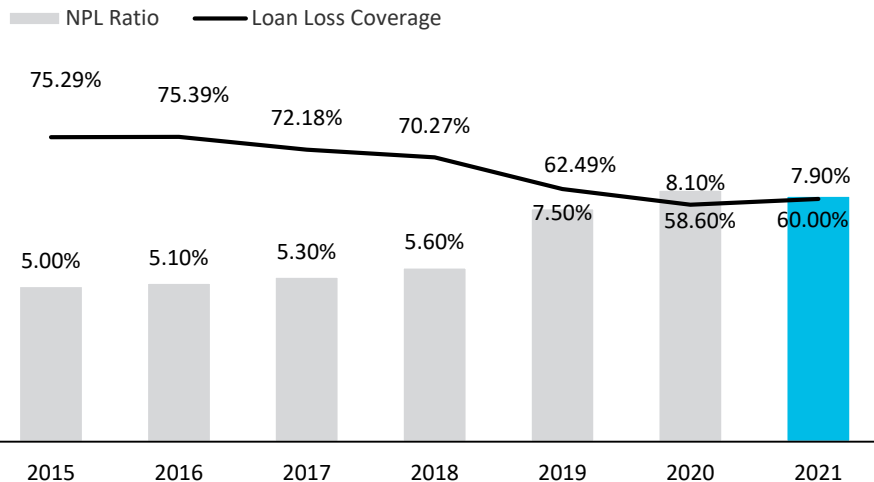
Key industry indicators

AEDb	2020	2021	2022	Jan-23	YTD
Total assets	3,188	3,322	3,669	3,668	▼ 0.4%
Customer deposits	1,885	1,997	2,222	2,233	▲ 0.5%
Loans and advances	1,779	1,794	1,881	1,874	▼ 0.4%
Loan to deposit (%)	94.4	89.8	84.7	83.9	▼ 0.7%
CAR (%)	18.2	17.2	17.3	17.3*	▲ 0.0%
Tier 1 ratio (%)	17.1	16.1	16.1	16.1*	▲ 0.0%

* Ratios available every quarter, latest as at December-22.

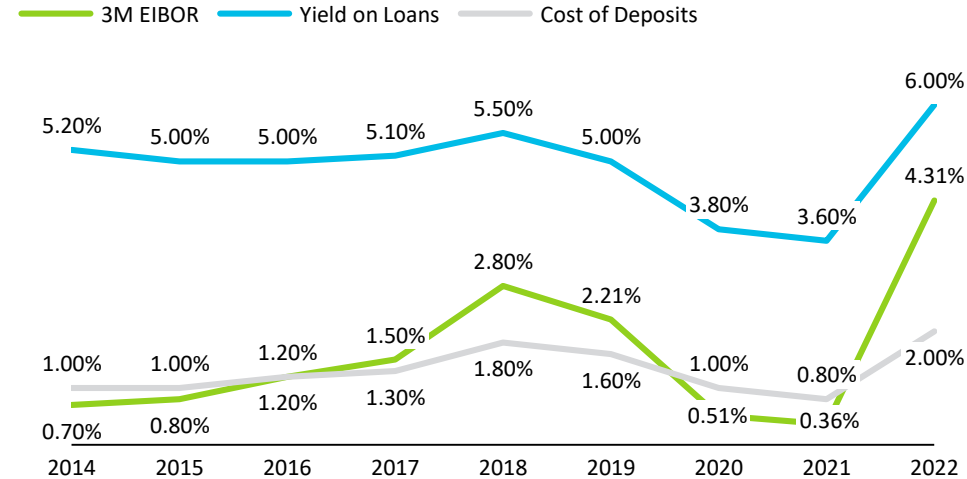
Source: Central Bank of the UAE

Industry asset quality



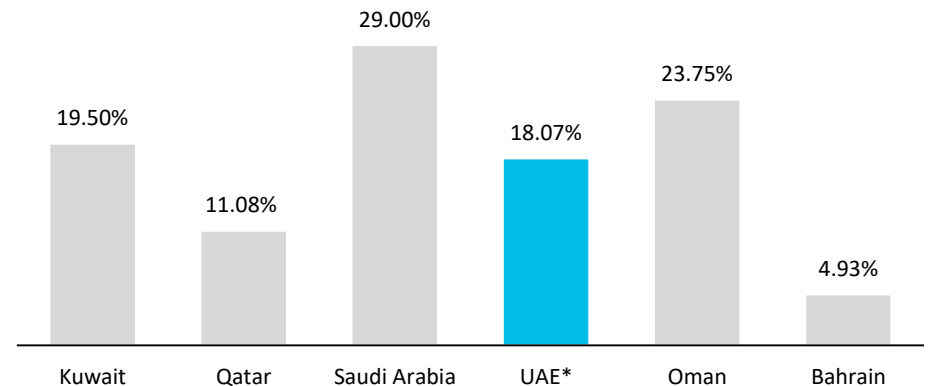
Source: Central Bank of the UAE

Average Loan Yield & Cost of Deposits vs 3M EIBOR



Source: Central Bank of the UAE

Government deposits as % of total deposits

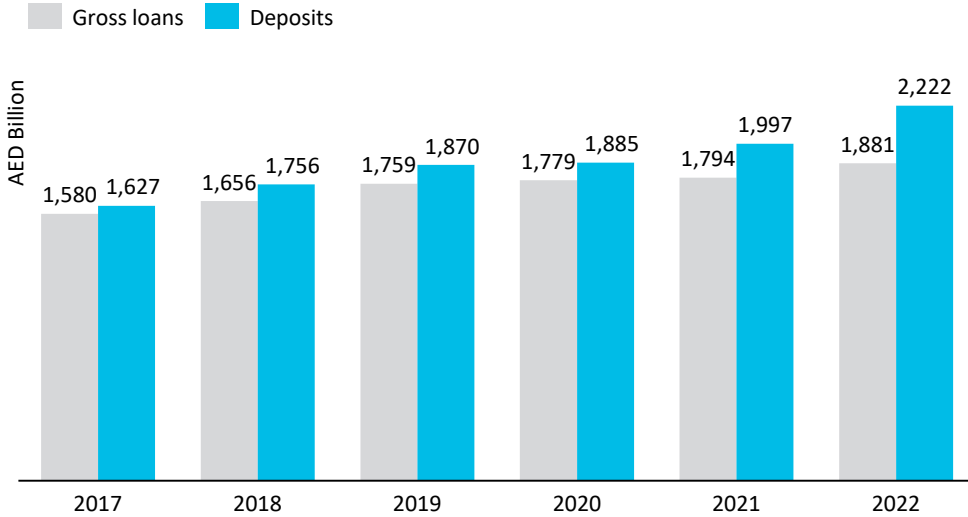


Source: Central Bank of country

*UAE is as of January 2023, rest is February 2023

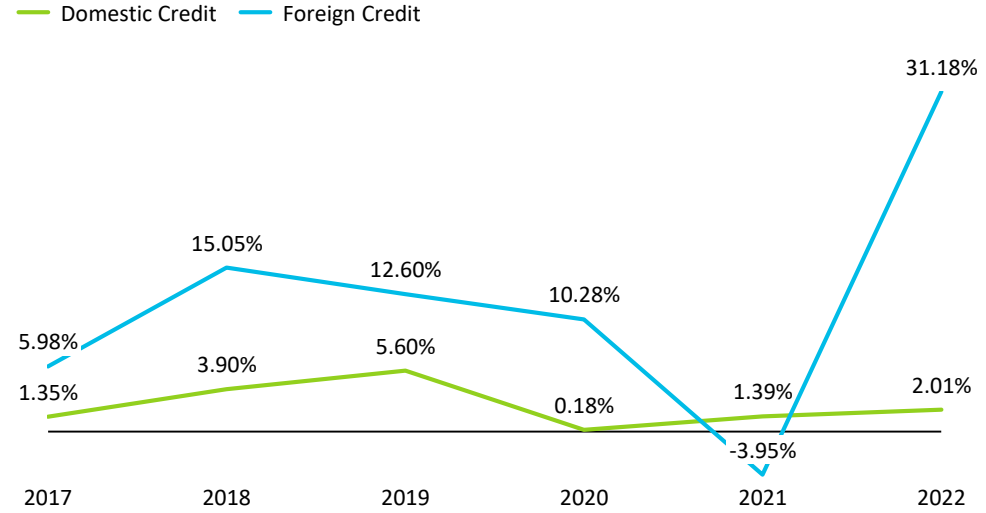
UAE Banking Industry – market continues to extend credit as economy grows

System-wide Gross loans and deposits



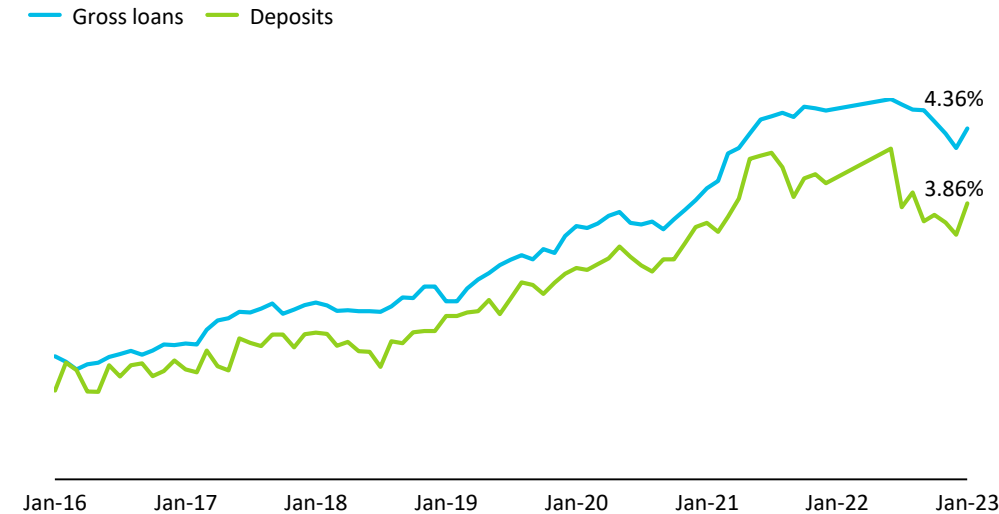
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



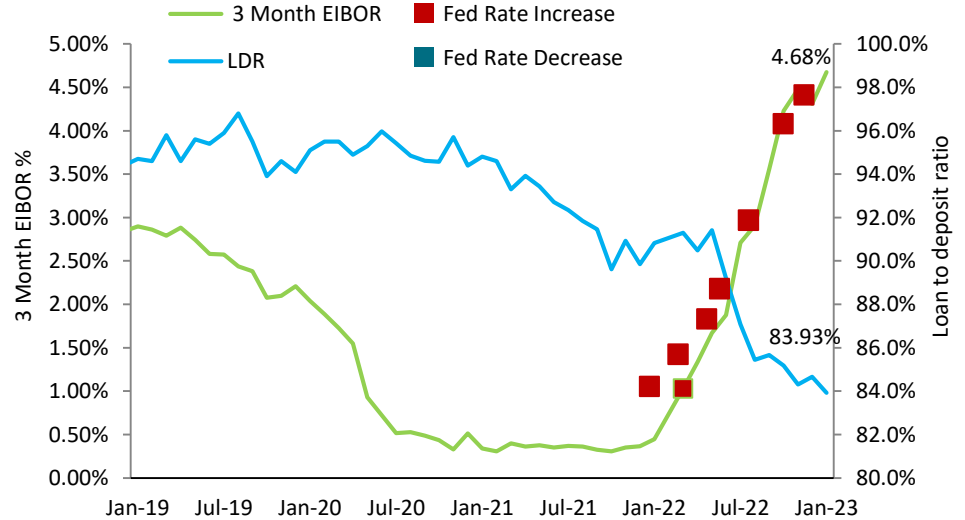
Source: Central Bank of the UAE

CBD market share



Source: Central Bank of the UAE

3 Month EIBOR and UAE loan to deposit ratio



Source: Central Bank of the UAE


























ESG Framework – five key pillars of the ESG framework

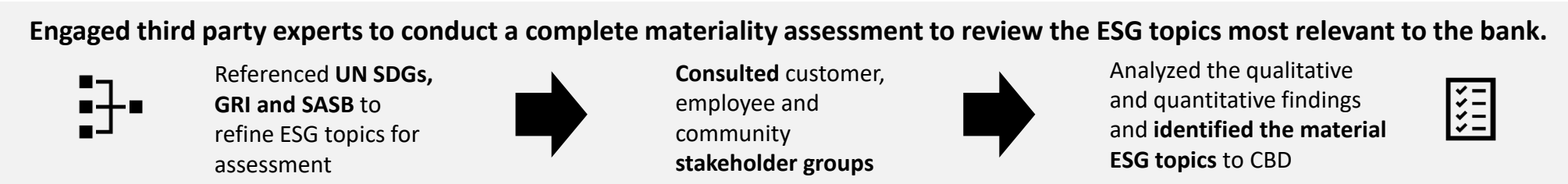
 <p>Community</p>	 <p>People</p>	 <p>Financial Inclusion</p>	 <p>Governance</p>	 <p>Environment</p>
<p>We are a local bank, backing businesses and residents of the UAE with our products and services.</p>	<p>We promote Emiratization and a healthy, up-skilled and engaged workforce.</p>	<p>We are default digital, all-inclusive and aspire to share in our customers' success.</p>	<p>We protect our stakeholders by taking accountability for risk management at Board level.</p>	<p>We hold ourselves to account while supporting our society and our customers' environmental ambitions.</p>
<p>Our priorities:</p> <ul style="list-style-type: none"> • Customer Value Proposition • Sponsorships • Local Sourcing • Philanthropy • Supporting Minorities 	<p>Our priorities:</p> <ul style="list-style-type: none"> • Emiratization • Diversity and Inclusion • Wellness • Employee Engagement • Learning and Development 	<p>Our priorities:</p> <ul style="list-style-type: none"> • Digital Offering • Financial Literacy • Segment-specific Products • SME lending • Customer Experience 	<p>Our priorities:</p> <ul style="list-style-type: none"> • Oversight • Three lines of defense • ESG as part of Risk Management • Business Continuity • Anti-corruption (AML/CTF) 	<p>Our priorities:</p> <ul style="list-style-type: none"> • Monitoring Internal Resource Use • Environmentally Friendly Procurement • Environment-focused Products • Sustainability-themed Initiatives



Aligned to thirteen key United Nations sustainable development goals

Our commitment – Progressing ESG program

 Community	 People	 Financial Inclusion	 Governance	 Environment
<p> "Back to School" initiative in affiliation with Emirates Red Crescent and the Islamic Affairs and Charitable Activities Department</p> <p> Proud sponsor of 33 charities, including the "Bread for All Campaign"</p> <p> Honored with the Sheikha Latifa Award for Childhood Creativity, from Dubai Women Association</p>	<p> Emiratization - 35% of all employees UAENs</p> <p> 2022 Employee Engagement Score of 75%</p> <p> Introduced Sanad, our new Employee Assistance Program</p> <p> 123% increase in the number of training hours</p> <p> PMP, ACAMS, CISI, CISSP, CIA and CIPD certifications</p>	<p> Building Financial Inclusion through strategic fintech partnerships</p> <p> Organized financial education seminars on succession planning, fraud prevention, data protection and smart investing</p> <p> Expanded "Voice of Customer" Program</p>	<p> Established an ESG Council to govern implementation of sustainability initiatives</p> <p> Integrating ESG in the Risk Management Framework</p> <p> Commenced ESG awareness sessions across the bank</p> <p> Targeted ISO Certifications</p>	<p> Baselining scope 1 and scope 2 GHG emissions</p> <p> Established a Sustainable Finance Framework</p> <p> Launched Solar Panel and Electrical Vehicle (EV) Loans</p> <p> Eliminated plastic bottles in support of the "Dubai Can" initiative</p> <p> Launched ESG vendor scorecard</p>



Awards and Achievements

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

“Best Digitization Initiatives”
– ME Banking AI Awards 2023



“Best Robo Advisory Provider”
– MEA Finance Wealth & Investment Awards 2022



CBD *investr*
“Best Innovation in Investment Banking” for CBD Investr
– MEA Finance Banking Technology 2022 Awards

“Outstanding Robo Advisory” for CBD Investr
– The Digital Banker 2022 Digital CX Awards



“Most Effective Investment Service Offering”
– The Digital Banker 2022 Digital CX Awards



“Outstanding Supply Chain Finance Solution”
– Middle East & Africa Innovation Awards 2022



“Best Technological Innovation in Financial Services”
– Seamless Awards 2022



“Excellence in Digital Banking”
– Finnovex Awards 2022



“Best Mobile Banking Service” for iBusiness Mobile App
– MEA Finance Industry Awards 2022



Disclaimer

In accessing the information in this document, you agree to be bound by the following terms and conditions.

The information is provided to you solely for your information and may not be retransmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. The Bank relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. The financial information contained within this presentation is, unless otherwise specified, taken from the Bank's annual audited consolidated financial statements or condensed consolidated interim financial statements.

This document contains data compilations, writings and information that are proprietary and protected by copyright and other intellectual property laws, and may not be redistributed or otherwise transmitted by you to any other person for any purpose.

This document does not constitute an offer, agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed. Before entering into any transaction, you should consider the suitability of the transaction to your particular circumstances and independently review (with your professional advisers as necessary) the specific financial risks as well as the legal, regulatory, credit, tax and accounting consequences.

The information contained herein has not been independently verified and no responsibility is accepted nor a representation, undertaking or warranty is made or given, expressly or impliedly, by CBD or any of its officers or advisers as to the accuracy, reliability or completeness of the information or as to the reasonableness of any assumptions on which any of the same is based or the use of any of the same. Accordingly, no such person will be liable for any direct, indirect or consequential loss or damage suggested by any person resulting from the use of the information or for any opinions expressed by any such person, or any errors, omissions or misstatements made by any of them. The statements contained herein are made as at the date of this presentation, unless another time is specified in relation to them, and delivery of this presentation shall not give rise to any implication that there has been no change in the information set forth in this document since that date. Save as otherwise expressly agreed, none of the above persons should be treated as being under any obligation to update or correct any inaccuracy contained herein or be otherwise liable to you or any other person in respect of any such information. Market data used in the information not attributed to a specific source are estimates of the Bank and have not been independently verified. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its completeness and accuracy.

Nothing contained in this presentation shall be deemed to be a forecast, projection or estimate of CBD's future financial performance. This presentation may contain statements, statistics and projections that include words such as "intends", "expects", "anticipates", "estimates" and words of similar import. All statements included in this presentation other than statements of historical information, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. By their nature, such statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No assurance can be given that such expectations will prove to be correct and actual results may differ materially from those projected because such statements are based on assumptions as to future economic performance and are not statements of fact. CBD expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates to these forecasts, projections or estimates to reflect events or circumstances after the date hereof, nor is there any assurance that the policies, strategies or approaches discussed herein will not change. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

For any inquiries, please contact investor relations team
investor.relations@cbd.ae