



2022

Investor Presentation

for the 12 months ended 31st December 2022

1st February 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

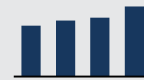


Executive Summary



- **Record net profit result** with sound growth in revenue and operating profit
- **Record cash dividend** combined with **bonus shares**
- **Well positioned** to back our customers' ambitions
- **High 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 FY 2022



Net Profit

AED 1,825m

▲ 25.8% from 2021



Operating Profit

AED 2,816m

▲ 21.5% from 2021



Gross Lending

c 4.3%

UAE Loan Market Share

15.99%

▲ 277 bps from 2021

Return on Equity

1.58%

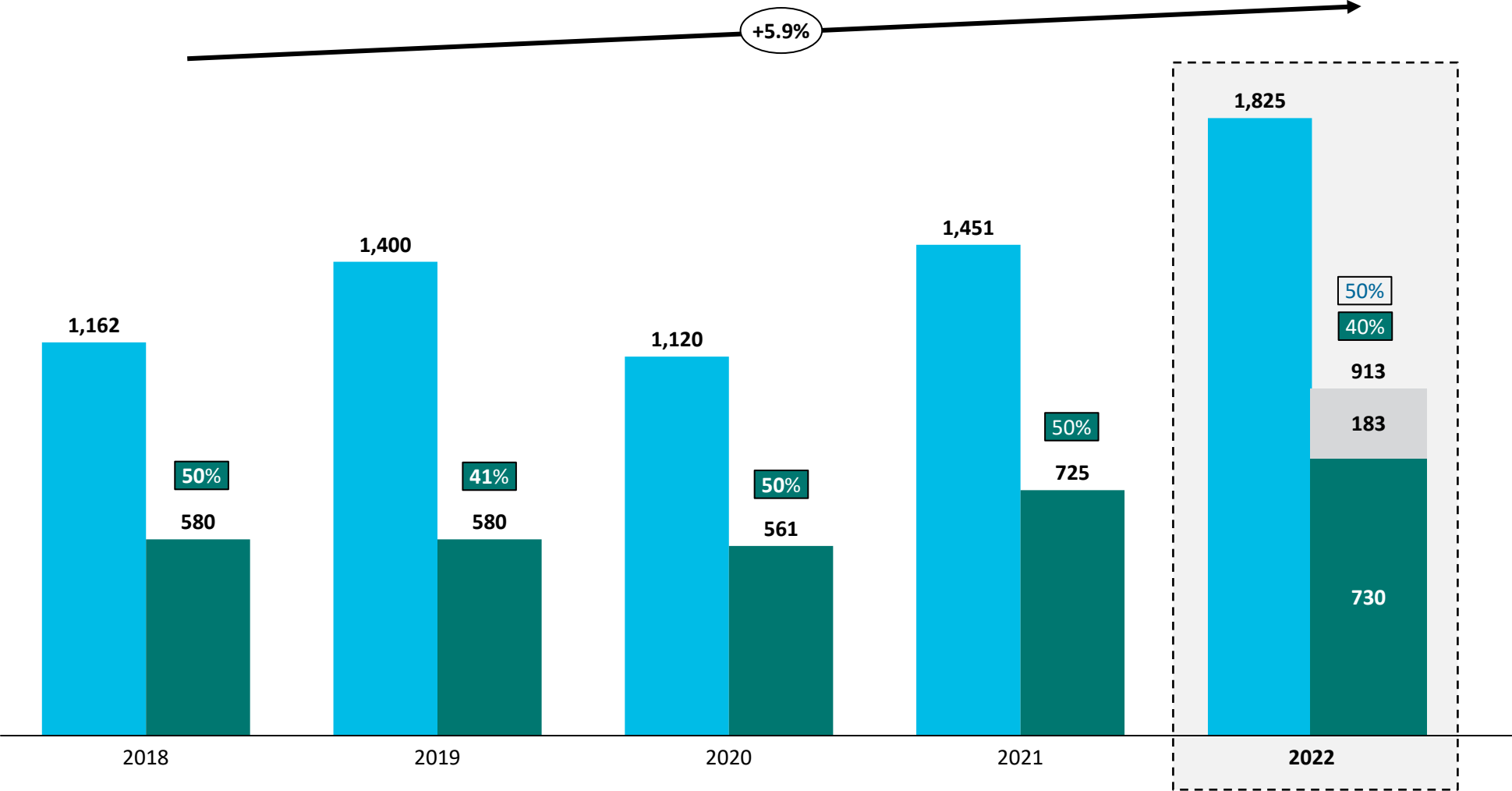
▲ 21 bps from 2021

Return on Assets

CBD dividend history – Record cash dividend of 26.05 fils per share together with a special bonus share of 6.51 fils per share

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- Net Profit
- Cash Payout %
- Cash dividend
- Total Dividend %
- Bonus shares



The dividends are subject to approval of the Central Bank of the UAE and shareholders' approval at the Annual General Meeting.

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

	2022	Change 2022 - 2021	Change (%) 2022 - 2021
Net profit	1,825.0	374.5	25.8%
Return on equity (RoE)	15.99%	277 bp	21.0%
Return on assets (RoA)	1.58%	21 bp	15.3%
Interest margin	2.51%	43 bp	20.7%
Cost to income ratio	26.14%	(104) bp	(3.8%)
Credit Impairment on gross loans	1.17%	14 bp	14.1%
Capital adequacy ratio	16.04%	22 bp	1.4%
Proposed Cash Dividend (fils per share)	26.05	0.17 fils	0.7%
Proposed Special Bonus Share (fils per share)	6.51	6.51 fils	100.0%

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The dividends are subject to approval of the Central Bank of the UAE and shareholders' approval at the Annual General Meeting.

Financial Performance Snapshot – FY 2022

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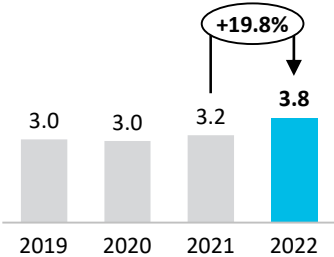
Shareholder Value Creation

Solid Balance Sheet

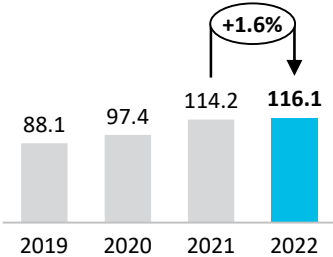
Robust Core Ratios

Solid Operating Performance

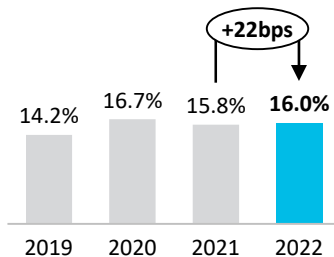
Revenues



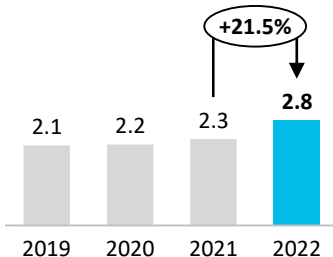
Assets



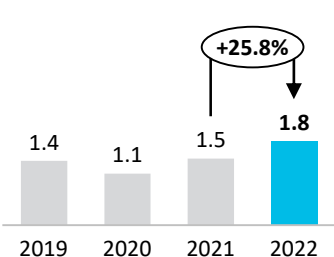
Capital Adequacy Ratio



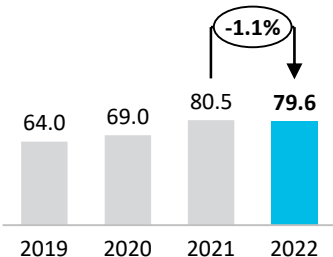
Operating Profit



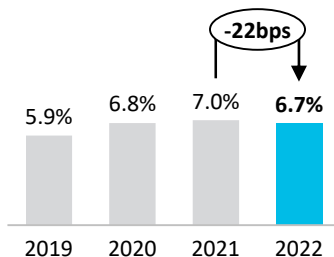
Net Profit



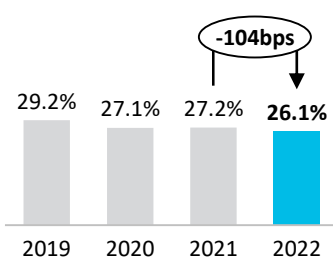
Gross Loans



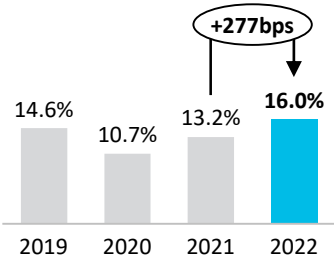
Non-Performing Loans



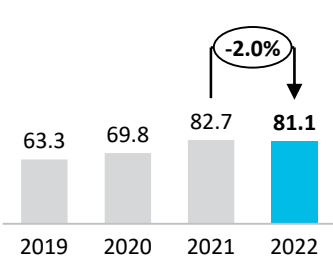
Cost to Income Ratio



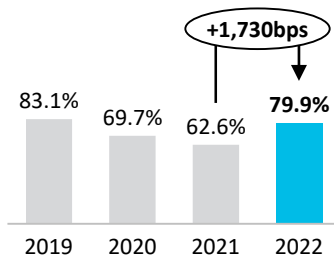
Return on Equity



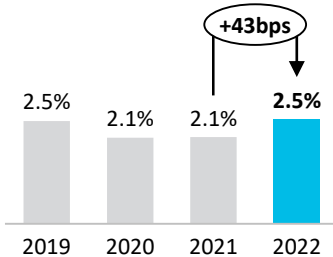
Customer Deposits



Coverage Ratio



Net Interest Margin



Progress against Strategic Execution FY 2022

Achieve Financial Results



Interest rate tailwinds supported by a **rise in CASA**



Generating higher fees from improved **Transactional and Treasury activity**



Focused investment on digitisation and governance



Continued **sound portfolio** credit quality

Become Employer of Choice



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



Launched the new **Employee Value Proposition (EVP)**



Empowering our talent across the organisation



Driving ideation, e.g., through the **CBD Innovation Challenge**

Customer Focus



Deepening customers relationships through service excellence



Launched the new **Customer Value Proposition (CVP)**



Strategic partnerships providing enhanced customer experience



Supporting customers looking to grow business

Default Digital



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



+68% increase in **mobile banking** transactions



★★★★★ 4.8

App Store

★★★★★ 4.4

Google Play



Augmenting **technological capability** for our customers

Backing the nation's ambitions

Financial Guidance 2023 estimate –

Underlying business conditions support forward looking net profit growth

Looking Ahead

- **Moderate** loan growth with continued **diversification**
- **Cost of Risk** expected to be lower in 2023
- Robust margins supported by **higher interest rates** partially offset by **higher cost of funds**
- Investments focused on **digital, technology** with expected system driven **inflationary** impacts
- Continued strong returns **generating capital for growth**

2023e Financial Guidance



Loan growth

Low-Mid single digit growth



Cost of Risk

< 115 bps



Net Interest Margin

2.50 % - 2.75 %



Cost to income

< 30 %



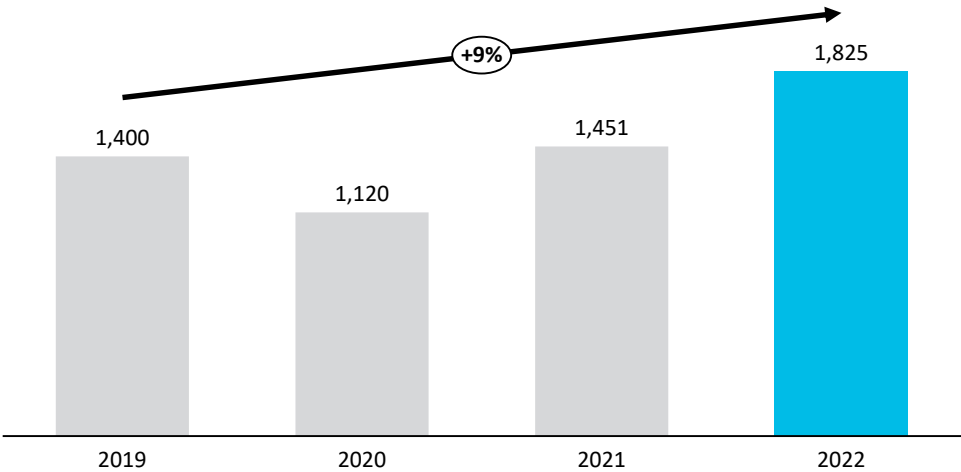
Return on Equity

> 14.0 %

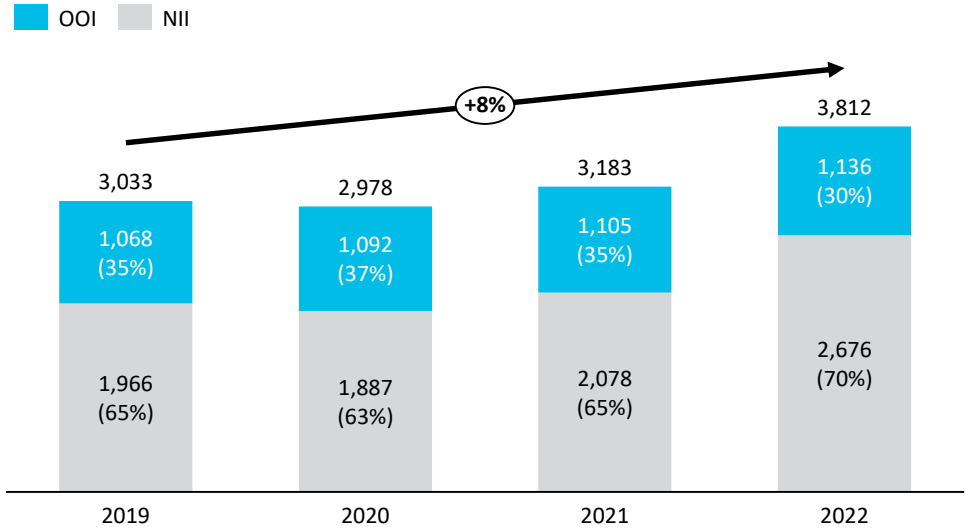
Core Performance Trends – *strong revenue outcome driven by higher interest rates, partially offset by loan prepayments*

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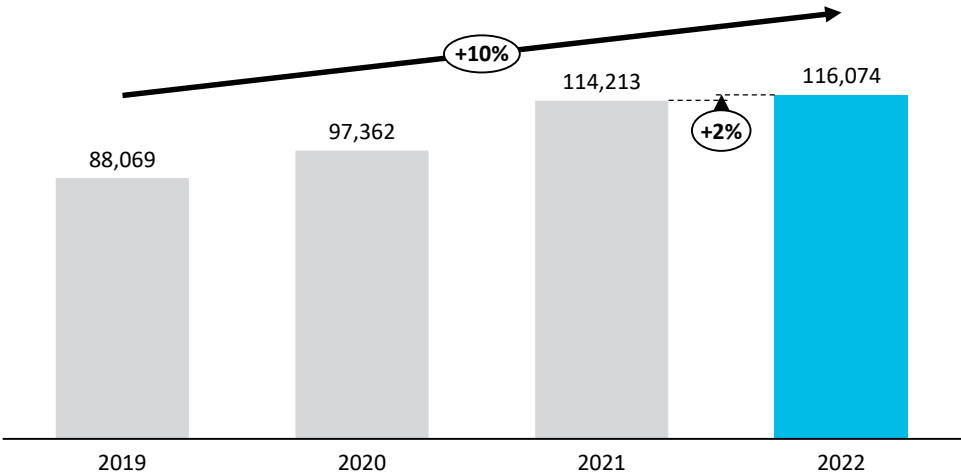
Net profit



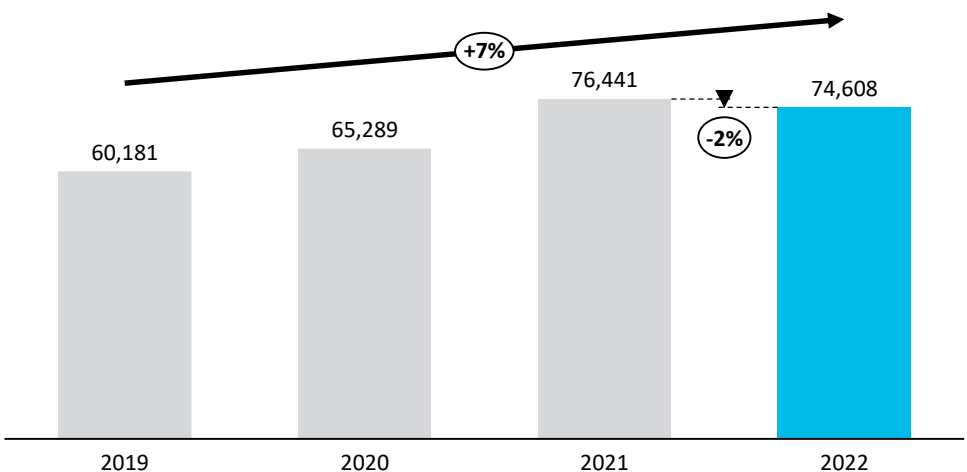
Revenue



Assets

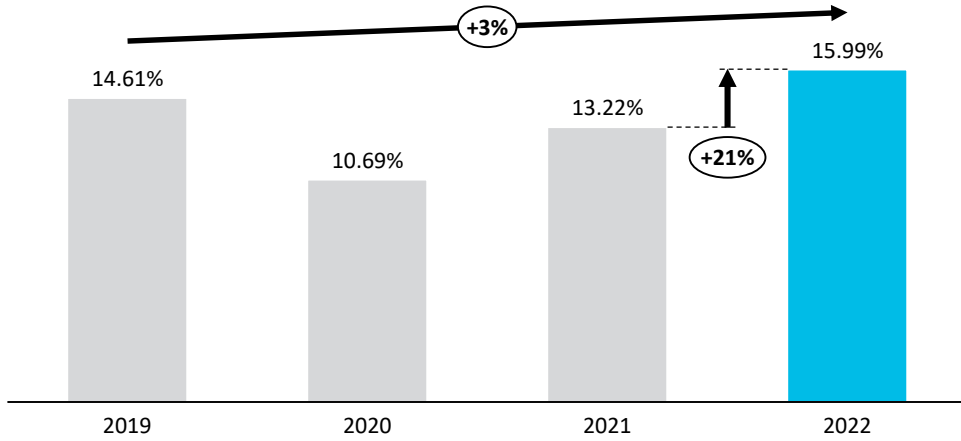


Net loans

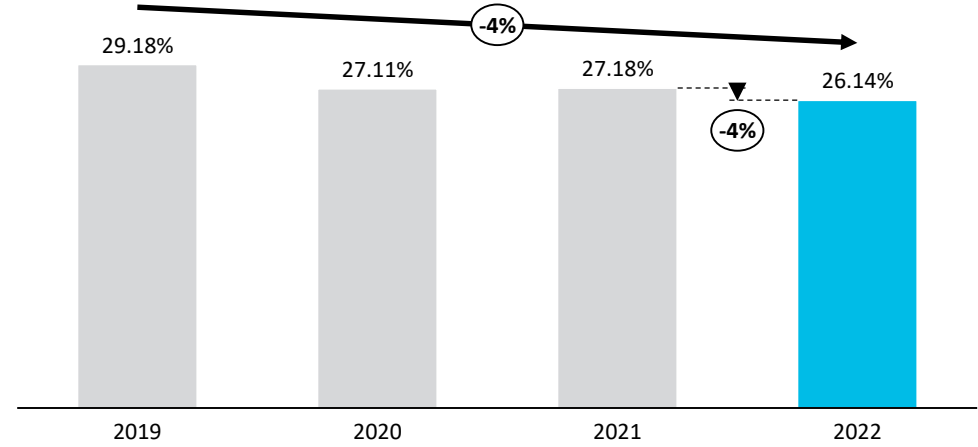


Strategic Financial KPI's – *customer relationships boosting return on equity and assets*

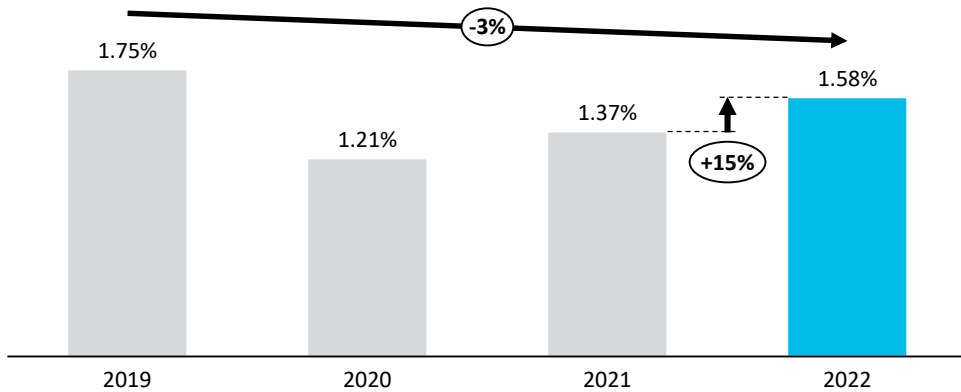
Return on Equity (ROE)



Cost to Income Ratio



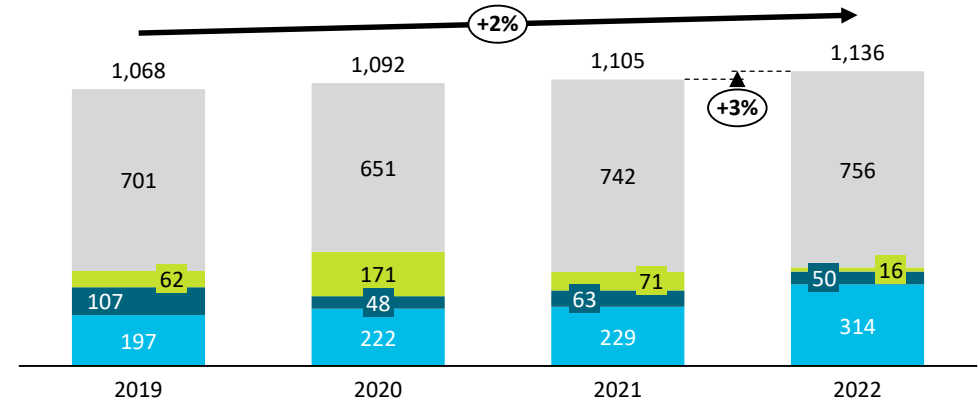
Return on Assets (ROA)



Other Operating Income

Fees and Commission
 Investment
 Others
 FX income

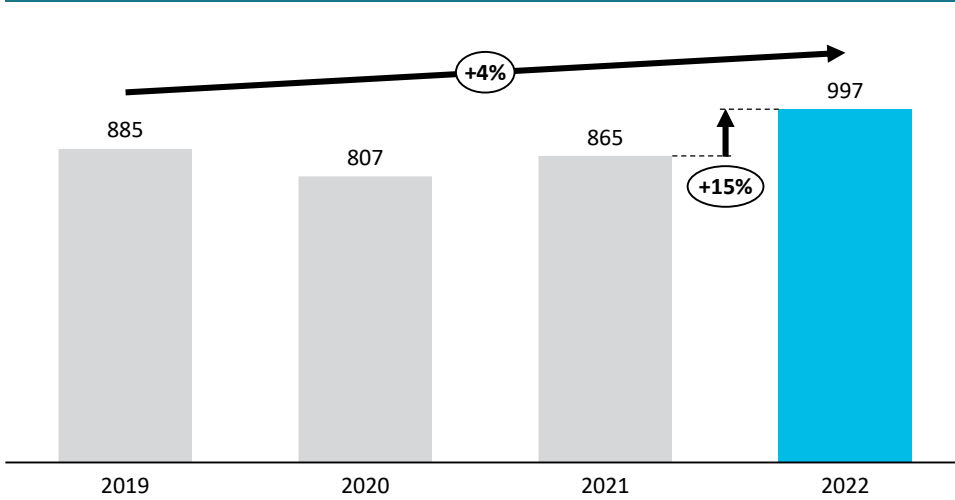
FX income up 85m (37%) with a CAGR +16%



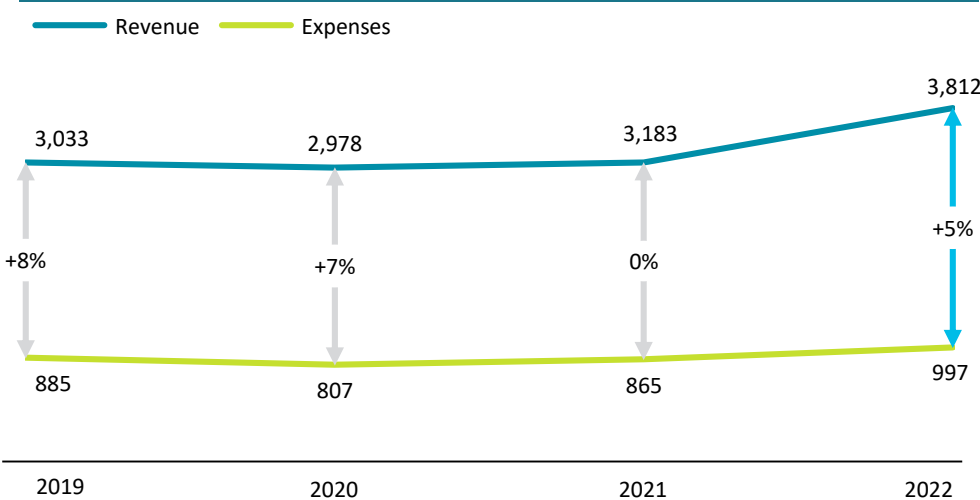
Profitability and Returns – revenue outperformance driving outstanding returns and positive jaws despite increase in expenses

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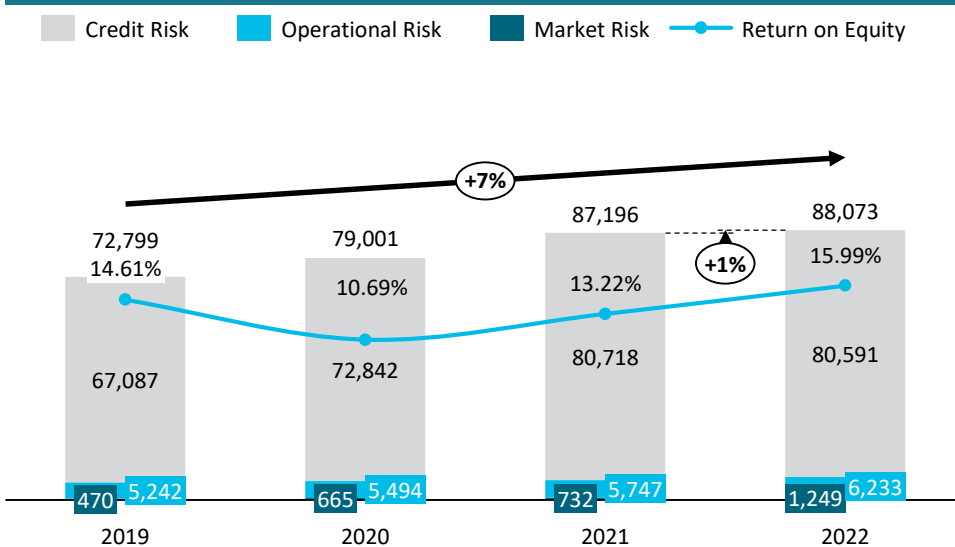
Expenses



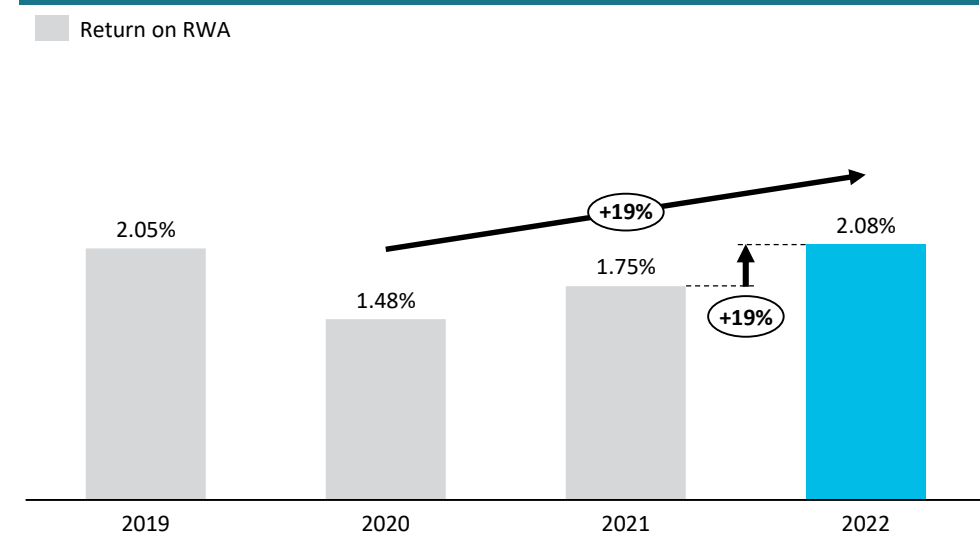
Revenue and Expense JAWS



RWA and Return on Equity

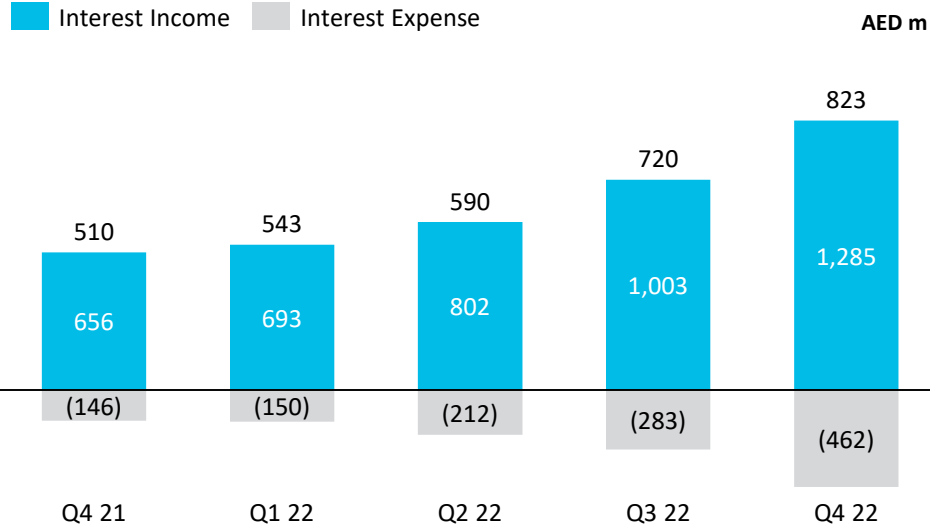


Return on RWA

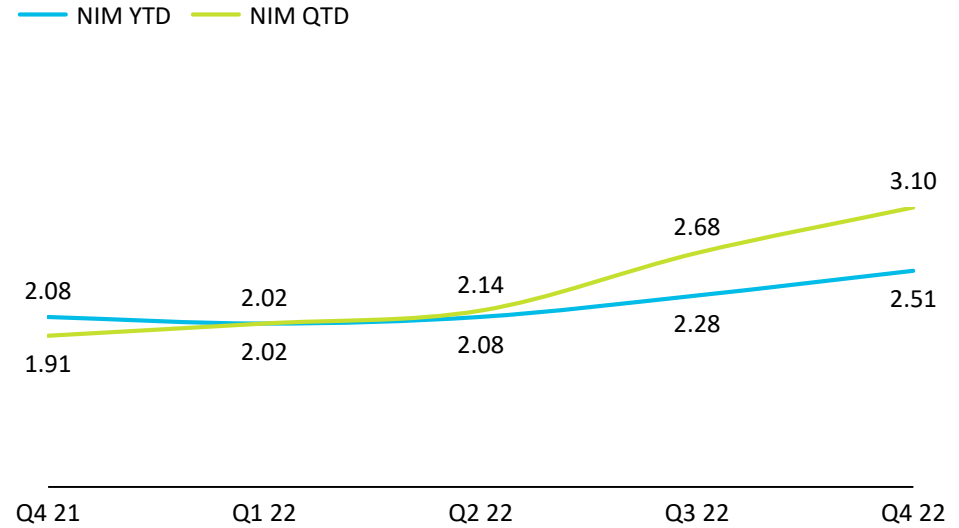


Net Interest Margin – *net interest income increasing on higher benchmark interest rates and well managed funding costs*

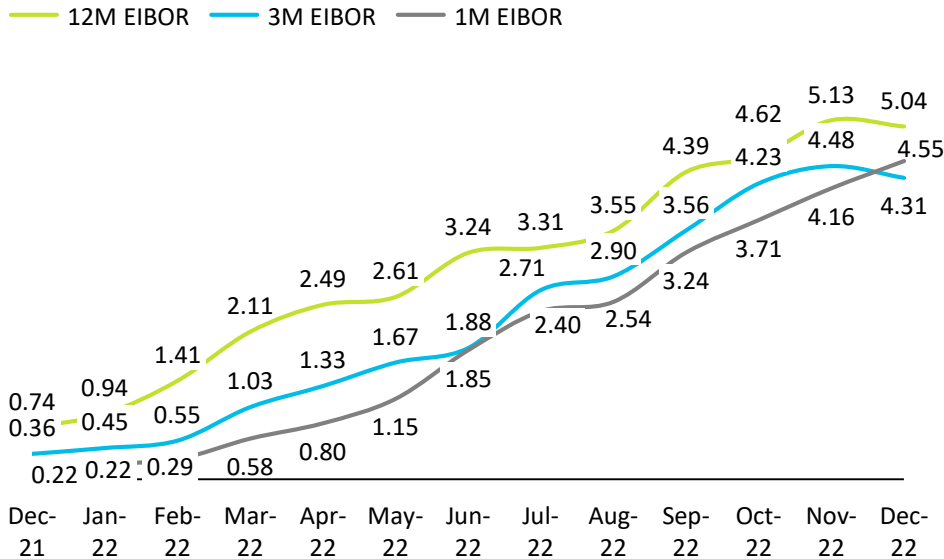
Interest Income and Expense



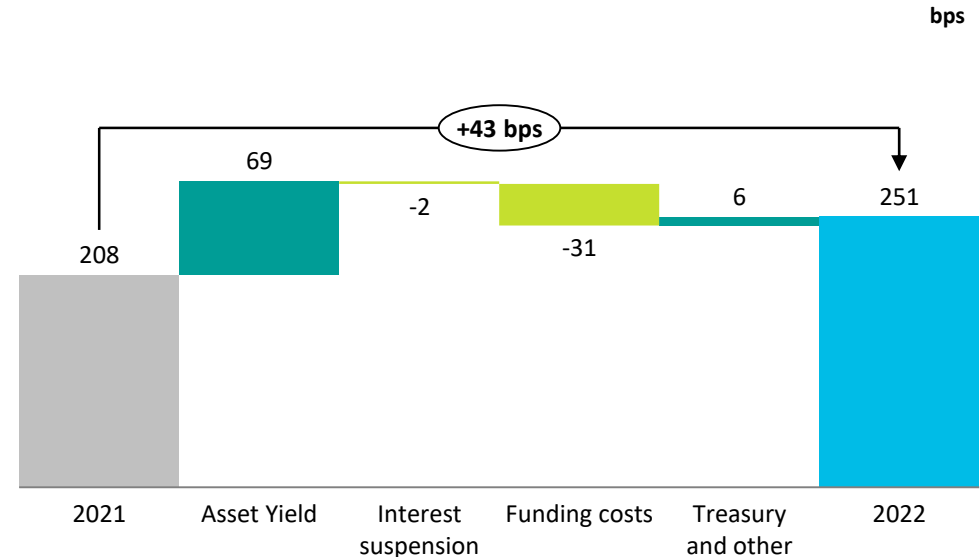
Net Interest Margin



Key components impacting NIM

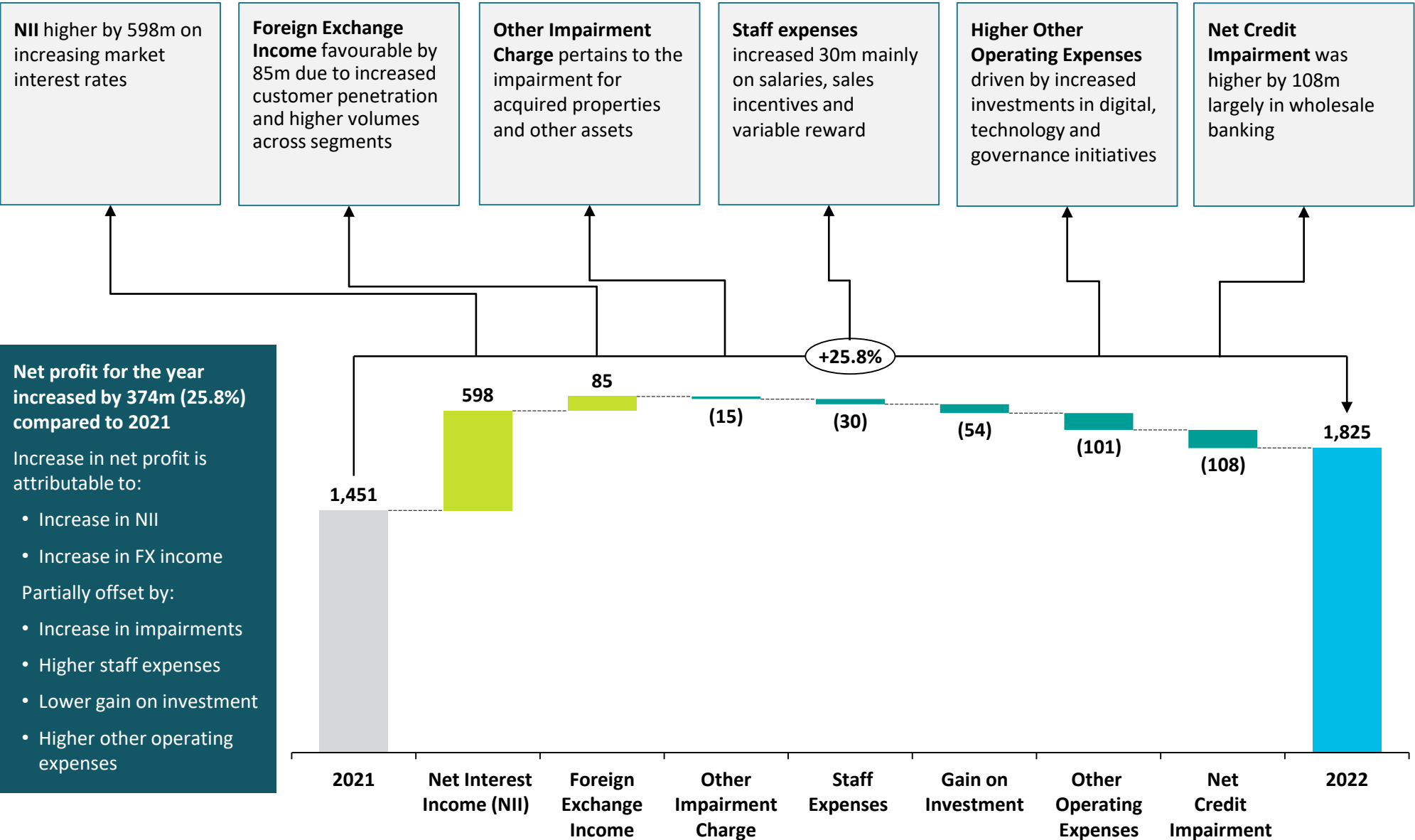


Net interest margin waterfall



Net Profit Bridge on Prior Year – *strong profit driven by improved NII, OOI offset by higher expenses and specific credit losses*

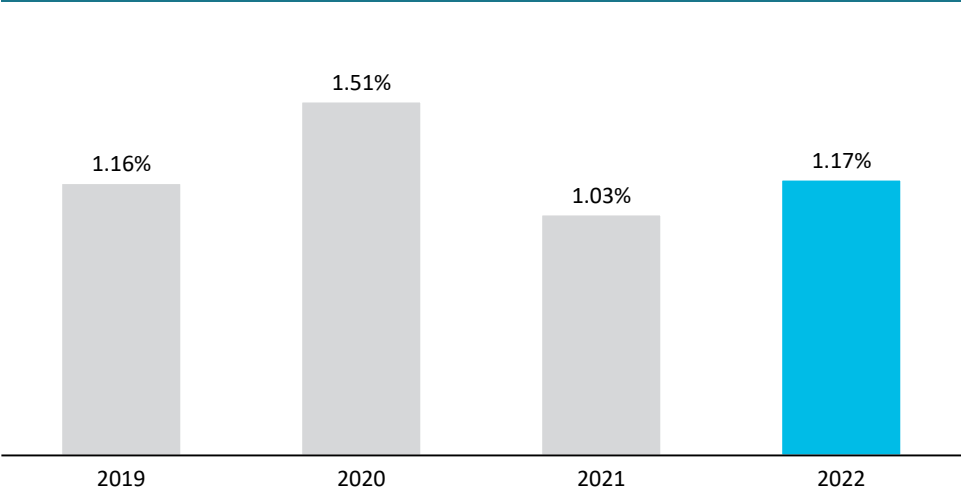
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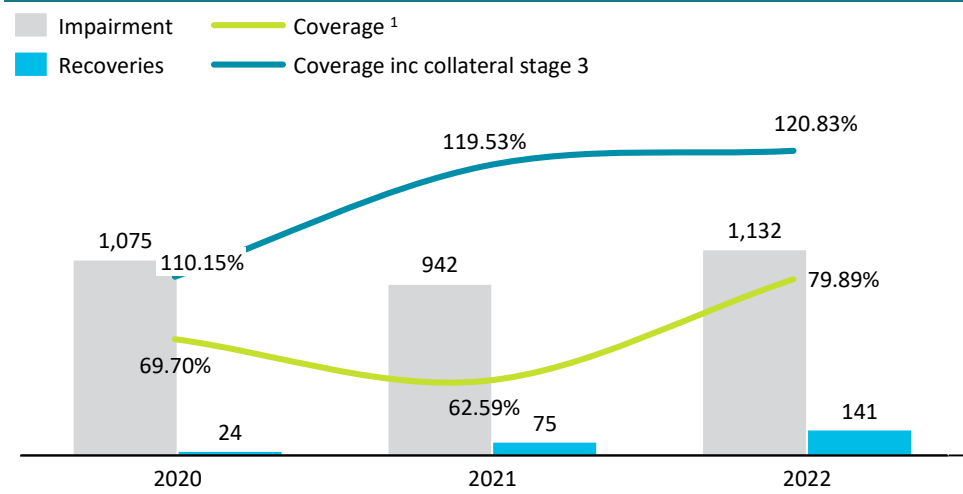
Asset Quality and Impairments – higher coverage with improved underlying asset quality

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Cost of Risk

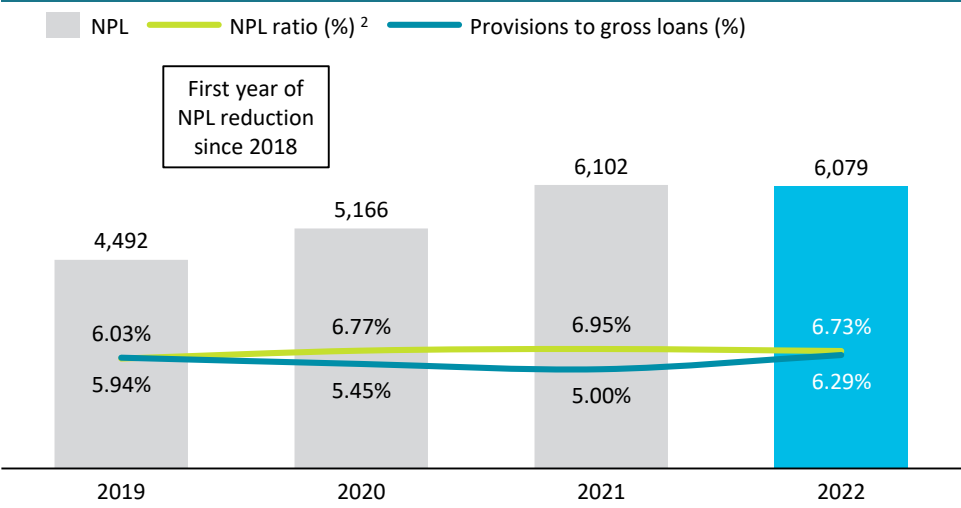


Impairment Charges and Recoveries



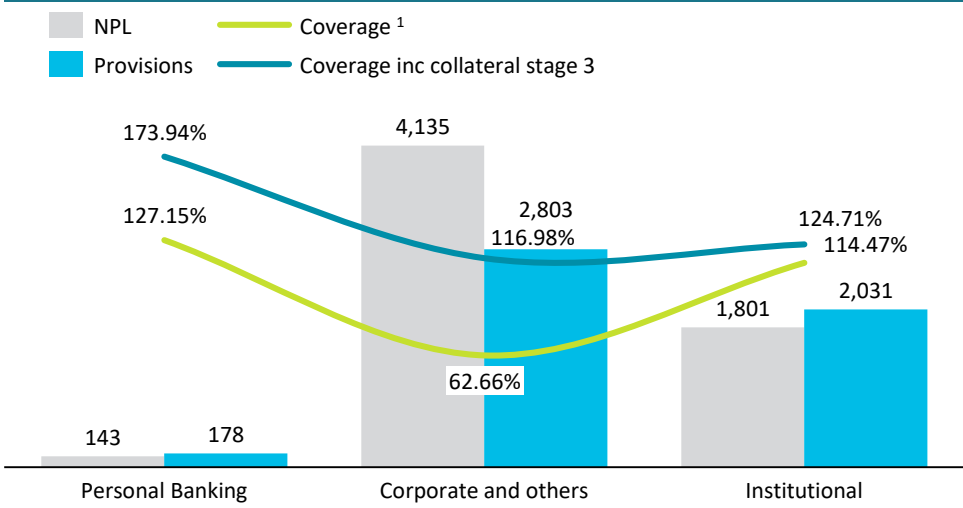
1 – Coverage ratio excludes suspended interest

NPL Ratio



2 – NPL ratio excludes suspended interest

Expected Credit Provisions – Segment

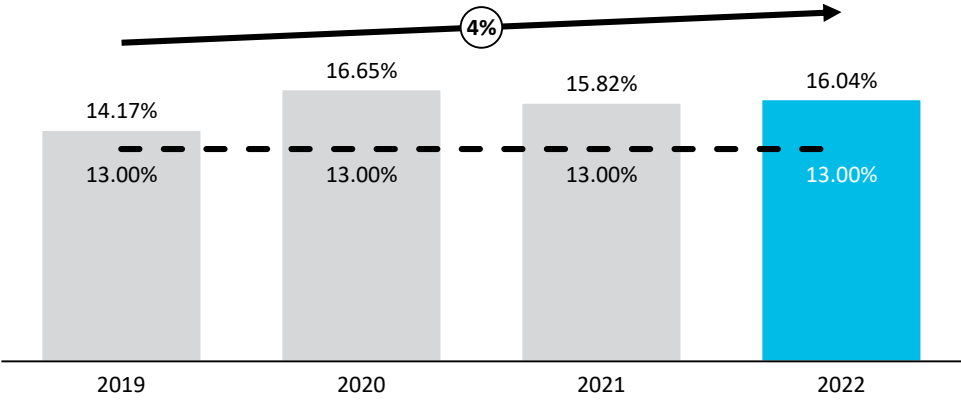


1 – Coverage ratio excludes suspended interest

Balance Sheet and Capital Strength – *capital ratios improving year on year*

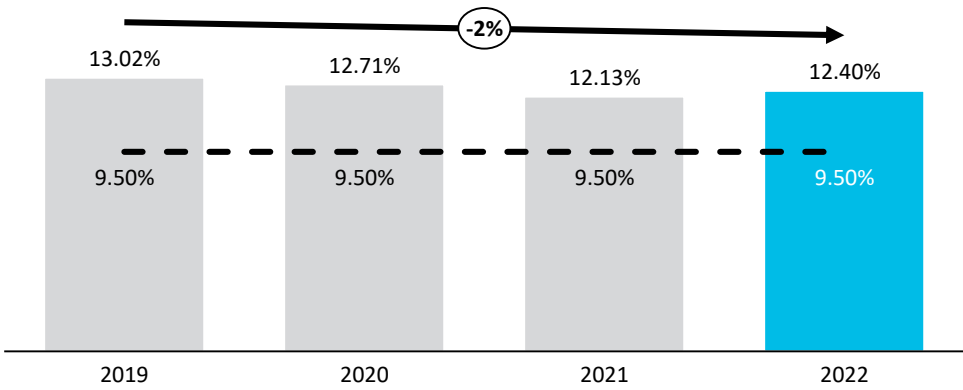
Capital Adequacy Ratio (CAR)

■ CAR - - - Regulatory limit (Minimum)



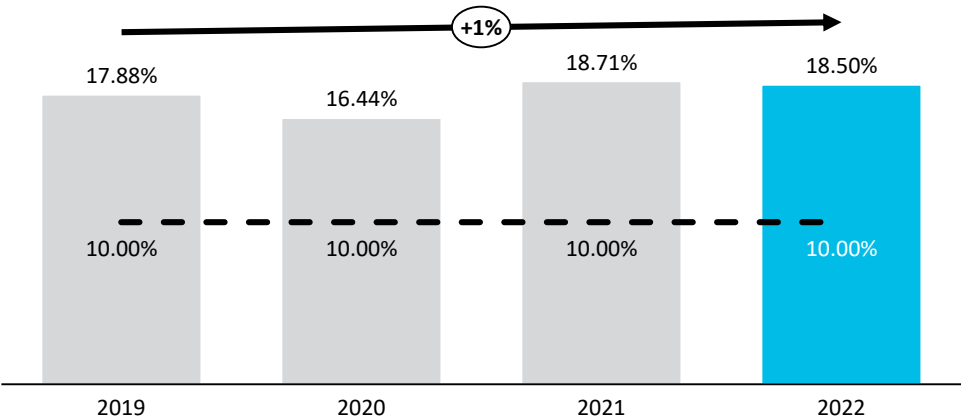
Common Equity Tier 1 (CET1)

■ CET1 - - - Regulatory limit (Minimum)



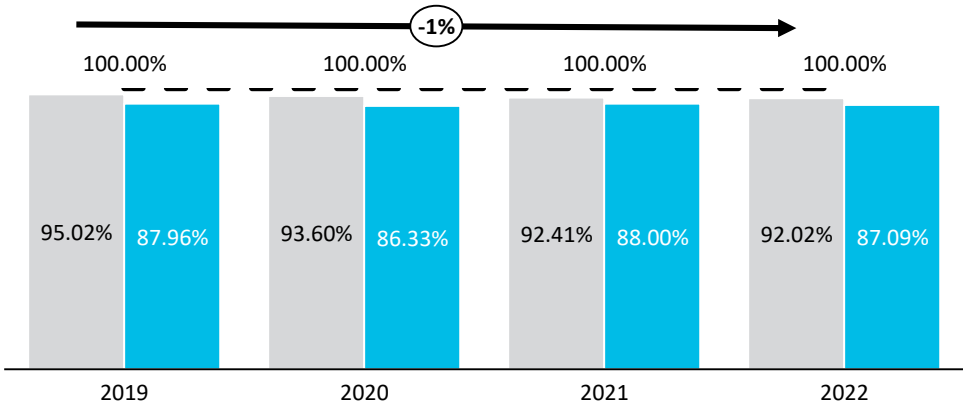
Eligible Liquid Assets Ratio (ELAR)

■ ELAR - - - Regulatory limit (Minimum)



Loans to Deposits and ASRR

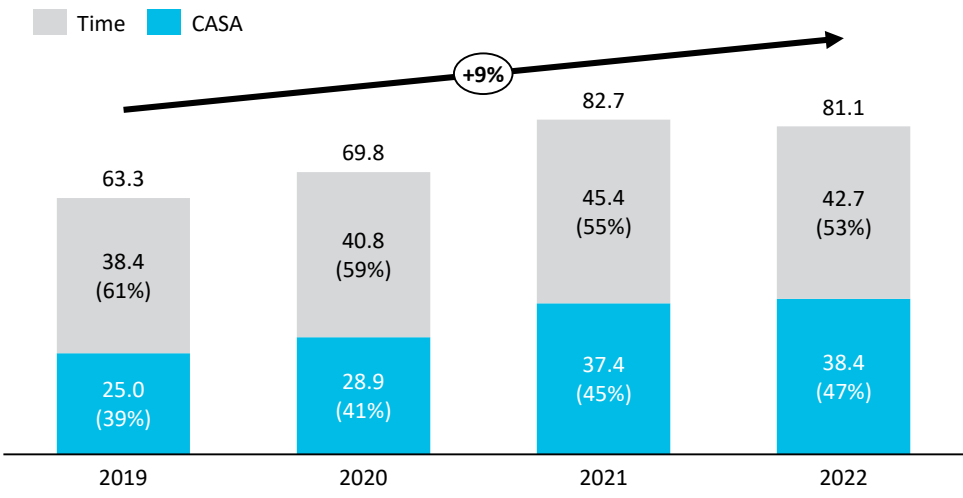
■ Loans to Deposits ■ ASRR - - - Regulatory limit (Maximum)



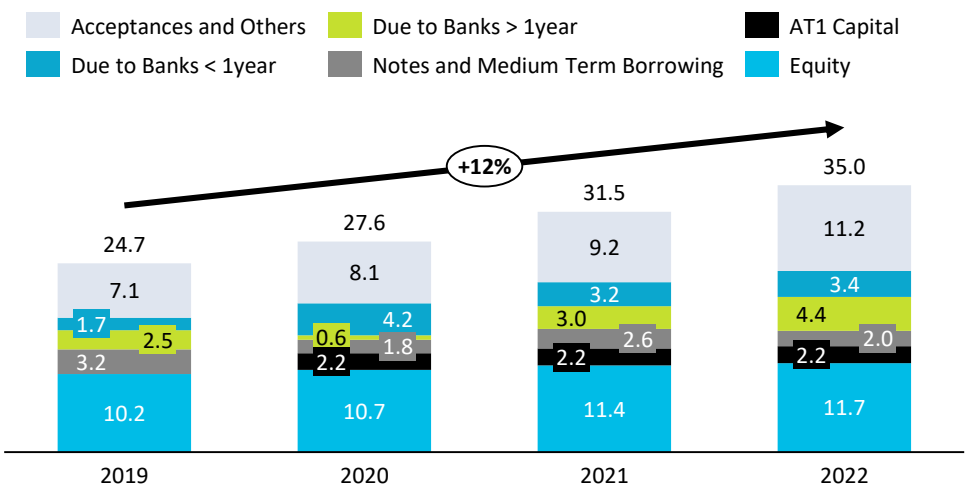
Funding and Liquidity – diversified deposit base with increased franchise CASA

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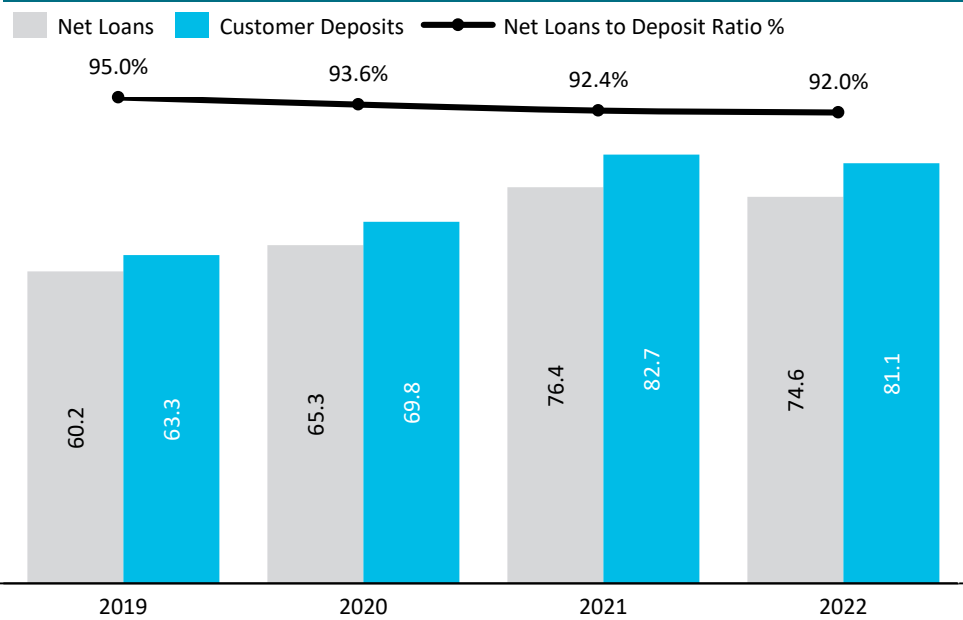
Customer Deposits



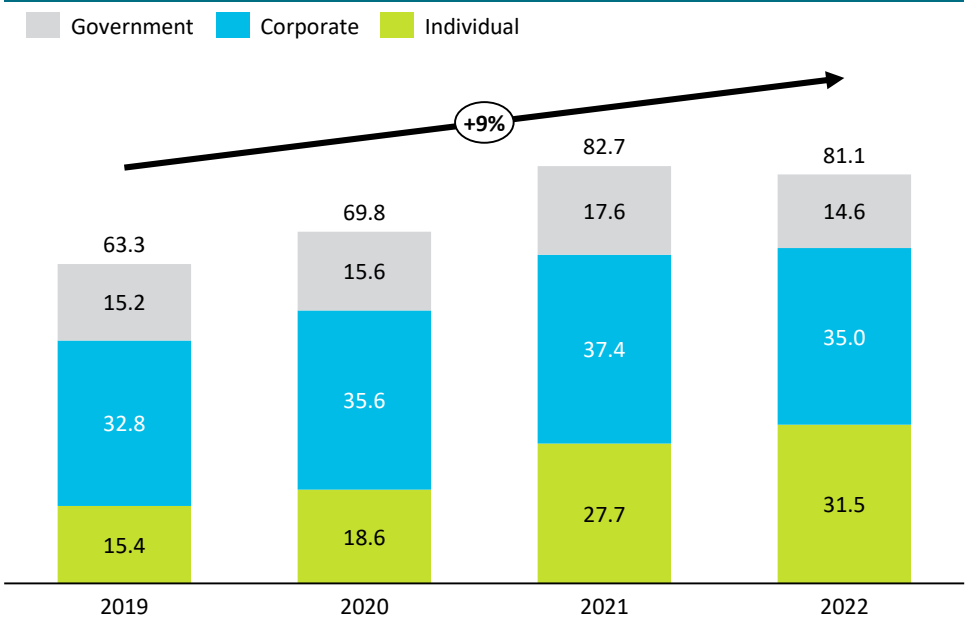
Other Funding Sources



Loans to Deposits

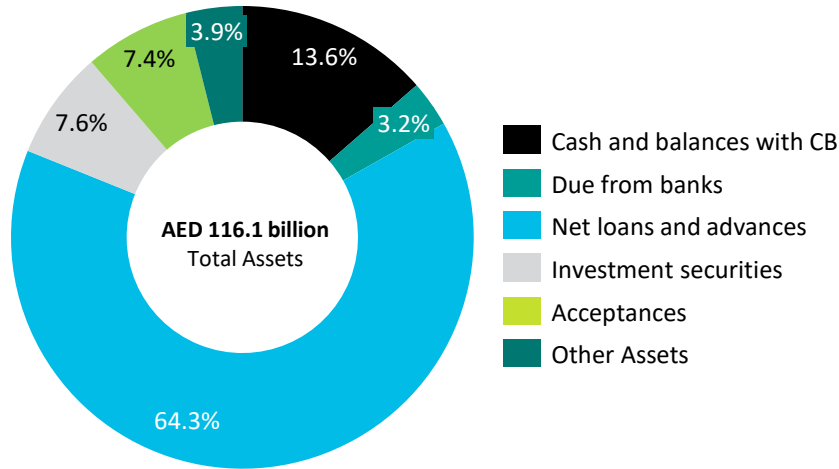


Deposit Segmentation

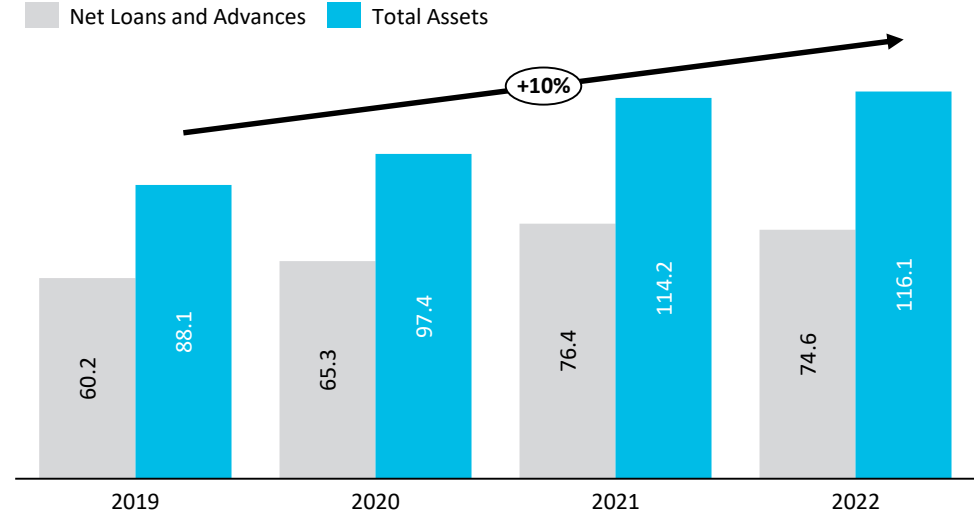


Balance Sheet Analysis – *backing customer ambitions across all market sectors of the UAE economy*

Assets Mix



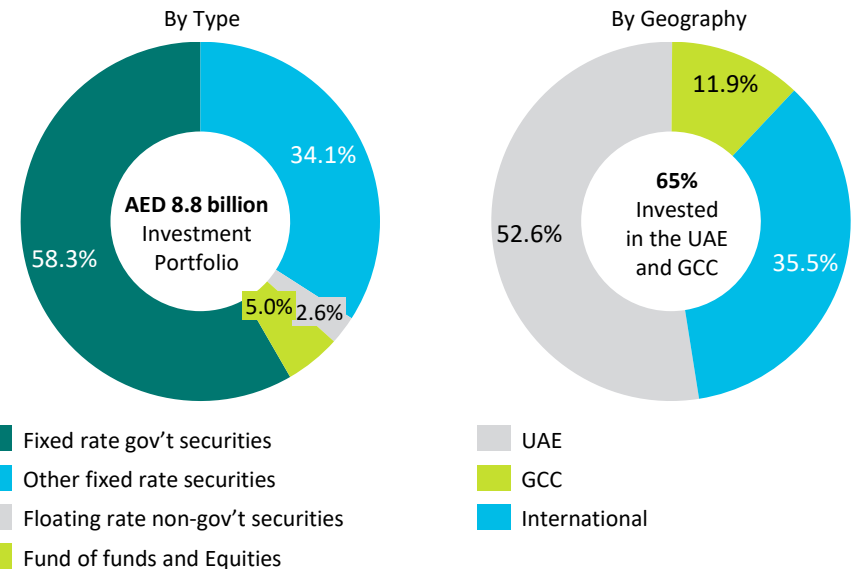
Assets and Loans



Gross Loans and Advances by Sector

Sector	Dec 22	Dec 21	Var %
Individual loans for business	1.5	1.0	52.0
Personal - mortgage	10.3	7.5	38.0
Hospitality	3.2	2.3	36.2
Others	5.0	3.8	32.6
Manufacturing	5.6	4.4	26.6
Trade	9.2	7.6	21.5
Services	6.0	5.1	18.5
Construction	5.3	5.5	(3.5)
Individual Loans for consumption	4.5	5.5	(17.4)
Financial and insurance activities	5.9	7.2	(17.7)
Government entities	1.7	2.1	(19.6)
Real estate	19.1	24.8	(22.9)
Transportation and storage	2.4	3.9	(38.4)
Total	79.6	80.5	(1.1)

Investment Securities Portfolio



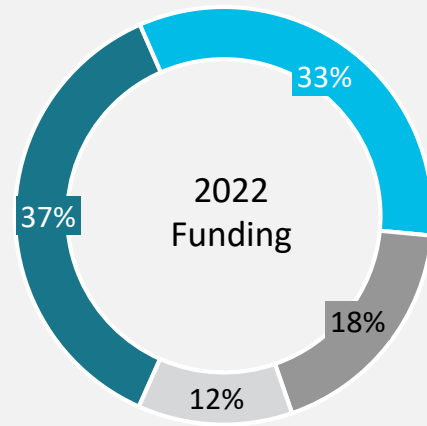
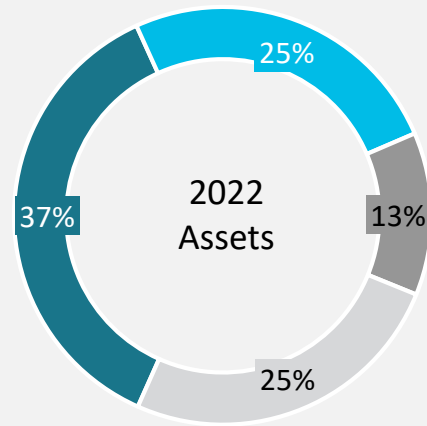
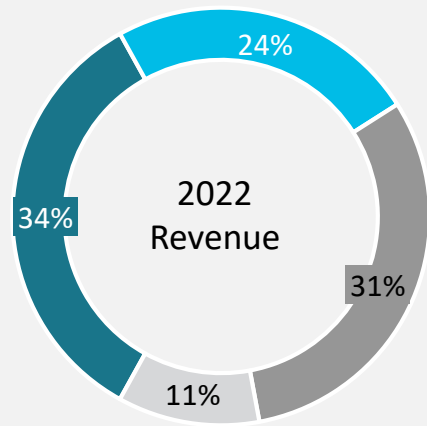
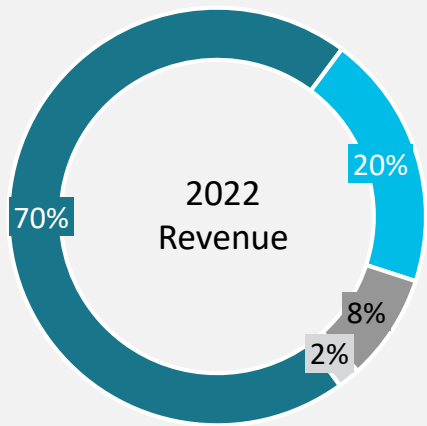
Diversified business mix – improving returns through economic cycles

Revenue Diversification

Revenue Segmentation

Asset Diversification

Funding Diversification



70%
NII

Net Interest Income

30%
OOI

Fee income
 FX income
 Other income

58%
Wholesale

Corporate banking
 Institutional banking

42%
Others

Trading and other
 Personal banking

62%
Wholesale

Corporate banking
 Institutional banking

38%
Others

Trading and other
 Personal banking

70%
Deposits

Time
 CASA

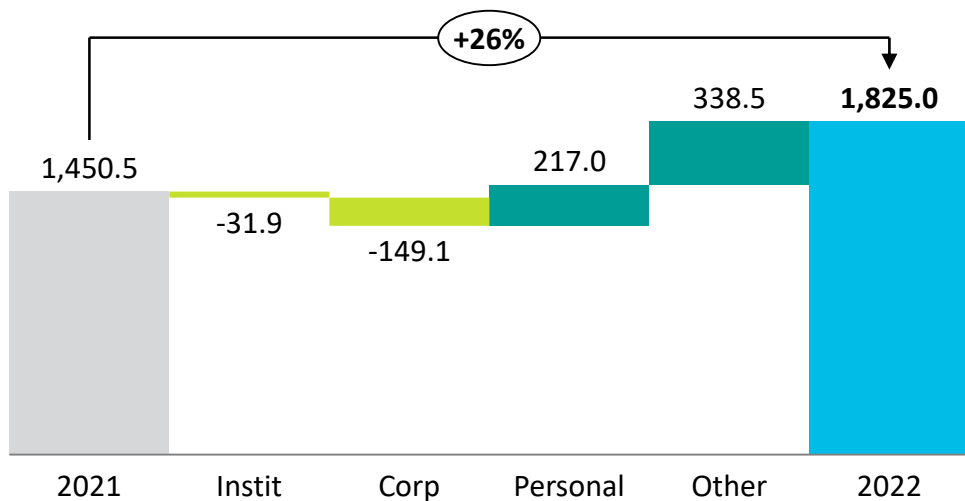
30%
Others

Other funding
 Equity

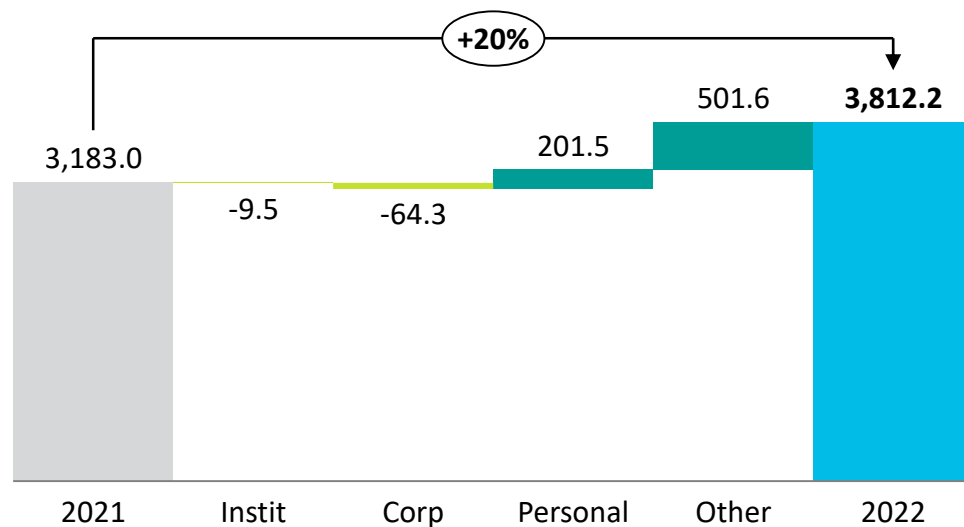
Divisional Contributions – stellar outperformance by Retail

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Divisional net profit movement



Divisional revenue movement

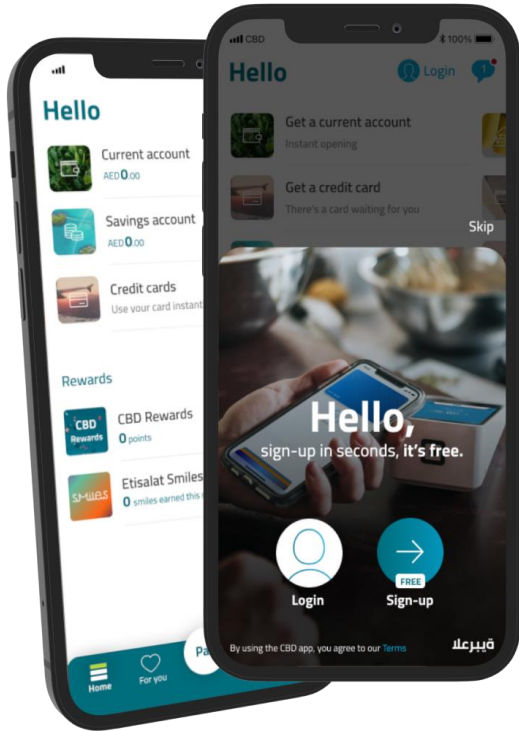


2022	Institutional	Corporate	Personal	Other	Total
Operating Income	915.7	1,292.4	1,185.1	419.0	3,812.2
Expenses	(160.4)	(152.9)	(471.5)	(211.8)	(996.6)
Operating Profit	755.2	1,139.5	713.6	207.2	2,815.6
Impairment (charges) / benefits	(285.1)	(615.3)	(1.9)	(88.3)	(990.6)
Net Profit	470.1	524.2	711.7	118.9	1,825.0
<i>% of Group Net Profit</i>	<i>25.8</i>	<i>28.7</i>	<i>39.0</i>	<i>6.5</i>	<i>100.0</i>

Innovating in Digital – *Investing in award winning and industry recognized digital customer experience*



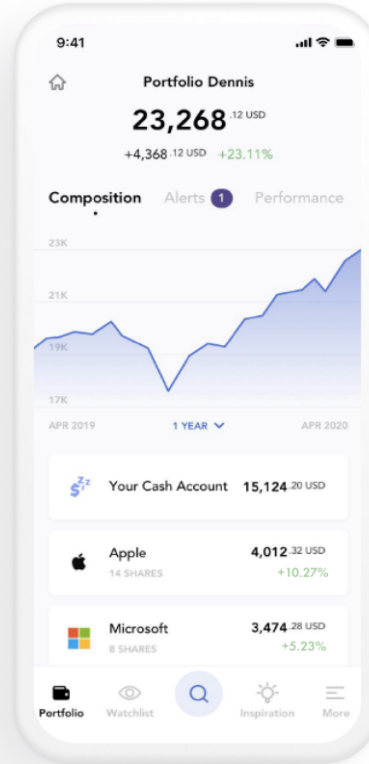
CBD Digital App



- App rated 4.8 on App store and 4.4 on Google Play
- 91% of customers are registered for digital (web and mobile)



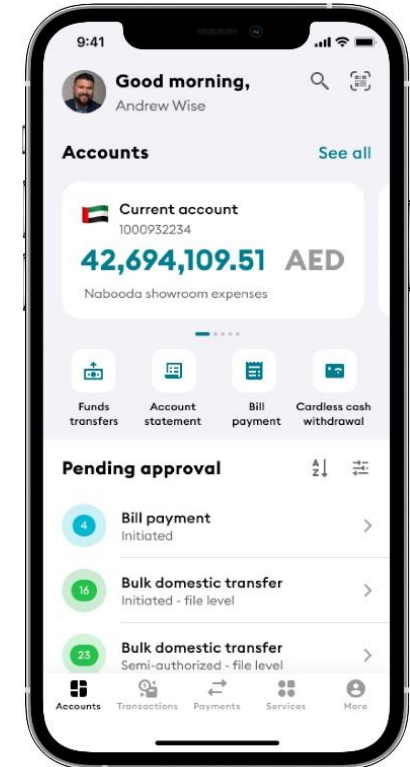
CBD Investr



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



iBusiness Mobile App



- 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



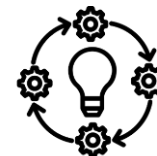
**DEFAULT
DIGITAL
EXPERIENCES**



**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

Digital Wealth

Next Gen Payments Hub

Enterprise Intelligence

Risk Analytics & Decision Sciences

Client Onboarding

Corporate Treasury & Liquidity Solutions

Intelligent Process Automation (AI/ML)

Real time processing

eKYC

Financial Crime prevention

Journey to Cloud

Upgrade Core infrastructure

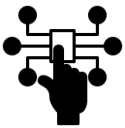
Concluding remarks



Strong **net profit growth** at excellent returns



Backing customer and employees to **accomplish** their ambitions



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



Delivering improved shareholder returns with **growth to continue in 2023**



CBD is **well positioned** to successfully execute our ongoing **strategy**

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

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. Alan Grieve
Chief Credit Officer



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



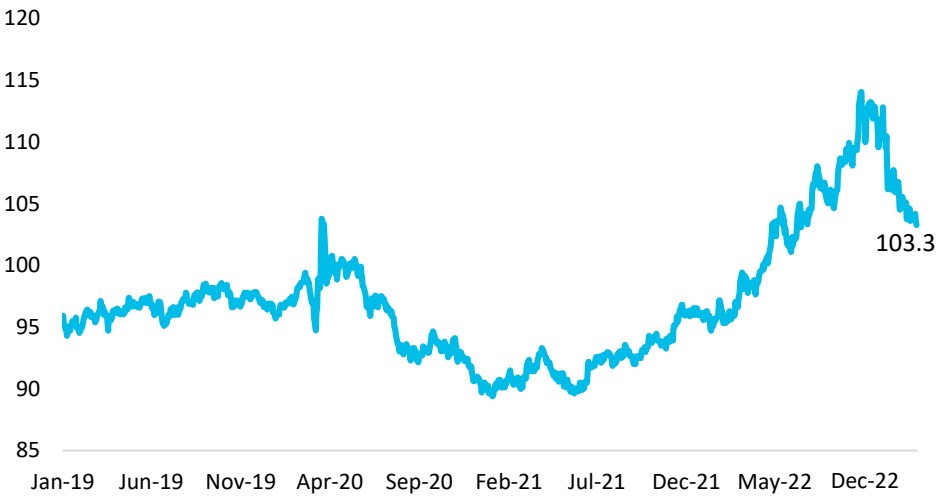
Mr. Ali Imran
Chief Operating Officer



Mr. Rupert Rogers
Chief Risk Officer

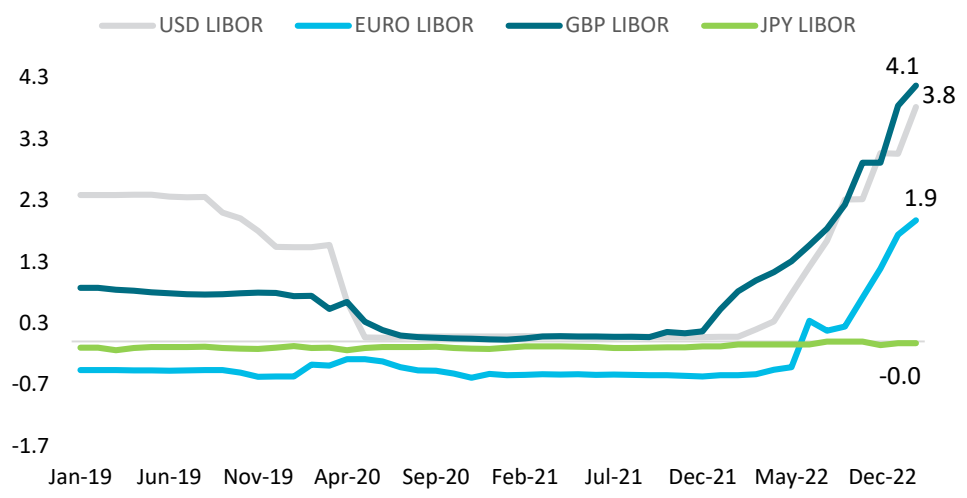
Global Economic Update – rising inflation and increasing central bank interest rates

US Dollar Index



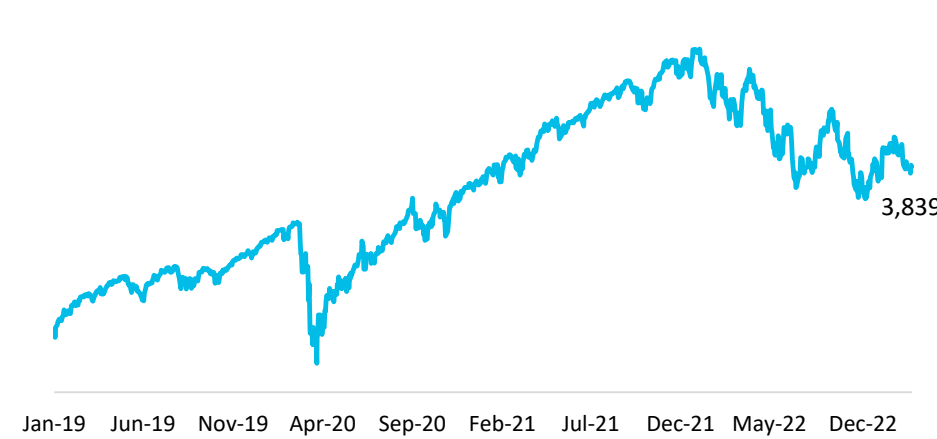
Source: investing.com

Interest Interbank Rates



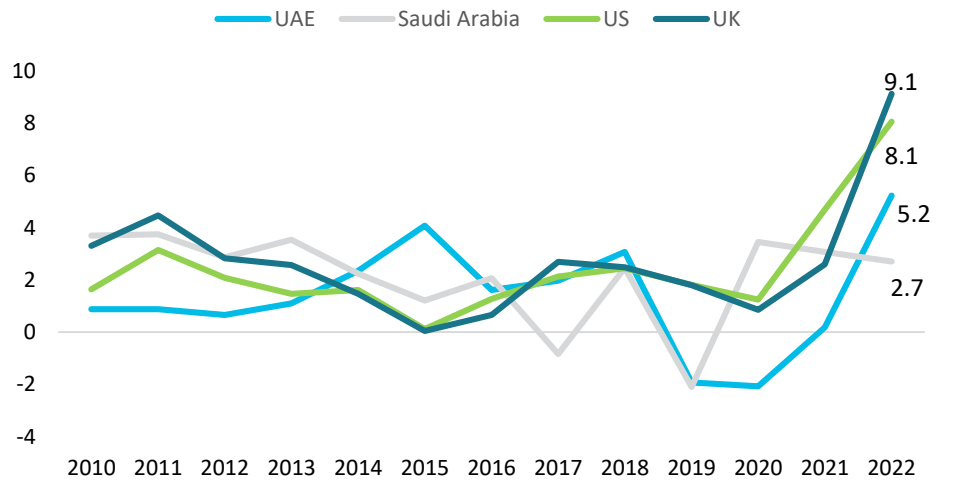
Source: Overnight rates from global-rates.com

S&P 500 (Indices)



Source: S&P 500, investing.com

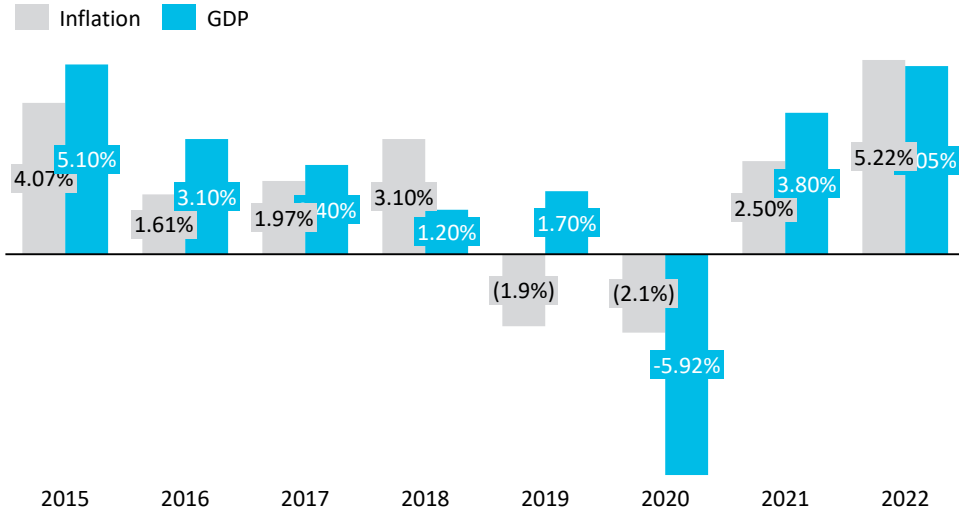
Inflation by Country



Source: IMF W.E.O Oct 2022

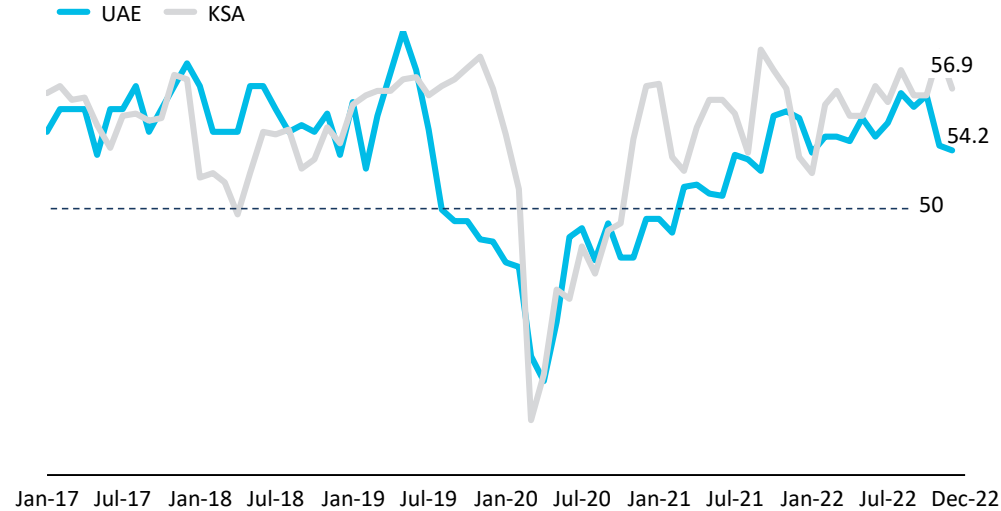
UAE Economic Update – *sustained recovery in real estate and tourism sectors and strong oil prices driving economic rebound*

UAE GDP and Inflation Growth



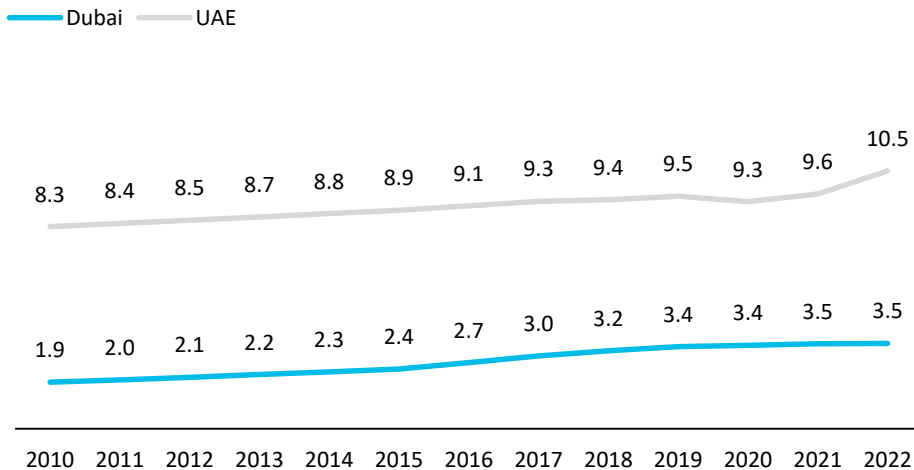
Source: UAE Ministry of Economy, fcsa.gov.ae, IMF W.E.O Oct 2022

Purchasing Managers Index



Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

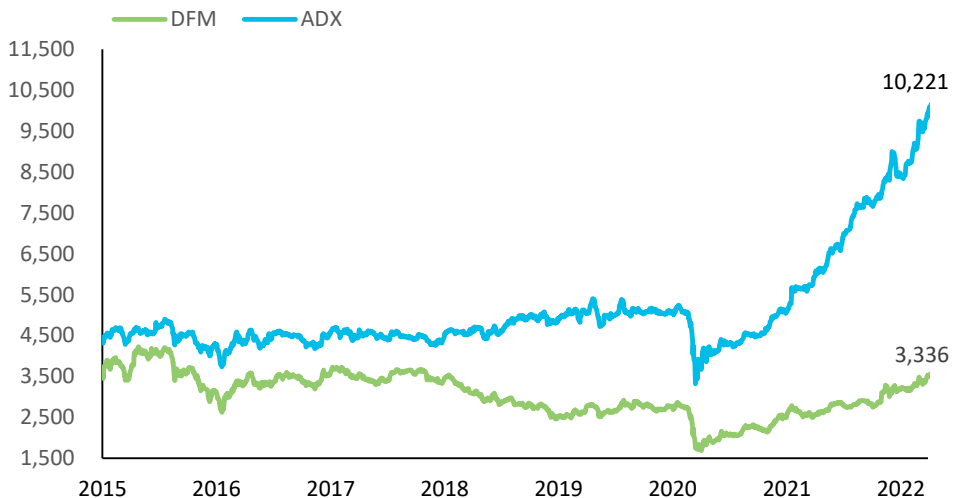
Brent oil



Source: investing.com

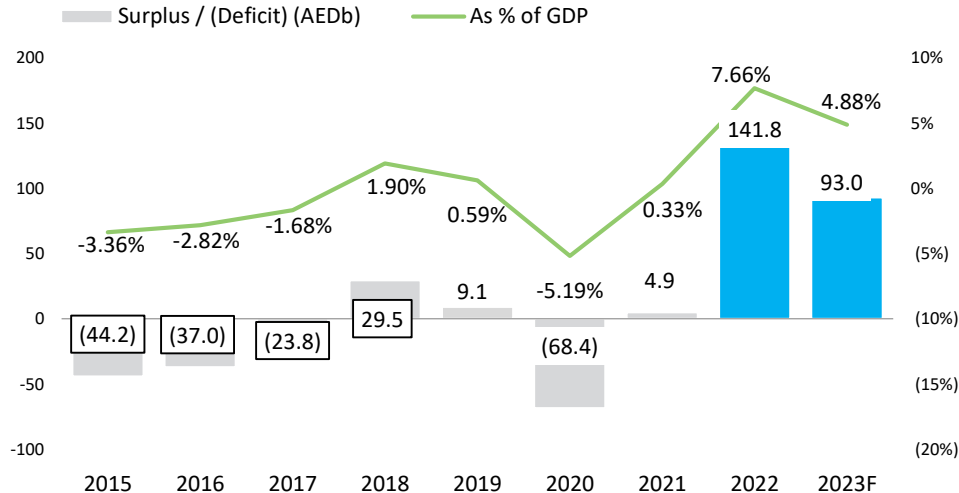
UAE Economic Update – sound fiscal measures boosting economic growth

UAE Stock Market Indices



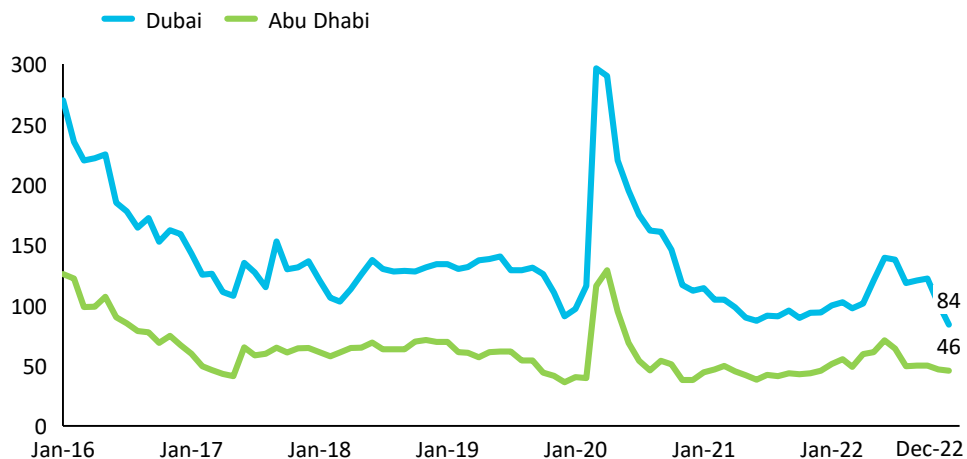
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

UAE Fiscal Position



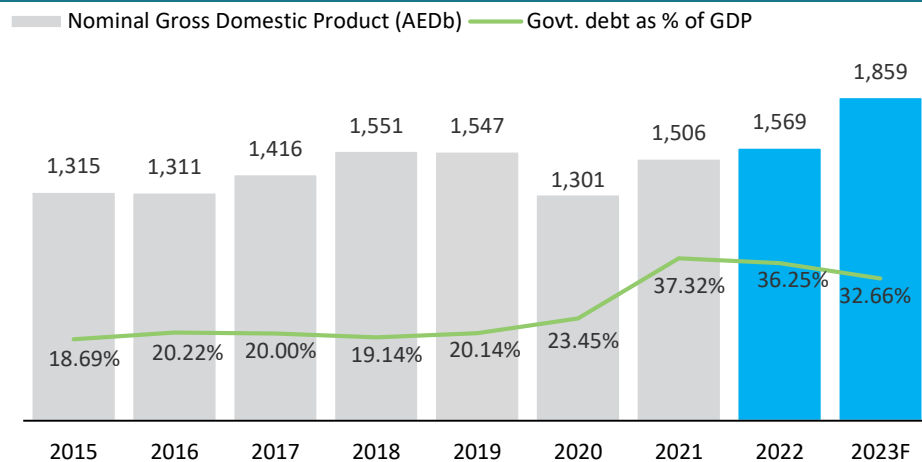
Source: IMF World Economic Outlook Oct 2022

5 Year CDS



Source: Bloomberg

UAE GDP and Government Debt

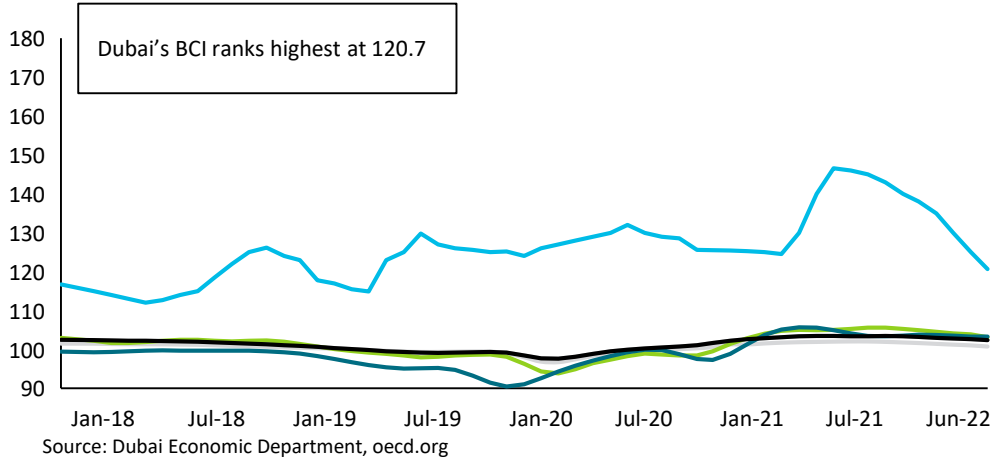


Source: IMF World Economic Outlook Oct 2022

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

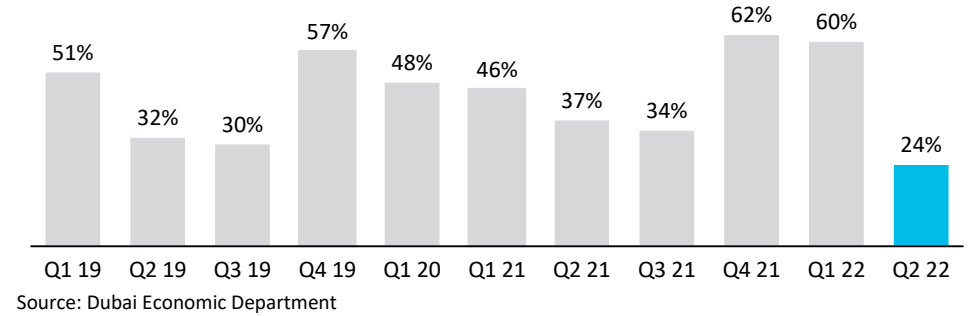
Business Confidence Index

— China — Dubai — USA — UK — India — Germany

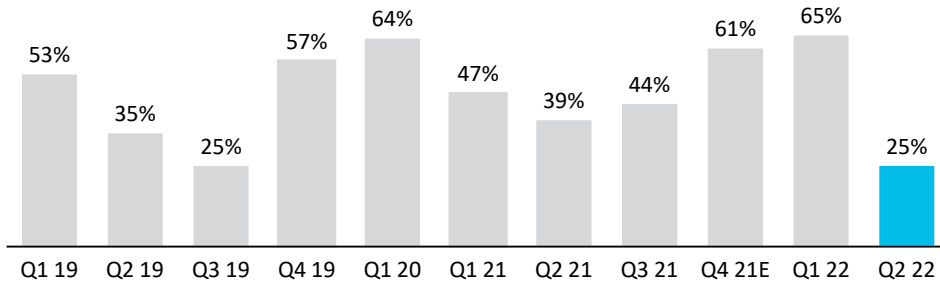


Outlook on Sales for Overall Services Sector

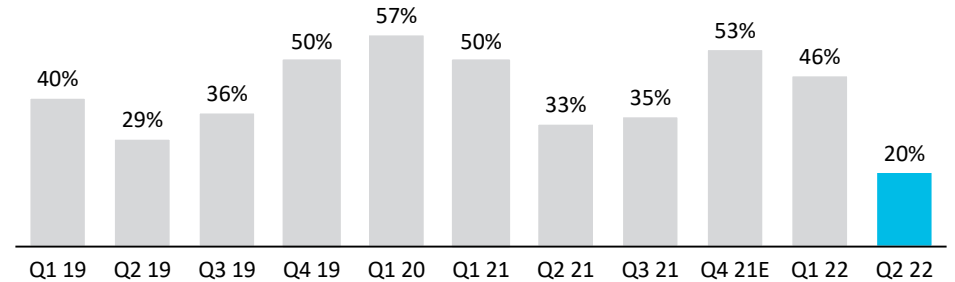
Further Increase in tourism will lead to an upward trend in future quarters



Outlook on Sales for Manufacturing Sector

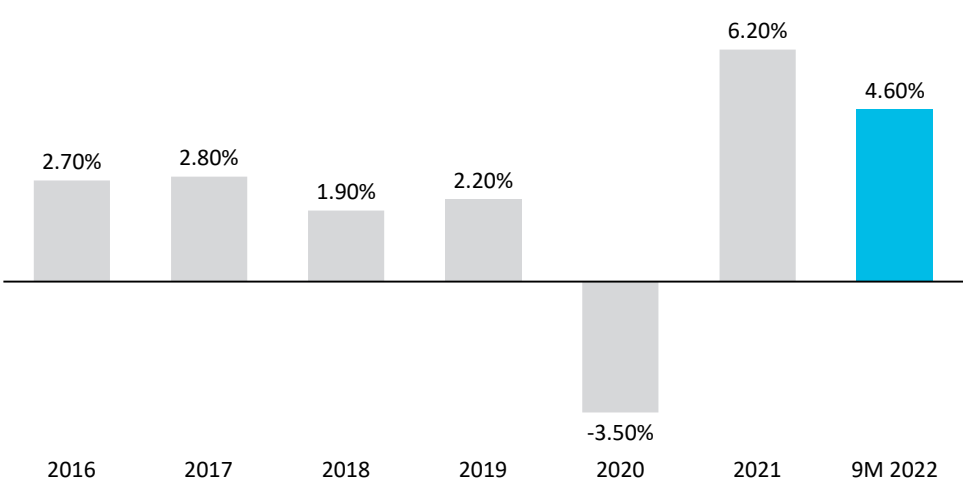


Outlook on Sales for Trading Sector



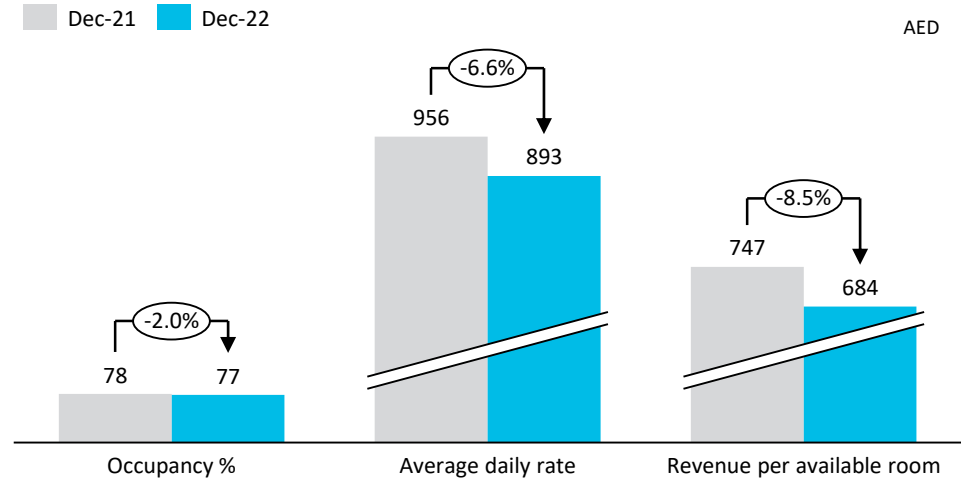
Dubai Economic Update – robust trade and strong economic activity

Dubai GDP growth



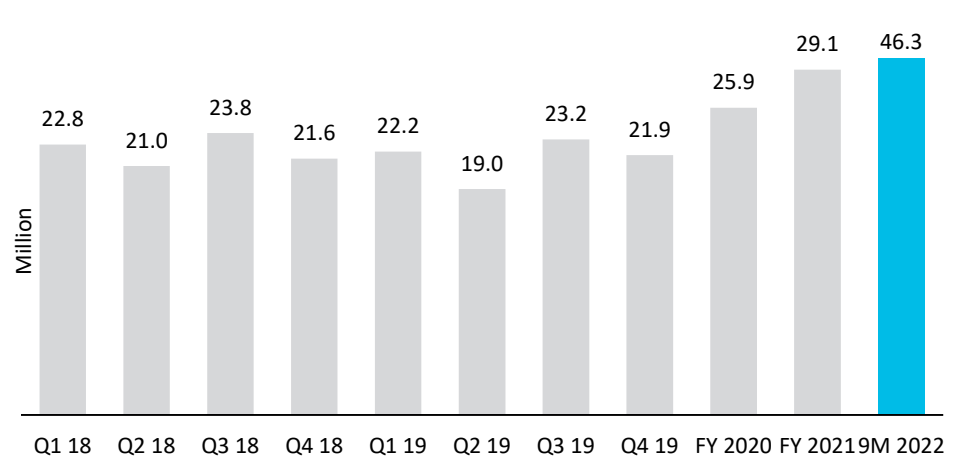
Source: Dubai Statistics Centre, Dubai Economic Department

Dubai hospitality



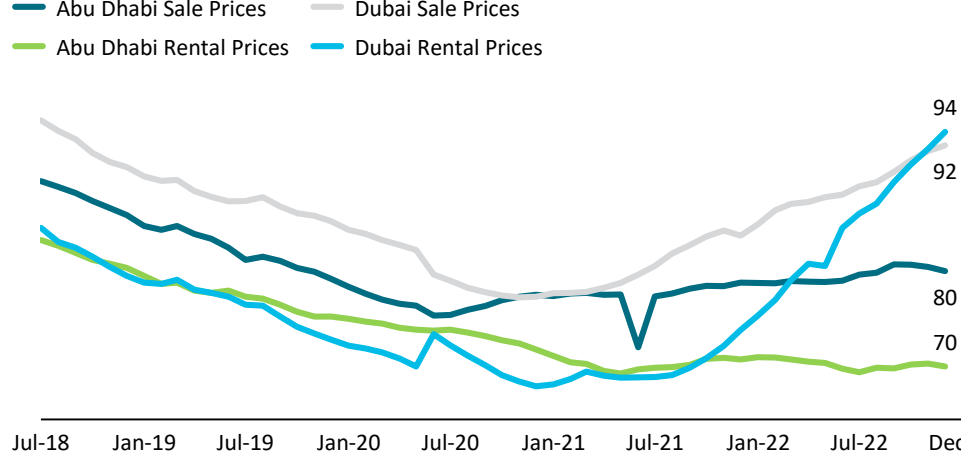
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports

Reidin Property Index



UAE Banking Sector – backbone of the UAE economy and supporting credit growth

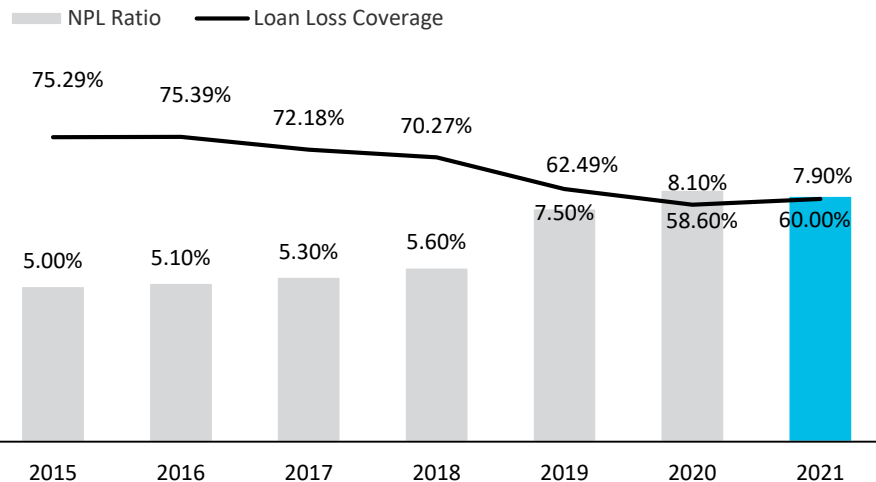
Key industry indicators

AEDb	2019	2020	2021	Nov-22	YTD
Total assets	3,083	3,188	3,322	3,639	▲ 9.6%
Customer deposits	1,870	1,885	1,997	2,239	▲ 12.2%
Loans and advances	1,759	1,779	1,794	1,887	▲ 5.2%
Loan to deposit (%)	94.1	94.4	89.8	84.3	▼ 5.6%
CAR (%)	17.7	18.2	17.2	17.5*	▲ 0.3%
Tier 1 ratio (%)	16.5	17.1	16.1	16.3*	▲ 0.2%

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

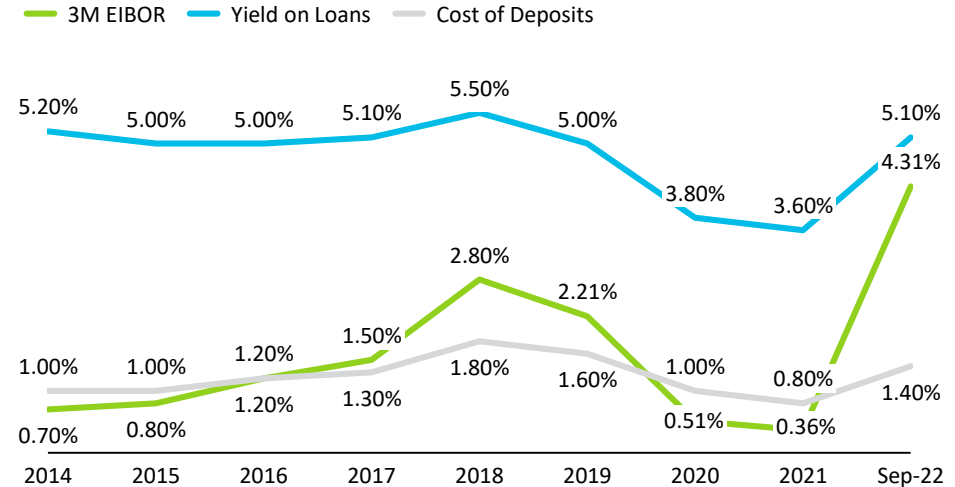
Source: Central Bank of the UAE

Industry asset quality



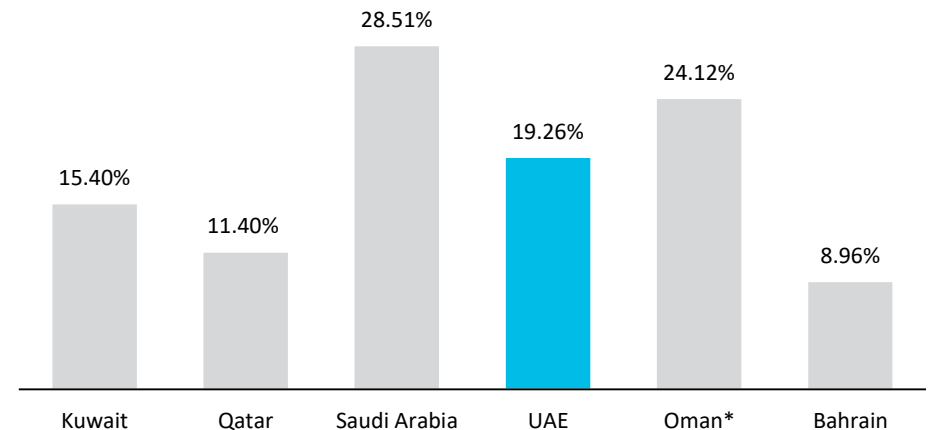
Source: Central Bank of the UAE

Average Loan Yield & Cost of Deposits vs 3M EIBOR



Source: Central Bank of the UAE

Government deposits as % of total deposits

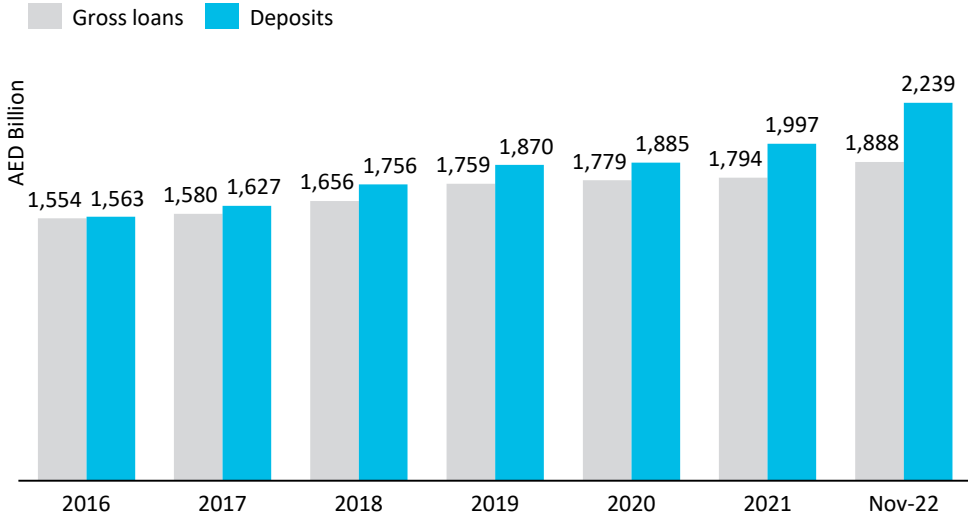


Source: Central Bank of country

* Oman is as of October 2022, rest is November 2022

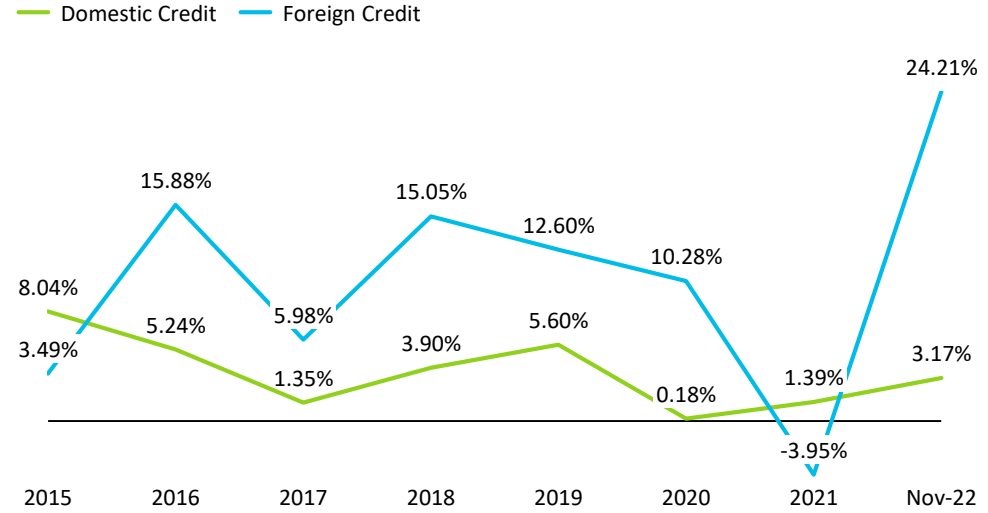
UAE Banking Industry – market continues to extend credit as economy grows

System-wide Gross loans and deposits



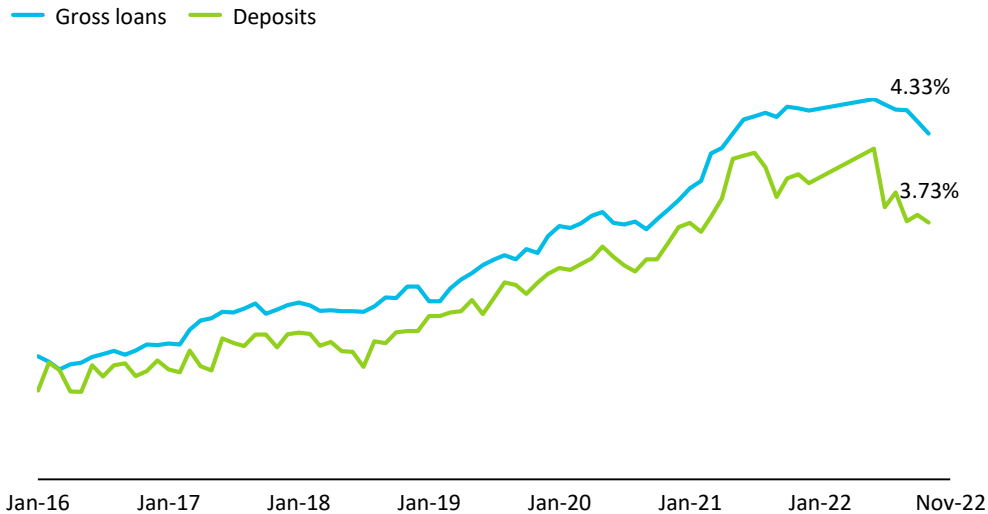
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



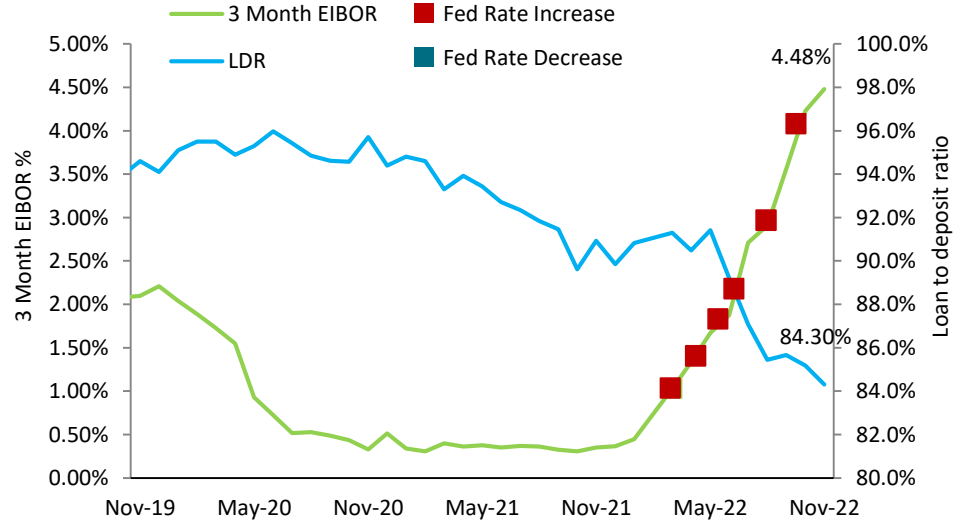
Source: Central Bank of the UAE

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 roadmap

 <p>Community</p>	 <p>People</p>	 <p>Financial Inclusion</p>	 <p>Governance</p>	 <p>Environment</p>
<p>Backing customer ambitions</p> <p>Our priorities:</p> <ul style="list-style-type: none"> • Customer Value Proposition • Sponsorships • Local Sourcing • Philanthropy • Supporting Minorities 	<p>Our people are what makes CBD the place to work</p> <p>Our priorities:</p> <ul style="list-style-type: none"> • Emiratization • Diversity and Inclusion • Wellness • Employee Engagement • Learning and Development 	<p>Innovating and partnering for the future</p> <p>Our priorities:</p> <ul style="list-style-type: none"> • Digital Offering • Financial Literacy • Segment-specific Products • SME lending • Customer Experience 	<p>Resilient and sustainable business practices</p> <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>Managing climate risk</p> <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

 CBD in affiliation with **Emirates Red Crescent** and the **Islamic Affairs** and Charitable Activities Department, collaborated in a **"Back to School" initiative**

 Proud Sponsor of the **"Bread for All Campaign"**

 CBD honored with the **Sheikha Latifa Award for Childhood Creativity**, from Dubai Women Association



People

 **Emiratization** - UAE National Program with **35%** of all employees UAENs

 **2022 Employee Engagement** Score of **75%**

 Introduced **Sanad**, our new **Employee Assistance Program**



Financial Inclusion

 Building Financial Inclusion through **strategic fintech** partnerships

 Organised **financial education seminars** on succession planning, fraud prevention, data protection and smart investing

 Valuable **"Voice of Customer"** Program



Governance

 Established an **ESG Steering Committee** to govern the implementation of sustainability initiatives

 Initiated integrating **Climate-Related Risk** in the Overall Risk Management Framework

 Commenced **ESG awareness sessions** across the bank



Environment

 Established a Sustainable Finance **Product Development Framework**

 Launched Green Product Suite that includes **Solar Panel and Electrical Vehicle (EV) Loans**

 Support to the **"Dubai Can"** sustainability initiative to **eliminate plastic bottle usage** in CBD offices

Awards and Achievements

#1

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

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



CBD *investr*

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

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



“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



“Sheikha Latifa Award for Childhood Creativity”
– Dubai Women Association

“Excellence in Digital Banking”
– Finnovex Awards 2022



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investor.relations@cbd.ae