

YEARS

عاماً

Together We Rise نرتقي معاً

1969 ~ 2019

Investor Presentation Highlights
October 2019

Dr Bernd van Linder
Chief Executive Officer

Mr Darren Clarke
Chief Financial Officer

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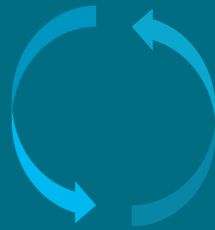
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investor.relations@cbd.ae

Commercial Bank of Dubai Q3 Overview



Net Profit
AED 1,063m
▲26% from 9M 18



Gross Lending
3.5%
UAE Loan Market Share



Employees
~1500



17 Branches
153
ATM/CDM



Corporate Social
Responsibility
Sponsored **Jebel Ali**
horse race for season
2018/2019
Participated in **Special**
Olympics World Games



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

Awards

Best Call Centre, Best Cash Management, Best Digital Transformation Services
– Banker ME Product Awards (October 2019)

Best Mobile Banking App
Global Finance - Best Digital Bank Awards 2019 (September 2019)

Best Digital Bank
Business Live Middle East – New Age Banking Awards (July 2019)

Earnings Snapshot – *positive momentum in underlying performance reflected in key ratios*

(AED m)

	9M 19	Change 9M 19 - 9M 18	Change (%) 9M 19 - 9M 18
Net profit	1,063.1	220.1	26.1%
Return on equity (RoE)	15.04%	242 bp	19.2%
Return on assets (RoA)	1.82%	25 bp	16.0%
Interest margin	2.53%	(18) bp	(6.8%)
Cost to income ratio	29.11%	(233) bp	(7.4%)
Impairment charge to gross loans	1.17%	(19) bp	(13.8%)
Capital adequacy ratio	14.75%	(12) bp	(0.8%)

Financial Performance Snapshot – 9M 2019

Shareholder Value Creation

Revenues
AED 2,242m
▲11% from 9M 18

Net Profit
AED 1,063m
▲26% from 9M 18

Return on Equity
15.04%
▲242 bps from 9M 18

Focus on Growth

Assets
AED 82.5bn
▲14% from 9M 18

Customer Deposits
AED 59.1bn
▲17% from 9M 18

Gross Loans
AED 59.9bn
▲13% from 9M 18

Strong Metrics

Capital Adequacy Ratio
14.75%
▼12 bps from 9M 18

Non-performing Loan
5.53%
▼80 bps from 9M 18

Return on Assets
1.82%
▲25 bps from 9M 18

Improved Operating Performance

Operating Profit
1,589m
▲15% from 9M 18

Cost to Income Ratio
29.11%
▼233 bps from 9M 18

Non Funded Income/
Operating Expenses
113.04%
▲1,995 bps from 9M 18

Performance Achievements in Q3 2019

- Continued uplift in underlying business performance across all divisions
- Loan growth in target segments above system; market share now at 3.5%
- Increased non-funded income showing deepening relationships with our core customer base
- Continuing digitization of primary customer facing processes
- Improved credit risk management and recoveries resulting in lower trending retail provisions
- Disciplined expense management
- Ongoing optimization of our physical network

Strategic Pillars — *outperformance through disciplined execution*

A Achieve
Financial Results

B Become Employer
of Choice

C Customer
Focus

D Default
Digital

Ongoing:

- Enhance customer experience
- Build on core strengths
- Focus on performance culture
- Balance sheet optimization
- Streamline and automate processes
- Improve efficiencies

Strategic Execution in Q3 2019

Achieve Financial Results

- Net profit up by 26% compared to 9M 18
- Return on equity improved to 15.0% for Q3 YTD 2019
- Cost to income reduced to 29.1% from 31.4%

Become Employer of Choice

- Embedding a high performance culture across the organization
- Showcased the Employee Innovation Challenge
- Developing and retaining UAE national talent

Customer Focus

- Rolled out enhanced CRM tool for Wholesale customers
- Launched co-branded CBD Smiles Credit Card
- Enhanced remittance capabilities

Default Digital

- CBD Labs leading bank wide innovation
- Digital customer onboarding
- Credit card digital process progression

9M 2019 Net Profit Performance – *sustained robust business performance*

(AED m)

Foreign exchange and fee income increased by 27% or 142m in 9M 19 across processing fees, fund management fees, loans and advances, credit cards and trade finance activities.

NII increased by 77m due to an increase in average loans and interest earning assets partially offset by a drop in net interest margins

Other income was higher by 4m mostly from the 21m gain on sale of the Umm Suqeim building.

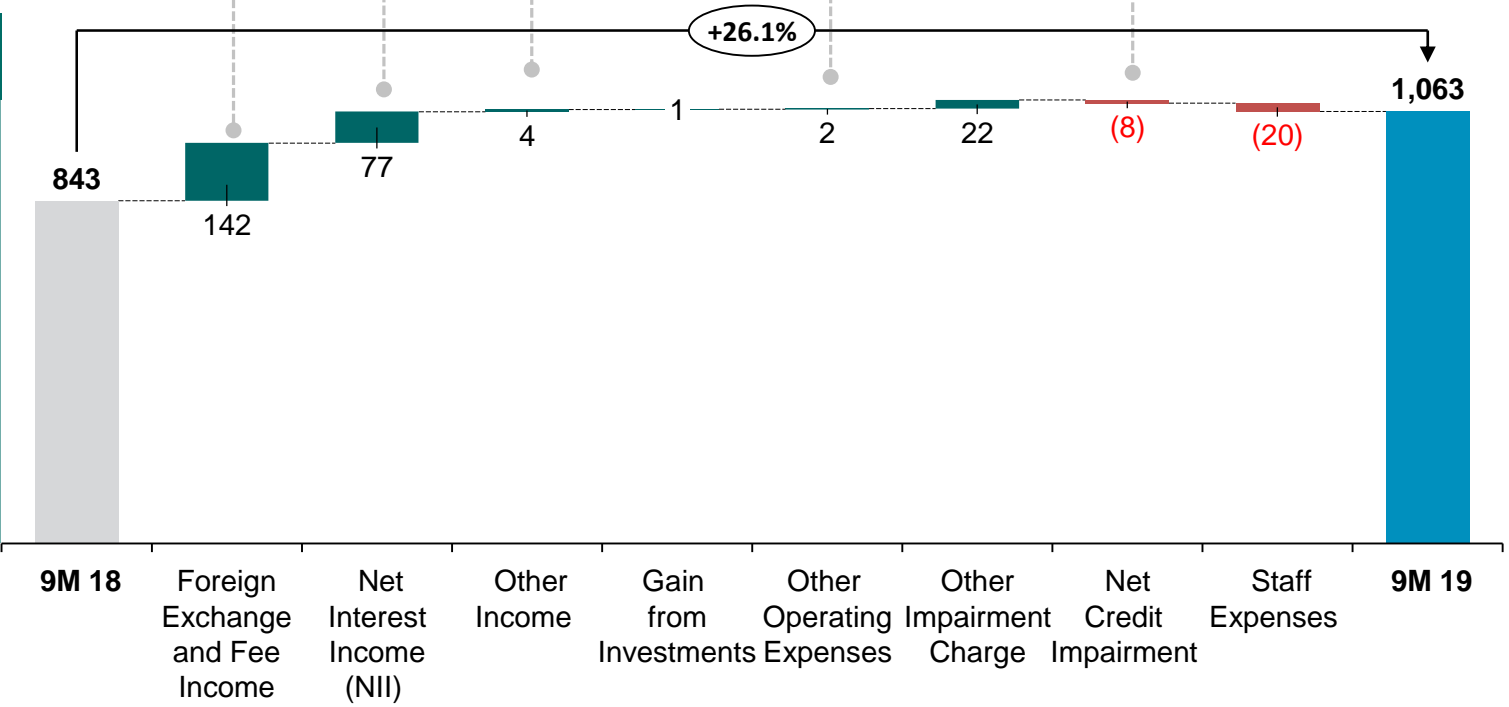
Other operating expenses were lower by 1% or 2m as a result of disciplined cost management practices and overall increased operational efficiency.

Net credit impairment increased by 8m as a result of provision increase across the Commercial and Financial Institutions segments.

Net profit for the period increased by 220m (26.1%) compared to 9M 2018

Increase in net profit is attributable to:

- increase in foreign exchange and fee income;
- increase in net interest income, other income, gain from Investments; and
- decrease in other impairment charge.

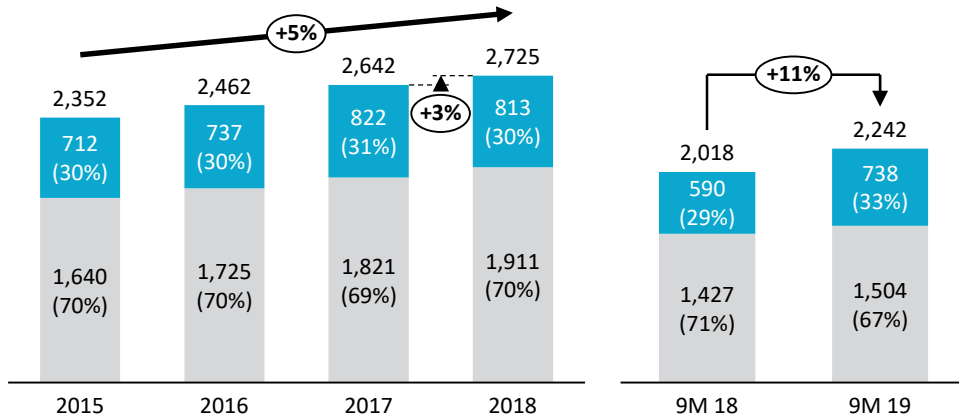


Underlying Business Growth – continued business growth

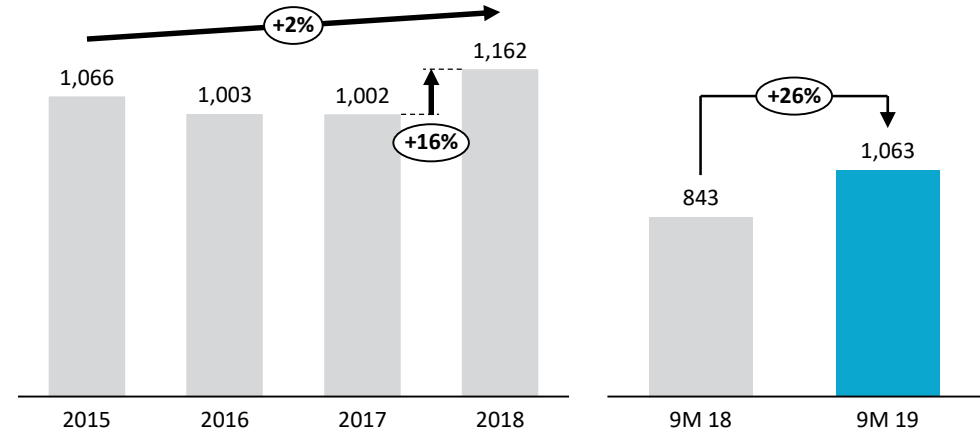
(AED m)

Revenue

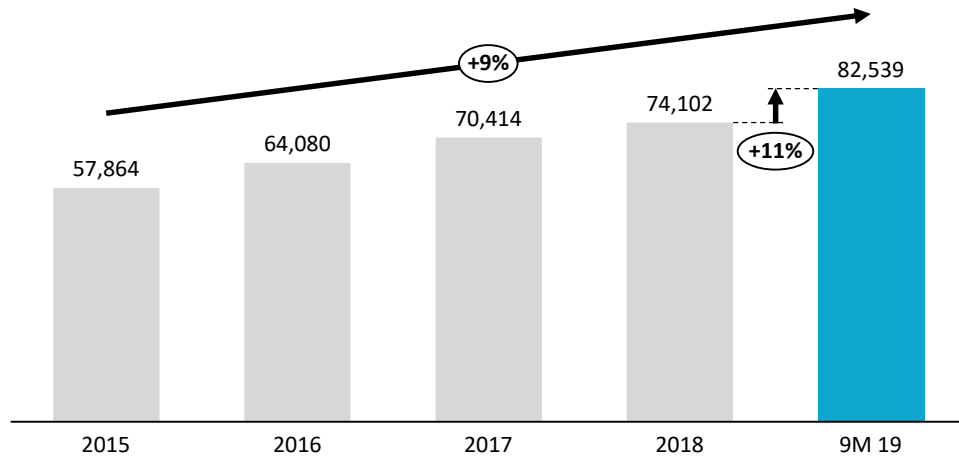
OOI NII



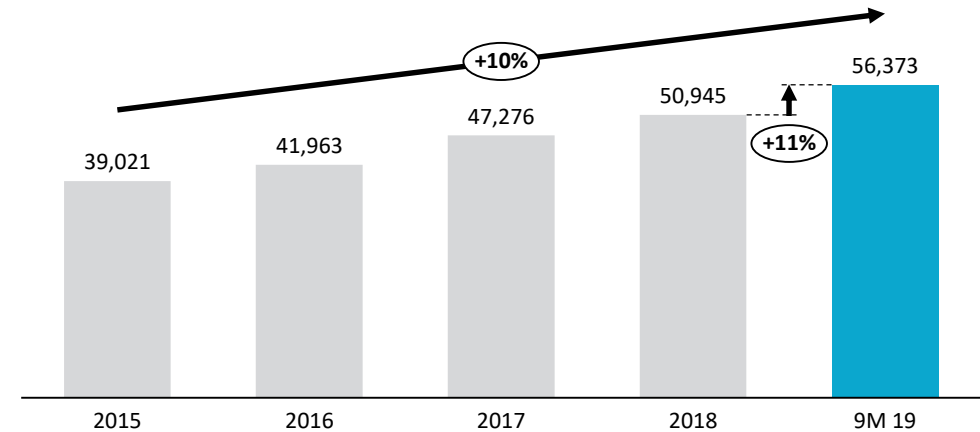
Net profit



Assets



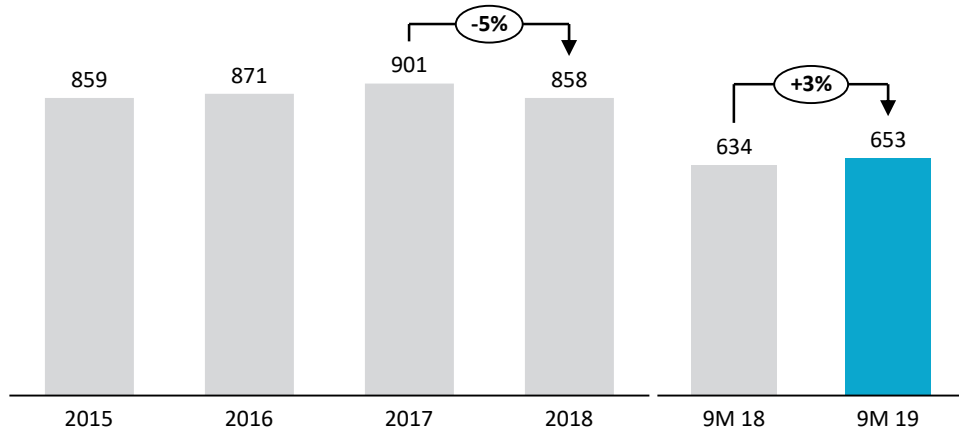
Net loans



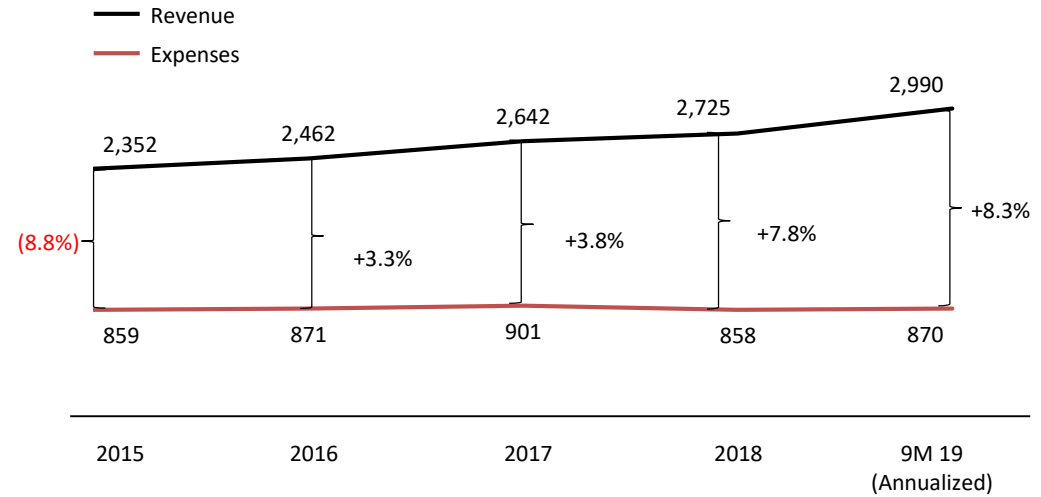
Profitability and Returns – improved returns on delivery of the bank strategy

(AED m)

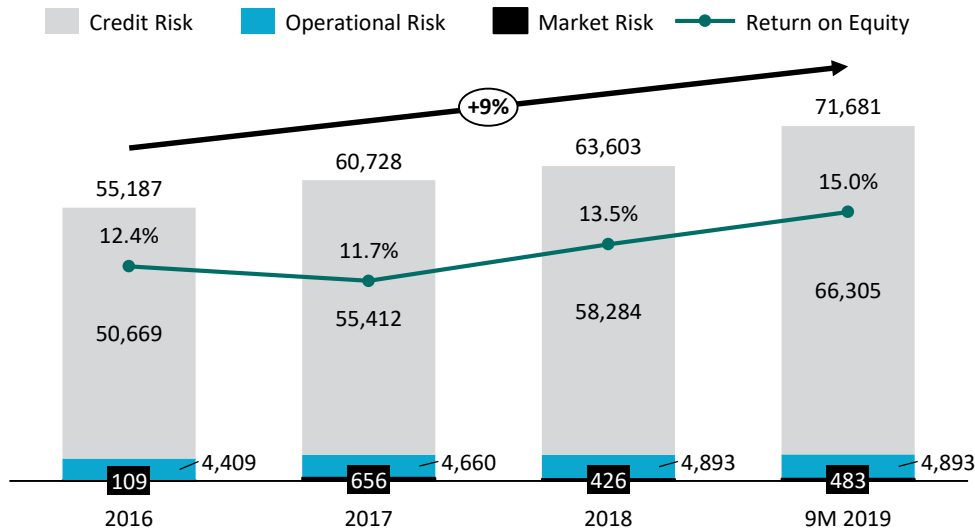
Expenses



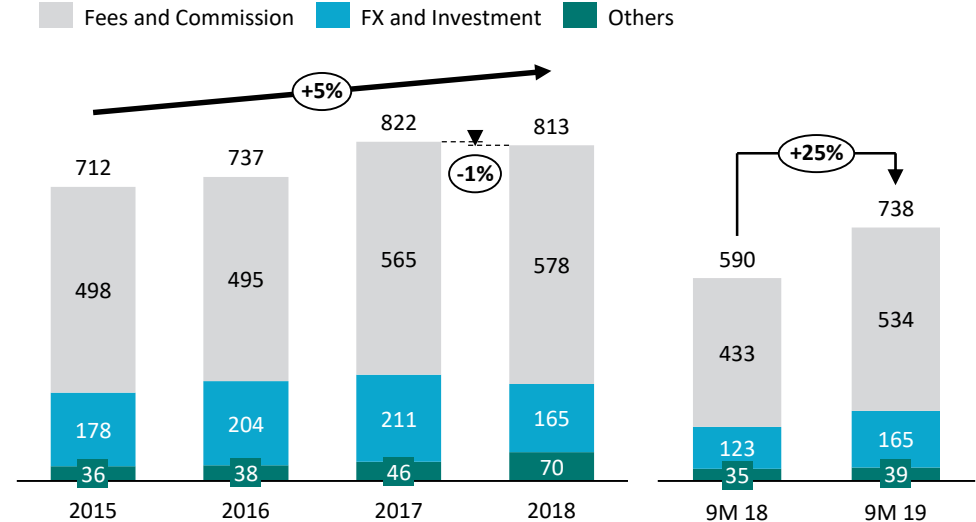
Revenue and expense JAWS



RWA and Return on Equity

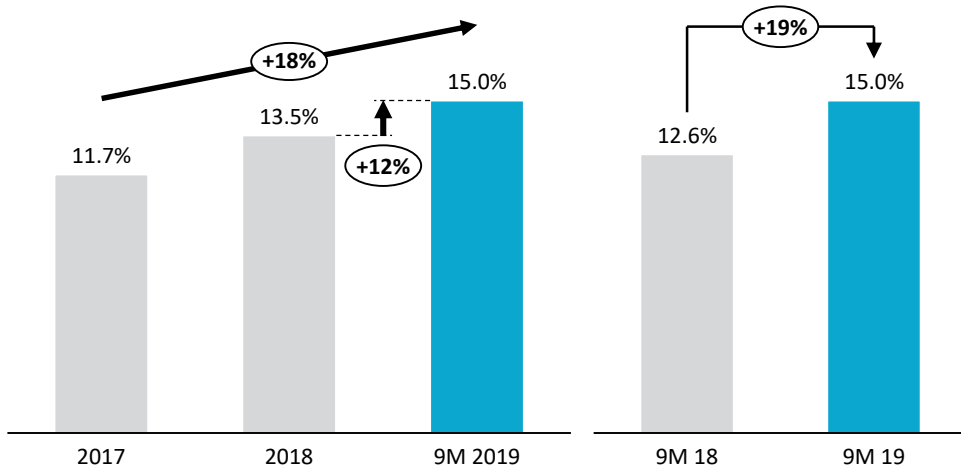


Other Operating Income

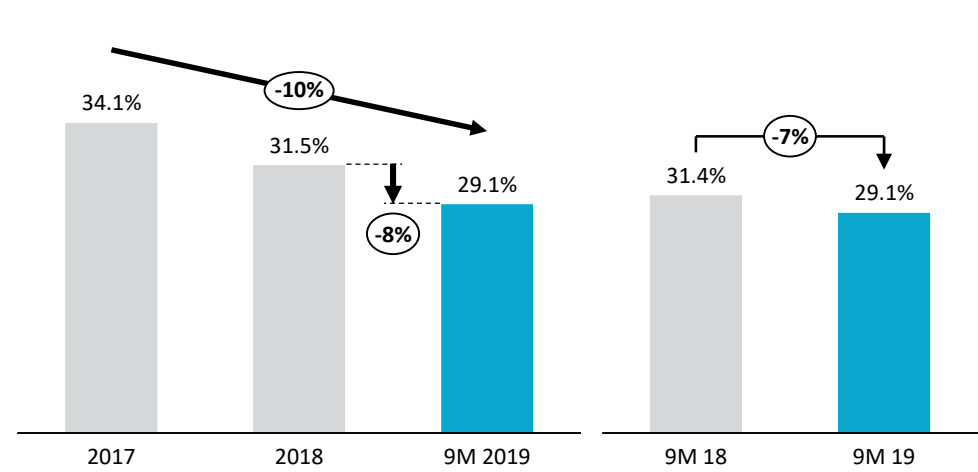


Strategic Financial KPI's – underlying performance continues to drive improved results

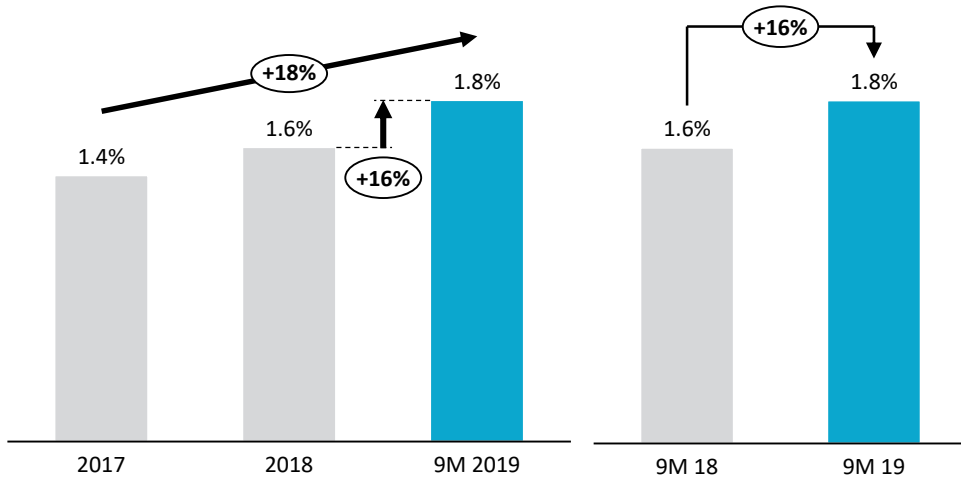
Return on Equity (ROE)



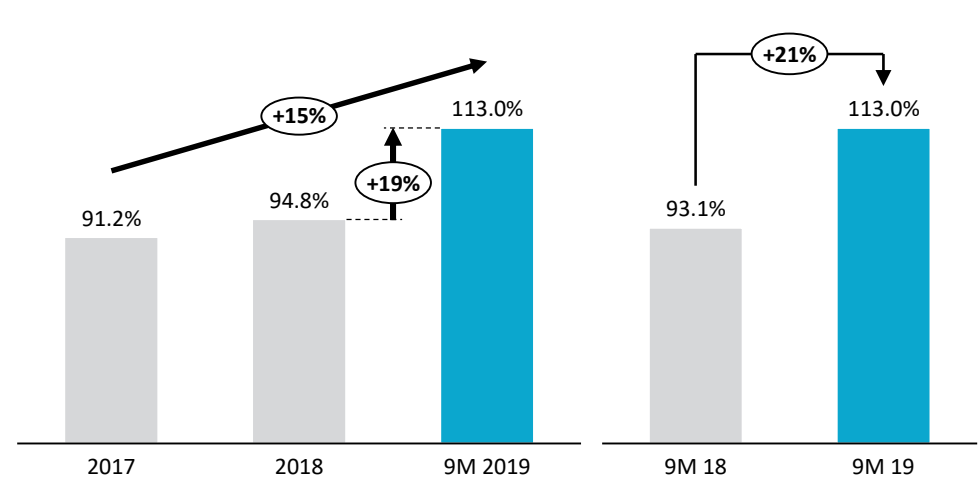
Cost to Income Ratio



Return on Assets (ROA)



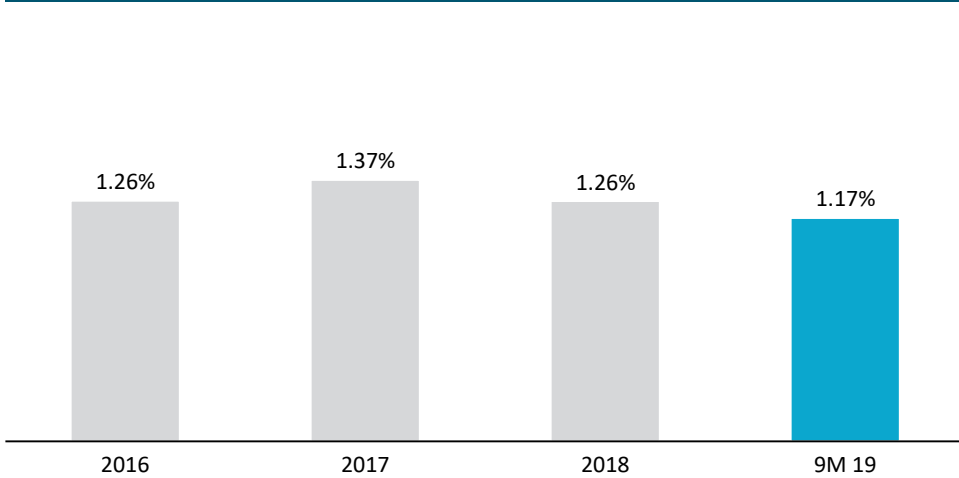
Other Operating Income as % of Expenses



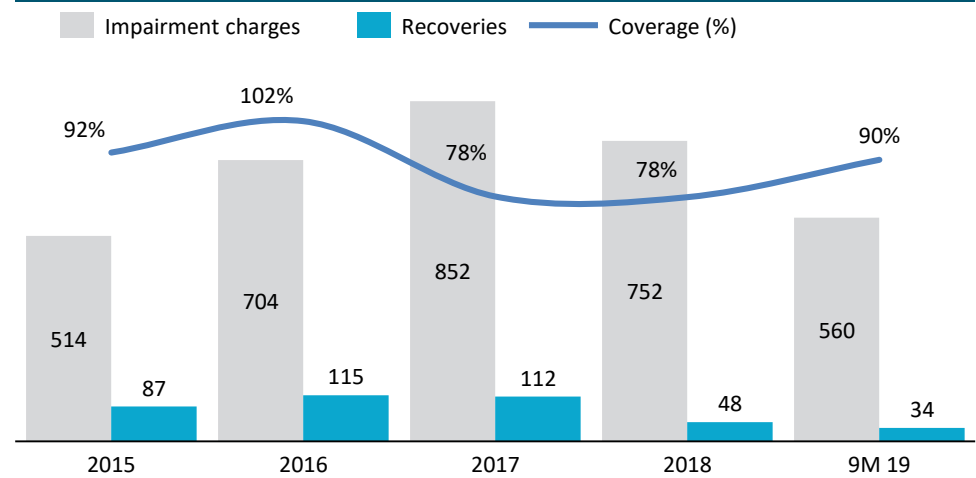
Asset Quality and Impairments – *improving asset quality, lower NPL with increased coverage*

(AED m)

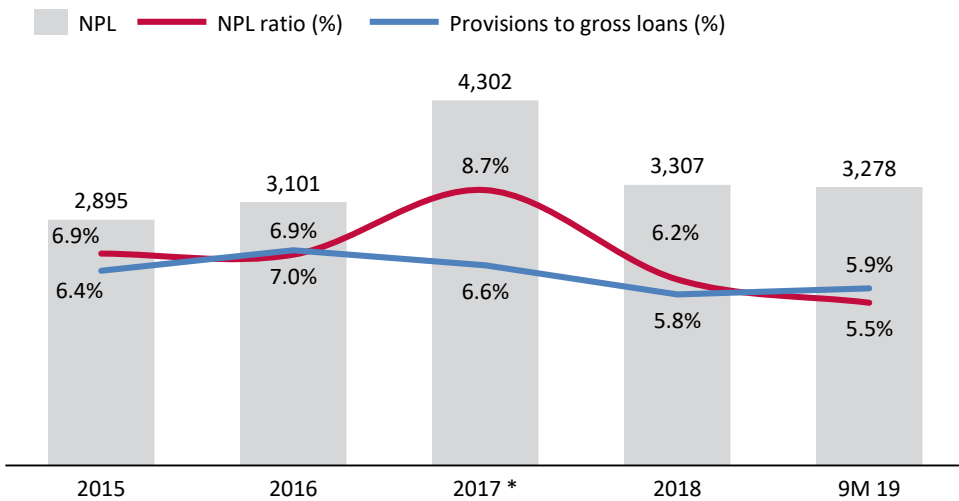
Cost of Risk



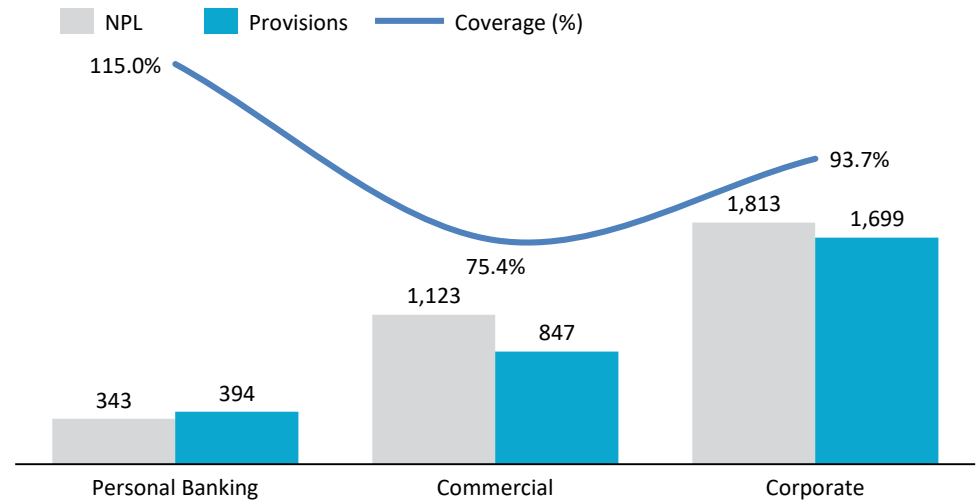
Impairment Charges and Recoveries



NPL Ratio



Expected Credit Provisions – Segment

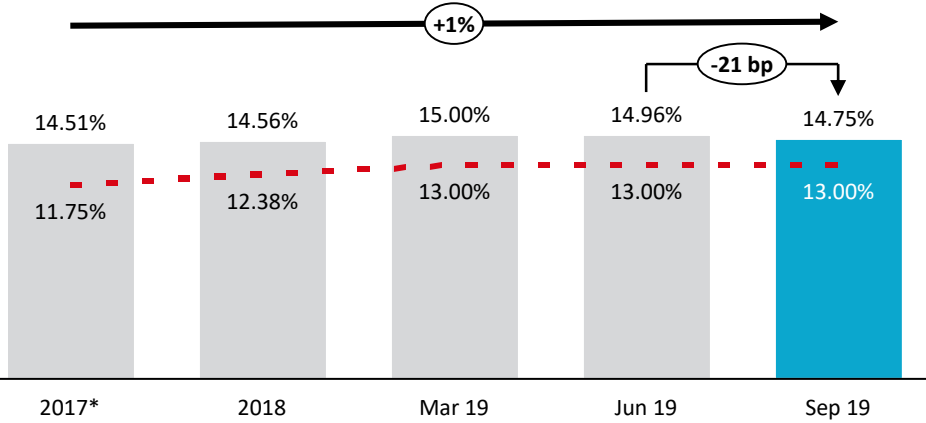


* IFRS 9 transition.

Balance Sheet and Capital Strength – strong balance sheet and capital ratio supporting business growth

Capital Adequacy Ratio (CAR)

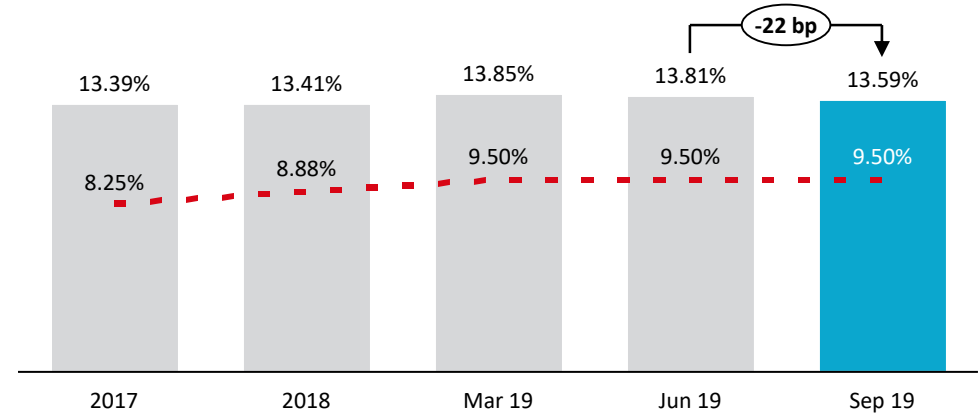
■ CAR ■ Regulatory limit (Minimum)



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

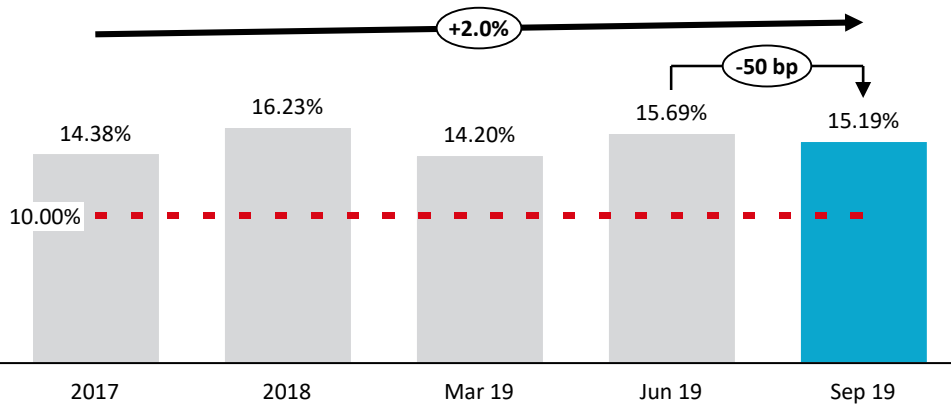
Common Equity Tier 1 (CET1)

■ CET1 ■ Regulatory limit (Minimum)



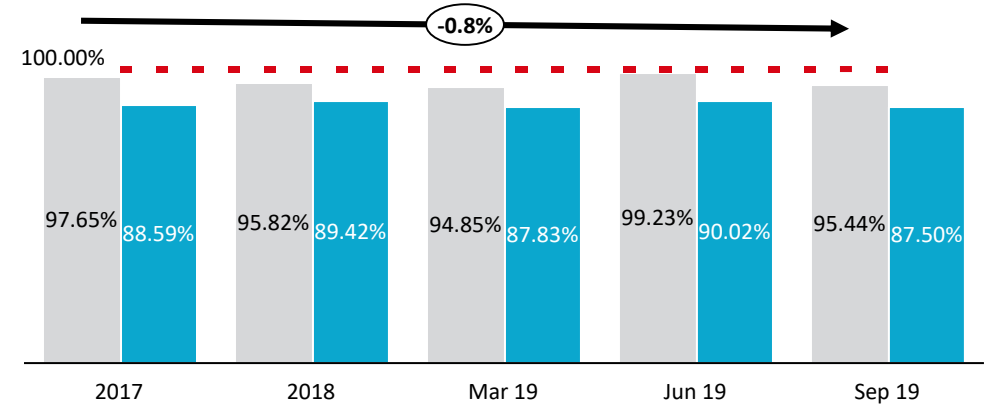
Eligible Liquid Assets Ratio (ELAR)

■ ELAR ■ Regulatory limit (Minimum)



Loans to Deposits and ASRR

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

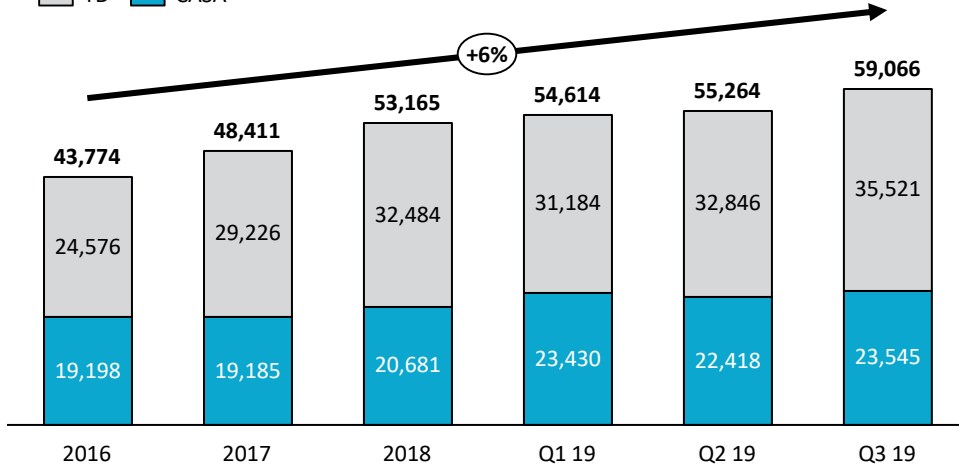


Funding and Liquidity – diversified and stable funding supporting franchise loan growth

(AED m)

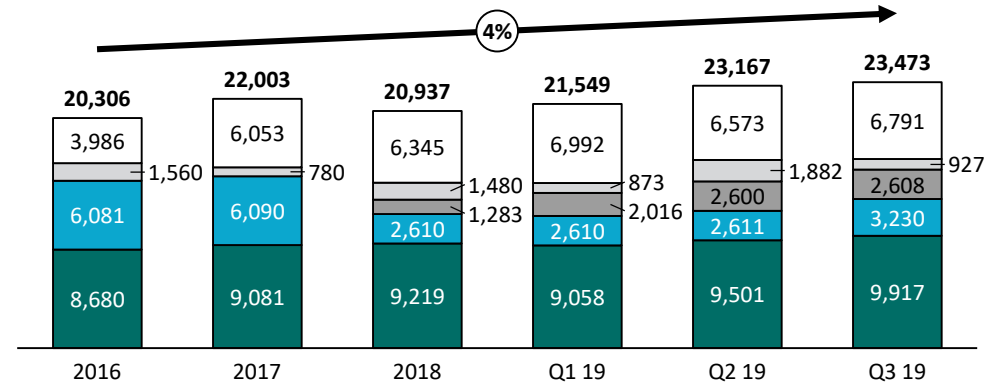
Customer Deposits

TD CASA



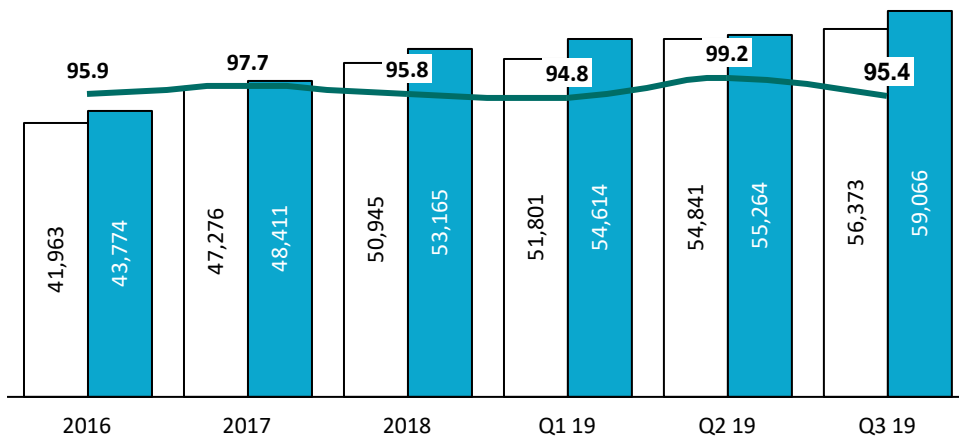
Other Funding Sources

Acceptances and Others Due to Banks > 1year Equity
Due to Banks < 1year Notes and Medium Term Borrowing



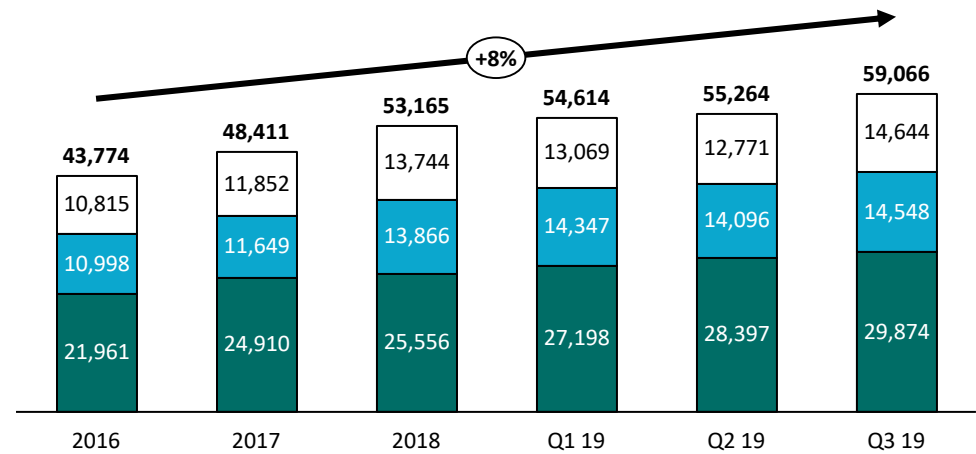
Loans to Deposits

Net Loans Customer Deposits Net Loans to Deposit Ratio %



Deposit Segmentation

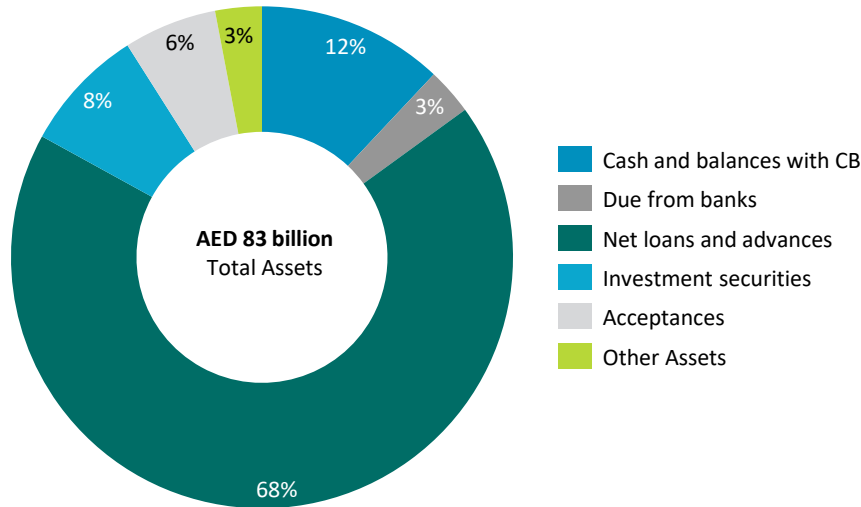
Government Individual Corporate



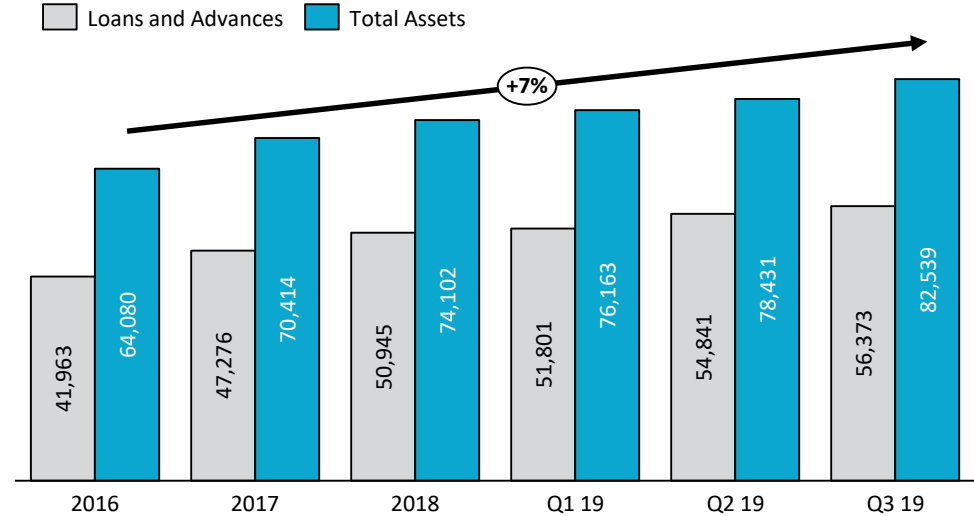
Balance Sheet Analysis – strong business growth and diversified investment portfolio

(AED m)

Assets Mix



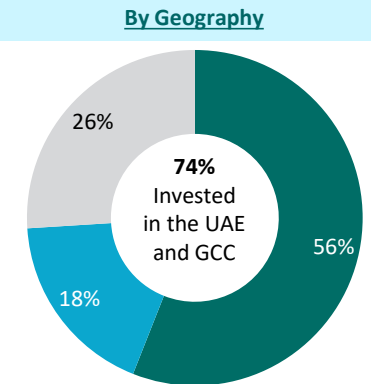
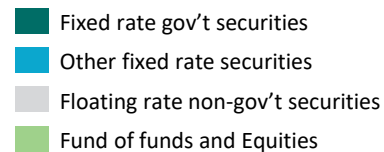
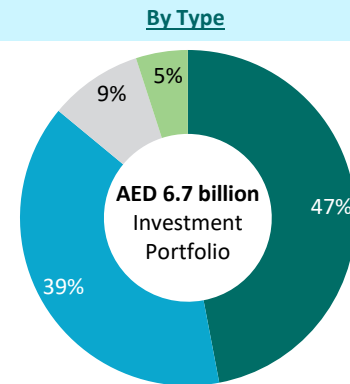
Assets and Loans



Gross Loans and Advances by Sector

Sector	Q3 19	Q2 19	Var %
Manufacturing	1,956	1,656	18.1
Services	5,538	5,001	10.7
Trade	5,660	5,186	9.1
Construction	4,321	4,074	6.1
Others	1,200	1,153	4.0
Hospitality	2,485	2,444	1.7
Real estate	20,610	20,373	1.2
Personal - mortgage	3,068	3,034	1.1
Personal - schematic	4,309	4,316	(0.2)
Government entities	273	275	(1.0)
Financial and insurance activities	7,581	7,748	(2.2)
Individual loans for business	1,714	1,756	(2.4)
Transportation and storage	1,215	1,269	(4.3)
Total	59,929	58,285	2.8

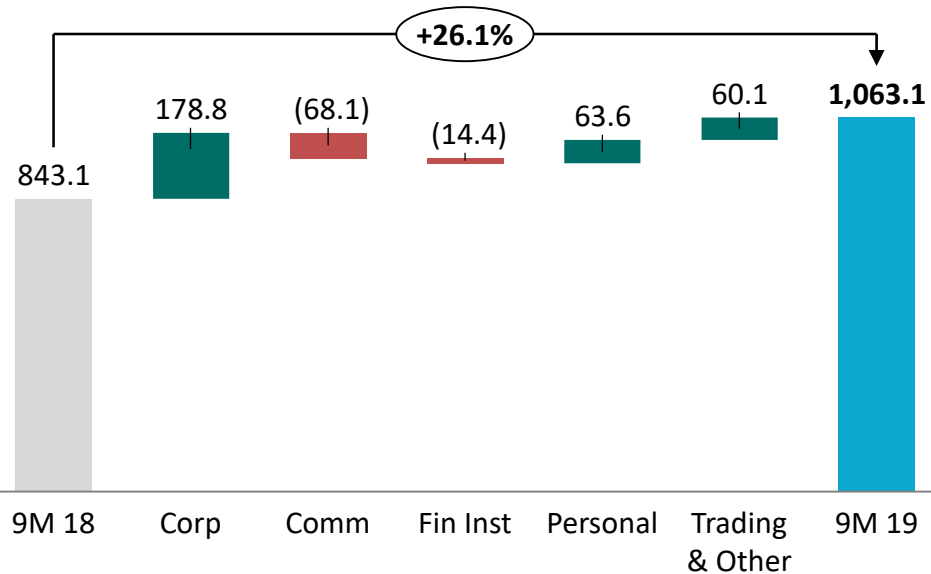
Investment Securities Portfolio



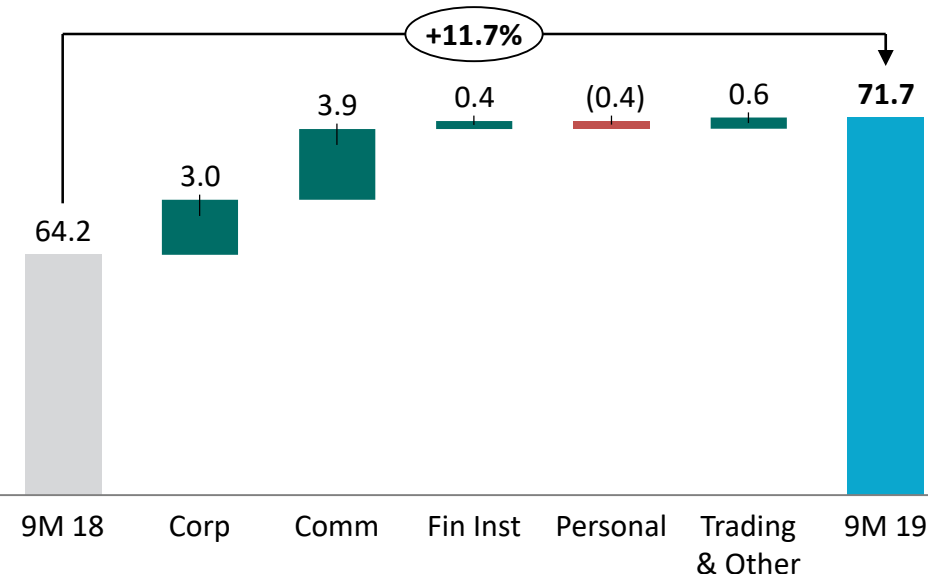
Divisional Contributions - specialist business lines supporting our customers

(AED m)

Divisional net profit movement



Divisional RWA movement



9M 19	Corporate	Commercial	Institutions	Personal Banking	Trading and Other	Total
Operating Income	774.8	619.9	54.2	505.3	287.9	2,242.2
Expenses	(147.2)	(172.2)	(17.5)	(309.1)	(6.7)	(652.8)
Operating Profit	627.6	447.8	36.7	196.1	281.2	1,589.4
Impairment (charges) / benefits	(224.0)	(193.5)	(8.6)	(94.8)	(5.3)	(526.3)
Net Profit	403.6	254.2	28.1	101.3	275.9	1,063.1
% of Group Net Profit	38.0	23.9	2.6	9.5	25.9	100.0

CBD – a strong legacy to build an exciting future



1969

Public Shareholding Company established by an Emiri Decree issued by His Highness the late Sheikh Rashid Bin Saeed Al Maktoum and owned by three foreign banks (Chase Manhattan, Commerzbank and Commercial Bank of Kuwait) whose combined shareholding was 78%.



1982

With the introduction of restrictions on foreign banks' operations in the UAE, CBD converted into a national Public Shareholding Company.



2019

CBD is owned by UAE entities and nationals

- CBD shareholders: Government of Dubai (via the Investment Corporation of Dubai) with 20% and UAE nationals and entities owned by UAE nationals with 80%. In accordance with CBD's articles of association, the shares which are listed on the Dubai Financial Market are currently owned and shall be owned by, and may only be acquired by, natural persons having UAE nationality or legal persons or corporations fully owned by UAE nationals.
- CBD is managed by business segments namely: Corporate Banking, Commercial Banking, Business Banking, Personal Banking and Treasury and Investments.
- CBD launched a full fledged Islamic Banking business in September 2008 to offer Shari'a-compliant banking and financial services.
- CBD has five wholly-owned subsidiaries: CBD Financial Services LLC (CBDFS), which provides brokerage facilities for local shares and bonds; CBD Employment Services One Person Company LLC, which supplies manpower services; Attijari Properties LLC, which provides services for self-owned property management; CBD (Cayman) Limited, which was established for issuance of debt securities; and CBD (Cayman II) Limited, which was established to transact and negotiate derivative agreements. It also has one associate (17.8% shareholding) National General Insurance Co. PSC (NGI), which underwrites life and general insurance business as well as certain reinsurance business.

Board of Directors and Management Team

Board of Directors



Mr. Humaid Mohammad Al Qutami
Chairman



Mr. Ahmad Abdulkarim Julfar
Vice-Chairman



Mr. Abdullah Salim Alturifi
Director



Mr. Abdulla Saif Al Hathboor
Director



Mr. Abdul Wahed Al Fahim
Director



Mr. Ali Fardan Al Fardan
Director



Mr. Buti Saeed Al Ghandi
Director



Mr. Hamed Ahmed Kazim
Director



Mr. Khalid Abdul Wahed Al Rostamani
Director



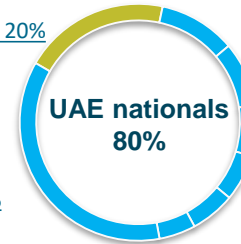
Dr. Omar Mohammad Ali Alqaizi
Director



H.H. Sheikh Maktoum Hasher Al Maktoum
Director

Shareholders

Government of Dubai* 20%



Al Futtaim Private Co. 10.51%

Orient Insurance PJSC. 8.84%

Abdulla Hamad Al Futtaim 6.95%

Ghobash Trading & Inv. 6.37%

General public 36.14%

A W Rostamani Group 6.19%

Al Majid Investments 5%

*Investment Corporation of Dubai (ICD)

Management Team



Dr. Bernd van Linder
Chief Executive Officer



Mr. Darren Clarke
Chief Financial Officer



Mr. Fahad Al Mheiri
General Manager,
CBD Al Islami



Mr. Othman Bin Hendi
General Manager,
Corporate Banking



Mr. Abdul Rahim Al Nimer
General Manager,
Commercial Banking



Mr. Hassan Al Redha
General Manager, Institutional &
Transaction Banking



Mr. Amit Malhotra
General Manager,
Personal Banking Group



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



Mr. Gareth Powell
Chief Human Resources Officer



Mr. C. Krishna Kumar
Chief Operating Officer



Mr. Alan Grieve
Chief Risk Officer

Corporate Governance – leading with excellence

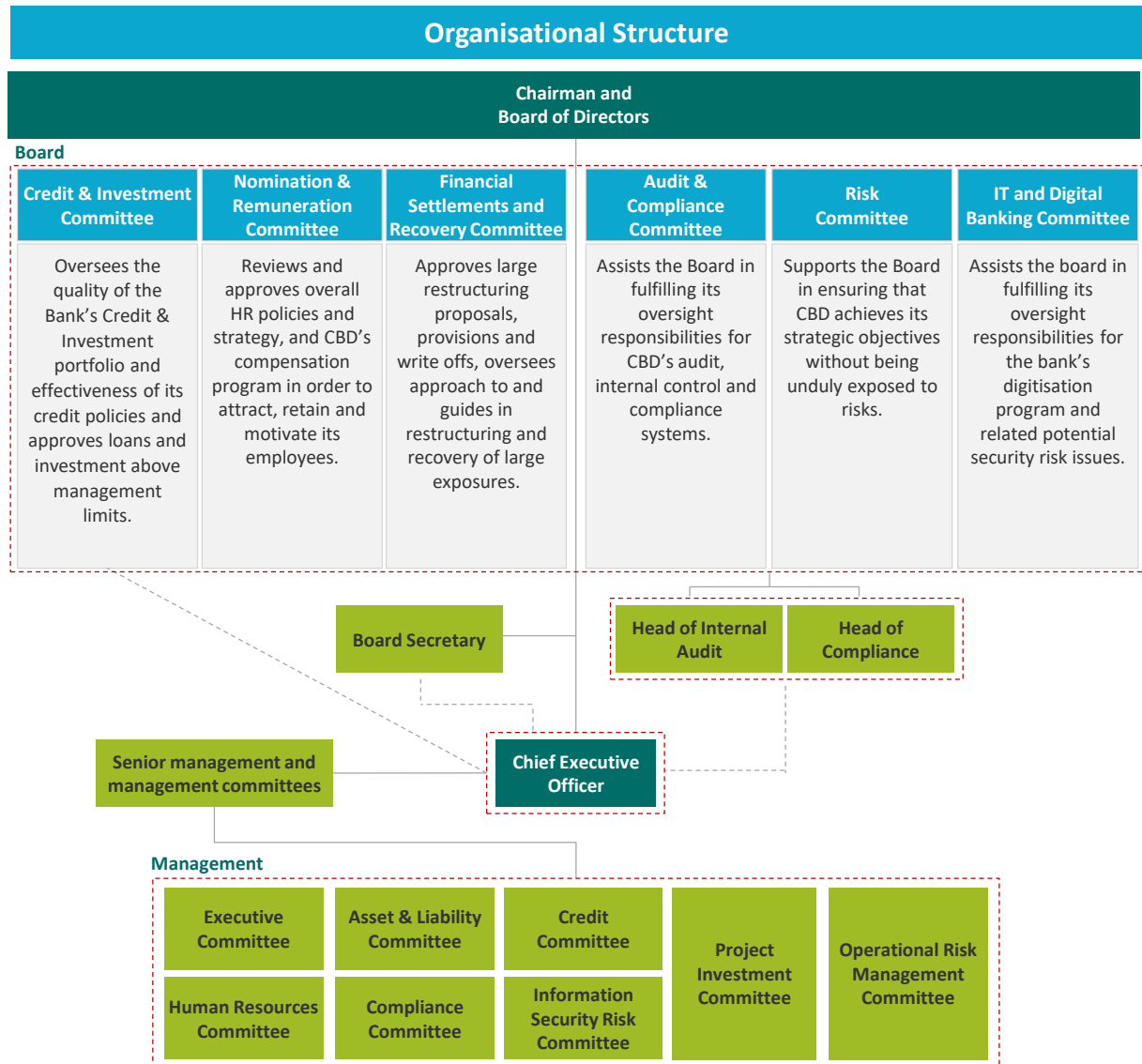
Board of Directors

The Board of Directors provides strategic guidance, effective monitoring of management, adequate controls and sets the tone and culture of the Bank to enhance and ensure sustainable shareholder value.

The Board of Directors has a collective responsibility for the Bank, including approving the strategic objectives based on the long term financial interests of the Bank's Shareholders, overseeing the implementation of the strategy and achievement of the strategic objectives and defining the risk appetite, internal controls, compliance, governance and corporate values. The Board sets the tone on professional standards that promotes integrity for itself, senior management and employees of the Bank.

The Directors of the Board, as per the Articles of Association of Commercial Bank of Dubai, are elected in the General Meeting by secret ballot every three years. As at 30th September 2019 the Board comprised of 11 non-executive members.

The Board of Directors has delegated authority to CBD's executive management to enter into transactions which are consistent with the Bank's risk strategy and policy guidelines.



Corporate Social Responsibility – fulfilling our social commitments

The elements of CBD's CSR framework:

Education

Commercial Bank of Dubai targets the support and development of educational programmes aimed at UAE Youth.

Health

Commercial Bank of Dubai serves to foster the health and wellbeing of people living in the UAE through wellness programs, public health, safety and cultural health initiatives by UAE federal and Dubai governments.

Financial Literacy:

Commercial Bank of Dubai aims to provide financial training programs geared toward university and schools students in order to build their competencies and knowledge in financial literacy. The Bank also supports small and medium enterprises, significant creators of employment in the UAE, by facilitating relevant investments and providing the working capital required to expand their businesses. 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 must be in line with above framework and support the involvement of its employees in such activities by volunteering programs.

Q3 CSR Activities



“Back to School 2019” initiative in affiliation with UAE Red Crescent



Celebrated Zayed Humanitarian Day by distributing over 4000 meals



Volunteered in “Their Sohour is on us” organized by Community Development Authority



Participated in Ramadan Aman 8 organized by Al Ihsan Charity in Dubai



Corporate Social Responsibility Excellence Award 2019
The Award recognized supporters and contributors to the benefit of learning and developing people of determination across United Arab Emirates following the steps of our government in the race of excellence



Awards and Achievements

Partnered with ICC Loyalty to launch its Exclusive CBD Rewards Program



Founding Member of UAE Trade Connect (UTC)



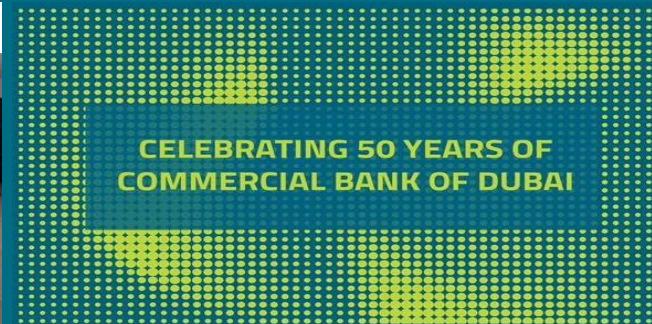
Partnered with Xpress Money to expand its international remittance services



Partnered with FEWA for Payments and Cash Management Solutions



Celebrated 50th Anniversary of CBD



Launched CBD Al Islami Super Saver Credit Card



Recognized with “Best Call Centre”,
“Best Cash Management”,
“Best Digital Transformation Services”
– Banker Middle East Product Awards 2019



Recognized with “Best Mobile Banking App”
at the Global Finance - Best Digital Bank
Awards 2019

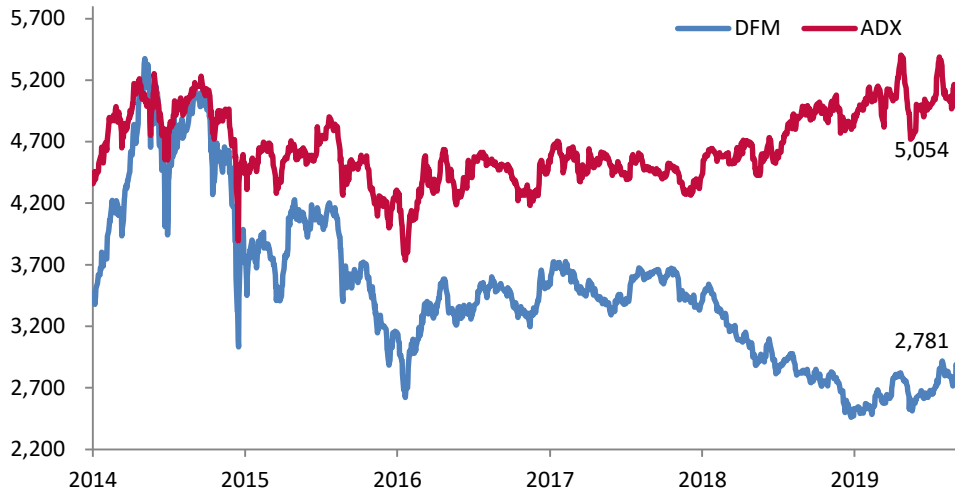


Recognized with “Best Digital Bank” at the
New Age Banking Awards 2019



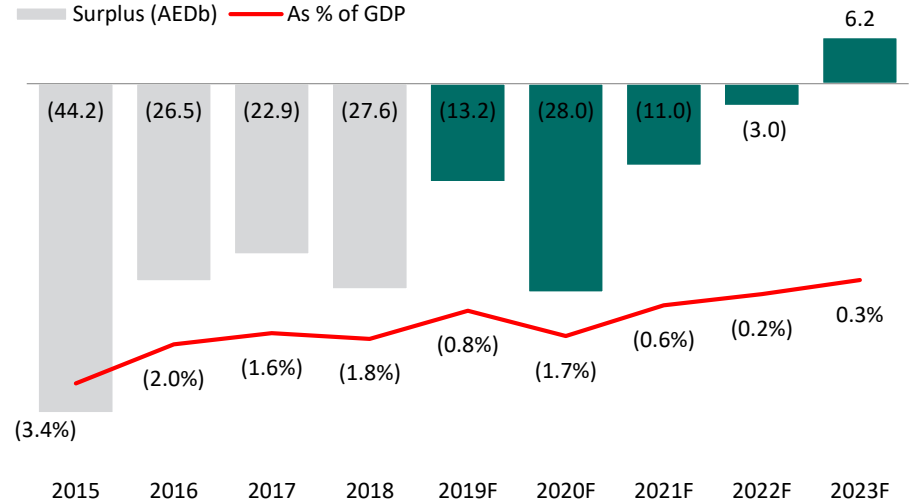
United Arab Emirates – the second largest economy in the Arab world

UAE Stock market indices



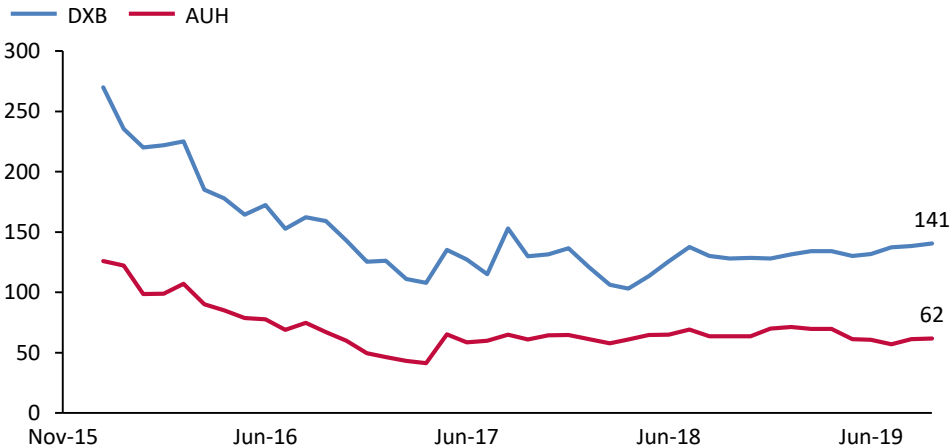
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

Limited Fiscal Deficit to be posted



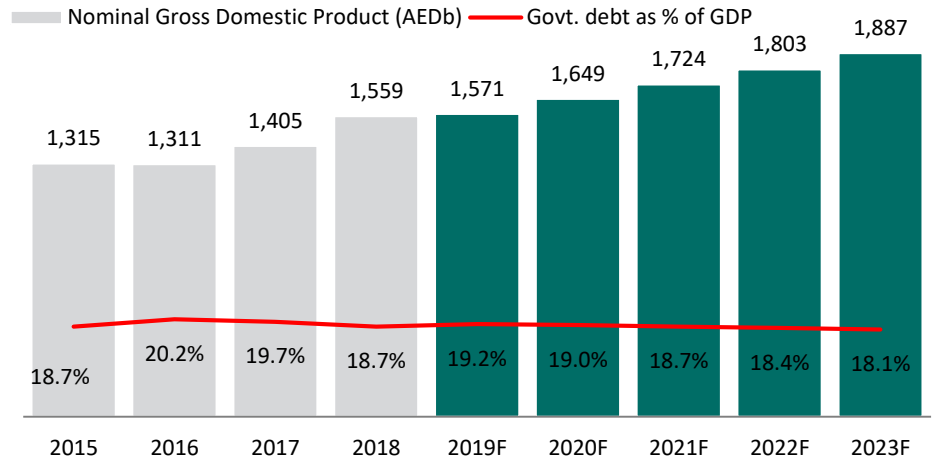
Source: International Monetary Fund

5 Year CDS



Source: Bloomberg

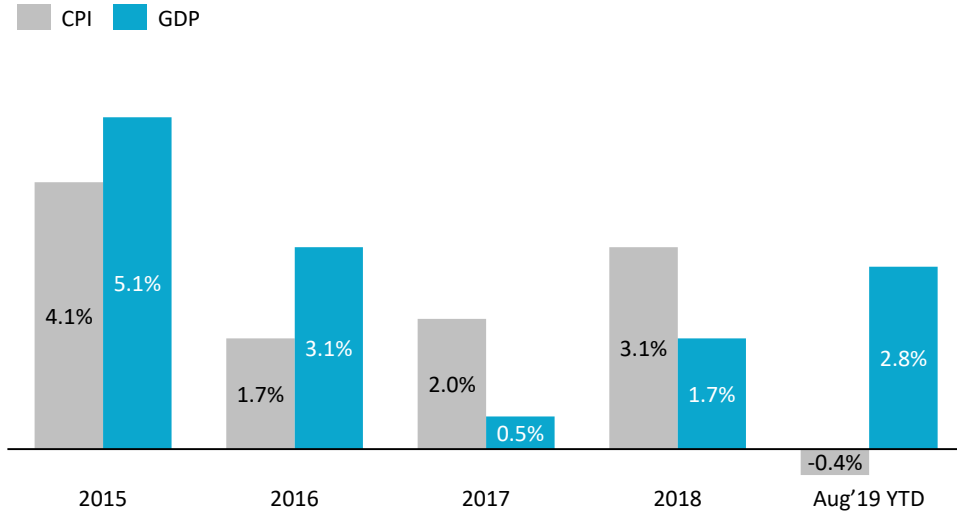
UAE GDP and Government Debt



Source: International Monetary Fund

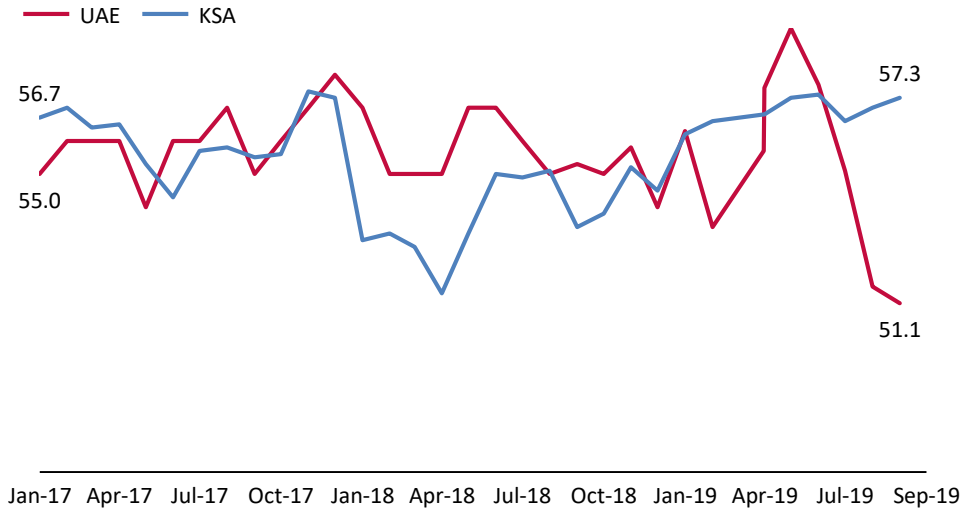
UAE Economic Update – mixed business conditions with weaker oil prices

UAE GDP and Inflation Trend



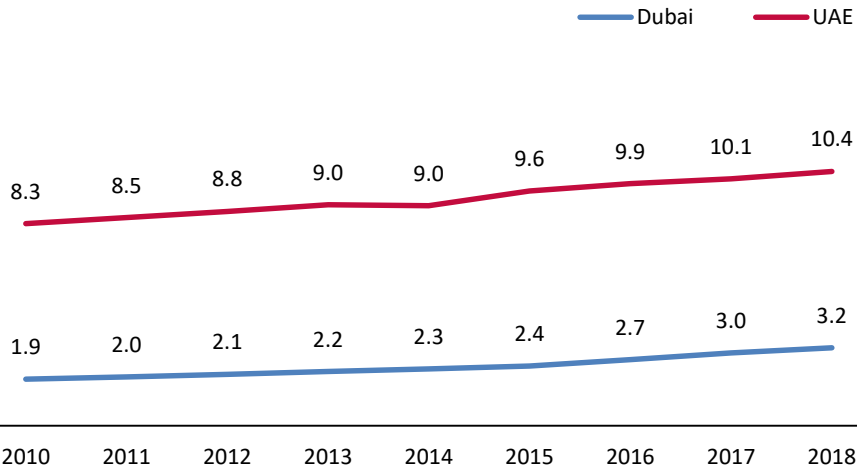
Source: IMF, fcsa.gov.ae

Purchasing Managers Index



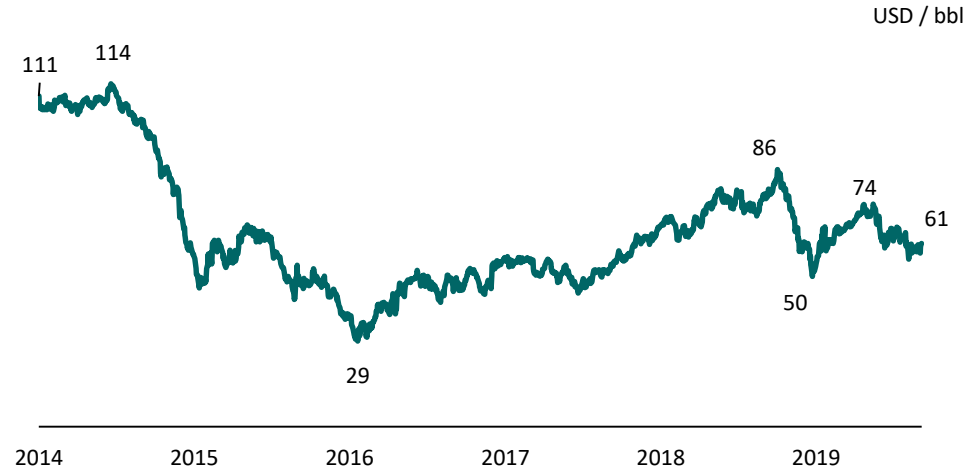
Source: investing.com

UAE and Dubai population (m)



Source: IMF, Dubai Statistics Center

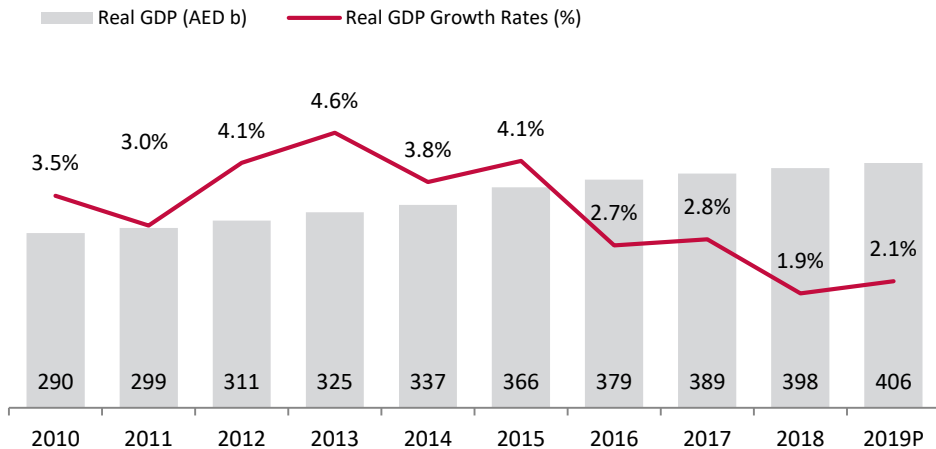
Brent oil



Source: investing.com

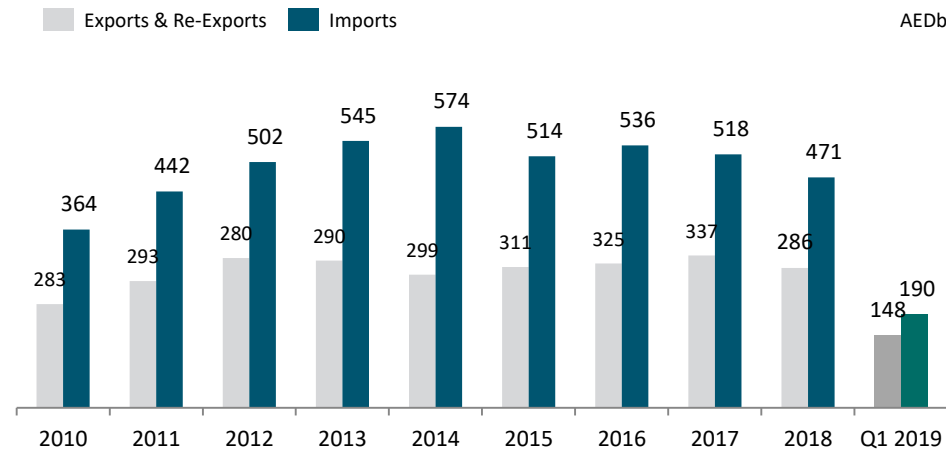
Dubai – a pivotal hub in the global economy

Growth in Economy



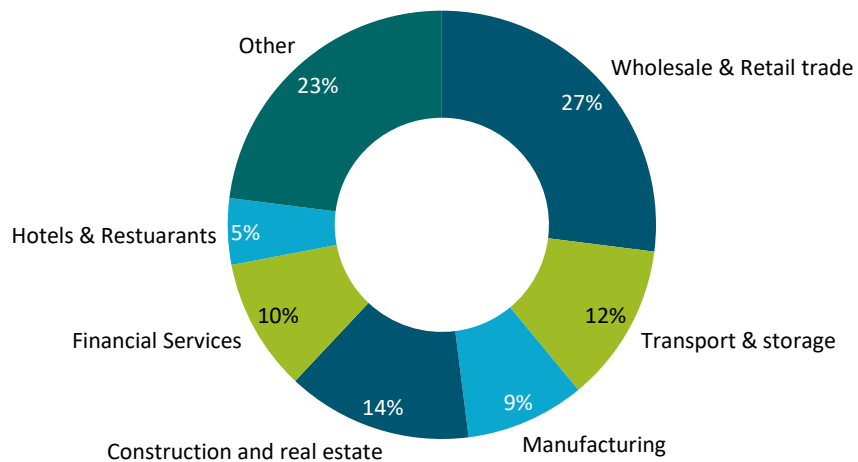
Source: Dubai Statistics Centre, Dubai Economy Department

Foreign Trade



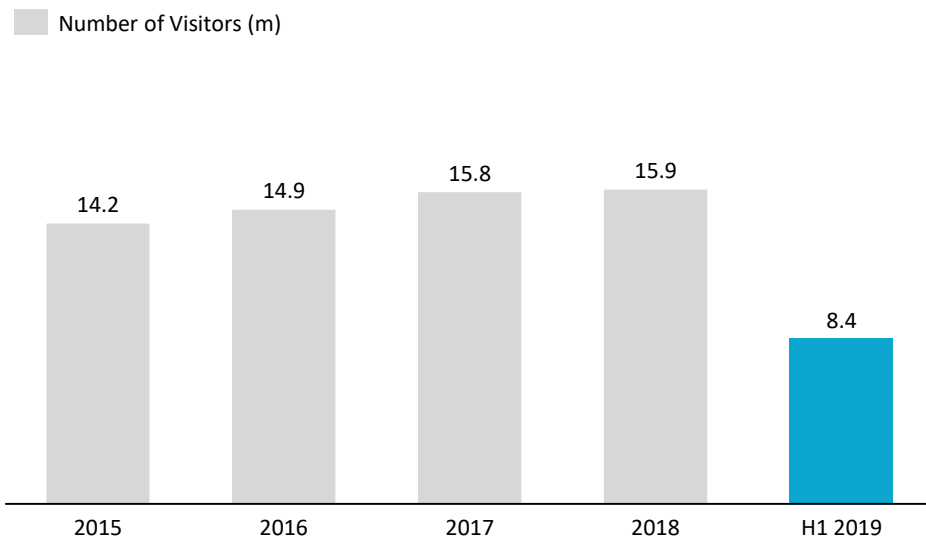
Source: Dubai Statistics Centre

Dubai GDP by sector (2018)



Source: Dubai Economic Report

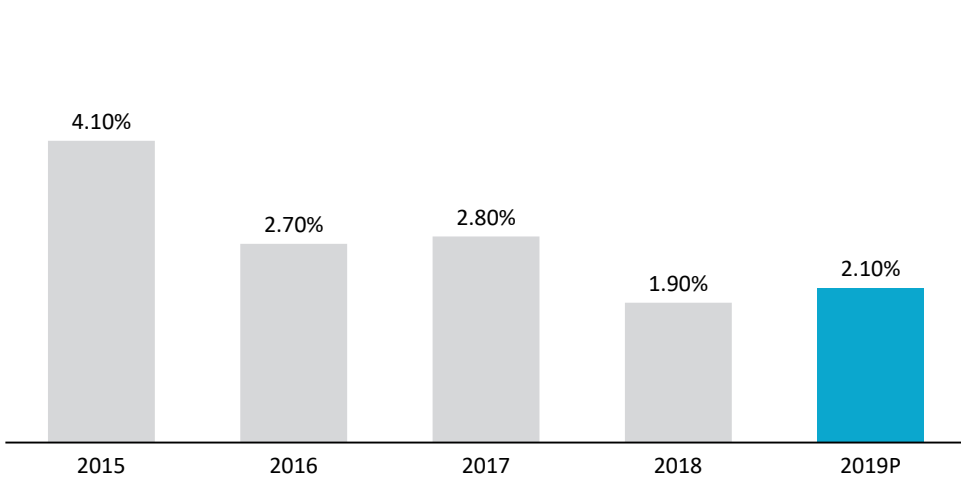
Tourism remains robust



Source: Dubai Statistics Centre

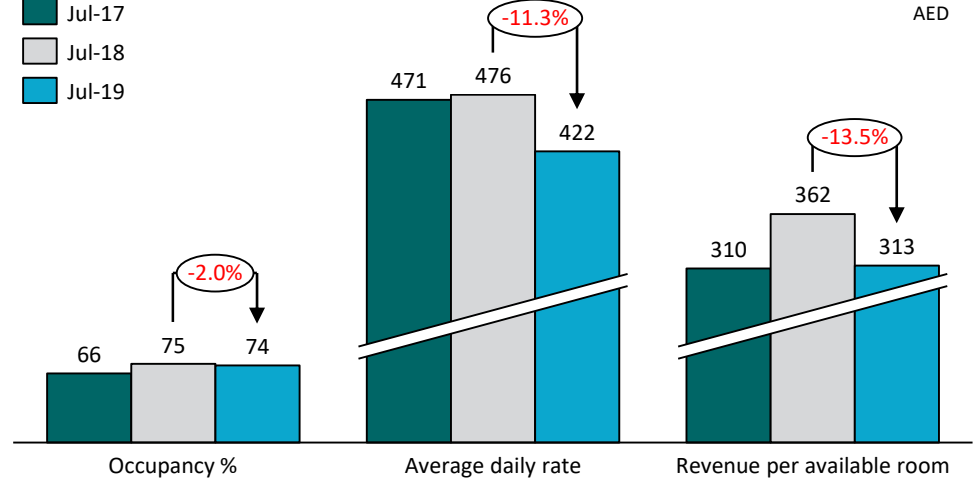
Dubai Economic Update – softening real estate prices and general business conditions

Dubai GDP growth



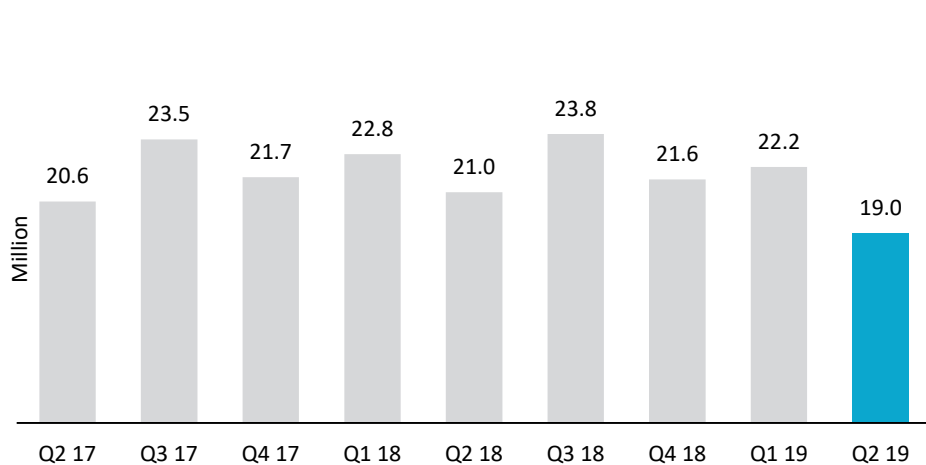
Source: Dubai Statistics Centre, Dubai Economy Department

Dubai hospitality



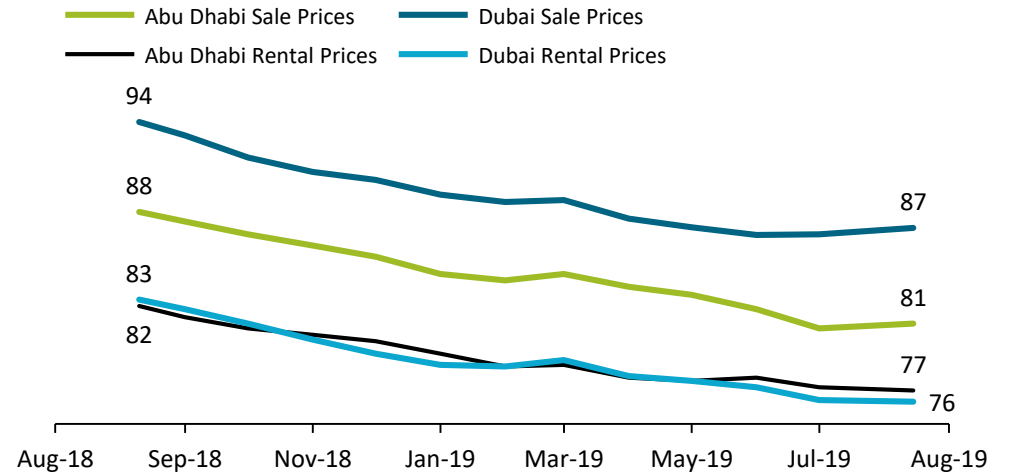
Source: STR Global

Dubai airport passenger traffic



Source: Dubai Airports, gulfbusiness.com

Reidin Property Index



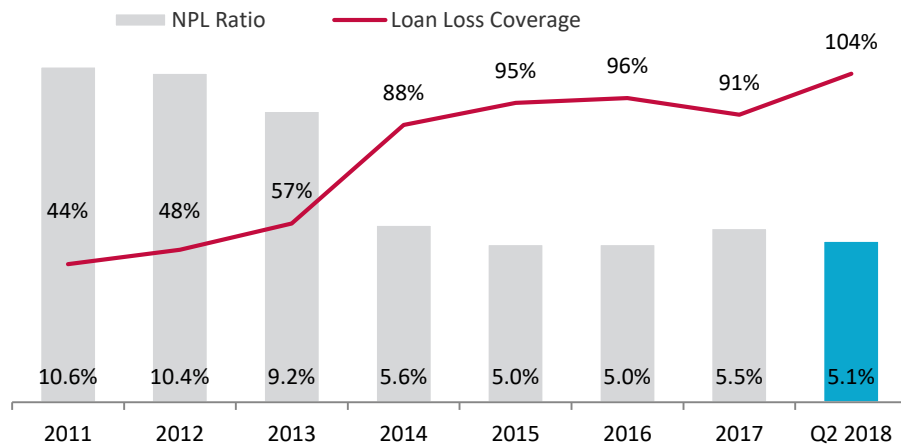
UAE Banking Sector – remains stable and resilient

Key industry indicators

AEDb	2016	2017	2018	Aug-19	YTD
Total assets	2,593	2,694	2,869	2,983	▲ 4.0%
Customer deposits	1,563	1,627	1,756	1,764	▲ 0.5%
Loans and advances	1,554	1,580	1,656	1,708	▲ 3.1%
Loan to deposit (%)	99.4	97.1	94.3	96.8	▲ 2.5%
CAR (%)	18.9	18.1	17.5	17.9	▲ 0.4%
Tier 1 ratio (%)	17.3	16.6	16.2	16.7	▲ 0.5%

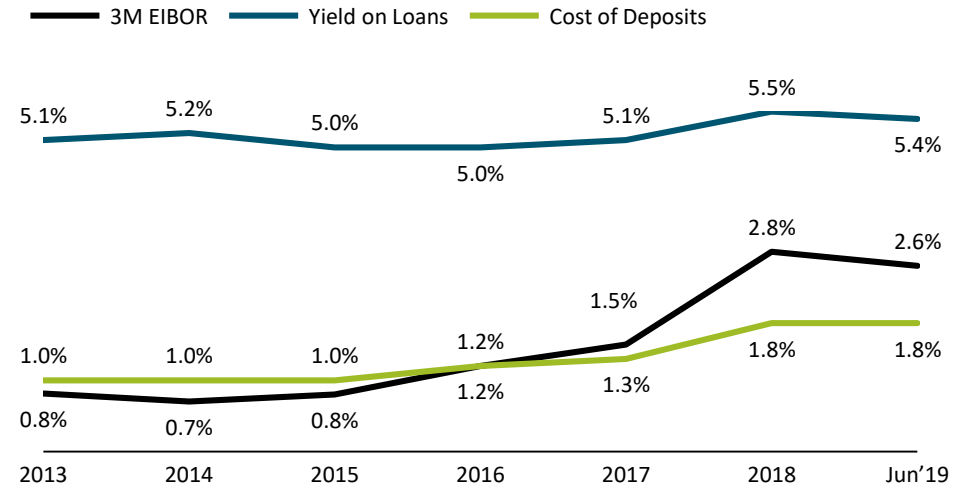
Source: Central Bank of the UAE

Improving industry asset quality



Source: Central Bank of the UAE

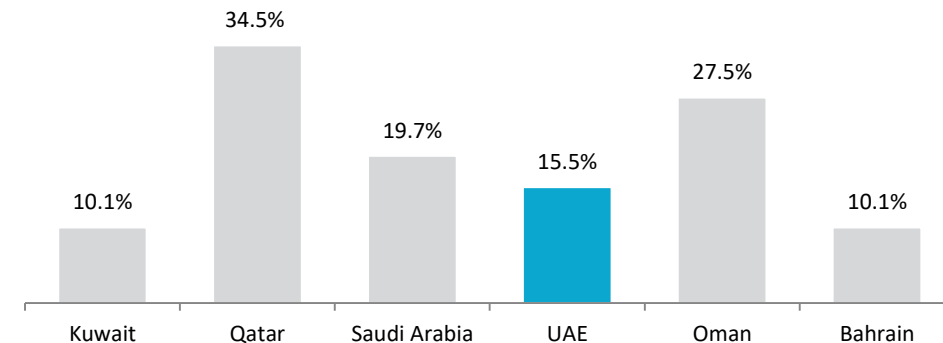
Average Loan Yield & Cost of Deposits vs 3M EIBOR



Source: Central Bank of the UAE

Government deposits as % of total deposits

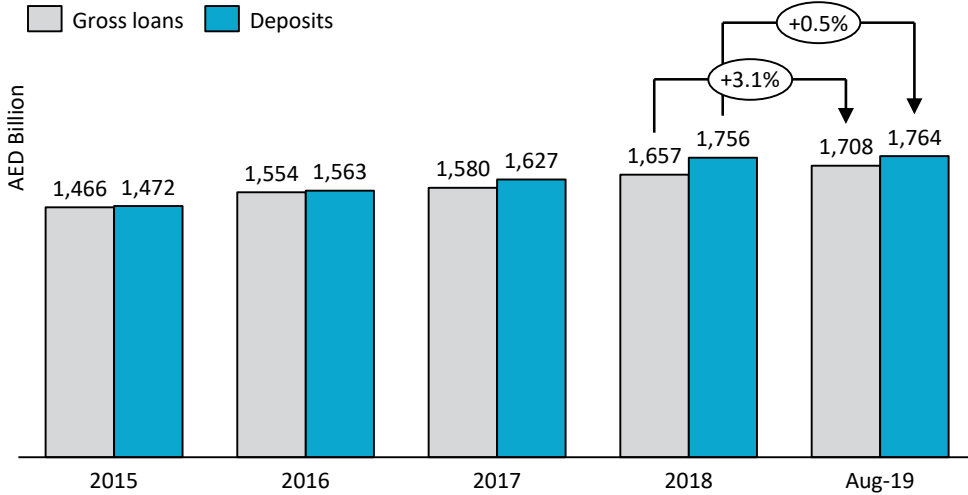
The UAE banking system is one of the least dependent amongst GCC countries on government deposits making it relatively less vulnerable to a decline in liquidity



Source: Central Bank of country, July 2019

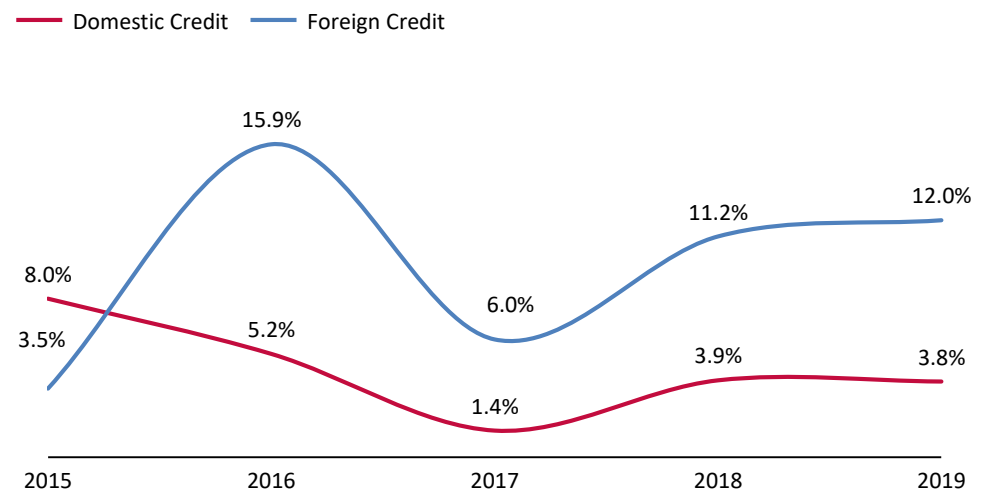
UAE Banking Industry – CBD execution delivering above system growth

Gross loans and deposits



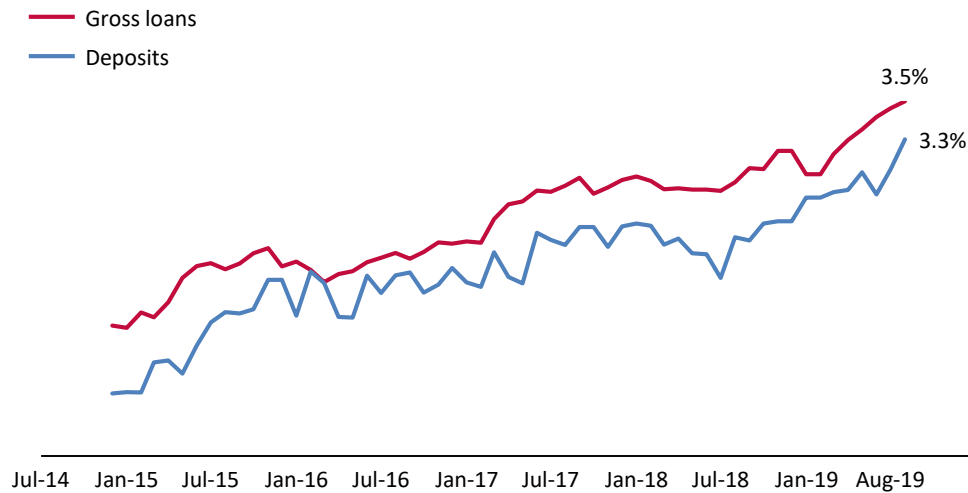
Source: Central Bank of the UAE

Credit Growth in the UAE Banking Sector



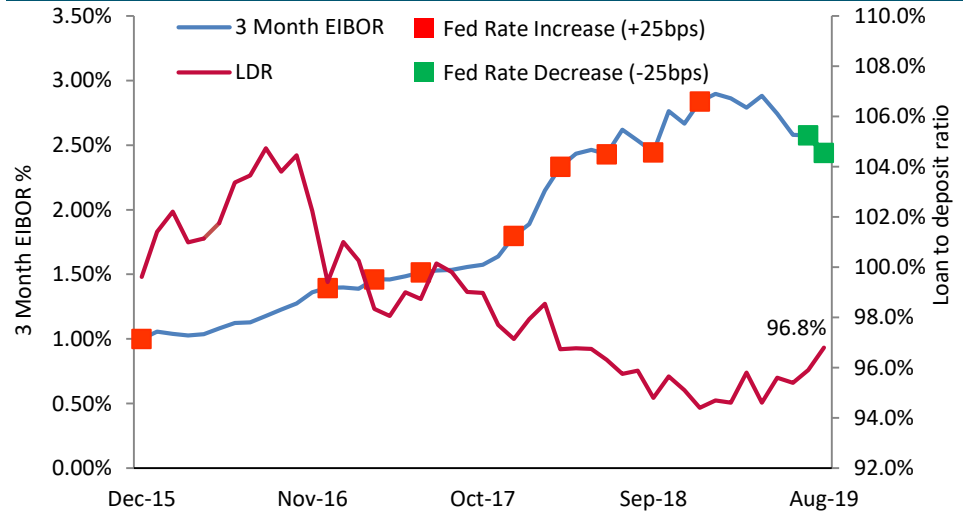
Source: Central Bank of the UAE

CBD market share



Source: Central Bank of the UAE

3 Month EIBOR and UAE loan to deposit ratio



Source: Central Bank of the UAE