

1st Quarter Results 2019

Investor Presentation April 2019

Dr Bernd van Linder
Chief Executive Officer

Mr Darren Clarke
Chief Financial Officer



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.

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

Earnings Snapshot – stronger underlying performance reflected in key ratios

(AED m)

	Q1 19	Change Q1 19 - Q1 18	Change (%) Q1 19 - Q1 18
Net profit	340.1	60.3	21.6%
Return on equity (RoE)	15.0%	164 bp	12.2%
Return on assets (RoA)	1.79%	19 bp	12.1%
Interest margin	2.55%	(8) bp	(3.0%)
Expense to income ratio	26.6%	(589) bp	(18.1%)
Impairment charge to gross loans	1.56%	36 bp	29.7%
Capital adequacy ratio	15.00%	11 bp	0.7%
Earning per share	0.49	0.09	21.6%

Performance Achievements in Q1 2019

- Solid profit uplift driven by broad based improvement in business performance
- Overall loan growth notwithstanding the soft underlying business environment
- Continued improvement in Other Operating Income across all product teams
- Ongoing disciplined expense management
- Strong traction with our investment offering for Private and Wealth clients
- Improved oversight and control of credit provisions and recoveries
- Continuing digitisation of core customer facing processes
- Further strengthening of senior leadership team
- Ongoing optimisation of our physical footprint in Q1 2019

Strategic Pillars — geared towards a high performing organisation

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 optimisation
- Streamline and automate processes
- Improve efficiencies

Financial Dashboard – strong Q1 results delivering on strategy

(AED m)

Income statement

	Q1 19	Q1 18	Var
Net interest income and Islamic financing income	493	458	7.7%
Other operating income	281	200	40.4%
Total revenue	774	658	17.6%
Operating expenses	206	214	(3.7%)
Operating profit	568	444	27.9%
Net impairment allowances	228	165	38.7%
Net profit	340	280	21.6%

Balance sheet

Gross loans and advances	55,050	50,417	9.2%
Allowances for impairment	3,249	3,450	(5.8%)
Net loans and advances	51,801	46,967	10.3%
Total assets	76,163	70,207	8.5%
Customers' deposits	54,614	48,204	13.3%
Shareholders' equity	9,058	8,363	8.3%

Key ratios, %

			bps
Return on equity	15.0%	13.4%	164
Return on assets	1.79%	1.59%	19
Cost to income ratio	26.6%	32.5%	(589)
Capital adequacy ratio (limit >= 13%)	15.00%	14.89%	11
Non-performing loan (NPL)	6.04%	8.70%	(265)
Provision coverage	81.6%	66.0%	1563
Net interest margin	2.55%	2.63%	(8)
Loan to deposit	94.8%	97.4%	(259)
Advances to stable resources (limit <= 100%)	87.8%	89.7%	(189)
Eligible liquid assets ratio (ELAR)	14.20%	13.69%	51
Tier 1 ratio (limit >= 11%)	13.85%	13.74%	11
CET1 ratio (limit >= 9.5%)	13.85%	13.74%	11

Q1 2019 Net Profit Performance - *substantial increase in underlying revenues*

(AED m)

Foreign exchange and fee income increased by 37% or 66m in Q1 19 across processing fees, fund management fees, loans and advances, credit cards, deposit accounts and trade finance activities.

NII increased by 35m due to an increase in average performing loans and interest earning assets coupled with a higher average yield.

Other income was higher by 18m mostly from the 21m gain on sale of an investment property.

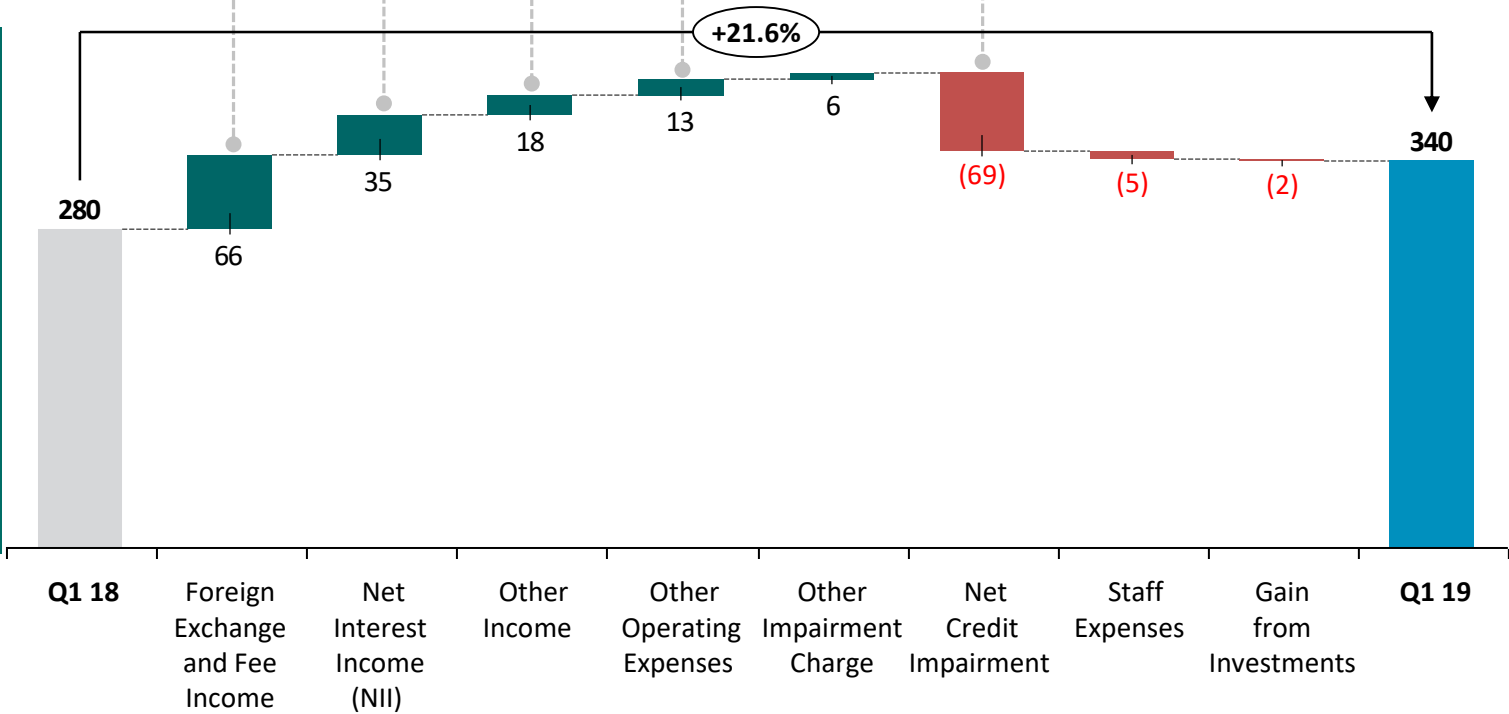
Other operating expenses were lower by 19% or 13m as a result of disciplined cost management practices and overall increased operational efficiency.

Net credit impairment has increased by 69m mainly driven by provisions provided for the Corporate segment.

Net profit for the period increased by 60m (21.6%) compared to Q1 2018

Increase in net profit is mostly driven by:

- increase in foreign exchange and fee income;
- increase in net interest income and other income; and
- decrease in other operating expenses.

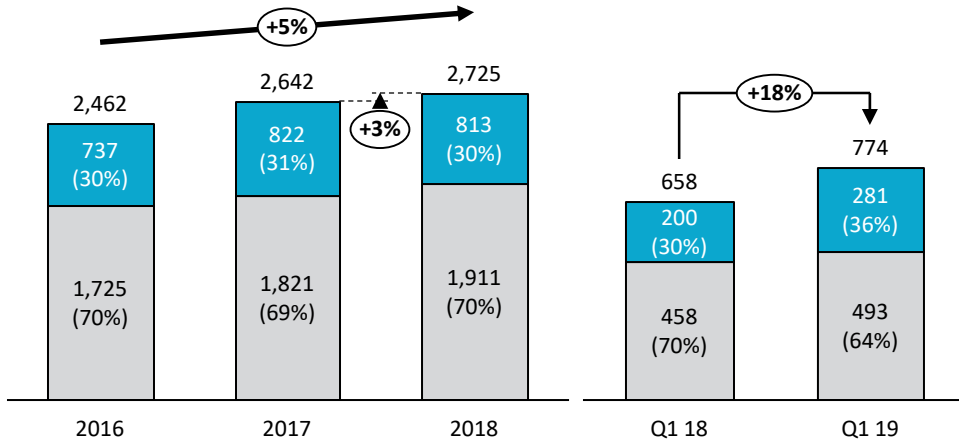


Underlying Business Growth – *sustained business growth*

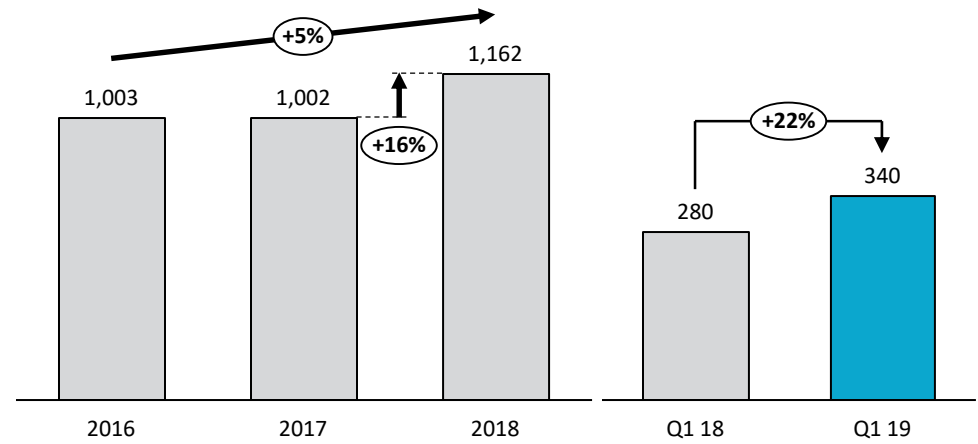
(AED m)

Revenue

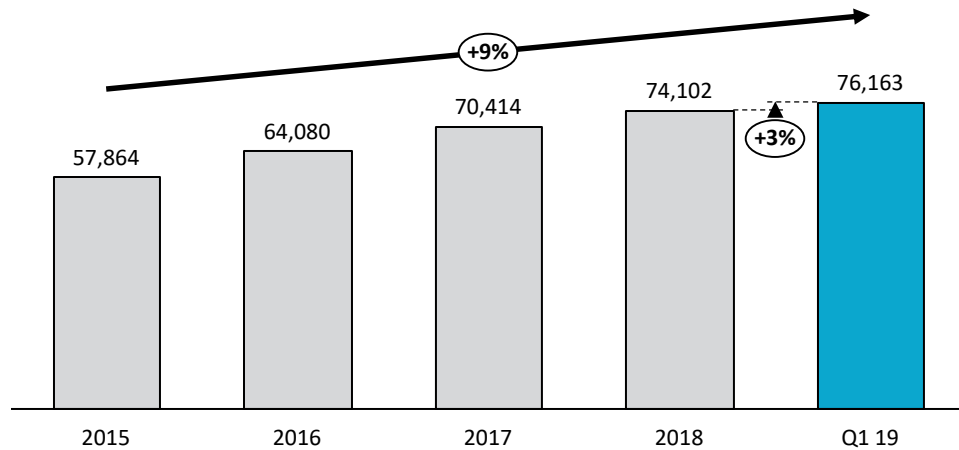
OOI NII



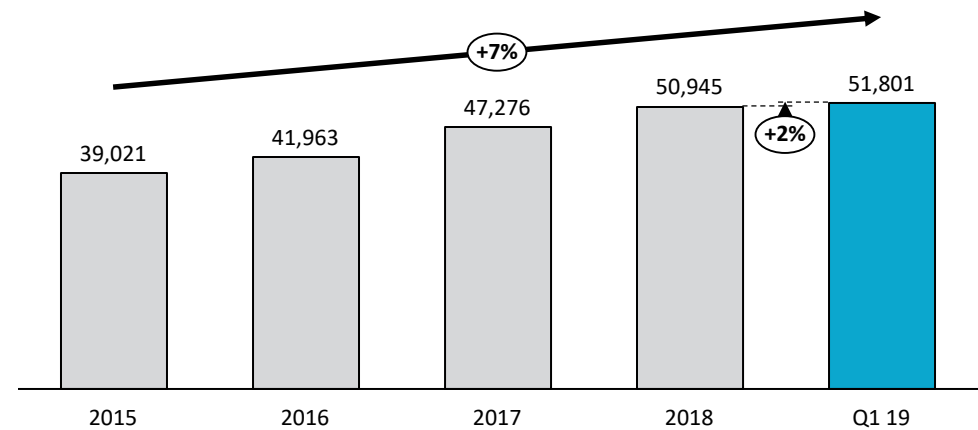
Net profit



Assets



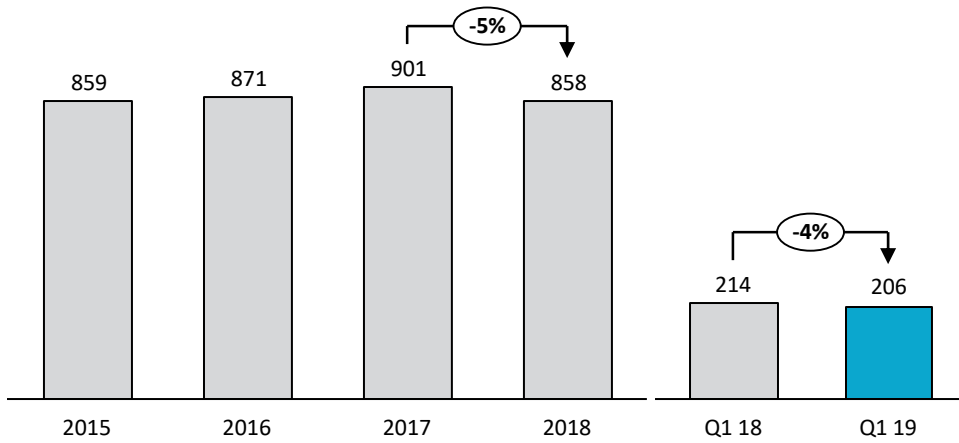
Net loans



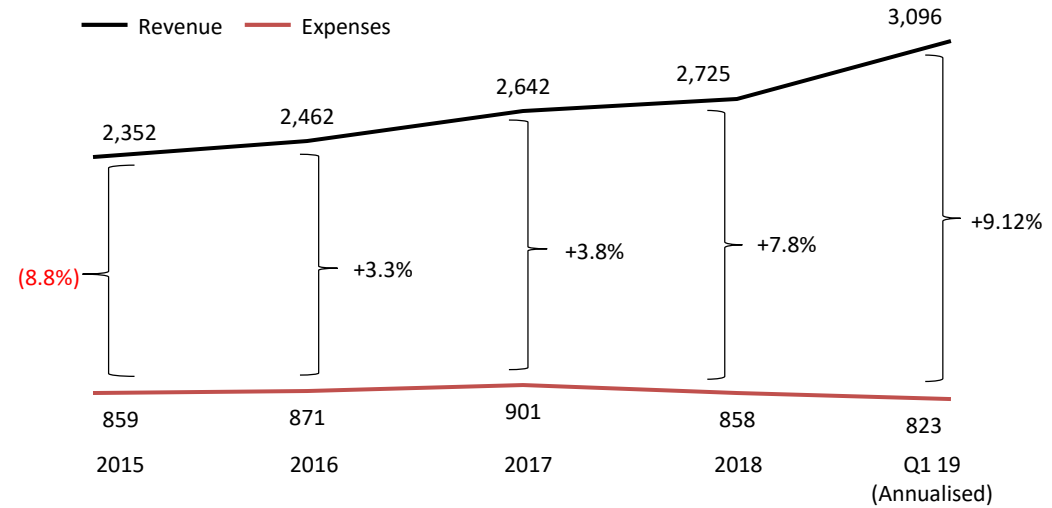
Profitability and Returns – improved returns on delivery of the bank strategy

(AED m)

Expenses

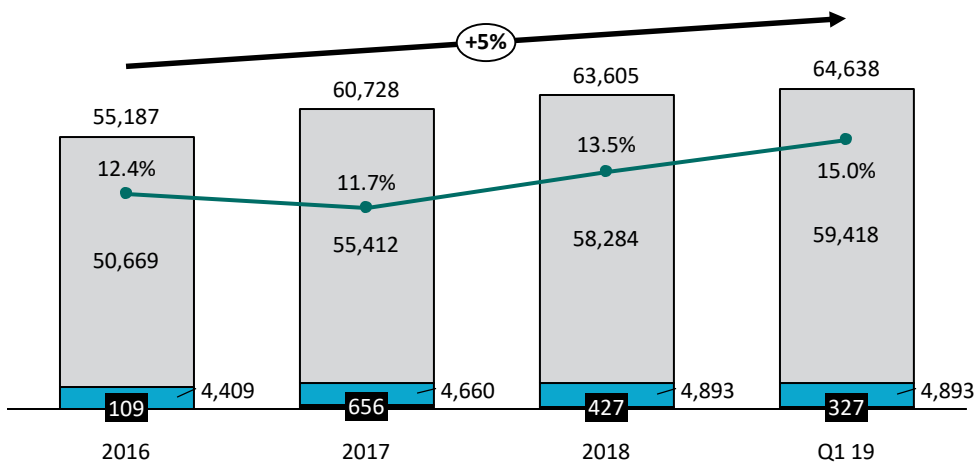


Revenue and expense JAWS



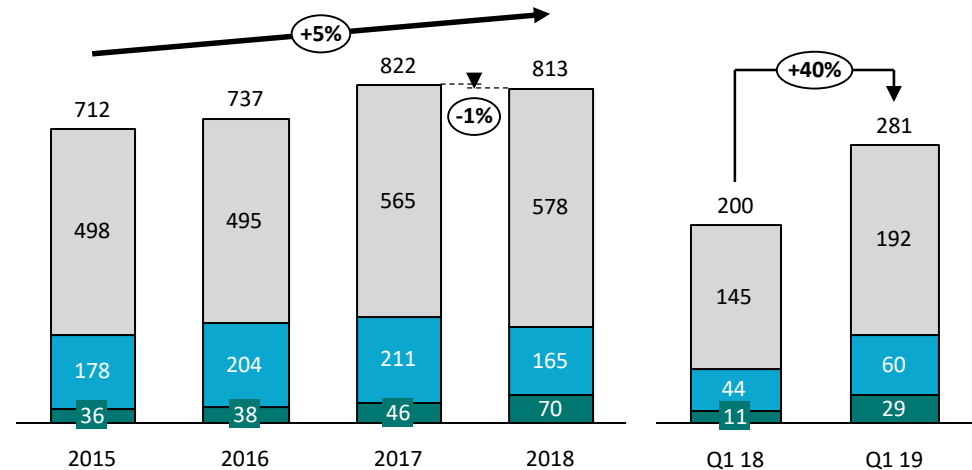
RWA and Return on Equity

Credit Risk
 Operational Risk
 Market Risk
 Return on Equity



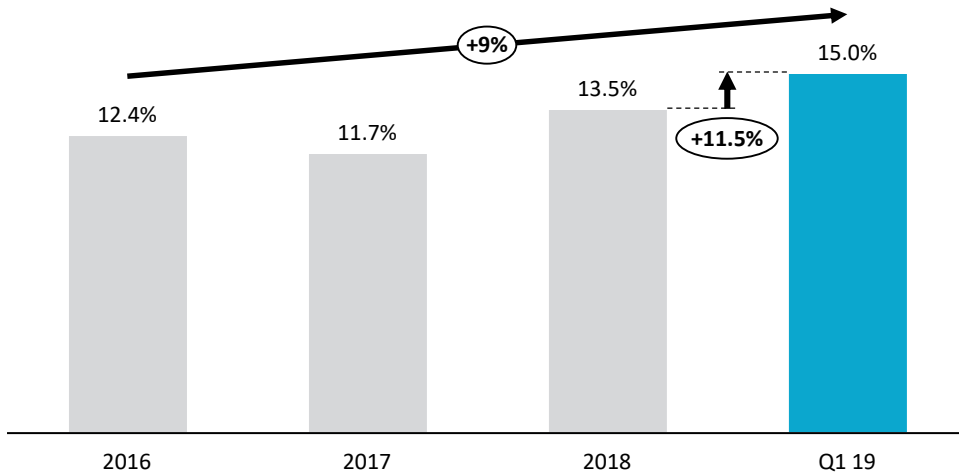
Other Operating Income

Fees and Commission
 FX and Investment
 Others

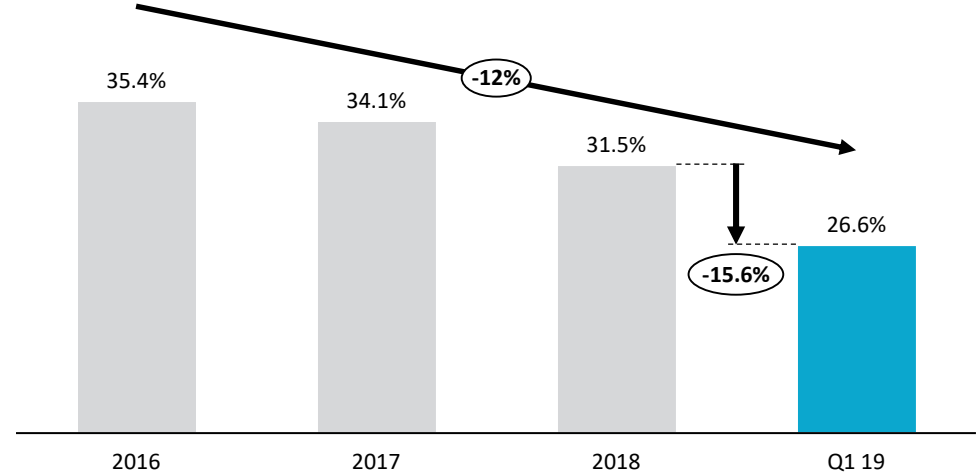


Financial Indicators – strong underlying performance driving improvements in key ratios

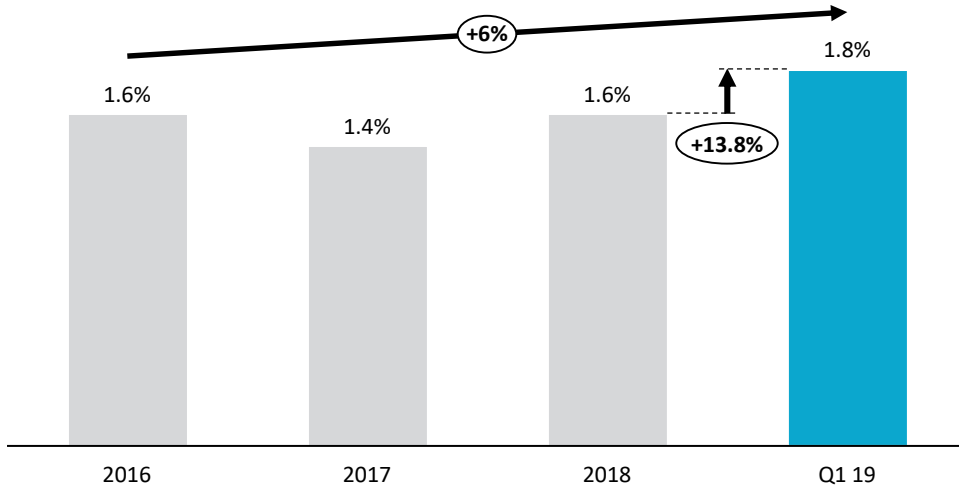
Return on Equity (ROE)



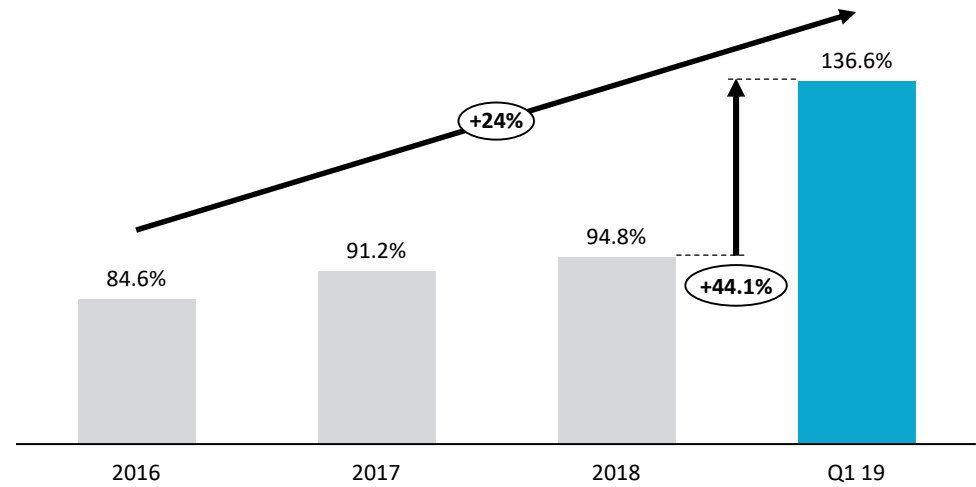
Cost to Income Ratio



Return on Assets (ROA)

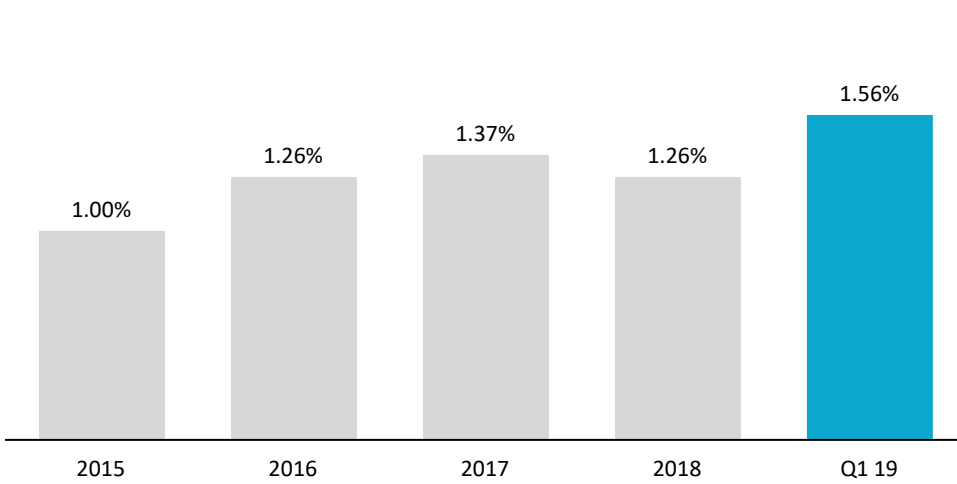


Other Operating Income as % of Expenses

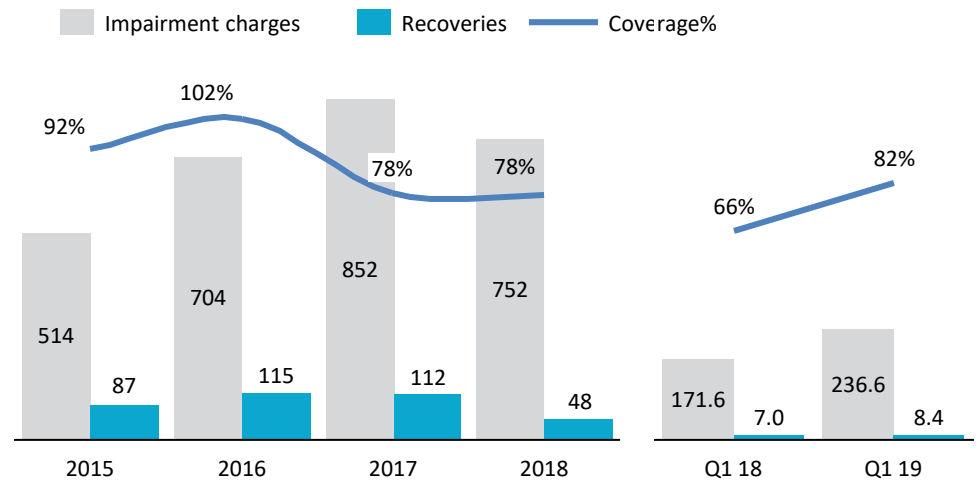


Asset Quality and Impairments – improved underlying asset quality, lower NPL with increased coverage (AED m)

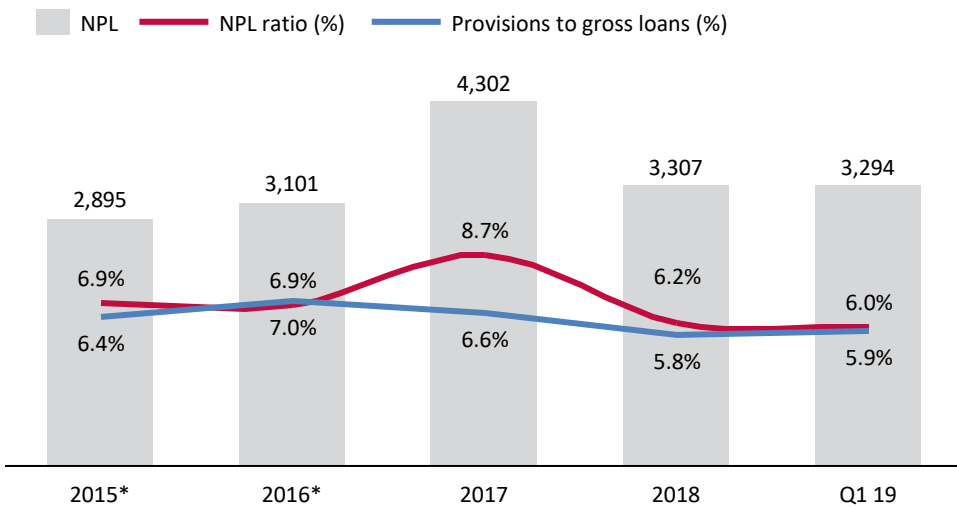
Cost of Risk



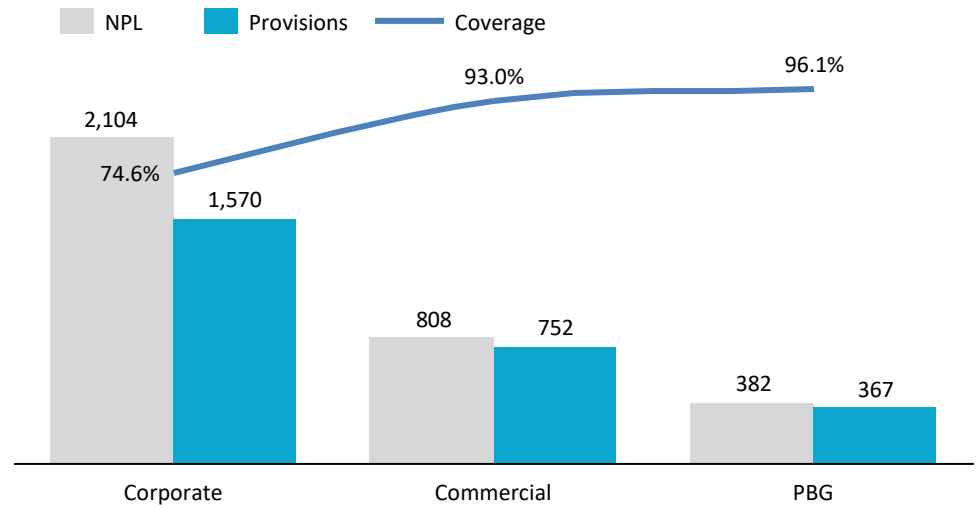
Impairment Charges and Recoveries



NPL Ratio



Expected Credit Provisions – Segment

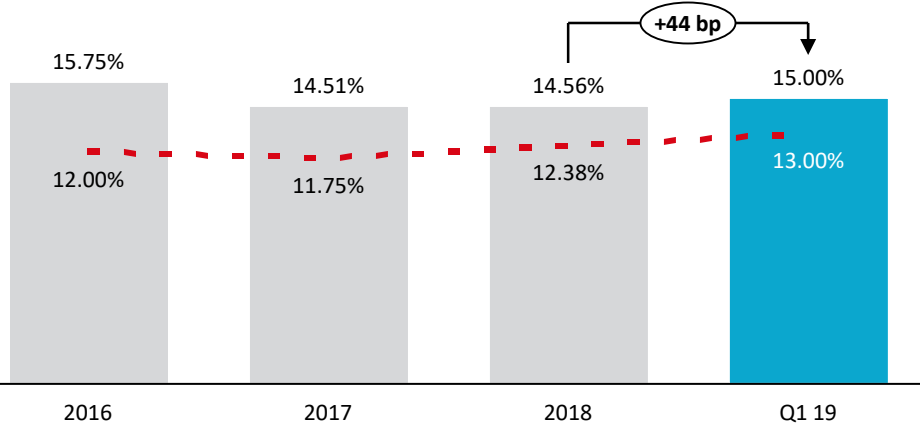


* Pre IFRS 9.

Balance Sheet and Capital Strength – key capital ratios continue to improve

Capital Adequacy Ratio (CAR)

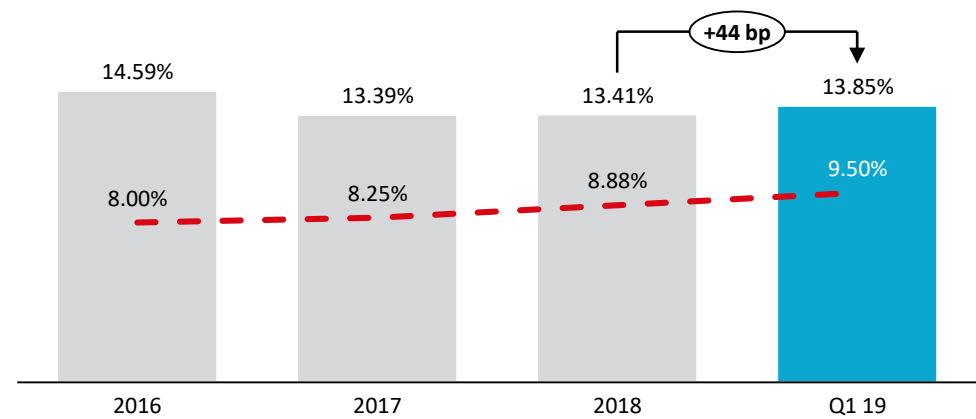
■ CAR - - - Regulatory limit (Minimum)



* 2017 retained earnings have been updated by 397m for IFRS 9 opening adjustment to be 2.6b instead of 3.0b

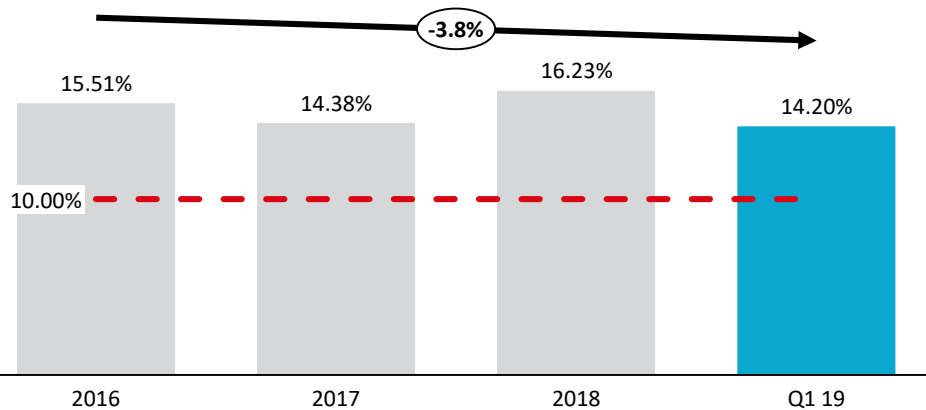
Common Equity Tier 1 (CET1)

■ CET1 - - - Regulatory limit (Minimum)



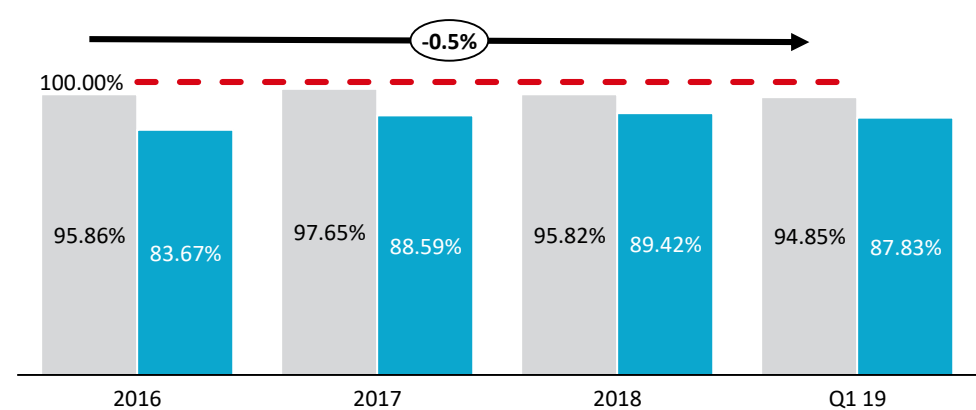
Eligible Liquid Assets Ratio (ELAR)

■ ELAR - - - Regulatory limit (Minimum)



Loans to Deposits and ASRR

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

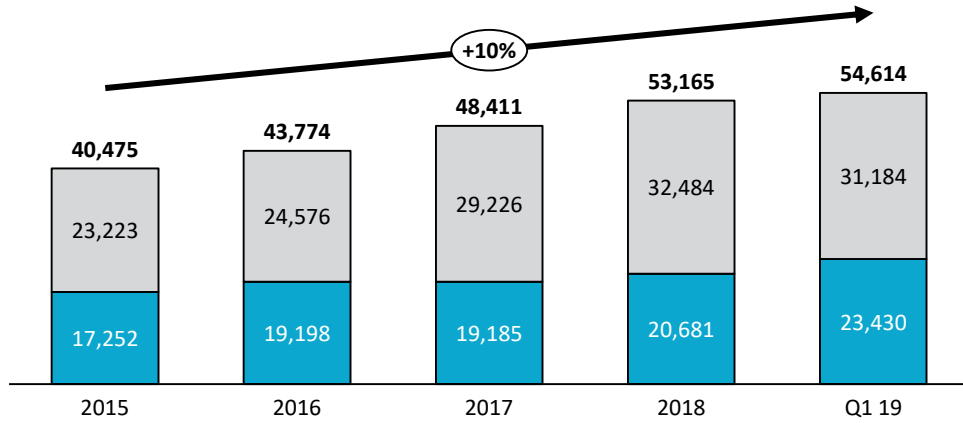


Funding and Liquidity – continuing loan and deposit growth backed by stable funding

(AED m)

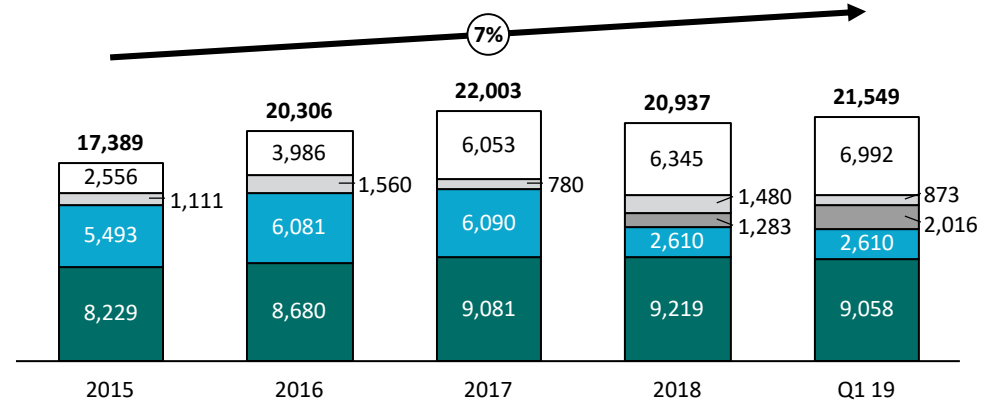
Customer Deposits

TD CASA



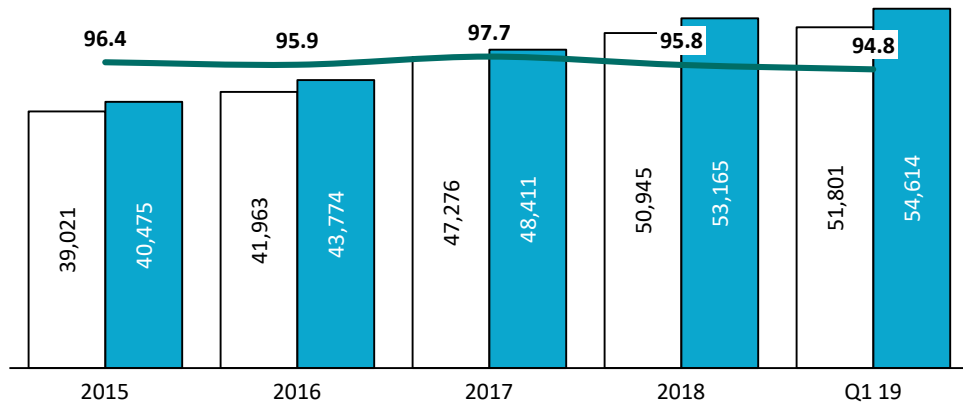
Other Funding Sources

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



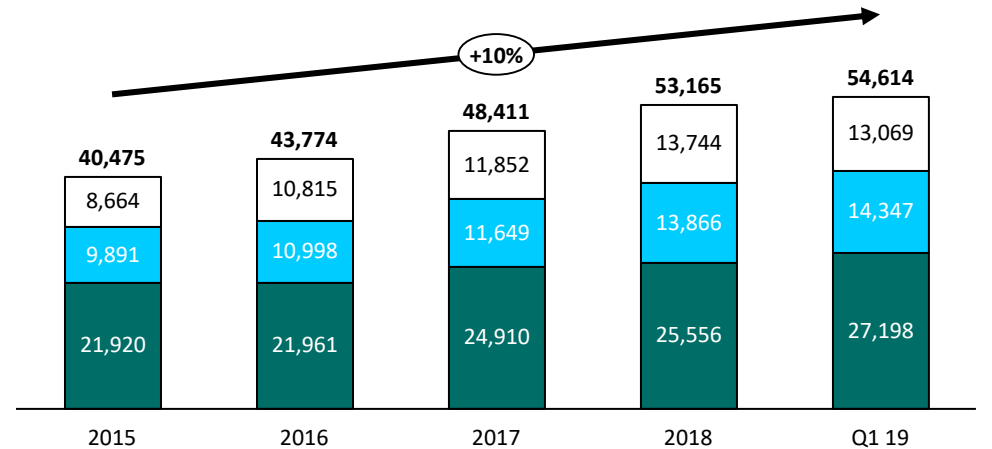
Loans to Deposits

Net Loans Customer Deposits Net Loans to Deposit Ratio %



Deposit Segmentation

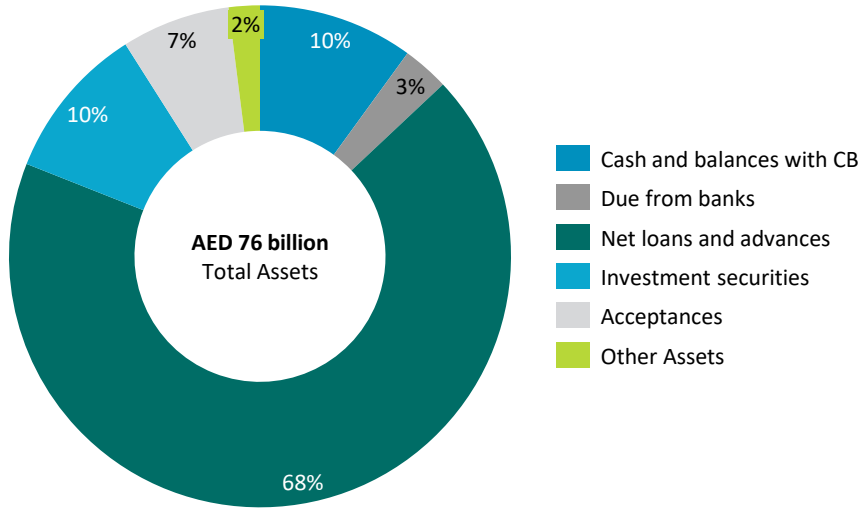
Government Individual Corporate



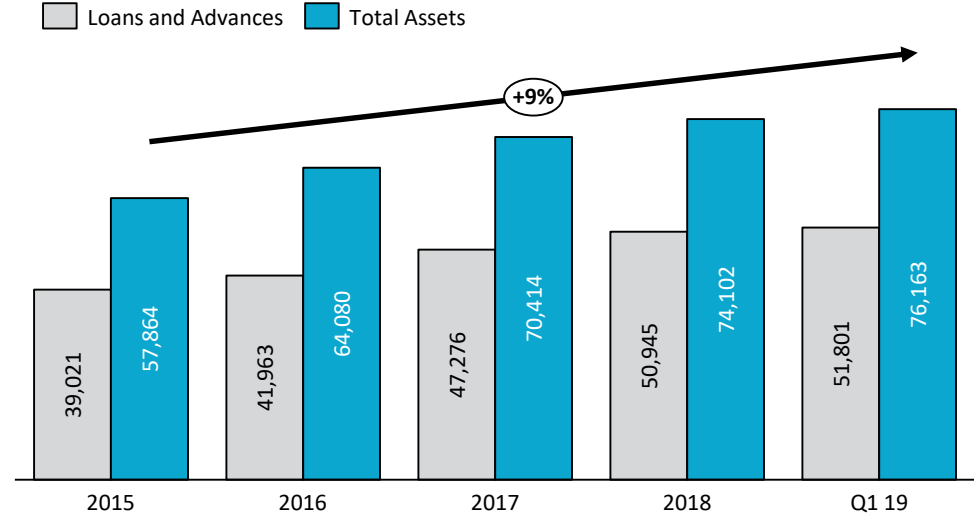
Balance Sheet Analysis

(AED m)

Assets Mix



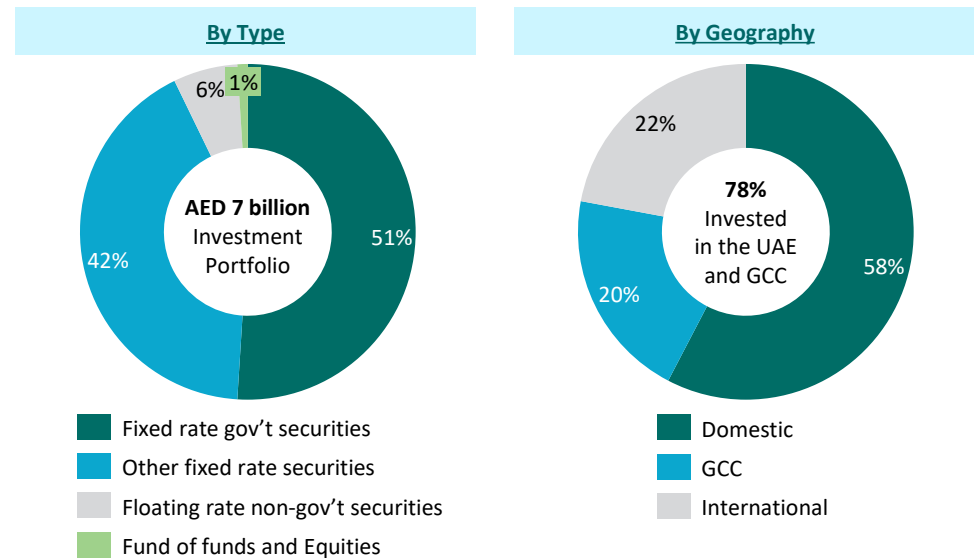
Assets and Loans



Gross Loans and Advances by Sector

Sector	Q1 19	2018	Var %
Others	1,556	1,012	53.8
Services	4,982	4,305	15.7
Real estate	18,839	17,161	9.8
Construction	2,618	2,523	3.8
Financial and insurance activities	7,569	7,312	3.5
Personal - mortgage	2,899	2,836	2.2
Trade	5,219	5,317	(1.8)
Government entities	128	131	(2.6)
Hospitality	2,552	2,652	(3.8)
Transportation and storage	1,435	1,492	(3.8)
Individual loans for business	1,812	2,032	(10.8)
Personal - schematic	3,802	4,925	(22.8)
Manufacturing	1,639	2,360	(30.5)
Total	55,050	54,058	1.8

Investment Securities Portfolio



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.



2018

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. Abdulla Saif Al Hathboor
Director



Mr. Abdullah Salim Alturifi Alshamsi
Director



Mr. Abdul Wahed Mohamed 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



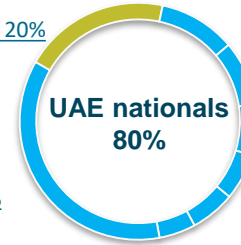
Dr. Omar Mohammad Ali Alqaizi
Director



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,
Attijari 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

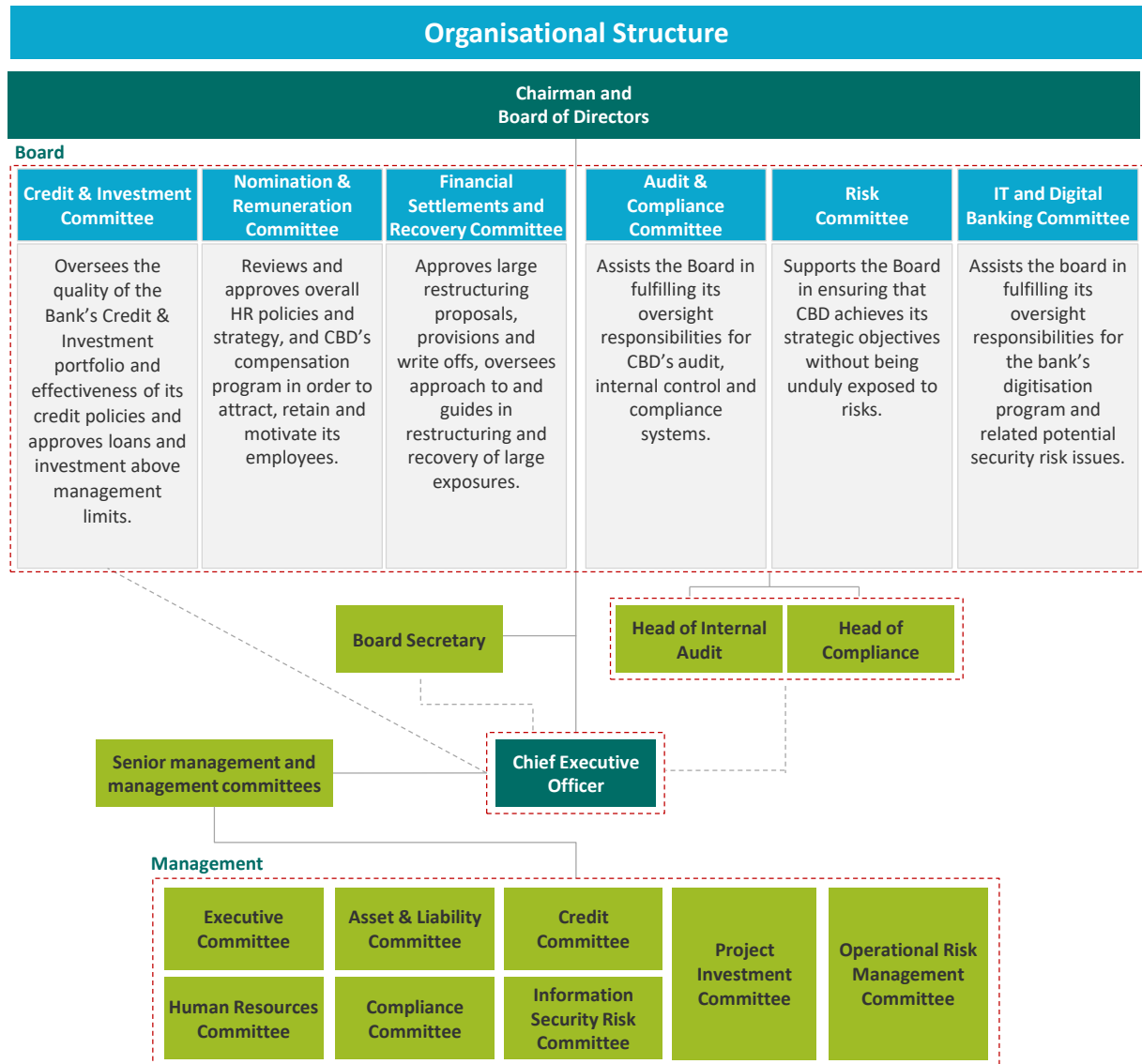
Board of Directors

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 31st March 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

During the first Quarter of 2019, CBD participated and volunteered in a number of activities that demonstrates its commitment to Corporate Social Responsibilities (CSR):

- Participated in Special Olympics World Games – Abu Dhabi 2019
- Sponsored Jebel Ali horse race for season 2018/2019
- Attended youth 101 forum prepared by Ministry of Youth – January 2019
- Attended UAE Strategy Forum – January 2019
- Participated in the 20th edition of the Careers UAE Exhibition held at the Dubai World Trade Centre
- Volunteered at Al Noor Training Center for persons with disabilities



The four elements of CBD’s CSR framework:

Governance and Transparency

The Bank has established and adopted policies and procedures for governance, risk management, professional ethics and code of conduct, compliance and AML, security and data protection, consumer protection and product responsibility.

Employees

The Bank proactively implements the Emiratization initiative to recruit, train and develop as well as retain Emirati staff at all levels. The Bank also proactively seeks and addresses employee concerns through various channels, including the Employee Engagement Survey, imparts training and nurtures career development for all employees, ensures health and safety of all stakeholders in all its premises, and has extended various benefits and measures to boost staff welfare.

Society and Culture

The Bank promotes awareness of Social Accountability amongst its partners and suppliers, extends philanthropy generously for the needy, supports and participates in creating awareness of issues concerning health, promotes education and sports among youth, and supports and celebrates the local UAE culture.

Environment and Sustainability

The Bank supports and participates in creating awareness of environmental issues, has inducted CSR into its core business i.e. lending, by extending credit facilities to green projects and has implemented internal measures to conserve resources by recycling, reducing and reusing.

CBD Awards – during Q1 19

Finnovex Awards
(March 2019)



- Excellence in Payments and Digital Banking

Middle East Banking Awards
(February 2019)



- Best Local Bank

International Finance Awards 2018
(January 2019)



- Most Innovative Digital Bank

Milestones and Achievements

Launch of CBD Private Visa Infinite Credit Card



Partnership with Takaful Emarat for Payment and Cash Management solution



Excellence in Payments and Digital Banking Award by Finnovex Awards



Most Innovative Digital Bank Award by IFM



Honored by General Directorate of Residency and Foreigners Affairs



Best Local Bank Award 2018 by Middle East Awards



Partnership with MasterCard to launch a suite of new Debit Cards



Participation in 2019 Career Fair



Partnership with Emirates Development Bank

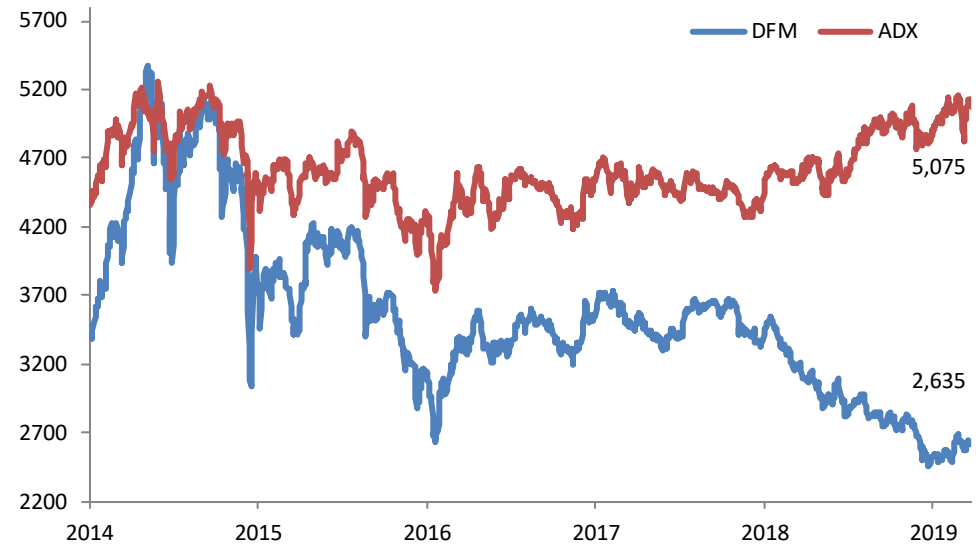


United Arab Emirates – the second largest economy in the Arab world

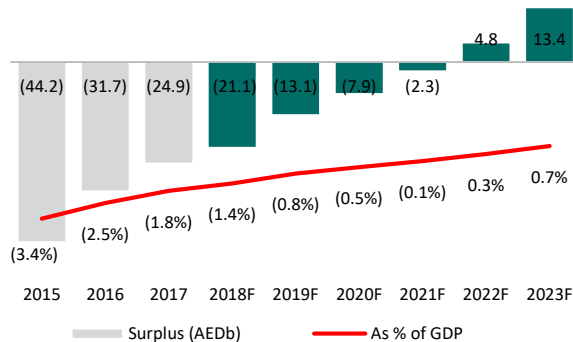
Snapshot of the UAE

- The United Arab Emirates (rated Aa2 by Moody's) comprises seven emirates with Abu Dhabi and Dubai being the largest contributors to its gross domestic product ("GDP").
- The UAE benefits from several buffers, including a rapid non-oil growth, robust external reserves (estimated at USD 80.70 b), and relatively low fiscal break-even oil price.
- Abu Dhabi Investment Authority (ADIA) does not disclose its total assets under management but the US-based Sovereign Wealth Fund Institute, which tracks the industry, estimates ADIA's total assets at USD 828 b.
- Although oil has been the mainstay of the UAE economy (with 98 b barrels of proven oil reserves and a reserves-to-production ratio of 93 years) and continues to contribute significantly to economic prosperity, a determined and far-sighted policy of economic diversification has ensured that non-oil sectors now account for approximately 65% of the gross domestic product.

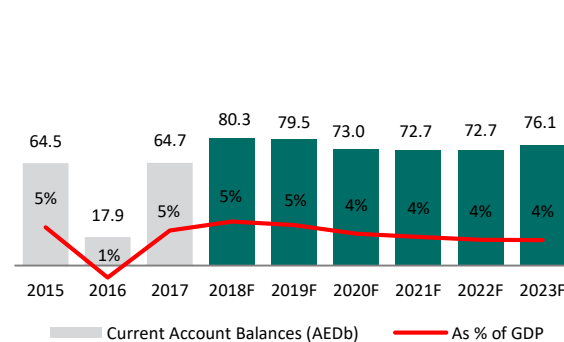
UAE Stock market indices



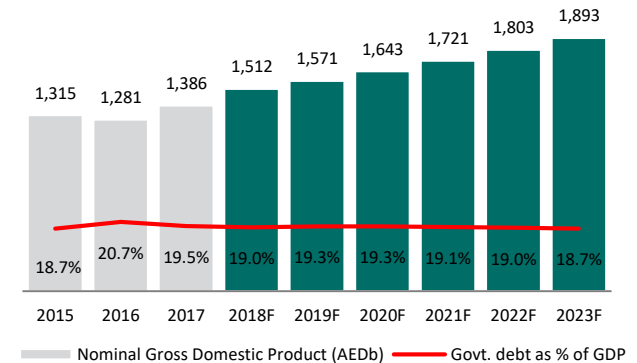
Limited Fiscal Deficit to be posted



Positive Current Account balances

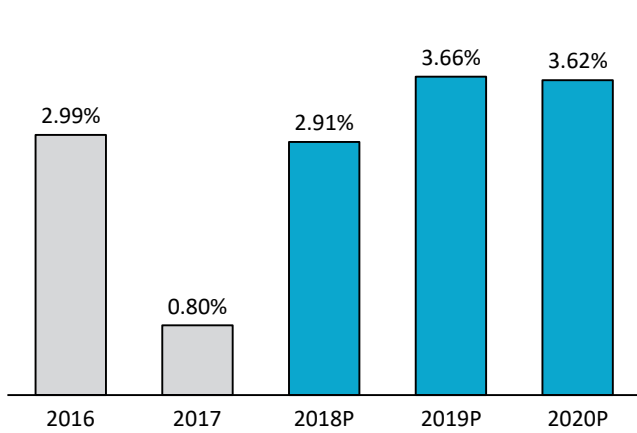


UAE GDP and Government Debt

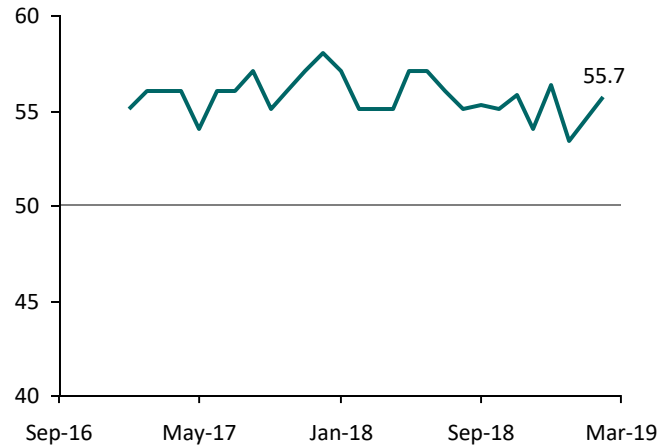


UAE Economic Update – mixed business conditions with weaker oil prices

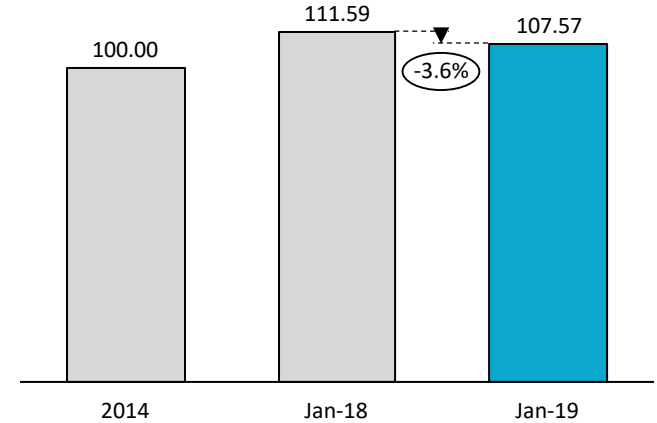
UAE GDP growth



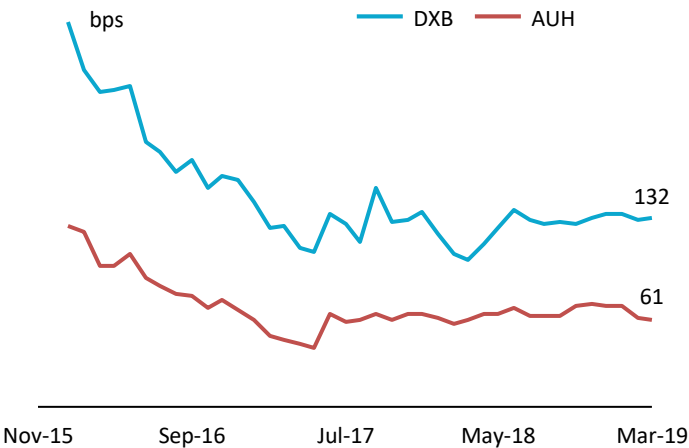
UAE purchasing managers index



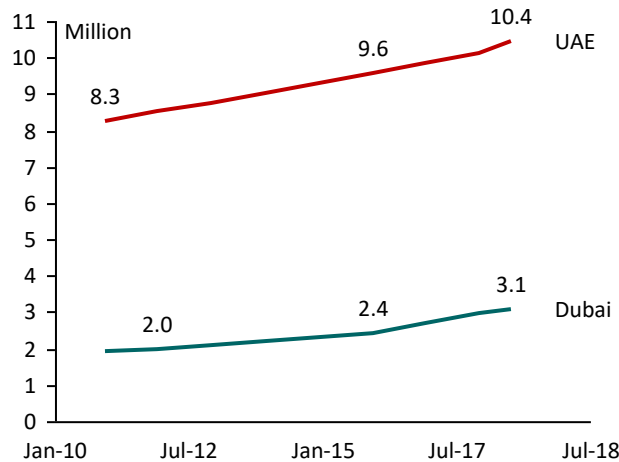
UAE CPI & inflation (%)



5 Year CDS



UAE and Dubai population



Brent oil

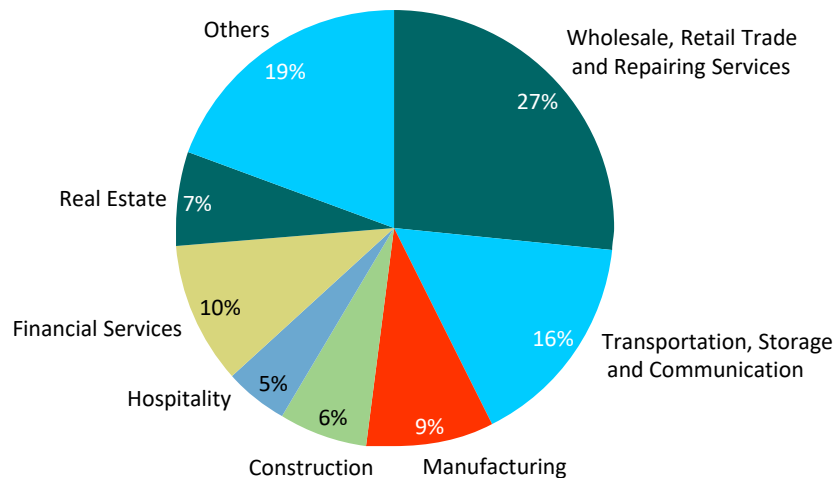


Dubai – a pivotal hub in the global economy

Snapshot of Dubai

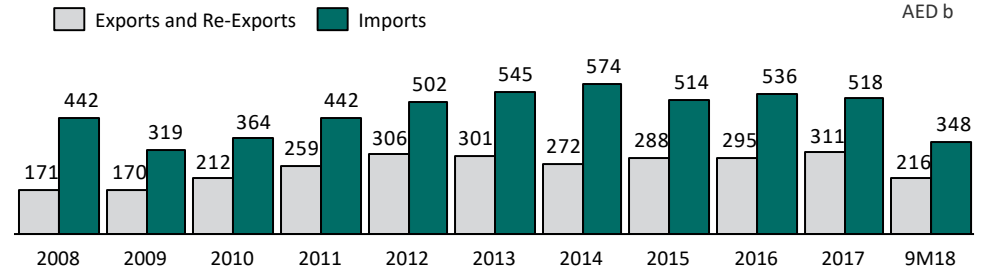
- The Emirate of Dubai is the second largest Emirate in the UAE after the Emirate of Abu Dhabi. Dubai is situated on the west coast of the UAE in the south-western part of the Arabian Gulf.
- Reflecting the Emirate's strategic geographic location, rising levels of international trade and the government's long-standing strategy of positioning Dubai as a trading centre, Dubai's GDP has increasingly shifted away from reliance on the oil and gas sectors.
- Dubai's diversified economy has exhibited robust growth levels in recent years on the back of government initiatives and policies which were aimed at improving the economic and business environment.

Dubai GDP by sector (2017)

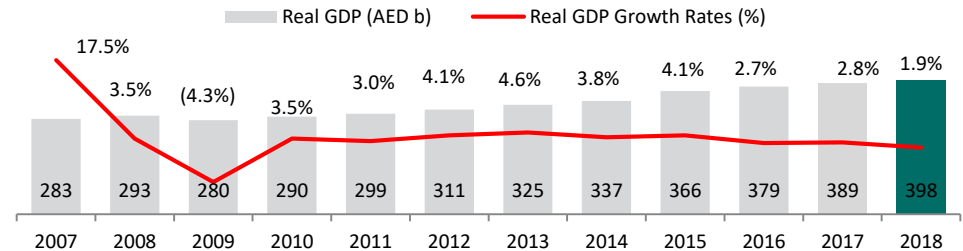


Source: Dubai Statistics Centre

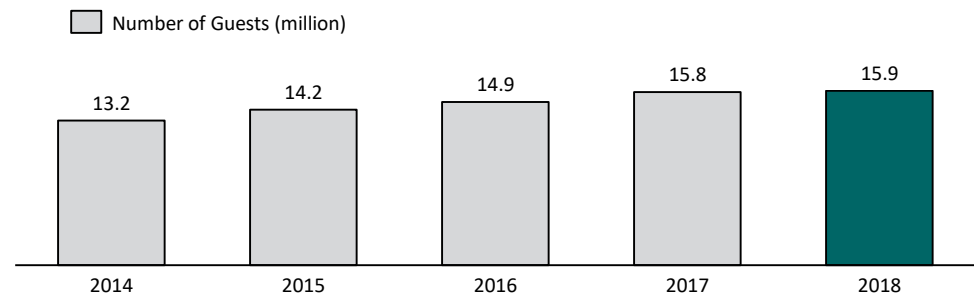
Foreign Trade



Growth in Economy

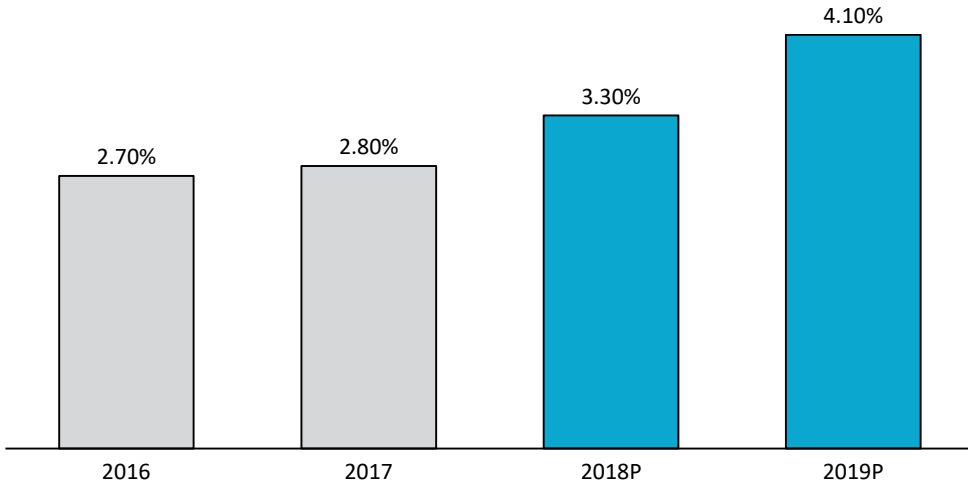


Tourism remains robust

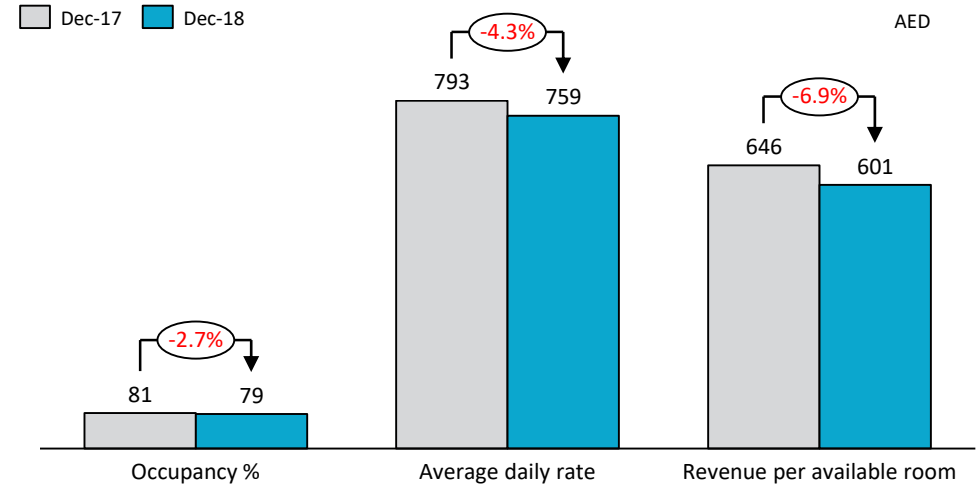


Dubai Economic Update – softening real estate prices and general business conditions

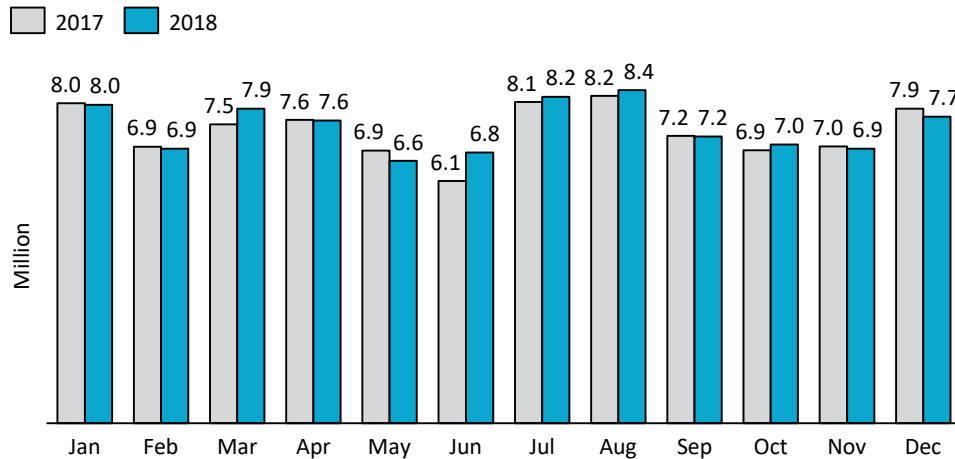
Dubai GDP growth



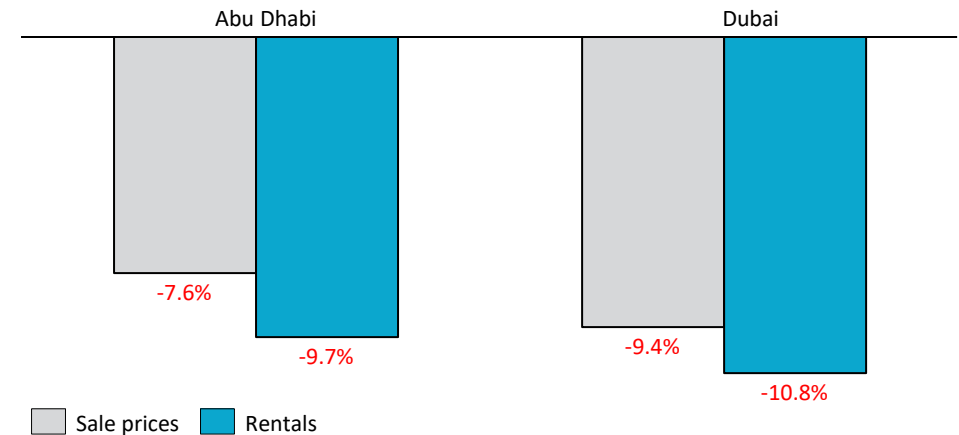
Dubai hospitality



Dubai airport passenger traffic



UAE real estate – January 19 versus January 18

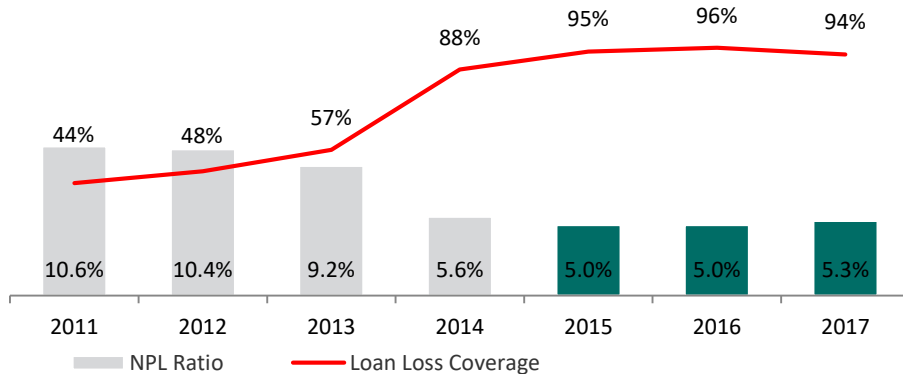


UAE Banking Sector – remains stable and resilient

Snapshot of UAE banking industry

- As of March 2019, the UAE banking industry, which is the largest banking industry in the GCC, comprised of 50 banks, 23 of which were domestically-incorporated.
- The industry is regulated by the UAE Central Bank, which was established in 1980. The UAE Central Bank has a track record of providing systemic support to the banking industry, as and when needed.
- As of February 2019, total loans and advances increased by 0.9% over December 2018 while deposits increased by 0.7%. The market loan to deposit ratio stood at 94.6% as of February 2019.

Industry asset quality



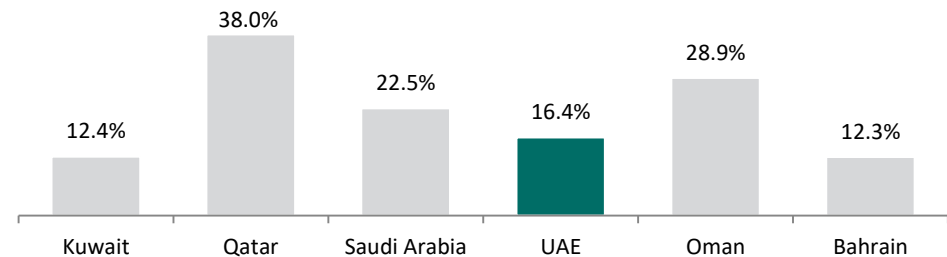
Key industry indicators

AED b	2014	2015	2016	2017	2018	Feb-19
Total assets	2,288	2,459	2,593	2,694	2,878	2,910
Customer deposits	1,421	1,472	1,563	1,627	1,756	1,768
Loans and advances	1,361	1,466	1,554	1,580	1,657	1,672
Specific provision	72	73	79	80	91	92
General provision	24	27	29	30	32	31
Loan to deposit (%)	95.8	99.6	99.4	97.1	94.4	94.6
CAR (%)	18.2	18.3	18.9	18.9	18.2	18.2*
Tier 1 ratio (%)	16.2	16.6	17.3	17.4	16.9	16.9*

*Dec-18

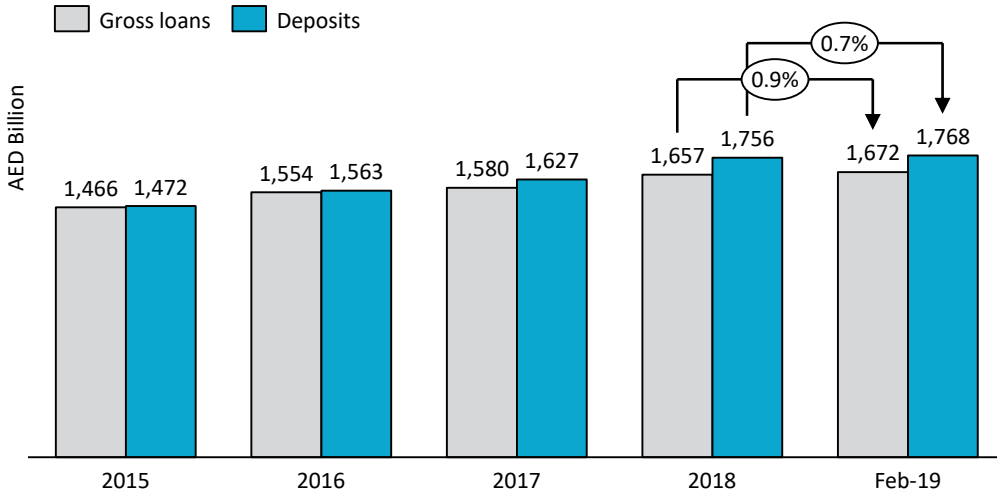
Government deposits as % of total deposits

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

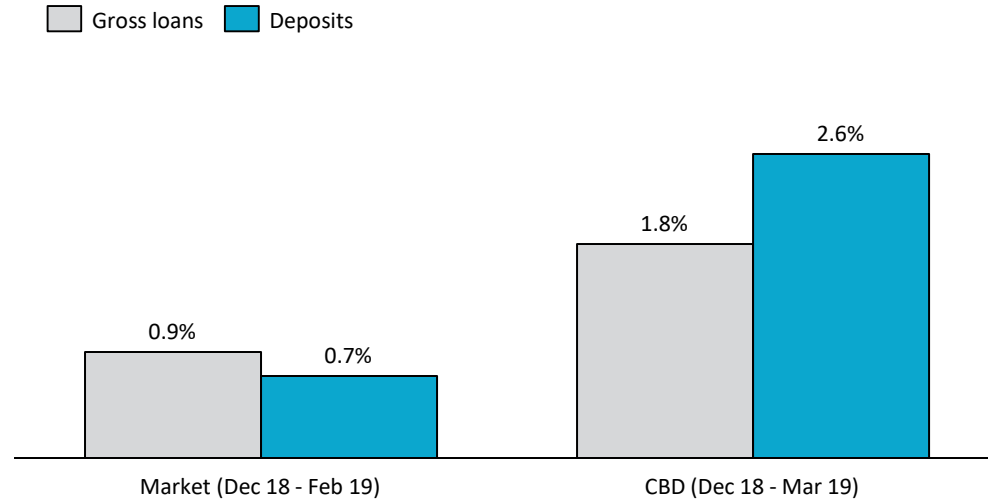


UAE Banking Industry – underlying market credit and deposit appetite has been strong

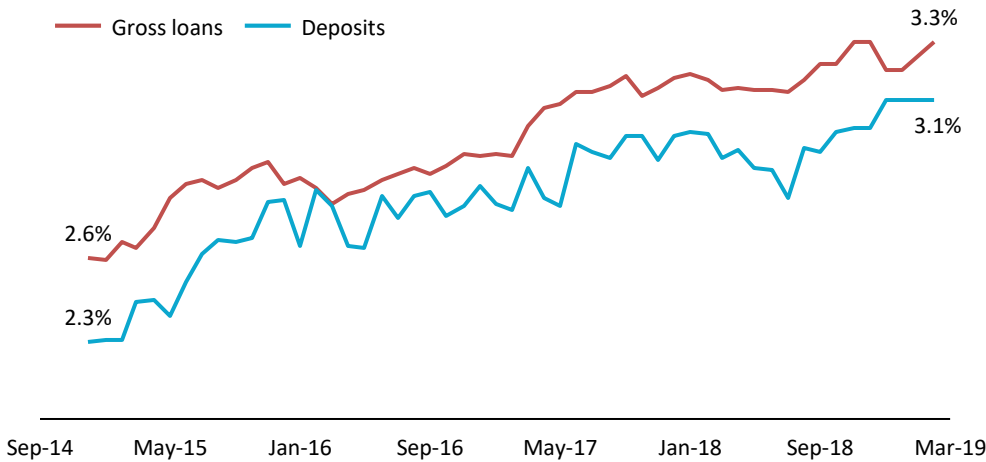
Gross loans and deposits



Volume growth



CBD market share



3 Month EIBOR and UAE loan to deposit ratio

