



Commercial Bank of Dubai



FULL YEAR RESULTS 2018

Investor Presentation January 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

(AED m)

		Change (AED, bp)	Change (%)
	FY18	FY18 - FY17	FY18 - FY17
Net profit	1,162.1	160.2	16.0%
Return on equity (RoE)	13.5%	179.3	15.4%
Return on assets (RoA)	1.57%	14.54	10.2%
Interest margin	2.69%	(11.3)	(4.0%)
Cost to income ratio	31.5%	(258.3)	(7.6%)
Impairment charge to gross loans	1.26%	(11.2)	(8.2%)
Capital adequacy ratio	14.6%	(60.1)	(4.0%)

Performance Achievements

- Improved underlying business performance with a broad based profit uplift
- Solid loan growth across both Corporate and Commercial Banking
- Excellent momentum in the Treasury business
- Strong credit management practices with close management over provisions and recoveries
- Continued digitisation of core customer processes
- Further strengthening of senior leadership team and organisational redesign
- Disciplined control over staff and all operating expenses
- Streamlining of our physical footprint as evidenced by the closure of four branches

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

Strategic Execution in 2018

Achieve Financial Results

- Net profit up by 16% compared to 2017
- Return on equity improved to 13.47% for the year
- Cost to income reduced to 31.5% from 34.1%

Become Employer of Choice

- Injected talent in core operating divisions
- Implementing a high performance culture across the organisation
- Development and retention of UAE national talent

Customer Focus

- Set up a corporate service desk and dedicated contact center
- Enhanced the cash management product suite
- Improved treasury product offering and customer support

Default Digital

- Automated core credit processes
- Rolled out our enhanced retail CBD App
- Reduced credit card service time

Financial Dashboard

(AED m)

Income statement

Net interest income & Islamic financing income
Net fees, commission and FX income
Other operating income
Total revenue
Operating expenses
Operating profit
Net impairment allowances
Net profit

	FY 18	FY 17	Var	Q4 18	Q3 18	Var
	1,911	1,821	5.0%	484	489	(1.0%)
	721	684	5.4%	185	182	1.3%
	92	138	(33.0%)	38	19	106.5%
	2,725	2,642	3.1%	707	690	2.5%
	858	901	(4.7%)	224	210	6.5%
	1,866	1,742	7.2%	483	480	0.8%
	704	740	(4.8%)	164	197	(16.8%)
	1,162	1,002	16.0%	319	282	13.0%

Balance sheet

Gross loans and advances
Allowances for impairment
Net loans and advances
Total assets
Customers' deposits
Shareholders' equity

	54,058	50,185	7.7%	54,058	52,848	2.3%
	3,113	2,910	7.0%	3,113	3,045	2.2%
	50,945	47,276	7.8%	50,945	49,803	2.3%
	74,102	70,414	5.2%	74,102	72,437	2.3%
	53,165	48,411	9.8%	53,165	50,415	5.5%
	9,219	9,081	1.5%	9,219	8,908	3.5%

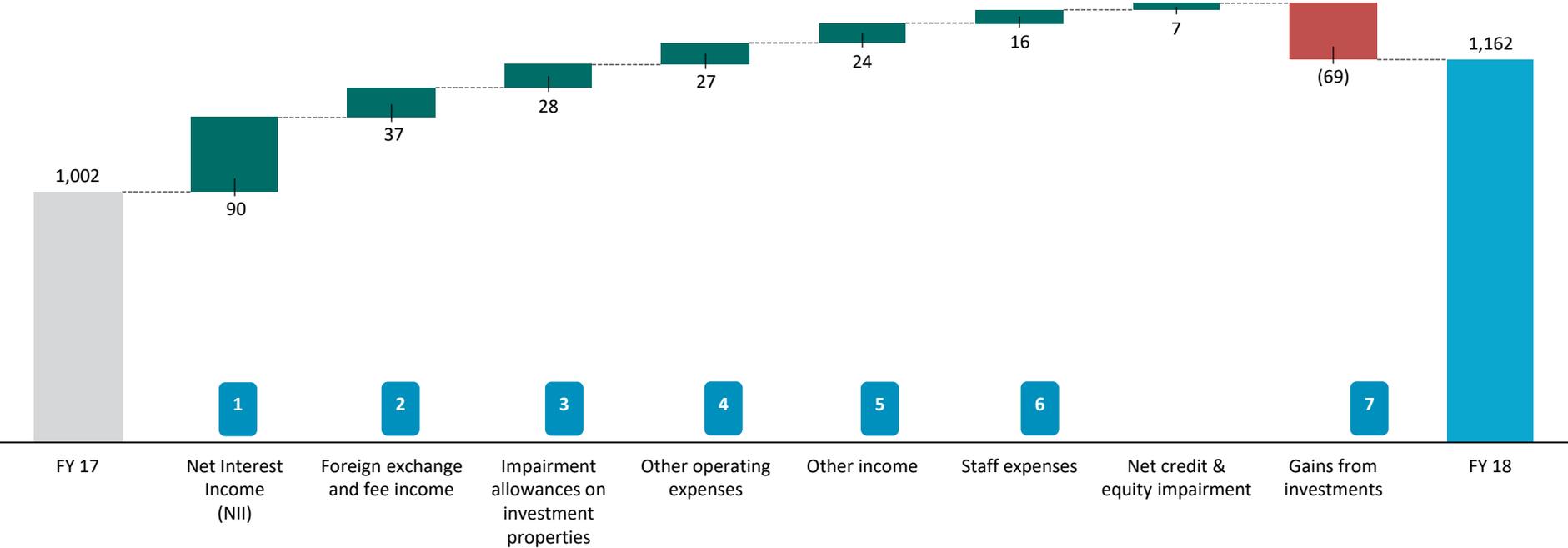
Key ratios, %

Return on equity
Return on assets
Cost to income ratio
Capital adequacy ratio (limit >= 12.375%)
Non-performing loan (NPL)
Provision coverage
Net interest margin
Loan to deposit
Advances to stable resources (limit <= 100%)
Eligible liquid assets ratio (ELAR)
Tier 1 ratio (limit >= 10.375%)
CET1 ratio (limit >= 8.875%)

	13.5%	11.7%	179	13.8%	12.7%	117
	1.6%	1.4%	15	1.7%	1.6%	16
	31.5%	34.1%	(258)	31.7%	30.5%	119
	14.6%	15.2%	(60)	14.6%	14.9%	(31)
	6.2%	8.7%	(249)	6.2%	6.7%	(56)
	77.8%	78.3%	(46)	77.8%	72.1%	572
	2.69%	2.81%	(11)	2.56%	2.73%	(17)
	95.8%	97.7%	(183)	95.8%	98.8%	(296)
	89.4%	88.6%	86	89.4%	89.6%	(21)
	16.23%	14.38%	185	16.23%	13.29%	294
	13.4%	14.0%	(62)	13.4%	13.7%	(31)
	13.4%	14.0%	(62)	13.4%	13.7%	(31)

Net Profit Performance for 2018 – Strong business performance with broad based improvement

(AED m)



1 NII increased by 90m due to a higher average performing loan balance and interest earning assets coupled with a higher average yield.

2 Foreign exchange and fee income increased by 37m in 2018 across processing fees, fund management fees, loans and advances, credit cards, deposit accounts and trade finance activities.

3 Valuation impairment on investment properties were not repeated in 2018.

4 Other operating expenses were lower by 9% or 27m as a result of disciplined expense management practices and overall increased operational efficiency.

5 Other income increased by 24m mainly attributable to the gain on sale of properties acquired in settlement of debts.

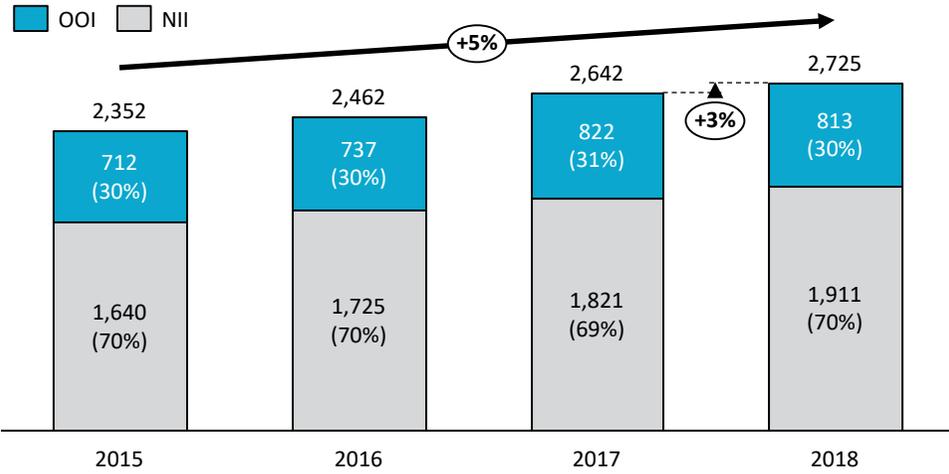
6 Staff expenses reduced by 16m following network optimisation, organisation structure improvements and enhanced operating efficiencies.

7 One off investment dividend received in 2017 not repeated in 2018.

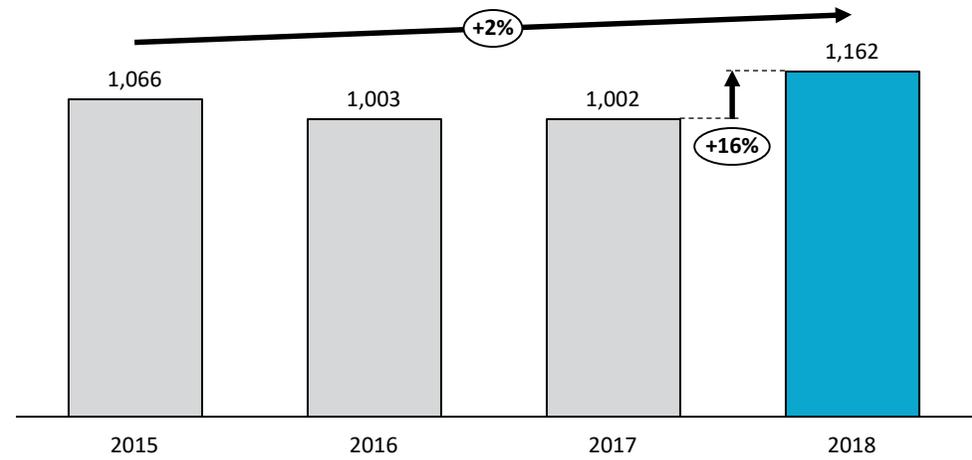
Underlying Business Growth – good momentum with our strategy execution

(AED m)

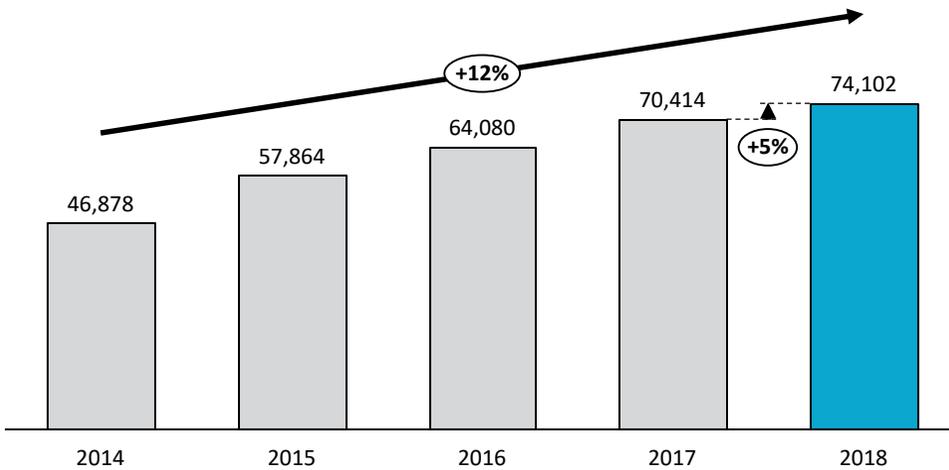
Revenue composition



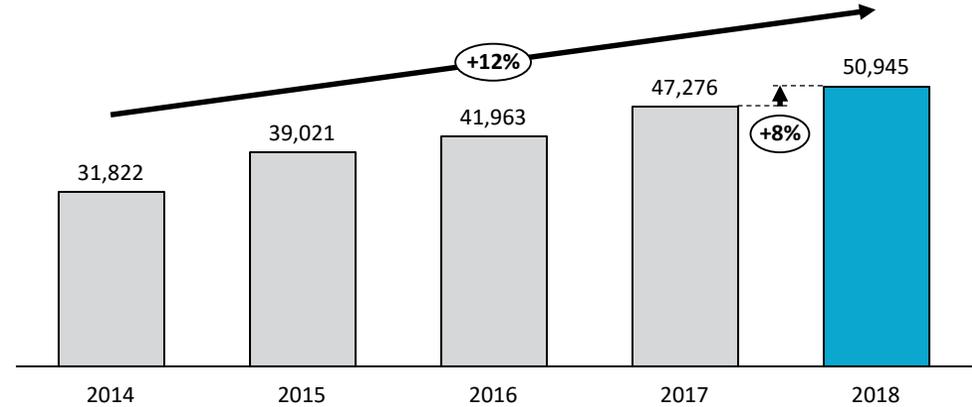
Net profit



Assets



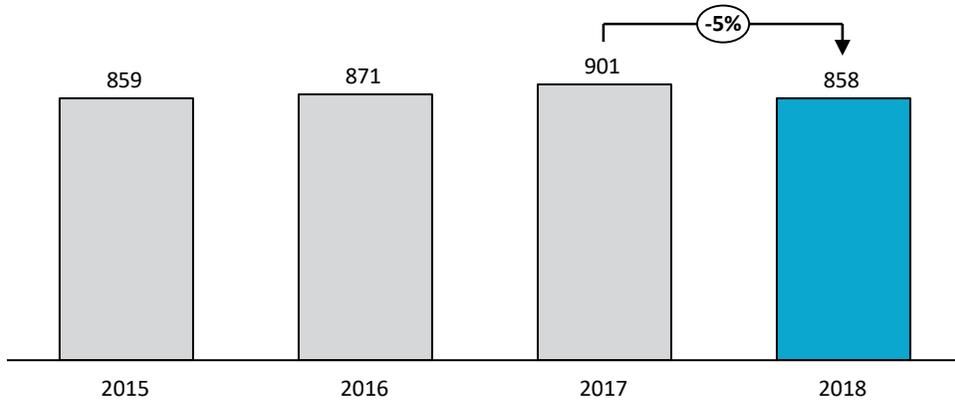
Net loans



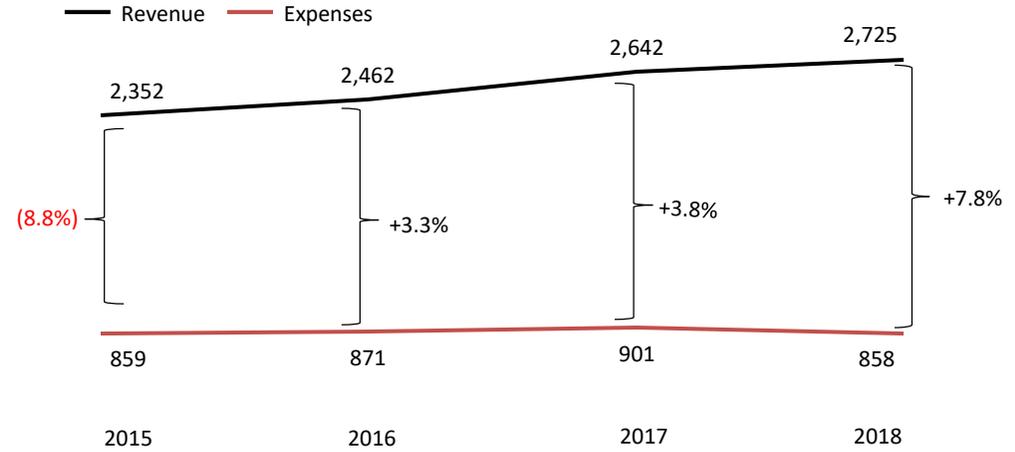
Profitability and Returns – improved business performance and tight expense discipline

(AED m)

Expenses

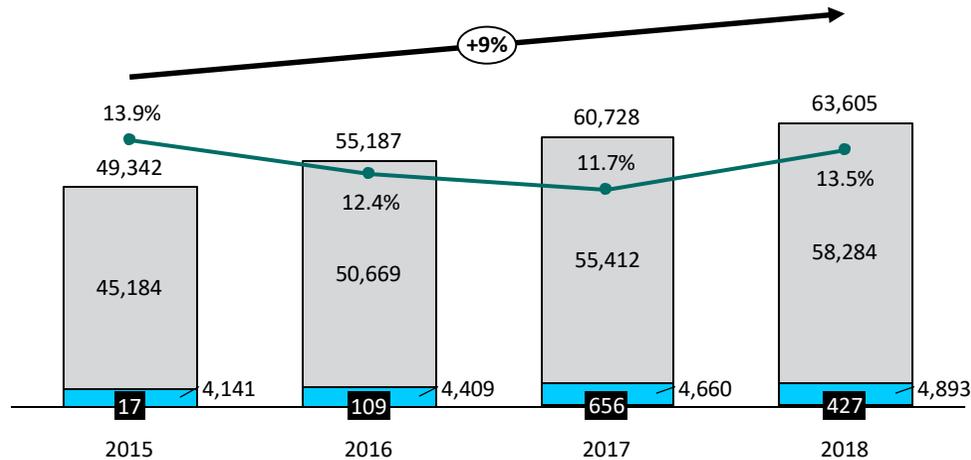


Revenue and expense JAWS



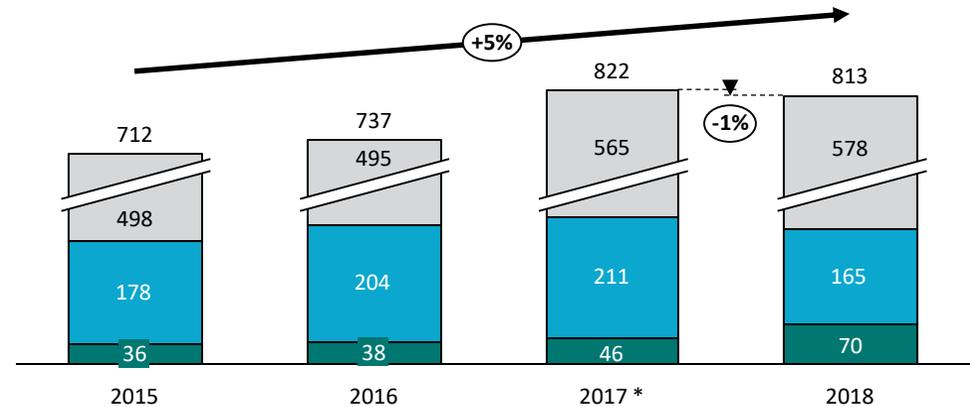
RWA and Return on Equity

Credit Risk
 Operational Risk
 Market Risk
 Return on Equity



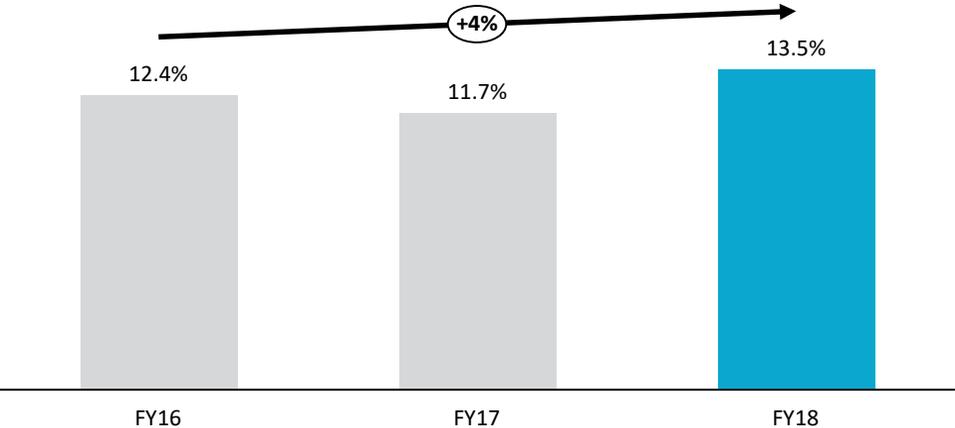
OOI composition

Fees and Commission
 FX and Investment
 Others
 * 2017 includes a one-off investment dividend.

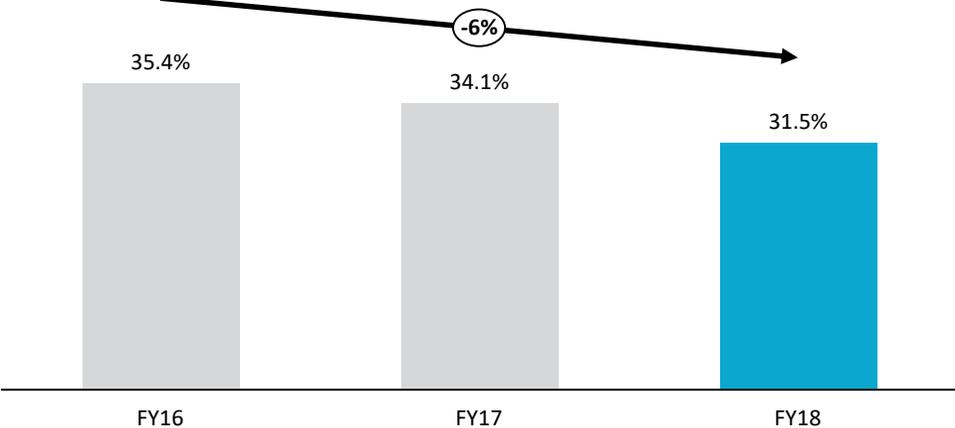


Financial Indicators – excellent traction in lifting returns

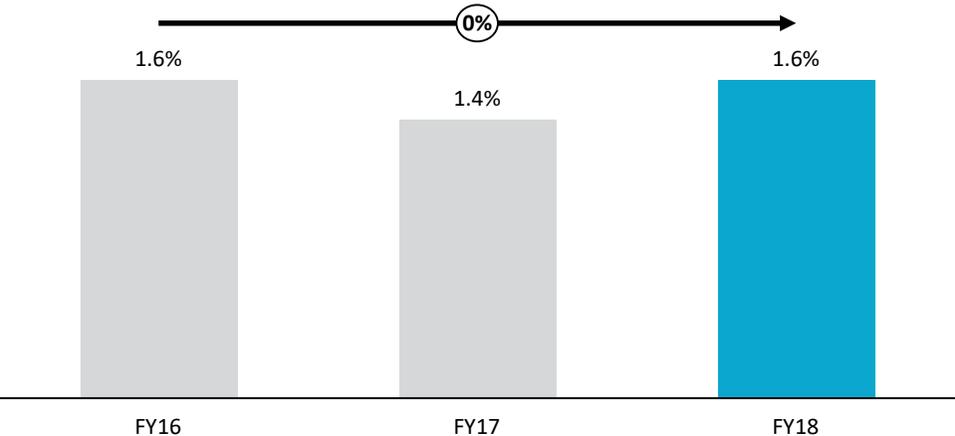
Return on Equity (ROE)



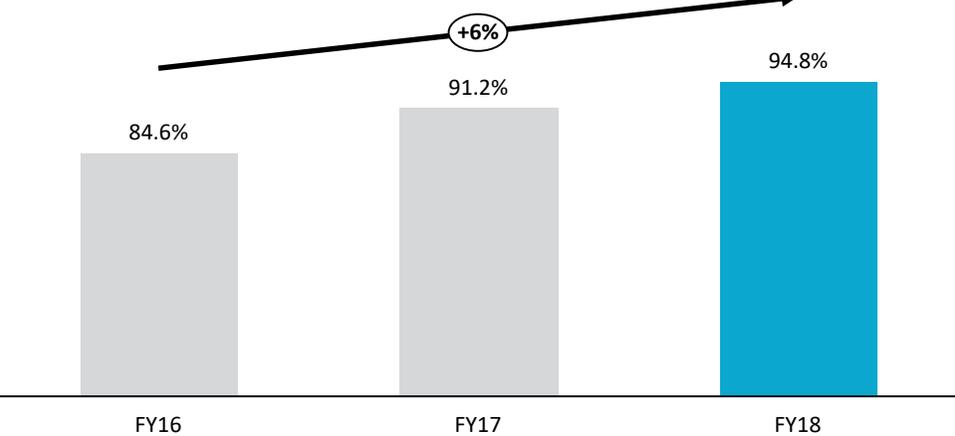
Cost to Income Ratio



Return on Assets (ROA)



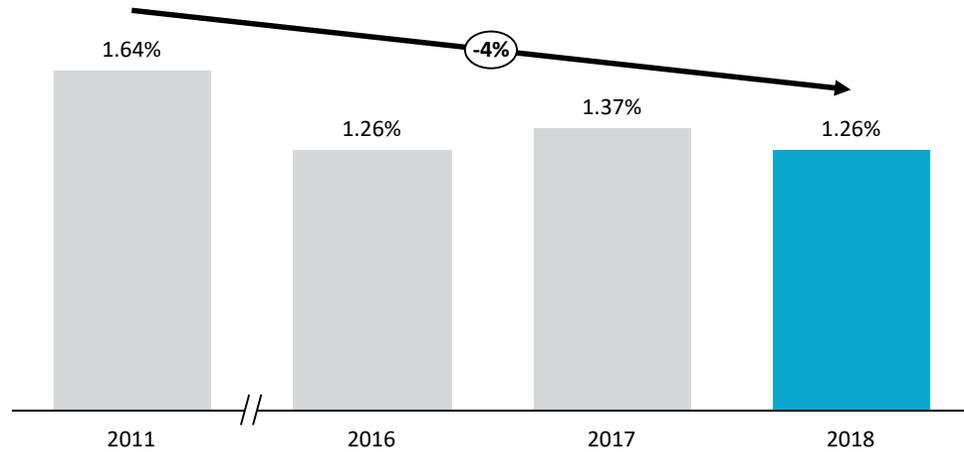
Other Operating Income as % of Expenses



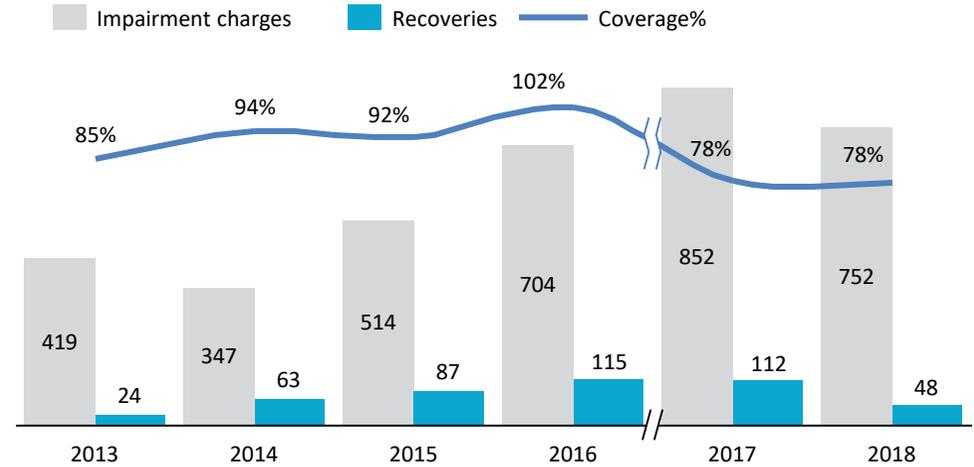
Asset Quality and Impairments – improved underlying asset quality with lower NPL

(AED m)

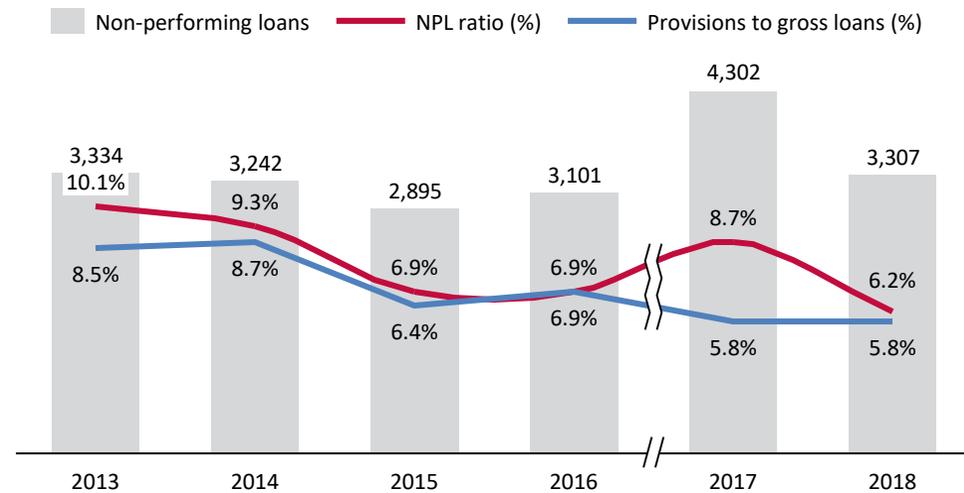
Cost of Risk



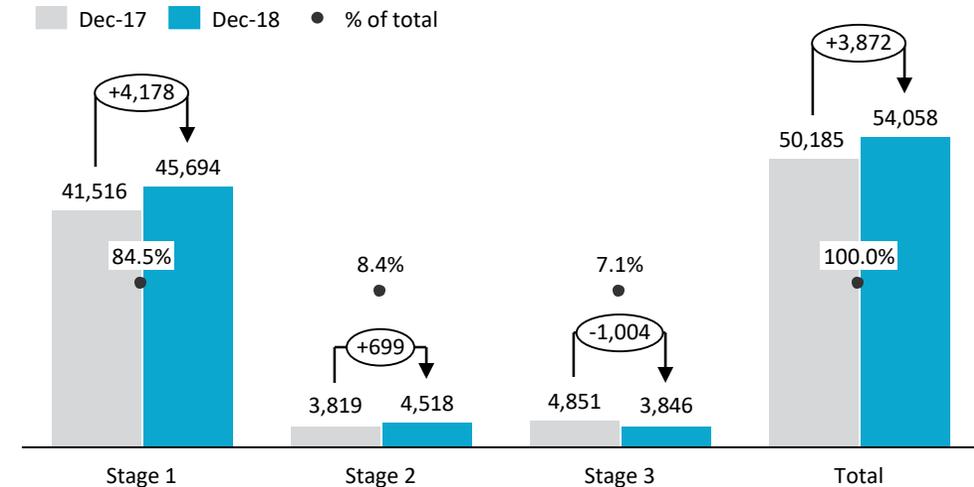
Impairment Charges and Recoveries



NPL Ratio



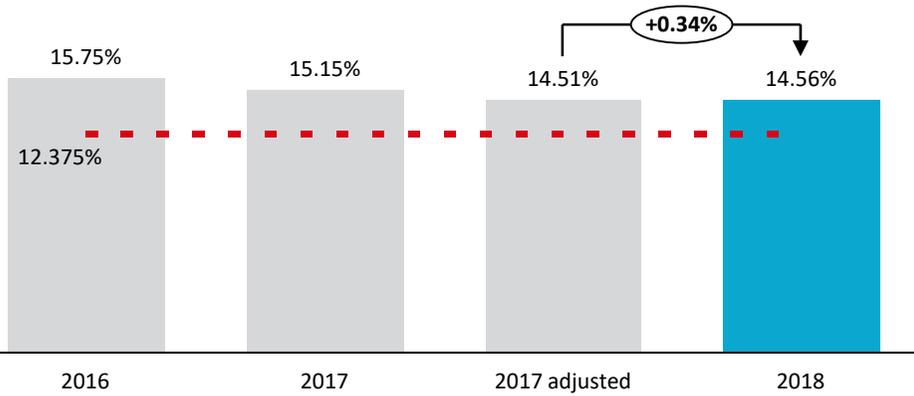
Gross Loan Exposures



Balance Sheet and Capital Strength – strong capital position with underlying internal capital generation

Capital Adequacy Ratio (CAR)

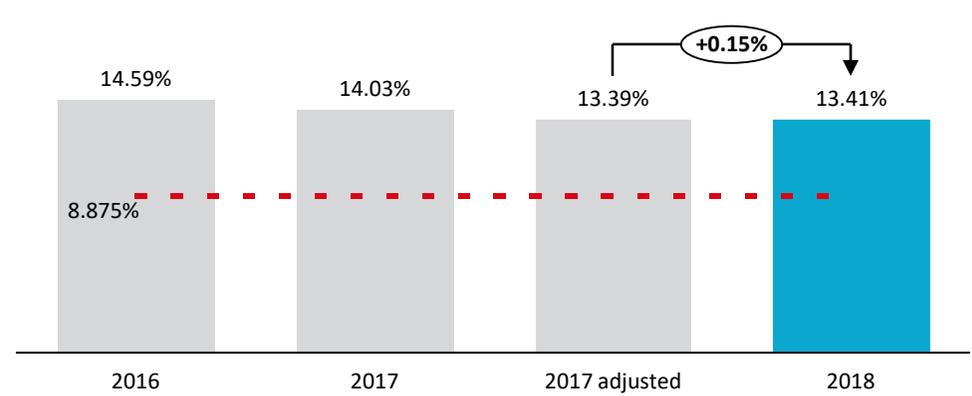
■ CAR ■ Regulatory limits (Minimum)



* 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)

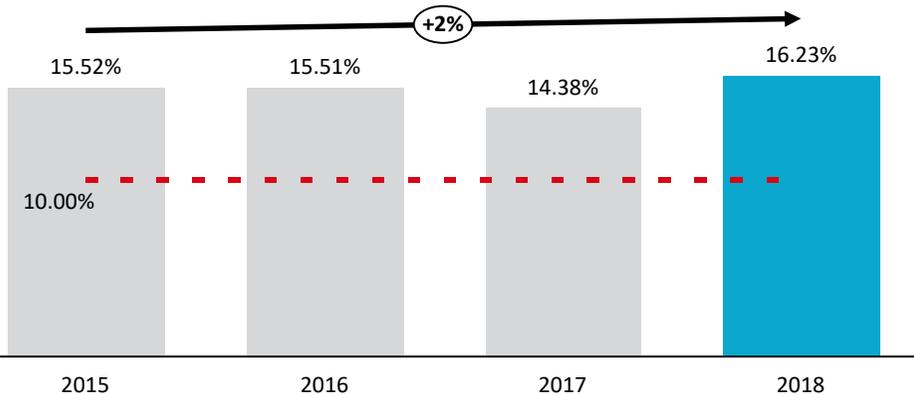
■ CET1 ■ Regulatory limits (Minimum)



* CET1 regulatory limit includes the capital conservation buffer of 1.875%

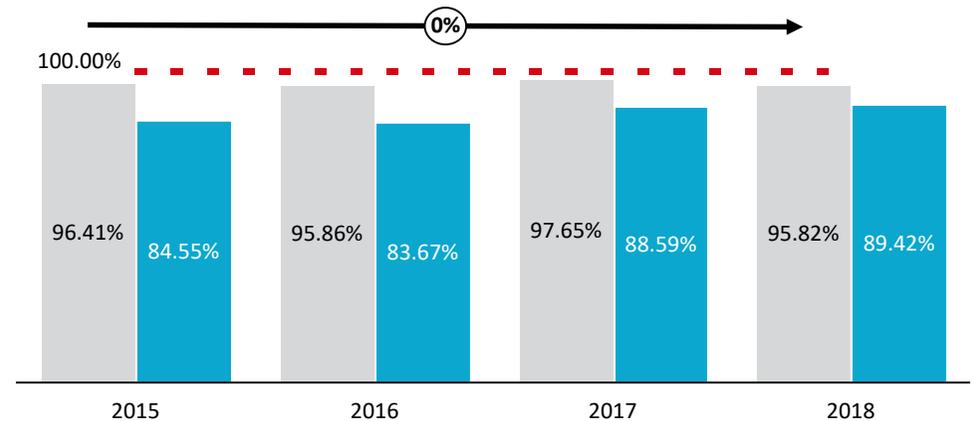
Eligible Liquid Assets Ratio (ELAR)

■ ELAR ■ Regulatory limits (Minimum)



Loans to Deposits and ASRR

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

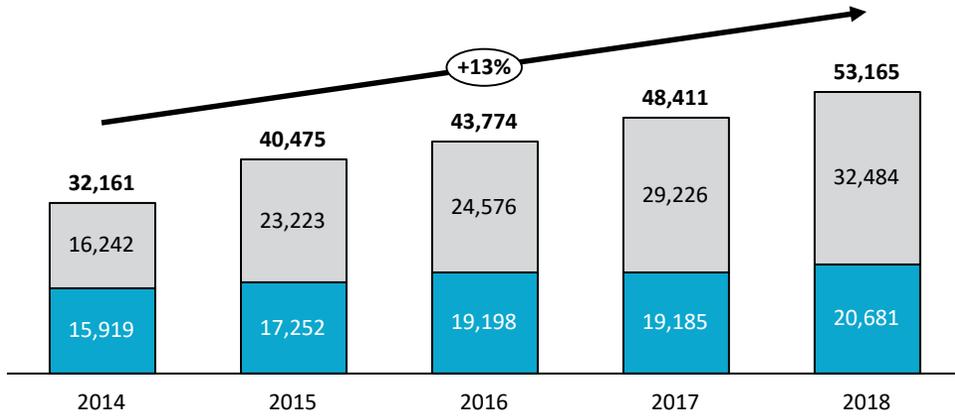


Funding and Liquidity – a stable source of diversified funding

(AED m)

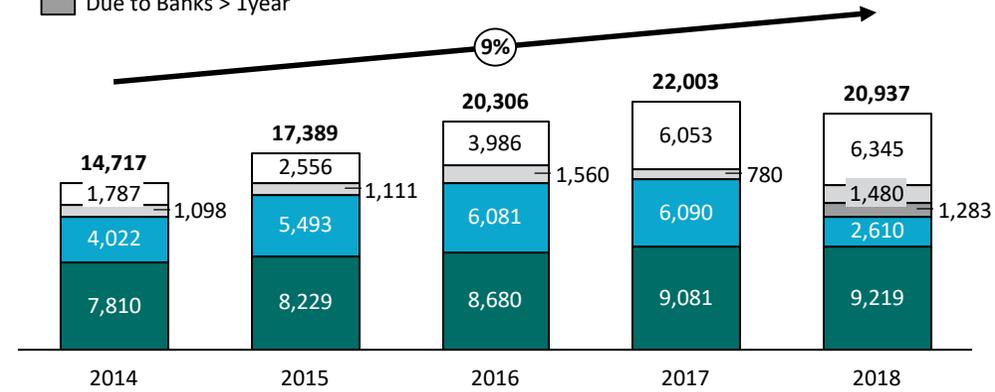
Customers' Deposits

TD CASA



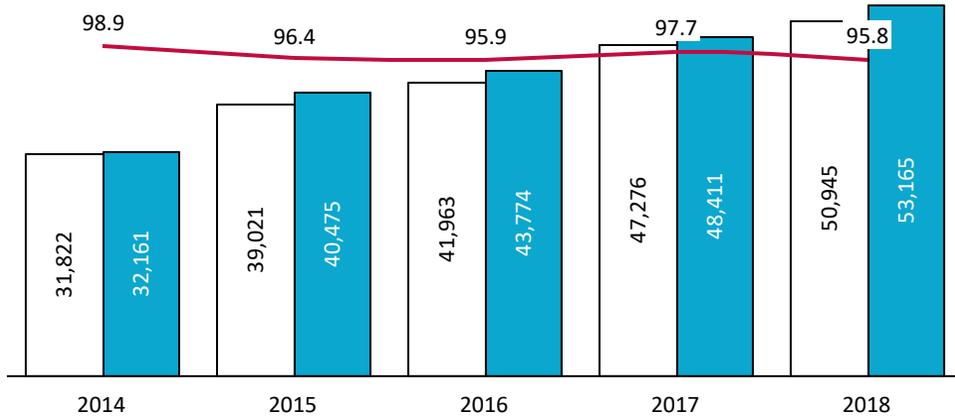
Other Funding Sources

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



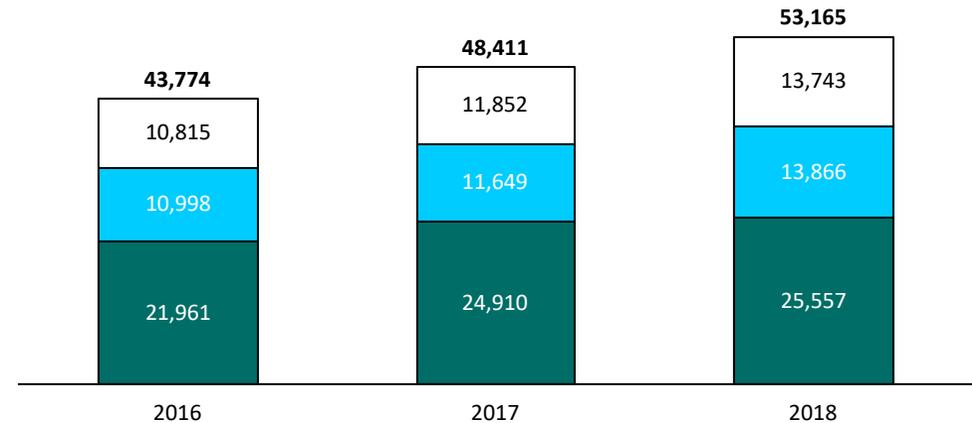
Loans to Deposits

Net Loans Customer Deposits Net Loans to Deposit Ratio %



Deposit Segmentation

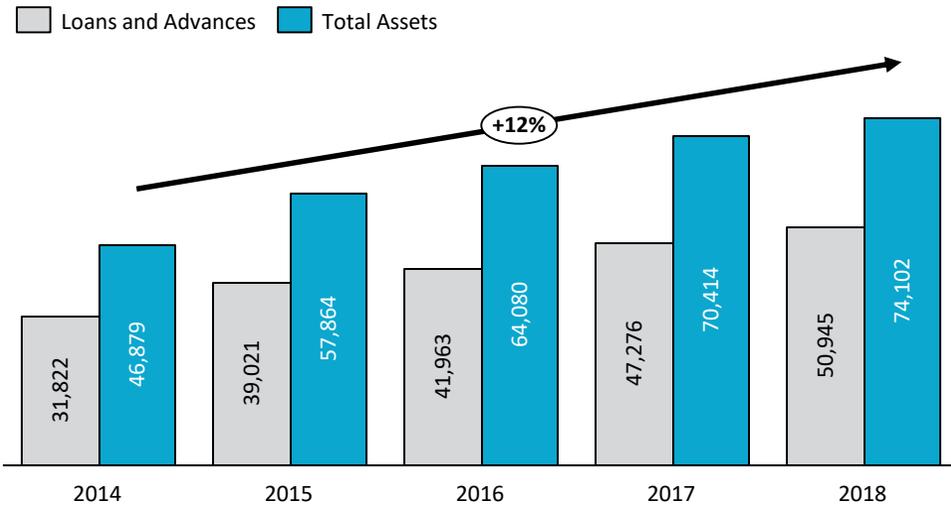
Government Individual Corporate



Balance Sheet and Dividend Analysis – a diverse highly rated customer portfolio

(AED m)

Assets and Loans

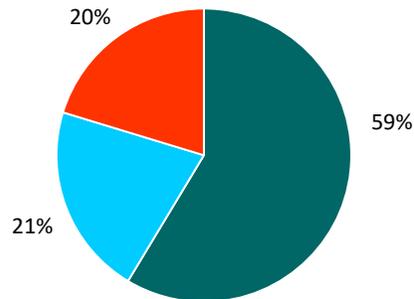


Gross Loans and Advances by Sector

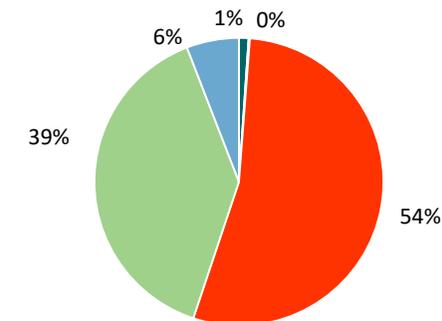
Sector	2018	2017	Δ %
Real estate	17,161	16,258	4.9%
Financial and insurance activities	7,312	4,669	54.2%
Trade	5,317	4,959	7.2%
Personal-schematic	4,925	4,545	8.5%
Services	4,305	3,710	16.0%
Personal-mortgage	2,836	2,628	12.9%
Hospitality	2,652	2,930	(9.5%)
Construction	2,523	2,077	21.5%
Manufacturing	2,360	3,063	(23.0%)
Individual loans for business	2,032	2,283	(12.5%)
Transportation and storage	1,492	1,953	(24.6%)
Others	1,012	975	3.2%
Government and public sector entities	131	135	97.2%
Total	54,058	50,185	7.7%

Investment Securities Portfolio (AED 7 b as at Dec 2018)

By Geography

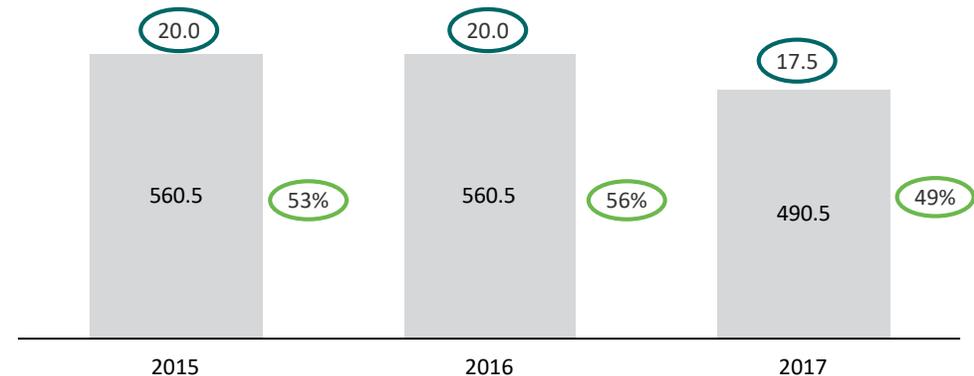


By Type



- Domestic
- Gulf Cooperation Council (GCC)
- International
- Equities
- Fund of funds
- Fixed rate government securities
- Other fixed rate securities
- Floating rate non-government securities

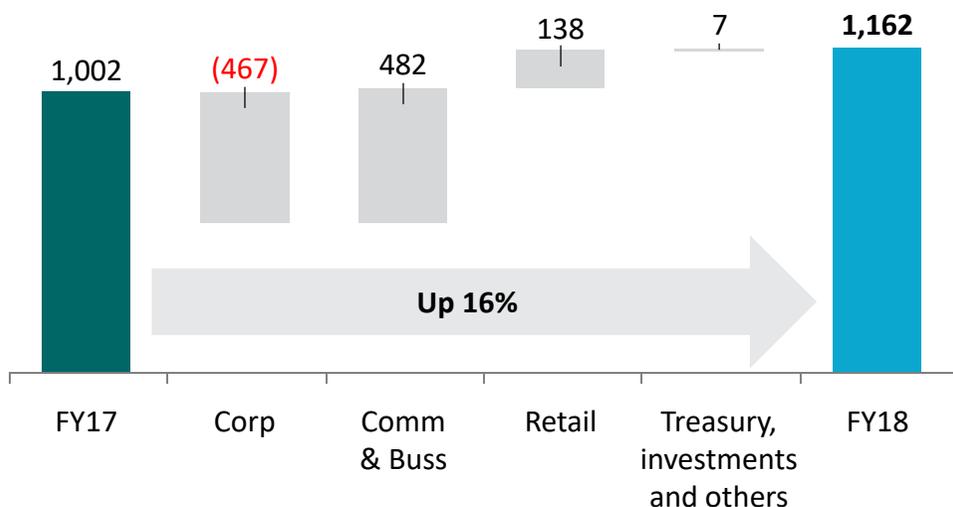
Reliable Dividend Payments



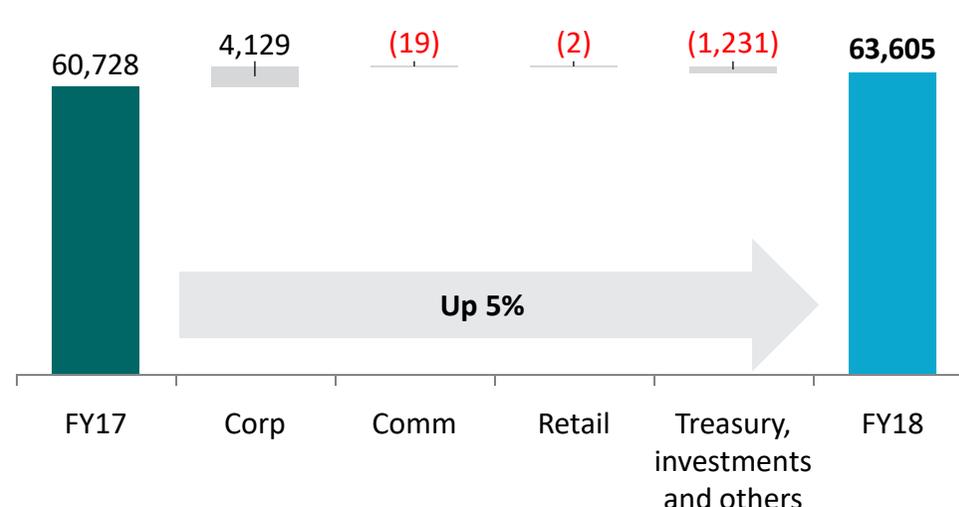
- Cash dividend amount
- Dividend payout to net profit ratio
- Cash dividend (Fils per share)

Divisional Contributions – specialist business lines to support our customers' requirements

FY18 divisional net profit movement (AEDm)



FY18 divisional RWAs movement (AEDm)

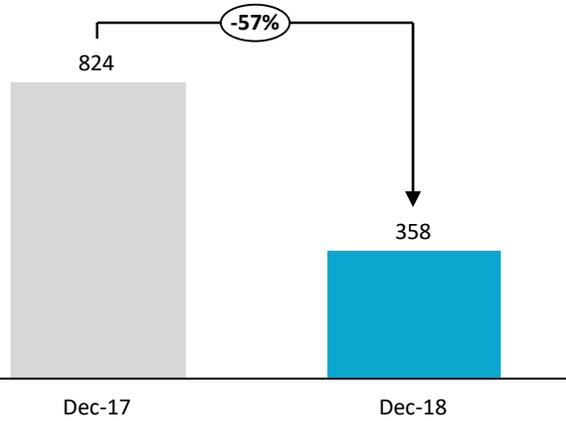


FY18 (AEDm)	Corporate	Commercial & Business	Retail	Treasury & Investment	Total
Operating income	945	787	635	359	2,725
Expenses	(165)	(255)	(399)	(39)	(858)
Operating profit	779	531	236	319	1,866
Impairment (charges)/benefits	(422)	(96)	(179)	(7)	(704)
Net profit	358	435	57	312	1,162
% of Group net profit	30.8	37.5	4.9	26.8	100.0

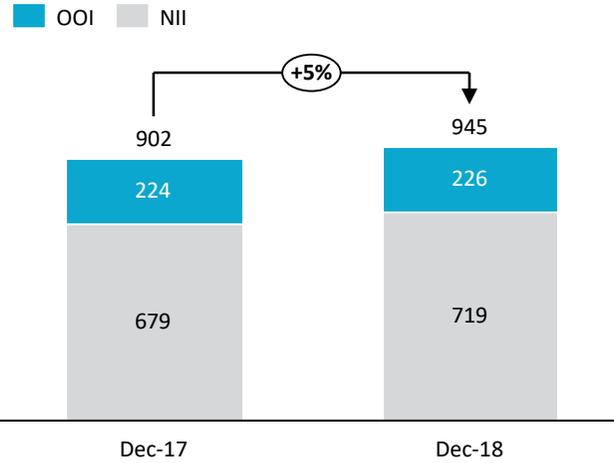
Business Performance – Corporate Banking

(AED m)

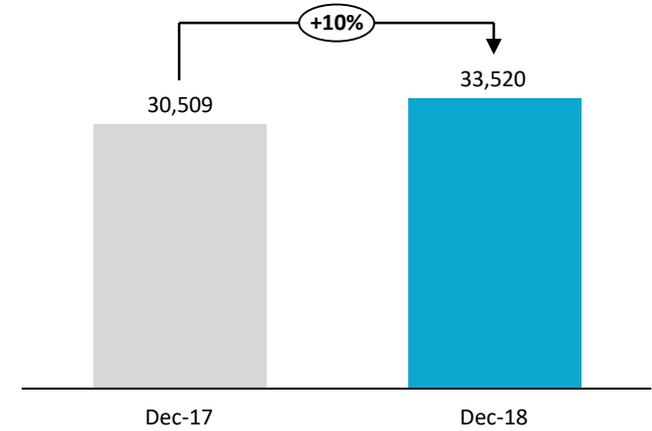
Net profit



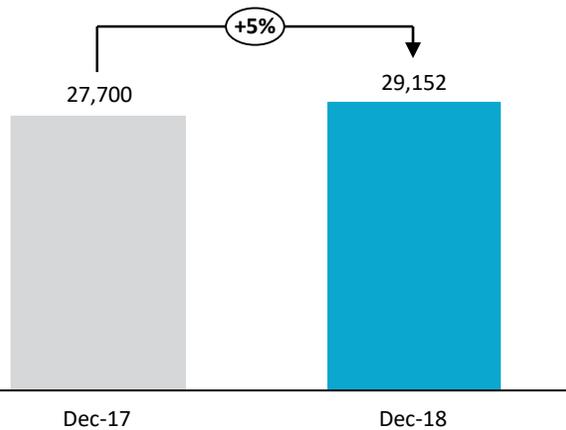
Revenues



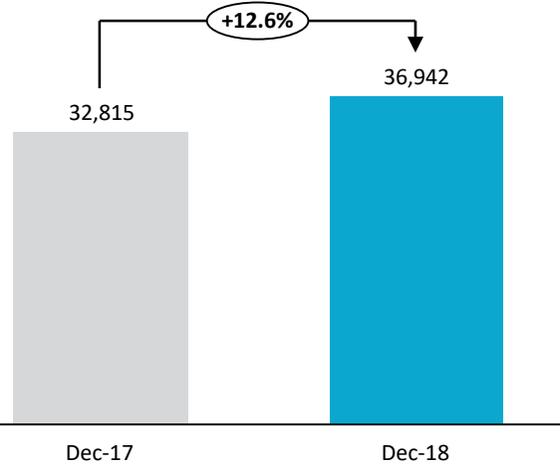
Gross loans



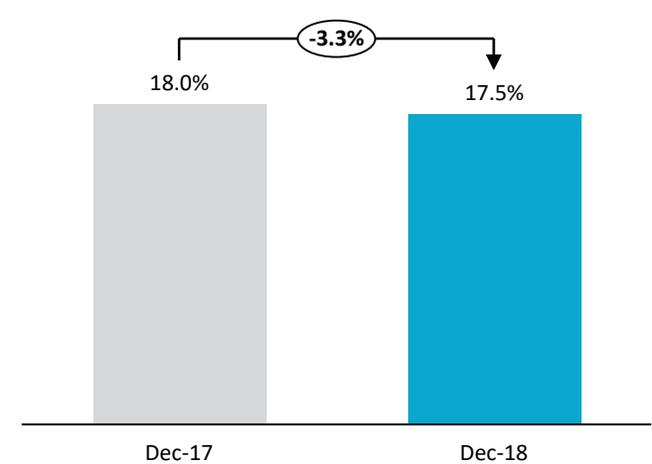
Deposits



RWA



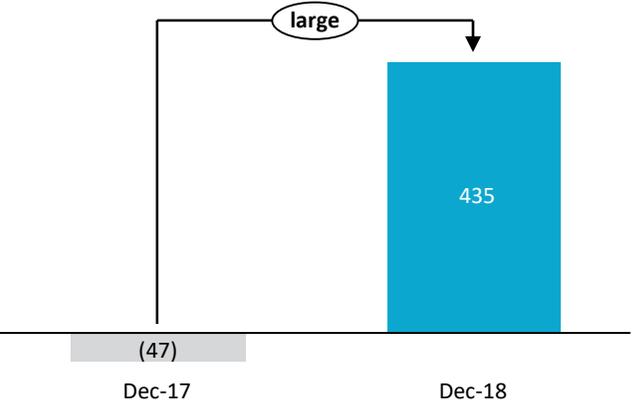
Cost to income (CTI)



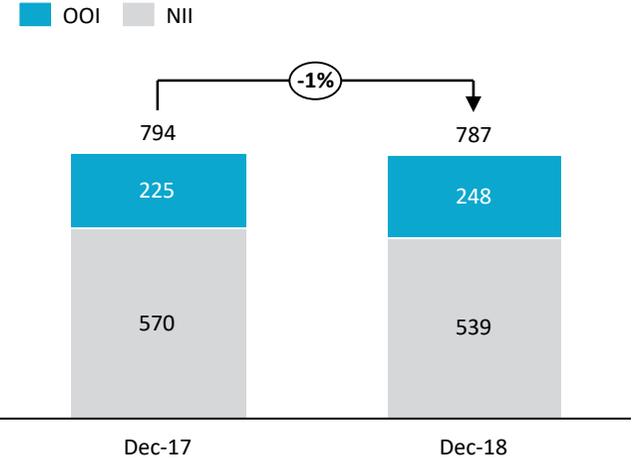
Business Performance – Commercial & Business Banking

(AED m)

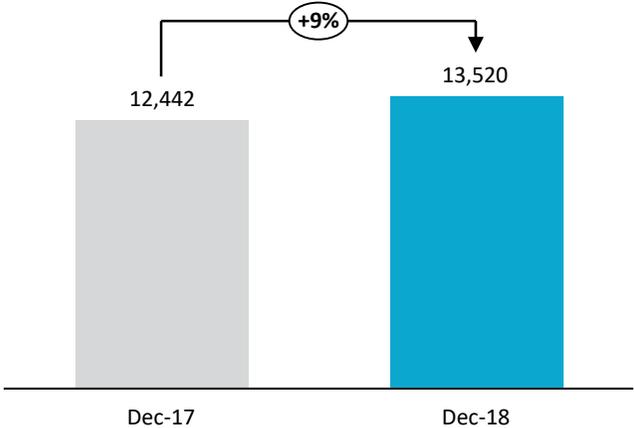
Net profit



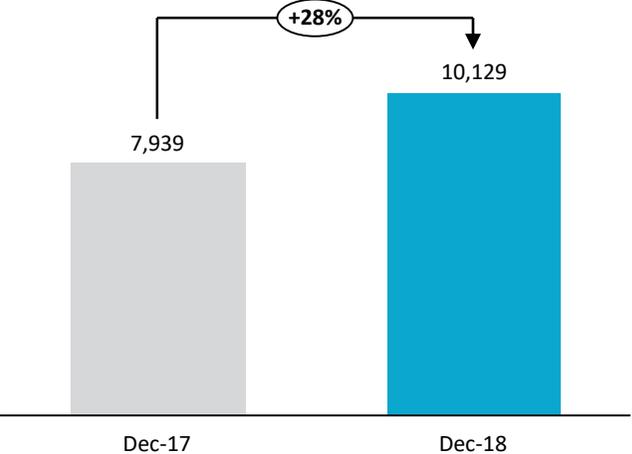
Revenues



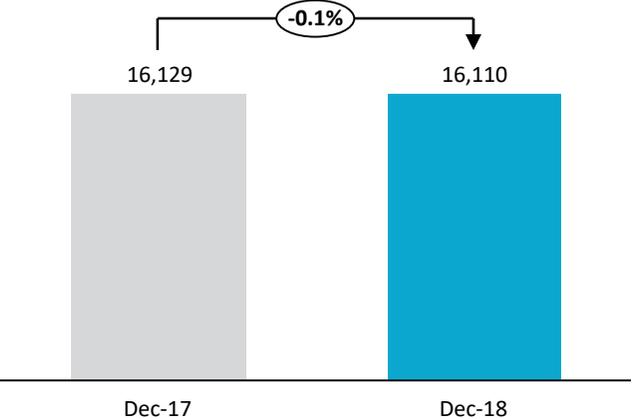
Gross loans



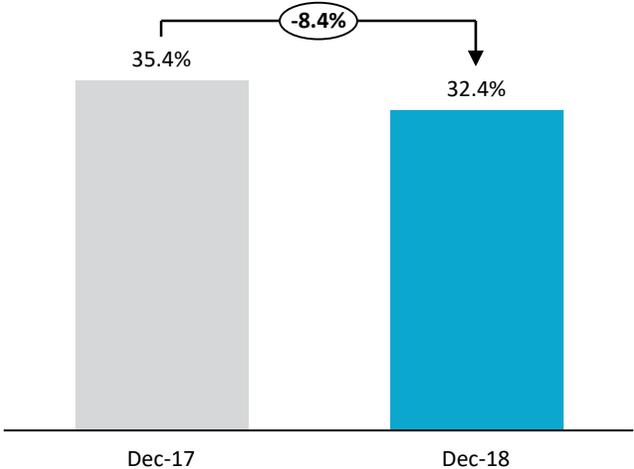
Deposits



RWA



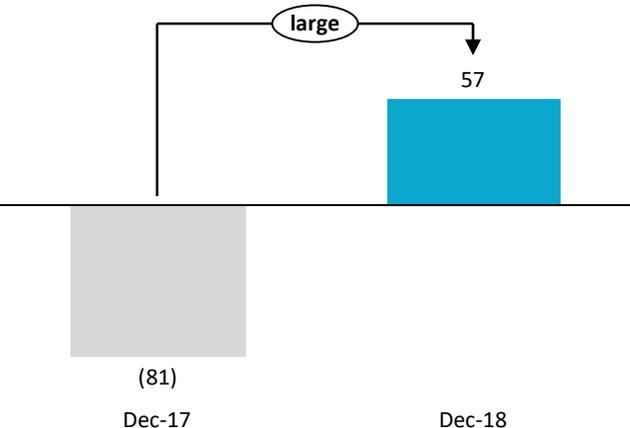
Cost to income (CTI)



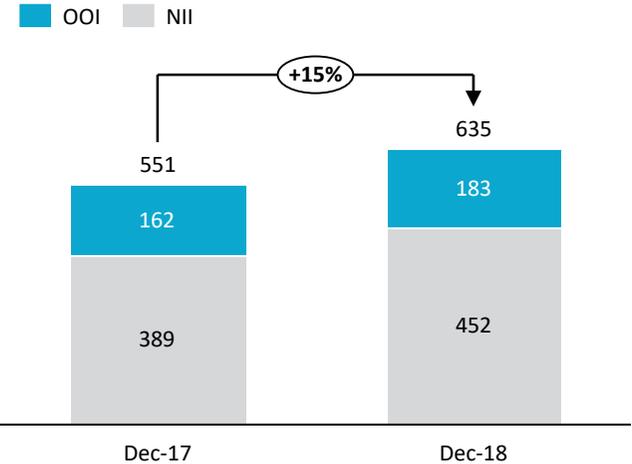
Business Performance – Retail Banking

(AED m)

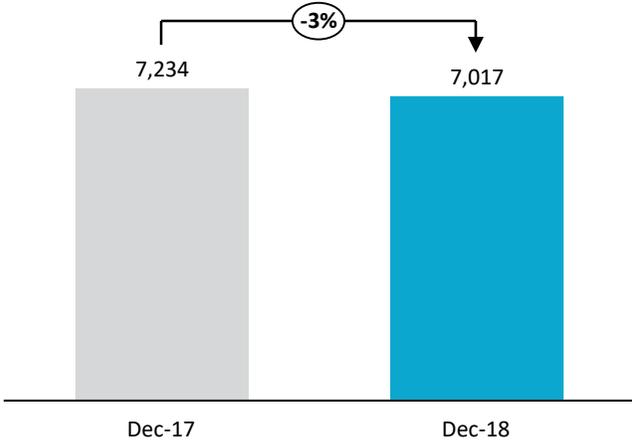
Net profit



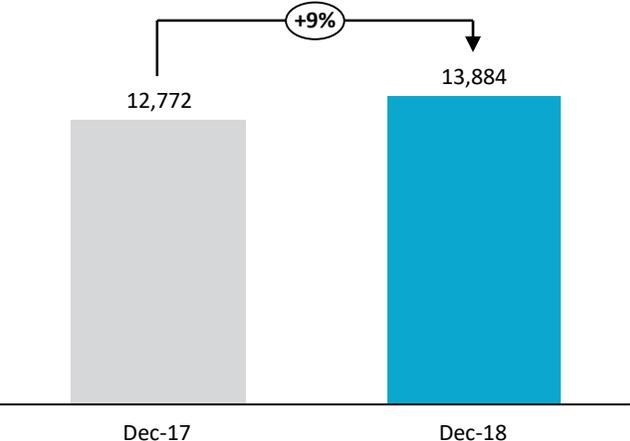
Revenues



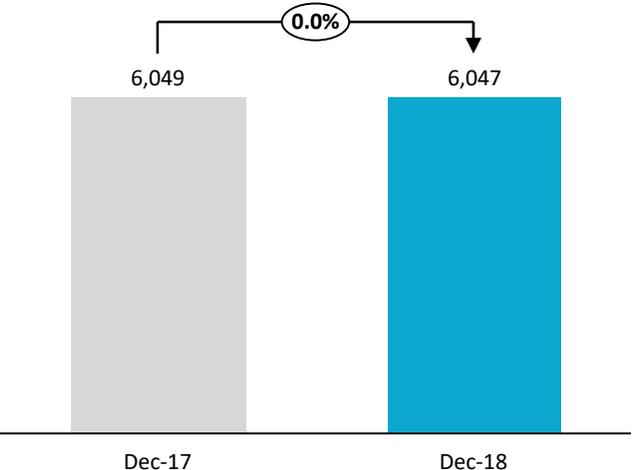
Gross loans



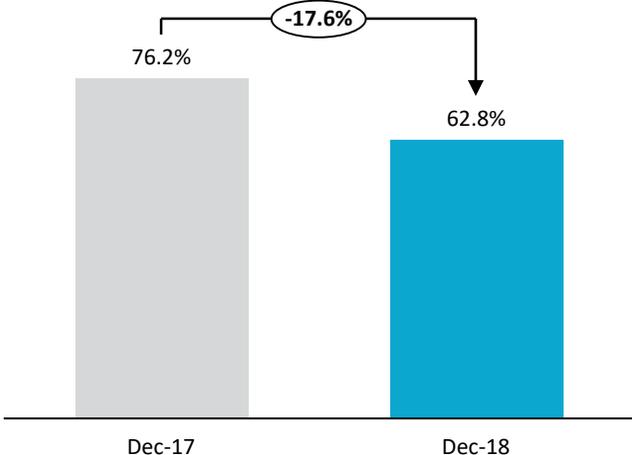
Deposits



RWA



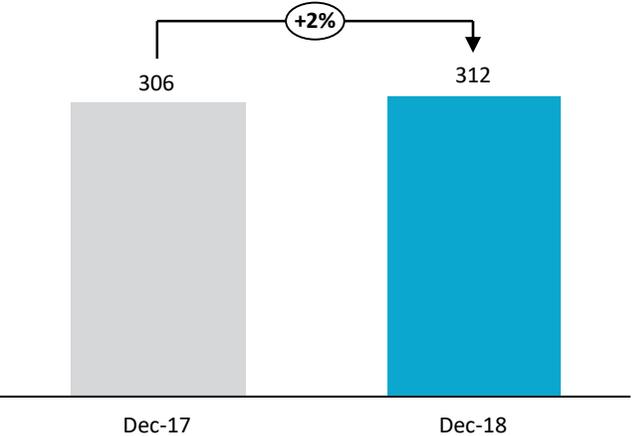
Cost to income (CTI)



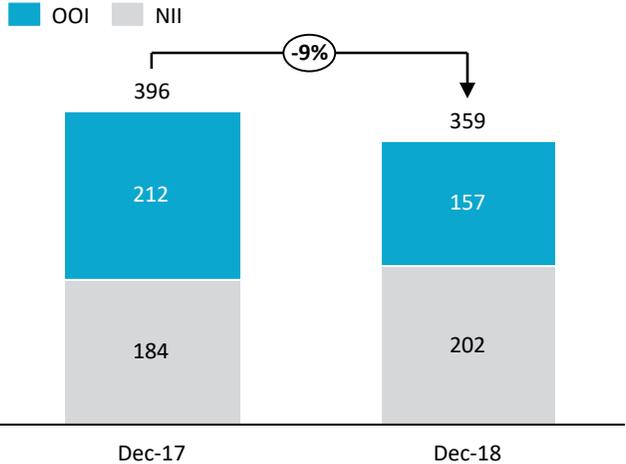
Business Performance – Treasury, investments and others

(AED m)

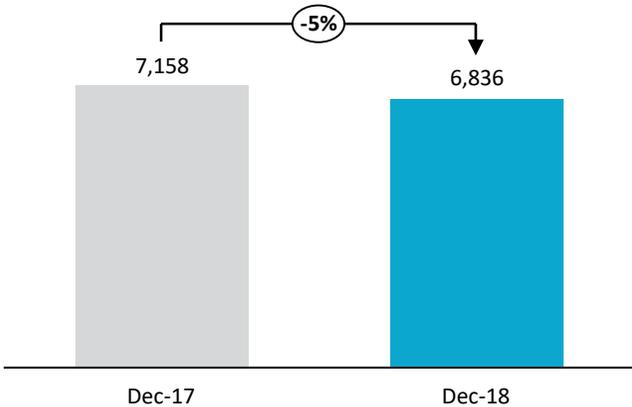
Net profit



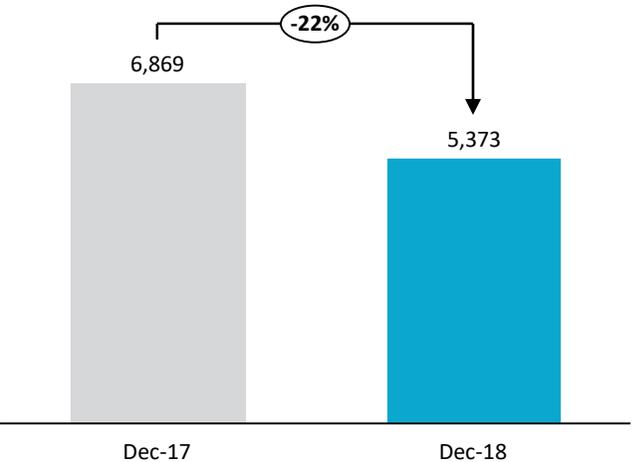
Revenues



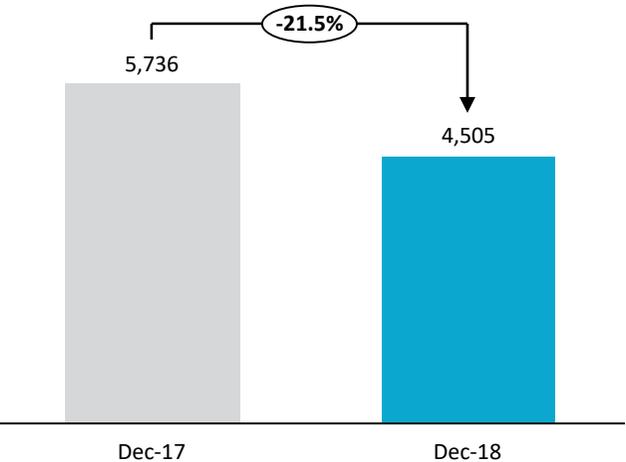
Investment, net



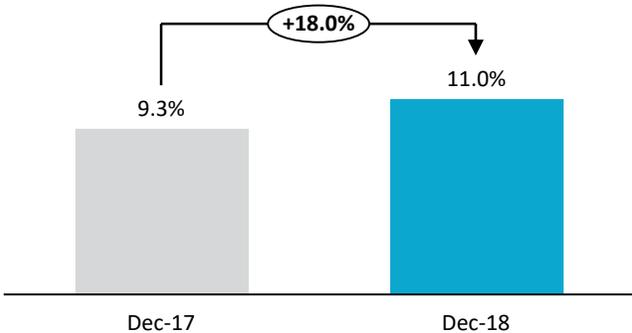
Notes and due to banks



RWA



Cost to income (CTI)



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 & 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 & Investments. As at 31 December 18, assets of the Corporate Banking segment and Commercial Banking segment together accounted for approximately 49.7 b or 67% of its total assets.
- CBD launched a full fledged Islamic Banking business in September 2008 to offer Shari'a-compliant banking and financial services.
- CBD has two wholly-owned subsidiaries: CBD Financial Services LLC (CBDFS), which provides brokerage facilities for local shares and bonds; and Attijari Properties LLC, which provides services for self-owned property management. 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



Mr. 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 36.23%

A W Rostamani Group 6.10%

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
Head of 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

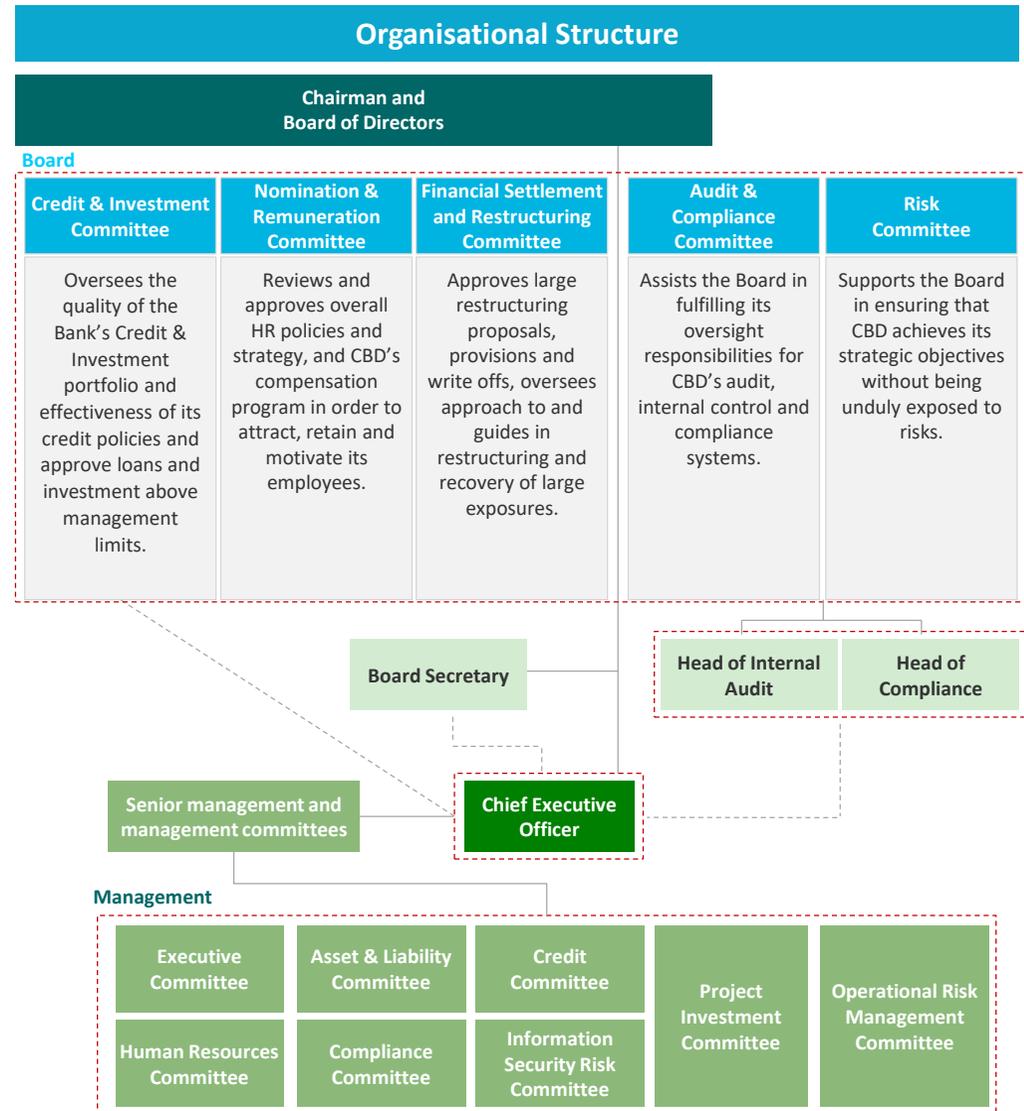
Board of Directors

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 December 2018 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 year, CBD participated and volunteered in a number of activities demonstrating its commitment to Corporate Social Responsibilities (CSR):

- Sponsored Dubai Tour 2018 and is honored to be participating as the Blue Jersey Sponsor.
- Sponsored Jabel Ali horse race for season 2017/2018.
- Participated in the 18th edition of the Careers UAE Exhibition held at the Dubai World Trade Centre.
- Participated in the 2018 Humanitarian Work Day during Ramadan, encouraging bank staff to participate in volunteering activities.
- Participated in the 2018 World Thinking Day at Ras Al Khaimah.
- Volunteered at Al Noor Training Center for persons with disabilities.
- Attended the “Happiness and wellbeing in the work field Forum 2018” in Dubai with the presence of H.E. Ohoud Al Roumi, Minister of Happiness.



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

Service Olympian Award
(February 2018)



- Overall Best Mobile App

Commerzbank AG Excellence in Trade Service
(February 2018)



- Gold Trade Award demonstrating excellence in Trade Services

Banker Middle East
(April 2018)



- Best Digital Bank
- Best Cash Management Services

Best Online Cash Management Award
(September 2018)



- Global Finance's 2018 World's Best Digital Bank Awards in the Middle East for the Corporate/Institutional Digital Bank categories

CEO Middle East Award
(September 2018)



- Dr. Bernd van Linder was bestowed with the honor in recognition of his efforts to drive digital transformation at CBD which is in line with the UAE government's vision.

Most Innovative Digital Bank
(January 2019)



- Most Innovative Digital Bank at the International Finance Awards 2018

Milestones and Achievements

**Most Innovative Digital Bank -
International Finance Awards 2018**



**Collaboration with RTA for
Easy Payment Plans**



Banking CEO of the Year Award



**Partnership with PwC to
Foster Digital Innovation**



**Grand Prize of the Gold Bonanza
Promotion**



**Partnership with Dubai Government to
Provide Smart Payment Solution**



**Best Online Cash Management –
Global Finance**



**Partnership with Bloom Education for
Preferred Services to Parents**



Partnership with RERA for Escrow Services



**Quarterly Team and Employee Awards
Ceremony**



**New branches at Sharjah City Center,
Al Wahda Mall and Al Ain Mall**



Gold Trade Award from Commerzbank



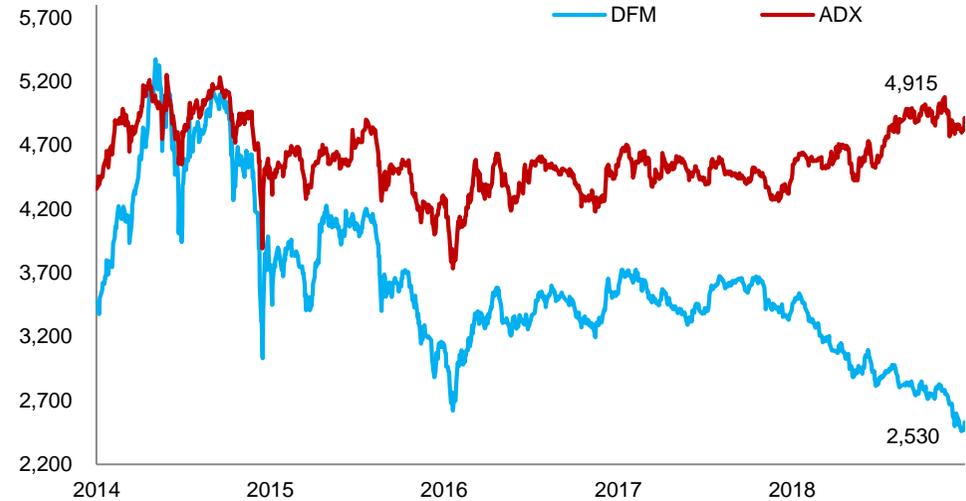
United Arab Emirates – the second largest economy in the Arab world

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)¹, 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 years²) 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.

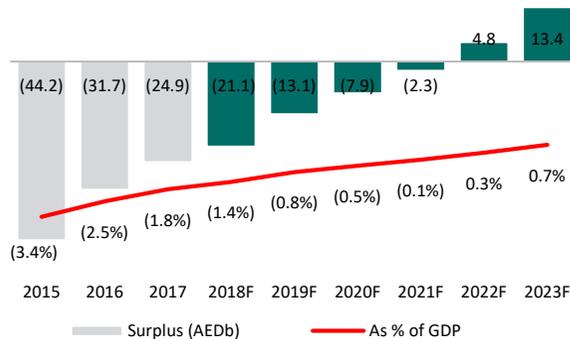
Source: ¹International Monetary Fund, UAE Interact; ²OPEC

UAE Stock market indices



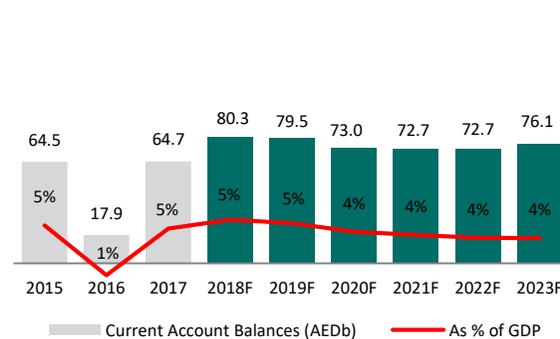
Source: Abu Dhabi Securities Exchange, Dubai Financial Market

Limited Fiscal Deficit to be posted



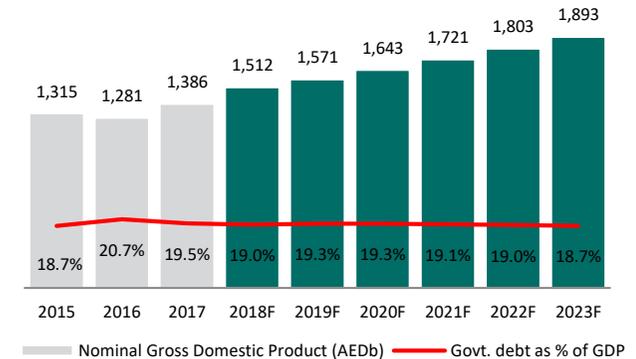
Source: International Monetary Fund, April 2018

Positive Current Account balances



Source: International Monetary Fund, April 2018

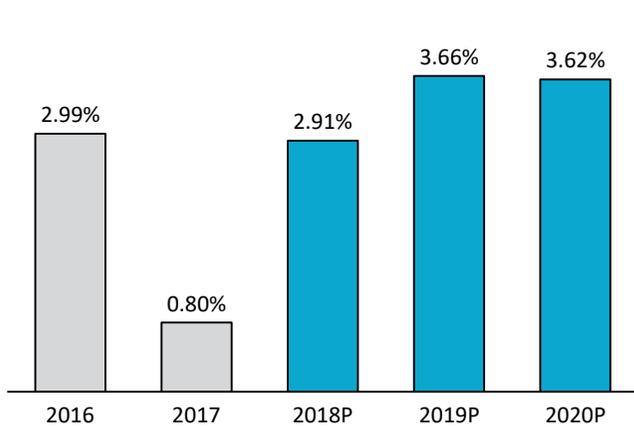
UAE GDP and Government Debt



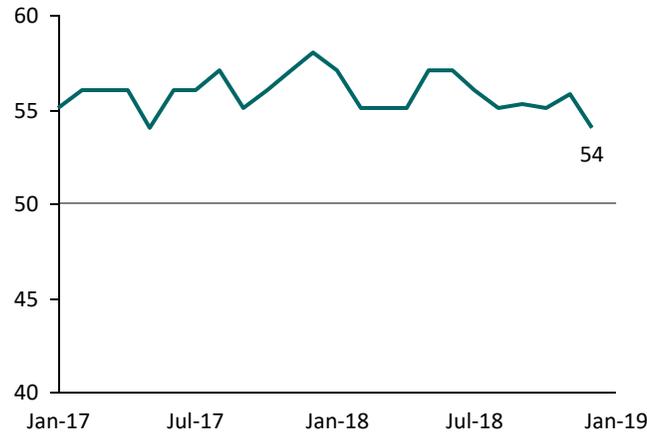
Source: International Monetary Fund, April 2018

UAE Economic Update – mixed business conditions with weaker oil prices

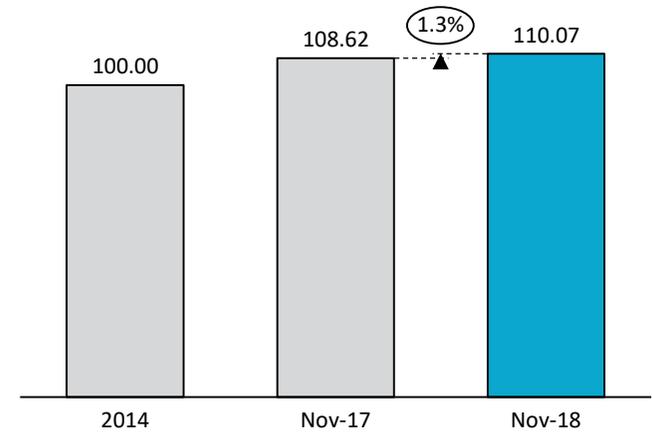
UAE GDP growth



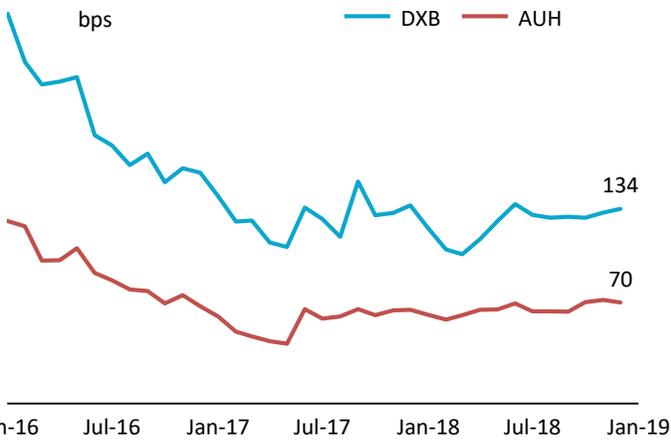
UAE purchasing managers index



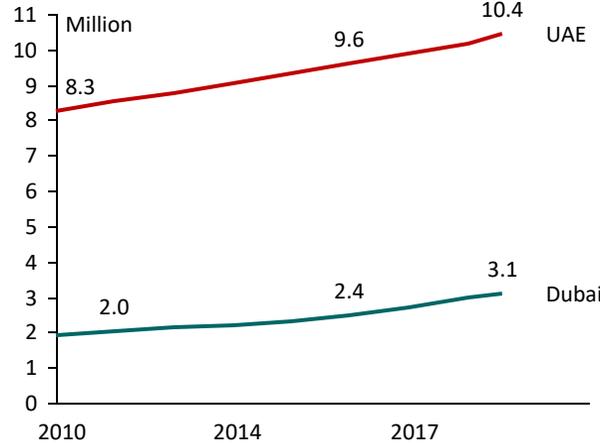
UAE CPI & inflation (%)



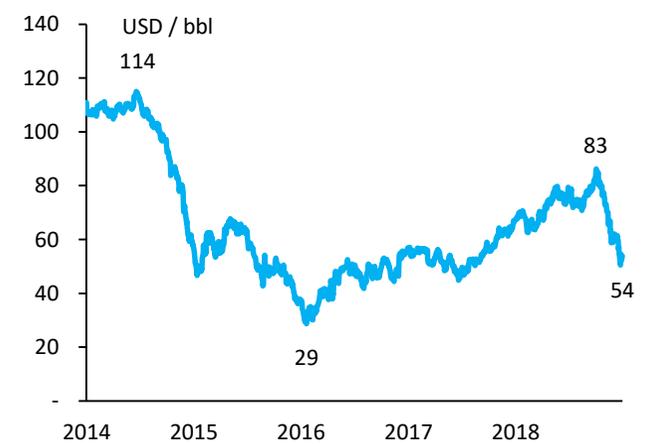
5 Year CDS



UAE and Dubai population



Brent oil

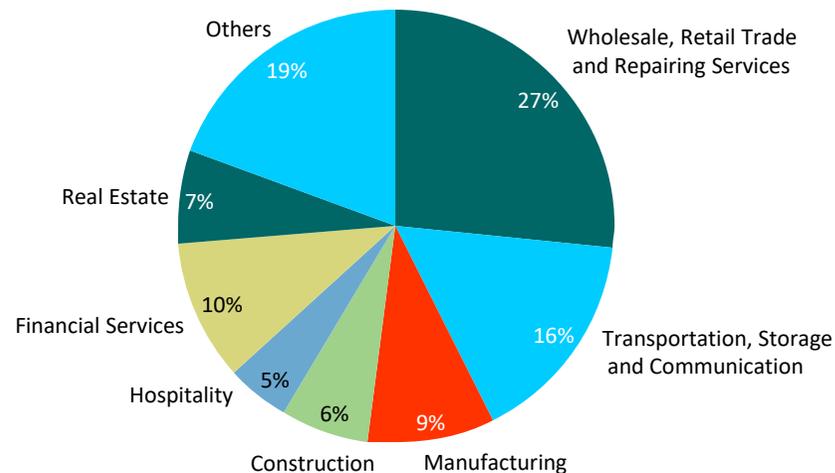


Dubai – a pivotal hub in the global economy

Snapshot of Dubai

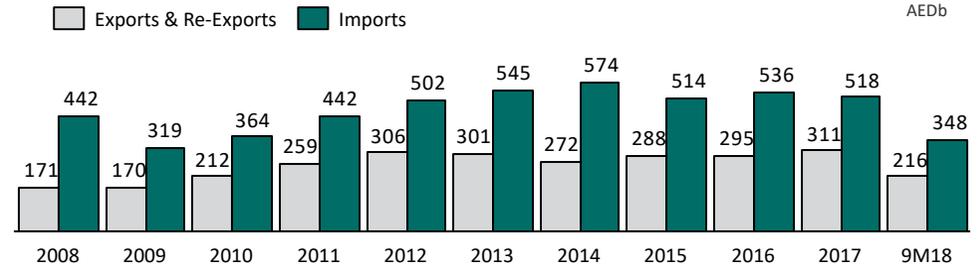
- The Emirate of Dubai is the second largest Emirate in the UAE after the Emirate of Abu Dhabi. Dubai is situated on the west coast of the UAE in the south-western part of the Arabian Gulf.
- Reflecting the Emirate’s strategic geographic location, rising levels of international trade and the government’s 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)



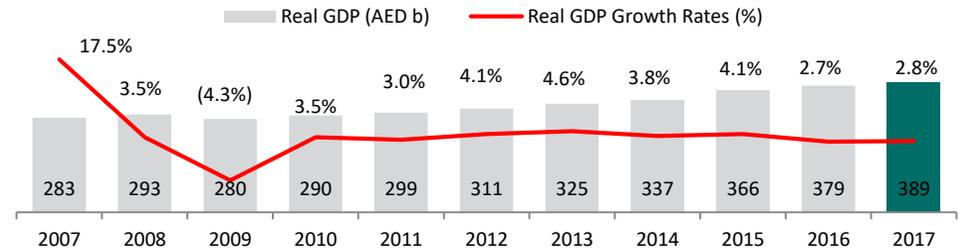
Source: Dubai Statistics Centre

Foreign Trade



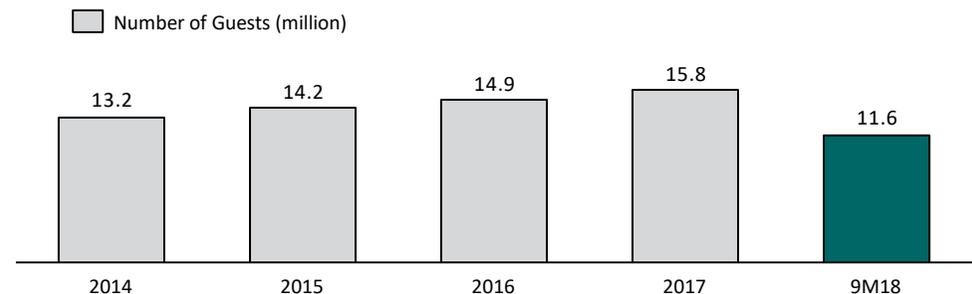
Source: Dubai Statistics Centre

Growth in Economy



Source: Dubai Statistics Centre

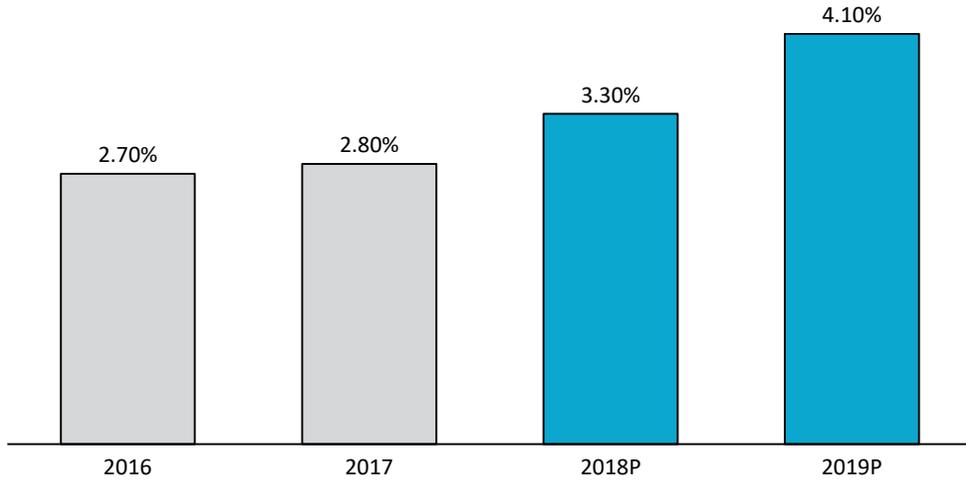
Tourism remains robust



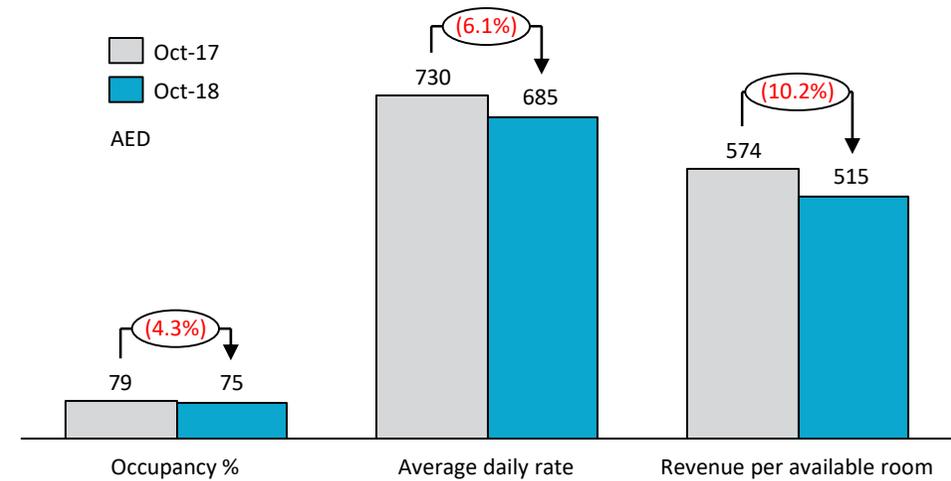
Source: Dubai Statistics Centre

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

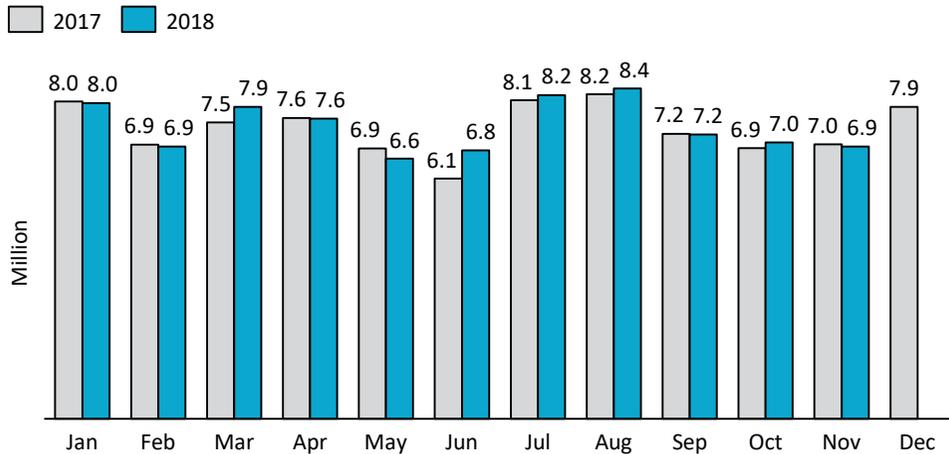
Dubai GDP growth



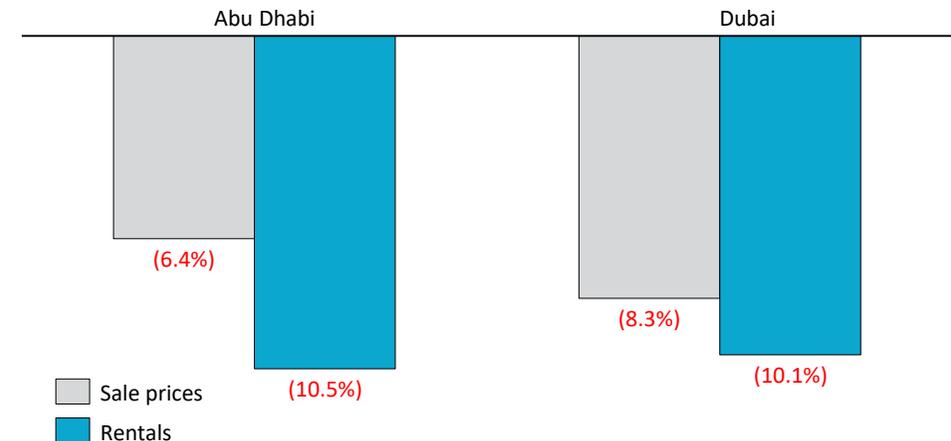
Dubai hospitality



Dubai airport passenger traffic



UAE real estate – November 18 versus November 17



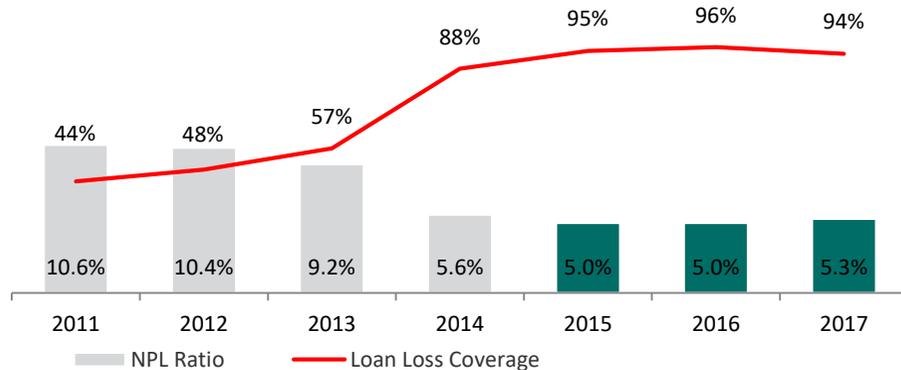
Source: Dubai Economic Report, STR Global, Dubai Airports, Reidin property index

UAE Banking Sector – stable and resilient

Snapshot of UAE banking industry

- As of June 2018, 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 October 2018, total loans and advances increased by 4.2% over December 2017 and deposits increased by 5.8%. The market loan to deposit ratio stood at 95.7% as of October 2018.

Improving industry asset quality



Source: Moody's Financial Institutions: Banking System Outlook – United Arab Emirates

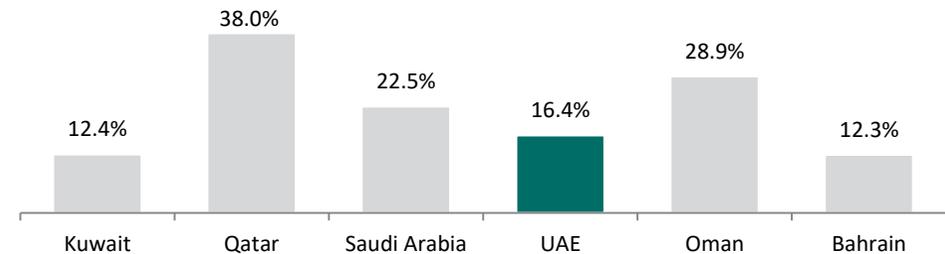
Key industry indicators

AEDb	2014	2015	2016	2017	October-18
Total assets	2,288	2,459	2,593	2,694	2,841
Customer deposits	1,421	1,472	1,563	1,627	1,721
Loans and advances	1,361	1,466	1,554	1,580	1,646
Specific provision	72	73	79	80	89
General provision	24	27	29	30	34
Loan to deposit (%)	95.8	99.6	99.4	97.1	95.7
CAR (%)	18.2	18.3	18.9	18.9	18.2*
Tier 1 ratio (%)	16.2	16.6	17.3	17.4	16.8*

Source: Central Bank of the UAE
*Sep 18

Government deposits as % of total deposits

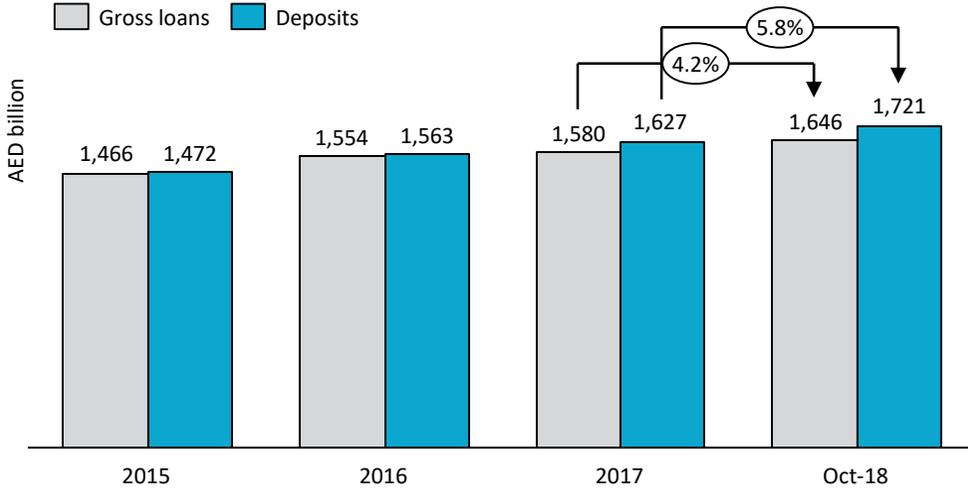
The UAE banking system is one of the least dependent amongst GCC countries on government deposits making it relatively less vulnerable to a decline in liquidity



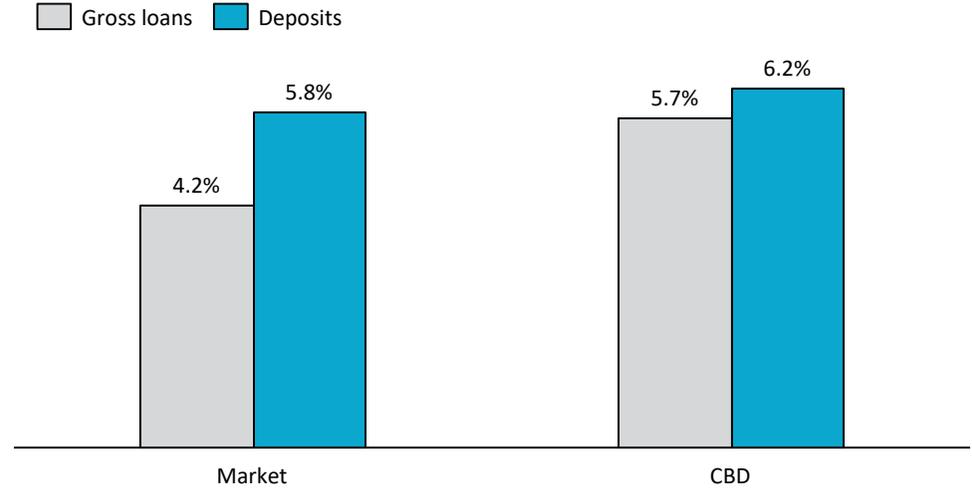
Source: Moody's Financial Institutions GCC Banks: Oman and Bahrain most vulnerable to lower oil prices

UAE Banking Industry – underlying system credit and deposit appetite has been robust

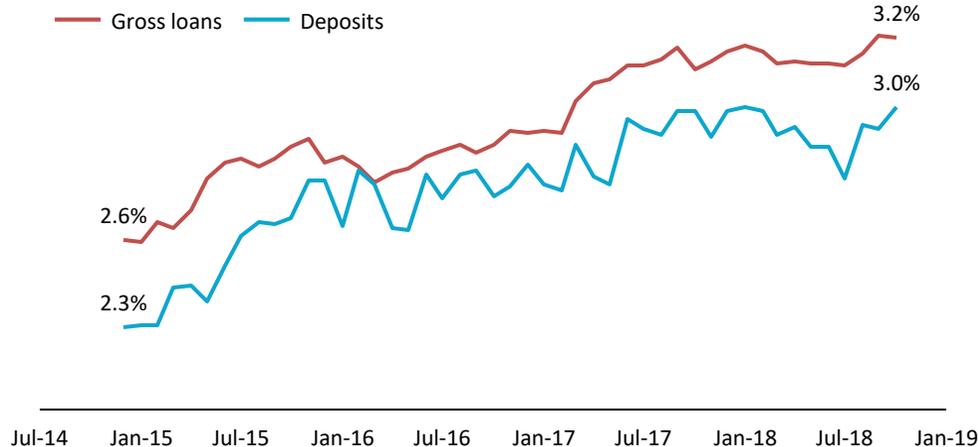
Gross loans and deposits



Volume growth – December 17 to October 18



CBD market share



3 Month EIBOR and UAE loan to deposit ratio

