

# 2024 Investor Presentation

for the year ended 31 December 2024

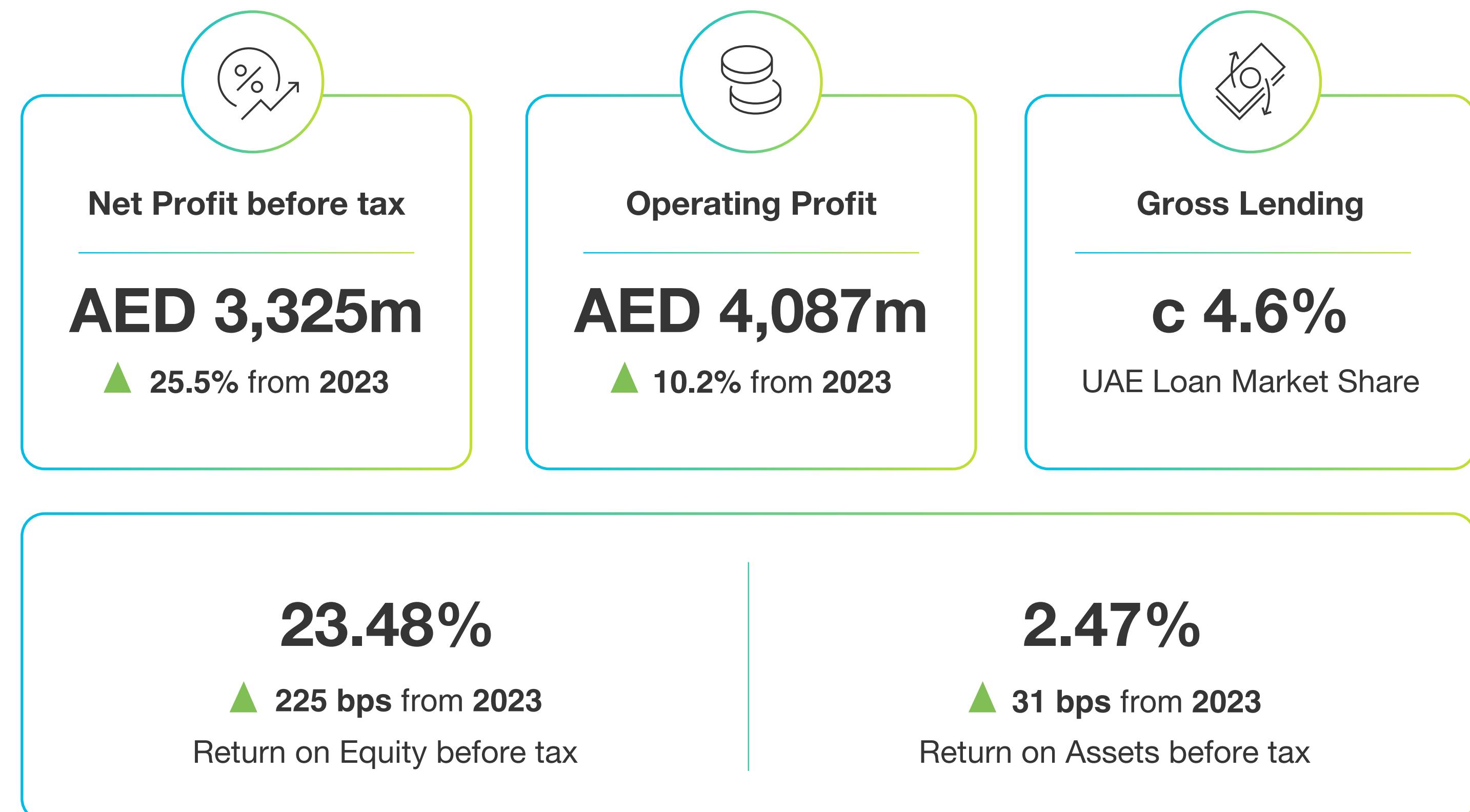
Dr Bernd van Linder  
Chief Executive Officer

Mr Darren Clarke  
Chief Financial Officer

# Executive Summary

- **Exceeding AED 3 billion in net profit for the first time** with above system loan growth
- **Strong return on equity** generating internal capital for growth
- **Strong balance sheet** with all liquidity, funding and capital ratios well above regulatory limits
- **Improved cost of risk** with a sharply lower non-performing loan ratio and a coverage ratio above 100%
- **Well positioned** to back our customers' ambitions

## Financial Highlights FY 24

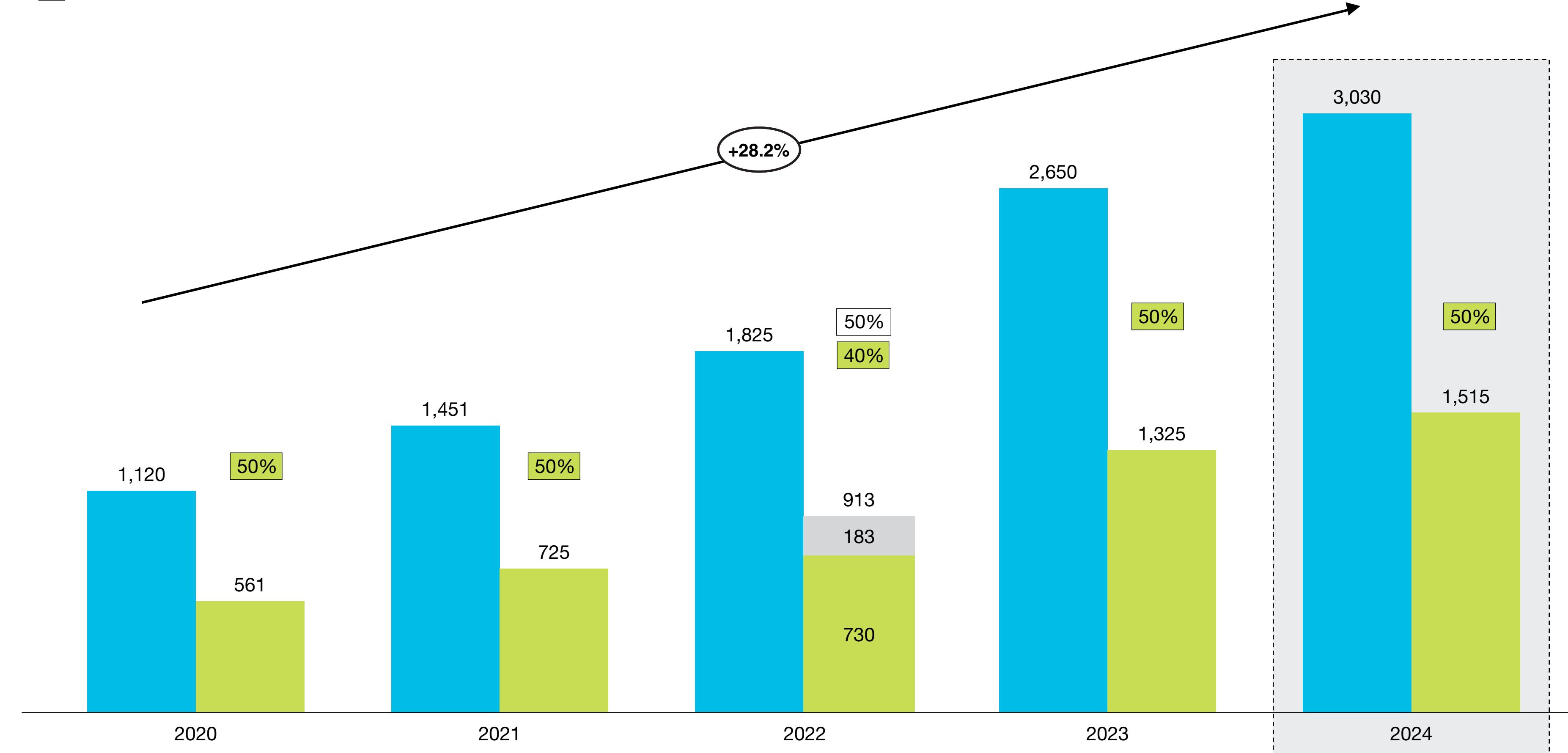


# CBD dividend history

Figures in AED m

Exceeding AED 3 billion in net profit for the first time and record cash dividend of 50.74 fils per share, a 190m (14.3%) increase in cash dividend notwithstanding the introduction of Corporation tax (295m)

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



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

# Earnings Snapshot

Figures in AED m

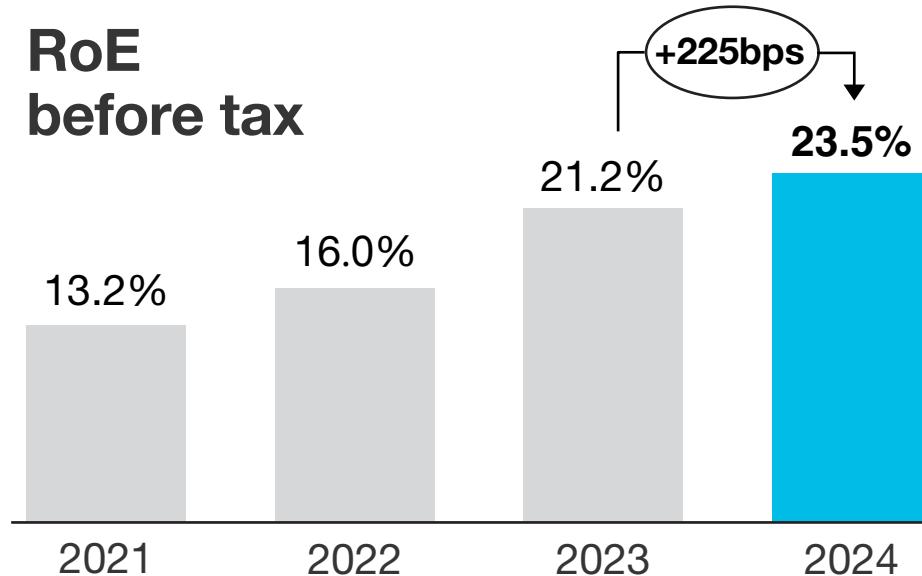
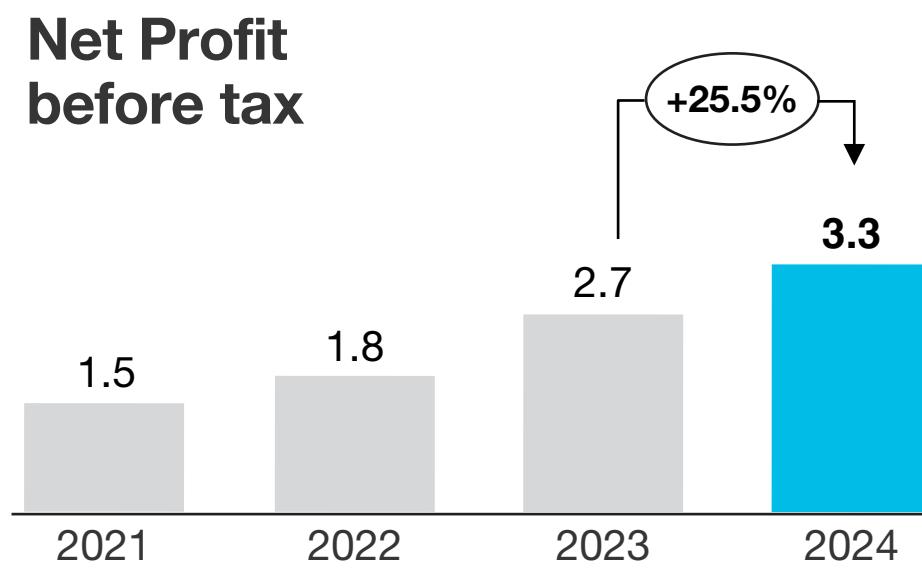
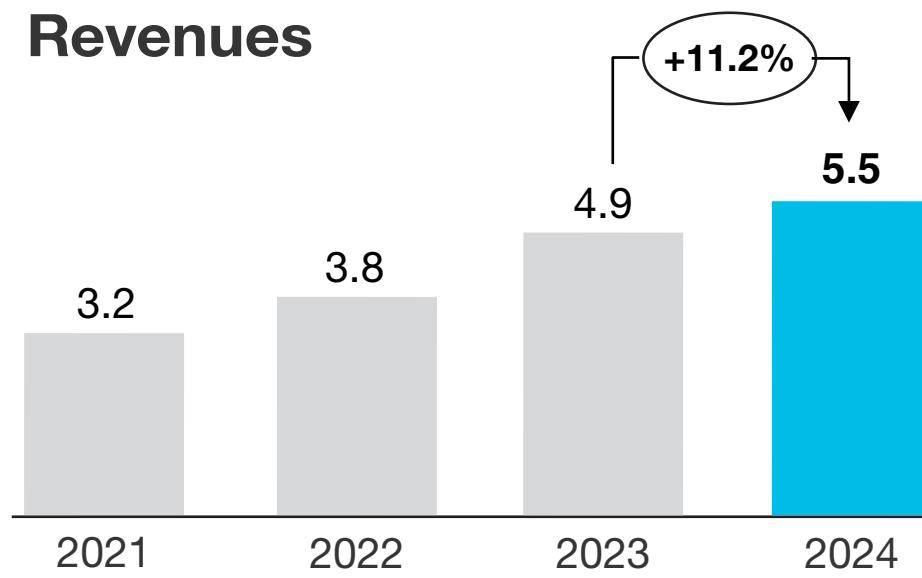
Exceeding AED 3 billion in net profit for the first time with excellent growth in loans and improved  
Cost of Risk offsetting lower NIM and higher expenses

	2024	Change 2024 - 2023	Change (%) 2024 - 2023
Net profit before tax	3,325.1	675.1	25.5%
Net profit after tax	3,029.8	379.7	14.3%
Return on equity (RoE) before tax	23.48%	225 bp	10.6%
Return on assets (RoA) before tax	2.47%	31 bp	14.4%
Interest margin	3.06%	(13) bp	(4.1%)
Cost to income ratio	25.56%	69 bp	2.8%
Credit impairment on gross loans	0.74%	(28) bp	(27.5%)
CET1 ratio	12.41%	(13) bp	(1.0%)
Proposed Cash Dividend ( fils per share)	50.74	6.36 fils	14.3%

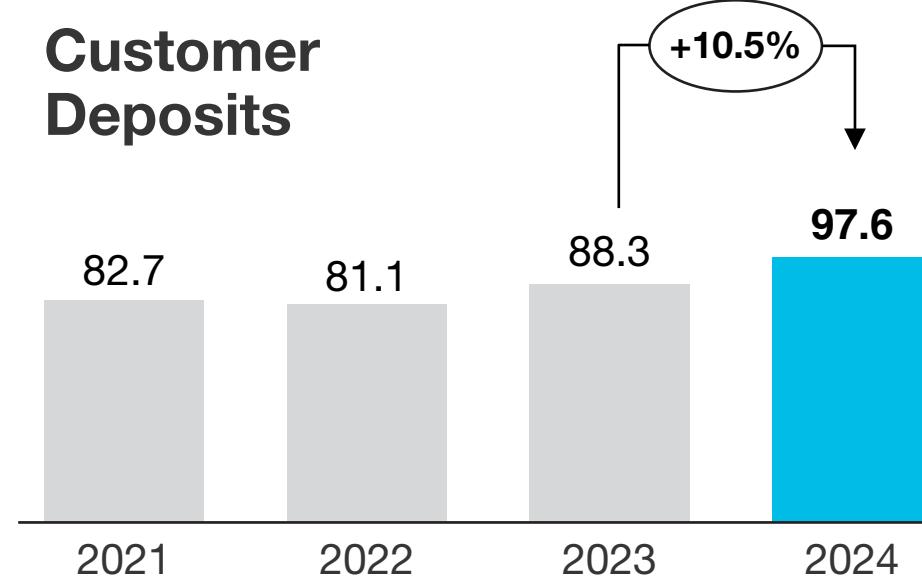
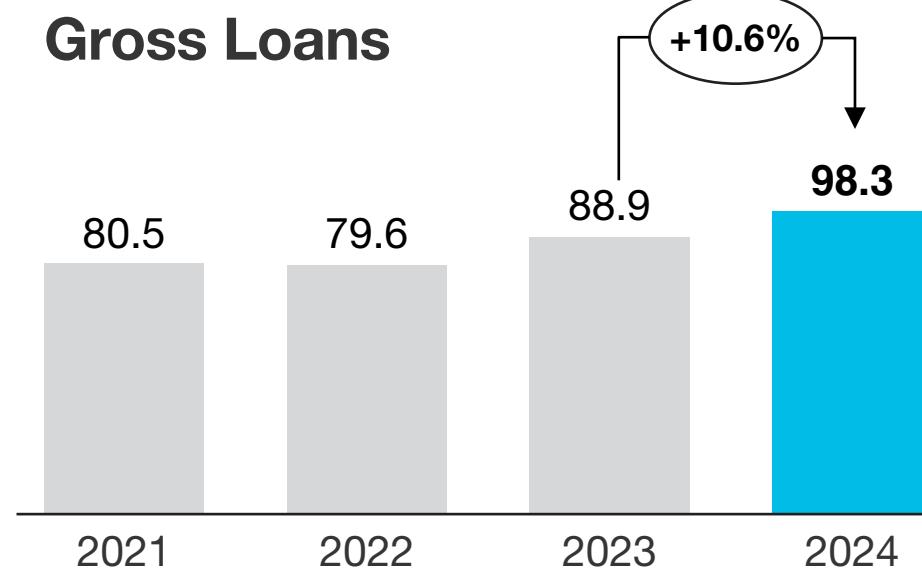
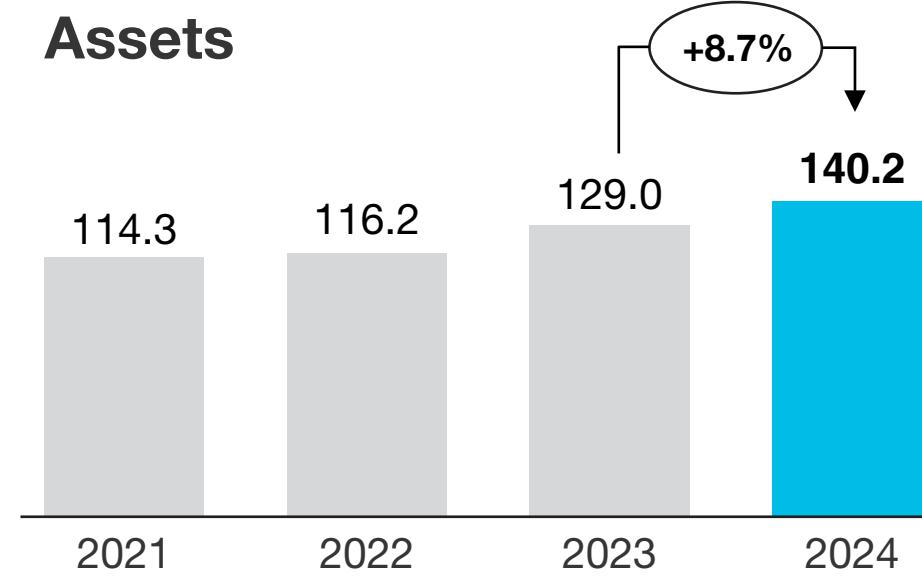
# Financial Performance Snapshot – FY 24

Figures in AED b

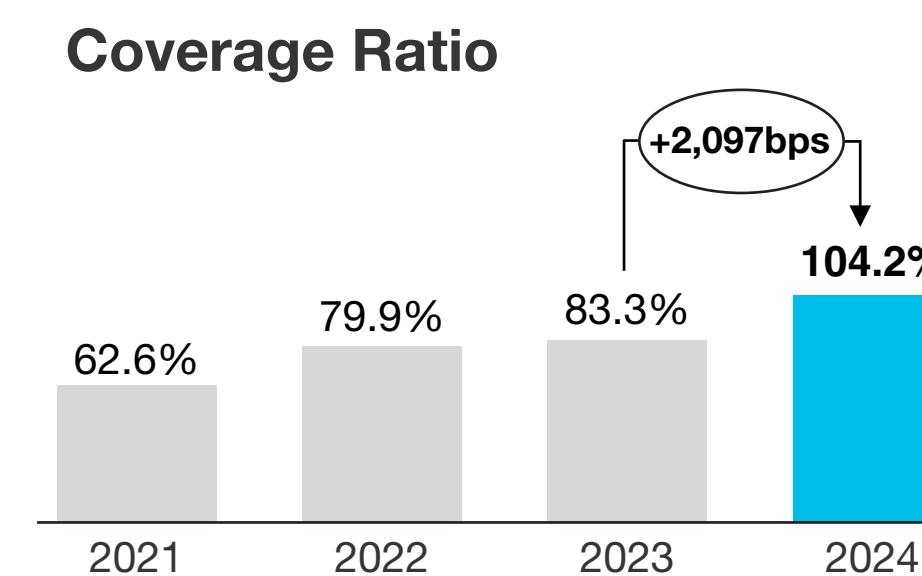
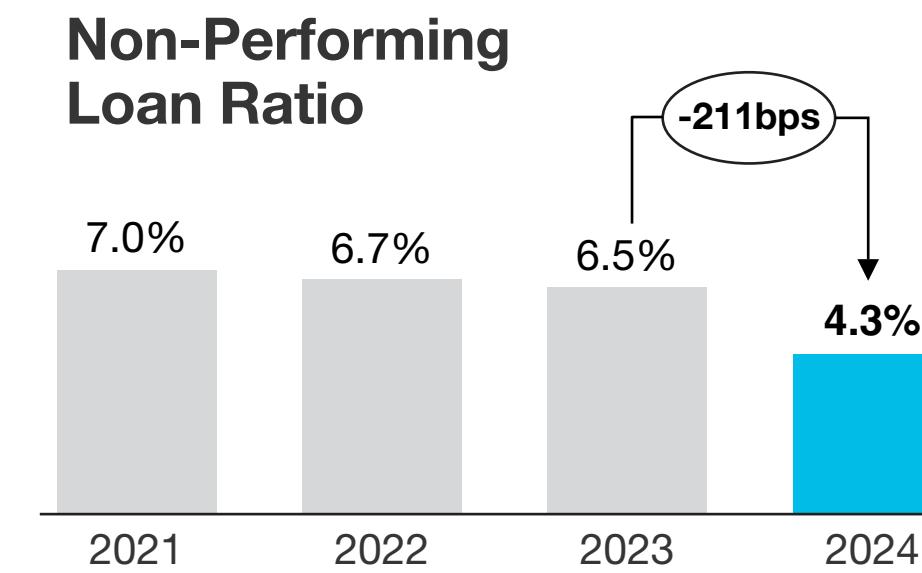
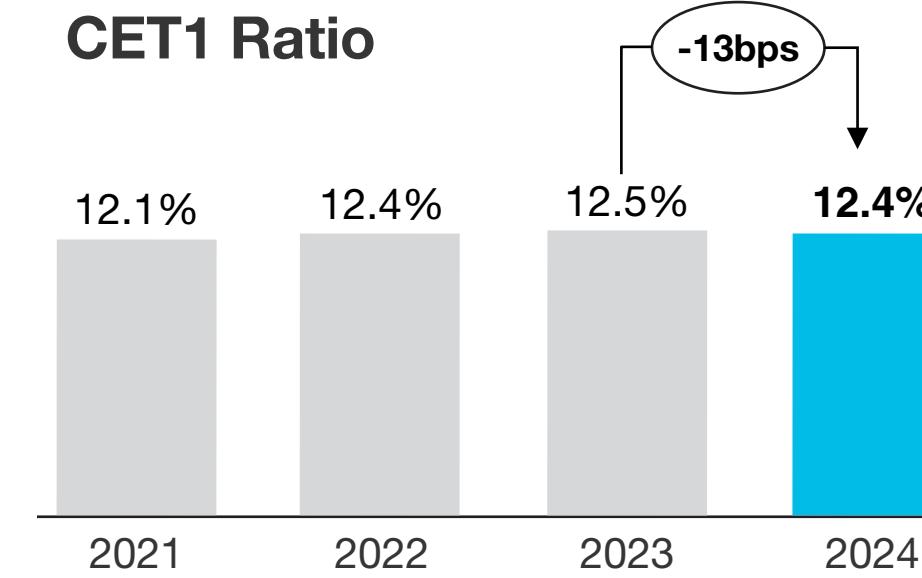
## Shareholder Value Creation



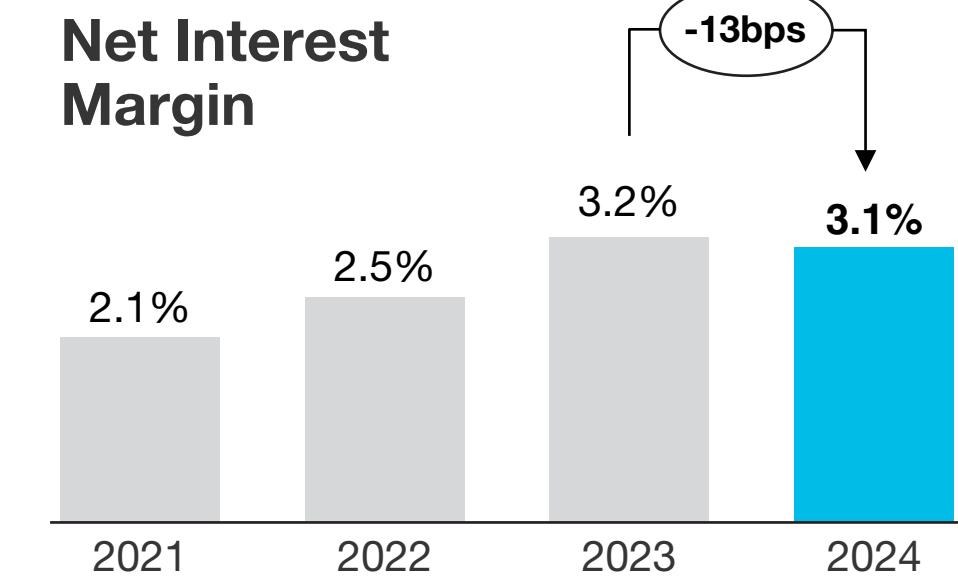
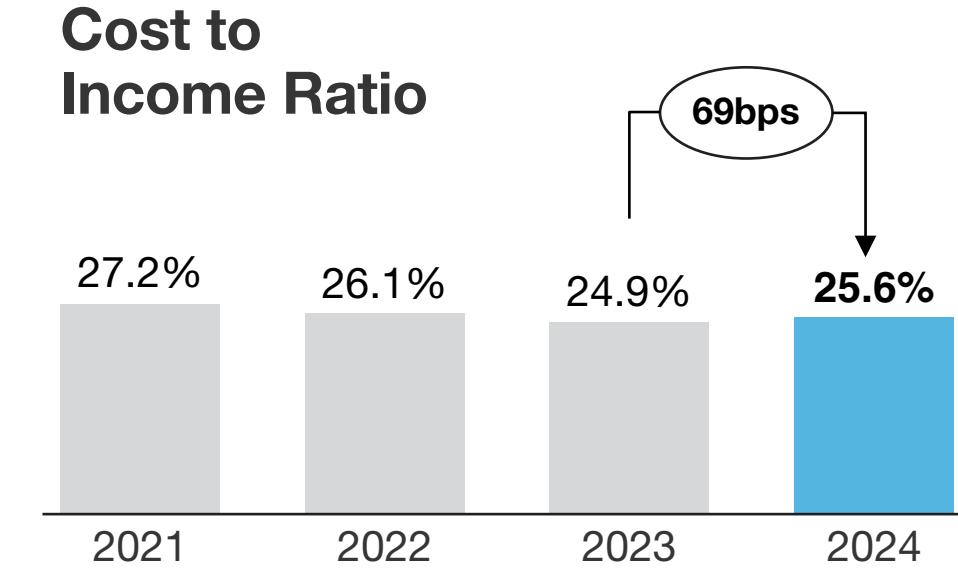
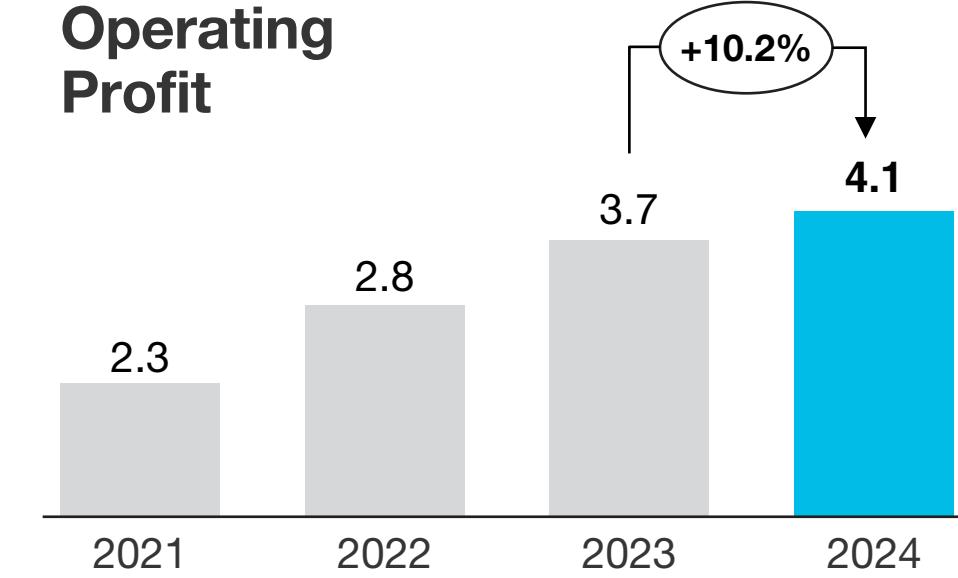
## Strong Balance Sheet



## Robust Core Ratios



## Solid Operating Performance



# Progress against Strategic Execution 2024

## Achieve Financial Results

 Interest rate tailwinds supported by growth in **Loans & Advances**

 Higher fees from **syndication** and improved **transaction banking activity**

 **Focused investment** in digitisation

 **Improved asset quality**

 **Strong liquidity and capital** ratios and a stable and diversified Balance Sheet

## Become Employer of Choice

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

 Recognised with **3 Nafis Awards** for nurturing Emirati talent

 **Empowering our talent** across the organisation

 Driving upskilling through **Learning Experience Platform** and **Digital Accelerator Program**

## Customer Focus

 **Deepening customer relationships** through service excellence

 An established **Voice of Customer Program**

 **Strategic partnerships** providing enhanced customer experience

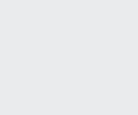
 Embedded ESG with a focus on **sustainability financing and initiatives**

## Default Digital

 **% of wholesale transactions initiated digitally**

 **96%** of customers are registered for digital

 App Store **★★★★★** 4.8

 Google Play **★★★★★** 4.2

 Expanding **technological capability** for our customers

Backing the nation's ambitions

# Financial Guidance 2025 estimate

Underlying business activity and momentum supports forward-looking sustainable net profit growth

## 2025e Financial Guidance



**Loan Growth**  
**Mid to high single-digit percentage growth**



**Cost of Risk**  
**< 65 bps**



**Net Interest Margin**  
**2.80% - 2.90%**



**Cost to Income**  
**< 28%**



**Return on Equity (before tax)**  
**> 20%**

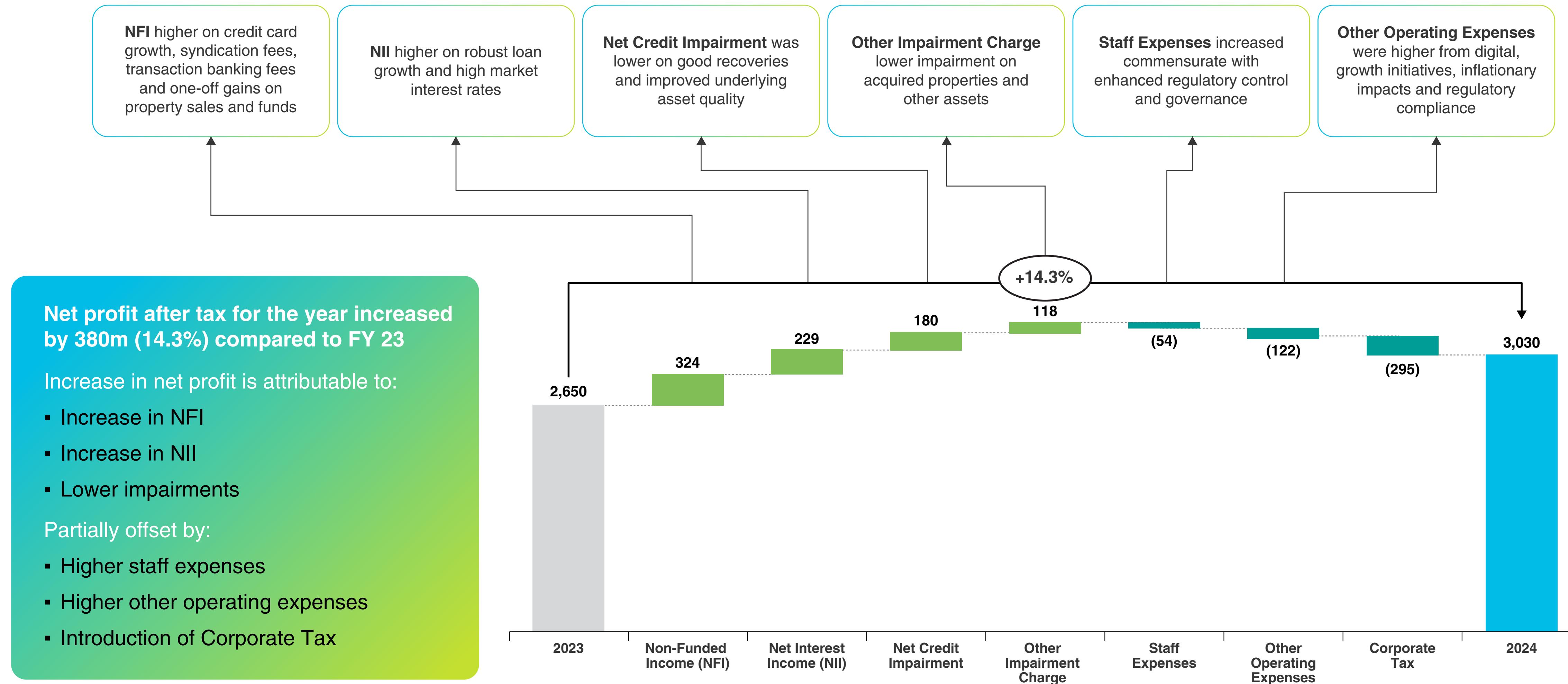
## Looking ahead

- Loan growth **well above system**
- **Improved** asset quality with a lower Non-Performing Loan ratio and healthy coverage ratios
- Acceptable margins through growth of commercial, SME and cross-border business, and **diversified funding**
- Investments targeted towards **digital and technology** with expected market driven **inflationary** impacts
- Returns to remain above industry benchmarks, **generating capital for growth**

# Net Profit Bridge on Prior Year

Figures in AED m

Exceeding AED 3 billion in net profit for the first time with higher NFI and lower CoR, more than offsetting higher cost of funds, higher expenses and the introduction of corporate tax

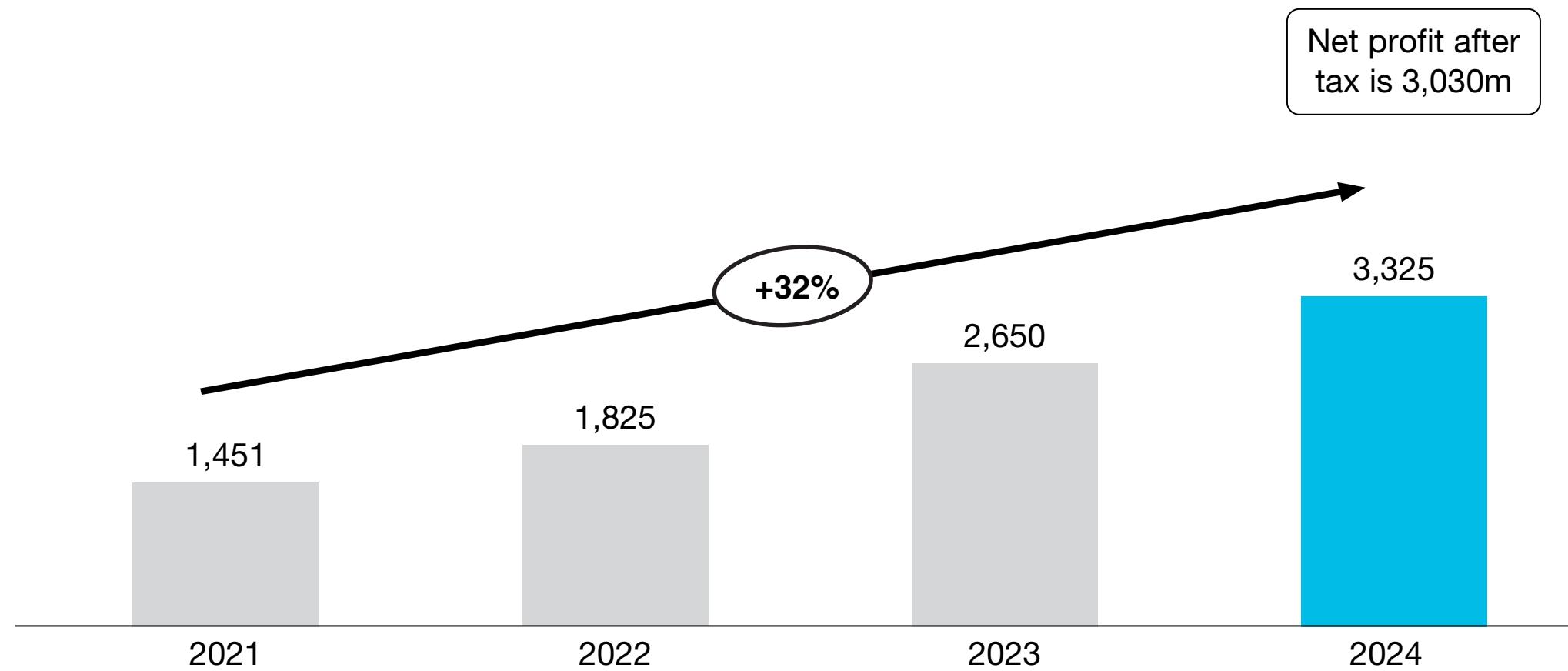


# Core Performance Trends

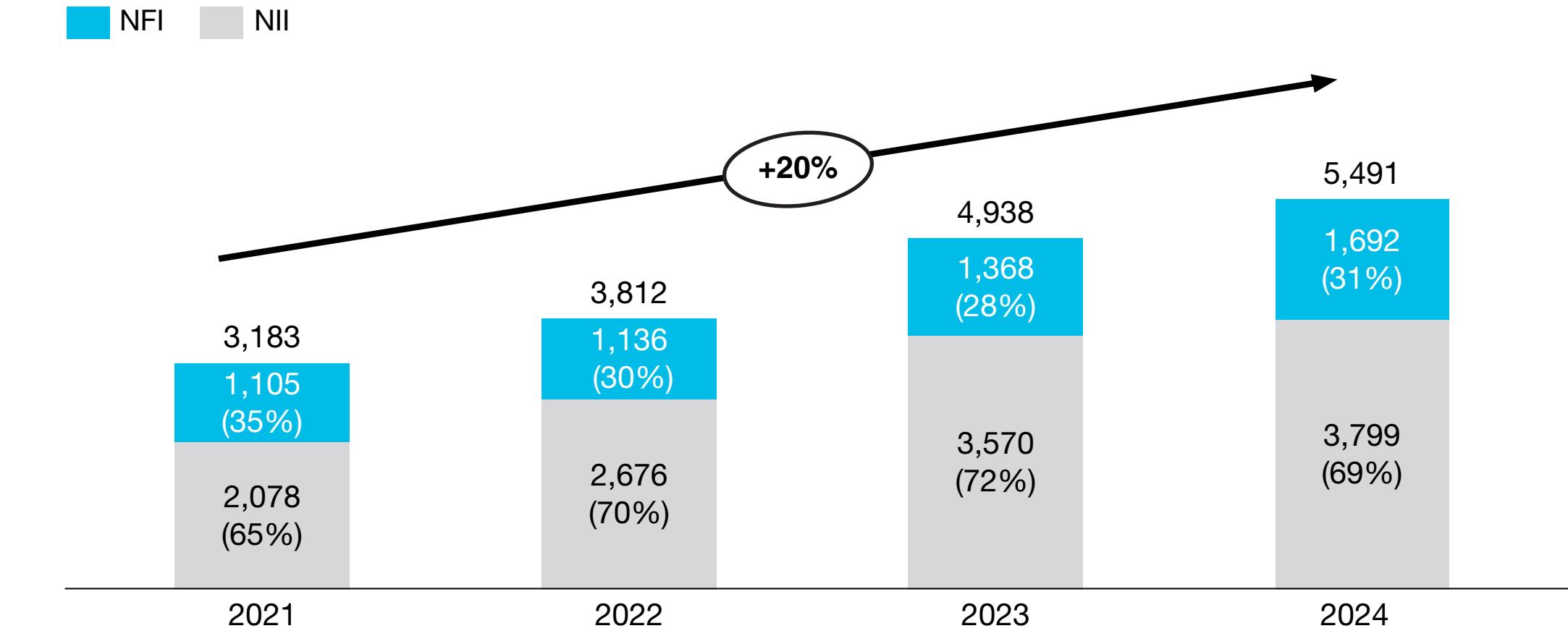
Figures in AED m

Excellent loan growth supported by high interest rates and improved asset quality negating higher cost of funds and expenses

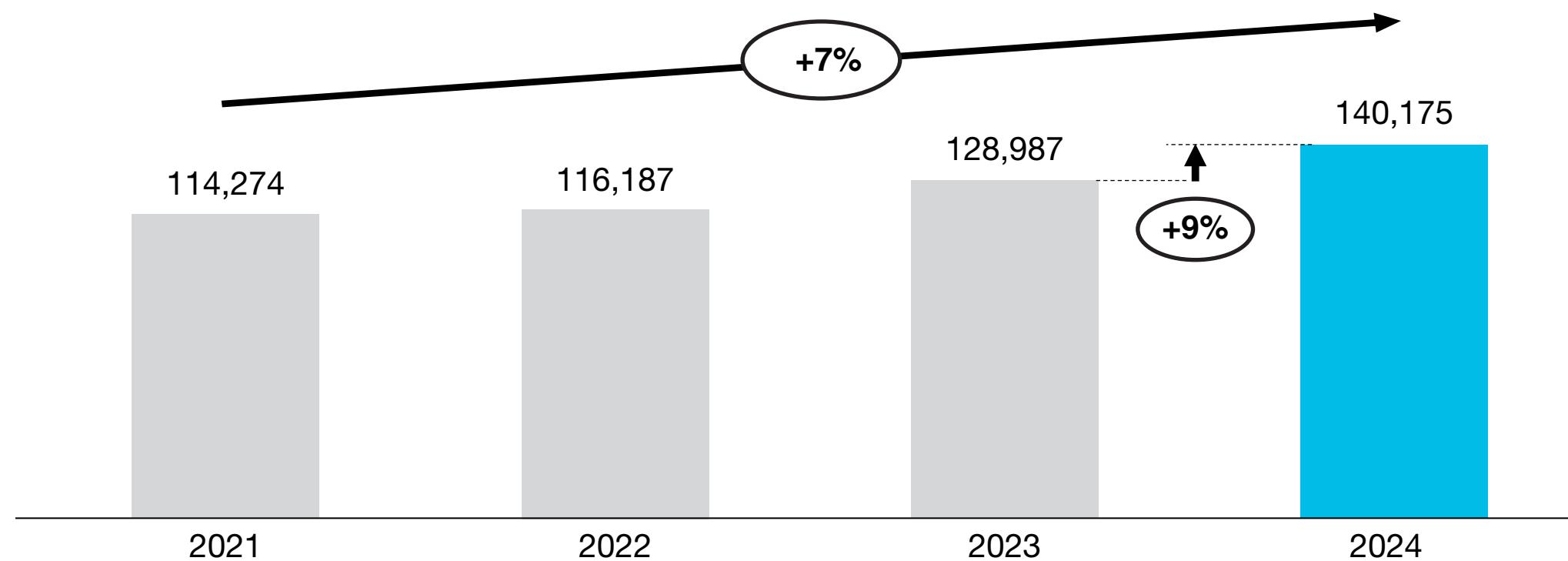
## Net Profit before tax



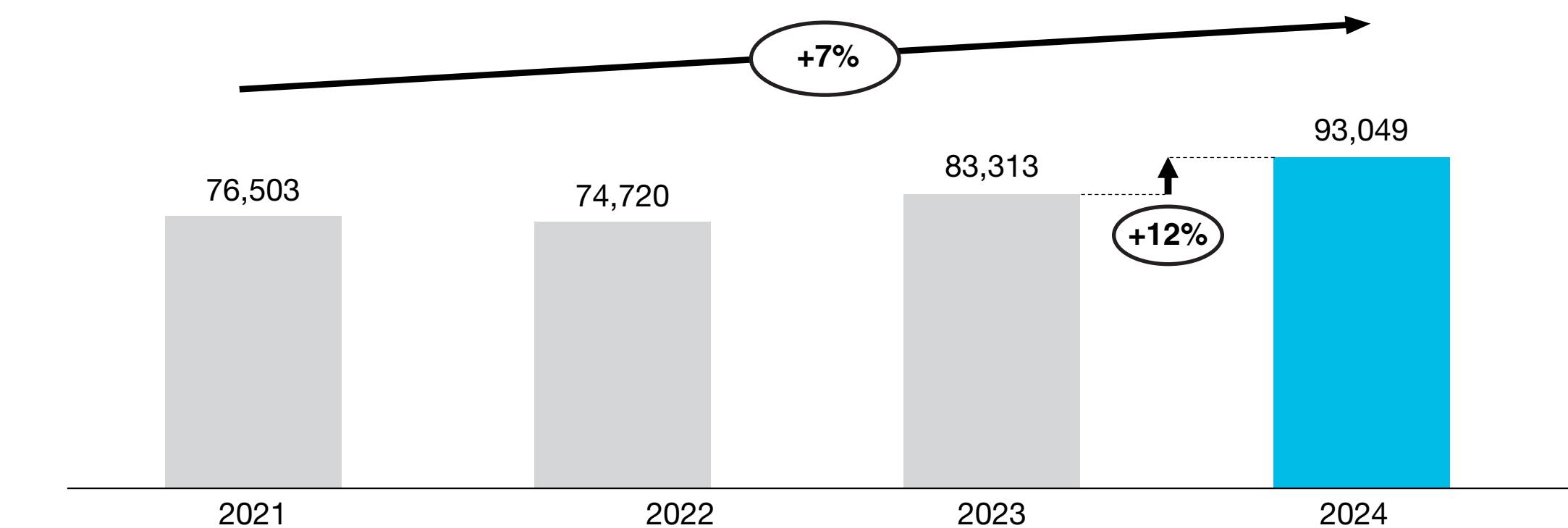
## Revenue



## Assets



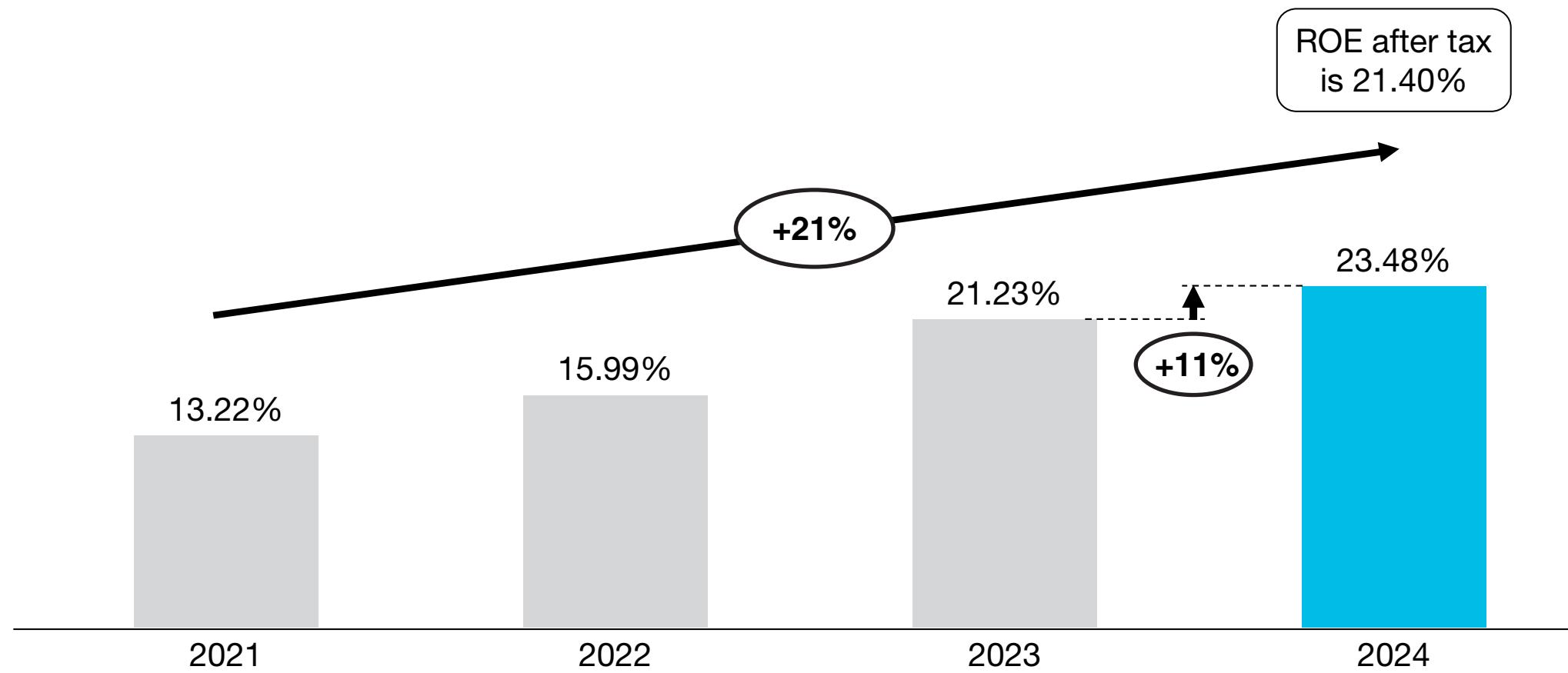
## Net Loans



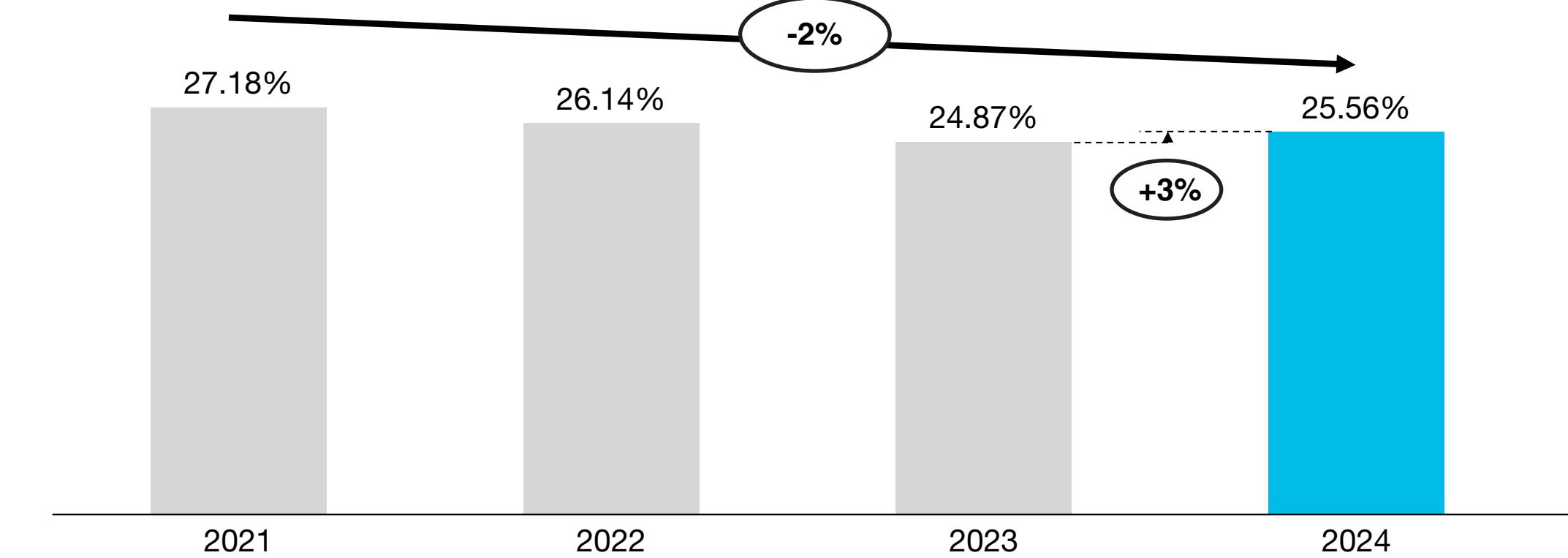
# Strategic Financial KPI's

Excellent loan growth, lower CoR, offsetting weaker Net Interest Margins and higher expenses

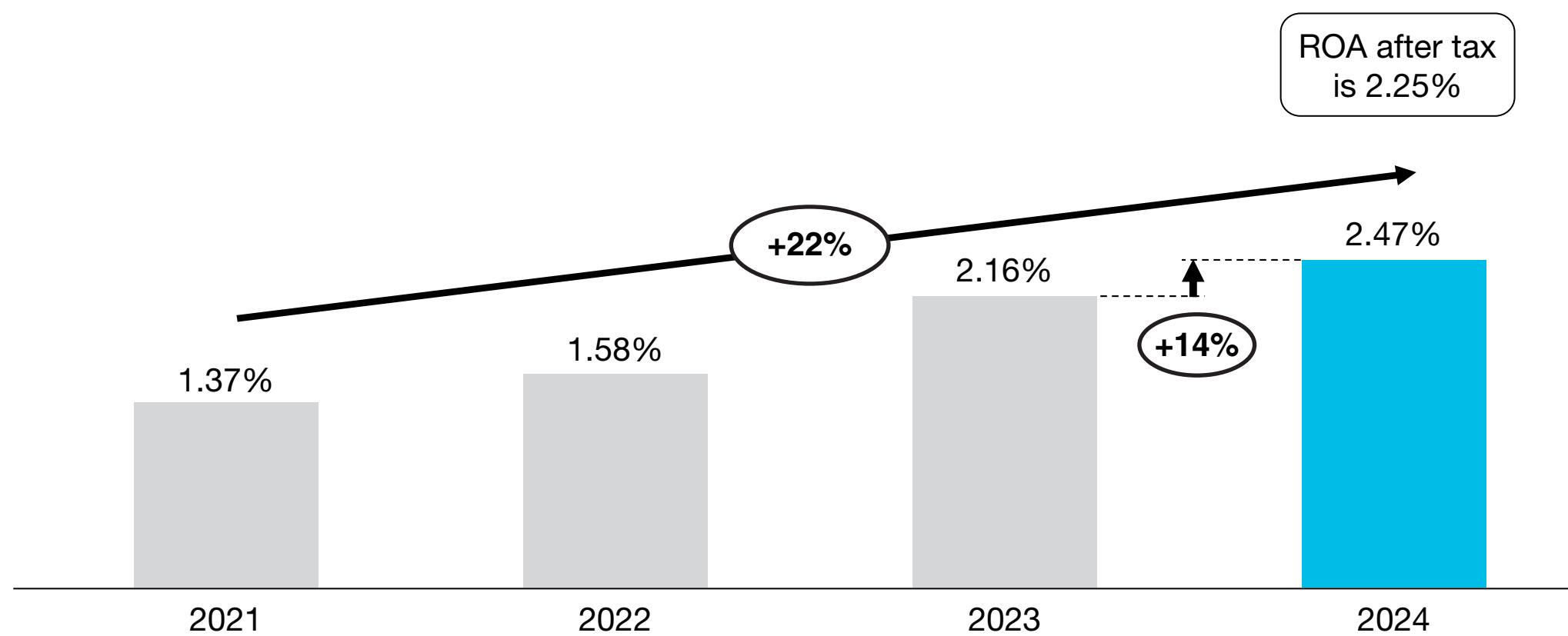
## Return on Equity (ROE) before tax



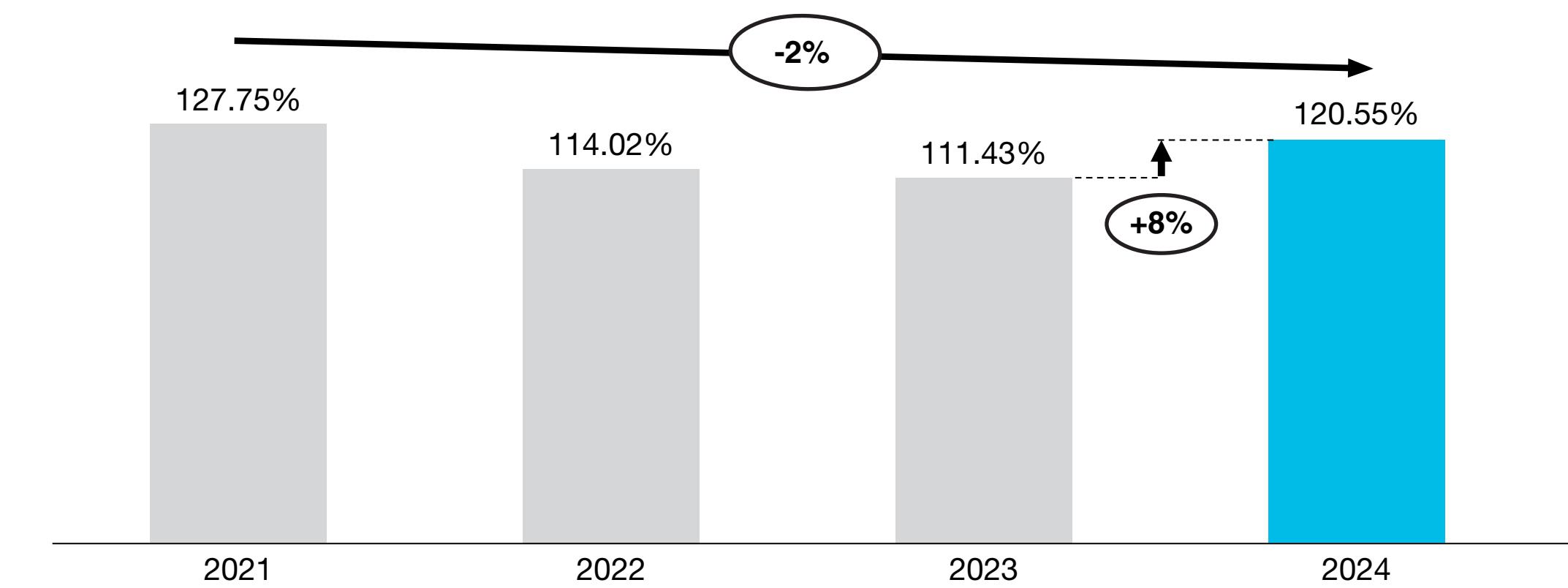
## Cost to Income Ratio



## Return on Assets (ROA) before tax



## Non-Funded Income as % of Expenses

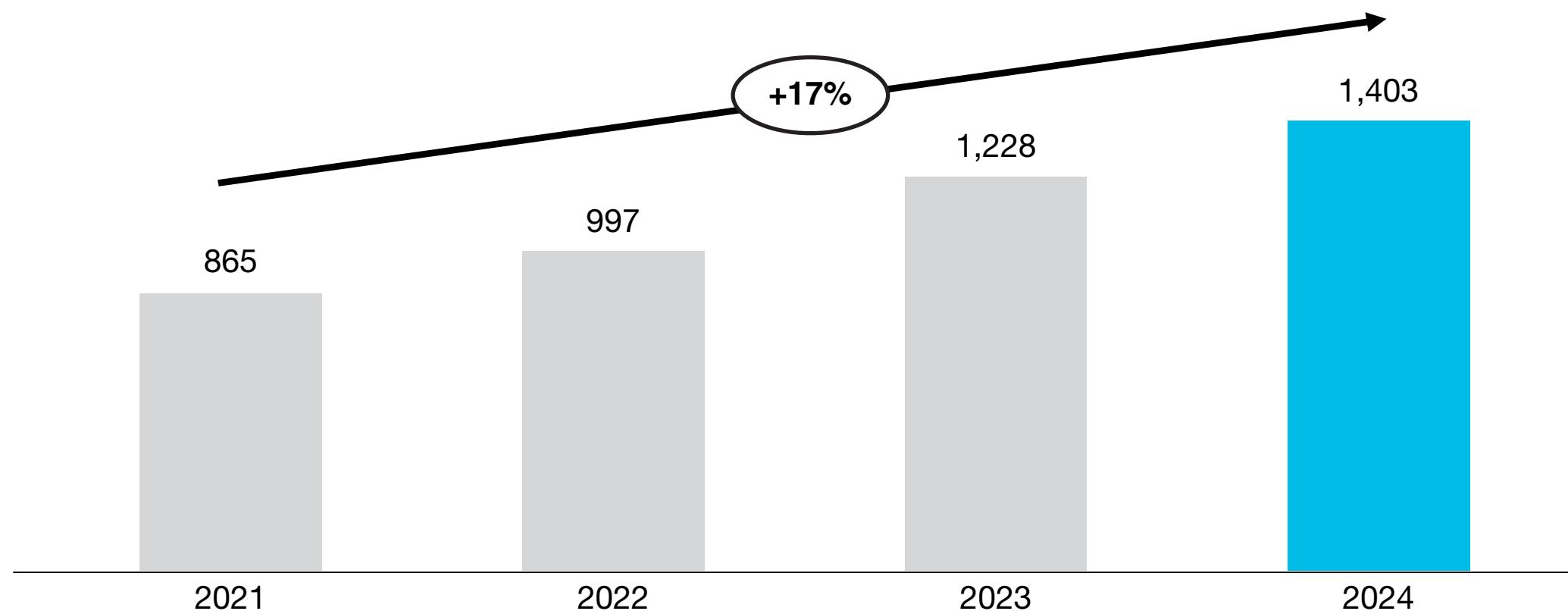


# Profitability and Returns

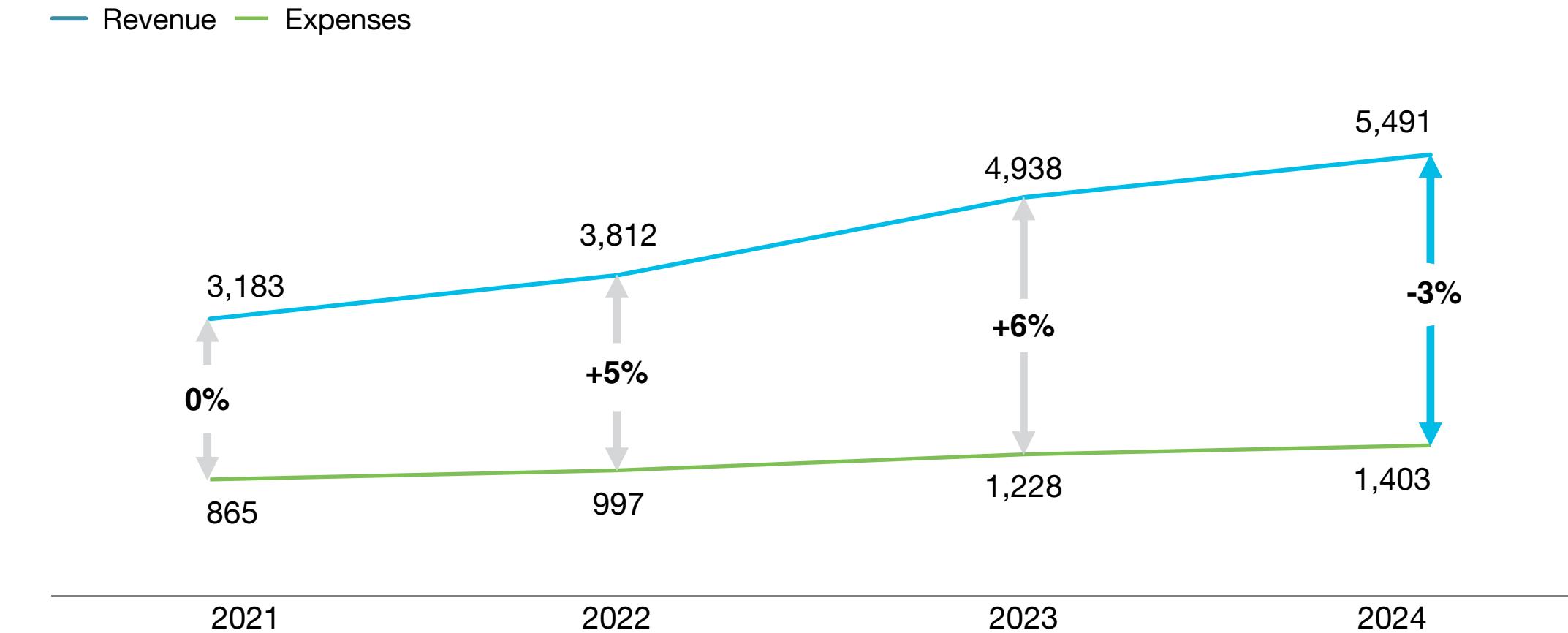
Figures in AED m

Solid returns supported by good recoveries despite lower margins and increased expenses

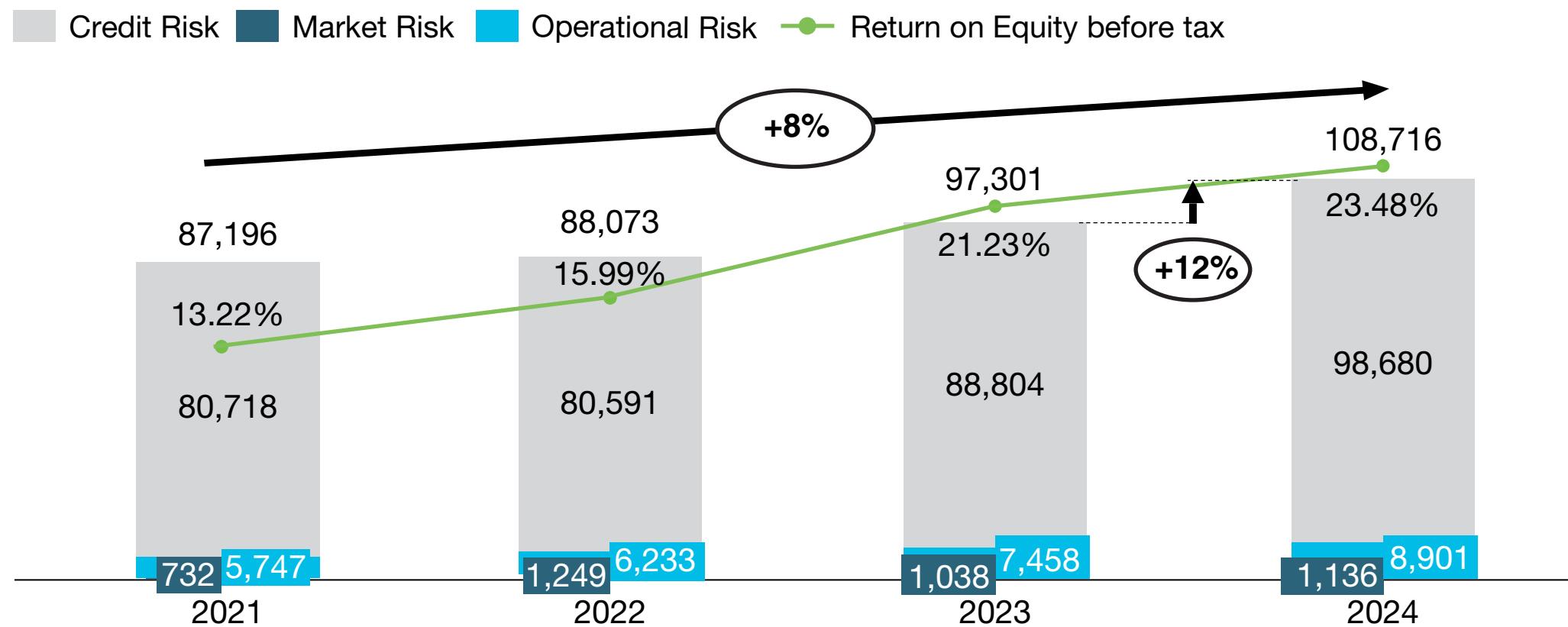
## Expenses



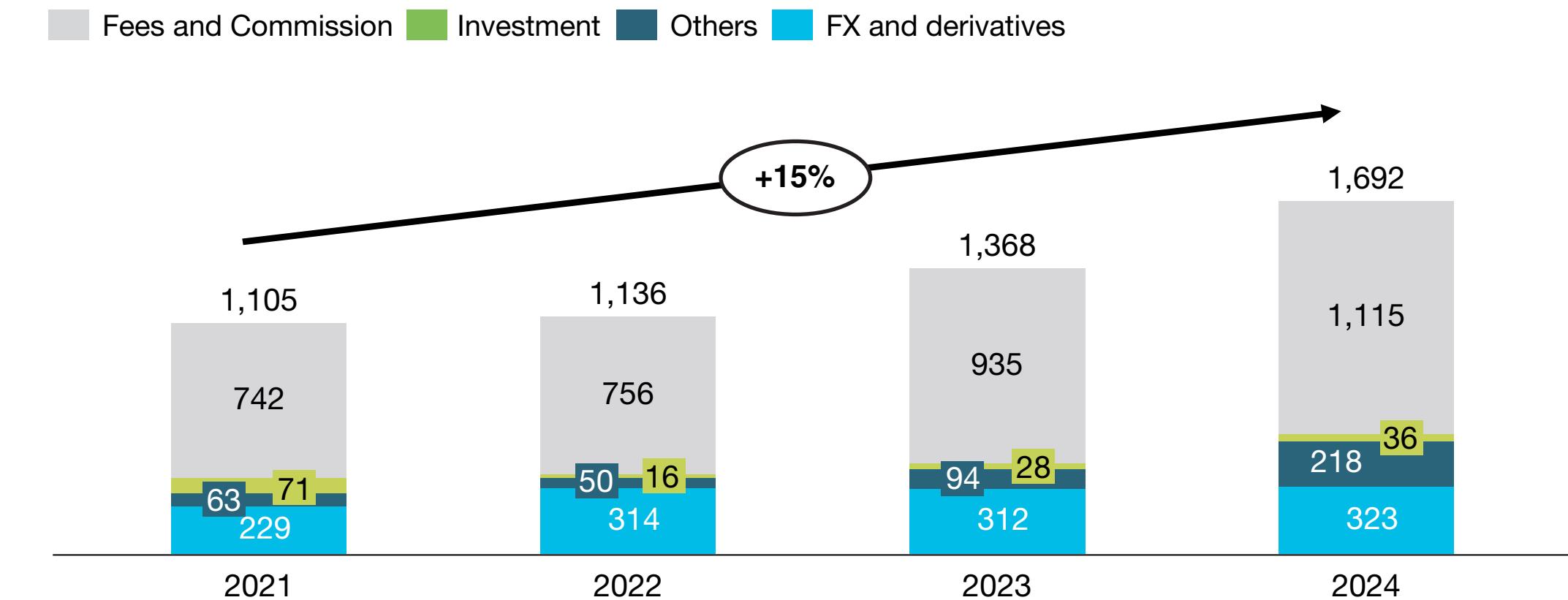
## Revenue and Expense JAWS



## RWA and Return on Equity



## Non-Funded Income

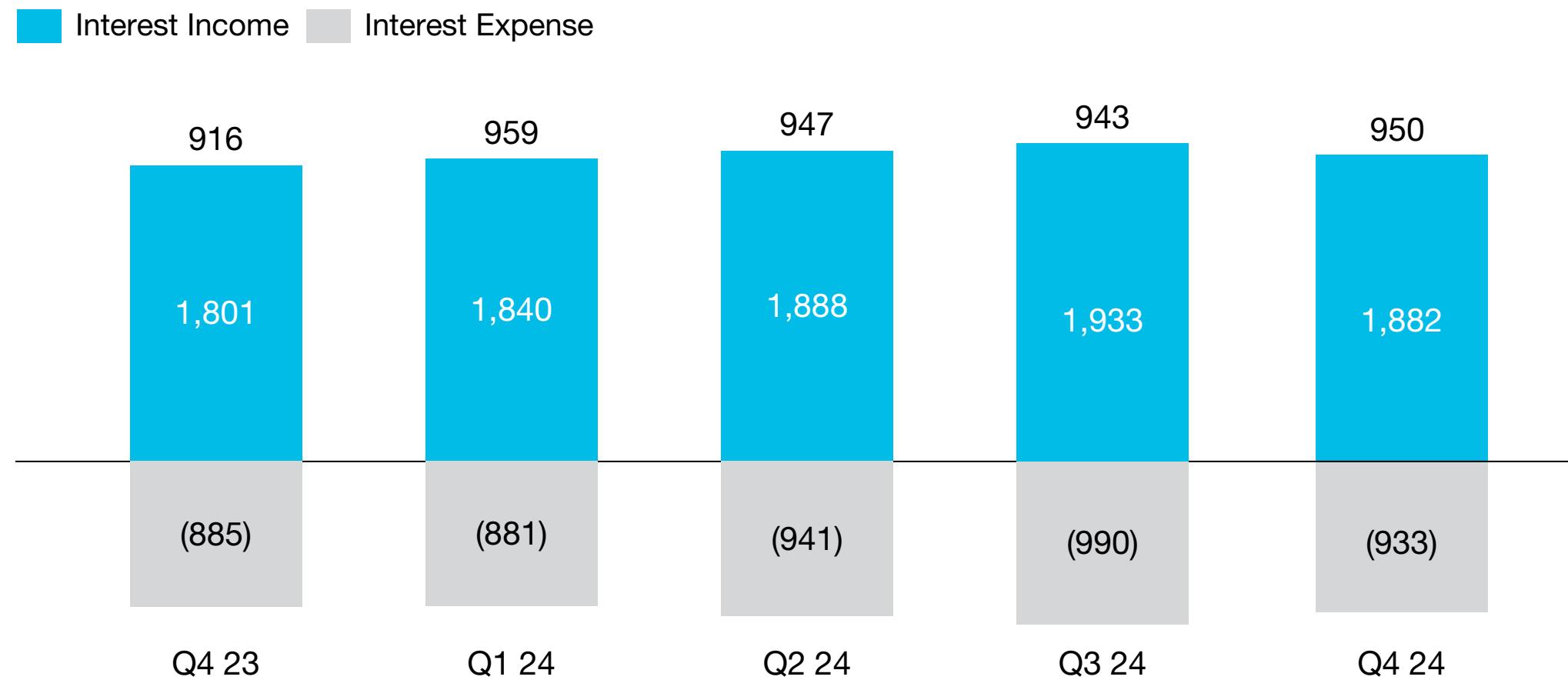


# Net Interest Margin

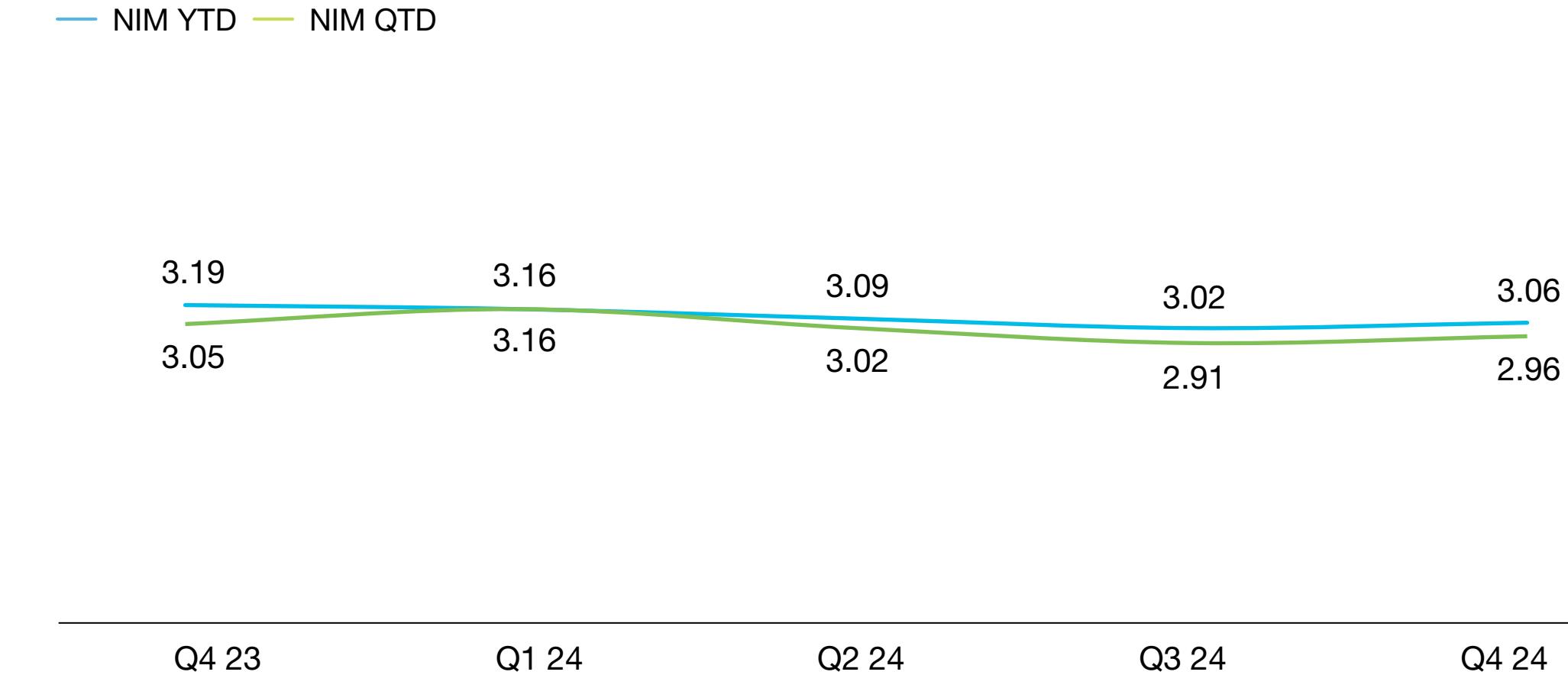
Figures in AED m

Higher NII benefitting from loan growth and high market interest rates notwithstanding increased funding costs and decreasing credit spreads

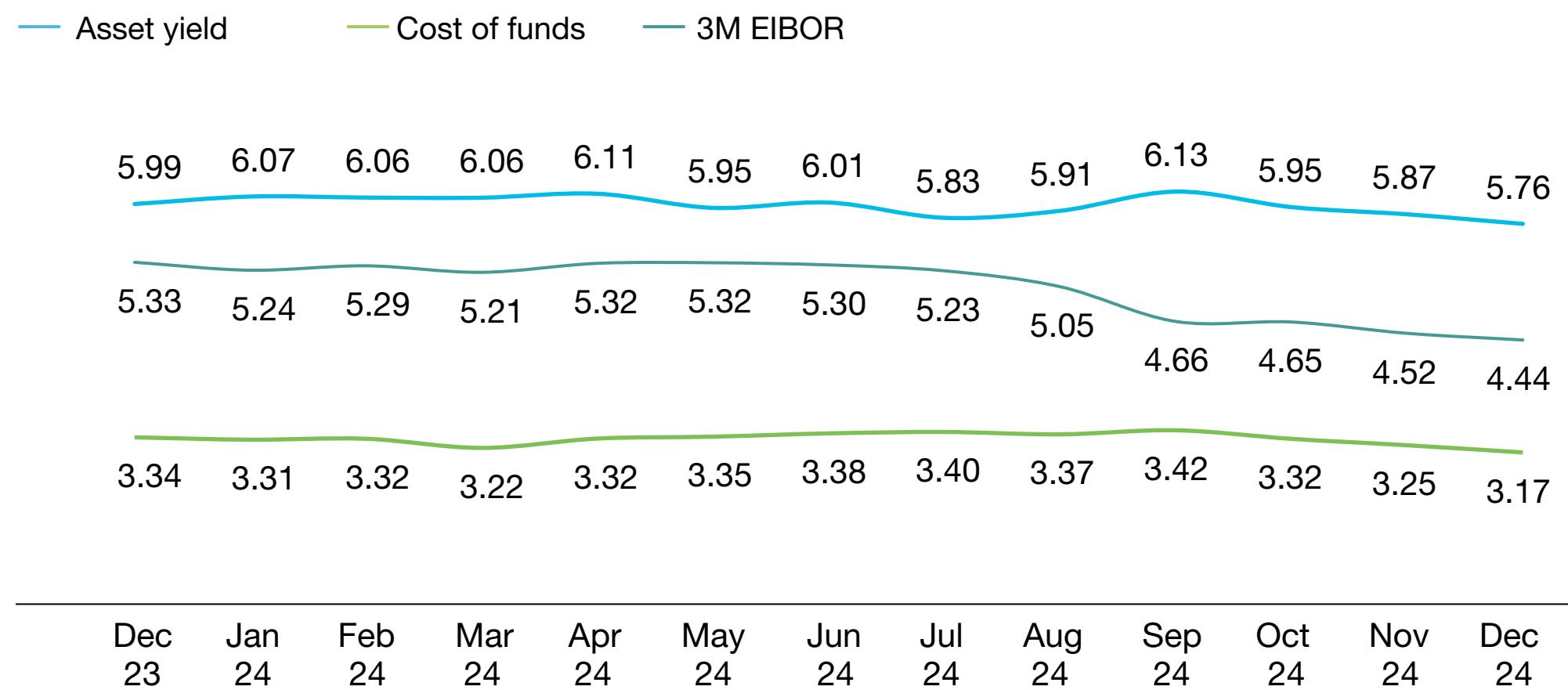
## Interest Income and Expense



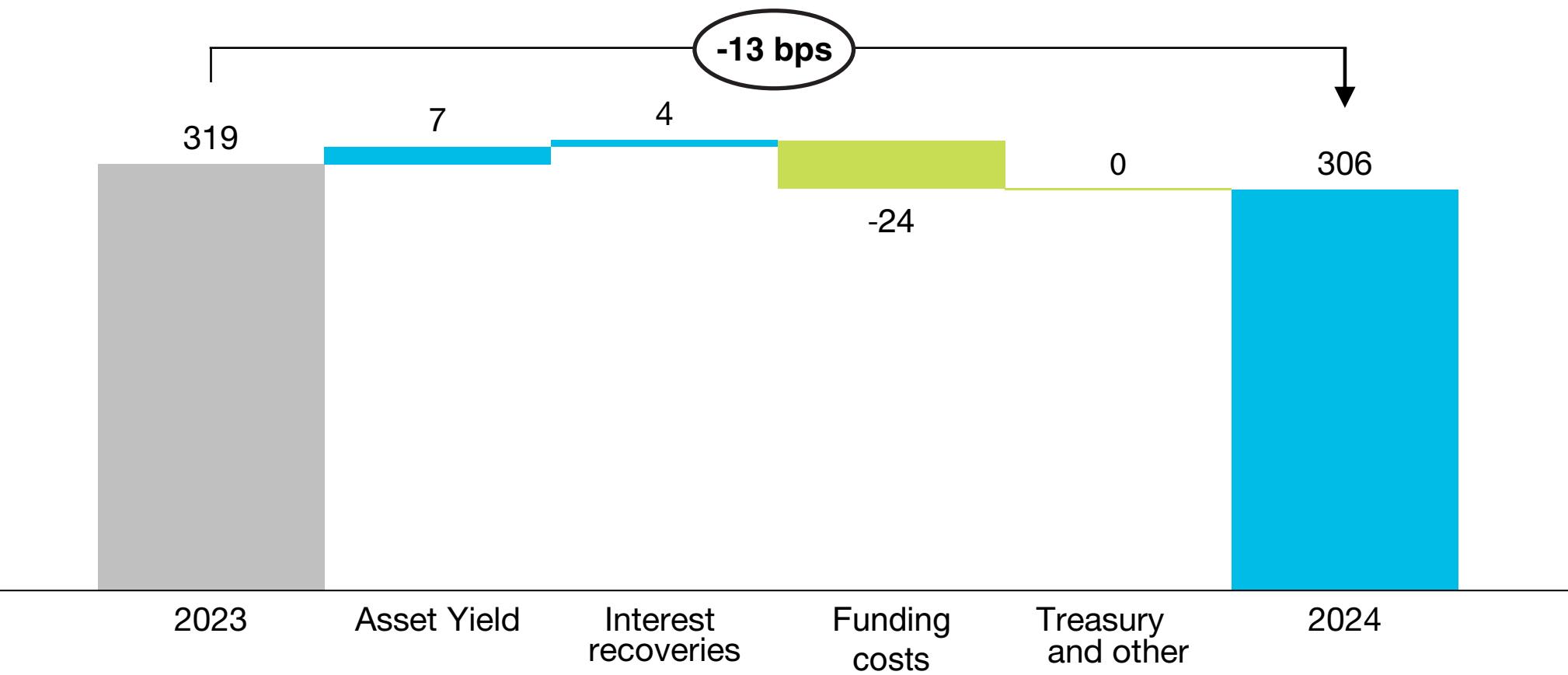
## Net Interest Margin



## Key components impacting NIM



## Net interest margin waterfall

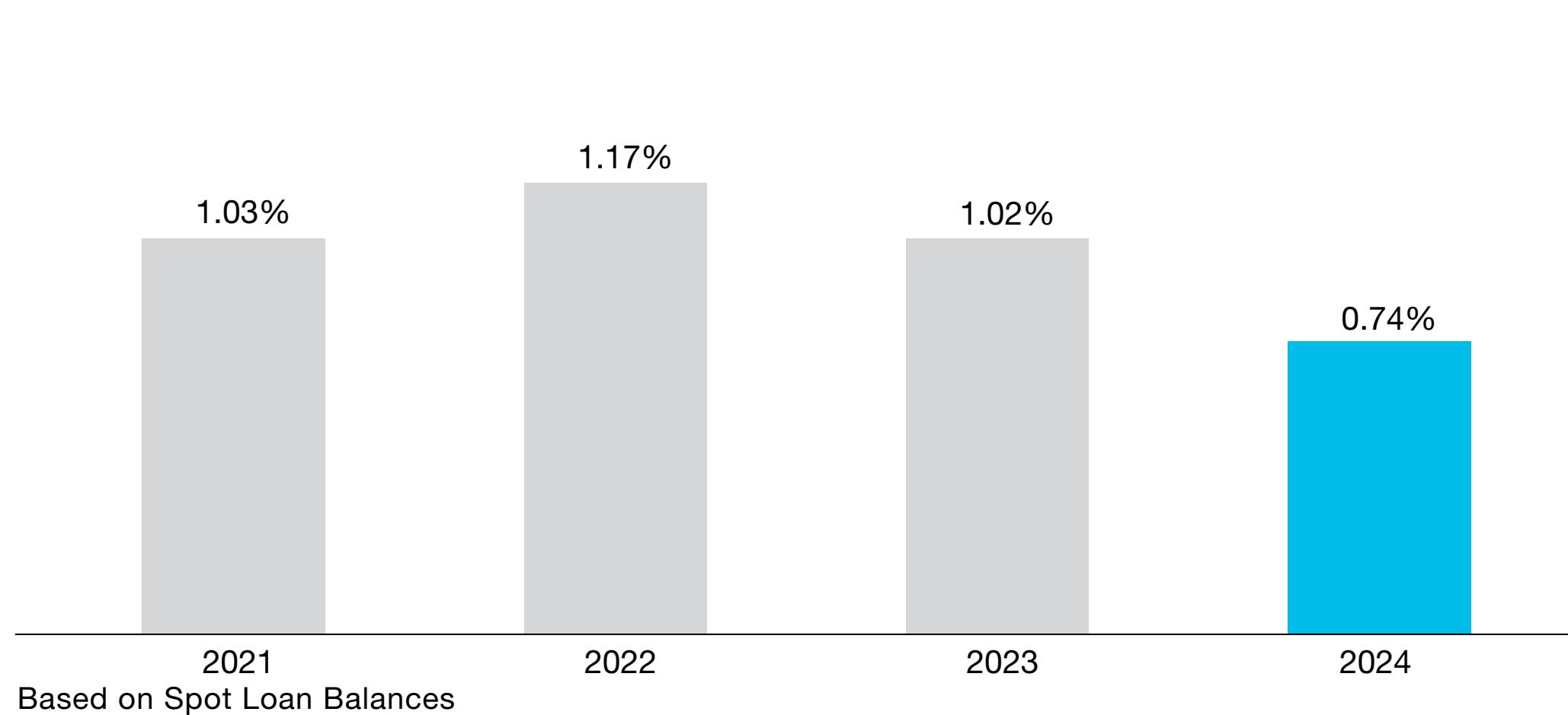


# Asset Quality and Impairments

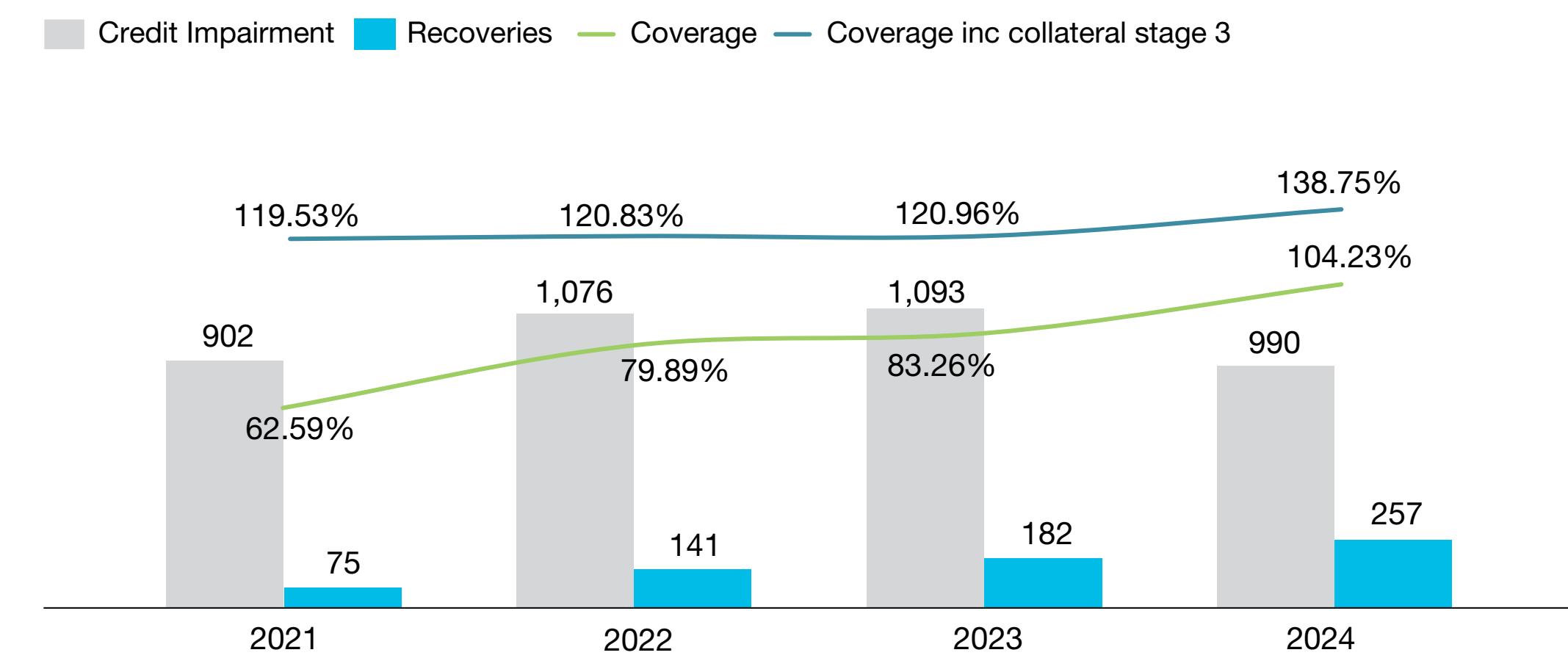
Figures in AED m

Sharply improved asset quality with a lower NPL ratio, the lowest in decades, together with a coverage ratio above 100%

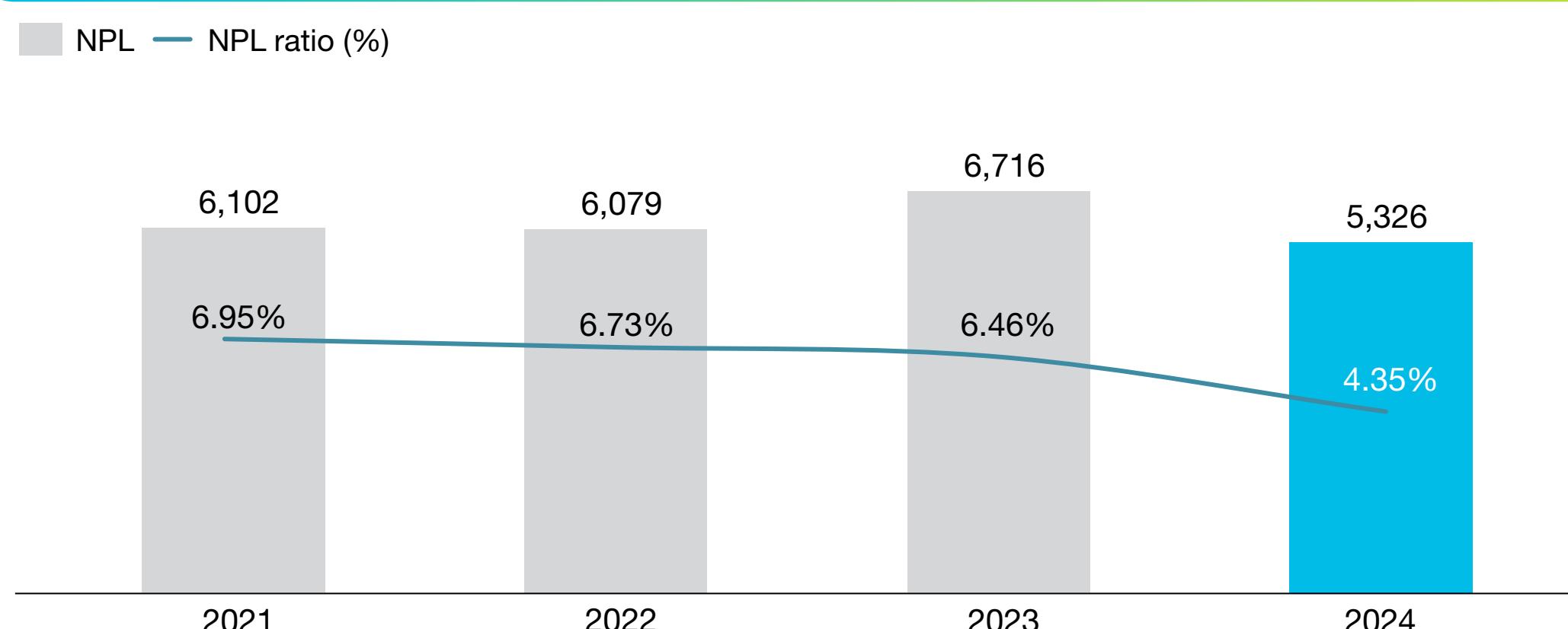
## Cost of Risk



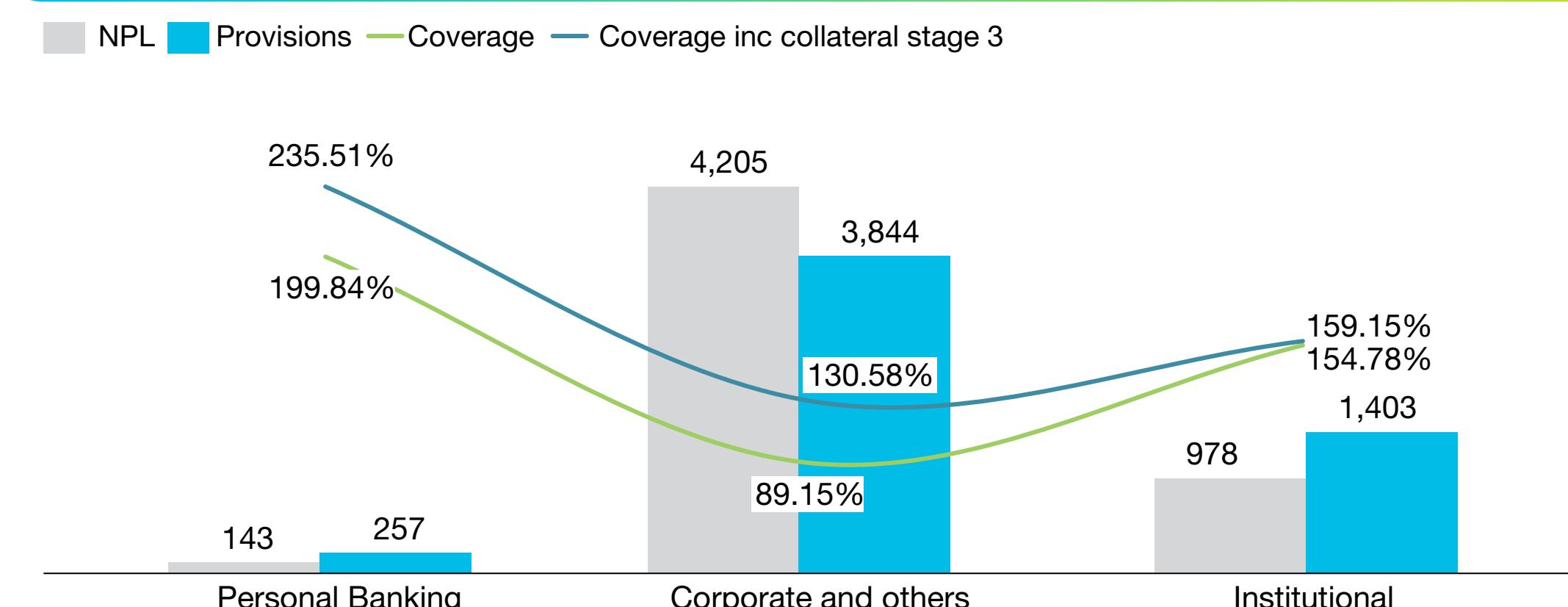
## Credit Impairment Charges and Recoveries



## NPL Ratio



## Expected Credit Provisions – Segment

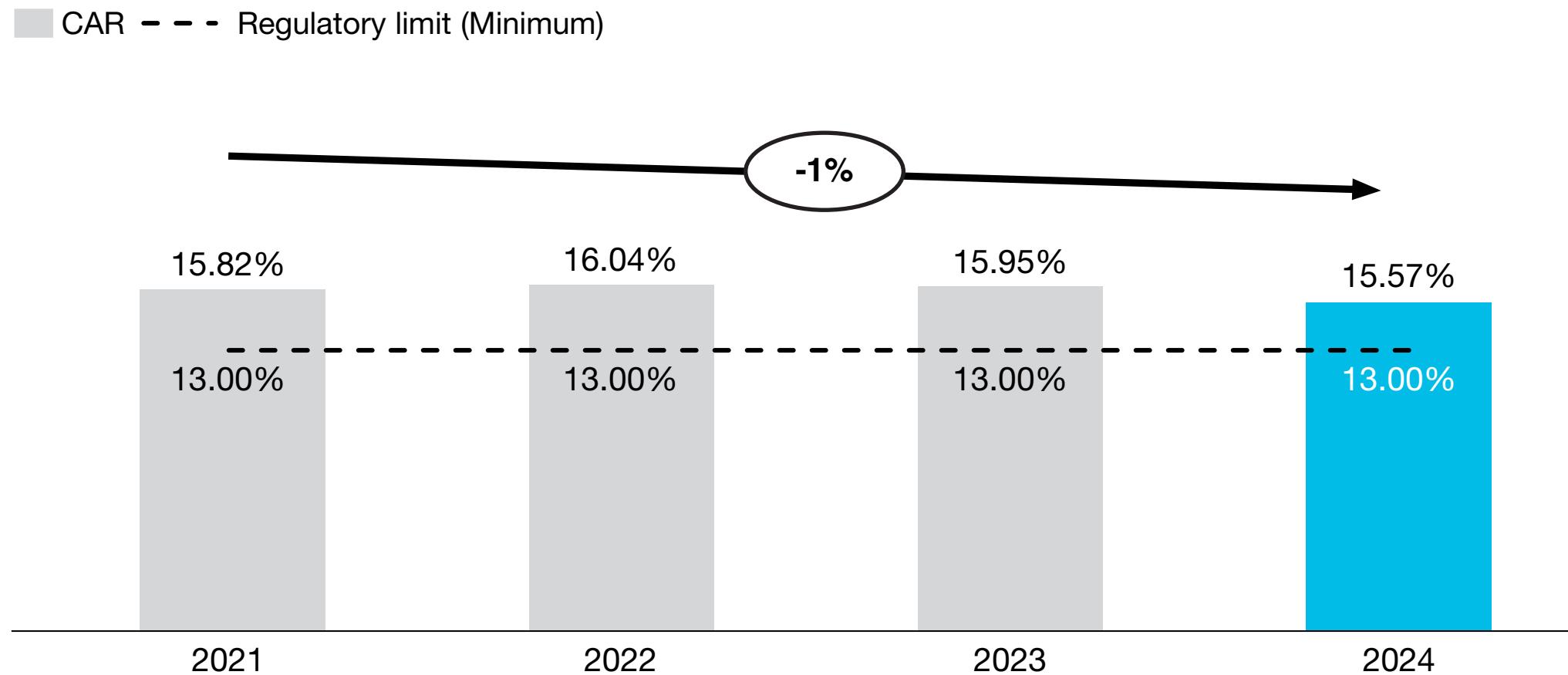


Note: ECL/Provisions are defined as ECL on loans, advances and Islamic financing, ECL on unfunded exposures and IFRS9 impairment reserves.

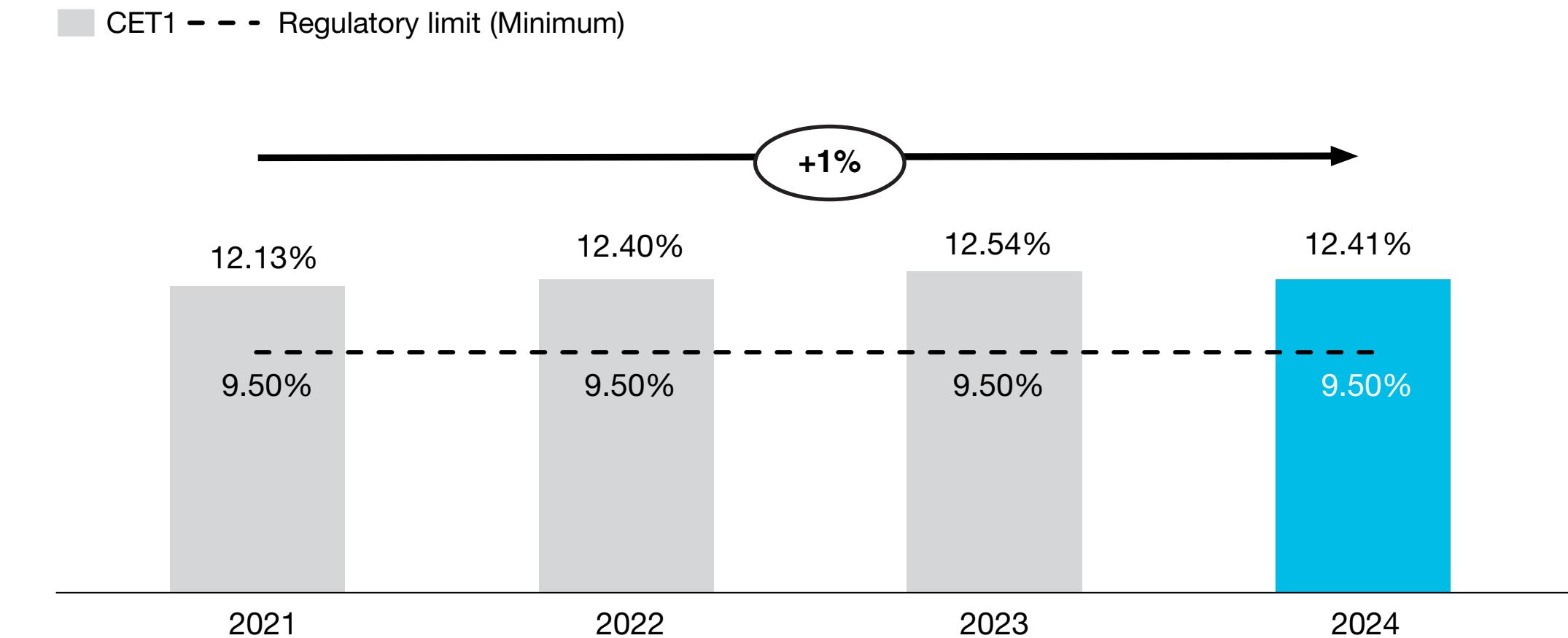
# Balance Sheet and Capital Strength

Capital ratios remain well above regulatory requirements

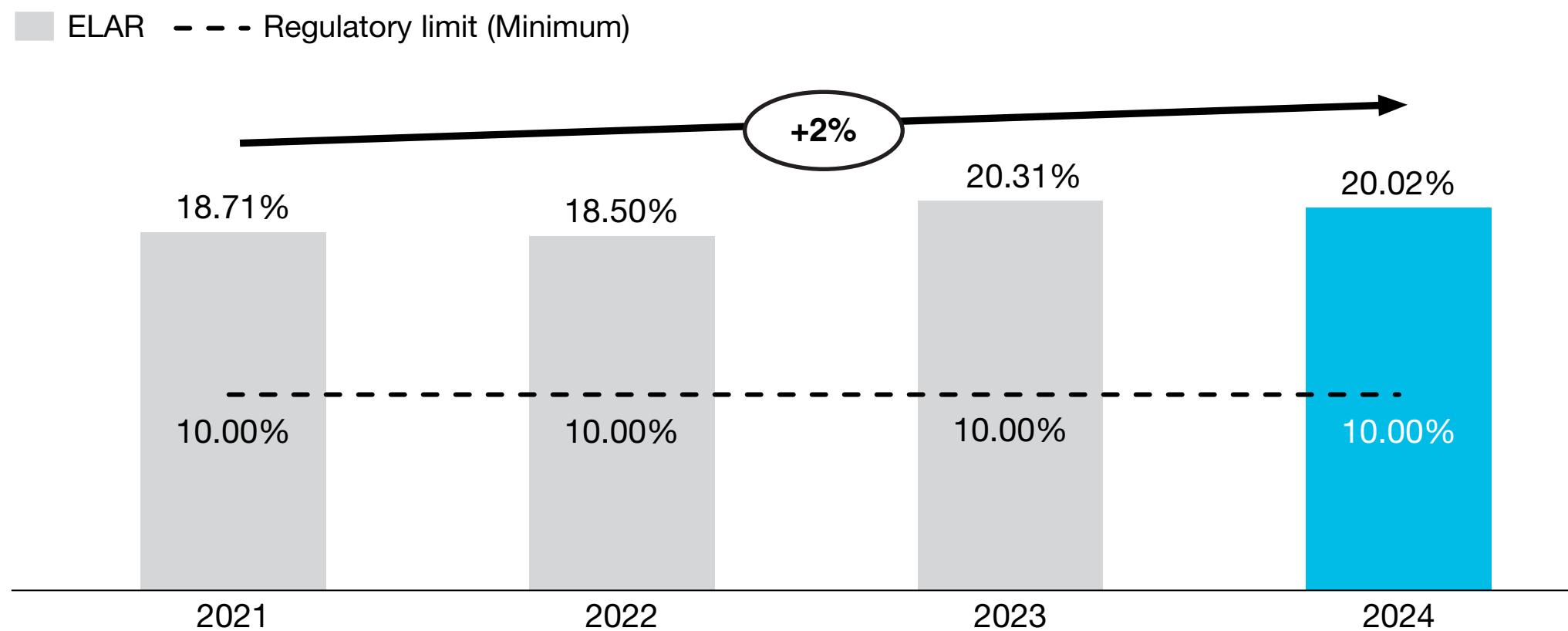
## Capital Adequacy Ratio (CAR)



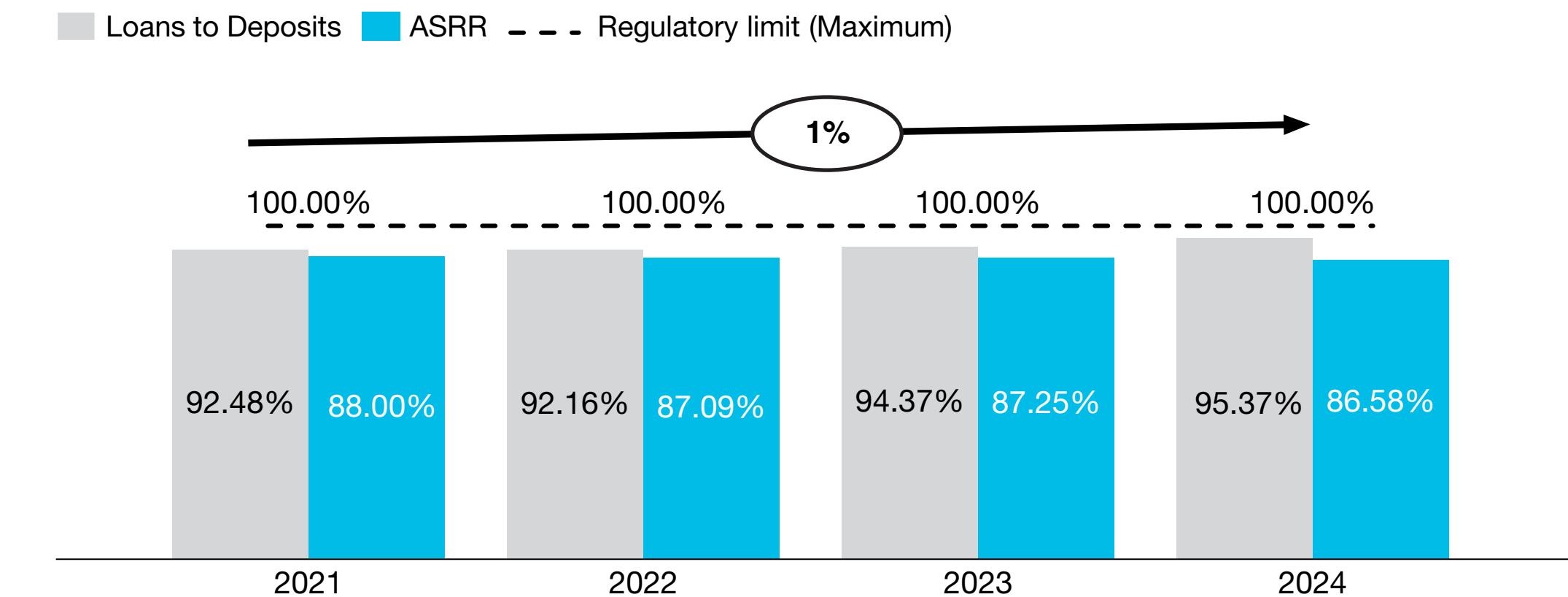
## Common Equity Tier 1 (CET1)



## Eligible Liquid Assets Ratio (ELAR)



## Loans to Deposits and ASRR

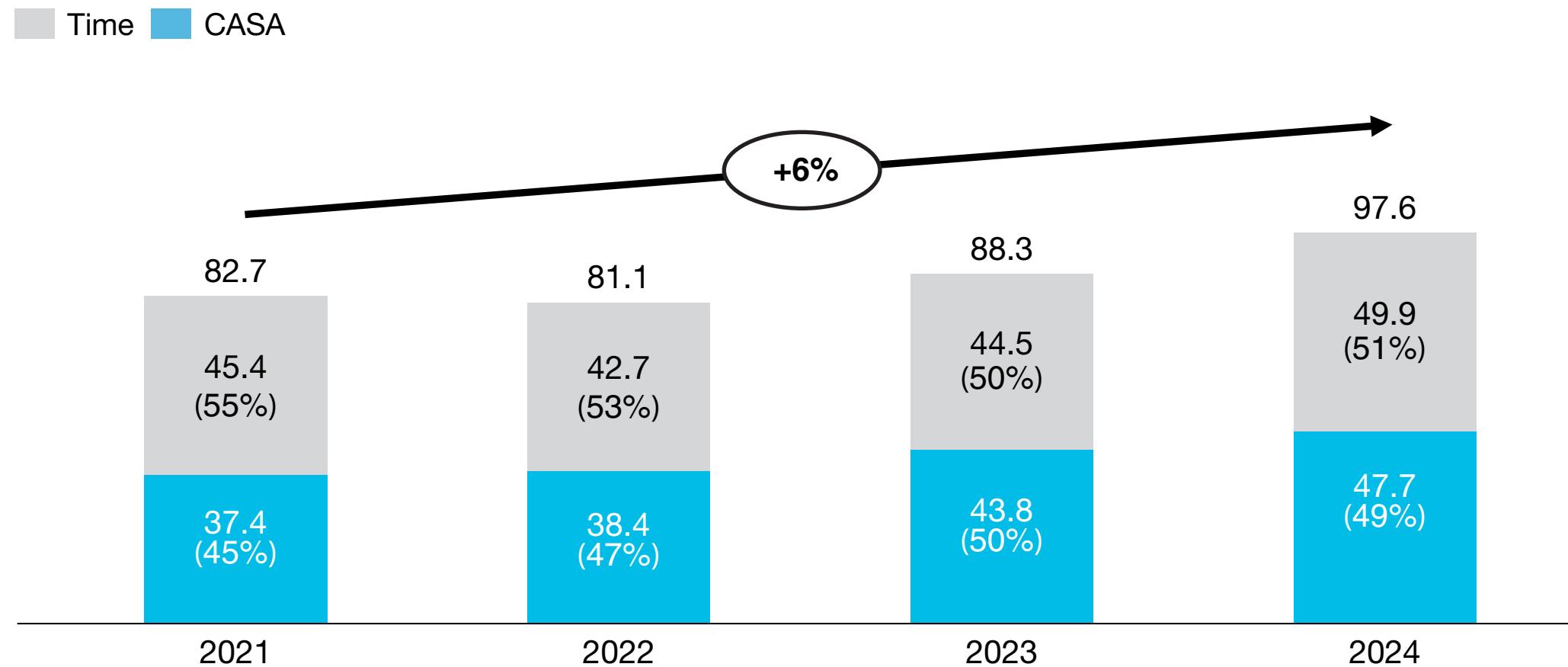


# Funding and Liquidity

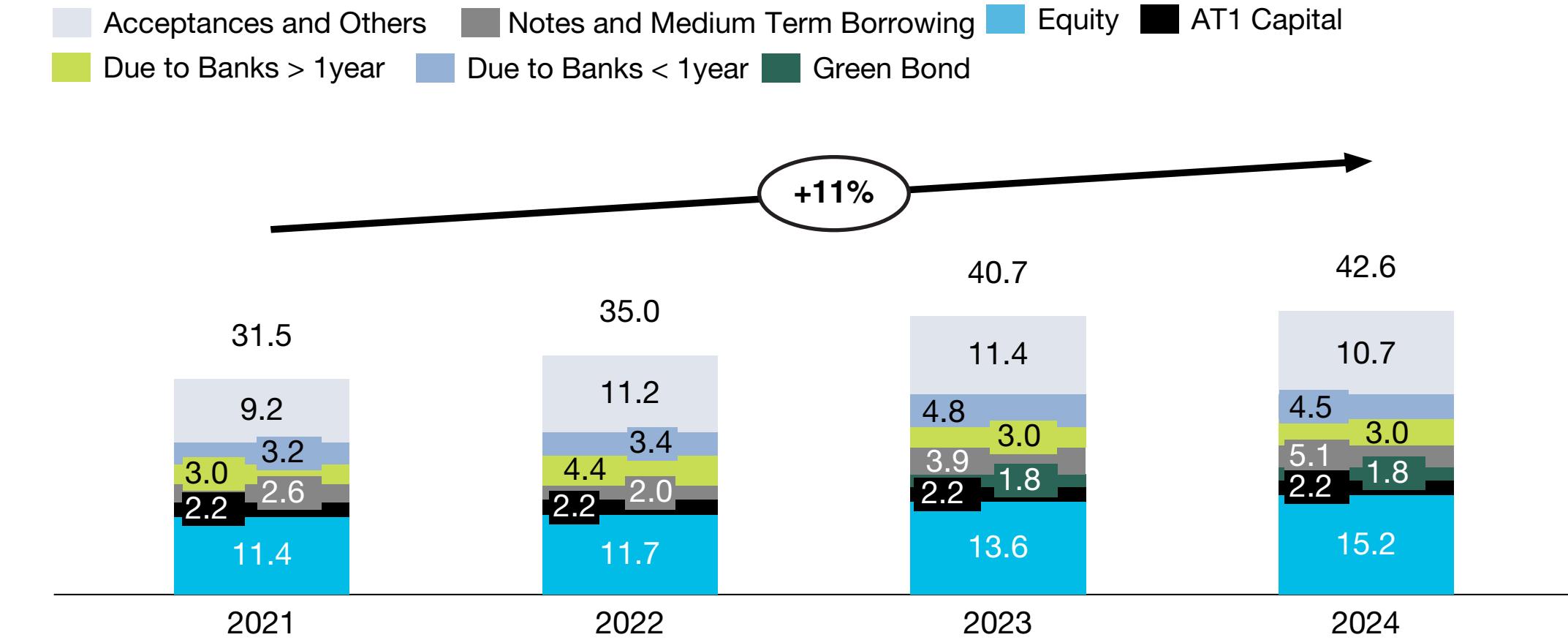
Figures in AED b

Diversified funding base with stable franchise deposits

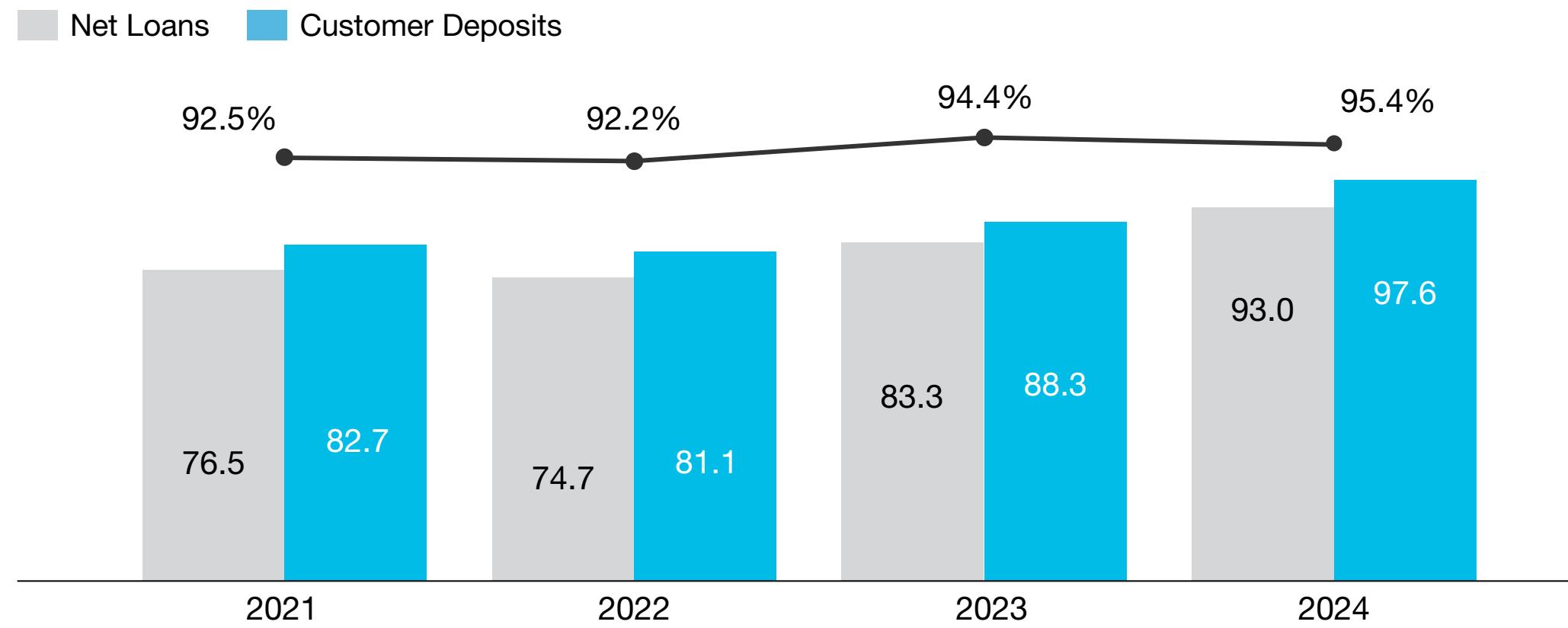
## Customer Deposits



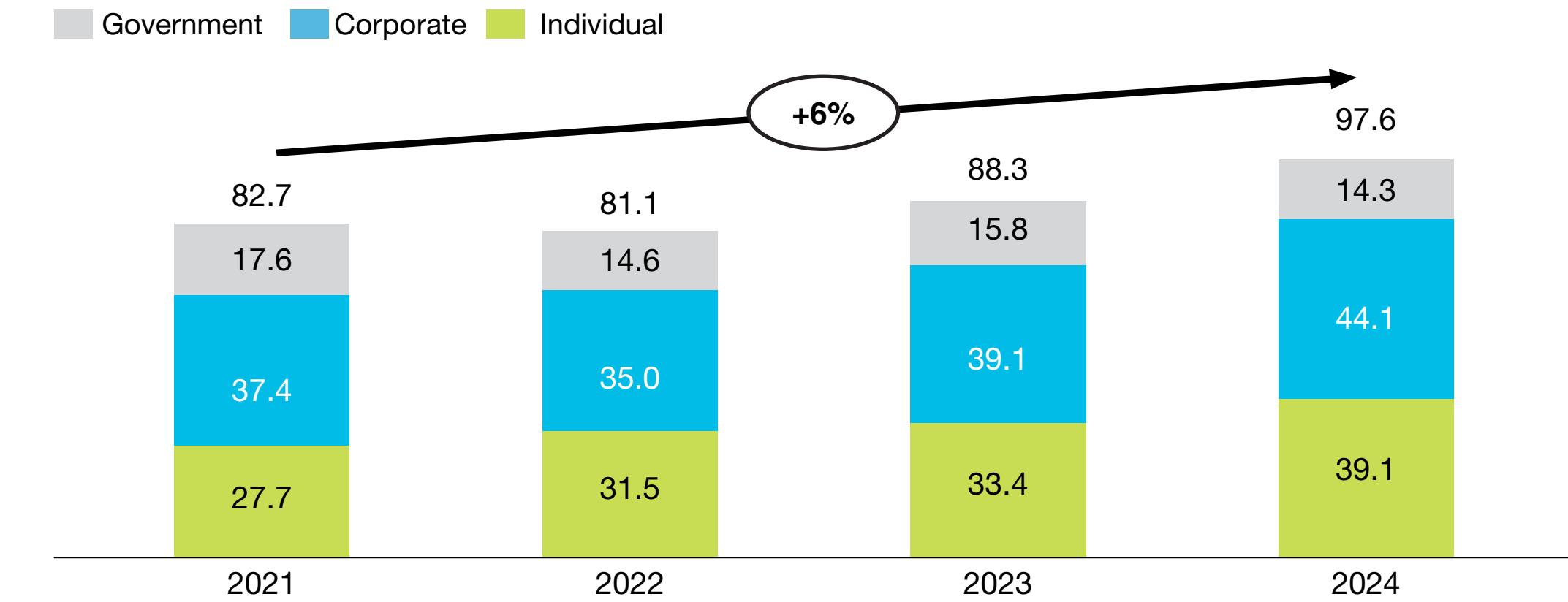
## Other Funding Sources



## Loans to Deposits



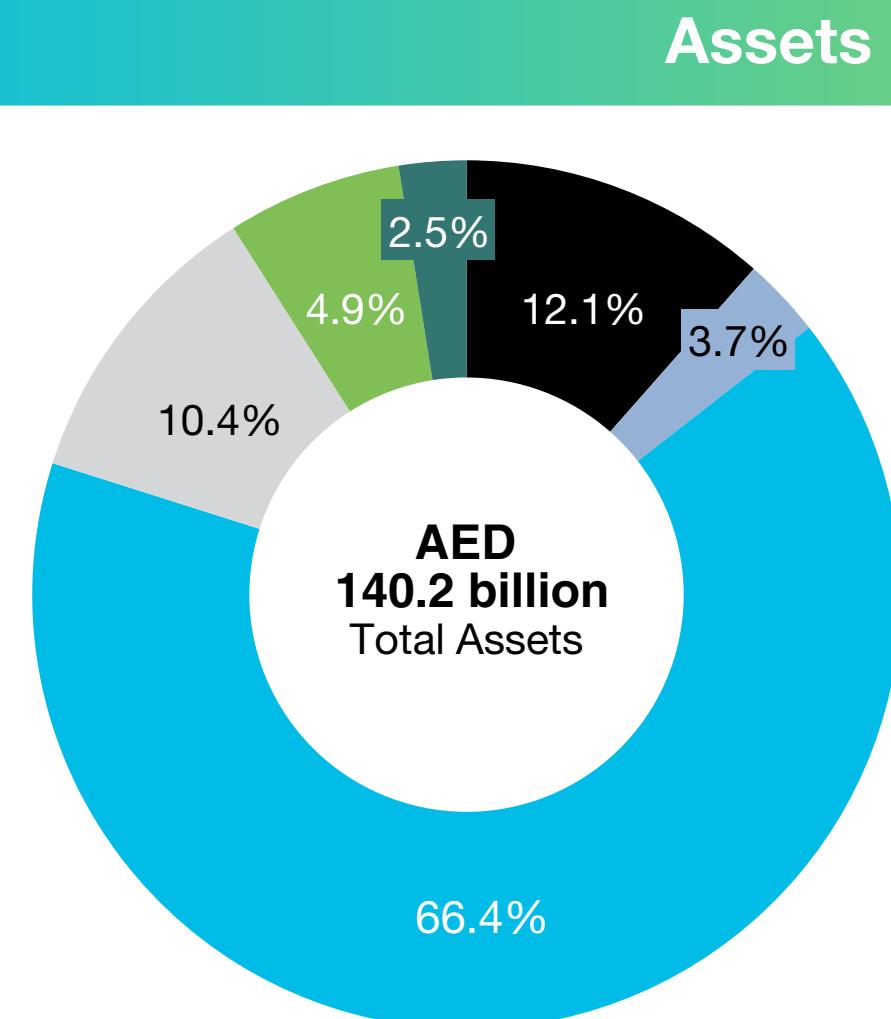
## Deposit Segmentation



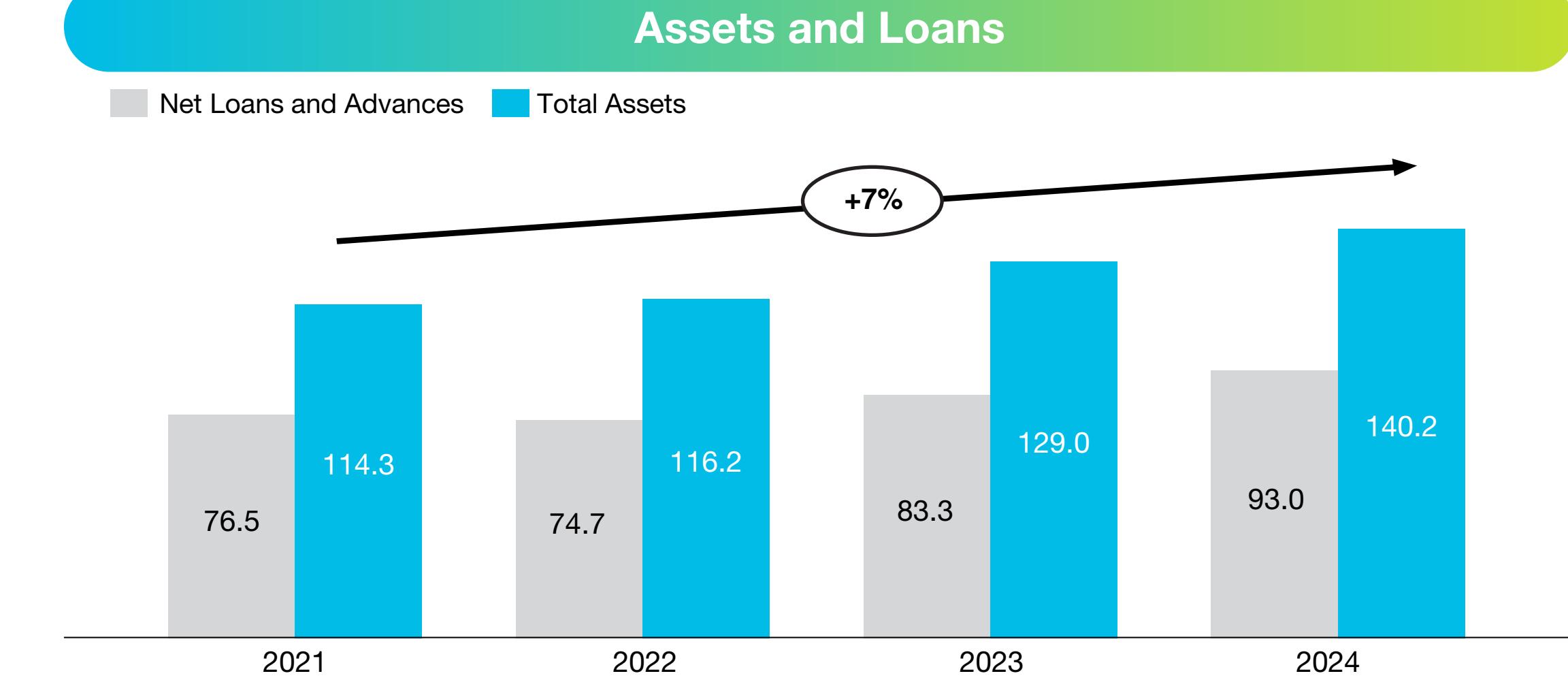
# Balance Sheet Analysis

Figures in AED b

Backing customer ambitions across all market sectors of the UAE economy



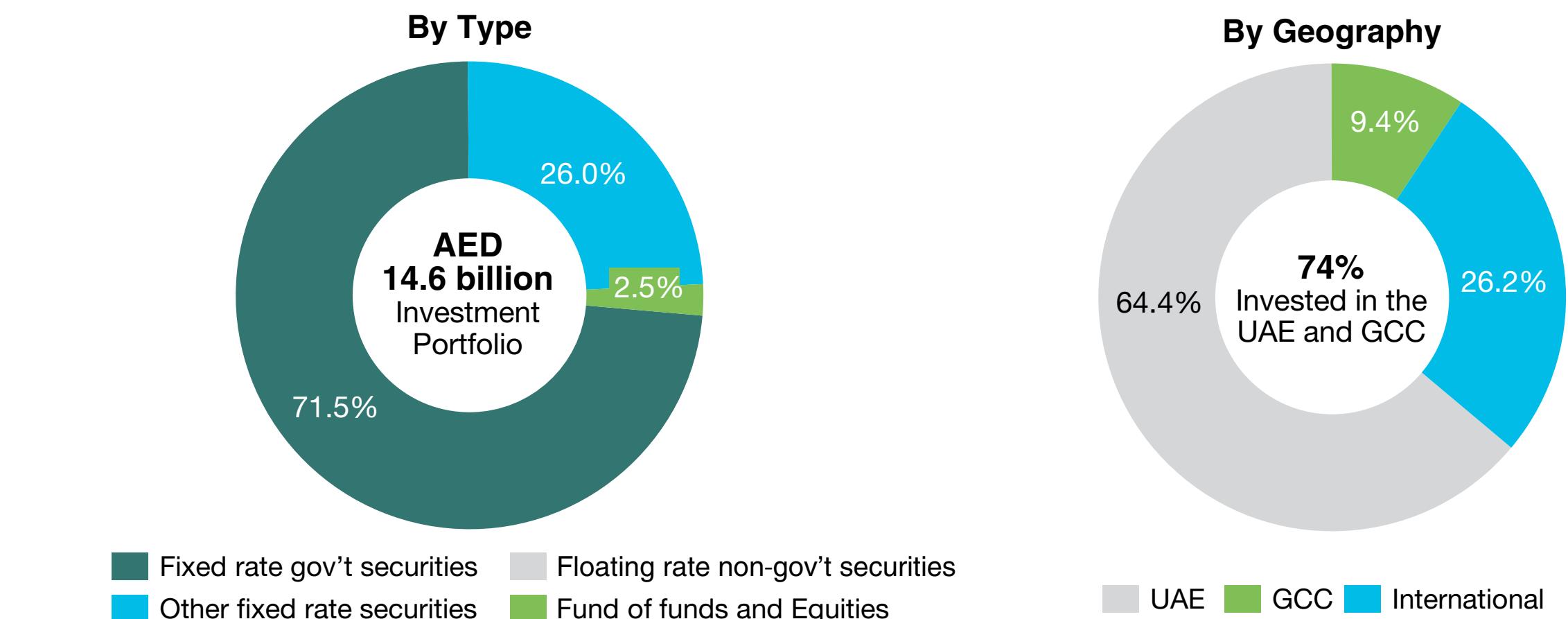
- Cash and balances with CB
- Due from banks
- Net loans and advances
- Investment securities
- Acceptances
- Other Assets



### Gross Loans and Advances by Sector

Sector	Dec 24	Dec 23	Var %
Government entities	4.0	2.7	48.1
Others	8.3	6.3	31.7
Manufacturing	8.9	6.8	30.9
Personal - mortgage	16.1	12.4	29.8
Transportation and storage	3.4	2.8	21.4
Trade	10.7	9.6	10.9
Services	7.0	6.3	11.1
Individual Loans for consumption	5.8	5.0	16.0
Hospitality	2.5	2.8	(10.7)
Real estate	17.8	18.4	(3.5)
Financial and insurance activities	8.4	8.7	(3.4)
Construction	4.6	5.9	(22.0)
Individual loans for business	0.9	1.5	(40.0)
<b>Total</b>	<b>98.3</b>	<b>88.9</b>	<b>10.6</b>

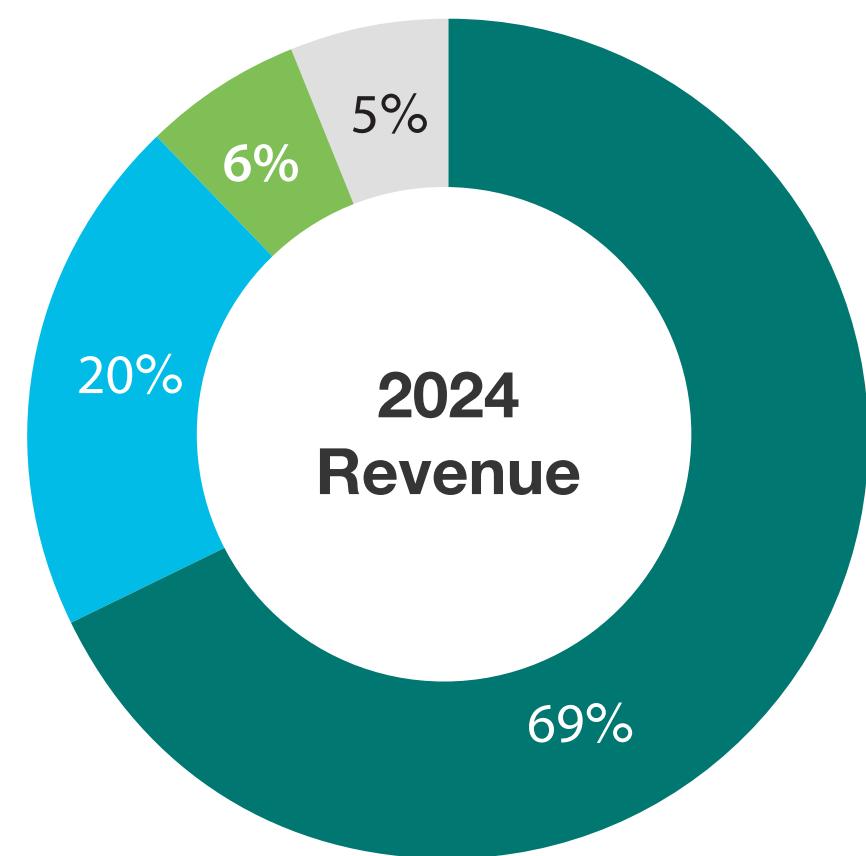
### Investment Securities Portfolio



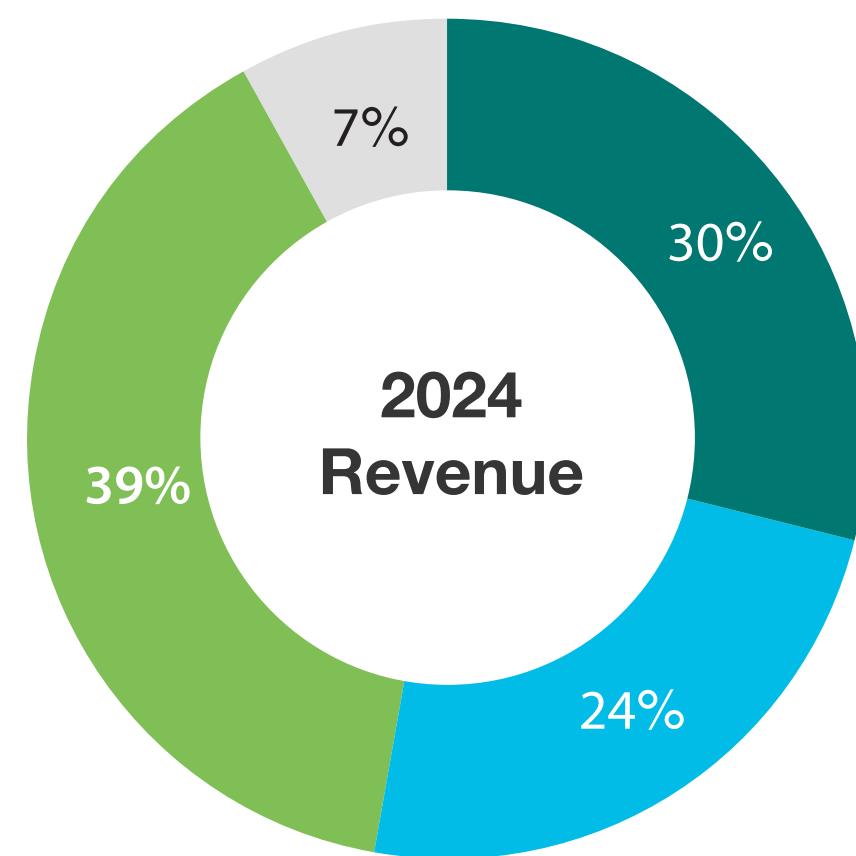
# Diversified Business Mix

Broad diversification across key financial attributes

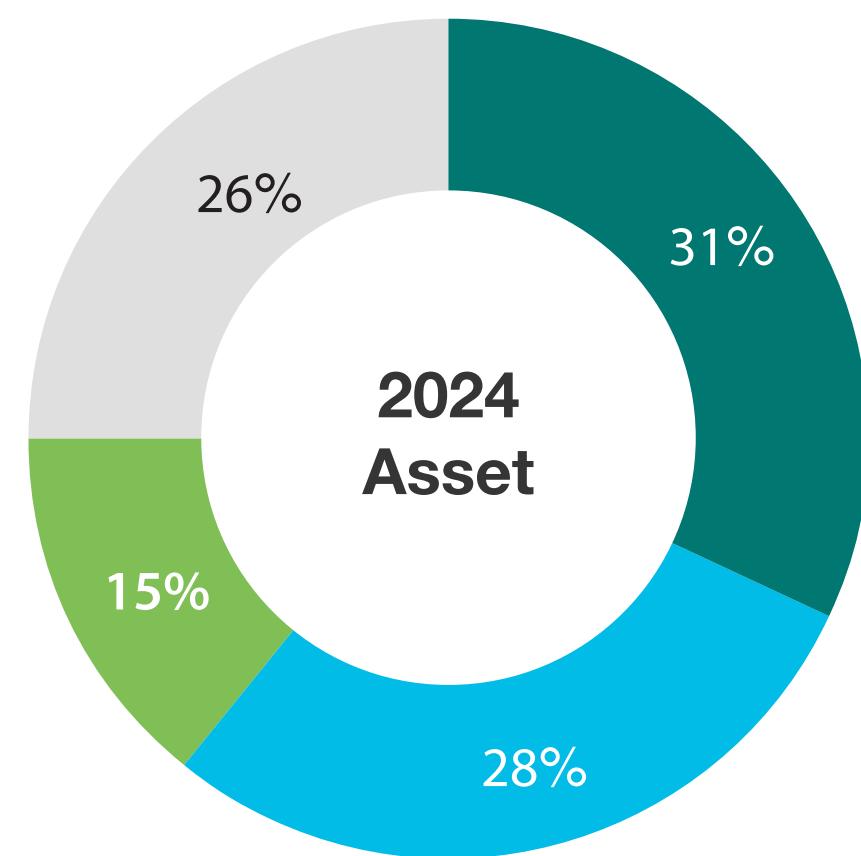
## Revenue Diversification



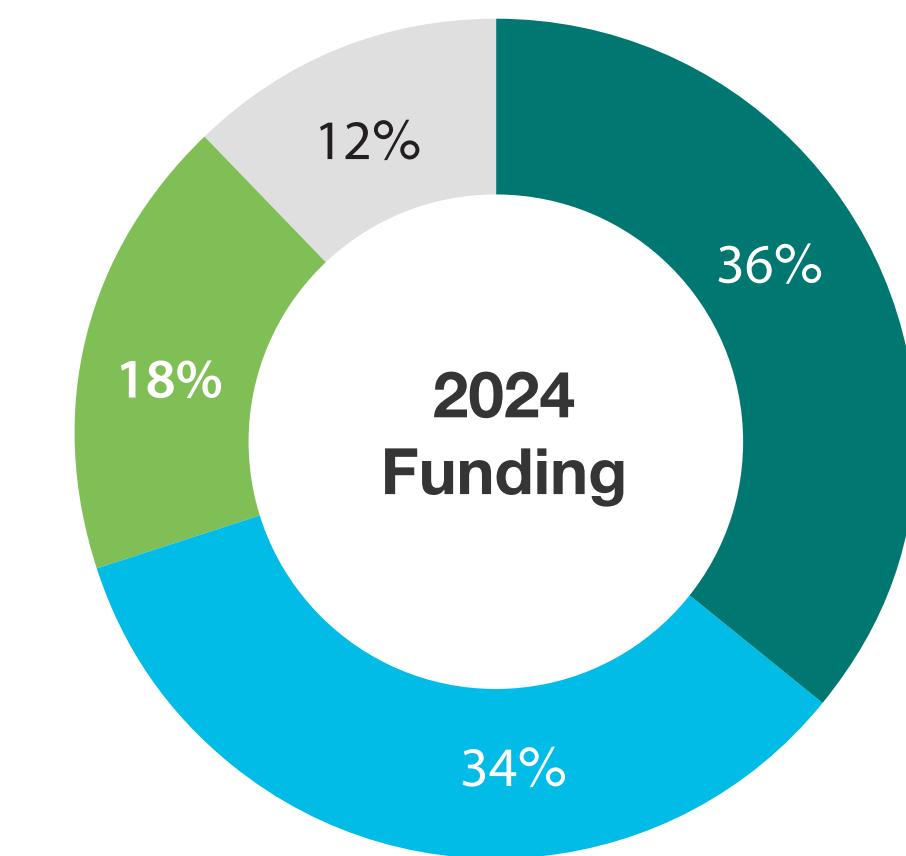
## Revenue Segmentation



## Asset Diversification



## Funding Diversification



69%  
NII

31%  
NFI

Net Interest Income  
Fee income  
FX income  
Other income

54%  
Wholesale

46%  
Others

Corporate banking  
Institutional banking  
Personal banking  
Other

59%  
Wholesale

41%  
Others

Corporate banking  
Institutional banking  
Personal banking  
Other

70%  
Deposits

30%  
Others

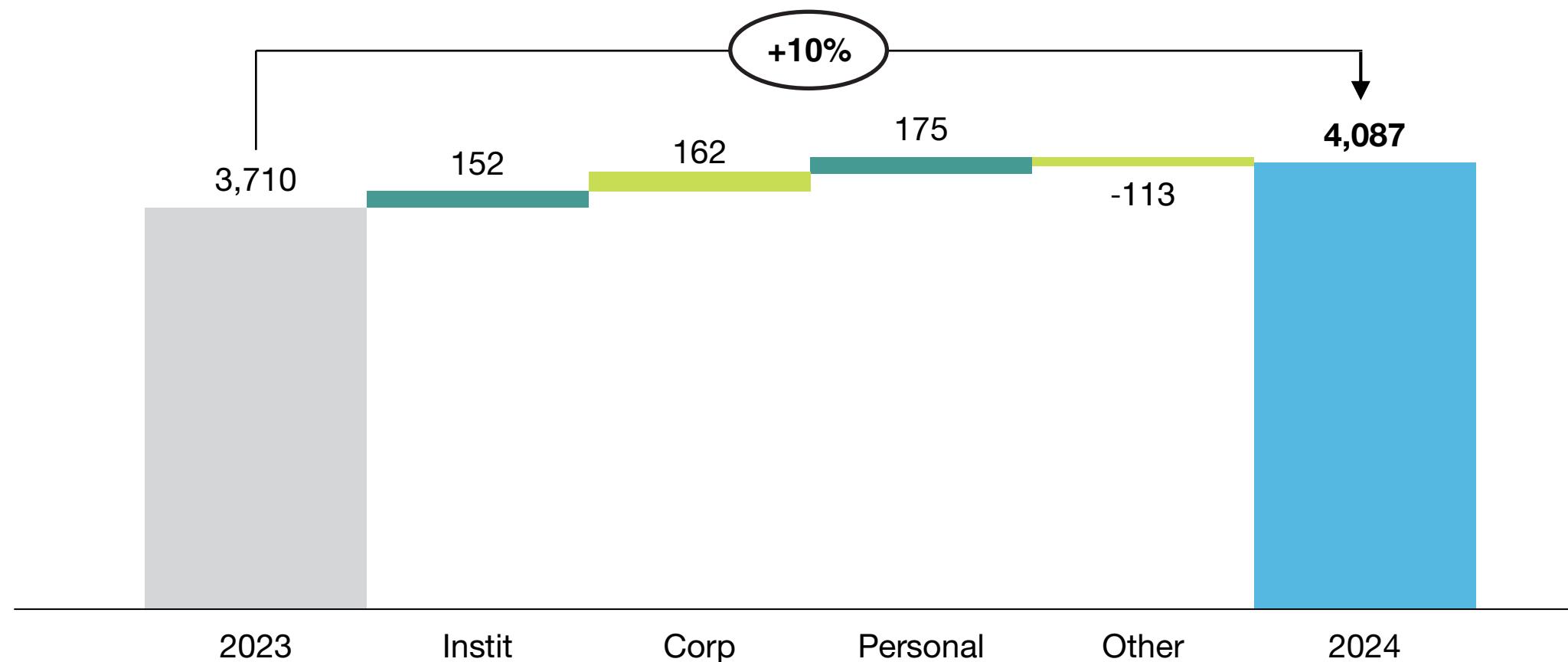
Time  
CASA  
Other funding  
Equity

# Divisional Contributions

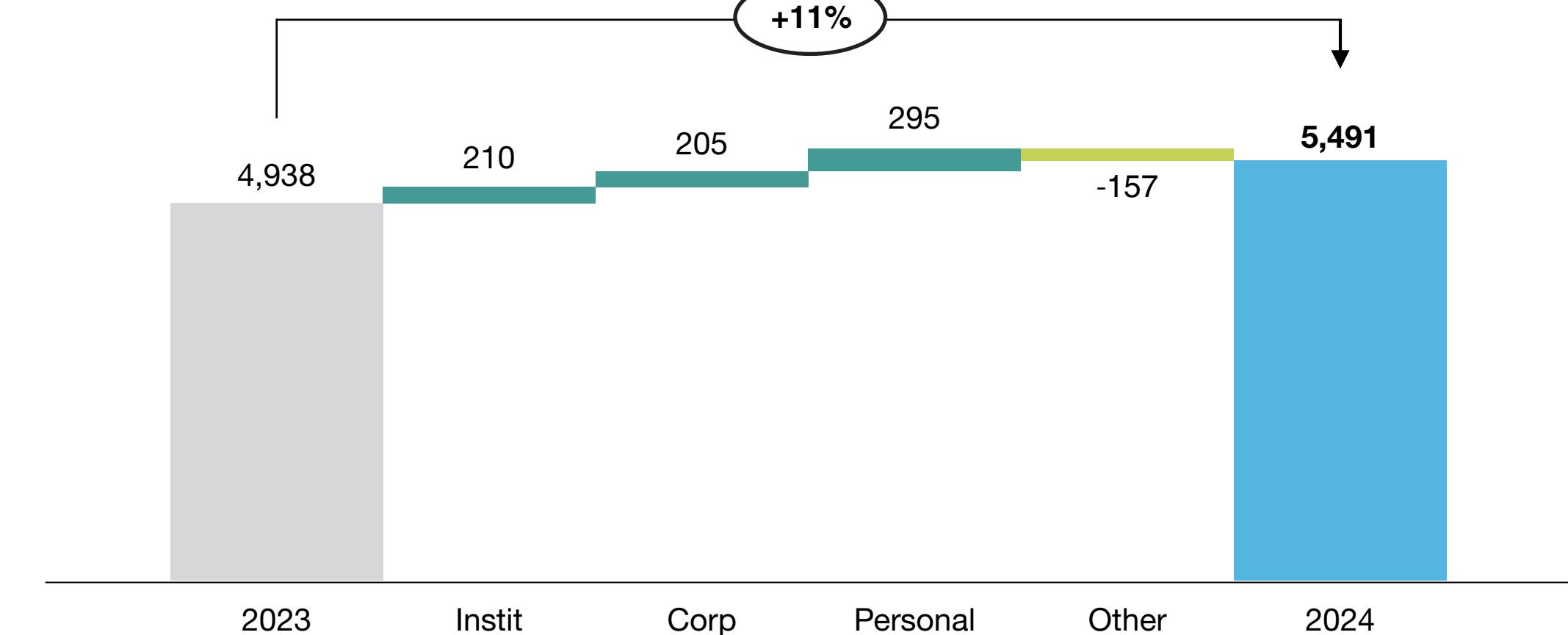
Solid performance across all segments with improved segmental balance year on year

Figures in AED m

## Divisional operating profit movement



## Divisional revenue movement



## FY 2024

### Institutional

### Corporate

### Personal

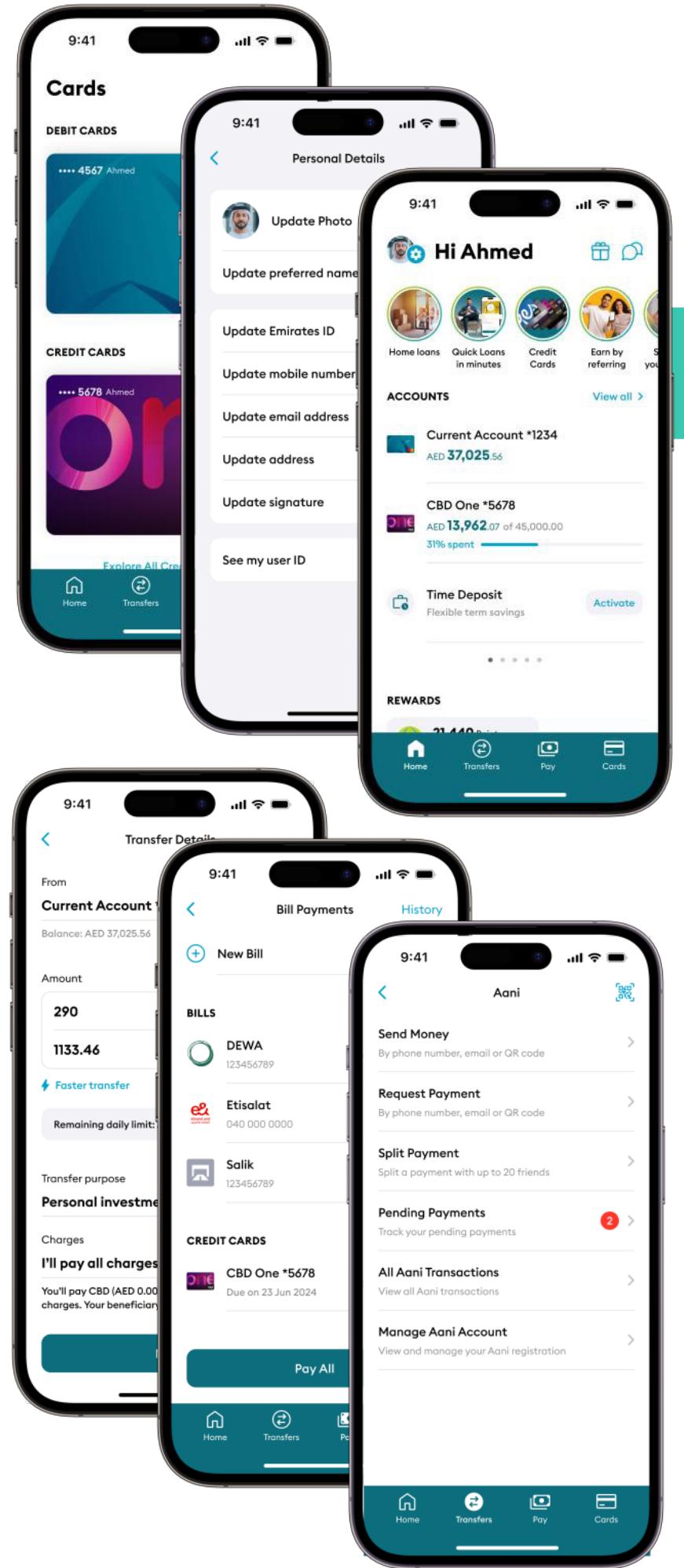
### Other

### Total

Operating Income	1,332	1,659	2,134	366	5,491
Expenses	(268)	(315)	(770)	(50)	(1,403)
<b>Operating Profit</b>	<b>1,064</b>	<b>1,344</b>	<b>1,364</b>	<b>316</b>	<b>4,087</b>
% of Group Operating Profit	26	33	33	8	100

# Consumers – Digital Innovation

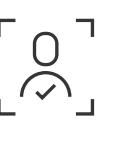
Investing in award winning and industry recognized digital customer experience



## CBD Digital App and Features



**App rated 4.8 on App store and 4.2 on Google Play**



**96% of customers are registered for digital (web and mobile)**



**New digital services available to Customers**



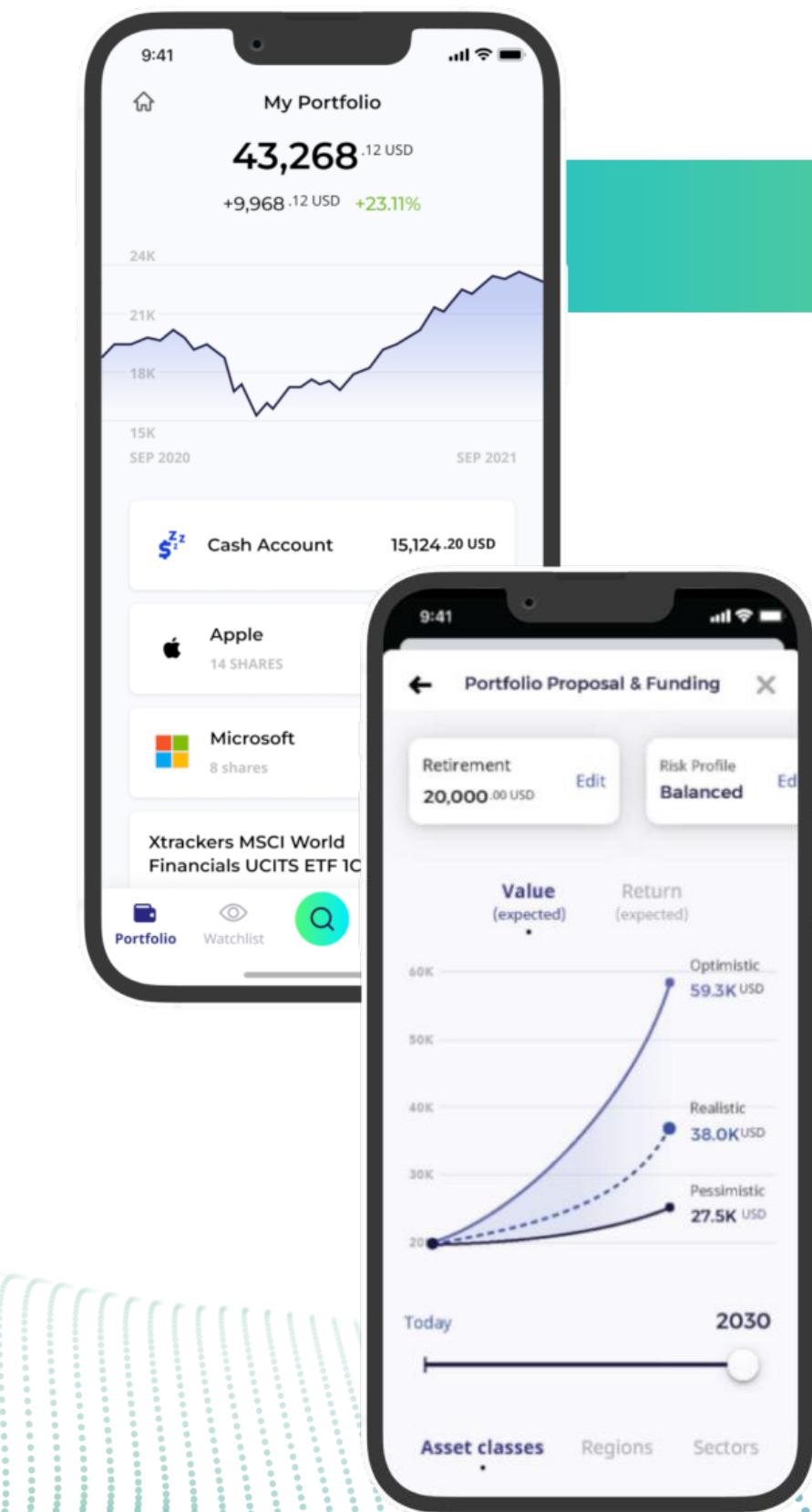
**Optimized experience through redesigned Customer Journeys**



**Effortless Global Transfers and Bill Payments**



**Instant Payments with Aani via mobile, email or QR code**



## CBD Investr



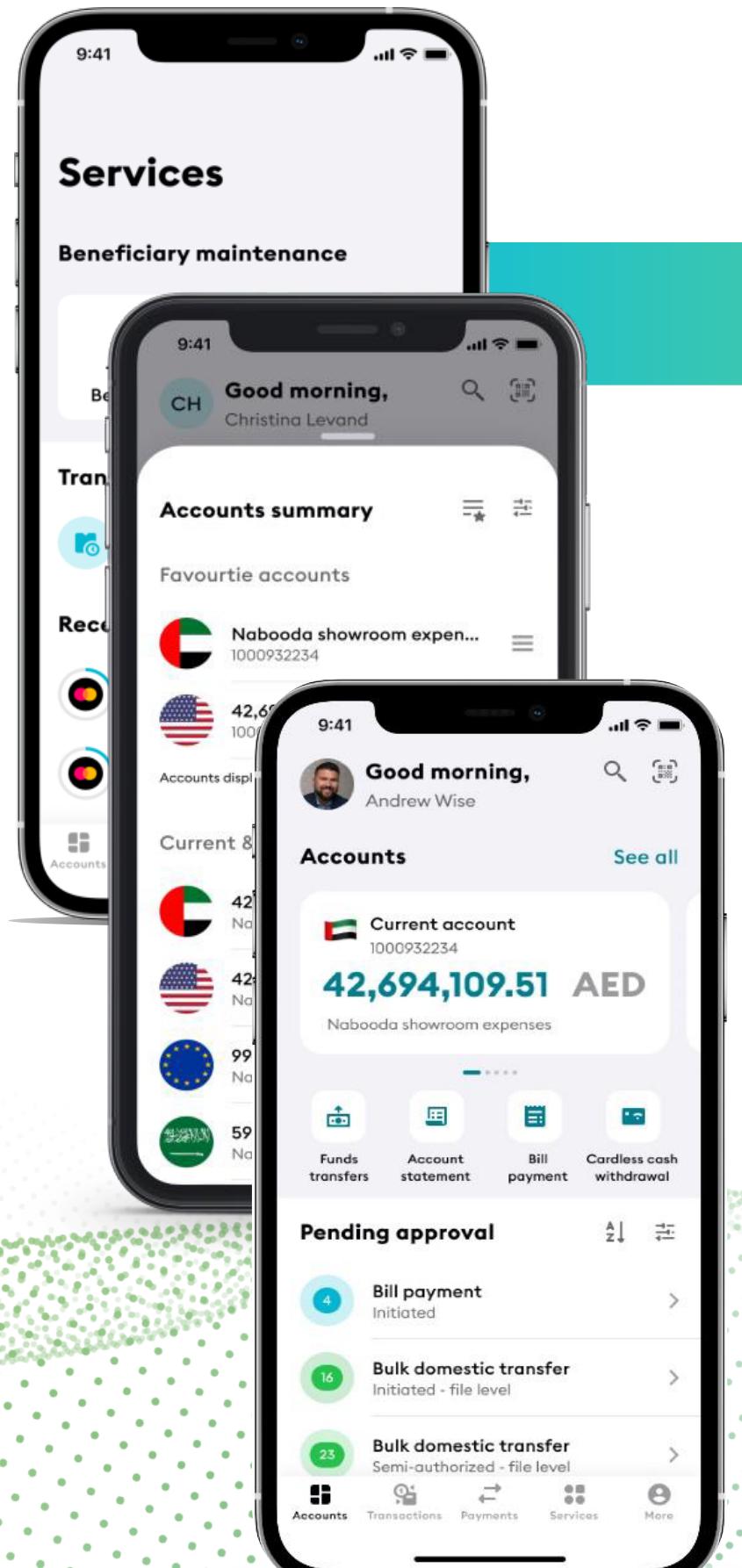
**Best Innovation in Investment Banking and Best Robo Advisory Provider – MEA Finance**



**Outstanding Robo Advisory and Most Effective Investment Service Offering – Digital Banker**

# Businesses – Digital Innovation

Investing in award winning and industry recognized digital customer experience



## CBD iBusiness Mobile



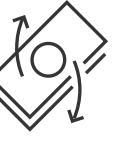
**Best Mobile Banking Service Implementation – MEA Finance**



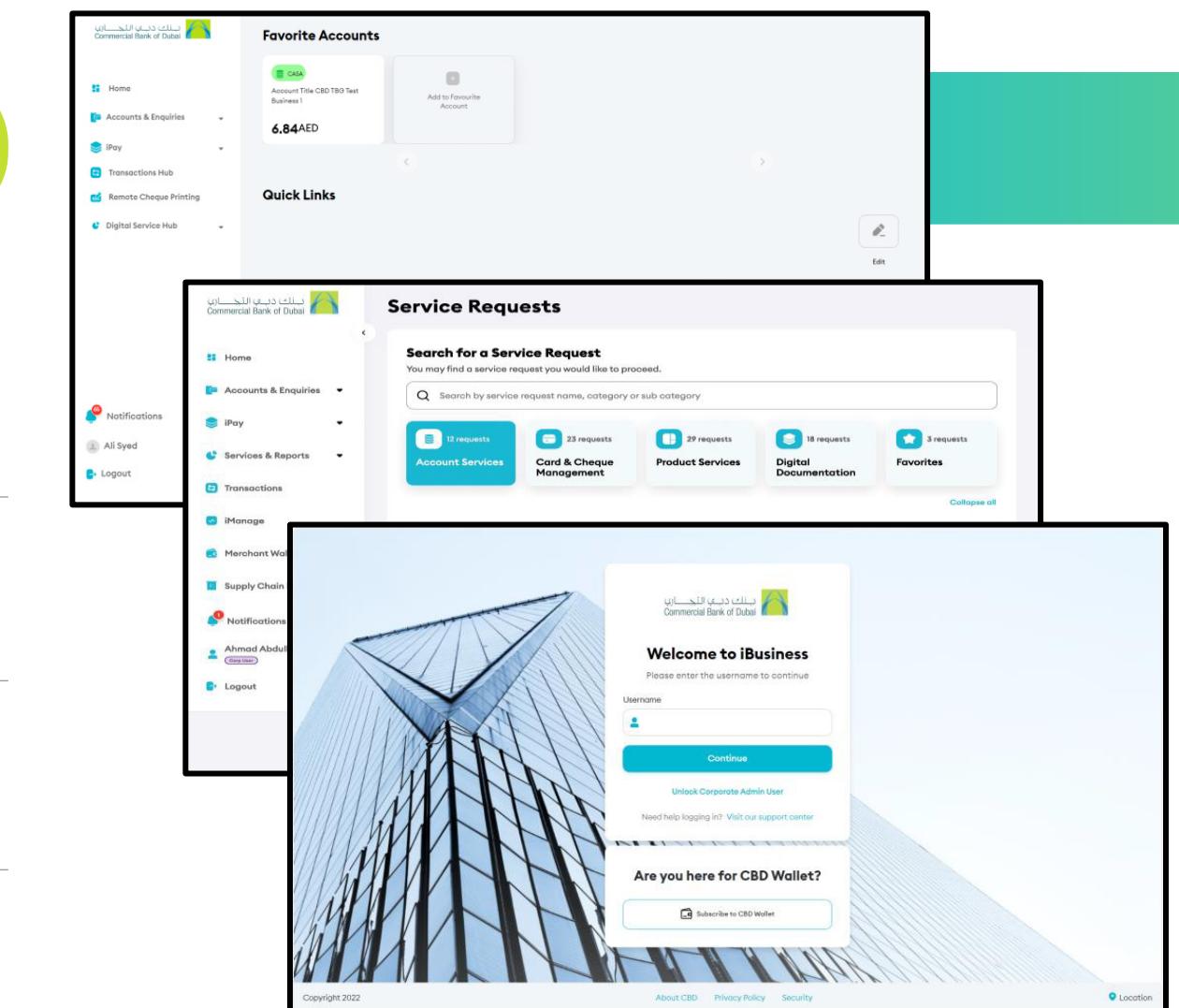
**App rated 4.8 on App store & 4.8 on playstore**



**94% transactions are digitally initiated**



**Fast and intuitive payments from Initiation to Approval through to Tracking**



## CBD iBusiness Online



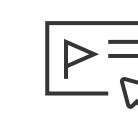
**Best Innovation in Corporate Banking and Finance – MEA Finance**



**A digital ecosystem of financial and non-financial products as well as services, including seamless KYC updates for entities**



**New digital services available to clients every quarter**



**A one-stop-shop for all Trade products and services including letter of credit, Guarantees, Collections and more**

# ESG Framework

Four key pillars of the ESG framework

## Environment

We hold ourselves to account while supporting our society and our customers' environmental ambitions.

### Our priorities:

- Climate Risk Management
- Sustainable Finance
- Responsible Operations

## People

We promote Emiratization and a healthy, up-skilled and engaged workforce.

### Our priorities:

- High Performance Culture
- Attract and Retain Talent

## Community

We are a local bank, backing businesses and residents of the UAE with our products and services.

### Our priorities:

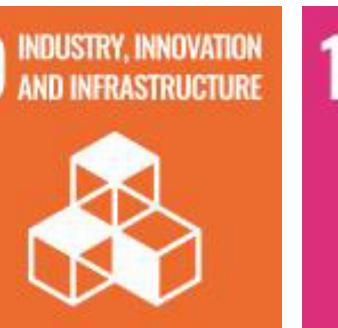
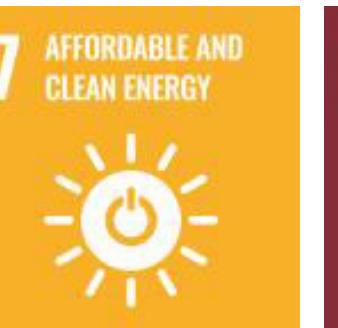
- Customer Protection
- Customer Experience
- Community Impact

## Governance

We protect our stakeholders by taking accountability for risk management at Board level.

### Our priorities:

- Corporate Governance & Ethics
- Cyber Security



Aligned to thirteen key United Nations sustainable development goals

# Our Commitment

In 2024 we progressed across all 4 pillars of our ESG Framework

## Environment

 **Awarded the best green bond** by a financial institution in EMEA

 **25 KPI-linked sustainable finance transactions**

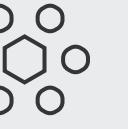
 **Signed up to PCAF** (Partnership for Carbon Accounting Financials)

 **Introduction of recycled credit and debit cards**, for issuances & renewals

 **Achieved 4 LEED Gold Certifications** for own buildings

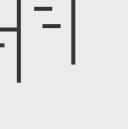
 **Launched GreenGrowth Account**, featuring mangrove commitment

## People

 **Emiratisation – 38%** of all employees UAENs

 **Recognised with 3 Nafis Awards** for commitment to Emirati talent

 **No material gender pay gap** across organizational levels

 **Upgraded Head Office** working environment

 Launch of new learning platform as well as **average of 28.9 training hours** per employee

 **Employee Engagement score of 72** (84% participation rate)

## Community

 Hosted **Suhoor gathering** for customers

 Launched **CBD Digital Factory** in DIFC Innovation Hub

 Partnered with Dubai Club for **People of Determination**

 Sponsored Dubai Future Sustainability Forum and Dubai FinTech Summit

 Signed **trade partnership** with Emirates Development Bank

 Honored with **3 technology awards** by MEA Finance Magazine

## Governance

 **Elected new Board with female membership**

 Participated in **Climate Risk Thematic Review**

 **Environmental and social checks updated** for credit applications, as well as for risk assessments

 **4 ESG Councils** and 4 Board updates

 Conducted **climate risk training** for Board and Executive team

 Refreshed website which incorporates **updated governance-related policy disclosures**

# Awards and Achievements



**Exceptional Efforts in the field of Emiratisation**  
**Bronze Category**  
Nafis Awards 2024



**Best Financial Green Bond in EMEA**  
The Achievement Awards 2024



**Best Mobile Banking Technology Implementation**  
The Asian Banker, Middle East & Africa  
Finance Awards 2024



**Best Payment Hub/Wholesale Payments Implementation**  
IBS Intelligence Global FinTech Innovation Awards 2024



**Most Effective Cybersecurity Deployment**  
IBS Intelligence Global FinTech Innovation Awards 2024



**Top 10 UAE Banks**  
Forbes 30 Most Valuable Banks in Middle East 2024



**Best Anti-Money Laundering Technology Implementation**  
The Asian Banker, Middle East & Africa  
Finance Awards 2024



**Best Retail Payments System Implementation**  
IBS Intelligence Global FinTech Innovation Awards 2024



**Best Digital Channel/Platform Implementation**  
IBS Intelligence Global FinTech Innovation Awards 2024



**Environmental, Social, and Governance (ESG) Label**  
Dubai Chamber of Commerce

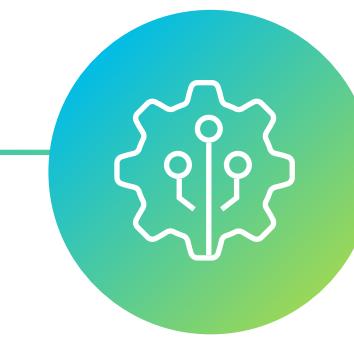
# Concluding Remarks



**Exceeding AED 3 billion in net profit for the first time and record proposed dividend**



**Excellent loan growth increasing market share and improved asset quality**



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



**Delivering high shareholder returns with momentum to continue in 2025**



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

# Board of Directors



**H.E. Ahmad Abdulkarim Julfar**  
Chairman



**H.E. Ahmad Abdulla Binbyat**  
Deputy Chairman



**Mr. Buti Saeed Al Ghandi**  
Director



**Dr. Abdulla Mohamed Al Karam**  
Director



**Mr. Abdul Wahed Al Fahim**  
Director



**Mr. Saod Mohamed Obaidalla**  
Director



**Ms. Moza Omar Abdulla  
Hamad Al Futtaim**  
Director



**Mr. Ali Fardan Al Fardan**  
Director



**Mr. Khalid Abdul  
Wahed Al Rostamani**  
Director



**Mr. Hadi Mohammad  
Taher Badri**  
Director



**H.H. Sheikh Maktoum  
Hasher Al Maktoum**  
Director

# Executive Committee



**Mr. Darren Clarke**  
Chief Financial Officer



**Mr. Fahad Al Muhairi**  
General Manager  
Institutional Banking



**Mr. Othman Bin Hendi**  
Chief Customer Officer



**Mr. Abdul Rahim Al Nimer**  
General Manager  
Corporate Banking



**Mr. Khaled Ahmed AlHammadi**  
General Manager  
Personal Banking Group



**Mr. Sultan Al Mahmood**  
Chief Human Resources Officer



**Mr. Piotr Bednarek**  
General Manager, Head of Treasury,  
Asset Management & Global Markets



**Mr. Alan Grieve**  
Chief Credit Officer



**Mr. Rupert Rogers**  
Chief Risk Officer



**Mr. Ali Imran**  
Chief Operating Officer

# Global Economic Update

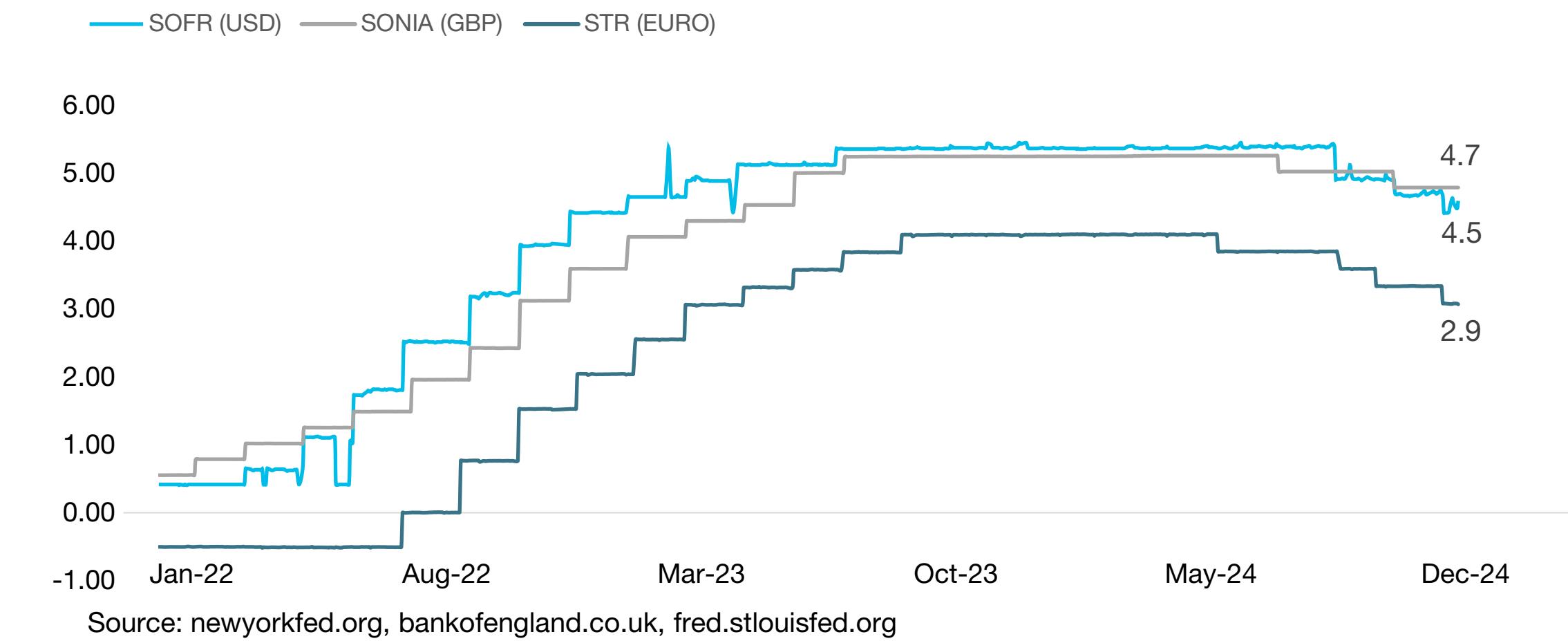
Lower inflation and decreasing central bank interest rates

## US Dollar Index



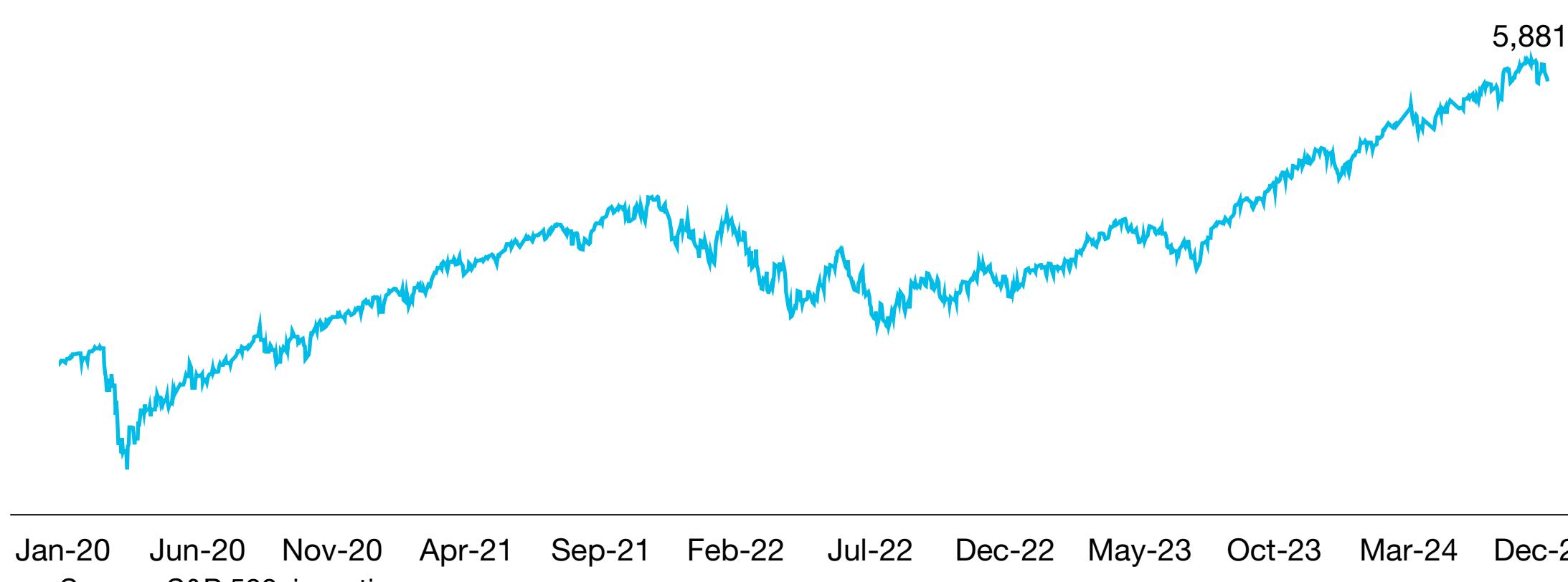
Source: investing.com

## Central Bank Overnight Rates



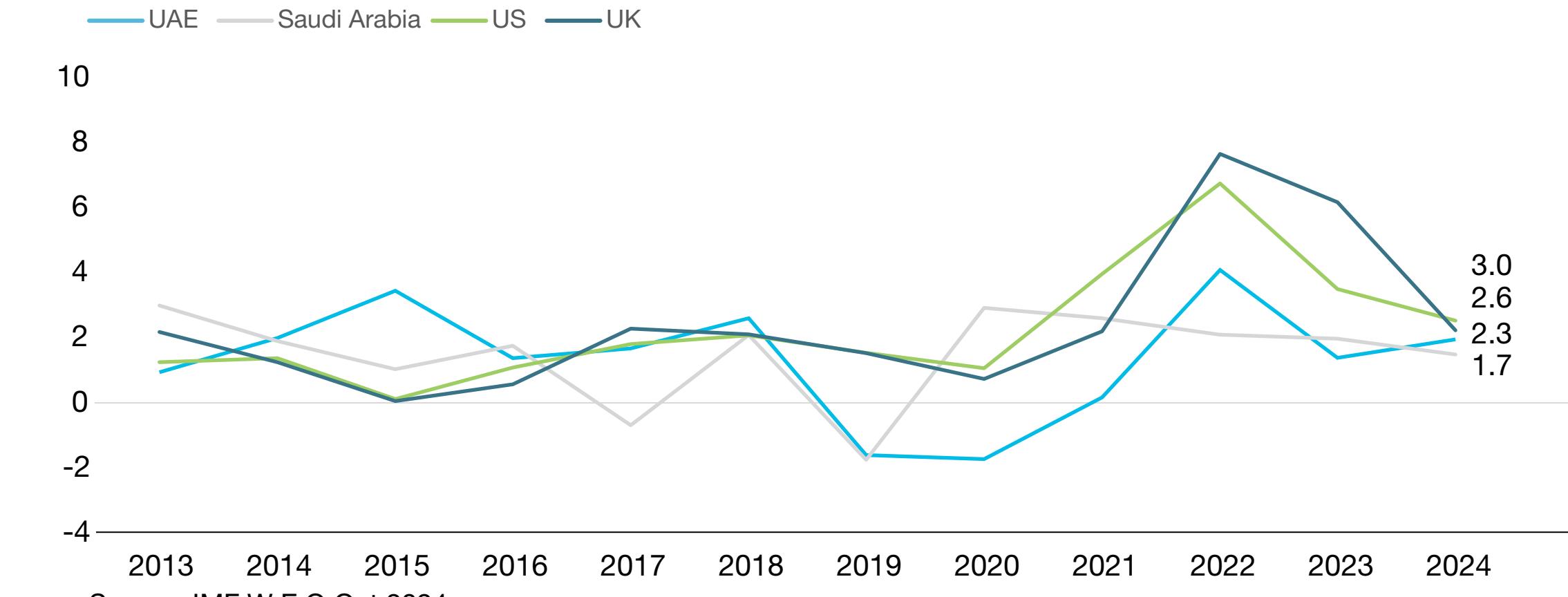
Source: newyorkfed.org, bankofengland.co.uk, fred.stlouisfed.org

## S&P 500 (Indices)



Source: S&P 500, investing.com

## Inflation by Country

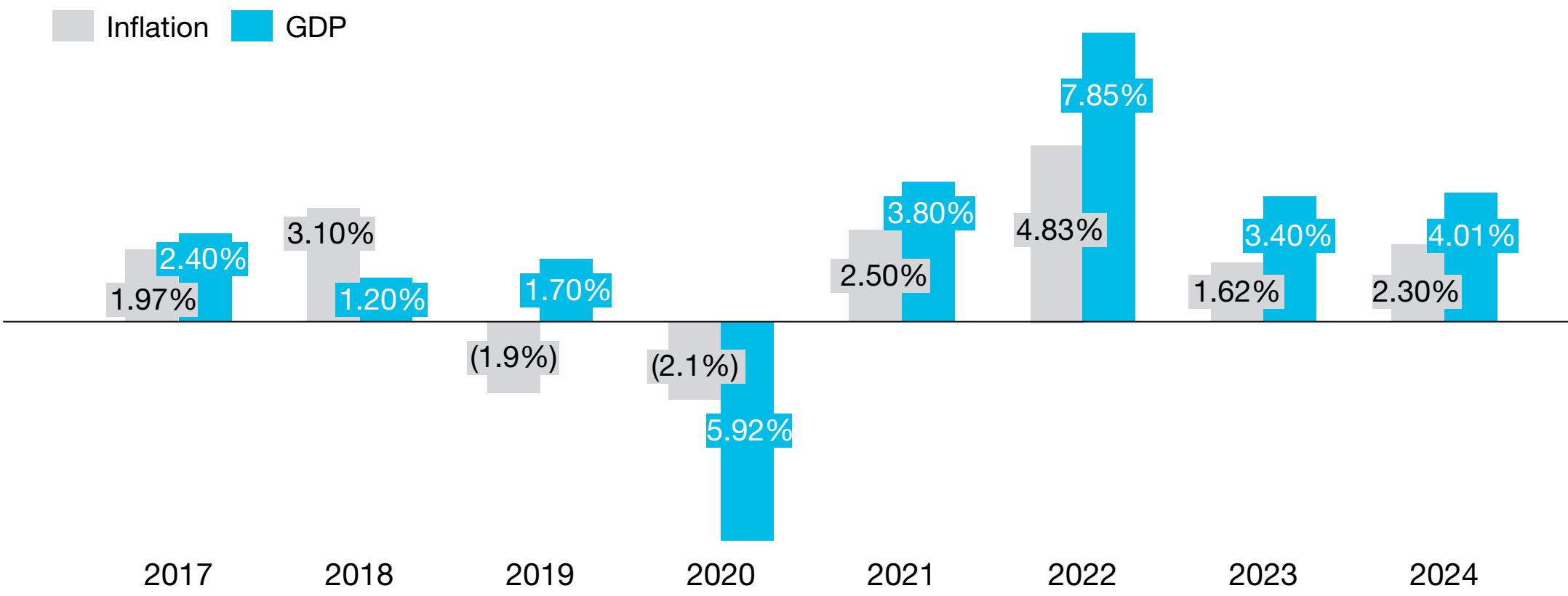


Source: IMF W.E.O Oct 2024

# UAE Economic Update

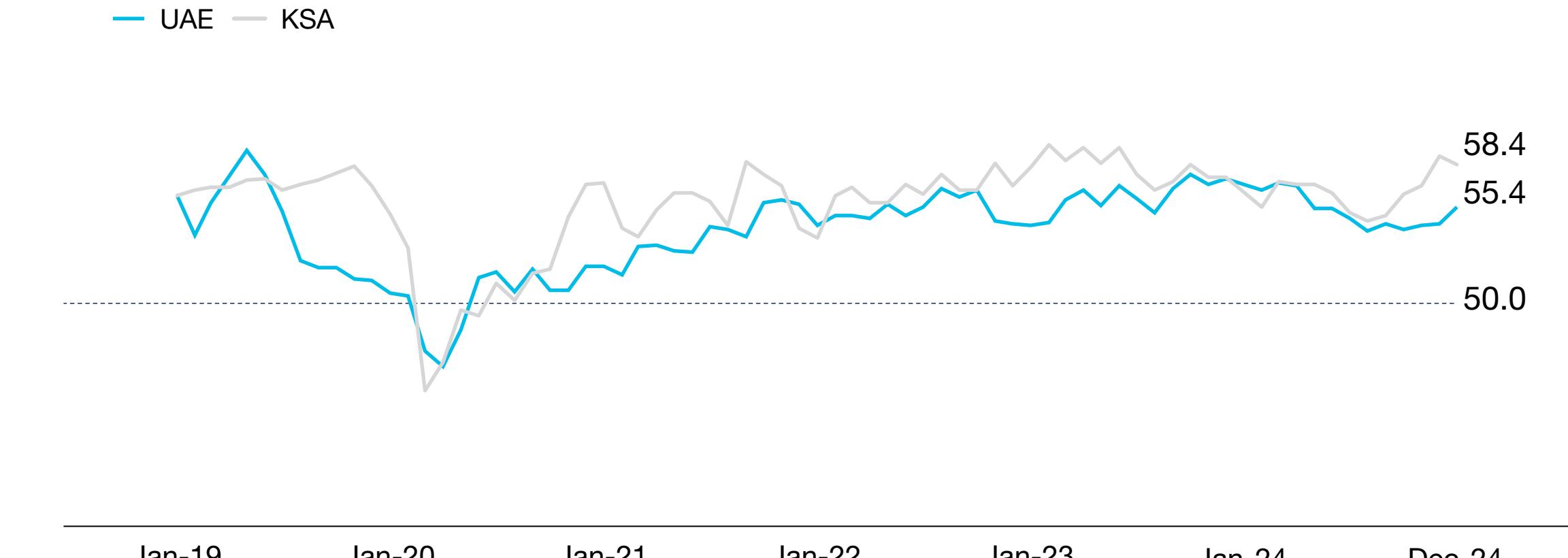
Public sector strategic intent, investment, broad based business performance and population growth driving economic activity and confidence

## UAE GDP and Inflation Growth



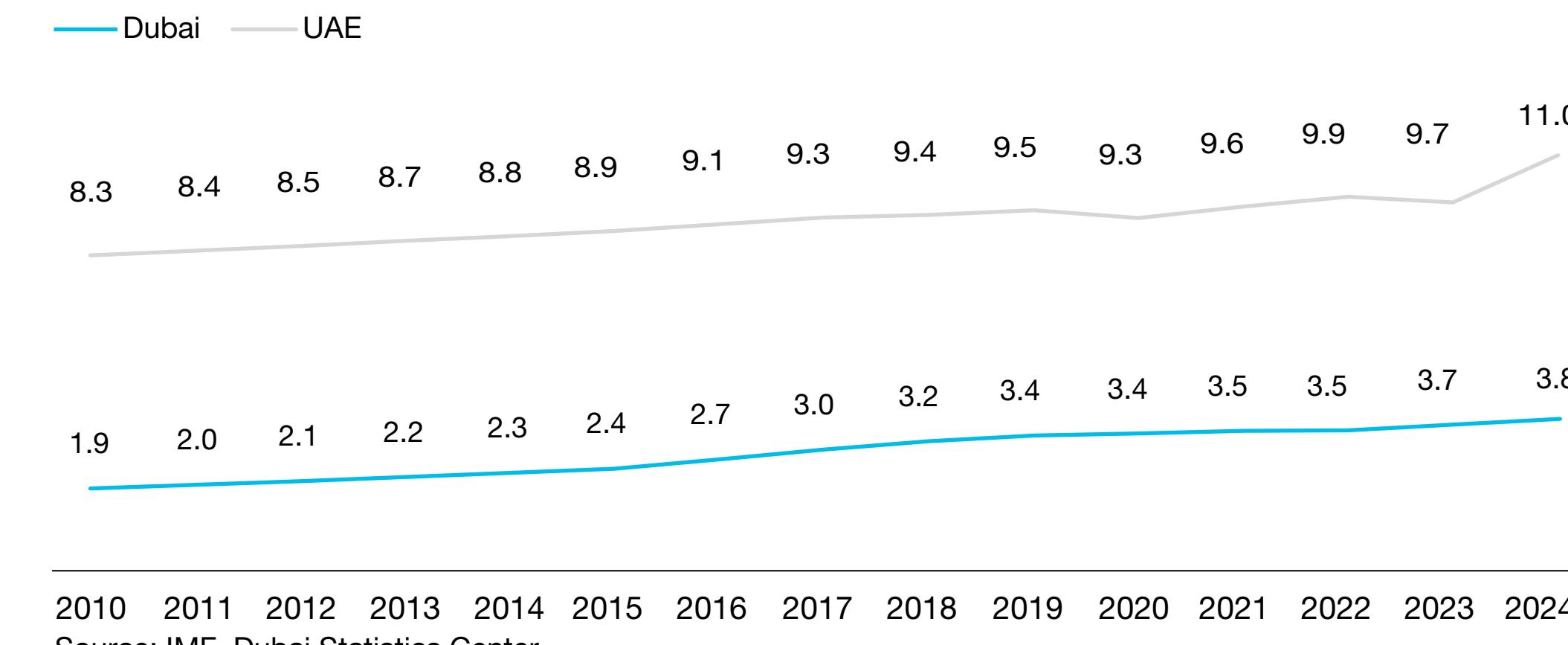
Source: UAE Ministry of Economy, fcsa.gov.ae, IMF W.E.O Oct 2024

## Purchasing Managers Index



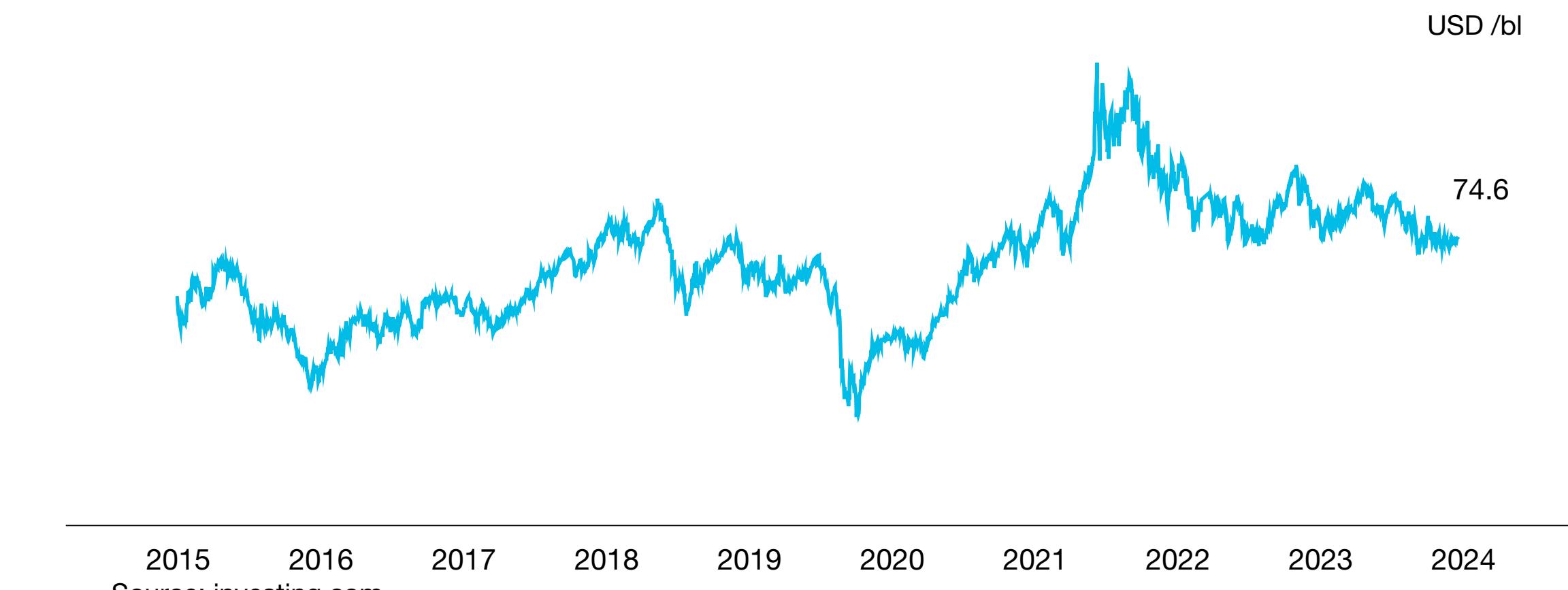
Source: investing.com

## UAE and Dubai Population (m)



Source: IMF, Dubai Statistics Center

## Brent Oil

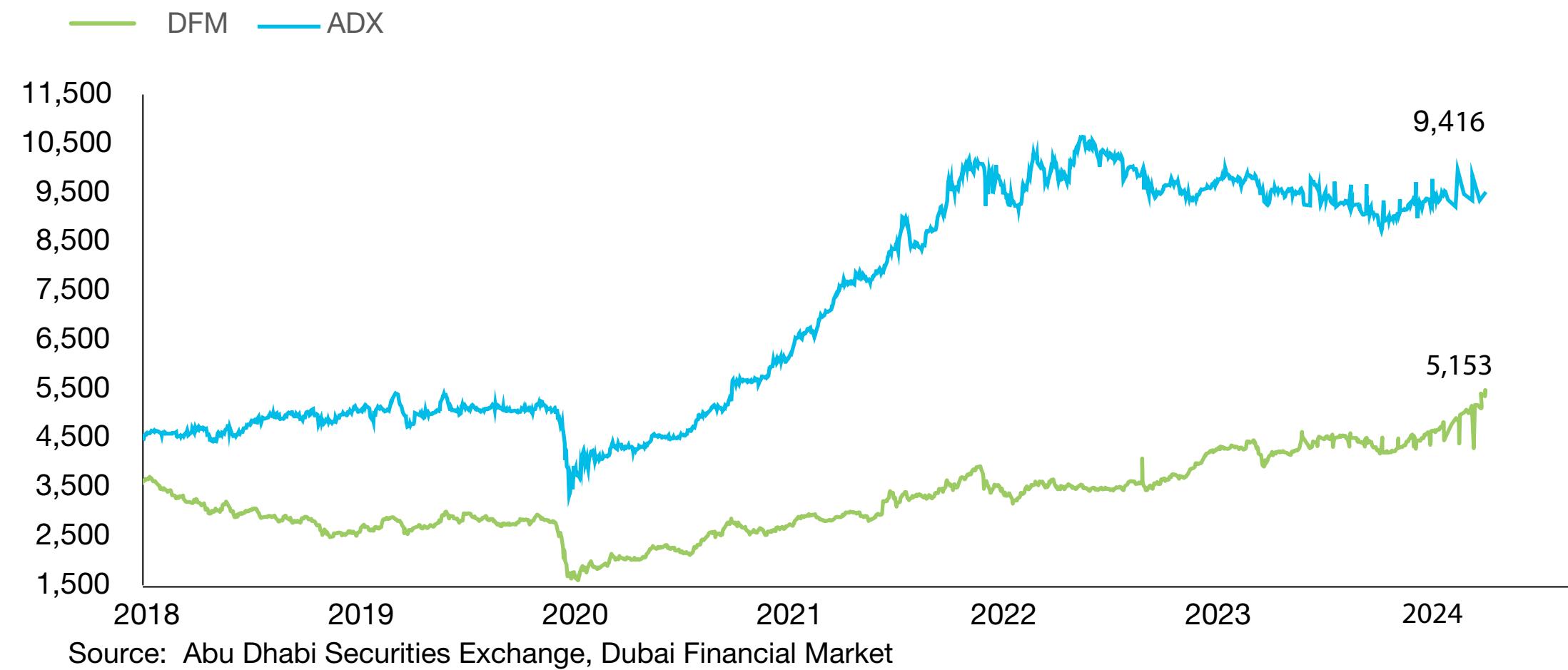


Source: investing.com

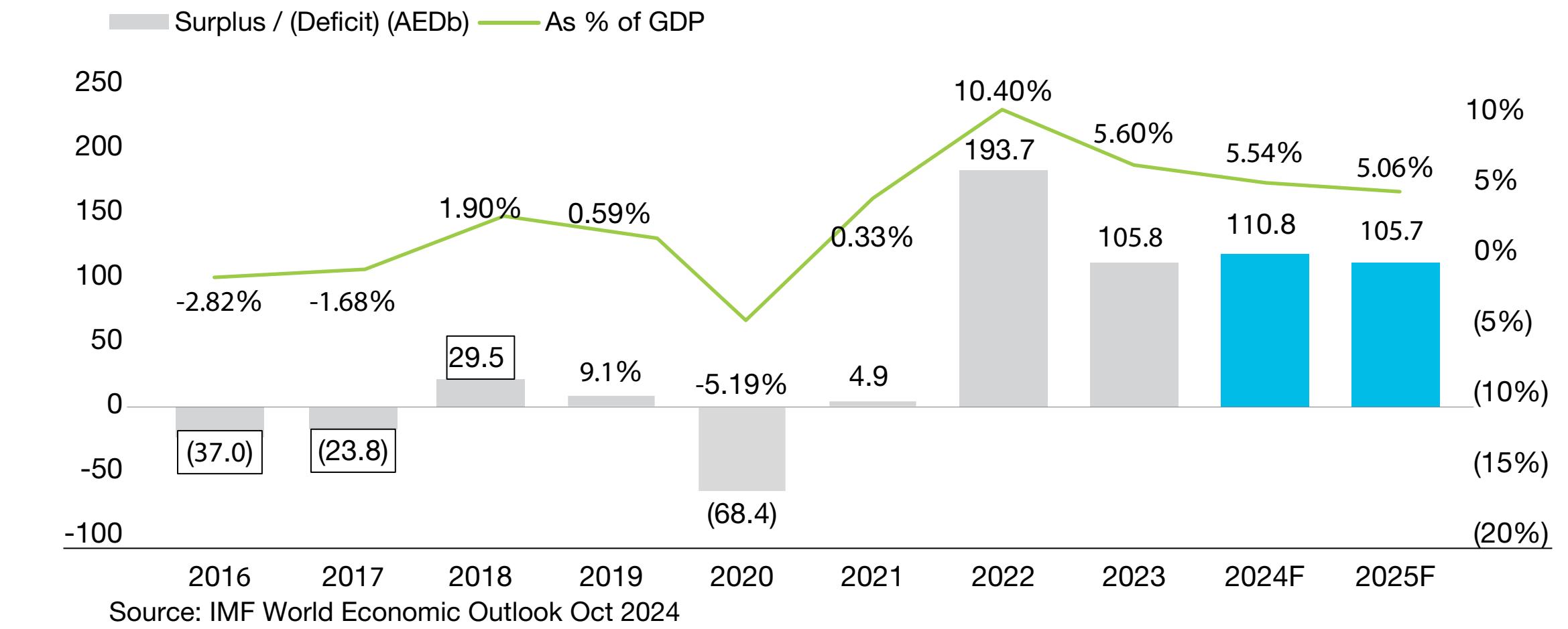
# UAE Economic Update

Sound fiscal measures boosting economic growth

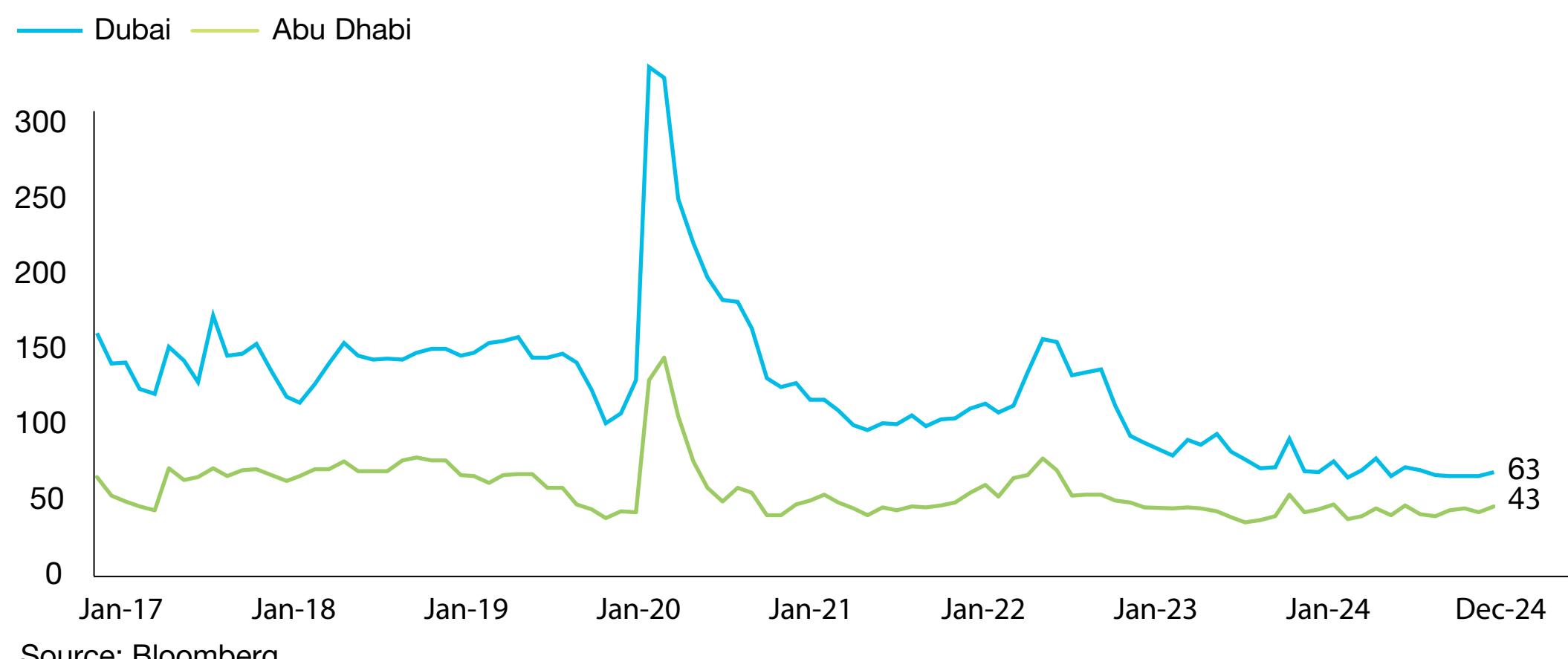
## UAE Stock Market Indices



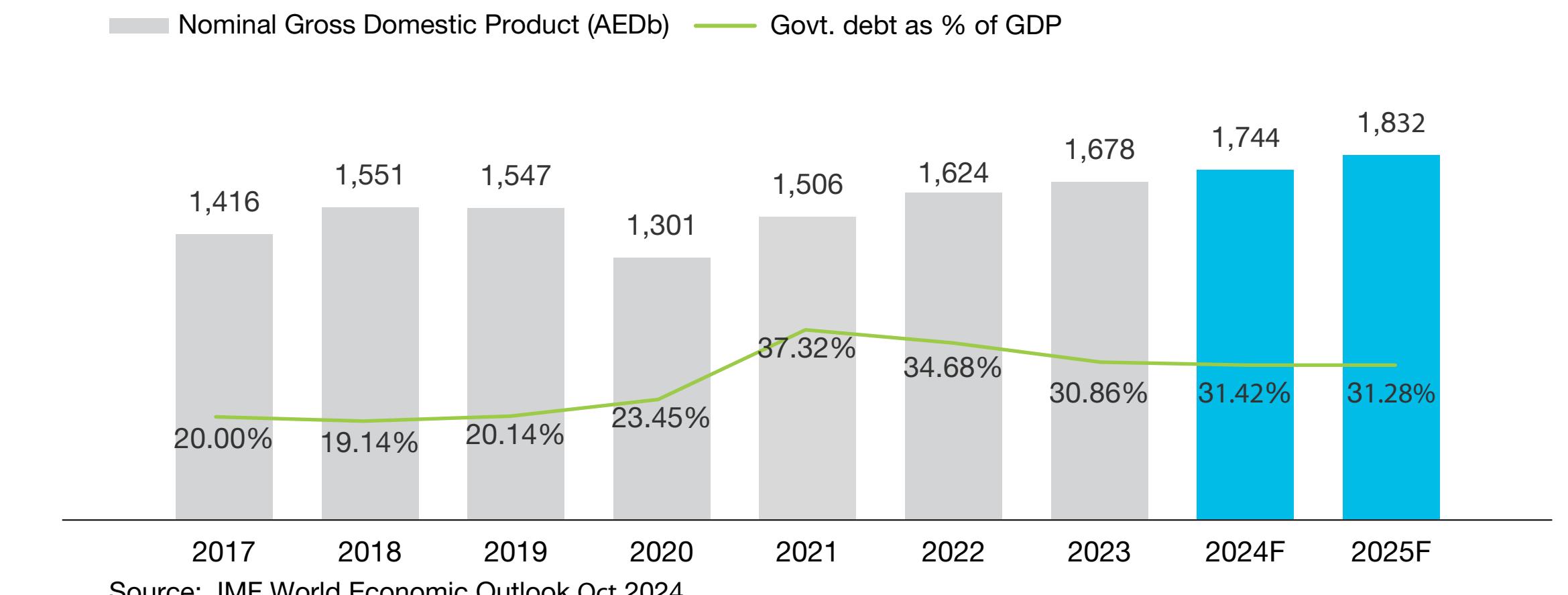
## UAE Fiscal Position



## 5 Year CDS



## UAE GDP and Government Debt

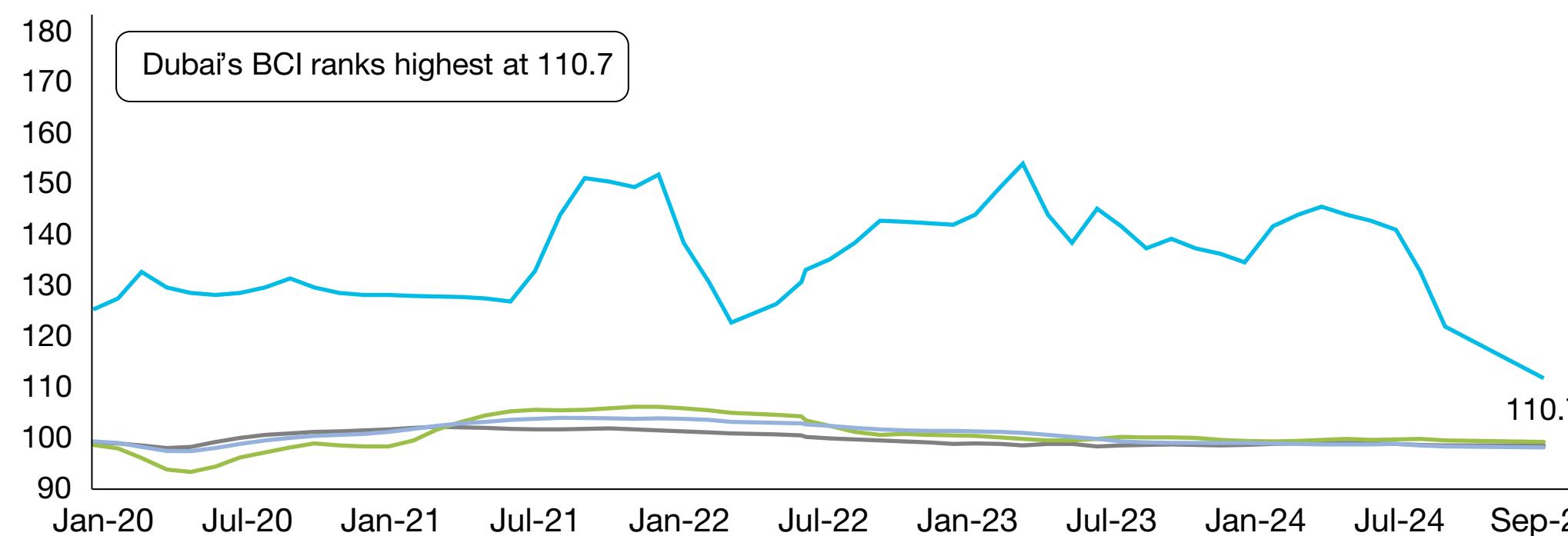


# Dubai Economic Update

Business confidence and broad-based economic growth expected to continue into 2025 and beyond

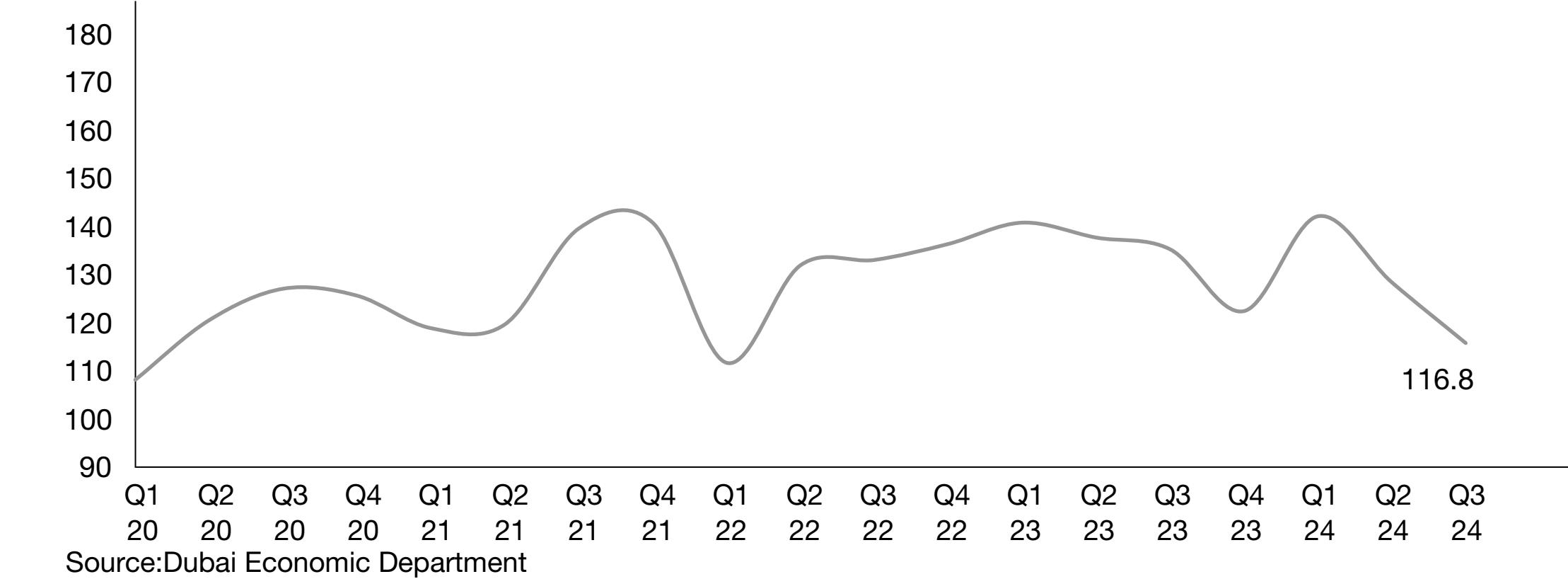
## Business Confidence Index

— China — Dubai — USA — UK — Germany



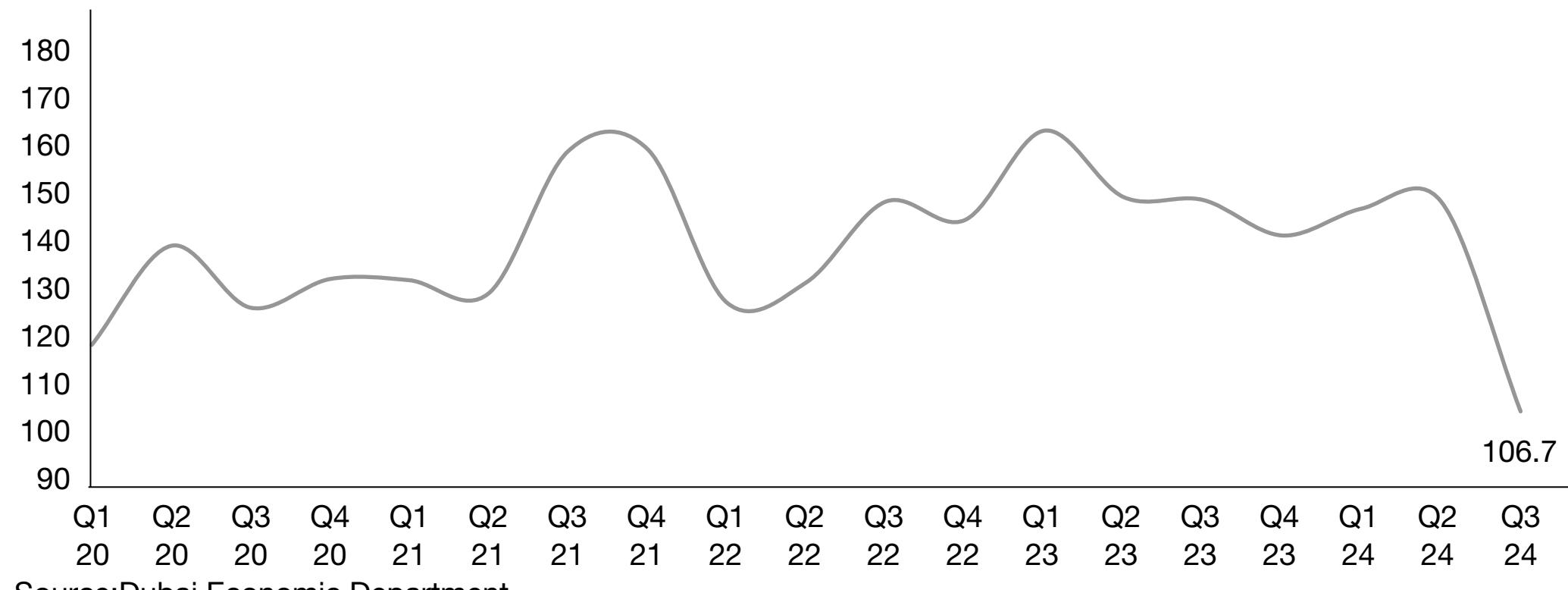
Source: Dubai Economic Department, oecd.org

## SME Index Trend



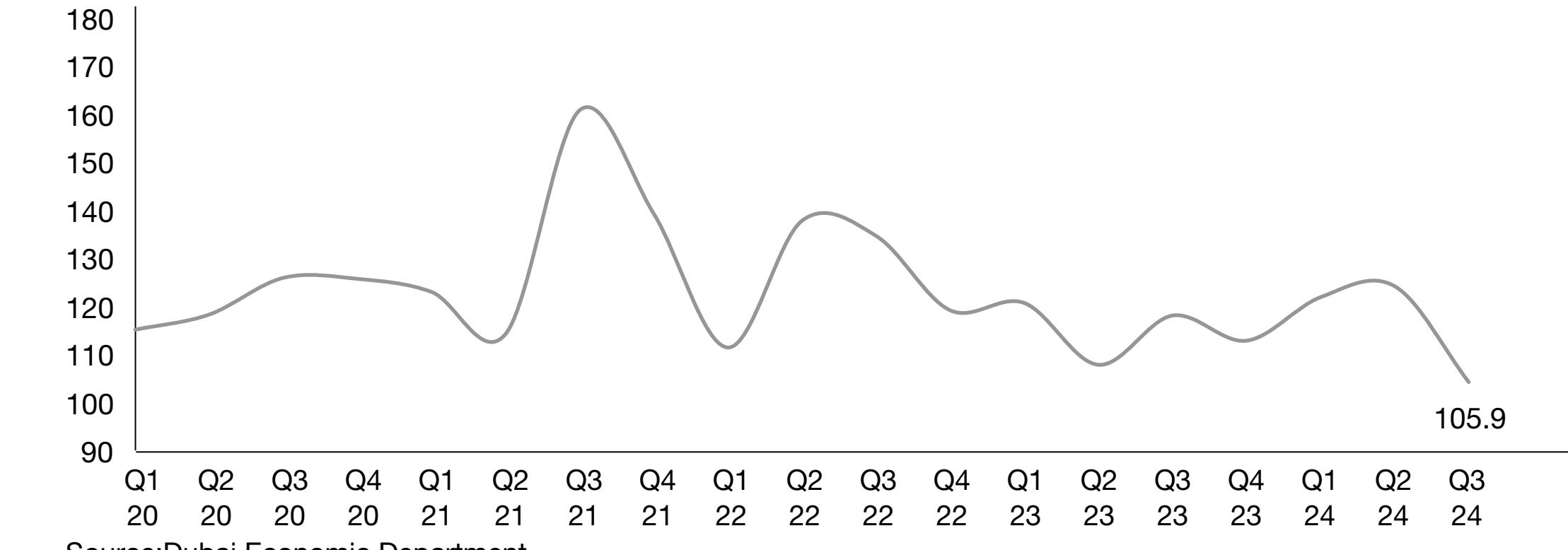
Source: Dubai Economic Department

## Large Company Index Trend



Source: Dubai Economic Department

## Exporters Confidence Index Trend

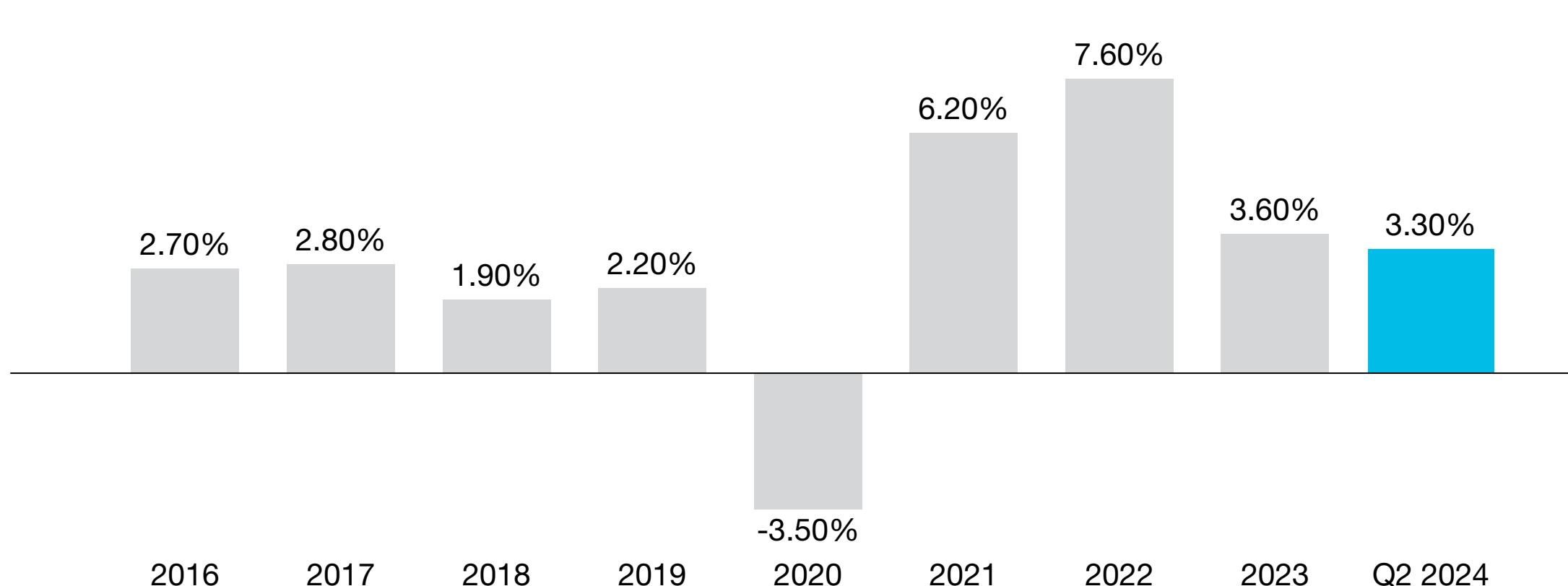


Source: Dubai Economic Department

# Dubai Economic Update

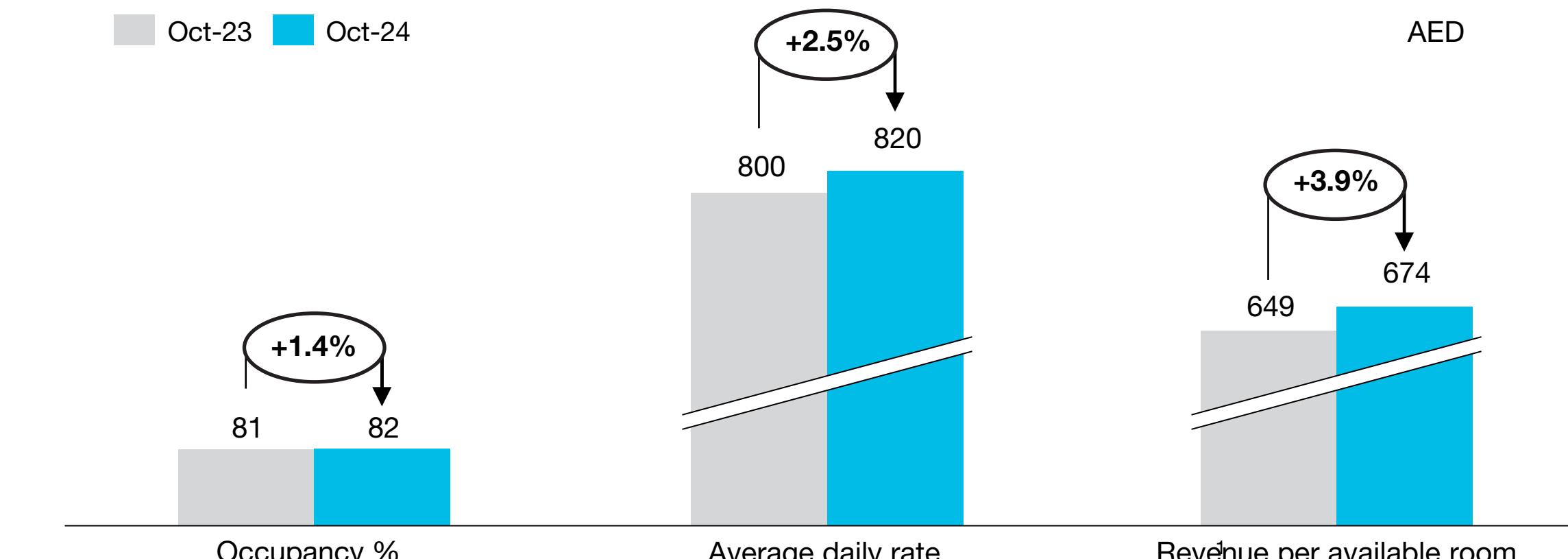
Strong economic activity and business confidence

## Dubai GDP Growth



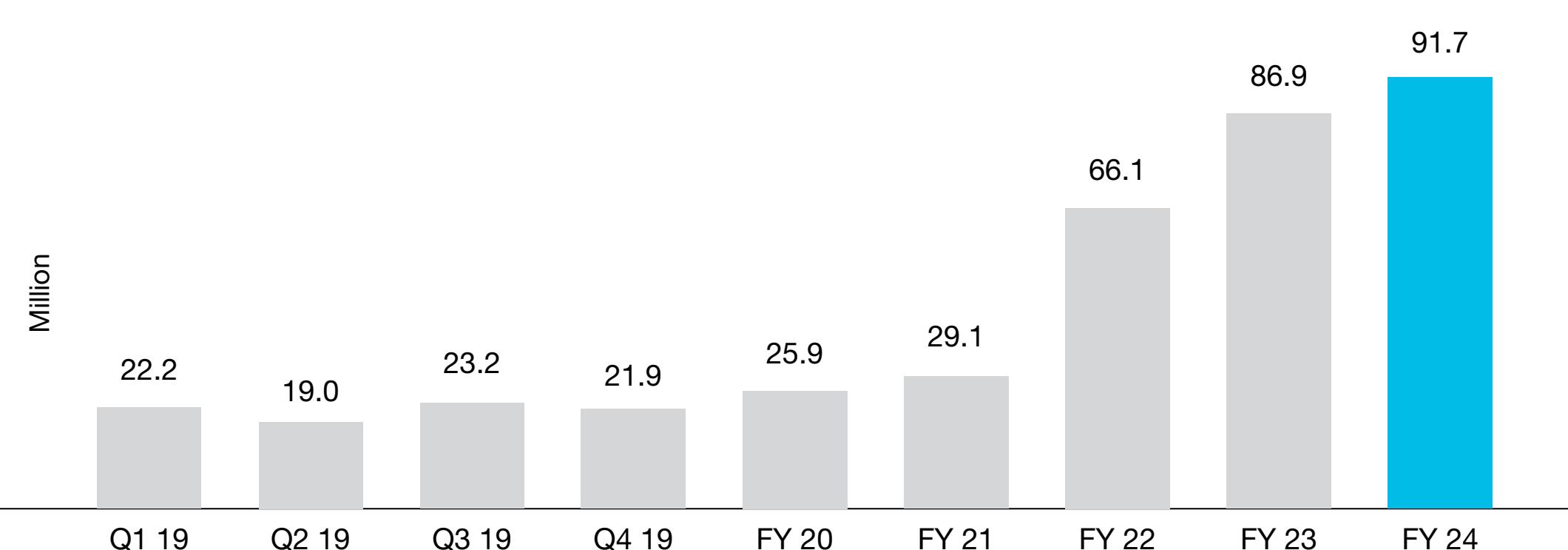
Source: Dubai Statistics Centre, Dubai Economic Department

## Dubai Hospitality



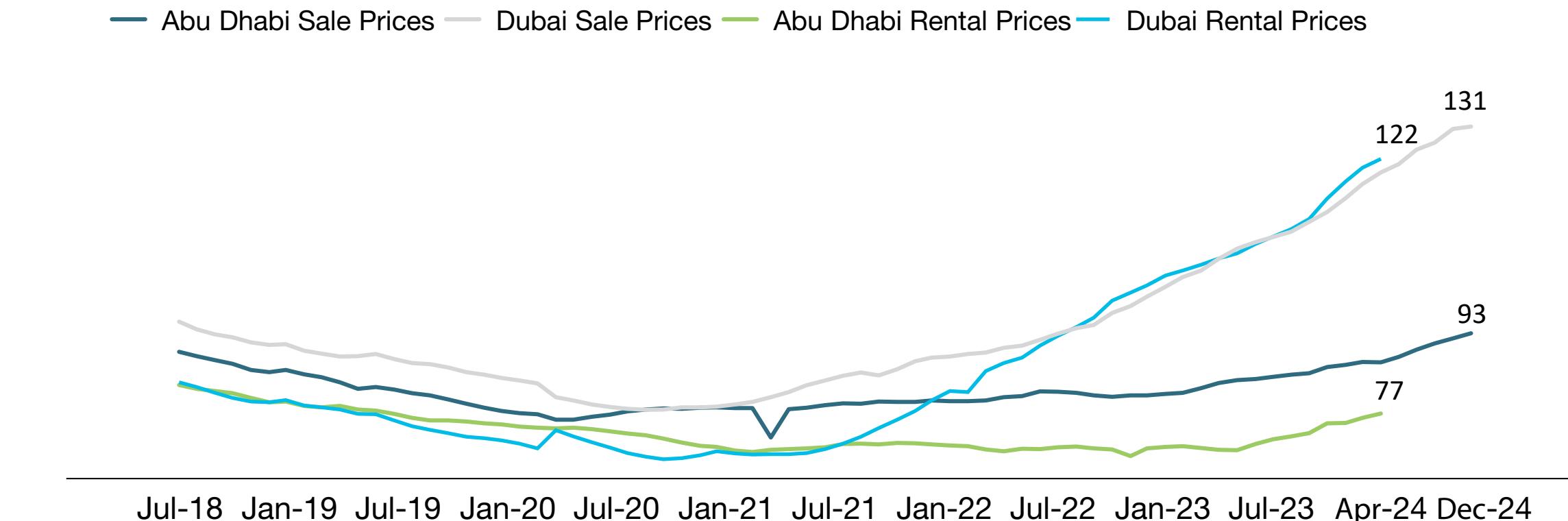
Source: STR Global

## Dubai Airport Passenger Traffic



Source: Dubai Airports

## Reidin Property Index



\*Abu Dhabi and Dubai Rental Prices have not been released since Apr

# UAE Banking Sector

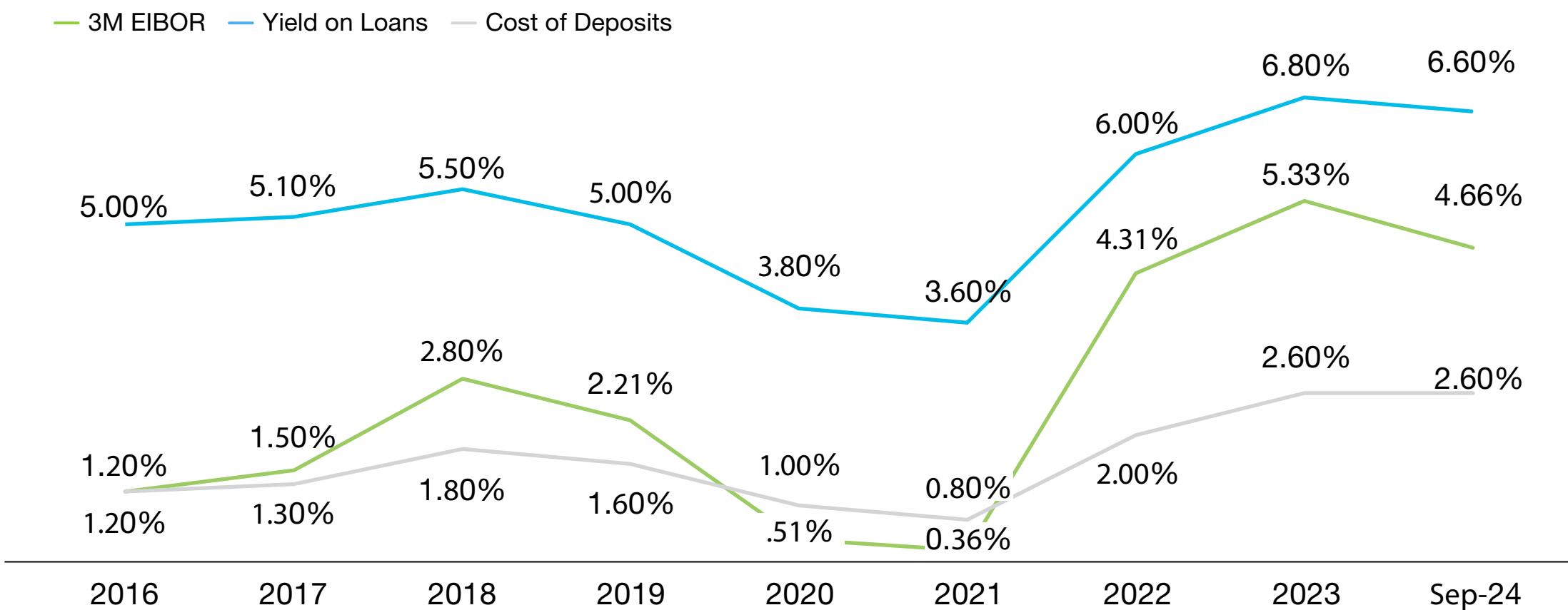
Backbone of the UAE economy, supporting business ambition

## Key Industry Indicators

AEDb	2021	2022	2023	Oct-24	YTD
<b>Total assets</b>	3,322	3,699	4,075	4,457	▲9.4%
<b>Customer deposits</b>	1,997	2,222	2,522	2,803	▲11.1%
<b>Loans and advances</b>	1,794	1,881	1,992	2,175	▲9.2%
<b>Loan to deposit (%)</b>	89.8	84.7	79.0	77.6	▼1.4%
<b>CAR (%)</b>	17.2	17.3	17.9	18.6*	▲0.7%
<b>Tier 1 ratio (%)</b>	16.1	16.1	16.6	17.2*	▲0.6%

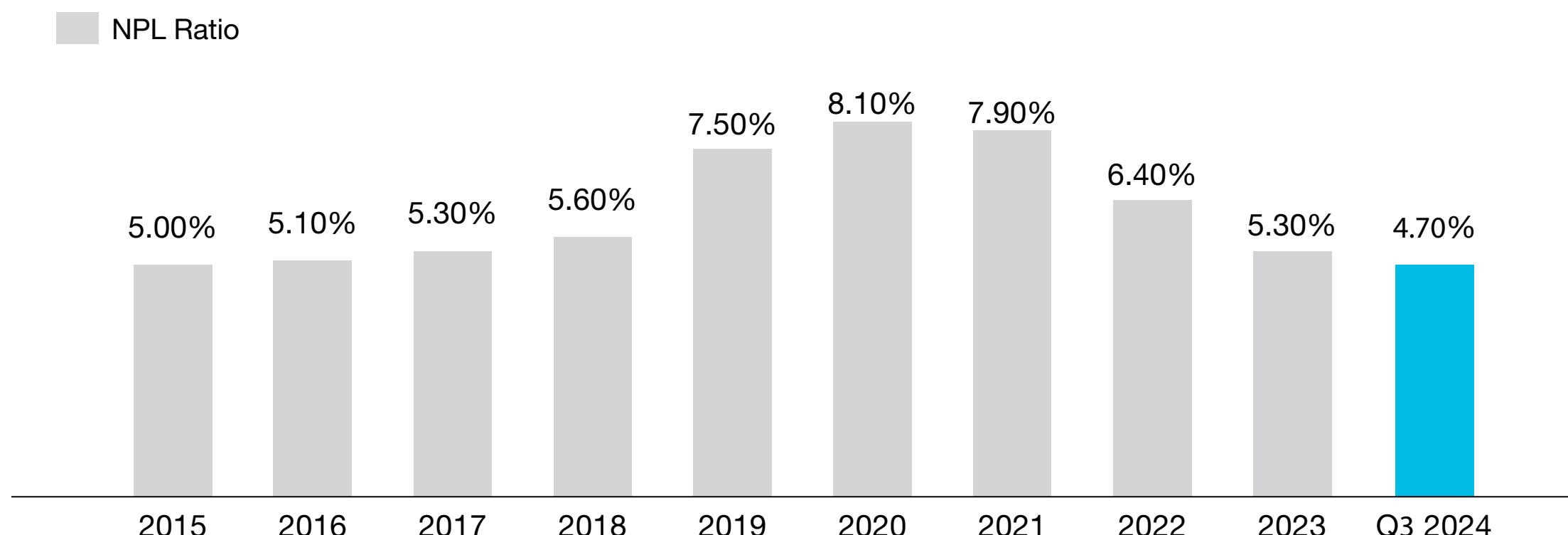
\* Ratios available every quarter, latest as at Oct-24. | Source: Central Bank of the UAE

## Average Loan Yield & Cost of Deposits vs 3M EIBOR



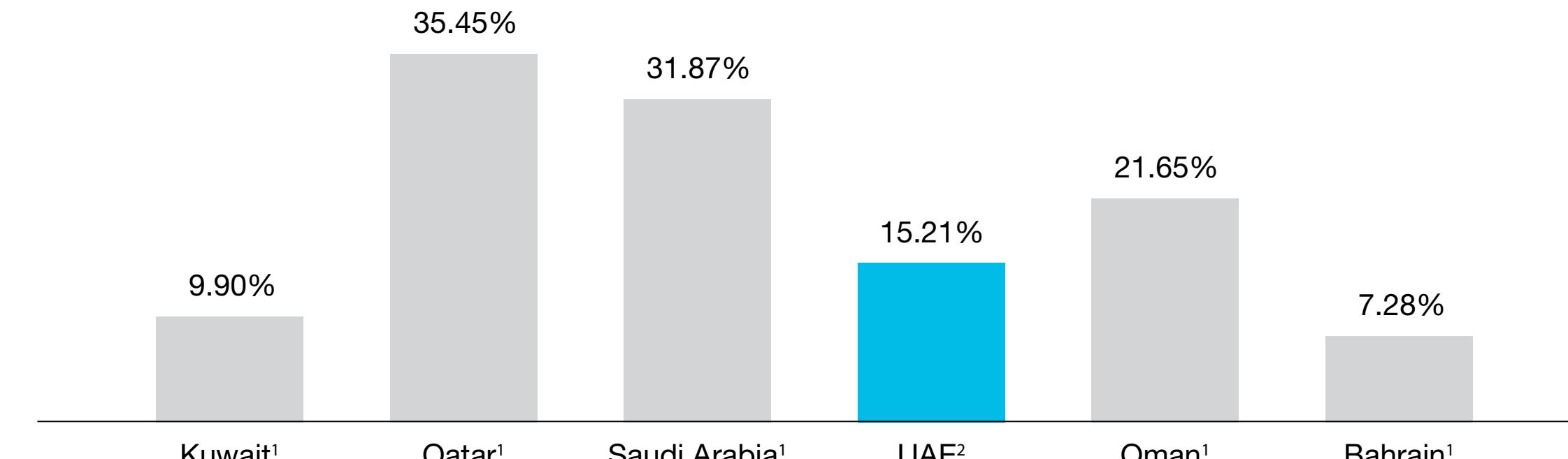
\* Ratios available every quarter, latest as at Sep-24. | Source: Central Bank of the UAE

## Industry Asset Quality



Ratios available every quarter, latest as at Sep-24. | Source: Central Bank of the UAE

## Government Deposits as % of Total Deposits

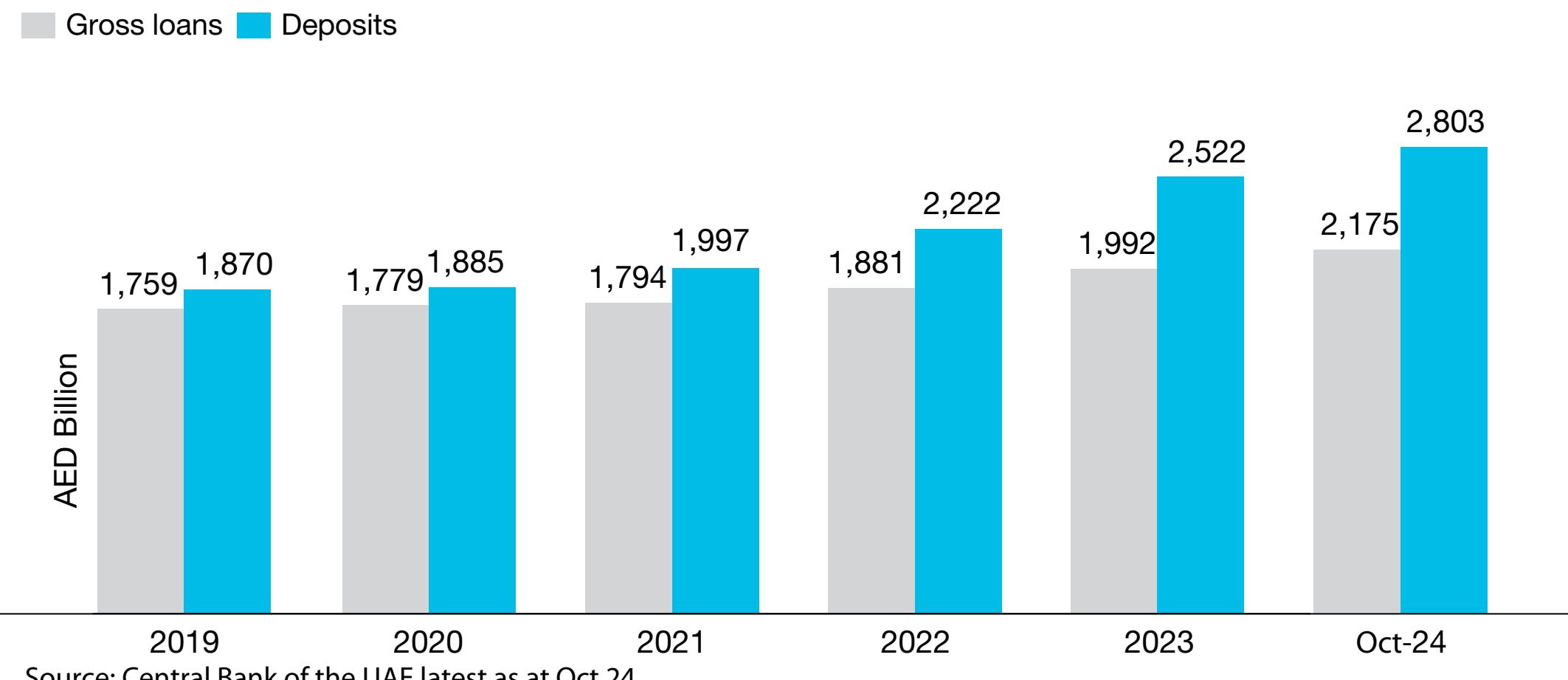


Source: Central Bank of country | <sup>1</sup>as at Nov-24, <sup>2</sup>as at Oct-24

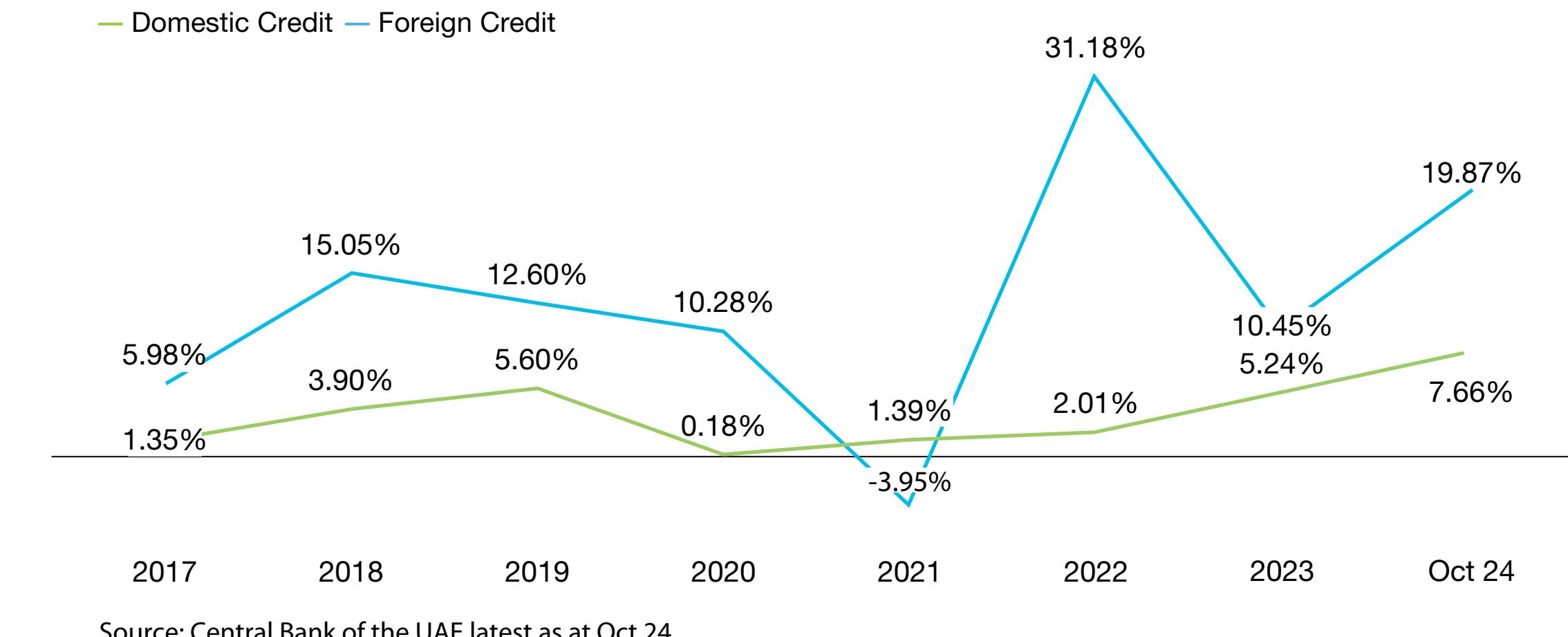
# UAE Banking Industry

Market interest rates have started to decline, credit growth is expected to continue in the years ahead

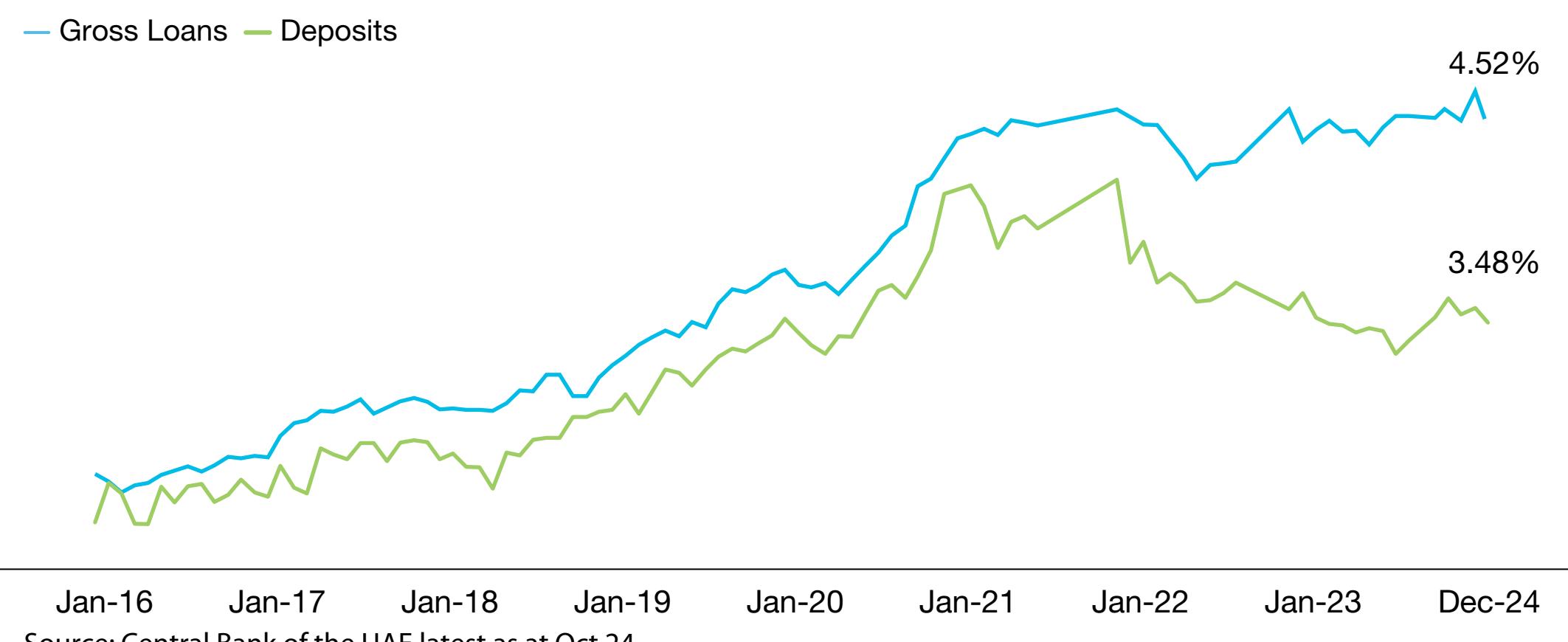
## System-wide Gross Loans and Deposits



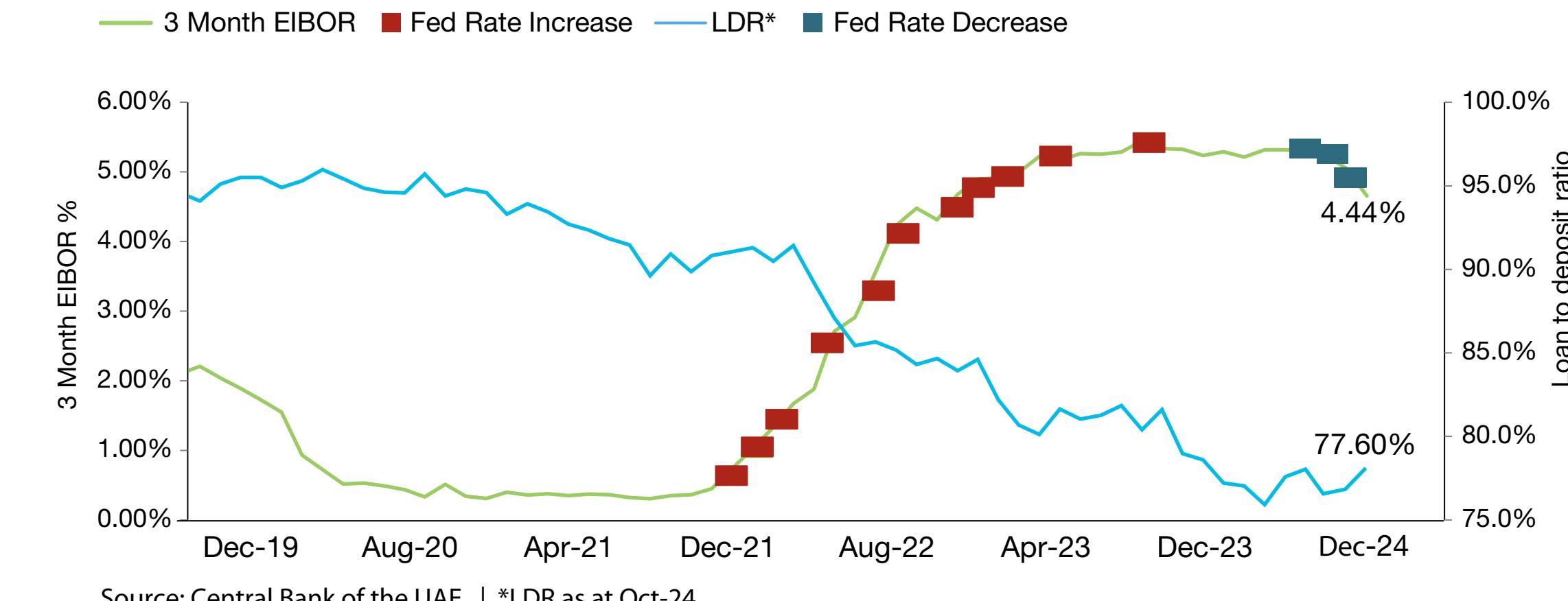
## Credit Growth in the UAE Banking Sector



## CBD Market Share



## 3 Month EIBOR and UAE Loan to Deposit Ratio



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