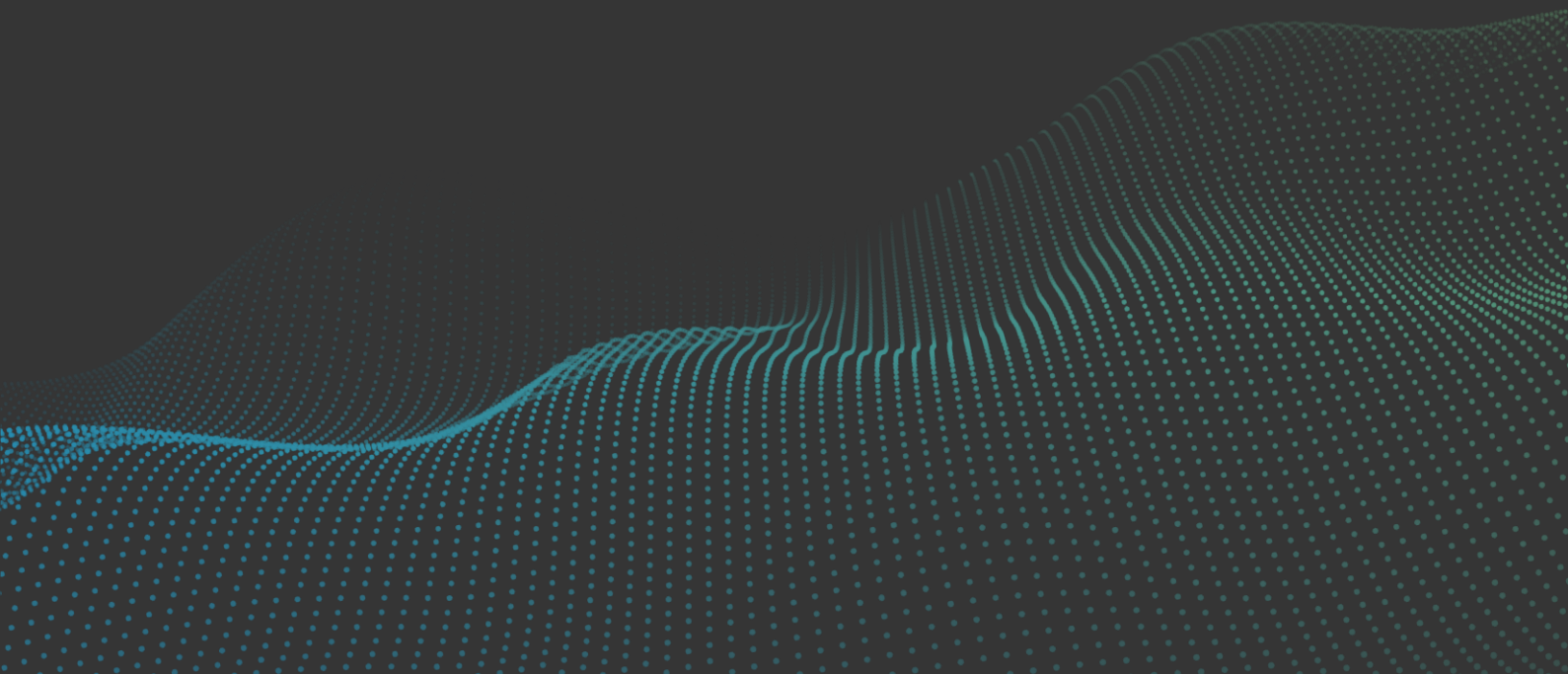




# Management Discussion and Analysis Report

First Half 2025

23 July 2025



# CBD Marks Twenty Consecutive Quarters of Net Profit Growth with Record H1 2025 Earnings

## H1 2025 Net Profit Reaches AED 1,862 million Before Tax

Net profit after tax of AED 1,695 million, up 16.7% versus the prior comparative half.

---

## Top-tier ROE, generating exceptional value for shareholders

ROE of 22.6% after-tax, an increase of 97 bps.

---

## Solid loan growth increasing UAE market share

Gross loans were AED 105 billion, an increase of 6.5% compared to 31 December 2024.

---

## Outstanding asset quality

Non-performing loans ratio at 4.13% improving by 143 bps compared to H1 2024 with Cost of Risk at 0.40%, down 55 bps compared to H1 2024.

# Key Performance Indicators

Net Profit before tax

**AED 1,862m**

*+16.7%*

Return on Equity after tax

**22.60%**

*Top Quartile*

Cost-to-Income

**26.54%**

*Top Quartile*

Assets

**AED 151b**

*Robust Growth*

Capital Adequacy Ratio

**15.36%**

*Exceeding regulatory requirements*

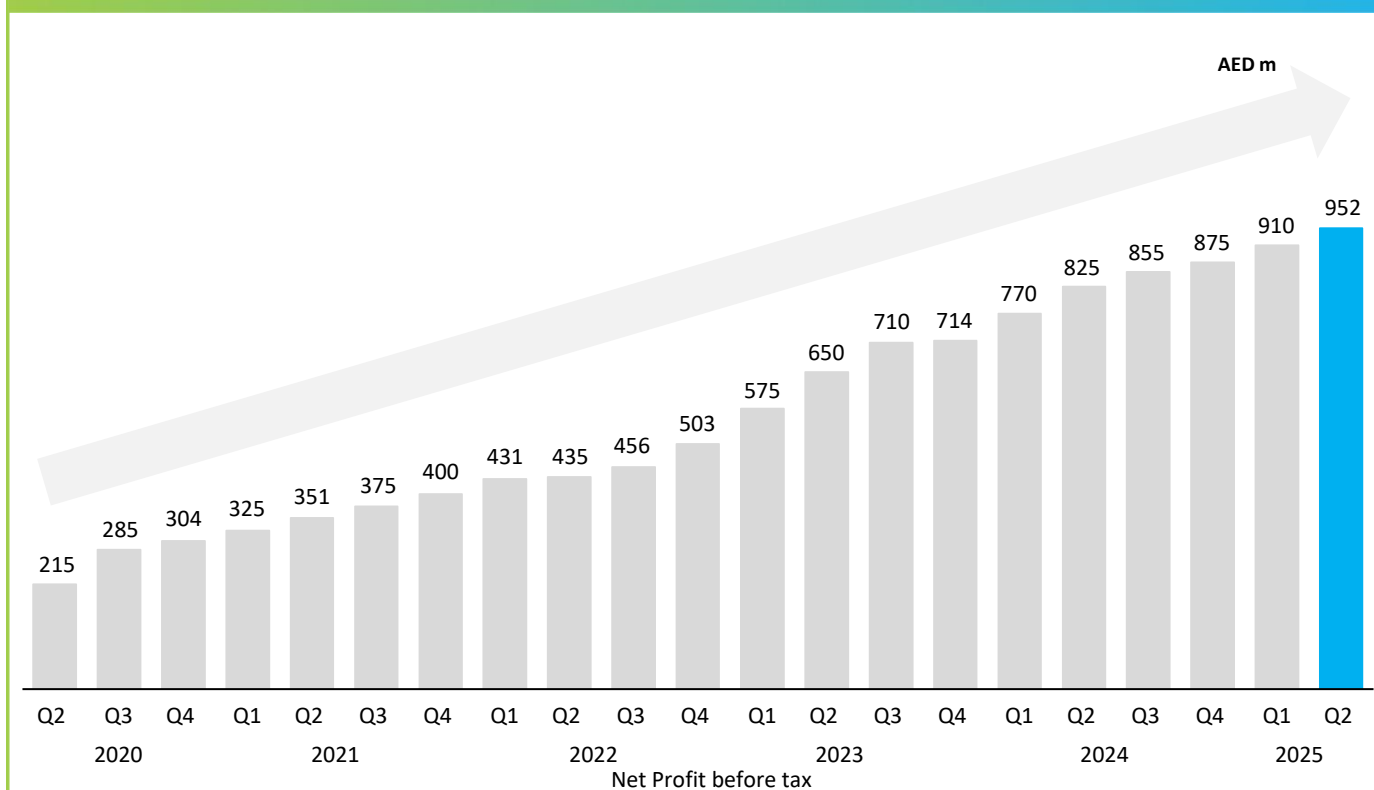
NPL

**4.13%**

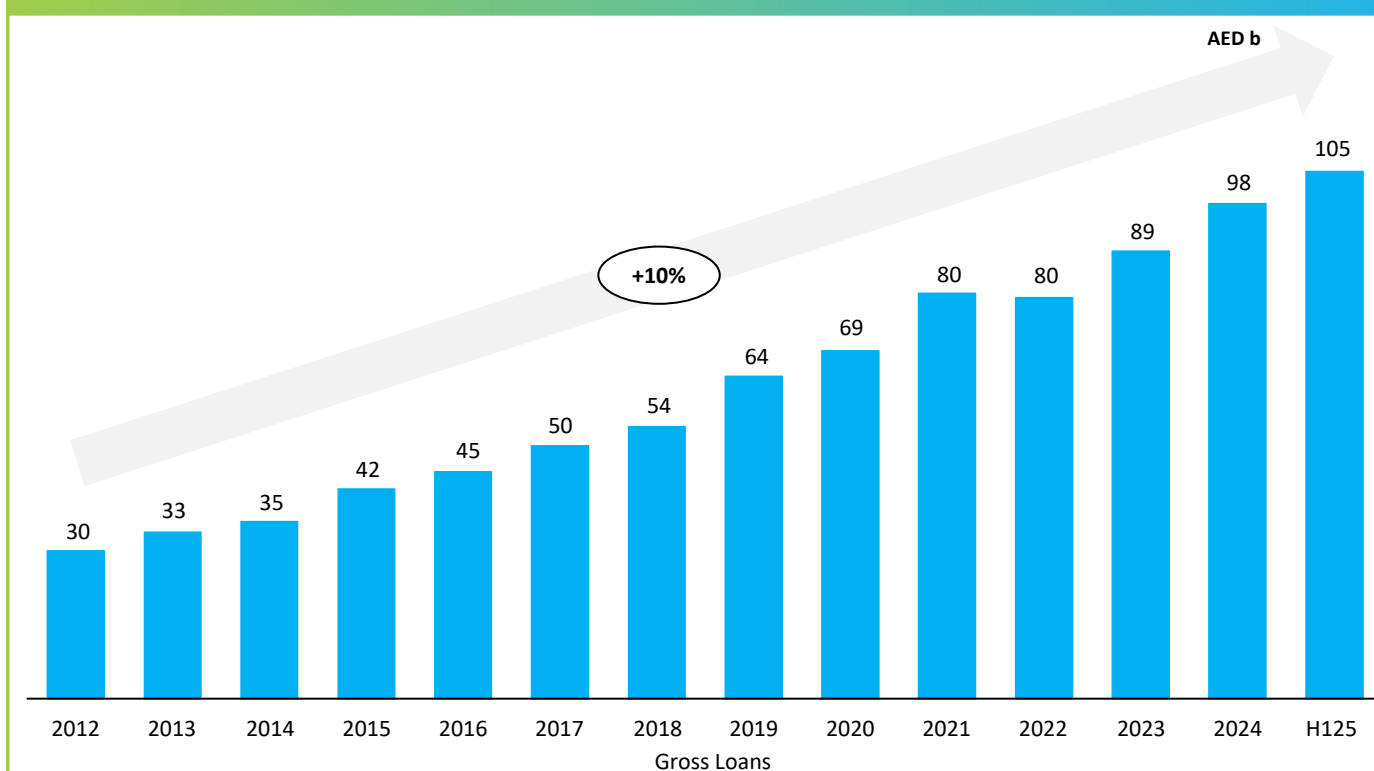
*Improved 143 Bps*

# Stellar result driven by outstanding fundamentals

## Market leading 20 consecutive quarters of net profit growth



## Backing the nation's ambitions, growing loan market share





**Dr. Bernd van Linder**  
(CEO, Commercial Bank of Dubai)



## Delivering 20 consecutive quarters of net profit growth whilst growing the balance sheet to exceed 150 billion are significant milestones for CBD.

**Dubai, 23 July 2025:** Commercial Bank of Dubai (CBD) has announced its financial results for the second quarter and first half of 2025, achieving a remarkable milestone of 20 consecutive quarters of net profit growth, a feat unmatched by any other bank in the UAE over the same period. The Bank reported net profit before tax of AED 1,862 million, representing a 16.7% increase compared to the same half last year.

CBD's strong growth was further underscored by its total assets surpassing AED 150 billion for the first time in its history, reflecting sustained momentum and strategic execution. This performance has been driven by solid customer engagement, robust lending activity, and broad-based economic expansion supported by public sector investments and population growth.

"Delivering 20 consecutive quarters of net profit growth whilst growing the balance sheet to exceed 150 billion are significant milestones for CBD" said Dr. Bernd van Linder, Chief Executive Officer. "Our consistent performance over the past five years despite global headwinds such as the pandemic, volatile interest rates and supply chain disruptions demonstrates the strength of our strategy and our continued commitment to customers. We are pleased with the latest performance which is a testament to our disciplined growth and market leadership. We remain focused on delivering on our strategic targets for 2025 and beyond."

CBD's transformation agenda continues to deliver results. The Bank recorded its highest SME Net Promoter Score in over three years for H1 2025, following enhancements to onboarding and service delivery. At the same time, CBD's leadership in innovation was recognised through multiple industry awards, including Best Digitisation Initiatives, Best Mobile Banking Services, and Best Technological Innovation in Financial Services, affirming its digital-by-design ethos.

The Bank also supported national initiatives such as Aani payments and the 'Xport Xponential' programme by Etihad Credit Insurance, reinforcing its alignment with the UAE's vision for financial innovation and inclusion.

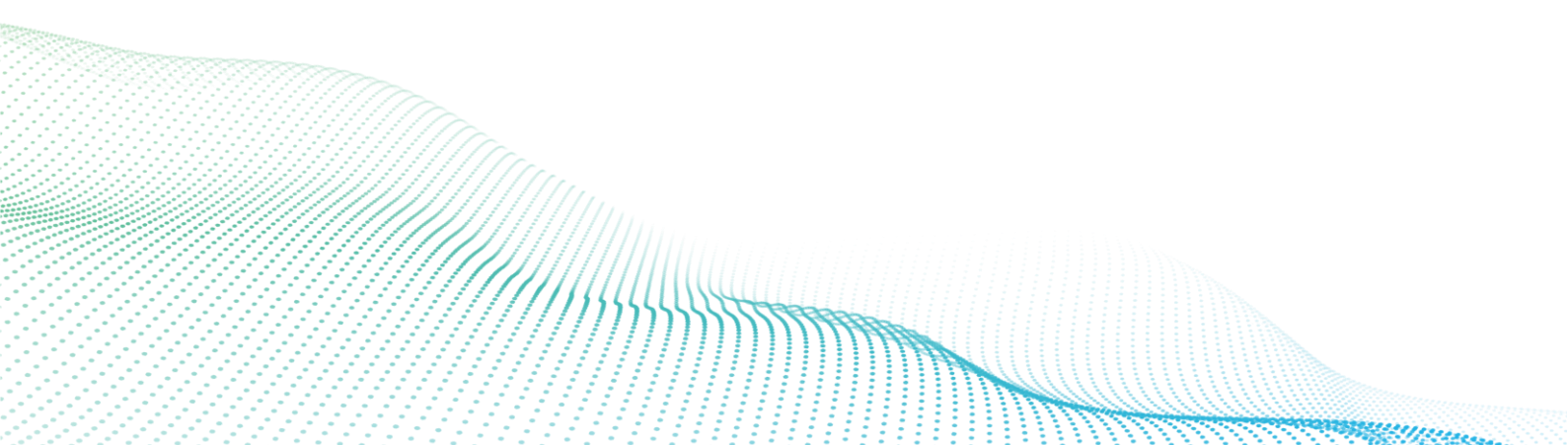
Now in its sixth decade, CBD continues to deliver top-quartile returns, with a return on equity of 22.6%, a cost-to-income ratio of 26.5%, and improved asset quality. With a robust capital base and a clear digital-first strategy, CBD is well-positioned to sustain its growth trajectory and back the nation's ambition.

## H1 2025 results:

- Net profit before tax was AED 1,862 million, up 16.7% against the prior comparative half
- Operating income was AED 2,824 million, driven by strong growth in loans and CASA balances
- Operating expenses were AED 749 million, up by 16.4%
- Operating profit was AED 2,074 million, up by 0.4%
- Net impairment loss was AED 212 million, down by 54.9%
- Corporate tax expense of AED 167 million, up by 16.8%

## As at 30 June 2025:

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.36%, Tier 1 ratio at 14.23% and Common Equity Tier 1 (CET1) ratio at 12.41%, well in excess of regulatory requirements
- Gross loans were AED 104.7 billion, an increase of 6.5% compared to 31 December 2024
- Advances to stable resources ratio (ASRR) stood at 86.33%, down by 25 bps compared to 31 December 2024



# Income Statement

**Operating income** for the first half of 2025 was AED 2,824 million, attributable to an increase in Net Interest Income (NII) by 5.7% on strong loan and CASA growth during H1 2025.

**Operating expenses** were AED 749 million, with the increase primarily driven by inflation, investments in digitisation, technology, business growth, governance and regulatory compliance. The cost-to-income ratio remains strong at 26.54%.

AED (Million)						
Income statement	H1 2025	H1 2024	Var	Q2 25	Q1 25	QoQ Var
Net interest income	2,014	1,906	5.7%	1,029	985	4.5%
Non-funded income	809	804	0.6%	423	386	9.8%
<b>Total income</b>	<b>2,824</b>	<b>2,710</b>	<b>4.2%</b>	<b>1,453</b>	<b>1,371</b>	<b>6.0%</b>
Operating expenses	749	644	16.4%	379	370	2.4%
<b>Operating profit</b>	<b>2,074</b>	<b>2,066</b>	<b>0.4%</b>	<b>1,074</b>	<b>1,001</b>	<b>7.3%</b>
Expected credit losses	212	471	(54.9%)	122	91	34.0%
<b>Net profit before tax</b>	<b>1,862</b>	<b>1,595</b>	<b>16.7%</b>	<b>952</b>	<b>910</b>	<b>4.6%</b>
Corporate tax expense	167	143	16.8%	85	82	3.5%
<b>Net profit after tax</b>	<b>1,695</b>	<b>1,452</b>	<b>16.7%</b>	<b>867</b>	<b>828</b>	<b>4.7%</b>



## Balance Sheet

**Total assets** were AED 150.6 billion as at 30 June 2025, an increase of 7.4% compared to AED 140.2 billion as at 31 December 2024.

**Net loans and advances** were AED 99.8 billion, registering an increase of 7.3% compared to AED 93.0 billion as at 31 December 2024.

**Customers' deposits** were AED 107.0 billion as at 30 June 2025, representing an increase of 9.7% compared to AED 97.6 billion as at 31 December 2024. Low-cost CASA constituted 52% of the total customer deposit base, while the loan-to-deposit ratio stood at 93.24%.

AED (Million)

Balance sheet	Jun 25	Jun 24	YoY Var	Jun 25	Mar 25	QoQ Var
Gross loans and advances	104,678	95,197	10.0%	104,678	102,123	2.5%
Allowances for impairment	4,862	5,589	(13.0%)	4,862	5,191	(6.3%)
<b>Net loans and advances</b>	<b>99,816</b>	<b>89,608</b>	<b>11.4%</b>	<b>99,816</b>	<b>96,932</b>	<b>3.0%</b>
Total assets	150,607	141,256	6.6%	150,607	141,129	6.7%
Customers' deposits	107,047	99,831	7.2%	107,047	99,624	7.5%
Total equity	17,645	15,843	11.4%	17,645	16,813	4.9%



## Asset Quality

The non-performing loan (NPL) ratio decreased to 4.13%, down from 4.35% at the end of 2024. The net impairment charge totaled AED 212 million for the first half of 2025. The coverage ratio was 96.87% (December 2024: 104.23%) and was 137.82% inclusive of collateral for stage 3 loans (31 December 2024: 138.75%). As at 30 June 2025, total allowances for impairment (covering loans and advances, due from banks and unfunded exposures) amounted to AED 5,127 million (31 December 2024: AED 5,567 million).

## Liquidity and Capital position

**The Bank's liquidity** position remained robust with the advances to stable resources ratio at 86.33% as at 30 June 2025 (31 December 2024: 86.58%), compared to the UAE Central Bank maximum of 100%.

CBD's **capital ratios** were strong with the capital adequacy ratio (CAR) at 15.36%, Tier 1 ratio at 14.23% and Common Equity Tier 1 (CET1) ratio at 12.41%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Key ratios %	H1 25	H1 24	YoY Var (bps)	Q2 25	Q1 25	QoQ Var (bps)
Return on equity (after tax)	22.60%	21.63%	97	23.62%	22.69%	93
Return on assets (after tax)	2.33%	2.15%	18	2.38%	2.36%	2
Cost to income ratio	26.54%	23.75%	279	26.09%	27.01%	(92)
Non-performing loans (NPL)	4.13%	5.56%	(143)	4.13%	4.29%	(16)
Provision coverage	96.87%	89.61%	726	96.87%	101.06%	(419)
Loan-to-deposit ratio	93.24%	89.76%	348	93.24%	97.30%	(406)
Advances to stable resources	86.33%	83.63%	270	86.33%	89.60%	(327)
Capital adequacy ratio	15.36%	16.05%	(69)	15.36%	15.31%	5
Tier 1 ratio	14.23%	14.92%	(69)	14.23%	14.18%	5
CET1 ratio	12.41%	12.83%	(42)	12.41%	12.28%	13

## Credit Ratings

Agency	Rating	Outlook	Date
Fitch Ratings	<b>A-</b>	Stable	Mar-25
Moody's	<b>Baa1</b>	Stable	Dec-24

## About CBD

Commercial Bank of Dubai was established in 1969 and is registered as a Public Shareholding Company (PSC). The Bank is listed on the Dubai Financial Market and is mostly owned by UAE Nationals including the Investment Corporation of Dubai (ICD). Over the years, Commercial Bank of Dubai has built itself into a progressive and modern Banking institution, endowed with a strong financial structure and strong management, as well as a loyal and ever-increasing customer and correspondent base. Today, CBD is one of the leading banks in the United Arab Emirates and offers its customers a full range of retail and commercial banking products and services.

### For further information, kindly contact:

Andan Nur  
 Head of Investor Relations, CBD  
 Tel: +971 4 212 1434  
 E-mail: [investor.relations@cbd.ae](mailto:investor.relations@cbd.ae)



BACKING THE NATION'S AMBITION

[www.cbd.ae](http://www.cbd.ae)