بنك دبي التجاري
Commercial Bank of Dubai

Management Discussion and Analysis Report

Third Quarter 2025

22 October 2025

CBD Delivers Net Profit Record with Net Loans Exceeding Ð 100 billion for the first time

Record Net Profit reaches Ð 2,832 million before tax for nine months in 2025

Net profit after tax of Ð 2,579 million, up 15.6% compared to comparative period.

Net loans above Ð 100 billion backing the nation's ambitions

Net loans were Ð 105 billion, an increase of 13.1% compared to 31 December 2024.

Top-tier ROE, generating exceptional value for shareholders

ROE of 22.3% after-tax, an increase of 91 bps compared to comparative period.

Excellent asset quality

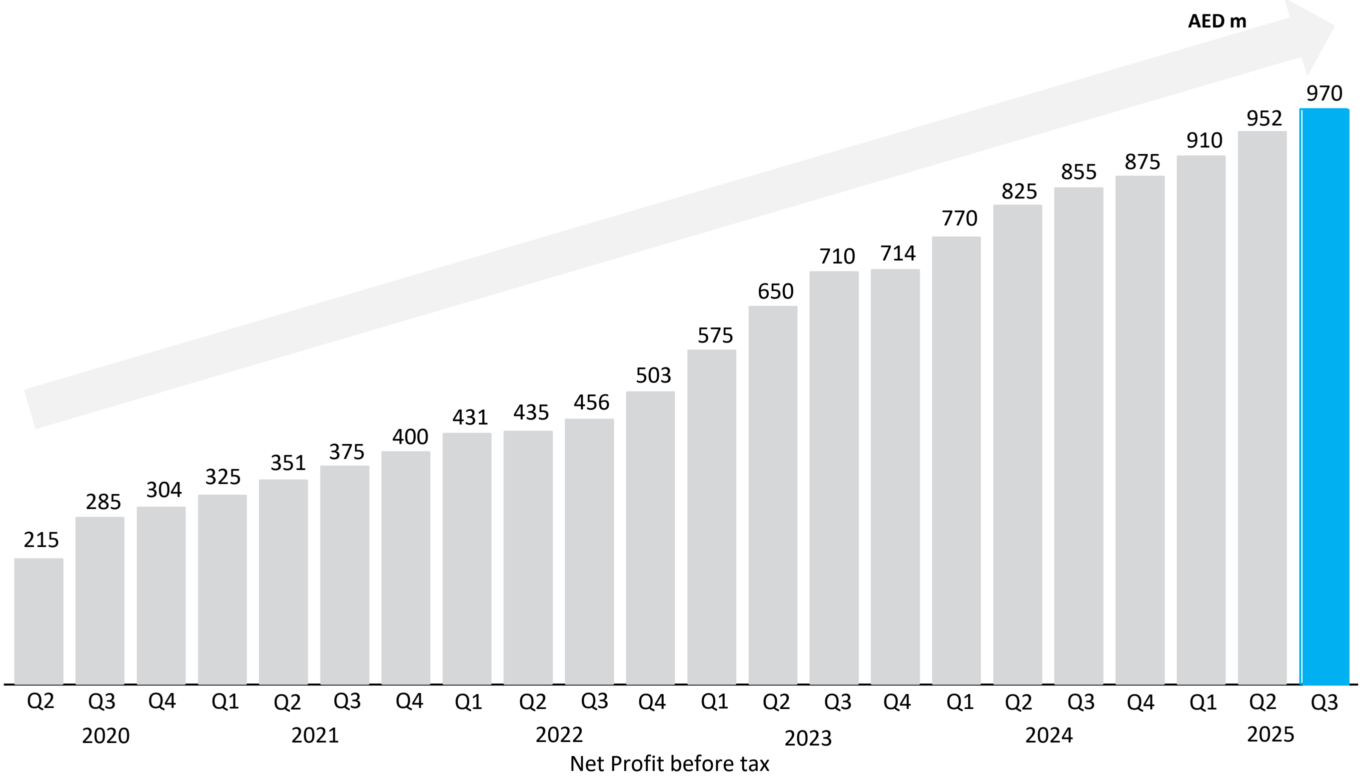
Record low non-performing loans ratio of 3.50% improving by 146 bps compared to the prior year with Cost of Risk at 0.49%, down 43 bps over the same period.

Key Performance Indicators

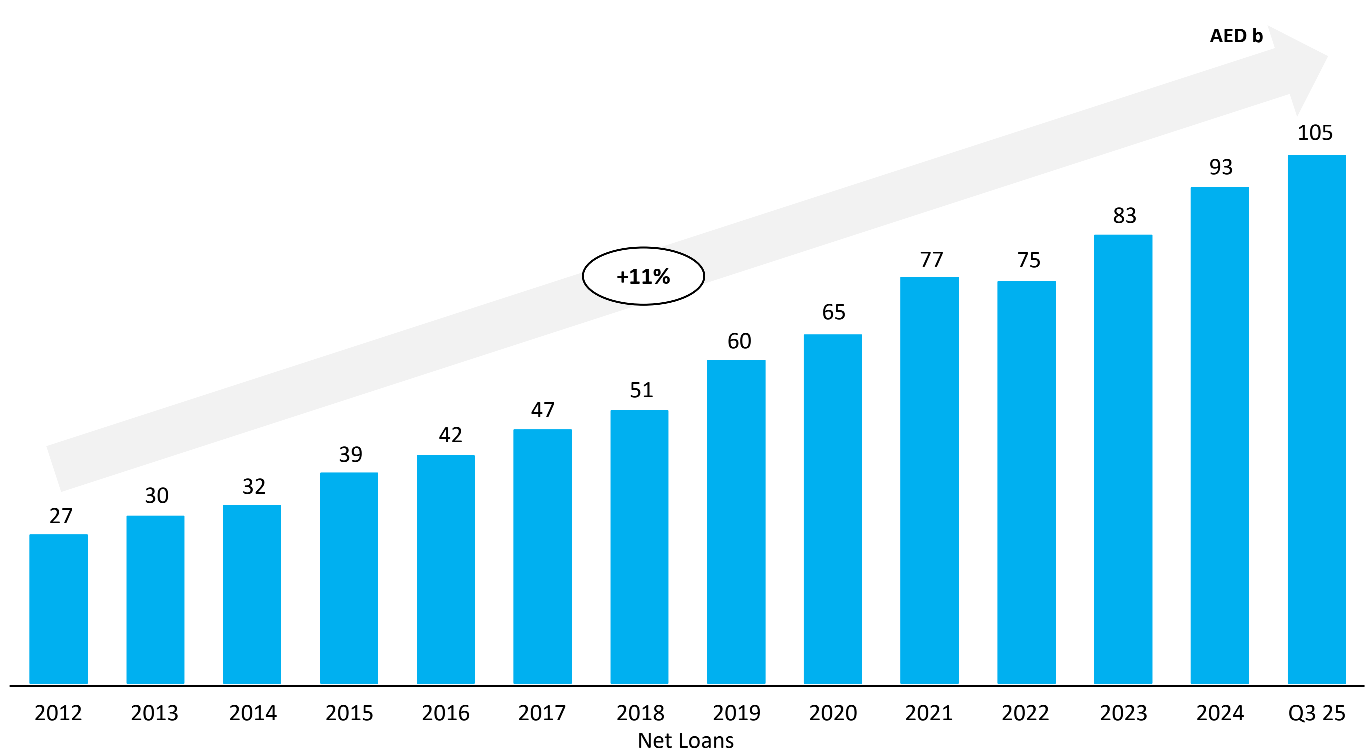
Net Profit before tax Ð 2,832m *+15.6%*	Return on Equity after tax 22.32% *Top Quartile*
Cost-to-Income 26.42% *Top Quartile*	Assets Ð 163b *Robust Growth*
Capital Adequacy Ratio 15.84% *Exceeding regulatory requirements*	NPL 3.50% *Improved 146 Bps*

Outstanding results consistently delivering on strategy

Industry leading 21 consecutive quarters of net profit growth



Record loan growth backing the nations ambitions



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

Delivering a record net profit result with net loans exceeding AED 100 billion are significant milestones for CBD.

Dubai, 22 October 2025: Commercial Bank of Dubai (CBD) has announced its financial results for the third quarter and the first nine months of 2025, achieving a remarkable milestone of 21 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 2,832 million, representing a 15.6% increase compared to the same comparative period last year.

CBD's strong growth was further underscored by its net loans exceeding AED 100 billion for the first time in its history, reflecting sustained momentum and high-quality strategic execution. This performance has been driven by solid customer engagement, strong lending activity, and a strong domestic economy supported by public sector investments and robust business activity.

" Delivering a record net profit result with net loans exceeding AED 100 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 our customers. We are pleased with the latest performance, which is a testament to our disciplined high-quality execution. We remain focused on delivering on our strategic targets for the 2025 full year and beyond."

CBD's transformation agenda continues to deliver results. The Bank recorded its highest SME Net Promoter Score in over three years in 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 in Transformation in UAE, Best Digitisation Initiatives, Best Mobile Banking Services, and Best Technological Innovation in Financial Services, affirming its digital-by-design ethos.

CBD was able to make its mark on the global stage with successful participation in high profile banking conferences including SIBOS 2025, BAFT Global Councils Forum and the Middle East Banking Innovation Summit showcasing our commitment to innovation, thought leadership, and client-centricity.

The Bank supported national initiatives such as Aani payments, UAE Central Bank Digital Currency, Financial Infrastructure Transformation Program 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 22.3%, a cost-to-income ratio of 26.4%, and continuing, consistent net profit growth. 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 ambitions.

9M 2025 results:

- Net profit before tax was AED 2,832 million, up 15.6% against the prior comparative period
- Operating income was AED 4,400 million, driven by strong growth in loans and CASA balances
- Operating expenses were AED 1,162 million, up by 14.1%
- Operating profit was AED 3,238 million, up by 2.9%
- Net impairment loss was AED 406 million, down by 41.8%
- Corporate tax expense of AED 253 million, up by 15.5%

As at 30 September 2025:

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.84%, Tier 1 ratio at 14.70% and Common Equity Tier 1 (CET1) ratio at 12.91%, well in excess of regulatory requirements
- Gross loans were AED 109.4 billion, an increase of 11.33% compared to 31 December 2024
- Advances to stable resources ratio (ASRR) stood at 86.11%, down by 47 bps compared to 31 December 2024

Income Statement

Operating income for the first nine months of 2025 was AED 4,400 million, up 5.7%, attributable to an increase in Net Interest Income (NII) by 8.4% on strong loan and CASA growth, both up double digits.

Operating expenses were AED 1,162 million, with the increase primarily driven by investments in digitisation, technology, business growth, governance and regulatory compliance. The cost-to-income ratio remains strong at 26.42%.

AED (Million)

Income statement	9M 2025	9M 2024	Var	Q3 25	Q2 25	QoQ Var
Net interest income	3,088	2,849	8.4%	1,074	1,029	4.4%
Non-funded income	1,312	1,315	(0.2%)	503	423	18.9%
Total income	**4,400**	**4,164**	**5.7%**	**1,577**	**1,453**	**8.5%**
Operating expenses	1,162	1,018	14.1%	413	379	9.0%
Operating profit	**3,238**	**3,147**	**2.9%**	**1,164**	**1,074**	**8.4%**
Expected credit losses	406	697	(41.8%)	194	122	59.0%
Net profit before tax	**2,832**	**2,450**	**15.6%**	**970**	**952**	**1.9%**
Corporate tax expense	253	219	15.5%	86	85	1.2%
Net profit after tax	**2,579**	**2,231**	**15.6%**	**884**	**867**	**2.0%**

Balance Sheet

Total assets were AED 163.4 billion as at 30 September 2025, an increase of 16.6% compared to AED 140.2 billion as at 31 December 2024.

Net loans and advances were AED 105.2 billion, registering an increase of 13.1% compared to AED 93.0 billion as at 31 December 2024.

Customers' deposits were AED 112.1 billion as at 30 September 2025, representing an increase of 14.9% compared to AED 97.6 billion as at 31 December 2024. Low-cost CASA constituted 51% of the total customer deposit base, while the loan-to-deposit ratio stood at 93.83%.

AED (Million)

Balance sheet	Sep 25	Sep 24	YoY Var	Sep 25	Jun 25	QoQ Var
Gross loans and advances	109,435	97,273	12.5%	109,435	104,678	4.5%
Allowances for impairment	4,212	5,527	(23.8%)	4,212	4,862	(13.4%)
Net loans and advances	**105,223**	**91,746**	**14.7%**	**105,223**	**99,816**	**5.4%**
Total assets	163,409	140,217	16.5%	163,409	150,607	8.5%
Customers' deposits	112,148	98,682	13.6%	112,148	107,047	4.8%
Total equity	18,572	16,772	10.7%	18,572	17,645	5.3%

Asset Quality

The non-performing loan (NPL) ratio decreased to 3.50%, down from 4.35% at the end of 2024. The net impairment charge totaled AED 406 million for the first nine months of 2025. The coverage ratio was 98.93% (December 2024: 104.23%) and was 140.83% inclusive of collateral for stage 3 loans (31 December 2024: 138.75%). As at 30 September 2025, total allowances for impairment (covering loans and advances, due from banks and unfunded exposures) amounted to AED 4,483 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 86.11% as at 30 September 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 15.84%, Tier 1 ratio at 14.70% and Common Equity Tier 1 (CET1) ratio at 12.91%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Key ratios %	9M 25	9M 24	YoY Var (bps)	Q3 25	Q2 25	QoQ Var (bps)
Return on equity (after tax)	22.32%	21.41%	91	22.95%	23.62%	(67)
Return on assets (after tax)	2.27%	2.21%	6	2.33%	2.38%	(5)
Cost to income ratio	26.42%	24.44%	198	26.19%	26.09%	10
Non-performing loans (NPL)	3.50%	4.96%	(146)	3.50%	4.13%	(63)
Provision coverage	98.93%	96.61%	232	98.93%	96.87%	206
Loan-to-deposit ratio	93.83%	92.97%	86	93.83%	93.24%	59
Advances to stable resources	86.11%	86.00%	11	86.11%	86.33%	(22)
Capital adequacy ratio	15.84%	16.56%	(72)	15.84%	15.36%	48
Tier 1 ratio	14.70%	15.42%	(72)	14.70%	14.23%	47
CET1 ratio	12.91%	13.37%	(46)	12.91%	12.41%	50

Credit Ratings

Agency	Rating	Outlook	Date
Fitch Ratings	**A-**	Stable	Mar-25
Moody's	**Baa1**	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.

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BACKING THE NATION'S AMBITION

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