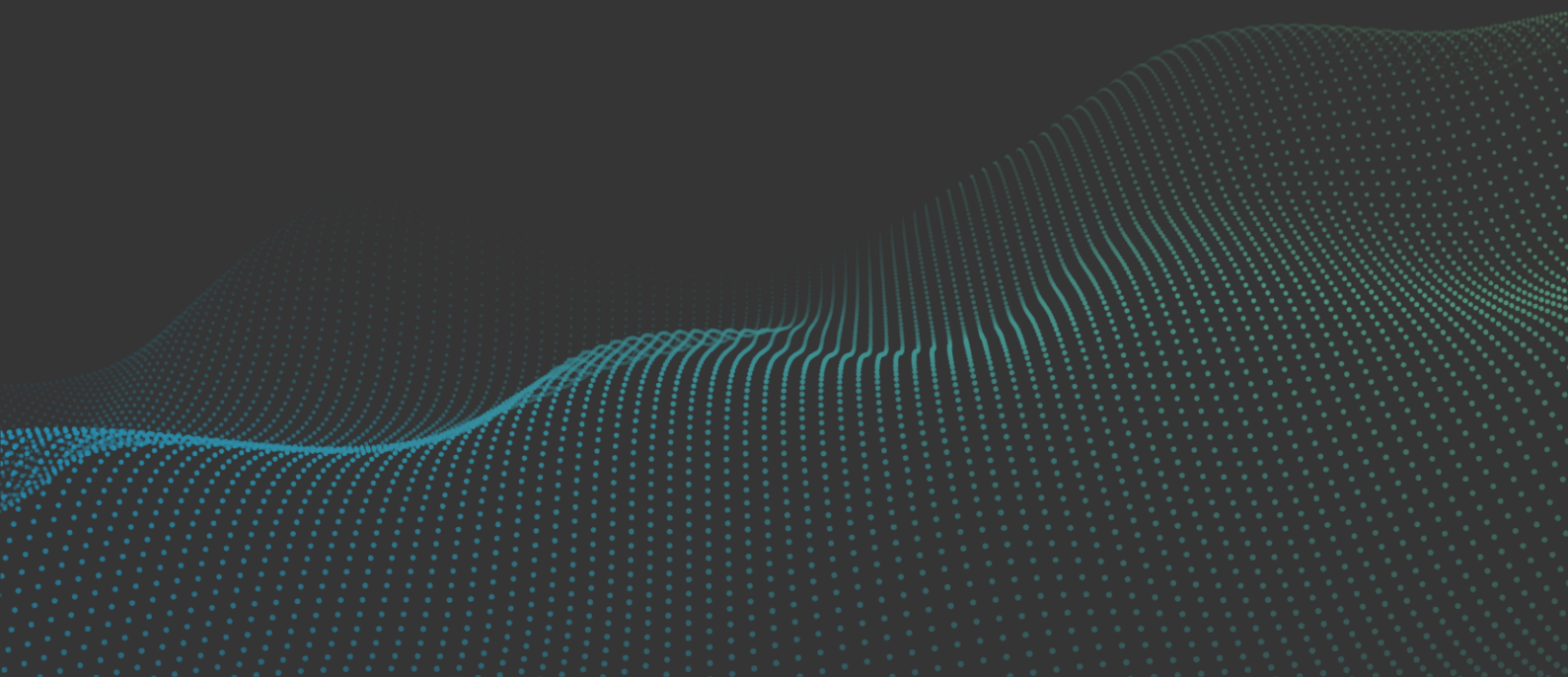




# Management Discussion and Analysis Report

Full Year 2024

29 January 2025



## Commercial Bank of Dubai net profit above AED 3 billion for the first time, with net profit before tax of AED 3.325 billion up 25.5% for the year

### Excellent performance uplift in 2024 compared to 2023

Record net profit before tax of AED 3.325 billion, up 25.5% for the year.

### Prudent provisioning for expected credit losses

Net impairment was AED 762 million. Non-performing loans ratio at 4.35%, down 211 bps compared to 2023 and Coverage ratio at 104.23%, up 2,097 bps compared to 2023.

### Cost to income ratio

Strong cost to income ratio at 25.56%.

### Strong loan growth whilst maintaining healthy liquidity, funding and capital ratios

Gross loans were AED 98.3 billion, an increase of 10.6% compared to 31 December 2023.

# Key Performance Indicators

Net Profit before tax

**AED 3,325m**

Return on Equity before tax

**23.48%**

Cost to Income

**25.56%**

Assets

**AED 140b**

Capital Adequacy Ratio

**15.57%**

CET1 ratio

**12.41%**

**Dubai, 29 January 2025:** Commercial Bank of Dubai (CBD) today reported its financial results for the year ended 31 December 2024.

CBD delivered a record net profit before tax result of AED 3,325 million for the year ended 31 December 2024, up 25.5% for the year (up 14.3% on a post-tax basis). Strong growth in loans during 2024 resulted in a solid net interest outcome, which was supported by non-funded income and lower cost of risk that more than offset higher expenses and the corporate tax charge. High global market interest rates during the year contributed to the solid net interest income outcome. The robust UAE economy and strong business activity was supported by sound economic incentives and population growth. Business confidence remains positive with expected ongoing expansion forecast for 2025 and beyond. The public-sector strategic posture continues to inform strategic investments in infrastructure, economic diversification and focus on broad-based growth, with non-oil sectors expected to lead continued economic performance.

## 2024 full year results:

- Net profit before tax was AED 3,325 million, up 25.5% versus the prior year
- Operating income was AED 5,491 million, up 11.2% driven by net interest income, fees and commissions
- Operating expenses were AED 1,403 million, up by 14.3%
- Operating profit was AED 4,087 million, up by 10.2%
- Net impairment loss was AED 762 million, down by 28.1%
- Corporate tax expense of AED 295 million

## As at 31 December 2024:

- Capital ratios (post proposed dividend distribution) remained strong with the capital adequacy ratio (CAR) at 15.57%, Tier 1 ratio at 14.43% and Common Equity Tier 1 (CET1) ratio at 12.41%, well in excess of regulatory requirements
- Gross loans were AED 98.3 billion, an increase of 10.6% compared to 31 December 2023
- Advances to stable resources ratio (ASRR) stood at 86.58%, improved by 67 bps compared to 31 December 2023



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



## **CBD has delivered a record net profit result on the back of strong loan growth with higher revenues at outstanding returns and with significantly improved asset quality.**

Commenting on the Bank's performance, Dr. Bernd van Linder, Chief Executive Officer, said, CBD has delivered a record net profit result on the back of strong loan growth with higher revenues at outstanding returns and with significantly improved asset quality. Our net profit for 2024 was above AED 3 billion for the first time, with net profit before tax of AED 3.325 billion up 25.5% for the year, attributable to strong customer activity and overall business performance. The Bank remains focused on the high quality implementation of its strategy and is very well placed to continue to achieve our strategic objectives and financial performance in 2025 and beyond.

In Q4 2024, CBD announced strategic-financing transactions to support project development in the Mina Al Arab and Hafeet Rail Network, which will enable the building of the cross-border rail network connecting the UAE with the Port of Sohar in Oman. These strategic partnerships reflect CBD's commitment to empowering local enterprises and enabling key development projects in UAE that drive economic progress and promote sustainable growth.

Additionally, the Bank proudly took part in the recent Dubai Future Sustainability Forum 2024 as Presenting Sponsor, where we reaffirmed our commitments to sustainable finance solutions that back the UAE's 'Net Zero 2050' goals. Furthermore, during Q4 2024 CBD achieved the prestigious Leadership in Energy and Environmental Design ('LEED') Gold Certification for our core locations, Head Office, Jumeriah, Al Quoz and Sharjah. This recognition underscores our unwavering commitment to sustainability and environmental stewardship.

## Income Statement

**Operating income** for the year ended 31 December 2024 was AED 5,491 million, up 11.2%, attributable to an increase in Net Interest Income (NII) by 6.4% on strong loan growth during 2024 and high market interest rates with Non-Funded Income (NFI) up 23.7%.

**Operating expenses** were AED 1,403 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 25.56%.

AED (Million)						
Income statement	2024	2023	Var	Q4 24	Q3 24	QoQ Var
Net interest income	3,799	3,570	6.4%	950	943	0.7%
Non-funded income	1,692	1,368	23.7%	377	511	(26.2%)
<b>Total income</b>	<b>5,491</b>	<b>4,938</b>	<b>11.2%</b>	<b>1,326</b>	<b>1,454</b>	<b>(8.8%)</b>
Operating expenses	1,403	1,228	14.3%	386	374	3.2%
<b>Operating profit</b>	<b>4,087</b>	<b>3,710</b>	<b>10.2%</b>	<b>941</b>	<b>1,081</b>	<b>(12.9%)</b>
Expected credit losses	762	1,060	(28.1%)	66	226	(70.7%)
<b>Net profit before tax</b>	<b>3,325</b>	<b>2,650</b>	<b>25.5%</b>	<b>875</b>	<b>855</b>	<b>2.3%</b>
Corporate tax expense	295	-	100.0%	76	76	(0.3%)
<b>Net profit after tax</b>	<b>3,030</b>	<b>2,650</b>	<b>14.3%</b>	<b>799</b>	<b>779</b>	<b>2.6%</b>



## Balance Sheet

**Total assets** were AED 140.2 billion as at 31 December 2024, an increase of 8.7% compared to AED 129.0 billion as at 31 December 2023.

**Net loans and advances** were AED 93.0 billion, registering an increase of 11.7% compared to AED 83.3 billion as at 31 December 2023.

**Customers' deposits** were AED 97.6 billion as at 31 December 2024, representing an increase of 10.5% compared to AED 88.3 billion as at 31 December 2023. Low-cost CASA constituted 49% of the total customer deposit base, while the loan-to-deposit ratio stood at 95.4%.

AED (Million)

Balance sheet	Dec 24	Dec 23	YoY Var	Dec 24	Sep 24	QoQ Var
Gross loans and advances	98,294	88,874	10.6%	98,294	97,273	1.0%
Allowances for impairment	5,245	5,561	(5.7%)	5,245	5,527	(5.1%)
<b>Net loans and advances</b>	<b>93,049</b>	<b>83,313</b>	<b>11.7%</b>	<b>93,049</b>	<b>91,746</b>	<b>1.4%</b>
Total assets	140,175	128,987	8.7%	140,175	140,217	(0.0%)
Customers' deposits	97,563	88,287	10.5%	97,563	98,682	(1.1%)
Total equity	17,425	15,781	10.4%	17,425	16,772	3.9%

## Asset Quality

The non-performing loan (NPL) ratio decreased significantly to 4.35%, down from 6.46% at the end of 2023. The net impairment charge totaled AED 762 million for the year ended 31 December 2024. The coverage ratio increased by 2,097 bps to 104.23% (December 2023: 83.26%) and was 138.75% inclusive of collateral for stage 3 loans. As at 31 December 2024, total allowances for impairment (covering loans and advances and unfunded exposures) amounted to AED 5,504 million.

## Liquidity and Capital position

**The Bank's liquidity** position remained robust with the advances to stable resources ratio at 86.58% as at 31 December 2024 (December 2023: 87.25%), compared to the UAE Central Bank maximum of 100%.

CBD's **capital ratios** were strong with the capital adequacy ratio (CAR) at 15.57%, Tier 1 ratio at 14.43% 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 %	2024					
	2024	2023	YoY Var (bps)	Q4 24	Q3 24	QoQ Var (bps)
Return on equity (before tax)	23.48%	21.23%	225	23.97%	24.57%	(60)
Return on assets (before tax)	2.47%	2.16%	31	2.50%	2.43%	7
Cost to income ratio	25.56%	24.87%	69	29.09%	25.71%	338
Non-performing loans (NPL)	4.35%	6.46%	(211)	4.35%	4.96%	(61)
Provision coverage	104.23%	83.26%	2,097	104.23%	96.61%	762
Loan-to-deposit ratio	95.37%	94.37%	100	95.37%	92.97%	240
Advances to stable resources	86.58%	87.25%	(67)	86.58%	86.00%	58
Capital adequacy ratio	15.57%	15.95%	(38)	15.57%	16.56%	(99)
Tier 1 ratio	14.43%	14.81%	(38)	14.43%	15.42%	(99)
CET1 ratio	12.41%	12.54%	(13)	12.41%	13.37%	(96)



## Ratings

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

## About CBD

The Bank was incorporated in Dubai, United Arab Emirates in 1969 and is registered as a Public Joint Stock Company (PJSC).

The Bank is listed on the Dubai Financial Market (DFM) and is majority owned by UAE Nationals, including 20% by the Investment Corporation of Dubai (ICD). The Bank employs nearly 1,200 staff and offers a wide range of conventional and Islamic banking products and services to its institutional, corporate and personal banking customers through a network of 12 branches. Moreover, the Bank has invested in an extensive network of 160 ATMs/CDMs.

**For further information, kindly contact:** CBD Investor Relations @ [investor.relations@cbd.ae](mailto:investor.relations@cbd.ae)



BACKING THE NATION'S AMBITION

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