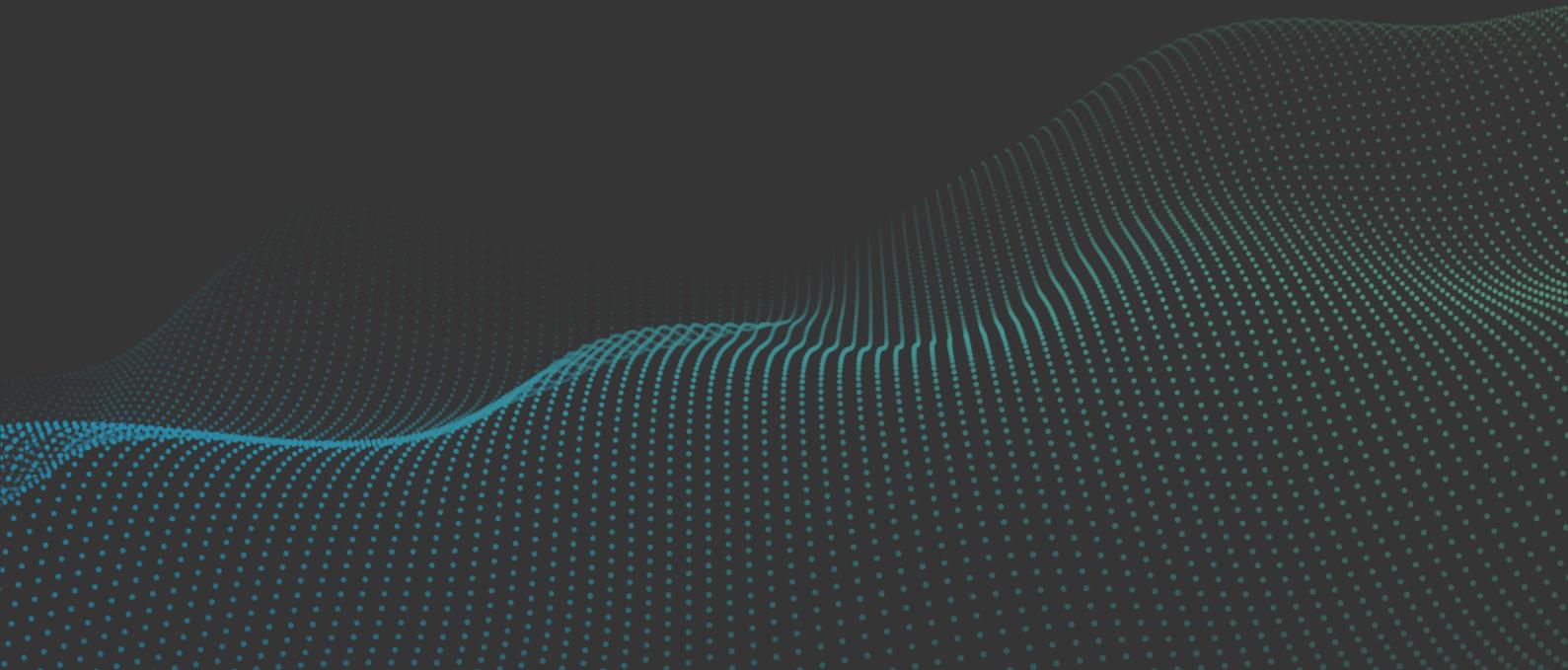




# Management Discussion and Analysis Report

First Quarter 2025

23 April 2025



## **Commercial Bank of Dubai reports net profit after tax of AED 828 million, up 18.1% against the prior comparative period**

### **Excellent performance uplift in Q1 2025 compared to Q1 2024**

Net profit after tax of AED 828 million, up 18.1% versus the prior comparative period.

---

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

Gross loans were AED 102.1 billion, an increase of 3.9% compared to 31 December 2024.

---

### **Strong Cost-to-Income ratio with strategic investment in digitization**

Top quartile cost-to-income ratio at 27.01%.

---

### **Robust asset quality**

Non-performing loans ratio at 4.29%, down 159 bps compared to Q1 2024, and Coverage ratio at 101.06%, up 767 bps compared to Q1 2024.



# Key Performance Indicators

Net Profit after tax

**AED 828m**

Cost-to-Income

**27.01%**

Capital Adequacy Ratio

**15.31%**

Return on Equity after tax

**22.69%**

Assets

**AED 141b**

CET1 ratio

**12.28%**

**Dubai, 23 April 2025:** Commercial Bank of Dubai (CBD) today reported its financial results for the first quarter of 2025.

CBD delivered a solid net profit after tax result of AED 828 million for the first quarter of 2025, up 18.1% against the prior comparative period. Strong growth in loans and current and savings accounts (CASA) during Q1 2025 underpinned a sound net interest outcome, which was supported by lower cost of risk that more than offset lower non-funded income and higher expenses.

The UAE economy remained robust supported by strong business activity and supportive economic policies, aimed at attracting investment and developing an innovation-led economy that remains at the forefront of global developments. Government initiatives in technology, green energy, and entrepreneurship continue to drive forward innovative momentum. Business confidence remains positive with forecast economic expansion set to continue throughout 2025 and beyond. Continued strategic ambition for the UAE is set out in the “We are UAE 2031” and “Dubai Economic Agenda (D33)” that is expected to drive a forward-looking economy that is dynamic and competitive with diversification in key strategic growth areas while positioning the UAE at the forefront of the digital economy.

## **Q1 2025 results:**

- Net profit after tax was AED 828 million, up 18.1% against the prior comparative period
- Operating income was AED 1,371 million, driven by strong growth in loans and CASA balances
- Operating expenses were AED 370 million, up by 17.5%
- Operating profit was AED 1,001 million, down by 5.3%
- Net impairment loss was AED 91 million, down by 68.3%
- Corporate tax expense of AED 82 million, up by 18.8%

## **As at 31 March 2025:**

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.31%, Tier 1 ratio at 14.18% and Common Equity Tier 1 (CET1) ratio at 12.28%, well in excess of regulatory requirements
- Gross loans were AED 102.1 billion, an increase of 3.9% compared to 31 December 2024
- Advances to stable resources ratio (ASRR) stood at 89.60%, increased by 302 bps compared to 31 December 2024



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

## **CBD has delivered a solid net profit result on the back of strong loan and CASA growth.**

Commenting on the Bank's performance, Dr. Bernd van Linder, Chief Executive Officer said: "CBD has delivered a solid net profit result on the back of strong loan and CASA growth. Our net profit after tax for Q1 2025 was AED 828 million, up 18.1% against the prior comparative period, attributable to strong customer activity and supportive economic conditions. The Bank remains intently focused on the disciplined implementation of its strategy and is well placed to continue to achieve its strategic objectives and deliver a strong financial performance in 2025 and beyond.

In Q1 2025, CBD partnered with Siemens Energy, a leader in energy technology, to support economic development in the UAE. This partnership demonstrates our financial strength and ability to support leading global corporations in their growth ambitions while reinforcing our position as a trusted banking partner in the UAE.

Additionally, CBD entered into a multi-year partnership with Dubai Festivals and Retail Establishment (DFRE), an agency of Dubai's Department of Economy & Tourism (DET), to deliver exclusive benefits to CBD customers and engage the broader UAE community through Dubai's most anticipated festivals, shopping experiences and lifestyle events. By partnering with DFRE, we are reaffirming our commitment to backing the ambitions of our customers and the communities we serve. CBD is proud to play a role in bringing Dubai's vibrant festivals to life, supporting its position as one of the world's most exciting cities."



# Income Statement

**Operating income** for the first quarter of 2025 was AED 1,371 million, attributable to an increase in Net Interest Income (NII) by 2.7% on strong loan and CASA growth during Q1 2025 partially offset by Non-Funded Income (NFI) down by 6.5%.

**Operating expenses** were AED 370 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 27.01%.

Income statement	Q1 2025	Q1 2024	Var	Q1 25	Q4 24	AED (Million)
						QoQ Var
Net interest income	985	959	2.7%	985	950	3.7%
Non-funded income	386	413	(6.5%)	386	377	2.4%
<b>Total income</b>	<b>1,371</b>	<b>1,372</b>	<b>(0.1%)</b>	<b>1,371</b>	<b>1,326</b>	<b>3.4%</b>
Operating expenses	370	315	17.5%	370	386	(4.1%)
<b>Operating profit</b>	<b>1,001</b>	<b>1,057</b>	<b>(5.3%)</b>	<b>1,001</b>	<b>941</b>	<b>6.4%</b>
Expected credit losses	91	287	(68.3%)	91	66	37.9%
<b>Net profit before tax</b>	<b>910</b>	<b>770</b>	<b>18.2%</b>	<b>910</b>	<b>875</b>	<b>4.0%</b>
Corporate tax expense	82	69	18.8%	82	76	7.9%
<b>Net profit after tax</b>	<b>828</b>	<b>701</b>	<b>18.1%</b>	<b>828</b>	<b>799</b>	<b>3.6%</b>

# Balance Sheet

**Total assets** were AED 141.1 billion as at 31 March 2025, an increase of 0.7% compared to AED 140.2 billion as at 31 December 2024.

**Net loans and advances** were AED 96.9 billion, registering an increase of 4.2% compared to AED 93.0 billion as at 31 December 2024.

**Customers' deposits** were AED 99.6 billion as at 31 March 2025, representing an increase of 2.1% 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 97.3%.

Balance sheet	Mar 25	Mar 24	YoY Var	Mar 25	Dec 24	AED (Million)
						QoQ Var
Gross loans and advances	102,123	92,762	10.1%	102,123	98,294	3.9%
Allowances for impairment	5,191	5,971	(13.1%)	5,191	5,245	(1.0%)
<b>Net loans and advances</b>	<b>96,932</b>	<b>86,791</b>	<b>11.7%</b>	<b>96,932</b>	<b>93,049</b>	<b>4.2%</b>
Total assets	141,129	130,976	7.8%	141,129	140,175	0.7%
Customers' deposits	99,624	90,342	10.3%	99,624	97,563	2.1%
Total equity	16,813	15,138	11.1%	16,813	17,425	(3.5%)

## Asset Quality

The non-performing loan (NPL) ratio decreased to 4.29%, down from 4.35% at the end of 2024. The net impairment charge totaled AED 91 million for the first quarter of 2025. The coverage ratio was 101.06% (December 2024: 104.23%) and was 137.44% inclusive of collateral for stage 3 loans (31 December 2024: 138.75%). As at 31 March 2025, total allowances for impairment (covering loans and advances and unfunded exposures) amounted to AED 5,431 million (31 December 2024: AED 5,504 million).

## Liquidity and Capital position

**The Bank's liquidity** position remained robust with the advances to stable resources ratio at 89.60% as at 31 March 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 15.31%, Tier 1 ratio at 14.18% and Common Equity Tier 1 (CET1) ratio at 12.28%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Key ratios %	Q1 25	Q1 24	YoY Var (bps)	Q1 25	Q4 24	QoQ Var (bps)	(%)
Return on equity (after tax)	22.69%	21.08%	161	22.69%	21.87%	82	
Return on assets (after tax)	2.36%	2.16%	20	2.36%	2.28%	8	
Cost to income ratio	27.01%	22.96%	405	27.01%	29.09%	(208)	
Non-performing loans (NPL)	4.29%	5.88%	(159)	4.29%	4.35%	(6)	
Provision coverage	101.06%	93.39%	767	101.06%	104.23%	(317)	
Loan-to-deposit ratio	97.30%	96.07%	123	97.30%	95.37%	193	
Advances to stable resources	89.60%	89.24%	36	89.60%	86.58%	302	
Capital adequacy ratio	15.31%	15.67%	(36)	15.31%	15.57%	(26)	
Tier 1 ratio	14.18%	14.54%	(36)	14.18%	14.43%	(25)	
CET1 ratio	12.28%	12.41%	(13)	12.28%	12.41%	(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

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 11 branches. Moreover, the Bank has invested in an extensive network of 147 ATMs/CDMs.

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



BACKING THE NATION'S AMBITION

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