

Management Discussion and Analysis Report

Third Quarter 2026

21 October 2026

CBD reports a record Net Profit Before Tax of ₦2,948 million for the nine months to 30 September 2026, up 4.1% compared to the prior comparative period

Record Q3 2026 performance showing strong momentum from Q2 2026

Net profit after tax up 9.4% compared to the prior quarter.

Net loans at ₦110 billion whilst maintaining healthy liquidity, funding and capital positions

Net loans were ₦110 billion, an increase of 8.5% compared to 31 December 2025.

Excellent ROE, generating exceptional value for shareholders

ROE of 21.38% after-tax.

Strong asset quality

Non-performing loan ratio of 2.98% improving by 52 bps compared to the prior comparative period and Coverage ratio at 106.99%, up 806 bps on the same time last year.

Key Performance Indicators

Net Profit before tax

₪ 2,948m

+4.1%

Return on Equity after tax

21.38%

Top Quartile

Cost-to-Income

26.53%

Top Quartile

Assets

₪ 168b

*+4.7% compared to 31
December 2025*

Common Equity Tier 1 Ratio

12.71%

*Exceeding regulatory
requirements*

Non-Performing Loan Ratio

2.98%

Improved 52 bps



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



CBD has delivered a record financial performance in the first nine months of 2026, with increased momentum in Q3

Dubai, 21 October 2026: Commercial Bank of Dubai (CBD) has announced its financial results for the first nine months of 2026, delivering a record net profit before tax of AED 2,948 million, up 4.1% compared to the prior comparative period, showcasing our ability to deliver an improved performance notwithstanding the external market environment’.

CBD’s performance strengthened during the third quarter, with strong quarter on quarter momentum. Net profit after tax increased by more than 9% on the prior quarter to AED 969 million, supported by strong balance sheet growth, improved operating income and lower expected credit losses.

The performance was driven by balanced business growth, disciplined execution of the strategy and resilient income generation. Net loans increased to AED 110 billion, supported by continued customer activity across all of the Bank’s core businesses. The results reflect the continued strength of CBD’s franchise, with solid growth in loans, CASA and fee income, together with robust funding, liquidity and capital positions, operational excellence, prudent and proactive risk management practices.

Commenting on the Bank's performance, Dr. Bernd van Linder, Chief Executive Officer said, "I am delighted to report that the Bank delivered a record performance in the first nine months of 2026, with increased momentum during the third quarter. Our results demonstrate the strength of our franchise and the depth of our customer relationships, supported by solid business growth, diversified income generation and improved asset quality. We continued to grow our lending portfolio and support customers across the UAE, while maintaining a disciplined approach to risk management. We remain focused on executing our strategic priorities whilst investing in AI, innovation and digitisation to deliver sustainable long-term value for our shareholders, customers and wider stakeholders. We commend our leaders and the government of the United Arab Emirates for the continued commitment to economic resilience, financial stability and sustainable growth, providing a strong foundation for the continued development of the UAE economy."

In July 2026, the Bank successfully issued a USD 600 million Additional Tier 1 (AT1) perpetual non-call 6-year bond. This issuance supports CBD's long-term capital planning and reinforces the confidence placed in the Bank by regional and international investors.

CBD continued to strengthen its customer proposition through the launch of innovative digital solutions designed to meet evolving customer needs. During July 2026, the Bank introduced UP by CBD, a mobile banking proposition designed to simplify banking and support the growth of micro and small businesses across the UAE. The Bank also introduced CBD Invest, a digital wealth platform integrated within the CBD Mobile App that provides customers with seamless access to investing, financial planning and portfolio analytics. These breakthroughs enhance customer convenience, expand access to tailored financial solutions and reinforce CBD's commitment to delivering differentiated, customer-centric digital experiences across key segments.

Furthermore, during September 2026, CBD became the first bank from outside Europe to join the Commercial Bank Money Token (CMBT) sandbox. CBD's participation supports the exploration of tokenised commercial bank deposits and their potential application to cross-border payments and settlement, reinforcing the Bank's commitment to innovation and the continued modernisation of financial services.

The Bank has also been recognised through multiple industry awards during the year, including Best Digital Bank and Best Private Bank Digital Innovation. The Bank was recognised amongst Forbes Middle East's Top 100 Most Valuable Companies for 2026, with our CEO also being recognised amongst Forbes Middle East's Top 100 CEOs for 2026, providing further affirmation of our industry achievements.

9M 2026 results

- Net profit before tax was AED 2,948 million, up 4.1% against the prior comparative period
- Operating income was AED 4,440 million, up by 0.9% driven by growth in loans, CASA and fees
- Operating expenses were AED 1,178 million, up by 1.4%
- Operating profit was AED 3,262 million, up by 0.7%
- Net impairment loss was AED 314 million, down by 22.6%
- Corporate tax expense of AED 264 million, up by 4.2%

As at 30 September 2026

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.53%, Tier 1 ratio at 14.39% and Common Equity Tier 1 (CET1) ratio at 12.71%, well in excess of regulatory requirements
- Gross loans were AED 113.5 billion, an increase of 7.7% compared to 31 December 2025
- Advances to stable resources ratio stood at 91.14%, up by 800 bps compared to 31 December 2025

Income Statement

Operating income for the first nine months of 2026 was AED 4,440 million, up 0.9%, attributable to an increase in Non-Funded Income (NFI) of 2.6% and a marginal increase in Net Interest Income (NII) of 0.2%.

Operating expenses at AED 1,178 million, with the increase driven by investments in digitisation, technology, business growth, governance and regulatory compliance. The cost-to-income ratio remains strong at 26.53%.

AED (Million)

Income statement	9M26	9M25	YoY Var	Q326	Q226	QoQ Var
Net interest income	3,094	3,088	0.2%	1,091	994	9.7%
Non-funded income	1,346	1,312	2.6%	449	450	-
Total income	4,440	4,400	0.9%	1,540	1,444	6.7%
Operating expenses	1,178	1,162	1.4%	403	383	5.3%
Operating profit	3,262	3,238	0.7%	1,137	1,061	7.2%
Expected credit losses	314	406	(22.6)%	74	88	(15.0)%
Net profit before tax	2,948	2,832	4.1%	1,063	973	9.2%
Corporate tax expense	264	253	4.2%	94	87	7.5%
Net profit after tax	2,684	2,579	4.1%	969	886	9.4%

Balance Sheet

Total assets were AED 167.9 billion as at 30 September 2026, an increase of 4.7% compared to AED 160.3 billion as at 31 December 2025.

Net loans and advances were AED 109.6 billion, registering an increase of 8.5% compared to AED 101.0 billion as at 31 December 2025.

Customers' deposits were AED 112.2 billion as at 30 September 2026, representing an increase of 0.7% compared to AED 111.4 billion as at 31 December 2025. Low-cost CASA constituted 50% of the total customer deposit base, while the loan-to-deposit ratio stood at 97.8%.

AED (Million)

Balance sheet	Sep 26	Sep 25	YoY Var	Sep 26	Jun 26	QoQ Var
Gross loans and advances	113,455	109,435	3.7%	113,455	108,228	4.8%
Allowances for impairment	3,812	4,212	(9.5)%	3,812	4,034	(5.5)%
Net loans and advances	109,643	105,223	4.2%	109,643	104,194	5.2%
Total assets	167,857	163,409	2.7%	167,857	154,505	8.6%
Customers' deposits	112,162	112,148	-	112,162	107,704	4.1%
Total equity	19,587	18,572	5.5%	19,587	16,968	15.4%

Asset Quality

The non-performing loan (NPL) ratio decreased to 2.98% compared to 3.58% at the end of 2025. The net impairment charge totaled AED 314 million for the first nine months of 2026. The coverage ratio was 106.99% (December 2025: 102.92%) and was 153.14% inclusive of collateral for stage 3 loans (31 December 2025: 143.09%). As at 30 September 2026, total allowances for impairment (covering loans and advances, due from banks and unfunded exposures) amounted to AED 4,136 million (31 December 2025: AED 4,604 million).

Liquidity and Capital position

The Bank's liquidity position remained robust with the advances to stable resources ratio at 91.14% as at 30 September 2026 (31 December 2025: 83.14%), compared to the UAE Central Bank maximum of 100%.

CBD's **capital ratios** were strong with the capital adequacy ratio (CAR) at 15.53%, Tier 1 ratio at 14.39% and Common Equity Tier 1 (CET1) ratio at 12.71%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Key ratios %	9M26	9M25	YoY Var (bps)	Q326	Q226	QoQ Var (bps)
Return on equity (after tax)	21.38%	22.32%	(94)	23.36%	22.14%	122
Return on assets (after tax)	2.18%	2.27%	(9)	2.40%	2.27%	13
Cost to income ratio	26.53%	26.42%	11	26.18%	26.54%	(36)
Non-performing loans (NPL)	2.98%	3.50%	(52)	2.98%	3.60%	(62)
Provision coverage	106.99%	98.93%	806	106.99%	96.51%	1,048
Loan-to-deposit ratio	97.75%	93.82%	393	97.75%	96.74%	101
Advances to stable resources	91.14%	86.11%	503	91.14%	91.28%	(14)
Capital adequacy ratio	15.53%	15.84%	(31)	15.53%	14.13%	140
Tier 1 ratio	14.39%	14.70%	(31)	14.39%	13.00%	139
CET1 ratio	12.71%	12.91%	(20)	12.71%	13.00%	(29)

Credit Ratings

Agency	Rating	Outlook	Date
Fitch Ratings	A-	Stable	Jan-26
Moody's	Baa1	Stable	Jul-26

About CBD

Commercial Bank of Dubai PSC was established in 1969 and is registered as a Public Joint Stock Company (PJSC). 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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