



Commercial Bank of Dubai (CBD)'s nine months 2015
Net profit grows 2.8% to AED 915 million
Total assets grow by 13.7% to AED 53.3 billion.

Key Financial Highlights:

- Net profit for the nine months period ending 30 September 2015 was 2.8% higher at AED 915 million as compared to AED 890 million for the same period last year.
- Operating income for the nine months period ending 30 September 2015 was 9% higher at AED 1.77 billion as compared to AED 1.62 billion for the same period last year driven by higher fees and commission income.
- Operating profit for the first nine months ended September 2015 increased by 3.8% to AED 1.14 billion as compared to AED 1.09 billion for the same period last year.
- Total assets of AED 53.3 billion as at 30 September 2015 were 13.7% higher when compared to the AED 46.9 billion as at the end of last year.
- Loans and advances at AED 39.0 billion as at 30 September 2015 were 22.5% higher than the AED 31.8 billion as at 31 December 2014.
- Customers' deposits of AED 37.4 billion as at 30 September 2015 were 16.3% higher than the AED 32.2 billion as at the end of last year.
- Capital adequacy ratio continues to be robust at 18.1%.
- Return on average assets and average equity was 2.4% and 15.9% respectively.
- Cost to income ratio at 35.5%.
- Coverage ratio for non-performing loans at 102%.
- Advances to stable resources ratio at 89.7%
- Liquidity coverage ratio stood at 82.9%, comfortably over 60% minimum limit set by Central Bank of the UAE.

28th October 2015, Dubai, UAE

Commercial Bank of Dubai (CBD)'s **net profit** for the first nine months of 2015 increased by 2.8% from AED 890 million for the first nine months of 2014 to AED 915 million for the same period of the current year.

Operating profit increased by 3.8% to AED 1.14 billion, mainly due to an 5.7% increase in Net Interest Income to AED 1.22 billion (9M-14: AED 1.16 billion) following balance sheet growth and a 17% increase in non-interest income to AED 547.5 million (9M-14: AED 467.8 million) with 36.8% increase in fees and commission.

Operating expenses increased by 19.9% from AED 523.7 million in 9M-14 to AED 627.9 million in 9M-15. The Bank focusing on its strategic initiatives to grow its personal and business banking business expanded its sales force and distribution network and committed resources to its digital banking platform. This resulted in increased variable costs to support higher business volumes. Cost to income ratio stood at 35.5%.

Loans and Advances of AED 39.0 billion as at 30 September 2015 registered an increase of 24.7% over the AED 31.3 billion as at 30 September 2014 and were 22.5% higher when compared to AED 31.8 billion as at 31 December 2014. Loan book growth was across all business segments. Personal and business banking net loans were at AED 6.5 billion, a 42% increase when compared to the AED 4.5 billion as at last year end. Corporate and Commercial banking net loans were at AED 32.5 billion, a 19% increase when compared to



AED 27.2 billion last year end. Corporate and Commercial net loans include AED 1.3 billion from the acquisition of Royal Bank of Scotland (RBS) corporate portfolio.

Customers' Deposits of AED 37.4 billion as at 30 September 2015, increased by 17.8% compared to AED 31.8 billion as at 30 September 2014, and were 16.3% higher when compared to AED 32.2 billion as at last year end.

The Bank's liquidity continued to be comfortable with advance to stable resources ratio of 89.7% as at 30th September 2015 (Dec-14: 82.6%), while the UAE Central Bank has set 100% as the maximum limit. Liquidity coverage Ratio (LCR) calculated as per BASEL-III guidelines was at 82.9% as at September 2015, compared to minimum stipulated ratio of 60%. The Eligible Liquid Assets Ratio (ELAR) was above the minimum stipulated ratio by UAE Central Bank of 10%.

CBD's **capital adequacy** and tier 1 capital ratios were at 18.1% and 16.9% respectively and were significantly above the regulatory thresholds of 12% and 8% mandated by the UAE Central Bank. Leverage Ratio as per Basel III guidelines was 12.5% against regulatory requirement of 3% minimum (Dec-13: 13.04%).

Return on average assets for the nine months of 2015 were at 2.4%. **Return on average equity** was at 15.9%.

While there has been an improvement in **overall asset quality**, the Bank continues its prudent approach to provisioning and booked an amount of AED 225 million in the first nine months of 2015 as impairment charges net of recoveries (9M-14: AED 209 million). Impairment charge includes AED 89 million general provisions, which represents 1.5% of total Credit Risk Weighted Assets (9M-14: AED 5 million) on account of new business booked during the year. Decline in non-performing loans (NPL) coupled with increase in loan book resulted in drop of NPL to gross loan ratio from 9.3% as at end of December 2014 to 6.3% as at 30th September 2015. CBD's impaired loan coverage ratio improved from 93.7% as at end of December 2014 to 102% at the end of the reported period.

Commenting on the Bank's performance, **Peter Baltussen, Chief Executive Officer said**, "CBD continued the implementation of its strategic plan to further diversify its income sources. CBD is projected to prudently continue to grow its market share in selected customers' segments while delivering innovative digital banking solutions tailored to our customers' needs".

**Key Achievements during nine months period ended 30th September 2015:**

-  CBD and the Dubai Chamber of Commerce introduced exclusive prepaid cards to enable the Chamber's customers to carry out commercial transactions. As the Chamber stopped accepting cash from April 1st onwards, these co-branded prepaid cards are another major step towards enabling e-services and the transition towards a cashless banking environment.
-  The Bank opened three new branches: Village Mall, Zayed the First in Abu Dhabi and a new Ras Al Khaimah Branch as part of its plan to expand and significantly grow both its commercial and personal banking businesses in both the Emirates. The centerpiece of the Branch format is a digital banking section equipped with innovative technologies that help improve customer interaction.
-  Commercial Bank of Dubai (CBD) launched a unique new mobile app "CBD Active Saver" that allows fitness-conscious customers to get rewarded with higher interest rates on their savings. The app invites customers to link their CBD saving account with their Fitbit or Jawbone activity tracker devices. Customers can then transfer money from their CBD account to a special high-interest savings account based on how active they are. Essentially, the more the customer walks and exercises, the higher the interest rate they can earn. CBD is the first bank in the region to launch such a concept.
-  Commercial Bank of Dubai launched three new mobile applications designed to help customers manage their personal account easily and securely from their mobile phone. "Fast Balance" allow customers to check their account balance on the go, receive regular updates on their accounts, view mini statements and download current statements. "Easy Transfer" offers quick transfer services to CBD accounts and other UAE accounts, as well as international transfers and remittance. "Quick Pay" lets customers pay their utility bills via the mobile, add new bill payments easily, and keep track of pending bills. It also offers the option to schedule transfers and bill payments.
-  CBD's inaugural sponsorship of the second edition of the Dubai Tour 2015 witnessed the participation of teams composed of the world's elite cyclists, professional continental teams and national teams.
-  Commercial Bank of Dubai (CBD) has agreed to a three-year contract to support the grass-roots initiative of the UAE National Olympic Committee (UAE NOC).

Awards won during nine months period ended 30th September 2015:

-  CBD received the International Business Excellence Awards in three categories:
 - Overall Discipline and People
 - E-Commerce and Digital Experience (for CBD Virtual Assistant "Sara")
 - Marketing, Social Media and Brand (for CBD Facebook Branch).
-  CBD received from Bankers ME the following awards :
 - Best Kiosk Interface (CBD Digital Kiosk)
 - Best New Online Service (CBD Facebook branch)
 - Best Online Banking Services (CBD Online banking)
-  In February CBD received the Human Resources Development Award from the Emirates Institute for Banking and Financial Studies (EIBFS).
-  In April, CBD and Dubai Chamber's co-branded Visa pre-paid card received the Best Corporate/Government Prepaid Program award at the Prepaid Middle East Awards



2015. The award recognizes the innovation and excellence that CBD has shown in developing cashless banking solutions.

 In June, the Dubai Economic Development Department (DED) honored two CBD Branches under the Dubai Service Excellence Scheme (DSES) by awarding them the “Best Service Performance Outlets in 2014” in the Retail Banking Services sector.

About CBD

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

The Bank is listed on the Dubai Financial Market and is fully owned by UAE Nationals, including 20% by the Investment Corporation of Dubai (ICD). The Bank employs around 1,216 staff of 42 nationalities. It offers a wide range of conventional and Islamic banking products and services to its corporate, commercial and personal banking customers through a network of 27 branches, 2 digital kiosk and 2 Cash Offices. Moreover the Bank has invested in an extensive network of 206 ATMs/CDMs.