

Management Discussion and Analysis Report

First Quarter 2026

22 April 2026

CBD reports Net Profit Before Tax of ₪ 912 million, up 0.3% against the prior comparative period

Solid performance in Q1 2026 compared to Q1 2025

Net profit after tax of ₪ 830 million, up 0.2% compared to the prior comparative period.

Net loans above ₪ 100 billion backing customer growth whilst maintaining healthy liquidity, funding and capital positions

Net loans were ₪ 102 billion, an increase of 1.0% compared to 31 December 2025.

Strong ROE, generating exceptional value for shareholders

ROE of 20.57% after-tax.

Excellent asset quality

Non-performing loan ratio of 3.55% improving by 74 bps compared to the prior comparative period with the Coverage ratio at 104.72%, up 366 bps year-on-year.

Key Performance Indicators

Net Profit before tax

₪ 912m

+0.3%

Return on Equity after tax

20.57%

Top Quartile

Cost-to-Income

26.90%

Top Quartile

Assets

₪ 158b

Solid

Capital Adequacy Ratio

15.45%

Exceeding regulatory requirements

NPL

3.55%

Improved 74 Bps



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



CBD has delivered a solid financial performance in the first quarter of 2026 whilst navigating heightened regional uncertainty.

Dubai, 22 April 2026: Commercial Bank of Dubai (CBD) has announced its financial results for the first quarter of 2026. The Bank reported net profit before tax of AED 912 million, representing a 0.3% increase compared to Q1 2025, a solid performance despite the challenging market environment.

CBD's performance was underpinned by loans exceeding AED 100 billion with solid growth achieved in all of loans, CASA and non-funded income. CBD's steadfast performance was supported by robust business continuity frameworks, strong funding, liquidity and capital, operational excellence and prudent and proactive risk management practices.

Commenting on the Bank's performance, Dr. Bernd van Linder, Chief Executive Officer said, "I am pleased to say that the Bank performance was solid with robust funding, liquidity and capital ratios. We commend our leaders and the government of the United Arab Emirates for the continued proactive measures taken including the announcement of the Financial Institution Resilience Package by the Central Bank of the UAE to enhance the resilience of the Banking Sector and the Strategic Measures announced by Dubai Executive Council."

Strategically, CBD continues to deliver innovative customer outcomes and has been recognised through multiple industry awards, with the most recent recognition being amongst Forbes Middle East's Top 100 Most Valuable Companies for 2026, providing further affirmation of our commitment to backing customer growth.

CBD was one among the financial institutions that have signed up to recognise AE Coin, a UAE Central Bank licensed, fully reserved, UAE dirham-backed, regulator-licensed digital currency as a payment method across all federal government entities underscoring our strong commitment to shaping the future of payments and driving meaningful innovation in the UAE. The Bank continues to support national initiatives such as Aani payments, UAE Central Bank Digital Currency, the Financial Infrastructure Transformation Program, reinforcing its alignment with the UAE's vision for financial innovation and inclusion.

Q1 2026 results

- Net profit before tax was AED 912 million, up 0.3% against the prior comparative period
- Operating income was AED 1,456 million, up by 6.2% driven by growth in loans, CASA and fees
- Operating expenses were AED 392 million, up by 5.8%
- Operating profit was AED 1,065 million, up by 6.4%
- Net impairment loss was AED 152 million, up by 68.0%.
- Corporate tax expense of AED 82 million, up by 0.5%

As at 31 March 2026

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.45%, Tier 1 ratio at 14.32% and Common Equity Tier 1 (CET1) ratio at 12.54%, well in excess of regulatory requirements
- Gross loans were AED 106.4 billion, an increase of 0.9% compared to 31 December 2025
- Advances to stable resources ratio (ASRR) stood at 86.94%, up by 380 bps compared to 31 December 2025

Income Statement

Operating income for the first quarter of 2026 was AED 1,456 million, up 6.2%, attributable to an increase in Net Interest Income (NII) by 2.4% on solid loan and CASA balances growth, and Non-Funded Income (NFI) up 16.0%.

Operating expenses were AED 392 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 26.90%.

AED (Million)

Income statement	Q1 26	Q1 25	Var	Q1 26	Q4 25	QoQ Var
Net interest income	1,009	985	2.4%	1,009	1,063	(5.1%)
Non-funded income	447	386	16.0%	447	456	(1.9%)
Total income	1,456	1,371	6.2%	1,456	1,519	(4.1%)
Operating expenses	392	370	5.8%	392	392	-
Operating profit	1,065	1,001	6.4%	1,065	1,127	(5.5%)
Expected credit losses	152	91	68.0%	152	115	32.4%
Net profit before tax	912	910	0.3%	912	1,012	(9.9%)
Corporate tax expense	82	82	0.5%	82	91	(9.6%)
Net profit after tax	830	828	0.2%	830	921	(9.9%)

Balance Sheet

Total assets were AED 157.9 billion as at 31 March 2026, a decrease of 1.5% compared to AED 160.3 billion as at 31 December 2025.

Net loans and advances were AED 102.1 billion, registering an increase of 1.0% compared to AED 101.0 billion as at 31 December 2025.

Customers' deposits were AED 109.6 billion as at 31 March 2026, representing a decrease of 1.5% compared to AED 111.4 billion as at 31 December 2025. Low-cost CASA constituted 51% of the total customer deposit base, while the loan-to-deposit ratio stood at 93.1%.

AED (Million)

Balance sheet	Mar 26	Mar 25	YoY Var	Mar 26	Dec 25	QoQ Var
Gross loans and advances	106,355	102,123	4.1%	106,355	105,380	0.9%
Allowances for impairment	4,300	5,191	(17.2%)	4,300	4,331	(0.7%)
Net loans and advances	102,055	96,932	5.3%	102,055	101,049	1.0%
Total assets	157,922	141,129	11.9%	157,922	160,308	(1.5%)
Customers' deposits	109,633	99,624	10.0%	109,633	111,353	(1.5%)
Total equity	18,315	16,813	8.9%	18,315	19,422	(5.7%)

Asset Quality

In the first quarter of 2026, macroeconomic credit overlays were adopted in response to heightened regional uncertainty, which will continue to be actively monitored closely over the quarters ahead.

The non-performing loan (NPL) ratio decreased to 3.55%, down from 3.58% at the end of 2025. The net impairment charge totaled AED 152 million for first quarter of 2026. The coverage ratio was 104.72% (December 2025: 102.92%) and was 146.12% inclusive of collateral for stage 3 loans (31 December 2025: 143.09%). As at 31 March 2026, total allowances for impairment (covering loans and advances, due from banks and unfunded exposures) amounted to AED 4,657 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 86.94% as at 31 March 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 15.45%, Tier 1 ratio at 14.32% and Common Equity Tier 1 (CET1) ratio at 12.54%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Notably, some ratios were amended on an interim basis as part of the Financial Institution Resilience Package until 30 June 2026.

Key ratios %	Q1 26	Q1 25	YoY Var (bps)	Q1 26	Q4 25	QoQ Var (bps)
Return on equity (after tax)	20.57%	22.69%	(212)	20.57%	22.47%	(190)
Return on assets (after tax)	2.09%	2.36%	(27)	2.09%	2.29%	(20)
Cost to income ratio	26.90%	27.01%	(11)	26.90%	25.81%	109
Non-performing loans (NPL)	3.55%	4.29%	(74)	3.55%	3.58%	(3)
Provision coverage	104.72%	101.06%	366	104.72%	102.92%	180
Loan-to-deposit ratio	93.09%	97.30%	(421)	93.09%	90.75%	234
Advances to stable resources	86.94%	89.60%	(266)	86.94%	83.14%	380
Capital adequacy ratio	15.45%	15.31%	14	15.45%	15.52%	(7)
Tier 1 ratio	14.32%	14.18%	14	14.32%	14.39%	(7)
CET1 ratio	12.54%	12.28%	26	12.54%	12.54%	-

Credit Ratings

Agency	Rating	Outlook	Date
Fitch Ratings	A-	Stable	Jan-26
Moody's	Baa1	Stable	Nov-25

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.

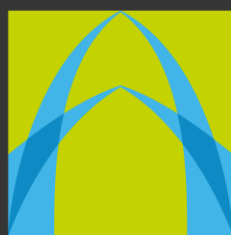
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