Management Discussion and Analysis Report

First Half 2026

22 July 2026

CBD reports Net Profit Before Tax of Đ1,885 million, up 1.3% against the prior comparative half

Solid performance in H1 2026 compared to H1 2025

Net profit after tax of Đ 1,716 million, up 1.2% compared to the prior comparative half.

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

Net loans were Đ 104 billion, an increase of 3.1% compared to 31 December 2025.

Strong ROE, generating exceptional value for shareholders

ROE of 20.92% after-tax.

Excellent asset quality

Non-performing loan ratio of 3.60% improving by 53 bps compared to the prior comparative half with the Coverage ratio at 96.51%.

Key Performance Indicators

Net Profit before tax Ð 1,885m *+1.3%*	Return on Equity after tax 20.92% *Top Quartile*
Cost-to-Income 26.72% *Top Quartile*	Assets Ð 155b *Stable*
Common Equity Tier 1 Ratio 13.00% *Exceeding regulatory requirements*	Non Performing Loan Ratio 3.60% *Improved 53 Bps*

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

CBD has delivered a strong financial performance in the first half of 2026 in an evolving operating environment.

Dubai, 22 July 2026: Commercial Bank of Dubai (CBD) has announced its financial results for the first half of 2026. The Bank reported net profit before tax of AED 1,885 million, representing a 1.3% increase compared to H1 2025, a strong performance despite the challenging market environment.

CBD's performance was driven by loans exceeding AED 100 billion supported by solid business momentum, disciplined execution of our strategy and resilient income generation. CBD's performance reflects the continued strength of our franchise with solid growth in loans, CASA and non-funded income supported by resilient business continuity frameworks, robust 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 report that the Bank delivered a strong performance in the first half of 2026, demonstrating the continued resilience of our franchise and the strength of our customer relationships. Our results were supported by solid business growth and diversified income generation, while maintaining healthy funding, liquidity and capital positions and a disciplined approach to risk management. We remain focused on supporting our customers, executing our strategic priorities and investing in innovation and technology to deliver sustainable long-term value for all our 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 early July, 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.

Strategically, CBD continues to deliver innovative customer outcomes, deepen strategic partnerships and advance its digital leadership. During H1 2026, the Bank partnered with Dubai Holding Real Estate to launch a new home financing programme for eligible customers purchasing properties across the Nakheel, Meraas and Dubai Property portfolios. Offering conventional and Islamic financing solutions, faster digital approvals and dedicated mortgage support, the programme reinforces CBD's commitment to backing customer growth and supporting home ownership in the UAE.

The Bank has also been recognised through multiple industry awards during H1 2026, including Excellence in Digital Banking Transformation and for Leveraging advanced technology to transform transaction banking and operational infrastructure. The Bank was recognised amongst Forbes Middle East's Top 100 Most Valuable Companies for 2026, providing further affirmation of our commitment to backing customer growth.

The Bank continues to support national initiatives such as Aani payments, UAE Central Bank Digital Currency and the Financial Infrastructure Transformation Program, reinforcing its alignment with the UAE's vision for financial innovation and inclusion.

H1 2026 results

- Net profit before tax was AED 1,885 million, up 1.3% against the prior comparative half
- Operating income was AED 2,900 million, up by 2.7% driven by growth in loans, CASA and fees
- Operating expenses were AED 775 million, up by 3.4%
- Operating profit was AED 2,125 million, up by 2.5%
- Net impairment loss was AED 240 million, up by 13.1%
- Corporate tax expense of AED 170 million, up by 1.8%

As at 30 June 2026

- Capital ratios remained strong with the capital adequacy ratio (CAR) at 14.13%, Tier 1 ratio at 13.00% and Common Equity Tier 1 (CET1) ratio at 13.00%, well in excess of regulatory requirements
- Gross loans were AED 108.2 billion, an increase of 2.7% compared to 31 December 2025
- Advances to stable resources ratio (ASRR) stood at 91.28%, up by 814 bps compared to 31 December 2025

Income Statement

Operating income for the first half of 2026 was AED 2,900 million, up 2.7%, attributable to an increase in Non-Funded Income (NFI) up 10.9% offsetting the decrease in Net Interest Income (NII) by 0.6%.

Operating expenses were AED 775 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 26.72%.

AED (Million)

Income statement	H1 26	H1 25	Var	Q2 26	Q1 26	QoQ Var
Net interest income	2,003	2,014	(0.6%)	994	1,009	(1.5%)
Non-funded income	897	809	10.9%	450	447	0.5%
Total income	**2,900**	**2,824**	**2.7%**	**1,444**	**1,456**	**(0.9%)**
Operating expenses	775	749	3.4%	383	392	(2.2%)
Operating profit	**2,125**	**2,074**	**2.5%**	**1,061**	**1,065**	**(0.4%)**
Expected credit losses	240	212	13.1%	88	152	(42.5%)
Net profit before tax	**1,885**	**1,862**	**1.3%**	**973**	**912**	**6.7%**
Corporate tax expense	170	167	1.8%	87	82	6.2%
Net profit after tax	**1,716**	**1,695**	**1.2%**	**886**	**830**	**6.7%**

Balance Sheet

Total assets were AED 154.5 billion as at 30 June 2026, a decrease of 3.6% compared to AED 160.3 billion as at 31 December 2025.

Net loans and advances were AED 104.2 billion, registering an increase of 3.1% compared to AED 101.0 billion as at 31 December 2025.

Customers' deposits were AED 107.7 billion as at 30 June 2026, representing a decrease of 3.3% 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 96.7%.

AED (Million)

Balance sheet	Jun 26	Jun 25	YoY Var	Jun 26	Mar 26	QoQ Var
Gross loans and advances	108,228	104,678	3.4%	108,228	106,355	1.8%
Allowances for impairment	4,034	4,862	(17.0%)	4,034	4,300	(6.2%)
Net loans and advances	**104,194**	**99,816**	**4.4%**	**104,194**	**102,055**	**2.1%**
Total assets	154,505	150,607	2.6%	154,505	157,922	(2.2%)
Customers' deposits	107,704	107,047	0.6%	107,704	109,633	(1.8%)
Total equity	16,968	17,645	(3.8%)	16,968	18,315	(7.4%)

Asset Quality

The non-performing loan (NPL) ratio remained stable at 3.60% compared to the end of 2025. The net impairment charge totaled AED 240 million for first half of 2026. The coverage ratio was 96.51% (December 2025: 102.92%) and was 143.52% inclusive of collateral for stage 3 loans (31 December 2025: 143.09%). As at 30 June 2026, total allowances for impairment (covering loans and advances, due from banks and unfunded exposures) amounted to AED 4,388 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 91.28% as at 30 June 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 14.13%, Tier 1 ratio at 13.00% and Common Equity Tier 1 (CET1) ratio at 13.00%. All capital ratios were well above the minimum regulatory thresholds mandated by the UAE Central Bank.

Key ratios %	H1 26	H1 25	YoY Var (bps)	Q2 26	Q1 26	QoQ Var (bps)
Return on equity (after tax)	20.92%	22.60%	(168)	22.14%	20.57%	157
Return on assets (after tax)	2.18%	2.33%	(15)	2.27%	2.09%	18
Cost to income ratio	26.72%	26.54%	18	26.54%	26.90%	(36)
Non-performing loans (NPL)	3.60%	4.13%	(53)	3.60%	3.55%	5
Provision coverage	96.51%	96.87%	(36)	96.51%	104.72%	(821)
Loan-to-deposit ratio	96.74%	93.24%	350	96.74%	93.09%	365
Advances to stable resources	91.28%	86.33%	495	91.28%	86.94%	434
Capital adequacy ratio	14.13%	15.36%	(123)	14.13%	15.45%	(132)
Tier 1 ratio	13.00%	14.23%	(123)	13.00%	14.32%	(132)
CET1 ratio	13.00%	12.41%	59	13.00%	12.54%	46

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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