IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO ANY U.S. PERSON.

IMPORTANT: **You must read the following disclaimer before continuing.** The following disclaimer applies to the attached prospectus (the "**Prospectus**") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In reading, accessing or making any other use of the Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in this Prospectus, including any modifications to them from time to time, each time you receive any information from the Issuer or the Joint Lead Managers (each as defined below) as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is confidential and intended only for you and you agree you will not forward, reproduce or publish this electronic transmission or the Prospectus to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION OR AN OFFER TO BUY IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THIS PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE U.S. THE SECURITIES DESCRIBED IN THIS PROSPECTUS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAW.

THE FOLLOWING ELECTRONIC TRANSMISSION MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS DOCUMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

The distribution in the United Kingdom of this Prospectus and any other marketing materials relating to the securities described in the Prospectus is being addressed to, or directed at (a) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (b) persons falling within any of the categories of persons described in Article 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (c) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order (all such persons referred to as "**relevant persons**"). Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials in relation to any securities.

UK MiFIR professionals/ECPs-only/Prohibition of Sales to EEA and UK Retail Investors – The manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). The Capital Securities are not intended to be offered, sold, distributed or otherwise made available to any retail investor in the European Economic Area or the United Kingdom. Consequently, no key information document required by Regulation (EU) No 1286/2014 as amended has been prepared, and no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

In addition to the above, pursuant to the United Kingdom Financial Conduct Authority Conduct of Business Sourcebook ("**COBS**"), the securities described in the Prospectus are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the United Kingdom.

Confirmation of your representation: By accessing, reading or making any other use of the Prospectus, you confirm to Commercial Bank of Dubai P.S.C. (the "**Issuer**" or "**CBD**") and to Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, Citigroup Global Markets Limited, Commercial Bank of Dubai P.S.C. in its capacity as a joint lead manager, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, and Standard Chartered Bank (the "**Joint Lead Managers**") that: (i) you understand and agree to the terms set out herein; (ii) you are a relevant person; (iii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including any state of the United States and the District of Columbia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iv) you are a person who is permitted under applicable law and regulation to receive this Prospectus; (v) you consent to delivery of such Prospectus and any amendments or supplements thereto by electronic transmission; (vi) you will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Joint Lead Managers ; (vii) if you are a person in Hong Kong, you are a "professional investor" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; and (viii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose, electronically or otherwise, the contents of the Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers to sell or solicitations to buy are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such licensed Joint Lead Manager or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

Recipients of the Prospectus who intend to subscribe for or purchase the securities described herein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus and/or supplement(s) to the Prospectus (if any).

Under no circumstances shall the Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the FSMA does not apply.

The distribution of the Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Joint Lead Managers or the Agents, nor any person who controls them, or any director, officer, employee or agent of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer and the Joint Lead Managers. Please ensure that your copy is complete. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Each of the Joint Lead Managers is acting exclusively for the Issuer and no one else in connection with any offer of the securities described in the Prospectus. They will not regard any other person (whether or not a recipient of the Prospectus) as their client in relation to any offer of the securities described in the Prospectus and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Prospectus or any transaction or arrangement referred to herein.

Neither the Joint Lead Managers nor any of their respective directors, officers, employees, agents or affiliates accepts any responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Issuer or the offer of the securities described in the Prospectus. The Joint Lead Managers and their respective directors, officers, employees, agents and affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers or any of their respective directors, officers, employees, agents or affiliates as to the accuracy, completeness or sufficiency of the information set out in the Prospectus and none of the Joint Lead Managers nor any of their respective directors, officers, employees, agents or affiliates accepts any responsibility for any acts or omissions of the Issuer or any other person in connection with the Prospectus or the issue and offering of the securities described in the Prospectus.

COMMERCIAL BANK OF DUBAI P.S.C.

(incorporated with limited liability in the Emirate of Dubai, United Arab Emirates)

U.S.$600,000,000 Perpetual Additional Tier 1 Capital Securities

The U.S.$600,000,000 Perpetual Additional Tier 1 Capital Securities (the "**Capital Securities**") shall be issued by Commercial Bank of Dubai P.S.C. (the "**Issuer**" or "**CBD**") on 15 July 2026 (the "**Issue Date**"). Interest Payment Amounts (as defined in the Conditions) shall be payable subject to and in accordance with terms and conditions set out in the "*Terms and Conditions of the Capital Securities*" (the "**Conditions**") on the Prevailing Principal Amount (as defined in the Conditions) of the Capital Securities from (and including) the Issue Date to (but excluding) 15 July 2032 (the "**First Reset Date**") at a rate of 6.625 per cent. per annum. If the Capital Securities are not redeemed in accordance with the Conditions on or prior to the First Reset Date, Interest Payment Amounts shall continue to be payable from (and including) the First Reset Date subject to and in accordance with the Conditions at a fixed rate, to be reset on the First Reset Date and every six years thereafter, equal to the Relevant Six-Year Reset Rate (as defined in the Conditions) plus a margin of 2.254 per cent. per annum. Interest Payment Amounts will (subject to the occurrence of a Non-Payment Event (as defined in, and as more particularly provided in, Condition 6.1 (*Interest Cancellation – Non-Payment Event*))) be payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 January 2027 (each, an "**Interest Payment Date**"). Payments on the Capital Securities will be made free and clear of, without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by or within the Tax Jurisdiction (as defined in the Conditions) (the "**Taxes**") to the extent described under Condition 12 (*Taxation*). All payments by the Issuer in respect of the Capital Securities shall be conditional upon satisfaction of the Solvency Conditions (as defined in the Conditions) and no bankruptcy order in respect of the Issuer having been issued by a court in the United Arab Emirates, as more particularly described in Condition 4 (*Status and Subordination*) (see, in particular, "*Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Capital Securities - The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer*").

If a Non-Viability Event (as defined in the Conditions) occurs, a Write-down (as defined in the Conditions) shall occur on the relevant Non-Viability Event Write-down Date (as defined in the Conditions), as more particularly described in Condition 10 (*Write-down at the Point of Non-Viability*). In such circumstances, the Capital Securities shall automatically be deemed to be irrevocably and unconditionally written-down by the relevant Write-down Amount (as defined in the Conditions) and, in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled (see "*Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Capital Securities - The right to receive repayment of the principal amount of the Capital Securities and the right for any further interest will be permanently written-down upon the occurrence of a Non-Viability Event*").

The Issuer may elect, in its sole discretion, and in certain circumstances shall be required, not to pay interest falling due on the Capital Securities. Any Interest Payment Amounts not paid as aforesaid will not accumulate and the holder of a Capital Security shall not have any claim in respect thereof.

The Capital Securities are undated and have no final maturity date. Unless the Capital Securities have previously been redeemed or purchased and cancelled as provided in the Conditions, the Capital Securities may, at the option of the Issuer, subject to the prior approval of the Regulator (as defined in the Conditions), be redeemed (in whole but not in part) at the Early Redemption Amount (as defined in the Conditions) on 15 January 2032 (the "**First Call Date**") and on any date thereafter up to and including the First Reset Date or on any Interest Payment Date following the First Reset Date. In addition, the Capital Securities may, upon the occurrence of a Tax Event or Capital Event (each as defined in the Conditions), be redeemed (in whole but not in part) at the Tax Redemption Amount or the Capital Event Redemption Amount (each as defined in the Conditions), respectively, subject to the prior approval of the Regulator and subject to the Conditions.

The payment obligations of the Issuer under the Capital Securities (i) constitute direct, unsecured, conditional (as described in Conditions 4.2(b) (*Subordination of the Capital Securities*) and 4.3 (*Solvency Conditions*)) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (ii) rank subordinate and junior to all Senior Obligations (as defined in the Conditions) (but not further or otherwise); (iii) rank *pari passu* with all *Pari Passu* Obligations (as defined in the Conditions); and (iv) rank in priority only to all Junior Obligations (as defined in the Conditions). **Notwithstanding any other provisions in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.**

Upon the occurrence of an Enforcement Event (as defined in the Conditions), any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent (as defined in the Conditions), effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 10 (*Write down at the point of Non-Viability*) and Condition 11.4 (*Enforcement Events – Restrictions*) become forthwith due and payable at its Early Redemption Amount (as defined in the Conditions), without presentation, demand, protest or other notice of any kind.

An investment in the Capital Securities involves certain risks. For a discussion of these risks, see "*Risk Factors*".

The Capital Securities may only be offered, sold or transferred in registered form in minimum principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Delivery of the Capital Securities in book-entry form will be made on the Issue Date. The Capital Securities will be represented by interests in a global certificate in registered form (the "**Global Certificate**") deposited on or about the Issue Date with, and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Individual Certificates (as defined in the Conditions) evidencing holdings of interests in the Capital Securities will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

This Prospectus has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**"). The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Capital Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Capital Securities.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Capital Securities to be admitted to the official list of Euronext Dublin (the "**Euronext Dublin Official List**") and to trading on its regulated market . The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments as amended ("**MiFID II**"). There can be no assurance that any such admission to trading will be obtained.

This Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under Rule 2.6 of the DFSA's Markets Rules (the "**Markets Rules**") and is therefore an approved prospectus for the purposes of Article 14 of the DIFC Law No. 1 of 2012, as amended (the "**Markets Law**"). Application has also been made to the DFSA for the Capital Securities to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for such Capital Securities to be admitted to trading on Nasdaq Dubai. There can be no assurance that any such admission to trading will be obtained.

This Prospectus relates to an Exempt Offer in accordance with the Markets Rules of the DFSA. This Prospectus is intended for distribution only to persons of a type specified in the Markets Rules. It must not be delivered to, or relied on by, any other person. The DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information. The liability for the content of this Prospectus lies with the Issuer. The DFSA has also not assessed the suitability of the Capital Securities to which this Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Capital Securities to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

References in this Prospectus to Capital Securities being "**listed**" (and all related references) shall mean that such Capital Securities have been: (a) admitted to the Euronext Dublin Official List and the DFSA Official List; and (b) admitted to trading on the regulated market of Euronext Dublin (which is a regulated market for the purposes of MiFID II) and on Nasdaq Dubai.

This Prospectus is valid until the Capital Securities are admitted to trading on the regulated market of Euronext Dublin and to listing on the Euronext Dublin Official List. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid. For the purposes of this Prospectus, "valid" means valid for admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Capital Securities or the time when trading on a regulated market begins, whichever occurs later.

The Issuer has been assigned long term issuer ratings of A- with a stable outlook by Fitch Ratings Ltd. ("**Fitch**") and Baa1 with a stable outlook by Moody's Investors Service Cyprus Ltd. ("**Moody's**"). The "Baa1" rating by Moody's indicates that CBD's creditworthiness is moderate and more susceptible to economic changes and uncertainties compared to higher-rated issuers. The "A-" rating by Fitch indicates that CBD has very low default risk and has a strong capacity for payment of financial commitments which is not significantly vulnerable to foreseeable events. As at the date of this Prospectus, the Capital Securities are not rated. Fitch is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law of the United Kingdom (the "**UK**") by virtue of the European (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). Fitch appears on the latest update of the list of registered credit rating agencies on the United Kingdom Financial Conduct Authority's Financial Services Register. The rating issued by Fitch to the Issuer is endorsed by Fitch Ratings Ireland Limited, which is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**EU CRA Regulation**"). As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European

Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the EU CRA Regulation. Moody's is established in the European Union and is registered under the EU CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by the ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the EU CRA Regulation. The rating issued by Moody's to the Issuer is endorsed by Moody's Investors Service Ltd., which is established in the United Kingdom and registered under the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Capital Securities have not been, nor will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Capital Securities may be offered or sold solely to persons who are not U.S. Persons outside the United States in reliance on Regulation S. Each purchaser of the Capital Securities is hereby notified that the offer and sale of Capital Securities to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Joint Structuring Agents and Joint Global Coordinators

Citigroup **Standard Chartered Bank**

Joint Lead Managers and Joint Bookrunners

Abu Dhabi Commercial Bank PJSC **Barclays**

Citigroup **Commercial Bank of Dubai**

Emirates NBD Capital **First Abu Dhabi Bank**

Standard Chartered Bank

The date of this Prospectus is 13 July 2026

IMPORTANT NOTICE

This Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Markets Rules and comprises a prospectus for the purposes of Article 6(3) of the EU Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the knowledge of the Issuer, in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

Certain information contained in this Prospectus has been extracted from independent, third party sources. The Issuer confirms that all third party information contained in this Prospectus has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by the relevant third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information contained in this Prospectus is stated where such information appears in the Prospectus.

The accuracy or completeness of the information contained or incorporated by reference in this Prospectus has not been independently verified by Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, Citigroup Global Markets Limited, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, and Standard Chartered Bank (together with CBD in its capacity as a Joint Lead Manager, the "**Joint Lead Managers**") or any of their respective directors, officers, affiliates, advisers or agents. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers (other than CBD), their affiliates or any of their respective directors, officers, advisers or agents: (i) as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Capital Securities or their distribution; or (ii) for any acts or omissions of the Issuer or any other person in connection with the Prospectus or the issue and offering of the Capital Securities. The Joint Lead Managers (other than CBD) do not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Capital Securities or their distribution.

No person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the issuance of the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers.

Neither this Prospectus nor any other information supplied in connection with the issuance of the Capital Securities: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issuance of the Capital Securities should purchase any Capital Securities. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issuance of the Capital Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Capital Securities.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Capital Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issuance of the Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the issuance or to advise any investor in the Capital Securities of any information coming to their attention.

Investors should review, *inter alia*, the information contained or incorporated by reference in this Prospectus when deciding whether or not to purchase any Capital Securities.

The Capital Securities have not been, nor will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Capital Securities may be offered or sold solely to persons who are not U.S. Persons outside the United States in reliance on Regulation S.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Capital Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Capital Securities may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Capital Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of any Capital Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Capital Securities may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Capital Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of any Capital Securities. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of any Capital Securities in the United States, the UK, the European Economic Area (the "**EEA**"), the Kingdom of Bahrain, the State of Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, the Abu Dhabi Global Market (the "**ADGM**"), the Dubai International Financial Centre (the "**DIFC**"), the UAE (excluding the DIFC and the ADGM), Hong Kong, Japan, Malaysia, Singapore and Switzerland (see "*Subscription and Sale*").

The Capital Securities may not be a suitable investment for all investors. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances, and is advised to consult its own tax advisers, legal advisers and business advisers as to tax, legal, business and related matters (as applicable) concerning the purchase of any Capital Securities.

In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where the currency for payments of principal or interest is different from the potential investor's currency;
- understands thoroughly the terms of the Capital Securities and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Capital Securities are complex financial instruments and are of high risk and are not a suitable or appropriate investment for all investors (see, in particular, "*Prohibition of Sales to UK Retail Investors*" below). In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities similar to the Capital Securities. There are risks inherent in the holding of the Capital Securities, including the risks in relation to their subordination and the circumstances in which holders of the Capital Securities may suffer loss as a result of holding the Capital Securities. See "*Risk Factors*" for a discussion of certain considerations to be taken into account in connection with an investment in the Capital Securities. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Capital Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Capital Securities will perform under changing conditions, the resulting effects on the value of the Capital Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (a) the Capital Securities are legal investments for it; (b) the Capital Securities can be used as collateral for various types of borrowing; and (c) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus including, without limitation, any statements regarding the financial position of the Issuer, or the business strategy, management plans and objectives for future operations of the Issuer, may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. Although the Issuer believes that the expectations reflected in their forward-looking statements are reasonable at this time, there can be no assurance that these expectations will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from any expressed or implied by forward-looking statements. Forward-looking statements may be based on numerous assumptions regarding the Issuer's present, and future, business strategies and the environment in which the Issuer expects to operate in the future. Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from any in the forward-looking statements are discussed in this Prospectus (see "*Risk Factors*"). Forward-looking statements speak only as at the date of this Prospectus and, subject as required by applicable law or regulation, the Issuer expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Prospectus to reflect any change in the expectations of the Issuer or any change in events, conditions or circumstances on which any forward-looking statements are based. Given the uncertainties of forward-looking statements, the Issuer cannot assure potential investors that any projected results or events will be achieved and the Issuer cautions potential investors not to place undue reliance on these statements.

UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties, as defined in the UK Financial Conduct Authority ("**FCA**") Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the Article 2(1)(13A) of Regulation (EU) No. 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK MiFIR**"); and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of

Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014, as amended (the "**EU PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Capital Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

1. The Capital Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities. Potential investors in the Capital Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein).

2.

   (a) In the UK, COBS requires, in summary, that the Capital Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

   (b) Certain of the Joint Lead Managers are required to comply with COBS.

   (c) By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Capital Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

      (i) it is not a retail client in the UK; and

      (ii) it will not sell or offer the Capital Securities (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

   (d) In selling or offering the Capital Securities or making or approving communications relating to the Capital Securities, prospective investors may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Capital Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Capital Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interests therein) from

the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client(s).

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

Solely for the purposes of its obligations pursuant to Section 309B(1)(a) and Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A) of the SFA), that the Capital Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

In connection with the issue of the Capital Securities, Standard Chartered Bank (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the Capital Securities and sixty (60) days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

NOTICE TO THE RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the Capital Securities should conduct their own due diligence on the accuracy of the information relating to the Capital Securities. If a prospective purchaser does not understand the contents of this Prospectus, he or she should consult an authorised financial adviser.

NOTICE TO THE RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Capital Securities issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Prospectus does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Capital Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the Capital Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Prospectus. No offer of the Capital Securities will be made to the public in the Kingdom of Bahrain and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE STATE OF QATAR (INCLUDING THE QATAR FINANCIAL CENTRE)

The Capital Securities will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Capital Securities are not and will not be traded on the Qatar Stock Exchange. The Capital Securities and interests therein will not be offered to investors domiciled or resident in the State of Qatar (including the Qatar Financial Centre) and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar (including the Qatar Financial Centre).

NOTICE TO RESIDENTS OF THE ABU DHABI GLOBAL MARKET

This Prospectus is an Exempt Offer document in accordance with the Market Rulebook of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to Persons of a type specified in the Market Rulebook. It must not be delivered to, or relied on by, any other Person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with an Exempt Offer. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The Capital Securities to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Capital Securities offered should conduct their own due diligence on the Capital Securities. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF MALAYSIA

The Capital Securities may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Capital Securities in Malaysia may be made, directly or indirectly, and this Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 (or Section 229(1)(b)) and Part I of Schedule 7 (or Section 230(1)(b)), read together with Schedule 8 and Schedule 9 (or Section 257(3)) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time (the "**CMSA**") and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Issuer and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

The financial statements relating to CBD and its consolidated subsidiaries which are incorporated by reference into this document are as follows:

- unaudited condensed consolidated interim financial statements as at and for the three-month period ended 31 March 2026 including unaudited comparative information as at and for the three-month period ended 31 March 2025 (the "**2026 Interim Financial Statements**");

- audited consolidated financial statements as at and for the financial year ended 31 December 2025 including audited comparative information as at and for the financial year ended 31 December 2024; (the "**2025 Financial Statements**"); and

- audited consolidated financial statements as at and for the financial year ended 31 December 2024 including audited comparative information as at and for the financial year ended 31 December 2023 (the "**2024 Financial Statements**" and, together with the 2026 Interim Financial Statements and the 2025 Financial Statements, the "**Financial Statements**").

The financial information included in this Prospectus: (i) as at and for the three-month period ended 31 March 2026 has been extracted from the 2026 Interim Financial Statements; (ii) as at and for the three-month period ended 31 March 2025 has been extracted from the 2026 Interim Financial Statements (where such information is presented for comparative purposes); (iii) as at and for the financial year ended 31 December 2025 has been extracted from the 2025 Financial Statements; (iv) as at and for the financial year ended 31 December 2024 has been extracted from the 2025 Financial Statements (where such information is presented for comparative purposes); and (v) as at and for the financial year ended 31 December 2023 has been extracted from the 2024 Financial Statements (where such information is presented for comparative purposes).

Each of the Financial Statements have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**"). The 2026 Interim Financial Statements have been prepared in accordance International Accounting Standards 34 – Interim Financial Reporting ("**IAS 34**"). The 2025 Financial Statements and the 2024 Financial Statements have each been audited in accordance with International Standards on Auditing by Deloitte & Touche (M.E.) ("**Deloitte**"), as stated in their audit reports incorporated by reference herein. Deloitte have reviewed the 2026 Interim Financial Statements in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", and have issued an unmodified review conclusion on the 2026 Interim Financial Statements as incorporated by reference herein.

CBD publishes its financial statements in UAE dirham.

CBD's financial year ends on 31 December, and references in this Prospectus to any specific year are, unless otherwise indicated, to the 12-month period ended on 31 December of such year.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

PRESENTATION OF OTHER INFORMATION

In this document, references to:

"**AED**", "**dirham**" or "**fils**" are to the lawful currency of the UAE; one dirham equals 100 fils;

"**Dubai**" are to the Emirate of Dubai excluding DIFC;

"**EEA**" are to the European Economic Area;

"**EU**" are to the European Union;

"**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time;

the "**GCC**" are to the Cooperation Council of the Arab States of the Gulf (otherwise known as the Gulf Cooperation Council);

"**Group**" are to CBD and CBD's consolidated subsidiaries and associates taken as a whole;

a "**Member State**" are, unless the context does not permit, references to a Member State of the EEA;

"**OPEC**" are to the Organisation of the Petroleum Exporting Countries;

"**UAE**" are to the United Arab Emirates;

"**UK**" are to the United Kingdom;

"**U.S.**" or "**United States**" are to the United States of America; and

"**U.S.$**" or "**U.S. dollars**" are to the lawful currency of the United States.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus. Any website referred to in this document does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland or the DFSA.

PRESENTATION OF ALTERNATIVE PERFORMANCE MEASURES

In this Prospectus, CBD uses the following metrics in the analysis of its business and financial position, which CBD considers to constitute Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines. For further information, see "*Selected Financial Information*".

Metric	**Definition and method of calculation**	**Rationale for inclusion**
Return on average assets	Net profit divided by the average balance of total assets calculated as a simple average of the opening and closing balances for the relevant period.	Performance measure. The ratio shows how many AED of earnings CBD derives from each AED of assets it controls.
Return on average equity	Net profit divided by the average equity calculated as a simple average of the opening and closing balances for the relevant period.	Performance measure. The ratio is a measure of the profitability of CBD's business in relation to the book value of shareholders equity, also known as net assets or assets minus liabilities. The ratio is a measure of how well CBD uses shareholders' equity to generate earnings growth.
Cost to Income ratio	Total operating expenses divided by total operating income.	Performance measure. A lower percentage indicates that operating expenses are low relative to operating income.
Non-performing loans ratio	Impaired loans, advances and Islamic financing divided by gross loans, advances and Islamic financing.	Asset quality measure.
Provision coverage ratio	Provisions for impaired loans, advances and Islamic financing divided by impaired loans, advances and Islamic financing.	Asset quality measure. The ratio shows total provisions which CBD has built in respect of its impaired loans, advances and Islamic financing.
Loan to deposit ratio	Net loans and Islamic financing divided by customer deposits and Islamic customer deposits.	Liquidity measure. The loan to deposit ratio is used to calculate CBD's ability to make payments to customers withdrawing their deposits. A ratio of less than one implies that CBD has relied on funds deposited by customers to make loans, advances and Islamic financing. A ratio of more than one, implies that CBD has extended loans, advances and Islamic financing from funds borrowed by it in addition to deposits.

These Alternative Performance Measures are not defined by, or presented in accordance with, IFRS Accounting Standards. The Alternative Performance Measures are not measurements of CBD's operating performance under IFRS Accounting Standards and should not be considered as alternatives to any measures of performance under IFRS Accounting Standards or as measures of CBD's liquidity.

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OVERVIEW OF THE ISSUANCE

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision to invest in the Capital Securities should be based on a consideration of this Prospectus as a whole.

Words and expressions defined in "*Terms and Conditions of the Capital Securities*" shall have the same meanings in the following description.

Issuer:	Commercial Bank of Dubai P.S.C.
Description:	U.S.$600,000,000 Perpetual Additional Tier 1 Capital Securities.
Joint Structuring Agents and Joint Global Coordinators:	Citigroup Global Markets Limited and Standard Chartered Bank .
Joint Lead Managers:	Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, Citigroup Global Markets Limited, Commercial Bank of Dubai P.S.C (in its capacity as a Joint Lead Manager), Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, and Standard Chartered Bank.
Fiscal Agent, Transfer Agent and Calculation Agent:	Citibank N.A., London Branch.
Registrar:	Citibank Europe plc.
Issue Date:	15 July 2026.
Issue Price:	100 per cent.
Interest Payment Dates:	Subject to Condition 6 (*Interest Cancellation*), 15 January and 15 July in every year, commencing on 15 January 2027.
Interest Payment Amounts:	Subject to Condition 6 (*Interest Cancellation*), the Capital Securities shall, during the Initial Period, bear interest at a rate of 6.625 per cent. per annum (the "**Initial Interest Rate**") on the Prevailing Principal Amount of the Capital Securities (being the aggregate of a margin of 2.254 per cent. per annum (the "**Margin**") and the Relevant Six-Year Reset Rate). The Interest Payment Amount payable on each Interest Payment Date during the Initial Period shall be U.S.$33.125 per U.S.$1,000 in principal amount of the Capital Securities. For the purpose of calculating payments of interest following the Initial Period, the Interest Rate will be reset on each Reset Date on the basis of the aggregate of the Margin and the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date, as determined by the Calculation Agent (see Condition 5 (*Interest*)). If a Non-Payment Event occurs, the Issuer shall not pay the corresponding Interest Payment Amount and the Issuer shall not make or have any obligation to make any subsequent payment in respect of any unpaid Interest Payment Amount as more particularly described in Condition 6 (*Interest Cancellation*). In such circumstances, interest will not be cumulative and any interest which is not paid will not accumulate or compound and holders of the Capital Securities will have no right to receive such interest at any time, even if interest is paid in the future.

Form of Capital Securities, Clearance and Settlement:	The Capital Securities will be issued in registered form. The Capital Securities will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (together, the "**ICSDs**"). Holders of the Capital Securities must hold their interest in the Global Certificate in book-entry form through the ICSDs. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Individual Certificates. The ICSDs and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate. While the Capital Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only though the ICSDs and their respective participants. Transfers within and between the ICSDs will be in accordance with the usual rules and operating procedures of the relevant clearing systems. While Capital Securities are represented by the Global Certificate, the Issuer will discharge its payment obligation under such Capital Security by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Capital Securities so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.
Denomination:	The Capital Securities will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Status of the Capital Securities:	Each Capital Security will rank *pari passu* without preference or priority, with all other Capital Securities.
Subordination of the Capital Securities:	The payment obligations of the Issuer under the Capital Securities (the "**Obligations**") will: (a) constitute Additional Tier 1 Capital of the Issuer; (b) constitute direct, unsecured, conditional (as described below) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (c) rank subordinate and junior to all Senior Obligations; (d) rank *pari passu* with all *Pari Passu* Obligations; and (e) rank in priority only to all Junior Obligations. Notwithstanding any other provision in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.
Solvency Conditions:	Payments in respect of the Obligations by the Issuer are conditional upon the following conditions (together, the "**Solvency Conditions**"): (i) the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations; (ii) the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and

all *Pari Passu* Obligations and still be Solvent immediately thereafter; and

(iii) the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

Redemption and Variation:

The Capital Securities are perpetual securities in respect of which there is no fixed or final redemption date. The Capital Securities may be redeemed in whole but not in part, or the terms thereof may be varied by the Issuer only in accordance with the provisions of Condition 9 (*Redemption and Variation*).

Pursuant to Condition 9.1(b) (*Redemption and Variation – Issuer's Call Option*), the Issuer may, on any Call Date, redeem all, but not some only, of the Capital Securities at the Early Redemption Amount.

In addition (on any date on or after the Issue Date, whether or not an Interest Payment Date), upon the occurrence of a Tax Event or a Capital Event, all but not some only, of the Capital Securities may be redeemed or the terms of the Capital Securities may be varied, in each case in accordance with Conditions 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*).

Any redemption of the Capital Securities is subject to the conditions described in Condition 9.1 (*Redemption and Variation - No Fixed Redemption Date and Conditions for Redemption and Variation*).

Write-down at the point of Non-Viability:

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 10.2 (*Write-down at the Point of Non- Viability – Non-Viability Notice*).

"**Write-down**" means:

(i) the holders' rights under the Capital Securities shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount;

(ii) in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled; and

(iii) all rights of any holder for payment or any amounts under or in respect of the Capital Securities, in a proportion corresponding to the relevant Write-down Amount (and any corresponding Interest Payment Amounts), shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date.

Purchase:

Subject to the Issuer (to the extent then required by the Regulator or the Capital Regulations): (i) obtaining the prior written consent of the Regulator; (ii) being in compliance with the Applicable Regulatory Capital Requirements immediately following such purchase; and (iii) being Solvent at the time of purchase, the Issuer or any of its subsidiaries may purchase the Capital Securities in the open market or otherwise at such price(s) and upon such other conditions as may be agreed upon between the Issuer or the relevant subsidiary (as the case may be) and the relevant holders of Capital Securities. Upon any such purchase, the Issuer may (but shall not be obliged to) deliver such Capital Securities for cancellation.

Enforcement Events: Upon the occurrence of an Enforcement Event, any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 11.4 (*Restrictions*), become forthwith due and payable at its Early Redemption Amount, without presentation, demand, protest or other notice of any kind.

Withholding Tax: All payments in respect of the Capital Securities will be made free and clear of, without withholding or deduction for, or on account of, withholding taxes imposed by the relevant Tax Jurisdiction, subject as provided in Condition 12 (*Taxation*). In the event that any such deduction is made, the Issuer will, in respect of interest (but not in respect of principal), save in certain limited circumstances provided in Condition 12 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Ratings: The Issuer has been assigned long-term credit ratings of A- (stable outlook) by Fitch and Baa1 (stable outlook) by Moody's. As at the date of this Prospectus, the Capital Securities are not rated.

Listing and Admission to Trading: Application has been made for the Capital Securities to be: (i) admitted to the Euronext Dublin Official List and the DFSA Official List; and (ii) admitted to trading on the regulated market of Euronext Dublin and on Nasdaq Dubai.

Governing Law and Dispute Resolution: The Capital Securities and any non-contractual obligations arising out of or in connection with the Capital Securities will be governed by, and shall be construed in accordance with, English law.

The Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of, relating to or having any connection with the Agency Agreement and the Deed of Covenant will be governed by, and shall be construed in accordance with, English law. In respect of any dispute, claim, difference or controversy under the Capital Securities, the Agency Agreement or the Deed of Covenant, the Issuer has consented to arbitration in accordance with the LCIA Arbitration Rules unless any holder of Capital Securities (in the case of the Capital Securities or the Deed of Covenant) or Agent (in the case of the Agency Agreement) elects to have the dispute, claim, difference or controversy resolved by a court, in which case the English courts will have exclusive jurisdiction to settle such dispute (or such other court of competent jurisdiction as such party may elect).

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Capital Securities in the United States (Regulation S Category 2), the UK, the EEA, the Kingdom of Bahrain, the State of Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, the ADGM, the DIFC, the UAE (excluding the DIFC and the ADGM), Hong Kong, Japan, Malaysia, Singapore and Switzerland and such other restrictions as may be required in connection with the offering and sale of the Capital Securities (see "*Subscription and Sale*").

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Capital Securities. Most of these factors are contingencies that may or may not occur.

Factors that the Issuer believes are material for the purpose of assessing the market risks associated with the Capital Securities are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Capital Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Capital Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the Capital Securities" shall have the same meanings in this section.

Factors that may affect CBD's ability to fulfil its obligations under the Capital Securities

In the course of its business activities, CBD is exposed to a variety of risks, as described below. Investors should note that any failure to adequately control these risks could result in adverse effects on CBD's financial condition and reputation.

Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial condition and prospects.

CBD, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. As at the date of this Prospectus, the performance of global debt, equity and commodity markets has been volatile, reflecting the ongoing volatility in the macro-economic climate which has had, and which continues to have, a material adverse effect on the world's economies, including the economies of the UAE and other Gulf Cooperation Council ("**GCC**") states.

Oil price volatility

Oil prices impact the global economy and the economies of GCC countries are exposed to oil price volatility (see further "*Risks relating to the UAE and the Middle East – The UAE's economy is highly dependent upon its oil revenue*"). Historically, the markets for oil and gas have been volatile and they are likely to continue to be volatile in the future. Prices for oil and natural gas are based on world supply and demand with increasingly complex interlinkages with other macro-economic conditions and parameters which are both beyond CBD's control and unpredictable.

The Russia-Ukraine conflict contributed to a significant increase in hydrocarbon prices in 2022, and oil prices have continued to experience significant volatility in recent years. In particular, geopolitical developments in the Middle East, including the conflict involving Iran that began in February 2026, have resulted in a sharp increase in global oil prices and heightened uncertainty in energy markets. Brent crude prices rose above U.S.$120 per barrel in March 2026 amid disruptions to supply and shipping through the Strait of Hormuz. Such developments have increased the geopolitical risk premium embedded in oil prices and contributed to heightened market volatility. This volatility can be illustrated by the OPEC Reference Basket price which was, based on the average annual price, U.S.$69.89 in 2021, U.S.$100.08 in 2022, U.S.$82.95 in 2023, U.S.$79.89 in 2024, U.S.$ 69.59 in 2025 and U.S.$103.95 as at 1 June 2026. Further, within a two week period in March 2026, prices ranged from U.S.$78 as at 2 March, to U.S.$126 as at 13 March.

OPEC member countries produce approximately 40 per cent. of the world's crude oil (according to the World Economic Forum) and, as such, targets set by OPEC to manage oil production in its member countries can affect oil prices. Historically, the announcement of production cuts by OPEC has led to oil price rises in the short- to medium-term. While efforts have been made by OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation to control oil price volatility by agreeing staged reductions in oil production since 2020, such collaboration is voluntary and there can be no assurance that it will achieve its stated goals or influence oil prices beyond the short-term.

While CBD's direct exposure to the crude oil, gas, mining and quarrying sectors is not significant, recent increases in oil prices linked to geopolitical tensions, including the conflict involving Iran and disruptions to energy shipping routes in the Gulf region, the ongoing Russia-Ukraine conflict, the recent Israel-Hamas conflict, particularly when coupled with high inflation, may have a negative impact on CBD's corporate and retail customers which, in turn, may have an adverse effect on CBD's business, results of operations, financial condition and prospects and CBD's ability to perform its obligations in respect of the Capital Securities.

A sustained and significant increase in international oil prices may give rise to inflationary pressures, higher operating and input costs and changes in economic activity in the UAE which could impact CBD in a number of ways, including (i) CBD may be exposed to customers whose businesses are sensitive to increases in energy and related costs, which may affect their capacity to service their debt obligations and (ii) in addition, elevated oil prices may lead to changes in fiscal policy, spending priorities and investment strategies, which may in turn affect the level and composition of deposits from government and government-related entities and CBD’s liquidity profile. In contrast, a significant reduction in international oil prices, particularly if they were to remain low for an extended period, could impact CBD in a number of ways, including (i) through its exposure to customers whose business is, directly or indirectly, reliant on oil revenue and who become unable to service their debt, (ii) through reduced liquidity as deposits from government and government-related entities are withdrawn as these depositors are impacted by low oil prices, and (iii) through the impact of low oil prices on the UAE's economy and the consequent impact on CBD's wholesale and retail customers. All of these factors have the potential to impact CBD's assessment of its expected credit losses and could therefore result in increased impairment losses in future periods. This could in turn have an adverse effect on CBD's business, results of operation, financial condition, or prospects.

UAE fiscal reforms

Additionally, in the UAE, the significant fiscal reforms implemented by the federal government in response to oil price volatility have had, and are expected to continue to have, a significant effect on the UAE economy. The UAE federal government has scaled back capital transfers to government-related entities, reduced government investment, raised electricity and water tariffs and removed fuel subsidies. Further, with effect from 1 January 2018, the UAE federal government introduced a value-added tax ("**VAT**") regime at a rate of 5 per cent. as part of a broader GCC-wide agreement.

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**CT Law**") to enact a Federal corporate tax ("**CT**") regime in the UAE, that applies to taxable persons for financial years beginning on or after 1 June 2023. Under the CT Law, corporate tax applies on the net profits of a business. A 9 per cent. corporate tax rate applies to taxable income above AED 375,000, while a rate of 0 per cent. applies to taxable income not exceeding AED 375,000. The first tax period that the CT Law is applicable to CBD commenced on 1 January 2024.

CBD's consolidated effective tax rate ("**ETR**") in respect of the year ended 31 December 2025 was 8.95 per cent. The reconciliation of profit before tax is presented in Note 37 to the 2025 Financial Statements.

The UAE has issued Cabinet Decision No (142) of 2024 that implements a Domestic Minimum Top-up Tax ("**DMTT**"). The DMTT will apply to Multinational Enterprises ("**MNEs**") that are within scope of Pillar Two based on the Organisation for Economic Cooperation and Development (OECD) Global Anti-Base Erosion (GloBE) Model Rules. These rules will be imposed in cases where the MNE's ETR in the UAE is below 15 per cent.. Management has assessed that CBD does not qualify as an MNE group under the UAE Pillar Two rules. Therefore, there are no related Pillar Two implications for the fiscal year ending 31 December 2025.

These fiscal reforms undertaken by the UAE federal government have created significant stress in UAE retail markets. In the event that macro-economic conditions do not improve in the UAE and the challenges faced by the retail sector were to spread to CBD's corporate customers and/or materially adverse fiscal and tax reforms are implemented, this could have a material adverse effect on CBD's business, results of operations and financial condition and could thereby affect CBD's ability to perform its obligations in respect of the Capital Securities.

Inflation

Global headline inflation has been projected at 3.8 per cent. in 2026 (*Source: IMF World Economic Outlook January 2026*), however, considerable uncertainty surrounds these inflation projections, including the subsequent escalation of hostilities between Israel, the United States and Iran. Various factors have contributed to shaping the inflation outlook, including the Russia-Ukraine conflict, which have led to an increase in oil prices and food costs due to supply disruptions in commodities like wheat, corn, and fertilisers. Recent tensions in the Middle East, and the potential for further regional conflicts, such as those involving Iran, Lebanon and Israel could further influence economic conditions. These geopolitical dynamics, coupled with the direct and indirect effects of the threat and imposition of U.S. and other tariffs and retaliatory measures (in 2025, the United States announced a range of tariff measures, and ongoing changes to these tariffs and international responses have resulted in significant volatility in financial markets and economic uncertainty), the global economic forecasts and central banks' monetary policies, underscore the complex and interconnected factors that may continue to impact inflation and economic growth in 2026. Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate debt, which could have negative implications for equity and real estate markets) and CBD's customers and counterparties (leading to lower recoverability) which in turn could affect CBD's ability to perform its obligations in respect of the Capital Securities.

Interest rate volatility

As a result of market conditions prevailing as at the date of this Prospectus, companies to which CBD has directly extended or continues to extend credit have experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to CBD. These extremely volatile market conditions have resulted in reduced liquidity, the widening of credit spreads and lack of price transparency in credit and capital markets. The adverse market conditions have impacted investment markets both globally and in the UAE, with increased volatility in interest rates and exchange rates (*Source: IMF World Outlook Update, January 2026.*). From January 2022 to July 2023, the U.S. Federal Reserve raised U.S. overnight interest rates by 4.25 per cent. The UAE Central Bank raised the UAE Base Rate broadly in line with such cumulative increases and it is highly probable that the UAE Base Rate will continue to track U.S. interest rate movements. From September to December 2024, the U.S. Federal Reserve cut the U.S. overnight interest rate by 1.00 per cent. (in aggregate) which the UAE Central Bank tracked. More recently, in September 2025, October 2025 and December 2025, the U.S. Federal Reserve cut the U.S. overnight interest rate by 0.25 basis per cent. in each instance, which the UAE Central Bank also tracked. Since then, the UAE Central Bank has tracked the U.S. Federal Reserve's decision to maintain the UAE Base Rate at that rate.

Future movements in such rates may adversely impact CBD's margins, borrowing costs and capital if it is unable to adjust to the volatile interest rate environment. The business, results of operations, financial condition and prospects of CBD have been materially adversely affected by these trends and may be further materially adversely affected by future periods of unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects

In June 2025, hostilities involving the United States, Israel and the Islamic Republic of Iran resulted in a period of military confrontation lasting approximately 12 days. During the subsequent ceasefire, the United States and Iran engaged in periodic peace negotiations. However, on 28 February 2026, Israel and the United States commenced a major joint military campaign of air and missile strikes against targets in Iran. The joint U.S.-Israeli offensive triggered a broad Iranian response, with missile and drone strikes conducted by Iran against Israel and certain U.S. military installations in the Gulf region, as well as against a number of the GCC member states, including strikes on critical energy infrastructure sites in the region. Until a ceasefire was announced on 8 April 2026, the strikes continued. Any re-commencement or further escalation in international or regional conflict regarding Iran, including further attacks which undermine the security of the GCC member states or disrupt international trade flows, including through a prolonged suspension or disruption of oil and gas exports from the region, could have a destabilising impact on the economies of the Gulf region.

As at the date of this Prospectus, there have been no confirmed reports of direct retaliatory military action by GCC countries against Iran, although certain states have indicated that they reserve the right to respond should circumstances require. During the strikes, the airspace across most of the GCC was subject to either partial or complete closure. The international airports in Kuwait and Dubai sustained damage, and fatalities and injuries were reported throughout the region.

During the conflict, on 1 March 2026, Iran announced the closure of the Strait of Hormuz, disrupting the supply of oil to economies around the globe and resulting in immediate, material increases in global oil prices and significant global economic uncertainty. Liquified natural gas ("**LNG**") production and export was also materially reduced across the region since the outbreak of hostilities. As at the date of this Prospectus, the ceasefire remains in place and, on 17 June 2026, the United States and Iran entered into a memorandum of understanding, which is intended to support the continuation of the ceasefire and, *inter alia*, the reopening of the Strait of Hormuz. However, there can be no assurance as to the durability or effectiveness of such arrangements and the risk of further escalation remains. Transit through the Strait of Hormuz remains limited and subject to disruption, and there can be no assurance as to the timing or extent of any sustained normalisation of maritime traffic. Any extended closure of the Strait of Hormuz or prolonged reduction of LNG production and export from the Gulf would likely lead to long-term disruption of the global supply chain, particularly in relation to oil and gas, potentially destabilising global economies, including the UAE and wider GCC where CBD and the majority of its customers are based.

As at the date of this Prospectus, the outcome of the conflict and its full, longer-term impact both within the region and globally, remains uncertain. It is not possible to determine the impact of this conflict on CBD's business, results of operations, financial condition and prospects with any certainty. Possible risks include, among others, the destruction of real estate in the GCC (a sector which comprised, as at 31 December 2025, 16.4 per cent. of CBD's total gross loans and advances and Islamic financing), a significant and prolonged increase in oil and gas prices, a disruption of supply chains into and out of the UAE and the Middle East, an impact on the general liquidity environment in the banking sector, increases in interest rates limiting CBD's ability to access the global financial markets, or a recession in the economy of the UAE and/or the wider region. All of these factors could have a material adverse effect on CBD's business, results of operations, financial condition and prospects. (see further – "*Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial condition and prospects.*")

Risks relating to CBD's business

CBD is subject to risks relating to customer and counterparty credit quality

CBD is exposed to the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations to CBD. This exposure arises principally from CBD's loans and advances and Islamic financing, amounts due from banks and investment in debt securities.

CBD, in the ordinary course of its operations, regularly reviews its credit exposure and establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. This process, which is fundamental to CBD's results of operations and financial condition, requires careful analysis, including projections of the manner in which changes in macro-economic conditions may impair the ability of its customers to repay their loans or the ability of its counterparties to meet their contractual obligations. This analysis may, however, be inaccurate and result in an insufficient allowance of impairment losses. Further, a failure by CBD's customers to meet their obligations to deliver cash, securities or other assets as due may result in higher levels of impairment. Any such increase in CBD's levels of impairment or a failure to adequately provision for impairments could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

Adverse economic and political developments in recent years, including adverse changes in levels of consumer confidence, consumer spending, liquidity levels, bankruptcy rates and commercial and residential real estate prices, have historically impacted CBD's customers and counterparties and, in certain cases, have adversely affected CBD's customers' and counterparties' ability to repay their loans or meet their contractual obligations to CBD.

In the UAE, the International Monetary Fund forecasted 5.0 per cent. real GDP growth in 2026 and 4.7 per cent. growth in 2027. These forecasts are underpinned by solid population growth, strong domestic business activity and confidence, and a strong fiscal and trade position. Inflationary pressures are expected to moderate gradually, including from the impact of improving financial conditions. The UAE's GDP is projected to increase by 3.1 per cent. in 2026 and increased by 5.8 per cent. in 2025, 4 per cent. in 2024 and 4.3 per cent in 2023 (*source: IMF World Economic Outlook, January 2026*).

As at 31 December 2025, impaired loans represented 3.58 per cent. of CBD's gross loans and advances and Islamic financing (compared to 4.35 per cent. as at 31 December 2024 and 6.46 per cent. as at 31 December 2023), while impairment allowances on loans and advances and Islamic financing covered 102.92 per cent. of CBD's impaired loans as at 31 December 2025 (compared to 104.23 per cent. as at 31 December 2024 and 83.26 per cent. as at 31 December 2023).

As at 31 December 2025, impairment allowances on loans and advances and Islamic financing decreased by 17.44 per cent. to AED 4.33 billion (compared to AED 5.25 billion as at 31 December 2024). CBD continued its prudent provisioning policy alongside the implementation of IFRS 9 Financial Instruments ("**IFRS 9**") from 1 January 2018. For more information on the impact of IFRS 9, please see Note 3 to the 2025 Financial Statements.

As at 31 December 2025, CBD had AED 3.74 billion of impaired loans (compared to AED 4.22 billion as at 31 December 2024 and AED 5.68 billion as at 31 December 2023). In accordance with IFRS 9, CBD is required to reflect impairments calculated as a charge to the income statement. However, the actual loan losses could be materially different from the loan impairment allowances.

When assessing credit risk, CBD incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of expected credit losses ("**ECLs**").

CBD relies on a broad range of forward-looking information as economic inputs, such as:

- real estate price indices (Dubai and Abu Dhabi);
- the Economic Composite Index ("**ECI**");
- the Non-Oil Economic Composite Index ("**NIECI**");
- the oil price per barrel ("**OPB**");
- the Consumer Price Index ("**CPI**"); and
- hotel occupancy rates (Dubai).

CBD has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. For the purposes of determining the probability of a credit loss occurring, CBD has formulated three economic scenarios: (1) a base case scenario, which is the median scenario and was assigned a 40 per cent. probability of occurring as at 31 December 2025, and two less likely scenarios: (2) an upside scenario, which was assigned a 30 per cent. probability of occurring and (3) a downside scenario, which was assigned a 30 per cent. probability of occurring.

CBD has a portfolio of listed investment securities classified as fair value through other comprehensive income and there can be no assurance that fair valuations of its investment securities in future periods will not result in other comprehensive losses. In addition, the value that CBD ultimately realises for its investment securities may be lower than their current fair value, resulting in losses being recorded in its income statement, which losses could be material. However, when equity investments are classified as fair value through other comprehensive income, the fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to the income statement, including on disposal. Impairment losses and reversal of impairment losses are not reported separately from other changes in fair value.

As at 31 December 2025, based on CBD's management's assessment, CBD has not identified any significant impact to the fair values. CBD will consistently monitor the market and ensure that the prices it uses are an accurate representation of fair value.

Risks arising from adverse changes in the credit quality and recoverability of loans and amounts due from counterparties are inherent in a wide range of CBD's businesses, principally in its lending and investment activities. Credit risks could arise from a deterioration in the credit quality of specific borrowers, issuers and counterparties of CBD, or from a general deterioration in local or global economic conditions, or from systematic risks within the financial systems. Such credit risks could affect the recoverability and value of CBD's assets and require an increase in CBD's provisions for the impairment of loans, securities and other credit exposures. Any significant increase in impairment allowances on loans and advances and Islamic financing or a significant change in CBD's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the impairment allowances on loans and advances and Islamic financing allocated with respect to such losses, could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD faces risks associated with changes in market prices

CBD is exposed to the risk that changes in market prices will affect CBD's income and/or the value of a financial instrument.

The most significant market risks to which CBD is exposed are interest rate, equity price, foreign exchange rate and credit spread risks associated with its trading, investment and asset and liability management activities. Changes in interest rate levels, yield curves and spread may affect the interest rate margin realised between CBD's lending and investment activities and its borrowing costs, and the values of assets that are sensitive to interest rate and spread changes. Changes in equity prices may affect the values of CBD's investment and trading portfolios. Changes in foreign exchange rates may affect the values of assets and liabilities denominated in foreign currencies and the income from foreign exchange dealing. Although CBD carries out regular stress tests under various anticipated scenarios, it is difficult to predict changes in economic and market conditions accurately and to anticipate the effects that such changes could have on CBD's financial performance and business operations.

The amounts of gains and losses on debt and equity investments may fluctuate considerably from period to period. The level of fluctuation depends, in part, upon the market value of securities, which in turn may vary considerably. As at 31 December 2025, CBD's gains on investments (classified as at fair value through profit or loss and at fair value through other comprehensive income) amounted to AED 148.9 million (compared to AED 3.7 million as at 31 December 2024) and CBD's fair value deficit amounted to a deficit of AED 298.3 million as at 31 December 2025 (compared to AED 450.8 million as at 31 December 2024). CBD cannot predict the amount of realised or unrealised gain or loss for any future period and variations from period to period are not indicative of future performance. Gains in CBD's investment portfolio may not continue to contribute to net income at levels consistent with those recent periods, or at all.

Since 2014, the performance of global markets has been volatile, reflecting recent volatility in the macro-economic climate which has had, and which continues to have, a material adverse effect on the economies of the GCC states, including the UAE.

The UAE's GDP is projected to grow by 3.1 per cent. in 2026 (*source: IMF World Economic Outlook, April 2026*), which was supported by mainly the non-hydrocarbon growth in tourism, wholesale and retail trade and the real estate sectors. The diversified growth across various market segments underscored the overall robustness of the Dubai's economy.

Furthermore, the impact of political events (primarily the recent conflict between Israel, the United States and Iran, and other global trade disputes between the United States and China, the ongoing Russia-Ukraine conflict and the Israel-Hamas conflict), has caused volatility in international financial markets and investor sentiment generally (see further "*– The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects*" and " *– Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects*").

The business, results of operations, financial condition and prospects of CBD have been affected by these trends and may be further materially adversely affected by a continuation of the generally unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by conditions in the United States, European and international trading markets and/or related factors.

Failure to manage market risks effectively could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations

If CBD's cash flow from its operations is not sufficient to meet its short- and medium-term contractual and contingent payment obligations as they become due, it could experience liquidity issues. Such liquidity issues could occur if CBD's available liquidity is not sufficient to enable it to service its debt, fulfil loan commitments or meet other on- or off-balance sheet payment obligations on specific dates, even if CBD continues to receive new deposits from customers, proceeds from new financings or its future revenue streams. Such liquidity issues could also arise if there is an unexpected outflow of customer deposits, if there is a material decline in the value of CBD's liquid securities portfolio or if CBD is unable to secure short-term funding at commercially acceptable rates to bridge this funding gap.

The UAE Central Bank adopted a policy of a gradual, phased introduction of the capital and liquidity standards for credit institutions, approved by the Basel Committee on Banking Supervision (the "**Basel Committee**") in response to the 2008 global financial crisis (the "**Basel III Reforms**"). The Basel III Reforms introduced a number of financial ratios that CBD complies with, including: a liquidity coverage ratio ("**LCR**") and a net stable funding ratio ("**NSFR**"), which are monitored internally and shared with the CBD's Assets & Liabilities Committee and the Board Risk and Compliance Committee.

The LCR is a metric introduced by the Basel Committee as part of the Basel III Reforms to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking a financial institution's stock of high-quality liquid assets ("**HQLAs**") – which include low-risk, highly marketable asset classes, designed to provide significant sources of liquidity in such a stress scenario – and dividing it by its projected net cash outflows over the immediately following 30-day period. The LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. As per the Basel III Reforms, the UAE Central Bank requires that the minimum value of the ratio is 100 per cent. (i.e., an institution's stock of HQLAs should at least equal total net cash outflows) from 1 January 2019 onwards. See further "*The United Arab Emirates Banking System and Prudential Regulations – Recent Trends in Banking – Liquidity*".

On 28 February 2026, geopolitical tensions and military developments across the broader Middle East region escalated, resulting in disruptions to certain business and economic activities. These tensions remain ongoing and have increased uncertainty in the overall economic environment (see "*Risk Factors – Factors that may affect CBD's ability to fulfil its obligations under the Capital Securities – Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial condition and prospects.*"). In response to these developments and the associated risks to financial stability, the UAE Central Bank introduced a comprehensive Financial Institution Resilience Package (the "**Financial Institution Resilience Package**") on 17 March 2026 to reinforce the stability and resilience of the UAE's banking sector and broader economy, in light of current circumstances. The Financial Institution Resilience Package includes a range of targeted measures, including monetary policy support, liquidity and funding relief, capital requirements relief, specific credit risk management guidance, and expectation of continuity of financial services to be provided by banks to their customers and the economy generally. These measures were originally effective until 30 June 2026, with the majority subsequently extended through 30 September 2026.

In accordance with the Financial Institution Resilience Package applicable to all eligible banks in the UAE financial system:

- CBD is permitted, during the relief period from 17 March 2026 to 30 September 2026, to temporarily operate with LCR and NSFR below the regulatory limit of 100 per cent.; and
- CBD also has access to CBUAE liquidity facilities, including reserve balance drawdowns and term liquidity facilities.

The measures available under the Financial Institution Resilience Package cannot guarantee that CBD will not be adversely affected by ongoing or future disruptions arising from these developments.

By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, CBD may be at a competitive disadvantage to its peer UAE-based financial institutions who do not monitor liquidity through LCR, which may have a material adverse effect on its business, results of operations and financial condition.

In addition, as a result of on-going implementation of Basel III standards in the UAE, the UAE Central Bank requires banks to apply the following minimum requirements:

1) Tier 1 common capital ratio (the "**CET1**") must be at least 7 per cent. of risk weighted assets ("**RWA**");

2) Tier 1 Capital must be at least 8.5 per cent. of RWA;

3) Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5 per cent. of RWA;

4) In addition to the minimum CET1 capital of 7 per cent. of RWA, banks must maintain a capital conservation buffer and Countercyclical Capital Buffer, maximum of 2.5 per cent. for each buffer of RWAs on the form of CET1 capital over and above the minimum CET1 requirement of 7 per cent; and

5) All banks must maintain a leverage ratio of at least 3.0 per cent.

Banks which are classified as domestically systemic important banks ("**D-SIBs**") by the UAE Central Bank are required to hold additional capital buffers as notified to it by the UAE Central Bank, however CBD is not subject to such requirements as at the date of this Prospectus.

As at 31 December 2025, the Issuer had a total capital adequacy ratio of 15.52 per cent., a Tier 1 capital adequacy ratio of 14.39 per cent. and a CET1 ratio of 12.54 per cent, all above the UAE Central Bank imposed requirements.

Up until 31 December 2024, the UAE Central Bank provided a prudential filter aimed at reducing the effect of IFRS 9 provisions on regulatory capital and may further increase its CET 1 ratio requirement in the future. The UAE Central Bank may also require CBD to hold additional capital to cover risks that the UAE Central Bank deems are not covered or are insufficiently covered by the Basel III Pillar 1 capital requirements, due to the results of a stress test or for other reasons. As a result, CBD may need to obtain additional capital in the future. Such capital, whether in the form of financing or additional capital contributions from its shareholders, may not be available on commercially favourable terms, or at all. Moreover, should CBD's capital ratios fall close to regulatory minimum levels, CBD's own internal minimum levels or the levels required to maintain its ratings at the desired level, CBD may need to adjust its business practices, including reducing the risk and leverage of certain activities. If CBD is unable to maintain satisfactory capital adequacy ratios, its credit ratings may be lowered and its cost of funding may therefore increase. Additionally, CBD may find that any fair value assessments of its assets undertaken in connection with the purchase price accounting processes applicable to the combination may have a detrimental impact on its capital adequacy levels.

Liquidity Risk

Liquidity risk is the risk that CBD will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. It includes the risk of the inability to fund assets at appropriate maturities and rates and the ability to liquidate assets at reasonable prices and an appropriate timeframe and an inability to meet obligations as they become due.

An inability on CBD's part to access funds or to access the markets from which it raises funds may put CBD's positions in liquid assets at risk and lead to CBD being unable to finance its operations adequately. A dislocated credit environment compounds the risk that CBD will not be able to access funds at favourable rates. These and other factors could also lead creditors to form a negative view of CBD's liquidity, which could result in less favourable credit ratings, higher borrowing costs and less accessible funds. In addition, because CBD receives a significant portion of its funding from deposits, CBD is subject to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strain. Also, under certain market conditions, CBD could be unable to raise the cash required to pay amounts due on or in respect of the Capital Securities when due. Furthermore, in circumstances where CBD's competitors have ongoing limitations on their access to other sources of funding such as wholesale market derived funding, CBD's access to funds and its cost of funding may also be adversely affected.

In common with other banks in the UAE, many of CBD's liabilities are demand and time deposits, whereas it has medium and long-term assets (such as loans and mortgages).

All of the above factors relating to liquidity risk could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD is subject to risks associated with its hedging, treasury operations and investment securities portfolio, including potential negative fair value adjustments

CBD engages in hedging transactions in the ordinary course of its operations to, for example, limit the potential adverse effect of interest rate or exchange rate fluctuations. However, CBD does not hedge all of its risk exposure and cannot guarantee that its hedging strategies will be successful due to factors such as behavioural risk, unforeseen volatility in interest rates or decreasing credit quality of hedge counterparties in times of market dislocation. If CBD's hedging strategies are not adequate, CBD may be required to record negative fair value adjustments. Losses from the fair value of financial assets could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

Through its Treasury and Investment operations, CBD holds liquid asset portfolios for its own account, exposing CBD to interest rate risk, basis risk and credit spread risk. Under volatile market conditions, the fair value of CBD's liquid asset portfolios could decrease and cause CBD to record mark-to-market losses. As at 31 December 2025, CBD held investment securities of AED 20.4 billion (compared to AED 14.6 billion as at 31 December 2024 and AED 15.1 billion as at 31 December 2023) comprising investments issued by corporates and financial institutions. Despite the conservative nature of its investment securities portfolio, there can be no guarantee that the value of CBD's investment securities portfolio will not decrease. In a distressed economic or market environment, the fair value of certain of CBD's holdings and exposures may be volatile and more difficult to estimate because of market illiquidity. Valuations in future periods, reflecting then prevailing market conditions, may result in significant negative changes in the fair value of CBD's exposures and holdings.

A significant increase in impairment allowances could have an adverse effect on CBD

IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS39 Financial Instruments: Recognition and Measurement. IFRS 9 introduced an 'expected credit loss' model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Any mandatory change to CBD's impairment calculation models imposed as a result of further accounting standards or regulatory changes, or any significant increase in impairment allowances for loan losses or a significant change in CBD's estimate of the risk of loss inherent in its portfolio of non-impaired loans and advances to customers, as well as the occurrence of loan losses in excess of the impairment allowances allocated with respect thereto, may have an adverse effect on CBD's business, results of operations and financial condition.

Concentration of credit risk could increase CBD's potential for losses

CBD's loan portfolio is concentrated, geographically, in the UAE. As at 31 December 2025, approximately 76.25 per cent. of CBD's gross loans and advances and Islamic financing were located in the UAE (compared to 81.66 per cent as at 31 December 2024), with 9.05 per cent. located in GCC, 14.70 per cent. located in Europe and the remaining located in other regions. As at 31 December 2025, CBD's net loans and advances and Islamic financing constituted 63.03 per cent. of its total assets, or AED 101.05 billion (compared to 66.38 per cent. or AED 93.05 billion as at 31 December 2024). CBD's loan portfolio is concentrated in particular economic sectors. As at 31 December 2025, the real estate sector accounted for 16.4 per cent. of CBD's total gross loans and advances and Islamic financing while the mortgage sector accounted for 19.2 per cent., financial and insurance activities accounted for 10.1 per cent, and the trade sectors accounted for 9.9 per cent.

As a result of the concentration of CBD's gross loans and advances and Islamic financing in the UAE, any deterioration in general economic conditions in the UAE (particularly in light of the recent conflict between Israel, the United States and Iran) or any failure of CBD to manage its geographic, sectoral and client risk concentrations effectively could have a material adverse effect on CBD's business, results of operations, financial condition and prospects (see further "*– The recent conflict between Israel, the United States and*

Iran may have an impact on CBD's business, results of operations, financial condition and prospects" and " – *Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects*").

Information Technology and Cybersecurity

CBD relies heavily upon its information technology systems ("**IT**") and operations infrastructure to conduct its business (for more information, see "*Business Description – Information Technology*"). Alongside the traditional transaction-focused systems supporting CBD's vertical banking capabilities, CBD's technology assets have been enhanced with intelligent process management, customer relationship management, digital banking platforms and data analytics. CBD faced significant challenges during 2020 and 2021 due to the COVID-19 pandemic and CBD was able to address these without any disruptions to customer services. CBD was able to accelerate digital transformation thereby meeting increased customer expectations and enabling employees to work remotely. Any failure or breach in the security of IT systems could result in failures or interruptions in CBD's risk management, general ledger, deposit servicing, loan organisation and/or other important systems. If CBD's information technology systems failed, even for a short period of time, then it could be unable to serve some or all of its customers' needs on a timely basis which could result in loss of business. In addition, a temporary shutdown of CBD's information technology systems could result in costs that are required for information retrieval and verification. CBD has developed business continuity plans, however no assurance can be given that failures or interruptions will not occur or that CBD will be able to address them adequately if they do occur.

In common with other financial institutions, cyber-security has become an increasingly important consideration. The quantity of sensitive financial and personal identifiable information stored by financial institutions globally makes them potential targets of cyber-attacks. In common with other financial institutions, CBD recognises the need to protect itself from the threat to security of its information and customer data from cyber-attacks, and CBD takes appropriate steps on an ongoing basis to combat such threats and minimise such risks by implementing cyber-security controls. However, risks to technology and information systems change rapidly and require continued focus and investment, and given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk could adversely affect CBD's reputation, business, results of operations, financial condition and prospects.

The occurrence of any failures of, or interruptions in, CBD's information technology systems and operations infrastructure, or a failure to adequately manage cyber-security risks, could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD's risk management framework and policies and internal controls may not be effective

Management of standard banking risks requires substantial resources. Although CBD's management believes that CBD's IT and management information systems, policies and procedures are adequate for the purposes of measuring, monitoring and managing CBD's exposure to credit, liquidity, interest rate, foreign exchange and other market risks in the context of its existing business, as CBD's business continues to grow and develop, CBD's risk profiles are likely to change. Management continually assesses its risk management infrastructure and resources and CBD has made considerable investments in information technology. In the event that CBD's risk management systems are not developed in line with the growth in CBD's business and related shifts in its risk exposures, this could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD's risk management processes may not be fully effective or consistently implemented in mitigating its exposure in all market environments or all types of risk that are unidentified or unanticipated. Some of CBD's methods of managing risk are based upon its use of historical market behaviour and stress scenarios. As evidenced by the recent period of macro-economic volatility, these methods may not always predict future risk exposures which could be significantly higher or lower than historical measures or stress scenarios indicate. Any material deficiency in CBD's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

Operational Risk

Operational risk is defined by the Basel Committee as "*the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events*". This definition includes legal risk but excludes strategic and reputational risks.

CBD's objective is to manage operational risk, so as to balance the avoidance of financial losses and damage to the CBD's reputation, with overall cost effectiveness and to avoid control procedures that restrict initiative, innovation and creativity. CBD has established a series of policies and procedures to identify, assess, monitor, manage and report operational risks.

CBD will, when appropriate, insure itself against operational risks. Notwithstanding insurance against operational risks, CBD might nonetheless be subject to losses arising from operational risk as a result of inadequate insurance coverage and delays in claim settlement.

Although CBD has implemented risk controls and loss mitigation strategies, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to eliminate entirely each of the operational risks. CBD therefore remains exposed to operational risk that could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD faces risks from competition

CBD faces competition in all of its business areas from locally incorporated and foreign banks (Islamic banks and conventional banks). According to data published by the UAE Central Bank, there were a total of 50 banks (23 locally incorporated banks and 27 foreign banks) licensed to operate in the UAE as of December 2025 (excluding the DIFC) (source: the UAE Central Bank Q4 2025 Quarterly Monetary, Banking & Financial Markets Developments Report). CBD's key competitors are primarily UAE banks, such as: Emirates NBD, Mashreq Bank, Abu Dhabi Commercial Bank, First Abu Dhabi Bank PJSC, and the National Bank of Ras Al Khaimah, as well as international banks such as Citibank and HSBC.

The UAE market, historically overbanked, is increasingly characterised by the consolidation of small and medium-sized locally-incorporated banks. Specifically, mergers between National Bank of Abu Dhabi and First Gulf Bank, which was consummated on 30 March 2017, and Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank, which was consummated on 1 May 2019, could stimulate further moves towards greater consolidation amongst UAE banks. Such mergers could in turn affect CBD's competitive environment, with a small number of large, locally-incorporated banks competing for large regional financing transactions with foreign banks, which have traditionally benefitted from more developed infrastructure and resources with which to absorb capital costs, such as information technology systems development.

As at 31 December 2025, CBD had 4.16 per cent. of the UAE market share in terms of loans and advances (compared to 4.52 per cent. as at 31 December 2024) and 3.44 per cent. of the UAE market share in terms of customer deposits (compared to 3.48 per cent. as at 31 December 2024) (*source: UAE Central Bank Monthly Banking Indicators*).

The banking market in the UAE has generally been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. For further information, see "*The United Arab Emirates Banking Sector and Prudential Regulations*". In the event of increased competition and/or limited new business opportunities, CBD may face difficulties due to shrinking interest margins. This could have an adverse effect on CBD's business, results of operations, financial condition and prospects and thereby affect its ability to perform its obligations in respect of the Capital Securities.

Ownership

As at 31 December 2025, the Government of Dubai, through its investment entity the Investment Corporation of Dubai ("**ICD**"), owns 20 per cent. of the issued share capital of CBD. Neither the Government of Dubai nor the ICD have any legal obligations to provide additional funding for CBD's future operations. There can be no assurance, further, that CBD's shareholders will continue to maintain the existing levels of their ownership of the shares of CBD. CBD may not receive future support from the Dubai or UAE federal governments or it may not receive future support that is commensurate with support it has received in the past. At CBD's annual general meeting held on 11 March 2020, CBD's shareholders approved allowing non-UAE nationals to acquire up to 40 per cent. of CBD's share capital, subject to obtaining the necessary approval of the regulatory authorities. On 14 June 2020, all such regulatory formalities were completed and, since then, non-UAE nationals have been allowed to acquire CBD's shares. As at 31 December 2025, 0.185 per cent. of CBD's shares were held by non-UAE nationals.

Risks related to CBD's Dependence on Key Personnel

Revenues of CBD will depend, in part, on CBD's ability to continue to attract, retain and motivate qualified and skilled personnel. CBD relies on its senior management for the implementation of its strategy and its day-to-day operations. There is competition in the UAE for skilled personnel, especially at the senior management level, due to a low number of available qualified and/or experienced individuals compared to current demand. Although CBD has a long term service incentive scheme, pursues a policy of succession planning and conducts a "Leadership Program" and other initiatives for its senior and middle managers to identify their potential to move into leadership roles and develop their mentoring and management skills, if CBD were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have a material adverse effect on CBD's business, results of operations, financial condition and prospects. The loss of any member of the senior management team may result in: (i) a loss of organisational focus; (ii) poor execution of operations; and (iii) an inability to identify and execute potential strategic initiatives. These adverse results could, amongst other things, reduce potential revenue, which could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD's human resource policy is guided by the UAE federal policy on Emiratisation, promulgated by UAE Cabinet Decree number 3/10/267 of 2015, dated 25 October 2015 (the "**Emiratisation Circular**") which introduced a scoring system which takes into account the employment and progression of Emirati employees in an organisation. The Emiratisation Circular does not set any upper limit at which the UAE federal government's policy supporting the recruitment of UAE nationals policy would no longer be applicable. Subsequent Cabinet and Ministerial resolutions (most notably Cabinet Resolution No. 56 of 2021 and Ministerial Resolution No. 279 of 2022) introduced mandatory minimum Emiratisation targets, enforcement mechanisms and financial penalties applicable to private-sector establishments, while sector-specific Emiratisation requirements for banking and insurance entities continue to apply under the supervision of the UAE Central Bank. While CBD continues to hire UAE nationals and is on track to meet its Emiratisation targets, if CBD is not able to achieve its targets for recruiting and progressing UAE nationals, it may be subject to penalties to be calculated in accordance with the Emiratisation Circular.

Downgrade in Credit Ratings

CBD's credit ratings affect the cost and other terms upon which CBD is able to obtain funding. Rating agencies regularly evaluate CBD and their ratings of its long-term debt are based on a number of factors, including capital adequacy levels, quality of earnings, credit exposure, the risk management framework and funding diversification. These parameters and their possible impact on CBD's credit rating are monitored closely and incorporated into its liquidity risk management and contingency planning considerations.

As at the date of this Prospectus, CBD has been assigned long-term issuer ratings of Baa1 and A- by Moody's and Fitch, respectively.

On 7 October 2025, Moody's Investors Service reaffirmed the UAE's Aa2 Government bond and issuer ratings and assigned a stable outlook. A downgrade or potential downgrade of the UAE rating or a change in rating agency methodologies relating to systemic support provided by the UAE could also negatively affect the perception by rating agencies of CBD's rating.

There can also be no assurance that the rating agencies will maintain CBD's current ratings or outlooks or those of the UAE. A downgrade in CBD's credit rating or the credit rating of the UAE may limit CBD's ability to raise funding and increase its cost of borrowing, which could have a material adverse effect on CBD's business, results of operations, financial condition and prospects. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

Anti-money Laundering, Anti-terrorism Financing and Related Regulations

CBD is required to comply with applicable anti-money laundering ("**AML**"), anti-terrorism financing laws and other regulations. These laws and regulations require CBD, amongst other things, to adopt and enforce "know your customer" ("**KYC**") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. CBD has adopted KYC and AML policies, with procedures that are regularly reviewed to align with relevant regulatory and market developments. For example, CBD's staff are required to attend KYC and AML training and are made aware of CBD's policies and procedures relating to these two issues. CBD has also appointed AML reporting officers who are responsible for policy development and awareness, the detection and reporting of suspicious transactions and responding to staff queries relating to AML issues. All cash transactions are closely monitored and suspicious transactions are reported to the relevant branch AML reporting officer and, if required, to the relevant business unit head and CBD's AML manager.

To the extent CBD may fail to fully comply with applicable laws and regulations, the relevant UAE Government agencies to which it reports have the power and authority to impose fines and other penalties on CBD. In addition, CBD's business and reputation could suffer if customers use CBD for money laundering or illegal purposes. This could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

Regulatory Risks

Impact of Regulatory Changes

CBD is subject to the laws, regulations, administrative actions and policies of the UAE. These regulations may limit CBD's activities and changes in supervision and regulation could have a material adverse effect on CBD's business, the products or services offered, the value of its assets, and its financial condition. Fiscal or other policies which may materially adversely affect CBD's business, the value of its assets and its financial condition cannot be predicted and are beyond the control of CBD.

Although CBD works closely with its regulators and continuously monitors the situation, future changes in regulatory, fiscal or other policies cannot be predicted and are beyond the control of CBD. For example, see "*The United Arab Emirates Banking Sector and Prudential Regulations – Capital Management*" and " *– CBD's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations*".

CBD performs an impact assessment as and when new regulations are forthcoming or are put in place.

No assurance can be given that the UAE Government will not implement regulations or fiscal or monetary policies, including policies or new regulations or new legal interpretations of existing regulations relating to or affecting taxation, interest rates or exchange controls or otherwise take actions which could have a material adverse effect on CBD's business, results of operations, financial condition and prospects.

CBD is subject to risks associated with global climate change

The risks associated with climate change include both physical and economic risks. These risks are subject to rapidly increasing international societal, regulatory and political focus on climate change. A global shift that results in a transition towards a low-carbon economy could have an impact on CBD's business. In addition, physical risks from climate change arise from a number of factors and relate to specific weather events and longer-term shifts in the climate. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the global economy is predicted to be more acute in the future.

The potential economic impact of global climate change includes, but is not limited to, lower GDP growth, higher unemployment and changes in asset prices and profitability of industries. As the international and regional economies in which CBD operate transition to low carbon economies, financial institutions such as CBD may face rapid developments in stakeholder expectations, policy, law and regulation which could impact the lending activities CBD undertakes, as well as the risks associated with its lending portfolios, and the value of CBD's financial assets. Furthermore, CBD may face greater scrutiny of the type of business it conducts, adverse media coverage and reputational damage, which may in turn impact customer demand for CBD's products, returns on certain business activities and the value of certain assets and trading positions, which may result in impairment charges.

In 2025, the UAE Central Bank issued its Climate-related Financial Risk Management Regulation (Circular No. 8/2025), establishing a prudential framework requiring banks to integrate climate-related considerations into their governance, risk assessment processes and climate stress testing. The Regulation obliges banks to identify, monitor and manage climate-related financial risks, including physical, transition and liability risks, and mandates that such risks be incorporated into existing credit, market, operational and liquidity risk management frameworks. In addition, banks must undertake scenario analysis and assess the potential impact of climate-related financial risks on capital adequacy and solvency, with boards and senior management held accountable for ensuring compliance. Failure to comply with the regulation or to meet supervisory expectations may subject the Issuer to regulatory intervention, including supervisory actions and potential financial or administrative sanctions.

If CBD does not adequately embed risks associated with climate change into its risk assessment framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, there may be an adverse impact on CBD's business, results of operations, financial condition and prospects and thereby affect CBD's ability to perform its obligations in respect of the Capital Securities.

Risks related to the UAE and the Middle East

The UAE's economy is highly dependent upon its oil revenue

The UAE's economy is highly dependent upon oil revenue. According to data produced by OPEC, as at 31 December 2024, the UAE had approximately 9.1 per cent. of the proven crude oil reserves among OPEC members (giving it the fifth largest oil reserves among OPEC members) with OPEC members' total share in the world's crude oil reserve being 79.2 per cent. (*source: OPEC Annual Statistical Bulletin 2025*). According to preliminary data produced by the Federal Competitiveness and Statistics Centre (the "**FCSC**"), the hydrocarbon sector (mining and quarrying, including crude oil and natural gas) accounted for 24.5 per cent. of the UAE's nominal GDP in 2024. In the UAE Central Bank's Quarterly Economic Review published in December 2025 (prior to the escalation of hostilities between Israel, the United States and Iran), hydrocarbon GDP growth in the UAE in 2026 was forecasted at 6.7 per cent..

According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years, particularly in March 2026 in response to the recent conflict between Israel, the United States and Iran. Within a two week period in March 2026, oil prices ranged from U.S.$78 as at 2 March, to U.S.$126 as at 13 March (*source: OPEC Reference Basket*). See "– *The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects*" and " – *Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects – Oil price volatility*".

With this backdrop, oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which CBD has no control. Factors that may affect the price of oil include, but are not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East and in Eastern Europe;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude oil producing or consuming countries;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels; and
- global weather and environmental conditions.

Continued volatility in international prices for hydrocarbon products (as well as prolonged periods of either significantly high or low oil prices) could have a material adverse effect on the UAE's economy which, in turn, could have a material adverse effect on CBD's business, financial condition and results of operations and thereby affect CBD's ability to perform its obligations in respect of the Capital Securities.

Majority of Business in the UAE

CBD is a bank, headquartered in Dubai, UAE, which is primarily focused on the financial markets of the UAE. As at 31 December 2025, 60.5 per cent. of CBD's total assets were located within the UAE, including the majority of its loans and advances and Islamic financing, and CBD derives the majority of its customer deposits and Islamic customer deposits from within the UAE. As at 31 December 2025, approximately 64.3 per cent. of CBD's total liabilities were derived from UAE sources. As CBD has its operations and the majority of its assets located in the UAE, its business is and will continue to be affected by the economic, political and related conditions prevailing from time to time in the UAE and/or the Middle East generally (see "*Economic, Political and Related Considerations*").

Investors in emerging markets should also be aware that these markets are subject to greater risks than more developed markets, including in some cases significant economic, political and related risks.

Economic, Political and Related Considerations

The UAE has enjoyed economic growth and relative political stability in recent years. There can be no assurance that such growth or stability will continue, particularly in light of the recent conflict between Israel, the United States and Iran. Moreover, while the UAE Government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. The on-going Russia-Ukraine conflict, inflation in Turkey and devaluation of the Egyptian Pound may cause political and economic stability. Because CBD is headquartered in Dubai, UAE and is primarily focused on the financial markets of the UAE, political and economic developments in or affecting the UAE and the Middle East could have a material adverse effect on CBD's business, results of operations, financial condition and prospects (see further "*– The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects*", " *– Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects*" and " *– The UAE's economy is highly dependent upon its oil revenue*").

UAE Bankruptcy Law

In the event of the insolvency of CBD, UAE bankruptcy law may adversely affect the ability of CBD to perform its obligations under the Capital Securities issued by it. There is little precedent to predict how a claim on behalf of holders of the Capital Securities against CBD would be resolved in the case of the insolvency of CBD (including the approach that would be adopted by a liquidator or analogous insolvency official in respect of any subordination agreed as a matter of contract between CBD and any of its creditors).

Any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham or other regional currencies at a fixed exchange rate to the U.S. dollar will expose CBD to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies

CBD maintains its accounts, and reports its results, in UAE dirham. The UAE dirham has been pegged to the U.S. dollar since 22 November 1980 and remains pegged as at the date of this Prospectus. The following other oil producing GCC countries pegged to the U.S. dollar as at the date of this Prospectus include: Saudi Arabia, Oman, Bahrain and Qatar. While the UAE Central Bank has re-iterated its intention to retain the UAE dirham peg against the U.S. dollar, there remains a risk that any such future de-pegging by the GCC states (in the event that the current challenging market conditions persist for a prolonged period) would pose a systemic risk to the regional banking systems by virtue of the likely devaluation of any such de-pegged currency against the U.S. dollar and the impact this would have on the open cross-currency positions held by regional banks, including CBD. Any such "de-pegging" in the UAE or across the wider region, particularly if it is accompanied by a devaluation of the UAE dirham against the U.S. dollar (as described above) could have an adverse affect on CBD's business, results of operations, financial condition and prospects.

Factors which are material for the purpose of assessing the risks associated with the Capital Securities

The right to receive repayment of the principal amount of the Capital Securities and the right to any further interest will be permanently written-down upon the occurrence of a Non-Viability Event

If a Non-Viability Event occurs, the Prevailing Principal Amount of the Capital Securities then outstanding will be permanently written-down in whole or, in exceptional cases, in part on a pro rata basis, in each case as solely determined by the Regulator. See "*The circumstances triggering a Write-down are unpredictable*". Pursuant to a Write-down, the rights of any holder of the Capital Securities for payment of any amounts under or in respect of the Capital Securities (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event), in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Interest Payment Amounts), shall be cancelled (and the principal amount of the Capital Securities shall be reduced accordingly) and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event or notice in relation thereto. In the case of a Write-down in whole, the Capital Securities shall be cancelled.

In the exceptional cases in which a Write-down in part is required by the Regulator, a Write-down in part may occur on one or more occasions as solely determined by the Regulator provided, however, that the principal amount of a Capital Security shall never be reduced to below nil.

Furthermore, upon the occurrence of any Write-down in part pursuant to Condition 10 (*Write-down at the Point of Non-Viability*), Interest Payment Amounts will then accrue on the reduced principal amount of the Capital Securities (subject to the Conditions). Also, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event or any redemption of the Capital Securities will be by reference to such reduced principal amount of the Capital Securities.

The Conditions do not in any way impose restrictions on the Issuer following a Write-down, including restrictions on making any distribution or equivalent payment in connection with any Junior Obligations (including, without limitation, the ordinary shares of the Issuer), any *Pari Passu* Obligations or any Senior Obligations.

Holders of the Capital Securities will lose all or some of their investment in the Capital Securities as a result of a Write-down and moreover, in such event, holders of the Capital Securities may suffer losses in respect of their investment in the Capital Securities ahead of, or without, any losses being required to be borne by the Issuer's shareholders.

Prospective investors should also be aware that the application of a non-viability loss absorption feature contained in Condition 10 (*Write-down at the Point of Non-Viability*) has not been tested in the UAE and therefore some degree of uncertainty exists in its application.

A "**Non-Viability Event**" means that the Regulator has notified the Issuer in writing that it has determined that the Issuer has, or will become, Non-Viable without: (a) a Write-down; or (b) a public injection of capital (or equivalent support).

The Issuer shall be "**Non-Viable**" if (a) it is insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business, or (b) any other event or circumstance occurs, which is specified as constituting non-viability by the Regulator, or in the Capital Regulations.

The circumstances triggering a Write-down are unpredictable

The occurrence of a Non-Viability Event is unpredictable and depends on a number of factors, many of which are outside of the Issuer's control. The occurrence of a Non-Viability Event is subject to, inter alia, a subjective determination by the Regulator. As a result, the Regulator may require a Write-down in circumstances that are beyond the control of the Issuer and with which the Issuer or a holder of the Capital Securities may not agree (and regardless of whether or not the Solvency Conditions (as defined below) are satisfied at such time). Furthermore, although the Conditions provide that the Regulator may require a Write-down in whole or in part upon the occurrence of a Non-Viability Event, the current stated position of the Regulator is that a Write-down in whole will apply in all such cases save only in exceptional cases as determined by the Regulator in its sole discretion.

Prospective investors should also be aware that the application of a non-viability loss absorption feature similar to Condition 10 (*Write-down at the Point of Non-Viability*) has not been tested in the UAE and therefore some degree of uncertainty exists in its application. The Issuer expects that any Write-down of the Capital Securities would take place (a) after the Ordinary Shares of the Issuer absorb losses (if and to the extent permissible under the relevant regulations applicable to the Issuer at such time); (b) after the write-down or write-off of any of the Issuer's obligations in respect of Other Common Equity Tier 1 Instruments; and (c) simultaneously and *pro rata* with the write-down of any of the Issuer's other obligations in respect of Additional Tier 1 Capital. However, the Regulator shall, in its sole discretion, determine the occurrence of a Non-Viability Event and therefore the occurrence of a Write-down and there can be no assurance that a Write-down would take place as described in this paragraph.

The Regulator shall, in its sole discretion, determine the occurrence and scope of a Non-Viability Event and therefore the requirement for a Write-down. Accordingly, prospective investors should note that the Regulator may require a Write-down, regardless of whether or not the Solvency Conditions are satisfied at such time, without also requiring the Ordinary Shares of the Issuer and/or Other Common Equity Tier 1 Instruments to absorb any losses. In such circumstances, holders of the Capital Securities may suffer losses in respect of their holding of the Capital Securities ahead of, or without, any losses being required to be borne by the Issuer's shareholders.

The exercise (or perceived likelihood of exercise) of any such power (and the manner of exercise of such power) by the Regulator or any suggestion of such exercise could materially adversely affect the value of the Capital Securities and could lead to holders losing some or all of their investment in the Capital Securities. As a result of a Write-down, a holder may suffer a loss in respect of its holding of the Capital Securities ahead of, or without, any loss being required to be borne by a shareholder of the Issuer in respect of its shareholding. The financial viability of the Issuer will also depend in part on decisions made by the Issuer in relation to its business and operations, including the management of its capital position. In making such decisions, the Issuer may not have regard to the interests of the holders of the Capital Securities and, in particular, the consequences for the holders of the Capital Securities of any such decisions and there can be no assurance in any such circumstances that the interests of the Issuer, its shareholders and the Regulator will be aligned with those of the holders of the Capital Securities.

Payments of Interest Payment Amounts are conditional upon certain events and may be cancelled and are non-cumulative

No Interest Payment Amounts are payable on the relevant Interest Payment Date if a Non-Payment Event (as more particularly provided in Condition 6.1 (*Interest Cancellation – Non-Payment Event*)) occurs. Each of the following events is a Non-Payment Event for the purposes of the Conditions with respect to each Interest Payment Date:

(a) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Issuer on any *Pari Passu* Obligations having the same date in respect of payment of such distributions or amounts as, or otherwise due and payable on, the date for payment of the relevant Interest Payment Amount, exceeds, on the relevant date for payment of such Interest Payment Amount, the Distributable Items;

(b) the Issuer is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any capital buffers imposed on the Issuer by the Regulator, as appropriate) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof;

(c) the Regulator having notified the Issuer that the Interest Payment Amount due on that Interest Payment Date should not be paid for any reason the Regulator may deem necessary;

(d) the Solvency Conditions are not satisfied (or would no longer be satisfied if the relevant Interest Payment Amount was paid); or

(e) the Issuer, in its sole discretion, has elected that Interest Payment Amounts shall not be paid to holders of the Capital Securities on such Interest Payment Date (other than in respect of any amounts due on any date on which the Capital Securities are to be redeemed in full, in respect of which this paragraph (e) does not apply), including, without limitation, if the Issuer incurs a net loss during the relevant Interest Period.

In relation to paragraph (a) above, as at the Issue Date, "Distributable Items" is defined in the Conditions as "the amount of the Issuer's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in the most recent audited or (as the case may be) auditor reviewed consolidated financial statements of the Issuer or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1 Capital instruments that do not constitute Common Equity Tier 1 Capital". As at 31 December 2025, the Issuer's Distributable Items amounted to AED 11.7 billion.

However, current guidance issued by the Regulator has indicated that the definition of "Distributable Items" may in the future be calculated by reference to the latest audited or (as the case may be) auditor reviewed non-consolidated financial statements. To the extent that this change comes into effect in the future, the level of Distributable Items as so calculated might be lower than otherwise would be the case if the change does not take effect.

In relation to paragraph (b) above, payment restrictions will also apply in circumstances where the Issuer does not meet certain capital buffer requirements, namely, payment restrictions in an amount equal to the Maximum Distributable Amount (as defined below) if the combined capital buffer requirement is not satisfied pursuant to the Capital Regulations. In the event of a breach of the combined buffer requirement, under the Capital Regulations, the restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the Issuer's profits for the most recent relevant period. Such calculation will result in a maximum distributable amount (the "**Maximum Distributable Amount**") in each relevant period. As an example, the scaling is such that in the lowest quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including Interest Payment Amounts in respect of the Capital Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, Interest Payment Amounts and redemption amounts on its Additional Tier 1 instruments (including the Capital Securities) and certain variable remuneration (such as bonuses) or discretionary pension benefits will be limited. Furthermore, there can be no assurance that the combined buffer requirement applicable to the Issuer will not be increased in the future, which may exacerbate the risk that discretionary distributions, including payments of Interest Payment Amounts in respect of the Capital Securities, are cancelled.

In the event of a Non-Payment Event, certain restrictions on declaration of dividends or distributions and redemption of certain securities by the Issuer will apply in accordance with Condition 6.3 (*Interest Cancellation – Dividend and Redemption Restrictions*). However, the holders of the Capital Securities shall have no claim in respect of any Interest Payment Amount not paid as a result of a Non-Payment Event and the non-payment of any Interest Payment Amount in such a circumstance shall not constitute an Enforcement Event. The Issuer shall not make or have any obligation to make any subsequent payment in respect of any such unpaid amount. Any failure to provide notice of a Non-Payment Event in accordance with the Conditions will not invalidate the cancellation of the relevant payment of the Interest Payment Amount. In the absence of notice of a Non-Payment Event having been given in accordance with Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*), the fact of non-payment of an Interest Payment Amount on the relevant Interest Payment Date shall be evidence of the occurrence of a Non-Payment Event.

In such case, the holders of the Capital Securities will not receive Interest Payment Amounts on their investment in the Capital Securities and shall not have any claim in respect thereof. Any non-payment of Interest Payment Amounts or perceived risk of such non-payment may have a material adverse effect on the market value of the Capital Securities.

The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer

Prospective investors should note that the payment obligations of the Issuer under the Conditions rank: (i) subordinate and junior to all Senior Obligations; (ii) *pari passu* with all *Pari Passu* Obligations; and (iii) in priority only to all Junior Obligations. Accordingly, the payment obligations of the Issuer under the Conditions rank junior to all unsubordinated payment obligations of the Issuer (including payment obligations to depositors of the Issuer in respect of their due claims) and all subordinated payment obligations of the Issuer to which the payment obligations under the Conditions rank or are expressed to rank junior, and *pari passu* with all subordinated payment obligations of the Issuer which rank or are expressed to rank *pari passu* with the payment obligations of the Issuer under the Conditions.

Prospective investors should also note that the payment obligations of the Issuer under the Conditions are conditional upon the following conditions (together, the "**Solvency Conditions**"):

(a) the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations;

(b) the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations and still be Solvent immediately thereafter; and

(c) the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

Further, the payment obligations of the Issuer under the Capital Securities are unsecured and no collateral is or will be given by the Issuer in relation thereto.

Notwithstanding any other provisions in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities. As a result, holders of the Capital Securities would lose the entire amount of their investment in the Capital Securities.

In addition, a holder of the Capital Securities may exercise its enforcement rights in relation to the Capital Securities only in the manner provided in Condition 11 (*Enforcement Events*). If an Enforcement Event occurs and the Issuer fails to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, the claims of the holders of the Capital Securities under the Capital Securities will be extinguished without any further payment to be made by the Issuer under the Capital Securities.

Furthermore, any indication or perceived indication that any of the Solvency Conditions may not be satisfied or that a bankruptcy order may be issued may have a material adverse effect on the market price of the Capital Securities and could lead to holders of the Capital Securities losing some or all of their investment in the Capital Securities.

The Capital Securities are perpetual securities

The Capital Securities are perpetual securities which have no scheduled repayment date. Holders of the Capital Securities have no ability to require the Issuer to redeem their Capital Securities unless, and subject to the restrictions described in Condition 11 (*Enforcement Events*), an Enforcement Event occurs. The Issuer has the option to redeem the Capital Securities in certain circumstances as more particularly described in Condition 9 (*Redemption and Variation*), although there is no assurance that it will do so.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Capital Securities and have no ability to cash in their investment, except:

(a) if the Issuer exercises its rights to redeem the Capital Securities in accordance with Condition 9 (*Redemption and Variation*);

(b) upon the occurrence of an Enforcement Event, to the extent possible under the limited remedies set out in Condition 11 (*Enforcement Events*); or

(c) by selling their Capital Securities.

The exercise of (or perceived likelihood of exercise of) any such redemption feature of the Capital Securities may limit their market value, which is unlikely to rise substantially above the price at which the Capital Securities can be redeemed.

If the Capital Securities are redeemed, there can be no assurance that holders of the Capital Securities will be able to reinvest the amount received upon redemption or sale at a rate that will provide the same rate of return as their investment in the Capital Securities.

No limitation on issuing senior securities

Other than the limitations in relation to the issue of further Additional Tier 1 Capital by the Issuer as set out in Condition 4.4 (*Status and Subordination – Other Issues*) which limits the circumstances in which Additional Tier 1 Capital of the Issuer that ranks senior to the Capital Securities can be issued, there is no restriction on the Issuer incurring additional indebtedness or issuing securities or creating any guarantee or contractual support arrangement which would rank senior to the Capital Securities, and which may reduce the likelihood of the Solvency Conditions being met and/or the amount recoverable by holders of the Capital Securities on a winding-up or liquidation of the Issuer.

The Conditions contain limited Enforcement Events and remedies

The Enforcement Events in the Conditions are limited to: (i) a payment default by the Issuer for a period of seven days in the case of any principal and 14 days in the case of interest (save, in each case, where such failure occurs solely as a result of the occurrence of a Non-Payment Event); (ii) a final determination is made by a court or other official body that the Issuer is insolvent or bankrupt or unable to pay its debts as they fall due; (iii) an administrator is appointed, an order is made by a court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or cease, or through an official action of its board of directors threaten to cease, to carry on all or substantially all of its business or operations, in each case except: (a) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the holders of the Capital Securities; or (b) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or (iv) any event occurs which under the laws of the UAE has an analogous effect to those described in (ii) and (iii) above.

Moreover, pursuant to Condition 11 (*Enforcement Events*), upon the occurrence of an Enforcement Event, limited remedies are available to a holder of the Capital Securities. A holder of the Capital Securities may give notice to the Issuer (at the specified office of the Fiscal Agent) that the Capital Securities are due and payable at the Early Redemption Amount and thereafter: (1) institute any steps, actions or proceedings for the winding-up of the Issuer; and/or (2) prove in the winding-up of the Issuer; and/or (3) claim in the liquidation of the Issuer for such payment; and/or (4) take such other steps, actions or proceedings to enforce, prove or claim for such payment which, under the laws of the UAE, have an analogous effect to the actions referred to in (1) to (3) above (in each case, without prejudice to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*), which provides (amongst other things) that if the Solvency Conditions are not satisfied or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities). In addition, any holder of the Capital Securities may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Conditions other than any payment obligation of the Issuer (including, without limitation, payment of any principal or satisfaction of any payments in respect of the Conditions, including any damages awarded for breach of any obligations).

Furthermore, pursuant to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*), claims in respect of Senior Obligations of the Issuer would first have to be satisfied in any winding-up or liquidation before holders of the Capital Securities may expect to obtain any amounts in respect of the Capital Securities and, prior thereto, holders of the Capital Securities may only have limited (if any) ability to influence the conduct of such winding-up or liquidation. If an Enforcement Event occurs and the Issuer has failed to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished, and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.

Resettable fixed rate instruments have a market risk

A holder of an instrument with a fixed interest rate that will be reset during the term of the instrument (as will be the case for the Capital Securities with effect from each Reset Date if not previously redeemed and/or purchased and cancelled) is exposed to the risk of fluctuating interest rate levels and uncertain interest income. While the expected interest rate on the Capital Securities is fixed until the First Reset Date (with a reset of the Interest Rate on the First Reset Date as set out in the Conditions and every sixth anniversary thereafter), the current investment return rate in the capital markets (the "**market return rate**") typically changes on a daily basis. As the market return rate changes, the market value of the Capital Securities may also change, but in the opposite direction. If the market return rate increases, the market value of the Capital Securities would typically decrease. If the market return rate falls, the market value of the Capital Securities would typically increase. The holders of Capital Securities should be aware that movements in these market return rates can adversely affect the market value of the Capital Securities and can lead to losses for the holders of Capital Securities if they sell the Capital Securities.

Variation upon the occurrence of a Capital Event or a Tax Event

Upon the occurrence of a Capital Event or a Tax Event, the Issuer may, subject as provided in Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) (as the case may be) and without the need for any consent of the holders of the Capital Securities, vary the terms of the Capital Securities such that they become or remain (as appropriate) Qualifying Tier 1 Instruments and, in the case of a variation upon the occurrence of a Tax Event, so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required.

A Capital Event will arise if the Issuer is notified in writing by the Regulator to the effect that the outstanding principal amount (or the amount that qualifies as regulatory capital, if some amount of the Capital Securities is held by the Issuer or whose purchase is funded by the Issuer) of the Capital Securities would cease to be eligible to qualify, in whole or in part, for inclusion in the consolidated Additional Tier 1 Capital of the Issuer (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that the Issuer satisfies the Regulator that such non-qualification was not reasonably foreseeable at the time of issuance of the Capital Securities.

A Tax Event will arise if, on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay Additional Amounts (whether or not a Non-Payment Event has occurred), as a result of a Tax Law Change that becomes effective on or after the Issue Date (and such requirement cannot be avoided by the Issuer taking reasonable measures available to it), and provided that the Issuer satisfies the Regulator that such Tax Law Change was not reasonably foreseeable at the time of issuance of the Capital Securities.

The tax and stamp duty consequences of holding the Capital Securities following variation as contemplated in Condition 9 (*Redemption and Variation*) could be different for certain holders of the Capital Securities from the tax and stamp duty consequences for them of holding the Capital Securities prior to such variation and the Issuer shall not be responsible to any holder of the Capital Securities for any such consequences in connection therewith. No assurance can be given as to whether any of these changes will negatively affect any particular holder of the Capital Securities or the market value of the Capital Securities.

The Capital Securities may be redeemed early or purchased subject to certain requirements

Upon the occurrence of a Tax Event or a Capital Event, or at its option on the First Call Date or on any date thereafter up to and including the First Reset Date or on any Interest Payment Date following the First Reset Date, the Issuer may, having given not less than 10 nor more than 15 days' prior notice to the holders of the Capital Securities in accordance with Condition 15 (*Notices*), redeem in accordance with the Conditions all (but not some only) of the Capital Securities at the Tax Redemption Amount, Capital Event Redemption Amount or Early Redemption Amount (as applicable) (as more particularly described in Condition 9.1(b) (*Redemption and Variation – Issuer's Call Option*), Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*)).

Any redemption of the Capital Securities is subject to the requirements in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), including (to the extent then required) obtaining the prior consent of the Regulator. There can be no guarantee that the consent of the Regulator will be received on time or at all.

There is no assurance that the holders of the Capital Securities will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities. Potential investors should consider re-investment risk in light of other investments available at that time.

The exercise of (or perceived likelihood of exercise of) the redemption features of the Capital Securities may limit their market value, which is unlikely to rise substantially above the price at which the Capital Securities can be redeemed.

Any purchase of the Capital Securities by the Issuer or any of its subsidiaries is subject to the requirements in Condition 9.2 (*Redemption and Variation – Purchase*), including (to the extent then required by the Regulator or the Capital Regulations) obtaining the prior written consent of the Regulator. There can be no guarantee that the written consent of the Regulator will be received on time or at all, particularly as the Issuer has been notified by the Regulator that it will provide such written consent in exceptional cases only.

Modification

The Conditions contain provisions for calling meetings of holders of the Capital Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Capital Securities including holders of the Capital Securities who did not attend and vote at the relevant meeting and holders of the Capital Securities who voted in a manner contrary to the majority.

The Conditions also provide that the Fiscal Agent and the Issuer may agree, without the consent of holders of the Capital Securities, to any modification of any Capital Securities, in the circumstances specified in Condition 16 (*Meetings of Holders of the Capital Securities and Modification*).

The Conditions also provide that the Issuer may, without the consent or approval of the holders of the Capital Securities, vary the Conditions provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments and, in the case of a variation upon the occurrence of a Tax Event, so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required, as provided in Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*).

Change of law

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practices after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Capital Securities.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Capital Securities will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (together, the "**ICSDs**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Individual Certificates. The ICSDs and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate. While the Capital Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only though the ICSDs and their respective participants. While Capital Securities are represented by the Global Certificate, the Issuer will discharge its payment obligation under such Capital Security by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Capital Securities so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Credit ratings may not reflect all risks

As at the date of this Prospectus, the Capital Securities are not rated. However, one or more independent credit rating agencies may assign a credit rating to the Capital Securities. Any rating may not reflect the potential impact of all risks related to the transaction structure, the market, the additional factors discussed above, or any other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Prospective investors should note that this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Capital Securities changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Capital Securities may have a different regulatory treatment, which may impact the value of the Capital Securities and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Taxation risks on payments

Payments made by the Issuer in respect of the Capital Securities could become subject to taxation. Condition 12 (*Taxation*) requires the Issuer to pay additional amounts in certain circumstances in the event that any withholding or deduction is imposed by the UAE or the Emirate of Dubai in respect of any interest payments under the Capital Securities (but not in respect of principal), such that net amounts received by the holders of the Capital Securities after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Capital Securities in the absence of such withholding or deduction.

Trading in the clearing systems

As the Capital Securities have a denomination consisting of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, it is possible that such Capital Securities may be traded in amounts that are not integral multiples of U.S.$200,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than U.S.$200,000 in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding (should Individual Certificates be printed) and would need to purchase a principal amount of Capital Securities such that its holding amounts to at least U.S.$200,000 in order to be eligible to receive an Individual Certificate.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk and exchange rate risk:

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Capital Securities will develop or, if it does develop, that it will provide the holders of the Capital Securities with liquidity of investment or that it will continue for the life of the Capital Securities. The Capital Securities generally may have a more limited secondary market liquidity and may be subject to greater price volatility than conventional debt securities as they are subordinated (see "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer*") and the Conditions contain limited Enforcement Events and remedies (see "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – The Conditions contain limited Enforcement Events and remedies*").

Application has been made for the Capital Securities to be admitted to the Euronext Dublin Official List and the DFSA Official List and admitted to trading on the regulated market of Euronext Dublin and on Nasdaq Dubai. However, there can be no assurance that any such listing will occur or will enhance the liquidity of the Capital Securities.

Illiquidity may have an adverse effect on the market value of the Capital Securities. Accordingly, a holder of the Capital Securities may not be able to find a buyer to buy its Capital Securities readily or at prices that will enable the holder of the Capital Securities to realise a desired yield. The market value of the Capital Securities may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Capital Securities. Accordingly, the purchase of Capital Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Capital Securities and the financial and other risks associated with an investment in the Capital Securities.

Exchange rate risks and exchange controls

The Issuer will pay any principal and interest payable on the Capital Securities in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency"**) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease: (a) the Investor's Currency-equivalent yield on the Capital Securities; (b) the Investor's Currency-equivalent value of the principal payable on the Capital Securities; and (c) the Investor's Currency- equivalent market value of the Capital Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risk factors relating to enforcement

General

Enforcing arbitration awards and foreign judgments in Dubai

The payments under the Capital Securities are dependent upon CBD, in its capacity as an Issuer, making payments to investors in the manner contemplated under the Capital Securities. If CBD fails to do so, it may be necessary to bring an action against CBD to enforce its obligations and/or to claim damages which could be both time-consuming and costly.

CBD has irrevocably agreed to the Capital Securities, the Agency Agreement, the Deed of Covenant, (each as defined in the terms and conditions (the "**Conditions**")) and the Subscription Agreement (as defined in "*Subscription and Sale*") being governed by English law. Unresolved disputes in relation to the Capital Securities, the Agency Agreement, the Deed of Covenant and/or the Subscription Agreement (as applicable) will, unless the option to litigate set out therein is exercised, be referred to arbitration under the

LCIA Arbitration Rules with the seat of arbitration in London. In the event that such option to litigate set out therein is exercised, any dispute may also be referred to the courts of England (or another court of competent jurisdiction as the relevant party may elect). Notwithstanding that an arbitral award may be obtained from an arbitral tribunal in London or that a judgment may be obtained in an English court, there is no assurance that CBD has or would at the relevant time have assets in the United Kingdom against which such arbitral award or judgment could be enforced. CBD is a UAE company and is incorporated, and has its operations and the majority of its assets located, in the UAE. To the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Dubai have no binding effect on subsequent decisions. In addition, court decisions in Dubai are generally not recorded. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should therefore be enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the UAE courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards has been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign court judgments under the UAE. Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of Federal Law No. 11 of 1992 (as amended by Federal Law No. 30 of 2005) (the Law of Civil Procedure).

Federal Law No. 42 of 2022 Promulgating the Civil Procedure Code ("**Law of Civil Procedure**") governs the enforcement of foreign arbitral awards in the UAE. The Law of Civil Procedure confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that any conditions for enforcement of foreign arbitral awards set out therein shall not prejudice the provisions of treaties and agreements entered into by the UAE with other states, such as the New York Convention. However, there is no established track record as to how the overlapping provisions of the New York Convention and the Law of Civil Procedure will be interpreted and applied by the UAE courts in practice. In addition, there remains a risk that, notwithstanding the Law of Civil Procedure and the terms of an applicable treaties or agreements between the UAE and other states, the UAE courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. As the UAE Arbitration Law and the Law of Civil Procedure are both relatively untested, it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

There have been conflicting decisions of the onshore UAE courts with respect to the validity of asymmetrical dispute resolution clauses which provide one party with the option to choose the applicable dispute forum. Accordingly, there is a risk that the Dubai courts may find that the unilateral option to litigate in the Conditions and the relevant Transaction Documents is invalid, that its inclusion invalidates the arbitration agreement in the dispute resolution provisions thereof, or otherwise does not deprive the Dubai courts of jurisdiction in respect of any dispute thereunder. This gives rise to a risk that the Dubai courts may accept jurisdiction in contravention of the dispute resolution provisions of the Conditions and the relevant Transaction Documents, or potentially refuse to enforce an arbitral award or court judgment obtained pursuant to the dispute resolution provisions thereof. Moreover, claims may become time-barred or become subject to a counterclaim. This creates further uncertainty with respect to enforcement.

As the UAE judicial system is based on a civil code, judicial precedents in the UAE have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in the United Arab Emirates. These factors create greater judicial uncertainty.

Claims for specific enforcement

In the event that CBD fails to perform its obligations under the Capital Securities, the potential remedies available to the holders of the Capital Securities include obtaining an order for specific enforcement of the CBD's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement of a contractual obligation, which is a discretionary matter for the relevant court. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the holders of the Capital Securities to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by CBD to perform its obligations set out in the Capital Securities.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland and the DFSA, shall be incorporated by reference in, and form part of, this Prospectus:

(a) the independent auditors' review report and the unaudited condensed consolidated interim financial statements of CBD as at and for the three-month period ended 31 March 2026 (*https://www.cbd.ae/docs/default-source/document/portal/cbd-financial-statements-31-march-2026---english%20.pdf*) including the information set out at the following pages in particular:

Report on review of interim financial information	Pages 1
Condensed consolidated interim statement of financial position	Page 2
Condensed consolidated interim statement of profit or loss	Page 3
Condensed consolidated interim statement of comprehensive income	Page 4
Condensed consolidated interim statement of changes in equity	Page 5
Condensed consolidated interim statement of cash flows	Page 6
Notes to the condensed consolidated interim financial statements	Pages 7-42

(b) the independent auditors' report and audited consolidated financial statements of CBD as at and for the financial year ended 31 December 2025 (*https://www.cbd.ae/docs/default-source/document/portal/cbd-financial-statements-31-december-2025---english.pdf?sfvrsn=235b056b_2*) including the information set out at the following pages in particular:

Report of the independent auditors	Pages 2-7
Consolidated statement of financial position	Page 8
Consolidated statement of profit or loss	Page 9
Consolidated statement of profit or loss and other comprehensive income	Page 10
Consolidated statement of changes in equity	Page 11
Consolidated statement of cash flows	Page 12
Notes to the consolidated financial statements	Pages 13-110

(c) the independent auditors' report and audited consolidated financial statements of CBD as at and for the financial year ended 31 December 2024 (*https://www.cbd.ae/docs/default-source/revamp-doc/investor/cbd-financial-statements-31-december-2024---english.pdf?sfvrsn=cf01306b*) including the information set out at the following pages in particular:

Report of the independent auditors	Pages 2-7
Consolidated statement of financial position	Page 8
Consolidated statement of profit or loss	Page 9
Consolidated statement of profit or loss and other comprehensive income	Page 10
Consolidated statement of changes in equity	Page 11
Consolidated statement of cash flows	Page 12
Notes to the consolidated financial statements	Pages 13-109

All the information incorporated by reference in this Prospectus can be found at https://www.cbd.ae/aboutus/investor-relations/financial-results.

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the EU Prospectus Regulation.

Following the publication of this Prospectus, a supplement may be prepared by CBD and approved by the Central Bank of Ireland in accordance with Article 23 of the EU Prospectus Regulation, and the DFSA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of CBD and from the specified office of the Fiscal Agent for the time being in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

CBD will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Capital Securities, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Capital Securities.

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The following are the Terms and Conditions of the Capital Securities which will be incorporated by reference into the Global Certificate (as defined below) and endorsed on each Individual Certificate (if issued) in respect of the Capital Securities:

Each of the U.S.$600,000,000 Perpetual Additional Tier 1 Capital Securities (the "**Capital Securities**") is issued by Commercial Bank of Dubai P.S.C. in its capacity as issuer (the "**Issuer**") pursuant to the Deed of Covenant and the Agency Agreement (each as defined below).

Payments relating to the Capital Securities will be made pursuant to an agency agreement dated the Issue Date (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, Citibank N.A., London Branch as fiscal agent (in such capacity, the "**Fiscal Agent**" and together with any further or other paying agents appointed from time to time in respect of the Capital Securities, the "**Paying Agents**") and as transfer agent (in such capacity, the "**Transfer Agent**" and, together with any further or other transfer agents appointed from time to time in respect of the Capital Securities, the "**Transfer Agents**"), Citibank Europe plc as registrar (the "**Registrar**") and Citibank N.A., London Branch as calculation agent (the "**Calculation Agent**", which expression includes any other calculation agent appointed from time to time in respect of the Capital Securities). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these terms and conditions (the "**Conditions**") as the "**Agents**". References to the Agents or any of them shall include their successors. The Capital Securities are constituted by a deed of covenant dated the Issue Date (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer.

Any reference to "**holders**" in relation to any Capital Securities shall mean the persons in whose name the Capital Securities are registered and shall, in relation to any Capital Securities represented by a Global Certificate, be construed as provided below.

Copies of the Agency Agreement and the Deed of Covenant are obtainable during normal business hours at the specified offices of the Agents. The holders of the Capital Securities are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Deed of Covenant. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Deed of Covenant.

1. INTERPRETATION

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of any inconsistency between any such document and these Conditions, these Conditions will prevail. In addition, in these Conditions, the following expressions have the following meanings:

"**Additional Amounts**" has the meaning given to it in Condition 12 (*Taxation*);

"**Additional Tier 1 Capital**" means capital qualifying as, and approved by the Regulator as, additional tier 1 capital in accordance with the Capital Regulations;

"**Applicable Regulatory Capital Requirements**" means any requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Issuer, including transitional rules and waivers granted in respect of the foregoing;

"**Assets**" means the consolidated gross assets of the Issuer as shown in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of the Issuer, but adjusted for subsequent events in such manner as the Directors, the auditors of the Issuer or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Issuer) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

"**Authorised Denomination**" has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

"**Authorised Signatory**" means any person who is duly authorised by the Issuer to sign documents on its behalf and whose specimen signature has been provided to the Fiscal Agent;

"**Basel III Documents**" means the Basel Committee on Banking Supervision document "A global regulatory framework for more resilient banks and banking systems" released by the Basel Committee on Banking Supervision on 16 December 2010 and revised in June 2011 and the Annex contained in its document "Basel Committee issues final elements of the reforms to raise the quality of regulatory capital" on 13 January 2011;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which registered banks settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Dubai, London and New York City;

"**Call Date**" means the First Call Date and any date thereafter up to and including the First Reset Date and any Interest Payment Date following the First Reset Date;

"**Capital Event**" is deemed to have occurred if the Issuer is notified in writing by the Regulator to the effect that the outstanding principal amount (or the amount that qualifies as regulatory capital, if some amount of the Capital Securities is held by the Issuer or whose purchase is funded by the Issuer) of the Capital Securities would cease to be eligible to qualify, in whole or in part, for inclusion in the consolidated Additional Tier 1 Capital of the Issuer (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that the Issuer satisfies the Regulator that such non-qualification was not reasonably foreseeable at the time of issuance of the Capital Securities;

"**Capital Event Redemption Amount**" in relation to a Capital Security means (i) in the case of a redemption date which occurs prior to the First Call Date, 101 per cent. of its Prevailing Principal Amount together with any Outstanding Payments, and (ii) in the case of a redemption date which occurs on or after the First Call Date, 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

"**Capital Regulations**" means, at any time, the regulations, requirements, standards, guidelines and policies relating to the maintenance of capital and/or capital adequacy then in effect in the United Arab Emirates, including those of the Regulator;

"**Central Bank**" means the Central Bank of the United Arab Emirates or any successor thereto;

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

"**Code**" has the meaning given to it in Condition 7.3 (*Payments – Payments Subject to Laws*);

"**Common Equity Tier 1 Capital**" means capital qualifying as, and approved by the Regulator as common equity tier 1 capital in accordance with the Capital Regulations;

"**Day-count Fraction**" means the actual number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed of the Interest Period in which the relevant period falls (including the first such day but excluding the last));

"**Designated Account**" has the meaning given to it in Condition 7.1 (*Payments – Payments in respect of Individual Certificates*);

"**Designated Bank**" has the meaning given to it in Condition 7.1 (*Payments – Payments in respect of Individual Certificates*);

"**Directors**" means the executive and non-executive directors of the Issuer who make up its board of directors;

"**Dispute**" has the meaning given to it in Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*);

"**Distributable Items**" means the amount of the Issuer's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in the most recent audited or (as the case may be) auditor reviewed consolidated financial statements of the Issuer or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1 Capital instruments that do not constitute Common Equity Tier 1 Capital;

"**Dividend Stopper Date**" has the meaning given to it in Condition 6.3 (*Interest Cancellation - Dividend and Redemption Restrictions*);

"**Early Redemption Amount**" in relation to a Capital Security, means 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

"**Enforcement Event**" means:

(a) ***Non-payment***: the Issuer fails to pay an amount in the nature of principal or interest due and payable by it pursuant to the Conditions and the failure continues for a period of seven days in the case of principal and 14 days in the case of interest (save in each case where such failure occurs solely as a result of the occurrence of a Non-Payment Event); or

(b) ***Insolvency***: a final determination is made by a court or other official body that the Issuer is insolvent or bankrupt or unable to pay its debts as they fall due; or

(c) ***Winding-up***: an administrator is appointed, an order is made by a court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or cease, or through an official action of its board of directors threaten to cease, to carry on all or substantially all of its business or operations, in each case except: (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the holders of the Capital Securities; or (ii) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or

(d) ***Analogous Event***: any event occurs which under the laws of the United Arab Emirates has an analogous effect to any of the events referred to in paragraph (b) or (c) above;

"**Euroclear**" has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

"**Exchange Event**" has the meaning given to it in Condition 3.4 (*Transfers of Capital Securities and Exchange for Individual Certificates – Exchange for Individual Certificates*);

"**Existing Tier 1 Securities**" means the U.S.$600,000,000 Perpetual Additional Tier 1 Capital Securities issued by the Issuer on 21 October 2020 (XS2243350753);

"**Extraordinary Resolution**" has the meaning given to it in the Agency Agreement;

"**First Call Date**" means 15 January 2032;

"**First Interest Payment Date**" means 15 January 2027;

"**First Reset Date**" means 15 July 2032;

"**Global Certificate**" means the global registered certificate;

"**H.15**" means the statistical release designated as such, or any successor or replacement publication, published by the Board of Governors of the United States Federal Reserve System and "**most recent H.15**" means the H.15 published closest in time but prior to the relevant U.S. Securities Determination Date. The H.15 may be currently obtained at the following website: https://www.federalreserve.gov/releases/h15/;

"**Individual Certificate**" means a registered certificate in definitive form;

"**Initial Interest Rate**" has the meaning given to it in Condition 5.1 (*Interest – Initial Interest Rate and Interest Payment Dates*);

"**Initial Period**" means the period (from and including) the Issue Date to (but excluding) the First Reset Date;

"**Interest Payment Amount**" means, subject to Condition 6 (*Interest Cancellation*) and Condition 7 (*Payments*), the interest payable on each Interest Payment Date;

"**Interest Payment Date**" means each of 15 January and 15 July in every year, commencing on the First Interest Payment Date;

"**Interest Period**" means, in the case of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and, subsequently, the period from (and including) an Interest Payment Date to (but excluding) the succeeding Interest Payment Date;

"**Interest Rate**" means, in respect of the Initial Period, the Initial Interest Rate, and, in respect of each Reset Period thereafter, the rate calculated in accordance with the provisions of Condition 5.2 (*Interest – Interest Rate following the Initial Period*);

"**Issue Date**" means 15 July 2026;

"**Junior Obligations**" means all claims of the holders of Ordinary Shares, all payment obligations of the Issuer in respect of its Other Common Equity Tier 1 Instruments and any other payment obligations that rank or are expressed to rank junior to the Capital Securities;

"**LCIA**" means the London Court of International Arbitration;

"**Liabilities**" means the consolidated gross liabilities of the Issuer as shown in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors, the auditors of the Issuer or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Issuer) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

"**Margin**" means 2.254 per cent. per annum;

"**Non-Payment Event**" has the meaning given to it in Condition 6.1 (*Interest Cancellation – Non-Payment Event*);

"**Non-Viability Event**" means that the Regulator has notified the Issuer in writing that it has determined that the Issuer has, or will, become Non-Viable without:

(a) a Write-down; or

(b) a public injection of capital (or equivalent support);

"**Non-Viability Event Write-down Date**" shall be the date on which a Write-down will take place as specified in a relevant Non-Viability Notice, which date shall be as determined by the Regulator;

"**Non-Viability Notice**" has the meaning given to it in Condition 10.1 (*Write-down at the Point of Non-Viability – Non-Viability Notice*);

"**Non-Viable**" means: (a) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business; or (b) any other event or circumstance occurs, which is specified as constituting non-viability by the Regulator or in the Capital Regulations;

"**Obligations**" has the meaning given to it in Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*);

"**Ordinary Shares**" means ordinary shares of the Issuer;

"**Other Common Equity Tier 1 Instruments**" means securities issued by the Issuer that qualify as Common Equity Tier 1 Capital of the Issuer other than Ordinary Shares;

"**Outstanding Payments**" means, in relation to any amounts payable on redemption of the Capital Securities, an amount representing any accrued and unpaid interest for the Interest Period during which redemption occurs to the date of redemption;

"***Pari Passu* Obligations**" means the Issuer's payment obligations (as issuer or guarantor, as applicable) under the Existing Tier 1 Securities and all other subordinated payment obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Obligations;

"**Payment Day**" has the meaning given to it in Condition 7.4 (*Payments – Payment Day*);

"**Prevailing Principal Amount**" means, in respect of a Capital Security, the initial principal amount of such Capital Security as reduced by any Write-down of such Capital Security (on one or more occasions) pursuant to Condition 10 (*Write-down at the Point of Non-Viability*);

"**Proceedings**" has the meaning given to it in Condition 18.4 (*Governing Law and Dispute Resolution – Effect of Exercise of Option to Litigate*);

"**Qualifying Tier 1 Instruments**" means instruments (whether securities, trust certificates, interests in limited partnerships or otherwise) other than Ordinary Shares or Other Common Equity Tier 1 Instruments, issued directly or indirectly by the Issuer that:

(a) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital;

(b) have terms and conditions not materially less favourable to a holder of the Capital Securities than the terms and conditions of the Capital Securities (as reasonably determined by the Issuer (**provided that** in making this determination the Issuer is not required to take into account the tax treatment of the varied instrument in the hands of all or any holders of the Capital Securities, or any transfer or similar taxes that may apply on the acquisition of the new instrument) **provided that** a certification to such effect of two Authorised Signatories shall have been delivered to the Fiscal Agent prior to the variation of the terms of the Capital Securities);

(c) continue to be direct or indirect obligations of the Issuer;

(d) rank on a winding up at least *pari passu* with the Obligations;

(e) have the same outstanding principal amount and interest payment dates as the Capital Securities and at least equal interest or distribution rate or rate of return as the Capital Securities;

(f) (where the instruments are varied prior to the First Call Date) have a first call date no earlier than the First Call Date and otherwise have the same optional redemption dates as the Capital Securities (as originally issued); and

(g) if, immediately prior to the variation of the terms of the Capital Securities in accordance with Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) (as applicable): (i) the Capital Securities were listed or admitted to trading on a Regulated Market, have been listed or admitted to trading on a Regulated Market; or (ii) the Capital Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market, have been listed or admitted to trading on any internationally recognised stock exchange (including, without limitation, a Regulated Market), in each case as selected by the Issuer and notified to the holders of the Capital Securities in accordance with Condition 15 (*Notices*),

and which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital under the Capital Regulations then applicable to the Issuer (including, without limitation, such technical changes as may be required in the adoption and implementation of the Basel III Documents);

"**Record Date**" means, in the case of any Interest Payment Amount, the date falling on the 15th day before the relevant Interest Payment Date and, in the case of the payment of a Redemption Amount, the date falling two Payment Days before the date for payment of the relevant Redemption Amount (as the case may be);

"**Redemption Amount**" means the Early Redemption Amount, the Tax Redemption Amount or the Capital Event Redemption Amount (as the case may be);

"**Register**" has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

"**Regulated Market**" means a regulated market for the purposes of Directive 2014/65/EU (as amended);

"**Regulator**" means the Central Bank or any successor entity having primary bank supervisory authority with respect to the Issuer in the United Arab Emirates;

"**Relevant Date**" has the meaning given to it in Condition 12 (*Taxation*);

"**Relevant Period**" has the meaning given to it in Condition 5.1 (*Interest - Initial Interest Rate and Interest Payment Dates*);

"**Relevant Six-Year Reset Rate**" means, in respect of each Reset Period: (i) the rate per annum (expressed as a decimal) determined on the relevant U.S. Securities Determination Date equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of six years and trading in the public securities markets; or (ii) if there is no such published U.S. Treasury security with a maturity of six years and trading in the public securities markets, the rate determined on the relevant U.S. Securities Determination Date by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market: (A) one maturing as close as possible to, but earlier than, the immediately following Reset Date; and (B) the other maturing as close as possible to, but later than, the immediately following Reset Date, in each case as published in the most recent H.15. In respect of any Reset Period, if the Issuer cannot procure the determination of the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date pursuant to the methods described in (i) and (ii) above, then the Relevant Six-Year Reset Rate will be: (a) equal to the rate applicable to the immediately preceding Reset Period; or (b) in the case of the Reset Period commencing on the First Reset Date, 4.371 per cent.;

"**Reset Date**" means the First Reset Date and every sixth anniversary thereafter;

"**Reset Period**" means the period from and including the First Reset Date to but excluding the following Reset Date, and each successive period thereafter from and including such Reset Date to but excluding the next succeeding Reset Date;

"**Rules**" has the meaning given to it in Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*);

"**Senior Obligations**" means all unsubordinated payment obligations of the Issuer (including payment obligations to the Issuer's depositors in respect of their due claims) and all subordinated payment obligations (if any) of the Issuer except Junior Obligations or *Pari Passu* Obligations;

"**Solvency Conditions**" has the meaning given to it in Condition 4.3 (*Status and Subordination – Solvency Conditions*);

"**Solvent**" means that: (i) the Issuer is able to pay its debts as they fall due; and (ii) the Issuer's Assets exceed its Liabilities;

"**Tax Event**" means on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay Additional Amounts (whether or not a Non-Payment

Event has occurred), as a result of any change in, or amendment to or interpretation of, the laws, published practice or regulations of a Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations (each, a "**Tax Law Change**"), which Tax Law Change becomes effective on or after the Issue Date (and such requirement cannot be avoided by the Issuer taking reasonable measures available to it), and provided that the Issuer satisfies the Regulator that such Tax Law Change was not reasonably foreseeable at the time of issuance of the Capital Securities;

"**Tax Jurisdiction**" has the meaning given to it in Condition 12 (*Taxation*);

"**Tax Law Change**" has the meaning given to it in the definition of "Tax Event";

"**Tax Redemption Amount**" in relation to a Capital Security means 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

"**Taxes**" has the meaning given to it in Condition 12 (*Taxation*);

"**Tier 1 Capital**" means capital qualifying as, and approved by the Regulator as, tier 1 capital in accordance with the Capital Regulations;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

"**U.S. Securities Determination Date**" means the second U.S. Government Securities Business Day before the commencement of the Reset Period for which the rate will apply;

"**Write-down**" means:

(a) the holders' rights under the Capital Securities shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount;

(b) in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled; and

(c) all rights of any holder for payment of any amounts under or in respect of the Capital Securities (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event), in a proportion corresponding to the relevant Write-down Amount (and any corresponding Interest Payment Amounts), shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date,

and all references to "**Written-down**" shall be construed accordingly; and

"**Write-down Amount**" means, in relation to any Non-Viability Event Write-down Date, the amount as determined by the Regulator by which the aggregate Prevailing Principal Amount of the Capital Securities then outstanding is to be Written-down on a *pro rata* basis and shall be calculated per Capital Security by reference to the Prevailing Principal Amount of each Capital Security then outstanding which is to be Written-down.

All references in these Conditions to "**U.S. dollars**", "**U.S.$**" and "**$**" are to the lawful currency of the United States of America.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

The Capital Securities are issued in registered form in principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (each an "**Authorised Denomination**"). An Individual Certificate will be issued to each holder of the Capital Securities in respect of its registered holding of Capital Securities. Each Individual Certificate will be numbered serially with an identifying number which will be recorded on the relevant Individual Certificate and in the register of holders of the Capital Securities (the "**Register**").

Upon issue, the Capital Securities will be represented by the Global Certificate which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. The Conditions are supplemented by certain provisions contained in the Global Certificate.

2.2 Title

The holder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the certificate issued in respect of it) and no person will be liable for so treating the holder.

For so long as any of the Capital Securities is represented by the Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Capital Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by each of the Issuer and the Agents as the holder of such principal amount of such Capital Securities for all purposes other than with respect to the payment of principal or interest on such principal amount of such Capital Securities, for which purpose the registered holder of the Global Certificate shall be treated by each of the Issuer and any Agent as the holder of such principal amount of such Capital Securities in accordance with and subject to the terms of the Global Certificate.

3. TRANSFERS OF CAPITAL SECURITIES AND EXCHANGE FOR INDIVIDUAL CERTIFICATES

3.1 Transfers of Interests in the Global Certificate

Capital Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg (as the case may be).

3.2 Transfer of Individual Certificates

Subject to the conditions set forth in the Agency Agreement, Capital Securities represented by Individual Certificates may be transferred in whole or in part (in Authorised Denominations). In order to effect any such transfer: (a) the holder or holders must: (i) surrender the relevant Individual Certificate(s) for registration of the transfer of the Capital Security (or the relevant part of the Capital Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in schedule 4 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which commercial banks are open for business (including dealings in foreign currencies) in the cities where the specified office of the Registrar and (if applicable) the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Individual Certificate of a like aggregate principal amount to the Capital Security (or the relevant part of the Capital Security) transferred. In the case of the transfer of part only of a Capital Security represented by an Individual Certificate, a new Individual Certificate in respect of the balance of the Capital Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

3.3 **Costs of Registration**

Holders of the Capital Securities will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3.4 **Exchange for Individual Certificates**

Interests in the Global Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Certificates only upon the occurrence of an Exchange Event (as defined below). The Issuer will give notice to holders of the Capital Securities in accordance with Condition 15 (*Notices*) if an Exchange Event occurs as soon as practicable thereafter. For these purposes, an "**Exchange Event**" shall occur if: (a) an Enforcement Event has occurred; or (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of legal holiday) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Issuer is available.

In such circumstances, the Global Certificate shall be exchanged in full for Individual Certificates and the Issuer will, at the cost of the Issuer, cause sufficient Individual Certificates to be executed and delivered to the Registrar within 10 days following the request for exchange for completion and dispatch to the holders of the Capital Securities.

3.5 **Closed Periods**

No holder of Capital Securities may require the transfer of a Capital Security to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of such Capital Security.

3.6 **Other**

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as shall have been approved by the Issuer and the Fiscal Agent.

4. **STATUS AND SUBORDINATION**

4.1 **Status of the Capital Securities**

Each Capital Security will rank *pari passu*, without preference or priority, with all other Capital Securities.

4.2 **Subordination of the Capital Securities**

(a) The payment obligations of the Issuer under the Capital Securities (the "**Obligations**") will: (i) constitute Additional Tier 1 Capital of the Issuer; (ii) constitute direct, unsecured, conditional (as described in Condition 4.2(b) (*Status and Subordination – Subordination of the Capital Securities*) and Condition 4.3 (*Status and Subordination – Solvency*

Conditions)) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (iii) rank subordinate and junior to all Senior Obligations (but not further or otherwise); (iv) rank *pari passu* with all *Pari Passu* Obligations; and (v) rank in priority only to all Junior Obligations.

(b) Notwithstanding any other provisions in these Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.

(c) Subject to applicable law, each holder of the Capital Securities unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Obligations. No collateral is or will be given for the Obligations and any collateral that may have been or may in the future be given in connection with other obligations of the Issuer shall not secure the Obligations.

4.3 **Solvency Conditions**

Payments in respect of the Obligations by the Issuer are conditional upon the following conditions (together, the "**Solvency Conditions**"):

(a) the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations;

(b) the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations and still be Solvent immediately thereafter; and

(c) the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

4.4 **Other Issues**

So long as any of the Capital Securities remain outstanding, the Issuer will not issue any securities (regardless of name or designation) or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes (whether on a solo, or a solo consolidated or a consolidated basis) Additional Tier 1 Capital of the Issuer if claims in respect of such securities, guarantee or contractual support arrangement would rank (as regards distributions on a return of assets on a winding-up or in respect of distribution or payment of dividends and/or any other amounts thereunder) senior to the Obligations. This prohibition will not apply if at the same time or prior thereto these Conditions are amended to ensure that: (a) the holders obtain; and/or (b) the Obligations have, in each case, the benefit of such of those rights and entitlements as are contained in or attached to such securities or under such guarantee or contractual support arrangement as are required so as to ensure that claims in respect of the Obligations rank *pari passu* with, and contain substantially equivalent rights of priority as to distributions or payments on, such securities or under such guarantee or contractual support arrangement.

5. **INTEREST**

5.1 **Initial Interest Rate and Interest Payment Dates**

Subject to Condition 6 (*Interest Cancellation*), the Capital Securities shall, during the Initial Period, bear interest at a rate of 6.625 per cent. per annum (the "**Initial Interest Rate**") on the Prevailing Principal Amount of the Capital Securities in accordance with the provisions of this

Condition 5. The Interest Payment Amount payable on each Interest Payment Date during the Initial Period shall be U.S.$33.125 per U.S.$1,000 in principal amount of the Capital Securities.

Subject to Condition 6 (*Interest Cancellation*), interest shall be payable on the Capital Securities semi-annually in arrear on each Interest Payment Date, in each case as provided in this Condition 5. Interest is discretionary, will not be cumulative and any interest which is not paid will not accumulate or compound and holders of the Capital Securities will have no right to receive such interest at any time, even if interest is paid in the future.

If interest is required to be calculated in respect of a period of less than a full Interest Period (the "**Relevant Period**"), it shall be calculated as an amount equal to the product of: (a) the applicable Interest Rate; (b) the Prevailing Principal Amount of the relevant Capital Security then outstanding; and (c) the applicable Day-count Fraction for the Relevant Period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

5.2 **Interest Rate following the Initial Period**

For the purpose of calculating payments of interest following the Initial Period, the Interest Rate will be reset on each Reset Date on the basis of the aggregate of the Margin and the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date, as determined by the Calculation Agent.

The Calculation Agent will, as soon as practicable upon determination of the Interest Rate which shall apply to the Reset Period commencing on the relevant Reset Date, cause the applicable Interest Rate and the corresponding Interest Payment Amount to be notified to each of the Paying Agents and the holders of the Capital Securities in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter.

5.3 **Determinations of Calculation Agent Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions by the Calculation Agent given, expressed, made or obtained for the purposes of this Condition 5, shall (in the absence of manifest error) be binding on the other Agents and the holders of the Capital Securities and (in the absence of manifest error) no liability to the holders of the Capital Securities shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6. **INTEREST CANCELLATION**

6.1 **Non-Payment Event**

Notwithstanding Condition 5.1 (*Interest – Initial Interest Rate and Interest Payment Dates*), subject to Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*), if any of the following events occurs (each, a "**Non-Payment Event**"), Interest Payment Amounts shall not be paid on the corresponding Interest Payment Date:

(a) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Issuer on any *Pari Passu* Obligations having the same date in respect of payment of such distributions or amounts as, or otherwise due and payable on, the date for payment of Interest Payment Amounts, exceeds, on the relevant date for payment of such Interest Payment Amount, the Distributable Items;

(b) the Issuer is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to breach of capital buffers imposed on the Issuer by the Regulator, as appropriate) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof;

(c) the Regulator having notified the Issuer that the Interest Payment Amount due on that Interest Payment Date should not be paid for any reason the Regulator may deem necessary;

(d) the Solvency Conditions are not satisfied (or would no longer be satisfied if the relevant Interest Payment Amount was paid); or

(e) the Issuer, in its sole discretion, has elected that Interest Payment Amounts shall not be paid to holders of the Capital Securities on such Interest Payment Date (other than in respect of any amounts due on any date on which the Capital Securities are to be redeemed in full, in respect of which this paragraph (e) does not apply), including, without limitation, if the Issuer incurs a net loss during the relevant Interest Period.

6.2 **Effect of Non-Payment Event**

If a Non-Payment Event occurs, then the Issuer shall give notice to the Fiscal Agent and the holders of the Capital Securities (in accordance with Condition 15 (*Notices*)) (which notice shall be revocable) providing details of the Non-Payment Event as soon as practicable (or, in the case of a Non-Payment Event pursuant to Condition 6.1(e) (*Interest Cancellation – Non-Payment Event*), no later than five Business Days prior to such event). However, any failure to provide such notice will not invalidate the cancellation of the relevant payment of the Interest Payment Amount. In the absence of notice of a Non-Payment Event having been given in accordance with this Condition 6.2, the fact of non-payment of an Interest Payment Amount on the relevant Interest Payment Date shall be evidence of the occurrence of a Non-Payment Event.

Holders of the Capital Securities shall have no claim in respect of any Interest Payment Amount not paid as a result of a Non-Payment Event (whether or not notice of such Non-Payment Event has been given in accordance with this Condition 6.2) and any non-payment of an Interest Payment Amount in such circumstances shall not constitute an Enforcement Event. The Issuer shall not make or shall not have any obligation to make any subsequent payment in respect of any such unpaid Interest Payment Amount.

6.3 **Dividend and Redemption Restrictions**

If any Interest Payment Amount is not paid as a consequence of a Non-Payment Event pursuant to Condition 6.1 (*Interest Cancellation - Non-Payment Event*), then, from the date of such Non-Payment Event (the "**Dividend Stopper Date**"), the Issuer will not, so long as any of the Capital Securities are outstanding:

(a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Ordinary Shares (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or

(b) declare or pay profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, *pari passu* with or junior to the Obligations (excluding securities the terms of which do not at the relevant time enable the Issuer to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the Capital Regulations for Tier 1 Capital applicable from time to time; or

(c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Ordinary Shares; or

(d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by the Issuer ranking, as to the right of repayment of capital, *pari passu* with or junior to the Obligations (excluding securities the terms of which stipulate a mandatory redemption or conversion into equity), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the Capital Regulations for Tier 1 Capital applicable from time to time,

in each case unless or until one Interest Payment Amount following the Dividend Stopper Date has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the holders of the Capital Securities).

7. PAYMENTS

7.1 Payments in respect of Individual Certificates

Subject as provided below, payments will be made by credit or transfer to an account maintained by the payee with, or, at the option of the payee, by a cheque drawn on, a bank in New York City.

Payments of principal in respect of each Capital Security will be made against presentation and surrender of the Individual Certificate at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Capital Security appearing in the Register at the close of business in the place of the Registrar's specified office on the Record Date. Notwithstanding the previous sentence, if: (a) a holder does not have a Designated Account; or (b) the principal amount of the Capital Securities held by a holder is less than U.S.$200,000, payment will instead be made by a cheque in U.S. dollars drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means a bank in New York City.

Payments of interest in respect of each Capital Security will be made by a cheque in U.S. dollars drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Capital Security appearing in the Register at the close of business in the place of the Registrar's specified office on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Capital Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Capital Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payments of interest due in respect of each Capital Security on redemption will be made in the same manner as payment of the principal amount of such Capital Security.

Holders of Capital Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Capital Security as a result of a cheque posted in accordance with this Condition 7.1 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Capital Securities.

7.2 Payments in respect of the Global Certificate

The holder of the Global Certificate shall be the only person entitled to receive payments in respect of Capital Securities represented by the Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Capital Securities represented by such Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be), for his share of each payment so made by the Issuer, or to the order of, the holder of such Global Certificate. Each payment made in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business.

7.3 Payments Subject to Laws

All payments are subject in all cases to: (a) any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*); and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the

U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law in any jurisdiction implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of the Capital Securities in respect of such payments.

7.4 **Payment Day**

If the date for payment of any amount in respect of the Capital Securities is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 13 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and London.

7.5 **Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Capital Securities shall be deemed to include, as applicable:

(a) the Early Redemption Amount of the Capital Securities;

(b) the Capital Event Redemption Amount of the Capital Securities; and

(c) the Tax Redemption Amount of the Capital Securities.

Any reference in the Conditions to interest or Interest Payment Amounts in respect of the Capital Securities shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 12 (*Taxation*).

8. **AGENTS**

The names of the initial Agents are set out above and their initial specified offices are set out in the Agency Agreement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that**:

(a) there will at all times be a Fiscal Agent and a Registrar;

(b) with effect from the U.S. Securities Determination Date prior to the First Reset Date, and so long as any Capital Securities remain outstanding thereafter, there will be a Calculation Agent;

(c) so long as the Capital Securities are listed on any stock exchange or admitted to listing, trading and/or quotation by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) there will at all times be a Paying Agent and a Transfer Agent with a specified office in Europe.

Subject to the Agency Agreement, any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the holders of the Capital Securities in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any holders of the Capital Securities. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

9. **REDEMPTION AND VARIATION**

9.1 **Redemption and Variation**

(a) ***No Fixed Redemption Date and Conditions for Redemption and Variation***

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4 (*Status and Subordination*), Condition 10 (*Write-down at the Point of Non-Viability*) and Condition 11 (*Enforcement Events*) and without prejudice to the provisions of Condition 13 (*Prescription*)) only have the right to redeem the Capital Securities or vary the terms thereof upon satisfaction of and in accordance with the following provisions of this Condition 9.

The redemption of the Capital Securities or variation of the Conditions, in each case pursuant to this Condition 9, is subject to the following conditions (to the extent then required by the Regulator or the Capital Regulations):

(i) the prior consent of the Regulator;

(ii) the requirement that both at the time when the relevant notice of redemption or variation is given and immediately following such redemption or variation (as applicable), the Issuer is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements; and

(iii) the Solvency Conditions being satisfied.

(b) ***Issuer's Call Option***

Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (which notice shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Securities at the Early Redemption Amount (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

Redemption of the Capital Securities pursuant to this Condition 9.1(b) may only occur on a Call Date.

(c) ***Redemption or Variation due to Taxation***

(i) Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), upon the occurrence of a Tax Event, the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*): (1) redeem all, but not some only, of the Capital Securities at the Tax Redemption Amount; or (2) vary the terms of the Capital Securities provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments and so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required, in each case without any requirement for consent or approval of the holders of the Capital Securities.

(ii) Redemption of the Capital Securities, or variation of the Conditions, in each case pursuant to this Condition 9.1(c) may occur on any date after the Issue Date (whether or not such date is an Interest Payment Date).

(iii) At the same time as the publication of any notice of redemption or variation (as the case may be) pursuant to this Condition 9.1(c), the Issuer shall give to the Fiscal Agent: (1) a certificate signed by two Authorised Signatories of the Issuer stating that: (A) the relevant conditions set out in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*) have been satisfied; (B) a Tax Event has occurred; and (C) in the case of a variation only, the varied Capital Securities will be Qualifying Tier 1 Instruments and that the Regulator has confirmed that the varied Capital Securities will satisfy limb (a) of the definition of Qualifying Tier 1 Instruments; and (2) an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay Additional Amounts as a result of the Tax Event. Such certificate delivered in accordance with this Condition 9.1(c) shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out in (1)(A) to (C) above. Upon expiry of such notice, the Issuer shall redeem or vary the terms of the Capital Securities (as the case may be) (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

(d) ***Redemption or Variation for Capital Event***

(i) Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), upon the occurrence of a Capital Event, the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*): (1) redeem all, but not some only, of the Capital Securities at the Capital Event Redemption Amount; or (2) solely for the purpose of ensuring compliance with Applicable Regulatory Capital Requirements vary the terms of the Capital Securities provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments, in each case without any requirement for consent or approval of the holders of the Capital Securities.

(ii) Redemption of the Capital Securities, or variation of the Conditions, pursuant to this Condition 9.1(d) may occur on any date after the Issue Date (whether or not an Interest Payment Date).

(iii) At the same time as the delivery of any notice of redemption or variation (as the case may be) pursuant to this Condition 9.1(d), the Issuer shall give to the Fiscal Agent a certificate signed by two Authorised Signatories stating that: (1) the relevant conditions set out in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*) have been satisfied; (2) a Capital Event has occurred; and (3) in the case of a variation only, the varied Capital Securities will be Qualifying Tier 1 Instruments and that the Regulator has confirmed that the varied Capital Securities will satisfy limb (a) of the definition of Qualifying Tier 1 Instruments. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out above. Upon expiry of such notice, the Issuer shall redeem or vary the terms of the Capital Securities (as the case may be) (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

(e) ***Taxes upon Variation***

In the event of a variation in accordance with Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation)* or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*), the Issuer will not be obliged to pay and will not pay any liability of any holder of the Capital Securities to corporation tax, corporate income tax or tax on profits or gains or any similar tax arising in respect of the variation of the terms of the Capital Securities **provided that** (in the case of a Tax Event) or so that (in the case of a Capital Event) they become or, as appropriate, remain, Qualifying Tier 1 Instruments, including in respect of any stamp duty or similar other taxes arising on any subsequent transfer, disposal or deemed disposal of the Qualifying Tier 1 Instruments by such holder of the Capital Securities.

(f) ***No redemption in the case of a Non-Viability Notice being delivered***

The Issuer may not give a notice of redemption under this Condition 9.1 if a Non-Viability Notice has been given in respect of the Capital Securities. If a Non-Viability Notice is given after a notice of redemption has been given by the Issuer under this Condition 9.1 but before the relevant date fixed for redemption, such notice of redemption shall be deemed not to have been given and the Capital Securities shall not be redeemed.

9.2 **Purchase**

Subject to the Issuer (to the extent then required by the Regulator or the Capital Regulations): (a) obtaining the prior written consent of the Regulator; (b) being in compliance with the Applicable Regulatory Capital Requirements immediately following such purchase; and (c) being Solvent at the time of purchase, the Issuer or any of its subsidiaries may purchase the Capital Securities in the open market or otherwise at such price(s) and upon such other conditions as may be agreed upon between the Issuer or the relevant subsidiary (as the case may be) and the relevant holders of Capital Securities. Upon any such purchase, the Issuer may (but shall not be obliged to) deliver such Capital Securities for cancellation.

9.3 **Cancellation**

All Capital Securities which are redeemed will forthwith be cancelled. All Capital Securities so cancelled and any Capital Securities purchased and cancelled pursuant to Condition 9.2 (*Redemption and Variation – Purchase*) cannot be reissued or resold.

10. **WRITE-DOWN AT THE POINT OF NON-VIABILITY**

10.1 **Non-Viability Event**

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 10.2 (*Write down at the Point of Non-Viability – Non-Viability Notice*).

10.2 **Non-Viability Notice**

On the third Business Day following the date on which a Non-Viability Event occurs (or on such earlier date as determined by the Regulator), the Issuer will notify the Fiscal Agent, the Registrar and the holders of the Capital Securities thereof (in accordance with Condition 15 (*Notices*)) (such notice, a "**Non-Viability Notice**"). A Write-down will occur on the Non-Viability Event Write-down Date. In the case of a Write-down resulting in the reduction of the Prevailing Principal Amount of each Capital Security then outstanding to nil, with effect from the Non-Viability Event Write-down Date, the Capital Securities will be automatically cancelled and the holders shall not be entitled to any claim for any amount in connection with the Capital Securities.

11. **ENFORCEMENT EVENTS**

11.1 **Enforcement Event**

Upon the occurrence of an Enforcement Event, any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 10 (*Write down at the Point of Non-Viability*) and Condition 11.4 (*Enforcement Events – Restrictions*) become forthwith due and payable at its Early Redemption Amount, without presentation, demand, protest or other notice of any kind.

11.2 **Dissolution Remedies**

To the extent permitted by applicable law and by these Conditions, any holder of the Capital Securities may at its discretion (i) institute any steps, actions or proceedings for the winding-up of the Issuer and/or (ii) prove in the winding-up of the Issuer and/or (iii) claim in the liquidation of the Issuer and/or (iv) take such other steps, actions or proceedings which, under the laws of the United Arab Emirates, have an analogous effect to the actions referred to in (i) to (iii) above (in each case, without prejudice to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*)), for such payment referred to in Condition 11.1 (*Enforcement Events – Enforcement Event*), but the institution of any such steps, actions or proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it. Subject to Condition 11.3 (*Enforcement Events – Performance Obligations*), no remedy against the Issuer, other than the steps, actions or proceedings to enforce, prove or claim referred to in this Condition 11, and the proving or claiming in any dissolution/winding-up or liquidation of the Issuer, shall be available to the holders of the Capital Securities, whether for the recovering of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Capital Securities.

11.3 **Performance Obligations**

Without prejudice to the other provisions of this Condition 11, any holder of the Capital Securities may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under these Conditions, in each case, other than any payment obligation of the Issuer (including, without limitation, payment of any principal or satisfaction of any payments in respect of the Conditions, including any damages awarded for breach of any obligations). However, in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

11.4 **Restrictions**

All claims by any holder of the Capital Securities against the Issuer (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer under the Capital Securities) shall be subject to, and shall be superseded by: (i) the provisions of Condition 10 (*Write-down at the Point of Non-Viability*), irrespective of whether the relevant Non-Viability Event occurs prior to or after the event which is the subject matter of the claim and (ii) the provisions of Condition 4 (*Status and Subordination*), irrespective of whether the breach of a Solvency Condition at the relevant time or the issue of a bankruptcy order in respect of the Issuer occurs prior to or after the event which is the subject matter of the claim.

12. **TAXATION**

All payments of principal and interest in respect of the Capital Securities by the Issuer will be made free and clear of, without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Tax Jurisdiction ("**Taxes**") unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of Interest Payment Amounts (but not in respect of principal) as shall be necessary in order that the net amounts received by the holders of the Capital Securities after such withholding or deduction shall equal the respective Interest Payment Amount(s) which would otherwise have been receivable in respect of the Capital Securities (as the case may be), in the absence of such withholding or deduction ("**Additional Amounts**"); except that no such Additional Amounts shall be payable with respect to any Capital Security:

(a) presented for payment (where presentation is required) by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Capital Security; or

(b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day; or

(c) presented for payment in a Tax Jurisdiction.

As used in these Conditions:

(i) "**Tax Jurisdiction**" means the United Arab Emirates or Dubai or, in each case, any political sub division or any authority thereof or therein having power to tax; and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) that, upon further presentation of the Capital Security in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.

Notwithstanding any other provision in these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Capital Securities for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

13. PRESCRIPTION

Subject to applicable law, claims for payment in respect of the Capital Securities will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

14. REPLACEMENT OF INDIVIDUAL CERTIFICATES

Should any Individual Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Individual Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Individual Certificate) and otherwise as the Issuer and the Registrar may require. Mutilated or defaced Individual Certificates must be surrendered before replacements will be issued.

15. NOTICES

All notices to the holders of the Capital Securities will be valid if mailed to them at their respective addresses in the register of the holders of the Capital Securities maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Capital Securities are for the time being admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

For so long as all the Capital Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices may be given by delivery of the relevant notice to those clearing systems for communication to the holders rather than by mailing as provided for in the paragraph above except that, so long as the Capital Securities are listed on any stock exchange and/or admitted to listing, trading and/or quotation by any other relevant authority, notices shall also be published in accordance with the rules of such stock exchange or other relevant authority on which the Capital Securities are admitted to listing, trading and/or quotation. Any such notice shall be deemed to have been given on the day on which such notice is delivered to the relevant clearing systems.

Notices to be given by any holder of the Capital Securities shall be in writing and given by lodging the same, together (in the case of any Individual Certificate) with the relevant Individual Certificate(s), with the Registrar. Whilst any of the Capital Securities are represented by a Global Certificate, such notice may be given by any holder of a Capital Security to the Registrar through Euroclear and/or Clearstream, Luxembourg (as the case may be), in such manner as the Registrar, and Euroclear and/or Clearstream, Luxembourg (as the case may be) may approve for this purpose.

16. MEETINGS OF HOLDERS OF THE CAPITAL SECURITIES AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the holders of the Capital Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Capital Securities or any of the provisions of the Agency Agreement or the Deed of Covenant. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by holders of the Capital Securities holding not less than 10 per cent. in principal amount of the Capital Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate not less than 50 per cent. in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Capital Securities whatever the principal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities (as specified in the Agency Agreement, and including (without limitation) modifying any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Capital Securities, altering the currency of payment of the Capital Securities or modifying the provisions concerning the quorum required at any meeting of holders of the Capital Securities or the majority required to pass the Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Capital Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Capital Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Capital Securities shall be binding on all the holders of the Capital Securities, whether or not they are present at the meeting, and whether or not they voted on the resolution.

The Agency Agreement provides that a written resolution signed by or on behalf of all the holders of Capital Securities shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of the Capital Securities duly convened and held. Such a written resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the holders of the Capital Securities. Such a written resolution will be binding on all holders of the Capital Securities whether or not they participated in such written resolution.

The Fiscal Agent and the Issuer may agree, without the consent of the holders of the Capital Securities, to:

(a) any modification (except as mentioned above) of the Capital Securities, the Agency Agreement or the Deed of Covenant which is not prejudicial to the interests of the holders of the Capital Securities (as determined by the Issuer in its sole opinion); or

(b) any modification of the Capital Securities, the Agency Agreement or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

In addition, the Fiscal Agent shall be obliged to agree to such modifications of the Capital Securities, the Agency Agreement or the Deed of Covenant as may be required in order to give effect to Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) in connection with any variation of the Capital Securities upon the occurrence of a Tax Event or a Capital Event (as applicable).

Any such modification shall be binding on the holders of the Capital Securities and any such modification shall be notified to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. **GOVERNING LAW AND DISPUTE RESOLUTION**

18.1 **Governing law**

The Agency Agreement, the Deed of Covenant and the Capital Securities, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Capital Securities, are governed by, and shall be construed in accordance with, English law.

18.2 **Arbitration**

Subject to Condition 18.3 (*Governing Law and Dispute Resolution – Option to Litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Capital Securities (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute, claim, difference or controversy relating to any non-contractual obligations arising out of or in connection with the Capital Securities) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 18.2. For these purposes:

(a) the seat of arbitration shall be London;

(b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party hereto and shall be an attorney experienced in international securities transactions; and

(c) the language of the arbitration shall be English.

18.3 **Option to Litigate**

Notwithstanding Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*) above, any holder of the Capital Securities may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 18.4 (*Governing Law and Dispute Resolution – Effect of Exercise of Option to Litigate*) and, subject as provided below, any arbitration commenced under Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*) in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the relevant holder of the Capital Securities must also promptly give notice to the Registrar (as defined in the Rules) and to any arbitrator already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the Registrar, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

(i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(ii) his entitlement to be paid his proper fees and disbursements; and

(iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

18.4 **Effect of Exercise of Option to Litigate**

In the event that a notice pursuant to Condition 18.3 (*Governing Law and Dispute Resolution – Option to Litigate*) is issued, the following provisions shall apply:

(a) subject to Condition 18.4(c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer irrevocably submits to the exclusive jurisdiction of such courts;

(b) the Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute; and

(c) this Condition 18.4 (*Effect of Exercise of Option to Litigate*) is for the benefit of the holders of the Capital Securities only. As a result, and notwithstanding paragraph (a) above, any holder of the Capital Securities may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, any holder of the Capital Securities may take concurrent Proceedings in any number of jurisdictions.

18.5 **Service of Process**

The Issuer appoints Process Servers Ltd at its registered office (currently at 41 Devonshire Street, London W1G 7AJ, United Kingdom) as its agent for service of process in any Proceedings before the English courts in relation to any Dispute and agrees that, in the event of Process Servers Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.6 **Waiver of Immunity**

The Issuer hereby irrevocably and unconditionally waives, with respect to the Capital Securities, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or Disputes.

USE OF PROCEEDS

The proceeds from the issue of the Capital Securities will be U.S.$600,000,000, the estimated commissions will be U.S.$1,380,000 and the proceeds will be applied by the Issuer for its general corporate purposes and to further strengthen its capital base.

DESCRIPTION OF CBD

Overview

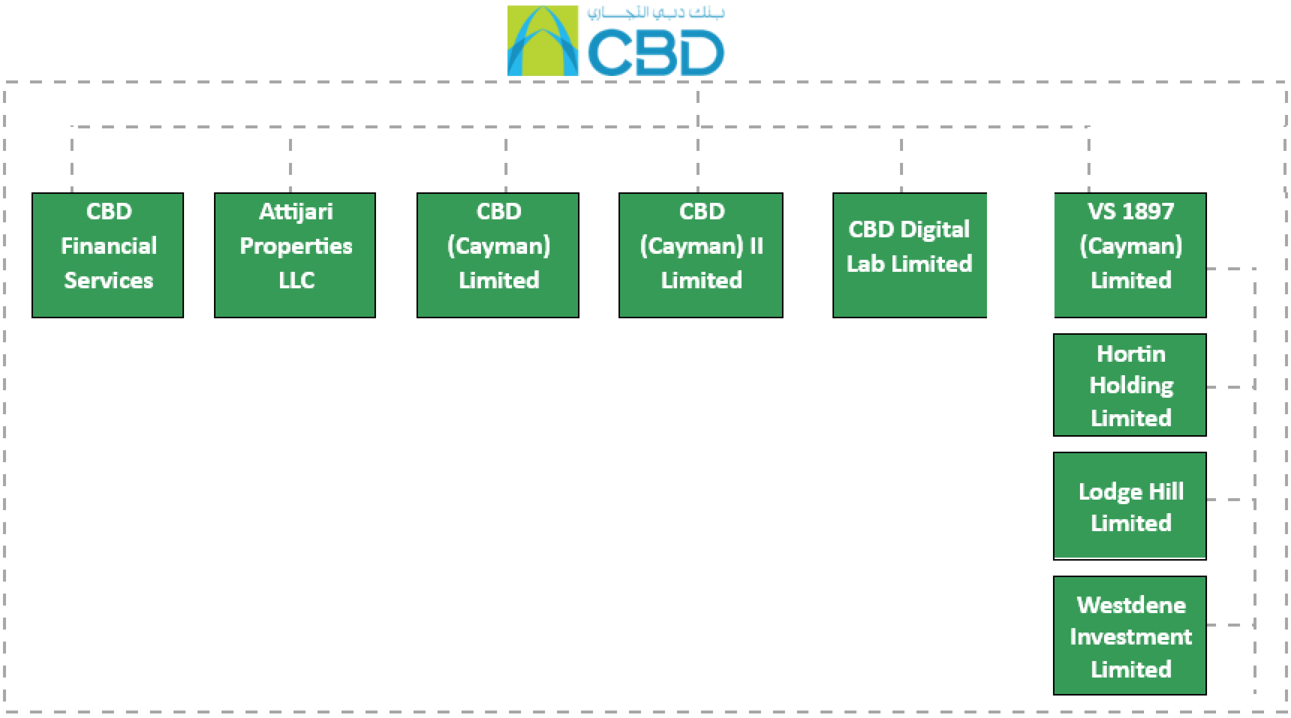
CBD was incorporated in Dubai, UAE, on 4 July 1969 pursuant to an Emiri Decree. CBD is registered as a Public Joint Stock Company in accordance with Federal Law No. 32 of 2021. CBD's commercial registration number is 1010121, its registered office is Al Ittihad Street, P.O. Box 2668, Dubai, United Arab Emirates and its telephone number is +971-600575556 and its website is www.cbd.ae.

CBD offers a range of banking products and services in the UAE primarily to institutional and corporate customers, including loans, working capital financing, trade finance products and deposit accounts. CBD also offers personal banking products to retail customers, including deposit accounts, personal loans and mortgage products. Since 2008, CBD has provided Sharia compliant financial services to corporate and retail customers through its "CBD Al Islami" finance division. As at the date of this Prospectus, CBD has the following principal wholly owned subsidiaries (collectively, CBD and all of its subsidiaries are referred to as the "**Group**") and the Group has an interest in an associate company (which is an entity over which the Group has significant influence):

1. CBD Financial Services LLC ("CBD Financial Services"), which provides brokerage facilities for local shares and bonds;
2. Attijari Properties LLC ("Attijari Properties"), which provides self-owned property management services as well as engaging in the buying and selling of real estate
3. CBD Digital Lab Limited, which provides technology and research development to the parent entity.
4. CBD (Cayman) Limited a special purpose entity established and registered in the Cayman Islands in 2015 in order to issue debt securities;
5. CBD (Cayman) II Limited a special purpose entity established and registered in the Cayman Islands in 2016 in order to transact and negotiate derivative agreements;
6. VS 1897 (Cayman) Limited, a special purpose entity established and registered in the Cayman Islands on 20 December 2018 to manage investments acquired in the settlement of debt;
7. Hortin Holding Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt;
8. Lodge Hill Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt; and
9. Westdene Investment Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt.

CBD also has one associate company, National General Insurance Co. PJSC ("**NGI**") in which CBD holds a 17.8 per cent. shareholding. NGI underwrites all classes of life and general insurance business as well as certain reinsurance business.

The following diagram summarises CBD's Group structure as at the date of this Prospectus:



CBD categorises its business into four business segments: Institutional Banking; Corporate Banking; Personal Banking; and Trading & Other. As at 31 December 2025, the assets of the Institutional Banking and Corporate Banking segments together accounted for AED 86.7 billion, or 54.1 per cent. of CBD's total assets and their combined total liabilities amounted to AED 75.9 billion, or 53.9 per cent. of CBD's total liabilities. As at 31 December 2024, the assets of the Institutional Banking and Corporate Banking segments together accounted for AED 83.4 billion, or 59.5 per cent. of CBD's total assets and their combined total liabilities amounted to AED 66.8 billion, or 54.5 per cent. of CBD's total liabilities.

CBD operates across the UAE through a network of nine branches (of which six are in Dubai). CBD offers conventional as well as Sharia compliant Islamic products through these branches. CBD also operates one sales office as well as 96 automated teller machines ("**ATMs**") and cash deposit machines ("**CDMs**"). As at 31 December 2025, CBD employed 1,149 staff. As at 31 December 2024, CBD employed 1,187 staff.

As at and for the year ended 31 December 2025, CBD's net profit after-tax was AED 3,500 million (an increase of 15.5 per cent. compared to the year ended 31 December 2024). Its total assets amounted to AED 160.3 billion (an increase of 14.4 per cent. compared to total assets as at 31 December 2024) and its total equity amounted to AED 19.4 billion, an increase of 11.5 per cent. compared to AED 17.4 billion as at 31 December 2024.

CBD's ordinary shares are listed on the Dubai Financial Market ("**DFM**"). As at the date of this Prospectus, the authorised, issued and fully paid-up ordinary share capital of CBD comprised 2,985,191,949 ordinary shares of AED 1 each (remaining unchanged since 31 December 2025 and since 31 December 2024). For further information, see "*Share Capital and Shareholders*".

CBD has a long term issuer rating of A- from Fitch and Baa1 from Moody's. Each of Fitch and Moody's is established in the European Union and registered under the CRA Regulations.

History and Development

Upon its incorporation, Chase Manhattan Bank N.A. ("**Chase Manhattan**"), Commerzbank Aktiengesellschaft ("**Commerzbank**") and the Commercial Bank of Kuwait S.A.K. ("**CBK**") each held 26 per cent. of the issued share capital of CBD, with the balance being held by a number of UAE shareholders. Chase Manhattan managed CBD from its incorporation until July 1977. In 1980, Chase Manhattan sold its shareholding to CBK. Shortly afterwards, Commerzbank sold its shareholding to Pearl Investment Co., a registered company in Bahrain controlled by CBK, thereby giving CBK a controlling interest of 78 per cent. of CBD's issued share capital. Following the introduction of restrictions on the foreign ownership of banking institutions in the UAE in 1982, CBK sold all of its shareholding in CBD to UAE nationals and to the Government of Dubai. The Government of Dubai's shareholding is currently registered in the name of its wholly owned investment entity, the Investment Corporation of Dubai ("**ICD**").

Strategy

CBD's vision is driven by its purpose: 'Backing your growth'.

CBD's three-year strategy was refreshed in 2023. CBD expects to grow market share within its core business segments, increasing the number of customers and deepening relationships with key franchise customers supporting their end-to-end banking needs. Whilst delivering on this goal, CBD seeks to ensure its continued growth across target customer segments is fully aligned with its risk appetite.

CBD's strategy is to diversify its income sources by selectively expanding the range of products and services it offers in its core business areas of Institutional Banking and Corporate Banking, while seeking selective and measured growth in the Personal Banking segment and Islamic Banking. CBD expects to further expand its market share through increased non-funded income, improved digital adoption rates, reduced cost of risk and maintaining asset quality with appropriate provisioning. In addition, CBD seeks to continue to deliver on a number of transformation programmes focused on becoming 'Default Digital', leveraging investments made in Information Technology and its physical customer footprint.

As a cornerstone of its three-year strategy, CBD continues to drive its high-performing culture by investing in its staff and building talent which offers great customer experiences, with a clear focus on Emiratisation (see "*Employees and Human Resources*").

CBD's core values are Collaboration, Ownership, Delivery, and Excellence (CODE), which are embedded in its culture and will guide CBD now and in the years ahead.

Strengthening CBD's Institutional Banking and Corporate Banking portfolios

The Institutional Banking and Corporate Banking segments continue to incorporate specialised segments with sector, products and geographical focused teams to serve a diverse customer base, including small, mid-sized, and large corporates, financial institutions, global financial sponsors, and family offices. The Institutional Banking and Corporate Banking segments play a pivotal role in driving CBD's growth by delivering integrated advisory and financing solutions, deepening customer relationships, and supporting strategic sectors across the UAE and beyond. CBD intends to continue to grow its Institutional Banking and Corporate Banking segment by focusing on the following initiatives:

- *Selectively expanding the range of Institutional Banking and Corporate Banking products and services offered to Institutional Banking and Corporate Banking customers*. In particular, CBD plans to expand its fee-generating products and services, by leveraging its existing portfolio of trade, treasury and transaction banking products and services to position CBD as banking partner for all client requirements.

- *Deepening client relationships*. CBD will seek to deepen existing client relationships by institutionalising within CBD client specific service teams. The members of each client service team will be drawn from various departments and levels of seniority within CBD and they will interact with the clients across different levels of client management.

- *Strong execution and leadership across syndicated lending and capital market issuances*. CBD intends to continue to reinforce its position as a trusted partner to customers by delivering comprehensive solutions and maintaining delivery excellence in execution.

Measured growth in CBD's Personal Banking segment

CBD's strategic plan sets out growth in the Personal Banking segment as a strategic priority. CBD aims to accelerate revenue growth in the medium-term and have a positive impact on CBD's overall risk-return profile.

A separate comprehensive operational plan has been developed and approved by the Board with the intention of making CBD a leading financial services provider in the UAE for high net worth individuals ("**HNWIs**") and "affluent" customers. CBD will seek to compete in this market by offering products and services specifically tailored to its target market segments and, by providing a comprehensive and personalised service to its Personal Banking customers.

Develop CBD's Islamic banking business

In light of increased demand for Islamic banking products, CBD plans to continue to grow its existing Islamic banking business by strengthening management and sales capabilities and investing in new products and services. CBD's Islamic banking business, managed under the CBD Al Islami brand, offers a range of banking products and services for both corporate and personal banking clients including deposit accounts, investment deposits (Mudarabah short term, Wakala and Commodity Murabaha), Ijarah Home Finance, Personal Finance, credit cards, Mudaraba Tasdeer Finance, meets all type of financing solution and requirements across Retail and Corporate banking front.

The continuation of 'Default Digital' strategy has resulted in simplified processes and documentations, thereby providing effective and efficient onboarding of customers and transaction processing.

Default Digital

A pillar of CBD's strategy is 'Default Digital', which envisions providing digital solutions by default for all customer services and back-end processes.

During 2025, the Bank advanced its digital transformation journey, delivering, measurable impact across customer-facing channels and core banking applications. 2025 marked a significant milestone in modernising infrastructure and enhancing operational resilience.

As part of this transformation, several strategic programmes were implemented to further strengthen the Bank's digital platforms. First launched in 2024, the digital platform was enhanced with over 75 new features to improve customer experience and self-service, complemented by a unified onboarding journey that ensures a seamless experience across all channels and platforms..

In line with the Bank's commitment to support the UAE Central Bank Financial Infrastructure Transformation ("**FIT**") programme, enhancements were made to CBD's Instant Payment Platform in alignment with the UAE Central Bank's vision, and a new Open Finance platform was launched to foster collaboration with third party providers in the region. Notably, CBD became the first bank in the UAE to completely activate Open Finance at scale, establishing CBD as a market leader in this initiative and reinforcing its role as an early adopter of next-generation financial infrastructure. CBD also took a leading position in launching the prestigious Jaywan card to customers and continued to champion the Central Bank Digital Currency (CBDC) journey.

CBD stood out as one of the very first banks in the region to complete ISO20022 migration, enabling the Bank to leverage on SWIFT's global initiative and adopt a future-ready payment infrastructure based on ISO standards.

As at 31 December 2025, 95 per cent. of all CBD's wholesale banking transactions were initiated through digital channels, while 96 per cent. of retail customers were registered for digital channels. CBD received several high-profile industry recognitions, including the Best Hybrid Cloud Implementation Award – MEA Finance Magazine Banking Technology Awards 2025, Best Digital Bank for Trade Finance Services in the UAE and Middle East 2025 – Global Finance 2025 World's Best Corporate/ Institutional Digital Bank Awards and Excellence in Digital Banking Award – Finnovex Middle East 2025.

As part of the Bank's vision to become a data-driven bank, data platforms have been modernised to improve processing and functional capabilities, incorporating advanced features to ensure superior data quality and governance. Combined with the Enterprise Resource Planning (ERP) transformation, reconciliation platform modernisation and smart operations automation, these initiatives have improved efficiency and strengthened compliance, while transforming operational resilience and the overall employee experience.

CBD has retained its position as the number one cybersecurity bank in the region, achieving a top score of 99 from Security Scorecard. Strengthened by enhanced technology infrastructure and the adoption of a zero-trust policy, CBD has fortified security for both customers and operations. The implementation of a new Identity and Access Management platform in 2025 has streamlined access control, while delivering robust authentication and authorisation measures, significantly improving risk management and reinforcing operational resilience.

CBD is continuing to invest in its 'Default Digital' strategy to offer customers enhanced solutions across operations using modern technologies, such as: artificial intelligence, robotic process automation and advanced data analytics.

To be recognised as an employer of choice

CBD continued to drive a high-performance culture for its people by attracting the best talent and developing capabilities in line with its growth objectives. CBD employees were supported by several ongoing business and digital transformation initiatives, bringing about positive organisational change.

Emiratisation efforts have continued as a strategic priority for CBD, investing in UAE Nationals at all levels from graduate entry level and upwards to create a talent pipeline for the future, as well as appointing them to leadership and management positions. The development of UAE Nationals has continued to be a focal point for CBD year-on-year, in line with the ambitions of the UAE leadership and the directives of the CBD Management and Board. CBD launched a third Technology Graduate Program (Tech TUMOO7) to further support the development of its future UAE National Tech leaders, in addition to its TUMOO7 Program, which welcomes graduate trainees to various business and support units across the organisation. CBD has invested in professional certifications and higher education sponsorship for the UAE National population as well as flagship development programs to develop targeted capabilities, such as presentation skills and public speaking, customer experience and fintech expertise. CBD proudly sponsored one UAE National employee to represent CBD at the prestigious Dubai Financial Expert Program.

Employee wellbeing continues to be a top priority, with initiatives designed to support employees emotionally, financially, socially, and physically. During 2025 CBD introduced a scheme that allows employees to buy up to 5 additional days of annual leave to enjoy during 2026 and a 12-month interest free loan. CBD partners with the Dubai Fitness Challenge 2025, through which it invited employees to join a series of fitness sessions, health workshops, and wellness activities. Employees are also encouraged to participate in volunteering activities, reinforcing social wellbeing and community engagement.

Learning and Development remained at the heart of CBD's priorities for its employees with a focus on professional certifications and strategic alignment to CBD's business priorities. In 2025, CBD launched its Service Culture Mindset Program, to support its customer-centric transformation agenda, utilising a blend of self-paced development, workshop style modules as well as developing and launching its flagship program through various modalities. These blended learning journeys foster increased customer centricity across all units and embed CBD's new Service Excellence Ecosystem.

CBD's Microsoft Co-Pilot program enables CBD's employees to embed the Generative AI solution into everyday workflows to increase efficiency and productivity and improve employee experience.

CBD utilises its employee engagement score to better gauge employee feedback and develop its high performing culture. Such feedback helps inform programs that CBD will undertake to assist employees to perform more effectively.

CBD continues to drive its high-performance culture by recognising individuals, teams, and line managers who embody Collaboration, Ownership, Delivery and Excellence ("**CODE**") values and deliver exceptional service excellence. Nearly 92 employees were recognised in 2025 through initiatives such as CODE and Spot Awards, reinforcing the importance of celebrating excellence.

Competition

Banks conducting business in the UAE face competition from the large number of both conventional and Islamic, UAE and foreign banks that are licensed to operate in the UAE. According to data published by the UAE Central Bank, as at 31 December 2025, there were a total of 50 commercial banks registered in the UAE (23 locally incorporated commercial banks and 27 foreign commercial banks) (*source: UAE Central Bank, UAE Monetary, Banking and Financial Markets Developments Report - Q4 2025*). See "*United Arab Emirates Banking System and Prudential Regulations*" for further information.

In relation to commercial banking, CBD has established a long-standing customer base of leading companies comprising of private corporate and government customers. CBD's key competitors are primarily UAE banks such as Emirates NBD, Mashreq Bank, Abu Dhabi Commercial Bank, First Abu Dhabi Bank PJSC, and the National Bank of Ras Al Khaimah, as well as international banks such as Citibank and HSBC.

Competitive Strengths

CBD believes that it has a strong market position which is based on competitive advantages such as:

Stable and low cost funding base: CBD's management believe that it benefits from a consistently lower cost of funds than many of its competitors as a result of the high proportion of CBD's total customer deposits which consist of stable current and savings accounts. As at 31 December 2025, current and savings accounts constituted 48.9 per cent. of total customer deposits and Islamic customer deposits compared to 48.8 per cent. as at 31 December 2024. CBD's low-cost funding has allowed it to achieve higher net interest margins.

Strong capital base: CBD calculates its risk asset ratio in accordance with capital adequacy guidelines established by the UAE Central Bank and the Basel Committee Guidelines in accordance with the Basel III accord. The current Tier 1 capital adequacy ratio stipulated by the UAE Central Bank is 8.5 per cent. CBD has consistently maintained a capital adequacy ratio and Tier 1 ratio in excess of the minimum requirements required by the UAE Central Bank. As at 31 December 2025, CBD had a Tier 1 capital adequacy ratio of 14.39 per cent. compared to 14.43 per cent. as at 31 December 2024.

Consistent profitability and returns: CBD has been consistently profitable, with levels of net profit before tax amounting to AED 3,844 million as at 31 December 2025, compared to AED 3,325 million as at 31 December 2024. As at 31 December 2025, the Issuer had a total capital adequacy ratio of 15.52 per cent. compared to 15.57 per cent. at 31 December 2024.

CBD has had a significant increase in its net profits before tax as a result of solid growth in loans and CASA balances with improved cost of risk offsetting higher expenses. See "*Risk Factors – Risks related to CBD's business – CBD is subject to risks relating to customer and counterparty credit quality*", "*Risk Factors – Risks related to CBD's business – CBD faces risks associated with changes in market prices*" and "*Risk Factors – Risks related to CBD's business – Liquidity Risk*". CBD has also maintained returns on average equity before tax of 24.3 per cent as at 31 December 2025 (compared to 23.5 per cent. as at 31 December 2024 and 21.2 per cent. as at 31 December 2023), CBD's management estimates that CBD has one of the highest total returns to shareholders of UAE banks in the period from 2005 to 2025 (based on CBD's periodic analysis of UAE banks).

Islamic financing banking franchise: The Islamic Banking business at CBD was launched in 2008 and is managed under the CBD Al Islami brand, offering Sharia compliant financial solutions to retail banking, institutional and corporate customers. CBD rebranded its Islamic finance offering in 2015 and introduced a range of innovative Islamic products, including Sukuk custody and leverage on Sukuk products, as well as partnering with SALAMA Insurance to offer a diverse range of Takaful products.

Strength of brand: CBD has a strong brand in the UAE, with a loyal customer base consisting primarily of Emirati owned businesses and customers with whom it has long standing relationships. In 2021, CBD expanded the utilisation and prominence of its Net Promoter Score ("**NPS**") survey. The NPS score is a measure of customer advocacy and provides CBD with an understanding of how its customers regard CBD and its services. As at December 2025, the Personal Banking Group achieved an NPS of 25 and Wholesale Banking reaching 35.

Shareholder support: The main shareholders and directors are eminent local businessmen who are able to provide management with genuine commercial insights which assist CBD in meeting the needs of its customers. The shareholding structure of the top five shareholders has remained stable since 2007.

Quality of management: CBD's strategy is supported by the senior management's broad expertise in international, regional and national banks. Senior management have extensive experience in the banking sector in Dubai, the region and internationally.

Distribution network: CBD is able to distribute its products through a variety of channels, which include its distribution network of 9 branches, 96 ATMs and CDMs, a direct sales force, supported by a 24/7 call centre as well as internet and mobile banking services.

Innovation and Digitisation: CBD is committed to fostering innovation and pursuing digital transformation, as evidenced by the recognition it has received from industry experts. This dedication has led to CBD being honoured with a multitude of prestigious awards, showcasing its innovative capabilities and excellence in the financial sector.

Among the accolades CBD has received are

- Best Digital Bank for Trade Finance Services in the UAE and Middle East 2025 – Global Finance 2025 World's Best Corporate/ Institutional Digital Bank Awards;
- Structured Finance Deal of the Year – Aster DM Healthcare – GBM Bonds, Loans & Sukuk Middle East 2025;
- High Yield Debt Deal of the Year – Alephya – GBM Bonds, Loans & Sukuk Middle East 2025;
- Project Finance Deal of the Year – Hafeet Rail – GBM Bonds, Loans & Sukuk Middle East 2025;
- Loan Currency Deal of the Year – Trade & Development - GBM Bonds, Loans & Sukuk Middle East 2025;
- Transport Finance Deal of the Year – Airlease - GBM Bonds, Loans & Sukuk Middle East 2025;
- Best in Lending in the UAE 2025 – Global Finance 2025 World's Best Consumer Digital Bank Awards;
- Best in Transformation in the UAE 2025 – Global Finance 2025 World's Best Consumer Digital Bank Awards;
- Best Hybrid Cloud Implementation Award – MEA Finance Magazine Banking Technology Awards 2025;
- Best Digital Bank for Trade Finance Services in the UAE and Middle East 2025 – Global Finance 2025 World's Best Corporate/ Institutional Digital Bank Awards; and
- Excellence in Digital Banking Award – Finnovex Middle East 2025.

These achievements underscore CBD's dedication to implementing innovative strategies and technologies, positioning CBD as an industry leader in innovation and digital transformation.

Share Capital and Shareholders

As at 31 December 2025, the authorised, issued and fully paid-up ordinary share capital of CBD comprised 2,985,191,949 ordinary shares of AED 1 each (unchanged since 31 December 2024 and 31 December 2023).

From 2013 to 2025, CBD has distributed between 40.0 to 55.9 per cent. of its annual profits to its shareholders as dividends.

As at 31 December 2025, 20 per cent. of the issued share capital of CBD was registered in the name of the ICD on behalf of the Government of Dubai. Of the balance of 80 per cent., which constitutes the free float of CBD's equity, there are four shareholders with a total holding of 40.35 per cent. of the issued share capital, each holding 5 per cent. or more of CBD's share capital. These shareholders are Al Futtaim Private Co. LLC (17.46 per cent.), Orient Insurance PJSC (8.84 per cent.), Abdul Wahed Al Rostamani AWR Group (7.68 per cent.), and Ghobash Trading & Investment Company LLC (6.37 per cent.).

At CBD's annual general assembly meeting held on 11 March 2020, the shareholders approved the ownership of up to 40 per cent. of its share capital to non-UAE nationals, subject to obtaining the necessary approval of the regulatory authorities. On 14 June 2020, all regulatory formalities were completed and since then non-UAE nationals have been allowed to acquire CBD's shares. As at 31 December 2025, 0.185 per cent. of CBD's shares were held by non-UAE nationals.

Business Overview

CBD categorises its business into four business segments: Institutional Banking, Corporate Banking, Personal Banking and Trading and Other. As at 31 December 2025, the assets of the Institutional Banking and Corporate Banking segments together accounted for AED 86.7 billion, or 54.1 per cent. of CBDs total assets and their combined total liabilities amounted to AED 75.9 billion, or 53.9 per cent. of CBDs total liabilities. As at 31 December 2024, the assets of the Institutional Banking and Corporate Banking segments together accounted for AED 83.4 billion, or 59.5 per cent. of CBD's total assets and their combined total liabilities amounted to AED 66.8 billion, or 54.5 per cent. of CBD's total liabilities.

For each of the four business segments, the following tables set out assets and liabilities as at 31 December 2025, as at 31 December 2024 and as at 31 December 2023, and total operating income for the years ended 31 December 2025, 31 December 2024, 31 December 2023.

Business Segments

	Assets		**Liabilities**	
	(*AED million*)	(*%*)	(*AED million*)	(*%*)
31 December 2025				
Institutional Banking	43,854	27.4	52,430	37.2
Corporate Banking	42,884	26.7	23,462	16.7
Personal Banking	27,481	17.1	46,826	33.2
Trading & Other	46,090	28.8	18,168	12.9
	160,308	**100.0**	**140,886**	**100.0**
31 December 2024				
Institutional Banking	39,511	28.2	45,121	36.8
Corporate Banking	43,875	31.3	21,717	17.7
Personal Banking	21,267	15.2	40,837	33.3
Trading & Other	35,523	25.3	15,076	12.3
	140,175	**100.0**	**122,751**	**100.0**
31 December 2023				
Institutional Banking	36,595	28.4	47,532	42.0
Corporate Banking	43,388	33.6	17,075	15.1
Personal Banking	17,189	13.3	35,088	31.0
Trading & Other	31,816	24.7	13,511	11.9
	128,988	**100.0**	**113,206**	**100.0**

	31 December 2025 Total Operating Income		**31 December 2024 Total Operating Income**		**31 December 2023 Total Operating Income**	
	(*AED million*)	(*%*)	(*AED million*)	(*%*)	(*AED million*)	(*%*)
Institutional Banking	1,421	24.0	1,332	24.3	1,122	22.7
Corporate Banking	1,639	27.7	1,659	30.2	1,454	29.4
Personal Banking	2,450	41.4	2,134	38.9	1,839	37.3
Trading & Other	409	6.9	366	6.7	523	10.6
	5,919	**100.0**	**5,491**	**100.0**	**4,938**	**100.0**

Institutional Banking

As at and for the year ended 31 December 2025, the Institutional Banking segment accounted for AED 43.9 billion or 27.4 per cent. of CBD's total assets (compared to AED 39.5 billion or 28.2 per cent. as at 31 December 2024) and AED 1,421 million, or 24.0 per cent., of CBD's total operating income (compared to AED 1,332 million, or 24.3 per cent., for the year ended 31 December 2024).

Institutional Banking provides a range of credit and non-credit banking products and services to clients including: government related entities, financial institutions and to the contracting and energy sectors. Products offered include a wide range of traditional trade finance products which are designed to service their purchase procurement and export related credit requirements.

Institutional Banking also offers purchase financing products such as letters of credit, letters of credit refinancing, open account trade financing (including pre-shipment, post-shipment and advance payments) and loans against collection documents, trade bills discounting, avalisation (where CBD guarantees the obligations of a buyer to a seller in accordance with the relevant contractual terms) and bankers' acceptances. Export financing products such as Tasdeer Finance (involving pre/post shipment finance against export letters of credit and the negotiation of other export trade documents) are also offered to corporate customers and non-customers through a programme which is managed by CBD's Trade Sales

Team. CBD also provides payables and receivables financing solutions to support the working capital needs of its clients.

Non-credit related products include payment services which enable corporate customers to transfer funds between accounts, initiate payments to government entities, initiate single or bulk third party payments and initiate trade transactions (such as letters of credit and guarantees). Institutional Banking customers are also offered receivables management services, including cash and cheque collection services, as well as providing 24/7 cash and cheque deposit machines to deposit funds at the customer's convenience. CBD's liquidity management services assist customers in managing account balances across their organisations to consolidate cash flows and order to improve interest efficiency. CBD can also invest funds overnight or pay down revolving lines of credit. CBD also offers escrow services to corporate customers. CBD is a registered escrow agent with the Real Estate Regulatory Authority for developers who require an escrow account when launching new projects.

Institutional Banking also offers a range of treasury products and services which can be tailored to suit a company's specific treasury needs. Some of the products offered by the treasury team are: FX and FX derivatives, interest rate hedging, commodity hedging, investment products and structured investment products.

A centralised team of experienced relationship managers, based at CBD's Head Office, is responsible for large corporations located in Dubai and the Northern Emirates. Abu Dhabi-based large corporate clientele are managed through a team based in Abu Dhabi.

CBD has a fully-fledged commodity finance team, with the aim to provide regional and international companies with comprehensive solutions for the financing of their local and international businesses, including a full range of standard and/or bespoke products.

To deliver the planned growth in a sustainable and diversified manner CBD established a dedicated Real Estate team as well as a Liability Management team.

The Debt Capital Markets business assists large corporate customers with issuing securities in the domestic debt capital markets.

CBD continues to invest in fully scalable technology to cater to wholesale banking customers by providing them with a high quality experience based on integrated digital channels across different platforms, including the iBusiness platform.

In November 2021, CBD introduced iServe, a new digital self-service portal that empowers its customers with the convenience of on demand support. Through this portal, its wholesale banking customers can enjoy quicker turnaround times, enhanced transparency on request status, and real time communications.

As a result of CBD's commitment to innovative digital technologies, it has been ranked by wholesale banking customers as one of the best transaction banking service providers in the UAE. CBD has been recognised through winning industry awards, including: "Best Digital Bank for Trade Finance Services in the UAE and Middle East 2025 – Global Finance 2025 World's Best Corporate/ Institutional Digital Bank Awards".

Corporate Banking

As at and for the year ended 31 December 2025, the Corporate Banking segment accounted for AED 42.9 billion or 26.7 per cent. of CBD's total assets (compared to AED 43.9 billion or 31.3 per cent. as at 31 December 2024), and AED 1,639 million, or 27.7 per cent., of CBD's total operating income (compared to AED 1,659 million, or 30.2 per cent., for the year ended 31 December 2024).

The Corporate Banking segment provides a range of banking products covering funded asset facilities (including: overdrafts, loans, working capital finance, asset backed lending, trade finance), non-funded asset facilities (including: letter of credits and letter of guarantees), liabilities products (including: current accounts, savings accounts and fixed deposits), payment and cash management services, and treasury related services to corporate and emerging corporates clients across the United Arab Emirates.

Corporate Banking clients are managed by relationship managers strategically located at corporate centres in the UAE. Clients are also serviced from CBD's branch network across the UAE. Product specialists from

Treasury, Trade Finance and Payments and Cash Management teams work closely with relationship managers to propose tailor-made products to meet clients' needs.

Corporate Banking also seeks to expand its customer base by leveraging its Trade Finance, Cash Management and Treasury expertise. It has a dedicated Cash Management, Treasury, and Trade Sales staff to provide product expertise and advice to corporate customers. CBD believes that this coordinated approach has enabled it to strengthen its relationships with its Corporate Banking customers, generate and increase business and offer additional channels of engagement through CBD's network of experienced product professionals.

The Corporate Banking segment offers a wide range of trade finance products to service the purchase and procurement related financial requirements of its corporate customers, as well as their export-related credit requirements. It also offers purchase financing products such as letters of credit, letters of credit refinancing, open account trade financing (including pre-shipment, post-shipment and advance payments) and loans against collection documents.

As with Institutional Banking customers, export financing related products such as 'Tasdeer' finance are also offered to Corporate Banking customers and non-customers. Supply chain financing is also available to Corporate Banking clients.

The Corporate Banking segment offers the same range of treasury products and services which are available to institutional clients. Relationship managers and dedicated payments and cash management specialists design and provide customised cash management solutions that meet client needs and address future strategic opportunities. Some of the products offered are: Wages Protection System (WPS), Escrow Services, Payments, Receivables and Liquidity Management, E-Commerce Solutions and Corporate Cards.

In addition to the above products and services, Corporate Banking also provides Syndication, Asset Management and Investment Advisory services to its customers.

Personal Banking

As at and for the year ended 31 December 2025, the Personal Banking segment accounted for AED 27.5 billion or 17.1 per cent. of CBD's total assets (compared to AED 21.3 billion or 15.2 per cent. as at 31 December 2024) and AED 2,450 million, or 41.4 per cent., of CBD's total operating income (compared to AED 2,134 million, or 38.9 per cent., for the year ended 31 December 2024).

CBD's Personal Banking clients are divided into the following segments based on income and wealth:

- Private Banking: clients with (i) net relationship value ("**NRV**") of AED 3.5 million and/or a monthly salary transfer of AED 250,000 and a mortgage of AED 15 million);
- Elite Banking: clients with NRV of AED 400,000;
- Essential Banking: clients (direct or personal), that have a minimum average balance of AED 5,000;
- Business Coverage: clients with annual turnover of up to AED 75 million and lending up to AED 25 million; and
- Emerging Corporate: clients with annual turnover of up to AED 300 million and lending up to AED 75 million.

CBD offers a wide range of products and services to its Personal Banking customers. It includes current and savings accounts, time and safe deposit lockers which are tailored to meet specific financial and personal objectives. Other products include: foreign currency accounts, gold and silver currency accounts, an exclusive digital savings account, and fixed and recurring deposits.

The CBD mobile application (the "**CBD App**") provides effective and efficient onboarding to customers, which enables them to set up and operate their accounts quickly, without the need to visit a CBD branch. Personal Loans are offered to both salary transfer and non-salary transfer customers. 'Quick Loans', enables customers to get a personal loan via the CBD App without transferring their salary. The only document needed to apply for a 'Quick Loan' is an Emirates ID.

Tamweel is a car finance scheme that offers customers the car of their choice at competitive interest rates with repayment periods up to 60 months. CBD also offers mortgage finance to eligible customers for longer terms at competitive interest rates. An extensive range of card products are offered to Personal Banking customers with features designed to meet the needs of specific customer segments. CBD launched a range of bancassurance products in 2014 which have catered to the requirements of Personal Banking customers.

CBD also provides wealth management services to its high-net-worth personal customers through its Elite Management Centres and Private Banking Centre in Dubai.

Improving customer experience online has allowed CBD to engage with customers better and provide a simple, fast and user-friendly banking experience. This helped CBD significantly expand its Personal Banking customer base since 2015, as well as the division's contribution to overall revenues. Total assets within Personal Banking increased by 29.2 per cent. as at 31 December 2025 compared to 31 December 2024, while operating income of AED 2,450 million for the year ended 31 December 2025, was at a higher level when compared with the year ended 31 December 2024. The increase in operating income was as a result of loan growth and deepened wealth relationship.

Personal Banking income constituted 41.4 per cent. of CBD's total operating income for the year ended 31 December 2025 (compared to 38.9 per cent. for the year ended 31 December 2024).

As at 31 December 2025, CBD's mortgage portfolio increased to AED 20.3 billion from AED 16.1 billion as at 31 December 2024.

CBD's accelerated loan growth was mainly attributable to the strong performance of its mortgages, credit cards and commercial loans. Liabilities have shown consistent growth across individual and small or medium sized enterprises ("**SMEs**") leading to an asset to liability ratio of 58.69 per cent. as at 31 December 2025.

In 2025, the Personal Banking Group won several awards, a testament to the innovative products and services offered by CBD:

- Best in Lending in the UAE 2025 – Global Finance 2025 World's Best Consumer Digital Bank Awards

- Best in Transformation in the UAE 2025 – Global Finance 2025 World's Best Consumer Digital Bank Awards.

Trading & Other

As at and for the year ended 31 December 2025, the Trading & Other segment accounted for AED 46.1 billion of CBD's total assets (compared to AED 35.5 billion as at 31 December 2024) and reported an AED 409 million operating income (compared to an AED 366 million operating income for the year ended 31 December 2024). The asset balances represent investments and balance sheet positions associated with funding CBD. The operating income in the Trading & Other segment was primarily on account of the rise in inter-bank interest rates in the UAE. For further information, see "*CBD faces risks associated with changes in market prices*".

A key role of the trading business is to ensure proactive balance sheet management, adequate funding and prudent liquidity management to support CBD's asset growth. This is carried out in line with the policies and limits set by the Board and overseen by CBD's Group Asset and Liability Committee ("**ALCO**"). The unit also manages CBD's proprietary fixed income portfolio.

Islamic Banking

The Islamic banking business at CBD was launched in 2008 and is managed under the "CBD Al Islami" brand, offering a wide range of Sharia-compliant products to retail, corporate and commercial customers.

CBD Al Islami has its own Sharia supervisory committee ("**ISSC**"), comprising of three leading scholars in the field of Islamic banking, that governs the operations and the development of the Islamic products offered by CBD Al Islami and assures compliance with Sharia principles.

Branch Network and Product Distribution

CBD operates across the UAE through 9 branches. CBD offers conventional as well as Sharia compliant Islamic products through these branches. CBD also operates one sales office as well as 96 ATMs and CDMs. Six branches are located in prominent locations in Dubai, and one branch is located in each of the Emirates of Abu Dhabi, Sharjah, and Ras Al Khaimah.

Institutional Banking customers are served by a centrally located team of relationship managers. All credit decisions are made by a central credit department located in CBD's head office and credit risk is closely monitored by the Risk department which is also located in Dubai.

CBD provides its customers with secure on-line banking services as well as e-payment services which permit customers to facilitate payment to a range of government, semi-government and utility companies. CBD promotes the culture of service excellence and the adoption of innovative digital technologies which has been evidenced by the ranking of CBD by wholesale banking customers as the leading domestic payment and cash management bank in the UAE.

Employees and Human Resources

As at 31 December 2025, CBD's workforce comprised 1,149 employees, with UAE Nationals representing 39% of total staff.

Emiratisation

Emiratisation efforts have continued as a strategic priority for CBD.

CBD recruits UAE nationals at all levels from graduate entry-level to leadership and management positions. The development of UAE nationals has continued to be a focal point for CBD year-on-year, in line with the ambitions of the UAE government and the directives of the CBD Management and Board. CBD has experienced year-on-year growth in the number of UAE national staff members: 445 (or 37 per cent of the total number of employees) in 2023, 449 (or 38 per cent of the total number of employees) in 2024 and 453 (or 39 per cent. of the total number of employees in 2025).

CBD has invested more on professional certifications for its UAE national population as well as flagship development programmes to develop specific and targeted capabilities (see further "*Strategy – To be recognised as an employer of choice*"). During 2025, CBD recruited 40 UAE national graduates as part of its Tumoo7 Management Trainee programme. The programme is designed to equip the UAE National graduates with the knowledge, skills, and practical experience to launch their career and excel in the exciting world of banking. The programme provides a comprehensive learning experience, blending classroom training, project work, and mentorship, with a focus on technology and skills of the future.

'People' is one of the five key pillars in CBD's ESG framework and its commitment to delivering a positive workplace culture is demonstrated by its focus on Emiratisation, diversity and inclusion policies, employee wellness and engagement initiatives and providing learning and development programmes for its staff (see further "*Sustainability Policy*"). As part of its commitment to Emiratisation, CBD launched its UAE National Programme, through which, as at 31 December 2025, 39 per cent. of all CBD employees were UAE nationals.

CBD continues to look for opportunities to better support the health and wellbeing of its employees. Its wellbeing initiatives and benefits are designed to back employees physically, financially, socially and emotionally, helping to create a positive impact on both their work and personal lives. In 2025, CBD supported its employees' wellbeing with the several initiatives like health roadshow, breast cancer awareness session and CBD X Dubai Fitness Challenge 2025.

Information Technology

Information Technology ("**IT**") is a key element of CBD's strategy. CBD's IT department provides a full spectrum of IT services ranging from enterprise architecture and governance, strategic planning and innovation to solutions delivery and operations.

In 2025, CBD accelerated its digital transformation, modernising infrastructure and core systems to enhance resilience, efficiency and customer experience. Key milestones included upgrades to the Instant Payment Platform in support of the UAE Central Bank FIT programme, the launch of its Open Finance platform (making CBD the first UAE bank to fully activate Open Finance at scale), introduction of the Jaywan card, and continued progress on the CBDC initiative.

CBD also completed ISO 20022 migration, enabling it to leverage on SWIFT's global initiative and adopt future ready payment infrastructure. Broader transformation initiatives—spanning data platform modernisation, ERP transformation, reconciliation platform upgrades and smart automation—strengthened data governance, compliance, operational efficiency and the employee experience.

CBD's achievements have continued to be widely recognised with the receipt of multiple industry accolades, including:

- Best Hybrid Cloud Implementation Award – MEA Finance Magazine Banking Technology Awards 2025
- Best Digital Bank for Trade Finance Services in the UAE and Middle East 2025 – Global Finance 2025 World's Best Corporate/ Institutional Digital Bank Awards
- Excellence in Digital Banking Award – Finnovex Middle East 2025

Property

CBD owns 23 properties as at the date of this Prospectus. Four CBD properties are used for operations and the remaining 19 properties were acquired in settlement of customer debt, which are classified as 'available for sale' investment properties. In addition, CBD leases 12 properties across the UAE, which are also used for CBD's operations. As at 31 December 2025, the net book value of freehold land and buildings amounted to AED 218 million; investment properties at AED 174 million; and AED 645 million for properties acquired in settlement of debt.

Litigation

In the ordinary course of business, CBD may be subject to governmental, legal and arbitration proceedings. As at the date of this Prospectus, legal provisions taken are reviewed and taken in the normal course of business as appropriate for any outstanding legal proceedings against CBD. Quarterly reviews are conducted by CBD in order to ascertain whether provisioning is required and, if necessary, the estimated amount.

Insurance

CBD maintains insurance cover in respect of various insurable risks under a range of insurance policies. These include Bankers Blanket Bonds, Stock Brokers, product related policies (for example: Credit life, Mortgage life, Mortgage property and Credit shield), Terrorism and Sabotage and Property All Risks. Assets are covered on a replacement cost basis. CBD also has in place customer related insurance cover such as credit life insurance, credit card insurance, travel insurance, mortgage property insurance and mortgage life insurance.

The level of insurance cover proposed by management is reviewed by CBD's Board Risk and Compliance Committee.

Sustainability Policy

CBD is committed to taking a strategic approach to managing sustainability through its organisational culture and conducting business in a responsible way. In this context, the term "sustainability" refers to ensuring long-term business success while creating economic, environmental and social value for generations to come through the identification of new opportunities and the active management of current and future risks. Sustainability is a central factor in CBD's long-term profitability and growth and is integral to its success and ability to meet the needs and expectations of its stakeholders.

In line with CBD's strategy to embed ESG throughout its business with a focus on green financing, CBD Al Islami collaborated on the first green financing transaction with Dubai World Central Corporation (DWCC).

Sustainability Report

In February 2026, CBD published its annual Sustainability Report (the "**Sustainability Report**") which complements its Annual Report for the year ended 2025, and Corporate Governance Report for the year ended 2025 by providing additional information on CBD's sustainability strategy, management approach and performance. With this report, CBD aims to provide transparency to its stakeholders on how it effectively manages material sustainability risks and opportunities to safeguard the long-term success of its business.

CBD's Environmental, Social and Governance Framework ("**ESG Framework**") is informed by its materiality assessment, first completed in 2022 and reviewed annually. The ESG Framework is comprised of four key pillars: (i) environment; (ii) people; (iii) customers and community; and (iv) governance, and underpinned by 11 material sustainability initiatives. Performance and progress on each of material initiative is disclosed annually in CBD's Sustainability Report.

Sustainability Financing Framework

As part of CBD's commitment to supporting the UAE's drive to achieve net-zero emissions by 2050 and the transition towards a climate-neutral economy, CBD established a sustainable financing framework (the "**Sustainability Financing Framework**"). The Sustainability Financing Framework applies to any type of sustainable financing transaction that will be used to fund projects that will deliver environmental and/or social benefits. Under its Euro Medium Term Note Programme (the "**Programme**"), from time to time CBD may issue notes identified as sustainable notes, the net proceeds of which or an amount at least equal to the net proceeds, is intended to fund or refinance, in whole or in part, eligible green projects and/or eligible social projects within eligible categories set out in the Sustainability Financing Framework.

Risk Management

The Board of Directors (the "**Board**") has the overall responsibility for the operations and the financial stability of the Group, and ensures that the interests of shareholders, depositors, creditors, employees and other stakeholders, including the banking regulators and supervisors, are addressed. The Board is responsible for strategic direction, oversight of management and satisfying itself that there are adequate controls with the ultimate objective of promoting the success and long-term value of CBD. The Board is also responsible for the overall framework of the risk governance, management, determining risk strategy, setting CBD's risk appetite and ensuring that its risk exposure is monitored, controlled effectively and kept within set limits. Additionally, it is responsible for establishing a clearly defined risk management structure and for approval of the risk policies and procedures as well as management of all risks related to CBD.

In order to effectively discharge this responsibility the Board is assisted by various Board committees, namely the Board Credit and Investment Committee ("**BCIC**"), the Board Strategy Committee ("**BSC**"), the Board Risk and Compliance Committee ("**BRCC**"), the Board Audit Committee ("**BAC**") and the Remunerations, Nomination and Governance Committee ("**REMCO**"). The ISSC, in accordance with the requirements stipulated in the relevant laws, regulations and standards, covers the Sharia supervision of all business, activities, products, services, contracts, documents and charters of CBD's business, policies and accounting standards, operations and activities.

Senior Management actively manages risk, primarily through the Risk Department with oversight by the Executive Committee ("**EXCO**"), Assets & Liabilities Committee ("**ALCO**"), Credit Committee, Project Investment Committee ("**PIC**"), Risk Management and Compliance Committee ("**RMCC**"), Human Resources Committee ("**HRC**"), and Operational Risk Management Committee ("**ORMC**"), Sustainability Council, Model Oversight Committee ("**MOC**"), IFRS 9 Provisions Committee ("**IFRS 9 PC**") and the Internal Sharia Supervision Committee ("**ISSC**").

CBD faces a range of risks in its business and operations. These include credit, market, settlement, liquidity, operational, reputational and legal risks. Each of these risks is described in further detail below. Efficient and timely management of these risks is critical to CBD's financial stability and profitability. Risk management involves identifying, measuring, monitoring and managing these risks on a regular basis with the objective of increasing shareholder value and achieving a return on equity that is commensurate with the risks assumed.

CBD has acquired and implemented systems for credit origination, analysis, rating, pricing and approval in order to control credit, market, liquidity and asset and liability management risks. For treasury-based risks, CBD has systems for front, mid and back offices to manage market, liquidity and asset and liability management risks efficiently. CBD has developed tools that facilitate the analysis, quantification and reporting of operational risk events or losses, measured to a high degree of detail, and which produce a variety of comprehensive reports that are delivered to senior management at prescribed intervals by designated officers.

CBD is also exposed to a number of other risks (such as interest rate, concentration, strategic, business and legal and compliance risks) which are managed, quantified, monitored and reported as part of CBD's internal capital adequacy assessment policy ("**ICAAP**") framework.

Credit Risk

Credit risk refers to the risk of financial loss faced by CBD due to the failure of a customer or counterparty to a financial instrument to fulfil their contractual obligations. This risk primarily arises from CBD's loans and advances, Islamic financing, other financial assets, loan commitments, financial guarantee contracts, and amounts due from banks. For reporting purposes, credit risk related to loan commitments and financial guarantee contracts is included as part of the credit risk on loans and advances and Islamic financing. From a risk management perspective, credit risk associated with investment securities held at FVPL is managed independently.. The BRCC is responsible for the oversight and monitoring of CBD's financial and non-financial risk activities and the soundness of its overall enterprise risk management framework, its application and effectiveness. The BRCC is also responsible for setting and monitoring CBD's risk appetite and its performance against the same. Additionally, the BRCC also provides advice to the Board in relation to current and projected performance against risk appetite. The Board has also delegated the responsibility for the management of credit risk to the Credit Committee. The Credit Committee formulates credit policies, establishes the authorisation structure for the approval and renewal of credit facilities, reviews and assesses credit risk, limits concentrations of exposure to counterparties, geographies and industries, develops and maintains CBD's risk gradings develops and maintains CBD's processes for measuring ECL, reviews compliance of business units with agreed exposure limits and provides advice, guidance and specialist skills to business units in order to promote best practice.

CBD uses credit risk grades as a primary input into the determination of the term structure of the probability of default ("**PD**") for exposures. CBD collects performance and default information about its credit risk exposures, analysed by jurisdiction or region, by type of product and borrower, as well as by credit risk grading. The Group credit risk rating methodology has 22 grades, whereby:

Classification	**Grades**	**Risk significance**
Performing	1 - 19	Good performing assets and debt securities with External Credit Assessment (ECA) of better than "B-" to "AAA".
Non-performing	20 - 22	Impaired financial assets (i.e. substandard, doubtful and loss).

CBD analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data, such as: the Economic Composite Index, the oil price per barrel, hotel occupancy rates and house prices. CBD generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. CBD then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

CBD uses different criteria to determine whether credit risk has increased significantly for each obligor. The criteria used are both quantitative changes in PDs, as well as qualitative.

Irrespective of the outcome of the above assessment, CBD presumes that the credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless CBD has reasonable and supportable information that demonstrates otherwise.

CBD has monitoring procedures in place to make sure that the criteria used to identify a significant increase in credit risk is effective, meaning that such increase is identified before the exposure is defaulted. CBD performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Loss Given Default ("**LGD**") is the loss expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that CBD expects to receive. CBD estimates LGD based on history of recovery rates and considers the valuation of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.

CBD holds collateral against gross loans and advances and Islamic financing in the form of cash, guarantees, mortgages and liens over properties or other security over assets. As at 31 December 2025, approximately 42.0 per cent. of CBD's net loan portfolio was collateralised. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and are subsequently monitored on a periodic basis. Generally, collateral is not held against debt securities and amounts due from banks, and no such collateral was held as at 31 December 2025 or 2024.

On a case-by-case basis in the Institutional, Corporate and Retail segments, CBD has approved payment holidays to certain customers. CBD has extensively reviewed the past account conduct and payment history of borrowers requesting payment holidays, prior to granting approvals. CBD exercises considered judgement in assessing whether the cash flow and liquidity issues faced by the applicant customer are temporary or long term in nature.

CBD is conducting frequent reviews of Loan to Value ("**LTV**") ratios on the securities held against facilities, specifically securities which are illiquid in nature.

Market Risk

Market Risk is the risk of losses arising from movements in market prices. Market risk comes from a number of factors, particularly changes to market variables including, but not limited to, interest rates, credit spreads, exchange rates, equity prices, commodity prices, and implied volatilities.

Market risk exposure in CBD is separated into two portfolio types:

- trading portfolios: these include positions that are held to support clients' needs and proprietary positions with the intention of short-term resale; and

- non-trading portfolios: these include positions which are not held with trading intent and include financial investment (mostly debt instruments) measured at fair value through other comprehensive income.

CBD has a hedging framework which incorporates risk management objectives, a strategy for undertaking the hedge and the nature of a given risk being hedged. CBD tests the effectiveness of its hedging on a regular basis for on and off balance sheet items.

CBD's exposure to market risk is governed by a policy approved by the ALCO and ratified by the Risk Committee. The policy sets out the nature of risk which may be taken and the applicable maximum risk limits. Compliance with the risk limits and the exposure to market risks are reviewed by ALCO at a monthly meeting and by the BRCC at a quarterly meeting.

Market Risk Unit which is an independent function, produces daily reports for the business and senior management detailing CBD's Market risk profile against limits, as well as monthly summary reports to ALCO and Board Risk and Compliance Committee. Breaches of limit is reported daily to Senior Management and escalated to ALCO at the monthly ALCO meeting.

Settlement Risk

CBD's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of counterparty to honour its obligations to deliver cash, securities or other assets as contractually due. Delays in settlement are rare and are monitored through a framework of limits.

For certain types of transactions, CBD mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described above. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from CBD's Wholesale Credit Department.

Liquidity Risk

Liquidity risk is the risk that CBD will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk is the inability to meet obligations as they become due. It includes the risk of the inability to fund assets at appropriate maturities and rates and the inability to liquidate assets at reasonable prices and in an appropriate timeframe and inability to meet obligations as they become due. Liquidity risk can be caused by market disruptions or idiosyncratic events which may cause certain sources of funding to diminish.

In order to ensure that liquidity risk remains within prudent levels, the Board and senior management have laid down the following key parameters which are operated on a regular basis:

Parameter	**Monitored by**	**Frequency**
Advances to Stable Resources[1]	Management	Daily
Loan to Deposit[2]	Management	Daily
Eligible Liquid Asset Ratio[3]	Management	Daily

Notes:

1 Advances to Stable Resources Ratio is defined by the UAE Central Bank. The net loans and short-term placements with banks are calculated as a ratio to the stable funds namely shareholders' equity and term funding with residual maturity over six months with a 15 per cent. haircut for deposits maturing within six months;

2 Loan to Deposit Ratio is expressed as a ratio of customer loans to customer deposits;

3 Eligible Liquid Asset Ratio is a ratio of eligible liquid assets as prescribed by the UAE Central Bank (includes balances with the UAE Central Bank and 0 per cent. risk weighted sovereign bonds) to total liabilities;

CBD also performs monthly liquidity stress tests based on contractual and behavioural maturity profiles. CBD categorises liquidity crises into those that are triggered by external factors and those triggered by internal factors. Internal factors are those that are specific to CBD, whereas an external factor is an event or cause that results in a disruption to the market (e.g. a systemic crisis). The results are circulated to senior management and ALCO members.

As at 31 December 2025, net loans and advances and Islamic financing constituted 63.0 per cent. of CBD's total assets. As at 31 December 2024, net loans and advances and Islamic financing constituted 66.4 per cent. of CBD's total assets (compared to 64.6 per cent. as at 31 December 2023).

The following table shows CBD's liquidity position as at 31 December 2025 and 31 December 2024:

As at 31 December 2025	**Total**	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**No Fixed Maturity**
				(AED Million)			
Assets							
Cash and balances with UAE Central Bank	22,361	13,652	400	1,200	-	-	7,109
Due from banks, net	4,700	1,650	73	776	2,201	-	-
Investment securities, net	20,359	820	3,487	6,742	4,739	4,572	-
Loans and advances and Islamic financing, net	101,049	10,546	11,418	13,099	26,177	39,808	-
Positive mark to market value of derivatives	361	10	22	40	98	191	-
Bankers acceptances	8,021	262	768	6,688	303	0	-
Investment in associate	126	-	-	-	-	-	126
Investment properties, net	174	-	-	-	-	-	174
Property and equipment	941	-	-	-	-	-	941
Other assets, net	2,217	1,572	-	-	-	-	645
Total assets	**160,308**	**28,511**	**16,168**	**28,545**	**33,518**	**44,571**	**8,995**
Liabilities and equity							
Due to banks	8,761	463	3,323	1,194	3,782	-	-
Customer deposits and Islamic customer deposits	111,353	71,160	11,245	28,910	34	3	-
Notes and medium term borrowings	8,983	-	-	275	8,707	-	-
Negative mark to market value of derivatives	346	10	37	42	86	171	-
Due for trade acceptances	8,021	262	768	6,688	303	0	-
Other liabilities	3,423	3,378	-	-	-	-	45
Total liabilities	**140,886**	**75,273**	**15,372**	**37,109**	**12,912**	**174**	**45**
Gap representing equity	**19,422**	**(46,762)**	**795**	**(8,564)**	**20,607**	**44,396**	**8,950**

As at 31 December 2024	Total	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	No Fixed Maturity
Assets				(*AED Million*)			
Cash and balances with UAE Central Bank	16,938	7,744	800	450	-	-	7,944
Due from banks, net	5,162	3,260	514	210	1,178	-	-
Investment securities, net	14,590	2,743	784	4,443	4,877	1,744	-
Loans and advances and Islamic financing, net	93,049	8,021	10,907	12,077	34,610	27,433	-
Positive mark to market value of derivatives	585	19	14	62	220	270	-
Bankers acceptances	6,930	288	1,009	5,179	8	446	-
Investment in associate	118	-	-	-	-	-	118
Investment properties, net	241	-	-	-	-	-	241
Property and equipment	590	-	-	-	-	-	590
Other assets, net	1,972	1,278	-	-	-	-	694
Total assets	**140,175**	**23,353**	**14,028**	**22,421**	**40,893**	**29,893**	**9,587**
Liabilities and equity							
Due to banks	7,542	1,046	792	2,656	3,049	-	-
Customer deposits and Islamic customer deposits	97,563	58,844	13,195	25,075	440	9	-
Notes and medium term borrowings	6,918	-	-	-	6,918	-	-
Negative mark to market value of derivatives	521	56	2	**30**	208	226	-
Due for trade acceptances	6,930	288	1,009	5,179	8	446	-
Other liabilities	3,275	3,230	-	-	-	-	45
Total liabilities	**122,751**	**63,464**	**14,998**	**32,939**	**10,623**	**681**	**45**
Gap representing equity	**17,425**	**(40,111)**	**(970)**	**(10,518)**	**30,270**	**29,212**	**9,542**

Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events. This includes legal risk but excludes strategic and reputational risk. CBD manages operational risk under its Risk Management Framework and Operational Risk Policy and Standards, which are approved by the Board and reviewed periodically to ensure alignment with regulatory requirements and industry best practices.

CBD applies a "three lines of defence" model to ensure robust operational risk governance. The first line of defence consists of business units that are responsible for identifying, assessing, and managing operational risks within their processes. The second line is the Operational Risk Management function, which provides oversight, sets standards, and challenges risk assessments. The third line is Internal Audit, which offers independent assurance on the effectiveness of controls and governance. This structure ensures accountability and transparency across all levels of the organisation.

CBD has a well-established governance structure, led by an active Board of Directors and supported by an experienced executive management team. Risk oversight is centralised through a series of executive and senior risk management committees that ensure effective decision-making and accountability.

The BRCC is responsible for overseeing the overall management of risk through the Bank's Risk Management Framework, which includes risk culture, risk appetite, risk identification and assessment, and risk management techniques. The BRCC approves key risk policies, frameworks, and the annual ICAAP, including stress testing results, and escalates any material risk issues to the Board when necessary.

The RMCC, chaired by the Chief Risk Officer ("**CRO**"), provides strategic and tactical guidance in managing CBD's risk profile in line with the risk appetite set by the BRCC. It monitors compliance with risk policies and ensures the adequacy of the risk management framework.

The ORMC, also chaired by the CRO, focuses on operational risk. It recommends risk appetite for operational risk, approves policies within its delegation, and maintains oversight of operational risk incidents. It reviews business lines and functions to address residual risks and escalates high Operational risks/issues to the BRCC.

At the business and functional level, the Risk Management Forum ensures that operational risks are identified, assessed, managed, and monitored. It also ensures adherence to relevant policies and risk appetite and escalates issues to higher committees when required.

To identify and assess operational risks, CBD uses a combination of tools. Risk and Control Self - Assessments ("**RCSA**") are conducted periodically to evaluate inherent and residual risks across key processes. Key Risk Indicators ("**KRIs**") are monitored to provide early warning signals of potential risk exposures, while scenario analysis is applied to assess the impact of extreme but plausible events on CBD's operations. These tools enable proactive risk management and timely mitigation. The ORM Standard was approved this year to provide clarity to Business and Functions on how these tools should be operationalised in day-to-day management operational risk management.

All operational risk events, including near misses, are systematically captured in a centralised Operational Risk Event Database. This database ensures consistency in classification, root cause analysis, and impact assessment. Each event undergoes a structured review process to identify underlying process, system, or control failures through root cause analysis. Corrective actions are assigned with clear timelines and accountability, and lessons learned are shared across business units to prevent recurrence.

Regular reporting is a key component of CBD's operational risk governance. Reports provided to senior management and the Board Risk Committee include analysis of event trends such as frequency, severity, and causal factors, as well as updates on KRIs highlighting areas of increasing risk exposure.

The Operational Risk team also conducts control effectiveness reviews to assess mitigation measures and remediation progress. Emerging risks from technology, regulatory changes, or external events are continuously identified as part of the RCSA exercise.

CBD maintains a comprehensive Business Continuity and Operational Resilience framework designed to ensure that critical services remain available during disruptions, whether caused by technology failures, natural disasters, or external events. This framework encompasses documented business continuity plans maintained by each business unit, regular disaster recovery testing of IT systems and infrastructure to validate recovery capabilities, and deployment of redundant systems, data replication, and failover mechanisms to ensure uninterrupted service delivery. Crisis management protocols provide a structured escalation process and communication plan to manage incidents effectively and maintain stakeholder confidence. Remote working capability is supported through secure remote access and collaboration tools, which are tested periodically for resilience. Cybersecurity measures real - time threat monitoring, penetration testing, and employee awareness programs to safeguard against cyber threats.

CBD maintains a robust Information Security Management System certified to ISO/IEC 27001 and aligned with leading regulatory and industry standards, including the UAE Information Assurance framework, SWIFT Customer Security Controls Framework, and Payment Card Industry Data Security Standard. Through comprehensive policies, governance frameworks, and advanced security controls, CBD ensures the confidentiality, integrity, and availability of its information assets, with a strong focus on protecting customer data and privacy, preventing financial loss, and maintaining full regulatory compliance while proactively mitigating information security risks.

Legal Risk

During the ordinary course of business, CBD is subject to legal risks, proceedings and adjudications. CBD manages its regulatory compliance and monitors its potential exposure to any legal claims or regulatory actions through its internal legal department and CBD's BRCC. CBD employs a full-time legal adviser who deals with both routine and more complex legal issues. The legal adviser is involved in giving legal advice to CBD's departments. In addition, the legal adviser reviews CBD's documentation, products and contracts to ensure that they are in line with current regulations.

Situations of particular complexity or sensitivity may be referred to external law firms. CBD has established a panel of external legal counsel, made up of leading local and international firms, to which it may refer matters as appropriate.

Derivatives

CBD enters into derivative contracts for the following reasons:

- to hedge outstanding interest rate or foreign exchange positions;
- to provide hedging solutions to clients to cover their market risk exposures; and
- to take proprietary positions in anticipation of movements in market rates.

CBD seeks to ensure that it enters into derivative transactions with clients only when it is satisfied that the client understands the risk profile of the product.

Capital Management

CBD is regulated by the UAE Central Bank which sets and monitors regulatory capital requirements.

CBD objectives when managing capital are as follows:

- to safeguard its ability to continue as a going concern and optimise returns for shareholders; and
- to comply with regulatory capital requirements set by the UAE Central Bank.

CBD's policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain its future development. The impact of the level of capital on shareholders' return is also recognised, as is the need to maintain a balance between the prospect of generating higher returns from higher gearing and the advantages and security afforded by a sound capital position.

CBD also assesses its capital requirements internally taking into consideration growth requirements and business plans, and quantifies its regulatory and risk / economic capital requirements within its integrated ICAAP Framework. Risks such as: interest rate risk, credit concentration risk, legal risk, compliance risk, liquidity risk, business risk, residual risk, counterparty credit risk and reputational risk are all part of the ICAAP.

CBD also calculates the Risk Adjusted Return on Capital ("**RAROC**") for credit applications that are priced on a risk adjusted basis. RAROC calculations are also built into the Credit Appraisal System.

The UAE Central Bank supervises CBD on a consolidated basis and receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. Effective from 2017, the capital is computed at a Group level using the Basel III framework of the Basel Committee, after applying the amendments advised by the UAE Central Bank, within national discretion. The Basel III framework, like Basel II, is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline.

The following table sets out the regulatory capital base, risk weighted assets and the capital adequacy ratio as at 31 December 2023, 2024 and 2025:

	As at 31 December			**Percentage change**	
	2023	**2024**	**2025**	**2024/2023**	**2025/2024**
		(AED million)		*(%)*	
Tier 1 capital	14,407	15,690	17,151	8.9	9.3
Tier 2 capital	1,110	1,233	1,349	11.1	9.4
Total regulatory capital	15,517	16,924	18,500	9.1	9.3
Risk weighted assets (RWA)					
Credit risk	88,804	98,680	107,925	11.1	9.4
Market risk	1,038	1,136	1,054	9.4	(7.2)
Operational risk	7,458	8,901	10,218	19.3	14.8
Risk weighted assets	**97,301**	**108,716**	**119,196**	**11.7**	**9.6**
Tier 1 ratio	**14.81%**	**14.43%**	**14.39%**	**(2.6)**	**(0.3)**
Capital adequacy ratio	**15.95%**	**15.57%**	**15.52%**	**(2.4)**	**(0.3)**

In line with Article 2.2. of Capital Adequacy Regulation, UAE Central Bank requires banks including CBD to apply the following minimum requirement:

1. CET1 must be at least 7 per cent. of risk weighted assets (**RWA**);

2. Tier 1 Capital must be at least 8.5 per cent. of RWA;

3. Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5 per cent. of RWA;

4. In addition to the minimum CET1 capital of 7 per cent. of RWA, banks must maintain a capital conservation buffer (CCB) and Countercyclical Capital Buffer (CCyB), maximum of 2.5 per cent. of RWAs on the form of CET1 capital; and

5. All banks must maintain a leverage ratio of at least 3.0 per cent.

Banks which are classified as D-SIBs by the UAE Central Bank are required to hold additional capital buffers as notified to it by the UAE Central Bank, however CBD is not subject to such requirements as at the date of this Prospectus.

As at 31 December 2025, the Issuer had a total capital adequacy ratio of 15.52 per cent., a Tier 1 capital ratio of 14.39 per cent. and a CET1 ratio of 12.54 per cent, all above the UAE Central Bank imposed requirements.

Investments

CBD's proprietary investments predominantly comprise quoted fixed income and equity investments in UAE and regional entities. Proprietary investments in non-UAE entities accounted for AED 6,142 million or 30.2 per cent. of the total portfolio as at 31 December 2025, AED 5,201 million or 35.6 per cent. of the total portfolio as at 31 December 2024, and AED 5,643 million or 37.4 per cent. of the total portfolio as at 31 December 2023.

The following table provides a breakdown of CBD's proprietary investments in UAE entities and non-UAE entities as at 31 December 2025, 31 December 2024 and 31 December 2023:

	Proprietary Investments in UAE entities			Proprietary Investments in non-UAE entities			Total Proprietary Investments		
	31 December			31 December			31 December		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Held at fair value through profit or loss									
Equities.....................................	-	-	-	158	179	162	158	179	162
Fixed rate securities..................	-	2	-	-	-	-	-	2	-
Held at fair value through other comprehensive income									
Equities and Fund of funds	53	173	169	2	2	3	55	175	172
Fixed rate securities..................	4,436	3,303	2,826	5,689	3,392	3,589	10,125	6,695	6,414
Floating rate securities	-	-	129	-	-	37	-	-	165
Held at amortised cost									
Fixed rate securities..................	9,727	5,911	6,333	294	1,628	1,853	10,021	7,540	8,186
Floating rate securities	-	-		-	-	-	-	-	-
Total...	14,217	9,389	**9,456**	6,143	5,201	**5,643**	20,359	14,590	**15,099**

Corporate Governance

CBD has adopted a Corporate Governance framework consistent with international best practice. The framework is created on principles of fair treatment for all stakeholders, forming the basis for an effective relationship between CBD, its Board, its shareholders and other stakeholders including customers, regulators and supervisors.

The Board of Directors:

The Board plays an integral role in the governance of CBD and its responsibilities include approving the strategy (including setting its risk appetite and risk management strategy), monitoring its financial performance, establishing the corporate governance framework and approving CBD's corporate values.

The Board is responsible for the implementation of an effective risk management culture and internal controls across CBD, its subsidiaries and affiliates. In order to promote a sound corporate culture, Board members must establish the "tone from the top".

The formation of the Board is governed by the Federal Law No. 32 of 2021. The current Board comprises of 11 Directors, each elected for a tenure of three years. The business address of each of the Director is Commercial Bank of Dubai, Al Ittihad Road, PO Box 2668, Dubai, UAE.

Elections to the Board were held at an annual general meeting of CBD on 6 March 2024 and, as at the date of this Prospectus, the Board comprises:

H.E. Ahmad Abdulkarim Julfar (*Chairman*)

His Excellency (H.E.) Ahmad Abdulkarim Julfar joined the Board of CBD in March 2018. H.E. possesses extensive and diverse experience spanning 39 years in the banking & technology sectors and several other industries. He was appointed to the Board of Directors of Commercial Bank of Dubai in 2018 and currently serves as Chairman of the Board. Prior to this, he was appointed to the Board of Directors of the National Bank of Ras Al Khaimah from 2016 to 2018. He is an active member of the Board of Directors of Commercial Bank of Dubai and has contributed to the development of the bank strategy and business, and performance during this period.

From 2016 to 2024, he was appointed by His Highness the Ruler of Dubai as Director General of the Community Development Authority, where he contributed to the development of community work and the social sector in Dubai. His Excellency has extensive experience in the telecommunications and information technology sector. He joined Etisalat in 1986 in the engineering department, progressing through various roles and responsibilities until his appointment as Group CEO in 2011. He led the growth and development of the Etisalat Group during that period until 2016. His Excellency also serves as Chairman of the Board of Directors of the Knowledge Fund, Vice Chairman of

	the Board of Directors of Integrated Telecommunications Company (du), and Vice Chairman of the Board of Directors of Union Cooperative Society. His Excellency has achieved numerous accomplishments throughout his career, receiving several awards and recognitions at various international and local events. He holds a Bachelor of Science degree in Civil Engineering and Computer Science and is also a graduate of the Mohammed bin Rashid Leadership Program.
H.E. Ahmad Abdulla Binbyat *(Vice Chairman)*	H.E. Ahmad Abdulla Binbyat joined the Board of CBD in March 2024. He currently serves as the Founding Chairman and CEO of Zaina Investments LLC, a private family office, and holds the position of Vice Chairman of the Dubai Chamber of Digital Economy. Additionally, he is a member of the Higher Committee for Future Technologies for Dubai, and a Board Member of Trustees for Dubai National University. Throughout his illustrious career, H.E. Binbyat has held numerous key positions, including Founding Chairman of Emirates Integrated Telecommunications Company (du), Vice Chairman of Dubai Holding, and Director General of the Dubai Creative Clusters Authority. His contributions to Dubai's development are significant, having established organisations such as EMPOWER and the Dubai Real Estate Corporation (Wasl), among others. He holds Bachelor's Degree in Science and Technology Management from Boston University, USA.
Mr. Abdulla Mohamed al Karam *(Director)*	Dr. Abdulla Al Karam joined the Board of CBD in March 2024. He currently serves as Board Member of Orient Insurance PJSC, Dubai Sports Council, and Dubai Cares. He served as the Director General of the Dubai Knowledge and Human Development Authority from 2006 to 2024. Additionally, he has held positions as a Board member for the Dubai Media Council, the Digital School, the Higher Committee for the Protection of the Rights of People with Disabilities in Dubai, the Emirati Human Resources Development Council, the International Positive Education Network (IPEN) Advisory Board, and UAE University. He holds a PhD in Computer Engineering from the University of South Carolina, USA.
Mr. Abdul Wahed Mohamed Al Fahim (*Director*)	Mr. Al Fahim joined the Board of CBD in March 2018. He is Chairman of the Board of Directors of Nasdaq Dubai and Board Member of EGA since 2014. He also serves as a Board Member of DUBAL Holding LLC and Emirates Development Bank. Mr. Al Fahim has over 25 years of banking and finance experience with the Emirates NBD Group having served as a board member of both Emirates NBD Capital and Emirates NBD Asset Management. Mr. Al Fahim served as General Manager of both the Corporate and Wholesale Banking divisions of Emirates NBD Bank before his appointment as Group Deputy Chief Executive Officer of the Bank in 2009. Mr. Al Fahim holds a Bachelor's degree in Business Administration Management from St. Edward's University, USA.
Mr. Ali Fardan Ali Al Fardan (*Director*)	Mr. Al Fardan joined the Board of CBD in 2011. He is currently member of the Board of Directors of Dubai Investment PJSC, National General Insurance Co. PJSC, and Al Mal Capital. He is the Vice Chairman of Naif Marine Services Co. PJSC, and is the Chairman of several organisations, including Al Fardan Group LLC, Al Fardan PTC Holding Limited, and Embassy Capital Limited. He is also the owner of ABF Investments LLC. Mr. Al

Fardan holds a Bachelor of Science in Information Systems from the Metropolitan State College, USA.

Mr. Buti Saeed Mohamed Al Ghandi (*Director*)	Mr. Al Ghandi joined the Board of CBD in 2015. Mr. Al Ghandi serves as the Managing Director of Al Ghandi Group Enterprises LLC and Desert Group Investment LLC, and as Chairman of the Board of Emirates Investment and Development Company PSC. He is also the Managing Director of Meethaq Employment Agency, Chancellor of the Canadian University of Dubai, Vice Chairman of Dubai World Trade Centre, and a Board Member of the Dubai Chamber. He was a member of the Board of Zakat Fund and served as a Board Director of Union National Bank PJSC and Dubai Islamic Bank. Additionally, he was Vice Chairman of Union National Bank in Egypt, and Vice Chairman of Oman Insurance Company. Mr. Al Ghandi holds a Bachelor's Degree in Business Administration & Finance from George Washington University, USA.
Mr. Hadi Mohammed Taher Badri *(Director)*	Mr. Hadi Badri joined the Board of CBD in March 2024. He is currently the CEO of the Dubai Economic Development Corporation, and Chairman of Network International UAE Board, one of the Middle East's and Africa's largest digital payments companies. Prior to this, he held several key positions, including CEO of Emaar International from 2019 to 2022 and Group Chief Strategy Officer from 2017 to 2018. He also served as the Chairman of Namshi between 2019 and 2022. In addition, Mr. Badri has contributed his expertise as a Board Director for Emaar Properties, where he was involved in various sectors such as real estate, e-commerce, and hospitality. Notably, he played a significant role in overseeing Emaar's real estate development ventures in India, Turkey, Pakistan, Morocco, and Jordan, serving on the Boards of 15 different companies within these sectors. Mr. Badri has also served as a Board Director at Sandooq Al Watan and Rivoli Group. Furthermore, he has been a member of Investment Advisory Committees at Middle East Venture Partners (MEVP) and Carlyle MENA Partners. He holds a Bachelor's Degree in Economics from Tufts University, USA.
Mr. Khalid Abdul Wahid Hassan Al Rostamani (*Director*)	Mr. Khalid Abdul Wahed Al Rostamani joined the Board of CBD in March 2008. He is the CEO and Chairman of the A.W. Rostamani Group of Companies and the founder and Chairman of BCD Travel, Transport and Freight Forwarding. Additionally, he serves as Board Director for Dubai Insurance Company (P.S.C.) and Etisalat Group (e&). He holds a Bachelor's degree in Finance from the George Washington University, USA.
H.H Sheikh Maktoum Bin Hasher Al Maktoum *(Director)*	His Highness (**H.H.**) Sheikh Maktoum Bin Hasher Al Maktoum joined the Board of CBD in March 2015. He is the President of Wisal Asset Management FZCO, Wisal Developments LLC and ME DO RE Projects DMCC. He is also the Chairman and President of Dubai International Holding. He served as Executive Director of SHUAA Capital, Chairman and President of A1 Grand Prix Limited and was the founding investor of Virgin Megastore in UAE. He was honoured as a "Young Global Leader" by the World Economic Forum in 2007 and was named 'CEO of the Year' by CEO Middle East in both 2008 and 2009. In 2010, he was recognised for his humanitarian efforts, receiving the 'Humanitarian of the Year' award. He holds a Bachelor of Science in Business Administration and Finance from Boston University, USA.

Mr. Saod Mohamed Obaidalla *(Director)*	Mr. Saod Obaidalla joined the Board of CBD in March 2024. He currently serves as a Director at Dubai World Trade Centre. Previously, he was a Board Member of prominent organisations, including Emirates NBD Securities, National General Insurance, and Oman Insurance Company. His career journey is marked by significant roles within Emirates NBD PJSC, where he held various positions, including Manager of Credit, Guarantee, and Trade Finance from 1993-1995, Branch Manager, and Commercial Manager in the Middle Corporate Company. He also served as Head of Private Banking from 2016-2023, Head of UAE & GCC Private Banking from 2014-2016, and Head of Royal Accounts, Private Banking from 2010-2014. He holds a Higher Diploma of Banking and Information System, Higher College of Technology in Dubai, UAE.
Ms Moza Omar Abdullah Hamad Al Futtaim *(Director)*	Ms. Moza Al Futtaim joined the Board of CBD in March 2024. She is the Chief AI Officer at Al Futtaim, where she leads the Group's AI strategy, driving innovation and transformation across its diverse portfolio. In her role, she focusses on using AI to enhance operational efficiency, elevate customer and employee experiences, and accelerate growth, with a vision to embed it into the Group's culture as a central pillar of strategic development. Previously, as Head of Corporate Social Responsibility, she championed initiatives in sustainability and inclusive employment. Her leadership reflects a deep commitment to driving innovation with impact and advancing the Group's long-term goals. She holds a Master of Laws in International Financial and Commercial Law from King's College London.

The following table sets out the number of shares held by each Board member as at 31 December 2025:

Board Member	Number of shares held
H.E. Ahmad Abdulkarim Mohd Julfar	-
H,E. Ahmad Abdulla Binbyat	-
Dr. Abdulla Mohamed Al Karam	-
Mr. Abdul Wahed Mohamed Al Fahim	-
Mr. Ali Fardan Al Fardan	-
Mr. Buti Saeed Al Ghandi	-
Mr. Hadi Mohammad Taher Badri	-
Mr. Khalid Abdul Wahed Al Rostamani	4,325,941
H.H Shaikh Maktoum Hasher Al Maktoum	145,622
Mr. Saod Mohamed Obaidalla	35,003,200*
Ms. Moza Omar Abdulla Hamad Al Futtaim	18,516,800

*Owned by Heirs of Mohammad Ibrahim Obaidalla

Executive Senior Management

The business address of each member of the executive senior management is Commercial Bank of Dubai, Al Ittihad Road, PO Box 2668, Dubai, UAE.

Dr. Bernd van Linder (Chief Executive Officer)

Dr. Bernd van Linder was appointed as the CEO of CBD in January 2017, bringing over 25 years of experience across a broad range of banking disciplines. During his tenure, CBD's market capitalisation and net profits have tripled and the bank's balance sheet has doubled in size. Prior to joining CBD, Dr. van Linder worked for Alawwal Bank in the Kingdom of Saudi Arabia for over 10 years, of which more than 7 years in the position of CEO. Other previous positions include Treasurer at Alawwal Bank and Head of Quantitative Analytics at ABN AMRO. Dr. van Linder holds an MBA in Financial Management from the University of Bradford, UK, a PhD in Artificial Intelligence from the Utrecht University in the Netherlands and an MSc in Computer Science from Nijmegen University in the Netherlands.

Mr. Darren Clarke (Chief Financial Officer)

Mr. Darren Clarke joined CBD in April 2018. He has more than 25 years of banking experience. In his previous role, Mr. Clarke was the CFO for National Australia Bank (NAB) International, and was based in Singapore. He worked at NAB for 13 years, including as the CFO for Global Markets & Treasury. Prior to that, he worked for J.P. Morgan Chase in the UK, Luxembourg and Hong Kong. Mr. Clarke holds a Bachelor's degree in Accounting from the University of Wollongong. He is a qualified Chartered Accountant with the Institute of Chartered Accountants in Australia.

Mr. Piotr Bednarek (General Manager - Treasury, Asset & Liability Management)

Mr. Piotr Bednarek joined CBD in September 2024 and has 25 years of experience in financial markets and treasury, having held various senior positions across Asia and Europe. Prior to joining CBD, he completed nearly twenty years at ING and in his last role he was the Managing Director, Group Treasurer for Singapore, Hong Kong and Japan. Mr. Bednarek holds a MSc in International Economics from Warsaw University, an Executive MBA from the University of Minnesota, and recently graduated from the Advanced Management Programme at MIT Sloan School of Management.

Mr. Mikkel Andersen (Chief Risk Officer)

Mr. Mikkel Andersen joined CBD in April 2026 and has over 25 years of international banking and capital markets experience across North America and Europe. Prior to joining CBD, he served as Group Head of Enterprise Risk Management, Recovery, and Resolution at Nordea Bank Abp, where he led enterprise-wide risk frameworks, stress testing, and regulatory engagement across multiple jurisdictions.

Earlier in his career, Mr. Andersen spent more than a decade with Butterfield Group, holding several senior leadership roles across market, liquidity, interest rate and operational risk, and played a key role in the Group's balance sheet transformation. He brings deep expertise in Enterprise Risk Management, Treasury and Market Risk, Asset & Liability Management, recovery and resolution planning, and regulatory engagement.

Mr. Fahad Al Muhairi (General Manager - Co-Head of Wholesale Banking Group - Institutional Banking)

Mr. Fahad Al Muhairi joined CBD in December 2014 and has nearly 30 years of banking experience. Mr. Al Muhairi's previous roles include Chief Risk Officer at Dubai Islamic Bank and General Manager at Amlak Finance. He has also served as a senior manager for corporate banking and as a main branch manager at Standard Chartered Bank, as well as a Bank Examiner at the Central Bank of the UAE. Mr. Al Muhairi holds a Masters Degree in Business Administration and Finance from the Canadian University of Dubai in the UAE.

Ms. Barbara Riccardi (General Manager - Co-Head of Wholesale Banking)

Ms. Barbara Riccardi joined CBD as Co-Head of the Wholesale Banking Group in October 2025. She oversees transaction banking and products, investment banking, financial institutions, structured finance, and international banking. As a General Manager, she is part of the Executive Committee, reporting into the Group CEO. Prior to joining CBD, Ms. Riccardi worked for Natixis, where she held multiple roles in Dubai and New York, and most recently, acted as a Regional Head for the Middle East CIB activities.

Ms. Riccardi began her career in 1997 as a field engineer at Schlumberger Oilfield Services, working in Latin America and Southeast Asia, before moving to Shell Capital and European Bank for Reconstruction and Development in London and Baku. She is a Certified Board Member by GCC BDI and was Vice Chair of the Natixis subsidiary Board. She graduated with a Master's in Chemical Engineering from La Sapienza University in Rome, Italy.

Ms. Aisha Almazrouei (Chief Customer Officer)

Ms. Aisha Almazrouei has been with CBD since 2017, contributing across Treasury and Human Resources. Before assuming her current role, she served as Head of HR and Emiratisation, where she shaped the Bank's people strategy, drove Emiratisation efforts, and supported organisational development. She applies her experience across different areas of the Bank to develop and implement strategies that improve customer experience.

Mr. Alan Blair Grieve (Chief Credit Officer)

Mr. Alan Blair Grieve joined CBD in 2017 following a 29-year career with HSBC, where he held senior leadership roles in corporate banking, operations, and risk management. Mr. Grieve returned to the UAE after a career that has led him to hold senior positions across Asia, Latin America, Europe and the Middle East. Most recently, he served for five years as HSBC's Chief Risk Officer for China, based in Shanghai. His previous roles include Chief Operating Officer, Head of Special Assets, and Head of Wholesale Credit Risk for the Asia-Pacific region. Mr. Grieve holds an Bachelor of Laws with honours from Aberdeen University in Scotland.

Mr. Dhiraj Kunwari (General Manager, Retail and Business Banking)

Mr. Dhiraj Kunwari joined CBD in September 2025 and is a senior banking executive with over 25 years of experience spanning retail, SME, commercial banking, and real estate finance. Most recently, Mr. Kunwari held the role of Managing Director at RAKBANK, overseeing SME business, commercial banking, retail branches, and real estate finance.

Mr. Kunwari has also played an active role in shaping industry policy and digital banking standards, including co-chairing the UAE Banking Federation's SME Committee. His leadership combines deep operational expertise with a forward-looking approach to financial services.

He holds an MBA in Finance and Marketing from IBS Hyderabad and completed the Executive Programme in General Management at MIT Sloan School of Management, specialising in strategy, innovation, and the digital economy.

Mr. Jamal Al Matari, General Manager, Business Development

Mr. Jamal Al Matari is the General Manager of Business Development at CBD. He has more than 30 years of banking experience in the UAE across business development, private banking, wealth management, and client relationship management.

He joined CBD in 2009 and has since held several senior leadership roles, including most recently Head of Private Banking. During his tenure, Mr. Al Matari has contributed to the growth of key business segments and strengthened client engagement across the Bank.He has further strengthened his executive capabilities through leadership and strategy programmes at Harvard Business School.

Board Committees

The Board has delegated specific responsibilities to committees as shown below. Each committee has a formal charter.

Board Credit and Investment Committee (BCIC)

The Board delegated to the Board Credit and Investment Committee (BCIC) authority, which is limited to the following:

- Approve larger credit facilities and investments above management limits.
- Approve programmes for credit products endorsed on a programmatic basis.
- Oversee the Bank's approach to the most material sectoral and individual credit exposures in its portfolio.
- Review the quality of the Bank's investment portfolio and the trends affecting it.
- Oversee the effectiveness of the Bank's investment strategy and policies.

Board Strategy Committee (BSC)

The Board delegated to the Board Strategy Committee (BSC) authority, which is limited to:

- Overseeing the strategy implementation and exploring with management growth opportunities for the Bank and its businesses.

- Following up on the implementation of material IT and transformation projects and overseeing the overall IT and digital strategies.

- Monitoring operating and financial performance against set targets.

- Suggesting to the Board of Directors any areas where the Bank could improve, change or adjust its operations, strategy, or business areas.

Board Risk and Compliance Committee (BRCC)

The Board delegated to the Board Risk and Compliance Committee (BRCC) authority, which is limited to:

- Assisting the Board in its oversight of management's risk taking and risk mitigation activities.

- Overseeing all risks (financial and non-financial) and risk-related activities.

- Setting and monitoring the Bank's risk appetite and monitoring performance against the same.

- Reviewing and approving policies where the Committee has the responsibility to do so, as per the policy and Procedure Delegation of Authority (DoA).

- Monitoring material recovery cases and approving related restructuring or financial settlements including write-offs, and increased provisions (combined referred to as FRR).

Board Audit Committee (BAC)

The primary purpose of the Board Audit Committee (BAC) is to provide oversight of the financial reporting process, the audit process, the Bank's system of internal controls, and compliance with laws and regulations, through:

- Monitoring the quality and integrity of financial statements and any formal announcements relating to financial performance.

- Reviewing the audit and internal control systems currently in place to ensure they remain sound and fit for purpose.

- Receiving and considering reports and recommendations from Internal Audit, External Auditors, and management.

- Monitoring compliance with laws and regulations.

- Monitoring specific whistleblowing and fraud cases.

- Making recommendations to the Board in respect of financial reporting and in relation to the appointment, reappointment, and removal of the external auditor, and approval of the remuneration and terms of employment of the Chief Internal Audit Officer.

- Monitoring and reviewing the effectiveness of the internal audit function.

- Reviewing the internal and external auditor's independence and objectivity.

- Reviewing and approving policies where the Committee has the responsibility to do so as per the policy and Procedure Delegation of Authority (DoA).

- Reviewing the related party transactions with the Bank and ensuring that there are no conflicts of interest and make recommendations to the Board before the conclusion of such transactions.

- Recommending changes to the Chief Internal Auditor's and Head of Internal Shari'ah Audit's remuneration and recommending the same to the Board Remuneration Committee. From a performance and variable pay perspective, assessing the performance of the Chief Internal Auditor and Head of Internal Shari'ah Audit including his/her KPIs, annual performance rating and annual bonus amount and recommend the same to the Remuneration, Nomination and Governance Committee. The Board Audit Committee consults with ISSC for matters related to the Head of Internal Shari'ah Audit.

Remuneration, Nomination and Governance Committee (REMCO)

The primary purpose of the Remuneration, Nomination and Governance Committee is to assist the Board by:

- Approving the Bank's People Strategy and monitoring its implementation.
- Approving the Bank's Reward Policy as applied to employees of the Bank and its associated and/or subsidiary companies.
- Approving all HR policies associated with remuneration and/or the Reward Policy.
- Approving the Code of Conduct and Conflict of Interest Policy.
- Approving the remuneration packages for senior executives in line with the Corporate Governance Regulations.
- Providing recommendations in relation to remuneration for Board Members.
- Approving long-term incentive plans for employees.
- Ensuring that the compensation of employees in the control functions of Risk Management including Internal Shari'ah Control, Compliance, and Internal Audit including Internal Shari'ah Audit, are determined independently of the performance of the Bank.
- Ensuring that performance-based compensation of senior executives and Material Risk Takers is reduced or reversed based on realised risks and violations of laws, regulations, Code of Conduct, or other policies before compensation vests.
- Reviewing business-related incentive schemes.
- Approving benefit plans for all employees.
- Establishing a fit and proper process for the selection and appointment of board members and senior executives.
- Reviewing succession plans of senior executives and Board Members.
- Recommending individuals for nomination as members of the Board and its Committees and the Internal Shari'ah Supervision Committee (ISSC).
- Overseeing the performance management system including performance goals for the CEO and all senior executives, including CRO, CIA, Head of Internal Shari'ah Control, and Head of Internal Shari'ah Audits.
- Overseeing the organisational structure of its Committees and senior executives.
- Reviewing corporate governance arrangements, including but not limited to, the Board selection, suitability and diversity, Board continuing professional development, overseeing the annual performance evaluation of the Board, its Committees and individual Board members and Committees' structures and adequacy.
- Reviewing any other ancillary matter to the above as decided by the Committee.
- Reviewing and approving policies where it has the responsibility to do so as per the Policy and Procedure DoA.

- Approving credit facilities extended to the staff or relatives of the staff outside the ordinary course of business.

Management Committees

Certain day-to-day activities of the Bank have been delegated by the Board to the CEO and a number of Management Committees. These Management Committees are established for the purpose of recommending, deciding, approving, and/or monitoring key topics in their respective areas of specialisation. These Management Committees provide a platform for discussion between the senior management team on key business and control areas for the Bank.

Management Committees are endowed with full executive powers to take decisions and actions related to their field, scope, and structured hierarchy in line with the existing delegations of authority.

Executive Committee (EXCO)

The EXCO is the most senior management committee whose responsibilities include, assessing and recommending the annual review plan and strategy, reviewing the financial performance, reviewing and recommending major investment and expansion decisions, and approving any other key business matters.

Asset and Liability Committee (ALCO)

The ALCO's objective is to safeguard the long-term profitability of the Group by managing the mix of assets and liabilities, given its expectations of the future and the potential consequences of interest rate movements, liquidity constraints, foreign exchange exposure and capital adequacy. The ALCO is also responsible for ensuring that all strategies conform to the Group's risk appetite and levels of exposure as determined by the Board.

Credit Committee (CC)

The CC manages CBD's credit risk by reviewing and approving or recommending individual customer proposals that involve taking any credit risk by CBD, in line with the specific authorities delegated by the Board Credit and Investment Committee and the Board.

Project Investment Committee (PIC)

The PIC reviews and approves investment projects for CBD and provides guidance for CBD's long term and short term goals in the areas of strategic project investment. The PIC governs all projects of CBD including but not limited to those which have a direct or an indirect dependency on IT. The PIC is also responsible for reviewing key aspects including the investment slate, project performance, project financials, business case approvals and project delivery.

Risk Management & Compliance Committee (RMCC)

The purpose of RMCC is to manage all risks that have the potential to materially impact the Bank's financial performance or the sustainability of its business operations. It oversees the implementation of the policies, procedures, processes and framework related to all risks and maintains oversight of the risks across the Bank. In addition, RMCC ensures compliance with regulatory requirements specified by regulators applicable to CBD. The RMCC provides a robust and consistent framework for the timely identification, analysis, mitigation, and management of material risks.

Human Resource Committee (HRC)

The HRC manages all matters related to the Bank's people strategy, culture, Emiratisation strategy, performance and reward, resourcing, succession planning, and other HR-related matters.

The Bank also has other sub-committees and forums to support the Bank in recommending, deciding, approving, and/ or monitoring key topics in their respective areas of specialisation such as Operational Risk Management Committees, Sustainability Council, IFRS 9 Provisioning, Transformation Forums, Model Oversight Committee, and others.

Model Oversight Committee (MOC)

The RMCC discharges its responsibilities vested to it by the BRCC to the MOC in respect to CBD's model risk management approach. The MOC provides oversight in respect to implementation and ongoing running of the overall model management & governance process in accordance with the model management & governance policy and in compliance with prevailing UAE Central Bank guidelines. The purpose of the MOC is to review and approve the development of new models and/or request the re-redevelopment of existing models, model validation results and risk acceptances representing deviations from the model management & governance policy. The MOC provides quarterly update to the RMCC encompassing the key actions carried out by the MOC in respect to the overall model risk management.

IFRS 9 Provisions Committee

The IFRS 9 Provisioning Committee ("**IFRS9 PC**") was established to govern the credit provisioning and IFRS 9 practices at CBD.

The purpose of the IFRS9 PC is to review and approve provisioning, staging and classification through the application of IFRS 9 and provisioning policies whilst also ensuring compliance with relevant regulatory requirements set out by the UAE Central Bank.

Operational Risk Management Committee (ORMC)

The purpose of the ORMC is to maintain oversight of the operational risks identified across CBD by all relevant units like Operational Risk Management Department, Internal Control Department and Internal Audit.

Sustainability Council

CBD's ESG initiatives are governed by its Sustainability Council that is accountable to the Executive Committee to ensure CBD delivers on its ESG commitments. The Sustainability Council is chaired by the Chief Risk Officer and is comprised of permanent voting members from Risk, Transaction Banking, and Finance, as well as non-voting rotating attendees from Compliance, Corporate Social Responsibility, Customer Engagement, Human Resources, and Support Services. The Sustainability Council meets quarterly, providing updates to the EXCO and the Board, as required.

Internal Sharia Supervision Committee

CBD offers Sharia-compliant financial solutions to its retail and corporate clients under the Islamic window branded as CBD Al Islami.

CBD Al Islami is regulated by the UAE Central Bank's Higher Sharia Authority ("**HSA**") and all its activities are supervised by CBD's ISSC. This committee is independent, appointed by the general assembly of CBD for a term of three years and has the ultimate authority within CBD regarding all Sharia related matters.

CBD's corporate governance strategy is also implemented through the following departments:

CBD Risk Department

The CBD Risk Management Department comprises of the following areas: Enterprise Risk Management, Treasury Risk, Operational Risk including Technology Risk and Business Continuity Management, Information Security Risk, Risk Governance and Sustainability, Sharia Non-Compliance Risk and Fraud Risk Management. The core responsibilities include the following:

- the upkeep of the Risk Management Framework and risk appetite in accordance with the strategic plan approved by the Board and regulatory requirements;

- performing the Group's Internal Capital Adequacy Assessment Process (ICAAP) - including the Material

- Risk Identification Process - Capital Management analysis, the development of Pillar II capital assessment models and conducting stress testing;

- providing the independent assessment of, and challenge to the business areas' risk management and profiles to ensure that they are maintained in a robust manner;

- acting as a point of reference for risk and control matters, providing advice to management, sharing best practices and carrying out special reviews as directed by RMCC and the ALCO, and highlighting emerging risks;

- conducting assurance reviews on the first line of defence activities including risk and control self -assessments, control testing and the appropriate adoption of risk policies;

- providing operational resilience - protecting Group and customer information assets from cybersecurity risks and ensuring that critical functions can be maintained should a disruptive event occurs;

- centrally managing the Group's policies to ensure timely review and approval in accordance with regulatory and internal deadlines;

- formulating and managing the Group's Model Risk management approach, ensuring appropriate governance controls are in place and in line with internal and regulatory expectations;

- providing independent and continuous oversight of the Credit Risk function by ensuring credit risk is acquired in accordance with internal policies and regulations, and that the Bank remains within its set credit risk appetite; and

- framing and introducing necessary controls to identify, assess and monitor the Group's exposure to market risk.

Internal Audit Department

The role of the Internal Audit Department within CBD is to provide independent and objective assurance that the process for identifying, evaluating and managing significant risks faced by CBD is appropriate and effectively applied. In addition, it also provides an independent assurance on the compliance with key laws and regulations and assessing compliance with CBD's policies and procedures. Additionally, the Internal Audit provides consulting services which are advisory in nature, and are generally performed at the specific request of the BAC or Management.

The Internal Audit Department is led by the Chief Internal Audit Officer, who reports to the BAC of the Board, with an administrative reporting to the Chief Executive Officer.

To perform its role effectively, the Internal Audit Department has organisational independence from Management, to enable unrestricted evaluation of Management's activities. The Internal Audit Charter empowers the Internal Audit Department to have full, free and effective access at all reasonable times to all records, documents and employees of CBD. The Internal Audit Department has direct access to the Chairman of the BAC and the Chief Executive Officer.

To determine whether the Internal Audit Function is functioning effectively, the BAC shall:

- assess the appropriateness of the Internal Audit Charter;

- assess the adequacy of resources available, both in terms of skills and funding once each year;

- sponsor external assessments, at least once every five years, by a qualified, independent external reviewer;

- approve the terms of employment of the Chief Internal Audit Officer.; and

- monitor and review the effectiveness of the Internal Audit function and the independence and objectivity of the internal auditors.

Internal Control

The Board and Management are responsible for developing and maintaining the existence of a sound Internal Control System and procedures that meet international standards and fulfil the requirements of the Group's Management and external regulatory bodies. The internal control system should be capable of ensuring the achievement of the following:

- accuracy and integrity of financial and operational statements issued by the Group;
- effectiveness and efficiency of the Group's operational activities;
- effectiveness of measures and procedures set to safeguard the Group's assets and properties; and
- compatibility with laws, legislations and regulations in force as well as policies pertinent to internal operational procedures.

Senior management constantly monitors and assesses the efficiency and effectiveness of internal control procedures and their ability to achieve stated objectives and their furtherance and enhancement.

The processes and responsibilities of the Internal Control functions include but not limited to:

- ensuring that the Group's operational policies, processes and controls are adhered to;
- ensuring that proper internal controls are in place and that they are functioning as designed in a timely and effective manner;
- periodic review of the Group's internal control system in order to identify areas where internal controls may be weak, not present and areas where there appear to be excessive controls resulting in operational inefficiency so as to suggest ways to rectify the same;
- enabling the management to conduct an annual review of the efficiency of the internal control system and report its findings; and
- monitoring of operational activities and overseeing operational controls being exercised to ensure that these are timely and effective.

Compliance

Compliance risk is defined by the Basel Committee as "the risk of legal or regulatory sanctions, financial loss, or loss to reputation that a Group may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice".

The process of monitoring compliance is an independent task which aims at ensuring that the Group, which includes CBD and its regulated subsidiaries, operates in compliance with applicable laws, regulations, instructions, directives and circulars, issued by relevant authorities as well as prevailing market practices and ethical standards.

The Board of Directors oversees management of compliance risk within the Group and takes necessary measures to set and promote a culture of compliance with the applicable laws, rules, standards, ethical and professional conduct values when conducting the business of the Group.

The mission and role of the Group's Compliance department is to:

- ensure compliance risk is adequately identified, assessed, monitored and mitigated in conjunction with Business and other control functions;
- ensure senior management and the Board are fully informed of significant compliance issues and plans for resolution;
- implement an effective control framework to manage market conduct risk and ensure compliance with the Consumer Protection Regulation and Standards, mitigating potential regulatory and financial threats, and maintaining the Bank's integrity and reputation by treating consumers fairly and ethically.

- Ensure compliance with applicable laws, rules and regulations, and maintain proactive communication with regulatory authorities.

- contribute to a "no surprise" compliance culture by educating and communicating compliance awareness throughout the Group;

- conduct independent reviews of selected processes and controls across the Group to ensure that key regulatory obligations are met and that key controls operate effectively;

- develop annual compliance plans which set out compliance priorities for the Group and align compliance plans with business strategies and goals; and

- develop frameworks and support the business in meeting applicable regulatory requirements, including Anti-Money Laundering (AML), Combatting the Financing of Terrorism (CFT), Targeted Financial Sanctions and Proliferation Financing (TFS and PF), Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS), Market Conduct and Consumer Protection requirements.

Whistleblowing

A set of arrangements has been designed to enable employees and customers to confidentially report concerns about any potential violations, enabling the investigation and follow up of such concerns in an independent and confidential manner. Such arrangements are supervised by the Board in coordination with the senior management.

Fraud Risk Management

CBD's dedicated Fraud Risk Management Unit is integral to maintaining the integrity and security of its operations. This unit is tasked with identifying, detecting, and verifying potential or actual fraud incidents, as well as enhance assurance activities and ensure Fraud Risk concerns are addressed early and appropriately in project and change management processes. The overarching goal is to manage and reduce the susceptibility of the Group's assets and processes to fraud risk, while raising fraud awareness among employees, customers, and other stakeholders.

Conflicts of Interest

Certain members of CBD's Board and senior management personnel have interests in entities other than CBD, including directorships and shareholdings with third parties ("**related entities**"). Certain of these related entities have banking and/or other commercial relationships with CBD. In addition, certain Board members and senior management personnel have obtained loans and advances from, and maintain deposits with, CBD. For further information, see "*Related Party Transactions*" and Note 33 to the 2025 Financial Statements.

All transactions between CBD and members of the Board, senior management personnel and/or such related entities are subject to compliance with CBD's corporate governance regime which requires, amongst other things, that such transactions are approved by the Board and are executed on an arms-length basis. All such transactions must also comply with regulations imposed by the UAE Central Bank.

Save as set out above, there are no potential conflicts of interest between the duties of the members of CBD's Board and senior management and their private interests and/or other duties.

Related Party Transactions

Balances with certain related parties (major shareholders of CBD, Government related parties, CBD's Board and companies of which they are principal owners or directors and key management personnel of CBD) accounted for loans and advances and Islamic financing, net of AED 2.2 billion (which accounts for 2.2 per cent. of CBD's total loans and advances and Islamic financing) and customer deposits and Islamic customer deposits of AED 9.2 billion (which accounts for 8.3 per cent. of CBD's total customers' deposits and Islamic customers' deposits) as at 31 December 2025. Balances with related parties accounted for loans and advances and Islamic financing, net of AED 3.6 billion (which accounts for 3.9 per cent. of CBD's total loans and advances and Islamic financing, net) and customer deposits and Islamic customer deposits of

AED 7.8 billion (which accounts for 8.0 per cent. of CBD's total customer deposits and Islamic customer deposits) as at 31 December 2024.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of CBD, directly or indirectly, including any director (whether executive or otherwise) of CBD. Other related parties represent major shareholders, parties related to directors and key management personnel. The terms of transactions with related parties are comparable to third party transactions and do not involve more than normal amounts of risk. The terms of these transactions are approved by the Board. Please see Note 33 to the 2025, 2024 and 2023 Financial Statements.

Recent Developments

The following information has been extracted without material adjustment from CBD's 2026 Interim Financial Statements:

Consolidated Statement of Financial Position Data

	As at	
	31 March 2026	**31 December 2025**
	(AED million)	
ASSETS		
Cash and balances with UAE Central Bank	15,913	22,361
Due from banks, net	5,954	4,700
Investment securities, net	21,028	20,359
Loans and advances and Islamic financing, net	102,055	101,049
Positive mark to market value of derivatives	485	361
Bankers acceptances	9,005	8,020
Investment in an associate	128	126
Investment properties	174	174
Property and equipment	971	941
Other assets, net	2,209	2,217
TOTAL ASSETS	**157,922**	**160,308**
LIABILITIES AND EQUITY		
Due to banks	8,633	8,761
Customer deposits and Islamic customer deposits	109,633	111,353
Notes and medium-term borrowings	8,983	8,983
Negative mark-to-market value of derivatives	359	346
Due for trade acceptances	9,005	8,021
Other liabilities	2,994	3,423
TOTAL LIABILITIES	**139,607**	**140,886**
EQUITY		
Share capital	2,985	2,985
Tier 1 capital notes	2,204	2,204
Legal and statutory reserve	1,493	1,493
General reserve	1,328	1,328
Capital reserve	39	39
Fair value reserve	(472)	(299)
Retained earnings	10,740	11,673
TOTAL EQUITY	**18,315**	**19,422**
TOTAL LIABILITIES AND EQUITY	**157,922**	**160,308**

Consolidated Statement of Profit or Loss

	For the three months ended 31 March	
	2026	2025
	(AED million)	
Net interest income and net income from Islamic financing	1,009	985
Net fees and commission income	296	274
Net gain from foreign exchange and derivatives	111	68
Net gain from investments at fair value through profit or loss	(0.1)	1.5
Dividend income	-	5.6
Other income, net	41	37
Total operating income	1,456	1,371
Charge of impairment allowance on due from banks	(1.7)	(5.5)
Credit impairment allowances[1]	(180)	(116)
Recoveries of loans and advances and Islamic financing	46	31
Charge of impairment allowance on investment securities	(0.2)	0.1
Impairment charge on other assets	(17)	-
Total net income	1,303	1,280
Staff and other expenses	(359)	(351)
Depreciation and amortisation	(32)	(20)
Total operating expenses	(392)	(370)
Profit for the period before income tax	**912**	**910**
Income tax expense	**(82)**	**(82)**
Net profit for the period after income tax	**830**	**828**
Basic and diluted earnings per share	**AED 0.28**	**AED 0.28**

Note:
(1) Includes net impairment charge on loans and advances and Islamic financing and impairment allowance on financial guarantees and loans commitments.

Selected ratios (%)

	As at/For the three months ended 31 March	
	2026	2025
Return on average assets[1]	2.1	2.4
Return on average equity[2]	20.6	22.7
Cost to income ratio[3]	26.9	27.0
Non-performing loans ratio[4]	3.6	4.3
Provision coverage ratio[5]	104.7	101.1
Loan to deposit ratio[6]	93.1	97.3
Capital adequacy ratio[7]	15.5	15.3
Tier 1 Capital ratio[8]	14.3	14.2
CET1 Ratio[9]	12.5	12.3
Net Interest Margin[10]	2.8	3.1
ELAR[11]	20.1	16.9

Notes:
1 Return on Average Assets is calculated as Net profit / (Opening assets + Closing assets)/2.
The ratio shows how many AED of earnings CBD derives from each AED of assets it controls.
2 Return on Average Equity Ratio is calculated as Net profit / (Opening equity + Closing equity)/2. Average equity is less Tier 1 capital notes, tier 1 transaction costs and Intangible Assets.
RoAE is a measure of the profitability of CBD's business in relation to the book value of shareholder equity, also known as net assets or assets minus liabilities. RoAE is a measure of how well CBD uses shareholders' equity to generate earnings growth.
3 Cost to income Ratio is calculated as Total operating expenses / Total operating income. A lower percentage means that expenses are low and earnings are high.
4 Non-performing loans ratio is calculated as impaired loans less interest in suspense / gross loans less interest in suspense. The same basis has been used to compute impaired loans in this document.
A non-performing loan, or NPL, is a loan that is in default or close to being in default. Personal Banking loans become non-performing after being in default for 90 days. Institutional and Corporate Banking loans are marked as non-performing, on a case-by-case basis and are subject to management discretion and analysis.
5 Provision Coverage Ratio is calculated as Provision for Impairment less interest in suspense / Impaired Loans less interest in suspense. The same basis has been used to compute provision coverage ratio in this document.
The ratio shows the total provisions CBD has built on its impaired loans.
6 Loan to deposit ratio is calculated as loans and advances and Islamic financing, net / customer deposits and Islamic customer deposits.

The loan to deposit ratio is used to calculate CBD's ability to make payments to customers withdrawing their deposits. A ratio of less than one implies that CBD has relied on funds deposited by customers to make loans, advances and Islamic financing. A ratio of more than one implies that CBD has extended loans, advances and Islamic financing from funds borrowed by it in addition to deposits.

7 Capital Adequacy Ratio is calculated as Total Capital Base / Risk Weighted Assets.

8 Tier 1 Capital ratio is calculated as Tier 1 Capital / Risk Weighted Assets Calculated in accordance with the requirements of the UAE Central Bank and the capital adequacy regulations issued by the UAE Central Bank as stipulated in Circular No. 52/2017 dated 23 February 2017 and Circular No. 60/2017 dated 2 March 2017, supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank and were effective from 1 December 2022 by virtue of Circular No.52/2017.

9 CET1 Ratio is calculated as Common Equity Tier 1 Capital / Risk-Weighted Assets. A higher percentage indicates stronger capital adequacy and greater ability to absorb losses.

10 Net Interest Margin is calculated as Net Interest Income / Average Earning Assets. A higher percentage means better profitability from core lending and investment activities.

11 ELAR is calculated as Eligible Liquid Assets / Total Liabilities. A higher percentage indicates stronger liquidity and the Bank's ability to meet its short-term obligations.

Results of Operations

The following is a summary of the result of operations for the three-months period ended 31 March 2026 compared with the equivalent results for the three-months period ended 31 March 2025:

Net interest income and net income from Islamic financing

CBD's net interest income and net income from Islamic financing increased by 2.4 per cent. from AED 985 million for the three-month period ended 31 March 2025 to AED 1,009 million for the three-month period ended 31 March 2026. This was primarily a result of loan and CASA growth offsetting lower market rates.

Interest expense and distributions to Islamic depositors decreased by 3.9 per cent. to AED 812 million for the three-month period ended 31 March 2025 from AED 845 million for the three-month period ended 31 March 2026. This was primarily a result of lower benchmark interest.

Total non-interest income

Total non-interest income constituted 30.7 per cent. of CBD's total operating income. Total non-interest income increased by 15.8 per cent. from AED 386 million for the three-month period ended 31 March 2025 to AED 447 million for the three-month period ended 31 March 2026, mainly driven by syndication, transaction banking fees and treasury sales.

Net fees and commission income increased by 8.0 per cent. from AED 274 million for the three-month period ended 31 March 2025 to AED 296 million for the three-month period ended 31 March 2026. Net gains from foreign exchange and derivatives increased by 63.2 per cent from AED 68 million for the three-month period ended 31 March 2025 to AED 111 million for the three-month period ended 31 March 2026. Income from investments decreased by 108.1 per cent from AED 1.5 million for the three-month period ended 31 March 2025 to AED (0.1) million for the three-month period ended 31 March 2026, mainly due to loss sale of debt securities in trading portfolio. Other income increased by 10.7 per cent from AED 37 million for the three-month period ended 31 March 2025 to AED 41 million for the three-month period ended 31 March 2026.

Impairment allowances

CBD's net impairment charge increased by 68.0 per cent. from AED 91 million for the three-month period ended 31 March 2025 to AED 152 million for the three-month period ended 31 March 2026, primarily on the back of macro-economic overlays.

Impairment allowances on loans and advances and Islamic financing decreased by 27.8 per cent. from AED 135 million for the three-month period ended 31 March 2025 million to AED 98 million for the three-month period ended 31 March 2026, due to improved underlying asset quality driven by improved cost of risk. CBD recorded a provision coverage ratio of 104.7 per cent. The total carrying amount of impaired loans (excluding restructured performing loans and loans under restructuring) increased by 0.07 per cent. to AED 3.744 million for the three-month period ended 31 March 2026 from AED 3.742 million for the three-month period ended 31 March 2025. CBD is continuing to seek recoveries in respect of the loans, including through litigation.

CBD's recoveries increased by 49.2 per cent. from AED 31 million for the three-month period ended 31 March 2025 to AED 46 million for the three-month period ended 31 March 2026. This increase in the level of recoveries is a result of CBD's focus on monitoring its non-performing loan ratio and collection procedures.

Total operating expenses

CBD's staff and other expenses amounted to AED 359 million for the three-month period ended 31 March 2026 as compared to AED 351 million for the three-month period ended 31 March 2025. CBD continued to focus on cost controls, resulting in its cost to income ratio decreasing from 27.0 per cent. to 26.9 per cent.

The control in CBD's operating expenses is mainly due to CBD's ongoing cost optimisation efforts with a strong focus on enhancing operating efficiency and adopting digital solutions, while continuing to invest in key strategic initiatives. With the increasing digitisation of key customer services, CBD has optimised its distribution network over recent years.

Net profit

CBD 's net profit before tax of AED 912 million for the three-month period ended 31 March 2026, represented a 0.3 per cent. increase from AED 910 million compared to the same period in 2025, despite a challenging market environment. Increase is attributable to increase in net interest income and non-funded income, partially offset by higher impairments, staff expenses and other operating expenses.

Total Assets

CBD's total assets decreased by 1.5 per cent. from AED 160 billion for the three-month period ended 31 March 2025 to AED 158 billion for the three-month period ended 31 March 2026. The decrease was as a result of decrease in cash and balances with UAE Central Bank, partially offset by increase in net loans and advances, due from banks, investment securities and bankers acceptances.

Loans and advances and Islamic financing, net

CBD's loans and advances and Islamic financing, net increased by 1 per cent. from AED 101.1 billion for the three-month period ended 31 March 2025 to AED 102.1 billion for the three-month period ended 31 March 2026. The increase was a result of strong loan growth across all segments despite fierce competition.

Investment securities

CBD's investment securities increased by 3.3 per cent. from AED 20.4 billion for the three-month period ended 31 March 2025 to AED 21.0 billion for the three-month period ended 31 March 2026. This increase was mainly due to an increase in investments measured at fair value through other comprehensive income in quoted equity instruments, partially offset by a decline in fixed rate instruments measured at an amortized cost.

Other assets

CBD's other assets decreased by 0.38 per cent. from AED 2.22 billion for the three-month period ended 31 March 2025 to AED 2.21 billion for the three-month period ended 31 March 2026. The decrease was primarily due to an decrease in properties acquired in settlement of debt held for sale.

Customer deposits and Islamic customer deposits

CBD's customer deposits and Islamic customer deposits decreased by 1.6 per cent. from AED 111.4 billion for the three-month period ended 31 March 2025 to AED 109.6 billion for the three-month period ended 31 March 2026. This decrease was as a result of lower fixed deposit balances.

SELECTED FINANCIAL INFORMATION

The following information has been extraced from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and the notes thereto, which have been incorporated by reference in and form part of this Prospectus.

The following tables set out selected consolidated financial information of CBD, as extracted from the Financial Statements. Financial information set out in the tables below corresponding to (i) the financial year ended and as at 31 December 2025 and 31 December 2024 have each been extracted from the 2025 Financial Statements and (ii) the financial year ended and as at 31 December 2023 has been extracted from the 2024 Financial Statements (where such information is presented for comparative purposes). The ratios included herein have been prepared based on management information and information in the Financial Statements. Certain metrics in "Selected Ratios" below constitute Alternative Performance Measures for the purposes of the ESMA guidelines on Alternative Performance Measures. See "Presentation of Alternative Performance Measures" elsewhere in this Prospectus.

Consolidated Statement of Financial Position Data

	As at 31 December		
	2023	**2024**	**2025**
		(AED million)	
ASSETS			
Cash and balances with UAE Central Bank	15,010	16,938	22,361
Due from banks, net	3,773	5,162	4,700
Investment securities, net	15,099	14,590	20,359
Loans and advances and Islamic financing, net	83,313	93,049	101,049
Positive mark to market value of derivatives	698	585	361
Bankers acceptances	7,932	6,930	8,020
Investment in an associate	102	118	126
Investment properties	246	241	174
Property and equipment	432	590	941
Other assets, net	2,382	1,972	2,217
TOTAL ASSETS	**128,987**	**140,175**	**160,308**
LIABILITIES AND EQUITY			
Due to banks	7,833	7,542	8,761
Customer deposits and Islamic customer deposits	88,287	97,563	111,353
Notes and medium-term borrowings	5,705	6,918	8,983
Negative mark-to-market value of derivatives	635	521	346
Due for trade acceptances	7,932	6,930	8,021
Other liabilities	2,814	3,275	3,423
TOTAL LIABILITIES	**113,206**	**122,751**	**140,886**
EQUITY			
Share capital	2,985	2,985	2,985
Tier 1 capital notes	2,204	2,204	2,203
Legal and statutory reserve	1,493	1,493	1,493
General reserve	1,328	1,328	1,328
Capital reserve	39	39	39
Fair value reserve	(552)	(451)	(298)
Retained earnings	8,285	9,827	11,672
TOTAL EQUITY	**15,781**	**17,424**	**19,422**
TOTAL LIABILITIES AND EQUITY	**128,987**	**140,175**	**160,308**

Consolidated Statement of Profit or Loss

	For the year ended		
	2023	2024	2025
		(AED million)	
Net interest income and net income from Islamic financing	3,570	3,799	4,151
Net fees and commission income	935	1,115	1,171
Net gain from foreign exchange and derivatives	312	323	334
Net gain from investments at fair value through profit or loss	0.4	3	4
Net gain from sale of debt investments at fair value through other comprehensive income and other debt securities	0.7	1	145
Dividend income	10	10	10
		240	104
Other income, net	110		
Total operating income	**4,938**	**5,491**	**5,919**
Reversal / (charge) of impairment allowance on due from banks	(0.6)	(1.3)	(7.9)
Credit impairment allowances[1]	(1,093)	(989)	(702)
Recoveries of loans and advances and Islamic financing	182	257	189
(Charge) / reversal of impairment allowance on investment securities	(0.8)	-	0.7
Impairment allowance on other assets	(148)	(30)	(0.7)
Total net income	**3,878**	**4,728**	**5,398**
Staff and other expenses	(1,179)	(1,342)	(1,459)
Depreciation and amortisation	(49)	(61)	(95)
Total operating expenses	**(1,228)**	**(1,403)**	**(1,554)**
Profit for the year before income tax	**2,650**	**3,325**	**3,844**
Income tax expense	**-**	**(295)**	**(344)**
Net profit for the year after income tax	**2,650**	**3,030**	**3,500**
Basic and diluted earnings per share	**AED 0.84**	**AED 0.97**	**AED 1.13**

Note:

(1) Includes net impairment charge on loans and advances and Islamic financing and impairment allowance on financial guarantees and loans commitments.

Selected ratios (%)

	As at/For the year ended 31 December		
	2023	2024	2025
Return on average assets[1]	2.2	2.5	2.6
Return on average equity[2]	21.2	23.5	24.3
Cost to income ratio[3]	24.9	25.6	26.2
Non-performing loans ratio[4]	6.5	4.3	3.6
Provision coverage ratio[5]	83.3	104.2	103
Loan to deposit ratio[6]	94.4	95.4	90.7
Capital adequacy ratio[7]	16.0	15.6	15.5
Tier 1 Capital ratio[8]	14.8	14.4	14.4
CET1 Ratio[9]	12.5	12.4	12.5
Net Interest Margin[10]	3.2	3.1	3.0
ELAR[11]	20.3	20.0	23.9

Notes:

1 Return on Average Assets is calculated as Net profit / (Opening assets + Closing assets)/2.
The ratio shows how many AED of earnings CBD derives from each AED of assets it controls.

2 Return on Average Equity Ratio is calculated as Net profit / (Opening equity + Closing equity)/2. Average equity is less Tier 1 capital notes, tier 1 transaction costs and Intangible Assets.
RoAE is a measure of the profitability of CBD's business in relation to the book value of shareholder equity, also known as net assets or assets minus liabilities. RoAE is a measure of how well CBD uses shareholders' equity to generate earnings growth.

3 Cost to income Ratio is calculated as Total operating expenses / Total operating income. A lower percentage means that expenses are low and earnings are high.

4 Non-performing loans ratio is calculated as impaired loans less interest in suspense / gross loans less interest in suspense. The same basis has been used to compute impaired loans in this document.
A non-performing loan, or NPL, is a loan that is in default or close to being in default. Personal Banking loans become non-performing after being in default for 90 days. Institutional and Corporate Banking loans are marked as non-performing, on a case-by-case basis and are subject to management discretion and analysis.

5 Provision Coverage Ratio is calculated as Provision for Impairment less interest in suspense / Impaired Loans less interest in suspense. The same basis has been used to compute provision coverage ratio in this document.
The ratio shows the total provisions CBD has built on its impaired loans.

6 Loan to deposit ratio is calculated as loans and advances and Islamic financing, net / customer deposits and Islamic customer deposits.
The loan to deposit ratio is used to calculate CBD's ability to make payments to customers withdrawing their deposits. A ratio of less than one implies that CBD has relied on funds deposited by customers to make loans, advances and Islamic financing. A

ratio of more than one implies that CBD has extended loans, advances and Islamic financing from funds borrowed by it in addition to deposits.

7 Capital Adequacy Ratio is calculated as Total Capital Base / Risk Weighted Assets.

8 Tier 1 Capital ratio is calculated as Tier 1 Capital / Risk Weighted Assets Calculated in accordance with the requirements of the UAE Central Bank and the capital adequacy regulations issued by the UAE Central Bank as stipulated in Circular No. 52/2017 dated 23 February 2017 and Circular No. 60/2017 dated 2 March 2017, supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank and were effective from 1 December 2022 by virtue of Circular No.52/2017.

9 CET1 Ratio is calculated as Common Equity Tier 1 Capital / Risk-Weighted Assets. A higher percentage indicates stronger capital adequacy and greater ability to absorb losses.

10 Net Interest Margin is calculated as Net Interest Income / Average Earning Assets. A higher percentage means better profitability from core lending and investment activities

11 ELAR is calculated as Eligible Liquid Assets / Total Liabilities. A higher percentage indicates stronger liquidity and the Bank's ability to meet its short-term obligations.

Related party transactions

Certain related parties (principally the major shareholders, board members, key personnel of CBD and companies where they hold a significant interest and any other parties having significant influence on the financial or operational decisions of CBD) are customers of CBD in the ordinary course of business. The terms of transactions with related parties are comparable to third party transactions and do not involve more than normal amounts of risk.

	As at / For the year ended		
	2023	**2024**	**2025**
		(AED million)	
Directors and key management personnel			
Loans and advances and Islamic financing, net	103	69	53
Undrawn commitments to extend credit	58	2	4
Customer deposits and Islamic customer deposits	112	183	386
Interest income and commission income	8	6	5
Interest expense	3	3	10
Government related parties			
Due from banks, net	73	323	184
Loans and advances and Islamic financing, net	1,074	207	32
Investment securities, net	551	555	347
Bankers acceptances	28	-	2
Letters of credit	5	-	7
Letters of guarantees	149	174	270
Undrawn commitments to extend credit	1,213	797	725
Due to banks	47	36	13
Customer deposits and Islamic customer deposits	3,928	6,326	7,194
Interest income and commission income	69	39	4
Interest expense	198	268	300
Other related parties			
Loans and advances and Islamic financing, net	2,174	3,327	2,113
Bankers acceptances	41	293	255
Letters of credit	211	268	269
Letters of guarantees	124	400	503
Undrawn commitments to extend credit	284	276	578
Customer deposits and Islamic customer deposits	1,063	1,255	1,631
Interest income and commission income	165	253	178
Interest expense	17	91	51
Dividend from an associate	7	7	13

FINANCIAL REVIEW

The following discussion contains an analysis of the consolidated results of operations of CBD as at and for the years ended 31 December 2025, 2024 and 2023 and should be read in conjunction with the Financial Statements which are incorporated by reference into this Prospectus. Unless otherwise specified, the financial data discussed below (i) as at and for the financial year ended 31 December 2025 has been extracted without material adjustment from the 2025 Financial Statements; (ii) as at and for the financial year ended 31 December 2024 has been extracted without material adjustment from the 2025 Financial Statements (where such information is presented for comparative purposes); and (iii) as at and for the financial year ended 31 December 2023 has been extracted without material adjustment from the 2024 Financial Statements (where such information is presented for comparative purposes). References in this financial review to 2025, 2024 and 2023 are for the 12 months ended 31 December in each year. The percentage or percentage changes in this financial review are based on the amounts reported in CBD's Financial Statements. As a result, percentage or percentage changes stated in this financial review may not be an exact arithmetical change of the numbers stated in this financial review. As a result of rounding, the totals stated in the tables and text below may not be an exact arithmetical sum of the numbers in respect of which they are expressed to be a total.

Overview

CBD was incorporated in Dubai, UAE, on 4 July 1969 pursuant to an Emiri Decree. CBD is registered as a Public Joint Stock Company (PJSC) in accordance with Federal Law No. 32 of 2021. CBD's commercial registration number is 1010121, its registered office is Al Ittihad Street, P.O. Box 2668, Dubai, United Arab Emirates and its telephone number is +971-600575556 and its website is www.cbd.ae.

CBD offers a range of banking products and services in the UAE primarily to institutional and corporate customers, including loans, working capital financing, trade finance products and deposit accounts. CBD also offers personal banking products to retail customers, including deposit accounts, personal loans and mortgage products. Since 2008, CBD has provided Sharia compliant financial services to corporate and retail customers through its "CBD Al Islami" finance division. As at the date of this Prospectus, CBD has the following principal wholly owned subsidiaries (collectively, CBD and all of its subsidiaries are referred to as the "**Group**") and the Group has an interest in an associate company (which is an entity over which the Group has significant influence):

1. CBD Financial Services LLC ("**CBD Financial Services**"), which provides brokerage facilities for local shares and bonds;
2. Attijari Properties LLC ("**Attijari Properties**"), which provides self-owned property management services as well as engaging in the buying and selling of real estate;
3. CBD Digital Lab Limited, which provides technology research and development to the parent entity.
4. CBD (Cayman) Limited, a special purpose entity established and registered in the Cayman Islands in 2015 in order to issue debt securities;
5. CBD (Cayman) II Limited, a special purpose entity established and registered in the Cayman Islands in 2016 in order to transact and negotiate derivative agreements;
6. VS 1897 (Cayman) Limited, a special purpose entity established and registered in the Cayman Islands on 20 December 2018 to manage investments acquired in the settlement of debt;
7. Hortin Holding Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt;
8. Lodge Hill Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt; and
9. Westdene Investment Limited, a special purpose entity established and registered in the British Virgin Islands to manage real estate related investment acquired in the settlement of debt.

CBD also has one associate company, National General Insurance Co. PJSC ("**NGI**") in which CBD holds a 17.8 per cent. shareholding. NGI underwrites all classes of life and general insurance business as well as certain reinsurance business.

As at 31 December 2025, 47.3 per cent. of CBD's customer deposits and Islamic customer deposits were sourced from the corporate sector (compared to 45.2 per cent. as at 31 December 2024 and 44.3 per cent. as at 31 December 2023); 37.7 per cent. were sourced from the personal sector (compared to 40.1 per cent. as at 31 December 2024 and 37.8 per cent. as at 31 December 2023); and 15.1 per cent. were sourced from the government sector (compared to 14.7 per cent. as at 31 December 2024 and 17.9 per cent. as at 31 December 2023).

As at and for the year ended 31 December 2025, CBD's net profit after tax was AED 3.5 billion (an increase of 15.5 per cent. compared to the year ended 31 December 2024). CBD's net profit after tax was AED 3.0 billion for the year ended 31 December 2024 and AED 2.65 billion for the year ended 31 December 2023. CBD's total assets amounted to AED 160.3 billion as at 31 December 2025 (an increase of 14.4 per cent. compared to its total assets of AED 140.2 billion as at 31 December 2024) and its total equity as at 31 December 2025 amounted to AED 19.4 billion which is a 11.5 per cent. increase compared to total equity of AED 17.4 billion as at 31 December 2024).

CBD's ordinary shares are listed on the DFM. As at the date of the Prospectus, the authorised, issued and fully paid-up ordinary share capital of CBD comprised 2,985,191,949 ordinary shares of AED 1 each (as at 31 December 2025 unchanged since 31 December 2024 and 31 December 2023). See "*Description of CBD - Share Capital and Shareholders*".

Significant Factors Affecting Results of Operations

CBD's revenues and results of operations during the periods under review have been affected by the following factors:

UAE's response to oil prices and other macro-economic factors

CBD, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. Over the period under review, the performance of global debt, equity and commodity markets has been volatile, reflecting the ongoing volatility in the macro-economic climate which has had, and which continues to have, a material adverse effect on the world's economies, including the economies of the UAE and other GCC states and, accordingly, on CBD's revenues and results of operations.

According to data produced by OPEC, the average annual OPEC reference basket prices in 2023, 2024 and 2025 were U.S.$82.95 per barrel, U.S.$79.89 per barrel and U.S.$69.59 per barrel, respectively (*source: OPEC website accessed 19 February 2026*). Following the start of the conflict between Israel, the United States and Iran, oil prices rose from U.S.$70 as at 27 February 2026, to U.S.$126 as at 13 March 2026. The Russia-Ukraine conflict contributed to a significant increase in hydrocarbon prices in 2022 and macroeconomic concerns in China, the United States and Europe driven by, amongst other factors, U.S. government trade policies and the broad imposition of tariffs have also contributed to oil price volatility. Although upstream oil and gas exporters benefit from high prices, downstream industries typically continue operating under tightening margins due to rising raw material prices. There can be no assurance that there will not be any future significant and sustained increases to oil prices, due to high inflation or geopolitical tensions. See further "*– The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects*" and " *– Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects – Oil price volatility*".

In the UAE, significant fiscal reforms implemented by the federal government (including scaling back capital transfers to government-related entities, reduction of government investment, raising electricity and water tariffs and removing fuel subsidies) have become an integral part of a broader federal government strategy aimed at rationalising fiscal expenditure generally and reducing fiscal dependency on hydrocarbon related revenues.

Furthermore, many of the world's economies (including the UAE, where the majority of CBD's operations are located) have experienced high levels of inflation since 2022. Global headline inflation is expected to decline from an estimated 4.1 percent in 2025 to 3.8 percent in 2026 and further to 3.4 percent in 2027 (*source: International Monetary Fund World Economic Outlook, April 2026*). Various factors have contributed to shaping prevailing inflationary pressures, including the Russia-Ukraine conflict which have caused an increase in the oil price (as discussed above) and to food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilizers), the maritime disruptions in the Red Sea caused by Houthi attacks on commercial vessels which are resulting in increased logistical costs, and the recent tensions in the Middle East, particularly the conflict between Israel and Hamas and hostilities between Iran and Israel. The possibility of further supply shocks led by geopolitical risks could cause an increase in prices of commodities and manufactured goods and lead to inflationary effects on wages. See further "*– The recent conflict between Israel, the United States and Iran may have an impact on CBD's business, results of operations, financial condition and prospects*" and " *– Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial conditions and prospects*").

As a result of market conditions prevailing during the periods under review, companies to which CBD has directly extended or continues to extend credit have experienced decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due. These extremely volatile market conditions have resulted in reduced liquidity, widening of credit spreads and lack of price transparency in credit and capital markets. The adverse market conditions have impacted investment markets both globally and in the UAE, with increased volatility in interest rates and exchange rates.

The interest rate environment in which CBD has been operating during the periods under review has also experienced significant volatility. The UAE Central Bank raised the UAE Base Rate broadly in line with such cumulative increases and it is highly probable that the UAE Base Rate will continue to track U.S. interest rate movements. From September to December 2024, the U.S. Federal Reserve cut the U.S. overnight interest rate by 1.00 per cent. (in aggregate) which the UAE Central Bank tracked. More recently, in September 2025, October 2025 and December 2025, the U.S. Federal Reserve cut the U.S. overnight interest rate by 0.25 basis per cent. in each instance, which the UAE Central Bank also tracked.

Such volatility in the prevailing interest rate environment has impacted CBD's borrowing costs over the periods under review.

See "*Risk Factors –Risks relating to CBD's business – Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect CBD's business, results of operations, financial condition and prospects.*".

The table below sets out the loans and advances, provisions and customers' deposits for the banking sector in the UAE as at 31 December for each of 2023, 2024 and 2025:

	As at 31 December		
	2023	**2024**	**2025**
		(AED billion)	
Loans and advances (gross)	1,991	2,181	2,570
Government & GRE	477	487	535
Private Sector, Individuals & Foreign Credit	1,515	1,694	2,035
Customer deposits	2,522	2,847	3,307
Government & GRE	627	678	690
Private sector, Individuals & Non-resident Deposits	1,895	2,169	2,617
Provisions	141	128	109

Source: Monthly Banking Indicators issued by UAE Central Bank

Investors should note that adverse market conditions could lead to reductions in investor and consumer confidence, market volatility, economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of CBD (including, for example, CBD's net interest margin) irrespective of steps currently taken to adequately control these risks. As a result of adverse market conditions, some companies to which CBD has directly extended or continues to extend credit have experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to CBD.

Stable growth in customer advances

CBD recorded an increase in gross loans and advances and Islamic financing of 7.2 per cent. as at 31 December 2025, as compared to the year ended 31 December 2024 primarily due to growth in the manufacturing, government, mortgage, financial and insurance activities. For the year ended 31 December 2024, CBD recorded an increase in gross loans and advances and Islamic financing of 10.6 per cent. compared to the year ended 31 December 2023. This was primarily due to growth in the manufacturing, mortgage and transportation and storage services sectors. The table below sets out CBD's customer loans and advances and Islamic financing as at 31 December for each year indicated:

	As at 31 December		
	2023	**2024**	**2025**
		(AED million)	
Loans and advances and Islamic financing (gross)	88,874	98,294	105,380

Critical Accounting Policies

Certain of CBD's accounting policies require significant managerial judgment on matters that are inherently uncertain, including the valuation of certain assets and liabilities and the adoption of estimates and assumptions based on historical experience and other factors considered reasonable and significant by CBD's management.

CBD has established policies and control procedures intended to ensure that stringent valuation methods are applied in accordance with applicable accounting principles during the presentation of its Financial Statements for the relevant period. For more information on CBD's significant accounting policies, including the impact of IFRS 9, see Note 3 to the Financial Statements as at and for the years ended 31 December 2025 and 31 December 2024.

CBD's management believes that the following significant accounting policies require more critical judgments or estimates or involve a greater degree of complexity in the application of accounting standards that affect CBD's financial condition and results of operation.

Classification of Financial Instruments

CBD classifies its financial instruments into the following categories:

Financial assets at amortised cost

A debt instrument, including loans and advances and Islamic financing is classified as being measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model where the objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (as defined under IFRS 9) on the principal amount outstanding.

Financial assets at fair value through other comprehensive income ("FVOCI")

A debt instrument is classified as being measured at FVOCI if it meets the following two conditions and the debt instrument is not designated as FVPL (as defined below):

- the asset is held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (as defined under IFRS 9) on the principal amount outstanding.

CBD measures all equity investments at fair value through profit or loss, except where CBD's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. CBD's policy is to designate equity investments as FVOCI when those investments are not held for trading. This election is made on an investment-by-investment basis.

Financial assets at fair value through profit or loss ("FVPL")

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

In addition, on initial recognition, CBD may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Impairment of financial assets

In accordance with IFRS 9 and the expected credit loss ("**ECL**") approach for accounting for loan loss impairments, CBD recognises, where applicable, loss allowances for ECLs on the following financial instruments that are not measured at FVPL:

- balances with central banks;
- due from banks;
- debt investment securities;
- loans and advances, Islamic financing and other financial assets;
- loan commitments; and
- financial guarantee contracts.

No impairment loss is recognised on equity investments.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1:	When financial instruments are first recognised, CBD recognises an allowance based on 12 months ECLs. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
Stage 2:	When a financial instrument loan has shown a significant increase in credit risk since origination, CBD records an allowance for the life time expected credit losses ("**LTECL**"). LTECL are the ECL that result from all possible default events over the expected life of the financial instrument.
Stage 3:	Financial instruments considered credit-impaired. CBD records an allowance for the LTECLs.

The key inputs into the measurement of ECL are the term structures of the following variables:

- *Probability of Default* ("***PD***") – PD is an estimate of the likelihood of default over a given time horizon, which is calculated based on statistical rating models currently used by CBD, and assessed using rating tools tailored to the various categories of counterparties and exposures.
- *Exposure at Default* ("***EAD***") – *EAD* represents an estimate of the expected exposure in the event of a default. CBD derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

- *Loss Given Default* ("***LGD***") – LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross-collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, history of recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original effective interest rate of the loan.

Investment properties

CBD holds certain investment properties to earn rental income, for capital appreciation or both. The leased out or intended to be leased out components have been classified as investment properties. Investment properties are measured initially at cost, including transaction costs. Effective from 1 January 2023, CBD changed the accounting policy for investment properties from the cost model to the fair value model as CBD's management believed that this would make the financial results more reliable and relevant in relation to the value of the investment properties. The impact of this change was not considered material, with the net change being reflected prospectively in the profits within other operating income for the year ended 31 December 2024. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement under 'Other operating income' in the year in which they arise.

As at 31 December 2025, the fair value of CBD's investment property amounted to AED 173.7 million, compared to AED 241.1 million as at 31 December 2024. The fair value of investment properties is based on the valuations performed by professional third party valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. The valuations were prepared in accordance with Royal Institution of Chartered Surveyors (RICS) Global Standards 2025, which comply with the international valuation standards.

Results of Operations for the years ended 31 December 2023, 2024 and 2025

Net interest income and net income from Islamic financing

The following table sets out CBD's net interest income and net income from Islamic financing for each year indicated.

	Year ended 31 December			Percentage change (%)	
			(AED million)		
	2023	2024	2025	2024 / 2023	2025 / 2024
Interest income and income from Islamic financing	6,664	7,544	7,657	13.2	1.5
Interest expense and distributions to Islamic depositors	(3,094)	(3,745)	(3,505)	21.0	(6.4)
Net interest income and net income from Islamic financing	**3,570**	**3,799**	**4,151**	**6.4**	**9.3**

CBD's interest income and income from Islamic financing increased by 1.5 per cent. to AED 7,657 million for the year ended 31 December 2025, from AED 7,544 million for the year ended 31 December 2024. This was primarily a result of loan and Current Account and Savings Account ("**CASA**") growth offsetting lower market rates and strong competitive price pressure.

Interest expense and distributions to Islamic depositors decreased by 6.4 per cent. to AED 3,505 million for the year ended 31 December 2025, from AED 3,745 million for the year ended 31 December 2024. This was primarily a result of lower benchmark interest rates.

CBD's interest income and income from Islamic financing increased by 13.2 per cent. to AED 7,544 million for the year ended 31 December 2024, from AED 6,664 million for the year ended 31 December 2023. This was primarily a result of higher benchmark interest rates and well managed funding costs.

Interest expense and distributions to Islamic depositors increased by 21 per cent. to AED 3,745 million for the year ended 31 December 2024, from AED 3,094 million for the year ended 31 December 2023. This increase in interest expenses was primarily due to higher prevailing benchmark interest rates.

Total non-interest income

The following table sets out CBD's total non-interest income for each year indicated.

	Year ended 31 December			Percentage change (%)	
			(AED million)		
	2023	**2024**	**2025**	**2024 / 2023**	**2025 / 2024**
Net fees and commission income.............	935	1,115	1,171	19.3	5.1
Net gains from foreign exchange and derivatives	312	323	334	3.4	3.5
Income from investments[1]	11	13	159	23.7	1085.3
Other income..	110	240	103	117.9	(57.1)
Total Non-interest income.....................	**1,368**	**1,692**	**1,768**	**23.7**	**4.5**

Note:

1 As at 31 December 2025, 31 December 2024 and 31 December 2023 income from investments includes net gains from investments at fair value through profit or loss, net gains from sale of investments at fair value through other comprehensive income and other debt securities, and dividend income.

Total non-interest income constituted 29.9 per cent. of CBD's total operating income for the year ended 31 December 2025 and 30.8 per cent. for the year ended 31 December 2024. Total non-interest income increased in the year ended 31 December 2025 by 4.5 per cent. to AED 1,768 million, mainly due to uplift in business activity associated with higher volumes in wholesale banking and higher demand for CBD's products and services such as loans, trade services and the gain on sale of investments.

Total non-interest income constituted 30.8 per cent. of CBD's total operating income for the year ended 31 December 2024 and 27.7 per cent. for the year ended 31 December 2023. Total non-interest income increased in the year ended 31 December 2024 by 23.7 per cent. to AED 1,692 million, mainly due to uplift in business activity associated with higher volumes in wholesale banking and higher demand for CBD's products and services such as cash management, trade services and the gain on sale of investments.

Net fees and commission income increased by 5.1 per cent. from AED 1,115 million for the year ended 31 December 2024 to AED 1,171 million for the year ended 31 December 2025. Net fees and commission income increased by 19.3 per cent. from AED 935 million for the year ended 31 December 2023 to AED 1,115 million for the year ended 31 December 2024.

Net gains from foreign exchange and derivatives increased by 3.4 per cent. for the year ended 31 December 2025 compared to the year ended 31 December 2024. Net gains from foreign exchange and derivatives increased by 3.4 per cent. for the year ended 31 December 2024 compared to the year ended 31 December 2023.

Income from investments increased by 1085.3 per cent. for the year ended 31 December 2025 compared to the year ended 31 December 2024, mainly due to the net gain from sale of fixed income securities, in particular the sale of certain financial assets measured at amortized cost as a one-off event, resulting in a gain of AED 86.5 million (31 December 2024 : nil) on the sale. Income from investments increased by 23.7 per cent. for the year ended 31 December 2024 compared to the year ended 31 December 2023, mainly due to higher dividend income.

Other income decreased by 57.1 per cent. for the year ended 31 December 2025 compared to the year ended 31 December 2024, which was as a result of transactional gains and rental income. Other income increased by 117.9 per cent. for the year ended 31 December 2024 compared to the year ended 31 December 2023, which was as a result of transactional gains and rental income.

Impairment allowances

The following table sets out CBD's net impairment allowances for each year indicated.

	Year ended 31 December			Percentage change (%)	
			(AED million)		
	2023	2024	2025	2023 / 2024	2024 / 2025
(Reversal) / impairment / allowance on due from banks......................................	1	1	8	126.8	508.6
Impairment allowances on loans and advances and Islamic financing	1,000	875	699	(12.5)	(20.2)
Impairment allowances on financial guarantees and other commitments	93	113	4	22.4	96.5
Recoveries of loans and advances and Islamic financing...................................	(182)	(257)	(190)	41.3	(26.3)
(Reversal) / impairment allowance on investment securities.............................	1	-	(1)	(100)	100
Impairment allowance on other assets	148	30	1	(79.9)	(97.6)
Net Impairment allowances	**1,060**	**762**	**521**	**(28.1)**	**(31.6)**

For the year ended 31 December 2025, CBD's net impairment allowance was AED 521 million, compared to AED 762 million for year ended 31 December 2024, a decrease of 31.6 per cent., primarily reflecting improved underlying asset quality. CBD decreased its credit impairment allowance by 28.1 per cent. for the year ended 31 December 2024 (compared to the year ended 31 December 2023).

Impairment allowances on loans and advances and Islamic financing decreased by 20.2 per cent. from AED 875 million for the year ended 31 December 2024 to AED 699 million for the year ended 31 December 2025, on account of improved underlying asset quality driven by improved cost of risk. CBD recorded a provision coverage ratio of 102.9 per cent. for the year ended 31 December 2025, of 104.2 per cent. for the year ended 31 December 2024 and 83.3 per cent. for the year ended 31 December 2023. The total carrying amount of impaired loans (excluding restructured performing loans and loans under restructuring) was AED 3.7 billion as at 31 December 2025, AED 4.2 billion as at 31 December 2024 and AED 5.7 billion as at 31 December 2023. CBD is continuing to seek recoveries in respect of the loans, including through litigation.

CBD's recoveries decreased to AED 190 million for the year ended 31 December 2025 from AED 257 million for the year ended 31 December 2024, and AED 182 million for the year ended 31 December 2023. These recoveries reflect CBD's focus on monitoring its non-performing loan ratio and collection procedures.

CBD strengthened its processes, controls and governance frameworks around macro-economic forecasting and the computation of ECL. CBD's Model Oversight Committee, which reports to the Executive Management, has primary responsibility for overseeing CBD's ECL models. To ensure the ongoing integrity of ECL calculations during times of extreme uncertainty and volatility, CBD's Model Oversight Committee exercises oversight by conducting regular reviews of the portfolio. CBD's IFRS 9 Committee has been closely monitoring the macro-economic inputs applied to CBD's IFRS 9 model and recommended changes during the year ended 31 December 2025. CBD's IFRS 9 Committee continually assess the performance of CBD's portfolio, ensuring that credit risk behaviours align with the significant increase in credit risk policy and that the staging criteria remain relevant.

Total operating expenses

The following table sets out the components of CBD's total operating expenses for each year indicated.

	Year ended 31 December			Percentage change (%)	
	2023	2024	2025	2024 / 2023	2025 / 2024
			(*AED million*)		
Staff and other expenses	1,178	1,342	1,459	13.9	8.7
Depreciation and amortisation	49	61	95	23.5	55.1
Total operating expenses	**1,228**	**1,403**	**1,554**	**14.3**	**10.7**

CBD's staff and other expenses for the years ended 31 December 2025, 31 December 2024 and 31 December 2023 were AED 1,459 million, AED 1,342 million and AED 1,178 million, respectively. CBD continued to focus on investments in digitisation and customer excellence resulting in its cost to income ratio increasing slightly from 25.6 per cent. for the year ended 31 December 2024 to 26.3 per cent. for the year ended 31 December 2025.

CBD's staff and other expenses of AED 1,459 million for the year ended 31 December 2025 increased by 8.7 per cent. compared to AED 1,342 million for the year ended 31 December 2024. The control in CBD's operating expenses is mainly due to CBD's ongoing cost optimisation efforts with a strong focus on enhancing operating efficiency and adopting digital solutions, while continuing to invest in key strategic initiatives. With the increasing digitisation of key customer services, CBD has optimised its distribution network over the last three years.

Net profit

CBD's net profit before tax of AED 3.8 billion for the year ended 31 December 2025 increased by 15.6 per cent. from AED 3.3 billion for the year ended 31 December 2024. The increase is as a result of strong growth in loans and CASA balances with improved Cost of Risk offsetting higher expenses. CBD's net profit before tax of AED 3.3 billion for the year ended 31 December 2024 increased by 25.5 per cent. from AED 2.7 billion for the year ended 31 December 2023. The increase is as a result of higher market interest rates, strong non-funded income loan growth and lower cost of risk, partially offset by higher expenses.

Financial condition as at 31 December 2025, 2024 and 2023

Total assets

The following table sets out the components of total assets as at 31 December 2025, 2024 and 2023.

	As at 31 December			Percentage change (%)	
	2023	2024	2025	2024 / 2023	2024 / 2023
			(*AED million*)		
Total Assets	**128,987**	**140,175**	**160,308**	**8.7**	**14.4**
Due from banks, net	3,773	5,162	4,700	36.8	(8.9)
Loans and advances and Islamic financing, net	83,313	93,049	101,049	11.7	8.6
Bankers acceptances	7,932	6,930	8,021	(12.6)	15.7
Other assets, net	2,383	1,972	2,217	(17.2)	12.4
Positive mark to market value of derivatives	698	585	361	(16.2)	(38.3)
Cash and balances with Central Bank	15,010	16,938	22,361	12.8	32.0
Investment securities, net	15,099	14,590	20,359	(3.4)	39.5
Investment in an associate	102	118	126	15.5	6.6
Investment properties	246	241	174	(2.0)	(28.0)
Property and equipment	432	590	941	36.6	59.5

As at 31 December 2023, CBD had total assets of AED 129.0 billion compared to AED 140.2 billion as at 31 December 2024 and AED 160.3 billion as at 31 December 2025. The 14.4 per cent. increase in total assets as at 31 December 2025 compared to 31 December 2024 was mostly due to increases in net loans and advances and Islamic financing by AED 8 billion.

Loans and advances and Islamic financing, net

CBD's loan portfolio comprises loans and advances and Islamic financing to commercial, retail and government-related entities across a range of economic sectors made on both conventional and Islamic basis.

As at 31 December 2025, 63.0 per cent. of CBD's gross loans and advances and Islamic financing was denominated in AED, as at 31 December 2024, 67.1 per cent. of CBD's gross loans and advances and Islamic financing was denominated in AED, as at 31 December 2023, 73.1 per cent. of CBD's gross loans and advances and Islamic financing was denominated in AED. The majority of CBD's remaining loan portfolio was denominated in U.S. dollars to which AED is pegged.

The following table sets out CBD's net loans and advances and Islamic financing by economic sector as at 31 December 2025, 2024 and 2023.

	As at 31 December			Percentage change (%)	
	2023	**2024**	**2025**	**2024/ 2023**	**2025/ 2024**
		(*AED million*)			
Commercial and Business					
Manufacturing	6,767	8,887	10,427	31.3	17.3
Construction	5,861	4,567	3,581	(22.1)	(21.6)
Real estate	18,394	17,821	17,315	(3.1)	(2.8)
Trade	9,574	10,727	10,451	12.0	(2.6)
Transportation and storage	2,771	3,439	2,825	24.1	(17.8)
Services	6,291	6,963	7,067	10.7	1.5
Hospitality	2,783	2,455	1,715	(11.8)	(30.1)
Total Commercial and Business	**52,440**	**54,859**	**53,380**	**4.6**	**(2.7)**
Financial and insurance activities	8,689	8,390	10,691	(3.4)	27.4
Government entities	2,652	4,034	5,775	52.1	43.2
Personal – mortgage	12,357	16,129	20,255	30.5	25.6
Personal – schematic	4,951	5,755	5,589	16.3	(2.9)
Individual loans for business	1,495	866	816	(42.1)	(5.8)
Others	6,291	8,261	8,873	31.3	7.4
Gross loans and advances and Islamic financing	**88,874**	**98,294**	**105,380**	**10.6**	**7.2**
Allowances for impairment losses	(5,561)	(5,245)	(4,331)	(5.7)	(17.4)
Net loans and advances and Islamic financing	**83,313**	**93,049**	**101,049**	**11.7**	**8.6**

As at 31 December 2025, 50.7 per cent. of CBD's gross loans and advances and Islamic financing were made to the commercial and business sectors, compared to 55.8 per cent. as at 31 December 2024. As at 31 December 2023, CBD's gross loans and advances and Islamic financing to the commercial and business sectors were at 59 per cent. As at 31 December 2025, 24.5 per cent. of CBD's gross loans and advances and Islamic financing were made to the personal sector (as compared to 22.3 per cent. as at 31 December 2024 and 19.5 per cent. as at 31 December 2023); and 10.1 per cent. were made to the financial and insurance sector (as compared to 8.5 per cent. as at 31 December 2024 and 9.8 per cent. as at 31 December 2023).

As at 31 December 2025, gross loans and advances and Islamic financing to the manufacturing sector saw a 17.3 per cent. increase compared to 31 December 2024. Gross loans and advances and Islamic financing to the hospitality decreased by 30.1 per cent., trade sector decreased by 2.6 per cent. and service sector increased by 1.5 per cent. for the same period.

CBD decreased its gross loans and advances and Islamic financing in the real estate sector by 2.8 per cent. between 31 December 2025 and 31 December 2024. These movements are primarily due to loan repayments in real estate sectors given prevailing high liquidity and high interest rate environment and to diversification in gross loans and advances and Islamic financing across other economic sectors.

The manufacturing and government entities sectors witnessed growth of 17.3 per cent., and 43.2 per cent. respectively as at 31 December 2025 compared to 31 December 2024. This growth arose from a strategic decision to diversify from the real estate sector and to increase focus on the financial and insurance, manufacturing and government entities sectors. CBD decreased its gross loans to the construction sector by 21.6 per cent. between 31 December 2025 and 31 December 2024. This is primarily due to diversifying across other economic sectors**.**

The distribution of the loan portfolio across economic sectors is oriented towards real estate, financial and insurance activities, trade, services, and the personal loans sector, which is in line with the domestic economy.

Investment securities

The following table sets out the composition of CBD's investment securities as at 31 December 2023, 2024 and 2025.

	As at 31 December			Percentage change (%)	
	2023	**2024**	**2025**	**2024/ 2023**	**2025/ 2024**
			(AED million)		
Held at fair value through profit or loss...	162	181	158	11.8	(12.5)
Held at fair value through other comprehensive income	6,751	6,870	10,180	1.8	48.2
Held at amortised cost..............................	8,186	7,540	10,021	(7.9)	32.9
Investment securities, gross..................	**15,099**	**14,590**	**20,359**	**(3.4)**	**39.5**

As at 31 December 2023, CBD had investment securities of AED 15.1 billion, AED 14.6 billion as at 31 December 2024, and AED 20.4 billion as at 31 December 2025. This increase of 11.8 per cent. from 31 December 2023 to 31 December 2024 was mainly due to an increase in investments in debt securities and government securities, partially offset by maturity of UAE Federal Court M Bills. CBD increased its portfolio of investment securities by 39.5 per cent. as at 31 December 2025 (as compared to the size of its investment portfolio as at 31 December 2024), whereas it decreased the portfolio by 3.4 per cent. as at 31 December 2024 compared to the size of the portfolio as at 31 December 2023. The level of CBD's investment securities which are categorised as held at fair value through other comprehensive income contribute to CBD's compliance with enhanced liquidity ratio requirements as required under Basel III liquidity ratios.

Government securities constituted AED 18.2 billion, or 89.6 per cent. of CBD's AED 20.4 billion investment securities portfolio as at 31 December 2025, AED 10.4 billion, or 71.5 per cent. of CBD's AED 14.6 billion investment securities portfolio as at 31 December 2024, and AED 10.7 billion, or 70.6 per cent. of CBD's AED 15.1 billion investment securities portfolio as at 31 December 2023.

Other assets

The following table sets out the composition of CBD's other assets as at 31 December 2023, 2024 and 2025.

	As at 31 December			Percentage change (%)	
	2023	**2024**	**2025**	**2024 / 2023**	**2025 / 2024**
			(AED million)		
Interest receivable	751	712	880	(5.1)	23.6
Accounts receivable and prepayments.....	278	566	692	103.6	22.2
Property acquired in settlement of debt ...	1,355	694	645	(48.8)	(7.0)
Other assets...	**2,383**	**1,972**	**2,217**	**(17.2)**	**12.4**

As at 31 December 2025, CBD's other assets increased by 12.4 per cent. as compared to 31 December 2024 and decreased by 17.2 per cent. as at 31 December 2024 as compared to 31 December 2023.

Funding – Total liabilities and equity

The table below sets out the principal sources of CBD's funding as at 31 December 2025, 2024 and 2023.

	As at 31 December			Percentage change (%)	
	2023	2024	2025	2024/ 2023	2025 / 2024
			(AED million)		
Due to banks	7,833	7,542	8,761	(3.7)	16.2
Customer deposits and Islamic customer deposits	88,287	97,563	111,353	10.5	14.1
Notes and medium term borrowing	5,705	6,918	8,983	21,3	29.8
Due for trade acceptances	7,932	6,930	8,021	(12.6)	15.7
Other liabilities	2,814	3,275	3,423	16.4	4.5
Negative mark to market value of derivatives	635	521	346	(17.9)	(33.7)
Total liabilities	**113,206**	**122,751**	**140,886**	**8.4**	**14.8**
Total equity	**15,781**	**17,425**	**19,422**	**10.4**	**11.5**
Total liabilities and equity	**128,987**	**140,175**	**160,308**	**8.7**	**14.4**

Due to banks

The following table sets out CBD's due to banks funding as at 31 December 2023, 2024 and 2025.

	As at 31 December			Percentage change (%)	
	2023	2024	2025	2024 / 2023	2025 / 2024
			(AED million)		
Current and demand deposits	980	47	181	(95.2)	281.7
Term borrowings	6,853	7,495	8,580	9.4	14.5
Due to banks	**7,833**	**7,542**	**8,761**	**(3.7)**	**16.2**

Amounts due to banks comprise current and demand deposits and arise from short-term liquidity management related borrowings. The variances in balances arise mainly from transactions over the end of the accounting period.

Customer deposits and Islamic customer deposits

CBD's funding base principally consists of customer deposits and Islamic customer deposits, which constituted 68.4 per cent. as at 31 December 2023, 69.6 per cent. as at 31 December 2024 and 69.5 per cent. as at 31 December 2025 of CBD's total liabilities and equity. CBD's customer deposits and Islamic customer deposits are sourced mainly from corporate and retail customers.

As at 31 December 2025, of CBD's customer deposits and Islamic customer deposits, 47.3 per cent. were sourced from the corporate sector (compared to 45.2per cent. as at 31 December 2024), 37.7 per cent. were sourced from the personal sector (compared to 40.1 per cent. as at 31 December 2024) and 15.1 per cent. were sourced from the government sector (compared to 14.7 per cent. as at 31 December 2024).

The following table sets out the breakdown of funding from customer deposits and Islamic customer deposits by type of deposit as at 31 December 2023, 2024 and 2025.

	As at 31 December			Percentage change (%)	
	2023	**2024**	**2025**	**2024/ 2023**	**2025/ 2024**
			(*AED million*)		
Customer deposits					
Current and demand accounts	36,357	40,124	46,059	10.4	14.8
Savings accounts	3,476	3,541	4,208	1.9	18.9
Time deposits	34,096	37,730	44,507	10.7	18.0
	73,929	**81,395**	**94,774**	**10.1**	**16.4**
Islamic customer deposits					
Current and demand accounts	3,359	3,373	3,618	0.4	7.2
Mudaraba savings accounts	590	601	568	1.8	-5.5
Investment and Wakala deposits	10,409	12,195	12,393	17.2	1.6
	14,358	**16,169**	**16,579**	**12.6**	**2.5**
Total customer deposits and Islamic customer deposits	**88,287**	**97,563**	**111,353**	**10.5**	**14.1**

Customer deposits and Islamic customer deposits increased by 14.1 per cent. to AED 111.4 billion as at 31 December 2025 when compared with 31 December 2024, arising from the AED 5.9 billion, or 14.8 per cent. increase in Current and Demand deposits and AED 6.8 billion, or 18 per cent. increase in time deposits.

Customer deposits and Islamic customer deposits increased by 10.5 per cent. to AED 97.6 billion as at 31 December 2024 when compared with 31 December 2023, arising from the AED 3.8 billion, or 10.4 per cent. increase in Current and Demand deposits and AED 3.6 billion, and 10.7 per cent. increase in time deposits.

Medium term notes

CBD established its Programme in 2013, which provides for the issuance of notes by way of private or public placements and in each case on a syndicated or non-syndicated basis.

In October 2020, CBD issued U.S.$600 million (AED 2,203.8 million) of Tier 1 Capital securities. These securities were priced at a fixed rate of 6 per cent. per annum.

In July 2021, CBD issued U.S.$ 50 million (AED 183.7 million) of conventional notes under the Programme. These notes were priced at floating rates using the 3-month SOFR as a benchmark and will mature on 8 July 2026.

In September 2021, CBD issued U.S.$25 million (AED 91.8 million) of conventional notes under the Programme. These notes were priced at floating rates using the 3-month SOFR as a benchmark will mature on 15 September 2026.

In June 2023, CBD utilised its Sustainable Financing Framework and issued its inaugural U.S.$500 million (AED 1,836.5 million) green bonds. The green bonds were priced at a fixed rate and will mature on 14 June 2028.

In October 2024, CBD issued U.S.$500 million (AED 1,836.5 million) of conventional notes under the Programme. These were fixed rate notes and will mature on 10 October 2029.

In August 2019, the Group entered into a club deal of AED 624.4 million (USD 170 million) for a term of 5 years with an option to roll over on a semi-annual basis maturing in August 2024. This deal concluded in February 2024.

Repurchase agreements

In April 2023, the Group entered into two additional repo transactions to obtain financing against the sale of certain debt securities, amounting to U.S.$249.8 million (AED 917.5 million) and U.S.$249.5 million (AED 916.5 million) with arrangements to repurchase them at a fixed future date in April 2026 and April 2028 respectively.

In May 2025, the Group settled a repo transaction of U.S.$309.2 million (AED 1,135.7 million) which it had entered into in June 2021, and entered into two additional repo transactions to obtain financing against the sale of certain debt securities, amounting to U.S.$295.8 million (AED 1,086.3 million) and U.S.$495.3 million (AED 1,819.3 million). In June 2025, the Group entered into a new repo transaction of U.S.$330.0 million (AED 1,212.1 million). These transactions comprise arrangements to repurchase them at a fixed future date in May 2027, May 2028 and June 2028 respectively.

Other liabilities

The following table sets out the breakdown of CBD's other liabilities as at 31 December 2023, 2024 and 2025.

	As at 31 December			Percentage change (%)	
	2023	2024	2025	2024 / 2023	2025 / 2024
			(AED million)		
Interest payable	1,015	1,077	1,058	6.1	(1.8)
Employees' terminal benefits	49	45	45	(7.3)	(0.2)
Accounts payable	693	708	344	2.2	(51.4)
Accrued expenses	245	218	251	(10.8)	15.1
Manager cheques	565	574	1,077	1.5	87.7
Unearned fee income and deferred credits	42	39	19	(7.6)	(51.8)
Impairment allowance on financial guarantees and loans commitments	205	318	263	55.3	(17.4)
Tax Payable	**-**	**296**	**344**	**-**	**16.2**
Deferred tax payable	**-**	**-**	**23**	**-**	**-**
Other liabilities	**2,814**	**3,275**	**3,423**	**16.4**	**4.5**

CBD's other liabilities increased by 4.5 per cent. to AED 3.4 billion as at 31 December 2025 from AED 3.3 billion as at 31 December 2024. CBD's other liabilities increased by 16.4 per cent. to AED 3.3 billion as at 31 December 2024 from AED 2.8 billion as at 31 December 2023.

Total equity

CBD's total equity amounted to AED 15.8 billion as at 31 December 2023, AED 17.4 billion as at 31 December 2024 and AED 19.4 billion as at 31 December 2025. The main components of CBD's total equity as at 31 December 2023, 2024 and 2025 were:

	As at 31 December			Percentage change (%)	
	2023	2024	2025	2024/ 2023	2025 / 2024
			(AED million)		
Share capital	2,985	2,985	2,985	-	-
Legal and statutory reserve	1,493	1,493	1,493	-	-
General reserve	1,328	1,328	1,328	-	-
Capital reserve	39	39	39	-	-
Fair value reserve	(552)	(451)	(298)	(18.4)	(33.8)
Retained earnings	8,285	9,827	11,673	18.6	18.8
Tier 1 Capital Notes	2,204	2,204	2,204	-	-
Total equity	**15,781**	**17,425**	**19,422**	**10.4**	**11.5**

As at 31 December 2025, the authorised, issued and fully paid-up ordinary share capital of CBD comprised 2,985,191,949 ordinary shares of AED 1 each (31 December 2024 and 31 December 2023: 2,985,191,949 ordinary shares of AED 1 each). At CBD's annual general meeting held on 11 March 2020, CBD's shareholders approved the acquisition of up to 40 per cent. of CBD's share capital by non-UAE nationals. On 14 June 2020, all such regulatory formalities were completed and since then, non-UAE nationals are able to acquire CBD's shares.

At the Annual General Meeting of the shareholders of CBD held on 1 March 2023, the shareholders resolved the issuance of 182,457,981 shares as bonus shares, resulting in CBD's share capital increasing to 2,985,191,949 ordinary shares of AED 1 each.

For further information, see "*Description of CBD – Share Capital and Shareholders*".

THE UNITED ARAB EMIRATES BANKING SECTOR AND PRUDENTIAL REGULATIONS

Summary

According to data published by the UAE Central Bank, as at 31 December 2025, there were a total of 50 commercial banks registered in the UAE (23 locally incorporated commercial banks and 27 foreign commercial banks) (*source: UAE Central Bank, UAE Monetary, Banking and Financial Markets Developments Report - Q4 2025*). As a result, the UAE could be, and has historically been, viewed as an over-banked market, even by regional standards and there has traditionally been little impetus for consolidation (see "*Characteristics of the Banking System – Historic lack of consolidation*" below).

According to published data from the Dubai Statistics Centre, the financial and insurance sectors in Dubai contributed approximately AED 14.2 billion, representing 11.6 per cent. of Dubai's GDP (at current prices) in the second quarter of 2025, compared to AED 16.0 billion, representing 13.4 per cent. in the first quarter of 2025. Within the UAE as a whole, the financial and insurance sectors were estimated to have contributed approximately 13.6 per cent. of GDP (at current prices) in the first quarter of 2025 (*source: FCSC National Accounts (GDP Q1, 2025)*).

As a banking and insurance regulator, the UAE Central Bank, established in 1980, has grown in stature over the years and is the governing body that regulates and supervises all banks and insurance companies operating in the UAE. The UAE Central Bank monitors banks through its Banking Supervision and Examination Department. It conducts reviews of banks periodically based on the risk profile of each bank. It also reviews all of the returns submitted by the banks to the UAE Central Bank.

Historically, the UAE Central Bank does not act as a "lender of last resort", instead this role tends to fall on the individual Emirs of each Emirate. However, the UAE Central Bank provides access to its reserves on an overnight basis to eligible counterparties by posting eligible collateral (such as certain securities or foreign exchange) in order to help their liquidity management. Eligible counterparties include any deposit-taking financial institution licensed by the UAE Central Bank and any other direct participant in the UAE Fund Transfer System that has signed the appropriate terms and conditions. Non-Islamic banks may benefit from a marginal lending facility ("**MLF**") and Islamic banks from a collateralized murabaha facility ("**CMF**") (see "*– Recent Trends in Banking – Liquidity*" below).

Characteristics of the Banking System

Historic lack of consolidation

The UAE may be, and has historically been seen as, being over-banked with 50 commercial banks (comprising 23 locally incorporated commercial banks and 27 foreign commercial banks) licensed to operate inside the UAE as at 31 December 2025 (*source: UAE Central Bank, UAE Monetary, Banking and Financial Markets Developments Report - Q4 2025*), serving a population estimated to be in the region of approximately 11.0 million people at the end of 2024 (*source: OPEC Annual Statistical Bulletin 2025*).

Traditionally there has been little impetus for consolidation, with the federal structure of the UAE encouraging, to some extent, the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not to dilute shareholdings have also historically hampered the process of consolidation. As a result, during the period between the 2007 merger of Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C., which created Emirates NBD, and 2017 there was very limited merger activity domestically in the sector. However, following the merger of National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC on 30 March 2017, which created First Abu Dhabi Bank PJSC (the "**Merger**"), the merger between Abu Dhabi Commercial Bank PJSC and Union National Bank P.J.S.C. and the subsequent acquisition by the combined entity of Al Hilal Bank P.J.S.C., which completed in 2019 and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank P.J.S.C in 2020 commentators have suggested that the UAE may see more consolidation of the banking sector in order to improve profitability and reduce inefficiencies.

While the anticipated attempts at consolidation would further reduce the level of concentration in the domestic banking sector, they would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as IT system development.

Domestic focus

The UAE incorporated banks are predominantly focused on the UAE market but a number also have operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector.

With a large number of banks, competing for a limited number of wholesale lending opportunities, most banks historically turned to retail banking, a previously untapped market. However, increasing competition in this area has gradually eroded margins and encouraged a relaxation of lending criteria. Expansion of retail operations has required heavy investment in distribution channels. As a consequence, IT costs have been a prominent feature of many UAE banks' expenses in addition to employee costs.

Limited foreign ownership

In 1987, the UAE federal government placed a freeze on new foreign banks opening operations in the UAE. As a result, international banks have largely established their presence in the UAE banking market through the DIFC (established in 2002) and the Abu Dhabi Global Market (the "**ADGM**") (established in 2013). UAE banks which are incorporated onshore (and outside financial free zones such as DIFC and ADGM) are subject to a requirement that a certain percentage of its shareholding must be held by UAE nationals, limiting foreign ownership of UAE banks. In 2018, this minimum required shareholding by UAE nationals in UAE banks was set at 60 per cent. (Federal Law No. 14 of 2018). As at 31 December 2025, 99.81 per cent. of the Bank's shares were owned by UAE nationals, including 20 per cent. by the Investment Corporation of Dubai (ICD).

Exposure to the oil sector

With much of the economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during long periods of low oil prices (see "*Risk Factors – Factors that may affect CBD's ability to fulfil its obligations under the Capital Securities — Risks related to the UAE and the Middle East – The UAE's economy is highly dependent upon its oil revenue*"). In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment. Gradually, however, private non-oil sectors are gaining ground and the UAE economy is becoming less susceptible to oil price movements. The mining and quarrying sector, which includes crude oil and natural gas, was estimated to account for approximately 23.8 per cent. of the UAE's current GDP in the second quarter of 2025 (*source: FCSC Quarterly National Accounts (GDP Q2 2025)*).

Islamic banking

Shari'a (Islamic) law forbids the charging of interest on any financial transaction. A number of banks have developed in the Islamic world to serve customers who wish to observe this principle. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which avoids the application of interest. The UAE is home to numerous institutions offering Islamic banking and financial products. Such institutions include Dubai Islamic Bank PJSC, Abu Dhabi Islamic Bank PJSC, Emirates Islamic Bank PJSC, Ajman Bank, Sharjah Islamic Bank PJSC, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co. (PSC) (Salama), Al Hilal Bank P.J.S.C., Tamweel and Amlak Finance. In addition, the majority of local and international conventional financial institutions that operate in the UAE also offer *Shari'a*-compliant products through their Islamic windows including CBD through CBD Al Islami, offering *Shari'a*-compliant financial solutions to its retail and corporate clients. The number of Islamic banks continues to increase, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks.

Legal environment

There are three primary sources of law in the UAE: (i) federal laws and decrees; (ii) state laws (Emiri decrees issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate); and (iii) *Shari'a* (Islamic) law. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply his or its own rules, regulations and practices.

Supervision of banks

The main piece of legislation applicable to the banking system is the Federal Decree Law No. 6 of 2025, which repealed the Federal Decree Law No. 14 of 2018 (the "**Federal Banking Law**"). The UAE Central

Bank's primary roles are to formulate and implement banking, credit, monetary and fiscal policy and to be responsible for ensuring price and currency stability with free convertibility to foreign currencies. It is also the "bank for banks" within the UAE, although it is not the "lender of last resort". In the event of a bank experiencing financial difficulties or a solvency crisis, rescue funds – such as long-term liquidity or equity support – have historically come from the Emirate in which the institution is based. However, in the event of a run on the currency or a major banking crisis, it is likely that the UAE federal government would ultimately stand as de facto defender of the currency and the "lender of last resort".

The Federal Banking Law grants the UAE Central Bank powers to, among other things:

- draw up and implement monetary policy;
- exercise currency issuance;
- organise licensed financial activities (regardless of the medium, technology or form employed), establish the foundations for carrying them on, and determine the standards required for developing and promoting prudential practices in accordance with the provisions of the Federal Banking Law and international standards;
- set up appropriate regulations and standards for protection of customers of licensed financial institutions;
- monitor the credit condition in the UAE, in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base as per the provisions of the Federal Banking Law; and
- regulate, develop, oversee and maintain soundness of the financial infrastructure systems in the UAE.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the UAE Central Bank to issue UAE federal government debt. However, the UAE Central Bank does issue Monetary Bills ("**M-Bills**") to UAE banks via auction, denominated in UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace UAE Central Bank Certificates of Deposit. The secondary market in M-Bills is currently developing but they can be used as collateral for UAE dirham funding from the UAE Central Bank at any time.

The UAE dirham is linked to the International Monetary Fund's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the UAE dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices. However, see "*Risk Factors – Factors that may affect CBD's ability to fulfil its obligations under the Capital Securities – Risks relating to CBD's business – CBD faces risks associated with changes in market prices*".

The UAE Central Bank is also responsible for regulating financial institutions in relation to anti-money laundering ("**AML**") controls and counter-terrorist financing ("**CFT**") measures. To this end, the UAE Central Bank has established a separate department that (i) examines licensed financial institutions, (ii) ensures adherence to the UAE's Federal Decree Law No. 20 of 2018 regarding the procedures for AML and Combating the Financing of Terrorism and Illicit organisations and its implementing regulations as well as to the AML/CFT guidance included in the UAE Central Bank's rulebook, and (iii) identifies relevant threats, vulnerabilities and emerging risks concerning the UAE's financial sector. Pursuant to this, the UAE has established the National Committee to Counter Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations which is responsible for co-ordinating policy and systems on anti-money laundering and the combating of terrorism financing and assessing the effectiveness of such policies and systems and the representation of the UAE in international forums on these matters and the UAE Financial Intelligence Unit (FIU) in line with international standards.

The UAE Central Bank is responsible for regulating all banks, exchange houses, insurance companies and other financial institutions in onshore UAE, while the Dubai Financial Services Authority ("**DFSA**") regulates all banking and financial services activities in the financial freezone DIFC, and the Financial

Services Regulatory Authority ("**FSRA**") regulates activities in the financial services sector in the financial freezone ADGM. The UAE Central Bank has also been growing in stature as a banking supervisor. However, it is hampered in its role by the level of legal autonomy afforded to the individual Emirates, which at times makes it difficult to enforce directives uniformly across the banking sector.

Capital Markets

The capital markets in the UAE are regulated by a number of entities, including the Capital Market Authority ("**CMA**"), which licenses intermediaries to trade on the Dubai Financial Market and the Abu Dhabi Securities Exchange ("**ADX**"). The CMA is a federal government organisation but has financial, legal and administrative independence. The other significant stock exchange in the UAE is Nasdaq Dubai which commenced operations in September 2005 and, as an entity based in the DIFC, is separately regulated by the DFSA.

Dubai Financial Market

The Dubai Financial Market, which is now, along with Nasdaq Dubai, owned by Borse Dubai Limited, was established by the Government of Dubai in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The Dubai Financial Market was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which has led to an increase in interest and investment from international institutional investors in Dubai. In February 2026, JPMorgan Chase & Co. announced that it will remove the UAE from its emerging-market bond indexes by June 2026 after the country exceeded the bank's wealth thresholds for three consecutive years (*Source: Bloomberg*).

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, Dubai Financial Market announced that it had made an offer to Borse Dubai Limited and the Nasdaq OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.$121 million and comprised U.S.$102 million in cash and 40 million Dubai Financial Market shares. The merger was approved by Borse Dubai Limited and the Nasdaq OMX Group and was completed on 11 July 2010.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuer's access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Abu Dhabi Securities Exchange

The ADX was established in November 2000 as an independent entity and operates as a market for trading securities, including shares issued by public joint stock companies, bonds or sukuks issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the CMA.

ADX is classified as an 'Emerging Market' by each of MSCI index (Morgan Stanley Capital International), S&P Dow Jones, FTSE, S&P and Russell Investments. ADX has the authority to establish centres and branches outside the Emirate of Abu Dhabi. To date it has done so in the Emirates of Fujairah, Ras al Khaimah and Sharjah.

Government involvement

There is a high degree of state involvement in the UAE banking sector. Most of the larger banks have some degree of government ownership. Privatisation, though advocated in principle, has been slow to manifest in practice. The state and its related entities are together the banking sector's largest customers, in terms of both deposits and project financing.

Expatriate workforce

An unusual feature of the UAE economy is its reliance on overseas labour, with expatriates making up approximately 89 per cent. of the workforce (*source: FCSC Labour Force Statistics 2025*). The banking sector is no exception to this and expatriates are employed in the senior management of most of the major banks. This has brought expertise from more developed markets to the sector. However, the high level of expatriates in the UAE has been an increasing concern for the UAE federal government and as part of a policy of "Emiratisation", organisations in the UAE are subject to a scoring system which takes into account the employment and progression of Emirati employees at the organisation. The minimum threshold for Emirati employees for each organisation is dependent on a number of factors. UAE Cabinet Decree number 3/10/267 of 2015 dated 25 October 2015 (the "**Emiratisation Circular**") does not set any upper limit at which the policy would no longer be applicable. If UAE banks are not able to achieve their targets for recruiting and progressing UAE nationals through their organisation, they will be subject to penalties to be computed in accordance with a specific formula set out in the Emiratisation Circular.

Accounting standards

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS Accounting Standards (formerly International Accounting Standards (IAS)).

Structure of the banking system

Banking institutions in the UAE fall into a number of categories. Domestic commercial banks, also known as "national" banks, of which there were 23 as at 31 December 2025 (*source: UAE Central Bank, UAE Monetary, Banking and Financial Markets Developments Report - Q4 2025*) are required to be public joint stock companies with a minimum share capital of AED 40 million and must be majority owned by UAE nationals. Licensed foreign banks, of which there were 27 as at 31 December 2025 (comprising 21 other foreign banks and 6 GCC banks (*source: UAE Central Bank, UAE Monetary, Banking and Financial Markets Developments Report - Q4 2025*), need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. Financial institutions may either be licensed by the UAE Central Bank or by the CMA depending on their specific activities. Amongst others, banks, insurance companies, reinsurance companies, exchange houses, finance companies, payment services providers and representative offices are licensed and regulated by the UAE Central Bank.

Recent Trends in Banking

Profitability

The performance of the UAE economy is influenced by oil prices, which directly affect fiscal revenues and hence determine the level of investment in government projects in the country (see "*Risk Factors – Risks related to the UAE and the Middle East – The UAE's economy is highly dependent upon its oil revenue*") and UAE banks have benefited from rising interest/profit rates. According to Fitch, the average net interest margin of the banking sector in the UAE in the first nine months of 2025 was 2.9 per cent. per cent. compared to 3.0 per cent. in 2024. (*Source: Fitch Ratings, "UAE Bank Loan Growth Accelerates; Overseas Operations Strengthen", 12 November 2025*).

Liquidity

The UAE Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress. UAE banks are mostly funded through on demand- or time-based customer deposits made by private individuals or private sector companies.

Banks must also adhere to a maximum loan to deposit ratio of 100 per cent. set by the UAE Central Bank. In this context, loans comprise loans, advances and interbank placements maturing more than three months and deposits comprise free own funds, interbank deposits maturing more than six months and stable customer deposits.

As at 31 December 2025, according to preliminary data made available by the UAE Central Bank:

- demand and time deposits constituted approximately 85.9 per cent. of total resident and non-resident deposits of all banks (excluding government deposits, commercial prepayments and borrowings under repurchase agreements);

- resident corporate and individual deposits constituted approximately 91.0 per cent. of total deposits of all banks with approximately 46.3 per cent. of resident deposits being from corporate residents (in each case, excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) (*source: UAE Central Bank Statistical Bulletin December 2025*); and

- non-resident sources constituted approximately 9.0 per cent. of total deposits of all banks with approximately 44.5 per cent. of non-resident deposits being from corporate non-residents (in each case, excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) (*source: UAE Central Bank Statistical Bulletin December 2025*).

Since September 2008, the UAE Central Bank has made available a AED 50 billion liquidity facility which banks can draw upon subject to posting eligible debt securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending is required to be based on growth in the customer deposit base. The UAE Central Bank also established a M-Bill repo facility under which banks can use M-Bills as collateral for UAE dirham funding from the UAE Central Bank.

In line with Basel III requirements, the UAE Central Bank issued liquidity regulations, namely the UAE Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which entered into force with effect from 1 July 2015) (the "**Liquidity Notice**") and which includes, *inter alia*, a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices. These requirements include the following:

Responsibilities of the board of directors:

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having a detailed understanding of liquidity risk management; and
- to enable the clear articulation of liquidity risk tolerance in line with the relevant UAE bank's objectives, strategy and risk appetite.

Responsibilities of senior management:

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the board of directors;
- to review the UAE bank's strategy and to report to the board of directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

Liquidity risk framework:

The Liquidity Notice requires each UAE bank to have a robust liquidity risk framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the UAE Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress-testing of the portfolio for a variety of scenarios (both institution-specific and market-wide), with results being communicated to the board of directors and the UAE Central Bank on request;
- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;

- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;

- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the UAE Central Bank upon request);

- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and

- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of high-quality liquid assets ("**HQLA**") which allow it to sustain short-term liquidity stress (in circumstances both specific to that bank and market wide). In particular, the requirements include the Basel III Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**").

The LCR represents a 30-day stress scenario with combined assumptions covering both bank-specific and market-wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30-day stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with HQLAs at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum is 100 per cent.

The NSFR is a structural ratio that aims to ensure that banks have adequate stable funding to fund the long term assets on their balance sheets. The NSFR also requires an amount of stable funding to cover a portion of the relevant UAE bank's contingent liabilities. The NSFR in the UAE mirrors the Basel III standards. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding ("**ASF**") factors to the sources of funds and required stable funding ("**RSF**") (usage) factors to asset classes and off-balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned RSF factor will depend on the liquidity of the asset being funded under market-wide stress. Both factors will follow the Basel III standards. The NSFR minimum is 100 per cent.

With respect to liquidity risk related ratios, the UAE Central Bank made it mandatory for all UAE based banks to comply with the Eligible Liquid Assets Ratio ("**ELAR**") and an Advances to Stable Resources Ratio ("**ASRR**") as of 1 January 2016. As of the date of this Prospectus, the Bank reports its liquidity position to the UAE Central Bank using the applicable liquidity ratios prescribed by the UAE Central Bank, including ELAR and ASRR, and monitors Basel III liquidity ratios, including LCR and NSFR and the Bank is compliant with all such minimum ratios as at the date of this Prospectus.

Marginal Lending Facility

The UAE Central Bank introduced conventional and Shari'a compliant standing credit facilities for deposit-taking financial institutions licensed by the UAE Central Bank and any other direct participant in the UAE Fund Transfer System that has signed the appropriate terms and conditions to draw on UAE Central Bank reserves on an overnight basis through collateralised funding / murabaha transactions, in order to deal with temporary idiosyncratic liquidity imbalances. In addition, the UAE Central Bank offers a contingent liquidity insurance facility whereby eligible counterparties may access UAE Central Bank reserves for a term settlement by pledging securities as collateral via a repo agreement for conventional funding or via a collateral management agreement for funding in accordance with Shari'a principles.

The UAE Central Bank accepts a range of tradeable securities (bonds and Sukuk) and foreign exchange as eligible collateral classified into seven categories in terms of quality and liquidity for the purposes of accessing the MLF/CMF. These include foreign exchange where the USD is accepted as colleteral and securities issued by sovereigns (originating in the UAE and outside the UAE) and securities issued by corporates and financials or supranational, municipal, or public sector issuers. In order to be eligible, collateral must meet minimum credit rating requirements as specified in Annex B of the Dirham Monetary Framework – Standing Credit & Liquidity Insurance Facilities Terms & Conditions dated 1 March 2022. Banks accessing the MLF / CMF or Liquidity Insurance Facilities must borrow a minimum of AED 10 million.

Position of depositors

While as at the date of this Prospectus no bank in the UAE has been permitted to fail, there is no formal deposit protection scheme in the UAE.

Prudential regulations

The UAE Central Bank has supervisory responsibility for various financial institutions, including banks, in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain. The UAE Central Bank Rulebook contains robust provisions on risk management to ensure resilience of the banking sector and enhance overall financial stability.

Capital adequacy

All banks are required to follow the principles of the Basel III Framework implemented by the UAE Central Bank in the UAE through, *inter alia*, the Regulations Re Capital Adequacy (issued by Circular No. 52/2017 dated 23 February 2017), the Standards for Capital Adequacy of Banks in the UAE (issued by Circular No. 52/2017, effective from 1 December 2022) (the "**Standards**"), and the Guidance for Capital Adequacy of Banks in the UAE (together, the "**Capital Adequacy Regulations**"). The Standards elaborate on the supervisory expectations of the UAE Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as D-SIBs by the UAE Central Bank are required to hold additional capital buffers as notified to it by the UAE Central Bank, however CBD is not subject to such requirements as at the date of this Prospectus. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the UAE Central Bank.

As at the date of this Prospectus, pursuant to the Capital Adequacy Regulations, the Bank is required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 13.0 per cent. A capital conservation buffer of 2.5 per cent. of CET 1 is also included within this minimum total capital adequacy ratio of 13.0 per cent. In addition to this minimum capital adequacy ratio, a counter-cyclical buffer is applicable to the Bank, which is determined on the basis of the geographical distribution of risk-weighted assets and the counter-cyclical capital buffer applicable in such jurisdictions.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks denominated in their respective domestic currencies are risk-weighted at zero per cent. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

Historically, the Basel Committee has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued the Basel III Reform, constituting guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III reforms began on 1 January 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. The Basel Committee's press release dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**January 2011 Press Release**") included an additional Basel III requirement (the "**Non-Viability Requirement**") that requires contractual or legislative terms providing for, at the option of the relevant authority, the writing-off of the principal amount of Tier 1 and Tier 2 capital instruments or the conversion of such Tier 1 and Tier 2 capital instruments into ordinary shares upon the occurrence of the earlier of: (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, in each case as determined by the relevant authority.

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet the Non-Viability Requirement in order to be recognised as Tier 1 or Tier 2 instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The Basel III Framework and the Capital Adequacy Regulations in connection with the UAE Central Bank Capital Instruments Standards confirm that any capital instrument issued by UAE banks must meet the minimum requirements to ensure loss absorbency at the point of non-viability to be included in Additional Tier 1 or Tier 2 Capital. The Non-Viability Requirement is generally provided for contractually, however, the 2025 Federal Banking Law has significantly modernised the early intervention and resolution regime for licensed financial institutions in the UAE setting out provisions for recovery planning and requirements for loss-absorbing capital.

Reserve requirements

Reserve requirements are used by the UAE Central Bank as a means of prudential supervision and to control credit expansion. Financial institutions are required to, over each respective reserve maintenance period, maintain in their respective reserve accounts held with the UAE Central Bank, balances equal to the amounts of their respective reserve requirements as calculated on the basis of the ratios for qualifying liabilities: 1 per cent. for time qualifying liabilities (term deposits (including CDs/structured products) and commercial prepayments (time)) and 14 per cent. for demand qualifying liabilities (demand deposits, commercial prepayments (demand), and savings). Qualifying liabilities consist of government deposits and other deposits in UAE dirhams or foreign currency.

Credit Risk Management

Banks are required by the UAE Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and adequate controls in place to monitor credit concentrations to, among others, individual borrowers, economic sectors and foreign countries.

The UAE Central Bank circular dated 23 February 2011 on retail banking and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and entered into force on 28 December 2013), as amended by Notice No. UAE Central Bank/BSD/N/2020/1799 dated 8 April 2020 and Resolution No. 31/2/2020 Amending Circular No. 31/2013 (the "**Mortgage Regulations**") introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, impose maximum loan/income and loan-to-value ratios for retail products.

In 2024, the UAE Central Bank introduced the Credit Risk Management Standards (the "**CRMS**") which refine and expand on the Credit Risk Management Regulation. The CRMS mandate that financial institutions establish a comprehensive framework to manage credit risk effectively. This framework should align with the financial institution's risk appetite, risk profile, and capital strength. The CRMS requires robust policies, procedures, and systems for identifying, measuring, monitoring, and mitigating credit risk, including concentration risk and potential credit losses.

Large exposures

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits.

On 22 May 2023, the UAE Central Bank published Circular No. 01/2023 on large exposures (the "**Large Exposures Regulation**") superseding the large exposure circular No. 32/2013. The Large Exposures Regulation sets out large exposure limits for various types of counterparty. Violation of any provision of the Large Exposures Regulation shall be subject to supervisory action, administrative and financial sanctions, as deemed appropriate by the UAE Central Bank. Set out below is a table showing a summary of the limits introduced by the Large Exposures Regulation (defined as a percentage of the bank's Tier 1 capital base calculated under Basel III):

	Cap as percentage of Tier 1 Capital	
	Individual	**Aggregate**
UAE federal government and their non-commercial public sector entities treated as sovereign	Not applicable	Not applicable
Foreign sovereigns rated at least AA-	Not applicable	Not applicable

UAE local governments and their non-commercial entities	No cap for UAE local governments; 25% for each non-commercial entity	150%
Commercial entities of UAE federal government and UAE local governments (excluding self-sustainable government related entities below)	25%	100%
Self-sustainable commercial entities of UAE federal and local governments	25%	Not applicable
A single borrower or a group of related borrowers	25%	Not applicable
Shareholders who own 5 per cent. or more of the bank's capital and their related entities	20%	50%
Global systemically important bank (G-SIB) exposure to another G-SIB	15%	Not applicable
UAE incorporated bank's exposure to its foreign branches	Not applicable	30%
Bank's non-bank subsidiaries and affiliates	10%	25%
Board members	5%	25%
Bank's external auditors	Prohibited	Prohibited

Provisions for loan losses

For UAE banks, IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an expected credit loss ("**ECL**") model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three-stage approach in recognising increased credit risk at each stage of risk (i.e., Stage 1 for current facilities, Stage 2 for significant increase in credit risk and Stage 3 for impaired loans).

Banks in the UAE generally do not write off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans and advances to customers and/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

UAE Model Standards and Guidelines

On 23 December 2022, the UAE Central Bank published the Model Standards and Guidelines which contain mandatory modelling practices to be implemented by banks operating in the UAE. The Model Standards and Guidelines aim to improve the quality of models used, increase model homogeneity across the UAE and mitigate model risk. All UAE banks were required to submit a gap assessment of their current model management practices against the standard and the guidance in the Model Standards and Guidelines, together with a remediation plan, to the UAE Central Bank by 21 June 2023. The introduction of the Model Standards and Guidelines demonstrates a notable increase in the emphasis placed by the UAE Central Bank on ensuring the accuracy and reliability of models used by banks.

Al Etihad Credit Bureau

Al Etihad Credit Bureau ("**AECB**") is a public joint stock company wholly owned by the UAE federal government. As per UAE Federal law No. (6) of 2010 concerning credit information and amendments, the AECB is mandated to regularly collect credit information from financial and non-financial institutions in the UAE and it aggregates and analyses this data to calculate credit scores and produce credit reports. The Bank has entered into a data and credit information supply agreement with the AECB for this purpose. The availability of credit reports reduces the risk involved in the origination of customer lending and banking business generally.

The implementation of regulations for the sharing of credit report data and the commercial operation of the UAE's first credit bureau is expected to reduce the risk involved in the origination of customer lending and banking business generally.

Shari'a compliance

UAE law requires financial institutions licensed by the UAE Central Bank to operate Islamic banking business activities in compliance with the rules, standards and general principles established by the Higher *Shari'a* Authority of the UAE Central Bank and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher *Shari'a* Authority before undertaking certain licensed financial activities.

Corporate governance

Banks in the UAE are subject to the UAE Central Bank Corporate Governance Regulations for Banks and the Corporate Governance Standards for Banks issued by Circular No. 83/2019 dated 18 July 2019 (together, the "**Corporate Governance Regulations**") which were issued by the UAE Central Bank with a view to ensuring banks have a comprehensive approach to corporate governance.

The objective of the Corporate Governance Regulations is to establish minimum acceptable standards for banks' approach to corporate governance, with a view to (i) ensuring the soundness of banks, and (ii) contributing to financial stability and consumer protection. The Board of Directors of a bank is in ultimate control of the bank and accordingly ultimately responsible for the bank's corporate governance. The Corporate Governance Regulations acknowledges that there is no one-size-fits-all or single best solution. Accordingly, each bank could meet some elements of the minimum requirements in a different way; the onus is on the Board of Directors of each bank to demonstrate to the UAE Central Bank that it has implemented a comprehensive approach to corporate governance while being encouraged to adopt leading practices that exceed the minimum requirements of the Corporate Governance Regulations.

TAXATION

The following is a general description of certain tax considerations relating to the Capital Securities. It does not purport to be a complete analysis of all tax considerations relating to the Capital Securities and does not constitute legal or tax advice. Prospective purchasers of Capital Securities should consult their tax advisers as to the consequences under the tax laws of the countries of their respective citizenship, residence or domicile of acquiring, holding and disposing of Capital Securities and receiving payments under the Capital Securities. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

United Arab Emirates

*The following is a general summary of the current tax law and practice in Dubai and the UAE (to the extent applicable in Dubai) ("**Dubai Law**") and does not constitute legal or tax advice. Prospective investors in the Capital Securities are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase ownership or disposition of the Capital Securities or any interest therein.*

Under existing Dubai Law, although an income tax decree has been enacted in each of Abu Dhabi and in Dubai (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)), which provides for tax to be imposed on the taxable income of all bodies corporate which carry on a trade or business, the regime is not currently enforced. In practice, only companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE have been required to pay tax.

There are currently no withholding taxes required to be levied under UAE, Abu Dhabi or Dubai law in respect of payments on debt securities (including in relation to the Capital Securities). However, further to the recent issuance of the Corporate Tax Law, corporate tax will apply to taxable persons for financial years beginning on or after 1 June 2023. The UAE Ministry of Finance has announced that no withholding will apply in relation to this tax. In the event of the imposition of such withholding in the future, the Issuer has undertaken to gross-up any payments of interest (but not principal) subject to certain limited exceptions, as described in Condition 12 (*Taxation*).

The Constitution of the UAE specifically reserves to the UAE government the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the UAE) have entered into, or have agreed in substance to, intergovernmental agreements ("**IGAs**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Capital Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Capital Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Capital Securities, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Capital Securities.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 13 July 2026 between the Issuer and the Joint Lead Managers, the Issuer has agreed to issue U.S.$600,000,000 in aggregate principal amount of the Capital Securities and subject to certain conditions, the Joint Lead Managers (other than CBD in its capacity as a Joint Lead Manager) have jointly and severally agreed to subscribe or procure subscribers for the Capital Securities at the issue price of 100 per cent. of the principal amount of Capital Securities.

The Joint Lead Managers (other than CBD in its capacity as a Joint Lead Manager) will be paid certain commissions in respect of their services for managing the issue and offering of the Capital Securities. The Issuer has agreed to reimburse the Joint Lead Managers (other than CBD in its capacity as a Joint Lead Manager) for certain of their expenses in connection with the issue of Capital Securities and to indemnify the Joint Lead Managers against certain liabilities incurred by them in connection therewith.

United States

The Capital Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered or sold any Capital Securities, and will not offer or sell any Capital Securities: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of all Capital Securities, other than in accordance with Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Capital Securities, an offer or sale of the Capital Securities within the United States by any dealer/manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or both) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Capital Securities which are the subject of the offering contemplated by this Prospectus to any retail investor in the UK.

For the purposes of this provision, the expression "**retail investor**" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA.

Other restrictions

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the UK.

Kingdom of Bahrain

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Capital Securities in the Kingdom of Bahrain except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual who has a minimum net worth (or joint net worth with their spouse) of U.S.$1,000,000 excluding that person's principal place of residence;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000;

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or

(d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

State of Qatar (including the Qatar Financial Centre)

Each Joint Lead Manager has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell, at any time, directly or indirectly, any Capital Securities in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Prospectus: (a) has not been, and will not be, filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange; (b) is intended for the original recipient only and must not be provided to any other person; and (c) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Capital Securities. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Capital Securities pursuant to an offering should note that the offer of Capital Securities is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended (the "**KSA Regulations**"), made through a capital market institution licensed by the Capital Market Authority, in each case, in accordance with the KSA Regulations.

The Capital Securities may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by the KSA Regulations. Each Joint Lead Manager has represented and agreed that any offer of Capital Securities to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

The offer of the Capital Securities shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Abu Dhabi Global Market

Each Joint Lead Manager has represented and agreed that it has not offered, and will not offer, the Capital Securities to any person in the ADGM unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules Module of the Financial Services Regulatory Authority (the "**FSRA**") rulebook;

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook; and

(c) made only in circumstances in which the "Financial Promotion Restriction" set out in section 18(1) of the Financial Services and Markets Regulations 2015 does not apply.

Dubai International Financial Centre

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Capital Securities to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and

(b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Joint Lead Manager has represented and agreed that the Capital Securities have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering and sale of securities.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Capital Securities other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding-Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Capital Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Capital Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Capital Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Joint Lead

Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Capital Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Malaysia

This Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Joint Lead Manager has represented and agreed that the Capital Securities have not been and will not be offered, sold or delivered by it, and no invitation to subscribe for or purchase the Capital Securities has been or will be made, directly or indirectly, by it nor may any document or other material in connection therewith be distributed by it in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 (or Section 229(1)(b)), and Part I of Schedule 7 (or Section 230(1)(b)), read together with Schedule 8 and Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Capital Securities. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Joint Lead Managers is responsible for any invitation, offer, sale or purchase of the Capital Securities as aforesaid without the necessary approvals being in place.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Capital Securities or caused the Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Capital Securities or cause the Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Capital Securities, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

Each Joint Lead Manager has acknowledged that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Capital Securities and has represented and agreed that the Capital Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made by it to admit the Capital Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Capital Securities constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Capital Securities may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Joint Lead Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells any Capital Securities or possesses or distributes this Prospectus (in preliminary proof or final form) or any related offering material, in all cases at its own expense, and neither the Issuer nor any of the other Joint Lead Managers shall have any responsibility therefor.

Neither the Issuer nor any of the Joint Lead Managers has represented that the Capital Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose possession this Prospectus or the Capital Securities may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Prospectus and the offering and sale of Capital Securities.

GENERAL INFORMATION

Authorisation

The issue of the Capital Securities by the Issuer was duly authorised by resolutions of the Board of Directors of the Issuer on 21 January 2026 and by the shareholders of the Issuer on 25 February 2026.

Approval of the Prospectus, Admission to Trading and Listing of Capital Securities

Application has been made to Euronext Dublin for the Capital Securities to be admitted to listing on the Euronext Dublin Official List and to trading on the regulated market of Euronext Dublin. It is expected that admission to listing of the Capital Securities on the Euronext Dublin Official List and admission to trading of the Capital Securities on the regulated market of Euronext Dublin will be granted on or around the Issue Date. The total expenses related to the admission to trading of the Capital Securities on Euronext Dublin are estimated to be €6,540.

Application has also been made to the DFSA for the Capital Securities to be admitted to the DFSA Official List and to Nasdaq Dubai for the Capital Securities to be admitted to trading on Nasdaq Dubai. It is expected that the listing of the Capital Securities on the DFSA Official List and admission of the Capital Securities to trading on Nasdaq Dubai will be granted on or around the Issue Date. The total expenses relating to the admission to trading of the Capital Securities on Nasdaq Dubai are estimated to be U.S.$7,000.

Documents Available

For as long as the Capital Securities are outstanding, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and the specified office of the Fiscal Agent for the time being in London:

(a) the Memorandum and Articles of Association (with an English translation thereof) of the Issuer;

(b) the Financial Statements;

(c) this Prospectus; and

(d) the Agency Agreement (which contains the forms of the Global Certificate and the Individual Certificate) and the Deed of Covenant.

In addition:

(a) the documents referred to in subparagraph (a) above can be found at https://www.cbd.ae/aboutus/corporate-governance;

(b) the documents referred to in subparagraph (b) above can be found at https://www.cbd.ae/aboutus/investor-relations/financial-results; and.

(c) the documents referred to in subparagraphs (c) to (d) above can be found at https://www.cbd.ae/aboutus/investor-relations.

Clearing Systems and Identification Codes

The Capital Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN is XS3323686728 and the common code is 332368672. The Financial Instrument Short Name (FISN) and the Classification of Financial Instruments (CFI) Code in respect of the Capital Securities are as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1 210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Legal Entity Identifier ("LEI")

The LEI code of the Issuer is 2138002DQL2YD4S8HE87.

Website of the Issuer

The website of the Issuer is https://www.cbd.ae/. The information on https://www.cbd.ae/ does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

Significant or Material Change

There has been no significant change in the financial position or financial performance of the Group since 31 December 2025 and there has been no material adverse change in the prospects of the Issuer since 31 December 2025.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the twelve months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Indication of Yield

6.625 per cent. per annum up to the First Reset Date. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Independent Auditors

The auditors of the Issuer are Deloitte & Touche (M.E.) of Level 3, Emaar Square Building 2, Downtown Dubai, P.O. Box 4254, Dubai, UAE. Deloitte & Touche (M.E.) is regulated in the UAE by the UAE Ministry of Economy which has issued Deloitte & Touche (M.E.) with a license to practice as auditors. Deloitte & Touche (M.E.) were first appointed as auditors of CBD in the annual general meeting held on 6 March 2024 for the financial periods commencing 1 January 2024.

The audited consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2025 and 31 December 2024 have been audited without qualification in accordance with International Standards on Auditing by Deloitte & Touche (M.E.), as stated in their audit reports, incorporated by reference herein.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers (other than CBD in its capacity as a Joint Lead Manager) or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such short positions could adversely affect future trading prices of the Capital Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Such persons do not intend to disclose the extent of any such investment or transactions other than as may be required by law.

ISSUER

Commercial Bank of Dubai P.S.C.
CBD Head Office
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FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT

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REGISTRAR

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Ireland

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To the Issuer as to English law

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To the Issuer as to Dubai law

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AUDITORS

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To the Joint Lead Managers and Joint Bookrunners as to English law and Dubai law

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JOINT STRUCTURING AGENTS AND JOINT GLOBAL COORDINATORS

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JOINT LEAD MANAGERS

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