



First Abu Dhabi Bank vs Peer Banks

3rd April 2019

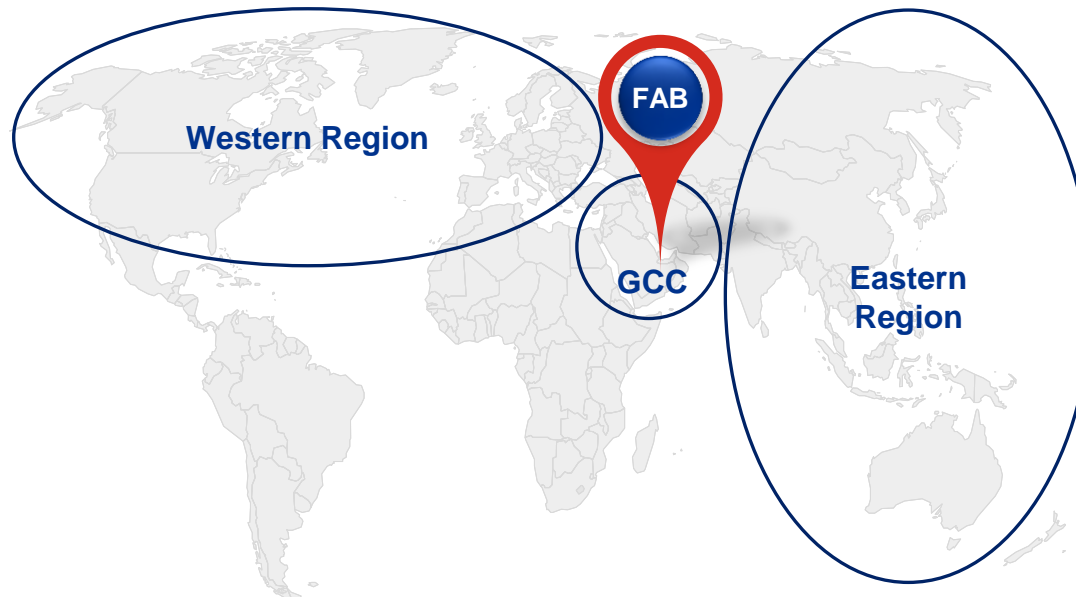
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Welcome to our “First Abu Dhabi Bank vs Peer Banks” report. In this document we compare FAB with some of the best known banks in the world – from the West (US, Canada, UK, Europe, Scandinavia, etc) to the Middle East region (GCC) and Asia (China, Hong Kong, Japan, Korea, India, Australia, etc) using only factual information and data. The approach we have followed for this analysis is as follows:

- We compare the peer banks across various parameters such as credit ratings, CDS spreads, CET1, RoTE, Capital Adequacy, etc.
- We have used “composite ratings” for this analysis – i.e. the average of the ratings assigned by three leading rating agencies Moody’s, S&P and Fitch – in order to provide a holistic view of the credit strength of each bank.
- We have deliberately made the report text-light and chart-based in an attempt to make it easier to digest. Hopefully you will find it both interesting and useful.



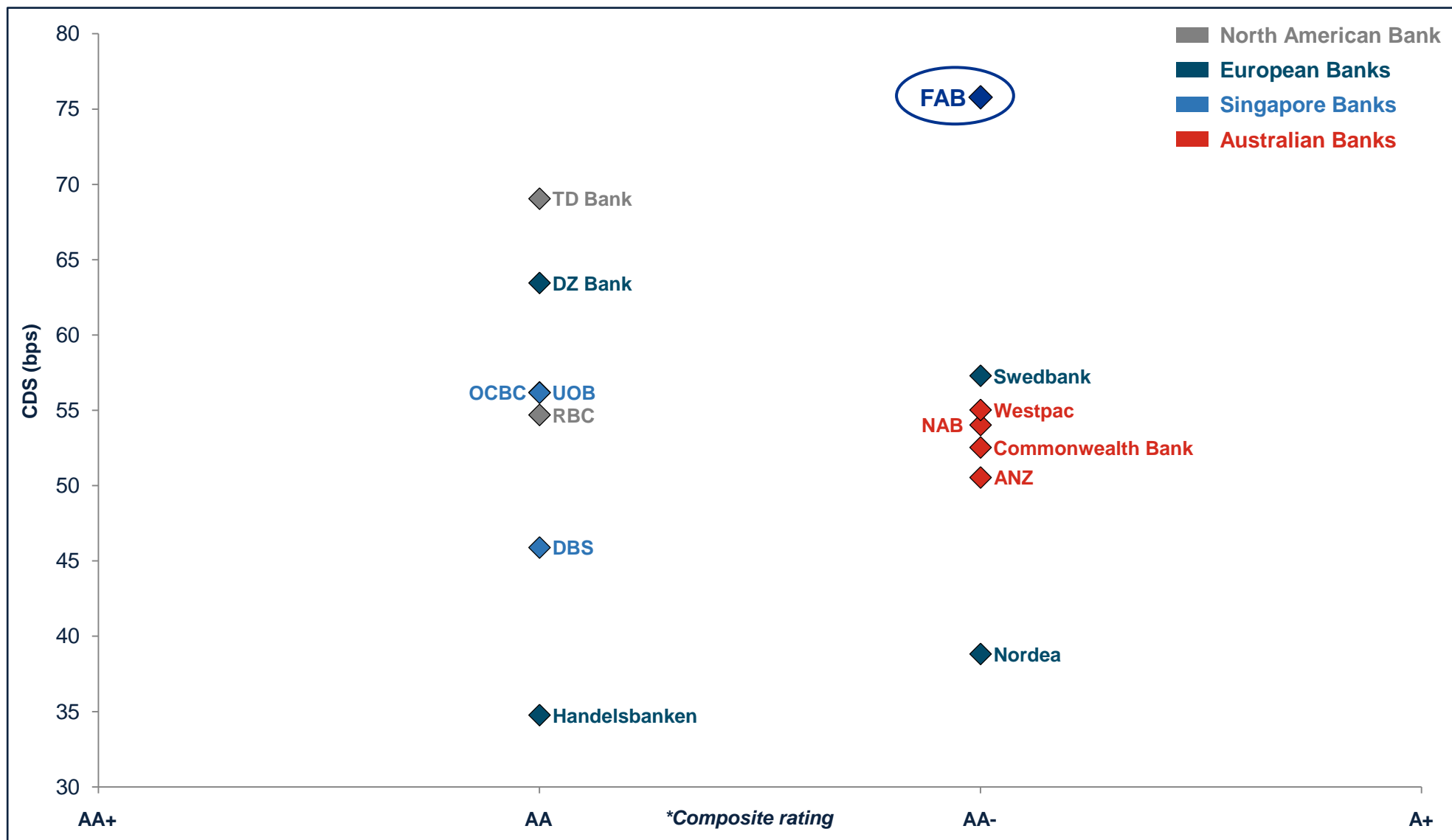
FAB is one of the top rated commercial banks in the world

FAB is proud to be one of the top rated commercial banks in the world. Below is a list of commercial banks those are rated AA- or higher by all three major rating agencies.

	Moody's			S&P			Fitch			Composite Rating	Composite Score	5-yr CDS level**
	Rating	Outlook	Score*	Rating	Outlook	Score*	Rating	Outlook	Score*			
First Abu Dhabi Bank (FAB)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	76
Singapore Banks												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	56
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	56
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	46
Australian Banks												
National Australia Bank LTD	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	54
Commonwealth Bank of Australia	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	53
Australia & New Zealand Banking Group	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	51
Westpac Banking Corp	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	55
North American Banks												
Toronto-Dominion Bank (Canada)	Aa1	Stable	2	AA-	Stable	2	AA-	Stable	4	AA	3	69
Royal Bank of Canada	Aa2	Stable	3	AA-	Stable	3	AA	Stable	4	AA	3	55
AgriBank (US)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	NA
European Banks												
Svenska Handelsbanken AB	Aa2	Stable	3	AA-	Stable	3	AA	Stable	4	AA	3	35
Swedbank AB	Aa2	Stable	3	AA-	Watch Neg	3	AA-	Stable	4	AA-	4	57
Nordea Bank AB	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	39
DZ Bank	Aa1	Stable	2	AA-	Stable	2	AA-	Stable	4	AA	3	63
Deutsche Apotheker- und Aerztebank	Aa1	Stable	2	AA-	Stable	2	AA-	Stable	4	AA	3	NA

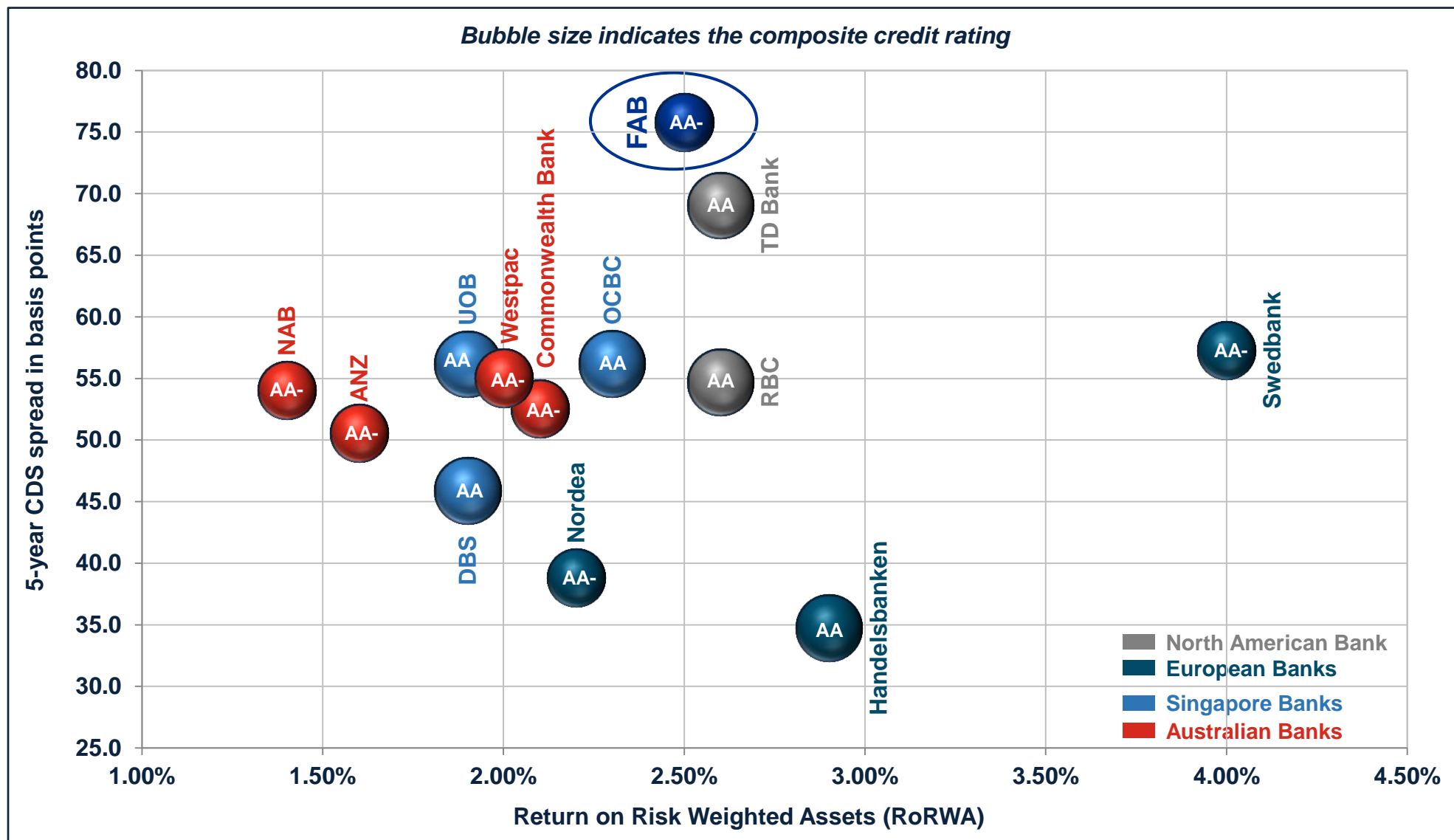
Notes: * Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; ** CDS levels are closing prices for 1-Apr-19 and in basis points; CDS used are US\$ Senior quotes but for some banks US\$ quotes are not available so we have used the available Non-US\$ CDS quote that is most liquid; Source: Bloomberg/Reuters; Global Finance magazine survey of "Safest 50 Commercial Banks In The World"

Banks rated AA- or higher by all three ratings agencies



Notes: * Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; ** CDS levels are closing prices for 01-Apr-19 and in basis points; CDS used are US\$ Senior quotes but for some banks US\$ quotes are not available so we have used the available Non-US\$ CDS quote that is most liquid; Source: Bloomberg/Reuters; Global Finance magazine survey of "Safest 50 Commercial Banks In The World"

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Rating comparison – FAB vs Western banks

	Moody's			S&P			Fitch			Composite Rating	Composite Score	5-yr CDS level**
	Rating	Outlook	Score*	Rating	Outlook	Score*	Rating	Outlook	Score*			
First Abu Dhabi Bank (FAB)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	76
U.K. Banks												
HSBC	A2	Stable	6	A	Stable	6	AA-	Watch Neg	4	A+	5	32
Standard Chartered (StanChart)	A2	Stable	6	BBB+	Stable	8	A	Stable	6	A-	7	77
Lloyds Banking Group (Lloyds)	A3	Stable	7	BBB+	Stable	8	A+	Watch Neg	5	A-	7	53
Barclays	Baa3	Stable	10	BBB	Stable	9	A	Watch Neg	6	BBB+	8	67
Royal Bank of Scotland (RBS)	Baa2	Positive	9	BBB-	Positive	10	A	Watch Neg	6	BBB+	8	109
European Banks												
Banque Cantonale Vaudoise (BCV)	Aa2	Stable	3	AA	Stable	3	NA	NA	NA	AA	3	NA
Svenska Handelsbanken	Aa2	Stable	3	AA-	Stable	4	AA	Stable	3	AA	3	35
Swedbank	Aa2	Stable	3	AA-	Watch Neg	4	AA-	Stable	4	AA-	4	57
Nordea Bank	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	39
Rabobank	Aa3	Stable	4	A+	Positive	5	AA-	Stable	4	AA-	4	31
UBS AG	Aa3	Stable	4	A+	Stable	5	AA-	Stable	4	AA-	4	32
ING	Aa3	Stable	4	A+	Stable	5	AA-	Stable	4	AA-	4	31
BNP Paribas	Aa3	Stable	4	A	Positive	6	A+	Stable	5	A+	5	41
Credit Agricole	A1	Positive	5	A+	Stable	5	A+	Stable	5	A+	5	35
Societe Generale (SocGen)	A1	Stable	5	A	Positive	6	A	Stable	6	A	6	44
Credit Suisse	Baa2	Stable	9	BBB+	Stable	8	A-	Positive	7	BBB+	8	43
Deutsche Bank	A3	Negative	7	BBB+	Stable	8	BBB+	Negative	8	BBB+	8	160
North American Banks												
Royal Bank of Canada (RBC)	Aa2	Stable	3	AA-	Stable	4	AA	Stable	3	AA	3	55
Toronto-Dominion Bank (TDBank)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	69
Bank of Nova Scotia	Aa2	Stable	3	A+	Stable	5	AA-	Stable	4	AA-	4	55
Bank of Montreal (BMO)	Aa2	Stable	3	A+	Stable	5	AA-	Stable	4	AA-	4	57
JP Morgan Chase	A2	Stable	6	A-	Stable	7	AA-	Stable	4	A	6	50
Bank of America	A2	Stable	6	A-	Stable	7	A+	Stable	5	A	6	51
Morgan Stanley	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	67
Goldman Sachs	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	83
Citigroup Inc	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	61

Notes: * Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; ** CDS levels are closing prices for 01-Apr-19 and in basis points; CDS used are US\$ Senior quotes but for some banks US\$ quotes are not available so we have used the available Non-US\$ CDS quote that is most liquid; Source: Bloomberg/Reuters

Rating comparison – FAB vs GCC banks

	Moody's			S&P			Fitch			Composite Rating	Composite Score	5-yr CDS level**
	Rating	Outlook	Score*	Rating	Outlook	Score*	Rating	Outlook	Score*			
First Abu Dhabi Bank (FAB)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	76
UAE Banks												
Union National Bank (UNB)	A1	Stable	5	NA	NA	NA	A+	Stable	5	A+	5	NA
Abu Dhabi Commercial Bank (ADCB)	A1	Stable	5	A	Stable	6	A+	Stable	5	A+	5	76
Emirates NBD (ENBD)	A3	Stable	7	NA	NA	NA	A+	Stable	5	A	6	129
Mashreqbank	Baa1	Stable	8	A-	Stable	7	A	Stable	6	A-	7	106
Qatar Banks												
Qatar National Bank (QNB)	Aa3	Stable	4	A	Stable	6	A+	Stable	5	A+	5	97
Doha Bank	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	NA
Commercial Bank of Qatar (CBQ)	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	153
Saudi Banks												
Samba Financial Group	A1	Stable	5	BBB+	Stable	8	A-	Stable	7	A-	7	134
National Commercial Bank (NCB)	A1	Stable	5	BBB+	Stable	8	A-	Stable	7	A-	7	127
Banque Saudi Fransi	A1	Stable	5	BBB+	Stable	8	A-	Stable	7	A-	7	NA
Bahrain Banks												
Arab Banking Corporation (ABC)	NA	NA	NA	BBB-	Negative	10	BBB-	Stable	10	BBB-	10	106
National Bank of Bahrain (NBB)	B3	Stable	16	NA	NA	NA	BB-	Stable	13	B	15	NA
Kuwait Banks												
National Bank of Kuwait (NBK)	Aa3	Stable	4	A+	Stable	5	AA-	Stable	4	AA-	4	NA
Commercial Bank of Kuwait (CBK)	A3	Stable	7	NA	NA	NA	A+	Stable	5	A	6	NA
Oman Banks												
Bank Muscat SAOG	Ba1	Negative	11	BB	Stable	12	BB+	Stable	11	BB+	11	NA
National Bank of Oman	Ba1	Negative	11	NA	NA	NA	BB	Stable	12	BB	12	NA

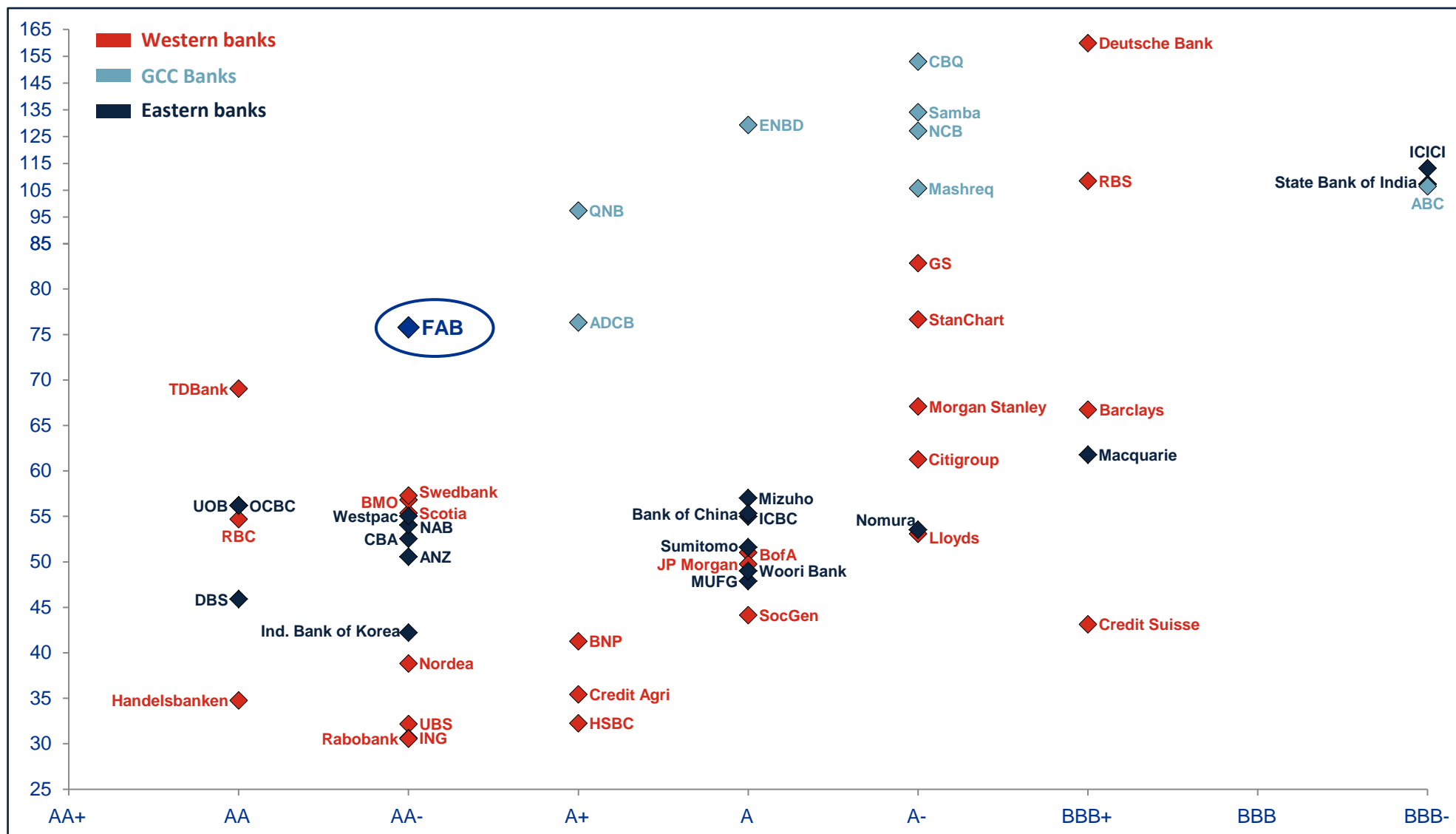
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Rating comparison – FAB vs Eastern banks

	Moody's			S&P			Fitch			Composite Rating	Composite Score	5-yr CDS level**
	Rating	Outlook	Score*	Rating	Outlook	Score*	Rating	Outlook	Score*			
First Abu Dhabi Bank (FAB)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	76
Japanese Banks												
Sumitomo Mitsui Financial Group	A1	Stable	5	A-	Positive	7	A	Stable	6	A	6	52
Mitsubishi UFJ Financial Group Inc (MUFG)	A1	Stable	5	A-	Positive	7	A	Stable	6	A	6	48
Mizuho Financial Group Inc	A1	Stable	5	A-	Positive	7	A-	Stable	7	A	6	57
Nomura Holdings	Baa1	Negative	8	A-	Negative	7	A-	Stable	7	A-	7	54
Australian Banks												
Commonwealth Bank of Australia (CBA)	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	53
National Australia Bank (NAB)	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	54
Australia & New Zealand Bank (ANZ)	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	51
Westpac Banking Corp	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	55
Macquarie Group	A3	Stable	7	BBB	Positive	9	A-	Stable	7	BBB+	8	62
Other Asian Banks (ex Japan & Australia)												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	56
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	56
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	46
Agricultural Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	NA
Ind. & Commercial Bank of China (ICBC)	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	55
Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	55
Industrial Bank of Korea	Aa2	Stable	3	AA-	Stable	4	AA-	Stable	4	AA-	4	42
Woori Bank	A1	Stable	5	A	Stable	6	A-	Stable	7	A	6	49
ICICI Bank	Baa3	Stable	10	BBB-	Stable	10	BBB-	Stable	10	BBB-	10	113
State Bank of India	Baa2	Stable	9	BBB-	Stable	10	BBB-	Stable	10	BBB-	10	107
HDFC Bank	Baa2	Stable	9	BBB-	Stable	10	NA	NA	NA	BBB-	10	NA

Notes: * Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; ** CDS levels are closing prices for 01-Apr-19 and in basis points; CDS used are US\$ Senior quotes; Source: Bloomberg/Reuters

Composite credit rating vs 5-year CDS spread



Notes: * Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; ** CDS levels are closing prices for 01-Apr-19 and in basis points; CDS used are US\$ Senior quotes but for some banks US\$ quotes are not available so we have used the available Non-US\$ CDS quote that is most liquid; Source: Bloomberg/Reuters

Common equity tier 1 ratio – CET1

Western Banks (FY 18^)	
First Abu Dhabi Bank (FAB)	12.4%
U.K. Banks	
Barclays	13.2%
Royal Bank of Scotland (RBS)	16.2%
Lloyds Banking Group (Lloyds)	14.6%
Standard Chartered (StanChart)	14.2%
HSBC	14.0%
European Banks	
Swedbank	16.3%
Svenska Handelsbanken	16.8%
Nordea Bank	15.5%
Rabobank	16.0%
UBS AG	12.9%
Credit Suisse	12.6%
Deutsche Bank	13.6%
ING	14.5%
Credit Agricole	11.5%
Banque Cantonale Vaudoise	17.1%
Societe Generale	11.2%
BNP Paribas	11.8%
North American Banks	
Morgan Stanley	16.9%
Citigroup Inc	11.9%
JP Morgan Chase	12.0%
Bank of America	11.6%
Bank of Montreal (BMO)****	11.3%
Goldman Sachs	13.1%
Toronto-Dominion Bank (TDBank)****	12.0%
Bank of Nova Scotia****	11.1%
Royal Bank of Canada (RBC)****	11.5%

Eastern Banks (FY 18^)	
First Abu Dhabi Bank (FAB)	12.4%
Japanese Banks	
Nomura Holdings*	16.5%
Sumitomo Mitsui Financial Group*	14.5%
Mizuho Financial Group Inc*	12.5%
Mitsubishi UFJ Financial Group Inc (MUFG)*	12.6%
Australian Banks	
Westpac Banking Corp***	10.6%
Australia & New Zealand Bank (ANZ)***	11.4%
National Australia Bank (NAB)***	10.2%
Commonwealth Bank of Australia (CBA)**	10.1%
Macquarie Group*	11.0%
Other Asian Banks (ex Japan & Aus)	
United Overseas Bank (UOB)	13.9%
Oversea-Chinese Banking Corp (OCBC)	14.0%
DBS Bank	13.9%
Industrial & Commercial Bank of China (ICBC)	NA
Bank of China #	11.2%
Agricultural Bank of China #	10.6%
Industrial Bank of Korea	10.2%
Woori Bank	11.4%
ICICI Bank*	14.4%
State Bank of India*	9.9%
HDFC Bank*	12.3%

Notes: FAB's CET1 ratio is post dividend and as per UAE Central Bank's Basel III framework (without considering the transitional arrangements for 2018); Many GCC banks yet to start reporting the CET1 ratios; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Common equity tier 1 ratio (CET1) vs Composite rating



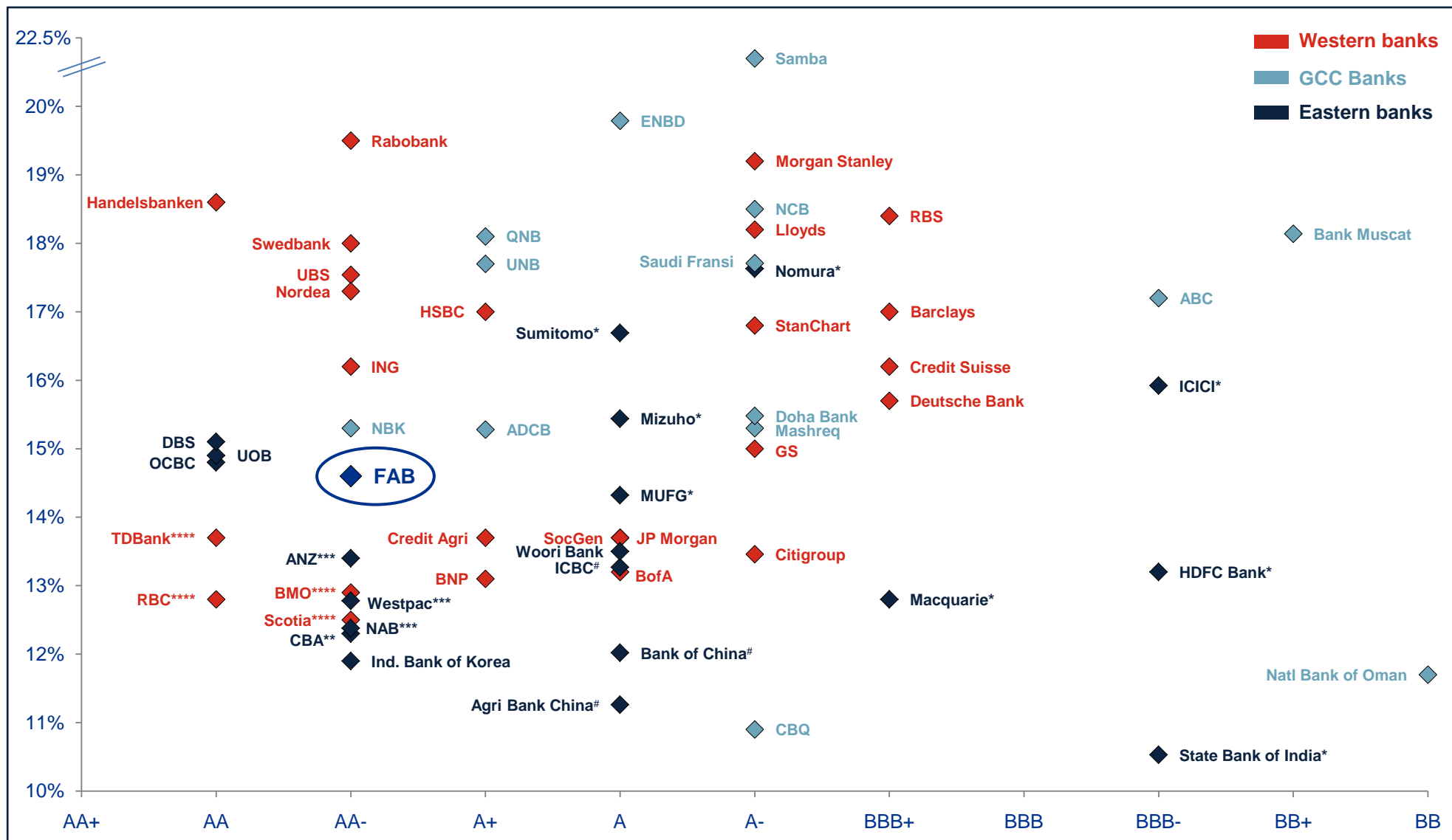
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Tier 1 capital adequacy ratio

Western Banks (FY18^)		GCC Banks (FY18)		Eastern Banks (FY18^)	
First Abu Dhabi Bank (FAB)	14.6%	First Abu Dhabi Bank (FAB)	14.6%	First Abu Dhabi Bank (FAB)	14.6%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	17.0%	Emirates NBD (ENBD)	19.8%	Nomura Holdings*	17.6%
Royal Bank of Scotland (RBS)	18.4%	Union National Bank (UNB)	17.7%	Sumitomo Mitsui Financial Group*	16.7%
Lloyds Banking Group (Lloyds)	18.2%	Abu Dhabi Commercial Bank (ADCB)	15.3%	Mizuho Financial Group Inc*	15.4%
Standard Chartered (StanChart)	16.8%	Mashreqbank	15.3%	Mitsubishi UFJ Financial Group Inc (MUFG)*	14.3%
HSBC	17.0%				
European Banks		Qatar Banks		Australian Banks	
Swedbank	18.0%	Doha Bank	15.5%	Westpac Banking Corp***	12.8%
Svenska Handelsbanken	18.6%	Qatar National Bank (QNB)	18.1%	Australia & New Zealand Bank (ANZ)***	13.4%
Nordea Bank	17.3%	Commercial Bank of Qatar (CBQ)	10.9%	National Australia Bank (NAB)***	12.4%
Rabobank	19.5%			Commonwealth Bank of Australia (CBA)**	12.3%
UBS AG	17.5%	Saudi Banks		Macquarie Group*	12.8%
Credit Suisse	16.2%	Samba Financial Group	22.1%		
Deutsche Bank	15.7%	National Commercial Bank (NCB)	18.5%	Other Asian Banks (ex Japan & Aus)	
ING	16.2%	Banque Saudi Fransi	17.7%	United Overseas Bank (UOB)	14.9%
Credit Agricole	13.7%	Bahrain Banks		Oversea-Chinese Banking Corp (OCBC)	14.8%
Banque Cantonale Vaudoise	NA	National Bank of Bahrain (NBB)	32.8%	DBS Bank	15.1%
Societe Generale	13.7%	Arab Banking Corporation (ABC)	17.2%	Industrial & Commercial Bank of China (ICBC) #	13.3%
BNP Paribas	13.1%			Bank of China #	12.0%
North American Banks		Kuwait Banks		Agricultural Bank of China #	11.3%
Morgan Stanley	19.2%	National Bank of Kuwait (NBK)	15.3%	Industrial Bank of Korea	11.9%
Citigroup Inc	13.5%	Commercial Bank of Kuwait (CBK)	NA	Woori Bank	13.5%
JP Morgan Chase	13.7%	Oman Banks		ICICI Bank*	15.9%
Bank of America	13.2%	Bank Muscat SAOG	18.1%	State Bank of India*	10.5%
Bank of Montreal (BMO)****	12.9%	National Bank of Oman	11.7%	HDFC Bank*	13.2%
Goldman Sachs	15.0%				
Toronto-Dominion Bank (TDBank)****	13.7%				
Bank of Nova Scotia****	12.5%				
Royal Bank of Canada (RBC)****	12.8%				

Notes: FAB's Tier 1 Capital Adequacy Ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Tier 1 capital adequacy ratio vs Composite rating



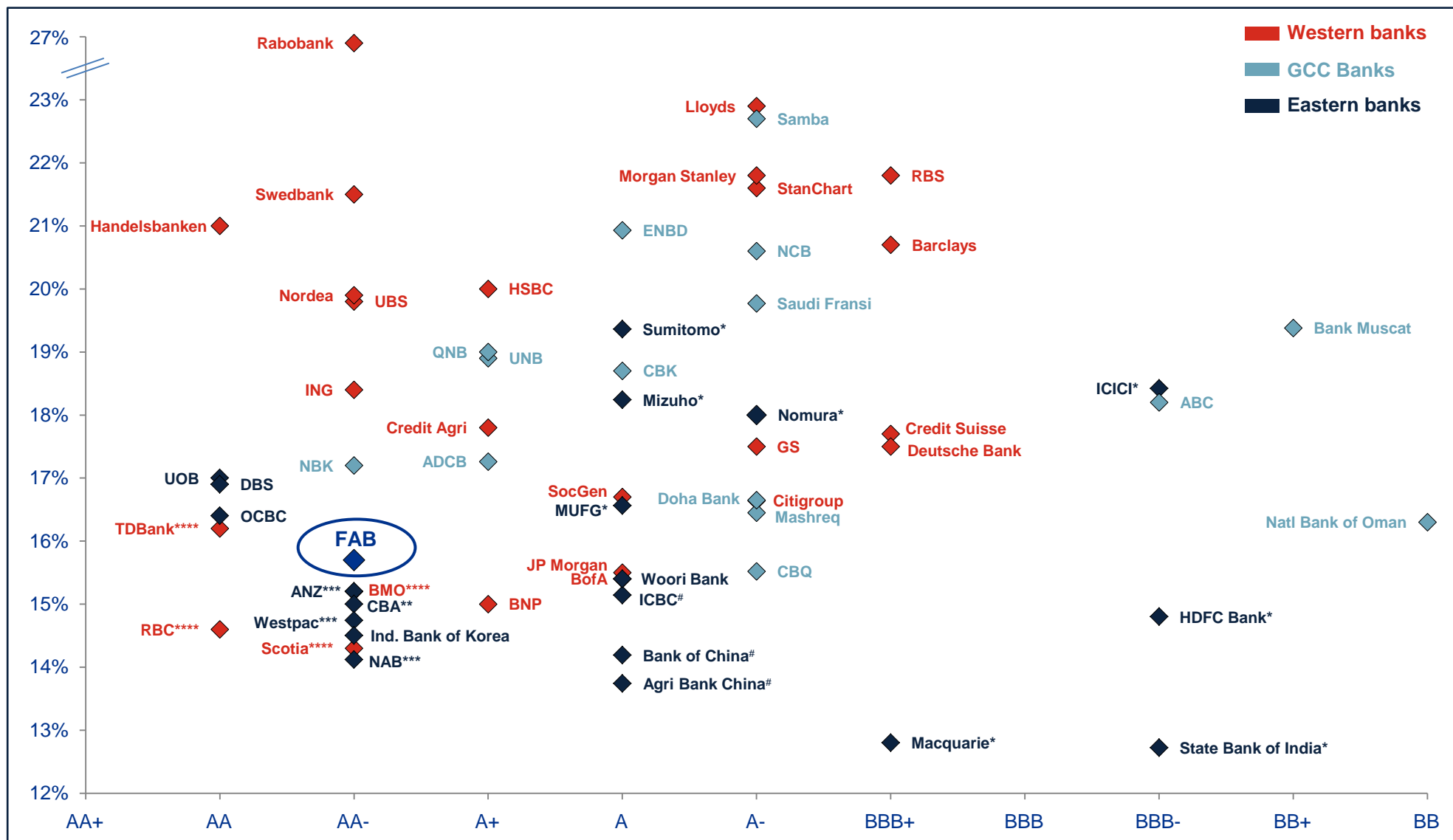
Notes: FAB's Tier 1 Capital Adequacy Ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Total capital adequacy ratio

Western Banks (FY18^)		GCC Banks (FY18)		Eastern Banks (FY18^)	
First Abu Dhabi Bank (FAB)	15.7%	First Abu Dhabi Bank (FAB)	15.7%	First Abu Dhabi Bank (FAB)	15.7%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	20.7%	Emirates NBD (ENBD)	20.9%	Nomura Holdings*	18.0%
Royal Bank of Scotland (RBS)	21.8%	Union National Bank (UNB)	18.9%	Sumitomo Mitsui Financial Group*	19.4%
Lloyds Banking Group (Lloyds)	22.9%	Abu Dhabi Commercial Bank (ADCB)	17.3%	Mizuho Financial Group Inc*	18.2%
Standard Chartered (StanChart)	21.6%	Mashreqbank	16.5%	Mitsubishi UFJ Financial Group Inc (MUFG)*	16.6%
HSBC	20.0%				
European Banks		Qatar Banks		Australian Banks	
Swedbank	21.5%	Doha Bank	16.7%	Westpac Banking Corp***	14.7%
Svenska Handelsbanken	21.0%	Qatar National Bank (QNB)	19.0%	Australia & New Zealand Bank (ANZ)***	15.2%
Nordea Bank	19.9%	Commercial Bank of Qatar (CBQ)	15.5%	National Australia Bank (NAB)***	14.1%
Rabobank	26.6%			Commonwealth Bank of Australia (CBA)**	15.0%
UBS AG	19.8%	Saudi Banks		Macquarie Group*	12.8%
Credit Suisse	17.7%	Samba Financial Group	22.7%		
Deutsche Bank	17.5%	National Commercial Bank (NCB)	20.6%	Other Asian Banks (ex Japan & Aus)	
ING	18.4%	Banque Saudi Fransi	19.8%	United Overseas Bank (UOB)	17.0%
Credit Agricole	17.8%			Oversea-Chinese Banking Corp (OCBC)	16.4%
Banque Cantonale Vaudoise	NA	Bahrain Banks		DBS Bank	16.9%
Societe Generale	16.7%	National Bank of Bahrain (NBB)	33.8%	Industrial & Commercial Bank of China (ICBC) #	15.1%
BNP Paribas	15.0%	Arab Banking Corporation (ABC)	18.2%	Bank of China #	14.2%
North American Banks		Kuwait Banks		Agricultural Bank of China #	13.7%
Morgan Stanley	21.8%	Commercial Bank of Kuwait (CBK)	18.7%	Industrial Bank of Korea	14.5%
Citigroup Inc	16.6%	National Bank of Kuwait (NBK)	17.2%	Woori Bank	15.4%
JP Morgan Chase	15.5%	Oman Banks		ICICI Bank*	18.4%
Bank of America	15.4%	Bank Muscat SAOG	19.4%	State Bank of India*	12.7%
Bank of Montreal (BMO)****	15.2%	National Bank of Oman	16.3%	HDFC Bank*	14.8%
Goldman Sachs	17.5%				
Toronto-Dominion Bank (TDBank)****	16.2%				
Bank of Nova Scotia****	14.3%				
Royal Bank of Canada (RBC)****	14.6%				

Notes FAB's Capital Adequacy Ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Total capital adequacy ratio vs Composite rating



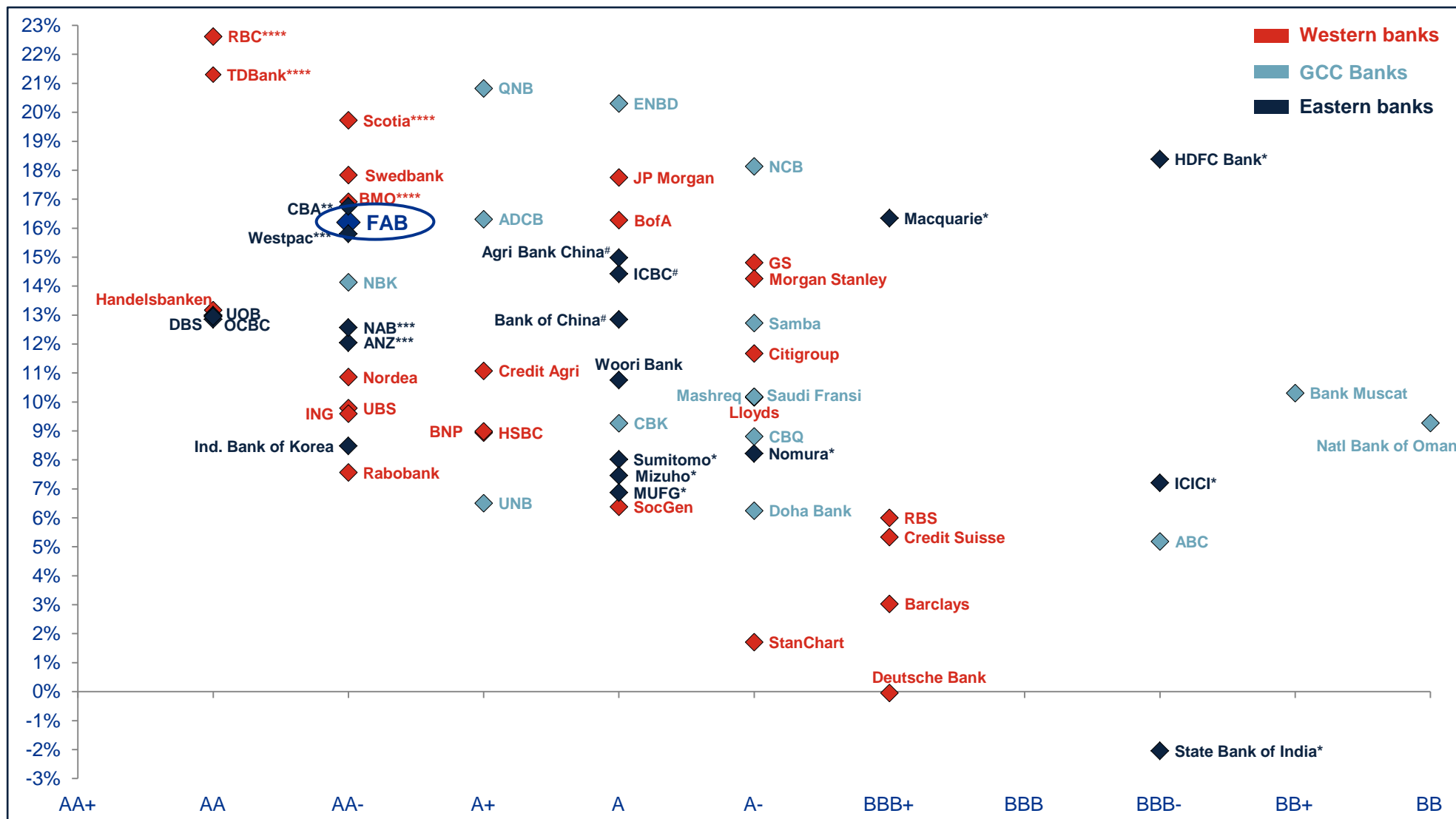
Notes FAB's Capital Adequacy Ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Return on tangible equity (RoTE)

Western Banks (FY18 [^])		GCC Banks (FY18)		Eastern Banks (FY18 [^])	
First Abu Dhabi Bank (FAB)	16.2%	First Abu Dhabi Bank (FAB)	16.2%	First Abu Dhabi Bank (FAB)	16.2%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	3.0%	Emirates NBD (ENBD)	20.3%	Nomura Holdings*	8.2%
Royal Bank of Scotland (RBS)	6.0%	Union National Bank (UNB)	6.5%	Sumitomo Mitsui Financial Group*	8.0%
Lloyds Banking Group (Lloyds)	10.2%	Abu Dhabi Commercial Bank (ADCB)	16.3%	Mizuho Financial Group Inc*	7.5%
Standard Chartered (StanChart)	1.7%	Mashreqbank	10.2%	Mitsubishi UFJ Financial Group Inc (MUFG)*	6.9%
HSBC	8.9%				
European Banks		Qatar Banks		Australian Banks	
Swedbank	17.8%	Doha Bank	6.2%	Westpac Banking Corp***	15.8%
Svenska Handelsbanken	13.2%	Qatar National Bank (QNB)	20.8%	Australia & New Zealand Bank (ANZ)***	12.0%
Nordea Bank	10.9%	Commercial Bank of Qatar (CBQ)	8.8%	National Australia Bank (NAB)***	12.6%
Rabobank	7.6%			Commonwealth Bank of Australia (CBA)**	16.8%
UBS AG	9.8%	Saudi Banks		Macquarie Group*	16.3%
Credit Suisse	5.3%	Samba Financial Group	12.7%		
Deutsche Bank	0.0%	National Commercial Bank (NCB)	18.1%	Other Asian Banks (ex Japan & Aus)	
ING	9.6%	Banque Saudi Fransi	10.2%	United Overseas Bank (UOB)	13.0%
Credit Agricole	11.1%			Oversea-Chinese Banking Corp (OCBC)	12.9%
Banque Cantonale Vaudoise	NA	Bahrain Banks		DBS Bank	12.9%
Societe Generale	6.4%	National Bank of Bahrain (NBB)	15.2%	Industrial & Commercial Bank of China (ICBC) #	14.4%
BNP Paribas	9.0%	Arab Banking Corporation (ABC)	5.2%	Bank of China #	12.8%
North American Banks		Kuwait Banks		Agricultural Bank of China #	15.0%
Morgan Stanley	14.3%	Commercial Bank of Kuwait (CBK)	9.3%	Industrial Bank of Korea	8.5%
Citigroup Inc	11.7%	National Bank of Kuwait (NBK)	14.1%	Woori Bank	10.8%
JP Morgan Chase	17.8%	Oman Banks		ICICI Bank*	7.2%
Bank of America	16.3%	Bank Muscat SAOG	10.3%	State Bank of India*	-2.0%
Bank of Montreal (BMO)****	16.9%	National Bank of Oman	9.3%	HDFC Bank*	18.4%
Goldman Sachs	14.8%				
Toronto-Dominion Bank (TDBank)****	21.3%				
Bank of Nova Scotia****	19.7%				
Royal Bank of Canada (RBC)****	22.6%				

Notes: * FAB's RoTE ratio is as per UAE Central Bank's Basel III framework; Based on the available financials on Bloomberg, RoTE for peer banks are estimated as: {net attributable profit less Tier-1 interest or Coupon payable on capital securities} / [average tangible equity]; [^]Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Return on tangible equity (RoTE) vs Composite rating



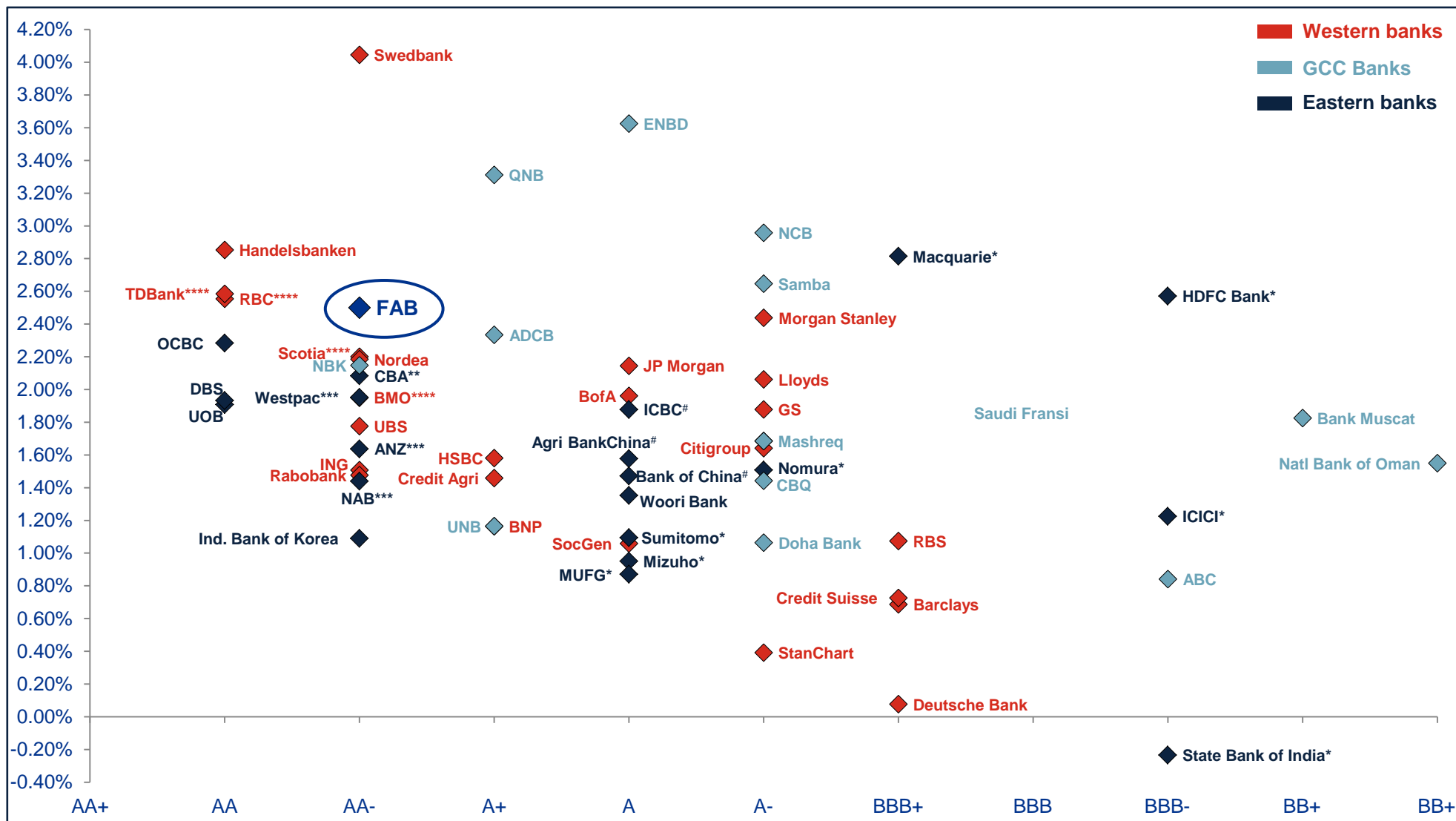
Notes: * FAB's RoTE ratio is as per UAE Central Bank's Basel III framework; Based on the available financials on Bloomberg, RoTE for peer banks are estimated as: {net attributable profit less Tier-1 interest or Coupon payable on capital securities} / [average tangible equity]; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Return on Risk Weighted Assets (RoRWA)

Western Banks (FY18^)		GCC Banks (FY18)		Eastern Banks (FY18^)	
First Abu Dhabi Bank (FAB)	2.5%	First Abu Dhabi Bank (FAB)	2.5%	First Abu Dhabi Bank (FAB)	2.5%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	0.7%	Emirates NBD (ENBD)	3.6%	Nomura Holdings*	1.5%
Royal Bank of Scotland (RBS)	1.1%	Union National Bank (UNB)	1.2%	Sumitomo Mitsui Financial Group*	1.1%
Lloyds Banking Group (Lloyds)	2.1%	Abu Dhabi Commercial Bank (ADCB)	2.3%	Mizuho Financial Group Inc*	1.0%
Standard Chartered (StanChart)	0.4%	Mashreqbank	1.7%	Mitsubishi UFJ Financial Group Inc (MUFG)*	0.9%
HSBC	1.6%				
European Banks		Qatar Banks		Australian Banks	
Swedbank	4.0%	Doha Bank	1.1%	Westpac Banking Corp***	2.0%
Svenska Handelsbanken	2.9%	Qatar National Bank (QNB)	3.3%	Australia & New Zealand Bank (ANZ)***	1.6%
Nordea Bank	2.2%	Commercial Bank of Qatar (CBQ)	1.4%	National Australia Bank (NAB)***	1.4%
Rabobank	1.5%			Commonwealth Bank of Australia (CBA)**	2.1%
UBS AG	1.8%	Saudi Banks		Macquarie Group*	2.8%
Credit Suisse	0.7%	Samba Financial Group	2.6%		
Deutsche Bank	0.1%	National Commercial Bank (NCB)	3.0%	Other Asian Banks (ex Japan & Aus)	
ING	1.5%	Banque Saudi Fransi	1.7%	United Overseas Bank (UOB)	1.9%
Credit Agricole	1.5%			Oversea-Chinese Banking Corp (OCBC)	2.3%
Banque Cantonale Vaudoise	NA	Bahrain Banks		DBS Bank	1.9%
Societe Generale	1.1%	National Bank of Bahrain (NBB)	5.3%	Industrial & Commercial Bank of China (ICBC) #	1.9%
BNP Paribas	1.2%	Arab Banking Corporation (ABC)	0.8%	Bank of China #	1.5%
North American Banks		Kuwait Banks		Agricultural Bank of China #	1.6%
Morgan Stanley	2.4%	National Bank of Kuwait (NBK)	2.1%	Industrial Bank of Korea	1.1%
Citigroup Inc	1.6%	Commercial Bank of Kuwait (CBK)	NA	Woori Bank	1.4%
JP Morgan Chase	2.1%	Oman Banks		ICICI Bank*	1.2%
Bank of America	2.0%	Bank Muscat SAOG	1.8%	State Bank of India*	-0.2%
Bank of Montreal (BMO)****	1.9%	National Bank of Oman	1.5%	HDFC Bank*	2.6%
Goldman Sachs	1.9%				
Toronto-Dominion Bank (TDBank)****	2.6%				
Bank of Nova Scotia****	2.2%				
Royal Bank of Canada (RBC)****	2.6%				

Notes: * FAB's RoRWA ratio is as per UAE Central Bank's Basel III framework; Based on the available financials on Bloomberg, RoRWA for peer banks are estimated as: [Net income available to shareholders for latest financial year after minority adjustment / (Total Risk Weighted Assets for latest financial year + Total Risk Weighted Assets for previous financial year) / 2]*100; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

Return on RWA (RoRWA) vs Composite rating

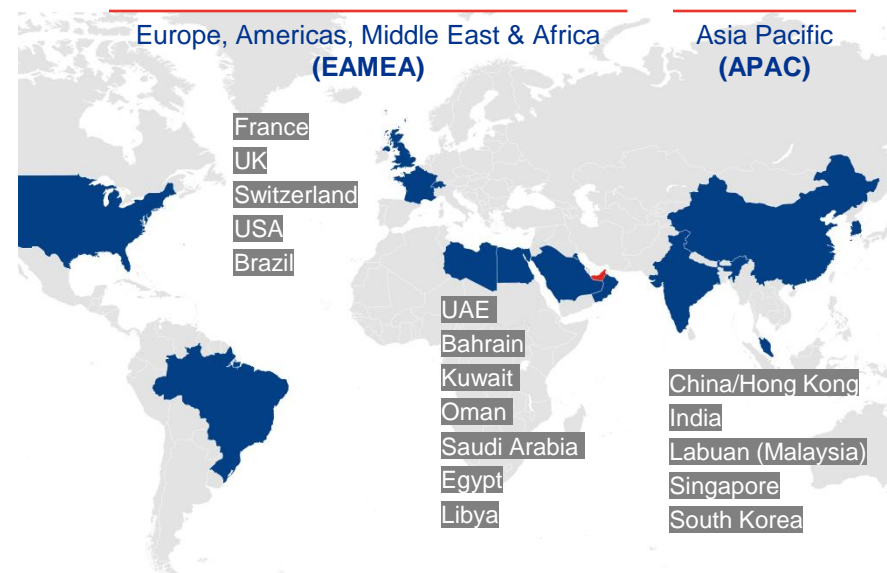


Notes: * FAB's RoRWA ratio is as per UAE Central Bank's Basel III framework; Based on the available financials on Bloomberg, RoRWA for peer banks are estimated as: [Net income available to shareholders for latest financial year after minority adjustment / (Total Risk Weighted Assets for latest financial year + Total Risk Weighted Assets for previous financial year) / 2]*100; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; # We have taken the latest available annual ratios for comparison – e.g. Chinese banks ratios are for FY 2017 as FY 2018 ratios are not available; Source: Bloomberg

FAB has a strong international footprint

	Country	International footprint outside local operation
First Abu Dhabi Bank	UAE	16 countries
Union National Bank	UAE	4 countries (Egypt , Kuwait, Qatar & China)
Abu Dhabi Commercial Bank	UAE	4 countries (India, Jersey, UK & Singapore)
Emirates NBD	UAE	9 countries (Saudi Arabia, Egypt, Singapore, UK, India, Indonesia, China, Iran & Jersey)
Mashreqbank	UAE	11 countries (Bahrain, Egypt, Kuwait, Qatar, India, UK, Bangladesh, Pakistan, Hong Kong, US & Nepal)
Banque Saudi Fransi	Saudi Arabia	Local presence only
Samba Financial Group	Saudi Arabia	4 countries (UK, UAE, Qatar, & Pakistan)
National Commercial Bank	Saudi Arabia	5 countries (Bahrain, Singapore, South Korea, China & Turkey)
Qatar National Bank	Qatar	27 countries (Kuwait, Oman, UAE, Saudi Arabia, Iran, Iraq, Jordan, Lebanon, Syria, Yemen, Egypt, Libya, Mauritania, South Sudan, Sudan, Togo, Tunisia, China, Indonesia, India, Myanmar, Singapore, Vietnam, France, Switzerland, UK & Turkey)
Commercial Bank of Qatar	Qatar	3 countries (Oman, Turkey & UAE)
Doha Bank	Qatar	17 countries (Kuwait, UAE, India, Japan, China, Singapore, Hong Kong, South Africa, South Korea, Australia, Turkey, UK, Canada, Germany, Bangladesh, Sri Lanka & Nepal)
National Bank of Kuwait	Kuwait	14 countries (UAE, Egypt, Iraq, Jordan, Saudi Arabia, Lebanon, Bahrain, China, France, Singapore, Switzerland, Turkey, UK & USA)
Commercial Bank of Kuwait	Kuwait	Local presence only
Arab banking Corporation	Bahrain	15 countries (UAE, Algeria, Brazil, Egypt, France, Germany, Italy, Jordan, Libya, Singapore, Tunisia, Turkey, UK, US & Brazil)
National Bank of Bahrain	Bahrain	2 countries (UAE & Saudi Arabia)
Bank Muscat SOAG	Oman	4 countries (Saudi Arabia, Kuwait, UAE & Singapore)
National Bank of Oman	Oman	2 countries (UAE & Egypt)

FAB has one of the largest international networks amongst the Middle East banks and is also governed by some of the key regulators around the world – including PRA/FCA (U.K.), OCC (U.S.), ACPR (France), FINMA (Switzerland), HKMA (Hong Kong), MAS (Singapore), Bank Negara (Malaysia) & SAMA (KSA) – in addition to the U.A.E. Central Bank.



FAB – The safest name you can bank upon

Based on its 2018 survey Global Finance Magazine has announced the following rankings for First Abu Dhabi Bank:

- Safest bank in the Middle East
- 4th safest bank in Emerging Markets
- 21st in the ranking of World's 50 safest commercial banks
- 36th in the World's 50 safest banks

Safest Banks in the Middle East: 2018
#1. First Abu Dhabi Bank (UAE)
#2. National Bank of Kuwait (Kuwait)
#3. Qatar National Bank (Qatar)
#4. Abu Dhabi Commercial Bank (UAE)
#5. Kuwait Finance House (Kuwait)
#6. Union National Bank (UAE)
#7. Al Hilal Bank (UAE)
#8. Abu Dhabi Islamic Bank (UAE)
#9. Al Ahli Bank of Kuwait (Kuwait)
#10. Qatar Islamic Bank (Qatar)

Safest Banks in the EM: 2018
#1. Korea Development Bank (South Korea)
#2. Export-Import Bank of Korea (South Korea)
#3. Industrial Bank of Korea (South Korea)
#4. First Abu Dhabi Bank (UAE)
#5. National Bank of Kuwait (Kuwait)
#6. Bank of Taiwan (Taiwan)
#7. China Development Bank (China)
#8. Agricultural Development Bank of China (China)
#9. Export-Import Bank of China (China)
#10. Shinhan Bank (South Korea)

Source: Global Finance Magazine

FAB – #1 Middle Eastern bank based on Tier 1 Capital Strength

FAB has the highest Tier 1 Capital among the Middle Eastern banks according to The Banker.

FAB ranks at **#81** among the Top 1000 World Banks in terms of Tier 1 Capital Strength, a survey published by The Banker in 2018.

Regional Rank	World Rank	Bank	Tier 1 Capital (US\$ million)
#1	#81	First Abu Dhabi Bank (UAE)	20,508
#2	#82	Qatar National Bank (Qatar)	20,108
#3	#94	National Commercial Bank (Saudi Arabia)	17,020
#4	#104	Al Rajhi Bank (Saudi Arabia)	14,867
#5	#109	Emirates NBD (UAE)	14,029
#6	#124	Samba Financial Group (Saudi Arabia)	11,899
#7	#133	Bank Hapoalim (Israel)	10,894
#8	#142	Riyad Bank (Saudi Arabia)	10,299
#9	#146	Bank Leumi le-Israel (Israel)	9,986
#10	#164	Saudi British Bank (Saudi Arabia)	8,892

Source: The Banker

FAB –#1 in the UAE by market cap; #3 in GCC & #9 in EMEA

Rank	GCC banks	Market cap* (US\$ bn)
#1	Al Rajhi Bank	46.2
#2	Qatar National Bank QPSC	45.6
#3	First Abu Dhabi Bank	45.3
#4	National Commercial Bank	43.9
#5	Riyad Bank	19.3

Rank	EMEA banks	Market cap* (US\$ bn)
#1	HSBC Holdings PLC	162.7
#2	Banco Santander SA	75.5
#3	BNP Paribas SA	59.8
#4	Lloyds Banking Group PLC	57.5
#5	ING Groep NV	47.1
#6	UBS Group AG	46.8
#7	Al Rajhi Bank	46.2
#8	Qatar National Bank QPSC	45.6
#9	First Abu Dhabi Bank	45.3
#10	National Commercial Bank	43.9
#11	Intesa Sanpaolo SpA	42.7
#12	Royal Bank of Scotland Group PLC	38.8
#13	Banco Bilbao Vizcaya Argentaria SA	38.1
#14	Credit Agricole SA	34.6
#15	Barclays PLC	34.4

FAB also sits among the top 50 largest banks worldwide by market cap with a rank of #44

Rank	Global banks	Market cap* (US\$ bn)
#1	JPMorgan Chase & Co	331.2
#2	ICBC	287.3
#3	Bank of America Corp	265.9
#4	Wells Fargo & Co	219.5
#5	China Construction Bank Corp	216.1
#6	Agricultural Bank of China Ltd	191.6
#7	HSBC Holdings PLC	162.7
#8	Bank of China Ltd	156.3
#9	Citigroup Inc	145.6
#10	China Merchants Bank Co Ltd	126.6
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#39	ING Groep NV	47.1
#40	UBS Group AG	46.8
#41	Postal Savings Bank of China Co Ltd	46.3
#42	Al Rajhi Bank	46.2
#43	Qatar National Bank QPSC	45.6
#44	First Abu Dhabi Bank	45.3
#45	Kinderhook Bank Corp	44.8
#46	National Commercial Bank	43.9
#47	BOC Hong Kong Holdings Ltd	43.8
#48	CITIC Ltd	43.4
#49	Intesa Sanpaolo SpA	42.7
#50	Banco Santander Brasil SA	42.0

Note: * Market cap data is based on the closing price data as at 01-April-2019

Source: Bloomberg EMEA Banks Index (BEUBANK Index); Bloomberg World Banks Index; (BWBANK Index)

Appendix

- As mentioned at the start of this report, we have used “composite ratings” for this analysis – i.e. the average of the ratings assigned by three leading rating agencies Moody’s, S&P and Fitch – in order to provide a more representative view of the credit strength of each bank.
- The composite rating is calculated as follows:
 - A score is assigned to the rating from each rating agency: AAA or equivalent being the best with a score of “1”, followed by AA+ or equivalent as “2”, AA or equivalent as “3”, AA- or equivalent as “4” and so on;
 - For example FAB is rated Aa3/AA-/AA- by Moody’s/S&P/Fitch. So the scores are 4/4/4;
 - Hence the average of the scores is “4” which indicates a composite rating of “AA-” for FAB;
 - In case the average score is not an absolute number – e.g. 4.33 (average of 4, 5, & 4) – the final score is derived by rounding off the average score to the nearest whole number. In this case “4”.

Thank You

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