

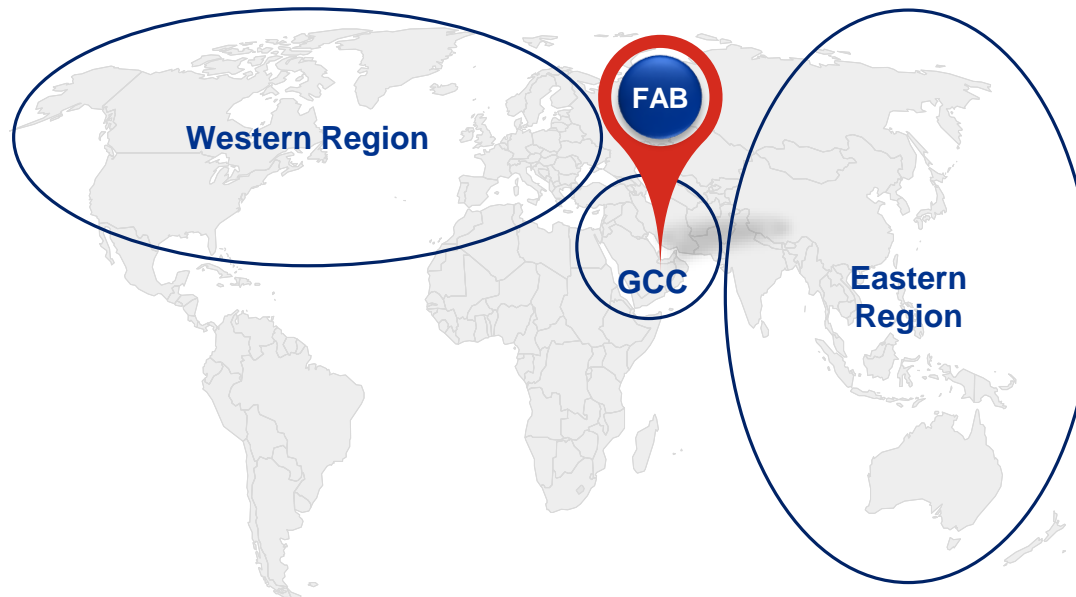


## **First Abu Dhabi Bank vs Peer Banks**

**1st October 2020**

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

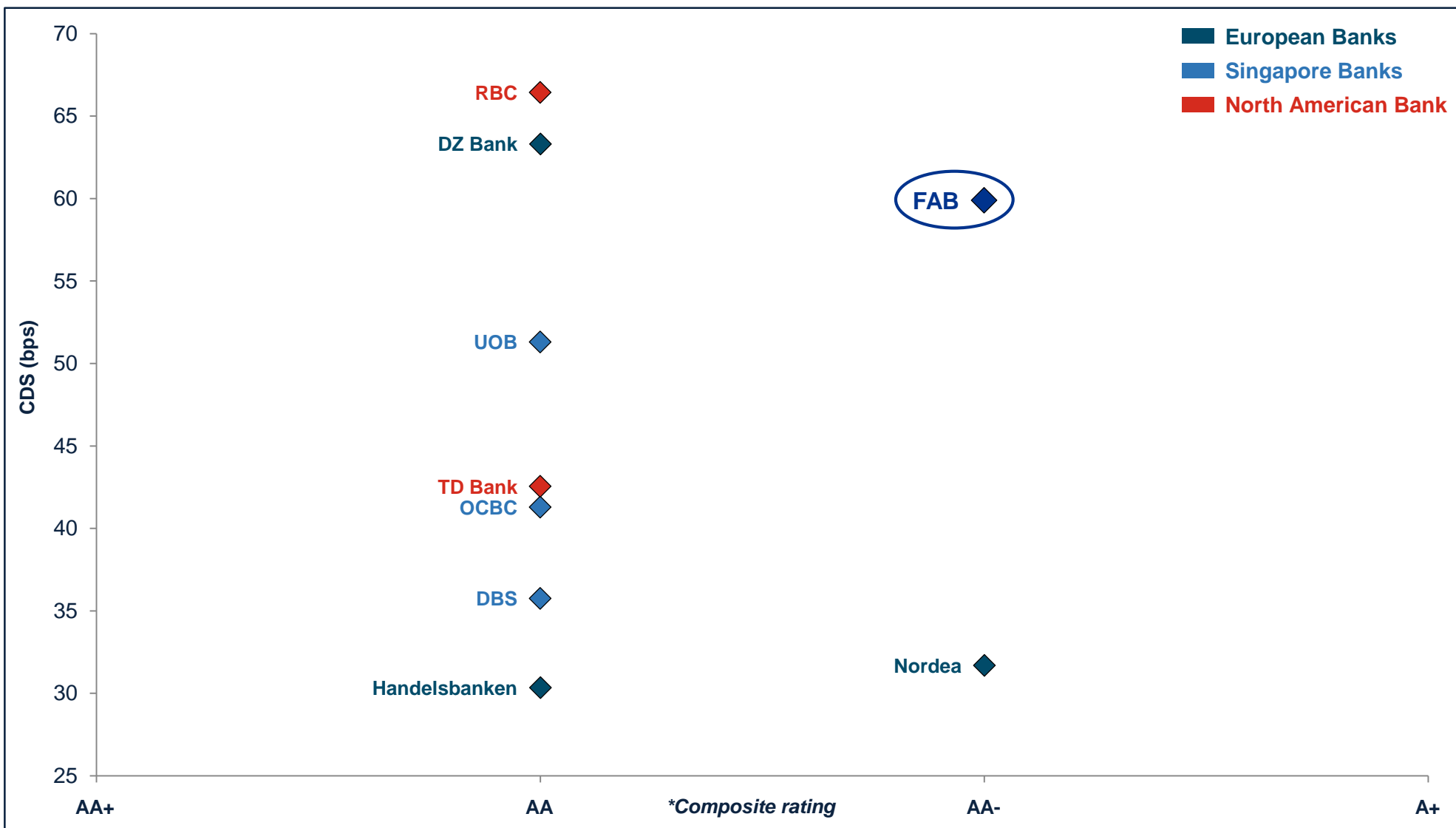
FAB is proud to be one of the top rated commercial banks in the world. Below is a list of commercial banks which are rated AA- or higher by all three major rating agencies.

	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-	Negative	4	AA-	Stable	4	AA-	4	60
Singapore Banks												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	41
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	51
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	36
North American Banks												
Toronto-Dominion Bank (Canada)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	43
Royal Bank of Canada	Aa2	Stable	3	AA-	Stable	4	AA	Negative	3	AA	3	66
AgriBank (US)	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	NA
European Banks												
Svenska Handelsbanken AB	Aa2	Stable	3	AA-	Stable	4	AA	Negative	3	AA	3	30
Nordea Bank AB	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	32
DZ Bank	Aa1	Negative	2	AA-	Negative	4	AA-	Negative	4	AA	3	63
Deutsche Apotheker- und Aerztebank	Aa2	Stable	3	AA-	Negative	4	AA-	Negative	4	AA-	4	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 30-Sep-20 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

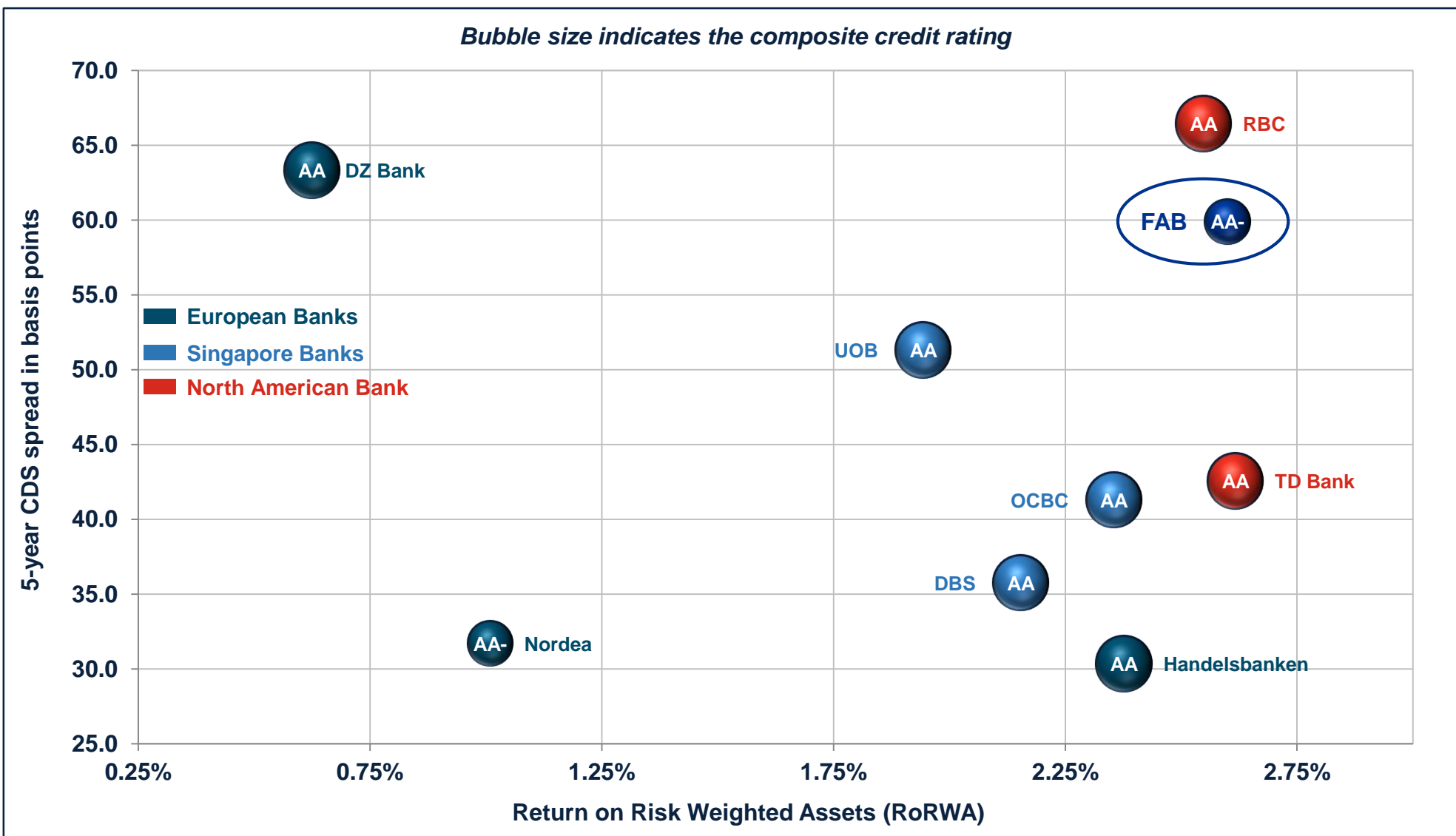
## 5Y CDS vs. Composite rating



**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 30-Sep-20 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

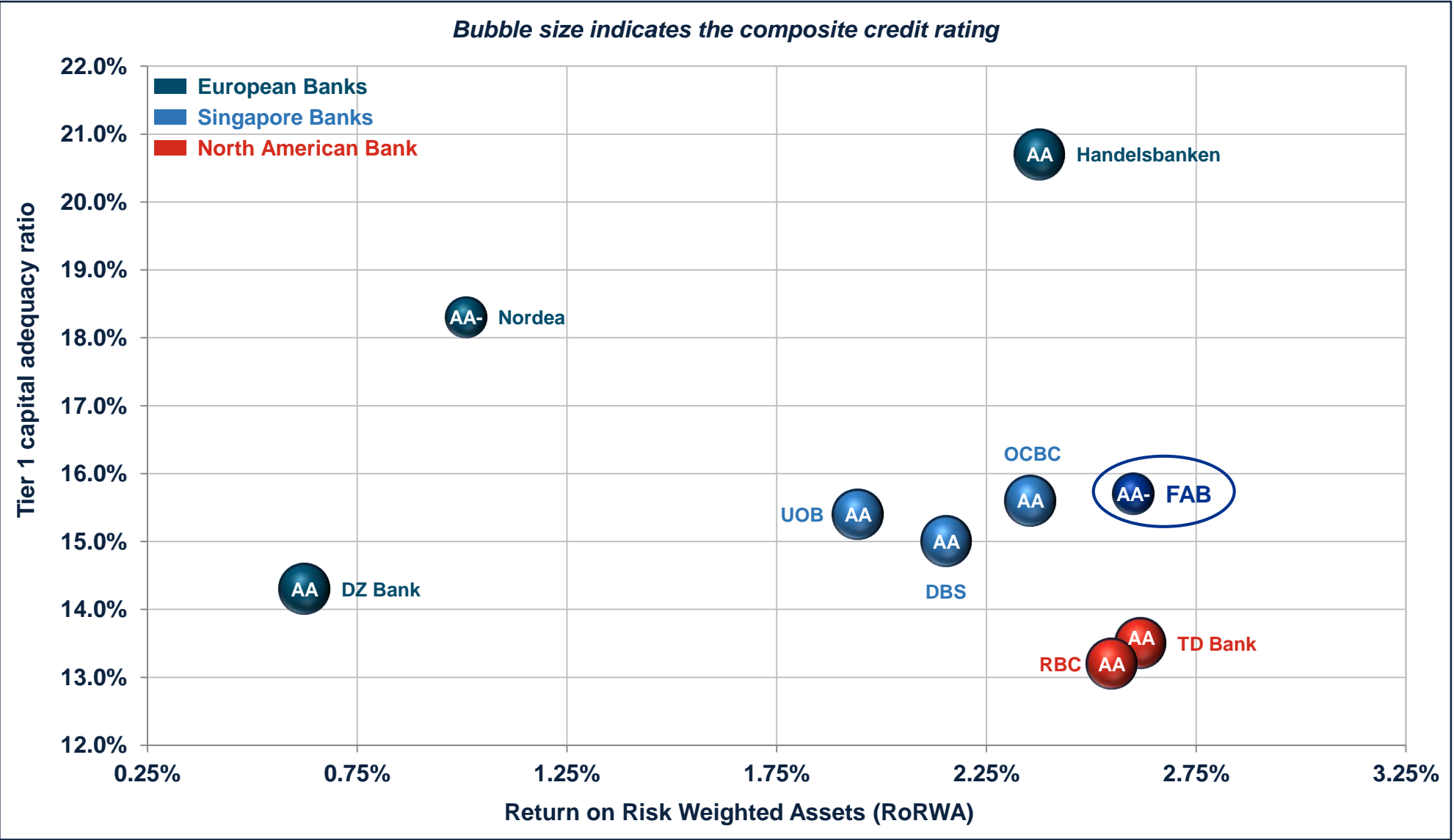
## 5Y CDS vs. Return on risk weighted assets (RoRWA)



**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 30-Sep-20 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

## Tier 1 capital adequacy ratio vs. Return on risk weighted assets (RoRWA)



**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; Source: Bloomberg/Reuters; Global Finance magazine survey of “Safest 50 Commercial Banks In The World”

# 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-	Negative	4	AA-	Stable	4	AA-	4	60
U.K. Banks												
HSBC	A2	Negative	6	A-	Stable	7	A+	Negative	5	A	6	50
Standard Chartered (StanChart)	A2	Stable	6	BBB+	Stable	8	A	Negative	6	A-	7	68
Lloyds Banking Group (Lloyds)	A3	Negative	7	BBB+	Negative	8	A+	Negative	5	A-	7	46
Barclays	Baa2	Stable	9	BBB	Negative	9	A	Watch Neg	6	BBB+	8	68
Royal Bank of Scotland (RBS)	Baa2	Positive	9	BBB	Negative	9	A	Negative	6	BBB+	8	77
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	Negative	3	AA	3	30
Swedbank	Aa3	Stable	4	A+	Stable	5	A+	Stable	5	A+	5	39
Nordea Bank	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	32
Rabobank	Aa3	Stable	4	A+	Negative	5	A+	Negative	5	A+	5	27
UBS AG	Aa3	Stable	4	A+	Stable	5	AA-	Negative	4	AA-	4	37
ING	Aa3	Stable	4	A+	Stable	5	AA-	Negative	4	AA-	4	29
BNP Paribas	Aa3	Stable	4	A+	Negative	5	A+	Watch Neg	5	A+	5	43
Credit Agricole	Aa3	Stable	4	A+	Negative	5	A+	Negative	5	A+	5	36
Societe Generale (SocGen)	A1	Stable	5	A	Negative	6	A-	Stable	7	A	6	44
Credit Suisse	Baa2	Positive	9	BBB+	Stable	8	A-	Stable	7	BBB+	8	58
Deutsche Bank	A3	Negative	7	BBB+	Negative	8	BBB	Negative	9	BBB+	8	72
North American Banks												
Royal Bank of Canada (RBC)	Aa2	Stable	3	AA-	Stable	4	AA	Negative	3	AA	3	66
Toronto-Dominion Bank (TDBank)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	43
Bank of Nova Scotia	Aa2	Stable	3	A+	Stable	5	AA-	Negative	4	AA-	4	56
Bank of Montreal (BMO)	Aa2	Stable	3	A+	Stable	5	AA-	Negative	4	AA-	4	74
JP Morgan Chase	A2	Stable	6	A-	Stable	7	AA-	Negative	4	A	6	53
Bank of America	A2	Stable	6	A-	Stable	7	A+	Stable	5	A	6	52
Morgan Stanley	A3	Watch Pos	7	BBB+	Stable	8	A	Negative	6	A-	7	58
Goldman Sachs	A3	Stable	7	BBB+	Stable	8	A	Negative	6	A-	7	68
Citigroup Inc	A3	Stable	7	BBB+	Stable	8	A	Negative	6	A-	7	64

**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 30-Sep-20 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-	Negative	4	AA-	Stable	4	AA-	4	60
UAE Banks												
Abu Dhabi Commercial Bank (ADCB)	A1	Negative	5	A	Negative	6	A+	Stable	5	A+	5	81
Emirates NBD (ENBD)	A3	Negative	7	NA	NA	NA	A+	Stable	5	A	6	177
Mashreqbank	Baa1	Negative	8	A-	Negative	7	A	Stable	6	A-	7	186
Qatar Banks												
Qatar National Bank (QNB)	Aa3	Stable	4	A	Stable	6	A+	Stable	5	A+	5	89
Doha Bank	Baa1	Stable	8	NA	NA	NA	A	Stable	6	A-	7	NA
Commercial Bank of Qatar (CBQ)	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	128
Saudi Banks												
Samba Financial Group	A1	Negative	5	BBB+	Stable	8	A-	Watch Neg	7	A-	7	130
National Commercial Bank (NCB)	A1	Negative	5	BBB+	Stable	8	A-	Watch Neg	7	A-	7	134
Banque Saudi Fransi	A1	Negative	5	BBB+	Stable	8	BBB+	Stable	8	A-	7	NA
Bahrain Banks												
Arab Banking Corporation (ABC)	NA	NA	NA	BBB-	Stable	10	BB+	Negative	11	BB+	11	103
National Bank of Bahrain (NBB)	B3	Stable	16	NA	NA	NA	B+	Stable	14	B	15	NA
Kuwait Banks												
National Bank of Kuwait (NBK)	A1	Stable	5	A	Stable	6	AA-	Stable	4	A+	5	NA
Kuwait Finance House (KFH)	A2	Stable	6	NA	NA	NA	A+	Stable	5	A	6	NA
Oman Banks												
Bank Muscat SAOG	Ba3	Negative	13	BB-	Negative	13	BB-	Negative	13	BB-	13	NA
National Bank of Oman	Ba3	Negative	13	NA	NA	NA	BB-	Negative	13	BB-	13	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 30-Sep-20 and in basis points; CDS used are US\$ Senior quotes; Source: Bloomberg/Reuters

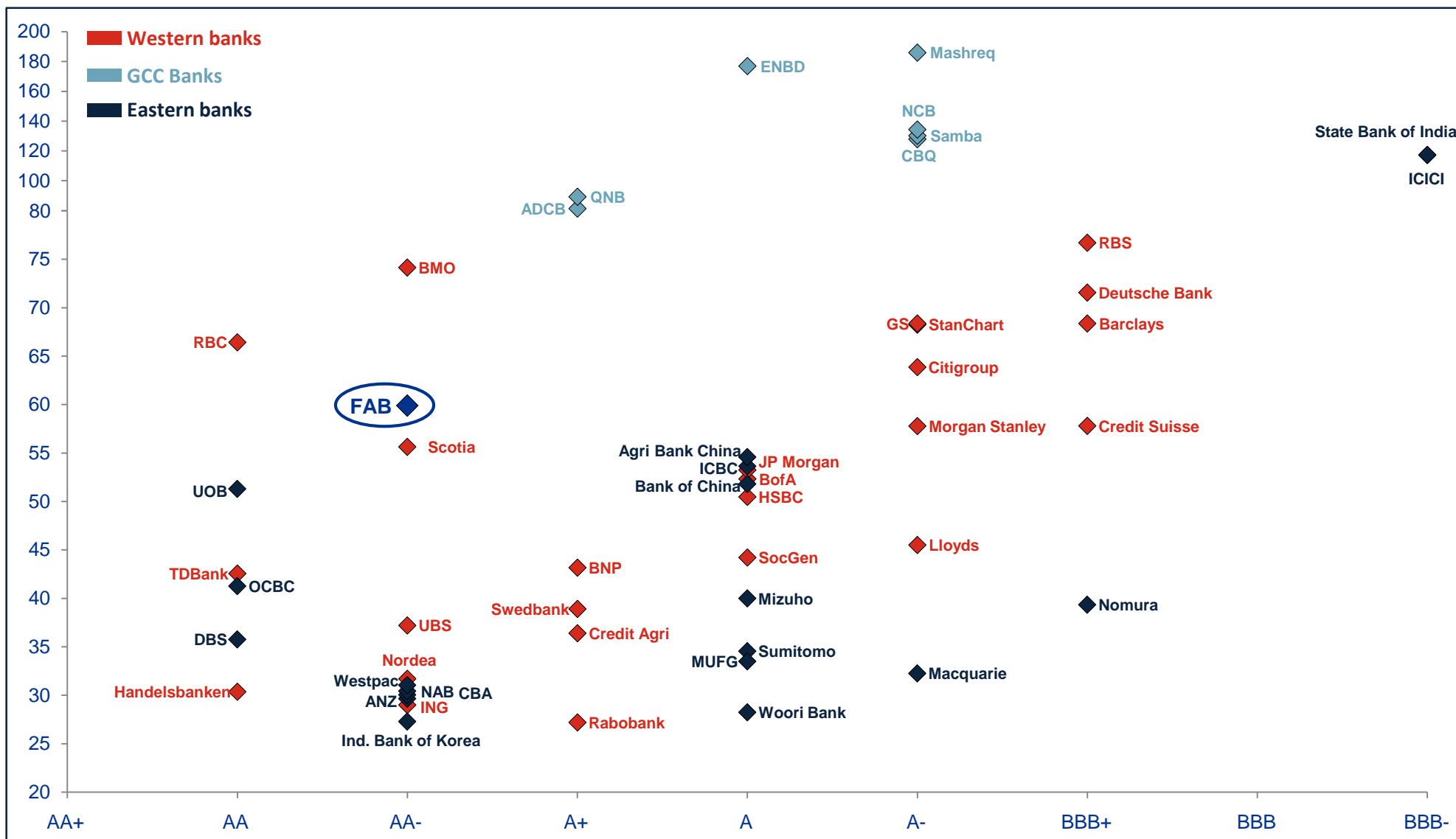


# Rating comparison – FAB vs Eastern banks

	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-	Negative	4	AA-	Stable	4	AA-	4	60
Japanese Banks												
Sumitomo Mitsui Financial Group	A1	Stable	5	A-	Stable	7	A	Negative	6	A	6	35
Mitsubishi UFJ Financial Group Inc (MUFG)	A1	Stable	5	A-	Stable	7	A-	Stable	7	A	6	34
Mizuho Financial Group Inc	A1	Stable	5	A-	Stable	7	A-	Stable	7	A	6	40
Nomura Holdings	Baa1	Stable	8	BBB+	Stable	8	A-	Negative	7	BBB+	8	39
Australian Banks												
Commonwealth Bank of Australia (CBA)	Aa3	Stable	4	AA-	Negative	4	A+	Negative	5	AA-	4	30
National Australia Bank (NAB)	Aa3	Stable	4	AA-	Negative	4	A+	Negative	5	AA-	4	30
Australia & New Zealand Bank (ANZ)	Aa3	Stable	4	AA-	Negative	4	A+	Negative	5	AA-	4	30
Westpac Banking Corp	Aa3	Stable	4	AA-	Negative	4	A+	Negative	5	AA-	4	31
Macquarie Group	A3	Stable	7	BBB+	Stable	8	A-	Negative	7	A-	7	32
Other Asian Banks (ex Japan & Australia)												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	41
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	51
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Negative	4	AA	3	36
Agricultural Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	55
Ind. & Commercial Bank of China (ICBC)	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	54
Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	52
Industrial Bank of Korea	Aa2	Stable	3	AA-	Stable	4	AA-	Stable	4	AA-	4	27
Woori Bank	A1	Stable	5	A	Positive	6	A-	Stable	7	A	6	28
ICICI Bank	Baa3	Negative	10	BBB-	Negative	10	BB+	Negative	11	BBB-	10	117
State Bank of India	Baa3	Negative	10	BBB-	Stable	10	BBB-	Negative	10	BBB-	10	117
HDFC Bank	Baa3	Negative	10	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 30-Sep-20 and in basis points; CDS used are US\$ Senior quotes; Source: Bloomberg/Reuters

# Composite credit rating vs 5-year CDS spread



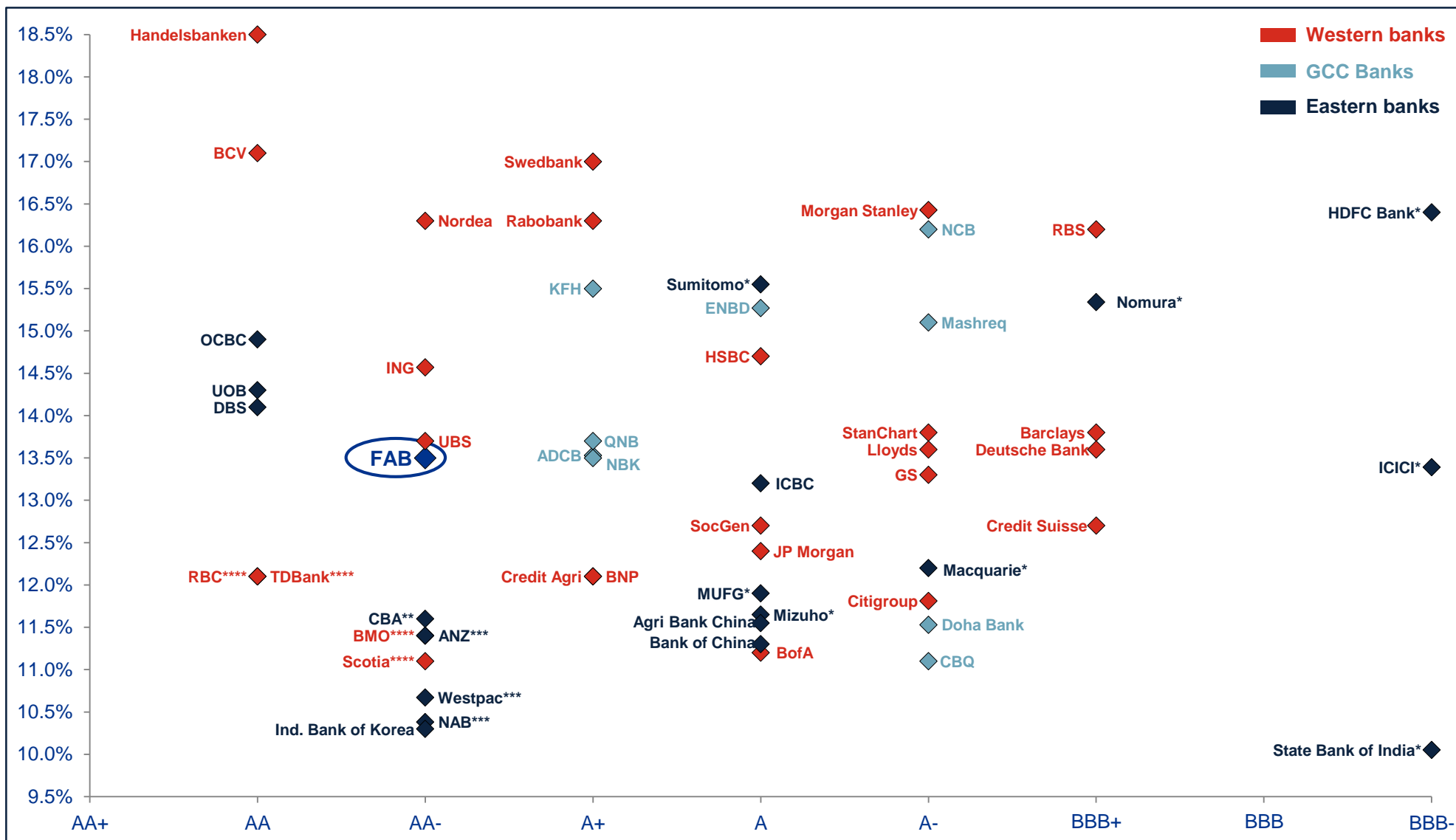
**Notes:** \* Composite ratings are assigned based on the avg. score derived from the rating assigned by the rating agencies. AAA or equivalent being the best with rank "1", followed by AA+ or equivalent as "2", AA or equivalent as "3" and so on; \*\* CDS levels are closing prices for 25-Sep-20 and in 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 2019 / FY 2020^)		GCC Banks (FY 2019 )		Eastern Banks (FY 2019 / FY 2020^)	
First Abu Dhabi Bank (FAB)	13.5%	First Abu Dhabi Bank (FAB)	13.5%	First Abu Dhabi Bank (FAB)	13.5%
<b>U.K. Banks</b>		<b>UAE Banks</b>		<b>Japanese Banks</b>	
Barclays	13.8%	Emirates NBD (ENBD)	15.3%	Nomura Holdings*	15.3%
Royal Bank of Scotland (RBS)	16.2%	Abu Dhabi Commercial Bank (ADCB)	13.5%	Sumitomo Mitsui Financial Group*	15.6%
Lloyds Banking Group (Lloyds)	13.6%	Mashreqbank	15.1%	Mizuho Financial Group Inc*	11.7%
Standard Chartered (StanChart)	13.8%			Mitsubishi UFJ Financial Group Inc (MUFG)*	11.9%
HSBC	14.7%				
<b>European Banks</b>		<b>Qatar Banks</b>		<b>Australian Banks</b>	
Swedbank	17.0%	Doha Bank	11.5%	Westpac Banking Corp***	10.7%
Svenska Handelsbanken	18.5%	Qatar National Bank (QNB)	13.7%	Australia & New Zealand Bank (ANZ)***	11.4%
Nordea Bank	16.3%	Commercial Bank of Qatar (CBQ)	11.1%	National Australia Bank (NAB)***	10.4%
Rabobank	16.3%			Commonwealth Bank of Australia (CBA)**	11.6%
UBS AG	13.7%	<b>Saudi Banks</b>		Macquarie Group*	12.2%
Credit Suisse	12.7%	Samba Financial Group	NA		
Deutsche Bank	13.6%	National Commercial Bank (NCB)	16.2%	<b>Other Asian Banks (ex Japan &amp; Aus)</b>	
ING	14.6%	Banque Saudi Fransi	NA	United Overseas Bank (UOB)	14.3%
Credit Agricole	12.1%			Oversea-Chinese Banking Corp (OCBC)	14.9%
Banque Cantonale Vaudoise	17.1%	<b>Bahrain Banks</b>		DBS Bank	14.1%
Societe Generale	12.7%	National Bank of Bahrain (NBB)	36.3%	Industrial & Commercial Bank of China (ICBC)	13.2%
BNP Paribas	12.1%	Arab Banking Corporation (ABC)	16.6%	Bank of China	11.3%
<b>North American Banks</b>		<b>Kuwait Banks</b>		Agricultural Bank of China	11.6%
Morgan Stanley	16.4%	National Bank of Kuwait (NBK)	13.5%	Industrial Bank of Korea	10.3%
Citigroup Inc	11.8%	Kuwait Finance House (KFH)	15.5%	Woori Bank	8.4%
JP Morgan Chase	12.4%			ICICI Bank*	13.4%
Bank of America	11.2%	<b>Oman Banks</b>		State Bank of India*	10.1%
Bank of Montreal (BMO)****	11.4%	Bank Muscat SAOG	17.5%	HDFC Bank*	16.4%
Goldman Sachs	13.3%	National Bank of Oman	12.3%		
Toronto-Dominion Bank (TDBank)****	12.1%				
Bank of Nova Scotia****	11.1%				
Royal Bank of Canada (RBC)****	12.1%				

**Notes:** FAB's CET1 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; Source: Bloomberg

# Common equity tier 1 ratio (CET1) vs Composite rating

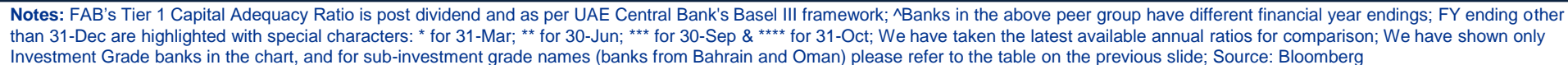


**Notes:** FAB's CET1 ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: \* for 31-Mar; \*\* for 30-Jun; \*\*\* for 30-Sep & \*\*\*\* for 31-Oct; We have taken the latest available annual ratios for comparison; We have shown only Investment Grade banks in the chart, and for sub-investment grade names (banks from Bahrain and Oman) please refer to the table on the previous slide; Source: Bloomberg

# Tier 1 capital adequacy ratio

Western Banks (FY 2019 / FY 2020^)		GCC Banks (FY 2019)		Eastern Banks (FY 2019 / FY 2020^)	
First Abu Dhabi Bank (FAB)	15.7%	First Abu Dhabi Bank (FAB)	15.7%	First Abu Dhabi Bank (FAB)	15.7%
<b>U.K. Banks</b>		<b>UAE Banks</b>		<b>Japanese Banks</b>	
Barclays	17.7%	Emirates NBD (ENBD)	17.4%	Nomura Holdings*	16.4%
Royal Bank of Scotland (RBS)	18.5%	Abu Dhabi Commercial Bank (ADCB)	15.4%	Sumitomo Mitsui Financial Group*	16.6%
Lloyds Banking Group (Lloyds)	16.7%	Mashreqbank	15.2%	Mizuho Financial Group Inc*	14.5%
Standard Chartered (StanChart)	16.5%			Mitsubishi UFJ Financial Group Inc (MUFG)*	13.6%
HSBC	17.6%				
<b>European Banks</b>		<b>Qatar Banks</b>		<b>Australian Banks</b>	
Swedbank	19.4%	Doha Bank	16.6%	Westpac Banking Corp***	12.8%
Svenska Handelsbanken	20.7%	Qatar National Bank (QNB)	18.0%	Australia & New Zealand Bank (ANZ)***	13.2%
Nordea Bank	18.3%	Commercial Bank of Qatar (CBQ)	14.4%	National Australia Bank (NAB)***	12.4%
Rabobank	18.8%			Commonwealth Bank of Australia (CBA)**	13.9%
UBS AG	20.0%	<b>Saudi Banks</b>		Macquarie Group*	13.6%
Credit Suisse	17.1%	Samba Financial Group	20.5%		
Deutsche Bank	15.6%	National Commercial Bank (NCB)	18.0%	<b>Other Asian Banks (ex Japan &amp; Aus)</b>	
ING	16.7%	Banque Saudi Fransi	18.3%	United Overseas Bank (UOB)	15.4%
Credit Agricole	13.7%			Oversea-Chinese Banking Corp (OCBC)	15.6%
Banque Cantonale Vaudoise (BCV)	17.1%	<b>Bahrain Banks</b>		DBS Bank	15.0%
Societe Generale	15.1%	National Bank of Bahrain (NBB)	36.3%	Industrial & Commercial Bank of China (ICBC)	14.3%
BNP Paribas	13.5%	Arab Banking Corporation (ABC)	16.9%	Bank of China	12.8%
<b>North American Banks</b>		<b>Kuwait Banks</b>		Agricultural Bank of China	12.1%
Morgan Stanley	19.2%	National Bank of Kuwait (NBK)	15.9%	Industrial Bank of Korea	12.0%
Citigroup Inc	13.4%	Kuwait Finance House (KFH)	16.1%	Woori Bank	9.9%
JP Morgan Chase	14.1%			ICICI Bank*	14.7%
Bank of America	12.6%	<b>Oman Banks</b>		State Bank of India*	11.2%
Bank of Montreal (BMO)****	13.0%	Bank Muscat SAOG	18.8%	HDFC Bank*	17.2%
Goldman Sachs	15.2%	National Bank of Oman	15.9%		
Toronto-Dominion Bank (TDBank)****	13.5%				
Bank of Nova Scotia****	12.2%				
Royal Bank of Canada (RBC)****	13.2%				

**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; Source: Bloomberg



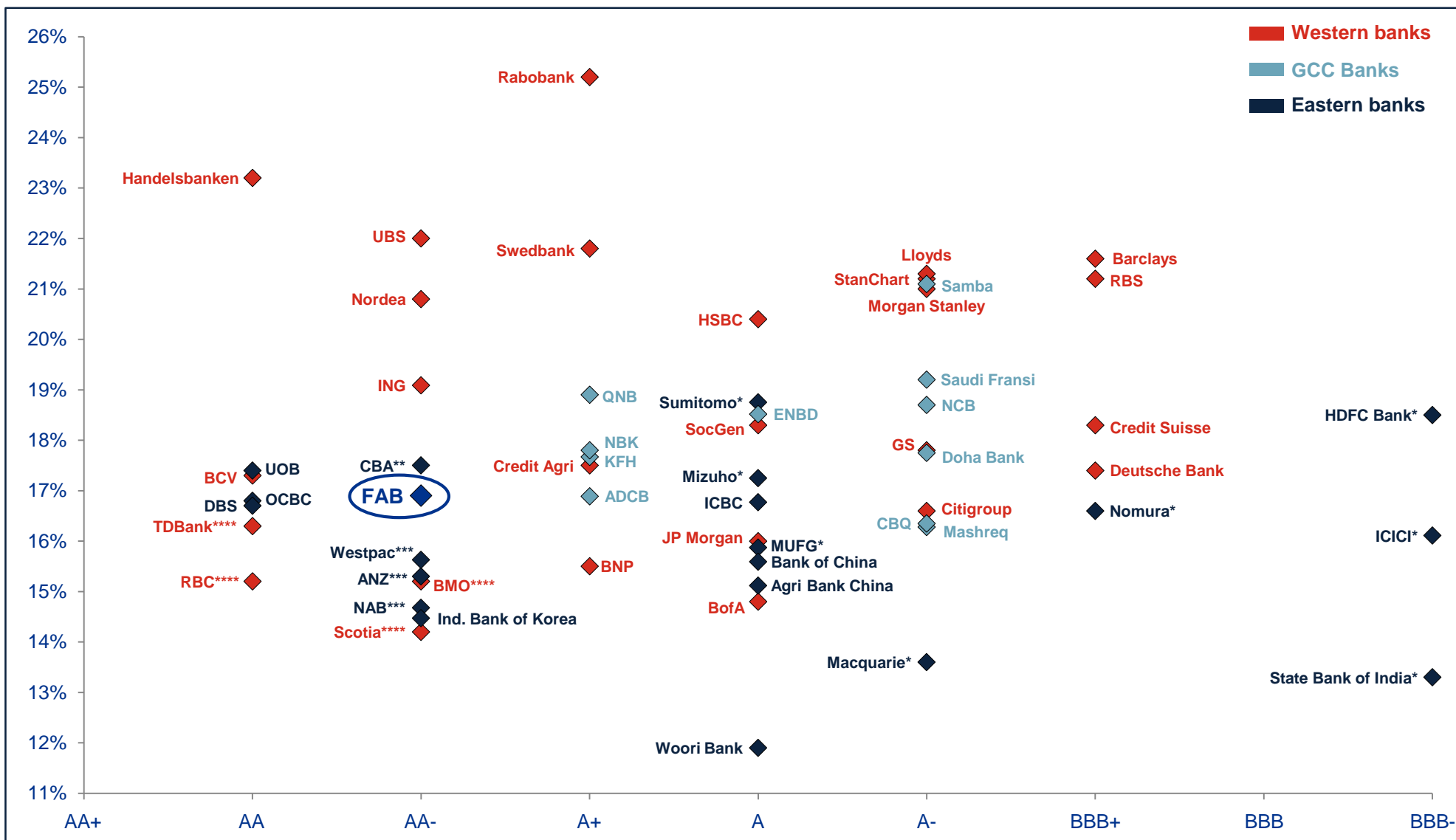
# Total capital adequacy ratio

Western Banks (FY 2019 / FY 2020^)		GCC Banks (FY 2019)		Eastern Banks (FY 2019 / FY 2020^)	
First Abu Dhabi Bank (FAB)	16.9%	First Abu Dhabi Bank (FAB)	16.9%	First Abu Dhabi Bank (FAB)	16.9%
<b>U.K. Banks</b>		<b>UAE Banks</b>		<b>Japanese Banks</b>	
Barclays	21.6%	Emirates NBD (ENBD)	18.5%	Nomura Holdings*	16.6%
Royal Bank of Scotland (RBS)	21.2%	Abu Dhabi Commercial Bank (ADCB)	16.9%	Sumitomo Mitsui Financial Group*	18.8%
Lloyds Banking Group (Lloyds)	21.3%	Mashreqbank	16.3%	Mizuho Financial Group Inc*	17.3%
Standard Chartered (StanChart)	21.2%			Mitsubishi UFJ Financial Group Inc (MUFG)*	15.9%
HSBC	20.4%				
<b>European Banks</b>		<b>Qatar Banks</b>		<b>Australian Banks</b>	
Swedbank	21.8%	Doha Bank	17.8%	Westpac Banking Corp***	15.6%
Svenska Handelsbanken	23.2%	Qatar National Bank (QNB)	18.9%	Australia & New Zealand Bank (ANZ)***	15.3%
Nordea Bank	20.8%	Commercial Bank of Qatar (CBQ)	16.4%	National Australia Bank (NAB)***	14.7%
Rabobank	25.2%			Commonwealth Bank of Australia (CBA)**	17.5%
UBS AG	22.0%	<b>Saudi Banks</b>		Macquarie Group*	13.6%
Credit Suisse	18.3%	Samba Financial Group	21.1%		
Deutsche Bank	17.4%	National Commercial Bank (NCB)	18.7%	<b>Other Asian Banks (ex Japan &amp; Aus)</b>	
ING	19.1%	Banque Saudi Fransi	19.2%	United Overseas Bank (UOB)	17.4%
Credit Agricole	17.5%			Oversea-Chinese Banking Corp (OCBC)	16.8%
Banque Cantonale Vaudoise (BCV)	17.3%	<b>Bahrain Banks</b>		DBS Bank	16.7%
Societe Generale	18.3%	National Bank of Bahrain (NBB)	37.3%	Industrial & Commercial Bank of China (ICBC)	16.8%
BNP Paribas	15.5%	Arab Banking Corporation (ABC)	17.9%	Bank of China	15.6%
<b>North American Banks</b>		<b>Kuwait Banks</b>		Agricultural Bank of China	15.1%
Morgan Stanley	21.0%	National Bank of Kuwait (NBK)	17.8%	Industrial Bank of Korea	14.5%
Citigroup Inc	16.6%	Kuwait Finance House (KFH)	17.7%	Woori Bank	11.9%
JP Morgan Chase	16.0%			ICICI Bank*	16.1%
Bank of America	14.8%	<b>Oman Banks</b>		State Bank of India*	13.3%
Bank of Montreal (BMO)****	15.2%	Bank Muscat SAOG	19.7%	HDFC Bank*	18.5%
Goldman Sachs	17.8%	National Bank of Oman	16.7%		
Toronto-Dominion Bank (TDBank)****	16.3%				
Bank of Nova Scotia****	14.2%				
Royal Bank of Canada (RBC)****	15.2%				

**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; Source: Bloomberg



# Total capital adequacy ratio vs Composite rating



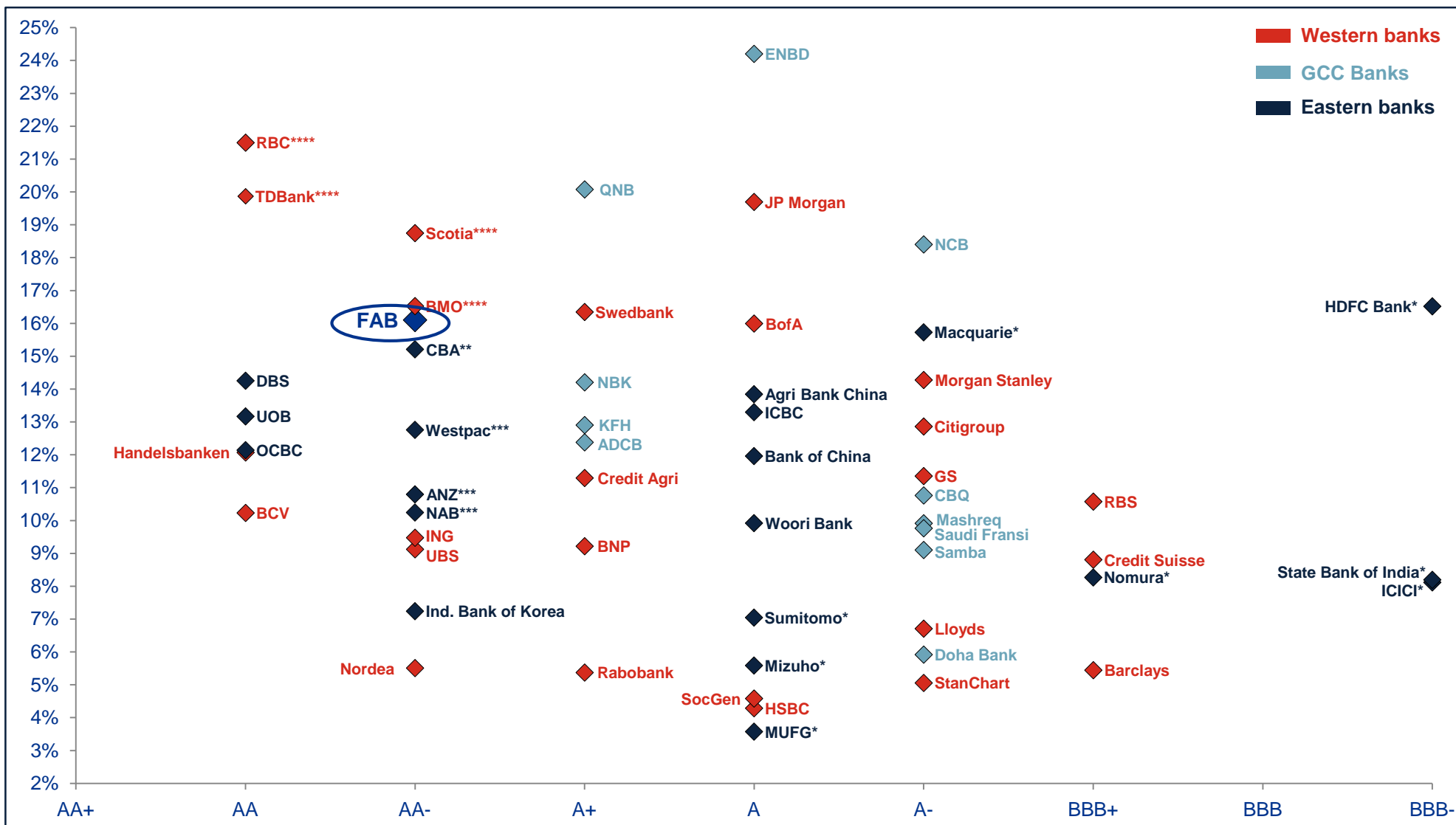
**Notes** FAB's Capital Adequacy Ratio is post dividend and as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: \* for 31-Mar; \*\* for 30-Jun; \*\*\* for 30-Sep & \*\*\*\* for 31-Oct; We have taken the latest available annual ratios for comparison; We have shown only Investment Grade banks in the chart, and for sub-investment grade names (banks from Bahrain and Oman) please refer to the table on the previous slide; Source: Bloomberg

# Return on tangible equity (RoTE)

Western Banks (FY 2019 / FY 2020^)		GCC Banks (FY 2019)		Eastern Banks (FY 2019 / FY 2020^)	
First Abu Dhabi Bank (FAB)	16.1%	First Abu Dhabi Bank (FAB)	16.1%	First Abu Dhabi Bank (FAB)	16.1%
<b>U.K. Banks</b>		<b>UAE Banks</b>		<b>Japanese Banks</b>	
Barclays	5.4%	Emirates NBD (ENBD)	24.2%	Nomura Holdings*	8.3%
Royal Bank of Scotland (RBS)	10.6%	Abu Dhabi Commercial Bank (ADCB)	12.4%	Sumitomo Mitsui Financial Group*	7.0%
Lloyds Banking Group (Lloyds)	6.7%	Mashreqbank	9.9%	Mizuho Financial Group Inc*	5.6%
Standard Chartered (StanChart)	5.1%			Mitsubishi UFJ Financial Group Inc (MUFG)*	3.6%
HSBC	4.3%				
<b>European Banks</b>		<b>Qatar Banks</b>		<b>Australian Banks</b>	
Swedbank	16.3%	Doha Bank	5.9%	Westpac Banking Corp***	12.8%
Svenska Handelsbanken	12.1%	Qatar National Bank (QNB)	20.1%	Australia & New Zealand Bank (ANZ)***	10.8%
Nordea Bank	5.5%	Commercial Bank of Qatar (CBQ)	10.8%	National Australia Bank (NAB)***	10.2%
Rabobank	5.4%			Commonwealth Bank of Australia (CBA)**	15.2%
UBS AG	9.1%	<b>Saudi Banks</b>		Macquarie Group*	15.7%
Credit Suisse	8.8%	Samba Financial Group	9.1%		
Deutsche Bank	-11.20%	National Commercial Bank (NCB)	18.4%	<b>Other Asian Banks (ex Japan &amp; Aus)</b>	
ING	9.5%	Banque Saudi Fransi	9.8%	United Overseas Bank (UOB)	13.2%
Credit Agricole	11.3%			Oversea-Chinese Banking Corp (OCBC)	12.1%
Banque Cantonale Vaudoise (BCV)	10.2%	<b>Bahrain Banks</b>		DBS Bank	14.3%
Societe Generale	4.6%	National Bank of Bahrain (NBB)	14.7%	Industrial & Commercial Bank of China (ICBC)	13.3%
BNP Paribas	9.2%	Arab Banking Corporation (ABC)	4.9%	Bank of China	12.0%
<b>North American Banks</b>		<b>Kuwait Banks</b>		Agricultural Bank of China	13.8%
Morgan Stanley	14.3%	National Bank of Kuwait (NBK)	14.2%	Industrial Bank of Korea	7.2%
Citigroup Inc	12.9%	Kuwait Finance House (KFH)	12.9%	Woori Bank	9.9%
JP Morgan Chase	19.7%	<b>Oman Banks</b>		ICICI Bank*	8.1%
Bank of America	16.0%	Bank Muscat SAOG	10.1%	State Bank of India*	8.2%
Bank of Montreal (BMO)****	16.5%	National Bank of Oman	9.4%	HDFC Bank*	16.5%
Goldman Sachs	11.4%				
Toronto-Dominion Bank (TDBank)****	19.9%				
Bank of Nova Scotia****	18.7%				
Royal Bank of Canada (RBC)****	21.5%				

**Notes:** 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; Source: Bloomberg

# Return on tangible equity (RoTE) vs Composite rating



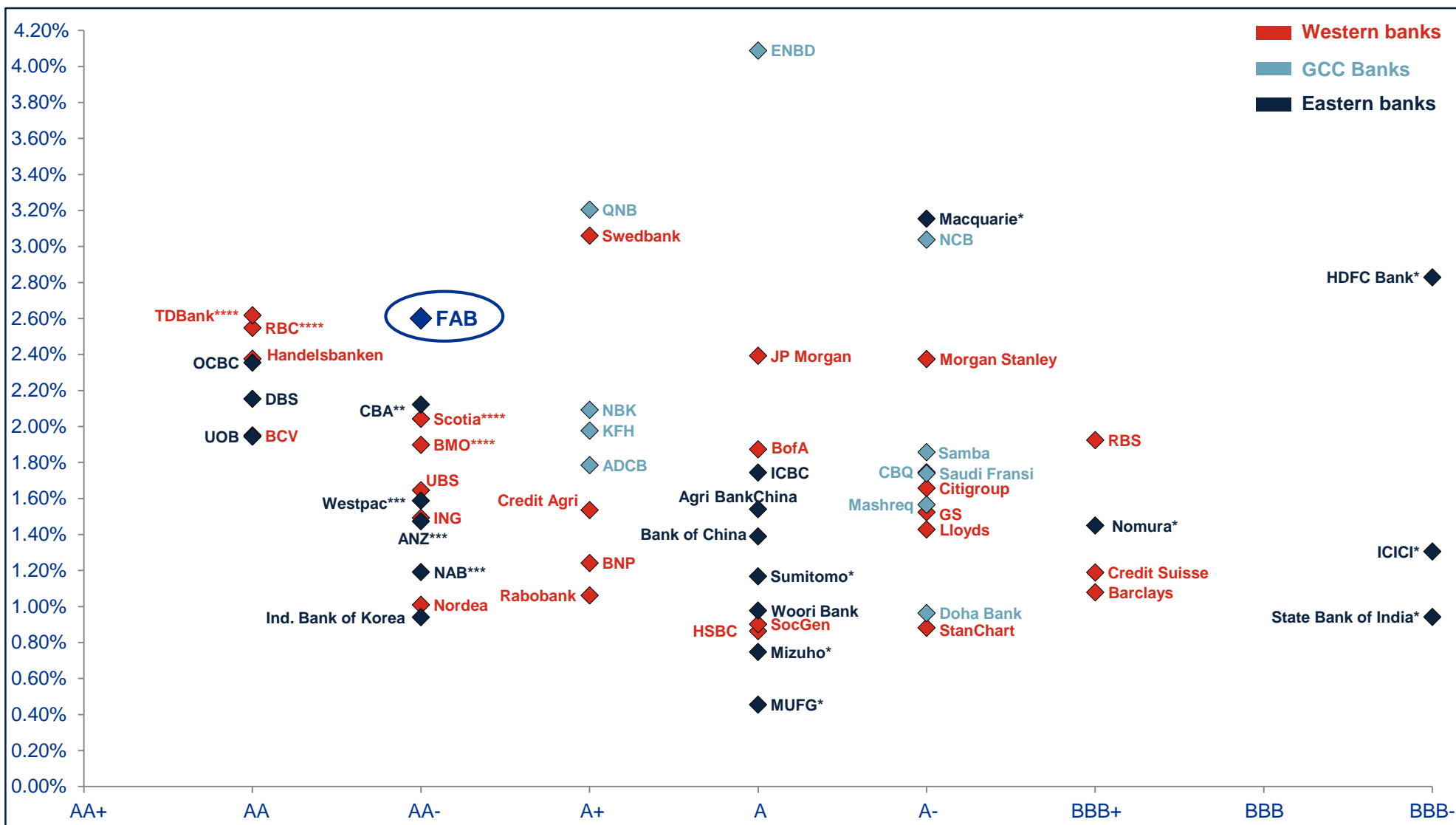
**Notes:** Based on the available financials on Bloomberg, RoTE for peer banks are estimated as: {net attributable profit less Tier-1 interest or Coupon payable on capital securities} / [average tangible equity]; ^Banks in the above peer group have different financial year endings; FY ending other than 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; We have shown only Investment Grade banks in the chart, and for sub-investment grade names (banks from Bahrain and Oman) please refer to the table on the previous slide; Source: Bloomberg

# Return on Risk Weighted Assets (RoRWA)

Western Banks (FY 2019 / FY 2020^)		GCC Banks (FY 2019)		Eastern Banks (FY 2019 / FY 2020^)	
First Abu Dhabi Bank (FAB)	2.6%	First Abu Dhabi Bank (FAB)	2.6%	First Abu Dhabi Bank (FAB)	2.6%
<b>U.K. Banks</b>		<b>UAE Banks</b>		<b>Japanese Banks</b>	
Barclays	1.1%	Emirates NBD (ENBD)	4.1%	Nomura Holdings*	1.5%
Royal Bank of Scotland (RBS)	1.9%	Abu Dhabi Commercial Bank (ADCB)	1.8%	Sumitomo Mitsui Financial Group*	1.2%
Lloyds Banking Group (Lloyds)	1.4%	Mashreqbank	1.6%	Mizuho Financial Group Inc*	0.7%
Standard Chartered (StanChart)	0.9%			Mitsubishi UFJ Financial Group Inc (MUFG)*	0.5%
HSBC	0.9%				
<b>European Banks</b>		<b>Qatar Banks</b>		<b>Australian Banks</b>	
Swedbank	3.1%	Doha Bank	1.0%	Westpac Banking Corp***	1.6%
Svenska Handelsbanken	2.4%	Qatar National Bank (QNB)	3.2%	Australia & New Zealand Bank (ANZ)***	1.5%
Nordea Bank	1.0%	Commercial Bank of Qatar (CBQ)	1.7%	National Australia Bank (NAB)***	1.2%
Rabobank	1.1%			Commonwealth Bank of Australia (CBA)**	2.1%
UBS AG	1.6%	<b>Saudi Banks</b>		Macquarie Group*	3.2%
Credit Suisse	1.2%	Samba Financial Group	1.9%		
Deutsche Bank	-1.6%	National Commercial Bank (NCB)	3.0%	<b>Other Asian Banks (ex Japan &amp; Aus)</b>	
ING	1.5%	Banque Saudi Fransi	1.7%	United Overseas Bank (UOB)	1.9%
Credit Agricole	1.5%			Oversea-Chinese Banking Corp (OCBC)	2.4%
Banque Cantonale Vaudoise (BCV)	2.0%	<b>Bahrain Banks</b>		DBS Bank	2.2%
Societe Generale	0.9%	National Bank of Bahrain (NBB)	5.3%	Industrial & Commercial Bank of China (ICBC)	1.7%
BNP Paribas	1.2%	Arab Banking Corporation (ABC)	0.8%	Bank of China	1.4%
<b>North American Banks</b>		<b>Kuwait Banks</b>		Agricultural Bank of China	1.5%
Morgan Stanley	2.4%	National Bank of Kuwait (NBK)	2.1%	Industrial Bank of Korea	0.9%
Citigroup Inc	1.7%	Kuwait Finance House (KFH)	2.0%	Woori Bank	1.0%
JP Morgan Chase	2.4%			ICICI Bank*	1.3%
Bank of America	1.9%	<b>Oman Banks</b>		State Bank of India*	0.9%
Bank of Montreal (BMO)****	1.9%	Bank Muscat SAOG	1.9%	HDFC Bank*	2.8%
Goldman Sachs	1.5%	National Bank of Oman	1.6%		
Toronto-Dominion Bank (TDBank)****	2.6%				
Bank of Nova Scotia****	2.0%				
Royal Bank of Canada (RBC)****	2.5%				

**Notes:** 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; Source: Bloomberg

# Return on RWA (RoRWA) vs Composite rating

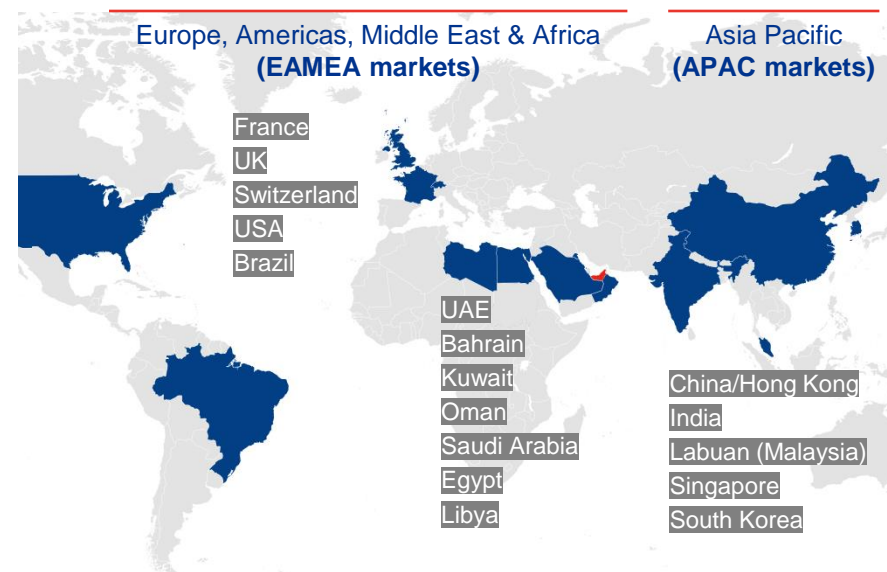


**Notes:** Based on the available financials on Bloomberg, RoRWA for peer banks are estimated as: [Net income available to shareholders for latest financial year after minority adjustment / (Total Risk Weighted Assets for latest financial year + Total Risk Weighted Assets for previous financial year) / 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; We have shown only Investment Grade banks in the chart, and for sub-investment grade names (banks from Bahrain and Oman) please refer to the table on the previous slide; Source: Bloomberg

# FAB has a strong presence in international markets

	Country	International presence outside domestic market
First Abu Dhabi Bank	UAE	16 markets
Abu Dhabi Commercial Bank	UAE	UK, Jersey, India, China, Singapore, Kuwait, Qatar & Egypt
Emirates NBD	UAE	Saudi Arabia, Bahrain, Egypt, Turkey, India, China, Singapore, Indonesia, UK, Germany, Austria & Russia
Mashreqbank	UAE	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	UK, UAE, Qatar, & Pakistan
National Commercial Bank	Saudi Arabia	Bahrain, Singapore, South Korea, China & Turkey
Qatar National Bank	Qatar	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	Oman, Turkey & UAE
Doha Bank	Qatar	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	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	UAE, Algeria, Brazil, Egypt, France, Germany, Italy, Jordan, Libya, Singapore, Tunisia, Turkey, UK, US & Brazil
National Bank of Bahrain	Bahrain	UAE & Saudi Arabia
Bank Muscat SOAG	Oman	Saudi Arabia, Kuwait, UAE & Singapore
National Bank of Oman	Oman	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.



Note: International presence includes representative offices; Source: Bank websites

# FAB – The safest name you can bank upon

Based on its 2019 survey, Global Finance Magazine has announced the following rankings for First Abu Dhabi Bank:

- Safest bank in the Middle East
- 4<sup>th</sup> safest bank in Emerging Markets\*
- 22<sup>nd</sup> in the ranking of World's 50 safest commercial banks
- 38<sup>th</sup> in the World's 50 safest banks

Safest Banks in the Middle East: 2019
<b>#1. First Abu Dhabi Bank (UAE)</b>
#2. National Bank of Kuwait (Kuwait)
#3. Qatar National Bank (Qatar)
#4. Abu Dhabi Commercial Bank (UAE)*
#5. Kuwait Finance House (Kuwait)
#6. Al Hilal Bank (UAE)*
#7. Abu Dhabi Islamic Bank (UAE)
#8. Al Ahli Bank of Kuwait (Kuwait)
#9. Ahli United Bank (Kuwait)
#10. Bank Hapoalim (Israel)

Safest Banks in the EM: 2019
#1. Korea Development Bank (South Korea)
#2. Export-Import Bank of Korea (South Korea)
#3. Industrial Bank of Korea (South Korea)
<b>#4. First Abu Dhabi Bank (UAE)</b>
#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. Kookmin Bank (South Korea)

**Note:** \* Asides from the safety, the Global Finance survey also ranked FAB #38 among the 50 largest Emerging Market banks by total assets with assets of \$202.6bn at the end of 2018; \* UAE's Al Hilal Bank has been merged with Au Dhabi Commercial Bank; Source: Global Finance Magazine



# FAB – #1 UAE bank & #2 Middle Eastern bank based on Tier 1 Capital Strength

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

FAB ranks at **#85** among the Top 1000 World Banks in terms of Tier 1 Capital Strength, a survey published by The Banker in 2020.

Regional Rank	World Rank	Bank	Tier 1 Capital (US\$ million)
#1	#72	Qatar National Bank (Qatar)	24,875
<b>#2</b>	<b>#85</b>	<b>First Abu Dhabi Bank (UAE)</b>	<b>20,792</b>
#3	#87	Emirates NBD (UAE)	20,299
#4	#94	National Commercial Bank (Saudi Arabia)	18,712
#5	#115	Al Rajhi Bank (Saudi Arabia)	13,651
#6	#118	Abu Dhabi Commercial Bank (UAE)	13,578
#7	#127	Samba Financial Group (Saudi Arabia)	12,509
#8	#140	Bank Hapoalim (Israel)	11,424
#9	#146	Saudi British Bank (Saudi Arabia)	11,105
#10	#147	Bank Leumi (Israel)	10,868

Source: The Banker ([link](#))

# FAB: #1 in the UAE by market cap; #3 in GCC & #7 in EMEA

Rank	GCC banks	Market cap* (US\$ bn)
#1	Qatar National Bank	45.6
#2	Al Rajhi Bank	43.8
<b>#3</b>	<b>First Abu Dhabi Bank PJSC</b>	<b>33.4</b>
#4	National Commercial Bank	29.7
#5	National Bank of Kuwait	19.3
Rank	EMEA banks	Market cap* (US\$ bn)
#1	HSBC Holdings PLC	79.3
#2	Sberbank of Russia PJSC	63.7
#3	Qatar National Bank QPSC	45.6
#4	Al Rajhi Bank	43.8
#5	UBS Group AG	43.1
#6	Intesa Sanpaolo SpA	36.5
<b>#7</b>	<b>First Abu Dhabi Bank PJSC</b>	<b>33.4</b>
#8	Banco Santander SA	31.2
#9	Nordea Bank Abp	30.9
#10	National Commercial Bank	29.7
#11	ING Groep NV	27.7
#12	Credit Agricole SA	25.3
#13	Credit Suisse Group AG	24.6
#14	Lloyds Banking Group PLC	24.1
#15	Barclays PLC	21.9

## FAB also sits among the top 50 largest banks worldwide by market cap with a rank of #43

Rank	Global banks	Market cap* (US\$ bn)
#1	JPMorgan Chase & Co	290.6
#2	ICBC	240.4
#3	Bank of America Corp	205.9
#4	China Construction Bank Corp	164.4
#5	Agricultural Bank of China Ltd	158.6
#6	China Merchants Bank Co Ltd	131.0
#7	Bank of China Ltd	125.2
#8	Royal Bank of Canada	100.4
#9	Wells Fargo & Co	95.8
#10	Citigroup Inc	88.3
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#35	Sumitomo Mitsui Financial Group Inc	38.0
#36	Bank of Montreal	37.8
#37	DBS Group Holdings Ltd	37.0
#38	Intesa Sanpaolo SpA	36.5
#39	ANZ Banking Group	35.0
#40	Japan Post Bank Co Ltd	35.0
#41	Kotak Mahindra Bank Ltd	34.1
#42	Canadian Imperial Bank of Commerce	33.4
<b>#43</b>	<b>First Abu Dhabi Bank PJSC</b>	<b>33.4</b>
#44	ICICI Bank Ltd	33.3
#45	China Minsheng Banking Corp Ltd	32.0
#46	Mizuho Financial Group Inc	31.5
#47	Banco Santander SA	31.2
#48	China CITIC Bank Corp Ltd	31.1
#49	Macquarie Group Ltd	31.0
#50	Nordea Bank Abp	30.9

Note: \* Market cap data is based on the closing price at the quarter ending 30<sup>th</sup> September 2020  
Source: Bloomberg EMEA Banks Index (BEUBANK Index); Bloomberg World Banks Index; (BWBANK Index)

- 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”.

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# Thank You

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