



First Abu Dhabi Bank vs Peer Banks

22nd October 2018

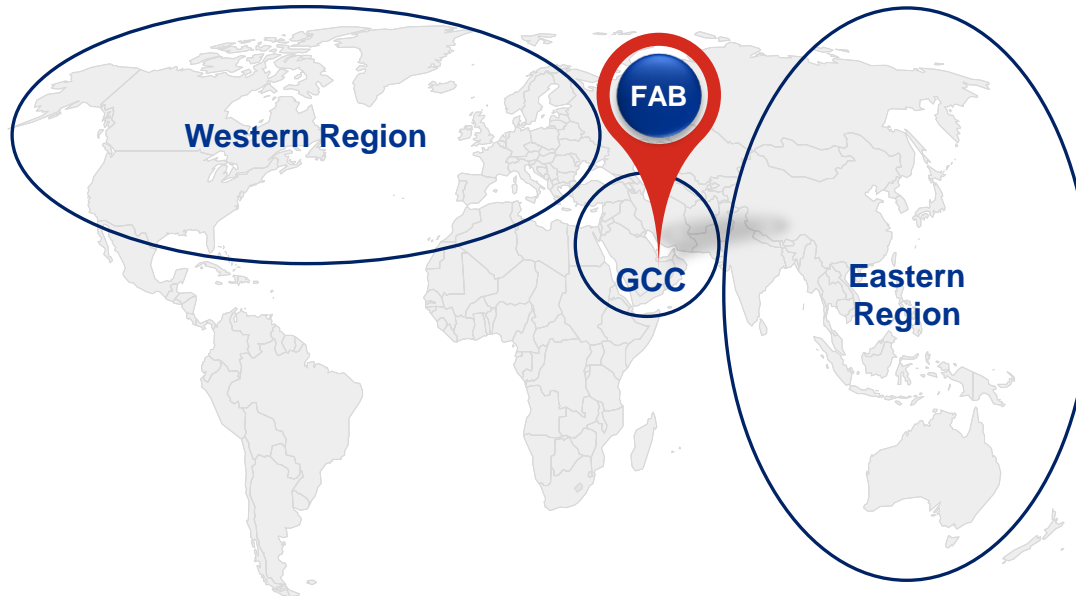
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Welcome to our “First Abu Dhabi Bank vs Peer Banks” report. In this document we compare FAB with some of the best known banks in the world – from the West (US, Canada, UK, Europe, Scandinavia, etc) to the Middle East region (GCC) and Asia (China, Hong 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, RoE, 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	75
Singapore Banks												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	55
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	53
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	52
Australian Banks												
National Australia Bank (NAB)	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	67
Commonwealth Bank of Australia (CBA)	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	67
Australia & New Zealand Banking Group (ANZ)	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	66
Westpac Banking Corp	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	67
North American Banks												
Toronto-Dominion Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	60
Royal Bank of Canada	Aa2	Stable	3	AA-	Stable	4	AA	Stable	3	AA	3	54
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	Stable	3	AA	3	52
Swedbank AB	Aa2	Stable	3	AA-	Stable	4	AA-	Stable	4	AA-	4	61
Nordea Bank AB	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	53
DZ Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	72
Deutsche Apotheker- und Aerztebank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	NA

Notes: * Scoring is derived based on 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 19-Oct-18 & 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 25 Commercial Banks In The World"

Banks rated AA- or higher by all three ratings agencies



Notes: * Scoring is derived based on 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 19-Oct-18 & 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 25 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-	Stable	4	AA-	Stable	4	AA-	4	75
U.K. Banks												
HSBC	A2	Stable	6	A	Stable	6	AA-	Stable	4	A+	5	35
Standard Chartered (StanChart)	A2	Stable	6	BBB+	Stable	8	A	Stable	6	A-	7	92
Lloyds Banking Group (Lloyds)	A3	Stable	7	BBB+	Stable	8	A+	Stable	5	A-	7	50
Barclays	Baa3	Stable	10	BBB	Stable	9	A	Stable	6	BBB+	8	69
Royal Bank of Scotland (RBS)	Baa2	Positive	9	BBB-	Positive	10	BBB+	Positive	8	BBB	9	111
European Banks												
Svenska Handelsbanken	Aa2	Stable	3	AA-	Stable	4	AA	Stable	3	AA	3	52
Swedbank	Aa2	Stable	3	AA-	Stable	4	AA-	Stable	4	AA-	4	61
Nordea Bank	Aa3	Stable	4	AA-	Stable	4	AA-	Stable	4	AA-	4	53
Rabobank	Aa3	Stable	4	A+	Positive	5	AA-	Stable	4	AA-	4	33
Banque Cantonale Vaudoise (BCV)	Aa2	Stable	3	AA	Stable	3	NA	NA	NA	AA	3	NA
UBS AG	Aa3	Stable	4	A+	Stable	5	AA-	Stable	4	AA-	4	39
Credit Agricole	A1	Positive	5	A+	Stable	5	A+	Stable	5	A+	5	44
BNP Paribas	Aa3	Stable	4	A	Positive	6	A+	Stable	5	A+	5	48
Societe Generale (SocGen)	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	49
ING Groep NV	Baa1	Stable	8	A-	Stable	7	A+	Stable	5	A-	7	76
Credit Suisse	Baa2	Stable	9	BBB+	Stable	8	A-	Positive	7	BBB+	8	70
Deutsche Bank	A3	Negative	7	BBB+	Stable	8	BBB+	Negative	8	BBB+	8	140
North American Banks												
Royal Bank of Canada (RBC)	Aa2	Stable	3	AA-	Stable	4	AA	Stable	3	AA	3	54
Toronto-Dominion Bank (TDBank)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	60
Bank of Nova Scotia	Aa2	Stable	3	A+	Stable	5	AA-	Stable	4	AA-	4	58
Bank of Montreal (BMO)	Aa2	Stable	3	A+	Stable	5	AA-	Stable	4	AA-	4	47
JP Morgan Chase	A3	Watch Pos	7	A-	Stable	7	AA-	Stable	4	A	6	48
Morgan Stanley	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	65
Citigroup Inc	Baa1	Positive	8	BBB+	Stable	8	A	Stable	6	A-	7	59
Goldman Sachs	A3	Stable	7	BBB+	Stable	8	A	Stable	6	A-	7	71
Bank of America	A3	Stable	7	A-	Stable	7	A+	Stable	5	A	6	52

Notes: * Scoring is derived based on 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 19-Oct-18 & 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	75
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	78
Emirates NBD (ENBD)	A3	Stable	7	NA	NA	NA	A+	Stable	5	A	6	135
Mashreqbank	Baa1	Stable	8	A-	Stable	7	A	Stable	6	A-	7	113
Qatar Banks												
Qatar National Bank (QNB)	Aa3	Stable	4	A	Negative	6	A+	Stable	5	A+	5	102
Doha Bank	A3	Stable	7	BBB+	Negative	8	A	Stable	6	A-	7	NA
Commercial Bank of Qatar (CBQ)	A3	Stable	7	BBB+	Negative	8	A	Stable	6	A-	7	188
Saudi Banks												
Samba Financial Group	A1	Stable	5	BBB+	Stable	8	A-	Stable	7	A-	7	124
National Commercial Bank (NCB)	A1	Stable	5	BBB+	Stable	8	A-	Stable	7	A-	7	154
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	110
National Bank of Bahrain (NBB)	B3	Negative	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	Baa3	Negative	10	BB	Stable	12	BBB-	Negative	10	BB+	11	NA
National Bank of Oman	Baa3	Negative	10	NA	NA	NA	BB+	Negative	11	BB+	11	NA

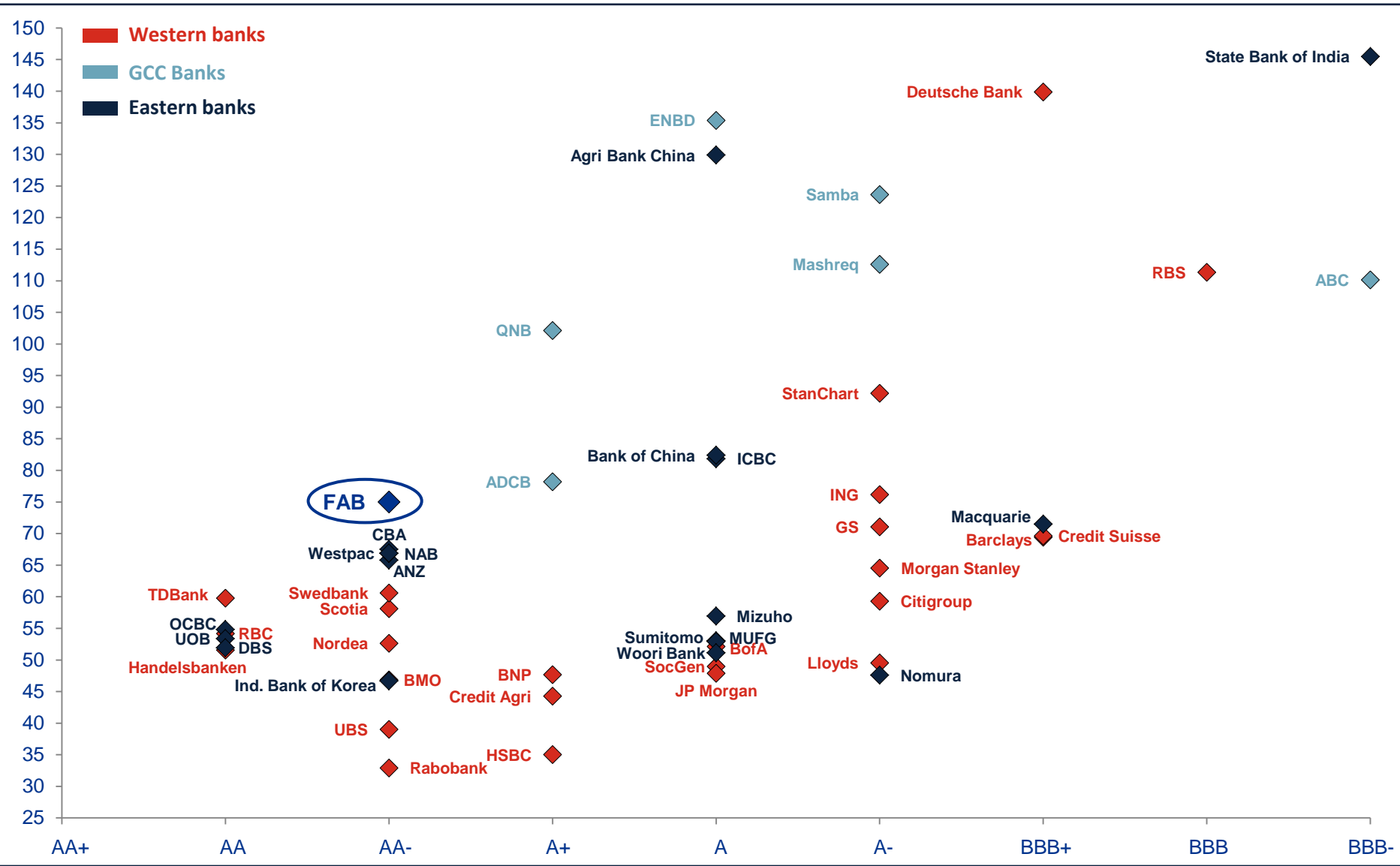
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Rating comparison – FAB vs Eastern banks

	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	75
Japanese Banks												
Sumitomo Mitsui Financial Group	A1	Stable	5	A-	Positive	7	A	Stable	6	A	6	53
Mitsubishi UFJ Financial Group Inc (MUFG)	A1	Stable	5	A-	Positive	7	A	Stable	6	A	6	53
Mizuho Financial Group Inc	A1	Stable	5	A-	Stable	7	A-	Stable	7	A	6	57
Nomura Holdings	Baa1	Stable	8	A-	Negative	7	A-	Stable	7	A-	7	48
Australian Banks												
Commonwealth Bank of Australia (CBA)	Aa3	Stable	4	AA-	Negative	4	AA-	Negative	4	AA-	4	67
National Australia Bank (NAB)	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	67
Australia & New Zealand Bank (ANZ)	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	66
Westpac Banking Corp	Aa3	Stable	4	AA-	Negative	4	AA-	Stable	4	AA-	4	67
Macquarie Group	A3	Stable	7	BBB	Stable	9	A-	Stable	7	BBB+	8	71
Other Asian Banks (ex Japan & Australia)												
Oversea-Chinese Banking Corp (OCBC)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	55
United Overseas Bank (UOB)	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	53
DBS Bank	Aa1	Stable	2	AA-	Stable	4	AA-	Stable	4	AA	3	52
Agricultural Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	130
Ind. & Commercial Bank of China (ICBC)	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	82
Bank of China	A1	Stable	5	A	Stable	6	A	Stable	6	A	6	82
Industrial Bank of Korea	Aa2	Stable	3	AA-	Stable	4	AA-	Stable	4	AA-	4	47
Woori Bank	A1	Stable	5	A	Stable	6	A-	Stable	7	A	6	51
ICICI Bank	Baa3	Stable	10	BBB-	Stable	10	BBB-	Stable	10	BBB-	10	158
State Bank of India	Baa2	Stable	9	BBB-	Stable	10	BBB-	Stable	10	BBB-	10	145
HDFC Bank	Baa2	Stable	9	BBB-	Stable	10	NA	NA	NA	BBB-	10	NA

Notes: * Scoring is derived based on 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 19-Oct-18 & in basis points; Source: Bloomberg/Reuters

Composite credit rating vs 5-year CDS spread



Notes: * Scoring is derived based on 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 19-Oct-18 & 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

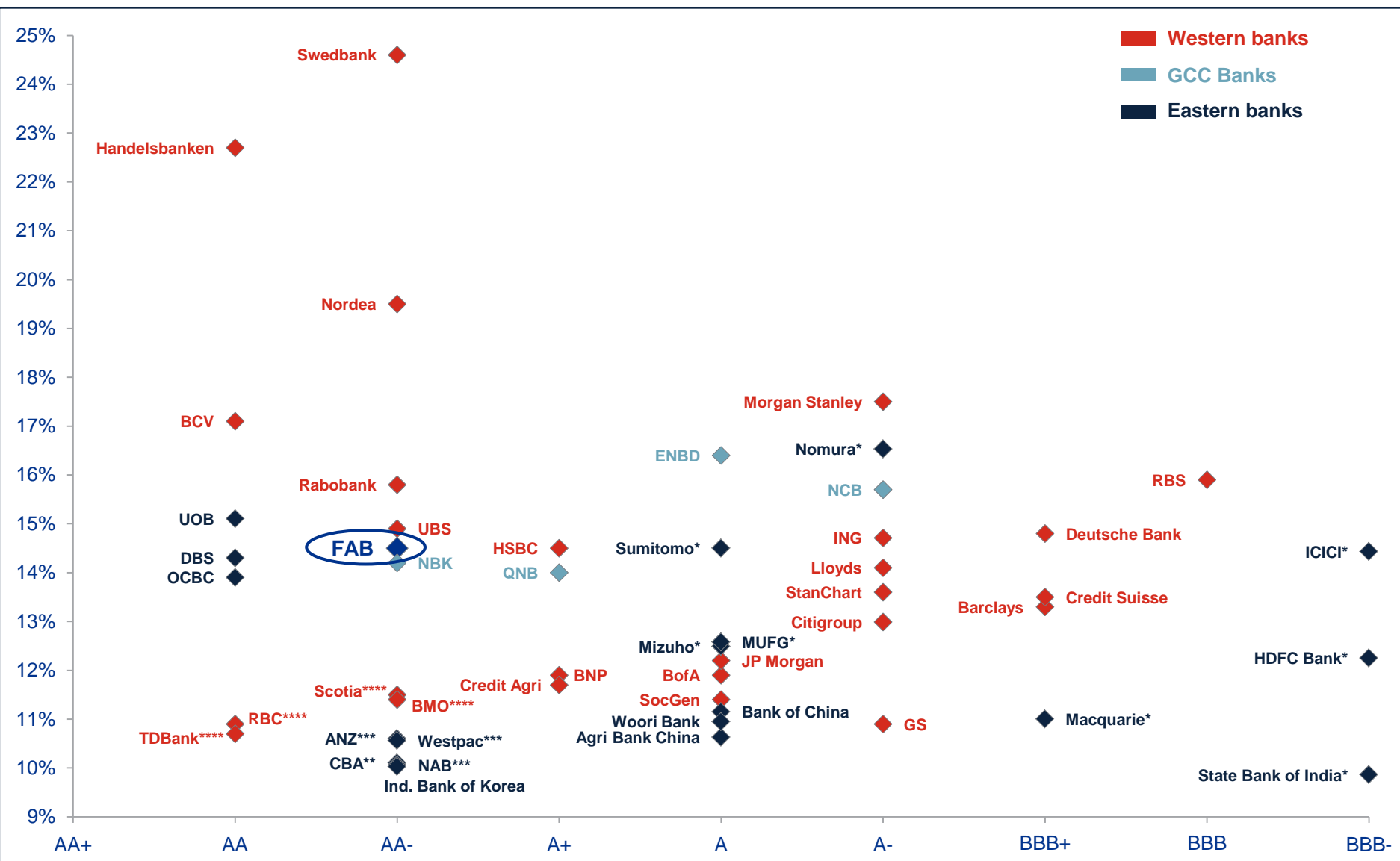
Common equity tier 1 ratio – CET1

Western Banks (FY 2017/18 [^])	
First Abu Dhabi Bank (FAB)	14.5%
U.K. Banks	
Barclays	13.3%
Royal Bank of Scotland (RBS)	15.9%
Lloyds Banking Group (Lloyds)	14.1%
Standard Chartered (StanChart)	13.6%
HSBC	14.5%
European Banks	
Swedbank	24.6%
Svenska Handelsbanken	22.7%
Nordea Bank	19.5%
Rabobank	15.8%
UBS AG	14.9%
Credit Suisse	13.5%
Deutsche Bank	14.8%
ING Groep NV	14.7%
Credit Agricole	11.7%
Banque Cantonale Vaudoise (BCV)	17.1%
Societe Generale	11.4%
BNP Paribas	11.9%
North American Banks	
Morgan Stanley	17.5%
Citigroup Inc	13.0%
JP Morgan Chase	12.2%
Bank of America	11.9%
Bank of Montreal (BMO) ^{****}	11.4%
Goldman Sachs	10.9%
Toronto-Dominion Bank (TDBank) ^{****}	10.7%
Bank of Nova Scotia ^{****}	11.5%
Royal Bank of Canada (RBC) ^{****}	10.9%

Eastern Banks (FY 2017/18 [^])	
First Abu Dhabi Bank (FAB)	14.5%
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) ^{***}	10.6%
National Australia Bank (NAB) ^{***}	10.1%
Commonwealth Bank of Australia (CBA) ^{**}	10.1%
Macquarie Group*	11.0%
Other Asian Banks (ex Japan & Aus)	
United Overseas Bank (UOB)	15.1%
Oversea-Chinese Banking Corp (OCBC)	13.9%
DBS Bank	14.3%
Industrial & Commercial Bank of China (ICBC)	NA
Bank of China	11.2%
Agricultural Bank of China	10.6%
Industrial Bank of Korea	10.0%
Woori Bank	11.0%
ICICI Bank*	14.4%
State Bank of India*	9.9%
HDFC Bank*	12.3%

Notes: FAB's CET1 ratio is as per UAE Central Bank's Basel III framework (without considering the transitional arrangements for 2017); 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; Source: Bloomberg

Common equity tier 1 ratio (CET1) vs Composite rating



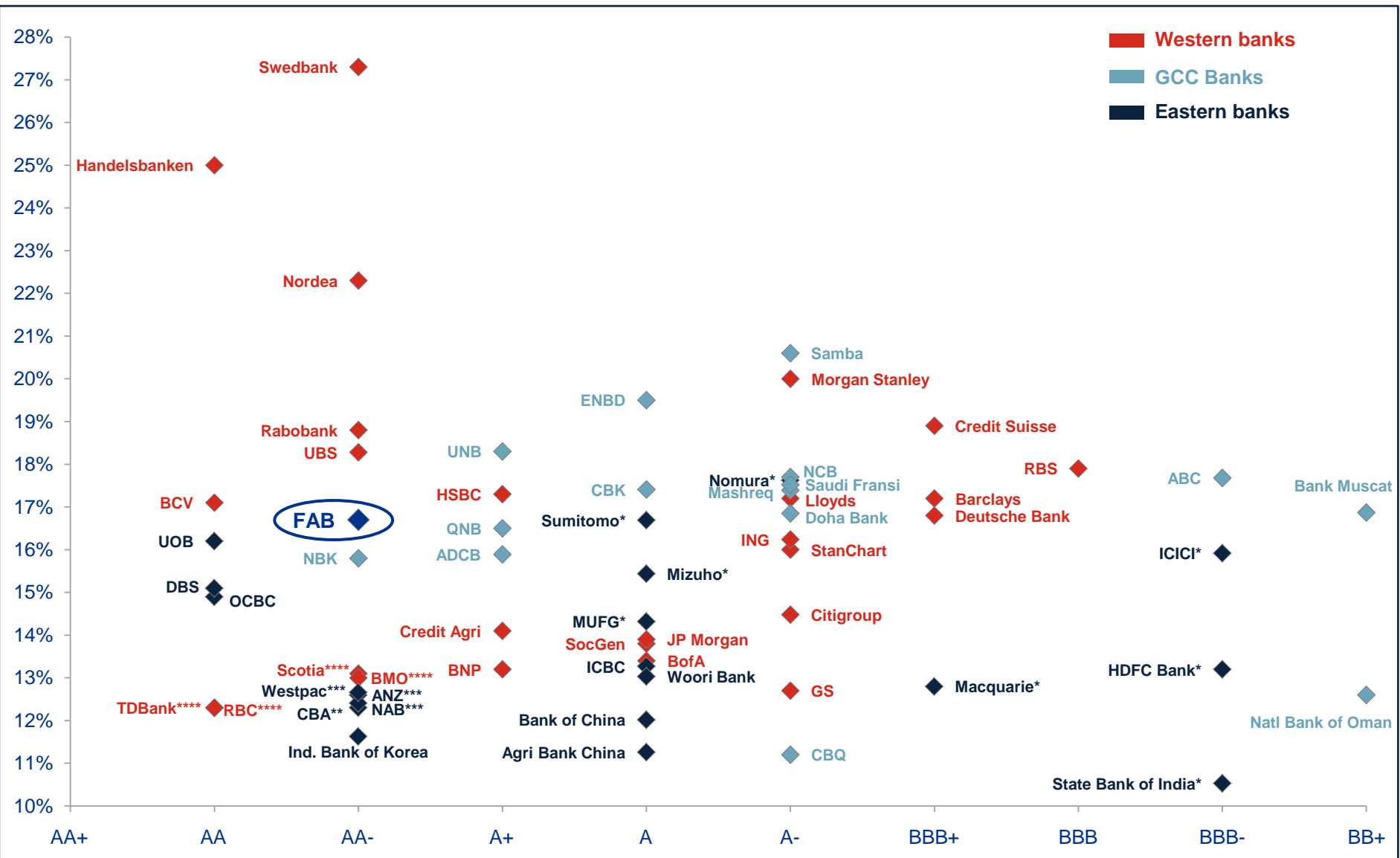
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Tier 1 capital adequacy ratio

Western Banks (FY17/FY18 [^])		GCC Banks (FY17)		Eastern Banks (FY17/FY18 [^])	
First Abu Dhabi Bank (FAB)	16.7%	First Abu Dhabi Bank (FAB)	16.7%	First Abu Dhabi Bank (FAB)	16.7%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	17.2%	Emirates NBD (ENBD)	19.5%	Nomura Holdings*	17.6%
Royal Bank of Scotland (RBS)	17.9%	Union National Bank (UNB)	18.3%	Sumitomo Mitsui Financial Group*	16.7%
Lloyds Banking Group (Lloyds)	17.2%	Abu Dhabi Commercial Bank (ADCB)	15.9%	Mizuho Financial Group Inc*	15.4%
Standard Chartered (StanChart)	16.0%	Mashreqbank	17.4%	Mitsubishi UFJ Financial Group Inc (MUFG)*	14.3%
HSBC	17.3%	Qatar Banks		Australian Banks	
European Banks		Doha Bank	16.9%	Westpac Banking Corp***	12.7%
Swedbank	27.3%	Qatar National Bank (QNB)	16.5%	Australia & New Zealand Bank (ANZ)***	12.6%
Svenska Handelsbanken	25.0%	Commercial Bank of Qatar (CBQ)	11.2%	National Australia Bank (NAB)***	12.4%
Nordea Bank	22.3%	Saudi Banks		Commonwealth Bank of Australia (CBA)**	12.3%
Rabobank	18.8%	Samba Financial Group	20.6%	Macquarie Group*	12.8%
UBS AG	18.3%	National Commercial Bank (NCB)	17.7%	Other Asian Banks (ex Japan & Aus)	
Credit Suisse	18.9%	Banque Saudi Fransi	17.5%	United Overseas Bank (UOB)	16.2%
Deutsche Bank	16.8%	Bahrain Banks		Oversea-Chinese Banking Corp (OCBC)	14.9%
ING Groep NV	16.2%	National Bank of Bahrain (NBB)	36.3%	DBS Bank	15.1%
Credit Agricole	14.1%	Arab Banking Corporation (ABC)	17.7%	Industrial & Commercial Bank of China (ICBC)	13.3%
Banque Cantonale Vaudoise	17.1%	Kuwait Banks		Bank of China	12.0%
Societe Generale	13.8%	Commercial Bank of Kuwait (CBK)	17.4%	Agricultural Bank of China	11.3%
BNP Paribas	13.2%	National Bank of Kuwait (NBK)	15.8%	Industrial Bank of Korea	11.6%
North American Banks		Oman Banks		Woori Bank	13.0%
Morgan Stanley	20.0%	Bank Muscat SAOG	16.9%	ICICI Bank*	15.9%
Citigroup Inc	14.5%	National Bank of Oman	12.6%	State Bank of India*	10.5%
JP Morgan Chase	13.9%			HDFC Bank*	13.2%
Bank of America	13.4%				
Bank of Montreal (BMO)****	13.0%				
Goldman Sachs	12.7%				
Toronto-Dominion Bank (TDBank)****	12.3%				
Bank of Nova Scotia****	13.1%				
Royal Bank of Canada (RBC)****	12.3%				

Notes: FAB's Tier 1 Capital Adequacy Ratio is 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

Tier 1 capital adequacy ratio vs Composite rating



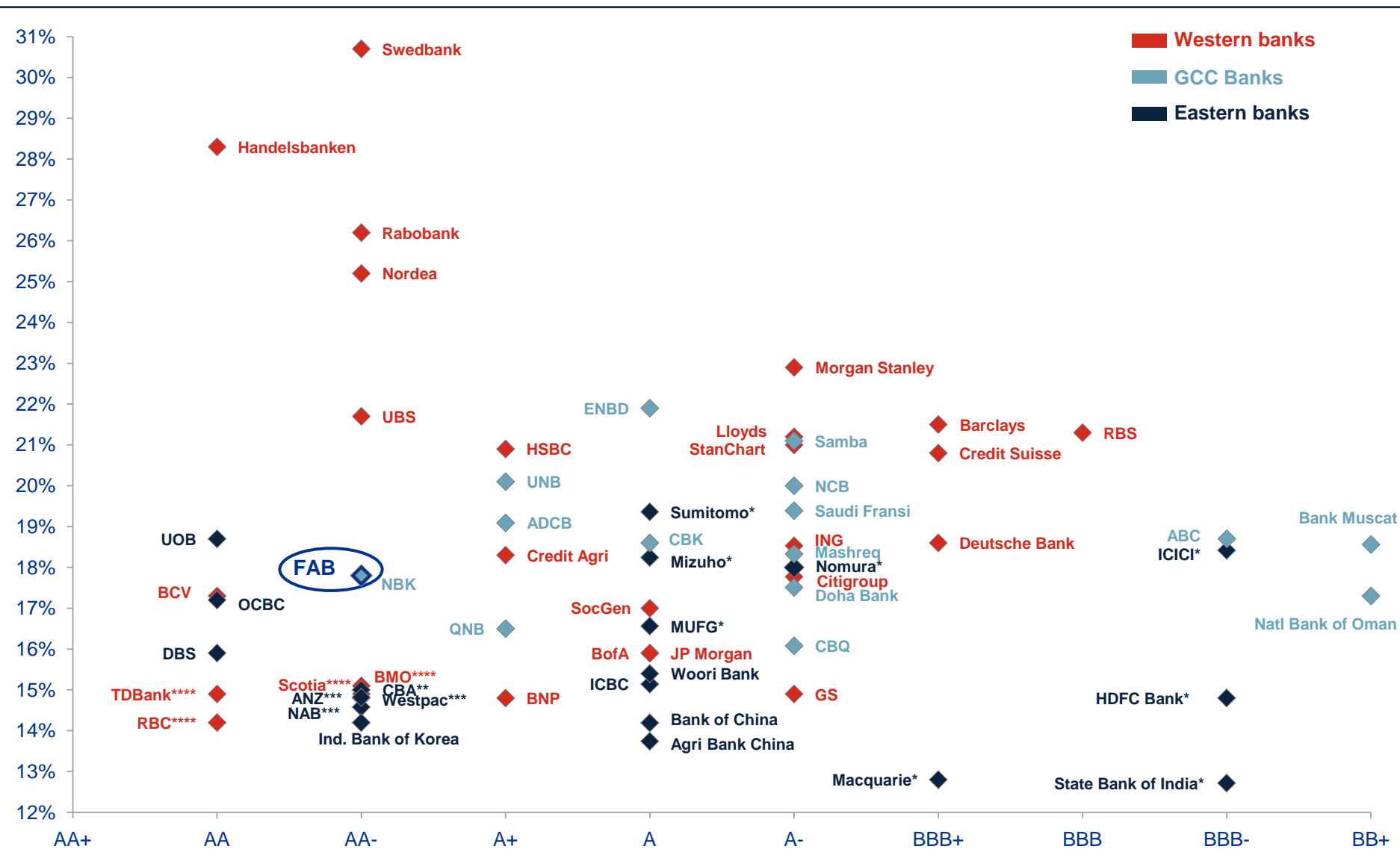
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Total capital adequacy ratio

Western Banks (FY17/FY18 [^])		GCC Banks (FY17)		Eastern Banks (FY17/FY18 [^])	
First Abu Dhabi Bank (FAB)	17.8%	First Abu Dhabi Bank (FAB)	17.8%	First Abu Dhabi Bank (FAB)	17.8%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	21.5%	Emirates NBD (ENBD)	21.9%	Nomura Holdings*	18.0%
Royal Bank of Scotland (RBS)	21.3%	Union National Bank (UNB)	20.1%	Sumitomo Mitsui Financial Group*	19.4%
Lloyds Banking Group (Lloyds)	21.2%	Abu Dhabi Commercial Bank (ADCB)	19.1%	Mizuho Financial Group Inc*	18.2%
Standard Chartered (StanChart)	21.0%	Mashreqbank	18.3%	Mitsubishi UFJ Financial Group Inc (MUFG)*	16.6%
HSBC	20.9%	Qatar Banks		Australian Banks	
European Banks		Doha Bank	17.5%	Westpac Banking Corp***	14.8%
Swedbank	30.7%	Qatar National Bank (QNB)	16.5%	Australia & New Zealand Bank (ANZ)***	14.8%
Svenska Handelsbanken	28.3%	Commercial Bank of Qatar (CBQ)	16.1%	National Australia Bank (NAB)***	14.6%
Rabobank	26.2%	Saudi Banks		Commonwealth Bank of Australia (CBA)**	15.0%
Skandinaviska Enskilda Banken (SEB)	24.2%	Samba Financial Group	21.1%	Macquarie Group*	12.8%
UBS AG	21.7%	National Commercial Bank (NCB)	20.0%	Other Asian Banks (ex Japan & Aus)	
Credit Suisse	20.8%	Banque Saudi Fransi	19.4%	United Overseas Bank (UOB)	18.7%
Deutsche Bank	18.6%	Bahrain Banks		Oversea-Chinese Banking Corp (OCBC)	17.2%
ING Groep NV	18.5%	National Bank of Bahrain (NBB)	36.2%	DBS Bank	15.9%
Credit Agricole	18.3%	Arab Banking Corporation (ABC)	18.7%	Industrial & Commercial Bank of China (ICBC)	15.1%
Banque Cantonale Vaudoise	17.3%	Kuwait Banks		Bank of China	14.2%
Societe Generale	17.0%	Commercial Bank of Kuwait (CBK)	18.6%	Agricultural Bank of China	13.7%
BNP Paribas	14.8%	National Bank of Kuwait (NBK)	17.8%	Industrial Bank of Korea	14.2%
North American Banks		Oman Banks		Woori Bank	15.4%
Morgan Stanley	22.9%	Bank Muscat SAOG	18.6%	ICICI Bank*	18.4%
Citigroup Inc	17.8%	National Bank of Oman	17.3%	State Bank of India*	12.7%
JP Morgan Chase	15.9%			HDFC Bank*	14.8%
Bank of America	15.9%				
Bank of Montreal (BMO)****	15.1%				
Goldman Sachs	14.9%				
Toronto-Dominion Bank (TDBank)****	14.9%				
Bank of Nova Scotia****	14.9%				
Royal Bank of Canada (RBC)****	14.2%				

Notes FAB's Capital Adequacy Ratio is 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



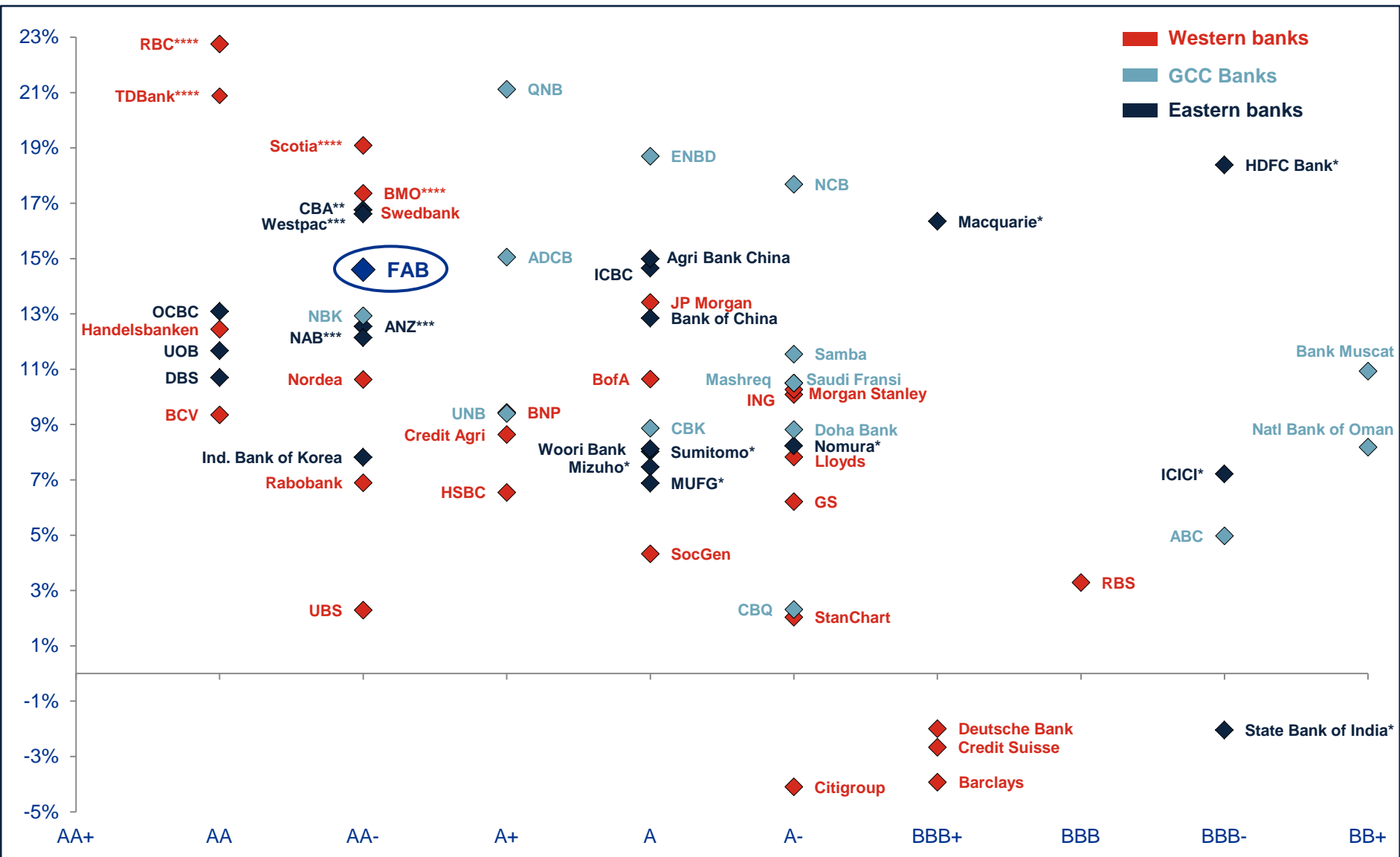
Notes FAB's Capital Adequacy Ratio is as per UAE Central Bank's Basel III framework; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: * for 31-Mar; ** for 30-Jun; *** for 30-Sep & **** for 31-Oct; We have taken the latest available annual ratios for comparison; Source: Bloomberg

Return on tangible equity (RoTE)

Western Banks (FY17/FY18 [^])		GCC Banks (FY17)		Eastern Banks (FY17/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	-3.9%	Emirates NBD (ENBD)	18.7%	Nomura Holdings*	8.2%
Royal Bank of Scotland (RBS)	3.3%	Union National Bank (UNB)	9.4%	Sumitomo Mitsui Financial Group*	8.0%
Lloyds Banking Group (Lloyds)	7.8%	Abu Dhabi Commercial Bank (ADCB)	15.1%	Mizuho Financial Group Inc*	7.5%
Standard Chartered (StanChart)	2.0%	Mashreqbank	10.5%	Mitsubishi UFJ Financial Group Inc (MUFG)*	6.9%
HSBC	6.5%	Qatar Banks		Australian Banks	
European Banks		Doha Bank	8.8%	Westpac Banking Corp***	16.6%
Swedbank	16.7%	Qatar National Bank (QNB)	21.1%	Australia & New Zealand Bank (ANZ)***	12.5%
Svenska Handelsbanken	12.4%	Commercial Bank of Qatar (CBQ)	2.3%	National Australia Bank (NAB)***	12.1%
Nordea Bank	10.6%	Saudi Banks		Commonwealth Bank of Australia (CBA)**	16.8%
Rabobank	6.9%	Samba Financial Group	11.5%	Macquarie Group*	16.3%
UBS AG	2.3%	National Commercial Bank (NCB)	17.7%	Other Asian Banks (ex Japan & Aus)	
Credit Suisse	-2.7%	Banque Saudi Fransi	10.5%	United Overseas Bank (UOB)	11.7%
Deutsche Bank	-2.0%	Bahrain Banks		Oversea-Chinese Banking Corp (OCBC)	13.1%
ING Groep NV	10.1%	National Bank of Bahrain (NBB)	14.1%	DBS Bank	10.7%
Credit Agricole	8.6%	Arab Banking Corporation (ABC)	5.0%	Industrial & Commercial Bank of China (ICBC)	14.6%
Banque Cantonale Vaudoise	9.4%	Kuwait Banks		Bank of China	12.8%
Societe Generale	4.3%	Commercial Bank of Kuwait (CBK)	8.9%	Agricultural Bank of China	15.0%
BNP Paribas	9.4%	National Bank of Kuwait (NBK)	12.9%	Industrial Bank of Korea	7.8%
North American Banks		Oman Banks		Woori Bank	8.1%
Morgan Stanley	10.3%	Bank Muscat SAOG	10.9%	ICICI Bank*	7.2%
Citigroup Inc	-4.1%	National Bank of Oman	8.2%	State Bank of India*	-2.0%
JP Morgan Chase	13.4%			HDFC Bank*	18.4%
Bank of America	10.6%				
Bank of Montreal (BMO)****	17.4%				
Goldman Sachs	6.2%				
Toronto-Dominion Bank (TDBank)****	20.9%				
Bank of Nova Scotia****	19.1%				
Royal Bank of Canada (RBC)****	22.8%				

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; Source: Bloomberg

Return on tangible equity (RoTE) vs Composite rating



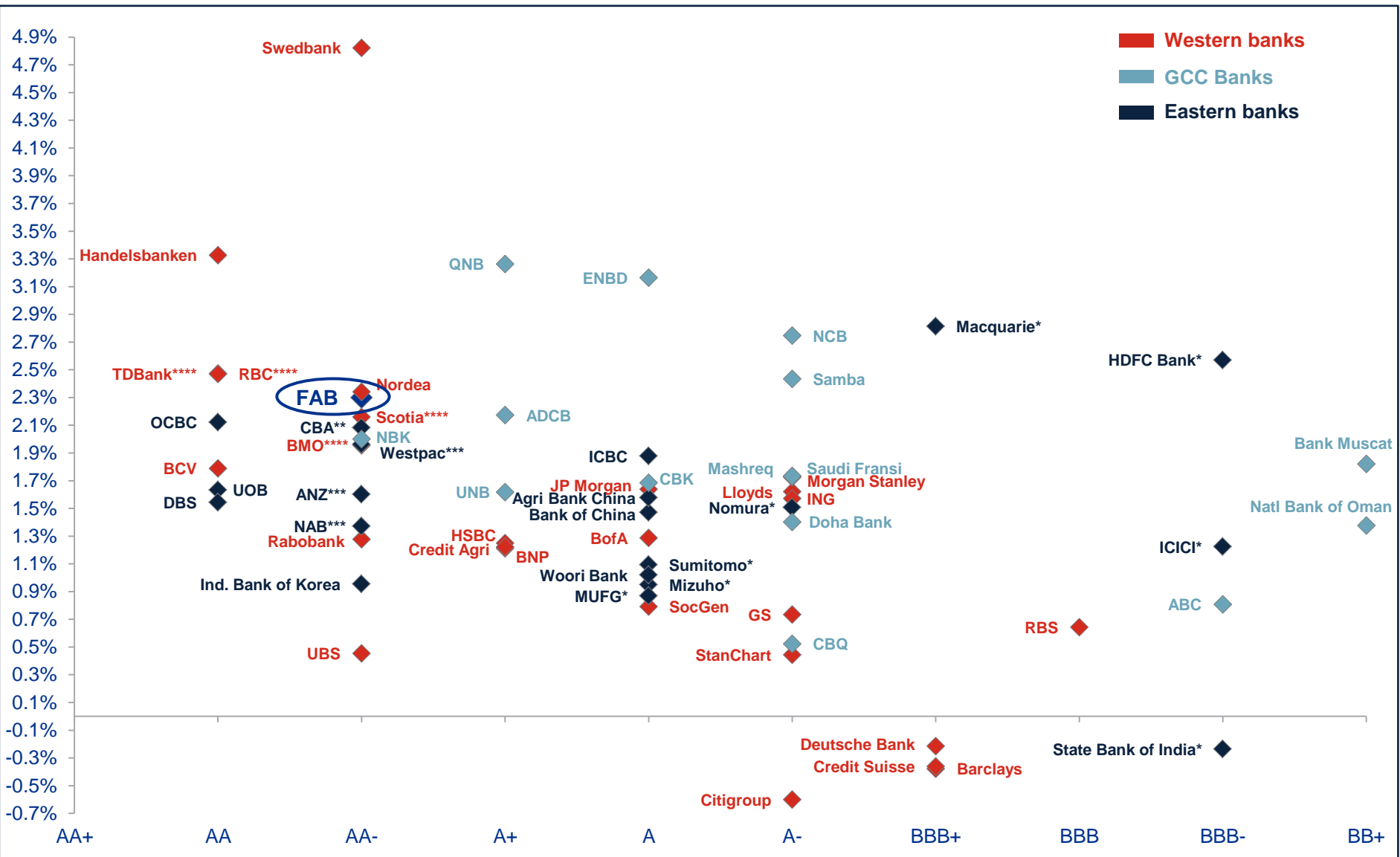
Notes: * FAB's RoTE ratio is as per UAE Central Bank's Basel III framework; Based on the available financials on Bloomberg, RoTE for peer banks are estimated as: {net attributable profit less Tier-1 interest or Coupon payable on capital securities} / [average tangible equity]; ^Banks in the above peer 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; Source: Bloomberg

Return on Risk Weighted Assets (RoRWA)

Western Banks (FY17/FY18 [^])		GCC Banks (FY17)		Eastern Banks (FY17/FY18 [^])	
First Abu Dhabi Bank (FAB)	2.3%	First Abu Dhabi Bank (FAB)	2.3%	First Abu Dhabi Bank (FAB)	2.3%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	-0.4%	Emirates NBD (ENBD)	3.2%	Nomura Holdings*	1.5%
Royal Bank of Scotland (RBS)	0.6%	Union National Bank (UNB)	1.6%	Sumitomo Mitsui Financial Group*	1.1%
Lloyds Banking Group (Lloyds)	1.6%	Abu Dhabi Commercial Bank (ADCB)	2.2%	Mizuho Financial Group Inc*	1.0%
Standard Chartered (StanChart)	0.4%	Mashreqbank	1.7%	Mitsubishi UFJ Financial Group Inc (MUFG)*	0.9%
HSBC	1.2%	Qatar Banks		Australian Banks	
European Banks		Doha Bank	1.4%	Westpac Banking Corp***	2.0%
Swedbank	4.8%	Qatar National Bank (QNB)	3.3%	Australia & New Zealand Bank (ANZ)***	1.6%
Svenska Handelsbanken	3.3%	Commercial Bank of Qatar (CBQ)	0.5%	National Australia Bank (NAB)***	1.4%
Nordea Bank	2.3%	Saudi Banks		Commonwealth Bank of Australia (CBA)**	2.1%
Rabobank	1.3%	Samba Financial Group	2.4%	Macquarie Group*	2.8%
UBS AG	0.5%	National Commercial Bank (NCB)	2.7%	Other Asian Banks (ex Japan & Aus)	
Credit Suisse	-0.4%	Banque Saudi Fransi	1.7%	United Overseas Bank (UOB)	1.6%
Deutsche Bank	-0.2%	Bahrain Banks		Oversea-Chinese Banking Corp (OCBC)	2.1%
ING Groep NV	1.6%	National Bank of Bahrain (NBB)	5.1%	DBS Bank	1.5%
Credit Agricole	1.2%	Arab Banking Corporation (ABC)	0.8%	Industrial & Commercial Bank of China (ICBC)	1.9%
Banque Cantonale Vaudoise	1.8%	Kuwait Banks		Bank of China	1.5%
Societe Generale	0.8%	Commercial Bank of Kuwait (CBK)	1.7%	Agricultural Bank of China	1.6%
BNP Paribas	1.2%	National Bank of Kuwait (NBK)	2.0%	Industrial Bank of Korea	1.0%
North American Banks		Oman Banks		Woori Bank	1.0%
Morgan Stanley	1.7%	Bank Muscat SAOG	1.8%	ICICI Bank*	1.2%
Citigroup Inc	-0.6%	National Bank of Oman	1.4%	State Bank of India*	-0.2%
JP Morgan Chase	1.6%			HDFC Bank*	2.6%
Bank of America	1.3%				
Bank of Montreal (BMO)****	2.0%				
Goldman Sachs	0.7%				
Toronto-Dominion Bank (TDBank)****	2.5%				
Bank of Nova Scotia****	2.2%				
Royal Bank of Canada (RBC)****	2.5%				

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; 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; Source: Bloomberg

Return on assets

Western Banks (FY17/FY18 [^])		GCC Banks (FY17)		Eastern Banks (FY17/FY18 [^])	
First Abu Dhabi Bank (FAB)	1.7%	First Abu Dhabi Bank (FAB)	1.7%	First Abu Dhabi Bank (FAB)	1.7%
U.K. Banks		UAE Banks		Japanese Banks	
Barclays	-0.1%	Emirates NBD (ENBD)	1.8%	Nomura Holdings*	0.5%
Royal Bank of Scotland (RBS)	0.2%	Union National Bank (UNB)	1.6%	Sumitomo Mitsui Financial Group*	0.4%
Lloyds Banking Group (Lloyds)	0.4%	Abu Dhabi Commercial Bank (ADCB)	1.6%	Mizuho Financial Group Inc*	0.3%
Standard Chartered (StanChart)	0.2%	Mashreqbank	1.7%	Mitsubishi UFJ Financial Group Inc (MUFG)*	0.3%
HSBC	0.4%				
European Banks		Qatar Banks		Australian Banks	
Swedbank	0.9%	Doha Bank	1.2%	Westpac Banking Corp***	0.9%
Svenska Handelsbanken	0.6%	Qatar National Bank (QNB)	1.7%	Australia & New Zealand Bank (ANZ)***	0.7%
Nordea Bank	0.5%	Commercial Bank of Qatar (CBQ)	0.4%	National Australia Bank (NAB)***	0.7%
Rabobank	0.4%			Commonwealth Bank of Australia (CBA)**	1.0%
UBS AG	0.1%	Saudi Banks		Macquarie Group*	1.4%
Credit Suisse	-0.1%	Samba Financial Group	2.2%	Other Asian Banks (ex Japan & Aus)	
Deutsche Bank	0.0%	National Commercial Bank (NCB)	2.2%	United Overseas Bank (UOB)	1.0%
ING Groep NV	0.6%	Banque Saudi Fransi	1.8%	Oversea-Chinese Banking Corp (OCBC)	1.0%
Credit Agricole	0.2%	Bahrain Banks		DBS Bank	0.9%
Banque Cantonale Vaudoise	0.7%	National Bank of Bahrain (NBB)	2.0%	Industrial & Commercial Bank of China (ICBC)	1.1%
Societe Generale	0.2%	Arab Banking Corporation (ABC)	0.6%	Bank of China	0.9%
BNP Paribas	0.4%	Kuwait Banks		Agricultural Bank of China	1.0%
North American Banks		Commercial Bank of Kuwait (CBK)	1.3%	Industrial Bank of Korea	0.6%
Morgan Stanley	0.7%	National Bank of Kuwait (NBK)	1.3%	Woori Bank	0.5%
Citigroup Inc	-0.4%	Oman Banks		ICICI Bank*	0.7%
JP Morgan Chase	1.0%	Bank Muscat SAOG	1.6%	State Bank of India*	-0.1%
Bank of America	0.8%	National Bank of Oman	1.3%	HDFC Bank*	1.9%
Bank of Montreal (BMO)****	0.8%				
Goldman Sachs	0.5%				
Toronto-Dominion Bank (TDBank)****	0.8%				
Bank of Nova Scotia****	0.9%				
Royal Bank of Canada (RBC)****	1.0%				

Notes: * FAB's RoA ratio is as per UAE Central Bank's Basel III framework; Return on assets is calculated as: [Net income available to shareholders for latest financial year / (Total assets for latest financial year + Total 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 assets vs Composite rating

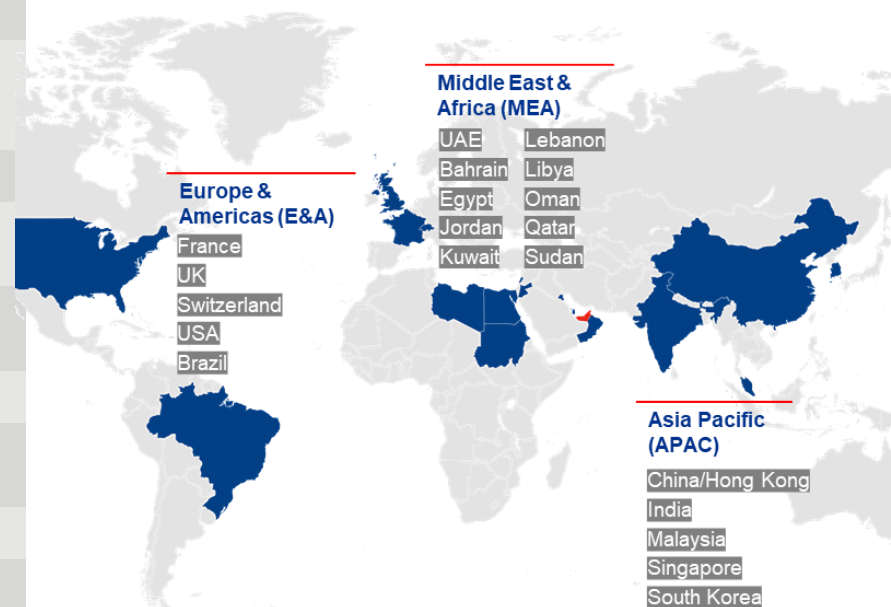


Notes: * FAB's RoA ratio is as per UAE Central Bank's Basel III framework; Return on assets is calculated as: $[\text{Net income available to shareholders for latest financial year} / (\text{Total assets for latest financial year} + \text{Total assets for previous financial year}) / 2] * 100$; ^Banks 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

FAB has a strong international footprint

	Country	International footprint outside local operation
First Abu Dhabi Bank	UAE	19 countries
Union National Bank	UAE	4 countries (Qatar, Kuwait, Egypt & China)
Abu Dhabi Commercial Bank	UAE	4 countries (India, Jersey, UK & Singapore)
Emirates NBD	UAE	9 countries (Saudi Arabia, Qatar, UK, Singapore, China, Jersey, India, Iran & Egypt)
Mashreqbank	UAE	11 countries (Bahrain, Egypt, Kuwait, Qatar, Hong Kong, India, UK, US, Bangladesh, Nepal & Pakistan)
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, Beirut, Singapore, South Korea & China)
Qatar National Bank	Qatar	25 countries (Kuwait, Oman, UAE, Iran, Iraq, Jordan, Lebanon, Syria, Yemen, Egypt, Libya, Mauritania, South Sudan, Sudan, Togo, Tunisia, China, Indonesia, India, Singapore, Vietnam, France, Switzerland, UK & Turkey)
Commercial Bank of Qatar	Qatar	3 countries (Oma, UAE & Turkey)
Doha Bank	Qatar	15 countries (Kuwait, UAE, India, Japan, China, Singapore, South Korea, Australia, Turkey, UK, Germany, Hong Kong, Canada, South Africa & Bangladesh)
National Bank of Kuwait	Kuwait	14 countries (Bahrain, Egypt, Iraq, Jordan, Lebanon, Saudi Arabia, UAE, France, Switzerland, Turkey, UK, USA, China & Singapore)
Commercial Bank of Kuwait	Kuwait	Local presence only
Arab banking Corporation	Bahrain	17 countries (Manama, Algeria, Brazil, Egypt, France, Germany, Iran, Italy, Jordan, Libya, Russia, Singapore, Sweden, Tunisia, Turkey, UK & US)
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) – in addition to the U.A.E. Central Bank.



Note: International branches include representative offices; Source: Bank websites; Zawya

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; #2 in GCC & #8 in EMEA

Rank	GCC banks	Market cap* (US\$ bn)
#1	Qatar National Bank	46.3
#2	First Abu Dhabi Bank	43.8
#3	Al Rajhi Bank	37.2
#4	National Commercial Bank	34.5
#5	Samba Financial Group	16.5

Rank	EMEA banks	Market cap* (US\$ bn)
#1	HSBC Holdings PLC	161.6
#2	Banco Santander SA	76.7
#3	BNP Paribas	70.1
#4	UBS	53.6
#5	Lloyds Banking Group	52.2
#6	ING Groep NV	47.32
#7	Qatar National Bank	46.3
#8	First Abu Dhabi Bank	43.8
#9	Intesa Sanpaolo SpA	40.0
#10	Banco Bilbao Vizcaya Argentaria SA	39.9
#11	Credit Agricole SA	39.3
#12	Al Rajhi Bank	37.2
#13	Royal Bank of Scotland	37.1
#14	Barclays PLC	36.6
#15	National Commercial Bank	34.5

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	362.7
#2	Bank of America Corp	279.2
#3	ICBC	271.1
#4	Wells Fargo & Co	249.2
#5	China Construction Bank Corp	199.8
#6	Agricultural Bank of China Ltd	188.4
#7	Citigroup Inc	168.2
#8	HSBC Holdings PLC	161.6
#9	Bank of China Ltd	144.8
#10	Royal Bank of Canada	108.8
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#20	HDFC Bank Ltd	72.8
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#30	ANZ Banking Group	53.3
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#39	Qatar National Bank	46.3
#41	DBS Group	45.0
#44	First Abu Dhabi Bank	43.8
#45	Mizuho Financial Group Inc	43.7
#47	Banco Santander Brasil SA	41.9
#48	Intesa Sanpaolo SpA	40.0
#49	Banco Bilbao Vizcaya Argentaria SA	39.9
#50	Credit Agricole SA	39.3

Note: * Market cap data is based on latest closing price data as at 22-October-2018
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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