

THE WORLD'S SAFEST BANKS MID-2009

Global Finance selects the world's safest banks, the 50 institutions with the highest ratings from the leading credit ratings agencies.



Such has been the turmoil in the world's banking industry that *Global Finance* is publishing a mid-year update of its Safest Banks listing. That this is a period of unprecedented upheaval is amply illustrated by the fact that this list includes 13 newcomers—which means more than one-fifth of last year's safest banks have seen their prospects decline enough since mid-2008 to send them tumbling off the list. Among those new to the safest banks list is Finland's Pohjola Bank, which vaulted into 28th place, with an aggregate credit rating score that matches Britain's HSBC, one of the largest banks in the world. Also new to the list—and neck-and-neck in 37th place—are Singapore's OCBC and United Overseas Bank, each achieving identical credit ratings to German banking giant Deutsche Bank and Canada's Bank of Montreal.

Perhaps unsurprisingly, the top-10 has seen some significant changes, too. Newly arrived in the top echelon of the world's safest banks, for example, are Royal Bank of Canada and Spain's Banco Santander. Both are recognized for having taken a more cautious approach to risk than some of their competitors, and amid the turmoil of the past two years, that approach has clearly paid off.

There are also some banks that have seen their ranking among the world's safest barely change over the past year, showing they, too, are reaping the benefits of effective risk management. JPMorgan Chase actually managed to clamber up one place and Deutsche Bank held its position at number 29, both banks starkly outperforming rivals such as Bank of America, Citi, Barclays and Royal Bank of Scotland, which all lost their places among the world's safest banks.

Because bank safety is such a key concern at present, we are awarding, for the first time, an honorable mention to two banks that did not make it into the top 50—National Bank of Abu Dhabi and Northern Trust. These banks' aggregate credit ratings were the same as those banks toward the bottom of the safest 50, but their total assets were lower, so they did not make it into the top 50.

As always, we have constructed our ranking based on size and credit quality. We began with a pool of the world's 500 largest banks by asset size, to which we applied the most recent available ratings from Fitch Ratings, Moody's Investors Service and Standard & Poor's, with appropriate weightings. Where banks were rated equally by all three ratings agencies, the largest of the banks was awarded the highest ranking.

HOW WE MEASURE THE SAFETY OF BANKS

The safest banks table compares the ratings for the world's 50 safest banks, based on long-term foreign currency ratings from Fitch Ratings and Standard & Poor's and long-term bank deposit ratings from Moody's Investors Service. Where possible, holding companies have been rated rather than subsidiary banks, and government import-export finance institutions have been omitted. Within each rank set, banks are rated according to asset size. A rating is not a recommendation to purchase, sell or hold a security, and it does not comment on market price or suitability for a particular investor. Because Moody's uses different ratings from the other agencies, equivalents are shown in the table on the right.

FITCH RATINGS/ STANDARD & POOR'S	MOODY'S
AAA	Aaa
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3

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RANK	BANK	COUNTRY	STANDARD & POOR'S	MOODY'S	FITCH	TOTAL ASSETS (\$ BILLION)	ASSET DATE
1	KfW	Germany	AAA	Aaa	AAA	521	12/31/07
2	Caisse des Dépôts et Consignations (CDC)	France	AAA	Aaa	AAA	289	12/31/07
3	Bank Nederlandse Gemeenten (BNG)	Netherlands	AAA	Aaa	AAA	136	12/31/07
4	Landwirtschaftliche Rentenbank	Germany	AAA	Aaa	AAA	131	12/31/07
5	Rabobank	Netherlands	AAA	Aaa	AA+	840	12/31/07
6	Landeskreditbank Baden-Württemberg - Förderbank	Germany	AA+	Aaa	AAA	87	12/31/07
7	NRW.Bank	Germany	AA-	Aa1	AAA	219	12/31/07
8	BNP Paribas	France	AA	Aa1	AA	2,494	12/31/07
9	Banco Santander	Spain	AA	Aa1	AA	1,344	12/31/07
10	Royal Bank of Canada	Canada	AA-	Aaa	AA	586	10/31/08
11	National Australia Bank	Australia	AA	Aa1	AA	525	9/30/08
12	Commonwealth Bank of Australia	Australia	AA	Aa1	AA	469	6.30.08
13	Banco Bilbao Vizcaya Argentaria (BBVA)	Spain	AA	Aa1	AA-	756	10/31/08
14	Toronto-Dominion Bank	Canada	AA-	Aaa	AA-	454	10/31/08
15	Australia & New Zealand Banking Group	Australia	AA	Aa1	AA-	377	9/30/08
16	Westpac Banking Corporation	Australia	AA	Aa1	AA-	351	9/30/08
17	Banco Español de Crédito S.A. (Banesto)	Spain	AA	Aa2	AA	163	12/31/08
18	ASB Bank	New Zealand	AA	Aa2	AA	45	6/30/08
19	HSBC Holdings	United Kingdom	AA-	Aa2	AA	2,354	12/31/07
20	Crédit Agricole	France	AA-	Aa1	AA-	2,974	12/31/07
21	Wells Fargo	United States	AA	Aa3	AA	575	12/31/07
22	Nordea Bank	Sweden	AA-	Aa1	AA-	573	12/31/07
23	Scotiabank	Canada	AA-	Aa1	AA-	407	10/31/08
24	La Caixa	Spain	AA-	Aa1	AA-	366	12/31/07
25	Svenska Handelsbanken	Sweden	AA-	Aa1	AA-	290	12/31/07
26	US Bancorp	United States	AA	Aa2	AA-	238	12/31/07
27	DBS Bank	Singapore	AA-	Aa1	AA-	132	12/31/07
28	Pohjola Bank	Finland	AA-	Aa1	AA-	38	12/31/07
29	Deutsche Bank	Germany	A+	Aa1	AA-	2,974	12/31/07
30	Société Générale	France	AA-	Aa2	AA-	1,578	12/31/07
31	Intesa Sanpaolo	Italy	AA-	Aa2	AA-	843	12/31/07
32	Bank of Montreal	Canada	A+	Aa1	AA-	334	10/31/08
33	DnB NOR Bank	Norway	AA-	Aa1	A+	231	12/31/07
34	The Bank of New York Mellon	United States	AA-	Aa2	AA-	198	12/31/07
35	Banco Popular Español	Spain	A+	Aa2	AA	158	12/31/07
36	Caixa Geral de Depósitos	Portugal	A+	Aa1	AA-	152	12/31/07
37=	United Overseas Bank	Singapore	A+	Aa1	AA-	121	12/31/07
37=	OCBC (Oversea-Chinese Banking Corp.)	Singapore	A+	Aa1	AA-	121	12/31/07
39	AXA Bank Europe	Belgium	AA-	Aa3	AA	28	12/31/07
40	Landesbank Baden-Württemberg	Germany	A+	Aa1	A+	653	12/31/07
41	Nationwide Building Society	United Kingdom	A+	Aa2	AA-	356	4/04/08
42	CIBC	Canada	A+	Aa2	AA-	284	10/31/08
43	National Bank Of Kuwait	Kuwait	A+	Aa2	AA-	43	12/31/08
44	UBS	Switzerland	A+	Aa2	A+	2,019	12/31/07
45	JPMorgan Chase	United States	A+	Aa3	AA-	1,562	12/31/07
46	Bank of Tokyo-Mitsubishi UFJ	Japan	A+	Aa2	A+	1,327	3/31/08
47	Credit Suisse Group	Switzerland	A	Aa2	AA-	1,209	12/31/07
48	Banque Fédérative du Crédit Mutuel (BFCM)	France	A+	Aa3	AA-	583	12/31/07
49	Crédit Industriel et Commercial (CIC)	France	A+	Aa3	AA-	369	12/31/07
50	BB&T Corporation	United States	A+	Aa3	AA-	133	12/31/07

Ratings correct as of 03/13/09

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