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Banks – Gulf Cooperation Council (GCC)

2022 Outlook

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Outlook for GCC banks is stable as the region's economies recover

Economic recovery and higher oil prices are building investor confidence. GCC banks' strong capital and liquidity shield against rising nonperforming loans as loan repayment holidays and other pandemic support schemes expire

Negative

What could change outlook to negative:

- Unexpected fiscal measures by GCC governments that hurt growth in the non-oil sector or weaken consumer spending
- Lower oil prices lead to lower government spending in the non-oil economy or deterioration in sovereign credit profiles, impacting banks benefitting from government support uplift in their ratings
- Geopolitical tension in the region that damage investor confidence
- Risk of new covid variants leading to reintroduction of lockdown measures

Stable

Drivers of our stable outlook:

- Higher oil prices and relaxation of travel and lockdown measures are supporting recovery in the non-oil economy where banks do most of their business. Business confidence is picking up as the delivery of key projects like the delayed Expo' 2020 (Dubai) and FIFA World Cup (Qatar) get under way
- Banks' standalone credit profiles remain strong, aided by high capital buffers, solid profitability and improving economic conditions
- GCC banks are mostly funded by deposits, a strength, and their liquid assets are high
- Nonperforming loans will rise slightly as loan payment holidays expire but asset quality will remain sound overall

Positive

What could change outlook to positive:

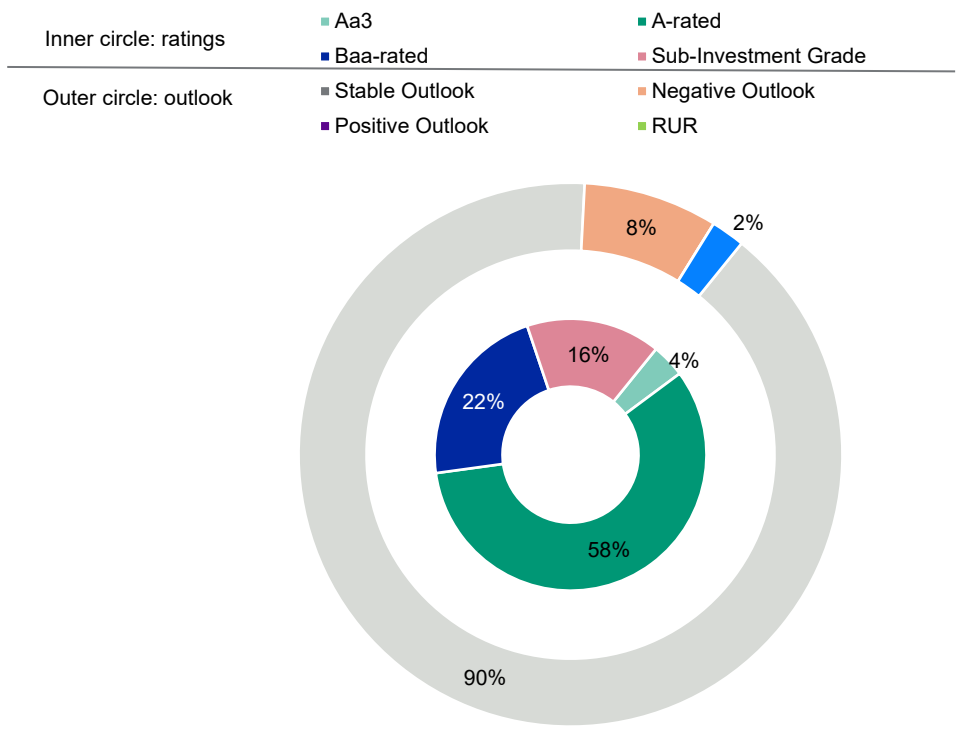
- A significant increase in government spending that leads to a much faster recovery in non-oil GDP
- Fundamental improvement in the diversity of banks' loan books and sources of funding
- Positive merger and acquisition activity that eases competition in the GCC's crowded banking systems

*The stable sector outlook reflects **our view of credit fundamentals** in the Gulf Cooperation Council banking sector **over the next 12 to 18 months.** Sector outlooks are distinct from rating outlooks, which, in addition to sector dynamics, also reflect issuers' specific characteristics and actions. A sector outlook does not represent a sum of upgrades, downgrades or ratings under review, or an average of rating outlooks.*

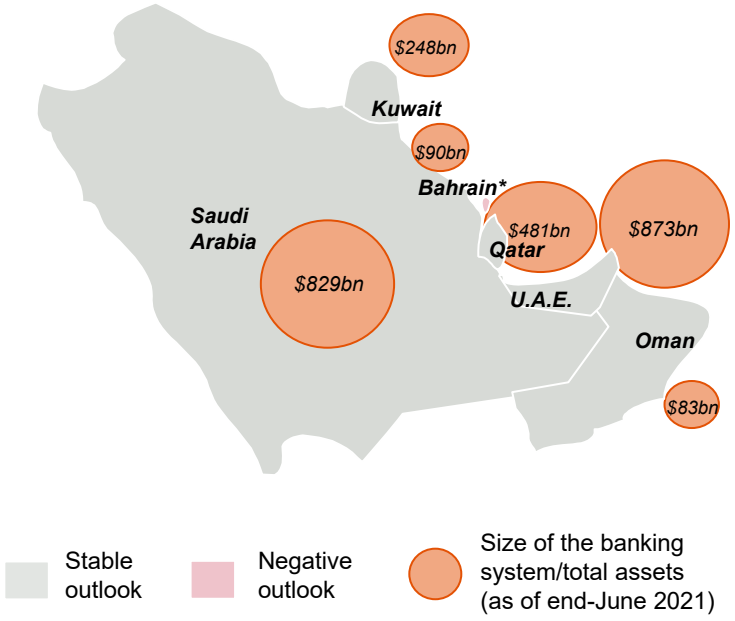
Most GCC banks have stable rating outlooks

Standalone creditworthiness remains strong, particularly for banks in Kuwait, Saudi Arabia and Qatar. Government willingness and capacity to support banks in a crisis boosts their long-term credit ratings

GCC banks' deposit ratings and outlooks



GCC banks' credit ratings are strong with predominantly stable outlooks



Note: Rating distribution is not asset-weighted / (*) onshore retail banks for Bahrain
Sources: Central banks, Moody's Investors Service

*The outlook for banks in Bahrain is negative

The credit landscape in 2022

Debt sustainability
Debt levels have climbed to unprecedented highs, which will create repayment risks where growth and earnings prospects weaken or liquidity wanes

New technologies
Technological advances, from blockchain to electric vehicles, will offer competitive advantages to some entities and present threats to others; cybersecurity risks will continue to grow

Inequality & social risk
COVID-19 has exacerbated disparities in employment, incomes and healthcare access, which have the potential to weaken social cohesion and diminish economic progress

Reshaped economies
The global economic recovery will solidify as pandemic effects lessen and businesses and consumers adapt, but prospects will diverge across regions and sectors

Policy shifts
Policymakers will scale back fiscal and monetary support to varying degrees; domestic politics, geopolitical risks and regulatory actions will set credit context

Path to net zero
Policies to meet net-zero carbon emission commitments will heighten credit risk and raise the cost of capital for carbon-intensive sectors; disclosure around climate issues will be in focus

Economic recovery will be uneven, but business conditions will improve

Reshaped economies

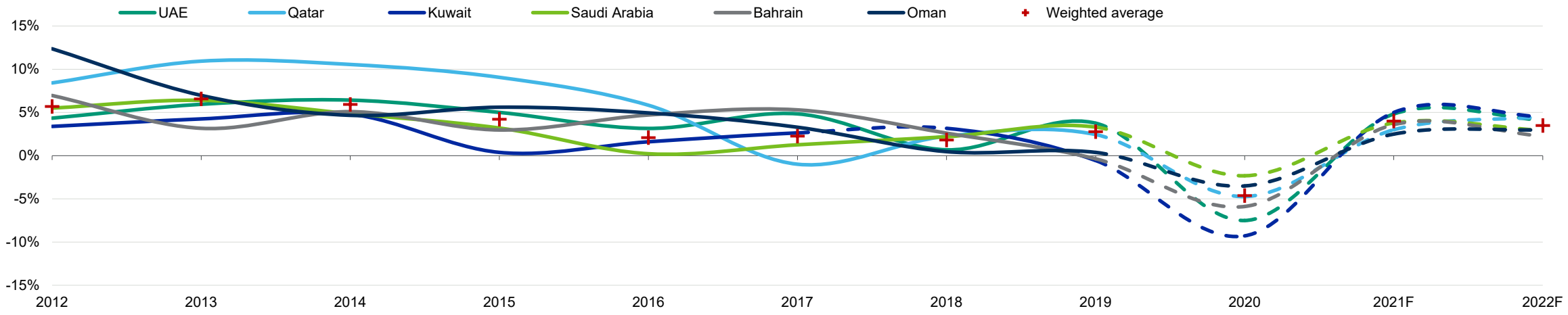
- GCC economies are recovering; higher oil prices and production are supporting the hydrocarbon sector, while relaxation of travel and lockdown measures are supporting non-hydrocarbon sectors
- We forecast real GDP to grow by between 1.85% (Bahrain) and 5.4% (UAE) in 2022
- Most GCC sovereigns have a stable rating outlook. Higher oil prices have significantly reduced government financing needs, and we expect the recent increase in government debt burden to reverse or stabilise
- GCC banks have strong solvency and healthy liquidity buffers. They also benefit from stable and low-cost deposit funding
- We expect merger and acquisition activity among banks, which started when oil prices crashed in 2014, to continue

Economic recovery is gaining ground following a severe recession

GCC countries absorbed the shock from the pandemic although some residual risks persist

- All six countries of the Gulf Cooperation Council suffered a severe economic contraction as a result of the combined effect of the coronavirus pandemic and drop in oil prices in 2020. The pandemic receded and oil prices rebounded in 2021 and GCC economies are on a firm footing for growth in 2022 and beyond
- Economic growth in 2022 will reflect a gradual increase in hydrocarbon production and strong recovery in the non-hydrocarbon economy after a relaxation of travel and lockdown measures imposed at the height of the pandemic
- The magnitude of the recovery will be uneven across the six GCC countries

Real GDP growth in non-hydrocarbon business sectors will continue to recover modestly in 2022



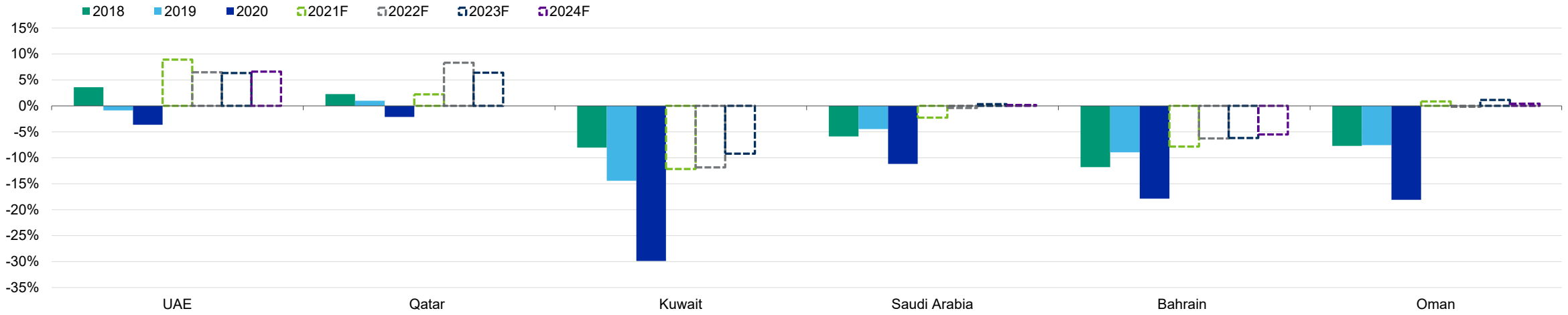
Sources: Haver Analytics and National Authorities

Higher oil prices will improve the finances of GCC governments

- Hydrocarbon revenues contribute around 70% of GCC sovereigns' total revenue on average, and oil prices ultimately determine the strength of government finances across the region
- Higher oil prices and a ramp-up in oil production in 2022 and beyond will improve the fiscal position of GCC governments and will lower the debt burden of most of them
- Stronger government finances benefits banks' solvency, funding and liquidity due to the governments' dominant role as key depositors, borrowers and shareholders in their country's banking system

Fiscal balances will improve significantly over the coming years

% of GDP



Sources: Sources: Haver Analytics, National Authorities and Moody's estimates

M&A activity will continue despite economic recovery

The collapse in the oil price in 2014 led to a wave of mergers and acquisitions in the Gulf. Stiff competition and an over-abundance of small banks in some systems will encourage further consolidation in the years ahead

M&A transactions concluded since the fall in oil prices in 2014

Country	Transaction	Size	Status
Qatar	Al Khalij Commercial Bank (Al Khaliji, A3/RUR, ba1) and Masraf Al Rayan QPSC (A1/stable, baa2) officially announced their merger in January 2021	$45.04 billion	Completed Dec. 2021
Kuwait/ Bahrain	Kuwait Finance House KSCP (A2/stable, baa3) to merge with Bahrain's Ahli United Bank BSC (unrated)	$101 billion	Postponed until further notice
Saudi Arabia	National Commercial Bank and Samba Financial Group merged to form Saudi National Bank (A1/negative, baa1)	$214 billion	Completed in April 2021
Oman	Oman Arab Bank SAOG (Ba3/stable, ba3) took over Alizz Islamic Bank SAOG	$8.2 billion	Completed in July 2020
UAE	Dubai Islamic Bank (A3/negative, ba2) acquired Noor Bank (unrated)	$75 billion	Completed in January 2020
Bahrain	National Bank of Bahrain (B2/negative, b2) increased its stake in Bahrain Islamic Bank (unrated)	$11.7 billion	Completed in January 2020
UAE/ Turkey	Emirates NBD PJSC (A3/stable, ba1) acquired Turkey's Denizbank A.S (B1/negative, caa1) for $3.2 billion	$183.9 billion	Completed in July 2019
Saudi Arabia	Saudi British Bank (A2/stable, baa1) took over Alawwal Bank in a $5 billion stock deal	$72.1 billion	Completed in June 2019
UAE	Three-way merger between Abu Dhabi Commercial Bank (A1/stable, baa3), Union National Bank PJSC and Al Hilal Bank PJSC	$114 billion	Completed in May 2019
Qatar	Dukhan Bank (A2/stable, baa3) and International Bank of Qatar have merged	$22 billion	Completed in April 2019
UAE	National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC merge to form First Abu Dhabi Bank (Aa3/stable, a3)	$183 billion	Completed in April 2017

Source: Moody's Investors Service

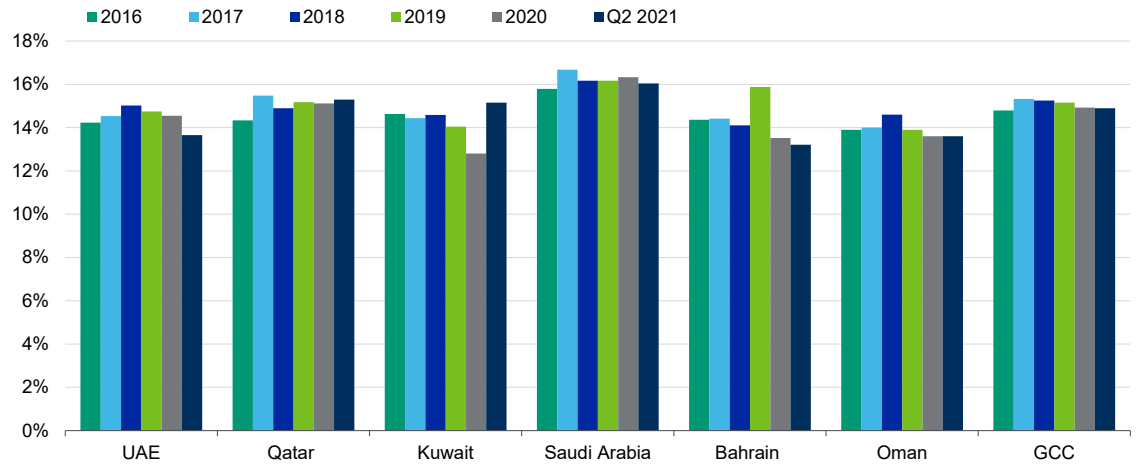
Capital will remain strong, providing a solid loss-absorbing buffer

High levels of loss-absorbing capital are a key credit strength of GCC banks

- The shock from the pandemic made little impact on GCC banks' strong capital buffers. Most banks remained profitable despite higher loan-loss provisioning
- Responsible actions by banks and regulatory controls limited dividend payouts during the pandemic and so helped keep capital buffers steady. Capital requirements set by GCC bank regulators are higher than guidance provided under Basel III global capital standards. This is to counter risks posed by large concentrations of loans to single borrowers and to a limited number of sectors. Loan concentrations reflect a lack of diversification in GCC economies and the control of certain large family-owned conglomerates on business activity
- Banks are increasingly issuing cheaper Basel III-compliant Additional Tier 1 capital instruments (particularly in UAE and Qatar) and Tier 2 capital instruments (predominantly in Saudi Arabia). These provide an additional cushion of regulatory capital

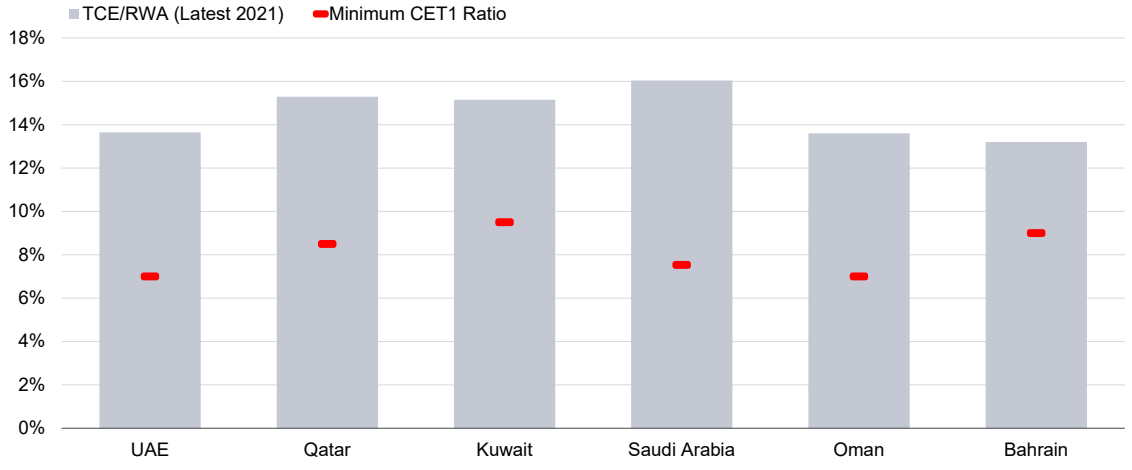
Capital buffers remained high through the pandemic

Tangible common equity* % risk-weighted assets



Banks have ample headroom above regulatory requirements

Tangible common equity vs Common Equity Tier I regulatory minimum



Note: Tangible common equity (TCE) is our preferred measure of capital for reasons of global comparability. Tangible common equity (TCE) = (Common shares + retained earnings and related reserves + treasury stock + foreign currency translation) minus (Goodwill and other Intangible Assets) minus (Deferred Tax Assets) plus (Impact of Cap on Deferred Tax Assets).
Sources: Rated banks' financials, central banks, Basel Committee on Banking Supervision, Moody's estimates

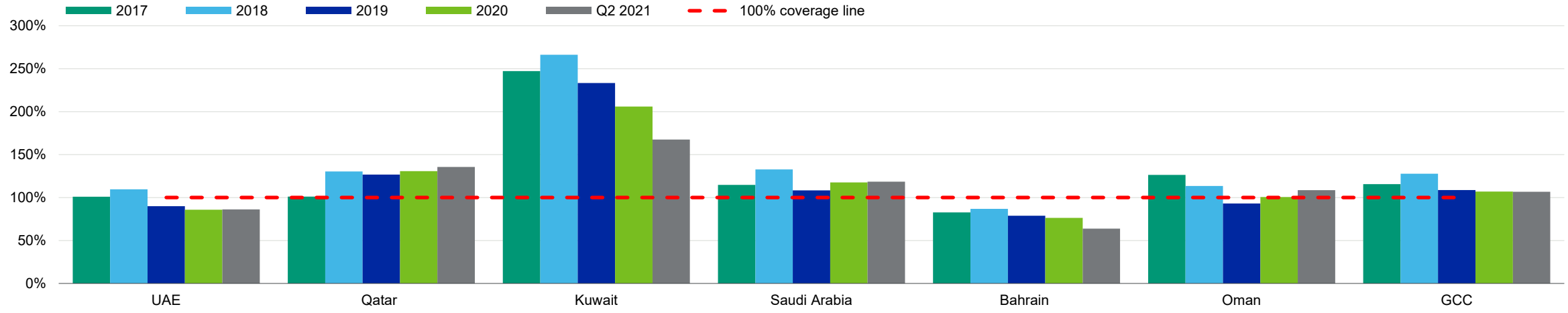
Ample provisions provide an extra buffer against credit losses

Provisioning coverage is highest in Kuwait, Qatar and Saudi Arabia, lowest in Bahrain

- Overall loan-loss reserves (including Stage 1, 2 and 3 IFRS 9 expected credit losses) for GCC banking systems remain healthy and cover more than 100% of problem loans on average
- We expect loan-loss coverage to remain healthy despite a small increase in problem loans as loan repayment holidays schemes expire
- Real-estate collateral pledged against many problem loans provide additional security

Loan-loss reserves exceed problem loans in most countries

Loan-loss provisioning % problem loans, excluding collateral



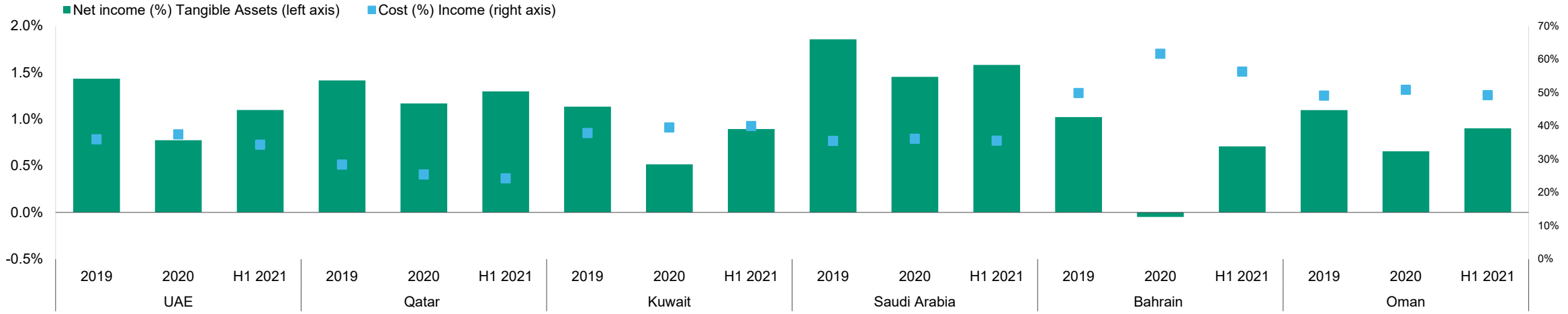
Sources: Banks' financial statements, Moody's Investors Service

Profitability is recovering but remains below pre-pandemic levels

Provisioning needs will fall but will remain higher than average. Higher rates will be positive for banks' margin

- We expect the profitability of GCC banks to pick up after the shock of the pandemic, but a full recovery will take some time
- Provisioning charges will decline significantly but remain higher than normal because new problem loans will form as loan repayment holiday schemes expire
- Most GCC countries maintain currency pegs against US dollar and follow the US Federal Reserve policy interest rate. Expectation of higher rates will pe positive for banks' margin. Investments in IT infrastructure and digital strategies will allow banks make cost savings. These measures will keep GCC banks' cost-to-income ratios stronger than those of global peers

GCC banks deliver strong profitability and efficiency



Sources: Banks' financial statements, Moody's Investors Service

Credit demand remained surprisingly resilient during the pandemic

Debt sustainability

- Loan demand from private-sector businesses continues to be strong, particularly in Saudi Arabia
- Rising government debt burden will reverse due to higher oil prices
- Funding conditions will remain favourable as interest rates stay low and government finances improve

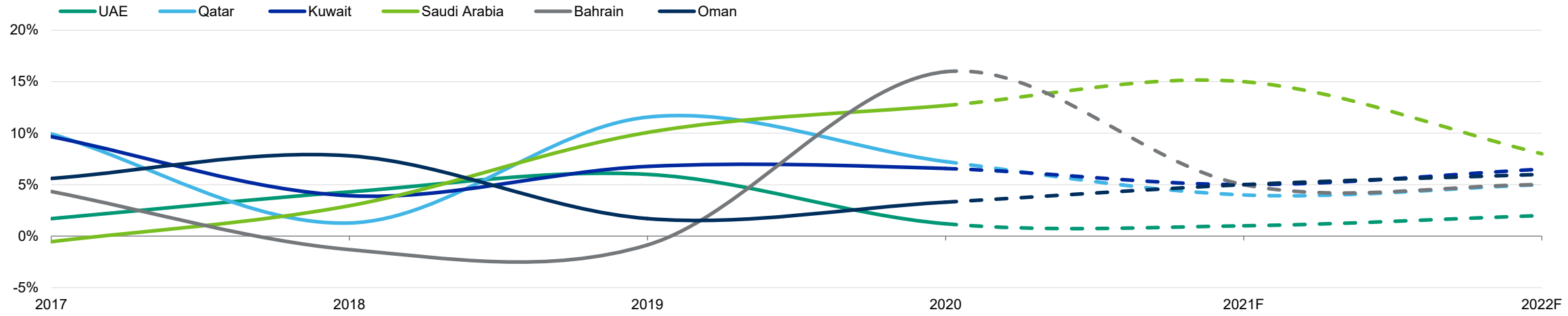
Private-sector debt will rise…..

Regulatory measures and large infrastructure projects will support credit growth in 2022

- We expect credit growth to be above 5% on average for GCC banking systems
- Completion of large infrastructure projects, such as stadia for the FIFA World Cup in Qatar in 2022 and “giga-projects” in Saudi Arabia as part of its Vision 2030 programme will drive credit demand in 2022
- Relaxation of regulatory requirements for capital and liquidity by some GCC central banks is also boosting bank lending
- Low interest rates and debt restructuring for viable companies hit hard by the pandemic will support the capacity of corporate borrowers to repay debt

Credit demand will stay strong, particularly in Saudi

Annual credit growth, %



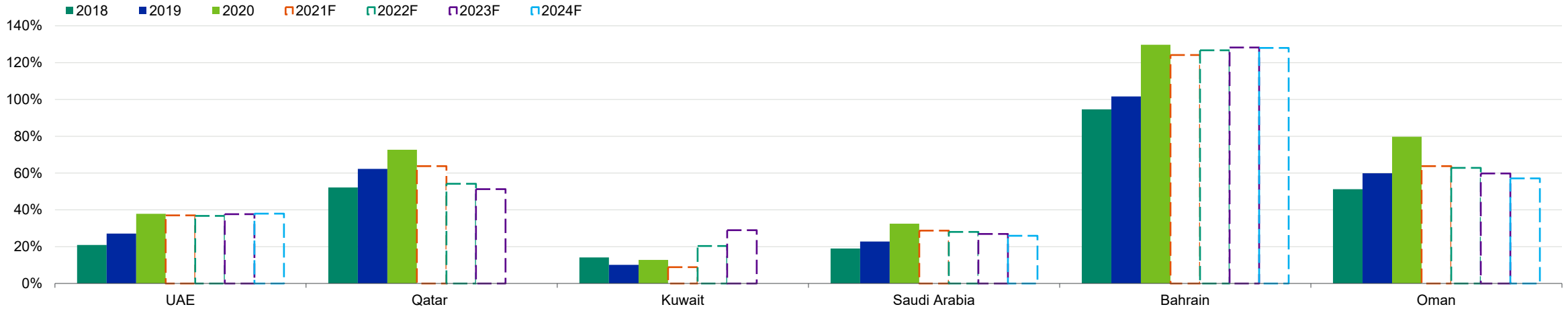
Sources: Moody’s Investors Service, central banks

…while government debt burden will fall

The rising debt trajectory of GCC governments will gradually reverse

- The debt burden of GCC governments has been rising since oil prices fell in 2014
- Despite lower production costs than in other parts of the world, oil prices remained below the fiscal breakeven price for most GCC governments in 2021
- The oil price rise in 2021, however, will reverse the government debt trajectory
- The improved fiscal positions will boost funding for the banks by ensuring a steady or increasing flow of government deposits into the banking systems

Higher oil price will reverse the debt trajectory (debt as % of GDP)



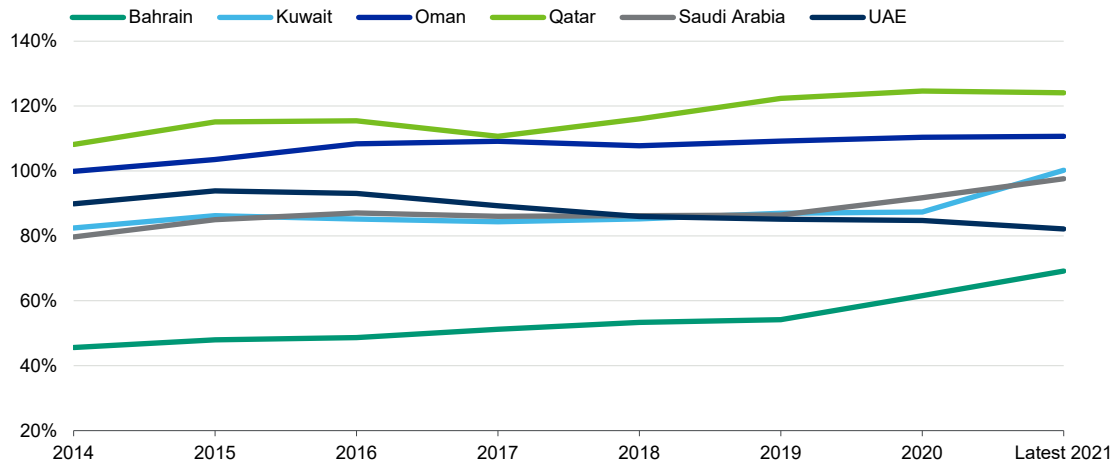
Sources: Central banks, Moody's estimates

Deposit growth will improve but will continue to lag loan growth

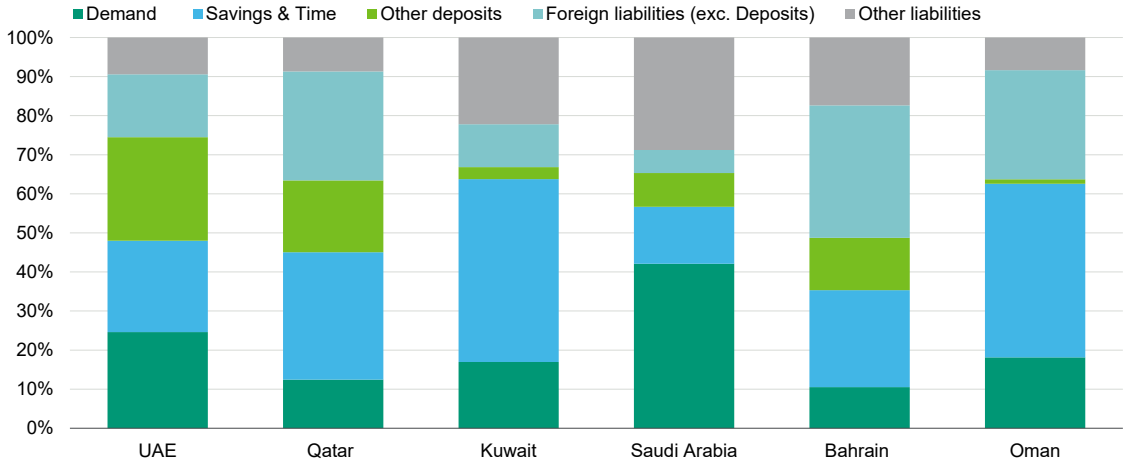
Rising government oil revenues will boost deposit flows

- GCC banks are largely funded by low-cost and stable domestic deposits, a strength. Deposits represent a comfortable 67% of non-equity funding in aggregate
- Lower oil prices have led to sluggish deposit growth in the last few years, and this has pushed the loan to deposit ratio slightly higher. We expect higher oil prices and the improved fiscal position of governments to improve deposit flow over the coming quarters
- Rapid credit growth at banks in Qatar and Oman has already driven their loans well above 100% of deposits and forced them to seek more confidence-sensitive market or foreign funding, including non-resident deposits. This makes them more vulnerable to funding shocks and increases in global interest rates than banks in other GCC countries

Credit growth has outpaced deposit growth, pushing loan-to-deposit ratios higher



Liabilities breakdown (as a % of total liabilities)



Note: Liability breakdown exhibit distinguishes deposits into three categories: (a) Demand deposits (b) Savings & Time deposits and (c) Other deposits
Sources: Moody's Investors Service, central banks

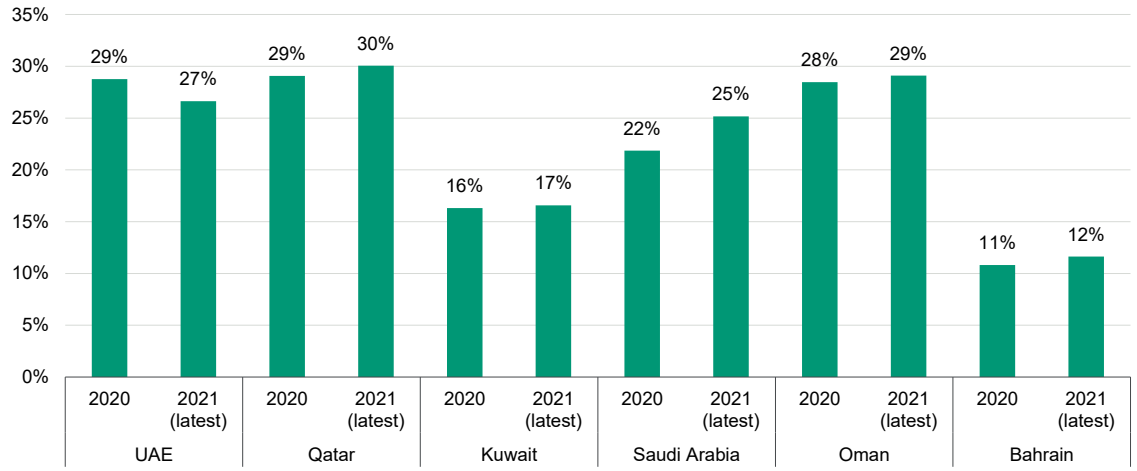
Funding concentration is a risk

Reliance on confidence-sensitive market funding will rise slightly

- Oversized government, or government related deposits make up large portion of the funding needs for GCC banks. These deposits have historically been stable but they still make the banks more vulnerable to event risks
- As credit growth continues to outpace deposit growth, we expect banks to increase their reliance on confidence-sensitive market funding. Favourable market borrowing rates are also making it easier for banks to secure long-term funding

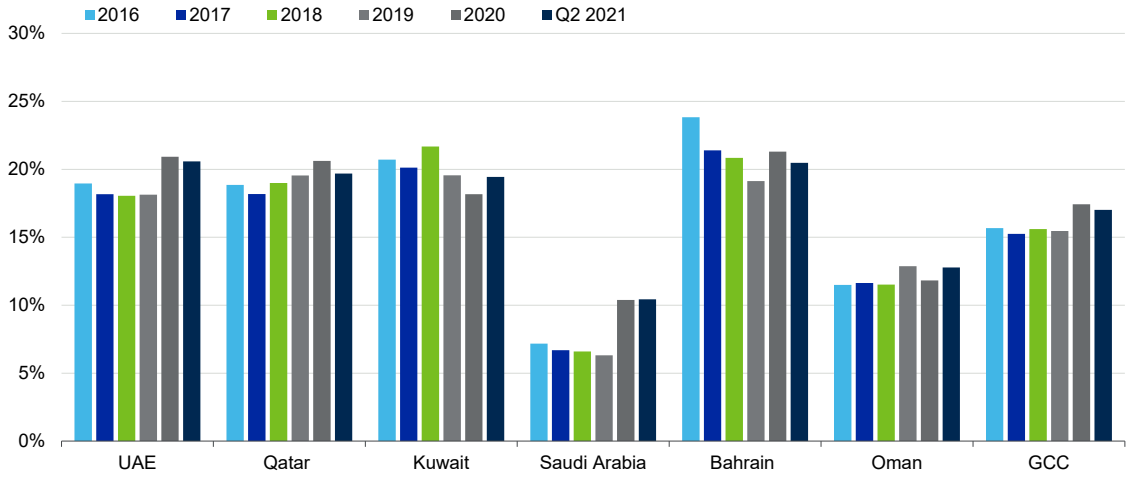
Government deposits make up a large share of the deposit base

Government and related entities deposits as % of total deposits



GCC banks' market funding will increase

Market funds as % of tangible banking assets



Sources: Moody's Investors Service, central banks

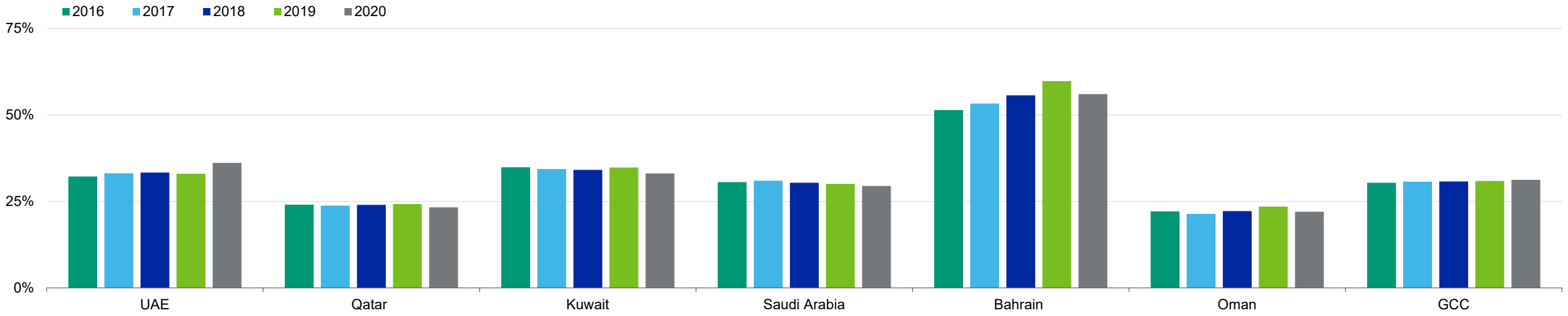
Ample liquidity provides a shield against unexpected shocks

Governments' issuance of high quality liquid securities support GCC banks' liquidity

- GCC banks hold strong buffers of liquid assets that range between 25% and 30% on average of their banking assets. These will remain steady
- Historically, liquid assets were placed short-term with central banks or other banks, but banks are increasingly investing in highly liquid, high-yielding government securities issued by their respective sovereigns to fund their budget deficits. This is benefitting both their liquidity and profitability albeit increasing concentration risk
- Regulators have relaxed regulatory liquidity standards to support lending to the economy during the pandemic, but the majority of GCC banks will remain compliant with Basel III liquidity coverage* and net stable funding** requirements
- Oman and Qatari banks have historically held lower liquidity buffers than their peers' because of high credit demand. We expect these to remain lower

GCC banks' liquidity buffers will stay high

Liquid assets as % of tangible banking assets



*The Basel III Liquidity Coverage Ratio (LCR) requires banks to hold sufficient high quality liquid assets to fund cash outflows for 30 days. **The net stable funding ratio (NSFR) requires banks to hold sufficient long-term funding to cover the duration of their long-term assets

Source: Moody's Investors Service

Pandemic measures will be gradually withdrawn

Policy shifts

- Governments and central banks took fiscal and monetary measures during the pandemic to support the loan quality and liquidity of GCC banks
- We expect withdrawal of these support measures to be gradual, which will soften the impact on loan performance
- GCC sovereigns have historically come to the aid of banks at times of stress, and we expect their willingness and capacity to support failing banks to continue through 2022. Most GCC bank ratings are two or three notch higher than their standalone assessments due to our assumptions of government support

GCC governments provided economic support during the pandemic

	Key fiscal measures introduced in 2020	Key monetary measures
UAE	• Support package worth AED26.5 billion ($7.2 billion), or 2% of GDP, covering a variety of fiscal measures	• Two policy interest rate cuts amounting to a combined 125 bps and AED256 billion ($70 billion or 20% of GDP) package of pandemic support measures • Loan repayment holidays for borrowers, which will expire on December 31, 2021 • Liquidity support measures and zero-cost lending facilities for banks have been extended until mid-2022
Saudi Arabia	• Private-sector support package of SAR70 billion ($18.7 billion) or 2.8 % of GDP	• Two interest rates cuts amounting to a combined 125 bps • SAR50 billion ($13.3 billion, 2% of GDP) package to support the private sector • Injection of SAR50 billion into the banking sector through deposit placements to support banking liquidity and private-sector credit • Loan repayment holidays for borrowers amounting to SAR174 billion ($46.4 billion) will expire at the end of 2021 • Guaranteed loan programme amounting to SAR11 billion has been extended until March 14, 2022
Kuwait	• Economic support package of KD500 million ($1.6 billion) or 1.4 % of GDP	• Interest rates on all monetary policy instruments lowered by 1%, following the US Federal Reserve decision to cut interest rates to zero • Loan repayment holidays, introduced in March 2020, expired at the end of September 2021 • The central bank reduced several regulatory ratios requirements (capital adequacy, NSFR, LCR)
Qatar	• Food and medical goods exempt from customs duties • Migrant workers who are in quarantine for the coronavirus or undergoing treatment for it to receive full salaries	• Two policy rate cuts in March 2020 in line with the US Federal Reserve to maintain the currency peg • The QCB will provide additional liquidity to banks through a special repo window at zero interest rate. It has also put in place mechanisms to encourage banks to postpone loan repayment installments
Bahrain	• Economic stimulus package worth BD560 million ($1.5 billion), or 4.2 % of GDP, for three months from April 2020	• Expansion of central bank lending facilities for banks in March 2020, by up to BHD3.7 billion ($10 billion or 28% of GDP) to facilitate loan repayment holidays and promote lending to the economy • The CBB has also followed the Fed's interest rate cuts in response to the COVID-19 pandemic • Loan repayment holidays expire at the end of 2021
Oman	• Suspension of several taxes and some government fees (till end-August 2020) • Authorities reduced spending in the 2020 budget by 10% (about 5 % of GDP)	• Reduction in policy rates twice in line with the US Federal Reserve (consistent with the currency peg) • Loan repayment holidays, introduced in 2020, expire at the end of 2021

Sources: IMF, central banks

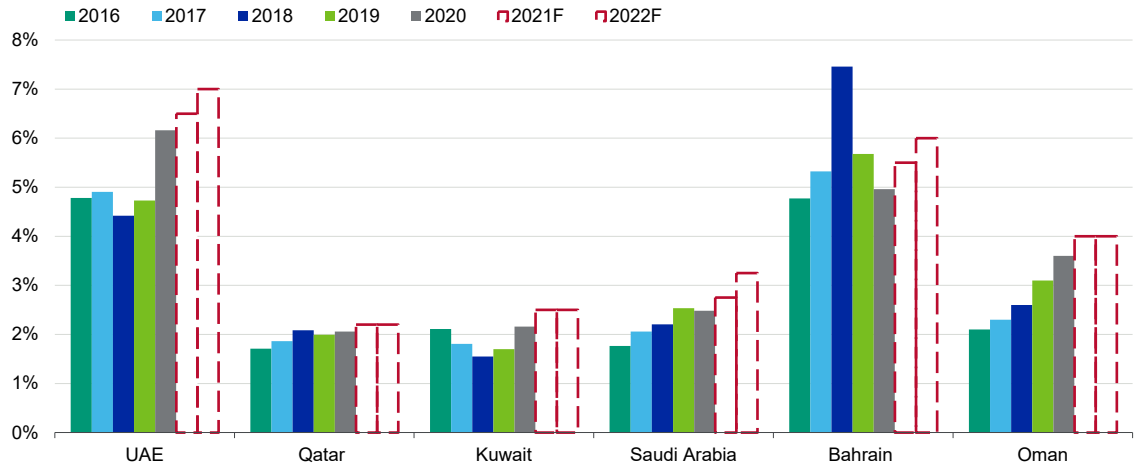
Loan performance will weaken when payment holidays expire

The impact will be heaviest in UAE and Bahrain, lightest in Qatar and Kuwait

- Loan repayment holidays to support borrowers through the coronavirus crisis have delayed the recognition of problem loans. Problem loans will rise as these expire and some pandemic-hit borrowers experience difficulties
- Loan quality at banks in Qatar and Kuwait will fare best due to their sizeable lending to government and related entities. We expect loan performance to suffer more severely in UAE where lending to small businesses is more widespread than in other GCC countries
- Recent recovery in the real estate sector, where loan concentration is high, will soften the impact on asset quality
- GCC banks' loan books lack diversification and are concentrated on a few large borrowers and a limited range of business sectors. This increases their vulnerability in the event of a default by one of them or to a shock in a specific sector

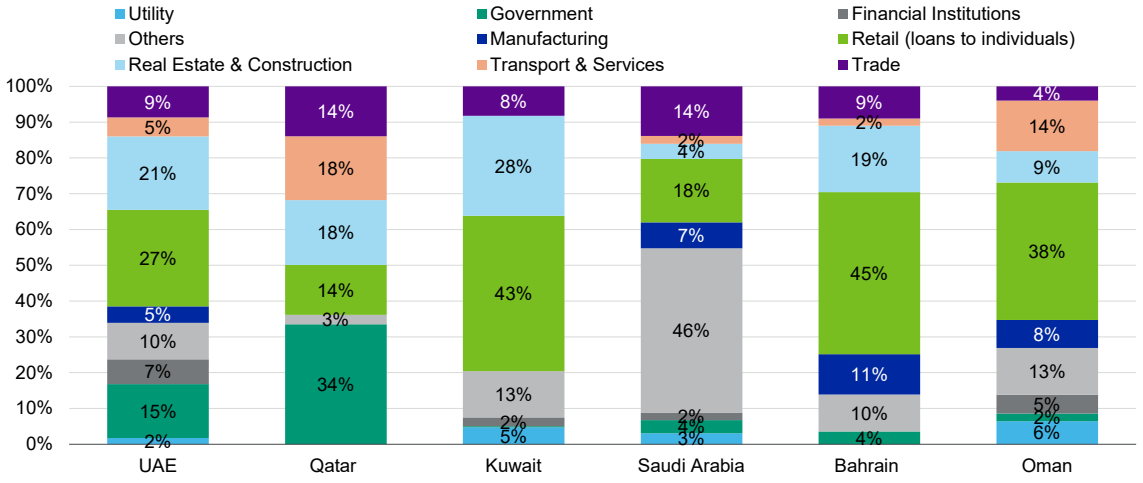
We expect problem loans to rise

Nonperforming loans as % of gross loans



Breakdown of loan portfolios by sector

Data for year-end 2020



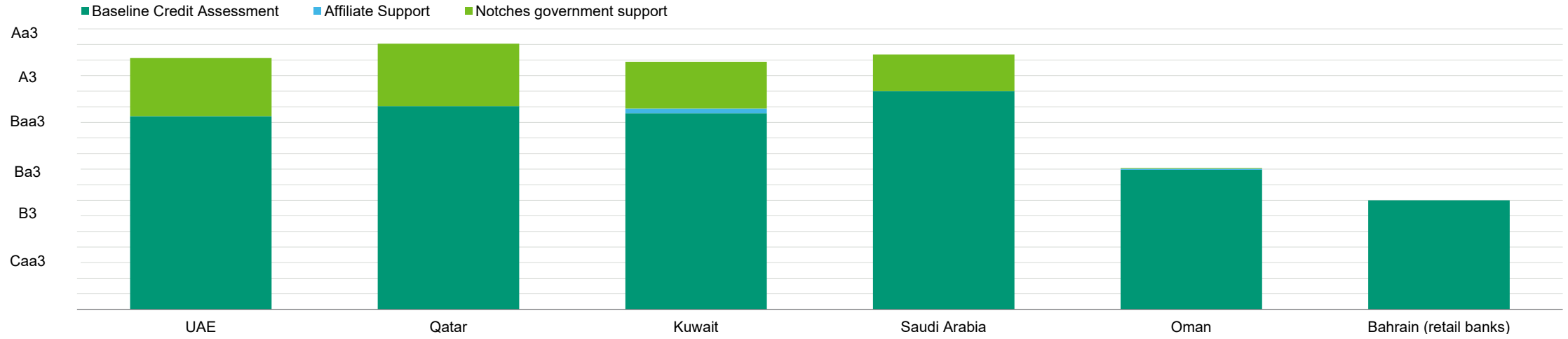
Sources: Moody's Investors Service, central banks

The probability of government support for failing banks will remain high

GCC governments have historically supported banks at times of stress

- The willingness of GCC governments to support banks in a crisis remains high to very high and most have ample capacity to provide that support thanks to large sovereign wealth funds. The smaller GCC economies, Oman and Bahrain, have materially lower fiscal buffers
- Bank resolution regimes, setting out rules for the orderly wind-down of failing banks, are not yet in place, although the process is under way in Saudi Arabia

GCC governments' willingness to support their banking systems in a crisis provides notches of uplift on the credit ratings of many GCC banks



Source: Moody's Investors Service

Threat from fintech players and digital banks is low so far

New technologies

- New technologies are reshaping the industry and banks are investing heavily to enhance their digital services
- The pandemic has pushed many more consumers online. This will quicken branch closures and encourage banks to continue their investment in digital channels
- GCC banks are focused on corporate lending, and they rely predominantly on net interest income from lending, rather than fee income from payments and transfers. Competition from new digital banks and fintech companies has therefore so far been limited
- Any challenge to the dominance of the incumbent banks will depend on how the newcomers evolve

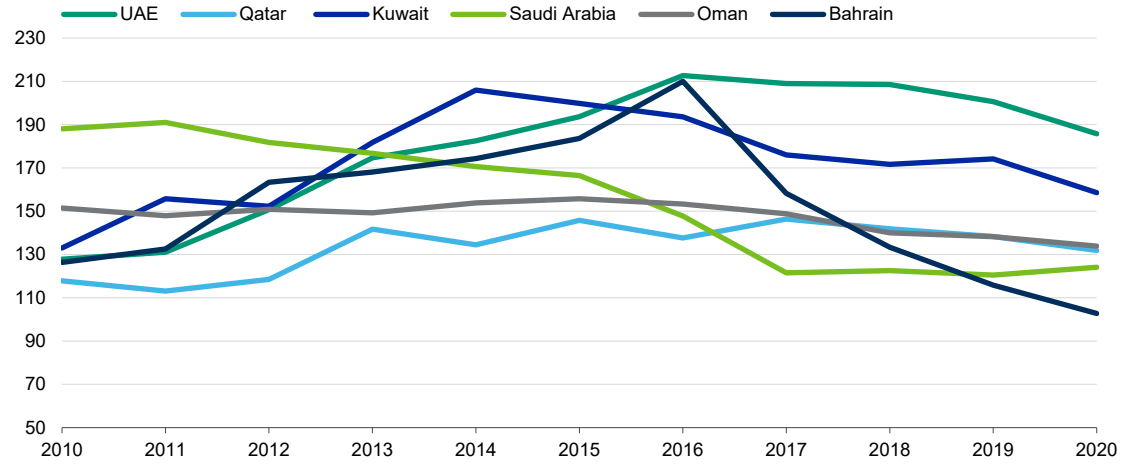
Banks and regulators are rising to the challenge

GCC countries have state-of-the art infrastructure that promotes new technologies, a highly tech-savvy population and high penetration of smartphones and Internet use

- GCC banks have moved quickly to digitalise their processes and adopt innovative new digital services to protect their customer base and attract tech-savvy younger clients. All GCC countries have state-of-the art infrastructure, such as 5G broadband technology, to support new technologies
- Most GCC banks are focused on corporate banking and rely heavily on interest rather than fee income. They therefore face limited competition from fintech companies, which focus on payments, consumer services or cross-border money transfers for individuals
- Regulators in the GCC have embraced new technologies by setting up sandboxes for tech companies to test new products. Digital banking licenses have also been extended by many GCC regulators. The adaptation of open banking, where banks customers can share their data with tech firms providing innovative services, has the potential to increase competition among banks and erode banks' margins

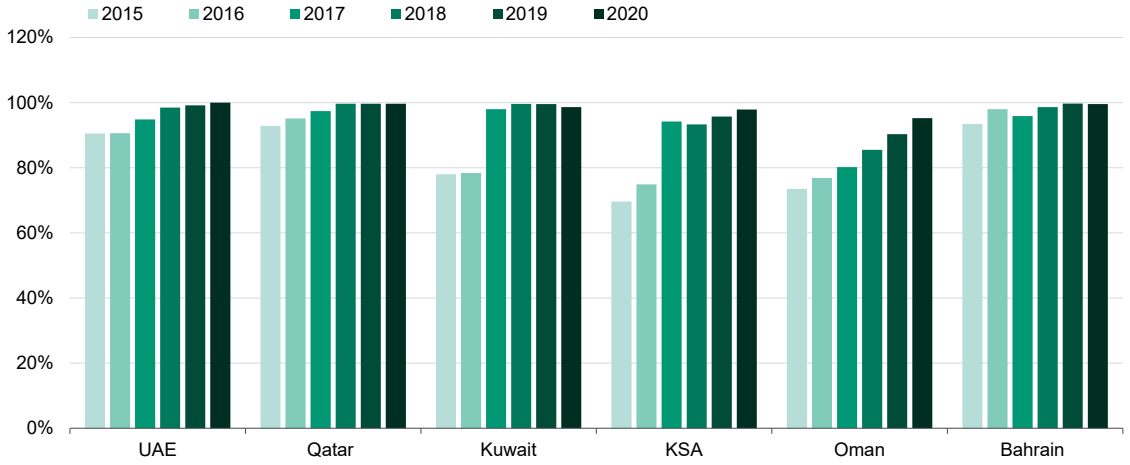
Penetration of mobile cellular and smartphones is high

Subscriptions per 100 people



Internet use is almost universal

Individuals using the Internet % of population



Source : World Bank data

Carbon transition risk is high

Path to net zero

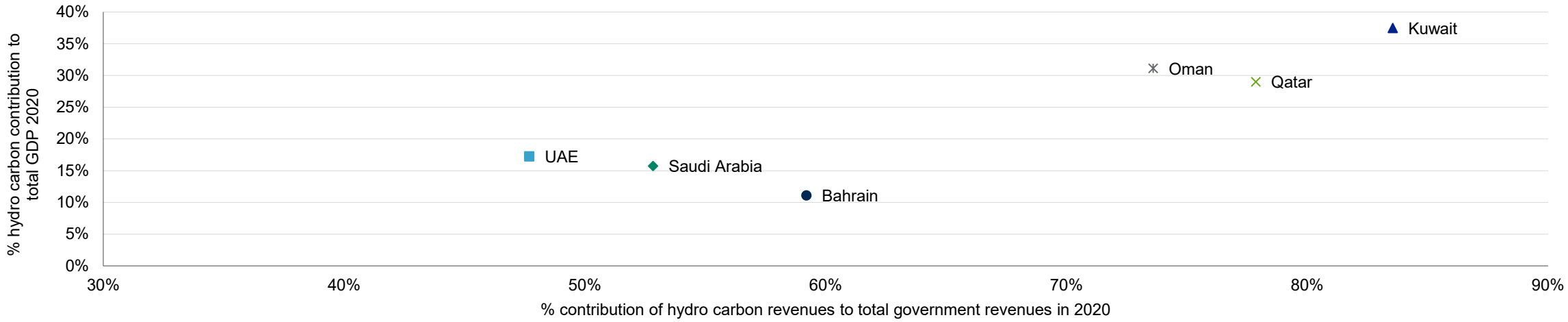
- GCC sovereigns' exposure to environmental risk is high due to their heavy economic and financial dependence on oil and gas. Most of GCC countries either have no commitment or pledges that go beyond 2050 for net zero emissions
- With sizeable direct and indirect exposures to carbon-transition risk, GCC banks will have to navigate a challenging path between market, regulatory and societal pressure to decarbonize loan books and country level net-zero emission targets which either are not set or go beyond 2050 in various cases
- Downward pressure on sovereign' ratings due to ESG drivers will also pressure banks' long-term ratings given they incorporate an uplift from their standalone assessments due to our expectation of high or very probability of government support at time of stress

Oil and gas still heavily dominate GCC economies

Dependence on hydrocarbon drives high environmental risk

- GCC countries are increasing their efforts to diversify away from the hydrocarbon sector, but progress is slow
- Most countries have currently no pledges in place for zero emissions or commitments that go beyond 2050
- Reliance on revenue from hydrocarbons like oil and gas is significant, with Kuwait the most reliant and UAE the least
- The GCC are among the world's most arid states and rapid economic and population growth in recent decades have increased challenges surrounding water sustainability

GCC countries remain heavily dependent on hydrocarbon sector



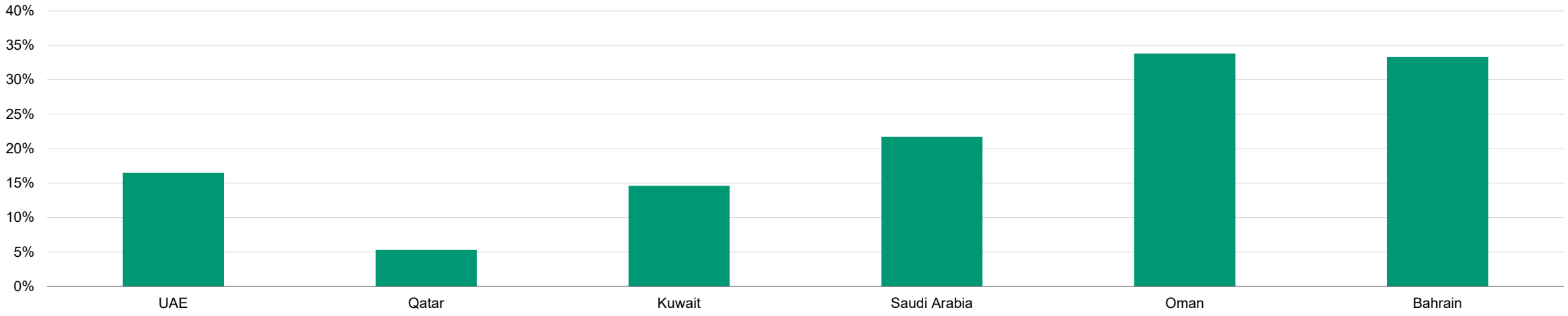
Sources: Haver Analytics and National Authorities

Banks are exposed to ESG

Strong financial profiles provide a buffer

- Most GCC banks have relatively moderate to high exposure to sectors that are subject to carbon transition risks
- Banks that have high reliance on market or foreign funding (please see slide 17 for market funding) will be particularly exposed to societal and market pressures given the governments' soft pledges for zero emissions
- Undiversified economies and government reliance on hydrocarbon revenues leaves the banks more exposed to carbon transition risks. Sizeable capital and liquidity buffers provide a cushion for GCC banks

Banks' lending to sectors subject to carbon transition risks is moderate to high (Loans to carbon intensive sectors / Total loans)



Moody's estimates are based on the on-balance-sheet loans of banks, long term and short-term, including working capital. The estimates correspond broadly to the very high and high credit risk sectors under Moody's environmental heat-map. However, due to data limitations, the estimates also include certain sub-sectors that are not subject to significant carbon transition risk and/or executing strategies to reduce carbon intensity. For instance, manufacturing, which Moody's classifies as moderate credit risk due to environmental factors, is fully included in the estimates as current financial disclosures capture higher and less carbon-intensive activities in this category

Sources: Central bank data, Moody's Investors Service, banks data

Young and growing population provide supportive environment

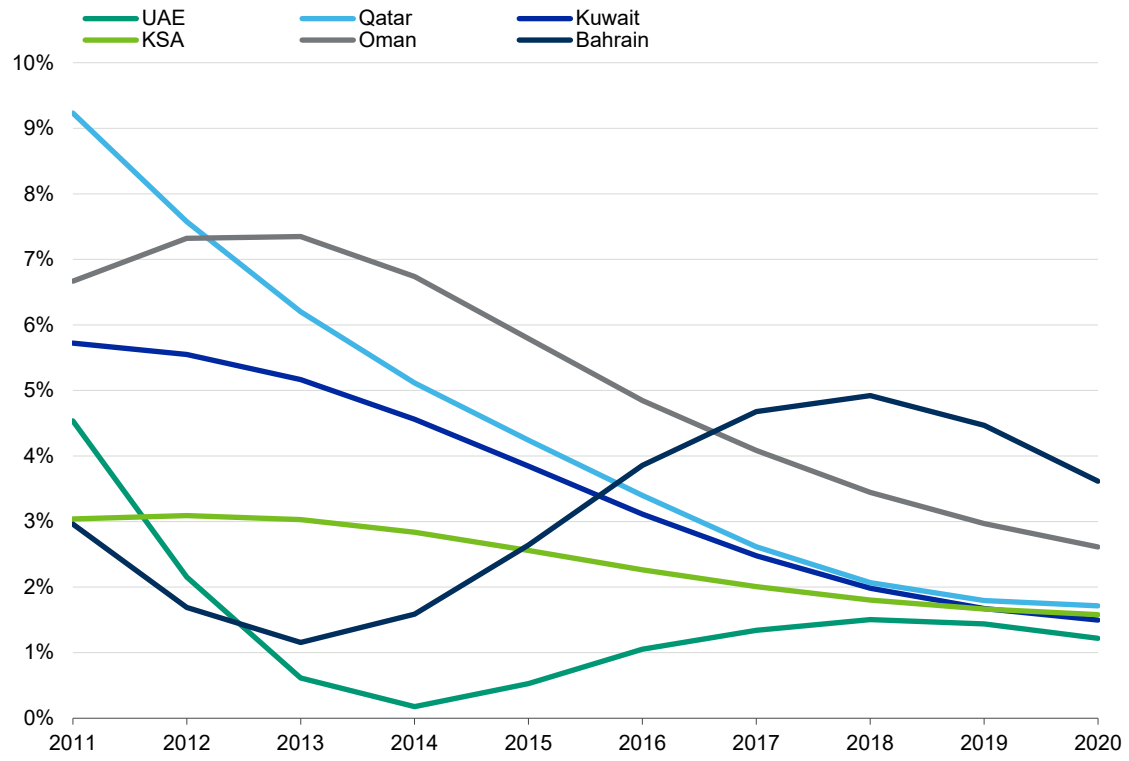
Inequality & social risk

- Large populations of young people in GCC countries are credit positive for the region's banks because they will drive rapid growth in the labour force over the coming decades and provide a growing customer base
- Development of the private sector and the effectiveness of labour market nationalisation policies in controlling unemployment will remain key policy challenges and important drivers of social risks
- Per capita income is very high in the Gulf region and access to housing is subsidised, particularly for those on low incomes, keeping social risks low

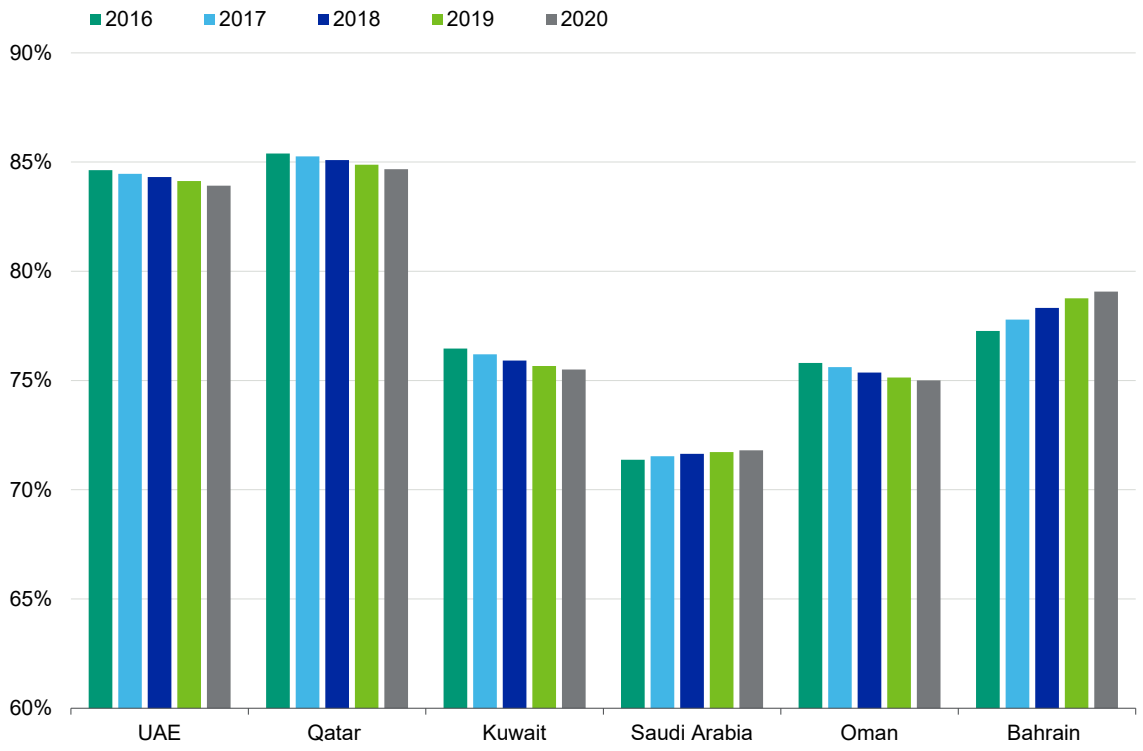
GCC countries have young and growing populations

The growing population is credit positive for GCC banks but high unemployment is a key risk. Efforts to include larger numbers of citizen in the labour force will help

Annual population growth



Population ages 15-64 as a % of total population



Source: World Bank

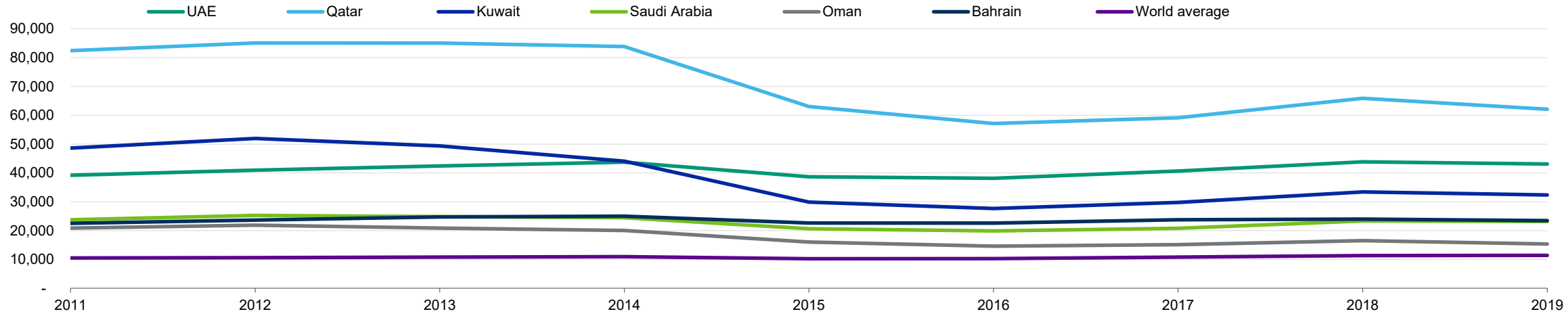
High wealth levels provide excellent business opportunities for banks

Per capita income has fallen since the oil price drop in 2014 but remains extremely high

- GCC countries enjoy high levels of wealth and governments have huge fiscal reserves both placed with central banks and in sovereign wealth funds
- Fiscal consolidation measures implemented when oil prices tumbled in 2014 led to the removal of many subsidies and the introduction of some taxes but income levels remain very high
- Most GCC government have strong housing programmes for low-income nationals and job security is high among GCC nationals, keeping social risks contained

Wealth levels in GCC countries are among the highest globally

GDP per capita (current prices $)



Source: World bank

GCC rating universe – UAE and Saudi Arabia

UAE (Aa2 stable) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
Abu Dhabi Commercial Bank	baa3	A1	Stable
Abu Dhabi Islamic Bank	ba1	A2	Stable
Commercial Bank of Dubai PSC	ba1	Baa1	Stable
Dubai Islamic Bank PJSC	ba2	A3	Stable
Emirates NBD PJSC	ba1	A3	Stable
First Abu Dhabi Bank PJSC	a3	Aa3	Stable
HSBC Bank Middle East Limited	baa2	A3	Stable
MashreqBank psc	baa3	Baa1	Stable
National Bank of Fujairah PJSC	ba1	Baa1	Stable
Sharjah Islamic Bank PJSC	ba1	Baa1	Negative
The National Bank of Ras Al Khaimah (P.S.C.)	baa3	Baa1	Stable
United Arab Bank PJSC	b1	Ba1	Negative

Source: Moody's Investors Service

Saudi Arabia (A1 stable) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
Al Rajhi Bank	a3	A1	Stable
Arab National Bank	baa1	A2	Stable
Bank AlBilad	baa2	A3	Stable
Bank Al Jazira	baa3	Baa1	Stable
Banque Saudi Fransi	baa1	A2	Stable
National Commercial Bank	baa1	A1	Stable
Riyad Bank	baa1	A2	Stable
Saudi British Bank	baa1	A2	Stable
Saudi Investment Bank	baa2	A3	Stable
Gulf International Bank - Saudi Arabia	ba3	Baa1	Stable

GCC rating universe – Qatar and Kuwait

Qatar (Aa3 stable) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
Masraf Al Rayan (Q.P.S.C.)	baa2	A1	Stable
Qatar International Islamic Bank (Q.S.C.)	baa3	A2	Stable
Qatar Islamic Bank Q.P.S.C.	baa2	A1	Stable
Doha Bank Q.P.S.C	ba2	Baa1	Stable
The Commercial Bank (P.S.Q.C.)	ba1	A3	Stable
Ahli Bank Q.S.C.	baa3	A2	Stable
Barwa Bank Q.S.C.	baa3	A2	Stable
Al Khalij Commercial Bank (al khaliji) PQSC	ba1	A3	RUR
Qatar National Bank (Q.P.S.C.)	baa1	Aa3	Stable

Kuwait (A1 stable) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
Al Ahli Bank of Kuwait K.S.C.P.	baa3	A2	Stable
Ahli United Bank	baa3	A2	Stable
Boubyan Bank K.S.C.P.	ba1	A3	Stable
Burgan Bank K.P.S.C.	ba2	Baa1	Stable
Commercial Bank of Kuwait K.P.S.C.	ba1	A3	Stable
Gulf Bank K.S.C.P	ba1	A3	Stable
Kuwait Finance House K.S.C.P.	baa3	A2	Stable
National Bank of Kuwait S.A.K.P.	a3	A1	Stable
WARBA Bank K.S.C.P.	ba3	Baa2	Stable

Source: Moody's Investors Service

GCC rating universe – Oman and Bahrain

Oman (Ba3 stable) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
Bank Nizwa SAOG	b1	Ba3	Stable
Bank Muscat SAOG	ba3	Ba3	Stable
HSBC Bank Oman SAOG	ba3	Ba2	Stable
National Bank of Oman SAOG	ba3	Ba3	Stable
Oman Arab Bank (SAOC)	ba3	Ba3	Stable
Bank Dhofar SAOG	ba3	Ba3	Stable
Sohar International Bank SAOG	ba3	Ba3	Stable

Bahrain (B2 negative) Rating Universe

Organization details	BCA	Bank Deposit LT Dom. Currency	Outlook
BBK B.S.C.	b2	B2	Negative
National Bank of Bahrain BSC	b2	B2	Negative
Gulf International Bank BSC	ba2	Baa1	Stable

Source: Moody's Investors Service

A world in transition

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