



RATING ACTION COMMENTARY

Fitch Affirms Stanbic IBTC Bank at 'AAA(nga)'

Fri 02 Oct, 2020 - 11:06 AM ET

Fitch Ratings - London - 02 Oct 2020: Fitch Ratings has affirmed Stanbic IBTC Bank PLC (Stanbic IBTC Bank) and its holding company, Stanbic IBTC Holdings PLC (Stanbic IBTC), at National Long-Term 'AAA(nga)' and National Short-Term 'F1+(nga)'. A full list of rating actions is below.

KEY RATING DRIVERS

The ratings of Stanbic IBTC Bank and Stanbic IBTC are based on potential support from their ultimate parent, South Africa's Standard Bank Group Limited (SBG; BB/Negative), which owns 67% of Stanbic IBTC (which in turn owns 100% of Stanbic IBTC Bank).

The ratings reflect SBG's ability to support Stanbic IBTC Bank and Stanbic IBTC and the group's willingness to do so. The ability to support considers SBG's 'BB' Long-Term Issuer Default Rating (IDR) and Nigeria's Country Ceiling of 'B'. Fitch's view of SBG's willingness to support, if required, considers Stanbic IBTC Bank's and Stanbic IBTC's important role in the group as SBG's main operations in west Africa, the ownership size, and high operational integration.

Stanbic IBTC is the holding company for SBG's Nigerian operations. Its main operating entity is Stanbic IBTC Bank, a mid-tier commercial bank, which represented 96% of the

holding company's consolidated assets at end-2019. Fitch believes that support from SBG, if needed, would extend equally to the bank and the holding company.

Both entities are highly integrated with SBG's risk-management framework. High levels of operational and strategic integration with SBG provide significant competitive advantages relative to peers, including connectivity to the SBG network and the ability to serve large domestic and multinational companies. Both entities also benefit from intra-group liquidity support and access to wider wholesale funding sources.

SENIOR DEBT

The National Long-Term Ratings on Stanbic IBTC Bank's NGN30 billion senior unsecured notes and the National Long- and Short-Term Ratings on the NGN150 billion structured note programme for senior unsecured debt are in line with the bank's issuer ratings.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

A rating upgrade is not possible as Stanbic IBTC Bank's and Stanbic IBTC's National Long-Term Ratings are the highest possible ratings at 'AAA(nga)' on Fitch's rating scale.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Stanbic IBTC Bank's and Stanbic IBTC's National Ratings could withstand a downgrade of up to two notches of SBG's 'BB' Long-Term IDR before they would be affected. Downside risk to the ratings could also stem from a decline in SBG's willingness to provide support, or from a change in SBG's stake, resulting in a loss of control.

The ratings on the senior notes and programme are sensitive to changes in Stanbic's IBTC Bank's National Long-and Short-Term Ratings.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The ratings of Stanbic IBTC Bank and Stanbic IBTC are linked to the ratings of SBG.

ENTITY/DEBT	RATING			PRIOR
Stanbic IBTC Holdings PLC	Natl	AAA(nga)	Affirmed	AAA(nga)
	LT			
	Natl	F1+(nga)	Affirmed	F1+(nga)
	ST			
Stanbic IBTC Bank PLC	Natl	AAA(nga)	Affirmed	AAA(nga)
	LT			
	Natl	F1+(nga)	Affirmed	F1+(nga)
	ST			
● senior unsecured	Natl	AAA(nga)	Affirmed	AAA(nga)
	LT			
● senior unsecured	Natl	F1+(nga)	Affirmed	F1+(nga)
	ST			

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Additional information is available on www.fitchratings.com**APPLICABLE CRITERIA**[Bank Rating Criteria \(pub. 28 Feb 2020\) \(including rating assumption sensitivity\)](#)[National Scale Rating Criteria \(pub. 08 Jun 2020\)](#)**ADDITIONAL DISCLOSURES**[Solicitation Status](#)[Endorsement Policy](#)**ENDORSEMENT STATUS**

Stanbic IBTC Bank PLC

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Stanbic IBTC Holdings PLC

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Banks Africa Nigeria
