S&P Global
Ratings

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Nigerian Bank Global Scale Ratings Affirmed Under Revised Criteria; Outlooks Stable

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PRIMARY CREDIT ANALYST

Samira Mensah
Johannesburg
+ 27 11 214 4869
samira.mensah
@spglobal.com

SECONDARY CONTACTS

Trevor Barsdorf
Johannesburg
+ 27 11 214 4852
trevor.barsdorf
@spglobal.com

Sahil Tribhowan
Johannesburg
(27) 11-214-4862
sahil.tribhowan
@spglobal.com

Charlotte Masvongo
Johannesburg
charlotte.masvongo
@spglobal.com

- We have reviewed our ratings on various Nigerian banks under our revised "Financial Institutions Rating Methodology."
- We have affirmed the global scale ratings on these banks while upgrading the national scale ratings on some of them, due to their stronger resilience and performance through the cycle.
- The outlooks on these banks are stable and the majority of them are tied to the sovereign outlook.

JOHANNESBURG (S&P Global Ratings) Jan. 20, 2022--S&P Global Ratings today said that it has affirmed its issuer and issue credit ratings on the following 10 Nigerian banks and for some of them their nonoperating holding companies. The affirmations follow a revision to our criteria for rating banks and nonbank financial institutions and for determining a Banking Industry Country Risk Assessment (BICRA) (see "Criteria | Financial Institutions | General: Financial Institutions Rating Methodology," published Dec. 9, 2021, and "Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions," published Dec. 9, 2021).

The rating actions are as follows:

- Access Bank PLC: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB+/ngA-2' from 'ngBBB/ngA-2';
- Ecobank Nigeria Ltd.: we affirmed our 'B-/B' long- and short-term ratings;
- Ecobank Transnational Inc.: we affirmed our 'B-/B' long- and short-term ratings;
- First Bank of Nigeria Ltd.: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB/ngA-2' from 'ngBBB-/ngA-3';
- FBN Holdings PLC: we affirmed our 'B-/B' long- and short-term ratings and our 'ngBBB-/ngA-3' national scale ratings;
- Fidelity Bank PLC: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB/ngA-2' from 'ngBBB-/ngA-3';
- First City Monument Bank: we affirmed our 'B-/B' long- and short-term ratings and our 'ngBBB-/ngA-3' national scale ratings;
- Guaranty Trust Bank Ltd.: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB+/ngA-2' from 'ngBBB/ngA-2';
- Guaranty Trust Holding Co. PLC: we affirmed our 'B-/B' long- and short-term ratings and raised

our national scale ratings to 'ngBBB/ngA-2' from 'ngBBB-/ngA-3';

- Stanbic IBTC Bank PLC: we affirmed our 'B-/B' long- and short-term ratings and our 'ngBBB/ngA-2' national scale ratings;
- Standard Chartered Bank Nigeria Ltd.: we affirmed our 'B-/B' long- and short-term ratings;
- United Bank for Africa PLC: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB+/ngA-2' from 'ngBBB/ngA-2';
- Zenith Bank PLC: we affirmed our 'B-/B' long- and short-term ratings and raised our national scale rating to 'ngBBB+/ngA-2' from 'ngBBB/ngA-2'.

Our outlooks on these financial institutions remain stable.

Our revision of the national scale ratings of the top-tier Nigerian banks as well as two mid-tier banks is underpinned by their resilience to various shocks over the past few years, which we expect will continue. The banking sector in Nigeria (B-/Stable/B) is exposed to short credit cycles because of the volatility of oil prices, but the performance of top-tier and some mid-tier banks continued to improve. Nevertheless, we cap the ratings on Nigerian banks at the level of the sovereign ratings because of the likely direct and indirect influence of sovereign distress on their operations, including their ability to service foreign currency obligations. Therefore, we have affirmed all our global scale ratings on these banks, including our ratings on their parent companies.

Access Bank PLC

We raised our national scale rating on Access Bank to reflect its market leading position in Nigeria, headed by a very stable management team, large retail franchise, and well-established corporate business. Following the acquisition of Diamond Bank in 2019, the bank's digital strategy, combined with its agency banking, has led to a better optimization of cost of funding, which fell below 3% in June 2021. The recently expanded geographic diversification which largely focuses on payments, cash management, and trade finance will continue to support revenue stability and earnings capacity through the cycle. We expect nonperforming loans (NPLs) will peak at about 5% in 2022, in line with the decision to continue to de-risk the loan portfolio.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on the bank over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank. This could happen if the country's economic performance became much stronger than we expect, or external financing stress proved to be temporary, all else being equal.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b+

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Constrained (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Strong and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: -2

ESG Credit Indicators: E-4, S-2, G-4

Ecobank Nigeria Ltd.

We consider Ecobank Nigeria Ltd. a core subsidiary of Ecobank group, whose group credit profile (GCP) is 'b'. As a result, we equalize our rating on Ecobank Nigeria with the group stand-alone credit profile (SACP), which reflects its strong pan-African footprint and strengthened management and governance. This is balanced against the group's comparatively weaker loan loss experience and protracted weaker asset quality at Ecobank Nigeria.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on the bank over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity. We would also lower the ratings if the bank was in breach of its minimum capital adequacy ratio stemming from higher credit losses than we forecast, combined with a significant weakening of the Nigerian naira, or if we observed pressure on the bank's U.S. dollar liquidity position as a result of tighter supply in the banking sector.

Upside scenario: We would raise the ratings on the bank over the next 12 months if we took a similar action on the sovereign, all else being equal, including our expectation that the bank will remain a core subsidiary to its parent Ecobank Transnational Incorporated.

Ecobank Transnational Inc. (ETI)

Our ratings on ETI reflects our view of its structural subordination and reliance on dividends from operating companies to meet its financial obligations. This exposes ETI to potential regulatory intervention. We deduct only one notch from the 'b' GCP to derive our rating on ETI, instead of the standard two notches, since we believe the risk of the nonoperating holding company defaulting is not commensurate with the 'CCC' rating category. We expect high double leverage will only gradually reduce to 145% following the $75 million Basel III compliant additional tier 1 instrument issued in September 2021.

Outlook

The stable outlook on ETI reflects our view that the group's asset quality and financial performance will remain broadly stable over the next 12 months. We expect that the group will maintain adequate liquidity in response to its high double leverage.

Downside scenario: We would lower the ratings on ETI over the next 12 months if liquidity buffers that mitigate its double leverage significantly diminished or if we observed a significant increase in double leverage.

Upside scenario: We consider an upgrade of ETI to be unlikely over the coming 12 months. That said, we could raise the ratings on ETI if the GCP improved by at least two notches, and double leverage reduced materially, providing that they passed the sovereign stress test on Nigeria, which is the group's largest single country exposure.

Ratings Score Snapshot

Issuer Credit Rating (Ecobank Nigeria Ltd.): B-/Stable/B

Bank Holding Company Rating (Ecobank Transnational Inc.): B-/Stable/B

Group Credit Profile: b

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Constrained (0)
- Risk Position: Moderate (-1)
- Funding and Liquidity: Adequate and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0

- Group Support: Core
- Sovereign Support: 0

Additional Factors: -1

ESG Credit Indicators: E-4, S-2, G-4

First Bank of Nigeria Ltd (FirstBank) And FBN Holdings PLC (FBNH)

We raised our national scale rating on FirstBank to reflect its market leading position as one of the top five banks in Nigeria. The group's agency banking network is the largest among the top-tier Nigerian banks. Underpinning our expectations are the bank's access to low cost funds, and its well-established corporate and retail franchise, which combined with its digital offering will support the group's ability to expand revenue. The management team has been stable since 2016 and had focused on improving asset quality consistently since the 2016 oil price shock. Revenue has been broadly stable despite economic turbulences and regulatory measures that undermined the banking sector's profitability. We believe that governance factors are broadly in line with peers. However, we expect asset quality metrics and coverage of NPLs by provisions will remain weaker than peers. While we expect cost of risk to remain elevated, at close to 2% in 2021-2022 because of further write offs, we estimate the group's capital buffers to be about 200 basis points (bps) above the 15% minimum regulatory capital ratio.

We deduct only one notch from the 'b' GCP to derive our rating on FBNH, instead of the standard two notches, since we believe the risk of the nonoperating holding company (NOHC) defaulting is not commensurate with the 'CCC' rating category. Our ratings on FBNH are at the same level as the ratings on FirstBank, reflecting the absence of double leverage. While there is no double leverage at the NOHC, we reflect its structural subordination in the national scale ratings.

Outlook

The stable outlook on FirstBank, the main operating entity, reflects that on Nigeria and our expectation that the bank's regulatory capital ratio will be above the minimum requirement of 15%. The outlook on FBNH reflects that on FirstBank.

Downside scenario:

We would lower the rating on FirstBank over the next 12 months if we took a similar action on Nigeria. We would also lower the rating if capital adequacy declined sharply due to a steeper depreciation of the Nigerian naira than we expect or a sharp deterioration of asset quality.

We would lower the rating on FBNH if we lowered the rating on FirstBank or saw significant double leverage at the holding company without any excess liquidity at group or NOHC level.

Upside scenario: A positive rating action on FirstBank over the next 12 months would depend on the same action on Nigeria. An improvement of the GCP would not result in an upgrade if our sovereign rating remained unchanged.

We would not raise the ratings on FBNH if we raised the ratings on FirstBank, reflecting our view of the structural subordination of NOHC creditors.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Bank Holding Company Rating: B-/Stable/B

Stand-alone credit profile: b

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Constrained (0)
- Risk Position: Moderate (-1)
- Funding and Liquidity: Strong and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: Core
- Sovereign Support: 0

Additional Factors: -1

ESG Credit Indicators: E-4, S-2, G-4

Fidelity Bank PLC (Fidelity)

We raised our national scale rating on Fidelity to reflect the bank's growing corporate and retail banking franchise, increasingly stable revenue, and stable management team. The bank ranks sixth in the competitive Nigerian market and relies on a growing retail franchise to optimize its cost of funding. The bank's revenue base is dominated by a relatively well-established corporate banking franchise, with a niche position in project finance and the power sector. We expect asset quality will be resilient in 2022 and shield the bank's earnings and capitalization.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on the bank over the next 12 months if we took a similar action on Nigeria.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank, all else remaining equal.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b

- Anchor: b
- Business Position: Adequate (0)
- Capital and Earnings: Constrained (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Adequate and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: -1

ESG Credit Indicators: E-4, S-2, G-4

First City Monument Bank (FCMB)

The ratings on FCMB reflect the creditworthiness of FCMB Group PLC of which the bank is a core component. The group SACP balances our views of the group's diversified business segments, stable management team, the bank's modest size in the competitive Nigerian banking sector, and its comparatively higher cost of funds. The group's earnings capacity is vulnerable to the economic cycle and is constrained by its higher-than-sector-average cost of risk, as well as its slower revenue generation. The bank's high exposure to foreign currency denominated loans, sizable single-name concentrations, and the oil and gas sector are sources of risk. Although the bank runs significant asset-liability mismatch in line with peers, its funding profile is stable.

Outlook

The outlook is stable and reflects our expectation that the bank will maintain stable capital adequacy and adequate liquidity over the next 12 months.

Downside scenario: We would lower our ratings on the bank if it breached its minimum capital adequacy ratio due to significant depreciation of the Nigerian naira, or if we observed pressure on its U.S. dollar liquidity position as a result of tighter supply in the banking sector.

Upside scenario: A positive rating action would require a material improvement in macroeconomic conditions in Nigeria, all else being equal.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b-

- Anchor: b
- Business Position: Moderate (-1)
- Capital and Earnings: Constrained (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Adequate and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: 0

ESG Credit Indicators: E-4, S-2, G-4

Guaranty Trust Bank Ltd. (GTBank) And Guaranty Trust Holding Co. PLC (GTCO)

We raised our national scale rating on GTBank to better reflect its leading market position in Nigeria, strong profitability, and earnings stability through the cycle. Growth of its digital channels and payments will continue to support earnings and reinforce the bank's access to low-cost funds. Our view of GTBank's capital and earnings reflects the group's stronger earnings accretion, low-cost base compared with domestic peers, and high quality of capital and earnings.

The equalization of the global scale rating on GTCO with that on GTBank, reflects the structural subordination of the NOHC because we believe that the entity could be subject to regulatory intervention in times of stress. We apply a two-notch difference between the group credit profile and the ratings on the NOHC. There is no double leverage at the NOHC. We raised our national scale ratings on GTCO as a result of the revision of the national scale rating on GTBank.

Outlook

The outlook on GTBank is stable and reflects that on Nigeria.

The stable outlook on GTCO reflects that on GTBank.

Downside scenario: We would lower the ratings on GTBank and its NOHC over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank. This could happen if the country's economic performance becomes much stronger than we expect, or external financing stress proves to be temporary.

An upgrade of GTCO over the next 12 months appears remote because it would require a three-notch upgrade of GTBank.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Bank Holding Company Rating: B-/Stable/B

Stand-Alone Credit Profile: b+

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Moderate (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Strong and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: -2

ESG Credit Indicators: E-4, S-2, G-4

Stanbic IBTC Bank PLC (Stanbic IBTC)

Our rating affirmation on Stanbic IBTC reflects the overall creditworthiness of the Stanbic IBTC group. The bank is a core component of the group and a strategically important entity to the broader Standard Bank Group. However, we do not add any notch of support because of the sovereign rating cap. However, we believe the intrinsic creditworthiness of the group has improved. The steady management team has delivered a resilient performance through the cycle thanks to stable asset quality, good efficiency metrics, and strong earnings capacity. The corporate banking and wealth management operations continue to be the largest revenue and profitability drivers against the relatively small but growing retail franchise. Specifically, corporate banking benefits from the South African parent Standard Bank Group's (SBG) business relationships and balance sheet backing. Stanbic IBTC also collaborates with ICBC, a 20% shareholder in SBG, to facilitate trade flows into Nigeria, as well as to service the banking requirements of Chinese state-owned enterprises and Chinese nationals operating locally. We expect asset quality metrics and capitalization will be resilient in 2022.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on the bank over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank. This could happen if the country's economic performance became much stronger than we expect, or external financing stress proved to be temporary.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b

- Anchor: b
- Business Position: Adequate (0)
- Capital and Earnings: Moderate (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Adequate and Adequate (0)
- Comparable Rating Analysis: 0

Support: 3

- ALAC Support: 0
- GRE Support: 0
- Group Support: 3
- Sovereign Support: 0

Additional Factors: -4

ESG Credit Indicators: E-4, S-2, G-4

Standard Chartered Bank Nigeria Ltd. (StanChart Nigeria)

StanChart Nigeria is the largest subsidiary of Standard Chartered PLC in Africa and we therefore consider it as strategically important to the group. However, we do not add any notch of support because of the sovereign rating cap. Our rating on the bank reflects its modest size and revenue vulnerability to economic cycle, balanced against the group's wide geographic reach and benefits from its network. In addition, the bank is leveraging the group's capabilities by gradually deploying products to acquire new retail clients, directed toward the high end of the highly competitive Nigerian market. While the bank exhibits good asset quality metrics, its high concentration risks and foreign currency lending are sources of credit risk.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on StanChart Nigeria over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank, all else being equal, including our expectation of group support from the parent over the next 12 months.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b-

- Anchor: b
- Business Position: Moderate (-1)
- Capital and Earnings: Moderate (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Adequate and Adequate (0)
- Comparable Rating Analysis: 0

Support: 3

- ALAC Support: 0
- GRE Support: 0
- Group Support: 3
- Sovereign Support: 0

Additional Factors: -3

ESG Credit Indicators: E-4, S-2, G-4

United Bank for Africa PLC (UBA)

We raised our national scale rating on UBA to reflect its long-standing market-leading position in Nigeria and its favorable business mix. The group operates in Nigeria and across key economies in Sub-Saharan Africa, as well as the U.S. and the U.K. The group's expansion within Africa relies on an expanding agency banking network and digital channels, which have continued to drive down cost of funds. Group revenue has been resilient through the cycles because of UBA's focus on trade finance, payment and cash management services, which underpin nonfunded income. The group's asset quality metrics are comparatively good and are underpinned by a conservative risk appetite and a stable management team.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on UBA over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank. This could happen if the country's economic performance became much stronger than we expect, or external financing stress proved to be temporary.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b+

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Constrained (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Strong and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: -2

ESG Credit Indicators: E-4, S-2, G-4

Zenith Bank PLC

We raised our national scale ratings on Zenith Bank to better reflect its market-leading position in Nigeria with a strong corporate franchise and stable revenue base through the cycle. Its strong profitability is underpinned by low cost of funding, a comparatively high efficiency ratio, and broadly constant cost of risk. The group's asset quality metrics are comparatively good, underpinned by a conservative risk appetite. Similar to most top-tier banks, Zenith Bank operates with large regulatory capital buffers and high quality of capital and earnings.

Outlook

The outlook is stable and reflects that on Nigeria.

Downside scenario: We would lower the ratings on Zenith Bank over the next 12 months if we took a similar action on Nigeria. This could happen if we observed increasing risk that Nigeria would lack the capacity to repay its commercial obligations, due to either declining external liquidity or a continued reduction in fiscal flexibility, which would likely affect banks' access to U.S. dollar liquidity.

Upside scenario: An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating for the bank. This could happen if the country's economic performance became much stronger than we expect, or external financing stress proved to be temporary.

Ratings Score Snapshot

Issuer Credit Rating: B-/Stable/B

Stand-Alone Credit Profile: b+

- Anchor: b
- Business Position: Strong (+1)
- Capital and Earnings: Moderate (0)
- Risk Position: Adequate (0)
- Funding and Liquidity: Strong and Adequate (0)
- Comparable Rating Analysis: 0

Support: 0

- ALAC Support: 0
- GRE Support: 0
- Group Support: 0
- Sovereign Support: 0

Additional Factors: -2

ESG Credit Indicators: E-4, S-2, G-4

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9,

2021

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Financial Institutions and BICRA Criteria Published, Dec. 9, 2021
- Certain Financial Institution Issuer And Issue Ratings Placed Under Criteria Observation Following Criteria Update; Dec. 9, 2021
- RFC Process Summary: Financial Institutions Rating Methodology, Dec. 9, 2021
- RFC Process Summary: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- RFC Process Summary: Financial Institutions Rating Methodology, Dec. 9, 2021

Ratings List

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Ratings Affirmed		
Access Bank PLC		
Issuer Credit Rating	B-/Stable/B	
Upgraded; Ratings Affirmed		
	To	**From**
Access Bank PLC		
Issuer Credit Rating		
Nigeria National Scale	ngBBB+/--/ngA-2	ngBBB/--/ngA-2

* * * * * * * * * * * * Ecobank Transnational Inc. * * * * * * * * * * * *		
Ratings Affirmed		
Ecobank Nigeria Ltd.		
Ecobank Transnational Inc.		
Issuer Credit Rating	B-/Stable/B	
Ecobank Nigeria Ltd.		
Senior Unsecured	B-	
Ecobank Transnational Inc.		
Senior Unsecured	B-	
* * * * * * * * * * * * * * * FBN Holdings PLC * * * * * * * * * * * * * *		
Ratings Affirmed		
FBN Holdings PLC		
Issuer Credit Rating	B-/Stable/B	
Nigeria National Scale	ngBBB-/--/ngA-3	
First Bank of Nigeria Ltd.		
Issuer Credit Rating	B-/Stable/B	
First Bank of Nigeria Ltd.		
Senior Unsecured	B-	
Upgraded		
	To	**From**
First Bank of Nigeria Ltd.		
Issuer Credit Rating		
Nigeria National Scale	ngBBB/--/ngA-2	ngBBB-/--/ngA-3
* * * * * * * * * * * * * * Fidelity Bank PLC * * * * * * * * * * * * * * *		
Ratings Affirmed		
Fidelity Bank PLC		
Issuer Credit Rating	B-/Stable/B	
Fidelity Bank PLC		
Senior Unsecured	B-	
Upgraded		
	To	**From**
Fidelity Bank PLC		
Issuer Credit Rating		
Nigeria National Scale	ngBBB/--/ngA-2	ngBBB-/--/ngA-3
* * * * * * * * * * * * * First City Monument Bank * * * * * * * * * * * *		
Ratings Affirmed		
First City Monument Bank		
Issuer Credit Rating	B-/Stable/B	
Nigeria National Scale	ngBBB-/--/ngA-3	

*** * * * * * * * * * * Guaranty Trust Holding Co. PLC * * * * * * * * * * ***		
Ratings Affirmed		
Guaranty Trust Bank Ltd.		
Issuer Credit Rating	B-/Stable/B	
Guaranty Trust Holding Co. PLC		
Issuer Credit Rating	B-/Stable/B	
Upgraded		
	To	**From**
Guaranty Trust Holding Co. PLC		
Issuer Credit Rating		
Nigeria National Scale	ngBBB/--/ngA-2	ngBBB-/--/ngA-3
Upgraded; Ratings Affirmed		
	To	**From**
Guaranty Trust Bank Ltd.		
Issuer Credit Rating		
Nigeria National Scale	ngBBB+/--/ngA-2	ngBBB/--/ngA-2
*** * * * * * * * * * * * Stanbic IBTC Holdings PLC * * * * * * * * * * * ***		
Ratings Affirmed		
Stanbic IBTC Bank PLC		
Issuer Credit Rating	B-/Stable/B	
Nigeria National Scale	ngBBB/--/ngA-2	
*** * * * * * * * * * * * * Standard Chartered PLC * * * * * * * * * * * * ***		
Ratings Affirmed		
Standard Chartered Bank Nigeria Ltd.		
Issuer Credit Rating	B-/Stable/B	
*** * * * * * * * * * * * United Bank for Africa Plc * * * * * * * * * * * ***		
Ratings Affirmed		
United Bank for Africa Plc		
Issuer Credit Rating	B-/Stable/B	
United Bank for Africa Plc		
Senior Unsecured	B-	
Upgraded; Ratings Affirmed		
	To	**From**
United Bank for Africa Plc		
Issuer Credit Rating		
Nigeria National Scale	ngBBB+/--/ngA-2	ngBBB/--/ngA-2

* * * * * * * * * * * * * * * Zenith Bank PLC * * * * * * * * * * * * * *		
Ratings Affirmed		
Zenith Bank PLC		
Issuer Credit Rating	B-/Stable/B	
Zenith Bank PLC		
Senior Unsecured	B-	
Upgraded; Ratings Affirmed		
	To	**From**
Zenith Bank PLC		
Issuer Credit Rating		
Nigeria National Scale	ngBBB+/--/ngA-2	ngBBB/--/ngA-2

Regulatory Disclosures

- Primary credit analyst: Sahil Tribhowan, Associate Director (Access Bank PLC, Ecobank Nigeria Ltd., Ecobank Transnational Inc., FirstBank of Nigeria Ltd., FBN Holdings PLC, Fidelity Bank PLC, First City Monument Bank PLC, Stanbic IBTC Bank PLC, Standard Chartered Bank Nigeria Ltd., United Bank for Africa PLC)
- Primary credit analyst: Trevor Barsdorf, Associate Director (Guaranty Trust Bank PLC, Guaranty Trust Holding Co. PLC, Zenith Bank PLC)
- Chairperson: Mohamed Damak

Date initial rating assigned:

- Access Bank PLC: March 12, 2009
- Ecobank Nigeria Ltd.: July 17, 2014
- Ecobank Transnational Inc.: April 11, 2018
- FBN Holdings PLC: June 11, 2013
- Fidelity Bank PLC: March 11, 2013
- First Bank of Nigeria Ltd.: June 11, 2013
- First City Monument Bank PLC: May 22, 2008
- Guaranty Trust Bank Ltd.: Nov. 27, 2006
- Guaranty Trust Holding Co. PLC: Oct. 27, 2021
- Stanbic IBTC Bank PLC: Nov. 13, 2013
- Standard Chartered Bank Nigeria Ltd: July 1, 2021
- United Bank for Africa PLC: May 19, 2017
- Zenith Bank PLC: Nov. 16, 2007

Date of previous review:

- Access Bank PLC: March 31, 2020
- Ecobank Nigeria Ltd.: March 31, 2020
- Ecobank Transnational Inc.: March 31, 2020
- FBN Holdings PLC: Sept. 22, 2020
- Fidelity Bank PLC: March 31, 2020
- First Bank of Nigeria Ltd.: Sept. 22, 2020
- First City Monument Bank PLC: March 31, 2020
- Guaranty Trust Bank Ltd.: March 31, 2020
- Guaranty Trust Holding Co. PLC: Oct. 27, 2021
- Stanbic IBTC Bank PLC: March 31, 2020
- Standard Chartered Bank Nigeria Ltd: July 1, 2021
- United Bank for Africa PLC: March 31, 2020
- Zenith Bank PLC: March 31, 2020

Disclaimers

This rating has been determined by a rating committee based solely on the committee's independent evaluation of the credit risks and merits of the issuer or issue being rated in accordance with S&P Global Ratings published criteria and no part of this rating was influenced by any other business activities of S&P Global Ratings.

This credit rating is solicited. The rated entity did participate in the credit rating process. S&P Global Ratings did have access to the accounts, financial records and other relevant internal, non-public documents of the rated entity or a related third party. S&P Global Ratings has used information from sources believed to be reliable but does not guarantee the accuracy, adequacy, or completeness of any information used.

Materials Used In The Credit Rating Process: Sufficient information in general consists of both (i) financial statements that describe the Issuer's financial condition, results of operations and cash-flows, and (ii) a description of the activities and obligations of the entity including of its governance and legal structure.

This credit rating was disclosed to the rated entity or related third party before being issued.

S&P Global Ratings' regulatory disclosures (PCRs) are published as of a point-in-time, which is current as of the date a Credit Rating Action was last published. S&P Global Ratings updates the PCR for a given Credit Rating to include any changes to PCR disclosures only when a subsequent Credit Rating Action is published. Thus, disclosure information in this PCR may not reflect changes to data within PCR disclosures that can occur over time subsequent to the publication of a PCR but that are not otherwise associated with a Credit Rating Action. Note that there may be instances where the PCR reflects an updated Ratings Model version in business use as of the date of the last Credit Rating Action although use of the updated Ratings Model was deemed unnecessary to produce that Credit Rating Action. For example, this may occur in the case of event-driven reviews where the event being assessed is considered to be not relevant to running the updated Ratings Model version. Note also that, in accordance with applicable regulatory requirements, S&P Global Ratings evaluates the impact of material changes to Ratings Models and, where appropriate, issues revised Credit Ratings where necessitated by the updated Ratings Model.

Glossary

- Anchor: The starting point for assigning a bank a long-term rating, based on economic and industry risk.
- Business position: A measure of the strength of a bank's business operations.
- Capital and earnings: A measure of a bank's ability to absorb losses.
- Core earnings: Net income before minority interest, minus nonrecurring income, plus nonrecurring expenses, plus/minus tax impact on adjustments, plus amortization/impairment of goodwill/intangibles, minus preferred dividends.
- Counterparty credit rating: A form of issuer credit rating, which is a forward-looking opinion about an obligor's overall creditworthiness.
- Credit losses: Losses arising from credit risk.
- Credit risk: Risk that a borrower will default on its payment obligations.
- Date initial rating assigned: The date S&P Global Ratings assigned the long-term foreign currency issuer credit rating on the entity.
- Date of previous review: The date S&P Global Ratings last reviewed the credit rating on the entity.
- Funding and liquidity: A combined assessment of the strength and stability of a bank's funding mix and its ability to manage its liquidity needs in adverse market and economic conditions over an extended period.
- Group support: An assessment of the likelihood that a parent or other group member would provide extraordinary support to a bank within that group.
- National scale rating: An opinion of an obligor's creditworthiness or overall capacity to meet specific financial obligations, relative to other issuers and issues in a given country or region.
- Risk position: Our view of the specific risk characteristics of a particular bank.
- Risk-adjusted capital (RAC) ratio before diversification: This is calculated according to S&P Global Ratings' methodology as total adjusted capital over risk-adjusted assets.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial papers, debt and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Sovereign support: An assessment of the likelihood that the government would provide extraordinary support to a bank.
- Stand-alone credit profile (SACP): An interim step in assessing a bank's overall creditworthiness. It includes government support, but not extraordinary government support.

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