Stanbic IBTC Holdings PLC/ Stanbic IBTC Bank Ltd.

Update

Ratings

Stanbic IBTC Holdings PLC
National Rating

National Long-Term Rating	AAA(nga)
National Short-Term Rating	F1+(nga)

Stanbic IBTC Bank Ltd.
National Ratings

National Long-Term Rating	AAA(nga)
National Short-Term Rating	F1+(nga)

Sovereign Risk (Nigeria)

Long-Term Foreign-Currency IDR	B
Long-Term Local-Currency IDR	B
Country Ceiling	B

Outlooks

National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Key Rating Drivers

The National Ratings of Stanbic IBTC Holdings PLC and Stanbic IBTC Bank Ltd. are driven by potential support from their ultimate parent, South Africa-based Standard Bank Group Limited (SBG; BB-/Stable). SBG has a 68.46% shareholding in Stanbic IBTC, which, in turn, has a 99.9% shareholding in Stanbic IBTC Bank.

Shareholder Support: Fitch Ratings believes SBG has a high propensity to provide support to Stanbic IBTC and Stanbic IBTC Bank, reflecting their leading corporate and investment banking (CIB) and insurance and asset-management businesses in Nigeria and importance to SBG's pan-African strategy. This is in addition to SBG's controlling ownership, strong integration and shared branding. However, the entities' ability to use support is constrained by Nigerian country risk.

Consolidated Assessment: Stanbic IBTC is a non-operating bank holding company. Stanbic IBTC's standalone creditworthiness is aligned with that of its consolidated risk profile due to the absence of common equity double leverage, and high capital and liquidity fungibility. Stanbic IBTC Bank represented 97% of Stanbic IBTC's total assets at end-1H25, and therefore its standalone creditworthiness is aligned with Stanbic IBTC's consolidated risk profile.

Improved Operating Environment: Fitch upgraded Nigeria's Long-Term IDRs to 'B' in April 2025. The exchange rate has stabilised, the banking sector's profitability and foreign-currency liquidity have improved, and capital raisings are boosting capitalisation. However, inflation remains high, regulatory intervention is burdensome and expiring forbearance on oil and gas loans will lead to an increase in impaired loans (Stage 3 loans under IFRS 9) ratios and prudential provisions.

Strong CIB Franchise: Stanbic IBTC has a moderate market share (end-2024: 4% of domestic banking system assets), but a strong franchise via its CIB and insurance and asset management businesses. Client relationships are fostered by being part of a large pan-African banking group.

High Credit Concentration: Single-obligor credit concentration is high, while oil and gas exposure (end-1H25: 28% of loans) is also material. Sovereign exposure through securities and cash reserves at the central bank is large (end-1H25: 3x common equity Tier 1 capital).

Limited Problem Loans: The impaired loans ratio increased to 4.7% by end-1H25 (end-2024: 4.2%), but remains low by international standards. Specific loan loss allowance coverage of impaired loans was 86%. Fitch expects the impaired loans ratio to increase slightly in 2H25.

Good Profitability Metrics: Operating returns averaged 5.6% of risk-weighted assets (RWAs) over the past four years (1H25: 10.2%, annualised), supported by a wide net interest margin, notable non-interest income and moderate loan impairment charges. Fitch expects profitability metrics to be maintained in 2H25 on the back of high interest rates.

Strong Internal Capital Generation: Stanbic IBTC's CET1 ratio improved to 19.1% by end-1H25 (end-2024: 13.4%), due to strong internal capital generation and the completion of the rights issue, which has enabled Stanbic IBTC Bank to meet its new minimum paid-in capital requirement of NGN200 billion ahead of the end-1Q26 deadline.

Comfortable Liquidity Coverage: Stanbic IBTC's gross loans/customer deposits ratio (end-1H25: 72%) is higher than peers', reflecting a greater reliance on non-deposit funding. Liquidity coverage is comfortable in local currency and FC.

Applicable Criteria

Bank Rating Criteria (March 2025)
National Scale Rating Criteria (December 2020)

Related Research

Fitch Affirms Stanbic IBTC Holdings PLC at 'AAA(nga)'; Outlook Stable (May 2025)
Fitch Affirms Nigeria at 'B'; Outlook Stable (October 2025)
Nigerian Banks Ready to Exit Longstanding Forbearance (August 2025)
Sub-Saharan African Banks Facing Higher Paid-In Capital Requirements (November 2025)
Fitch Affirms Standard Bank Group at 'BB-'; Outlook Stable (April 2025)

Analysts

Konstantin Alekseenko
+44 20 3530 1165
konstantin.alekseenko@fitchratings.com

Jamal El Mellali
+44 20 3530 2763
jamal.elmellali@fitchratings.com

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Stanbic IBTC's and Stanbic IBTC Bank's National Long-Term Ratings could be downgraded following a multi-notch downgrade of SBG's Long-Term IDR. Risks to the ratings could also stem from a weakening in SBG's propensity to provide support, but this is unlikely, in our view.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Stanbic IBTC's and Stanbic IBTC Bank's National Ratings are the highest attainable on Fitch's national rating scale and cannot be upgraded.

Significant Changes from Last Review

Nigeria's Long-Term IDRs Affirmed at 'B' in October 2025

Nigeria's Long-Term IDRs are supported by the country's large economy, a relatively developed and liquid domestic debt market, large oil and gas reserves and an improved monetary and exchange rate policy framework. They are constrained by weak governance indicators, high hydrocarbon dependence, high inflation, security challenges and structurally very low, although improving, non-oil revenue.

Banks Ready to Exit Longstanding Forbearance

Some large Stage 2 loans are being reclassified as impaired due to the end-1H25 expiry of longstanding systemwide forbearance relating to the classification and provisioning of problem loans, particularly to the oil and gas sector. The banking sector's impaired loans ratio (end-5M25: 5.4%) and provisions will therefore increase, which, in combination with the expiry of forbearance relating to single-obligor limit breaches, will exert pressure on total capital adequacy ratios across the banking sector.

Many Stage 2 loans have been restructured, oil production has increased, a significant increase in paid-in capital requirements has spurred capital raisings across the banking sector, and loss-absorption capacity has benefitted from higher net interest margins. These factors will enable the vast majority of banks to exit forbearance by end-2025. A few banks will be allowed to continue operating under forbearance subject to certain penalties, including the inability to pay dividends.

Foreign-Currency Liquidity Has Improved

Higher FX market turnover has benefitted the banking sector's foreign-currency liquidity. The banking sector returned to a large net foreign asset position in 2024 and foreign-currency liquidity metrics have improved, with offshore bank placements covering 56% of foreign-currency deposits at end-2024.

Financials

Financial Statements

	30 Jun 25		31 Dec 24	31 Dec 23	31 Dec 22
	1st half	1st half	12 months	12 months	12 months
	(USDm)	(NGNbn)	(NGNbn)	(NGNbn)	(NGNbn)
	Audited – unqualified	Audited – unqualified	Audited – unqualified	Audited – unqualified	Audited – unqualified
Summary income statement					
Net interest and dividend income	207	317	411	176	114
Net fees and commissions	75	114	170	110	91
Other operating income	-3	-5	65	68	34
Total operating income	279	426	647	354	239
Operating costs	117	179	261	168	129
Pre-impairment operating profit	162	247	386	186	110
Loan and other impairment charges	7	11	82	15	10
Operating profit	154	236	304	172	99
Other non-operating items (net)	5	8	0	1	1
Tax	46	70	78	32	20
Net income	113	173	225	141	81
Other comprehensive income	1	2	-2	8	-1
Fitch comprehensive income	114	175	223	148	80
Summary balance sheet					
Assets					
Gross loans	1,616	2,471	2,471	2,091	1,238
– Of which impaired	76	116	103	49	29
Loan loss allowances	93	142	122	59	33
Net loans	1,523	2,329	2,348	2,032	1,205
Interbank	109	167	52	9	3
Derivatives	40	61	124	551	42
Other securities and earning assets	1,582	2,420	1,806	879	900
Total earning assets	3,253	4,977	4,330	3,471	2,151
Cash and due from banks	1,473	2,254	2,245	1,385	664
Other assets	583	892	337	290	214
Total assets	5,310	8,123	6,912	5,146	3,029
Liabilities					
Customer deposits	2,241	3,428	3,010	2,073	1,245
Interbank and other short-term funding	504	771	628	919	561
Other long-term funding	322	492	530	445	238
Trading liabilities and derivatives	876	1,340	946	672	199
Total funding and derivatives	3,943	6,032	5,115	4,110	2,243
Other liabilities	745	1,140	1,127	529	378
Total equity	622	951	671	507	408
Total liabilities and equity	5,310	8,123	6,912	5,146	3,029
Exchange rate		USD1 = NGN1529.7105	USD1 = NGN1535.8175	USD1 = NGN899.393	USD1 = NGN448.55

Source: Fitch Ratings, Fitch Solutions, Stanbic IBTC

Key Ratios

(%; annualised as appropriate)	30 Jun 25	31 Dec 24	31 Dec 23	31 Dec 22
Profitability				
Operating profit/risk-weighted assets	10.2	6.9	6.0	5.5
Net interest income/average earning assets	13.5	10.3	6.3	5.5
Non-interest expense/gross revenue	42.0	40.3	47.4	54.1
Net income/average equity	44.1	38.4	30.9	20.8
Asset quality				
Impaired loans ratio	4.7	4.2	2.4	2.3
Growth in gross loans	0.0	18.2	68.9	30.9
Loan loss allowances/impaired loans	122.5	118.2	119.5	116.9
Loan impairment charges/average gross loans	0.7	3.5	0.8	0.9
Capitalisation				
Common equity Tier 1 ratio	19.1	13.4	16.4	19.5
Fully loaded common equity Tier 1 ratio	19.1	13.4	16.4	–
Fitch Core Capital ratio	20.3	15.1	17.1	22.4
Tangible common equity/tangible assets	11.7	9.7	9.6	13.3
Basel leverage ratio	8.3	8.3	8.5	11.1
Net impaired loans/common equity Tier 1	-2.9	-3.2	-2.0	-1.4
Net impaired loans/Fitch Core Capital	-2.8	-2.8	-1.9	-1.2
Funding and liquidity				
Gross loans/customer deposits	72.1	82.1	100.9	99.4
Customer deposits/total non-equity funding	56.9	59.6	56.6	56.2

Source: Fitch Ratings, Fitch Solutions, Stanbic IBTC

Support Assessment

Shareholder Support	
Shareholder IDR	BB-
Total Adjustments (notches)	
Shareholder Support Rating	
Shareholder ability to support	
Shareholder Rating	BB-/ Stable
Shareholder regulation	1 Notch
Relative size	Equalised
Country risks	2+ Notches
Shareholder propensity to support	
Role in group	1 Notch
Reputational risk	Equalised
Integration	Equalised
Support record	1 Notch
Subsidiary performance and prospects	Equalised
Legal commitments	1 Notch

The colours indicate the weighting of each KRD in the assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher

The ratings of Stanbic IBTC and Stanbic IBTC Bank reflect a limited probability of support, if required, from SBG. Fitch believes SBG has a high propensity to provide support considering Stanbic IBTC's and Stanbic IBTC Bank's strategic importance to SBG's pan-African franchise, SBG's controlling ownership of Stanbic IBTC, the entities' high operational integration with SBG, shared branding, and Stanbic IBTC's contribution to SBG's earnings. However, Nigerian country risks constrain Stanbic IBTC's ability to receive and use such support.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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