

FITCH AFFIRMS DBSA AT 'AA+(ZAF)'; WITHDRAWS RATINGS

Fitch Ratings-London-03 December 2018: Fitch Ratings has affirmed Development Bank of Southern Africa's (DBSA) National Long-Term Rating at 'AA+(zaf)' and National Short-Term Rating at 'F1+(zaf)'. Fitch has also affirmed DBSA's Support Rating at '3'. Simultaneously, Fitch has withdrawn the ratings for commercial reasons.

KEY RATING DRIVERS

NATIONAL RATINGS AND SUPPORT RATING

DBSA's National Ratings reflect a moderate probability of support from the South African authorities, as indicated by the Support Rating of '3'.

Fitch's assessment of support considers a high propensity from the authorities to support DBSA, given its status as a development bank, incorporated by an act of parliament (the Development Bank of Southern Africa Act, 1997), with a clear developmental mandate. DBSA's sole shareholder is the Ministry of Finance (MOF), which also contributes to a high propensity to support the bank, in Fitch's view. The propensity of the authorities to support also considers DBSA's largely independent funding strategy, with only a small proportion of funding guaranteed by the MOF.

Fitch's view of the probability of support also considers the authorities' moderate ability to support the bank, as illustrated by South Africa's Long-Term Issuer Default Rating (IDR) of 'BB+'.

DBSA's National Ratings reflect its relative creditworthiness to other rated South African issuers. The National Ratings have been affirmed as DBSA's relative creditworthiness has not changed. The Stable Outlook on DBSA's National Long-Term Rating reflects our expectation that DBSA's creditworthiness relative to others issuers in the country will be stable in the near term, even if the sovereign rating changes.

Fitch does not assign a Viability Rating to DBSA as its operations are determined by its policy role.

RATING SENSITIVITIES

Not applicable.

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Additional information is available on www.fitchratings.com

Applicable Criteria

Bank Rating Criteria (pub. 12 Oct 2018)

<https://www.fitchratings.com/site/re/10044408>

National Scale Ratings Criteria (pub. 18 Jul 2018)

<https://www.fitchratings.com/site/re/10038626>

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