



**NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA**

## **PRESS RELEASE**

### **FITCH UPGRADES SOUTH AFRICA TO 'BBB' OUTLOOK STABLE**

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**EMBARGO - IMMEDIATELY (2 MAY 2003)**

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Today, the 2<sup>nd</sup> of May 2003, Fitch, the international rating agency announced in London that South Africa's long-term foreign currency rating has been upgraded from 'BBB-' (BBB minus) to 'BBB'. The long-term local currency (Rand) rating has also been upgraded from 'BBB+' to 'A-' (A minus). The outlook for both ratings is stable.

Fitch cites South Africa's track record on fiscal management as the key factor underpinning improvements in South Africa's credit worthiness. The downward trend in public debt external ratios since 1995, fast export growth as well as a sound and consistent monetary policy management regime are also positive factors that have contributed to the rating upgrade.

In light of the sovereign rating upgrade, Fitch has also changed its rating for five banks in South Africa.

The banks are:

- **ABSA BANK:** Foreign currency Short- and Long-term ratings of 'F3/BBB' Outlook Stable, and Individual and Support ratings of 'C' and '2' respectively.
- **FIRSTRAND BANK:** Foreign currency Short- and Long-term ratings of 'F3/BBB' and local currency Long-term rating of A- (A minus) Outlook Stable, and Individual Support ratings of 'B/C' and '2' respectively.
- **INVESTEC BANK LTD:** Foreign currency Short- and Long-term ratings of 'F3/BBB' Outlook Stable, and Individual and Support ratings of 'B/C' and '5' respectively.
- **NEDCOR BANK:** Foreign currency Short- and Long-term ratings of 'F3/BBB' (BBB) and local currency Long-term Rating of 'BBB' Outlook Stable, and Individual and Support ratings of 'B/C' and '2' respectively.
- **STANDARD BANK OF SOUTH AFRICA:** Foreign currency Short- and Long-term ratings of 'F3/BBB' and local currency Long-term rating of 'A-' (A minus) Outlook Stable, and Individual and Support ratings of 'B/C' and '2' respectively.

These ratings upgrade confirm the National Treasury's long held view that the macroeconomic management path that the leaders of our country have embarked on is correct and will - as it already does - bear fruit. The Government has, and continues to, lay a solid foundation of stable consistent and prudent economic management policies for sustainable growth and development.

The ratings upgrade is particularly significant as it is announced on the eve of a roadshow in Europe that will precede the issuance of a Euro denominated bond by officials of the National Treasury to a wide variety of institutional and retail investors.

Our solid economic policies as well as our rapidly improving credit story confirm South Africa as a haven for both foreign direct and portfolio investments.

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