

**BOA BENIN**
**Credit Rating Note 2017**

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long Term	Regional	CFA	A+	A	Stable
Short Term	Regional	CFA	A1	A1	Stable

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**Basic financial data:**

In million CFA	2015	2 016
Total balance sheet	850 524	932 977
Interbank loans	88 167	60 262
Customer loans	262 121	334 669
Interbank debt	234 361	286 436
Customer deposits	516 683	538 994
Equity	65 072	72 438
Interest margin	10 944	13 346
Net banking product	39 186	39 335
Net result	12 533	16 139

**Introduction**

Bank Of Africa (BOA) Benin is a commercial bank established in 1989. It is a public limited company making public offers.

BOA Benin is the first subsidiary established by the BOA Group (formerly African Financial Holding) after BOA Mali.

Its registered capital amounts to CFA 10,072,680,000 as at 31 December 2016, held at 54% by the BOA Group and at 43% by private shareholders.

**Table :Distribution of registered capital as at end of 2016**

Actionnaire	Part
BOA WEST AFRICA	54%
BOAD	2%
Actionnaires privés	43%
Total	100%

Source: BOA Benin

**Long term:**

High credit quality. Protection factors are good. However, risk factors are more variable and more significant in times of economic pressure.

**Short term:**

Very high certainty of timely repayment. Liquidity factors are excellent and are supported by good protection factors of key elements. Risk factors are minor.

**The rating is based on the following positive factors:**

- A sector with great potential for growth;
- Good positioning in the banking market of Benin;
- Continued deployment of Convergence;
- Continuous increase in intermediation margin;
- Improvement of overall performance following a strong decline in the cost of risk;
- Improved quality of the credit portfolio;
- Willingness to improve the ownership rate of SME's

**Main factors of fragility of credit quality:**

- Difficult economic context following a decline of trade with Nigeria, which has gone into recession;
- Ability to maintain sustained growth of NBP is yet to be demonstrated;
- Prudential ratios are consistent with the regulation by have declined.

**Justification of the rating and outlooks**