BANK OF AFRICA SENEGAL

Credit rating note **May 2016**

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Regional	CFA	A-	A-	Stable
Short-term	Regional	CFA	A2	A2	Stable

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Basic financial information

In million FCFA	2014	2015
Total balance sheet	285 085	361 877
Interbank claims	33 119	33 375
Loans and advances to customers	167 855	193 153
Interbank liabilities	101 285	116 844
Deposits from customers	145 564	206 124
Equity	26 560	26 279
Interest margin	7 487	6 301
Net banking income	16 143	16 971
Net result	3 376	2 079

Presentation

Bank Of Africa-Senegal (BOA Senegal) is a commercial bank established on 25 January 2001, registered on the Trade Register under number 2001 B211 2001 of 29 January 2001.

As at 31 December 2015, its CFA 12 billion capital was held at 71.70% by the BOA Group.

Since 10 December 2014, BOA-Senegal has become the fifth subsidiary of the Bank of Africa Group to be listed on the Regional Stock Exchange (BRVM).

Justification of the rating and outlooks

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: There is good assurance of timely repayment. Liquidity factors and key corporate elements are sound. Although current financing requirements seem to increase to the total financing requirement, access to the capital market is good. Risk factors are minor.

Key performance factors

The rating is based on the following positive factors:

- continued leadership on the Middle Market segment;
- higher growth of customer deposits and appropriations than the market;
- GNP increase supported by financial transactions;
- risk of management disruption, which seems limited;
- improved management of Risk and Control following the deployment of the Convergence Project;
- good financial flexibility;
- low country risk;

Below are the major rating factors regarded as negative:

- low implementation of the three-year development plan 2013-2015;
- strong competition putting profitability under stress;
- continuous decline in the quality of the credit portfolio;
- control of operating expenses to be confirmed;
- lower performance indicators;
- coverage of the asset/liability conversion risk to be monitored;
- risk coverage to be strengthened.