

BOA BENIN

Credit Rating Note

Validity: May 2018 - April 2019

Category of values	Rating scale	Currency	Current rating	Previous rating	Expiry date	Outlook
Long-term	Local currency	CFA	A+	A+	4/30/2019	Stable
Short-term	Local currency	CFA	A1	A1	4/30/2019	Stable

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Basic financial information

(In million CFA)	2 016	2 017
Total Balance Sheet	932 977	974 543
Interbank loans	60 262	117 225
Customer loans	334 669	398 147
Interbank debt	286 436	324 920
Customer deposits	538 994	539 607
Equity	72 438	76 248
Interest margin	13 346	16 369
Net banking product	39 335	39 608
Net result	16 139	14 814

Introduction

Established in 1989, Bank Of Africa Benin is the first subsidiary of the BOA Group opened after BOA Mali.

BOA Benin is a public limited company with a Board of Directors, making public offerings. Its registered office is located at Avenue Jean Paul II, Cotonou, Benin.

In 2017, BOA Benin's capital rose to CFA 20,280,524,000 following an increase by incorporation of issue premiums of CFA 10,073 million and the integration of the capital of Banque de l'Habitat du Bénin (BHB), following its absorption, amounting to CFA 135 million.

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:

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

Key performance factors

The rating is based on the following positive factors:

- Maintenance of leadership despite the competition;
- Net banking income supported by higher interest margin;
- Improved quality of the credit portfolio;
- Strong support from the BOA Group;
- Low risk of management breakdown.

Main factors of credit quality fragility:

- Economic environment affected by Nigeria's difficult economic situation;
- Declining operating ratio;
- SME financing strategy difficult to implement.