



PRESS RELEASE :

WARA reviews the ratings of CORIS BANK INTERNATIONAL (CBI)

WARA once again affirms CBI's long-term rating at **BBB**

Coris Bank International (CBI), the third largest bank in Burkina Faso by total assets, is rated BBB by WARA.

Ouagadougou, 14/07/16 — **West Africa Rating Agency** (WARA) announces today that it has affirmed all the ratings assigned to **CBI**, for its fourth review. On WARA's regional scale, the long-term rating of CBI remains « **BBB** », in the investment-grade category, and its short-term rating remains « **w-4** ». These ratings reflect CBI's rapid growth rate, enabling the bank to position itself as a major financial institution in Burkina Faso. The outlook attached to these ratings remains **stable**.

Simultaneously, on its international scale, WARA affirms the bank's ratings at **iB / Stable / iw-6**.

CBI's remain dependent on the stability of the macroeconomic environment in Burkina Faso. WARA justifies the ratings and outlook on CBI by the fact that the institution managed to carve out for itself an important position on the domestic banking market. The bank's growth trend is continuing, whereas its innovative attitude, combined with robust risk management capabilities, enables it to differentiate itself from competitors.

« *The credit ratings of Coris Bank International does not factor in any external support factor* » highlights Christelle N'doua, lead analyst in charge, for WARA, of CBI's ratings. Born in 2008 from the transformation of « La Financière du Burkina », which used to be a troubled financial institution, CBI has gone through rapid

catch-up between 2008 and 2013. CBI is a universal bank with total assets of 648 billion FCFA at yearend 2015. The bank manages a network of about 30 branches in urban and rural areas, and it now ranks third by total assets among the twelve banks that constitute the banking sector of Burkina Faso. « *Strong governance and good vision as to the future developments of the institution stand as the key rating factors for CBI; decisions are made efficiently and allow CBI to envisage building a more ambitious financial group across WAEMU* » adds Christelle N'doua.

An upgrade of CBI's ratings will depend on : i) an improvement of Burkina Faso's sovereign rating, which seems unlikely in the short term ; ii) a significant and durable increase in domestic market shares, enabling CBI to strengthen its systemic importance in the long term ; or iii) further foray into geographic diversification, which already started in WAEMU with subsidiaries in Ivory Coast, Mali and Togo, and branches in both Benin and Senegal, allowing CBI to be less dependent on its domestic market in the medium term.

A downgrade of CBI's ratings would be the consequence of: i) a deterioration of CBI's financial performance either because of more clients defaulting or because of inflating operating charges at a time when growth is quite fast; ii) social risks materializing, or another political crisis in the country, further weakening the economic environment; or iii) loss of domestic market shares.

As a matter of reference, WARA considers that the probability of occurrence of the best case scenarios is equal to that of the worst case scenarios in the medium term; in other words, CBI's current ratings carry as much downward pressure as upward potential.

The methodology used by WARA to rate CBI is the credit rating methodology for the industrial and

commercial companies, which was published on the 15th of July 2012 (revised in August 2013), and is available on WARA's website (www.rating-africa.org).

Information sources used by WARA to carry out CBI's ratings are mainly private information obtained during discussions with CBI's management team and parent company in April, May and June 2016. This information, coupled with publicly available sources, is considered by WARA as satisfactory for conducting CBI's credit rating process.

Finally, WARA notes that the credit rating process of CBI was requested and participating, meaning that it was performed upon a request by CBI, and that the company's management actively participated in the discussions with WARA's team of analysts.

CBI's long-term rating of 'BBB' is one notch above the minimum credit rating accepted by the CREPMF to issue debt without a guarantee.

The comprehensive credit rating report is available upon request by e-mail.

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