Early Warning System

IFC-40553

BOA RSF

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Quick Facts

Countries	Burkina Faso, Congo, Democratic Republic of, Ghana, Ivory Coast, Madagascar, Mali, Niger, Senegal, Tanzania, Togo
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-03-26
Borrower	BANK OF AFRICA GROUP SA
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 120.00 million

Project Description

The proposed project entails the provision of a 5-year Risk Sharing Facility (“RSF” or the “Facility”) in the amount of US$60 million to cover ten Bank of Africa (“BOA”) subsidiaries in IDA and FCS countries – namely Bank of Africa Burkina Faso, Bank of Africa Cote d’Ivoire, Bank of Africa RDC, Bank of Africa Ghana, Bank of Africa Madagascar, Bank of Africa Mali, Bank of Africa Niger, Bank of Africa Senegal, Bank of Africa Tanzania, and Bank of Africa Togo, together the Participating Affiliates (“PAs”) for a target portfolio of SME loans in the amount of up to US$120 million equivalent.
Under this project, IFC will be supporting the expansion of this regional banking group’s SME lending across sub-Saharan Africa.

The project includes an Advisory Services (“AS”) engagement whereby IFC will provide targeted support to the 10 BOA Participating Affiliates to strengthen the bank’s capacity to serve SMEs. The Project will have three AS components, which support and complement the risk sharing program to enable the Group to unlock its SME growth potential in IDA/FCS countries. These include:

1. Operational implementation
2. Pipeline development and
3. Capacity building support..

Investment Description

- International Finance Corporation (IFC)

The proposed RSF will be up to US$60 million and will cover 50% of the credit risk taken by the 10 PAs on portfolios of SME facilities which can amount to up to US$ 120 million equivalent in aggregate.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Bank of Africa (BOA) Group S.A. (Financial Intermediary)

Private Actors Description

BOA is a leading regional financial services group based and operating in sub-Saharan Africa. The group was first incorporated in 1982 with its first operation established in Mali and has been building a pan-African banking franchise in 16 countries. BMCE, the third largest bank in Morocco, acquired 35% of the Group in 2008, hence becoming the largest and controlling shareholder. Six BOA subsidiaries are listed on BRVM, WAEMU’s stock exchange.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/