



## Arab Bank for Economic Development in Africa (BADEA) assigned "AAA" credit rating by the Japan Credit Rating Agency (JCR)

Riyadh, Saudi Arabia

August 17th, 2023

**Japan Credit Rating Agency (JCR) has today assigned a "AAA" foreign currency long-term issuer rating to the Arab Bank for Economic Development in Africa (BADEA) with a Stable outlook.**

**This extremely strong credit rating is underpinned by extraordinary support from BADEA's shareholders** – 18 Arab countries members of the League of Arab States (LAS). For the last 49 years, since its inception in 1974, BADEA has not contracted any borrowings to date and has been fully funded by shareholder equity, which has been subject to several rounds of capital increases – all paid-in. Total paid-in equity and reserves of BADEA are USD 5.48 Billion, as of June 2023, further augmented by a contractual callable capital of USD 5 Billion.

The rating is also driven by the key role BADEA plays in coordinating Arab countries' support for Africa as well as its Preferred Creditor Status. BADEA has never recognised credit losses on any of its sovereign and non-sovereign loans in Africa since inception, despite the generally low credit ratings of its borrowers. The credit rating is further supported by robust liquidity metrics, as 48% of the bank's total assets are liquid investments.

BADEA's core focus is to strengthen economic, financial and technical cooperation between the Arab and Africa regions, and embody of Arab-African solidarity on foundations of equality and friendship. The bank has an unusually strong governance structure, whereby it can only lend to non-shareholder countries based in Africa - and as such BADEA serves as a trusted and highly effective catalyst for Arab development funds into Africa which is key for the shared prosperity of both regions. JCR noted the fact that Sub-Saharan African countries, which are the borrowing countries, are not the shareholders of BADEA is a feature that makes it unique among MDBs.

The full Press Release announcing JCR's decision is [available at this link](#).

Commenting on JCR's rating announcement, **H.E. Dr. Fahad Abdullah Aldossari, BADEA's Board Chairmansaid:** *"Sub-Saharan Africa remains underserved in terms of access to crucial financing for priority projects. We will continue to leverage our very strong credit ratings and also catalyse our partners in the Arab world and elsewhere to better serve the financing needs of the region. This AAA rating from JCR puts us in a very strong position to raise funds at highly competitive rates and will significantly expand our capacity to lend affordably to support Africa, as it recovers from the current global financial turmoil."*

**H.E. Dr. Sidi Ould Tah, President of BADEA** said *"This rating is a true reflection of BADEA's extraordinary credit profile and the endless support the bank has enjoyed from our shareholders over 49 years. As an upcoming benchmark issuer in global and regional capital markets, we will provide our investors with the liquidity and security they need while raising funds to further drive the bank's mandate in Africa. It is a further reflection of the continued strengthening of our internal capabilities and our teams are justly proud."*

## About **BADEA**

**BADEA is a "AAA" rated multilateral development financial institution owned by 18 Arab countries.** The Bank was founded in 1974 with the purpose of fostering, supporting and enhancing economic, financial and technical cooperation between Arab and African countries.

**Social impact is at the heart of BADEA's priorities and the 'BADEA 2030' strategy. To achieve its mission, the Bank mainly plays a catalytic role and offers several impactful financial instruments** ranging from sovereign loans with a predominance in infrastructure finance, agriculture value chain development, trade and private sector development, entrepreneurship and SMEs development. The Bank also provides capacity building non-refundable grants to support key development projects in Sub-Saharan Africa aligned with its mandate.

## **CONTACT**

### **BADEA MEDIA INQUIRIES:**

[badea@badea.org](mailto:badea@badea.org)

### **Ibtissam H'Midouche, Head of Investors Relations:**

[ibtissam.hmidouche@badea.org](mailto:ibtissam.hmidouche@badea.org)

### **WEBSITE**

[www.badea.org](http://www.badea.org)