

Credit Rating Note

Validity: June 2019 - May 2020

Category Of values	Rating scale	Currency	Current rating	Previous rating	Validity	Outlook
Long-Term	Local currency	CFA	AA+	AA+	31/05/2020	Stable
Short-Term	Local currency	CFA	A1+	A1+	31/05/2020	Stable

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Basic Financial Data

In millions FCFA	2017	2017*	2018
Total Balance sheet	166 048	165 679	187 652
Interbank Receivables	159 569	162 015	159 587
Interbank Debts	26 238	26 243	26 247
Debts represented by a security	102 183	104 015	121 561
Capital Equity	18 702	19 299	34 121
Interest Margin	1 408	1 402	1 599
Net Commission income	372	372	36
Net Banking Income	2 174	2 184	1 924
Net Income	1 349	1 348	1 009

*Data after reprocessing according to the new PCBR

Introduction

The Caisse Régionale de Refinancement Hypothécaire of the West African Economic and Monetary Union (CRRH-UEMOA) is a financial institution created on 16th July 2010 in Cotonou, Benin, with a capital of 3,426 million francs CFA

Incorporated as a public limited company with a board of directors, it is registered in the Trade and Personal Property Credit Register of Lomé under the number TG-LOM-2010 B 1817.

Its purpose is to refinance housing loans granted in the WAEMU by its shareholder banks.

In doing so, the company mobilizes its resources either on the WAEMU regional financial market by issuing bonds, negotiable debt securities or securities of any kind, either with its development partners.

Its share capital was 8,375 million francs CFA in 2017, and it was raised to 9,144 million francs CFA in 2018. In January 2019, the share capital amounts to 9,589 million francs CFA.

Justification of the rating outlook

Long-term :

Very high credit quality and protective factors. The negative changes in the business environment, economic or financial conditions will increase investment risks albeit in a very insignificant way.

Short-term :

Timely payment assurance is very high. Liquidity factors are excellent and sustained by good protection factors of essential elements. Risk factors are minor.

Key performance factors

The Rating is based on the following positive factors:

- A good level of refinancing on market resources despite unsuitable market conditions ;
- The ability to mobilize market resources for longer maturities ;
- The reinforcement of the risk management system ;
- A progressive adaptation to the new regulatory framework of the banking sector ;
- A reinforcement of capital equity ;

The main factors fragilizing credit quality :

- A decrease in Net Income induced by the application of the Plan Comptable Bancaire Révisé (PCBR) ;
- A global currency risk hedging mechanism to solidify ;
- A concerning security and socio-political situation in the WAEMU ;
- A relatively fragile land ownership framework in the WAEMU.