

**SHELTER-AFRIQUE**

NAIROBI, KENYA

**Credit Rating Note**
**Validity: June 2018 - May 2019**

Category of securities	Rating scale	Currency	Previous rating	Current rating	Expiry date	Outlook
Long-Term	Regional	CFA	BBB+	BBB+	31/05/2019	Stable
Short-Term	Regional	CFA	A3	A3	31/05/2019	Stable

**Bloomfield Investment Corporation**

Tel: (225) 20 21 57 47

Fax: (225) 20 21 57 51

 Soraya DIALLO, Deputy-Director Bloomfield Rating  
[ms.diallo@bloomfield-investment.co](mailto:ms.diallo@bloomfield-investment.co)

 Frédérique EKRA, Chief of Mission  
[fekra@bloomfield-investment.com](mailto:fekra@bloomfield-investment.com)
[www.bloomfield-investment.com](http://www.bloomfield-investment.com)
**Basic financial information**

In \$US '000	2015	2016	2017
Total assets	335 852	336 508	311 859
Borrowing	158 431	188 998	144 837
Equity	105 864	93 356	131 699
Liquid assets	40 834	28 139	41 438
Loans and advances	274 281	283 114	247 402
Interest and similar income	25 143	30 545	24 729
Overall net result	-3 961	-12 681	-7 791

**Introduction**

Shelter-Afrique is a Multilateral Development Bank (MDB) established in 1982.

The mission of Shelter-Afrique is to finance housing and urban development in the forty-four (44) African shareholder countries by offering a range of products.

Its authorized capital stands at one (1) billion US dollars as at 31 December 2017.

The paid up capital has increased from USD 62.6 million in 2016 to USD 88.6 million in 2017.

The capital share of WAEMU countries has increased by 2.61 points, from 9.97% in 2016 to 12.58% in 2017.

**Table 1: Distribution of the called capital as at 31 December 2017**

Shareholders	2016	2017
African Development Bank	16,89%	17,15%
Nigeria	11,30%	11,77%
WAEMU	9,97%	12,58%
Kenya	10,61%	13,57%
Ghana	10,09%	7,13%
Algeria	6,74%	4,76%
AFRICA RE	4,03%	5,10%
Other countries	30,37%	27,94%
TOTAL	100%	100%

Source: Shelter-Afrique

**Justification of the rating and outlooks**

**Long-term:** Protection factors are appropriate and are regarded as sufficient to ensure prudent investments. However, risks are highly variable during economic cycles.

**Short term:** Liquidity is satisfactory and other protective factors mitigate potential issues regarding the investment index. However, risk factors are greater and subject to more variations.

**Justification of the rating**

**The rating is based on the following positive factors:**

- Ongoing recapitalization, with an exceptional collection of contributions from member countries, amounting to USD 46.5 million in 2017;
- Better portfolio quality of 4.4 points, thanks to 58.9% increase in collections in 2017
- Restructuring of the senior management team
- Liquidity level is increasing thanks to the payment of contributions by member countries, but it remains below the minimum ratio;
- Net result is still negative but increased by 38.6% in 2017.

**Main fragility factors of the rating:**

- Suspension of Shelter-Afrique's activities since January 2017;
- Intrinsic strength needs to be enhanced;
- Ongoing 2016-2020 strategy is being canceled due to internal crises that prevent its implementation;
- High economic, socio-political and security risk in Kenya;
- Reputational and management disruption risk is still present and high.