

## TOGO, CRRH-UEMOA

Analysis of the activities of a mortgage refinancing institution in Africa

### Credit rating note

August 2015

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Regional	CFA	AA	N/A	Stable
Short-term	Regional	CFA	A1	N/A	Positive

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### Basic financial data

In million CFA	2011	2012	2013	2014
Total balance sheet	4 553	19 128	61 433	76 494
Inter-bank claims	3 926	18 120	60 106	72 815
Debt represented by security	-	12 500	49 814	60 447
Equity	4 403	6 187	8 779	10 289
Refinancing Operations Result	291	525	712	627
Net result	173	249	372	274

### Introduction

UEMOA CRRH (Regional mortgage refinancing fund of the West African Economic and Monetary Union) is a financial institution incorporated as a public limited company with Board of Directors.

Its registered capital of CFA 5,731,570,000 as at 31 December 2014 is divided among three (3) financial institutions (29.8%) and forty-nine (49) commercial banks (70.2%).

Its mission is to refinance, on behalf of its shareholders (commercial banks), housing loans granted by them to their customers.

It mobilizes resources on the WAEMU financial market through by issuing bonds, negotiable debt securities or transferable securities of any kind.

Furthermore, CRRH is able to mobilize resources from its financial partners and other institutions.

### Justification of the rating and outlooks

**Long term:** Very high credit quality. Protection factors are very strong. Any adverse change in the business, economic or financial conditions will increase investment risks even though very less significantly.

**Short-term:** There is very high assurance of timely repayment. Liquidity factors are excellent and are supported by good protection factors of key elements. Risk factors are minor.

### Key performance factors

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

- high demand for housing finance;
- housing development potential;
- assumed strong support of shareholders;
- a project supported by the whole Union;
- an action adapted to the environment;
- controlled exposure to credit risk;
- good governance.

**Below are the major rating factors regarded as negative:**

- WAEMU legal framework on housing not yet harmonized;
- fragile sociopolitical and security situation in the sub-region;
- bank financing not meeting the expectations of populations;
- limited visibility of business growth due to external factors;
- The implementation of the strategy is highly depend on the political will for accelerating reforms in the regional legal framework.