

Crédit du SAHEL ("CDS")	CAMEROON
<i>Limited by Shares</i>	<i>Report as of December 2005</i>

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Synopsis

Crédit du Sahel ("CDS") was founded as a cooperative and started operations in 1997. In 2005 it transformed into a Company Limited by Shares. As a Microfinance Institution, CDS is supervised by the Commission Bancaire d'Afrique Centrale (COBAC) and regulated by the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC). The MFI operates mainly in the extreme north and targets the 3 poorest regions of Cameroon. CDS makes both individual and group loans to its 7,500 active borrowers, whilst a strong culture of savings has grown the number of savers to 15,000. At the end of 2005 the portfolio amounted to \$6.3 million.

PERFORMANCE RATING
γ+

Date of visit	May 2005
Date of previous rating	n.a.
Previous rating	n.a.

α++	
α	α+
	α
	α-
β	β+
	β
	β-
γ	γ+
	γ
	γ-

CDS
Highlights

The rating reflects CDS's extraordinary low equity base and high gearing levels in 2005. In MicroRate's opinion the MFI is in urgent need of a capital injection as at the moment CDS is not creditworthy.

POSITIVE

- Strong market position
- Wide variety of products and services
- Competent management
- Strong savings mobilization

NEGATIVE

- Extremely low Equity Base
- Reported first operating loss in 2005
- Weak MIS
- Inadequate training of loan officers
- Deteriorating portfolio quality
- No systematic approach to risk management

Main Performance Indicators

	Dec '04	Dec '05
Gross Portfolio ('000's)	5296.9	6352.6
Number of active borrowers	4,009	7,514
ROE (%)	0	4.9
Portfolio Yield (%)	28.5	28.7
Portfolio at Risk (%)	9	10.2
Operating Expense Ratio (%)	18.7	23.7
Average Out. Loan Size (%)	536	400
Borrowers per staff	137	163

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