



BLOOMFIELD RATINGS

BLOOMFIELD INVESTMENT CORPORATION

**Public Limited Company with a Board
of Directors with a share capital of
CFAF 100,000,000**

**Accredited by the Capital Market
authority (CMA) of Rwanda
Ref/CMA/July/3047/2015**

**Accredited by the CREPMF of WAEMU
NA001/2012**

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PRESENTATION

Bloomfield Ratings is responsible for all of Bloomfield Investment Corporation's credit rating activities. The work is carried out using methodologies that strongly take into account the local environment and its impact on the credit quality of the rated entity or operation.

Scores assigned by **Bloomfield Investment Corporation** reflect the insolvency risk of any entity (businesses, banks, public institutions or countries) raising funds on the market or from banks. This helps to rank borrowers according to their risk quality.

The need for quality information requires collecting useful information through the most certain channels. This is also achieved through a team of professionals with a wide range of experience and academic training.

As a result, **Bloomfield Ratings'** credit rating activities mainly consist of solicited or regulatory ratings.

□ OUR METHODOLOGIES

Drawing on the approach followed by development banks and international rating agencies, Bloomfield Investment has developed a credit risk assessment methodology appropriate for African companies.

The firm's know-how lies in its expertise in risk assessment and knowledge of the local African context. Based on these both qualitative and quantitative criteria, the approach involves five major issuer categories:

- industrial and commercial,
- financial and insurance institutions,
- public organizations,
- sovereign borrowers
- structured finance (securitization).

THE RATING PROCESS

The credit rating process takes place in 06 major steps:

1. The request for rating and start of assignment

This is the phase where the entity to be rated and our agency agree on the terms of the assignment. The purpose is to identify the expectations of the entity to be rated and to establish the rights and duties on the parties. This phase includes either a proposal of services by the rating agency, or a request made by the entity to be rated. The agreement of the parties is materialized by a rating contract. It is followed (but may be preceded) by the presentation of the rating mission to the entity's key officials by the leaders of the rating agency. The presentation is important because it enables the leaders to be on the same level of information and to prepare each function within the rated entity for the rating exercise. A focal point who is the contact person of the agency is identified within the rated entity. He/she is the contact person for all matters related to the credit rating exercise throughout the assignment. Appointing a contact person helps to ensure effectiveness in the management of the assignment. This part ends with the formal launch of the rating assignment. Generally, based on the start date agreed upon between the parties, our agency makes a formal request for documentation in a correspondence which:

- marks the actual launch of the assignment;
- describes the steps of the assignment and their importance in comparison to others;
- sets responsibilities within the rating team.

2. Collecting the documentation

The documentation collection phase starts from the launch letter. Collection of documentation is done through the focal point in several steps:

- Collection before the beginning of reviews. This is the main step in the collection of documentation. This step determines the start of reviews. It is therefore essential for meeting the deadlines. This step is planned to take two (2) weeks. Any delay in its implementation will result in an equivalent delay in the delivery of the rating report.

THE RATING PROCESS

- Collection of documentation during reviews. It requires the responsiveness and promptness of the rated entity with regard to any queries that may arise from the reviews. The focal point is expected to note all data collection difficulties at the level of the rated entity and inform the credit rating agency accordingly.

***Any delays in data collection, when they do not lead to delays in the delivery of findings, can impact the assessment of the credit quality of the rated entity.*

3. Reviews and Visits

Depending on the nature of the rated entity or the operation, one of our methodologies presented above will be applied.

An analysis of the environment, strategy and management, as well as a study of the forecast budgets and the business plan of the rated entity is carried out.

Reviews are carried out by two analysts in two steps:

- Before the interviews: During this step, the work of the reviewers rests mainly on the documentation and information obtained from the "initial" collection of documentation. They can be supported by special requests to the rated entity. Following the surveys, reviewers generally draft questions that are used to prepare site visits and interviews.
- Field visits and finalization of reviews: Field visits are necessary to improve the comprehension of the rated entity, its activities, and potential risks. They also help to meet key people in the organization and to assess their understanding of the conduct of activities.

Moreover, the field visit serves for collection of data and information to be used in the finalization of reviews. For the purpose of effectiveness, a field visit does generally not exceed a week and is based on a timetable agreed between the rated entity and our rating agency. After the interviews, the reviewers finalize their works. Additional information may be useful to complete the reviews.

The focal point is often required to provide additional documentation to enable the finalization of the activities.

Reviews are carried out in our premises in Abidjan, and visits and interviews ideally take place in the premises of the rated entity.

THE RATING PROCESS

4. Drafting of the summary rating report

The report is drafted on the basis of an executive summary, which derives from the work done by the reviewers.

The draft rating report does not contain any rating or outlook.

It is submitted to the issuing entity to collect their observations and comments.

This submission is intended to make sure that the information provided to our rating agency has been well understood and appropriately presented.

Further reviews can be made following the reception of the comments and observations of the rated entity.

In this case, the rated entity is expected to provide information or documentation in relation to their observations and comments, which might require adjustments to the rating report.

5. Credit quality assessment

Once the report has been updated, the reviewers present the findings (Rating report, including credit rating note), a proposed rating and the outlook (short and long term) to the Rating Committee together with justifications.

The Rating Committee does not take part in the reviews.

the role of the committee is to assess the entity's credit quality based on the findings of the reviewers contained in the rating report and the associated summary documents.

It is sovereign, is not bound to follow the reviewers' recommendations and is accountable for the short-term and long-term rating (and outlooks) assigned to the rated entity.

The ratings assigned are communicated to the rated entity at the same time as the final rating report and the rating note.

Ratings are valid for one year.

The rating agency and the rated entity agree on a date for the presentation of the findings of the rating exercise.

When the entity decides to publish the rating, this is done through the publication circuits identified by the parties at the moment of the request for rating and according to conditions established at that moment.

THE RATING PROCESS

6. Follow-up of the rating

Since ratings are valid for one year, our agency undertakes monitoring action.

The monitoring is done by the reviewers in liaison with the focal point.

It is the responsibility of the rated entity to provide the rating agency, upon request, with any information likely to affect its credit quality.

Any information or situation that our agency thinks is likely to influence the credit quality of the rated entity will be made public (if the findings of the first notation had been published) after prior notification to the rated entity.

CONDITIONS FOR THE SUCCESS OF A CREDIT RATING ASSIGNMENT

The duration of the mission is strongly dependent on the observance of a few key factors.

The success of the rating assignment relies strongly on the timely availability of documentation and information, and prompt provision of this data and information to the rating agency.

It also depends on the availability of key staff for interviews.

Indeed, regardless of all known benefits, the interest of the rating for an entity is that it provides a regular assessment tool.



C R E D I T M A N A G E M E N T B E Y O N D N U M B E R S

